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For Immediate Release

WTN 09-10

Western Canadian Coal and Cambrian Mining Combine To Create a Larger, Stronger Coal Company

Vancouver, BC, May 20, 2009: The independent directors of **Western Canadian Coal Corp. (AIM: WTN and TSX: WTN, WTN.DB, WTN.WT)** ("Western" or the "Company" and the "Western Independent Directors") are pleased to announce that Western has entered into a definitive agreement pursuant to which Western will acquire, by way of a UK scheme of arrangement, all of the issued and to be issued ordinary share capital of Cambrian Mining Plc (AIM: CBM) ("Cambrian" and the "Cambrian Independent Directors") (the "Acquisition").

The combined operations of Western, a Canadian producer of high quality metallurgical coal, and Cambrian, a UK based diversified mining company operating in three continents, will result in a financially stronger and more diversified coal mining company. The combination of these two companies is an excellent strategic fit, as Cambrian, with a 34% interest in Western's common shares and C\$29 million ownership of Western's convertible debentures, has been instrumental in developing Western's mines and bringing them into operation.

The Acquisition values Cambrian at approximately £67.4 million (or C\$120 million) and each Cambrian Share at 57 pence based on the Closing Price of one Western Share of 76 pence on May 19, 2009, the last Dealing Day prior to the date of this announcement.

Mr. John Byrne, Chairman of Western and Cambrian, comments, "This transaction is demonstrably beneficial to shareholders for both companies. It simplifies the corporate structure and provides a solid foundation for growth. From the Western shareholder's perspective, Western will acquire 100% of low-cost metallurgical and thermal coal mines in West Virginia, 50.6% of a thermal coal mine in the UK, 45.3% of Xtract Energy, and 100% of AGD Mining. From the Cambrian shareholders' perspective, this transaction will remove the holding company discount which we believe has affected the valuation of the company for many years and shareholders will retain a significant interest in a larger and financially stronger group."

KEY ACQUISITION BENEFITS

The creation of a larger, stronger, and more diversified coal mining company will significantly increase the long-term growth prospects of the combined company. The key benefits of the Acquisition are:

- Globally diversified operations, with operating coal mines in three key coal producing regions (Western Canada, West Virginia and Wales, UK);
- Product diversification with the introduction of thermal coal to the existing product mix of hard coking coal and low-vol PCI coal;

- Sales diversification with a more balanced sales program into Asia, Europe and the USA;
- An expansion of coal reserves and resources by 39% and 50%, respectively;
- Increased size with the 100% increase in the current's coal production to approximately 3.5 million tonnes, with the potential to grow to over 10 million tonnes per year;
- Cost savings through reduced overhead, marketing and operational synergies;
- A simplified ownership structure that will increase the public float of shares by 55%.

BOARD OF DIRECTORS

On completion of the merger, the board of Western will continue to be John Brodie, John Byrne, Robert Chase, John Conlon, John Hogg, who will also continue to be Western's President & CEO, Charles Pitcher and Julian Treger.

TERMS OF THE ACQUISITION

The Acquisition will be carried out by way of a scheme of arrangement of Cambrian under English law, involving a reduction of capital under English law, pursuant to which all of the issued and to be issued ordinary share capital of Cambrian (other than treasury shares or shares held by Western) will be cancelled, new shares issued to Western and Cambrian will become a wholly-owned subsidiary of Western.

Under the Acquisition, holders of ordinary shares in Cambrian ("Cambrian Shareholders" and "Cambrian Shares") will receive 0.75 common shares in Western ("Western Shares") for every 1 Cambrian Share held. Upon completion of the Acquisition, Western will issue approximately 88.6 million new common shares, representing approximately 29.5% of Western's issued and outstanding shares, as increased by this issue, but before any adjustment for the approximately 72.1 million common shares that the Cambrian Group will continue to hold upon the Scheme becoming effective. Upon cancellation of those shares, the new Western common shares will represent approximately 38.9% of Western's issued and outstanding shares.

Irrevocable agreements to vote in favour of the Acquisition have been secured from Audley European Opportunities Master Fund Limited, in respect of approximately 24.7% of Cambrian's ordinary shares (other than treasury shares or shares held by Western).

Full details of the Acquisition will be included in the Management Information Circular of Western and Scheme Document of Cambrian, which will be mailed to the Western shareholders and Cambrian shareholders, respectively. The documents are expected to be filed with the appropriate regulatory authorities and mailed to the applicable company's shareholders by May 26, 2009.

The Acquisition is subject to the usual regulatory and court approvals and to obtaining the approval of a minimum 75% by value and more than 50% by number approval of those shares voted at a meeting of the shareholders of Cambrian, and the majority approval of the minority shareholders of Western, being all shareholders of Western other than Cambrian, Audley European Opportunities Master Fund Limited and their respective associates and affiliates, at a special meeting of the shareholders of Western. Western will be holding a shareholder meeting on June 24, 2009. The parties expect that the Acquisition will close in early July 2009.

ADVISORS

Western's financial advisors are Cormark Securities Inc. (Cormark) and Cenkos Securities plc, who is also the Company's nominated advisor (NOMAD). Lawson Lundell LLP (Canada) and Reynolds Porter Chamberlain LLP (England) are Western's legal counsel. Fraser Milner Casgrain LLP is acting as legal counsel to Western's Independent Directors.

Cambrian's financial advisor and NOMAD is Singer Capital Markets Limited. Goodmans LLP in Canada and Trowers & Hamblins LLP in the UK are acting as external legal counsel to Cambrian. Cambrian's Canadian financial advisors are GMP Securities LLP.

BOARD RECOMMENDATIONS

Based on the recommendation of the special committee of the Western Independent Directors, as well as a formal valuation and fairness opinion of Cormark, the board of directors of Western (with directors that also serve on Cambrian's board and Julian Treger abstaining from voting) have unanimously approved the Acquisition and will be recommending that the shareholders of Western approve the Acquisition. The board of directors of Cambrian (with directors that also serve on Western's board abstaining from voting) have also unanimously approved the Acquisition and the Cambrian Independent Directors will be recommending that the Cambrian Shareholders approve the Acquisition.

CONFERENCE CALL

Western will be hosting a conference call to present the Acquisition at 10:30am (Pacific) on May 20, 2009. To listen to the call, dial either 1-800-731-5319 or 416-644-3426. The call will also be webcast live on the Company's website at www.westerncanadiancoal.com. Accompanying presentation slides will also be available on the Company's website.

About Cambrian Mining Plc

Cambrian Mining Plc is a diversified mining group, headquartered in London, UK. Cambrian operates in three continents and produces four commodities. The Cambrian Group produces metallurgical coal, thermal coal, gold and antimony from four locations; West Virginia USA, Western Canada, Wales and Victoria, Australia. Cambrian's customers are located in Asia, Western Europe and USA. Cambrian actively looks for growth through acquisitions and organic development. For more information, visit www.cambrianmining.com.

About Western Canadian Coal Corp

Western Canadian Coal Corp. produces high quality metallurgical coal from mines located in north eastern British Columbia. The coal is sold to many of the top steelmakers in the world. Western also has interests in various coal properties in northern and southern British Columbia and a 50% interest to explore and develop the Belcourt and Saxon group of properties in northern British Columbia. For more information, visit www.westerncanadiancoal.com.

Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information includes, but is not limited to, information concerning the proposed business combination between Western and Cambrian and matters relating thereto. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Assumptions upon which such forward-looking information is based

include, without limitation, that the shareholders of Western and Cambrian will approve the Acquisition, that all required third party, court, regulatory and governmental approvals to the Acquisition will be obtained and all other conditions to the making of any offer and/or the completion of the Acquisition will be satisfied or waived. Many of these assumptions are based on factors and events that are not within the control of Western and Cambrian and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include changes in market conditions, variations in coal recovery rates, risks relating to international operations, fluctuating coal prices and currency exchange rates, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, the business of the companies not being integrated successfully or such integration proving more difficult, time consuming or costly than expected as well as those risk factors discussed in the Annual Information Form for the year ended March 31, 2008 for Western available on www.sedar.com and the June 30, 2008 Annual Report for Cambrian available in Cambrian's website at www.cambrianmining.com. Although Western and Cambrian have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Western and Cambrian undertake no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

For further information, please contact:

Investors

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The Announcement made today is in accordance with the Rule 2.5 of the UK Takeover Code. The 2.5 announcement follows.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM, THE REPUBLIC OF SOUTH AFRICA OR JAPAN OR ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

FOR IMMEDIATE RELEASE

20 May 2009

Recommended proposal for the acquisition of Cambrian Mining Plc
by Western Canadian Coal Corp.
to be implemented by means of a scheme of arrangement
and extension to Cambrian's US \$27million 6.750 per cent. unsecured convertible notes

Summary

- The Cambrian Independent Directors and the Western Independent Directors are pleased to announce the terms of a recommended proposal for the acquisition by Western of the whole of the issued and to be issued ordinary share capital of Cambrian. It is intended that the Proposal will be effected by way of a scheme of arrangement of Cambrian under section 899 of the Companies Act 2006.
- Under the Proposal, Scheme Shareholders will receive 0.75 new Western Shares for every 1 Cambrian Share held.
- The Proposal values the entire issued ordinary share capital of Cambrian at approximately £67.4 million and each Cambrian Share at 57.0 pence based on the Closing Price of one Western Share of 76 pence on 19 May 2009, being the last Dealing Day prior to the date of this announcement.
- Based on yesterday's Closing Price of a Western Share, the consideration under the Proposal represents:
 - a premium of approximately 246 per cent. to the Closing Price of a Cambrian Share of 16.5 pence on 15 December 2008, being the last Dealing Day prior to the commencement of the Offer Period; and
 - a premium of approximately 27 per cent. to the Closing Price of a Cambrian Share of 44.75 pence on 19 May 2009, being the last Dealing Day prior to this announcement.
- In agreeing to the cancellation of their Cambrian Shares in exchange for the receipt of Western Shares, the Cambrian Independent Directors believe that Cambrian Shareholders will benefit from continuing to hold an investment in the same underlying assets while gaining a more direct investment in Western's assets. In addition, by being part of the Enlarged Group, Cambrian will benefit from:
 - a transaction that is consistent with Cambrian's stated strategy of transforming into an operating mining company;
 - a strengthened balance sheet;
 - increased capital market scale and increased share liquidity;
 - improved prospects of retaining existing, and attracting new personnel through an enhanced group profile and scale synergies; and
 - simplification of the structure of the Cambrian Group.

The Western Independent Directors believe that the Proposal will allow Western to benefit from the creation of a larger, stronger, and more diversified coal mining company, which will significantly increase the long-term prospects of the combined company. The key benefits are:

- globally diversified operations, with operating coal mines in three key coal producing regions (Western Canada, West Virginia and Wales);
 - product diversification with the introduction of thermal coal to the existing product mix of hard coking coal and low-vol PCI coal;
 - sales diversification with a more balanced sales program into Asia, Europe and the USA;
 - an expansion of coal reserves and resources by 39 per cent. and 50 per cent. respectively;
 - increased size with the 100 per cent. increase in the current's coal production to approximately 3.5 million tonnes, with the potential to grow to 10 million tonnes per year;
 - cost savings through reduced overhead, marketing and operational synergies; and
 - a simplified ownership structure that will increase the public float of shares by 55 per cent..
- The Cambrian Independent Directors, who have been so advised by Singer, consider the terms of the Proposal to be fair and reasonable. In providing its advice to them, Singer has taken into account the commercial assessment of the Cambrian Independent Directors. Further important background to the recommendation is given in the full announcement.
 - The Cambrian Independent Directors will recommend that Cambrian Shareholders vote in favour of the resolution to approve the Scheme to be proposed at the Court Meeting and vote in favour of the Special Resolution to be proposed at the General Meeting.
 - The Proposal will be put to Cambrian Shareholders at the Court Meeting and at the General Meeting, which are expected to be held on 23 June 2009. To become effective, the Scheme must be approved by a majority in number of the holders of Cambrian Shares present and voting at the Court Meeting, either in person or by proxy, representing not less than three fourths in value of the Scheme Shares that are voted at the Court Meeting. In addition, a special resolution implementing the Scheme and sanctioning the related reduction of share capital must be passed by Cambrian Shareholders representing 75 per cent. of the votes cast at the General Meeting.
 - The Scheme is a "related party transaction" for the purposes of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), the applicable Canadian securities law that governs certain transactions which raise the potential for significant conflicts of interest, including related party transactions. Pursuant to the requirements for a related party transaction under MI 61-101 in addition to any other required security holder approval that may be required in order to complete a related party transaction, Western must obtain the approval of at least a simple majority of the votes cast by "minority" holders of Western Shares. The "minority" holders of Western Shares for the purposes of the Scheme are all Western Shareholders other than Cambrian, the Audley Fund, their respective associates and affiliates, and any related party of any of them, and any person acting jointly or in concert with any of them.
 - An irrevocable undertaking to vote in favour of the Scheme and the resolutions at the Court Meeting and the General Meeting has been secured in respect of, in aggregate, 29,142,484 Cambrian Shares, representing approximately 24.7 per cent. of the existing Cambrian Shares.
 - It is expected that the Scheme Document will be posted on 22 May 2009 and that the Scheme will become effective on 13 July 2009, subject to the satisfaction of the Conditions set out in Appendix I.
 - It is expected that a Management Information Circular will be posted to Western Shareholders no later than 26 May 2009.
 - Cenkos Securities is acting as financial adviser to Western and no one else in connection with the Offer. Singer is acting as financial adviser to Cambrian and no one else in relation to the Proposal. Cormark Securities is acting as financial adviser to Western. GMP Securities LP is acting as financial adviser to Cambrian.

- The Cambrian Noteholders have agreed to an amendment to the current terms and conditions of the Cambrian Notes. The principal terms of the amendments are as follows:
 - a ninety day extension of the term so that the maturity date is extended from 23 May 2009 to 21 August 2009;
 - interest rate increase from 6.75 per cent. to 15.0 per cent. per annum during the extension period, payable monthly in arrears;
 - in the event that the Scheme becomes effective, Cambrian will be required to redeem the Cambrian Notes in full within five business days of the Effective Date; and
 - additional covenants are given by Cambrian in relation to Cambrian and its subsidiaries which are deemed relatively standard for an agreement of this type.

The obligation to redeem the Cambrian Notes in full within five business days of the Scheme becoming effective will also fall on the Enlarged Group from such date.

The Chairman of both Western and Cambrian, Mr John Byrne, commented:

“This transaction is demonstrably beneficial to shareholders. It simplifies the corporate structure and provides a solid foundation for growth.

From a Western shareholder’s perspective Western acquires 100 per cent. of ADC, 50.6 per cent. of Energybuild, 45.3 per cent. of Xtract and 100 per cent. of AGD Mining.

From the Cambrian shareholder’s perspective, this transaction will remove the holding company discount which has affected the valuation of the company for many years and shareholders will retain a significant interest in a larger and financially stronger group.”

Enquiries in relation to Cambrian please contact:

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Enquiries in relation to Western please contact:

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This summary should be read in conjunction with the full text of the attached announcement (including the Appendices).

Terms used in this summary shall have the meaning given to them in the full announcement. All times referred to are London times unless otherwise stated.

This announcement is not intended to, and does not, constitute or form part of any offer to sell or an invitation to purchase or to subscribe for any securities pursuant to the Proposal or otherwise or the solicitation of any vote or approval in any jurisdiction. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote in respect of the Proposal. Any approval or other response to the Proposal should be made only on the basis of the information in the Scheme Document. Cambrian and Western Shareholders are

advised to read carefully the formal documentation in relation to the Proposal once it has been dispatched.

The availability of the Proposal to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about and observe any applicable requirements. New Western Shares in the hands of certain US Persons are subject to certain restrictions noted in paragraph 15 of the announcement.

Copies of this announcement are not being, and must not be, directly or indirectly mailed or otherwise forwarded, distributed or sent in or into any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving this announcement (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or otherwise send it in, or into or from any such jurisdiction. Further details in relation to overseas shareholders will be contained in the Scheme Document.

This announcement has been prepared in accordance with English Law, the Takeover Code and the AIM Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England. The Proposal will be subject to the applicable rules and regulations of the Financial Services Authority, the London Stock Exchange and the Takeover Code.

This announcement, including information included or incorporated by reference in this announcement, may contain "forward-looking statements" concerning the Cambrian Group and the Western Group. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Cambrian and Western assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable law.

Singer, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Cambrian and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Cambrian for providing the protections afforded to customers of Singer or for providing advice in relation to the Proposal or any other matters referred to in this announcement.

Cenkos Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as financial adviser for Western and no one else in connection with the Proposal and will not be responsible to anyone other than Western for providing the protections afforded to customers of Cenkos Securities or for providing advice in relation to the contents of the Proposal or any matters referred to in this announcement.

Under the provisions of Rule 8.3 of the Takeover Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of Cambrian, all "dealings" in any "relevant securities" of Cambrian (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Cambrian, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Takeover Code, all "dealings" in "relevant securities" of Cambrian, by Western, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of securities in issue, can be found on the Panel's website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Takeover Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

Appendix I sets out the conditions to implementation of the Proposal and the Scheme.

Appendix II contains the definitions of terms used in this announcement.

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FOR IMMEDIATE RELEASE

20 May 2009

Recommended proposal for the acquisition of Cambrian Mining Plc
by Western Canadian Coal Corp.
to be implemented by means of a scheme of arrangement
and extension to Cambrian's US \$27million 6.75 per cent. unsecured convertible notes

1. Introduction

Further to the announcements by Cambrian and Western on 24 December 2008, the Cambrian Independent Directors and the Western Independent Directors are pleased to announce that they have reached agreement on the terms of a recommended proposal for the acquisition by Western of the whole of the issued and to be issued ordinary share capital of Cambrian. The Proposal is to be effected by way of a scheme of arrangement of Cambrian under section 899 of the Companies Act involving a reduction of capital under section 135 of the 1985 Act, which requires approval by the Cambrian Shareholders (other than Western) and the sanction of the Court. Upon the Scheme becoming effective, Scheme Shareholders will receive 0.75 New Western Shares for every Scheme Share held. No fractions of New Western Shares will be allotted.

The Cambrian Noteholders of the US\$27 million 6.750 per cent. unsecured Cambrian Notes have agreed to an amendment to the current terms and conditions of the Cambrian Notes. The principal terms of the amendments are as follows:

- a ninety day extension of the term so that the maturity date is extended from 23 May 2009 to 21 August 2009;
- interest rate increase from 6.75 per cent. to 15.0 per cent. per annum during the extension period, payable monthly in arrears;
- Cambrian is required to redeem the Cambrian Notes in full within five business days of the Scheme becoming effective; and
- additional covenants are given by Cambrian in relation to Cambrian and its subsidiaries which are deemed relatively standard for an agreement of this type.

The obligation to redeem the Cambrian Notes in full within five business days of the Scheme becoming effective will also fall on the Enlarged Group from such date.

2. Summary of the terms of the Proposal

The Proposal is to be effected by way of a Court sanctioned scheme of arrangement of Cambrian under section 899 of the Companies Act involving a reduction of capital under section 135 of the 1985 Act. The scheme is subject to the Conditions and the further terms set out in Appendix I of this document. If the Scheme becomes effective, the Scheme Shares will be cancelled and Cambrian will become a wholly owned subsidiary of Western.

In consideration for the cancellation of the Scheme Shares, Scheme Shareholders will receive:

0.75 New Western Shares for every 1 Scheme Share Held

The Proposal values the entire issued ordinary share capital of Cambrian at approximately £67.4 million and each Cambrian Share at 57.0 pence based on the Closing Price of one Western Share of 76.0 pence on 19 May 2009, being the last Dealing Day prior to the date of this announcement.

Based on yesterday's Closing Price of a Western Share, the consideration under the Proposal represents:

- a premium of approximately 246 per cent. to the Closing Price of a Cambrian Share of 16.5 pence on 15 December 2008, being the last Dealing Day prior to the commencement of the Offer Period; and
- a premium of approximately 27 per cent. to the Closing Price of a Cambrian Share of 44.75 pence on 19 May 2009, being the last Dealing Day prior to this announcement.

Assuming no further shares are issued by Cambrian prior to the Scheme becoming effective, implementation of the Scheme would involve the issue by Western of up to approximately 88.6 million New Western Shares for the existing issued Cambrian Shares, excluding the Treasury Shares. This would represent approximately 38.9 per cent. of Western's issued share capital, as enlarged by this issue, excluding the approximately 72.1 million Western Shares that the Cambrian Group will continue to hold immediately following the Scheme becoming effective and it would represent approximately 29.5 per cent. of Western's enlarged share capital including the Cambrian Group's shareholding. Under British Columbia corporate law common shares of a company held by a subsidiary of that company may not be voted on any matters relating to such company, and subject to tax and other structuring considerations, the 72.1 million Western Shares owned by the Cambrian Group may be cancelled, in which case the New Western Shares issued to Cambrian Shareholders will represent 38.9 per cent. of Western's issued share capital.

The Scheme will become effective upon the sanctioning by the Court of the Scheme and of the Reduction of Capital and the delivery to the Registrar of Companies of a copy of the Orders which, subject to the Court's timetable, is expected to occur by close of business on 13 July 2009.

It is intended that Western will acquire at least one Cambrian Share which will mean that Western will be a member of Cambrian on the Effective Date and accordingly there will be no requirement under section 103 of the Companies Act 1985 for an independent valuation. As its Cambrian Share will not be a Scheme Share which will be cancelled under the Proposal, Western is precluded from voting at the Court Meeting and, accordingly, the Cambrian Share held by Western will not count towards the majorities required to approve the Scheme. Western will, however, undertake to be bound by the Scheme. In addition John Byrne and John Conlon, each of whom is a director of both Western and Cambrian (whose combined shareholdings in Cambrian are 7,711,262 ordinary shares), have indicated that they will not exercise their rights to vote at the Court Meeting.

3. Irrevocable undertakings

The Audley Fund has irrevocably undertaken to exercise (or procure the exercise of) the voting rights in respect of its interest in 29,142,484 Cambrian Shares, (representing approximately 24.7 per cent. of the existing Cambrian Shares) in favour of the resolutions to be proposed at the Court Meeting and the General Meeting. The irrevocable undertaking signed by the Audley Fund will cease to be binding if an Independent Competing Offer is made for Cambrian which is more favourable to the Cambrian Shareholders from a financial point of view.

The Cambrian Independent Directors do not hold any Cambrian Shares but have irrevocably undertaken, *inter alia*, to recommend the terms of the Proposal. John Byrne and John Conlon have irrevocably undertaken, *inter alia*, that in the event that Western switch the Scheme to an Offer they will accept the Offer.

4. Background to and reasons for recommending the Proposal

During the last two years, one of Cambrian's main strategic objectives has been to transform itself from a

holding company for mining investments into an operating mining group. Key transactions undertaken during this time to transform the Cambrian Group have included assisting the refinancing and ongoing strategic review of Western; acquiring the outstanding share capital not previously owned by Cambrian in Coal International Plc (now Coal International Limited); continuing to develop Cambrian's gold/antimony mine at Costerfield, Australia; and the disposal of Cambrian's interests in Asian Mineral Resources.

Cambrian has had a longstanding significant holding in Western and the Cambrian Directors have for some time been considering Cambrian's options for this investment. The Proposal represents an opportunity to continue the Cambrian Group's transformation and to establish an Enlarged Group with a diversified portfolio of assets, including:

- 100 per cent. ownership of three coal mines and two wash plants in north east British Columbia, Canada with reported production for the 12 month period ended 30 June 2008 of 2.8 million tonnes of metallurgical coal;
- 100 per cent. ownership of two coal mines and two wash plants in West Virginia, US, with reported production for the year ended 30 June 2008 of 0.4 million short tons of metallurgical coal and 0.6 million short tons of thermal coal;
- 50.6 per cent. interest in Energybuild Group Plc (AIM:EBG) with reported production for the year ended 30 June 2008 of 0.1 million tonnes of thermal coal and sized coal in Wales;
- future coal production potential of up to 10 million tonnes per annum from existing reserves and resources; and
- increased coal reserves and resources

In considering whether to recommend the Proposal, the Cambrian Independent Directors have taken into account a number of factors, including Cambrian's financial commitments and stated strategy of transforming into an operating mining company.

In agreeing to the cancellation of their Cambrian Shares in exchange for the receipt of Western Shares, the Cambrian Independent Directors believe that by being part of the Enlarged Group, Cambrian's Shareholders will benefit from:

- gaining a more direct investment in Western's assets while continuing its investment in the same other assets;
- a strengthened balance sheet;
- increased capital market scale and increased share liquidity;
- improved prospects of retaining existing, and attracting new personnel through an enhanced group profile and scale synergies; and
- simplification of the structure of the Cambrian Group.

The Western Independent Directors believe that the Proposal will allow Western to benefit from the creation of a larger, stronger, and more diversified coal mining company, which will significantly increase the long-term prospects of the combined company. The key benefits are:

- globally diversified operations, with operating coal mines in three key coal producing regions (Western Canada, West Virginia and Wales)
- product diversification with the introduction of thermal coal to the existing product mix of hard coking coal and low-vol PCI coal;

- sales diversification with a more balanced sales program into Asia, Europe and the USA;
- an expansion of coal reserves and resources by 39 per cent. and 50 per cent. respectively;
- increased size with the 100 per cent. increase in the current's coal production to approximately 3.5 million tonnes, with the potential to grow to 10 million tonnes per year;
- cost savings through reduced overhead, marketing and operational synergies; and
- a simplified ownership structure that will increase the public float of shares by 55 per cent..

5. Recommendation

The Cambrian Independent Directors, having been so advised by Singer, consider the terms of the Proposal to be fair and reasonable. In providing its advice to the Cambrian Independent Directors, Singer has taken into account the commercial assessments of the Cambrian Independent Directors.

Accordingly, the Cambrian Independent Directors consider that the resolutions to be proposed at the Court Meeting and the General Meeting are in the best interests of Cambrian and Cambrian Shareholders. Accordingly, the Cambrian Independent Directors recommend that (i) Cambrian Shareholders vote in favour of the resolution to approve the Scheme to be proposed at the Court Meeting and (ii) Cambrian Shareholders vote in favour of the Special Resolution to be proposed at the General Meeting.

6. Information on Cambrian

Cambrian is an AIM quoted operating mining company that manages and supports operations in coal and gold/antimony mining. The Cambrian Group has been instrumental in supporting the development of a number of mines and moving them into production. These include: Western's metallurgical coal mines in British Columbia, Canada; metallurgical and thermal coal mines in West Virginia, US; Energybuild's Aberpergwm coal mine in Wales; as well as a gold and antimony mine in Victoria, Australia.

In addition to its mining operations Cambrian has investments in Xtract Energy Plc, giving it exposure to energy projects and related technologies; and NEMI, which has a 12 per cent. interest in Peace River Coal LP which in turn has metallurgical coal interests in northeast British Columbia.

Financial information in relation to Cambrian will be set out in the Scheme Document.

7. Information on Western

Western's principal business is the acquisition, exploration and development of coal mining properties and the production and sale of high quality metallurgical coal from mines located in northeast British Columbia, Canada. Western has developed a diversified coal asset base adjacent to or nearby existing infrastructure already established for the northeast coalfields, including rail, port, town and other facilities.

Western holds the rights to two large multi-deposit coal property groups – the Wolverine and Brazion groups of properties, which include approximately 35,000 hectares located in northeastern British Columbia under licence or lease. Additionally, Western holds a 50 per cent. interest in the Belcourt Saxon Coal Limited Partnership, which holds the rights to two additional multi-deposit coal property groups - the Belcourt and Saxon groups of properties, which include more than 50,000 hectares under lease or application held by Belcourt Saxon Coal Limited.

Western's principal property assets are grouped geographically as follows:

- the Perry Creek and EB open-pit deposits (the "Wolverine Project") and the Hermann open-pit deposit, all of which are located within Western's Wolverine group of coal properties; and

- the Brule Mine and Willow Creek Mine which are open-pit mines located within Western's Brazion group of coal properties.

Western has demonstrated the economic viability of the Wolverine Mine, Brule Mine, and the Willow Creek Mine through independent technical studies that have been publicly disclosed and are available under Western's profile on the SEDAR website at www.sedar.com.

Western has also published an independent technical study on the Belcourt deposits in the Belcourt Saxon group of properties. This study has been publicly disclosed and is available under Western's profile on the SEDAR website at www.sedar.com

Western also owns or holds an interest in a number of other property assets located in northeast and southeast British Columbia which are at a less advanced stage of development.

Financial information in relation to Western will be set out in the Scheme Document.

8. Management and employees

The board of directors of Western has given assurances to the board of directors of Cambrian that, following the Scheme becoming effective, the existing employment rights of all management and employees of the Cambrian Group will be fully safeguarded.

Immediately after the Scheme has become effective, the management of Western will commence a comprehensive review of the business model, operations and staffing levels and roles within the Cambrian Group. Western expects that this will lead to a reduction in staffing levels as a result of the implementation of various cost synergies and operational efficiencies. However, such steps will only be taken after consultation with the appropriate bodies and/or employee representatives in accordance with legal obligations. Western does not currently intend to redeploy the fixed assets of Cambrian to an extent that would have a material impact on the business of Cambrian.

Western has confirmed to the board of directors of Cambrian that its current plan for the Cambrian Group following the Scheme becoming effective does not involve any material change in the terms and conditions of employment of the Cambrian Group employees and there are currently no plans to change the principal office location of Cambrian.

Following the Scheme becoming effective, the board of directors of Western will continue to be comprised of the current members of the board, including John Byrne and John Conlon. John Hogg, Western's current CEO, will continue as the CEO of Western. The directors of Cambrian and each of its wholly-owned subsidiaries will step down from the respective boards of those companies shortly after the Effective Date and members of the management of Western will be appointed in their place. It is the current intention that Mark Burrige will stand down as CEO of Cambrian shortly after the Effective Date.

9. Structure of the Scheme

The Acquisition is to be effected by way of a scheme of arrangement. The Scheme is an agreement between Cambrian and the holders of Scheme Shares (as defined in the Scheme) under section 899 of the Companies Act and is subject to the sanction of the Court.

It is proposed that, under the Scheme, all the Scheme Shares in issue prior to the Voting Record Time will be cancelled and that the reserve arising from such cancellation will be applied in paying up in full a number of new Cambrian Shares (having the same aggregate nominal value as is equal to the aggregate nominal value of the Scheme Shares cancelled) and issuing them to Western in consideration for which the holders of the cancelled Scheme Shares will receive New Western Shares on the basis set out below. Any further Scheme Shares issued before the Reduction Record Time and in respect of which the holders are or have consented to be bound by the Scheme will also be subject to the Scheme.

Scheme Shareholders who are on the register of members of Cambrian at the Scheme Record Time will receive 0.75 New Western Shares for every 1 Cambrian Share. No fractions of New Western Shares will be allotted.

Cambrian Shares issued after the Reduction Record Time will not be subject to the Scheme. Accordingly, it is proposed that the Articles be amended so that Cambrian Shares issued after the Reduction Record Time (other than to Western or a nominee of Western) will be automatically acquired by Western or a nominee of Western on the same terms as under the Scheme.

Any Cambrian Shares issued to holders of Options and Warrants on exercise of their Options and Warrants after the Reduction Record Time will not be included in the Scheme and such holders of Options or Warrants will not be bound by the Scheme. The amendments to the Articles to be proposed at the General Meeting will provide that any person acquiring Cambrian Shares after the Reduction Record Time will be required to transfer them to Western on the basis that they will receive the same number of New Western Shares to which they would have been entitled had their shares been subject to the Scheme.

It is expected that the Scheme will become effective on the close of business on 13 July 2009. The Scheme is subject to the Conditions and certain further terms referred to in Appendix 1 to this document. In particular, the Scheme requires the approval of Cambrian Shareholders (other than Western) by the passing of a resolution at the Court Meeting. The resolution must be approved by a majority in number of the Cambrian Shareholders present and voting, either in person or by proxy, representing not less than three fourths in value of the Cambrian Shares held by such Cambrian Shareholders.

Implementation of the Scheme will also require the passing of the Special Resolution (requiring the approval of Cambrian Shareholders representing at least 75 per cent. of the votes cast at the General Meeting, which will be held immediately after the Court Meeting).

Following the Meetings, the Scheme and the related Reduction of Capital must be sanctioned by the Court and will only become effective upon delivery to the Registrar of Companies of a copy of the Order sanctioning the Scheme and, in relation to the Reduction of Capital, the registration of such Order by the Registrar of Companies.

If the Scheme becomes effective, the terms will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted in favour of the Scheme at the Court Meeting or in favour of the Special Resolution at the General Meeting.

The Panel has confirmed, having consulted with Singer, Cenkos Securities and Arbutnot Corporate Finance (Energybuild's independent financial adviser for the purposes of Rule 3 of the Takeover Code), and the independent directors of Energybuild, that, as a consequence of the Scheme becoming effective, Western will not be required to make a mandatory offer under Rule 9 of the Takeover Code for the Energybuild shares not already held by Cambrian.

The Scheme is a "related party transaction" for the purposes of Multilateral Instrument 61 – 101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), the applicable Canadian securities law that governs certain transactions which raise the potential for significant conflicts of interest, including related party transactions. Pursuant to the requirements for a related party transaction under MI 61-101, in addition to any other required securityholder approval that may be required, in order to complete a related party transaction, Western must obtain the approval of at least a simple majority of the votes cast by "minority" holders of Western Shares. The "minority" holders of Western Shares for the purposes of the Scheme are all Western Shareholders other than Cambrian, the Audley Fund, their respective associates and affiliates, and any related party of any of them, and any person acting jointly or in concert with any of them.

The Acquisition is deemed to be a related party transaction for Western under the AIM Rules. The Western Independent Directors, having consulted with Cenkos Securities, Western's nominated advisor,

consider that the terms of the acquisition are fair and reasonable as far as the independent shareholders of Western are concerned.

10. Cancellation of admission of Cambrian Shares to trading on AIM

Prior to the Scheme becoming effective, application will be made to the London Stock Exchange for Cambrian Shares to be suspended from trading on AIM with effect from 7.00 a.m. on the day of the Court Hearing. If the Scheme becomes effective, based on the expected timetable, the last day of dealings in Cambrian Shares on AIM is expected to be 6 July 2009 (being the Dealing Day immediately prior to the Hearing Date).

On the Effective Date, share certificates for Scheme Shares will cease to be valid and should be destroyed. In addition, entitlements to Scheme Shares held within the CREST system will be cancelled on the Effective Date. Based on the expected timetable the last date for registration of transfers of Cambrian Shares is expected to be 3 July 2009. No transfers of Cambrian Shares (other than transfers to Western or any nominee(s) of Western) will be registered after the Scheme Record Time.

11. Amendment to Cambrian Notes Conditions

Cambrian has agreed with the Noteholders that the conditions to the Cambrian Notes be amended as follows:

- the maturity date of the Cambrian Notes was extended from 23 May 2009 to 21 August 2009;
- during this "extension period", the rate of interest payable on the Cambrian Notes has increased to 15.0 per cent. per annum payable monthly in arrears on each of 23 June 2009, 23 July 2009 and on maturity on 21 August 2009 (or, if earlier, on (and up to (but excluding)) the date of redemption in accordance with the amended conditions);
- Cambrian agreed to certain additional covenants of a standard nature (subject in each case to certain permitted exceptions) throughout the extension period which restrict Cambrian and its subsidiaries from undertaking certain transactions without the consent of Noteholders. These restrictions include, among others, the following:
 - (a) the declaration or payment of any dividend or distribution, the purchase or redemption of any shares, or payments in relation to any other "Indebtedness" (as defined) save for certain permitted indebtedness or making of certain investments, save for certain permitted investments;
 - (b) the incurrence of new "Indebtedness" other than certain permitted debt;
 - (c) the creation of any further "Security Interests" (as defined), subject to certain permitted security interests (for example, those granted in the ordinary course of business);
 - (d) transactions with affiliates (for example payments and disposals) save for the Proposal and certain other permitted exceptions; and
 - (e) other than with or to Western, in circumstances where Western has the obligation to redeem the Cambrian Notes, the consolidation or merger with, or the disposal of all or substantially all assets to, another entity. The Proposal and the assumptions of such obligations to redeem the Cambrian Notes set out in the Western Agreement described below is permitted.
- in the event that Cambrian raises equity or debt capital or consummates a permitted disposal of assets (other than for these purposes the sale of mined resources in the ordinary course of business), then Cambrian shall be obliged to apply the balance of such proceeds net of costs and expenses and net of an amount of up to US\$2.5 million in aggregate for the purposes of the working capital requirements of Cambrian and its subsidiaries towards redemption of the Cambrian Notes (after paying Cambrian's secured creditors in the case of the proceeds of an asset disposal);

- Cambrian will be required to redeem the Cambrian Notes in full with accrued interest thereon within five business days of the date on which the Scheme becomes effective; and
- the amended conditions also include new events of default, namely in circumstances where the Proposal comprises consideration other than entirely in shares of Western, and where interest is paid by Cambrian or its subsidiaries prior to the new maturity date under its secured loan from Western.

12. Western Agreement

Pursuant to an agreement dated 20 May 2009, entered into between Western, the Noteholders and Cambrian ("Western Agreement"), Western agreed that conditional (i) on a written resolution of the Noteholders being duly passed and (ii) upon and with effect from the Scheme becoming effective, Western will, or will procure that Cambrian or another member of the Western group of companies will, redeem the Cambrian Notes in full together with the interest thereon to (but excluding) the date of such redemption in accordance with the amended conditions of the Cambrian Notes, by no later than five business days from the date when the Scheme has become effective. Under the terms of the Western Agreement, the Noteholders have agreed that such redemption will constitute a full and final discharge of Cambrian's obligations to redeem the Cambrian Notes under the amended Conditions of the Cambrian Notes.

13. Disclosure of interests in Cambrian

As at the close of business on 19 May 2009, the last practicable Business Day prior to the date of this announcement, no member of the Western Group had any interest in the relevant securities of Cambrian. It is intended that Western will acquire at least one Cambrian Share which will mean that Western will be a member of Cambrian on the Effective Date and accordingly there will be no requirement under Section 103 of the Companies Act 1985 for an independent valuation. Western will be precluded from voting at the Court Meeting. Western has provided a US\$36,000,000 loan facility to CIH ("Loan") subject to certain conditions. The Loan became unconditional and was advanced to CIH on January 21, 2009. Each of Cambrian and Coal International Limited have guaranteed the obligations of CIH under the Loan and the Loan is secured against the assets of the Cambrian Group by way inter alia of fixed and floating charges. The Loan has been reduced by the prepayment by Western to Cambrian of CAN\$5,000,000 plus accrued interest pursuant to a loan agreement dated September 13 2007. Further details relating to the Loan will be set out in the Scheme Document.

14. Combination Agreement

Western and Cambrian have entered into the Combination Agreement which sets out, among other things, various matters in relation to the implementation of the Scheme, the conduct of Cambrian's and Western's business prior to the effective date, an inducement fee payable by Cambrian in certain circumstances, and non-solicit undertakings. Further details of the Combination Agreement and inducement fee arrangements will be set out in the Scheme Document.

Cambrian has agreed to pay Western an inducement fee of £0.674m if Western terminates the agreement due to the failure by Cambrian's shareholders to approve the requisite resolutions, the Court failing to sanction the Scheme, the directors of Cambrian failing to recommend or withdrawing their recommendation to its shareholders or Cambrian breaching the non-solicitation undertakings. Cambrian has undertaken not to solicit an alternative acquisition proposal from a third party but may consider or respond to an unsolicited proposal in certain circumstances.

15. Overseas shareholders

Overseas shareholders should inform themselves about, and observe, any applicable requirements in the relevant jurisdiction. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full

observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. It is the responsibility of Cambrian Shareholders who are citizens, residents or nationals of jurisdictions outside the United Kingdom to ensure that the correct rate of postage is paid before returning the enclosed Forms of Proxy. Western may in its sole discretion determine that New Western Shares shall not be allotted and issued to a Scheme Shareholder under the Scheme, but shall instead be allotted and issued to a UK nominee appointed by Western as trustee and sold by the trustee for the benefit of such persons at the best price reasonably obtainable, if Western is advised that the allotment and issue of New Western Shares to such Scheme Shareholder would infringe the laws of any jurisdiction or would require Western to observe any governmental or other consent or any registration, filing or other formality with which Western is unable to comply or compliance with which Western regards as unduly onerous, or Western is unable to so determine without obtaining advice and Western in its sole discretion determines that, since the Scheme Shareholders in the relevant jurisdiction hold a de minimis percentage of the issued share capital of the Company (excluding the Treasury Shares), the cost of obtaining such advice would be disproportionately burdensome. Western would expect to seek the agreement of the Panel to such course of action except where the Scheme Shareholders in the relevant jurisdiction hold less than a de minimis percentage of Cambrian's issued share capital (excluding the Treasury Shares).

Further details in relation to overseas shareholders will be contained in the Scheme Document.

16. General

This announcement is not intended to and does not constitute, or form part of, any offer to sell or invitation to purchase, otherwise acquire, subscribe, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote in respect of the Proposal. Any acceptance of or other response to the Proposal should be made only on the basis of the information in the Scheme Document.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the proposed Proposal disclaim any responsibility or liability for the violation of such restrictions by any person.

This announcement has been prepared for the purpose of complying with English law, the Takeover Code and the AIM Rules, and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Any person (including, without limitation, any custodian, nominee and trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this announcement and/or the Scheme Document and/or any other related document to any jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction before taking any action.

US Holders should note that the Scheme will relate to the shares of a United Kingdom company that is a "foreign private issuer" as defined under Rule 3b-4 under the US Exchange Act, and will be governed by English law. Accordingly, the proxy solicitation rules under the US Exchange Act will not apply to the Scheme. In addition, a transaction effected by means of a Scheme of Arrangement is not subject to the tender offer rules under the US Exchange Act. Moreover the Scheme will be subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in the Scheme Document will have been prepared in accordance with accounting

standards applicable in the United Kingdom that may not be comparable in all respects with accounting standards applicable to financial statements of US companies prepared in accordance with the US generally accepted accounting principles and that are subject to US auditing and auditor independence standards. It may be difficult for Scheme Shareholders who are US Persons to enforce any rights and claims they may have arising under the US securities laws in respect of the Scheme.

This announcement is not an offer for the sale of securities in the US and the New Western Shares which will be issued in connection with the Proposal have not been and will not be registered under the US Securities Act or under the securities laws of any state in the United States and are being issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the US Securities Act. New Western Shares issued pursuant to Section 3(a)(10) of the US Securities Act may be resold without restriction by any former Scheme Shareholder in the US who is not an affiliate of Cambrian immediately before the Effective Date or who is not an affiliate of Cambrian after the Effective Date. Former Scheme Shareholders in the US who are affiliates of Cambrian immediately before the Effective Date or who are affiliates of Cambrian after the Effective Date are subject to resale restrictions under the US Securities Act and may not resell New Western Shares in the US in the absence of an exemption from registration under the US Securities Act and may resell New Western Shares outside the US only pursuant to such an exemption or pursuant to the provisions of Regulation S. US Holders are urged to consult their legal advisers to determine the availability of applicable resale provisions.

This announcement, including information included or incorporated by reference in this announcement, may contain "forward-looking statements" concerning the Cambrian Group and the Western Group. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Cambrian and Western assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable law.

Centos Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Western and no one else in connection with the Proposal and will not be responsible to anyone other than Western for providing the protections afforded to customers of Centos Securities, nor for providing advice in relation to the contents of the Proposal or any other matters referred to in this announcement.

Singer, which is authorised and regulated in the United Kingdom by the Financial Services Authority in the UK, is acting for Cambrian and no one else in connection with the Proposal and will not be responsible to anyone other than Cambrian for providing the protections afforded to customers of Singer nor for providing advice in relation to the Proposal or any other matters referred to in this announcement.

Appendix I sets out the conditions to implementation of the Proposal and the Scheme.

Appendix II contains the definitions of terms used in this announcement.

Appendix I

Conditions to Implementation of the Proposal

1. The Proposal is conditional upon the Scheme becoming unconditional and becoming effective, subject to the Takeover Code, by not later than 31 July 2009 or such later date (if any) as Cambrian and Western may agree and the Court may allow. The Scheme is conditional upon:
 - (a) the approval by a majority in number representing three-fourths in value of the holders of Cambrian Shares present and voting, either in person or by proxy, at the Court Meeting (or any adjournment thereof);
 - (b) the resolutions set out in the notice of the General Meeting required to approve and implement the Scheme being duly passed by the requisite majority at the General Meeting (or any adjournment thereof);
 - (c) the Court Sanction being obtained (with or without modifications, but subject to any such modifications being on terms acceptable to Cambrian and Western) and a copy of the Order being delivered for registration to the Registrar of Companies;
 - (d) confirmation of the Reduction of Capital by the Court (with or without modification, but subject to any such modifications being on terms acceptable to Cambrian and Western), and a copy of the Reduction Court Order and a minute of such reduction attached thereto being filed with the Registrar of Companies and registered by him;
 - (e) the resolutions required to approve and implement the Acquisition each being duly passed by the requisite majority at the Western Meeting (or any adjournment thereof); and
 - (f) permission being granted for the admission of the New Western Shares to trading on AIM and listing and posting for trading on the TSX.

2. Western and Cambrian have agreed that the Proposal is conditional upon the following matters, and, accordingly, the necessary action to make the Proposal effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or waived:
 - (a) **Authorisations**
 - (i) all Authorisations in any jurisdiction which Western or Cambrian reasonably deem necessary for or in respect of the Proposal, its implementation or any acquisition of any shares in, or control of, Cambrian or any other member of the Wider Cambrian Group by any member of the Western Group having been obtained in terms and in a form satisfactory to Western and Cambrian acting reasonably from any relevant person or authority or from any person or body with whom any member of the Wider Cambrian Group or Wider Western Group has entered into material contractual arrangements and all such Authorisations remaining in full force and effect and there being no intimation of any intention to revoke or not renew the same; and
 - (ii) all material Authorisations necessary to carry on the business of (a) any member of the Wider Cambrian Group and (b) any member of the Wider Western Group remaining in full force and effect and there being no notification of any intention to revoke or not to renew the same; and
 - (iii) all necessary filings, or applications having been made and all applicable waiting

and other periods (including extensions of such periods) having expired, lapsed or been terminated and all applicable statutory or regulatory obligations in any jurisdiction in respect of the Proposal having been complied with, in each case, in respect of the acquisition of any shares in or control of, Cambrian by Western.

(b) **Regulatory Intervention**

Save as Disclosed, no relevant person having taken, instituted, implemented or threatened any legal proceedings, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, order or decision or taken any other step and there not continuing to be outstanding any statute, regulation, order or decision that would or might reasonably be expected to (in each case to an extent which is material and adverse in the context of the Wider Cambrian Group or the Wider Western Group (as the case may be) taken as a whole):

- (i) make the Proposal, its implementation or the acquisition or proposed acquisition of any shares in, or control or management of, the Wider Cambrian Group by Western illegal, void or unenforceable; or
- (ii) otherwise directly or indirectly prevent, prohibit or otherwise restrict, restrain, delay or interfere with the implementation of, or impose additional conditions or obligations with respect to or otherwise challenge or require amendment of, the Proposal or the proposed acquisition of Cambrian by Western or any acquisition of Cambrian Shares by Western; or
- (iii) require, prevent or delay the divestiture (or alter the terms of any proposed divestiture), by or result in any delay to Western of any shares or other securities in Cambrian; or
- (iv) impose any limitation on the ability of any member of the Wider Western Group or any member of the Wider Cambrian Group to acquire or hold or exercise effectively, directly or indirectly, any rights of ownership of shares or other securities or the equivalent in any member of the Wider Cambrian Group or the Wider Western Group or to exercise management control over any member of the Wider Cambrian Group or the Wider Western Group (as the case may be) taken as a whole; or
- (v) require, prevent or delay the disposal by Western or any member of the Wider Western Group or Cambrian or any member of the Wider Cambrian Group, of all or any part of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their respective businesses or own their respective assets or properties; or
- (vi) require any member of the Wider Western Group or of the Wider Cambrian Group to offer to acquire any shares or other securities (or the equivalent) in any member or any other assets of the Wider Cambrian Group or the Wider Western Group owned by any third party (in each case, other than in implementation of the Proposal); or
- (vii) impose any material limitation on the ability of any member of the Wider Western Group or the Wider Cambrian Group to integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider Western Group and/or the Wider Cambrian Group; or
- (viii) result in any member of the Wider Western Group or the Wider Cambrian Group ceasing to be able to carry on business under any name under which it presently does so; or

- (ix) (save as related to matters that generally affect entities conducting similar businesses) and adversely affect any or all of the businesses, assets or financial condition or trading position or profits or prospects of any member of the Wider Western Group or the Wider Cambrian Group;

and all applicable waiting and other time periods during which any such relevant person could institute, or implement or threaten any legal proceedings, having expired, lapsed or been terminated.

(c) **Consequences of the Proposal**

Save as Disclosed, there being no provision of any agreement to which any member of the Wider Cambrian Group or the Wider Western Group is a party, or by or to which any such member, or any part of their assets, is or may be bound, entitled or subject, which would as a consequence of the Proposal or of the acquisition or proposed acquisition of all or any part of the issued share capital of, or change of control or management of, Cambrian or any other member of the Cambrian Group result in (in each case to an extent which is material and adverse in the context of the Wider Cambrian Group or the Wider Western Group (as the case may be) taken as a whole):

- (i) any material assets or interests of any member of the Wider Cambrian Group or the Wider Western Group being or failing to be disposed of or charged in any way or ceasing to be available to any member of the Wider Cambrian Group or the Wider Western Group or any rights arising under which any such asset or interest could be required to be disposed of or charged in any way or could cease to be available to any member of the Wider Cambrian Group or the Wider Western Group; or
- (ii) any moneys borrowed by, or other indebtedness (actual or contingent) of, or any grant available to, any member of the Wider Cambrian Group or the Wider Western Group being or becoming repayable or capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or the ability of such member of the Wider Cambrian Group or the Wider Western Group to incur any such borrowing or indebtedness becoming or being capable of becoming withdrawn, inhibited or prohibited; or
- (iii) any such agreement or the rights, liabilities, obligations or interests of any such member under it being terminated or materially and adversely modified or affected or any onerous obligation arising or any material adverse action being taken under it; or
- (iv) the interests or business of any such member in or with any third party (or any arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
- (v) the financial or trading position or prospects or value of any member of the Wider Cambrian Group or the Wider Western Group being materially prejudiced or materially and adversely affected; or
- (vi) the creation of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Cambrian Group or any such security (whenever arising or having arisen) becoming enforceable or being enforced; or
- (vii) any member of the Wider Cambrian Group or the Wider Western Group ceasing to be able to carry on business under any name under which or on the terms on which it currently does so or any person presently not able to carry on business

under any name under which any member of the Wider Cambrian Group or the Wider Western Group currently carries on business becoming able to do so; or

- (viii) the creation of actual or contingent material liabilities by any member of the Wider Cambrian Group other than in the ordinary course of trading; or
- (ix) the ability of any member of the Wider Cambrian Group or the Wider Western Group to carry on its business being materially and adversely affected,

and no event having occurred which, under any provision of any such agreement to which any member of the Wider Cambrian Group or the Wider Western Group is a party, or by or to which any such member, or any of its assets, may be bound, entitled or subject above, could result in any of the events or circumstances as are referred to in subparagraphs (i) to (ix) above inclusive.

(d) **No Corporate Action Taken Since the Accounting Date (Cambrian)**

Since the Accounting Date, save as otherwise Disclosed or pursuant to transactions in favour of Cambrian or a wholly-owned subsidiary of Cambrian, no member of the Wider Cambrian Group having (in each case to an extent which is material and adverse in the context of the Wider Cambrian Group taken as a whole):

- (i) issued or agreed to issue or authorised or proposed the issue or grant of additional shares of any class or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save pursuant to the issue of Cambrian Shares on the exercise of Disclosed Cambrian share options or warrants); or
- (ii) redeemed, purchased, repaid or reduced or announced the redemption, purchase, repayment or reduction of any part of its share capital or other securities or made, authorised or proposed or announced the making of any other change to its share or loan capital; or
- (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus issue or other distribution whether payable in cash or otherwise other than dividends lawfully paid to Cambrian or wholly owned subsidiaries of Cambrian; or
- (iv) (save for transactions between two or more wholly owned members of the Cambrian Group) merged or demerged with or from, or acquired, any body corporate or authorised or proposed or announced any intention to propose any such merger or demerger; or
- (v) other than in the ordinary course of business acquired or disposed of, transferred, mortgaged or charged, or created or granted any security interest over, any material assets (including shares and trade investments) or authorised or proposed or announced any intention to propose any acquisition, disposal, transfer, mortgage, charge or creation or grant of any such security interest; or
- (vi) (save for transactions between two or more wholly owned members of the Cambrian Group) issued or authorised or proposed the issue of any debentures or incurred or increased any borrowings, indebtedness or liability (actual or contingent); or
- (vi) entered into or varied, or authorised or proposed the entry into or variation of, or announced its intention to enter into or vary, any transaction, arrangement, contract or commitment (whether in respect of capital expenditure or otherwise)

which is material and of a long term, onerous or unusual nature or magnitude (other than to a nature and extent which is normal in the context of the business concerned or which is or could involve obligations which would or might reasonably be expected to be so long, onerous or unusual in nature or magnitude) or which is restrictive to the existing business of any member of the Wider Cambrian Group (other than to a nature and extent which is normal in the context of the business concerned or which is or could involve obligations which would or might reasonably be expected to be so restrictive) or which is not in the ordinary course of business; or

- (viii) entered into, implemented, effected, authorised or proposed or announced its intention to enter into, implement, effect, authorise or propose any material contract, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement other than in the ordinary course of business; or
- (ix) waived or compromised any material claim (other than in the ordinary course of business); or
- (x) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any material contract with any of the directors or senior executives of Cambrian or any of the directors or senior executives of any other member of the Wider Cambrian Group; or
- (xi) taken or proposed any corporate action or had any legal proceedings instituted or threatened against it or petition presented for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction; or
- (xii) been unable, or admitted in writing that it is unable, to pay its debts or has stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; or
- (xiii) made any material alteration to its memorandum or articles of association, or other incorporation documents; or
- (xiv) disposed of or acquired any assets or businesses or offered or agreed to the same for an amount in aggregate of £500,000 or more (or in the case of disposals where the book value was in aggregate greater than £500,000), entered into or offered or agreed to enter into or announced any arrangement which requires expenditure or the foregoing of revenue by the Wider Cambrian Group of an amount in aggregate of greater than £500,000; or
- (xv) entered into any agreement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this condition 2(d) other than in the ordinary course of business.

(e) **Other Events Since the Accounting Date (Cambrian)**

In the period since the Accounting Date, save as Disclosed:

- (i) no litigation or arbitration proceedings, prosecution, investigation or other legal proceedings having been announced, instituted, threatened or remaining

outstanding by, against or in respect of, any member of the Wider Cambrian Group or to which any member of the Wider Cambrian Group is or may become a party (whether as claimant, defendant or otherwise) which in any case, would be likely to have a material adverse effect on the financial position of the Wider Cambrian Group; and

- (ii) no event, change or condition has occurred or become known to Cambrian which has resulted in or could be reasonably expected to have a material adverse change or a material deterioration in the business or assets or financial or trading position, assets, liabilities or profits or prospects of any member of the Wider Cambrian Group; and
- (iii) no enquiry or investigation by, or complaint or reference to, any relevant person or authority against or in respect of any member of the Wider Cambrian Group having been threatened, announced, implemented or instituted or remaining outstanding by, against or in respect of, any member of the Wider Cambrian Group which in any case, would be likely to have a material adverse effect on the financial position of the Wider Cambrian Group taken as a whole; and
- (iv) no contingent or other liability having arisen or become apparent or increased which in any case, would be likely to have a material adverse effect on the financial position of the Wider Cambrian Group taken as a whole; and
- (v) the business of the Wider Cambrian Group has been carried on in the usual and ordinary course in all material respects.

(f) No Corporate Action Taken Since the Accounting Date (Western)

Since the Accounting Date, save as otherwise Disclosed or pursuant to transactions in favour of Western or a wholly-owned subsidiary of Western, no member of the Wider Western Group having (in each case to an extent which is material and adverse in the context of the Wider Western Group taken as a whole):

- (i) issued or agreed to issue or authorised or proposed the issue or grant of additional shares of any class or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save pursuant to the issue of Western Shares on the exercise of Disclosed Western options or warrants); or
- (ii) redeemed, purchased, repaid or reduced or announced the redemption, purchase, repayment or reduction of any part of its share capital or other securities or made authorised or proposed or announced the making of any other change to its share or loan capital; or
- (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus issue or other distribution whether payable in cash or otherwise other than dividends lawfully paid to Western or wholly owned subsidiaries of Western; or
- (iv) (save for transactions between two or more wholly owned members of the Western Group) merged or demerged with or from, or acquired, any body corporate or authorised or proposed or announced any intention to propose any such merger or demerger; or
- (v) other than in the ordinary course of business acquired or disposed of, transferred, mortgaged or charged, or created or granted any security interest over, any material assets (including shares and trade investments) or authorised

or proposed or announced any intention to propose any acquisition, disposal, transfer, mortgage, charge or creation or grant of any such security interest; or

- (vi) (save for transactions between two or more wholly owned members of the Western Group) issued or authorised or proposed the issue of any debentures or incurred or increased any borrowings, indebtedness or liability (actual or contingent); or
- (vii) entered into or varied, or authorised or proposed the entry into or variation of, or announced its intention to enter into or vary, any transaction, arrangement, contract or commitment (whether in respect of capital expenditure or otherwise) which is material and of a long term, onerous or unusual nature or magnitude (other than to a nature and extent which is normal in the context of the business concerned or which is or could involve obligations which would or might reasonably be expected to be so long, onerous or unusual in nature or magnitude) or which is restrictive to the existing business of any member of the Wider Western Group (other than to a nature and extent which is normal in the context of the business concerned or which is or could involve obligations which would or might reasonably be expected to be so restrictive) or which is not in the ordinary course of business; or
- (viii) entered into, implemented, effected, authorised or proposed or announced its intention to enter into, implement, effect, authorise or propose any material contract, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement other than in the ordinary course of business; or
- (ix) waived or compromised any material claim (other than in the ordinary course of business); or
- (x) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any material contract with any of the directors or senior executives of Western or any of the directors or senior executives of any other member of the Wider Western Group; or
- (xi) taken or proposed any corporate action or had any legal proceedings instituted or threatened against it or petition presented for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction; or
- (xii) been unable, or admitted in writing that it is unable, to pay its debts or has stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; or
- (xiii) made any material alteration to its notice of articles, or articles or other incorporation documents; or
- (xiv) disposed of or acquired any assets or businesses or offered or agreed to the same for an amount in aggregate of £500,000 or more (or in the case of disposals where the book value was in aggregate greater than £500,000), entered into or offered or agreed to enter into or announced any arrangement which requires expenditure or the foregoing of revenue by the Western Group of an amount in aggregate of greater than £500,000; or

- (xv) entered into any agreement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this condition 2(f) other than in the ordinary course of business.

(g) Other Events Since the Accounting Date (Western)

In the period since the Accounting Date, save as Disclosed:

- (i) no litigation or arbitration proceedings, prosecution, investigation or other legal proceedings having been announced, instituted, threatened or remaining outstanding by, against or in respect of, any member of the Wider Western Group or to which any member of the Wider Western Group is or may become a party (whether as claimant, defendant or otherwise) which in any case, would be likely to have a material adverse effect on the financial position of the Wider Western Group; and
- (ii) no event, change or condition has occurred or become known to Western which has resulted in or could be reasonably expected to have a material adverse change or a material deterioration in the business or assets or financial or trading position, assets, liabilities or profits or prospects of any member of the Wider Western Group; and
- (iii) no enquiry or investigation by, or complaint or reference to, any relevant person or authority against or in respect of any member of the Wider Western Group having been threatened, announced, implemented or instituted or remaining outstanding by, against or in respect of, any member of the Wider Western Group which in any case, would be likely to have a material adverse effect on the financial position of the Wider Western Group taken as a whole; and
- (iv) no contingent or other liability having arisen or become apparent or increased which in any case, would be likely to have a material adverse effect on the financial position of the Wider Western Group taken as a whole; and
- (v) the business of the Wider Western Group has been carried on in the usual and ordinary course in all material respects.

(h) Other Issues (Cambrian)

Save as Disclosed, Western not having discovered that (in each case to an extent which is material and adverse in the context of the Wider Cambrian Group taken as a whole):

- (i) the financial, business or other information disclosed at any time by any member of the Wider Cambrian Group, whether publicly or in the context of the Proposal either contained a material misrepresentation of fact or omitted to state a fact necessary to make the information disclosed not misleading in any material respect; or
- (ii) any past or present member of the Wider Cambrian Group has failed to comply with any applicable legislation or regulations of any jurisdiction with regard to the release of any contaminant, or that there has otherwise been any such release (whether or not the same constituted noncompliance by any person with any such legislation or regulation, and wherever the same may have taken place), any of which would be reasonably likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Cambrian Group and which is material in the context of the Wider Cambrian Group taken as a whole; or
- (iii) there is or is reasonably likely to be any liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied, operated or made use of or controlled by any past or present member

of the Wider Cambrian Group, or in which any such member may now have or previously had an interest under any environmental law or order of any relevant person or third party or otherwise and which is material in the context of the Wider Cambrian Group taken as a whole.

(i) Other Issues (Western)

Save as Disclosed, Cambrian not having discovered that (in each case to an extent which is material and adverse in the context of the Wider Western Group taken as a whole):

- (i) the financial, business or other information disclosed at any time by any member of the Wider Western Group, whether publicly or in the context of the Proposal either contained a material misrepresentation of fact or omitted to state a fact necessary to make the information disclosed not misleading in any material respect; or
- (ii) any past or present member of the Wider Western Group has failed to comply with any applicable legislation or regulations of any jurisdiction with regard to the release of any contaminant, or that there has otherwise been any such release (whether or not the same constituted noncompliance by any person with any such legislation or regulation, and wherever the same may have taken place), any of which would be reasonably likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Western Group and which is material in the context of the Wider Western Group taken as a whole; or
- (iii) there is or is reasonably likely to be any liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Western Group, or in which any such member may now have or previously had an interest under any environmental law or order of any relevant person or third party or otherwise and which is material in the context of the Wider Western Group taken as a whole.

3. Subject to the requirements of the Panel, Western reserves the right to waive all or any of the Conditions contained in paragraphs 2(a); 2(b) and 2(c); 2(d); 2(e); and 2(h), in whole or in part.
4. Subject to the requirements of the Panel, Cambrian reserves the right to waive all or any of the Conditions contained in paragraphs 2(a); 2(b) and 2(c); 2(f); 2(g); and 2(i), in whole or in part.
5. The Proposal is governed by English law and is subject to the jurisdiction of the English courts. The rules of the Takeover Code, so far as they are appropriate, apply to the Proposal.
6. Western reserves the right to elect to implement the Acquisition by way of a takeover offer. In such event, such offer will be implemented on the same terms subject to appropriate amendments, including (without limitation) an acceptance condition set at ninety per cent of the Cambrian Shares to which such offer relates (or such lower percentage as Western may decide), so far as applicable, as those which would apply to the Scheme.
7. Western shall be under no obligation to waive or treat as satisfied, and Cambrian shall be under no obligation to waive or treat as satisfied any of the Conditions in paragraph 2 by a date earlier than the latest date for satisfaction thereof, notwithstanding that the other Conditions of the Proposal may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of the Conditions may not be capable of fulfilment.

8. If Western is required by the Panel to make an offer for Cambrian Shares under the provisions of Rule 9 of the Takeover Code, Western may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.

Appendix II

Definitions

1985 Act	the Companies Act 1985 (as amended)
Accounting Date	means, in relation to Cambrian, 30 June 2008; and means, in relation to Western, 31 March 2008
Acquisition	the recommended acquisition by Western of the entire issued and to be issued ordinary share capital of Cambrian, subject to the Conditions and on the terms set out in this announcement and the Scheme Document
Admission	admission of the New Western Shares to trading on AIM becoming effective in accordance with the AIM Rules and listing and posting for trading of the New Western Shares on the TSX becoming effective in accordance with the TSX Rules
AIM	the Alternative Investment Market operated by the London Stock Exchange
AIM Rules	the AIM rules for Companies published by the London Stock Exchange governing, inter alia, admission to AIM and the continuing obligations of companies admitted to AIM, as amended from time to time
Arbuthnot Corporate Finance	the corporate finance division of Arbuthnot Securities Limited, the investment banking subsidiary of Arbuthnot Banking Group plc
Articles	the articles of association of Cambrian
Audley Fund	Audley European Opportunities Master Fund Limited
Authorisations	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals
Business Day	any day on which banks are generally open in England and Wales for the transaction of business other than a Saturday or Sunday or public holiday
Cambrian	Cambrian Mining Plc, company number 4010083
Cambrian Annual Report	the audited consolidated report and accounts of Cambrian for the period ended on the Accounting Date
Cambrian Director	a director of Cambrian
Cambrian Group	Cambrian and its subsidiary undertakings
Cambrian Independent Directors	Mark Burrige, Thomas Button and Charles de Chezelles

Cambrian Notes	The US\$27,000,000 convertible notes of Cambrian constituted by a Trust Deed dated 23 May 2006 and amended by a Supplemental Trust Deed dated on or about 20 May 2009
Cambrian Shares	ordinary shares of 20 pence each in the capital of Cambrian
Cambrian Shareholders	holder(s) of Cambrian Shares
Combination Agreement	the combination agreement dated 20 May 2009 and entered into between Western and Cambrian
Cenkos Securities	Cenkos Securities plc
CIH	Cambrian Investment Holdings Ltd, company number 5838754, a wholly owned subsidiary of Cambrian
Closing Price	the closing middle market quotation of one Cambrian Share and/or one Western Share as provided by the daily official list of the London Stock Exchange
Coal International	Coal International Ltd (previously Coal International Plc), a private limited company incorporated in England and Wales with registered number 5293936
Companies Act	the Companies Act 2006(as amended)
Conditions	the conditions to the implementation of the Proposal (including the Scheme), which are set out in Appendix I of this announcement
Consideration	the New Western Shares to be issued to the Cambrian Shareholders pursuant to the Scheme
Court	the High Court of Justice in England and Wales
Court Hearing	the hearing by the Court of the application to sanction the Scheme
Court Meeting	the meeting of Cambrian Shareholders (other than Western) convened by order of the Court pursuant to section 899 of the Companies Act to consider and, if thought fit, approve the Scheme, including any adjournment thereof
Court Sanction	the sanction (with or without modification) of the Scheme by the Court
CREST	the relevant system defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), including any modifications thereof or any regulations in substitution thereof made under section 207 of the Companies Act 1989 and for the time being in force.
Dealing Day	a day on which the London Stock Exchange is open for business in the trading of securities admitted to AIM

Disclosed	<p>(i) as disclosed in the Cambrian Annual Report or the Western Annual Report; or</p> <p>(ii) as publicly announced by any member of the Wider Cambrian Group or the Wider Western Group (through a Regulatory Information Service or any other information service made available in the country where the relevant company is listed) prior to the date of this announcement; or</p> <p>(iii) as otherwise fairly disclosed in writing (including facsimile) to Western or its advisers by or on behalf of Cambrian prior to the date of this announcement; or</p> <p>(iv) as otherwise fairly disclosed in writing (including by facsimile) to Cambrian or its advisers by or on behalf of Western prior to the date of the announcement</p>
Effective Date	the date on which the Scheme becomes effective in accordance with its terms
Enlarged Group	Western Group as enlarged by the acquisition of the Cambrian Group, subject to the Scheme becoming effective
Financial Services Authority	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
General Meeting	the general meeting of Cambrian to consider any resolution required to approve and implement the Scheme and the Proposal, including any adjournment thereof
Hearing Date	the date of the Court Hearing
Independent Competing Offer	the announcement by a third party in accordance with Rule 2.5 of the Takeover Code, before the date of the General Meeting, of a firm intention to make an offer to acquire (or propose a scheme of arrangement in respect of the acquisition of) all of the issued and to be issued ordinary share capital of Cambrian which comprises either a cash offer or proposal or a securities exchange offer or proposal
LIBOR	London Interbank Offer Rate
London Stock Exchange	London Stock Exchange plc
Meetings	the Court Meeting and the General Meeting
NEMI	NEMI Northern Energy & Mining Inc.
New Western Shares	the new Western Shares proposed to be issued by Western (credited as fully paid) as consideration under the Proposal
Noteholders	the beneficial holders of the Cambrian Notes from time to time
Offer	recommended proposal for the acquisition of Cambrian by Western

Offer Period	the period commencing on 16 December 2008 (being the date on which Cambrian announced that it had received a preliminary approach in relation to a potential offer being made for Cambrian) and ending on the Effective Date
Options	options to subscribe for Cambrian Shares
Orders	the Scheme Court Order and the Reduction Court Order
Panel	the Panel on Takeovers and Mergers
Proposal	the Scheme and other matters to be considered at the Meetings
Reduction Court Order	the order of the Court confirming the Reduction of Capital
Reduction of Capital	the reduction of the share capital of Cambrian under section 135 of the 1985 Act by the cancellation and extinguishing of the Scheme Shares, to be effected as part of the Scheme
Reduction Record Time	6:00 pm on the Business Day immediately preceding the Hearing Date
Registrar of Companies	the Registrar of Companies in England and Wales
Regulation S	Regulation S under the US Securities Act
Regulatory Information Service	any of the services on the list of Regulatory Information Services maintained by the Financial Services Authority
Scheme	the proposed scheme of arrangement under section 899 of the Companies Act between Cambrian and holders of its Scheme Shares, with or subject to any modification or addition thereto or condition approved or imposed by the Court and agreed by Western and Cambrian
Scheme Document	the document to be sent to Cambrian Shareholders relating to the Proposal
Scheme Record Date	the Business Day immediately preceding the Hearing Date
Scheme Record Time	6.00 p.m. on the Scheme Record Date
Scheme Shares	means all the Cambrian Shares (except those held by Western and the Treasury Shares): <ul style="list-style-type: none"> (i) in issue at the date of the Scheme; (ii) (if any) issued after the date of the Scheme and prior to the Voting Record Time; (iii) (if any) issued at or after the Voting Record Time and before the Reduction Record Time, on terms that shares are issued subject to the terms of the Scheme and the holder shall be bound by the Scheme or in respect of which the holder shall have agreed in writing by such time to be bound by the

Scheme

Scheme Shareholders	holders of Scheme Shares
Singer	Singer Capital Markets Limited
Special Resolution	the special resolution to be proposed by Cambrian at the General Meeting in connection with, inter alia, the approval of the Scheme and the Reduction of Capital
Takeover Code	the City Code on Takeovers and Mergers
third party	includes person, firm, company or body
Treasury Shares	350,000 Cambrian Shares held in treasury
TSX	Toronto Stock Exchange
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
uncertificated or in uncertificated form	recorded on the relevant register as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations may be transferred by means of CREST
United States or US	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
US Exchange Act	the United States Securities Exchange Act of 1934 as amended and the rules and regulations thereunder
US Holder(s)	holder(s) of the applicable security, who is in the United States including a US Person
US Person	a US Person as defined in Rule 902(K) under Regulation S including, but not limited to any natural person in the United States
US Securities Act	the United States Securities Act of 1933, as amended and the rules and regulations thereunder
Voting Record Time	in relation to both the Court Meeting and the General Meeting, 6.00 p.m. on the day prior to the day immediately preceding the Court Meeting or, if either the Court Meeting or the General Meeting is adjourned, 6:00 pm on the day prior to the day immediately before the meeting
Warrants	Warrants to subscribe for Cambrian Shares
Western	Western Canadian Coal Corp., a company incorporated in the Province of British Columbia, Canada, with registered number 551375
Western Annual Report	the audited consolidated report and accounts of Western for the period ended on the 31 March 2008
Western Director	a director of Western

Western Group	Western and its subsidiaries
Western Independent Directors	John Brodie, Robert Chase and Charles Pitcher
Western Meeting	the special meeting of the Western Shareholders (including any adjourned or postponed meeting) to be held for the purpose of considering and, if deemed advisable, approving the Western Resolutions
Western Resolutions	the ordinary resolutions of the Western Shareholders in connection with the approval of the Acquisition
Western Shares	means the common shares in the capital of Western
Western Shareholders	the holders of Western Shares
Wider Cambrian Group	Cambrian, its subsidiary undertakings and its associated undertakings
Wider Western Group	Western, its subsidiary undertakings and its associated undertakings for the avoidance of doubt, excluding the Wider Cambrian Group from the Effective Date

For the purposes of this announcement, “subsidiary”, “subsidiary undertaking” and “associated undertaking” have the respective meanings given to such terms in the Companies Act.