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## Western Coal Announces Proposal to Acquire Energybuild

**Vancouver, B.C. June 9, 2010** – The Directors of Western Coal Corp (**TSX: WTN, WTN.WT and AIM: WTN**) (“Company” or “Western”) and Energybuild Group plc Independent Directors are pleased to announce the terms of a recommended proposal (“Proposal”) for the acquisition by Western of all the outstanding issued ordinary share capital of Energybuild Group plc (“Energybuild”) not already held by the Western. It is intended that the Proposal will be effected by way of a scheme of arrangement (“Scheme”) of Energybuild under section 899 of the UK Companies Act 2006.

### Summary

- Under the Proposal, Scheme Shareholders will receive 0.0833 new Western Shares for every 1 Energybuild Share held.
- The Proposal values the entire issued ordinary share capital of Energybuild at approximately £54.4 million and each Energybuild Share at approximately 24.0 pence based on the Closing Price of one Western Share of 288 pence on 8 June 2010, being the last Dealing Day prior to the date of this announcement.
- Based on the Closing Price of one Western Share of 288 pence on 8 June 2010, being the last Dealing Day prior to the date of this announcement, the Proposal represents
  - a premium of approximately 12.9 per cent. to the Closing Price of an Energybuild Share of 21.25 pence on the same day; and
  - a premium of approximately 26.1 per cent. to the average ratio of the Closing Prices of a Western Share and an Energybuild Share for the one month prior to the date of this announcement.
- The Energybuild Independent Directors, who have been so advised by Arbuthnot Securities, consider the terms of the Proposal to be fair and reasonable. In providing its advice to them, Arbuthnot Securities has taken into account the commercial assessments of the Energybuild Independent Directors. Further important background to the recommendation is given in the full announcement.
- The Energybuild Independent Directors intend unanimously to recommend that Energybuild 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 Energybuild Independent Directors believe that the Proposal will give Energybuild access to the substantial coal mining expertise within Western and improve access to finance if required, thus underpinning Energybuild's future development while allowing Energybuild shareholders to retain their exposure to the coal mining industry through an investment in a larger more diversified group.
- The Proposal will result in the integration of Energybuild into the Western Group, simplifying Western's corporate structure and creating the opportunity to apply Western's operational and financial resources to develop Energybuild. The Proposal will result in the issuance of approximately 8.6 million New Western Shares to Energybuild Shareholders representing approximately 3.1 per cent. of Western's issued share capital as enlarged by this issue (excluding approximately 72.1 million non-voting common shares owned by Cambrian Mining Ltd, a wholly-owned subsidiary of Western).
- Irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolution at the General Meeting have been secured from the Energybuild Independent Directors and another Energybuild Shareholder in respect of, in aggregate, 26,447,552 Energybuild Shares, representing approximately 25.8 per cent. of Energybuild's existing issued share capital not already held by the Western Group and approximately 11.7 per cent. of Energybuild's total existing issued share capital.
- Letters of intent to vote in favour of the Scheme at the Court Meeting and the resolution at the General Meeting have also been provided by certain Energybuild Shareholders in respect of the Energybuild Shares held by them as at the record time for the Meetings. These shareholdings currently total, in aggregate, 24,700,894 Energybuild Shares, representing approximately 24.1 per cent. of Energybuild's existing issued share capital not already held by the Western Group and approximately 10.9 per cent. of Energybuild's total existing issued share capital.
- The Proposal will be put to Energybuild Shareholders (other than, in the case of the Court Meeting, Western and any member of the Western Group) at the Court Meeting and at the General Meeting, which are expected to be held during July 2010. To become effective, the Scheme must be approved by a majority in number of the holders of Energybuild Shares entitled to vote and 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 Energybuild Shareholders representing 75 per cent. of the votes cast at the General Meeting.
- It is expected that the Scheme Document will be posted during June 2010 (and in any event within 28 days of this announcement, unless otherwise agreed with the Panel) and that the Scheme will become effective in August 2010, subject to the satisfaction of the Conditions set out in Appendix I.
- Cenkos Securities is acting as financial adviser to Western and no one else in connection with the Proposal. Arbuthnot is acting as financial adviser to Energybuild and no one else in relation to the Proposal.

Keith Calder, CEO of Western, commented:

*"Acquiring 100% of Energybuild fits in with our value accretive growth strategy. With a tremendous coal resource base in which to build Energybuild upon, we believe applying Western's considerable technical and financial strength will help in developing the project faster and achieve shareholder value earlier for Western shareholders."*

Colin Cooke, Chairman of Energybuild, commented:

*“This Proposal will assure Energybuild’s future development by giving it improved access to Western’s greater coal expertise and financial resources. Based on current share prices the terms provide a premium for Energybuild shareholders and will allow them to retain their exposure to the coal mining industry”.*

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*This summary should be read in conjunction with the full text of the attached announcement of which it forms part (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 and the Forms of Proxy, 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. Energybuild 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.*

*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 Takeover Code, and to the applicable rules and regulations of the Financial Services Authority and the London Stock Exchange.*

*This announcement, including information included or incorporated by reference in this announcement, may contain "forward-looking statements" concerning the Energybuild 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. Energybuild and Western assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable law.*

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

*The Western Directors accept responsibility for the information contained in this announcement other than that relating to Energybuild, the Energybuild Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the Western Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*The Energybuild Directors accept responsibility for the information contained in this announcement which relates to Energybuild, themselves and their immediate families, related trusts and connected persons only, save that only the Energybuild Independent Directors accept responsibility for the recommendation of the Proposal and any opinion attributable to the Energybuild Independent Directors relating to such recommendation contained in this announcement. To the best of the knowledge and belief of the Energybuild Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*No statement in this announcement is intended as a profit forecast or profit estimate and no statement in this announcement should be interpreted to mean that the future earnings per share of the Enlarged Group for current or future financial periods will necessarily match or exceed the historical or published earnings per share of Western and/or Energybuild.*

*Neither the content of Western's or Energybuild's website (or any other website) nor the content of any website accessible from hyperlinks on any such website is incorporated into, or forms part of, this announcement.*

#### **Disclosure Requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any paper offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified.*

*If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.*

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FOR IMMEDIATE RELEASE

9 June 2010

**Recommended proposal for the acquisition of Energybuild Group Plc  
by Western Coal Corp.  
to be implemented by means of a scheme of arrangement  
under sections 895 to 899 of the Companies Act 2006**

## **1. Introduction**

The Energybuild Independent Directors and the Western Directors are pleased to announce that they have reached agreement on the terms of a recommended proposal for the acquisition by Western of all of the outstanding issued ordinary share capital of Energybuild not already held by the Western Group. The Proposal is to be effected by way of a scheme of arrangement of Energybuild which requires approval by the Energybuild Shareholders (other than the Western Group) and the sanction of the Court. Upon the Scheme becoming effective, Scheme Shareholders will receive 0.0833 New Western Shares for every Scheme Share held. No fractions of New Western Shares will be allotted.

## **2. Summary of the terms of the Proposal**

The Proposal is to be effected by way of a UK Court sanctioned scheme of arrangement of Energybuild under section 899 of the UK Companies Act 2006 involving a reduction of capital under section 641 of the UK Companies Act 2006. 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 Energybuild will become a wholly owned subsidiary of Western.

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

**0.0833 New Western Shares for every 1 Scheme Share Held**

The Proposal values the entire issued ordinary share capital of Energybuild at approximately £54.4 million and each Energybuild Share at approximately 24.0 pence based on the Closing Price of one Western Share of 288 pence on 8 June 2010, being the last Dealing Day prior to the date of this announcement.

Based on the Closing Price of one Western Share of 288 pence on 8 June 2010, being the last Dealing Day prior to the date of this announcement, the Proposal represents:

- a premium of approximately 12.9 per cent. to the Closing Price of an Energybuild Share of 21.25 pence on the same day;
- a premium of approximately 26.1 per cent. to the average ratio of the Closing Prices of a Western Share and an Energybuild Share for the one month prior to the date of this announcement;

- a premium of approximately 17.4 per cent. to the average ratio of the Closing Prices of a Western Share and an Energybuild Share over the six months prior to the date of this announcement; and
- a premium of approximately 59.9 per cent. to the price at which Energybuild last raised £14.5 million of new equity in December 2009.

Assuming no further shares are issued by Energybuild prior to the Scheme becoming effective, implementation of the Scheme would involve the issue by Western of up to approximately 8.6 million New Western Shares for the existing issued Energybuild Shares, excluding those already held by the Western Group. This would represent approximately 3.1 per cent. of Western's issued share capital as enlarged by this issue (excluding the Cambrian Shares which are non-voting), or approximately 2.5 per cent. of Western's issued share capital as enlarged by this issue (including the Cambrian Shares).

The Scheme will become effective upon the sanctioning by the UK Court of the Scheme and of the Reduction of Capital and the delivery to the Registrar of Companies of a copy of the Orders and, in relation to the Reduction of Capital, the registration of such Order by the Registrar of Companies which, subject to the Court's timetable, is expected to occur in August 2010.

Western will be a member of Energybuild on the Effective Date and accordingly there will be no requirement under section 593 of the UK Companies Act 2006 for an independent valuation. As its Energybuild Shares will not be Scheme Shares which will be cancelled under the Proposal, Western is precluded from voting at the Court Meeting and, accordingly, the Energybuild Shares held by Western (and members of the Western Group) will not count towards the majorities required to approve the Scheme. Western will, however, undertake to be bound by the Scheme.

#### *Holders of Options/Warrants*

The Scheme Document will contain appropriate information relevant to the holders of Options and Warrants in Energybuild.

### **3. Irrevocable undertakings and letters of intent**

Irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolution at the General Meeting have been secured from the Energybuild Independent Directors and another Energybuild Shareholder in respect of, in aggregate, 26,447,552 Energybuild Shares, representing approximately 25.8 per cent. of Energybuild's existing issued share capital not already held by the Western Group and approximately 11.7 per cent. of Energybuild's total existing issued share capital.

Letters of intent to vote in favour of the Scheme at the Court Meeting and the resolution at the General Meeting have also been provided by certain Energybuild Shareholders in respect of the Energybuild Shares held by them as at the record time for the Meetings. These shareholdings currently total, in aggregate, 24,700,894 Energybuild Shares, representing approximately 24.1 per cent. of Energybuild's existing issued share capital not already held by the Western Group and approximately 10.9 per cent. of Energybuild's total existing issued share capital.

Further details of the irrevocable undertakings and letters of intent are set out in Appendix III.

#### **4. Background to and reasons for recommending the Proposal**

Despite the progress to date and the Energybuild Independent Directors' continuing confidence in the future, Energybuild remains in a development phase. The Energybuild Independent Directors continue to believe that the Company remains on track to raise production to the targeted rate of 750,000 tonnes by 2013. However, Energybuild's ability to do this successfully and to sell its coal at the prices anticipated depend on many factors. These include the geology encountered in the mine, the ability to implement new production techniques and ramp up production successfully, the outlook for the different end markets for the Company's coal (particularly the steel industry) and the course of future world coal prices. Many of these are outside the Company's control.

Energybuild's ability to raise finance other than through an issue of new equity or an equity-linked instrument remains limited. Although its plans do not currently envisage a need for additional finance, adverse events could force the need to scale back development or raise additional funding at some stage. The Company's last fundraising in December 2009 was successfully concluded with the support of Western. If additional capital was to be required at some future stage, there can be no assurance that such finance would be forthcoming or forthcoming on acceptable terms.

If approved, the Proposal will give the Company access to the substantial coal mining expertise available within Western and improve access to finance if required. At the same time Western's greater size and ability to absorb the impact of unexpected events should allow Energybuild to accelerate the development of the Aberpergwm mine.

Western currently owns 54.7 per cent. of Energybuild's issued share capital. The Proposal offers Energybuild Shareholders the opportunity to retain their exposure to the coal mining industry and to exchange their Energybuild Shares for more liquid, albeit more volatile, Western shares. The proposed terms represent a premium of approximately 12.9 per cent. to the ratio of the Closing Prices of Western Shares and Energybuild Shares on 8 June 2010, being the last Dealing Day prior to the date of this announcement, and a premium of approximately 17.4 per cent. to the average ratio of the Closing Prices of Western Shares and Energybuild Shares over the six months prior to the date of this announcement.

#### **5. Recommendation**

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

The Energybuild Independent Directors intend unanimously to recommend that (i) Energybuild Shareholders (excluding Western and members of the Western Group) vote in favour of the resolution to approve the Scheme to be proposed at the Court Meeting and (ii) Energybuild Shareholders vote in favour of the Special Resolution to be proposed at the General Meeting.

As an officer of Western and a director of Energybuild, Braam Jonker is deemed to be a non-independent director of Energybuild and consequently will not vote on any resolutions of the Energybuild Independent Directors to recommend the Proposal.

Energybuild Shareholders considering voting in favour of the Scheme are referred to the investment considerations which will be set out in the Scheme Document. If you are in any doubt as to the action you should take, you should seek your own financial advice from an independent financial adviser.

## 6. Information on Energybuild

Energybuild is an AIM quoted developer and producer of Welsh anthracite and surface mined coal. The Company is presently developing the Aberpergwm mine and adjoining underground anthracite coal reserves and resources located in the Neath and Dulais Valleys of South Wales. The mine has a proven and probable coal reserve of 6.8 million tonnes and estimated recoverable inferred coal resource of 36.9 million tonnes. Energybuild also operates the nearby Nant y Mynydd and Forest Quarry surface opencast coal and stone mining areas and has identified further possible opencast sites within the Aberpergwm surface lease for potential development.

In its audited results for the nine months to 31 March 2010 announced this morning, Energybuild reported a profit before tax of £0.2 million (year to 30 June 2009: £1.9 million) on revenues of £6.8 million (year to 30 June 2009: £16.4 million) and earnings per share of 0.08p (year to 30 June 2009: 1.0131p). As at 31 March 2010 Energybuild had audited net assets of £33.8 million and net cash and cash equivalents of £5.0 million. Further financial information in relation to Energybuild will be included in the Scheme Document.

## 7. Information on Western

Western is a producer of high quality metallurgical and thermal coal from mines in northeast British Columbia (Canada) and West Virginia (USA). Over the next three years, Western has organic growth plans to produce over 10 million tonnes per year. Western has a 20+ year coal reserve base.

The coal properties in British Columbia have over 127 million tonnes of reserves and over 230 million tonnes of resources. The coal properties in West Virginia have over 47 million tons (short) of reserves and 92 million tons (short) of resources.

Western's British Columbia mines are:

- Perry Creek Mine on the Wolverine property is a surface mine that has the potential to produce 2.0 Mt/a of hard coking coal.
- Brule Mine on the Brazion property is a surface mine that has the potential to produce 2.0 Mt/a.
- Willow Creek Mine on the Brazion property is a surface mine that has the potential to currently produce 0.9 Mt/a of low-vol PCI. The current mine plan is under review with plans to increase production to over 1.8 Mt/a of both low-vol PCI and hard coking coal.
- Western also has a 50% joint venture interest in the Belcourt-Saxon properties. A technical report has been completed on the Belcourt property which indicates that property can support production of at least 4.0 Mt/a. Further studies on the Saxon property will be required.

Western's West Virginia mines are:

- Maple Coal operates both a surface and an underground mine, which combined have the capacity to produce over 2.0 million short tons per year. The underground mine produces coking coal, while the surface mine produces thermal coal.

- Gauley Eagle operates both a surface and an underground mine, which combined have the capacity to produce 1.5 million short tons per year. The underground mine produces semi-soft coking coal, while the surface mine produces thermal coal.

For the nine months ended 31 December 2009 Western reported net income of C\$29.6 million on sales of C\$302.0 million and basic earnings per share of C\$0.13. Western reported net income of C\$214.5 million on sales of C\$586.1 million and basic earnings per share of C\$1.17. Financial information on Western will be included in the Scheme Document.

Western expects to report its audited results for the year to 31 March 2010 on 10 June 2010.

## **8. Management and employees**

The board of directors of Western has given assurances to the board of directors of Energybuild that, following the Scheme becoming effective, the existing employment rights of all management and employees of the Energybuild Group will be fully safeguarded. There are no plans to change the principal office location of Energybuild.

## **9. Structure of the Scheme**

The Proposal is to be effected by way of a scheme of arrangement. The Scheme is an agreement between Energybuild and the holders of Scheme Shares (as defined in the Scheme) under section 899 of the Companies Act 2006 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 Energybuild 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 Scheme 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 Energybuild at the Scheme Record Time will receive 0.0833 New Western Shares for every 1 Energybuild Share. No fractions of New Western Shares will be allotted.

Energybuild Shares issued after the Scheme Record Time will not be subject to the Scheme. Accordingly, it is proposed that the Articles be amended so that Energybuild Shares issued after the Scheme 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 Energybuild Shares issued to holders of Options and Warrants on exercise of their Options and Warrants after the Scheme 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 Energybuild Shares after the Scheme 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 in August 2010. 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 Energybuild Shareholders (other than Western and members of the Western Group) by the passing of a resolution at the Court Meeting. The resolution must be approved by a majority in number of the Energybuild Shareholders entitled to vote and present and voting, either in person or by proxy, representing not less than three fourths in value of the Energybuild Shares held by such Energybuild Shareholders.

Implementation of the Scheme will also require the passing of the Special Resolution (requiring the approval of Energybuild 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.

#### **10. Cancellation of admission of Energybuild Shares to trading on AIM**

Prior to, and subject to, the Scheme becoming effective, the London Stock Exchange will be requested to cancel trading in Energybuild Shares on AIM. The last day for dealings in Energybuild Shares on the AIM market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6:00 p.m. on that date.

On the Effective Date, share certificates in respect of the Energybuild Shares will cease to be valid and should be destroyed. In addition, entitlements to Energybuild Shares held within the CREST system will be cancelled on the Effective Date.

Upon completion of the Proposal, Western Shares will continue to be admitted to trading on AIM and listed on the Toronto Stock Exchange.

#### **11. Disclosure of interests in Energybuild**

As at the close of business on 8 June 2010, being the last practicable Business Day prior to the date of this announcement, the Western Group held 124,006,667 ordinary shares in Energybuild, representing 54.7 per cent. of the issued share capital of Energybuild.

Save as referred to above, none of Western (nor any of the Western Directors), nor, so far as Western is aware, any person deemed to be acting in concert with Western, has any interest in or right to subscribe for any Energybuild Shares or any securities convertible or exchangeable into Energybuild Shares (including pursuant to any long exposure, whether conditional or absolute, to changes in the prices of securities) or any rights to subscribe for or purchase the same, or holds any options (including traded options) in respect of, or has any option to acquire, any Energybuild Shares or has entered into any derivatives referenced to Energybuild Shares ("Relevant Energybuild Securities") which remain

outstanding, nor does any such person hold any short positions in relation to Relevant Energybuild Securities (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor does any such person have any arrangement in relation to Relevant Energybuild Securities. An "arrangement" also includes any indemnity or option arrangement, any agreement or understanding, formal or informal, of whatever nature, relating to Relevant Energybuild Securities which may be an inducement to deal or refrain from dealing in such securities.

"Interests in securities" is further explained in the paragraph headed *Disclosure requirements of the Takeover Code* in the summary to this Announcement.

Western confirms that it will today be making an Opening Position Disclosure pursuant to Rule 8.1(a) of the Takeover Code.

## **12. Overseas shareholders**

The making of the Proposal in, or to persons resident in, or to nationals or citizens of, jurisdictions outside the United Kingdom or to nominees of, or custodians or trustees for, citizens or nationals of other countries ("**Overseas Shareholders**") may be prohibited or affected by the laws of the relevant jurisdictions.

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. Any such Overseas Shareholder will be responsible for any such issue, transfer or other taxes or duties by whomsoever payable and Western and/or Energybuild (and any person acting on behalf of Western or Energybuild) shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes or duties or other requisite payments as Western and/or Energybuild (and any person acting on behalf of Western or Energybuild) may be required to pay.

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

## **13. Issued share capital**

As at close of business on 8 June 2010, Energybuild confirms that it has 226,666,667 ordinary shares in issue (ISIN reference number GB00B1Z47571).

As at close of business on 8 June 2010, Western confirms that it has 336,359,383 shares in issue (including 72,122,826 Western Shares owned by Cambrian Mining Ltd, a wholly-owned subsidiary of Western) (ISIN reference number CA95801T1075).

Western is being advised by Cenkos Securities and its legal advisers are Trowers & Hamblins LLP. Energybuild is being advised by Arbuthnot Securities and its legal advisers are Charles Russell LLP.

## **14. 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 and the Forms of Proxy, 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 law, the companies involved in the 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.

This announcement, including information included or incorporated by reference in this announcement, may contain "forward-looking statements" concerning the Energybuild 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. Energybuild and Western assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable law.

Cenkos 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 Cenkos Securities, nor for providing advice in relation to the Proposal or any other matters referred to in this announcement.

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

The Proposal will be subject to the Conditions and certain further terms set out in Appendix I and the further terms and conditions set out in the Scheme Document when issued.

The bases and sources of certain information contained in this Announcement are set out in Appendix II.

Appendix III contains details of those persons who have given irrevocable undertakings or letters of intent to vote in favour of the Proposal.

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

In accordance with Rule 19.11 of the Takeover Code and AIM Rule 26, a copy of this Announcement will be published on the following websites: [www.energybuild.co.uk](http://www.energybuild.co.uk) and [www.westerncoal.com](http://www.westerncoal.com)

**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 30 September 2010 or such later date (if any) as Energybuild and Western may, with the consent of the Panel, agree and the Court may allow. The Scheme is conditional upon:
  - (a) the approval by a majority in number of the holders of Energybuild Shares entitled to vote and present and voting, either in person or by proxy, at the Court Meeting (or any adjournment thereof), representing three fourths in value of the Energybuild Shares of such holders;
  - (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 Energybuild 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 Energybuild 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; and
  - (e) admission of the New Western Shares to trading on AIM becoming effective in accordance with the AIM Rules or if Western so determines (subject to the consent of the Panel) the London Stock Exchange agreeing to admit such shares to trading on AIM subject to the allotment of such New Western Shares and/or the Scheme becoming or being declared unconditional in all respects;
  - (f) permission being granted for the admission of the New Western Shares to listing and posting for trading on the TSX.
2. Western and Energybuild have also agreed that, subject to sections 3 and 4 below, the Scheme is conditional upon the following matters, and, accordingly, the necessary action to make the Scheme 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 Energybuild reasonably deem necessary for or in respect of the Proposal, its implementation or any acquisition of any shares in Energybuild or any other member of the Wider Energybuild Group by any member of the Wider Western Group having been obtained in terms and in a form satisfactory to Western and Energybuild acting reasonably from any relevant person or authority or from any person or body with whom any member of the Wider Energybuild Group or Wider Western Group has entered into contractual arrangements (which are material in the

context of the Western Group or the Energybuild Group, as applicable) 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 Energybuild 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 Energybuild by Western.

(b) **Regulatory Intervention**

Save as Disclosed, no government or governmental, quasi-governmental, supranational, statutory or regulatory body or association, institution or agency (including any trade agency) or any court or other body (including any professional or environmental body) or person in any relevant jurisdiction (each a "Relevant Authority") 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 Energybuild 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 management of, the Wider Energybuild Group by Western illegal, void or unenforceable under the laws of any relevant jurisdiction; or
- (ii) 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 Energybuild by Western or any acquisition of Energybuild Shares by Western; or
- (iii) require, prevent or delay the divestiture (or alter the terms of any proposed divestiture), by Western of any shares or other securities in Energybuild; or
- (iv) impose any limitation on the ability of any member of the Wider Western 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 Energybuild Group or to exercise management control over any member of the Wider Energybuild Group taken as a whole; or
- (v) require, prevent or delay the disposal by Western or any member of the Wider Western Group or Energybuild or any member of the Wider Energybuild 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 to offer to acquire any shares or other securities (or the equivalent) in any member or any other assets of the Wider Energybuild 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 Energybuild 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 Energybuild Group; or
- (viii) result in any member of the Wider Western Group or the Wider Energybuild 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) otherwise 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 Energybuild Group;

and all applicable waiting and other time periods during which any such Relevant Authority in any relevant jurisdiction 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 Energybuild 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 management of, Energybuild or any other member of the Energybuild Group result in (in each case to an extent which is material and adverse in the context of the Wider Energybuild Group taken as a whole):

- (i) any material assets or interests of any member of the Wider Energybuild Group being or failing to be disposed of or charged in any way or ceasing to be available to any member of the Wider Energybuild 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 Energybuild Group; or
- (ii) any monies borrowed by, or other indebtedness (actual or contingent) of, or any grant available to, any member of the Wider Energybuild 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 Energybuild 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 Energybuild 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 Energybuild Group or any such security (whenever arising or having arisen) becoming enforceable or being enforced; or
- (vii) any member of the Wider Energybuild 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 Energybuild 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 Energybuild Group other than in the ordinary course of trading; or
- (ix) the ability of any member of the Wider Energybuild 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 Energybuild 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 sub-paragraphs (i) to (ix) above inclusive.

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

Since the Accounting Date, save as otherwise Disclosed or pursuant to transactions in favour of Energybuild or a subsidiary of Energybuild or in connection with the Proposal, no member of the Wider Energybuild Group having (in each case to an extent which is material and adverse in the context of the Wider Energybuild 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 for the issue of Energybuild Shares on the exercise of Disclosed Energybuild share options or warrants or pursuant to the Employee Share Plan); 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 Energybuild or wholly owned subsidiaries of Energybuild; or
  - (iv) (save for transactions between two or more members of the Energybuild 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 members of the Energybuild 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 of a long term, onerous or unusual nature or magnitude and/or which is restrictive to the existing business of any member of the Wider Energybuild Group (other than to a nature and extent which is normal in the context of the business concerned) which is in any such case material in the context of the Wider Energybuild Group taken as a whole; 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 Energybuild or any of the directors or senior executives of any other member of the Wider Energybuild 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) 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 (Energybuild)**

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 Energybuild Group or to which any member of the Wider Energybuild 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 Energybuild Group; and
- (ii) no event, change or condition has occurred or become known to Energybuild in the business or assets or financial or trading position, assets, liabilities or profits or prospects of any member of the Wider Energybuild Group which is material in the context of the Wider Energybuild Group taken as a whole; 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 Energybuild Group having been threatened, announced, implemented or instituted or remaining outstanding by, against or in respect of, any member of the Wider Energybuild Group which in any case, would be likely to have a material adverse effect on the financial position of the Wider Energybuild 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 Energybuild Group taken as a whole.

(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 in connection with the Proposal, 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 for 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 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 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 of a long term, onerous or unusual nature or magnitude and/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) which is in any such case material in the context of the Wider Western Group taken as a whole; 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) 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 in the business or assets or financial or trading position, assets, liabilities or profits or prospects of any member of the Wider Western Group which is material in the context of the Wider Western Group taken as a whole; 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.

**(h) Other Issues (Energybuild)**

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 Energybuild Group taken as a whole):

- (i) the financial, business or other information disclosed at any time by any member of the Wider Energybuild 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 Energybuild Group has failed to comply with any applicable legislation or regulations of any relevant 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 Energybuild Group which is material in the context of the Wider Energybuild 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 Energybuild 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 Energybuild Group taken as a whole.

**(i) Other Issues (Western)**

Save as Disclosed, Energybuild 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 relevant 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 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, Energybuild 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. If the Scheme is effected, the Energybuild Shares will be acquired by Western fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this announcement.
7. The New Western Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Western Shares in issue at the time the New Western Shares are delivered pursuant to the Proposal, including the right to receive and retain dividends and other distributions (if any) paid by reference to a record date on or after the Effective Date. Application will be made for the admission of the New Western Shares to trading on AIM and the TSX, on the first Dealing Day after the Effective Date.
8. Western reserves the right, subject to the consent of the Panel, to elect to implement the Proposal 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 Energybuild 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.
9. Western shall be under no obligation to waive or treat as satisfied, and Energybuild 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.

## Appendix II

### Bases and sources

1. The premia represented by the consideration due under the Proposal over the average ratio of the Closing Prices of a Western Share and an Energybuild Share over the one month and the six months prior to the date of this announcement are based on the premium of the consideration due under the Proposal over the simple average of the ratios of the Closing Prices of Western Shares and Energybuild Shares for each Dealing Day from 9 May 2010 to 8 June 2010 and 9 December 2009 to 8 June 2010, respectively.
2. The calculation of approximately 8.6 million New Western Shares to be issued pursuant to the Proposal is based upon 102,660,000 Energybuild Shares (being Energybuild's undiluted share capital excluding Energybuild Shares owned by the Western Group on 8 June 2010, the last Business Day prior to the date of this announcement) multiplied by 0.0833 (and assumes no further issue of Energybuild Shares prior to completion of the Proposal).
3. References to percentages of Energybuild Shares (before the Proposal) are based on the number of Energybuild Shares in issue as at the close of business on 8 June 2010, being the last Business Day prior to the date of this announcement, and do not include any shares issuable pursuant to any options, warrants or other convertible securities in Energybuild.
4. The percentage holding of Energybuild Shareholders (excluding the Western Group) in Western on completion of the Proposal is based on the current undiluted ordinary share capital of Western as at the close of business on 8 June 2010, being the last Business Day prior to the date of this announcement and the New Western Shares to be issued as set out in (2) above (assuming no further issue of Energybuild Shares or Western Shares prior to completion of the Proposal).

### Appendix III

#### Details of Irrevocable Undertakings and Letters of Intent

The following holders of Energybuild Shares have given irrevocable undertakings to vote in favour of the Proposal:

<b>Name</b>	<b>Number of Energybuild Shares</b>	<b>Percentage of issued share capital of Energybuild</b>
Colin Cooke	303,667	0.13%
Thomas David Button	0	0.00%
Robert Morgan	3,166,667	1.40%
Morgan Rhidian Davies	3,175,000	1.40%
Karl Picton Jones	0	0.00%
Majedie Asset Management Limited	19,802,218	8.74%
	<hr/> 26,447,552	<hr/> 11.67%

In respect of the undertakings given by the Energybuild Independent Directors, these undertakings will cease to be binding only if the Scheme lapses or otherwise ceases to be capable of becoming effective or is withdrawn, and will remain binding in the event that a higher competing offer for Energybuild is made.

In respect of the undertaking given by Majedie Asset Management Limited, this undertaking will cease to be binding if a competing offer is made or announced with a value which represents an improvement of 10 per cent. or more in the value of the consideration offered by Western and Western fails to submit a revised offer within 10 Business Days of the announcement of such competing offer which either equals or exceeds the value of such competing offer, or if the recommendation of the Proposal by the Energybuild Independent Directors is withdrawn, or if the Scheme lapses or otherwise ceases to be capable of becoming effective or is withdrawn.

The following holders of Energybuild Shares have given letters of intent to vote in favour of the Proposal in respect of the Energybuild Shares held by them as at the record time for the Meetings:

<b>Name</b>	<b>Number of Energybuild Shares currently held</b>	<b>Percentage of issued share capital of Energybuild</b>
Blackrock Investment Management (UK) Limited	11,209,440	4.95%
Henderson Global Investors Limited	8,416,665	3.71%
Invesco Asset Management Limited	5,074,789	2.24%
	<hr/> 24,700,894	<hr/> 10.90%

## Appendix IV

### Definitions

<b>2006 Act</b>	the Companies Act 2006 (as amended)
<b>Accounting Date</b>	means, in relation to Energybuild, 31 March 2010; and means, in relation to Western, 31 March 2009
<b>Admission</b>	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
<b>AIM</b>	the AIM market operated by the London Stock Exchange
<b>AIM Rules</b>	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
<b>Arbuthnot Securities</b>	Arbuthnot Securities Limited, the investment banking subsidiary of Arbuthnot Banking Group plc
<b>Articles</b>	the articles of association of Energybuild
<b>Authorisations</b>	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals
<b>Business Day</b>	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
<b>Cambrian Shares</b>	the 72,122,826 non-voting shares in Western held by Cambrian Mining Limited
<b>Cenkos Securities</b>	Cenkos Securities plc
<b>Closing Price</b>	the closing middle market quotation of one Energybuild Share and/or one Western Share, as applicable, as provided by the daily official list of the London Stock Exchange
<b>Conditions</b>	the conditions to the implementation of the Proposal (including the Scheme), which are set out in Appendix I of this announcement
<b>Consideration</b>	the New Western Shares to be issued to the Scheme Shareholders pursuant to the Scheme
<b>Court</b>	the High Court of Justice in England and Wales
<b>Court Hearing</b>	the hearing by the Court of the application to sanction the Scheme

and confirm the Reduction of Capital

<b>Court Meeting</b>	the meeting of Energybuild Shareholders (other than Western and members of the Western Group) convened by order of the Court pursuant to section 899 of the 2006 Act to consider and, if thought fit, approve the Scheme, including any adjournment thereof
<b>Court Sanction</b>	the sanction (with or without modification) of the Scheme by the Court
<b>CREST</b>	the relevant system defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations)
<b>CREST Regulations</b>	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.
<b>Dealing Day</b>	a day on which the London Stock Exchange is open for business in the trading of securities admitted to AIM
<b>Disclosed</b>	<p>(i) as disclosed in the Energybuild Annual Report or the Western Annual Report; or</p> <p>(ii) as publicly announced by any member of the Wider Energybuild 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) up to and including 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 Energybuild up to and including the date of this announcement; or</p> <p>(iv) as otherwise fairly disclosed in writing (including by facsimile) to Energybuild or its advisers by or on behalf of Western up to and including the date of this announcement</p>
<b>Effective Date</b>	the date on which the Scheme becomes effective in accordance with its terms
<b>Employee Share Plan</b>	the share incentive plan adopted by Energybuild on 17 April 2008
<b>Energybuild</b>	Energybuild Group Plc, company number 5451235
<b>Energybuild Annual Report</b>	the audited consolidated report and accounts of Energybuild for the period ended on the Accounting Date
<b>Energybuild Director</b>	a director of Energybuild
<b>Energybuild Group</b>	Energybuild and its subsidiary undertakings

<b>Energybuild Independent Directors</b>	the Energybuild Directors, excluding Braam Jonker
<b>Energybuild Shares</b>	ordinary shares of 10 pence each in the capital of Energybuild
<b>Energybuild Shareholders</b>	holder(s) of Energybuild Shares
<b>Enlarged Group</b>	Western Group as enlarged by the acquisition of the Energybuild Group, subject to the Scheme becoming effective
<b>Financial Services Authority</b>	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
<b>General Meeting</b>	the general meeting of Energybuild to consider any resolution required to approve and implement the Scheme and the Proposal, including any adjournment thereof
<b>Hearing Date</b>	the date of the Court Hearing
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Meetings</b>	the Court Meeting and the General Meeting
<b>New Western Shares</b>	the new Western Shares proposed to be issued by Western (credited as fully paid) as consideration under the Proposal
<b>Offer</b>	recommended proposal for the acquisition of Energybuild by Western
<b>Offer Period</b>	the period commencing on the date of this announcement and ending on the Effective Date
<b>Options</b>	the outstanding options to subscribe for Energybuild Shares
<b>Orders</b>	the Scheme Court Order and the Reduction Court Order
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>Proposal</b>	the Scheme and other matters to be considered at Meetings
<b>Reduction Court Order</b>	the order of the Court confirming the Reduction of Capital
<b>Reduction of Capital</b>	the reduction of the share capital of Energybuild under section 641 of the 2006 Act by the cancellation and extinguishing of the Scheme Shares, to be effected as part of the Scheme
<b>Registrar of Companies</b>	the Registrar of Companies in England and Wales
<b>Regulatory Information Service</b>	any of the services on the list of Regulatory Information Services

maintained by the Financial Services Authority

<b>Scheme</b>	the proposed scheme of arrangement under section 899 of the 2006 Act between Energybuild 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 Energybuild
<b>Scheme Court Order</b>	the Court order sanctioning the Scheme
<b>Scheme Document</b>	the document to be sent to Energybuild Shareholders relating to the Proposal
<b>Scheme Record Date</b>	the Business Day immediately preceding the Hearing Date
<b>Scheme Record Time</b>	6.00 p.m. on the Scheme Record Date
<b>Scheme Shares</b>	means all the Energybuild Shares (except those held by the Western Group): <ul style="list-style-type: none"> <li>(i) in issue at the date of the Scheme;</li> <li>(ii) (if any) issued after the date of the Scheme and prior to the Voting Record Time;</li> <li>(iii) (if any) issued at or after the Voting Record Time and before the Scheme 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</li> </ul>
<b>Scheme Shareholders</b>	a person who appears as a holder of Scheme Shares in the register of members of Energybuild at the Scheme Record Time
<b>Special Resolution</b>	the special resolution to be proposed by Energybuild at the General Meeting in connection with, inter alia, the approval of the Scheme and the Reduction of Capital
<b>Takeover Code</b>	the City Code on Takeovers and Mergers
<b>third party</b>	includes person, firm, company or body
<b>TSX</b>	Toronto Stock Exchange
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>uncertificated or in uncertificated form</b>	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

<b>Voting Record Time</b>	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 adjourned meeting
<b>Warrants</b>	the outstanding warrants to subscribe for Energybuild Shares
<b>Western</b>	Western Coal Corp., a company incorporated in the Province of British Columbia, Canada, with registered number 551375
<b>Western Annual Report</b>	the audited consolidated report and accounts of Western for the period ended on the Accounting Date
<b>Western Director</b>	a director of Western
<b>Western Group</b>	Western and its subsidiaries (for the avoidance of doubt, excluding the Energybuild Group)
<b>Western Shares</b>	means the common shares in the capital of Western
<b>Western Shareholders</b>	the holders of Western Shares
<b>Wider Energybuild Group</b>	Energybuild, its subsidiary undertakings and its associated undertakings
<b>Wider Western Group</b>	Western, its subsidiary undertakings and its associated undertakings for the avoidance of doubt, excluding the Wider Energybuild 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 2006 Act.