

CAMBRIAN MINING PLC**INTERIM RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2008**

London: 31 March 2009. Cambrian Mining Plc (“Cambrian” or “the Company” or “the Group”) today announces its interim results for the six months ended 31 December 2008.

Operational & Corporate Highlights

- Announcement of merger discussions with Western Canadian Coal Corp. (“WCCC” or “Western”);
- 100% acquisition of Coal International Plc (“Coal International”) completed, also increasing Cambrian’s direct ownership of Energybuild Group Plc (“Energybuild”) to 50.6%;
- Coal production in West Virginia increased by 40% to 631,000 tons (2007: 455,000 tons), while achieving three key safety awards;
- Significant cash generation within Cambrian’s 34% associate Western;
- Solid development progress and profits from 50.6% owned Energybuild; and
- Revision of operating plans and deferment of development plans in response to global economic downturn.

Financial Highlights

- Company’s first operating profit from operations, before exceptional derivative revaluations, of £12.4 million was recorded. Operating profits after exceptional derivative valuations were £48.2 million;
- Pre-tax loss of £0.8 million (2007 loss: £27.8 million), including the impact of exceptional derivative revaluations, investment dilution losses and writedowns;
- Basic earnings per share of 11.3p (2007 loss per share: 26.7p);
- Listed investments with a market value of £64.2 million as at 27 March 2009;
- Net assets of the Group have increased over the past 6 months by £98.6 million to £246.4 million due mainly to the acquisition of Coal International and Energybuild in an all share deal; and
- The Company is actively evaluating alternatives to address the uncertainty arising from £43.1 million of corporate debts falling due in 2009, including £19m of convertible loans due on 23 May 2009 (see Note 1). The alternatives include completing the proposed takeover of Cambrian by WCCC, the possibility of refinancing, restructuring and asset disposals.

Mark Burridge, Chief Executive, stated:

“While the financial year showed a promising start for Cambrian with the acquisition of Coal International, and a buoyant commodities market, the rapid deterioration of the global economy has resulted in a significant change in our operating plans. I am pleased to report that our operations have flexibility to react to these challenging times, and we have already made changes to reduce costs and capital expenditures across the group. While this will limit growth relative to our previous expectations, it will help ensure that we will generate operating cash flows while maintaining our ability to react to the upturn when it does occur. Addressing the uncertainty arising from the Group’s debt repayment obligations in 2009 remains a priority as does the completion of the proposed merger with Western.”

~ Ends ~

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CHAIRMAN'S STATEMENT / CHIEF EXECUTIVE'S REPORT

The onset of the global economic crisis has been a challenge for Cambrian, its associates and subsidiaries during this period. However, the Company has continued to develop its plans to respond to weaker market conditions.

As a result of these challenges, we have revised our production forecasts for the year ending 30 June 2009 as follows:

- Western Canadian Coal Corp – Revised plans have resulted in the suspension of development work at Willow Creek, reducing operations at Brule and providing notice of possible curtailment of operations at Wolverine in May to contractors and employees.

Wolverine is producing primarily hard-coking coal at a current annual run rate of 1.6 million tonnes with Brule now reduced to an annual run rate of 750,000 tonnes of low-volatile pulverised injection coal ("PCI") coal. Production levels for the remainder of 2009 will depend on markets.

- Atlantic Development & Coal – Forecast total clean coal production for the financial year ending 30 June 2009 is expected to be 1.3 to 1.4 million tons (previously 1.4 to 1.7 million tons). Sales revenues are forecast to average US\$86.50 per ton (previously US\$90 per ton) with cash costs of around US\$70 per ton.
- Energybuild Group Plc – Development will continue at the underground mine at Aberpergwm. Projected annual saleable coal production from all operations is estimated at 265,000 tonnes to 30 June 2009 (previously 26,000 tonnes).
- AGD Mining Pty Ltd – Scaled down operations with a revised business plan to focus on gold recovery in the short term will reduce forecast annual production this year to 5,000 payable gold ounces and 750 payable antimony tonnes (down from 16,000 payable gold ounces and 2,000 payable antimony tonnes).

Revised production for financial year ending 30 June 2009

	Financial year ending 30 June 2009
Coal Operations	
Western Canadian Coal Corp ⁽¹⁾	1.6 m tonnes hard coking coal 750,000 tonnes PCI coal
Atlantic Development & Coal	1.3-1.4 m short tons thermal & metallurgical coal
Energybuild Group Plc	265,000 tonnes thermal coal
Gold & Antimony Operations	
AGD Mining Pty Ltd	5,000 ounces payable gold 750 tonnes payable antimony

⁽¹⁾ Source: "current run rate" disclosed in WCCC Operations Update announcement published on 21 January 2009

OPERATIONAL & CORPORATE REVIEW

Production for the Group in the six months ended 31 December 2008 is set out in the table below:

	Six months ended 31 December 2008	Six months ended 31 December 2007
Coal Operations		
Western Canadian Coal Corp.	620,000 tonnes hard coking coal 587,000 tonnes PCI coal	911,000 tonnes hard coking coal 602,000 tonnes PCI coal
Atlantic Development & Coal	631,000 short tons thermal & metallurgical coal	455,000 short tons thermal & metallurgical coal
Energybuild Group Plc	118,000 tonnes thermal coal	26,000 tonnes thermal coal
Gold & Antimony Operations		
AGD Mining Pty Ltd	4,067 ounces payable gold 573 tonnes payable antimony	3,128 ounces payable gold 345 tonnes payable antimony

COAL OPERATIONS

British Columbia, Canada

Western Canadian Coal Corporation (1), (2), (3), (4)

Summary of Quarterly Results (unaudited)

(000's of dollars, except tonnes and per tonne data)

	Quarter Ending					Six Months Ending	
	31 December 2007	31 March 2008	30 June 2008	30 September 2008	31 December 2008	31 December 2008	31 December 2007
Total Coal Production	776,000	696,000	614,000	598,000	609,000	1,207,000	1,513,000
Total Coal Sales	693,000	865,000	583,000	600,000	513,000	1,113,000	1,549,000
Average Coal Price	\$80	\$87	\$224	\$279	\$344	\$312	\$80
Cash Cost of Product sold	\$81	\$95	\$120	\$131	\$145	\$138	\$83

(1) SEDAR filing Western Canadian Coal Corp Management's Discussion and Analysis 12 February 2009

(2) Cambrian Mining's share of WCCC production is 34% on a fully diluted basis

(3) Reporting currency is Canadian Dollars (CAD\$)

(4) Prices/costs are per tonne

Western's metallurgical coal production from July to December 2008 totalled 1,207,000 tonnes representing a decrease of 20% over the 2007 comparative period (2007: 1,513,000 tonnes). Coal sales for the same period averaged CAD\$312 per tonne showing a 290% increase compared to 2007. Cash costs increased gradually throughout the calendar year as productivity was affected by higher stripping ratios at the Wolverine mining operations.

Western also has a 50% interest in the Belcourt-Saxon Coal Limited Partnership, which recently announced that a technical report compliant with Canadian National Instrument 43-101 on the Belcourt Property had been completed. The highlights of this report include, 86 million tonnes of Proven Reserves of metallurgical coal in two deposits; 167 million tonnes of Measured (including 2 million tonnes thermal) and 4 million tonnes of Indicated Resources among the two deposits; potential production of 4 million tonnes per year of saleable clean coal; and 15 years of production from defined reserves on the property.

Outlook for Western Canadian Coal Corp.

Demand for metallurgical coal in the near term has declined in line with the increased uncertainty in global economic markets. WCCC implemented a cash preservation plan which includes the review of all discretionary expenditures. Deferring capital development projects and rationalising existing operations are included in this plan to contain mining costs. So far, this plan has resulted in the suspension of development work at the Willow Creek mine, reducing production levels at the Brule mine, and providing notice to employees and the mining contractor of the possible curtailment of operations at the Wolverine mine after 18 May 2009. Further changes to planned operating rates will be assessed once future coal prices and sale commitments have been established.

WCCC's coal production will be highly dependent on customer demand with a current run rate of around 2.4 million tonnes with the capacity to increase production, with minimal capital expenditure, should market conditions improve.

Cambrian holds 72,122,826 shares, 34.4% of the issued share capital and listed convertible debt instruments with a face value of C\$29 million in WCCC.

West Virginia, USA

Atlantic Development and Coal (1), (2), (3)

Summary of Quarterly Results (unaudited)

(000's of dollars, except tons and per ton data)

	Quarter Ending					Six Months Ending	
	31 December 2007	31 March 2008	30 June 2008	30 September 2008	31 December 2008	31 December 2008	31 December 2007
Gauley Eagle Total coal production	164,000	184,000	178,000	152,000	147,000	299,000	344,000
Maple Coal Total coal production	59,000	95,000	77,000	136,000	196,000	332,000	111,000
Total coal production	223,000	279,000	255,000	288,000	343,000	631,000	455,000
Total coal sales	298,000	291,000	269,000	283,000	318,000	601,000	609,000
Coal price realised	\$61	\$68	\$74	\$90	\$93	\$92	\$58
Average cash cost	\$64	\$64	\$69	\$75	\$75	\$75	\$62

(1) To the nearest '000 short tons; to means short ton of approximately 907kg

(2) Reporting currency is US Dollars (\$), prices/costs are per ton

(3) Cambrian's share of the above results increased from 34.4% to 100% in August 2008

During the first six months of the 2009 financial year, clean coal production in West Virginia increased by 39% to 631,000 tons compared with 455,000 in the corresponding period in 2007. Average sales prices during the half year were US\$92 per ton and cash costs US\$75 per ton. Overall unit operating costs in the second half of the financial year should benefit from surface mining operations moving into lower effective ratio areas and an expected decrease in consumable costs, fuel and steel in particular.

Safety remains a priority at all the operating units. Atlantic Development & Coal ("ADC") reported one lost time accident at the Maple Eagle underground mine for the period. The Silo Mains mine, Gauley Eagle and Katie preparation plant (at Maple Coal) all went the entire 2008 calendar year with no lost time accidents. The Katie preparation plant recently received a West Virginia State Guardian Award for its safety achievements.

During the first half of the financial year, some metallurgical coal customers gave notice to suspend and/or cancel some planned calendar year 2009 shipments. Overall, average sales realisation of metallurgical coal is expected to decline in 2009. Contracted thermal coal for calendar year 2009 is expected to remain as planned at a minimum of 70,000 tons per month.

ADC remains focussed on internal cost containment, improving operating efficiencies and positive cash generation, positioning itself to maintain operational flexibility to allow for the anticipated short-term decrease in metallurgical coal demand.

Permitting and mine planning activities are scheduled to continue to position the company for rapid expansion when coal markets return to favourable pricing levels. ADC's coal production for calendar year 2009 will be highly

dependent on customer demand with a base case scenario of 1.2 million tons with the capacity to produce up to 2.0 million tons, with minimal capital expenditure.

Gauley Eagle

Gauley Eagle produced 299,000 short tons of marketable coal during the first six months of the 2009 financial year. Underground mine production accounted for 55% of this total.

The Lower Muddlety area surface mine permit was awarded in December 2008. Mining in this area has commenced with coal production expected in the first quarter of calendar year 2009. Effective mining ratios and overall coal quality is expected to improve significantly, thus improving the cost basis for the operating unit. Surface mining operations at Crooked Run were extended for longer than planned due to a delay in receiving the Lower Muddlety permit, which contributed to the higher than expected surface mine operating unit costs.

The Black Pearl underground mine permitting is now largely complete and is awaiting MSHA (Miner Safety and Health Administration) approval. This mine is a replacement for the Silo Mains mine. The Silo Mains mine reserve base has been expanded which should provide for continuity of underground production at the property. In addition to the Black Pearl underground mine, efforts to achieve mining approval in a small underground reserve block referred to as Clear Fork underground mine have begun.

Maple Coal

Maple Coal, which operates the Eagle No. 1 underground and Sycamore surface mines, produced 332,000 short tons, an increase of 200% on the previous year. Underground mine production accounted for 55% of the total while surface mine production accounted for 45% for the six months. All underground mine production was sold into metallurgical coal markets while all surface mine production was sold into the thermal coal markets.

Ongoing permitting efforts include the achievement of two permits relevant to the long-term mine plan of the Sycamore surface mine. While recent regulatory announcements regarding valley fill may impact the long term efficiency of some surface mining operations, ADC is in a position to continue mining with minimal impact for several years.

Outlook for Atlantic Development & Coal

The prevailing market continues to be challenging. Cambrian has been implementing key initiatives within the West Virginia operations to reflect this new environment. Due to the decline in demand for metallurgical coal and the deteriorating market for thermal coal, Cambrian today announces a revised forecast for its operations in West Virginia. ADC is now expected to produce 1.3-1.4 million tons during the year ending June 2009, with average revenues of £87 per ton and cash costs of \$71 per ton.

ADC and its operations became part of the wholly owned Cambrian Group on 1 August 2008.

Wales, United Kingdom

Energybuild Group Plc (1), (2)

Quarterly production

Marketable Coal (tonnes)	Quarter ending			Six months ending	
	30 June 2008	30 September 2008	31 December 2008	31 December 2008	31 December 2007
Opencast coal produced	32,000	34,000	19,000	53,000	22,600
Underground coal produced	19,000	35,000	30,000	65,000	3,000
Total thermal and sized coal sold	37,000	77,500	50,000	⁽³⁾ 128,000	32,000

(1) Reporting currency is Pounds Sterling (£)

(2) Cambrian's share of the above results increased from 35.4% to 50.6% in August 2008

(3) Includes 10,000 tonnes of purchased coal

Energybuild Group Plc has had a successful first half with a 650% increase in revenue as a result of higher production volumes from both the drift mine and opencast activities. It has also reported a gross profit of £1,689,000 (2007: loss £113,000).

Aberpergwm

During this period the underground drift mine at Aberpergwm produced 65,000 tonnes of clean coal, double the amount produced during the year ended 30 June 2008.

The second ventilation circuit in the 18ft seam was successfully completed in December 2008 with the team now working to develop production panels S1, S2 and S3, a task expected to continue over the next 18 months whilst the new drift is being driven from the mine surface. Mine planning estimates suggest that amounts in excess of one million tonnes of coal will be blocked out by this activity.

Surface infrastructure work at Aberpergwm has continued with the delivery of the road heading machine required to drive the new drift.

In response to the increased levels of production, Energybuild agreed terms with Tower Colliery ('Tower') to re-commission the coal preparation plant on the Tower site to increase processing capacity. A two year extension concerning Energybuild's continued use of the railhead facility at Tower was also agreed.

Nant y Mynydd

Surface mining operations at Nant y Mynydd produced 53,000 tonnes of clean coal an increase of 230% year on year. Energybuild also bought in excess of 10,000 tonnes of coal from external sources for blending. Sandstone quarrying operations were started in December 2008, as a joint venture operation with a local company. Details of this operating agreement are likely to be finalised in March 2009.

The 50% joint venture coal tip washing scheme with Coal Recovery Investments Ltd produced a total profit of £126,000 during the period, of which Energybuild's share is £63,000. This revenue was generated mainly from incidental coal mined during the development of the recovery site. The tip washing plant has been constructed on site and will be commissioned in early March. The project is expected to contribute significantly to Energybuild's results over the next six months.

The market for Energybuild's coal remains buoyant, with 113,000 tonnes sold into the industrial market and 15,000 tonnes being sold into the sized market. Energybuild's contribution to the domestic fuel market was further bolstered in December, when the Company signed a five year coal distribution agreement with Evans & Reid, a major UK supplier of solid fuels. Under the terms of this agreement, Energybuild will sell all sized products produced at Aberpergwm to Evans & Reid, barring sales to domestic customers.

Outlook for Energybuild Group Plc

Energybuild's projected saleable coal production for the 2009 financial year will be 265,000 tonnes with targeted production for 2010 of c.440,000 tonnes rising to c.750,000 tonnes per annum in 2011.

Cambrian holds 65,760,000 shares, 50.6% of the issued share capital, in Energybuild

GOLD & ANTIMONY

Victoria, Australia

AGD Mining Pty Ltd (1) Quarterly Production

	Quarter Ending					Six Months Ending	
	31 December 2007	31 March 2008	30 June 2008	30 September 2008	31 December 2008	31 December 2008	31 December 2007
Ore milled (tonnes)	8,579	10,964	15,254	14,800	8,060	22,860	16,329
Concentrate produced (dmt)	552	822	964	954	688	1,642	984
Payable Metal produced							
Gold Au (oz)	1,671	2,192	2,230	2,323	1,744	4,067	3,128
Antimony Sb tonnes	196	278	297	337	236	573	345

(1) Reporting currency is Australian Dollar (AUD\$)

(2) "dmt" refers to dry metric tonnes

AGD Mining Pty Ltd ("AGD") made good progress in improving production and operating efficiencies during the half year. Production of concentrate for the half year was 67% higher than the previous year at 1,642 tonnes compared to 984 tonnes. Antimony sales increased by 66% during the first six months of the financial year, while gold sales grew by 30% during the same period.

However, as a result of the sudden contraction in demand for antimony concentrates in China, mining at Costerfield was suspended in November 2008 while the processing plant continued to operate at a reduced capacity to treat stockpiled ore with a focus on gold recovery. Given the decrease in its operations, AGD took necessary steps to reduce costs resulting in a reduction of its workforce and termination of the services of its contract miner. Following these changes, the Costerfield mine is now fully owner operated. Negotiations with our main customer have now been completed and a revised contract has been signed that will allow a gradual ramp up of operations at Costerfield.

At present, operations are focussed on maximising gold recovery and production to allow AGD to benefit from the current strength in the gold price. Antimony metal prices have recovered from their low point of around US\$3,800 per tonne to near US\$4,400 per tonne but are still well below the US\$6,500 received for most of 2008.

Outlook for AGD Mining Pty Ltd

Discussions are now complete regarding volume and pricing with the main customer and revised operating plans have been developed to reflect the newly negotiated off-take arrangements and agreement. The Costerfield mine will remain as owner-operated, but is now expected to produce 5,000 payable gold ounces and 750 payable antimony tonnes during the year to 30 June 2009.

AGD is a wholly owned subsidiary of Cambrian.

INVESTMENTS

Xtract Energy plc (“Xtract”)

During the first half of the financial year, Xtract entered a new joint venture with Merty Energy, initially focused on the exploitation of a portfolio of seven licence interests in a prospective Turkish oil and gas province. In December 2008 the joint venture announced a successful discovery of oil on drilling the Sarikiz-2 well in south-west Turkey. Total oil in place is estimated at up to 110 million barrels with production testing expected in April 2009.

Agreement was reached with Santos International Holdings Pty Ltd during the period to farm-out 75% of Xtract’s interest in Zhibek Resources Ltd in exchange for funding commitments of up to US\$8.5 million (of the first US\$10 million) of an agreed exploration programme in the Kyrgyz Republic.

Following a two-year review period for oil shale developments announced by the Queensland state government in Australia, and in the light of prevailing economic conditions, Xtract has scaled-back and put into hibernation its oil shale technology development programme.

Cambrian holds 340,256,048 shares, 45.3% of the issued share capital in Xtract.

Northern Energy & Mining Inc (“NEMI”)

NEMI has a 12% interest in Peace River Coal LP which has metallurgical coal interests in northeast British Columbia, including the Trend mine, the Roman and Horizon properties and a 50% interest in the Belcourt-Saxon Coal Limited Partnership whose properties are located approximately 65 to 125 kilometres south of Tumbler Ridge, British Columbia, where WCCC’s Wolverine operations are located.

In October 2008, NEMI and Aviva Corporation announced a merger implementation agreement, which was subsequently cancelled, in December 2008 due to a material adverse change caused by confirmation of NEMI’s interest in Peace River Coal LP being diluted to 12%.

Cambrian holds 11,781,326 shares, 20.4%, of Northern Energy & Mining Inc.

CORPORATE DEVELOPMENT

Acquisition of Coal International Plc

On 1 August 2008, a Scheme of Arrangement with Coal International Plc became effective giving Cambrian 100% indirect ownership of the Gauley Eagle and Maple Coal mining properties in West Virginia and 50.6% of Energybuild Group plc.

WCCC merger proposal

On 24 December 2008, Cambrian announced that it had reached an agreement in principle in respect of certain key terms for the possible acquisition by WCCC of the whole of the issued and to be issued ordinary share capital of Cambrian (“the Proposal”). Under the Proposal holders of ordinary shares in Cambrian will receive 0.75 common shares in Western for every 1 Cambrian share held.

The Proposal valued the entire issued ordinary share capital of Cambrian at approximately £28.8 million and each Cambrian share at 24.375 pence based on the closing price of one Western share of 32.5 pence on 23 December 2008. This represented a premium of approximately 47.7 % 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 Cambrian offer period under the UK Takeover Code.

Merger discussions with WCCC are ongoing.

Debt refinancing

Subsequent to period end, Cambrian announced a new US\$36 million debt facility with Western (“the Loan”) an associate of the Group. On 21 January 2009, the total sum of US\$36 million was advanced to Cambrian Investment Holdings Limited (“CIH”), a wholly-owned subsidiary of Cambrian, by Western (“the Lender”) following confirmation that the conditions contained within the Loan Agreement had been met to the Lender’s satisfaction. The proceeds of

the Loan have been used to repay in full CIH's revolving credit and term loan facility with Investec Bank (UK) Limited and the Loan is repayable in 2009. US\$32m of this debt remains outstanding.

FINANCIAL REVIEW

On 1 August 2008, Cambrian completed its acquisition of Coal International providing it with a 100% interest in four operating coal mines in West Virginia, as well as a 50.6% interest in Energybuild, which has coal operations in Wales. As a result, Cambrian's accounts now reflect the operating nature of the Group compared to its previous predominantly investment nature.

The significant decrease in the share prices of Cambrian and its listed associates over the six month period resulted in a reversal of the net loss from exceptional derivative revaluations reported in the 2008 financial year, which we explain in detail below. Their impact is presented separately in our income statement to enable a better appreciation of the Group's operating results.

Overall, the result for the six months to 31 December 2008 was promising. Excluding the impact of exceptional derivative revaluations, impairment charges and the dilution of associate interests, the Group pre-tax profit amounted to £10.9 million.

Income statement

Cambrian generated a net profit from continuing operations of £13.5 million for the six months ended 31 December 2008, compared to a restated loss of £26.5 million for the six months ended 31 December 2007. The results of Coal International and Energybuild are included from 1 August 2008.

Abridged consolidated income statement – six months ended 31 December 2008

	31 December 2008			31 December 2007 (restated)
	Pre exceptional derivative revaluations £'000	Exceptional derivative revaluations (1) £'000	Total £'000	£'000
Continuing operations				
Revenue	40,107	-	40,107	2,077
Cost of sales	(36,654)	-	(36,654)	(3,407)
Administration and other operating expenses/income	(5,938)	-	(5,938)	(3,167)
Share of results of associates	14,898	35,839	50,737	(26,338)
Operating profit / (loss)	12,413	35,839	48,252	(30,835)
(Loss)/gain on dilution of associates	(16,996)	38,557	21,561	(27)
Other investment and financing net (losses)/gains	(1,543)	(53,552)	(55,095)	3,087
Impairment charges	(15,495)	-	(15,495)	-
(Loss)/profit before tax	(21,621)	20,844	(777)	(27,775)
Tax	(716)	14,995	14,279	1,258
(Loss)/profit after tax	(22,337)	35,839	13,502	(26,517)
Earnings/(loss) per share – basic			11.3p	(27.3)p
Earnings/(loss) per share – diluted			9.2p	(27.3)p

(1) Exceptional derivative revaluations and the rationale for a three column income statement is discussed under derivatives below

Revenue and cost of sales in the interim results for the six months ended 31 December 2008 (“2009 interims”) mainly relate to the Coal International and Energybuild operations. The 31 December 2007 interim results (“2008 interims”) and the annual report for the year ended 30 June 2008 included revenue and cost of sales in respect of the operating activities of AGD only.

Administration and other operating expenses/income are £2.8 million higher during the 2009 interim period compared to the 2008 interim period. This includes an increase of £2.5 million due to exchange losses of £1.2 million compared to exchange gains of £1.3 million in the comparative interim period. The remaining increase includes £1.6 million of

Coal International and Energybuild costs not previously consolidated, offset by a £1.3 million reduction in administrative expenses in the existing operations.

While WCCC remained the Group's principal associate during the period, a former subsidiary Xtract Energy plc ("Xtract") became an associate on 2 July 2008, when 4.9% of Cambrian's interest in Xtract was sold. The share of results of associates for the period under review, before exceptional derivative revaluations, mainly comprises an £18.5 million share of WCCC profits, offset by a £5.0 million loss for Xtract. Xtract reported an after tax loss of £10.1 million for the period, including an impairment charge of £9.4 million.

The (loss) / gain on dilution of associates relates to a £17.0 million loss on dilution of the WCCC investment due to the conversion into shares of convertible loan notes by parties other than Cambrian. This loss should be viewed together with the dilution gain of £38.6 million that results from the impact of the exceptional derivative revaluations on the same conversions, as discussed below. The total dilution impact was a gain of £21.6 million but the £17.0 million dilution loss reflects the loss that would have been suffered had the derivative in the convertible loan notes not been re-valued.

The Group recorded £15.5 million of impairment charges for the period. The Group's AGD assets were impaired by £10.9 million to reflect the effect of deterioration in antimony prices on the expected recoverable value of the underlying assets, whilst the Group's associate investment in Northern Energy & Mining Inc ("NEMI") was impaired by £4.6 million reflecting the market value of the shares on 31 December 2008.

Restatement of 31 December 2007 results

The impact of exceptional derivative revaluations for the year ended 30 June 2008 of £16.2 million before tax included a £63.2 million loss which represented the Group's share in the loss on revaluation of the derivative component in the US\$40 million convertible loan notes issued by associate WCCC in WCCC's results under Cambrian's accounting policy. The equivalent impact for the six months to 31 December 2007 was an £11.8 million loss. However, this was not reflected in the 31 December 2007 accounts so the comparatives have been restated. The effect of the restatement is to increase the reported loss for the six months ended 31 December 2007 from £13.0 million to £24.8 million and to decrease interests in associates in the balance sheet as at 31 December 2007 by a similar amount. A further explanation is provided in note 2 to the interim financial statements.

Derivatives

As reported in the 2008 annual accounts, the Group holds and has issued derivative financial instruments that must be marked to market at each reporting date. Owing to increases in the share prices of Cambrian and its listed associates during the year ended 30 June 2008, an exceptional after tax loss of £29.4 million relating to derivative revaluations was recognised for that year. Owing to the decrease in share prices during the 2009 interim period, all of these losses have now been reversed. The impact of these exceptional derivative revaluations continues to be separately identified to highlight the underlying results. None of the derivative gains and losses was of a cash nature.

Exceptional derivative revaluation in the Income Statement

Details of the effect of the derivative financial instruments on the income statements for the 2008 and 2009 interim periods and for the year ended 30 June 2008 are set out in note 1 to the accounts.

A £35.8 million gain relating to a derivative in the US\$40 million convertible loan notes issued by WCCC was recognised in share of results of associates during the 2009 interim period compared to a £63.2 million loss recognised in the year ended 30 June 2008 for the same instrument. The notes were converted into shares during the 2009 interim period, which resulted in the dilution of Cambrian's interest in WCCC and a £38.6 million gain as a result of the preceding derivative revaluations. The exceptional gain was due to the relatively high value of the derivative liability at the dates of conversion. As almost all the convertible loan notes have been converted, these will not have a continuing impact on Cambrian's results.

Other exceptional derivative gains and losses recognised reflect the gains and losses relating to the downward revaluation of derivatives held and issued by Cambrian, mainly due to share price decreases during the interim period.

Derivative assets

The derivative instruments held by the Group on 31 December 2008 and their related receivable components are disclosed in the balance sheet as follows:

Derivative assets disclosure on balance sheet as at 31 December 2008

	Other receivables non-current 31 December 2008 £m	Available for sale investments 31 December 2008 £m	Derivative financial instruments £m	Derivative financial instruments 30 June 2008 £m
WCCC instruments				
C\$5m convertible loan note	1.7	-	2.0	29.7
C\$29m convertible debentures	-	10.7	1.1	21.9
Coal International				
£13.5m convertible loan	-	-	-	7.2
Warrants	-	-	0.1	3.2
Total	1.7	10.7	3.2	62.0

The C\$5 million convertible loan note was settled by WCCC subsequent to the 2009 interim period.

The C\$29 million WCCC convertible debentures are quoted on the Toronto Stock Exchange. These are convertible at C\$4.00 per share and can be redeemed by WCCC at any time after 24 March 2009 if the share price exceeds C\$5.00. They mature on 24 March 2011.

The derivative in the Coal International convertible loan was cancelled following the acquisition on 1 August 2008 and will therefore not impact future derivative revaluations.

Derivative liabilities

Cambrian issued convertible loan notes totalling US\$27.0 million during the 2006 financial year, which are convertible at any time until 7 May 2009 and, if not converted, they are redeemable on 23 May 2009. As at 30 June 2008 the related derivative liability was £8.4 million. Owing to the decrease in the Cambrian share price, the derivative liability is negligible and has been reversed in full at 31 December 2008.

Balance sheet

The balance sheet as at 31 December 2008 is materially affected by the acquisition and consolidation of Coal International and Energybuild, reducing the comparability of the balance sheet with that of prior periods.

Abridged consolidated balance sheet position as at 31 December 2008

	31 December 2008 £'000	31 December 2007 £'000	30 June 2008 £'000
Intangible assets	98,598	24,757	14,819
Property, plant and equipment	77,449	4,574	4,710
Interest in associates and joint ventures	139,524	68,026	62,013
Other non-current assets	18,586	55,470	11,743
Current assets	26,422	43,547	125,026
Total assets	360,579	196,374	218,311
Current liabilities	(69,984)	(15,274)	(57,520)
Non-current liabilities	(44,220)	(37,125)	(12,981)
Net assets	246,375	143,975	147,810

Intangible assets include mineral rights and exploration relating to Coal International and Energybuild, recognised at fair value on acquisition. The intangible assets at 30 June 2008 related to AGD. These have been fully impaired at 31 December 2008 as a consequence of the effect of the deterioration of antimony prices impacting the value in use assessed by management, except for mine development costs with a book value of £3.0m, transferred to property, plant and equipment.

The increase in property, plant and equipment is mainly attributable to the consolidation of the Coal International and Energybuild assets from 1 August 2008.

As a result of these acquisitions, the carrying values of former associates Coal International and Energybuild were transferred from interest in associates and joint ventures and NEMI became an associate. Whilst Xtract also became an

associate on 2 July 2008 following Cambrian's disposal of 4.9% of its interest and the consequential loss of control, the main associate remains WCCC in which the Group's interest is carried at £132.5 million, up from £41.1 million as at 30 June 2008. This increase was mainly due to the Group's share in associate profits of £54.3 million, £14.1 million in exchange gains, due to the weakening of Sterling against the Canadian dollar, and the £21.6 million gain on dilution.

As at 31 December 2008 and 30 June 2008, other non-current assets mainly comprised the convertible debentures and notes in WCCC, with the addition of certain investments held by Coal International and Energybuild for reclamation purposes at 31 December 2008.

Current assets as at 30 June 2008 included £16.0 million of loans receivable from related companies, most of it relating to Coal International, which is now eliminated on consolidation, as well as £39.3 million of assets held for sale relating to former subsidiary Xtract. As at 31 December 2008, current assets include £3.2 million relating to derivative instruments compared to £62.0 million at 30 June 2008, as well as the recently consolidated current assets of Coal International and Energybuild.

Current liabilities have increased by £12.5 million since 30 June 2008, owing to a £5.5 million drawdown of the Investec loan facility, offset by a £8.4 million reduction in the derivative liability relating to the US\$27 million convertible loan note, and the remaining increase relates to the consolidation of Coal International and Energybuild liabilities. The Investec loan was repaid during January 2009, as explained below.

Non-current liabilities increased by £31.2 million since the 2008 financial year end. The increase since 30 June 2008 is due mainly to the consolidation of long term liabilities of Coal International and Energybuild including the deferred tax liabilities on these acquisitions, offset by a reduction in deferred tax liabilities in respect of derivative financial instruments.

Certain reclassifications were also made to some of the 2008 interim balances in order to be consistent with the classifications in the 2009 interims and the 2008 annual accounts.

Equity

During the 2009 interim period, the Group issued 19.7 million shares pursuant to the acquisition of Coal International and a further 75,000 shares in respect of share options exercised.

Significant cash movements

Abridged consolidated cash flow statement – six months ended 31 December 2008

	31 December 2008 £'000	31 December 2007 £'000
Net cash generated by / (used in) operating activities	3,250	(5,125)
Net cash (used in) / generated by investing activities	(4,637)	11,312
Net cash generated by / (used in) financing activities	7,019	(2,724)
Net increase in cash and cash equivalents	5,632	3,463
Cash and cash equivalents at beginning of the period	2,024	5,803
Effect of exchange rate changes	920	-
Cash and cash equivalents at end of period	8,576	9,266

Net cash generated by operating activities during the 2009 interim period mainly comprised operating cash generated by the West Virginia operations. Cash used in investing activities mainly comprised £8.3 million invested in property plant and equipment at the operations, partly offset by a net £4.2 million cash inflow from the acquisition of Coal International and Energybuild.

During the six month period, Cambrian increased its secured borrowing by drawing a further US\$10 million (£5.5 million) on its Investec facility and in financing some of its equipment purchases at the West Virginia operations, resulting in a net cash inflow from financing activities. The Group also keeps most of its cash reserves in US dollars, resulting in an exchange rate benefit of £920,000 from the reduction in the value of Sterling against the US dollar over the six month period.

Liquidity and going concern

The Directors have considered the use of the going concern basis in the preparation of the financial statements and concluded that it is appropriate, despite the uncertainty caused by the net current liability position of the Group at 31 December 2008, including US\$27 million of convertible loans falling due on 23 May 2009. In reaching this conclusion, the Directors have specifically considered a number of alternatives including completing the proposed takeover of Cambrian by WCCC, the possibility of refinancing, restructuring and asset disposals. The Directors have also considered the announcement of coal prices for the 2009/2010 coal year over the last few weeks by several market leaders, contracts in place for the sale of coal that support the sustainability of the group's material operations as well as the value of the group's assets relative to its debt position. More information is provided in note 1 to the financial statements.

Post balance sheet events

On 21 January 2009, Cambrian repaid the entire US\$35 million owed to Investec Bank. The funds were raised by accepting repayment of its C\$5 million WCCC convertible loan notes and a loan of approximately US\$32 million from WCCC as associate of the Group. The WCCC loan is repayable at the earlier of 31 December 2009 or, in the event that the WCCC shareholders were to vote against the proposed take-over of Cambrian by WCCC, ninety days after such a vote.

Other subsequent events are included in note 9 to the interim financial information.

Risks and Uncertainties

The principal risks facing the Company and the Group are set out below. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

General and economic risks:

- Contractions in the world's major economies or increases in the rate of inflation resulting from international conditions.
- Weakness in global equity and share markets in particular in Australia, Canada and the United Kingdom, and adverse changes in market sentiment towards the resource industry.
- Currency exchange rate fluctuations and, in particular, the relative prices of the Australian Dollar, US Dollar, Canadian Dollar and Sterling.
- Exposure to interest rate fluctuations.
- Adverse changes in factors affecting the success of projects and operations, such as increases in expenses, changes in government policy and further regulation of the industry; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

Funding risk:

- The Group or the companies in which it has invested may not be able to raise, either by debt or further equity, sufficient funds to enable completion of planned projects, investment and/or development projects. Further information is provided in Note 1.

Commodity risk:

- Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a wide range of factors, most of which are outside the control of the Company. Mining, processing and transportation costs also depend on many factors, including commodity prices, capital and operating costs in relation to any operational site.

Project and development risks:

- Project and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
- Success in identifying economically recoverable reserves can never be guaranteed. The Company also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.
- Some of the countries in which the Group operates have native title laws which could affect project and development activities. The companies in which the Company has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation

programmes which may vary from country to country. The Group's policy is to follow all applicable laws and regulations and the Company is not currently aware of any material issues in this regard.

- Timely approval of mining permits and operating plans through the respective regulatory agencies cannot be guaranteed.
- Availability of skilled workers is an ongoing challenge.
- Geology is always a potential risk in mining activities

Market Risk

- The ability of the Group to continue to secure sufficient and profitable sales contracts to support its operations is a key business risk.

Cambrian Mining Plc
Responsibility statement

I can confirm to the best of my knowledge:

- (a) the interim results for the six months to 31 December 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU); and
- (b) the Chairman's statement includes a fair review of important events during the first six months of the year and a description of principal risks and uncertainties for the remaining six months of the year.

By order of the Board

Chief Executive Officer
Mark Burridge

INDEPENDENT REVIEW REPORT TO CAMBRIAN MINING PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2008 which comprises the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 10. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with the accounting policies the Group intends to use in preparing its next annual financial statements.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2008 is not prepared, in all material respects, in accordance with the AIM Rules of the London Stock Exchange.

Emphasis of matter – Going concern

In forming our conclusion on the condensed set of financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the condensed set of financial statements concerning the Group's ability to continue as a going concern. The Group has net current liabilities of £43.6 million as at 31 December 2008, principally due to debt repayment obligations in 2009 of £43.1 million, including £19.0 million due in May 2009. These conditions, along with other matters explained in note 1 to the condensed set of financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The condensed set of financial statements does not include the adjustments that would result if the company was unable to continue as a going concern.

Deloitte LLP

Chartered Accountants and Statutory Auditors
London, United Kingdom
30 March 2009

Cambrian Mining Plc
Condensed consolidated income statement
For the six months ended 31 December 2008

	Pre exceptional derivative revaluations (note 1)	Exceptional derivative revaluations (note 1)	Six months ended 31 December 2008 <i>Unaudited</i>	Pre exceptional derivative revaluations (note 1)	Exceptional derivative revaluations (note 1)	Six months ended 31 December 2007 <i>Unaudited</i>	Pre exceptional derivative revaluations (note 1)	Exceptional derivative revaluations (note 1)	Six months ended 31 December 2007 <i>Unaudited</i> <i>(Restated*)</i>	Year ended 30 June 2008 <i>(Audited)</i>	Exceptional derivative revaluations (note 1)	Year ended 30 June 2008 <i>(Audited)</i>	Year ended 30 June 2008 <i>(Audited)</i>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Continuing operations													
Revenue	40,107	-	40,107	2,077	-	2,077	6,298	-	2,077	6,298	-	6,298	6,298
Cost of sales	(36,654)	-	(36,654)	(3,407)	-	(3,407)	(9,787)	-	(3,407)	(9,787)	-	(9,787)	(9,787)
Gross profit/(loss)	3,453	-	3,453	(1,330)	-	(1,330)	(3,489)	-	(1,330)	(3,489)	-	(3,489)	(3,489)
Administrative expenses	(4,856)	-	(4,856)	(4,529)	-	(4,529)	(7,999)	-	(4,529)	(7,999)	-	(7,999)	(7,999)
Other operating expenses	(1,095)	-	(1,095)	-	-	-	-	-	-	-	-	-	-
Share of results of associates and joint ventures	14,898	35,839	50,737	(14,603)	(11,735)	(26,338)	(12,441)	(63,181)	(26,338)	(12,441)	(63,181)	(75,622)	(75,622)
Other operating income	4	-	4	1,365	-	1,365	981	-	1,365	981	-	981	981
Gain/(loss) on disposal of property, plant and equipment	9	-	9	(3)	-	(3)	(4)	-	(3)	(4)	-	(4)	(4)
Operating profit/ (loss)	12,413	35,839	48,252	(19,100)	(11,735)	(30,835)	(22,952)	(63,181)	(30,835)	(22,952)	(63,181)	(86,133)	(86,133)
Investment revenue	1,234	-	1,234	1,814	-	1,814	3,918	-	1,814	3,918	-	3,918	3,918
(Loss)/gain on dilution of interests in associates	(16,996)	38,557	21,561	(7)	(20)	(27)	928	-	(27)	928	-	928	928
Other gains and losses	(337)	(53,552)	(53,889)	7,722	(4,881)	2,841	14,193	46,937	2,841	14,193	46,937	61,130	61,130
Finance costs	(2,440)	-	(2,440)	(1,568)	-	(1,568)	(3,118)	-	(1,568)	(3,118)	-	(3,118)	(3,118)
Gain on disposal of assets and liabilities held for sale	-	-	-	-	-	-	31,601	-	-	31,601	-	31,601	31,601
Impairment of assets	(15,495)	-	(15,495)	-	-	-	(49)	-	-	(49)	-	(49)	(49)
Reversal of impairment loss on interests in associates	-	-	-	-	-	-	4,662	-	-	4,662	-	4,662	4,662
(Loss)/profit before tax	(21,621)	20,844	(777)	(11,139)	(16,636)	(27,775)	29,183	(16,244)	(27,775)	29,183	(16,244)	12,939	12,939
Tax	(716)	14,995	14,279	(109)	1,367	1,258	(1,175)	(13,143)	1,258	(1,175)	(13,143)	(14,318)	(14,318)
(Loss)/ profit for the period from continuing operations	(22,337)	35,839	13,502	(11,248)	(15,269)	(26,517)	28,008	(29,387)	(26,517)	28,008	(29,387)	(1,379)	(1,379)
Discontinued operations													
Profit/(loss) after tax for the period from discontinued operations	-	-	-	1,725	-	1,725	(1,067)	-	1,725	(1,067)	-	(1,067)	(1,067)
Loss on measurement to fair value of assets held for sale	-	-	-	-	-	-	(552)	-	-	(552)	-	(552)	(552)
(Loss)/ profit for the period	(22,337)	35,839	13,502	(9,523)	(15,269)	(24,792)	26,389	(29,387)	(24,792)	26,389	(29,387)	(2,998)	(2,998)
Attributable to:													
Equity holders of the parent	(22,842)	35,839	12,997	(10,671)	(15,269)	(25,940)	27,063	(29,387)	(25,940)	27,063	(29,387)	(2,324)	(2,324)
Minority interest	505	-	505	1,148	-	1,148	(674)	-	1,148	(674)	-	(674)	(674)
	(22,337)	35,839	13,502	(9,523)	(15,269)	(24,792)	26,389	(29,387)	(24,792)	26,389	(29,387)	(2,998)	(2,998)
Earnings/(loss) per share													
<i>Basic</i>													
- from continuing operations			11.3p				(27.3)p			(27.3)p		(1.4)p	(1.4)p
- from discontinued operations			-				0.6p			0.6p		(0.9)p	(0.9)p
			11.3p				(26.7)p			(26.7)p		(2.3)p	(2.3)p
<i>Diluted</i>													
- from continuing operations			9.2p				(27.3)p			(27.3)p		(1.4)p	(1.4)p
- from discontinued operations			-				0.6p			0.6p		(0.9)p	(0.9)p
			9.2p				(26.7)p			(26.7)p		(2.3)p	(2.3)p

* Certain balances as at and for the period ended 31 December 2007 have been restated. A description of the restatement is provided in note 2.

Cambrian Mining Plc
Condensed consolidated statement of recognised income and expense
For the six months ended 31 December 2008

	Six months ended		Year ended
	31 December	31 December	30 June
	2008	2007	2008
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
		<i>(Restated*)</i>	
	£'000	£'000	£'000
Net (loss) / gain on revaluation of available for sale investments taken to equity	(911)	13,192	(12,947)
Unwinding of fair value gains on transfer to investments in associate	-	(547)	(547)
Transferred to income statement on sale of available for sale investments	-	(9,610)	(9,166)
Transferred to investment in associates	-	(528)	(528)
Exchange differences on translation of foreign operations	39,880	5,750	2,901
Tax on items taken directly to equity	(1,182)	(2,786)	5,164
Net income / (expense) recognised directly in equity	37,787	5,471	(15,123)
Profit/ (loss) for the period	13,502	(24,792)	(2,998)
Total recognised income/ (expense) for the period	51,289	(19,321)	(18,121)
Attributable to:			
Equity holders of the parent	50,784	(17,499)	(16,098)
Minority interests	505	(1,822)	(2,023)
	51,289	(19,321)	(18,121)

* Certain balances as at and for the period ended 31 December 2007 have been restated. A description of the restatement is provided in note 2.

Cambrian Mining Plc
Condensed consolidated balance sheet
As at 31 December 2008

		31 December 2008	31 December 2007	30 June 2008
		<i>Unaudited</i>	<i>Unaudited (Restated*)</i>	<i>Audited</i>
	Note	£'000	£'000	£'000
Non-current assets				
Intangible assets		98,598	24,757	14,819
Property, plant and equipment		77,449	4,574	4,710
Interests in associates and joint ventures	5	139,524	68,026	62,013
Deferred tax assets		1,363	1,112	-
Available for sale investments		13,558	52,448	9,730
Held to maturity investments		1,352	-	-
Other receivables		2,313	1,910	2,013
		<u>334,157</u>	<u>152,827</u>	<u>93,285</u>
Current assets				
Inventories		5,038	475	538
Held for trading investments		139	1,092	667
Derivative financial instruments		3,179	1,131	61,972
Trade and other receivables		9,490	17,451	20,559
Cash and cash equivalents		8,576	9,266	2,024
Assets held for sale		-	14,132	39,266
		<u>26,422</u>	<u>43,547</u>	<u>125,026</u>
Total assets		<u>360,579</u>	<u>196,374</u>	<u>218,311</u>
Current liabilities				
Trade and other payables		13,792	4,630	5,037
Loans and Borrowings	1	28,567	-	12,555
Convertible loan notes	1	18,951	-	13,040
Derivative financial instruments		-	1	8,390
Current tax liabilities		7,849	8,138	7,948
Provisions		825	785	811
Liabilities directly associated with assets classified as held for sale		-	1,720	9,739
		<u>69,984</u>	<u>15,274</u>	<u>57,520</u>
Net current (liabilities)/ assets	1	<u>(43,562)</u>	<u>28,273</u>	<u>67,506</u>
Non-current liabilities				
Trade and other payables		746	80	191
Loans and borrowings		7,300	10,048	-
Convertible loan notes		-	13,181	-
Deferred tax liabilities		26,484	13,375	12,273
Provisions		9,690	441	517
		<u>44,220</u>	<u>37,125</u>	<u>12,981</u>
Total liabilities		<u>114,204</u>	<u>52,399</u>	<u>70,501</u>
Net assets		<u>246,375</u>	<u>143,975</u>	<u>147,810</u>

Cambrian Mining Plc
Condensed consolidated balance sheet
As at 31 December 2008

		31 December 2008	31 December 2007	30 June 2008
		<i>Unaudited</i>	<i>Unaudited (Restated*)</i>	<i>Audited</i>
	Note	£'000	£'000	£'000
Equity				
Share capital	10	23,704	19,563	19,748
Share premium account	10	39,811	38,411	39,706
Share-based payment reserve	10	6,046	5,017	7,290
Merger reserve	10	46,318	9,471	9,471
Revaluation reserve	10	12,958	3,780	3,780
Capital redemption reserve	10	411	411	411
Treasury shares reserve	10	(411)	(411)	(411)
Available for sale investments reserve	10	(5,334)	9,281	(1,225)
Convertible loan notes reserve	10	1,806	2,787	1,946
Foreign currency translation reserve	10	45,704	8,717	5,866
Retained earnings	10	59,879	22,669	46,546
		<u>230,892</u>	<u>119,696</u>	<u>133,128</u>
Equity attributable to equity holders of the parent				
Minority interest	10	<u>15,483</u>	<u>24,279</u>	<u>14,682</u>
Total equity		<u><u>246,375</u></u>	<u><u>143,975</u></u>	<u><u>147,810</u></u>

* Certain balances as at and for the period ended 31 December 2007 have been restated. A description of the restatement is provided in note 2.

Cambrian Mining Plc
Condensed consolidated statement of cash flows
For the six months ended 31 December 2008

		Six months ended		Year ended
		31 December	31 December	30 June
		2008	2007	2008
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	Note	£'000	£'000	£'000
Net cash from/ (used in) operating activities	4	3,250	(5,125)	(11,553)
Investing activities				
Interest received		632	764	1,511
Proceeds on disposal of held for trading investments		1	341	1,094
Proceeds on disposal of available for sale investments		-	11,867	14,082
Proceeds on disposal of subsidiary	7	907	-	-
Purchase of property, plant and equipment		(8,260)	(360)	(709)
Proceeds on disposal of property, plant and equipment		34	3	1
Acquisition of interests in associates		(1,113)	(4,495)	(4,494)
Acquisition of subsidiaries, net of cash acquired		4,210	-	-
Restoration costs		(371)	-	-
Proceeds on disposal of interests in associates		-	8,515	9,758
Purchase of available for sale investments		(67)	(1,177)	(424)
Purchase of held to maturity investments		(161)	-	-
Purchase of held for trading investments		-	(433)	(433)
Purchase of derivative financial instruments		-	(1,215)	(1,187)
Loan payments to associates		(103)	(1,692)	(5,496)
Loan repayments from associates		93	-	2,212
Other investment revenue		110	118	122
Expenditure on intangible assets		(549)	(924)	(2,368)
Net cash received from / (used in) investing activities		(4,637)	11,312	13,669
Financing activities				
Repayments of obligations under finance leases		(94)	(45)	(17)
Interest paid		(755)	(487)	(1,960)
Proceeds on issue of shares		120	-	400
Proceeds on issue of shares by subsidiary to minority interest		-	269	372
Net cash flows from borrowings		7,748	(2,461)	83
Net cash from / (used in) financing activities		7,019	(2,724)	(1,122)
Net increase in cash and cash equivalents		5,632	3,463	994
Cash and cash equivalents at beginning of period		2,024	5,803	5,803
Effect of foreign exchange rate changes		920	-	1,605
Transfer of cash to held for sale assets		-	-	(6,378)
Cash and cash equivalents at end of period		8,576	9,266	2,024

Cambrian Mining Plc

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2008

1. General information and authorisation of the consolidated interim financial statements

Cambrian Mining Plc is a public limited company incorporated in the United Kingdom under the Companies Act 1985. The Company's ordinary shares are traded on the AIM market of the London Stock Exchange.

The interim financial statements of the Group for the six months ended 31 December 2008 were authorised for issue by the board of directors on 30 March 2009.

Basis of preparation

The Group prepares its financial statements on the basis of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The financial statements presented herein have been prepared in accordance with the accounting policies expected to be used in preparing the Group's financial statements for the year ending 30 June 2009 which do not differ significantly from those used for the Group's 2008 financial statements.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2008.

The interim financial statements are not audited and do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. Comparative figures for the year ended 30 June 2008 have been extracted from the Group's 2008 financial statements which received an unqualified opinion from the auditors and have been filed with the Registrar of Companies and did not draw attention to any matters by way of emphasis and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The Group's financial statements are also available on the Group's website at www.cambrianmining.com.

The interim financial statements are presented in Sterling.

Going concern

As described in the Chairman's statement and Chief Executive's report, the onset of the global economic crisis has been a challenge for the Group in light of which it has revised its operational outlook and has already implemented various measures to preserve cash and curtail capital expenditure. Whilst all of the Group's material operations continue to operate without external working capital requirements, the directors recognise the impact of the recession on some of the Group's customers and the flow through effect that it might have on the Group's operations.

Cambrian is currently the subject of a take-over offer from WCCC. During January 2009, Cambrian borrowed US\$32 million from WCCC in order to settle its US\$35 million loan facility (£24.2 million included in Loans and Borrowings) from Investec Bank. This loan is repayable at the earlier of 90 days following a vote from the WCCC shareholders not to approve the transaction or 31 December 2009. The Group also needs to settle US\$27 million (£19.0 million) of convertible loan notes on 23 May 2009. The directors expect that both these obligations would be appropriately dealt with in the event of a successful take-over of Cambrian by WCCC. In the case that these obligations are not dealt with as part of the take-over, or if the take-over does not go ahead, then Cambrian will either have to re-finance these liabilities, consider alternative methods of raising finance or re-structure the Group in ways that would address its liquidity needs.

The directors recognise that these factors indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless after making enquiries, and considering the uncertainties described above, the directors have reasonable expectation that the Group and the Company have adequate resources to continue in existence for the foreseeable future. In reaching this conclusion, the directors have considered the announcement of coal prices for the 2009/2010 coal year over the last few weeks by several market leaders, contracts in place for the sale of coal that support the sustainability of the group's material operations as well as the value of the Group's assets relative to its debt position. For these reasons, they continue to adopt the going concern basis in preparing the interim accounts.

Cambrian Mining Plc
Notes to the condensed consolidated interim financial statements
For the six months ended 31 December 2008

1. General information and authorisation of the consolidated interim financial statements (continued)

Presentation of income statement

Exceptional derivative revaluations

The income statement has been presented in a three-column format in order to allow users to appreciate the impact on the results for the period of certain large gains and losses arising as a result of the revaluation of derivatives. The extent and incidence of these gains and losses reflect the significant movements in the quoted prices of shares in Western Canadian Coal Corporation Inc (“WCCC”), Coal International Ltd (previously Coal International Plc) and in the Company’s own shares in the six months to 31 December 2008. The Group has an associate interest in WCCC, which has had US dollar convertible notes in issue with an embedded derivative liability that has been revalued to the income statement under IFRS. The Group also has large holdings in derivatives over WCCC and until recently Coal International Plc shares and has US dollar convertible notes in issue that result respectively in large revaluation gains and losses. The share price increases that arose in the year ended 30 June 2008 have now reversed and consistently with the financial statements for the year ended 30 June 2008, the directors have identified their impact on the Group’s derivative instrument separately to assist users in understanding the overall results. The exceptional profits and losses reported for the period ended 31 December 2008 and the comparative year/period include the following:

Cambrian Mining Plc
Notes to the condensed consolidated interim financial statements
For the six months ended 31 December 2008

1. General information and authorisation of the consolidated interim financial statements (continued)

	Share of results of associates £'000	Gain/(loss) on dilution of interests in associates £'000	Other gains and losses - derivatives £'000	Profit/(loss) before tax £'000	Tax £'000	Total £'000
Period ended 31 December 2008						
US\$ convertible loan notes – WCCC	35,839	38,557	-	74,396	-	74,396
US\$ convertible loan notes						
– Company	-	-	9,100	9,100	(2,548)	6,552
WCCC convertible debentures held	-	-	(23,862)	(23,862)	6,681	(17,181)
WCCC convertible loan notes held	-	-	(31,909)	(31,909)	8,935	(22,974)
WCCC warrants held	-	-	(2,899)	(2,899)	812	(2,087)
Coal International convertible loan	-	-	(3,982)	(3,982)	1,115	(2,867)
	35,839	38,557	(53,552)	20,844	14,995	35,839

Year ended 30 June 2008

US\$ convertible loan notes – WCCC	(63,181)	-	-	(63,181)	-	(63,181)
US\$ convertible loan notes						
– Company	-	-	(8,066)	(8,066)	2,258	(5,808)
WCCC convertible debentures held	-	-	19,494	19,494	(5,458)	14,036
WCCC convertible loan notes held	-	-	28,243	28,243	(7,908)	20,335
WCCC warrants held	-	-	3,228	3,228	(904)	2,324
Coal International convertible loan	-	-	4,038	4,038	(1,131)	2,907
	(63,181)	-	46,937	(16,244)	(13,143)	(29,387)

**Period ended 31 December 2007
(restated)**

US\$ convertible loan notes – WCCC	(11,735)	(20)	-	(11,755)	-	(11,755)
US\$ convertible loan notes						
– Company	-	-	318	318	(89)	229
WCCC convertible debentures held	-	-	(2,246)	(2,246)	629	(1,617)
WCCC convertible loan notes held	-	-	(626)	(626)	175	(451)
Coal International convertible loan	-	-	(2,327)	(2,327)	652	(1,675)
	(11,735)	(20)	(4,881)	(16,636)	1,367	(15,269)

2. Restatement of comparative interim financial statements

In preparing the interim financial statements, the comparative results for the six months to 31 December 2007 have been restated to fully reflect the application of the Group's accounting policy in respect of convertible loan notes not denominated in the functional currency of the issuer.

In the published interim results for the six months to 31 December 2007, which we did not subject to review by the auditors, the conversion element in the US dollar denominated convertible notes issued by the Group's associate WCCC on 30 November 2007 was treated as equity for the purpose of accounting for the share of gains and losses in associates, whereas it was subsequently identified as being an embedded derivative liability in the 30 June 2008 financial statements and revalued accordingly under mark to market rules.

Cambrian Mining Plc
Notes to the condensed consolidated interim financial statements
For the six months ended 31 December 2008

2 Restatement of comparative interim financial statements (continued)

The impact on the comparative income statement is an increase in the loss for the period from continuing operations of £11,755,000, of which £11,735,000 is reflected in the share of results of associates and £20,000 is included in other gain and losses. The impact on the comparative balance sheet is a reduction in interests in associates and joint ventures of £12,549,000, comprising the £11,755,000 increase in the loss for the year, a £542,000 reduction in the convertible loan notes reserve and a £252,000 reduction in the foreign currency translation reserve.

These amounts are included in the exceptional derivative revaluations disclosed in Note 1, where the impact can be seen to have reversed during the period ended 31 December 2008.

3 Earnings/ (loss) per share

The calculation of basis earnings/ (loss) per share is based on the following data:

Continuing operations	Six months ended		Year ended
	31 December 2008	31 December 2007	30 June 2008
	<i>Unaudited</i>	<i>Unaudited (Restated)</i>	<i>Audited</i>
Profit/ (loss) from continuing operations	£'000	£'000	£'000
Profit/ (loss) for the purposes of earnings/ (loss) per share being net profit/ (loss) attributable to equity holders of the parent	12,997	(26,517)	(1,379)
Effect of dilutive potential ordinary shares: Interest, foreign exchange and revaluation gains on convertible loan notes (net of tax)	(1,735)	-	-
Earnings/ (loss) for the purpose of diluted earnings per Share	<u>11,262</u>	<u>(26,517)</u>	<u>(1,379)</u>
Number of shares			
Weighted average number of ordinary shares for the purposes of earnings/ (loss) per share	115,191,998	97,251,911	99,557,768
Effect of dilutive potential ordinary shares: Convertible loan notes	7,853,510	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>123,045,508</u>	<u>97,251,911</u>	<u>99,557,768</u>

Cambrian Mining Plc
Notes to the condensed consolidated interim financial statements
For the six months ended 31 December 2008

3 Earnings/ (loss) per share (continued)

Continuing and discontinued operations	Six months ended		Year ended
	31 December 2008	31 December 2007	30 June 2008
	<i>Unaudited</i>	<i>Unaudited</i> <i>(Restated)</i>	<i>Audited</i>
Profit/ (loss) from continuing and discontinued operations	£'000	£'000	£'000
Profit/ (loss) for the purposes of earnings/ (loss) per share being net profit/ loss attributable to equity holders of the parent	12,997	(25,940)	(2,324)
Effect of dilutive potential ordinary shares: Interest, foreign exchange and revaluation gains on convertible loan notes (net of tax)	(1,735)	-	-
Earnings/ (loss) for the purpose of diluted earnings per Share	<u>11,262</u>	<u>(25,940)</u>	<u>(2,324)</u>

The denominators used are the same as those detailed above for both basic and diluted earnings/ (loss) per share from continuing and discontinued operations.

Cambrian Mining Plc
Notes to the condensed consolidated interim financial statements
For the six months ended 31 December 2008

4 Reconciliation of operating profit/ (loss) before tax to net cash utilised in operating activities

	Six months ended	31 December	Year ended
	31 December	31 December	30 June
	2008	2007	2008
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
		<i>(Restated)</i>	
	£'000	£'000	£'000
Operating profit/(loss) for the period:			
From continuing operations	48,252	(30,835)	(86,133)
From discontinued operations	-	(2,146)	(4,339)
	<u>48,252</u>	<u>(32,981)</u>	<u>(90,472)</u>
Adjustments for:			
Share of results of associates	(50,737)	27,244	77,329
Depreciation of property, plant and equipment	3,049	246	591
(Gain)/loss on disposal of property, plant and equipment	(9)	3	4
Amortisation of intangible assets	2,134	1,114	1,743
Share-based payment expense	406	516	664
Exchange loss/(gain) on non-operating activities	2,751	(1,329)	(1,146)
(Decrease)/increase in provisions	(32)	15	14
	<u>5,814</u>	<u>(5,172)</u>	<u>(11,273)</u>
Operating cash flows before movements in working capital	5,814	(5,172)	(11,273)
Increase in inventories	(2,705)	(280)	(402)
Decrease / (increase) in trade and other receivables	2,451	(177)	(1,119)
(Decrease) / increase in trade and other payables	(2,084)	504	1,241
Cash generated by / (used in) operations	<u>3,476</u>	<u>(5,125)</u>	<u>(11,553)</u>
Income taxes paid	<u>(226)</u>	<u>-</u>	<u>-</u>
Net cash from / (used in) operating activities	<u><u>3,250</u></u>	<u><u>(5,125)</u></u>	<u><u>(11,553)</u></u>

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

Material non-cash transactions

Other than the acquisition of Coal International Ltd and Energybuild Group Plc described in note 6 and the acquisition of an associate interest in former subsidiary Xtract Energy plc arising from the partial disposal of the Group's shareholding described in note 7, there are no material non-cash transactions during the period.

Cambrian Mining Plc
Notes to the condensed consolidated interim financial statements
For the six months ended 31 December 2008

5 Associates and joint ventures

Details of the Group's interests in associates and joint ventures are as follows:

	Six months ended		Year ended
	31 December 2008 <i>Unaudited</i> £'000	31 December 2007 <i>Unaudited</i> <i>(Restated)</i> £'000	30 June 2008 <i>Audited</i> £'000
Opening balance	62,013	98,373	98,373
Acquired on acquisition of subsidiaries (refer to note 6)	13,356	-	-
Acquisition of associate on disposal of subsidiary (refer to note 7)	13,655	-	-
Other additions to investments in associates and joint ventures	1,113	14,052	51,551
Transferred from derivatives	287	198	12,783
Transferred from held for trading	182	-	-
Gain on dilution of interests in associates (i)	21,561	1,227	2,173
Share of associates' share based payments reserve	(372)	403	2,206
Share of associates' foreign currency translation reserve	83	31	48
Share of associates' convertible loan notes reserve	(139)	16	(734)
Transferred to available for sale investments	-	(18,268)	(21,021)
Transferred from available for sale investments	-	-	818
Share of associates' available for sale reserves	(3,598)	(188)	-
Transferred on acquisition of subsidiaries (ii)	(28,912)	-	-
Disposals of associates	-	(5,180)	(6,847)
Share of results of associates and joint ventures (iii)	50,737	(27,244)	(77,329)
Impairment loss (iv)	(4,558)	-	-
Reversal of impairment loss – Coal International Plc	-	-	4,662
Exchange translation	14,116	4,606	(770)
Transferred to assets held for sale	-	-	(3,900)
Closing balance	<u>139,524</u>	<u>68,026</u>	<u>62,013</u>

- (i) Net dilution gain resulting from conversion into shares of options, warrants and convertible notes, by parties other than Cambrian.
- (ii) During the period the Group acquired the remaining interest in Coal International Ltd which was previously recognised as an associate. As a result of this acquisition the Group's interest in Energybuild Group Plc ('Energybuild') was increased to 50.6% and therefore Energybuild was also recognised as a subsidiary from this point. Refer to note 6, for additional information relating to the acquisitions.
- (iii) This includes the effect of exceptional derivative revaluation gains and losses in the underlying result of WCCC, as explained in note 1.
- (iv) As a result of the acquisition of Coal International Ltd the Group increased its interest in NEMI Northern Energy & Mining Inc ('NEMI') to 20.36% which is now recognised as an associate. During the period an impairment loss of £4,558,000 was recognised against the investment as the directors believed there was a permanent reduction in the value of NEMI. This is due to a reduction in NEMI's interest in Peace River Coal LP and their termination of their agreement with Aviva Corporation Ltd.

Cambrian Mining Plc
Notes to the condensed consolidated interim financial statements
For the six months ended 31 December 2008

6 Acquisitions of subsidiaries

(i) Acquisition of Coal International Plc

Since 12 December 2005, when the Group acquired a 36.09% interest, Coal International Plc ('Coal International') has been accounted for as an associate.

On 1 August 2008 the Group acquired, by way of a scheme of arrangement, the remaining issued share capital of Coal International Plc. At this date:

- all Coal International Plc shares (other than those held by Cambrian Mining Plc and its subsidiaries) were cancelled and an equivalent number were issued to Cambrian; and
- 19,704,194 new ordinary shares of Cambrian Mining Plc were issued to Coal International Plc shareholders on the basis of 1 Cambrian share for every 3.25 Coal International shares held at the time.

As the prevailing market price of Cambrian shares at this date was £2.07, consideration in the form of shares issued was £40,787,681.

In addition, the fair value of a convertible option cancelled as a result of the acquisition, £1,270,468, and the fair value of employee options previously awarded to Coal International employees, £565,989, form part of the consideration paid. Transaction and other related costs associated with the acquisition were £380,372.

Coal International is incorporated in the United Kingdom, and owns coal mines in West Virginia, USA. From 4 August 2008 the trading of Coal International shares on the Alternative Investment Market of the London Stock Exchange was cancelled and it became a limited company.

The transaction has been accounted for by the purchase method of accounting and the net assets acquired at the date of acquisition were as follows:

	Book value IFRS £' 000	Fair value adjustments £' 000	Fair value £' 000
Mining properties & mineral rights	45,392	16,033	61,425
Property plant & equipment	34,284	-	34,284
Interests in associates	9,894	3,442	13,336
Investments	2,814	-	2,814
Inventories	664	-	664
Trade and other receivables	5,273	-	5,273
Cash and cash equivalents	916	-	916
Trade and other payables	(7,065)	-	(7,065)
Borrowings	(24,449)	-	(24,449)
Long-term provisions	(6,093)	-	(6,093)
Deferred tax liabilities	(10,119)	(5,451)	(15,570)
Net assets	<u>51,511</u>	<u>14,024</u>	<u>65,535</u>
less: fair value of shares acquired in previous step acquisitions	17,710	4,821	22,531
Share of net assets acquired	<u>33,801</u>	<u>9,203</u>	<u>43,004</u>
Total consideration			43,004
Satisfied by:			
19,704,194 shares at £2.07			40,788
Fair value of convertible forgone			1,270
Fair value of employee options			566
Transaction costs			380
			<u>43,004</u>

Cambrian Mining Plc
Notes to the condensed consolidated interim financial statements
For the six months ended 31 December 2008

6 Acquisitions of subsidiaries (continued)

The fair value adjustments reflect the following:

- Uplift to intangible mineral rights to the value the directors consider is appropriate based on the underlying cash flows of the mining properties acquired, and ensuing deferred tax adjustments; and
- Revaluation of the associate interests from their carrying value to quoted market value and ensuing deferred tax adjustments.

The result of the previous step acquisitions was as follows:

	Cumulative % interest	Consideration paid £' 000	Net assets at book value £' 000	Fair value adjustments £' 000	Net assets at fair value £' 000
Acquired on 12 December 2005	36.09%	19,287	23,734	(4,447)	19,287
Dilution on 14 June 2006	34.38%	-	(172)	211	40
Acquired on 31 May 2007	34.38%	2,920	2,796	124	2,920
Net effect of previous acquisitions		22,207	26,358	(4,112)	22,247
Share of associate gains and losses		-	(8,648)	678	(7,971)
Carrying value of associate		22,207	17,710	(3,434)	14,276

The revaluation of Coal International's net assets to fair value relating to the acquisition in August 2008 amounted to an increase of £14,024,000 of which £4,821,000 related to the 34.4% previously held. The £8,255,000 excess over the previously recognised negative revaluation of £3,434,000 has been recognised as a revaluation reserve.

Net cash inflow arising on acquisition:

	£'000
Transaction costs	(380)
Cash and cash equivalents acquired	916
	536

(ii) Acquisition of Energybuild Group Plc

On 3 August 2007 the Group acquired a 27.51% interest in Energybuild Group Plc ('Energybuild') through the issue of Company shares with a market value of £3,501,000, £3,652,000 in the settlement of loans and £18,000 cash. Energybuild was recognised as an associate from this date.

As described in 7 (i) on 1 August 2008 the Group acquired the remaining interest in Coal International. Coal International owns a 23.08% interest in Energybuild, which provided the Group with a controlling interest in Energybuild of 50.59%.

Energybuild Group Plc is incorporated in the United Kingdom and owns a producing coal mine in Wales.

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6 Acquisitions of subsidiaries (continued)

The transaction has been accounted for by the purchase method of accounting and the provisional net assets acquired and consolidated at the date of acquisition were as follows:

	Book value IFRS £' 000	Fair value adjustments £' 000	Fair value £' 000
Mining properties & mineral rights	2,133	13,813	15,946
Property plant & equipment	17,188	-	17,188
Interests in joint ventures	20	-	20
Held to maturity investments	507	-	507
Inventories	1,132	-	1,132
Trade and other receivables	2,644	-	2,644
Cash and cash equivalents	3,675	-	3,675
Trade and other payables	(3,926)	-	(3,926)
Obligations under finance lease	(147)	-	(147)
Deferred income	(3,411)	3,411	-
Long-term provisions	(943)	-	(943)
Contingent consideration	(277)	-	(277)
Deferred tax liabilities	(125)	(4,823)	(4,948)
Net assets	<u>18,470</u>	<u>12,401</u>	<u>30,871</u>
less: minority interests	9,126	6,127	15,253
less: share of net assets acquired in previous step acquisitions	5,081	3,412	8,493
Share of net assets acquired	<u>4,263</u>	<u>2,862</u>	<u>7,125</u>
Total consideration			7,125
Satisfied by:			
Fair value of investment acquired as part of Coal International acquisition			<u>7,125</u>

The fair value adjustments reflect the following:

- Uplift to intangible mineral rights to the value the directors consider is appropriate based on the underlying cash flows of the mining properties acquired, and ensuing deferred tax adjustments; and
- Deferred income was adjusted as it was concluded that there was £nil value attributable to grants previously received by Energybuild under the Coal Investment Aid Scheme. The amount included as a liability within Energybuild reflected the amount of deferred income remaining to be recognised over the term of the grant. However, as the fixed assets of the Group are acquired at fair value, there is no similar liability to the Group on acquisition.

The result of the previous step acquisitions was as follows:

	Consideration paid £' 000	Book value IFRS £' 000	Fair value adjustments £' 000	Fair value £' 000
Acquired 27.51% on 3 August 2007	7,171	4,742	2,429	7,171
Share of associate gains/(losses)	-	339	-	339
	<u>7,171</u>	<u>5,081</u>	<u>2,429</u>	<u>7,510</u>

Cambrian Mining Plc
Notes to the condensed consolidated interim financial statements
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6 Acquisitions of subsidiaries (continued)

The revaluation of Energybuild's net assets to fair value relating to the acquisition in August 2008 amounted to an increase of £12,401,000 of which £3,412,000 related to the 27.51% previously held. The £982,000 excess over the previously recognised revaluation of £2,429,000 has been included in the revaluation reserve.

Net cash outflow arising on acquisition:

	£'000
Cash consideration	-
Cash and cash equivalents acquired	3,675
	<u>3,675</u>

Total consideration amounting to £7,171,000 on acquisition of Energybuild in earlier steps pertains to its acquisition as an associate. The consideration was made up as follows:

	£'000
Cash paid	18
Conversion of debt	3,652
Fair value of 2,840,909 Cambrian Mining Plc shares issued at £1.23	<u>3,501</u>
	<u>7,171</u>

Total consideration amounting to £7,125,000 in the final stage of the acquisition of Energybuild as a subsidiary occurred as a result of the acquisition of Coal International with the fair value of Cambrian Mining shares issued in that transaction attributable to the acquisition of Energybuild Group Plc being £7,125,000.

7. Disposal of subsidiary

On 2 July 2008 the Company disposed of 36,500,000 shares and 36,500,000 warrants in its subsidiary Xtract Energy Plc. The Group's ownership interest in Xtract reduced from 50.1% to 45.2% resulting in Xtract ceasing to be a subsidiary and becoming an associate. This generated cash proceeds net of expenses of £907,000.

	£'000
Carrying value of assets and liabilities	29,519
Minority interest	<u>(14,957)</u>
	<u>14,562</u>
Recognition of associate interest	13,655
Cash proceeds, net of expenses	<u>907</u>
	<u>14,562</u>

8. Impairment of intangible assets

During the period, impairment indicators were identified in relation to the intangible mineral rights & exploration, mineral properties and development & producing assets previously recognised in relation to AGD Mining Ltd's gold and antimony operations. As a result, management reviewed the value in use of AGD Mining Ltd's mining assets and concluded that due to deterioration in the global antimony market, the intangible assets related to these operations needed to be impaired in full.

The key assumptions for the value in use calculation used in assessing impairment of these assets include commodity price, demand expectations, direct costs and discount rates. These assumptions have been revised in light of the current uncertainty in the world macroeconomic environment.

Cambrian Mining Plc

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2008

8 Impairment of tangible assets (continued)

Management estimates of the value in use have been calculated using pre-tax discount rates which reflect current market assessments of the time value of money and the risks specific to AGD's mining assets. The revised estimates include a reduced production profile to reflect the expected decrease in antimony product deliveries under existing sales contracts and revisions to commodity product prices and direct costs.

Based on current information, management's view is that AGD Mining Ltd's mine development costs and tangible assets do not require any impairment, however, continued weakness in the antimony and global markets could result in future impairment for these assets.

Intangible assets acquired on the acquisition of Coal International Ltd and Energybuild Group plc (as described in note 6) were allocated on acquisition to the cash generating units (CGUs) to which they relate. Management has concluded that the recoverable value of these CGUs exceeds the current carrying value and therefore there is no impairment of the underlying assets.

9. Subsequent events

On 21 January 2009 the total sum of US\$36 million was advanced to Cambrian Investment Holdings Limited ('CIH'), a wholly-owned subsidiary of Cambrian by WCCC. The proceeds of the loan have been used to repay in full CIH's revolving credit and term loan facility with Investec Bank (UK) Limited.

The loan shall accrue interest at a rate of 12% per annum until repayment and shall become payable in full on the earlier of i) 90 days after delivery of a written notice from WCCC that it has failed to obtain necessary approvals from its shareholders for the merger between Cambrian and WCCC; or (ii) 31 December 2009. In addition, under the terms of the loan agreement, the amount repayable under the loan has been reduced by the entire amount owing to Cambrian under a CDN\$5 million loan facility provided by Cambrian to WCCC in September 2007. Consequently approximately US\$32 million remains outstanding under the terms of the loan agreement.

Subsequent to year end, MEO Australia Ltd, an investment company of Xtract Energy plc announced that their formation pressures testing program confirmed that the target sands were water bearing. This has resulted in plugging and abandonment of the well. However, MEO remains optimistic that there is significant untested potential for gas accumulations within its North West Shelf acreage. Since period end the share price of Xtract has declined from £0.0138 at 31 December 2008 to £0.0093 at 27 March 2009. Management do not consider that this share price decline indicates a permanent decrease in the value of this investment.

Cambrian Mining Plc
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10. Reconciliation of changes in equity

	Share capital	Share premium account	Share-based payment reserve	Revaluation reserve	Available for sale reserve	Foreign currency translation reserve	Merger reserve	Convertible loan notes reserve	Treasury share reserve	Capital redemption reserve	Retained earnings	Equity shareholders' funds	Minority interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2007	18,698	34,112	4,186	3,780	15,846	3,335	9,471	2,680	(411)	411	48,609	140,717	15,623	156,340
Issue of shares	865	4,299	-	-	-	-	-	-	-	-	-	5,164	857	6,021
Recognition of equity component of convertible loan notes - associates *	-	-	-	-	-	-	-	16	-	-	-	16	-	16
Gain on revaluation of available for sale investments	-	-	-	-	3,065	-	-	-	-	-	-	3,065	10,127	13,192
Unwind revaluation on available for sale assets on becoming an associate	-	-	-	-	(282)	-	-	-	-	-	-	(282)	(265)	(547)
Revaluation gain on available for sale investments disposed of	-	-	-	-	(9,080)	-	-	-	-	-	-	(9,080)	(530)	(9,610)
Deferred tax on net revaluation gains and losses	-	-	-	-	111	-	-	-	-	-	-	111	(2,897)	(2,786)
Revaluation gains transferred to associate interests	-	-	-	-	(528)	-	-	-	-	-	-	(528)	-	(528)
Share-based payments - group	-	-	444	-	-	-	-	-	-	-	-	444	72	516
Share-based payments - associates	-	-	363	-	-	-	-	-	-	-	-	363	40	403
Currency translation differences *	-	-	24	-	149	5,382	-	91	-	-	-	5,646	104	5,750
Loss for the period *	-	-	-	-	-	-	-	-	-	-	(25,940)	(25,940)	1,148	(24,792)
At 31 December 2007 (* Restated – note2)	19,563	38,411	5,017	3,780	9,281	8,717	9,471	2,787	(411)	411	22,669	119,696	24,279	143,975
Issue of shares	185	1,295	-	-	-	-	-	-	-	-	-	1,480	(46)	1,434
Recognition of equity component of convertible loan notes – associates	-	-	-	-	-	-	-	(750)	-	-	-	(750)	-	(750)
Loss on revaluation of available for sale investments	-	-	-	-	(14,441)	-	-	-	-	-	-	(14,441)	(11,698)	(26,139)
Revaluation loss on available for sale investments disposed of	-	-	-	-	444	-	-	-	-	-	-	444	-	444
Deferred tax on net revaluation gains and losses	-	-	-	-	3,684	-	-	-	-	-	-	3,684	3,500	7,184
Share-based payments - group	-	-	(41)	-	-	-	-	-	-	-	261	220	(72)	148
Deferred tax recognised on share-based payment - group	-	-	915	-	-	-	-	-	-	-	-	915	-	915
Share-based payments - associates	-	-	1,423	-	-	-	-	-	-	-	-	1,423	231	1,654
Currency translation differences	-	-	(24)	-	(193)	(2,851)	-	(91)	-	-	-	(3,159)	310	(2,849)
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	23,616	23,616	(1,822)	21,794
At 30 June 2008	19,748	39,706	7,290	3,780	(1,225)	5,866	9,471	1,946	(411)	411	46,546	133,128	14,682	147,810

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For the six months ended 31 December 2008

10. Reconciliation of changes in equity (continued)

	Share capital	Share premium account	Share -based payment reserve	Revaluation reserve	Available for sale reserve	Foreign currency translation reserve	Merger reserve	Convertible loan notes reserve	Treasury share reserve	Capital redemption reserve	Retained earnings	Equity shareholders' funds	Minority interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2008	19,748	39,706	7,290	3,780	(1,225)	5,866	9,471	1,946	(411)	411	46,546	133,128	14,682	147,810
Issue of shares	3,956	105	-	-	-	-	36,847	-	-	-	-	40,908	-	40,908
Recognition of equity component of convertible loan notes - associates	-	-	-	-	-	-	-	(140)	-	-	-	(140)	-	(140)
Loss on revaluation of available for sale investments	-	-	-	-	(911)	-	-	-	-	-	-	(911)	-	(911)
Deferred tax on revaluation of available for sale investments	-	-	-	-	285	-	-	-	-	-	-	285	-	285
Available for sale reserve - associates	-	-	-	-	(3,598)	-	-	-	-	-	-	(3,598)	-	(3,598)
Share-based payments - group	-	-	70	-	-	-	-	-	-	-	336	406	-	406
Deferred tax recognised on share-based payment - group	-	-	(1,467)	-	-	-	-	-	-	-	-	(1,467)	-	(1,467)
Share-based payments - associates	-	-	(372)	-	-	-	-	-	-	-	-	(372)	-	(372)
Disposal of subsidiary	-	-	(41)	(59)	115	(42)	-	-	-	-	-	(27)	(14,957)	(14,984)
Revaluation on acquisition of subsidiaries	-	-	-	9,237	-	-	-	-	-	-	-	9,237	-	9,237
Acquisition of subsidiary	-	-	566	-	-	-	-	-	-	-	-	566	15,253	15,819
Currency translation differences	-	-	-	-	-	39,880	-	-	-	-	-	39,880	-	39,880
Loss for the period	-	-	-	-	-	-	-	-	-	-	12,997	12,997	505	13,502
At 31 December 2008	23,704	39,811	6,046	12,958	(5,334)	45,704	46,318	1,806	(411)	411	59,879	230,892	15,483	246,375