

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

PART 2 OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. This document contains a proposal which, if implemented, will result in the cancellation of the listing of the Energybuild Shares on the AIM Market of the London Stock Exchange. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from, if you are in the United Kingdom, your stockbroker, bank, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), or if not, from another appropriately authorised independent financial adviser in a territory outside the United Kingdom.

If you sell or have sold or otherwise transferred all of your Energybuild Shares, please forward this document and the Forms of Proxy at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward delivery to the purchaser or transferee. However, such documents should not be forwarded, transmitted or distributed in or into any jurisdiction where to do so would or might contravene the laws or regulations of that jurisdiction. If you have sold or otherwise transferred only part of your Energybuild Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

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

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

Recommended proposal for the acquisition of
ENERGYBUILD GROUP PLC
by
WESTERN COAL CORP.
by means of a
Scheme of Arrangement
under sections 895 to 899 of the Companies Act 2006

Your attention is drawn to the letter from the Energybuild Independent Directors in Part 1 of this document which contains their recommendation that you vote in favour of the Scheme at the Court Meeting and of the Special Resolution to be proposed at the General Meeting.

Notices convening the Court Meeting and the General Meeting, both of which will be held at the offices of Trowers & Hamlins LLP, Sceptre Court, 40 Tower Hill, London EC3N 4DX, on 19 July 2010, are set out at the end of this document. The Court Meeting will start at 11.00 a.m. and the General Meeting will start at 11.15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned).

Terms defined in Part 11 of this document shall bear the meaning given when used elsewhere in this document.

The actions to be taken by Energybuild Shareholders are further described on page 7 of this document.

If you have any questions relating to this document, either of the Meetings and the completion and return of the Forms of Proxy, please telephone Share Registrars Limited between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays) on 01252 821 390 from within the UK or +44 1252 821 390 if calling from outside the UK. Calls to the UK number cost your normal service provider's charges. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. The helpline cannot provide advice on the merits of the Proposal nor give any financial, legal, accounting or tax advice.

Shareholders will find enclosed with this document a blue Form of Proxy and a green Form of Proxy. The blue Form of Proxy is to be used at the Court Meeting and the green Form of Proxy is to be used at the General Meeting. Whether or not you intend to attend these Meetings, Energybuild Shareholders are asked to complete the enclosed Forms of Proxy in accordance with the instructions printed on the forms and return them either by post or by hand (during normal business hours only) as soon as possible but in any event so as to be received by Energybuild's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL, no later than 11.00 a.m. on 17 July 2010, in the case of the Court Meeting (blue form), and by no later than 11.15 a.m. on 17 July 2010 in the case of the General Meeting (green form). If Forms of Proxy for the Court Meeting (but not Forms of Proxy for the General Meeting) are not lodged by the relevant time they may be handed to a member of staff on behalf of the chairman of the Court Meeting before the start of the Court Meeting. The completion and return of a Form of Proxy will not prevent you from attending and voting at either the Court Meeting or the General Meeting, or any adjournment thereof, in person should you wish to do so.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons in such jurisdictions into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, or a solicitation of an offer to buy or subscribe for shares or other securities or a solicitation of any vote or approval in any jurisdiction in which such offer or solicitation is unlawful. This document and the accompanying documents have been prepared in connection with proposals in relation to a scheme of arrangement and reduction of share capital pursuant to and for the purposes of complying with English law, the Takeover Code and the applicable rules and regulations of the London Stock Exchange (including those applicable to AIM) and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of the United Kingdom.

All Energybuild Shareholders or other persons (including nominees, trustees and custodians) who would otherwise intend to, or may have a contractual or legal obligation to, forward this document and accompanying documents to any jurisdiction outside the United Kingdom should refrain from doing so and seek appropriate professional advice before taking any action.

The New Western Shares to be issued pursuant to the Proposal have not been, and will not be, registered under the US Securities Act or under the securities laws of any state in the US. Neither the SEC nor any state securities commission has approved or disapproved the New Western Shares or passed upon the accuracy or adequacy of this document or any of the accompanying documents. Any representation to the contrary is a criminal offence in the US. Furthermore, the New Western Shares have not been, and will not be, registered under any of the relevant securities laws of Japan or South Africa. Accordingly the New Western Shares may not be offered, sold, resold or delivered directly or indirectly in or into, the US, Japan, South Africa or any jurisdiction in which to do so is unlawful (except in compliance with applicable legislation).

IMPORTANT NOTICE

No person has been authorised to make any representations on behalf of any member of the Western Group or any member of the Energybuild Group concerning the Proposal which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised. Western is a company registered in the Province of British Columbia, Canada. Energybuild is a company registered in England and Wales.

The summary of the principal provisions of the Scheme contained in this document is qualified in its entirety by reference to the Scheme itself, the full text of which is set out in Part 8 of this document. Each Energybuild Shareholder is advised to read and consider carefully the text of the Scheme itself. This is because this document, and in particular, the Letter of Recommendation from the Energybuild Independent Directors (Part 1) and the Explanatory Statement (Part 2) have been prepared solely to assist Energybuild Shareholders in respect of voting on the Scheme.

Energybuild Shareholders should not construe the contents of this document as legal, taxation, accounting or financial advice, and should consult with their own advisers as to the matters described in this document.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Energybuild or Western or the Enlarged Group except where otherwise stated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Western Group and the Energybuild Group and certain plans and objectives of the boards of Western and/or Energybuild with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. These statements are based on assumptions and assessments made by the management and boards of Western and Energybuild in light of their experience and their perception of historical trends, current conditions, expected future developments, financial performance and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. No member of the Western Group or the Energybuild Group assumes any obligation to update or correct the information contained in this document.

CURRENCY AND EXCHANGE RATES

All money amounts set forth in this document are in pounds sterling, except where otherwise indicated. The following tables set forth (i) the rates of exchange for pounds sterling, expressed in Canadian dollars, in effect at the end of each of the periods indicated; (ii) the average of exchange rates in effect on the last day of each month during such period; and (iii) the high and low exchange rates during each such period, in each case based on the closing spot rate at 16.00 BST as provided by WM/Reuters.

| | <i>Year ended 31 March</i> | |
|----------------------------|----------------------------|-------------|
| | <i>2010</i> | <i>2009</i> |
| | <i>C\$</i> | <i>C\$</i> |
| Rate at end of period | 1.540 | 1.804 |
| Average rate during period | 1.741 | 1.913 |
| High | 1.517 | 2.056 |
| Low | 1,916 | 1,699 |

DISCLOSURE REQUIREMENTS OF THE TAKEOVER CODE

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

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

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

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

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

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

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

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All references to time shown in this document are to London time unless otherwise stated.

| <i>Event</i> | <i>Time and/or date</i> |
|---|----------------------------|
| Latest time for receipt of blue Form of Proxy for the Court Meeting ¹ | 11.00 a.m. on 17 July 2010 |
| Latest time for receipt of green Form of Proxy for the General Meeting ¹ | 11.15 a.m. on 17 July 2010 |
| Voting Record Time ² | 6.00 p.m. on 17 July 2010 |
| Court Meeting | 11.00 a.m. on 19 July 2010 |
| General Meeting ³ | 11.15 a.m. on 19 July 2010 |
| Last day of dealings in, and for registration of transfers of, Energybuild Shares and disablement in CREST of Energybuild Shares ⁴ | 3 August 2010 |
| Scheme Record Time ⁴ | 6.00 p.m. on 3 August 2010 |
| Court Hearing (to sanction the Scheme and confirm the Reduction of Capital) ⁴ | 4 August 2010 |
| Effective Date of the Scheme⁴ | 5 August 2010 |
| Cancellation of admission of Energybuild Shares to trading on AIM ⁴ | 6 August 2010 |
| Admission and first dealing date of New Western Shares and CREST accounts credited ⁴ | 6 August 2010 |
| Latest day for despatch of share certificates in respect of New Western Shares ⁴ | 19 August 2010 |

Notes

1. If the blue Form of Proxy for the Court Meeting is not returned by this time, it may be handed to a member of staff on behalf of the chairman of the Court Meeting before the start of the meeting and will still be valid. However, in the case of the green Form of Proxy for the General Meeting, it will be invalid unless it is lodged with Share Registrars Limited so as to be received no later than 11.15 a.m. on 17 July 2010.
2. If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the adjourned meeting(s) will be 6.00 p.m. on the second day before the day fixed for the adjourned meeting.
3. To commence at the time stated, or, if later, immediately after the conclusion or adjournment of the Court Meeting.
4. These dates are indicative only and will depend on, amongst other things, the date upon which the Conditions are either satisfied or (if capable of waiver) waived and the date upon which the Court sanctions the Scheme and the Order is delivered to the Registrar of Companies.
5. The Court Meeting and the General Meeting will be held at the offices of Trowers & Hamlins LLP, Sceptre Court, 40 Tower Hill, London EC3N 4DX on 19 July 2010.
6. The dates given are based on Energybuild's current expectations and may be subject to change. If the expected date of the Court Hearing changes, the Company will give adequate notice of the change by issuing an announcement through a Regulatory Information Service. All Energybuild Shareholders have the right to attend the Court Hearing.

ACTIONS TO BE TAKEN

Voting at the Court Meeting and the General Meeting

The Scheme requires the approval of the Energybuild Shareholders (other than Western and other members of the Western Group) at the Court Meeting convened by order of the Court to be held at the offices of Trowers & Hamblins LLP, Sceptre Court, 40 Tower Hill, London EC3N 4DX at 11.00 a.m on 19 July 2010. Implementation of the Scheme also requires the approval of Energybuild Shareholders at the General Meeting also to be held at the offices of Trowers & Hamblins LLP, at 11.15 a.m on 19 July 2010 (or as soon as the Court Meeting, convened for the same date and place, has concluded or been adjourned), or, if later, immediately after the conclusion or adjournment of the Court Meeting.

You will find enclosed with this document:

- a blue Form of Proxy for use in respect of the Court Meeting on a return paid slip; and
- a green Form of Proxy for use in respect of the General Meeting on a return paid slip.

If you have not received all of these documents, please contact Share Registrars Limited on the telephone number set out at the bottom of this page.

It is important that as many votes as possible are cast at the Court Meeting (whether in person or by proxy) so that the Court may be satisfied that there is a fair and reasonable representation of Energybuild Shareholder opinion. You are therefore strongly urged to complete, sign and return your blue Form of Proxy for the Court Meeting as soon as possible and, in any event, so as to be received by Energybuild's registrars, Share Registrars Limited, by no later than 11.00 a.m on 17 July 2010 whether or not you plan to attend the Court Meeting.

Alternatively, blue Forms of Proxy for the Court Meeting may be handed to a member of staff on behalf of the chairman of the Court Meeting before the start of the Court Meeting on 19 July 2010.

Please note that implementation of the Scheme also requires the approval of Energybuild Shareholders at the General Meeting. You are therefore strongly urged to complete, sign and return your green Form of Proxy for the General Meeting as soon as possible and, in any event, so as to be received by Energybuild's registrars, Share Registrars Limited, by no later than 11.15 a.m on 17 July 2010 whether or not you plan to attend the General Meeting.

If you have any questions relating to this document, either of the Meetings or the completion and return of the Forms of Proxy, please telephone Share Registrars Limited between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays) on 01252 821 390 from within the UK or +44 1252 821 390 if calling from outside the UK. Calls to the UK number cost your normal service provider's charges. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. The helpline cannot provide advice on the merits of the Proposal nor give any financial, legal, accounting or tax advice.

An electronic version of this document can be viewed at www.westerncoal.com/investors/financial_information or at www.energybuild.co.uk/index.php?page=20

PART 1

LETTER OF RECOMMENDATION FROM THE ENERGYBUILD INDEPENDENT DIRECTORS

ENERGYBUILD GROUP PLC

(Registered in England and Wales with No.5451235)

Directors

Colin Ivor Cooke (*Non-executive Chairman*)*
Morgan Rhidian Davies (*Managing Director*)*
Karl Picton-Jones (*Finance Director*)*
Robert Llewellyn Morgan (*Non-executive Director*)*
Abraham Hendrik Jonker (*Non-executive Director*)
Thomas David Button (*Non-executive Director*)*

*Energybuild Independent Directors

Registered Office

Engine Cottage Site
Aberpergwm Colliery
Glynneath Road
Glynneath Neath
West Glamorgan
SA11 5SF

25 June 2010

To Energybuild Shareholders and, for information only, to holders of Options and Warrants

Dear Energybuild Shareholder,

Recommended Proposal for the acquisition of Energybuild by Western

1. INTRODUCTION

On 9 June 2010, we, the Energybuild Independent Directors, and the Western Directors announced that we had reached agreement on the terms of a recommended proposal for the acquisition by Western of all of the outstanding issued ordinary share capital of Energybuild not already held by the Western Group. The Proposal is to be effected by way of a scheme of arrangement of Energybuild, which requires approval by the Energybuild Shareholders (other than Western and other members of the Western Group) and the sanction of the Court. Upon the Scheme becoming effective, Scheme Shareholders will receive 0.0833 New Western Shares for every 1 Scheme Share held. No fractions of New Western Shares will be issued or allotted.

As the Energybuild Independent Directors, we have considered the approach from Western and the terms of the Proposal. In view of his position as an officer of Western, Abraham Jonker is deemed to be a non-independent director of Energybuild and consequently has not voted and will not vote on any resolutions of the Energybuild Independent Directors concerning the Proposal.

The purpose of this letter is to explain the basis of and background to the Proposal and the reasons why we, who have been so advised by Arbuthnot Securities, consider the Proposal to be fair and reasonable and why we accordingly recommend that the Energybuild Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting.

In order to approve the Proposal, Energybuild Shareholders will need to vote in favour of the resolutions to be proposed at two shareholders' meetings (the Court Meeting and the General Meeting) to be held on 19 July 2010. The actions you should take and our recommendation are set out in paragraphs 10 and 12 respectively of this letter. Part 2 of this document contains a letter from Arbuthnot Securities which provides further details of the Proposal.

2. SUMMARY OF THE TERMS OF THE PROPOSAL

The Proposal is to be effected by way of a Court sanctioned scheme of arrangement of Energybuild under sections 895 to 899 of the Companies Act involving a reduction of capital under section 641 of the Companies Act. The purpose of the Scheme is to enable Western to acquire all of the outstanding issued

ordinary share capital of Energybuild. The Scheme is subject to the Conditions and the further terms set out in Part 3 of this document. If the Scheme becomes effective, the Scheme Shares will be cancelled and Energybuild will become a wholly owned subsidiary of the Western Group.

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

0.0833 New Western Shares for every 1 Scheme Share

Fractions of New Western Shares will not be allotted or issued to Scheme Shareholders pursuant to the Proposal. Fractional entitlements will be rounded down to the nearest whole number of New Western Shares. Scheme Shareholders are those holders of Scheme Shares who are on the register of members of Energybuild at the Scheme Record Time.

Based on the Closing Price of one Western Share of 296.5 pence on 24 June 2010, being the last practicable Dealing Day prior to the posting of this document, the Proposal values the entire issued ordinary share capital of Energybuild at approximately £56.0 million and each Energybuild Share at approximately 24.7 pence representing a premium of approximately 16.2 per cent. to the Closing Price of an Energybuild Share of 21.25 pence on 8 June 2010, being the last Dealing Day prior to the announcement of the Proposal.

The consideration under the Proposal also represents:

- a premium of approximately 12.9 per cent. to the ratio of the Closing Prices of a Western Share and an Energybuild Share on 8 June 2010, being the last Dealing Day prior to the Announcement;
- a premium of approximately 26.1 per cent. to the average ratio of the Closing Prices of a Western Share and an Energybuild Share for the one month prior to the date of the Announcement;
- a premium of approximately 17.4 per cent. to the average ratio of the Closing Prices of a Western Share and an Energybuild Share over the six months prior to the date of the Announcement; and
- based on the Closing Price of a Western Share on 24 June 2010, a premium of approximately 64.7 per cent. to the price at which Energybuild raised £14.5 million of new equity in December 2009.

If the Scheme is effected, the Energybuild Shares will be acquired by Western fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after 9 June 2010, the date of the Announcement.

The New Western Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Western Shares in issue at the time the New Western Shares are delivered pursuant to the Proposal, including the right to receive and retain dividends and other distributions (if any) paid by reference to a record date on or after the Effective Date. Application will be made for the admission of the New Western Shares to trading on AIM and the TSX on the first Dealing Day after the Effective Date.

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

Irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolution at the General Meeting have been secured from the Energybuild Independent Directors and another Energybuild Shareholder in respect of, in aggregate, 26,448,052 Energybuild Shares, representing approximately 25.8 per cent. of Energybuild's existing issued share capital not already held by the Western Group and approximately 11.7 per cent. of Energybuild's total existing issued share capital.

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

To become effective, the Scheme requires, amongst other things, (i) approval by the necessary majorities at the Court Meeting of the Energybuild Shareholders entitled to vote and present and voting, either in person or by proxy; (ii) the passing of the Special Resolution; (iii) satisfaction or waiver of the other conditions set out in Part 3 of this document; and (iv) the sanction of the Court of the Scheme and of the related Reduction of Capital. The Court Meeting and the General Meeting, and the nature of the approvals required to be given at them, are described in more detail in paragraph 8 of Part 2 of this document. All Energybuild Shareholders (other than Western and other members of the Western Group) are entitled to attend the Court Hearing in person or to be represented by counsel to support or oppose the sanctioning of the Scheme.

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

The Scheme (details of which are set out in Part 8 of this document) will become effective upon the sanctioning by the Court of the Scheme and of the Reduction of Capital and the delivery to the Registrar of Companies of a copy of the Order and, in relation to the Reduction of Capital, the registration of such Order by the Registrar of Companies which, subject to the Court's timetable, is expected to occur by the close of business on 5 August 2010.

The proposal also includes the Option and Warrant Proposals further described in paragraph 8 of this Part 1.

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

Unless the Scheme becomes effective by no later than 30 September 2010, or such later date, if any, as Western and Energybuild may agree and the Court and the Panel may allow, the Scheme will not become effective and the Proposal will not proceed.

Western reserves the right, subject to the consent of the Panel, to elect to implement the Proposal by way of a takeover offer. In such event, such offer will be implemented on the same terms subject to appropriate amendments, including (without limitation) an acceptance condition set at ninety per cent. of the Energybuild Shares to which such offer relates (or such lower percentage as Western may decide), so far as applicable, as those which would apply to the Scheme.

The Explanatory Statement in compliance with section 897 of the Companies Act is set out in Part 2 of this document.

3. IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

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

| <i>Name</i> | <i>Number of Energybuild Shares</i> | <i>Percentage of issued share capital of Energybuild</i> |
|----------------------------------|---|--|
| Colin Cooke | 303,667 | 0.13% |
| Thomas David Button | 0 | 0.00% |
| Robert Morgan | 3,167,167 | 1.40% |
| Morgan Rhidian Davies | 3,175,000 | 1.40% |
| Karl Picton Jones | 0 | 0.00% |
| Majedie Asset Management Limited | 19,802,218 | 8.74% |
| | <u>26,448,052</u> | <u>11.67%</u> |

The Energybuild Shares for which irrevocable undertakings to vote in favour of the Proposal have been given represent in aggregate 25.8 per cent. of the issued share capital of Energybuild as at the date of this document not already held by Western or other members of the Western Group.

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

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

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

| <i>Name</i> | <i>Number of Energybuild Shares held as at the last Dealing Day prior to the date of the Announcement</i> | <i>Percentage of issued share capital of Energybuild</i> |
|--|---|--|
| Blackrock Investment Management (UK) Limited | 11,209,440 | 4.95% |
| Henderson Global Investors Limited | 8,416,665 | 3.71% |
| Invesco Asset Management Limited | 5,074,789 | 2.24% |
| | <u>24,700,894</u> | <u>10.90%</u> |

The Energybuild Shares for which letters of intent to vote in favour of the Proposal have been given represent in aggregate 24.1 per cent. of the issued share capital of Energybuild as at the date of this document not already held by Western or other members of the Western Group.

4. BACKGROUND TO AND REASONS FOR RECOMMENDING THE PROPOSAL

Despite the progress to date and the Energybuild Independent Directors' continuing confidence in the future, Energybuild remains in a development phase. The Energybuild Independent Directors continue to believe

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

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

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

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

Our recommendation is set out in paragraph 12 below.

5. ENERGYBUILD DIRECTORS, MANAGEMENT AND EMPLOYEES

Energybuild is in a development phase with a target to deliver annual production of 750,000 tonnes by 2013. It is Western's intention to continue to develop Energybuild. Western expects that giving Energybuild access to its mining expertise and financial resources, if required, will allow Energybuild to accelerate its development.

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

Western does not currently intend to redeploy the fixed assets of Energybuild to an extent that such redeployment would have a material impact on the business of Energybuild.

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

Following the Scheme becoming effective, the board of directors of Western will continue to be comprised of the current members of the board. The Energybuild Independent Directors will step down from the respective boards of Energybuild and each of its subsidiaries shortly after the Effective Date and members of management of Western will be appointed in their place.

6. INFORMATION ON WESTERN COAL CORP.

Activities

Western's principal business is the acquisition, exploration and development of coal licenses with its primary focus being favourably located, high-quality coal deposits in three distinct operational groups: the Canadian

Operations, located in northeastern British Columbia (Canada), the US Operations, located in West Virginia (USA), and the UK Operations, located in South Wales (UK).

Western's mission statement is to mine coal to maximize shareholder value while respecting the interests of its stakeholders. Western's vision, values and strategy statements include:

- to be the premier independent coal mining company specializing in metallurgical coal and the supplier of choice to its customers;
- safety, stewardship, integrity, employee empowerment and the pursuit of excellence; and
- to be value accretive through organic growth, acquisition of contiguous assets and geographic expansion.

Canadian Operations Overview

The Canadian operations consist of a diversified coal asset base in northeastern British Columbia adjacent to or nearby existing infrastructure already established for the northeast coalfields, including rail, port, town and other facilities. Within British Columbia, Western owns two large multi-deposit coal property groups — the Wolverine and Brazion groups of properties, which are comprised of approximately 35,000 hectares located in northeastern British Columbia under license or lease, including:

- (i) the Perry Creek and EB open-pit deposits (collectively, the “Wolverine Project”) and the Hermann open-pit deposit, located within the Wolverine group of coal properties; and
- (ii) the Brule Mine and the Willow Creek Mine, which are open-pit mines located within the Brazion group of coal properties.

Additionally, Western holds directly and indirectly a 50 per cent. interest in the Belcourt Saxon Coal Limited Partnership (the “Belcourt Saxon LP”), which owns two additional multi-deposit coal property groups — the Belcourt and Saxon groups of properties, which are located approximately 65 to 125 kilometres south of the Wolverine group of coal properties. These properties include more than 50,000 hectares under license or application held by Belcourt Saxon Coal Ltd., the general partner of the Belcourt Saxon LP.

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

US Operations Overview

The US operations consist of the Gauley Eagle Mine located on the 20,000 acre Gauley Eagle property in the Nicholas and Webster counties of West Virginia and the Maple Coal Mine located on the 21,000 acre Maple Coal property in the Fayette and Kanawha counties of West Virginia. Western acquired the rights to the two underground and surface mines, which produce both metallurgical and thermal coal, in July 2009 as a result of the acquisition of Cambrian Mining Limited.

UK Operations Overview

The UK operations consist of Western's 54.7 per cent. interest in Energybuild, which is primarily a coal mining company that operates in the Neath Valley and Dulais Valley of South Wales. Energybuild owns and operates the Aberpergwm Mine and the associated Treforgan Extension, and the Surface Opencast Mines, which produce high quality anthracite and thermal coal.

Further information on Western is available under Western's profile on SEDAR at www.sedar.com or at www.westerncoal.com.

Directors of Western

Brief biographies of the Western Directors are set out below:

David R. Beatty, O.B.E. aged 68, Non-Executive Chairman

Mr. Beatty is presently a Director of three publicly traded companies: Bank of Montreal, First Service Corporation, and Inmet Mining where he is the Chair. He is also a Professor of Strategic Management for the Rotman School of Management and the Conway Director for the Clarkson Centre for Business Ethics & Board Effectiveness at the University of Toronto. Mr. Beatty was the former Managing Director of the Canadian Coalition for Good Governance, and has held numerous Board of Director and executive management positions over his distinguished career. He is Honorary Consul to Canada for the Government of Papua New Guinea, and in 1993 was awarded the Order of the British Empire (O.B.E.). A graduate of economics from the University of Toronto, he was a Nuffield Scholar at the University of Cambridge and a Fellow of the Institute of Corporate Directors (Canada). He joined the Western board effective 1 June 2010.

John R. Brodie aged 65, Non-Executive Director

Mr. Brodie brings to Western over 36 years of financial management experience. He served as a senior partner at KPMG until 2003 where he had a number of leadership positions within the firm. His accomplishments include being elected a Fellow of the Institute of Chartered Accountants of British Columbia for his distinguished service to the community and the profession. He is also a director of several public companies within the mining and manufacturing sector. He joined the Western board in 2006.

Keith Calder aged 48, Chief Executive Officer

Mr. Calder has nearly 30 years of experience in the mining industry with his most recent experience as Managing Director of Rio Tinto's Copper Projects. After achieving his Mining Engineer degree from Michigan Technical University, Mr. Calder's career progressed through roles such as frontline supervisor, Operations Director, Project Engineer, Project Director through to Managing Director of various global mining operations. Mr. Calder was also task force lead on Rio Tinto's Strategic Mine planning improvement program. Mr. Calder joined Western as President and Chief Executive Officer in December 2009.

Robert F. Chase aged 67, Non-Executive Director

Mr. Chase brings to Western over 30 years of senior financial management experience. He was Chief Financial Officer for a number of companies whose activities included: investment/merchant/commercial banking, oil and gas exploration and development, mining exploration and development, forest products, and port terminal operations. He is currently Director, President and CEO of New West Energy Services Inc. and a director of several other public and private companies involved in oil and gas activities, mining exploration, financial services and forestry business. He joined the Western board in 2006.

Charles Pitcher aged 66, Non-Executive Director

Mr. Pitcher brings to Western over 40 years of experience in senior executive positions in civil construction and mine development. He has extensive experience in underground and open-pit mining. He joined Western in 2002 as Chief Executive Officer to oversee the completion of feasibility studies and then served as Chief Operating Officer from May 2004 to November 2004. Mr. Pitcher is President of The Mining House Inc, a provider of engineering services related to project development and management.

Owen Ryan aged 51, Non-Executive Director

Mr. Ryan is currently a partner of Scarab Capital Partners, a FSA registered firm that offers mining investment and corporate finance advisory services. Prior to starting Scarab Capital, Mr. Ryan was Head of Group Business Development with Anglo American for six years. Mr. Ryan holds a Civil Engineering degree and a MBA degree. After applying his civil engineering degree with various companies, Mr. Ryan progressed through the research ranks to eventually become Executive Director, Head of Global Mining Research and Sales at UBS Warburg before joining Anglo American. Mr. Ryan joined the Board in December 2009.

Julian A. Treger aged 47, Non-Executive Director

Mr. Treger is the joint Managing Director of Audley Capital Advisors LLP. He has over 20 years of experience in the finance industry, which includes working at Hambros Bank and the J Rothschild Group. He founded Active Value Advisors and co-founded Audley Capital. Mr Treger is currently a director of Blackstar Investments plc, BNB Recruitment Solutions plc, and several other companies. He joined the Western board in 2007.

Financial information on Western

Financial information relating to Western is set out in Part 4 of this document.

Current trading of Western

On 10 June 2010, Western announced its results for the 3 month and 12 month periods to 31 March 2010. For the 3 month period ended 31 March 2010, Western reported revenues of C\$136.6 million and net income of C\$11.2 million. During that period, worldwide demand for metallurgical coal from the international steel sector strengthened, while supply continued to be constrained, which combined, contributed to a recovery in volumes and prices from the 2009 levels. The period also saw an increase in metallurgical coke export prices and scrap steel prices, which are positive indicators of future demand for metallurgical coal.

Looking forward, capacity utilisation in the steel industry is increasing with Asia and South America remaining at near full capacity while European and US steel mills are running at 70-80 per cent. operating levels. Coal price settlements for the period commencing 1 April 2010 to 30 June 2010 were US\$200 per tonne (FOB) for hard coking coal and US\$170 per tonne (FOB) for ULV-PCI coal, an increase of 59 per cent. and 89 per cent. respectively over the fiscal 2010 annual prices. Nearly all of the Company's current fiscal 2011 coal production is under contract for sale to international steel producers.

The metallurgical coal price talks for the quarter to 30 September 2010 are expected to result in higher prices than those achieved for the quarter to 30 June 2010, due to ongoing tight supply, strong demand and high current spot prices. Recent contract prices for hard coking coal are reportedly US\$225 per tonne (FOB).

In the longer term, the market fundamentals for metallurgical coal are expected to continue to improve with China, India, and South America driving demand.

7. INFORMATION ON ENERGYBUILD

Activities

Energybuild is principally a coal miner operating the Aberpergwm mine and owning the Treforgan coal reserve located in the Neath and Dulais valleys of South Wales. These have between them 6.8 million tonnes of measured and indicated coal resources, with a further inferred coal resource of 36.2 million tonnes and an *in situ* coal seam resource in excess of 110 million tonnes. The coal is high quality anthracite.

The Energybuild Group also operates the Nant y Mynydd and Forest Quarry opencast coal sites situated on the Aberpergwm Estate for which the Group has a 21-year lease over 2,428 hectares.

The Energybuild Group has existing sales contracts into the nearby Aberthaw Power Station and Corus Port Talbot steel works while it also supplies sized coal into the local and national domestic markets through its own sales outlet and through a contract with Coal 4 Energy Limited.

Financial information on Energybuild

For the nine months to 31 March 2010, Energybuild reported an audited profit before tax of £0.2 million (year to 30 June 2009: £1.9 million) on revenues of £6.8 million (year to 30 June 2009: £16.4 million) and earnings per share of 0.08p (year to 30 June 2009: 1.0131p). As at 31 March 2010 Energybuild had audited net assets of £33.8 million and net cash and cash equivalents of £5.0 million.

Further financial information relating to Energybuild is set out in Part 5 of this document.

Profit forecast

On 12 February 2010, in Energybuild's interim statement accompanying the announcement of its unaudited results for the six months to 31 December 2009, the Chairman stated: "*I conclude that following the issue of equity in December 2009 and with the continued support of Western Coal Corp. we are confident that the Group will return to profitability in the second half of the year...*". The Directors of Energybuild continue to believe that the Group will return to profitability in the six months ending 30 June 2010.

The bases and assumptions underlying this statement which constitutes a profit forecast under the Takeover Code are set out in Part 5 of this document together with copies of reports from the Company's reporting accountant and financial adviser.

On 9 June 2010 the Company reported an audited profit on ordinary activities before taxation of £0.2 million for the nine months to 31 March 2010. It had previously reported an unaudited loss before tax of £0.1 million for the six months to 31 December 2009.

Current trading

In the announcement on 9 June 2010 of the Company's audited results for the nine months to 31 March 2010, the Chairman commented: "*The key asset of the Company is the Aberpergwm drift mine which remains in a development phase. Management are introducing new mining techniques and equipment while driving a new surface drift and accessing a second seam. These activities will benefit the operation in the future with increased production. Operational problems and difficult geology and equipment delays have meant production levels were lower in the period than expected and these issues will also affect the first half of the financial year to 31 March 2011. However, we believe we have overcome most of these issues and can increase production in the second half and are confident in the future of your company.*"

The full text of the statement accompanying the release of the Company's audited results may be accessed electronically at www.Energybuild.co.uk/index.php?page=20.

8. EFFECT OF THE SCHEME ON THE OPTIONS AND WARRANTS

At the date of this document the following Options and Warrants are outstanding in Energybuild:

| <i>Number of Energybuild Shares in respect of which Options are outstanding</i> | <i>Exercise price</i> | <i>Earliest date exercisable</i> | <i>Latest date exercisable</i> |
|---|-----------------------|----------------------------------|--------------------------------|
| 7,500,000 | 30 pence | 16 July 2010 | 16 July 2020 |

| <i>Number of Energybuild Shares in respect of which Warrants are outstanding</i> | <i>Exercise price</i> | <i>Expiry date</i> |
|--|-----------------------|--------------------|
| 10,000,000 | 20 pence | 30 September 2010 |

Any Energybuild Shares issued pursuant to the exercise of an Option or Warrant prior to the Scheme Record Time will form part of the Scheme. If not exercised prior to the Scheme Record Time, the Warrants will continue in accordance with their terms.

On the Scheme being sanctioned by the Court, Energybuild will notify holders of Options of their right in accordance with Clause 10(c) of the option agreement to exercise their Options within a period of 6 months. In the event that such Options are not exercised before the expiry of this period any outstanding Options will lapse and cease to be exercisable.

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

The proposals described above in respect of the Options and Warrants are referred to throughout this document as the Option and Warrant Proposals.

9. UK TAXATION

Information regarding UK taxation, which is intended as a general guide only, is set out in paragraph 9 of Part 7 of this document. If you are in any doubt as to your tax position, or you are subject to taxation in any jurisdiction other than the UK, you are strongly advised to consult an independent professional adviser.

10. ACTION TO BE TAKEN TO APPROVE THE PROPOSAL

The Court Meeting is to be held in accordance with the order of the Court to seek the approval of Energybuild Shareholders (other than Western and other members of the Western Group) for the Scheme. A General Meeting is also being convened for the same day to consider and, if thought fit, approve the Scheme, the Reduction of Capital and the amendments to the Articles as referred to in Part 2 of this document. These meetings are to be held on 19 July 2010 at the offices of Trowers & Hamlins LLP, Sceptre Court, 40 Tower Hill, London EC3N 4DX at 11.00 a.m. and at 11.15 a.m. (or, if later, immediately after the conclusion or adjournment of the Court Meeting) respectively.

At the Court Meeting the approval of a majority in number of the Energybuild Shareholders entitled to vote and present and voting (in person or by proxy), representing at least 75 per cent. in nominal value of the Energybuild Shares in respect of which votes are cast (either in person or by proxy) will be required to approve the Scheme. Once the necessary approval has been obtained, the Scheme will become effective upon sanction by the Court of the Scheme, and delivery of the Order to the Registrar of Companies for registration and, in relation to the Reduction of Capital, the registration of such Order by the Registrar of Companies. **If the Scheme becomes effective, it will be binding on all Scheme Shareholders at the Effective Date irrespective of whether or how they voted. Details of the Conditions to the implementation of the Proposal and the Scheme are set out in Part 3 of this document.**

It is important that as many votes as possible are cast at the Court Meeting (whether in person or by proxy) so that the Court may be satisfied that there is a fair and reasonable representation of Energybuild Shareholder opinion. You are therefore strongly urged to complete, sign and return your blue Form of Proxy for the Court Meeting as soon as possible and, in any event, so as to be received by Energybuild's registrars, Share Registrars Limited, by no later than 11.00 a.m. on 17 July 2010.

Alternatively, blue Forms of Proxy for the Court Meeting may be handed to a member of staff on behalf of the chairman of the meeting before the start of the Court Meeting on 19 July 2010.

Please note that implementation of the Scheme also requires the approval of Energybuild Shareholders at the General Meeting. The Special Resolution requires a vote in favour of not less than 75 per cent. of the votes cast (in person or by proxy) to be passed. **You are therefore strongly urged to complete, sign and return your green Form of Proxy for the General Meeting as soon as possible and, in any event, so as to be received by Energybuild's registrars, Share Registrars Limited by no later than 11.15 a.m. on 17 July 2010 whether or not you plan to attend the General Meeting.**

If you have any questions relating to this document, any of the Meetings and the completion and return of the Forms of Proxy, please telephone Share Registrars Limited between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays) on 01252 821 390 from within the UK or +44 1252 821 390 if calling from outside the UK. Calls to the UK number cost your normal service provider's charges. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. The helpline cannot provide advice on the merits of the Proposal nor give any financial, legal, accounting or tax advice.

Energybuild Shareholders resident in, or citizens of, jurisdictions outside the UK should refer to paragraph 16 of Part 2 of this document.

11. FURTHER INFORMATION

Please note that the information contained in this letter is not a substitute for reading the remainder of this document.

Your attention is drawn to the explanatory statement from Arbuthnot Securities, Energybuild's financial adviser, set out in Part 2 of this document (being the Explanatory Statement pursuant to section 897 of the Companies Act) which gives further details of the Proposal. The terms of the Scheme are set out in full in Part 8 of this document.

Your attention is also drawn to the financial information relating to Western in Part 4 of this document and the financial information relating to Energybuild in Part 5 of this document.

12. RECOMMENDATION

We, having been so advised by Arbuthnot Securities, consider the terms of the Proposal to be fair and reasonable. In providing its advice to us, Arbuthnot Securities have taken into account our commercial assessments.

Accordingly, we unanimously recommend that Energybuild Shareholders (excluding Western and other members of the Western Group) vote in favour of the resolution to approve the Scheme to be proposed at the Court Meeting and that Energybuild Shareholders vote in favour of the Special Resolution to be proposed at the General Meeting, in each case as we have undertaken to do in respect of our own beneficial holdings amounting to 6,645,834 Energybuild Shares representing approximately 2.9 per cent. of Energybuild's issued share capital.

Yours faithfully

Colin Cooke, Rhidian Davies, Karl Picton Jones, Robert Morgan, Thomas Button
Energybuild Independent Directors

PART 2

EXPLANATORY STATEMENT FROM ENERGYBUILD'S FINANCIAL ADVISER

(in compliance with section 897 of the Companies Act)



ARBUTHNOT
CORPORATE FINANCE

Arbuthnot Securities Limited
20 Ropemaker Street
London
EC2Y 9AR

25 June 2010

To Energybuild Shareholders and, for information only, to holders of Options and Warrants

Dear Energybuild Shareholder

Recommended Proposal for the acquisition of Energybuild by Western

1. INTRODUCTION

On 9 June 2010, the Energybuild Independent Directors and the Western Directors announced that they had reached agreement on the terms of a recommended proposal for the acquisition by Western of all of the outstanding issued ordinary share capital of Energybuild not already held by the Western Group. The Proposal is to be effected by way of a scheme of arrangement of Energybuild.

The Energybuild Independent Directors have been advised by Arbuthnot Securities in connection with the Proposal. We have been authorised by the Energybuild Independent Directors to write to you to explain the terms of the Proposal and the effect of the Scheme and to provide you with other relevant information.

Your attention is drawn in particular to the letter from the Energybuild Independent Directors set out in Part 1 of this document. That letter contains, amongst other things, the background to and reasons for the Energybuild Independent Directors' recommendation and states that the Energybuild Independent Directors, who have been so advised by Arbuthnot Securities, consider the terms of the Proposal to be fair and reasonable. In providing advice to the Energybuild Independent Directors, we have taken into account their commercial assessments. The Energybuild Independent Directors are recommending that (i) Energybuild Shareholders (excluding Western and other members of the Western Group) vote in favour of the resolution to approve the Scheme to be proposed at the Court Meeting and (ii) Energybuild Shareholders vote in favour of the Special Resolution to be proposed at the General Meeting.

2. SUMMARY OF THE TERMS OF THE PROPOSAL

The Proposal is to be effected by way of a Court sanctioned scheme of arrangement of Energybuild under sections 895 to 899 of the Companies Act involving a reduction of capital under section 641 of the Companies Act. The purpose of the Scheme is to enable Western to acquire all of the outstanding issued ordinary share capital of Energybuild. The Scheme is subject to the Conditions and the further terms set out

ARBUTHNOT SECURITIES LIMITED

Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR

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Registered in England No. 762818. Registered Office; as above.

Arbuthnot Securities Limited is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange.

in Part 3 of this document. If the Scheme becomes effective, the Scheme Shares will be cancelled and Energybuild will become a wholly owned subsidiary of the Western Group.

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

0.0833 New Western Shares for every 1 Scheme Share

Fractions of New Western Shares will not be allotted or issued to Scheme Shareholders pursuant to the Proposal. Fractional entitlements will be rounded down to the nearest whole number of New Western Shares. Scheme Shareholders are those holders of Scheme Shares who are on the register of members of Energybuild at the Scheme Record Time.

Based on the Closing Price of one Western Share of 269.5 pence on 24 June 2010, being the last practicable Dealing Day prior to the printing and posting of this document, the Proposal values the entire issued ordinary share capital of Energybuild at approximately £56.0 million and each Energybuild Share at approximately 24.7 pence representing a premium of approximately 16.2 per cent. to the Closing Price of an Energybuild Share of 21.25 pence on 8 June 2010, being the last Dealing Day prior to the announcement of the Proposal.

The consideration under the Proposal also represents:

- a premium of approximately 12.9 per cent. to the ratio of the Closing Prices of a Western Share and an Energybuild Share on 8 June 2010 being the last Dealing Day prior to the Announcement;
- a premium of approximately 26.1 per cent. to the average ratio of the Closing Prices of a Western Share and an Energybuild Share for the one month prior to the date of the Announcement;
- a premium of approximately 17.4 per cent. to the average ratio of the Closing Prices of a Western Share and an Energybuild Share over the six months prior to date of the Announcement; and
- based on the Closing Price of a Western Share on 24 June 2010, a premium of approximately 64.7 per cent. to the price at which Energybuild raised £14.5 million of new equity in December 2009.

If the Scheme is effected, the Energybuild Shares will be acquired by Western fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after 9 June 2010, the date of the Announcement.

The New Western Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Western Shares in issue at the time the New Western Shares are delivered pursuant to the Proposal, including the right to receive and retain dividends and other distributions (if any) paid by reference to a record date on or after the Effective Date. Application will be made for the admission of the New Western Shares to trading on AIM and the TSX on the first Dealing Day after the Effective Date.

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

Irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolution at the General Meeting, further details of which are set out in paragraph 3 of Part 1 of this document, have been secured from the Energybuild Independent Directors and another Energybuild Shareholder in respect of, in aggregate, 26,448,052 Energybuild Shares, representing approximately 25.8 per cent. of Energybuild's existing issued share capital not already held by the Western Group and approximately 11.7 per cent. of Energybuild's total existing issued share capital.

Letters of intent to vote in favour of the Scheme at the Court Meeting and the resolution at the General Meeting, further details of which are set out in paragraph 3 of Part 1 of this document, have also been

provided by certain Energybuild Shareholders in respect of the Energybuild Shares held by them as at the record time for the Meetings. As at the date of the Announcement, these shareholdings totalled, in aggregate, 24,700,894 Energybuild Shares, representing approximately 24.1 per cent. of Energybuild's existing issued share capital not already held by the Western Group and approximately 10.9 per cent. of Energybuild's total existing issued share capital.

To become effective, the Scheme requires, amongst other things, (i) approval by the necessary majorities at the Court Meeting of the Energybuild Shareholders entitled to vote and present and voting, either in person or by proxy; (ii) the passing of the Special Resolution; (iii) satisfaction or waiver of the other conditions set out in Part 3 of this document; and (iv) the sanction by the Court of the Scheme and of the related Reduction of Capital. The Court Meeting and the General Meeting, and the nature of the approvals required to be given at them, are described in more detail in paragraph 8 of this Part 2. All Energybuild Shareholders (other than Western and other members of the Western Group) are entitled to attend the Court Hearing in person or to be represented by counsel to support or oppose the sanctioning of the Scheme.

The Scheme (details of which are set out in Part 8 of this document) will become effective upon the sanctioning by the Court of the Scheme and of the Reduction of Capital and the delivery to the Registrar of Companies of a copy of the Order and, in relation to the Reduction of Capital, the registration of such Order by the Registrar of Companies which, subject to the Court's timetable, is expected to occur by the close of business on 5 August 2010.

The Proposal also includes the Option and Warrant Proposals further described in paragraph 10 of this Part 2.

The Proposal does not come within the statutory provisions for possible reference to the Competition Commission (or the European equivalent).

3. FINANCIAL EFFECTS OF THE SCHEME ON SCHEME SHAREHOLDERS

The following table shows, for illustrative purposes only and on the basis of the assumptions set out in the notes below, the financial effects of the Proposal on capital value for a holder of one Energybuild Share if the Proposal becomes effective.

| | | <i>Based on the Closing Price of Energybuild Shares on the following dates:</i> | |
|---|-----|---|---------------------|
| | | <i>8 June 2010</i> | <i>24 June 2010</i> |
| Value of 0.0833 New Western Share | (1) | 24.70p | 24.70p |
| Value of one Energybuild Share | (2) | 21.25p | 24.75p |
| Increase/(decrease) in value | | <u>3.45p</u> | <u>(0.05)p</u> |
| This represents an increase/(decrease) of approximately | (3) | <u>16.2%</u> | <u>(0.2)%</u> |

Notes:

- (1) Based on the Closing Price of 296.5 pence per Western Share on 24 June 2010, the last practicable Dealing Day prior to the printing and posting of this document.
- (2) Based on the Closing Price of 21.25 pence per Energybuild Share on 8 June 2010 (the last Dealing Day before the date of the Announcement and 24.75 pence per Energybuild Share on 24 June 2010, the last practicable Dealing Day prior to the printing and posting of this document.
- (3) No account has been taken of any liability to taxation.

Neither Energybuild nor Western has paid any dividends in recent years; accordingly, no comparison of income is presented.

4. BACKGROUND TO AND REASONS FOR RECOMMENDING THE PROPOSAL

Despite the progress to date and the Energybuild Independent Directors' continuing confidence in the future, Energybuild remains in a development phase. The Energybuild Independent Directors continue to believe that the Company remains on track to raise production to the targeted rate of 750,000 tonnes by 2013.

However, Energybuild's ability to do this successfully and to sell its coal at the prices anticipated depend on many factors. These include the geology encountered in the mine, the ability to implement new production techniques and ramp up production successfully, the outlook for the different end markets for the Company's coal (particularly the steel industry) and the course of future world coal prices. Many of these are outside the Company's control.

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

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

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

5. STRUCTURE OF THE SCHEME

The Proposal is to be effected by way of a scheme of arrangement. The Scheme is an agreement between Energybuild and the holders of the Scheme Shares (as defined in the Scheme) under sections 895 to 899 of the Companies Act and is subject to the sanction of the Court.

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

Scheme Shareholders are those holders of Scheme Shares who are on the register of members of Energybuild at the Scheme Record Time. Scheme Shareholders will receive 0.0833 New Western Shares for every 1 Energybuild Share. No fractions of New Western Shares will be allotted or issued and fractional entitlements will be rounded down to the nearest whole number of New Western Shares.

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

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

It is expected that the Scheme will become effective by the close of business on 5 August 2010. The Scheme is subject to the Conditions and certain further terms referred to in Part 3 of this document. In particular, the Scheme requires the approval of Energybuild Shareholders (other than Western and other members of the Western Group) by the passing of a resolution at the Court Meeting. The resolution must be approved by a majority in number of the Energybuild Shareholders present and voting, either in person or by proxy, representing not less than three fourths in value of the Energybuild Shares held by such Energybuild Shareholders.

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

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

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

6. INFORMATION ON WESTERN

Information relating to Western is set out in paragraph 6 of Part 1 and in Parts 4 and 7 of this document.

7. INFORMATION ON ENERGYBUILD

Information relating to Energybuild is set out in paragraph 7 of Part 1 and in Parts 5 and 7 of this document.

8. CONSENTS AND MEETINGS

The Scheme is subject to the approval by the necessary majorities of Energybuild Shareholders (other than Western and other members of the Western Group) at the Court Meeting and its implementation will also require the approval of Energybuild Shareholders at the General Meeting, both of which will be held at the offices of Trowers & Hamlins LLP, Sceptre Court, 40 Tower Hill, London EC3N 4DX on 19 July 2010.

The Court Meeting will start at 11.00 a.m. and the General Meeting will start at 11.15 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned). The Court Meeting is being held at the direction of the Court to seek the approval of Energybuild Shareholders (other than Western and other members of the Western Group) for the Scheme. The General Meeting is being convened to pass the Special Resolution to authorise the Energybuild Directors to implement the Scheme, to approve the Reduction of Capital and to amend the Articles, as described above.

Notices of the Court Meeting and the General Meeting are set out in Part 9 and Part 10 respectively of this document.

Entitlement to attend and vote at each Meeting and the number of votes which may be cast at each meeting will be determined by reference to the register of members of Energybuild at the Voting Record Time.

Court Meeting

The Court Meeting has been convened to enable Energybuild Shareholders (other than Western and other members of the Western Group) to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and not a show of hands and each Energybuild Shareholder who is present in person or by proxy will be entitled to one vote for each Energybuild Share held. The approval required at the Court Meeting is that those voting to approve the Scheme must:

- (i) represent a simple majority in number of those Energybuild Shareholders entitled to vote and present and voting in person or by proxy; and

- (ii) also represent three-fourths in value of the Energybuild Shares held by those Energybuild Shareholders entitled to vote and present and voting in person or by proxy.

It is important that as many votes as possible are cast at the Court Meeting (whether in person or by proxy) so that the Court may be satisfied that there is a fair representation of Energybuild Shareholder opinion. You are therefore strongly urged to complete, sign and return your blue Form of Proxy as soon as possible.

General Meeting

The General Meeting has been convened to enable Energybuild Shareholders to consider and, if thought fit, pass the Special Resolution (which requires a vote in favour of not less than 75 per cent. of the votes cast in person or by proxy):

- (i) to approve the Scheme and to authorise the Energybuild Directors to take such action as they consider necessary or appropriate to effect the Scheme;
- (ii) to approve the cancellation and extinguishing of the Scheme Shares by way of the Reduction of Capital in accordance with the Scheme;
- (iii) to amend the Articles in the manner described below; and
- (iv) to re-register Energybuild as a private company.

Amendments to the Articles

The Special Resolution includes a proposal to amend the Articles to ensure that any shares issued after the General Meeting and before the Scheme Record Time will be subject to the Scheme. It is also proposed to amend the Articles so that any new Energybuild Shares issued to any person (other than to Western or any nominee(s) of Western) after the Scheme Record Time will be automatically acquired by Western on the same terms as under the Scheme.

These amendments are designed to avoid any person (other than Western or any nominee of Western) being left with Energybuild Shares after the Scheme becomes effective. Paragraph (4) of the Special Resolution set out in the Notice of General Meeting at the end of this document seeks the approval of Energybuild Shareholders to such amendments.

Each Energybuild Shareholder will be entitled to attend and vote at the General Meeting. If you are the registered holder of any Energybuild Shares, you are strongly urged to complete and return your green Form of Proxy for the General Meeting as soon as possible.

Court Hearing

The Court Hearing is scheduled for 19 July 2010. All Scheme Shareholders are entitled to attend the Court Hearing in person or to be represented by counsel to support or oppose the sanctioning of the Scheme.

The Scheme will become effective on the delivery by Energybuild to the Registrar of Companies of a copy of the Order and, in relation to the Reduction of Capital, the registration of such Order by the Registrar of Companies. Subject to the requisite approvals of the Scheme being obtained from Energybuild Shareholders and the sanction of the Court, this is expected to occur on or by 5 August 2010.

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

Unless the Scheme becomes effective by no later than 30 September 2010, or such later date as Western and Energybuild may, with the consent of the Panel, agree and the Court may allow, the Scheme will not become effective and the Proposal will not proceed.

9. MANAGEMENT AND EMPLOYEES OF ENERGYBUILD

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

Western does not currently intend to redeploy the fixed assets of Energybuild to an extent that such redeployment would have a material impact on the business of Energybuild.

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

Following the Scheme becoming effective, the board of directors of Western will continue to be comprised of the current members of the board. The Energybuild Independent Directors will step down from the respective boards of Energybuild and each of its subsidiaries shortly after the Effective Date and members of management of Western will be appointed in their place.

10. EFFECT OF THE SCHEME ON THE OPTIONS AND WARRANTS

At the date of this document the following Options and Warrants are outstanding in Energybuild:

| | | | |
|--|-----------------------|----------------------------------|--------------------------------|
| <i>Number of Energybuild Shares in respect of which Options are outstanding</i> | <i>Exercise price</i> | <i>Earliest date exercisable</i> | <i>Latest date exercisable</i> |
| 7,500,000 | 30 pence | 16 July 2010 | 16 July 2020 |
| <i>Number of Energybuild Shares in respect of which Warrants are outstanding</i> | <i>Exercise price</i> | | <i>Expiry date</i> |
| 10,000,000 | 20 pence | | 30 September 2010 |

Any Energybuild Shares issued pursuant to the exercise of an Option or Warrant prior to the Scheme Record Time will form part of the Scheme. If not exercised prior to the Scheme Record Time, the Warrants will continue in accordance with their terms.

On the Scheme being sanctioned by the Court, Energybuild will notify holders of Options of their rights in accordance with Clause 10(c) of the option agreement to exercise their Options within a period of 6 months. In the event that such Options are not exercised before the expiry of this period any outstanding Options will lapse and cease to be exercisable.

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

The proposals described above in respect of the Options and Warrants are referred to throughout this document as the Option and Warrant Proposals.

11. THE ENERGYBUILD DIRECTORS AND THE EFFECT OF THE SCHEME ON THEIR INTERESTS

The interests of the Energybuild Directors in the share capital of Energybuild are set out in paragraph 4 of Part 7 of this document.

Energybuild Directors who hold share options will be treated in the manner set out in paragraph 10 of this Part 2.

Save as described above the effect of the Scheme on the interests of the Energybuild Directors does not differ from its effect on the like interests of other persons.

12. CREST AND DEPOSITARY INTERESTS

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Euroclear (as operator of CREST) is unable to take responsibility for the electronic settlement of shares issued by non-UK companies, such as Western and therefore it will not be possible for the New Western Shares to be traded directly in uncertificated form. However, any Scheme Shareholders who currently hold their Energybuild Shares in uncertificated form will hold and be able to transfer interests in their New Western Shares within CREST pursuant to the Depositary Interest arrangements established by Western. In relation to such Depositary Interests, although Western's register of members will show the Depositary as the legal holder of the relevant New Western Shares, the beneficial interest in such shares remains with the holder of the Depositary Interests representing the underlying shares, who will receive all the rights attaching to the New Western Shares as that holder would have, if such holder of Depositary Interests was on the Western register of members himself.

Depositary Interests will have the same security code (ISIN) as the underlying New Western Shares and will not require a separate admission to trading on the AIM. The Depositary Interests were created and issued pursuant to a deed poll, which governs the relationship between the Depositary and holders of the Depositary Interests, that was entered into by the Depositary upon the admission of Western's shares to trading on AIM, on 7 October 2004.

A holder of Depositary Interests will, at his option, be able to effect the cancellation of his Depositary Interests in CREST in order to hold his underlying New Western Shares directly (upon sending an instruction to CREST to that effect).

For further information about Depositary Interests or if you have any queries in relation to CREST Transfer Forms, please contact the Depositary on +44 (0)870 707 1400 or consult your broker or other professional adviser.

13. SETTLEMENT AND SHARE CERTIFICATES

Subject to the Scheme becoming effective, settlement of the Consideration to which any Scheme Shareholder is entitled under the Scheme will be effected in the following manner:

Shares held in certificated form

Where Scheme Shareholders hold Scheme Shares in certificated form, New Western Share certificates will be despatched in certificated form (i.e. not in CREST) as soon as possible after the Effective Date, and in any event no later than 14 days thereafter, to the addresses appearing in the register of members of Energybuild at the Scheme Record Time. All documents sent through the post will be sent at the risk of the person(s) entitled thereto.

Shares held in uncertificated form (ie CREST)

Where Scheme Shares are held in uncertificated form (i.e. CREST), any New Western Shares to which a Scheme Shareholder is entitled will be issued to the Depositary and the Depositary will issue to such Shareholders dematerialised Depositary Interests representing entitlements to New Western Shares. Western will procure that Euroclear is instructed to credit the Depositary Interests through CREST (to the stock

account in CREST in which each such Scheme Shareholder held Scheme Shares) such Scheme Shareholder's entitlement to Depositary Interests at the commencement of dealings in the New Western Shares. However, Western may (if, for any reason, it wishes to do so) determine that the New Western Shares are to be issued in certificated form, in which case they will be despatched by post.

14. CANCELLATION OF ADMISSION OF ENERGYBUILD SHARES TO TRADING ON AIM AND RE-REGISTRATION OF ENERGYBUILD

Prior to, and subject to, the Scheme becoming effective, application will be made to the London Stock Exchange for Energybuild Shares to be suspended from trading on AIM with effect from 7.00 a.m. on the day of the Court Hearing. If the Scheme becomes effective, based on the expected timetable set out on page 6 of this document, the last day of dealings in Energybuild Shares on AIM is expected to be 3 August 2010 (being the Dealing Day immediately prior to the Hearing Date).

On the Effective Date, share certificates for Scheme Shares will cease to be valid and should be destroyed. In addition, entitlements to Scheme Shares held within the CREST system will be cancelled on the Effective Date. Based on the expected timetable set out on page 6 of this document, the last date for registration of transfers of Energybuild Shares is expected to be 3 August 2010. No transfers of Energybuild Shares (other than transfers to Western or any nominee(s) of Western) will be registered after the Scheme Record Time.

15. ADMISSION OF NEW WESTERN SHARES TO TRADING ON AIM AND TSX

Application will be made to the London Stock Exchange for the New Western Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings on AIM (for normal settlement) will commence at 8.00 a.m. on 6 August 2010, the first Dealing Day after the Effective Date.

Application will be made to the TSX for the New Western Shares to be listed and posted for trading on the TSX under the symbol "WTN". Listing will be subject to Western fulfilling all of the standard requirements of the TSX. Subject to fulfilling all such requirements, the New Western Shares will commence trading on the Toronto Stock Exchange at 9.30 a.m. Toronto time on 6 August 2010, the first Dealing Day after the Effective Date.

Temporary documents of title will not be issued pending the dispatch, where applicable, by post of definitive certificates for New Western Shares in accordance with the terms of the Scheme. Pending the issue of definitive certificates for the New Western Shares, transfers will be certified against the register held by Western's registrar, Computershare Limited.

16. OVERSEAS SHAREHOLDERS

The implications of the Proposal for Energybuild Shareholders who are resident in, or citizens of, jurisdictions outside the United Kingdom may be affected by the laws of the relevant jurisdiction. Overseas Shareholders should inform themselves about and observe any applicable requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

It is the responsibility of Energybuild Shareholders who are citizens, residents or nationals of jurisdictions outside the United Kingdom to ensure that the correct rate of postage is paid before returning the enclosed Forms of Proxy. If Western is advised that the allotment and issue of New Western Shares to any persons would infringe the laws of any jurisdiction outside the United Kingdom or would require Western to observe any governmental or other consent or any registration, filing or other formality with which Western is unable to comply or compliance with which Western regards as unduly onerous, Western may in its sole discretion determine that such Western Shares shall not be allotted and issued to such persons but shall instead be allotted and issued to a nominee appointed by Western as trustee and sold by the trustee for the benefit of such persons at the best price reasonably obtainable.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons in such jurisdictions into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with applicable restrictions may constitute a violation of securities laws of any such jurisdiction. The New Western Shares to be issued pursuant to the Proposal have not been and will not be registered under the US Securities Act or under the securities laws of any state in the United States. Furthermore, the New Western Shares have not been and will not be registered under any of the relevant securities laws of Japan or South Africa. Accordingly, the New Western Shares may not be offered, sold, resold or delivered directly or indirectly in or into the US, Japan or South Africa or any jurisdiction in which to do so is unlawful (except in compliance with applicable legislation). In any case where the issue of New Western Shares would infringe the law of any foreign jurisdiction, or necessitate compliance with any special requirement, the Scheme provides that such shares may be issued to a nominee and then sold, with the net proceeds of sale being remitted to the relevant Overseas Shareholder.

This document does not constitute an offer to sell, or the solicitation of an offer to buy, New Western Shares, or a solicitation of a vote or approval in any jurisdiction in which such offer or solicitation is unlawful. This document and the accompanying documentation have been prepared for the purposes of complying with English law, the Takeover Code and the applicable rules and regulations of the London Stock Exchange (including the AIM Rules) and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

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

Overseas Holders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

17. UNITED KINGDOM TAXATION

A summary of relevant UK taxation, which is intended as a general guide only, is set out in paragraph 9 of Part 7 of this document. If you are in any doubt as to your tax position, or you are subject to taxation in a jurisdiction other than the United Kingdom, you are strongly advised to consult an appropriate independent professional adviser.

18. ACTION TO BE TAKEN

Energybuild Shareholders will find enclosed with this document two Forms of Proxy as follows:

- the blue Form of Proxy which is to be used for the Court Meeting; and
- the green Form of Proxy which is to be used for the General Meeting.

It is important that as many votes as possible are cast at the Court Meeting (whether in person or by proxy) so that the Court may be satisfied that there is a fair and reasonable representation of Energybuild Shareholder opinion. Energybuild Shareholders are therefore strongly urged to sign and return the completed blue Forms of Proxy as soon as possible.

Whether or not you propose to attend the meetings in person, you are requested to complete and return both blue and green Forms of Proxy.

Completed blue and green Forms of Proxy should be returned to Energybuild's registrars, Share Registrars Limited, as soon as possible and, in any event, so as to be received by them no later than 11.00 a.m. on 17 July 2010 for the Court Meeting and 11.15 a.m. on 17 July 2010 for the General Meeting.

The return of the blue and green Forms of Proxy will not prevent you from attending either of the meetings and voting in person if you wish.

The blue Form of Proxy in respect of the Court Meeting may also be handed to Share Registrars Limited Proxy Department on behalf of the chairman of the Court Meeting before the start of the meeting. However, in the case of the General Meeting, the green Form of Proxy will be invalid unless it is lodged so as to be received by Share Registrars Limited no later than 11.15 a.m. on 17 July 2010.

Blue Forms of Proxy can be amended or revoked at any time up to the start of the Court Meeting. Green Forms of Proxy can be amended or revoked at any time up to 11.15 a.m. on 17 July 2010.

If you wish to amend or revoke your blue or green Forms of Proxy after you have returned them to Share Registrars Limited, you should contact Share Registrars Limited at Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL.

If the Scheme becomes effective, Scheme Shareholders will receive their Consideration without having to take any further action.

If you have any questions relating to this document, either of the Meetings or the completion and return of the Forms of Proxy, please telephone Share Registrars Limited between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays) on 01252 821 390 from within the UK or +44 1252 821 390 if calling from outside the UK. Calls to the UK number cost your normal service provider's charges. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. The helpline cannot provide advice on the merits of the Proposal nor give any financial, legal, accounting or tax advice.

19. FURTHER INFORMATION

The terms of the Scheme are set out in full in Part 8 of this document. Details of documents available for inspection are given in paragraph 13 of Part 7 of this document.

Yours faithfully

Arbuthnot Securities Limited

PART 3

CONDITIONS TO IMPLEMENTATION OF THE SCHEME

1. The Proposal is conditional upon the Scheme becoming unconditional and becoming effective, subject to the Takeover Code, by not later than 30 September 2010 or such later date (if any) as Energybuild and Western may, with the consent of the Panel, agree and the Court may allow. The Scheme is conditional upon:
 - (a) the approval by a majority in number of the holders of Energybuild Shares entitled to vote and present and voting, either in person or by proxy, at the Court Meeting (or any adjournment thereof), representing three fourths in value of the Energybuild Shares of such holders;
 - (b) the resolutions set out in the notice of the General Meeting required to approve and implement the Scheme being duly passed by the requisite majority at the General Meeting (or any adjournment thereof);
 - (c) the Order sanctioning the Scheme being obtained (with or without modifications, but subject to any such modifications being on terms acceptable to Energybuild and Western) and a copy of the Order sanctioning the scheme being delivered for registration to the Registrar of Companies;
 - (d) confirmation of the Reduction of Capital by the Court (with or without modification, but subject to any such modifications being on terms acceptable to Energybuild and Western), and a copy of the Order confirming the Reduction of Capital and a minute of such reduction attached thereto being filed with the Registrar of Companies and registered by him; and
 - (e) admission of the New Western Shares to trading on AIM becoming effective in accordance with the AIM Rules or if Western so determines (subject to the consent of the Panel) the London Stock Exchange agreeing to admit such shares to trading on AIM subject to the allotment of such New Western Shares and/or the Scheme becoming or being declared unconditional in all respects;
 - (f) permission being granted for the admission of the New Western Shares to listing and posting for trading on the TSX.
2. Western and Energybuild have also agreed that, subject to sections 3 and 4 below, the Scheme is conditional upon the following matters, and, accordingly, the necessary action to make the Scheme effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or waived:
 - (a) **Authorisations**
 - (i) all Authorisations in any jurisdiction which Western or Energybuild reasonably deem necessary for or in respect of the Proposal, its implementation or any acquisition of any shares in Energybuild or any other member of the Wider Energybuild Group by any member of the Wider Western Group having been obtained in terms and in a form satisfactory to Western and Energybuild acting reasonably from any relevant person or authority or from any person or body with whom any member of the Wider Energybuild Group or Wider Western Group has entered into contractual arrangements (which are material in the context of the Western Group or the Energybuild Group, as applicable) and all such Authorisations remaining in full force and effect and there being no intimation of any intention to revoke or not renew the same; and
 - (ii) all material Authorisations necessary to carry on the business of (a) any member of the Wider Energybuild Group and (b) any member of the Wider Western Group remaining

in full force and effect and there being no notification of any intention to revoke or not to renew the same; and

- (iii) all necessary filings, or applications having been made and all applicable waiting and other periods (including extensions of such periods) having expired, lapsed or been terminated and all applicable statutory or regulatory obligations in any jurisdiction in respect of the Proposal having been complied with, in each case, in respect of the acquisition of any shares in Energybuild by Western.

(b) **Regulatory Intervention**

Save as Disclosed, no government or governmental, quasi-governmental, supranational, statutory or regulatory body or association, institution or agency (including any trade agency) or any court or other body (including any professional or environmental body) or person in any relevant jurisdiction (each a “Relevant Authority”) having taken, instituted, implemented or threatened any legal proceedings, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, order or decision or taken any other step and there not continuing to be outstanding any statute, regulation, order or decision that would or might reasonably be expected to (in each case to an extent which is material and adverse in the context of the Wider Energybuild Group or the Wider Western Group (as the case may be) taken as a whole):

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

- (viii) result in any member of the Wider Western Group or the Wider Energybuild Group ceasing to be able to carry on business under any name under which it presently does so; or
- (ix) (save as related to matters that generally affect entities conducting similar businesses) otherwise adversely affect any or all of the businesses, assets or financial condition or trading position or profits or prospects of any member of the Wider Energybuild Group;

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

(c) **Consequences of the Proposal**

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

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

- (ix) the ability of any member of the Wider Energybuild Group to carry on its business being materially and adversely affected,

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

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

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

- (i) issued or agreed to issue or authorised or proposed the issue or grant of additional shares of any class or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save for the issue of Energybuild Shares on the exercise of Disclosed Energybuild share options or warrants or pursuant to the Employee Share Plan); or
- (ii) redeemed, purchased, repaid or reduced or announced the redemption, purchase, repayment or reduction of any part of its share capital or other securities or made, authorised or proposed or announced the making of any other change to its share or loan capital; or
- (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus issue or other distribution whether payable in cash or otherwise, other than dividends lawfully paid to Energybuild or wholly owned subsidiaries of Energybuild; or
- (iv) (save for transactions between two or more members of the Energybuild Group) merged or demerged with or from, or acquired, any body corporate or authorised or proposed or announced any intention to propose any such merger or demerger; or
- (v) other than in the ordinary course of business, acquired or disposed of, transferred, mortgaged or charged, or created or granted any security interest over, any material assets (including shares and trade investments) or authorised or proposed or announced any intention to propose any acquisition, disposal, transfer, mortgage, charge or creation or grant of any such security interest; or
- (vi) (save for transactions between two or more members of the Energybuild Group) issued or authorised or proposed the issue of any debentures or incurred or increased any borrowings, indebtedness or liability (actual or contingent); or
- (vii) entered into or varied, or authorised or proposed the entry into or variation of, or announced its intention to enter into or vary, any transaction, arrangement, contract or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude and/or which is restrictive to the existing business of any member of the Wider Energybuild Group (other than to a nature and extent which is normal in the context of the business concerned) which is in any such case material in the context of the Wider Energybuild Group taken as a whole; or
- (viii) entered into, implemented, effected, authorised or proposed or announced its intention to enter into, implement, effect, authorise or propose any material contract, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement other than in the ordinary course of business; or

- (ix) waived or compromised any material claim (other than in the ordinary course of business); or
- (x) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any material contract with any of the directors or senior executives of Energybuild or any of the directors or senior executives of any other member of the Wider Energybuild Group; or
- (xi) taken or proposed any corporate action or had any legal proceedings instituted or threatened against it or petition presented for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction; or
- (xii) been unable, or admitted in writing that it is unable, to pay its debts or has stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; or
- (xiii) made any material alteration to its memorandum or articles of association, or other incorporation documents; or
- (xiv) entered into any agreement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this condition 2(d) other than in the ordinary course of business.

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

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

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

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

Since the Accounting Date, save as otherwise Disclosed or pursuant to transactions in favour of Western or a wholly owned subsidiary of Western in connection with the Proposal, no

member of the Wider Western Group having (in each case to an extent which is material and adverse in the context of the Wider Western Group taken as a whole):

- (i) issued or agreed to issue or authorised or proposed the issue or grant of additional shares of any class or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save for the issue of Western Shares on the exercise of Disclosed Western options or warrants); or
- (ii) redeemed, purchased, repaid or reduced or announced the redemption, purchase, repayment or reduction of any part of its share capital or other securities or made authorised or proposed or announced the making of any other change to its share or loan capital; or
- (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus issue or other distribution whether payable in cash or otherwise, other than dividends lawfully paid to Western or wholly owned subsidiaries of Western; or
- (iv) (save for transactions between two or more members of the Western Group) merged or demerged with or from, or acquired, any body corporate or authorised or proposed or announced any intention to propose any such merger or demerger; or
- (v) other than in the ordinary course of business acquired or disposed of, transferred, mortgaged or charged, or created or granted any security interest over, any material assets (including shares and trade investments) or authorised or proposed or announced any intention to propose any acquisition, disposal, transfer, mortgage, charge or creation or grant of any such security interest; or
- (vi) (save for transactions between two or more members of the Western Group) issued or authorised or proposed the issue of any debentures or incurred or increased any borrowings, indebtedness or liability (actual or contingent); or
- (vii) entered into or varied, or authorised or proposed the entry into or variation of, or announced its intention to enter into or vary, any transaction, arrangement, contract or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude and/or which is restrictive to the existing business of any member of the Wider Western Group (other than to a nature and extent which is normal in the context of the business concerned) which is in any such case material in the context of the Wider Western Group taken as a whole; or
- (viii) entered into, implemented, effected, authorised or proposed or announced its intention to enter into, implement, effect, authorise or propose any material contract, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement other than in the ordinary course of business; or
- (ix) waived or compromised any material claim (other than in the ordinary course of business); or
- (x) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any material contract with any of the directors or senior executives of Western or any of the directors or senior executives of any other member of the Wider Western Group; or
- (xi) taken or proposed any corporate action or had any legal proceedings instituted or threatened against it or petition presented for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets

and revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction; or

- (xii) been unable, or admitted in writing that it is unable, to pay its debts or has stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; or
- (xiii) made any material alteration to its notice of articles, or articles or other incorporation documents; or
- (xiv) entered into any agreement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this condition 2(f) other than in the ordinary course of business.

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

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

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

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

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

- (i) the financial, business or other information disclosed at any time by any member of the Wider Energybuild Group whether publicly or in the context of the Proposal either contained a material misrepresentation of fact or omitted to state a fact necessary to make the information disclosed not misleading in any material respect; or
- (ii) any past or present member of the Wider Energybuild Group has failed to comply with any applicable legislation or regulations of any relevant jurisdiction with regard to the release of any contaminant, or that there has otherwise been any such release (whether or not the same constituted noncompliance by any person with any such legislation or regulation, and wherever the same may have taken place), any of which would be reasonably likely to give rise to any liability (whether actual or contingent) or cost on

the part of any member of the Wider Energybuild Group which is material in the context of the Wider Energybuild Group taken as a whole; or

- (iii) there is or is reasonably likely to be any liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Energybuild Group, or in which any such member may now have or previously had an interest under any environmental law or order of any relevant person or third party or otherwise and which is material in the context of the Wider Energybuild Group taken as a whole.

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

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

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

3. Subject to the requirements of the Panel, Western reserves the right to waive all or any of the Conditions contained in paragraphs 2(a); 2(b) and 2(c); 2(d); 2(e); and 2(h), in whole or in part.
4. Subject to the requirements of the Panel, Energybuild reserves the right to waive all or any of the Conditions contained in paragraphs 2(a); 2(b) and 2(c); 2(f); 2(g); and 2(i), in whole or in part.
5. The Proposal is governed by English law and is subject to the jurisdiction of the English courts. The rules of the Takeover Code, so far as they are appropriate, apply to the Proposal.
6. If the Scheme is effected, the Energybuild Shares will be acquired by Western fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after 9 June 2010.
7. The New Western Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Western Shares in issue at the time the New Western Shares are delivered pursuant to the Proposal, including the right to receive and retain dividends and other distributions (if any) paid by reference to a record date on or after the Effective Date. Application will be made for the admission

of the New Western Shares to trading on AIM and the TSX, on the first Dealing Day after the Effective Date.

8. Western reserves the right, subject to the consent of the Panel, to elect to implement the Proposal by way of a takeover offer. In such event, such offer will be implemented on the same terms subject to appropriate amendments, including (without limitation) an acceptance condition set at ninety per cent of the Energybuild Shares to which such offer relates (or such lower percentage as Western may decide), so far as applicable, as those which would apply to the Scheme.
9. Western shall be under no obligation to waive or treat as satisfied, and Energybuild shall be under no obligation to waive or treat as satisfied any of the Conditions in paragraph 2 by a date earlier than the latest date for satisfaction thereof, notwithstanding that the other Conditions of the Proposal may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of the Conditions may not be capable of fulfilment.

PART 4

FINANCIAL INFORMATION RELATING TO THE WESTERN GROUP

The information listed below relating to Western is hereby incorporated by reference into this document.

| <i>No</i> | <i>Information</i> | <i>Source of Information</i> |
|-----------|---|---|
| 1. | Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amounts absorbed by dividends and earnings and dividends per share for the three years ended 31 March 2010 | <p>Western Financial Statements 2010, Consolidated Statements of Operations on page 2 and Earnings per share on page 2.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document</p> <p>http://www.westerncoal.com/_pdf/financial_docs/WCC_FISCAL_2010_FS_FINAL.pdf</p> <p>Western Annual Report and Financial Statements 2009, Consolidated Statements of Operations and Comprehensive Income/Loss on page 57 and Earnings per share on page 57.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document</p> <p>http://www.westerncoal.com/_pdf/financial_docs/WCC_AR_2009_WEB.pdf</p> |
| 2. | A statement of the assets and liabilities shown in the audited accounts for Western for the year ended 31 March 2010. | <p>Western Financial Statements 2010, Consolidated Balance Sheets on page 1.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document</p> <p>http://www.westerncoal.com/_pdf/financial_docs/WCC_FISCAL_2010_FS_FINAL.pdf</p> |
| 3. | A cash flow statement as provided in the audited accounts for the year ended 31 March 2010. | <p>Western Financial Statements 2010, Consolidated Statements of Cash Flows on page 4.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document</p> <p>http://www.westerncoal.com/_pdf/financial_docs/WCC_FISCAL_2010_FS_FINAL.pdf</p> |

| <i>No</i> | <i>Information</i> | <i>Source of Information</i> |
|-----------|--|--|
| 4. | Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures | <p>Western Financial Statements 2010, Note 2 Summary of Significant Accounting Policies on pages 6 to 12, Note 3 Adoption of New Accounting Standards and Developments on pages 12 to 13 and Notes 4 to 33 of the consolidated financial statements on pages 13 to 48.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document</p> <p>http://www.westerncoal.com/_pdf/financial_docs/WC_C_FISCAL_2010_FS_FINAL.pdf</p> <p>Western Annual Report and Financial Statements 2009, Note 2 Summary of Significant Accounting Policies on pages 59 to 62 and Notes 3 to 33 of the consolidated financial statements on pages 62 to 82.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document</p> <p>http://www.westerncoal.com/_pdf/financial_docs/WC_C_AR_2009_WEB.pdf</p> |

The results for Western for the three years ended 31 March 2010, 31 March 2009 and 31 March 2008 are available free of charge on the Western website at www.westerncoal.com.

Subsequent to 31 March 2010, the following material changes have occurred to the financial or trading position of Western:

- (a) On 28 April 2010, Western provided holders of its \$125,000,000 convertible debentures notice of its intention to redeem effective 31 May 2010, all of its issued and outstanding convertible debentures. \$41,585,000 of principal or 41,585 units were converted into 10,396,250 common shares of Western and on 31 May 2010, Western redeemed \$313,000 of principal plus \$5,000 of accrued interest.
- (b) Subsequent to 31 March 2010, Western entered into a series of forward exchange contracts to fix the rate at which future anticipated cash flows of US dollars are exchanged into Canadian dollars. Such contracts include forward sales of US dollars at an average rate of 1.0015, in the aggregate amount of US\$120,000,000 from October 2010 to the end of March 2011.

If you are reading this document in hard copy, please enter the website address below in your web browser to be brought to the results for the year ended 31 March 2010. If you are reading this document in soft copy please click on the website address below to be brought to the relevant document.

http://www.westerncoal.com/_pdf/financial_docs/WCC_FISCAL_2010_FS_FINAL.pdf

If you are reading this document in hard copy, please enter the website address below in your web browser to be brought to the results for the year ended 31 March 2009. If you are reading this document in soft copy please click on the website address below to be brought to the relevant document.

http://www.westerncoal.com/_pdf/financial_docs/WCC_AR_2009_WEB.pdf

If you are reading this document in hard copy, please enter the website address below in your web browser to be brought to the results for the year ended 31 March 2008. If you are reading this document in soft copy please click on the website address below to be brought to the relevant document.

http://www.westerncoal.com/_pdf/financial_docs/WWC_AR_2008_WEB.pdf

PART 5

FINANCIAL INFORMATION RELATING TO THE ENERGYBUILD GROUP

1. Information incorporated by reference

The information listed below relating to Energybuild is hereby incorporated by reference into this document.

| <i>No</i> | <i>Information</i> | <i>Source of Information</i> |
|-----------|--|--|
| 1. | Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amounts absorbed by dividends and earnings and dividends per share for the three years ended 30 June 2009 | <p>Energybuild Annual Report and Financial Statements 2009, Consolidated Income Statement on page 28, Note 11 Earnings Per Share on page 45 and the Chairman's Statement on pages 2 and 3.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document</p> <p>www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2009).pdf</p> <p>Energybuild Annual Report and Financial Statements 2008, Consolidated Income Statement on page 20, Note 11 Earnings Per Share on page 39 and the Chairman's Statement on page 2.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document</p> <p>www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2008.pdf</p> |
| 2. | Details relating to the items referred to in 1 above in respect of the audited results for Energybuild for the nine months ended 31 March 2010. | <p>Energybuild Annual Report and Financial Statements for the nine months ended 31 March 2010, Consolidated Income Statement on page 28 and Note 11 Earnings Per Share on page 45 and the Directors' Report on page 19.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document</p> <p>www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2010.pdf</p> |
| 3. | A statement of the assets and liabilities shown in the audited accounts for Energybuild for the nine months ended 31 March 2010. | <p>Energybuild Annual Report and Financial Statements for the nine months ended 31 March 2010, Consolidated Balance Sheet on page 30.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document</p> <p>www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2010.pdf</p> |

4. A cash flow statement as provided in the audited accounts for the nine months ended 31 March 2010.

Energybuild Annual Report and Financial Statements for the nine months ended 31 March 2010, Consolidated Statement of Cash Flows on page 31.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document

www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2010.pdf

5. Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures

Energybuild Annual Report and Financial Statements for the nine months ended 31 March 2010, Note 3 Significant Accounting Policies on pages 33 to 38 and Note 4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty of the consolidated financial statements on pages 38 to 39.

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www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2010.pdf

Energybuild Annual Report and Financial Statements 2009, Note 3 Significant Accounting Policies on pages 33 to 38 and Note 4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty of the consolidated financial statements on pages 38 to 39.

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www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2009.pdf

Subsequent to 31 March 2010, save as disclosed in this document, no material changes have occurred to the financial or trading position of Energybuild.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2010.pdf

The results for Energybuild for the three years ended 30 June 2009, 30 June 2008 and 30 June 2007 and for the nine months ended 31 March 2010 are available free of charge on the Energybuild website.

www.Energybuild.co.uk/index.php?page=13

If you are reading this document in hard copy, please enter the website address below in your web browser to be brought to the results for the year ended 30 June 2009. If you are reading this document in soft copy please click on the website address below to be brought to the relevant document.

www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2009.pdf

If you are reading this document in hard copy, please enter the website address below in your web browser to be brought to the results for the year ended 30 June 2008. If you are reading this document in soft copy please click on the website address below to be brought to the relevant document.

www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2008.pdf

If you are reading this document in hard copy, please enter the website address below in your web browser to be brought to the results for the year ended 30 June 2007. If you are reading this document in soft copy please click on the website address below to be brought to the relevant document.

www.Energybuild.co.uk/uploads/downloads/Energybuild_AR07.pdf

If you are reading this document in hard copy, please enter the website address below in your web browser to be brought to the results for the nine months ended 31 March 2010. If you are reading this document in soft copy please click on the website address below to be brought to the relevant document.

www.Energybuild.co.uk/uploads/downloads/Energybuild_AR2010.pdf

2. Profit Forecast – Bases and Assumptions

On 12 February 2010, in Energybuild's interim statement accompanying the announcement of its unaudited results for the six months to 31 December 2009, the Chairman stated: "*I conclude that following the issue of equity in December 2009 and with the continued support of Western Coal Corp. we are confident that the Group will return to profitability in the second half of the year...*". The Energybuild Directors continue to believe that the Group will return to profitability in the six months ending 30 June 2010.

The bases and assumptions underlying this statement which constitutes a profit forecast (the "Profit Forecast") under the Takeover Code are set out below together with copies of reports from the Company's reporting accountant and financial adviser.

On 9 June 2010 the Company reported an audited profit on ordinary activities before taxation of £0.2 million for the nine months to 31 March 2010. It had previously reported an unaudited loss before tax of £0.1 million for the six months to 31 December 2009.

- (1) The Profit Forecast relates to Energybuild's expected profit on ordinary activities before taxation for the six months ending 30 June 2010 and is based on:
 - the actual results for the five months ending 31 May 2010, being the unaudited management accounts of Energybuild for the three months ended 31 March 2010, which form part of the audited accounts for the nine months ended 31 March 2010, and the unaudited management accounts of Energybuild for the two months ended 31 May 2010; and
 - the unaudited management forecast for the month ended 30 June 2010.
- (2) The Profit Forecast has been prepared on a basis consistent with the accounting policies normally adopted by Energybuild. These policies are consistent with those set out on pages 26 to 31 of the audited financial statements prepared for the nine months to 31 March 2010 and there have been no changes or amendments to the accounting policies in the period to which the Profit Forecast relates.
- (3) Costs in respect of the proposed transaction with Western offer have been excluded from the forecast.
- (4) The Profit Forecast has been prepared based on the following assumptions:
 - (a) Production and sales volumes for June 2010 are forecast based on actual production and sales volumes in April and May 2010;
 - (b) Selling prices for June 2010 are forecast based on contracted prices, or where there is no fixed contract price available, on actual selling prices in April and May 2010;
 - (c) Forecast operating costs for June 2010 are assumed to be in line with operating costs in April and May 2010;

- (d) There will be no business interruptions or industrial disputes that would materially affect Energybuild, its key customers or key suppliers in the period ending 30 June 2010;
- (e) There will be no adverse change in the political and/or economic environment or natural disasters that would materially affect Energybuild;
- (f) Any changes or proposed changes in relevant legislation, government, governmental policy or other regulatory requirements including taxation that may impact pre-tax profit would not materially affect Energybuild; and
- (g) There will be no material litigation impacting profit on ordinary activities before taxation in the period ending 30 June 2010.

Assumptions 4(e), 4(f) and 4(g) are outside the control of the Energybuild Directors.

3. Report of Reporting Accountant



3 Rivergate,
Temple Quay,
Bristol,
BS1 6GD

The Board of Directors
on behalf of Energybuild Group plc
Engine Cottage Site
Aberpergwm Colliery
Glynneath Road
Glynneath
Neath
West Glamorgan
SA11 5SF

Arbuthnot Securities Limited
Arbuthnot House
20 Ropemaker Street
London
EC2Y 9AR

25 June 2010

Dear Sirs

Energybuild Group plc

We report on the expectation of the Directors of Energybuild Group plc (“the Company”) that Energybuild and its subsidiaries (together “the Group”) will return to profitability (meaning profit on ordinary activities before taxation) in the 6 months ending 30 June 2010 (the “Profit Forecast”). The Profit Forecast, and the material assumptions upon which it is based, are set out on pages 43 to 44 of the Scheme document (“the Offer Document”) being issued by the Company dated 25 June 2010. This report is required by Rules 28.3(b) and 28.3(d) of the City Code on Takeovers and Mergers issued by The Panel on Takeovers and Mergers (“the Takeover Code”) and is given for the purpose of complying with those rules and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the Profit Forecast in accordance with the requirements of the Takeover Code.

It is our responsibility to form an opinion as required by the Takeover Code as to the proper compilation of the Profit Forecast and to report that opinion to you.

Save for any responsibility under Rule 28.3(b) of the Takeover Code to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Rule 28.4 of the Takeover Code, consenting to its inclusion in the Offer Document.

Basis of Preparation of the Profit Forecast

The Profit Forecast has been prepared on the basis stated on page 43 of the Offer Document and is based on the unaudited management accounts for the five months ended 31 May 2010 and a forecast for the one month to 30 June 2010. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

Since the Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Profit Forecast has been properly compiled on the basis of the assumptions made by the Directors and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

Deloitte LLP
Chartered Accountants

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu ('DTT'), a Swiss Verein, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTT and its member firms.

4. Letter from Financial Advisers



ARBUTHNOT
CORPORATE FINANCE

The Directors
Energybuild Group plc
Engine Cottage Site
Aberpergwm Colliery
Glynneath Road
Glynneath
Neath
West Glamorgan
SA11 5SF

25 June 2010

Dear Sirs

REPORT ON THE PROFIT FORECAST OF ENERGYBUILD GROUP PLC (THE “COMPANY”)

We refer to the expectation of the Directors of Energybuild Group plc (“the Company”) that Energybuild and its subsidiaries (together “the Group”) will return to profitability in the 6 months ending 30 June 2010 (the “Profit Forecast”). The Profit Forecast, and the material assumptions upon which it is based, are set out on pages 43 to 44 of the Recommended Proposal document (“the Scheme Document”) being issued by the Company dated 25 June 2010.

We have discussed the Profit Forecast and the bases and assumptions on which it was made with the directors of the Company and with Deloitte LLP, the Company’s reporting accountants. We have also discussed the accounting policies and bases of calculation for the Profit Forecast with the directors of the Company and Deloitte LLP. We have also considered Deloitte LLP’s letter of 25 June 2010 addressed to you and us on this matter. We have relied upon the accuracy and completeness of all the financial and other information discussed with us and have assumed such accuracy and completeness for the purposes of providing this letter.

On the basis of the foregoing, we consider that the Profit Forecast, for which you as directors of the Company are solely responsible, has been made with due care and consideration.

This letter is provided to you solely in connection with Rules 28.3(b) and 28.3(d) of the City Code on Takeovers and Mergers (the “City Code”) and for no other purpose. No person other than the directors of the Company can rely on the contents of this letter and to the fullest extent permitted by law, we exclude all liability to any other person other than to you, the directors of the Company, in respect of this letter or the work undertaken in connection with this letter.

Yours faithfully,

Arbuthnot Securities Limited

ARBUTHNOT SECURITIES LIMITED

Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR

Telephone 020 7012 2000 Facsimile 020 7012 2007 Website www.arbuthnotsecurities.co.uk

Registered in England No. 762818. Registered Office; as above.

Arbuthnot Securities Limited is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange.

PART 6

INFORMATION INCORPORATED BY REFERENCE

| <i>No.</i> | <i>Information incorporated by reference</i> | <i>Document reference</i> | <i>Page reference in this document</i> |
|------------|---|--|--|
| 1. | Western: Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amounts absorbed by dividends and earnings and dividends per share for the three years ended 31 March 2010. | Western Financial Statements 2010, Consolidated Statements of Operations on page 2 and Earnings per share on page 2. Western Annual Report and Financial Statements 2009, Consolidated Statements of Operations and Comprehensive Income/Loss on page 57 and Earnings (loss) per share on page 57. | Page 39 |
| 2. | Western: A statement of the assets and liabilities shown in the audited accounts for Western for the year ended 31 March 2010. | Western Financial Statements 2010, Consolidated Balance Sheets on page 1. | Page 39 |
| 3. | Western: A cash flow statement as provided in the audited accounts for the year ended 31 March 2010. | Western Financial Statements 2010, Consolidated Statements of Cash Flows on page 4. | Page 39 |
| 4. | Western: Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures. | Western Financial Statements 2010, Note 2 Summary of Significant Accounting Policies on pages 6 to 12, Note 3 Adoption of New Accounting Standards and Developments on pages 12 to 13 and Notes 4 to 33 of the consolidated financial statements on pages 13 to 48. Western Annual Report and Financial Statements 2009, Note 2 Summary of Significant Accounting Policies on pages 59-62 and Notes 3 to 33 of the consolidated financial statements on pages 62 to 82. | Page 40 |
| 5. | Western: Results for the year ended 31 March 2010. | 2010 Annual Report and Accounts. | Page 40 |
| 6. | Western: Results for the year ended 31 March 2009. | 2009 Annual Report and Accounts. | Page 40 |
| 7. | Western: Results for the year ended 31 March 2008. | 2008 Annual Report and Accounts. | Page 40 |

| <i>No.</i> | <i>Information incorporated by reference</i> | <i>Document reference</i> | <i>Page reference in this document</i> |
|------------|--|--|--|
| 8. | Energybuild: Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amounts absorbed by dividends and earnings and dividends per share for the three years ended 30 June 2009. | Energybuild Annual Report and Financial Statements 2009, Consolidated Income Statement on page 28, Note 11 Earnings per share on page 45 and Chairman's Statement on pages 2 and 3. Energybuild Annual Report and Financial Statements 2008, Consolidated Income Statement on page 20, Note 11 Earnings per share on page 39 and the Chairman's Statement on page 2. | Page 41 |
| 9. | Energybuild: Details relating to the items referred to in 1 above in respect of the audited results for Energybuild for the nine months ended 31 March 2010. | Energybuild Annual Report and Financial Statements for the nine months ended 31 March 2010, Consolidated Income Statement on page 28 and Note 11 Earnings per share on page 45 and the Directors' Report on page 19. | Page 41 |
| 10. | Energybuild: A statement of the assets and liabilities shown in the audited accounts for Energybuild for the nine months ended 31 March 2010. | Energybuild Annual Report and Financial Statements for the nine months ended 31 March 2010, Consolidated Balance Sheet on page 30. | Page 41 |
| 11. | Energybuild: A cash flow statement as provided in the audited accounts for the nine months ended 31 March 2010. | Energybuild Annual Report and Financial Statements for the nine months ended 31 March 2010, Consolidated Statement of Cash Flows on page 31. | Page 42 |
| 12. | Energybuild: Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures. | Energybuild Annual Report and Financial Statements for the nine months ended 31 March 2010, Note 3 Significant accounting policies on pages 33 to 38, Note 4 and Critical Accounting Judgements and Key Sources of Estimation Uncertainty of the consolidated financial statements on pages 38 to 39. Energybuild Annual Report and Financial Statements 2009, Note 3 Significant Accounting Policies on pages 33 to 38 and Note 4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty of the consolidated financial statements on pages 38 to 39. | Page 42 |

| <i>No.</i> | <i>Information incorporated by reference</i> | <i>Document reference</i> | <i>Page reference in this document</i> |
|------------|---|---------------------------|--|
| 13. | Energybuild: Results for the nine months ended 31 March 2010. | 2010 Annual Report. | Page 42 |
| 14. | Energybuild: Results for the year ended 30 June 2009. | 2009 Annual Report. | Page 42 |
| 15. | Energybuild: Results for the year ended 30 June 2008. | 2008 Annual Report. | Page 43 |
| 16. | Energybuild: Results for the year ended 30 June 2007. | 2007 Annual Report. | Page 43 |

PART 7

ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Energybuild Directors (whose names are set out in paragraph 2.1 below) accept responsibility for all information contained in this document, except for the information for which the Western Directors take responsibility, and save that only the Energybuild Independent Directors accept responsibility for the recommendation of the Proposal and any opinion attributable to the Energybuild Independent Directors relating to such recommendation contained in this document. To the best of the knowledge and belief of the Energybuild Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Western Directors (whose names are set out in paragraph 2.2 below) accept responsibility for all information contained in this document insofar as it relates to the Western Group, the Western Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the Western Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. DIRECTORS

- 2.1 The Energybuild Directors and their respective roles are:

| <i>Name</i> | <i>Role</i> |
|-----------------------|------------------------|
| Colin Cooke | Non-Executive Chairman |
| Morgan Rhidian Davies | Managing Director |
| Karl Picton-Jones | Finance Director |
| Thomas Button | Non-Executive |
| Robert Morgan | Non-Executive |
| Abraham Jonker | Non-Executive |

The principal and head office of Energybuild is Engine Cottage Site, Aberpergwm Colliery, Glynneath Road, Glynneath, Neath, West Glamorgan, SA11 5SF.

- 2.2 The Western Directors and their respective roles are:

| <i>Name</i> | <i>Role</i> |
|---------------------|-------------------------|
| David Beatty O.B.E. | Non-Executive Chairman |
| John Brodie | Non-Executive |
| Robert Chase | Non-Executive |
| Keith Calder | Chief Executive Officer |
| Charles Pitcher | Non-Executive |
| Julian Treger | Non-Executive |
| Owen Ryan | Non-Executive |

The principal and head office of Western is Suite 900, 580 Hornby Street, Vancouver, British Columbia, V6C 3B6, Canada. The registered office of Western is 1600-925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

3. LONDON STOCK EXCHANGE PRICES

The following table shows the Closing Prices of Energybuild Shares and Western Shares for the first Dealing Day of each of the six months immediately prior to the date of this document, for 8 June 2010

(being the date immediately before the commencement of the Offer Period) and for 24 June 2010 (being the last practicable Dealing Day prior to the posting of this document):

| <i>Date</i> | <i>Western Share price (pence)</i> | <i>Energybuild Share price (pence)</i> |
|-----------------|--|--|
| 4 January 2010 | 234.5 | 19.75 |
| 1 February 2010 | 204.5 | 18.25 |
| 1 March 2010 | 240.5 | 18.50 |
| 1 April 2010 | 404.5 | 22.00 |
| 4 May 2010 | 340.0 | 24.00 |
| 1 June 2010 | 332.0 | 21.50 |
| 8 June 2010 | 288.0 | 21.25 |
| 24 June 2010 | 296.5 | 24.75 |

4. SHAREHOLDINGS AND DEALINGS

4.1 *Interests in Energybuild Shares*

4.1.1 At the close of business on the Disclosure Date, the interests of the Energybuild Directors, their immediate families, related trusts and persons connected with such Energybuild Directors (within the meaning of section 252 of the Companies Act), all of which are beneficial unless stated, in relevant securities of Energybuild (excluding the options and warrants set out in paragraph 4.1.2 and 4.1.8 below) were as follows:

| <i>Name</i> | <i>Number of Energybuild Shares</i> |
|-----------------------|---|
| Colin Cooke | 303,667 |
| Morgan Rhidian Davies | 3,175,000 |
| Karl Picton-Jones | 0 |
| Thomas Button | 0 |
| Robert Morgan | 3,167,167 |
| Abraham Jonker | 0 |

4.1.2 At the Disclosure Date, options over the following number of Energybuild Shares had been granted to the following Energybuild Directors and remain outstanding:

| <i>Name</i> | <i>Number of Energybuild Shares</i> | <i>Exercise price (pence)</i> | <i>Earliest date exercisable</i> | <i>Latest date exercisable</i> |
|-----------------------|---|---------------------------------------|--|--|
| Morgan Rhidian Davies | 1,500,000 | 30 | 16.07.10 | 16.07.20 |
| Karl Picton-Jones | 1,500,000 | 30 | 16.07.10 | 16.07.20 |

4.1.3 As at the Disclosure Date, the Western Group had an interest in 124,006,667 Energybuild Shares comprising 58,246,667 Energybuild Shares held by Western, and 35,760,000 and 30,000,000 Energybuild Shares respectively held by Western's subsidiaries Cambrian Mining Limited and Coal International Limited.

4.1.4 As at the Disclosure Date, none of the Western Directors, their immediate families and their connected persons (within the meaning of section 252 of the Companies Act) had any interests in the relevant securities of Energybuild.

4.1.5 At the Disclosure Date, Cenkos Securities, financial adviser to Western, did not have any interests in the relevant securities of Energybuild.

4.1.6 At the Disclosure Date, the following Energybuild employee Options remain outstanding:

| <i>Number of Energybuild Options</i> | <i>Exercise date</i> | <i>Exercise price</i> | <i>Expiry date</i> |
|--------------------------------------|----------------------|-----------------------|--------------------|
| 4,500,000 | 16.07.10 | 30p | 16.07.20 |

4.1.7 At the Disclosure Date, the following Warrants remain outstanding:

| <i>Name</i> | <i>Number of Energybuild Warrants</i> | <i>Expiry date</i> | <i>Exercise price</i> |
|-----------------------------|---------------------------------------|--------------------|-----------------------|
| Logical Investments Limited | 5,000,000 | 30.09.2010 | 20p |
| Brewin Nominees Limited | 1,000,000 | 30.09.2010 | 20p |
| Robert Llewellyn Morgan* | 1,500,000 | 30.09.2010 | 20p |
| Morgan Rhidian Davies* | 1,500,000 | 30.09.2010 | 20p |
| Karl Picton-Jones* | 1,000,000 | 30.09.2010 | 20p |

*Directors of Energybuild

4.2 *Dealings in Energybuild Shares*

4.2.1 The following Energybuild Shares have been issued during the Disclosure Period:

| <i>Number of Energybuild Shares issued</i> | <i>Price</i> | <i>Date</i> | <i>Nominal Value (£)</i> |
|--|--------------|-------------|--------------------------|
| 96,666,667 | 15p | 18.12.2009 | £9,666,666.70 |

4.2.2 No grants of Options have been made by Energybuild during the Disclosure Period.

4.2.3 None of the Western Directors, their immediate families, related trusts and persons connected with such Western Directors (within the meaning of section 252 of the Companies Act) has dealt in any relevant securities of Energybuild during the Disclosure Period.

4.2.4 Save for the issue to Western of 58,246,667 Energybuild Shares forming part of the Energybuild Shares issued as disclosed in paragraph 4.2.1, no member of the Western Group has dealt in any relevant securities of Energybuild during the Disclosure Period.

4.2.5 During the Disclosure Period, Cenkos Securities, financial adviser to Western, has not dealt in any relevant securities of Energybuild.

4.3 *Interests in Western Shares*

4.3.1 At the close of business on the Disclosure Date, the interests of the Western Directors, their immediate families, related trusts and persons connected with such Western Directors (within the meaning of section 252 of the Companies Act), in relevant securities of Western, all of which are beneficial unless stated, in the relevant securities of Western (excluding the options and the warrants set out in paragraph 4.3.2 below) were as follows:

| <i>Name</i> | <i>Number of Western Shares</i> |
|------------------------------|---------------------------------|
| David Beatty O.B.E | 21,500 |
| John Brodie | 10,000 |
| Robert Chase ⁽¹⁾ | 75,000 |
| Keith Calder | – |
| Charles Pitcher | 140,000 |
| Julian Treger ⁽²⁾ | – |
| Owen Ryan | – |

⁽¹⁾ The shares are held in a registered retirement savings plan in the name of Mr. Chase's spouse.

⁽²⁾ Julian Treger is a partner of Audley Capital Advisors LLP, which advises the Audley European Opportunities Master Fund Limited (the "Audley Fund"). The Audley Fund holds 61,856,862 common shares of Western and

1,330,000 warrants of Western. 841,883 warrants of Western are also held by Kings Chapel International Limited, a vehicle associated to the family interests of Mr. Treger.

4.3.2 At the Disclosure Date, options and/or warrants over the following number of Western Shares had been granted to the Western Directors and remained outstanding:

| <i>Director</i> | <i>No. of shares to which options or warrants relate</i> | <i>Exercise Price (C\$)</i> | <i>Earliest date of exercise</i> | <i>Date of expiry</i> |
|---------------------------------|--|-----------------------------|----------------------------------|-----------------------|
| John R. Brodie | 175,000 | 1.95 | Vested | 24 June 2014 |
| John R. Brodie | 15,000 | 2.26 | Vested | 07 September 2011 |
| John R. Brodie | 200,000 | 3.37 | Vested | 28 March 2013 |
| Keith Calder ⁽¹⁾ | 3,000,000 | 2.68 | Unvested | 13 November 2014 |
| Robert F. Chase | 190,000 | 1.95 | Vested | 28 November 2011 |
| Robert F. Chase | 225,000 | 1.95 | Vested | 24 June 2014 |
| Robert F. Chase | 200,000 | 3.37 | Vested | 28 March 2013 |
| Charles Pitcher | 40,000 | 2.26 | Vested | 07 September 2011 |
| Charles Pitcher | 200,000 | 3.37 | Vested | 28 March 2013 |
| Charles Pitcher | 60,000 | 6.20 | Vested | 28 July 2010 |
| Owen Ryan | 190,000 | 2.35 | Vested | 04 December 2014 |
| Julian A. Treger ⁽²⁾ | 150,000 | 1.95 | Vested | 24 June 2014 |
| Julian A. Treger ⁽²⁾ | 290,000 | 3.37 | Vested | 28 March 2013 |

⁽¹⁾ The earliest date of exercise of Keith Calder's options is 1 December 2010 in respect of 1,000,000 shares, 1 December 2011 in respect of a further 1,000,000 shares and 1 December 2012 in respect of a further 1,000,000 shares.

⁽²⁾ Julian Treger is a partner of Audley Capital Advisors LLP, which advises the Audley European Opportunities Master Fund Limited (the "Audley Fund"). The Audley Fund holds 61,856,862 common shares of Western and 1,330,000 warrants of Western. 841,883 warrants of Western are also held by Kings Chapel International Limited, a vehicle associated to the family interests of Mr. Treger.

4.3.3 Abraham Hendrik Jonker, a director of Energybuild, has options over 471,000 Western Shares.

4.3.4 As at the Disclosure Date, save as disclosed in paragraph 4.3.3, neither Energybuild nor the Energybuild Directors, their immediate families, related trusts or persons connected with such Energybuild Directors (within the meaning of section 252 of the Companies Act) had an interest in any relevant securities of Western.

4.3.5 At the Disclosure Date, Cenkos Securities, financial adviser to Western, owned 25,667 Western Shares and 5,005 warrants over Western Shares exercisable at C\$3.25 each on or before 28 June 2012.

4.4 *Dealings in Western Shares*

4.4.1 Since the commencement of the Offer Period, there have been no dealings in Western Shares by the Energybuild Directors, their immediate families or their connected persons (within the meaning of section 252 of the Companies Act).

4.4.2 During the Disclosure Period, there have been no dealings in relevant securities of Western by the Western Directors, their immediate families and their connected persons (within the meaning of section 252 of the Companies Act), save as follows:

| <i>Director</i> | <i>Number of relevant securities of Western</i> | <i>Price (C\$)</i> | <i>Date</i> | <i>Transaction type</i> |
|---|---|--------------------|-------------------|-------------------------|
| Charles Pitcher | 175,000 | 1.95 | 6 January 2010 | Exercise option |
| Charles Pitcher | 175,000 | 4.10 | 8 January 2010 | Sale of securities |
| David R. Beatty | 21,500 | \$5.84 | | Common share purchase |
| John R. Brodie | 100,000 | 2.26 | 18 March 2010 | Stock option exercise |
| John R. Brodie | 90,000 | 5.0875 | 18 March 2010 | Sale of shares |
| John R. Brodie | 75,000 | 2.26 | 7 April 2010 | Stock option exercise |
| John R. Brodie | 75,000 | 6.05267 | 7 April 2010 | Sale of shares |
| Kings Chapel International Limited ⁽¹⁾ | 500,000 | 0.75 | September 14 2009 | Warrant exercise |
| Kings Chapel International Limited ⁽¹⁾ | 500,000 | 2.91 | 1 October 2009 | Sale of common shares |
| Kings Chapel International Limited ⁽¹⁾ | 341,883 | 0.75 | 16 December 2009 | Warrant exercise |
| Kings Chapel International Limited ⁽¹⁾ | 341,883 | 4.0265 | 12 January 2010 | Sale of common shares |

⁽¹⁾ Kings Chapel International Limited is a vehicle associated with the family interests of Mr Treger.

4.4.3 During the Disclosure Period the following dealings in relevant securities of Western by Cenkos Securities, the financial adviser to Western, have taken place:

| <i>Date</i> | <i>Transaction</i> | <i>Number of Shares</i> | <i>Price (p)</i> |
|-------------|--------------------|-------------------------|------------------|
| 18/09/2009 | Acquisition | 5,000 | 175 |
| 22/09/2009 | Disposal | 3,000 | 189 |
| 04/01/2010 | Disposal | 6,000 | 205 |
| 04/01/2010 | Disposal | 6,000 | 201 |
| 24/02/2010 | Acquisition | 6,000 | 225 |
| 17/03/2010 | Disposal | 3,000 | 320 |
| 02/05/2010 | Disposal | 2,000 | 329 |
| 06/05/2010 | Acquisition | 3,000 | 365 |
| 10/05/2010 | Disposal | 3,000 | 355 |
| 14/05/2010 | Acquisition | 1,500 | 366 |
| 14/05/2010 | Acquisition | 700 | 355 |
| 14/05/2010 | Acquisition | 700 | 362 |
| 16/05/2010 | Acquisition | 5,000 | 365 |
| 16/05/2010 | Acquisition | 842 | 364 |
| 17/05/2010 | Acquisition | 3,000 | 305 |
| 17/05/2010 | Acquisition | 1,500 | 326 |
| 17/05/2010 | Acquisition | 941 | 326 |
| 17/05/2010 | Acquisition | 5,117 | 324 |
| 18/05/2010 | Disposal | 20 | 330 |
| 19/05/2010 | Disposal | 157 | 308 |
| 19/05/2010 | Disposal | 1,000 | 296 |
| 19/05/2010 | Acquisition | 1,500 | 292 |
| 20/05/2010 | Acquisition | 2,500 | 289 |
| 20/05/2010 | Acquisition | 10,000 | 290 |
| 21/05/2010 | Disposal | 3,000 | 290 |

| <i>Date</i> | <i>Transaction</i> | <i>Number of Shares</i> | <i>Price (p)</i> |
|-------------|--------------------|-----------------------------|------------------|
| 21/05/2010 | Disposal | 680 | 293 |
| 21/05/2010 | Disposal | 5,000 | 294 |
| 25/05/2010 | Disposal | 3,000 | 283 |
| 25/05/2010 | Acquisition | 3,000 | 289 |
| 25/05/2010 | Acquisition | 2,000 | 288 |
| 26/05/2010 | Disposal | 3,000 | 318 |
| 26/05/2010 | Disposal | 808 | 301 |
| 26/05/2010 | Disposal | 5,000 | 306 |
| 26/05/2010 | Disposal | 930 | 326 |
| 27/05/2010 | Disposal | 6,082 | 327 |
| 28/05/2010 | Acquisition | 3,000 | 350 |
| 02/06/2010 | Acquisition | 3,000 | 320 |
| 02/06/2010 | Acquisition | 3,000 | 313 |
| 02/06/2010 | Acquisition | 1,500 | 315 |
| 04/06/2010 | Acquisition | 3,491 | 324 |
| 05/06/2010 | Acquisition | 1,000 | 364 |
| 07/06/2010 | Acquisition | 3,532 | 308 |

4.5 **General**

- 4.5.1 Save as disclosed in this paragraph 4, at the close of business on the Disclosure Date, neither Western nor any of its subsidiaries, nor the Western Directors, their immediate families, any related trust or connected persons, nor any persons acting in concert with Western or with whom Western had any arrangement of the kind referred to in paragraph 4.5.6 below, owned or controlled or is interested in, or has any short position in relation to, or has any right to subscribe for, any relevant securities nor has any such person dealt therein during the Disclosure Period.
- 4.5.2 Save as disclosed in this paragraph 4, at the close of business on the Disclosure Date, neither Energybuild nor any of its subsidiaries, nor the Energybuild Directors, their immediate families, any related trust or connected persons nor any person acting in concert with Energybuild or with whom Energybuild had an arrangement of the kind referred to in paragraph 4.5.6 below owned or controlled or was interested in, or had any short position in relation to, or had any right to subscribe for, any relevant securities nor has any such person dealt therein since the commencement of the Offer Period.
- 4.5.3 At the close of business on the Disclosure Date, save for the irrevocable undertakings and letters of intent disclosed in paragraph 3 of Part 1 of this document, neither Western nor any person acting in concert with Western, nor Energybuild nor any person acting in concert with Energybuild had entered into any arrangement in relation to relevant securities.
- 4.5.4 At the close of business on the Disclosure Date neither Western nor any person acting in concert with Western had borrowed or lent any relevant securities of Energybuild or Western, save for any borrowed shares which have either been on-lent or sold.
- 4.5.5 At the close of business on the Disclosure Date neither Energybuild nor any person acting in concert with Energybuild had borrowed or lent any relevant securities of Energybuild or Western, save for any borrowed shares which have either been on-lent or sold.
- 4.5.6 For the purpose of this Paragraph 4:

“acting in concert” with Energybuild or Western, as the case may be, means any such person acting or deemed to be acting in concert with Energybuild or Western, as the case may be, for the purposes of the City Code on Takeovers and Mergers;

“arrangements” includes any indemnity or option arrangements, and any agreement or understanding formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing in such securities;

“derivative” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security;

“Disclosure Date” means 24 June 2010, being the latest practicable date prior to the posting of this document.

“Disclosure Period” means the period commencing on 9 June 2009 (being the date 12 months prior to the commencement of the Offer Period) and ending on the Disclosure Date;

“Offer Period” means the period commencing on 9 June 2010 (being the date of the Announcement) and ending on the Disclosure Date;

“relevant securities” means Energybuild Shares and/or Western Shares and securities convertible into, or rights to subscribe for, Energybuild Shares and/or Western Shares, options (including traded options) in respect thereof and derivatives referenced thereto.

For the purpose of this paragraph 4 “control” means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control.

5. ENERGYBUILD DIRECTORS’ TERMS OF APPOINTMENT

5.1 Set out below are details of the current terms of appointment of the Energybuild Directors.

5.2 All directors’ contracts or letters of appointment are continuous unless terminated. There is a twelve month notice period for Mr Davies and Mr Picton-Jones, six months for Mr Cooke and three months for the other non-executive directors (excluding Mr Jonker). Under Energybuild’s Articles of Association at least one third of all directors are required to resign by rotation at each Annual General Meeting.

Details of the remuneration for Energybuild Directors is as follows:

| <i>Director</i> | <i>Annual Salary</i> | <i>Consulting fee</i> |
|-------------------|----------------------|--|
| Colin Cooke | £36,000 | £1,500 per day spent in excess of 2 days per month |
| Rhidian Davies | £100,000 | None |
| Karl Picton-Jones | £77,000 | None |
| Robert Morgan | £30,000 | £1,500 per day spent in excess of 2 days per month |
| Thomas Button | £30,000 | £1,500 per day spent in excess of 2 days per month |
| Abraham Jonker | £30,000 | None |

5.3 If Mr Cooke is an Energybuild Director on 31 July 2010, he is entitled to a cash bonus of an amount in pounds sterling equal to the average closing price of an Energybuild Share for the five trading days commencing on 23 July 2010 less 20 pence, multiplied by 871,808.

5.4 On 8 April 2010, the Remuneration Committee of Energybuild approved the following amendments to certain Energybuild Directors’ service contracts and/or letters of appointment:

5.4.1 Mr Davies’ notice period to be increased from six months to twelve months;

5.4.2 Mr Picton-Jones’ notice period to be increased from six months to twelve months; and

5.4.3 Mr Morgan’s annual fee to be increased from £20,000 to £30,000.

Each of the above directors entered into letters of agreement on 22 June 2010 with the Company formally documenting these changes and confirming Rhidian Davies' and Karl Picton Jones' salaries as being respectively £100,000 (previously £90,000) and £77,000 (previously £70,000) with effect from 30 September 2008.

- 5.5 Energybuild entered into a letter of appointment with Steels Management Limited in respect of Mr Cooke's services as an Energybuild Director on 8 April 2010 ("Letter of Appointment"), replacing the letter of appointment between the same parties dated 31 July 2007 ("Previous Letter of Appointment"). The only material differences to the Previous Letter of Appointment are that:
- 5.5.1 Mr Cooke had been entitled to a three month notice period; and
- 5.5.2 Mr Cooke had been eligible for a one-off cash bonus payable on 31 May 2010, being an amount in pounds sterling equal to the average closing price of an Energybuild Share for the five trading days commencing on 24 May 2010 less 20 pence, multiplied by 250,000.
- 5.6 Energybuild entered into a letter of appointment with Mr Button on 31 December 2009, shortly after he joined the Board of Energybuild, the particulars of which are as set out above.
- 5.7 There are no written terms of appointment in respect of Mr Jonker's appointment as a director of Energybuild. Since January 2010 Western is entitled to be compensated by Energybuild in respect of Mr Jonker's fee – previously Energybuild had paid this directly.
- 5.8 Save as disclosed in this paragraph 5, no terms of appointment have been entered into or amended within six months of this document.

6. FINANCIAL INFORMATION RELATING TO THE WESTERN GROUP

Audited financial information relating to the Western Group for the periods ended 31 March 2008, 31 March 2009 and 31 March 2010 is referenced in Part 4 of this document.

7. FINANCIAL INFORMATION RELATING TO THE ENERGYBUILD GROUP

Audited financial information relating to the Energybuild Group for the periods ended 30 June 2007, 30 June 2008 and 30 June 2009 and for the nine months ended 31 March 2010 is referenced in Part 5 of this document.

8. SETTLEMENT OF CONSIDERATION

Settlement of the Consideration to which any Scheme Shareholder is entitled under the Scheme or under the Articles will be implemented in full in accordance with the terms of the Scheme or under the Articles without regard to any lien, right of set-off, counterclaim or other analogous right to which Western may otherwise be, or claim to be, entitled against such Scheme Shareholder.

9. UK TAXATION

The comments set out below summarise the UK taxation treatment of Energybuild Shareholders under the Scheme. They are based on current legislation and the practice of HM Revenue & Customs at the date of this document and summarise certain limited aspects of the United Kingdom taxation treatment of the Proposal. They are intended as a general guide and apply to Energybuild Shareholders who are individuals and resident or ordinarily resident for tax purposes in the UK and who hold Energybuild Shares as an investment (and not as securities to be realised in the course of a trade) and who are the absolute beneficial owners of those Shares. The comments below may not apply to certain classes of persons such as dealers, persons holding Shares in a personal equity plan or individual savings account, companies or trustees of certain trusts.

Shareholders who are in any doubt about their taxation position, or who are resident in a jurisdiction outside the UK, should consult their own professional advisers.

(a) **Capital Gains**

To the extent that a Scheme Shareholder receives New Western Shares in exchange for Scheme Shares and does not hold (either alone or together with persons connected to him) more than five per cent, of, or of any class of, shares in or debentures of Energybuild, he will not be treated as having made a disposal of his Scheme Shares. Instead, the New Western Shares will be treated as the same asset as those shares in respect of which he received the New Western Shares, acquired at the same time and for the same consideration as those shares.

Any Scheme Shareholder who holds (either alone or together with persons connected with him) more than five per cent, of, or of any class of, shares in or debentures of Energybuild is advised that an application has been made to HMRC for clearance under Section 138 of the Taxation of Chargeable Gains Act 1992 in respect of the Scheme which if granted will mean that any such shareholder would be treated in the manner described in the preceding paragraph.

In addition to the clearance under Section 138 of the Taxation of Chargeable Gains Act 1992 referred to above, the application to HMRC seeks clearance, pursuant to section 701 of the Income Tax Act 2007, that the anti-avoidance provisions section 684 of the Income Tax Act 2007, relating to certain transactions in securities, will not apply to the transactions contemplated by the Scheme.

Depending on the holder's circumstances, a subsequent disposal of New Western Shares may give rise to a liability to UK capital gains tax.

(b) **Stamp duty and stamp duty reserve tax**

No stamp duty or stamp duty reserve tax will be payable on the issue of the New Western Shares unless the issue is to a person to whom the depository receipts or clearances service charge applies. As the Scheme involves the cancellation of Energybuild Shares stamp duty or stamp duty reserve tax will not be payable on the cancellation of Energybuild Shares.

10. MATERIAL CONTRACTS

10.1 *Western Group*

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Western Group in the period beginning on 9 June 2008 and ending on the Disclosure Date and are, or may be, material:

10.1.1 Western entered into an underwriting agreement on 30 July 2009 between Cormark Securities Inc., GMP Securities L.P., Canaccord Capital Corporation, Salman Partners Inc. and Western, pursuant to which the underwriters purchased 22.1 million common shares of Western at a price of C\$2.70 per share for gross proceeds of approximately C\$59.7 million. In consideration of the underwriters' services, Western agreed to pay to the underwriters a cash commission equal to 5.0 per cent. of the gross proceeds. The agreement contains, *inter alia*, representations, warranties and indemnities given by Western in favour of the underwriters.

10.2 *Energybuild Group*

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Energybuild Group in the period beginning on 9 June 2008 and ending on the Disclosure Date and are, or may be, material:

10.2.1 On 5 March 2009, Energybuild entered into an agreement with Arbuthnot Securities pursuant to which Arbuthnot Securities agreed to act as Energybuild's nominated adviser and broker on an ongoing basis for an initial period of twelve months, and thereafter until terminated by either party giving the other three months' notice of termination. In consideration, Arbuthnot Securities is to receive a fee of £40,000 for the first year of the appointment and £50,000 per annum thereafter, such fee to be reviewed annually.

10.2.2 On 16 December 2009, Energybuild entered into a placing agreement with Arbuthnot Securities in relation to the placing and admission of shares in Energybuild to AIM that was completed in December 2009. Under this agreement, Arbuthnot Securities was appointed to provide assistance to Energybuild in connection with the placing and admission. The agreement provided for Energybuild to pay Arbuthnot Securities a fee of £70,000 conditional on Admission plus a commission of 5 per cent of funds raised in the Placing, plus expenses. The agreement contains, *inter alia*, indemnities and warranties from Energybuild in favour of Arbuthnot Securities.

11. OTHER INFORMATION

- 11.1 Save as set out in paragraph 5 of this Part 7 of this document, no proposal exists in connection with the Proposal for any payment or other benefit to be made or given to any Energybuild Director as compensation for loss of office or as consideration for or in connection with his retirement from office.
- 11.2 No agreement, arrangement or understanding (including any compensation arrangement) exists between Western or any person acting in concert with it for the purposes of the Proposal, and any of the directors, recent directors, shareholders or recent shareholders of Energybuild or any person interested or recently interested in shares of Energybuild having any connection with, or dependence upon, the Proposal.
- 11.3 No agreement, arrangement or understanding exists whereby the beneficial ownership of any of the shares to be acquired by Western pursuant to the Proposal will be transferred to any other person, save that Western reserves the right to transfer any such shares to any member of the Western Group.
- 11.4 Neither Western nor any person acting in concert with it for the purposes of the Proposal, nor Energybuild nor any person acting in concert with Energybuild has any indemnity or option arrangement or any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities of Energybuild or Western, as the case may be, which may be an inducement to deal or refrain from dealing.
- 11.5 Cenkos Securities plc, financial adviser and corporate broker to Western, and whose registered office is at 6.7.8 Tokenhouse Yard, London EC2R 7AS, is acting in concert with Western for the purposes of the Proposal.
- 11.6 Arbuthnot Securities Limited¹, financial adviser and corporate broker to Energybuild, and whose registered office is at Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR, is acting in concert with Energybuild for the purposes of the Proposal.
- 11.7 The emoluments of the Western Directors will not be affected by the acquisition of Energybuild.
- 11.8 Save as disclosed in this document there has been no material change in the financial or trading position of Western since 31 March 2010, being the date to which Western prepared its last published audited consolidated accounts nor has there been any material change in the information previously published by or on behalf of Western during the Offer Period.
- 11.9 Save as disclosed in this document, there has been no material change in the financial or trading position of Energybuild since 31 March 2010, being the date to which Energybuild prepared its last published audited consolidated accounts nor has there been any material change in the information previously published by or on behalf of Energybuild during the Offer Period.
- 11.10 Arbuthnot Securities has given and has not withdrawn its written consent to the issue of this document with the inclusion of the explanatory statement in Part 2 of this document and its report in Part 5 of this document and the references herein to its name, statement and report in the form and context in which they are included.

¹ This does not include any division of Arbuthnot Securities acting as an exempt principal trader or exempt fund manager within the meaning of the Takeover Code.

11.11 Cenkos Securities has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references herein to its name in the form and context in which they are included.

11.12 Deloitte LLP has given and has not withdrawn its written consent to the inclusion of the report set out at Part 5 of this document.

12. BASES AND SOURCES OF INFORMATION

In this document:

12.1 unless otherwise stated, financial information relating to Energybuild has been extracted from the report and accounts of Energybuild for the periods ended 30 June 2007, 30 June 2008, 30 June 2009 and 31 March 2010; and

12.2 unless otherwise stated, financial information relating to Western has been extracted from the report and accounts of Western for the periods ended 31 March 2008, 31 March 2009 and 31 March 2010.

12.3 The premia represented by the consideration due under the Proposal over the average ratio of the Closing Prices of a Western Share and an Energybuild Share over the one month and the six months prior to the date of the Announcement are based on the premium of the consideration due under the Proposal over the simple average of the ratios of the Closing Prices of Western Shares and Energybuild Shares for each Dealing Day from 9 May 2010 to 8 June 2010 and 9 December 2009 to 8 June 2010, respectively.

12.4 The calculation of approximately 8.6 million New Western Shares to be issued pursuant to the Proposal is based upon 102,660,000 Energybuild Shares (being Energybuild's undiluted share capital excluding Energybuild Shares owned by the Western Group on 8 June 2010, the last Business Day prior to the date of the Announcement) multiplied by 0.0833 (and assumes no further issue of Energybuild Shares prior to completion of the Proposal).

12.5 References to percentages of Energybuild Shares (before the Proposal) are based on the number of Energybuild Shares in issue as at the close of business on 8 June 2010, being the last Business Day prior to the date of the Announcement, and do not include any shares issuable pursuant to any options, warrants or other convertible securities in Energybuild.

12.6 The percentage holding of Energybuild Shareholders (excluding the Western Group) in Western on completion of the Proposal is based on the current undiluted ordinary share capital of Western as at the close of business on 8 June 2010, being the last Business Day prior to the date of the Announcement and the New Western Shares to be issued as set out in paragraph 12.4 above (assuming no further issue of Energybuild Shares or Western Shares prior to completion of the Proposal).

13. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection during normal business hours on any weekday (public holidays excepted) up to and including the Effective Date at the offices of Trowers & Hamblins LLP, Sceptre Court, 40 Tower Hill, London EC3N 4DX and will be published at www.westerncoal.com:

13.1 the memorandum and articles of association of Energybuild;

13.2 the notice of articles and articles of Western;

13.3 the audited consolidated accounts of Energybuild for the financial years ended 30 June 2008 and 30 June 2009 and for the nine months ended 31 March 2010;

13.4 the audited consolidated accounts of Western for the financial years ended 31 March 2009 and 31 March 2010;

13.5 the reports of Deloitte LLP and Arbuthnot Securities set out in Part 5;

13.6 the letters of consent referred to in paragraphs 11.10, 11.11 and 11.12 above;

13.7 the irrevocable undertakings and letters of intent referred to in paragraph 3 of Part 1; and

13.8 this document.

25 June 2010

PART 8

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 4888 of 2010

IN THE MATTER OF ENERGYBUILD GROUP PLC

– and –

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(Under Sections 895 to 899 of the Companies Act 2006)

between

ENERGYBUILD GROUP PLC

– and –

THE HOLDERS OF THE SCHEME SHARES (as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

| | |
|---|--|
| “ Business Day ” | means any day on which banks are generally open in England and Wales for the transaction of business other than a Saturday or Sunday or public holiday; |
| “ certificated ” or “ in certificated form ” | means a share or other security not in uncertificated form; |
| “ Common Shares ” | means the common shares without par value in the capital of Western; |
| “ Companies Act ” | means the Companies Act 2006 (as amended); |
| “ Company ” | means Energybuild Group plc, a public company incorporated in England and Wales with registered number 5451235; |
| “ Court ” | means the High Court of Justice in England and Wales; |
| “ Court Hearing ” | means the hearing by the Court of the application for sanction of this Scheme under section 899 of the Companies Act and confirmation of the Reduction of Capital; |
| “ Court Meeting ” | means the meeting of the holders of Energybuild Shares (other than Western and other members of the Western Group) convened by |

| | |
|-----------------------------------|--|
| | order of the Court pursuant to section 899 of the Companies Act to consider and, if thought fit, approve this Scheme, including any adjournment thereof; |
| “CREST” | means the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations); |
| “CREST Regulations” | means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), including any modifications thereof or any regulations in substitution therefor made under section 207 of the Companies Act 1989 and for the time being in force; |
| “Depository” | means Computershare Limited; |
| “Depository Interests” | means a depository interest representing an underlying New Western Share, as more particularly described in paragraph 12 of Part 2 of this document; |
| “Effective Date” | means the date on which this Scheme becomes effective in accordance with Clause 5 of this Scheme; |
| “Energybuild Shares” | means ordinary shares of 10p each in the capital of Energybuild |
| “Energybuild Shareholders” | means holders of Energybuild Shares |
| “Euroclear” | means Euroclear UK and Ireland Limited; |
| “Hearing Date” | means the date of the Court Hearing; |
| “holder” | includes any person entitled by transmission; |
| “members” | means members of the Company on the register of members at any relevant date; |
| “New Shares” | the new Energybuild Shares to be issued in accordance with clause 1.2 of this Scheme; |
| “New Western Shares” | means the Common Shares to be allotted to the Scheme Shareholders under the terms of the Scheme; |
| “Overseas Shareholders” | means Energybuild Shareholders who are resident in, or nationals or citizens of, jurisdictions outside the UK; |
| “Reduction of Capital” | means the reduction of the share capital of the Company under section 641 of the Companies Act by the cancellation of the Scheme Shares, to be effected as part of the Scheme; |
| “Registrar of Companies” | means the Registrar of Companies of England and Wales; |
| “Scheme” | means this scheme of arrangement under section 899 of the Companies Act in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and by Western; |
| “Scheme Record Date” | means the Business Day immediately preceding the Hearing Date; |
| “Scheme Record Time” | means 6.00 p.m. on the Scheme Record Date; |
| “Scheme Shareholder” | means a person who appears as a holder of Scheme Shares in the register of members of the Company at the Scheme Record Time; |

- “Scheme Shares”** means all the Energybuild Shares (except those held by Western and other members of the Western Group):
- (i) in issue at the date of this Scheme;
 - (ii) (if any) issued after the date of this Scheme and prior to the Voting Record Time;
 - (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time, on terms that the holder shall be bound by this Scheme or in respect of which the holder shall have agreed in writing by such time to be bound by this Scheme;
- “Share Registrars”** means a trading name of Share Registrars Limited;
- “UK” or “United Kingdom”** means the United Kingdom of Great Britain and Northern Ireland;
- “Uncertificated” or “in uncertificated form”** means recorded on the relevant register as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations may be transferred by means of CREST;
- “Voting Record Time”** in relation to both the Court Meeting and the General Meeting, 6.00 p.m. on the day prior to the day immediately preceding the Court Meeting or, if either the Court Meeting or the General Meeting is adjourned, 6.00 p.m. on the day prior to the day immediately before the adjourned meeting;
- “Western”** means Western Coal Corp; and
- “Western Group”** means Western and its subsidiaries.
- (B) The share capital of the Company as at the date of this Scheme is £50,000,000 divided into 500,000,000 ordinary shares of 10 pence each, of which as at the date of this Scheme, 226,666,667 ordinary shares are in issue and are fully paid or credited as fully paid and the remainder are unissued.
- (C) Western was incorporated on 2 October 1997 and registered in the Province of British Columbia, Canada, under the British Columbia Business Corporations Act S.B.C. 2002 with Registered Number 551375. At the date of the Scheme, the authorised share capital of Western consists of unlimited Common Shares without par value of which 366,359,383 Common Shares are issued and outstanding as at the date of this Scheme as fully paid and non-accessible Common Shares (including 72,122,826 Western Shares owned by Cambrian Mining Limited, a wholly-owned subsidiary of Western).
- (D) The purpose of this Scheme is to provide for the cancellation of the Scheme Shares pursuant to the Reduction of Capital and the application of the reserve arising on the cancellation taking effect in paying up new ordinary shares to be issued to Western and/or its nominees, in consideration for the allotment by Western of New Western Shares to the Scheme Shareholders.
- (E) Western has agreed to appear by Counsel at the hearing of the application for sanction of this Scheme, to submit thereto, to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

THE SCHEME

1. Cancellation of the Scheme Shares

- 1.1 The share capital of the Company shall be reduced by cancelling and extinguishing all of the Scheme Shares.
- 1.2 Subject to, and forthwith upon, the Reduction of Capital taking effect and notwithstanding anything to the contrary in the Company's articles of association:
 - (A) the authorised share capital of the Company shall be increased to an amount equal to that of the Company immediately prior to the Reduction of Capital, by the creation of such number of New Shares as have an aggregate nominal value equal to the aggregate nominal value of the Scheme Shares cancelled pursuant to clause 1.1 above; and
 - (B) the reserve arising in the books of account of the Company as a result of the Reduction of Capital shall be capitalised and applied in paying up in full at par the New Shares created pursuant to clause 1.2(A) of this Scheme, which shall be allotted and issued credited as fully paid (free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature whatsoever) to Western and/or its nominee(s) for the consideration to be paid by Western as set out in clause 2 of this Scheme.

2. Consideration for the cancellation of the Scheme Shares

- 2.1 In consideration for the cancellation of the Scheme Shares, Western shall (subject to the provisions of Clause 2.2) allot and issue New Western Shares, credited as fully paid, to the Scheme Shareholders on the basis of 0.0833 New Western Shares for every 1 Scheme Share held by such person provided that fractional entitlements of Western Shares will not be allotted or issued to Scheme Shareholders and fractional entitlements will be rounded down to the nearest whole number of New Western Shares.
- 2.2 The provisions of this Scheme shall take effect subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, the issue of New Western Shares pursuant to this Scheme to Overseas Shareholders may only be carried out in full compliance with all applicable laws, rules and regulations of such jurisdictions. If, in respect of any Scheme Shareholder, the Company and/or Western is advised that the allotment or issue of New Western Shares pursuant to Clause 2.1 of this Scheme would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require any governmental or other consent or any registration, filing or other formality, which the Company or Western (as the case may be) is unable to comply with or regards as unduly onerous to comply with, Western may in its sole discretion determine that no New Western Shares shall be allotted and issued to such holder under the Scheme. In such circumstances, Western will instead allot and issue the New Western Shares to which such holder is entitled to a nominee appointed by Western as trustee for such holder, on terms that the nominee shall sell such shares as soon as reasonably possible after the Effective Date at the best price which can reasonably be obtained at the time of sale and shall account by cheque for the net proceeds of such sale (after the deduction of all expenses and commissions, including any value added tax payable thereon) by sending a cheque to the holder of such Scheme Shares in accordance with the provisions of Clause 3.2 of the Scheme.
- 2.3 The New Western Shares to be issued pursuant to Clause 2.1 shall rank in full for all dividends or other distributions made, paid or declared after the Effective Date on the Common Shares.

3. Settlement of Consideration

- 3.1 Western shall:
 - (A) within 14 days of the Effective Date, issue or despatch, or procure the issue or despatch, to the holders of Scheme Shares held in certificated form, certificates in respect of the New Western Shares being the consideration due to them under Clause 2.1 of this Scheme; and

- (B) where Scheme Shares are held in uncertificated form (i.e. CREST), arrange for New Western Shares to which a Scheme Shareholder is entitled in respect of the consideration payable to such shareholder under clause 2.1 of this Scheme to be issued to the Depository, who will in turn issue to Scheme Shareholders dematerialised Depository Interests representing entitlements to New Western Shares at the commencement of dealings in the New Western Shares. Western will procure that Euroclear is instructed to credit the appropriate stock account in CREST of or on behalf of the Scheme Shareholder concerned with such shareholder's entitlement to the Depository Interests and to cancel such shareholder's holding of Scheme Shares. However, Western may (if, for any reason, it wishes to do so) determine that the New Western Shares are to be issued in certificated form, in which case they will be despatched by post.
- 3.2 All deliveries of certificates or cheques required to be made pursuant to this Scheme shall be made by sending the same by first class post in prepaid envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of the Company at the Scheme Record Date (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of such joint holding at such time) or in accordance with any special instructions regarding communications, and none of the Company, Western or any nominee of Western shall be responsible for any loss or delay in the transmission of any certificates or cheques sent in accordance with this sub-clause which shall be sent at the risk of the persons entitled thereto.
- 3.3 The provisions of this Clause 3 and Clause 4 shall take effect subject to any condition or prohibition imposed by law.
- 3.4 Any mandate in force at the Scheme Record Date relating to the payment of dividends on Scheme Shares and each instruction then in force as to notices and other communications shall, unless varied or revoked, be deemed as from the Effective Date to be a valid and effective mandate or instruction to Western in relation to the corresponding New Western Shares to be allotted and issued pursuant to this Scheme.

4. Certificates for Scheme Shares

As from the Effective Date:

- 4.1 all certificates representing Scheme Shares shall cease to be valid in respect of title to such shares and shall, at the request of the Company be delivered for cancellation to the Company or as it may direct; and
- 4.2 in respect of those Scheme Shareholders holding Scheme Shares in uncertificated form, Euroclear shall be instructed to cancel such holders' entitlements to such shares.

5. Effective date

- 5.1 This Scheme is conditional upon and shall become effective immediately upon a copy of the Order of the Court sanctioning this Scheme under section 899 of the Companies Act and a copy of the Order confirming the Reduction of Capital having been duly delivered to the Registrar of Companies for registration and registered.
- 5.2 Unless this Scheme shall have become effective on or before 30 September 2010, or such later date, if any, as the Company and Western may agree and the Court may allow, it shall not become effective.

6. Modification

The Company and Western may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

7. Costs

The Company and Western shall each be responsible for their own costs in relation to this Scheme.

Dated: the 25th day of June 2010

PART 9

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
MR REGISTRAR NICHOLLS

No. 4888 of 2010

IN THE MATTER OF ENERGYBUILD GROUP PLC

– and –

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an Order dated 17 June 2010 made in the above matters, the Court has directed a meeting (the “**Court Meeting**”) to be convened of the holders of ordinary shares of 10 pence each in the capital of Energybuild Group plc (the “**Company**”) (other than Western Coal Corp. (“**Western**”) and its subsidiaries) (such ordinary shares other than those held by Western and its subsidiaries being “**Scheme Shares**”) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to sections 895 to 899 of the Companies Act 2006 (the “**Scheme**”) proposed to be made between the Company and the holders of its Scheme Shares, and that such Court Meeting will be held at the offices of Trowers & Hamblins LLP, Sceptre Court, 40 Tower Hill, London EC3N 4DX on 19 July 2010, at 11.00 a.m. at which place and time all such holders of Scheme Shares are requested to attend.

A copy of the said Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this Notice forms part.

Holders of Scheme Shares entitled to attend and vote at the Court Meeting (see below) may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A blue form of proxy for use at the Court Meeting is enclosed with this Notice. Completion and return of a blue form of proxy will not preclude a holder of Scheme Shares from attending and voting at the Court Meeting, or any adjournment thereof, in person if he wished to do so.

Whether or not a holder of Scheme Shares proposes to attend the Court Meeting in person, it is requested that blue forms of proxy appointing proxies be lodged with the Company’s registrars, Share Registrars (Proxies), Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL not less than 48 hours before the time appointed for the Court Meeting but if forms are not so lodged, they may be handed to the Chairman of the Court Meeting at the Court Meeting and still be valid.

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority will be determined by the order in which the names appear in the register of members of the Company in respect of the joint holding.

Entitlement to attend and vote at the Court Meeting and the number of votes which may be cast thereat, will be determined by reference to the register of members of the Company at 6.00 p.m. on 17 July 2010. In the event that the Court Meeting is adjourned, entitlement to attend and vote will be determined by reference to the register of members at 6.00 p.m. on the second day before the day fixed for the adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.

By the said Order, the Court has appointed Colin Cooke or, failing him, Thomas Button, or, failing both of them, Rhidian Davies, to act as chairman of the Court Meeting and has directed the chairman to report the result thereof to the Court.

The said Scheme will be subject to the subsequent sanction of the Court.

Charles Russell LLP
5 Fleet Place
London EC4M 7RD

Dated: 25 June 2010

Solicitors for the Company

PART 10

NOTICE OF GENERAL MEETING

ENERGYBUILD GROUP PLC

(Registered in England and Wales with No. 5451235)

NOTICE IS HEREBY GIVEN that a General Meeting of Energybuild Group plc (the “**Company**”) will be held at the offices of Trowers & Hamlins LLP, Sceptre Court, 40 Tower Hill, London EC3N 4DX on 19 July 2010 at 11.15 a.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this Notice forms part) shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

SPECIAL RESOLUTION

THAT:

- (1) the scheme of arrangement dated 25 June 2010 between the Company and the holders of its Scheme Shares (as defined in such scheme) in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the “**Scheme**”) (a print of which has been produced to this meeting and, for the purposes of identification only, signed by the Chairman) be approved and the directors be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (2) the share capital of the Company be reduced by cancelling and extinguishing all of the Scheme Shares (as defined in the Scheme);
- (3) subject to, and forthwith upon, the reduction of share capital referred to in paragraph (2) above taking effect and notwithstanding anything to the contrary in the Company’s articles of association:
 - (A) the share capital of the Company be increased to its former amount by the creation of such number of new ordinary shares of 10p each as shall have an aggregate nominal value equal to the aggregate nominal value of the Scheme Shares cancelled pursuant to paragraph (2) above; and
 - (B) the reserve arising in the books of account of the Company as a result of the reduction of share capital referred to in paragraph (2) above shall be capitalised and applied in paying up in full at par the new ordinary shares created pursuant to paragraph (A) above, which shall be allotted and issued credited as fully paid to Western Coal Corp. (“**Western**”) and/or its nominee(s) in accordance with the Scheme;
- (4) with effect from the passing of this resolution, the articles of association of the Company be hereby amended by the adoption and inclusion of the following new Article 12A:

“Scheme of Arrangement

- (a) In this Article, the “Scheme” means the scheme of arrangement of the Company dated 25 June 2010 under sections 895 to 899 of the Companies Act 2006, between the Company and the holders of the Scheme Shares (as defined therein), in its original form or with or subject to any modification, addition or condition approved or imposed by the Court. Expressions defined in the Scheme shall have the same meaning in this Article.
- (b) Notwithstanding any other provision of these Articles, if the Company issues any ordinary shares after the adoption of this Article and prior to the Scheme Record Time, such shares shall be allotted and issued subject to the terms of the Scheme and the holders of such shares shall be bound by the Scheme accordingly.

- (c) Subject to the Scheme becoming effective, if any ordinary shares are issued to any person other than Western or its nominee(s) (a “new member”) after the Scheme Record Time such new member shall be required to transfer such shares immediately upon issue, free of all encumbrances, to Western (or its nominee(s)) in consideration of and, conditional on the issue to the new member of such number of New Western Shares as such person would have received had such shares been Scheme Shares and such person had been bound by the Scheme.
 - (d) To give effect to any transfer required by this Article, the Company may appoint any person to execute and deliver as transferor a form or instructions of transfer on behalf of the new member in favour of Western and/or its nominee(s) and the Company may give a good receipt for the New Western Shares issued for the shares so transferred and may register Western (or its nominee(s)) as holder of those shares and issue to it a certificate for those shares. The Company shall not be obliged to issue a certificate to a new member for any shares to which this Article applies. Pending the registration of Western (and/or its nominee(s)) as the holder of any shares to be transferred pursuant to this Article, Western shall be empowered to appoint a person to act as attorney on behalf of the new member in accordance with such directions as Western may give in relation to any dealings with or disposal of such shares (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and, if a person is so appointed to act as attorney, the new member shall not be entitled to exercise any rights attaching thereto except:
 - (i) to the extent that the person appointed to act as attorney fails to act in accordance with the directions of Western; and
 - (ii) in accordance with the directions of Western.
 - (e) No fraction of a New Western Share shall be allotted to a new member pursuant to this Article, but any fraction of a New Western Share to which a new member would otherwise have become entitled shall be rounded down to the nearest whole number of New Western Shares (which may be zero).
 - (f) The issue of the New Western Shares in respect of any shares transferred under this Article will be made within 14 days of the date of transfer of such shares.”
- (5) with effect from the Effective Date (as defined in the Scheme), the Company be re-registered as a private limited company and that in consequence the name of the Company changed to Energybuild Group Limited.

By order of the Board

Karl Picton-Jones
Company Secretary

Dated: 25 June 2010

Registered office
 Engine Cottage Site
 Aberpergwm Colliery
 Glynneath Road
 Glynneath Neath
 West Glamorgan
 SA11 5SF

Notes:

- (1) A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of them. A proxy need not be a member of the Company.
- (2) A green Form of Proxy is enclosed with this document. Instructions for use are shown on the form. Lodging a green Form of Proxy will not prevent the shareholder from attending and voting in person.
- (3) To be valid, the instrument appointing a proxy, together with any power of attorney under which it is signed, or a duly certified copy, must be received at the offices of Share Registrars (Proxies), Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL not less than 48 hours before the time of the meeting or the adjourned meeting.

- (4) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (5) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (Participant ID 7RA36) by 11.15 a.m. on 17 July 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- (6) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to these sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (7) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (8) Copies of the Company's existing articles of association and copies of the articles of association as proposed to be amended by paragraph 4 of the special resolution set out in the notice of meeting are available for inspection at the offices of Trowers & Hamblins LLP, Sceptre Court, 40 Tower Hill, London EC3N 4DX and at the Company's registered office, Engine Cottage Site, Aberpergwm Colliery, Glynneath Road, Glynneath Neath, West Glamorgan, SA11 5SF until opening of business on the day on which the meeting is held and will also be available for inspection at the place of the General Meeting for at least 15 minutes prior to the General Meeting.
- (9) The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that entitlement to attend and vote at the General Meeting or any adjournment thereof, and the number of votes which may be cast thereat, will be determined by reference to the register of members of the Company at 6.00 p.m. on 17 July 2010 or, if the General Meeting is adjourned, 6.00 p.m. on the second day before the day fixed for the adjourned meeting. Changes to the register of members after 6.00 p.m. on 17 July 2010 or, if the General Meeting is adjourned, 6.00 p.m. on the second day before the day fixed for the adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the General Meeting.

PART 11

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

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| “ Accounting Date ” | means in relation to Energybuild 31 March 2010 and means in relation to Western 31 March 2009; |
| “ Admission ” | admission of the New Western Shares to trading on AIM becoming effective in accordance with the AIM Rules and listing and posting for trading of the New Western Shares on the TSX becoming effective in accordance with the TSX Rules; |
| “ AIM ” | the AIM market operated by the London Stock Exchange; |
| “ AIM Rules ” | the AIM rules for Companies published by the London Stock Exchange governing, <i>inter alia</i> , admission to AIM and the continuing obligations of companies admitted to AIM, as amended from time to time; |
| “ Announcement ” | the announcement of the Proposal in accordance with Rule 2.5 of the Takeover Code dated 9 June 2010; |
| “ Arbuthnot Securities ” | Arbuthnot Securities Limited, the investment banking subsidiary of Arbuthnot Banking Group Plc; |
| “ Articles ” | the articles of association of Energybuild; |
| “ Authorisations ” | authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals; |
| “ Board ” | the board of Western or the board of Energybuild as the context requires; |
| “ Business Day ” | any day on which banks are generally open in England and Wales for the transaction of business other than a Saturday or Sunday or public holiday; |
| “ C\$ ” or “ CAD\$ ” | Canadian dollars; |
| “ Cambrian Shares ” | the 72,122,826 non-voting shares in Western held by Cambrian Mining Limited; |
| “ Cenkos ” or “ Cenkos Securities ” | Cenkos Securities plc; |
| “ certificated ” or “ in certificated form ” | a share or other security not in uncertificated form; |
| “ Closing Price ” | the closing middle market quotation of one Energybuild and/or of one Western Share as provided by the daily official list of the London Stock Exchange; |
| “ Companies Act ” | the Companies Act 2006 (as amended); |
| “ Conditions ” | the conditions to the implementation of the Proposal (including the Scheme) set out in Part 3 of this document; |

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| “Consideration” | the New Western Shares to be issued to the Scheme Shareholders pursuant to the Scheme; |
| “Court” | the High Court of Justice in England and Wales; |
| “Court Hearing” | the hearing by the Court of the application to sanction the Scheme and confirm the Reduction of Capital; |
| “Court Meeting” | the meeting of Energybuild Shareholders (other than Western and other members of the Western Group) convened by order of the Court pursuant to section 899 of the Companies Act (as set out in Part 8 of this document) to consider and, if thought fit, approve the Scheme, including any adjournment thereof; |
| “CREST” | the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations); |
| “CREST Regulations” | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), including any modifications thereof or any regulations in substitution therefor made under section 207 of the Companies Act 1989 and for the time being in force; |
| “Dealing Day” | a day on which the London Stock Exchange is open for business in the trading of securities admitted to AIM; |
| “Depository” | Computershare Investor Services PLC; |
| “Depository Interest(s)” | a depository interest representing an underlying New Western Share, as more particularly described in paragraph 12 of Part 2 of this document; |
| “Disclosed” | (i) as disclosed in the Western Annual Report or the Energybuild Annual Report; (ii) as publicly announced by any member of the Wider Energybuild Group or the Wider Western Group (through a Regulatory Information Service or any other information service made available in the country where the relevant company is listed) prior to the date of this document; (iii) as otherwise fairly disclosed in writing (including facsimile) to Western or its advisers by or on behalf of Energybuild prior to the date of this document or (iv) as otherwise fairly disclosed in writing (including by facsimile) to Energybuild or its advisers by or on behalf of Western prior to the date of this document; |
| “Disclosure Date” | 24 June 2010, the last practicable date prior to the publication of this document; |
| “Disclosure Period” | the period commencing on 9 June 2009 (12 months prior to the commencement of the Offer Period) and ending on the Disclosure Date; |
| “Effective Date” | the date on which the Scheme becomes effective in accordance with its terms; |
| “Employee Share Plan” | the share incentive plan adopted by Energybuild on 17 April 2008; |
| “Energybuild” or “the Company” | Energybuild Group Plc, a company incorporated in England and Wales with registered number 5451235; |

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| “Energybuild Annual Report” | the audited consolidated report and accounts of Energybuild for the period ended on the Accounting Date; |
| “Energybuild Director” | a director of Energybuild; |
| “Energybuild Group” | Energybuild and its subsidiary undertakings; |
| “Energybuild Independent Directors” | the Energybuild Directors, excluding Abraham Jonker; |
| “Energybuild Shareholder(s)” | holder(s) of Energybuild Shares; |
| “Energybuild Shares” | ordinary shares of 10 pence each in the capital of Energybuild; |
| “Enlarged Group” | Western Group as enlarged by the acquisition of the Energybuild Group, subject to the Scheme becoming effective; |
| “Euroclear” | Euroclear UK & Ireland Limited; |
| “Financial Services Authority” | the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000; |
| “Forms of Proxy” | the forms of proxy for use at the Court Meeting and at the General Meeting; |
| “General Meeting” | the general meeting of Energybuild convened by the notice contained in Part 10 of this document to consider any resolution required to approve and implement the Scheme and the Proposal, including any adjournment thereof; |
| “Hearing Date” | the date of the Court Hearing; |
| “London Stock Exchange” | London Stock Exchange plc; |
| “Meetings” | the Court Meeting and the General Meeting; |
| “New Western Shares” | the new Western Shares proposed to be issued by Western (credited as fully paid) as consideration under the Proposal; |
| “Offer” | recommended proposal for the acquisition of Energybuild by Western; |
| “Offer Period” | the period commencing on 9 June 2010 (being the date of the Announcement) and ending on the Effective Date; |
| “Options” | options to subscribe for Energybuild Shares; |
| “Order” | the Court order sanctioning the Scheme and confirming the Reduction of Capital; |
| “Overseas Shareholders” | Energybuild Shareholders resident in, or nationals or citizens of, jurisdictions outside the UK; |
| “Panel” | the Panel on Takeovers and Mergers; |
| “Proposal” | the Scheme and the other matters to be considered at the Meetings, and the Option and Warrant Proposals; |
| “Reduction of Capital” | the reduction of the share capital of Energybuild under section 641 of the Companies Act by the cancellation and extinguishing of the Scheme Shares, to be effected as part of the Scheme; |

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| “Registrar of Companies” | the Registrar of Companies in England and Wales; |
| “Regulatory Information Service” | any of the services on the list of Regulatory Information Services maintained by the Financial Services Authority; |
| “Scheme” | the proposed scheme of arrangement under sections 895 to 899 of the Companies Act between Energybuild and the holders of its Scheme Shares, with or subject to any modification or addition thereto or condition approved or imposed by the Court and agreed by Western and Energybuild; |
| “Scheme Record Date” | the Business Day immediately preceding the Hearing Date; |
| “Scheme Record Time” | 6.00 p.m. on the Scheme Record Date; |
| “Scheme Shareholders” | a person who appears as a holder of Scheme Shares in the register of members of Energybuild at the Scheme Record Time; |
| “Scheme Shares” | means all the Energybuild Shares (except those held by the Western and other members of the Western Group): <ul style="list-style-type: none"> (i) in issue at the date of the Scheme; (ii) (if any) issued after the date of the Scheme and prior to the Voting Record Time; (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time, on terms that the holder shall be bound by this Scheme or in respect of which the holder shall have agreed in writing by such time to be bound by the Scheme; |
| “SEC” | the US Securities and Exchange Commission; |
| “Special Resolution” | the special resolution to be proposed by Energybuild at the General Meeting in connection with, <i>inter alia</i> , the approval of the Scheme and the Reduction of Capital; |
| “Takeover Code” | the City Code on Takeovers and Mergers; |
| “third party” | includes person, firm, company or body; |
| “TSX” | Toronto Stock Exchange; |
| “TSX Rules” | the rules, regulations, by-laws and policies of the TSX; |
| “UK” or “United Kingdom” | the United Kingdom of Great Britain and Northern Ireland; |
| “uncertificated” or “in uncertificated form” | recorded on the relevant register as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations may be transferred by means of CREST; |
| “United States” or “US” | the United States of America, its territories and possessions, any state of the United States and the District of Columbia; |
| “Voting Record Time” | in relation to both the Court Meeting and the General Meeting, 6.00 p.m. on the day prior to the day immediately preceding the Court Meeting or, if either the Court Meeting or the General Meeting is adjourned, 6.00 p.m. on the day prior to the day immediately before the adjourned meeting; |
| “Warrants” | the outstanding warrants to subscribe for Energybuild Shares; |

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| “Western” | Western Coal Corp., a company incorporated in the Province of British Columbia, Canada, with registered number 551375; |
| “Western Annual Report” | the audited consolidated report and accounts of Western for the period ended on the Accounting Date; |
| “Western Director” | a director of Western; |
| “Western Group” | Western and its subsidiaries (for the avoidance of doubt, excluding the Energybuild Group); |
| “Western Shareholders” | the holders of Western Shares; |
| “Western Shares” | means the common shares in the capital of Western; |
| “Wider Energybuild Group” | Energybuild its subsidiary undertakings and its associated undertakings; and |
| “Wider Western Group” | Western its subsidiary undertakings and its associated undertakings (for the avoidance of doubt, excluding the Wider Energybuild Group from the Effective Date). |

All references to legislation in this document are to English legislation unless the contrary is indicated. All references to time in this document are to London time unless the contrary is indicated.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

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