

18 February 2009

**Caledon Resources plc (AIM: CDN, ASX: CCD)
(‘Caledon’ or the ‘Company’)**

Reduction in Cook Manning

On 18 December 2008 the Company announced a downward revision of its 2009 sales forecast from 900kt to a minimum of 400kt due to the sudden and severe downturn in the metallurgical coal market.

The Company now finds it necessary to reduce its workforce by 48 to match its production and sales expectations. This will see the workforce fall to 143 by early March compared to 208 on site in late 2008 when the mine was gearing up for increased output. The workforce has already fallen by 17 since this time due to natural attrition and the removal of some contractors due to completion of infrastructure projects.

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About Caledon

Caledon is a coking coal producer and explorer in the Bowen Basin of Queensland, Australia. It acquired the mothballed Cook Mine in late 2006 and has since recommissioned the operation and introduced an innovative new underground mining methodology. The Company also purchased the nearby Minyango exploration concessions in 2006 and has conducted a number of drilling programs in preparation for a feasibility study.