

Caledon Resources PLC
19 January 2009



Caledon Resources PLC ('Caledon' or the 'Company') (AIM: CDN, ASX:CCD)

Caledon Resources plc ("Caledon" or the "Company"), the AIM- and ASX-listed Australian coking coal producer, is currently in discussions with a number of parties about a variety of potential transactions, some of which may or may not lead to an offer for Caledon's entire issued and to be issued share capital.

The discussions are at a very early stage and, consequently, there is no certainty as to the terms and structure of any such transaction nor that an agreement will be reached between Company and any of the parties.

Shareholders are advised to take no action at this time. Any further announcement will be made as appropriate.

For further information about Caledon, please visit our website at www.caledon.com or contact:

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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.

Pursuant to Rule 2.10 of the Code, the Company announces that it has 209,323,849 ordinary shares of 0.5 pence each in issue (ISIN GB00B1GJZT14).

The distribution of this announcement to jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

Dealing Disclosure Requirements

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until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends.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

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

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

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

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