

6 August 2009

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

Caledon Resources plc (“Caledon” or the “Company”), the AIM and ASX listed Australian coking coal producer, notes the speculation originating in the Indian media regarding a potential bid for the Company by that country’s Essar group.

As recently advised in the June Quarterly Report, Caledon confirms it has been involved in discussions with a number of parties which may or may not lead to an Offer for the Company, however these discussions are incomplete and there has been no agreement reached with any party.

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 are 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.

Royal Bank of Canada Europe Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Caledon Resources plc and will not be responsible to anyone other than Caledon Resources plc for providing the protections afforded to customers of Royal Bank of Canada Europe Limited nor for providing advice in relation to the matters referred to above.

Dealing disclosure requirements

Under the provisions of Rule 8.3 of the Takeover Code, if any person is, or becomes, 'interested' (directly or indirectly) in 1% or more of any class of 'relevant securities' of Caledon, all 'dealings' in any 'relevant securities' of Caledon (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 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which any offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the 'offer period' otherwise ends.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 Caledon, 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 Takeover Code, all 'dealings' in 'relevant securities' of Caledon by any potential offeror or Caledon, 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.