
Coalcorp in arbitration on coal sales arrangement

Tuesday, 27 Jan, 2009

Coalcorp Mining Inc announced that, following an internal review by the new management of the company, it is filing a notice of arbitration with the London Court of International Arbitration asking for a declaration that a contract which Coalcorp's agent GC Coal signed with Glencore International in February 2007 is not valid or binding on Coalcorp.

Coalcorp was also recently informed by Glencore and its Colombian subsidiary CI Prodeco SA that port access via rail will not be available during the first half of calendar year 2009 and possibly the remainder of calendar year 2009.

Coalcorp expects, absent any disruptions or delays to the current project plan, to have rail access in the first half of calendar year 2009 and fully expects Glencore/C.I. Prodeco SA to comply with its obligations under the contract giving Coalcorp port access once Coalcorp has the ability to transport and deliver coal to the C.I. Prodeco port by rail.

Coalcorp is prepared to use all legal means necessary to ensure that Glencore/CI Prodeco SA fulfils its obligations.

Coalcorp has secured and is in the process of identifying, other options to ensure ongoing port access and to diversify the company's shipment options.

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