
Coalcorp commences arbitration proceedings against Xira

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Coalcorp Mining Inc announced that Andean Coal Corporation BVI commenced an arbitration proceeding at the ICC International Court of Arbitration against Xira Investment Inc by delivering to the International Chamber of Commerce Secretariat a Requisition for Arbitration.

The dispute relates to alleged breaches by Xira under a Sale and Purchase Agreement dated June 27th 2008 which sets out the terms upon which Xira purchased 40% of the issued share capital of Carbones Colombianos del Cerrejon SA from Andean.

Among the breaches presented in the claim is that CCC management, under the direction of Xira, entered into an extraordinary transaction with an off shore Panamanian entity. Andean believes this agreement was made without any commercial rationale and without ascertaining the beneficial ownership of the counterparty.

Andean is asking an arbitration panel, among other things, to declare that the SPA is null and void and in the alternative, an Order requiring Xira to pay damages to Andean for breach of the SPA.

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