25 July 2007

The Manager Companies
Australian Stock Exchange (Melbourne) Ltd.
525 Collins Street
MELBOURNE VIC 3000

REVIEW OF ACTIVITIES
FOR THE QUARTER ENDED 30 JUNE 2007

The Directors are pleased to provide the following update on group activities for the three months ended 30 June 2007.

HIGHLIGHTS OF THE QUARTER

- All associated operations increased production over the previous quarter. Western Canadian Coal Corp ("WCCC") produced 773,000 tonnes of coal, a 55% increase; Coal International Plc produced 205,498 short tons, a 27% increase; and AGD Mining's Costerfield operation produced 457 tonnes of concentrate and 410 ounces of gold, a 27% and 10% increase respectively

- Cambrian completed the acquisition of Falls Mountain Coal Inc., which owns coal resources and infrastructure in close proximity to WCCC operations in British Columbia

- Coal International reported the commencement of metallurgical coal production on schedule at Maple Coal's No. 1 Eagle mine

- Exploration at Costerfield indicates high grade resource extensions to AGD's Augusta resource

- Value of base metal investments tops A$37 million, reflecting stronger base metal prices

- The Group successfully completed financings- the WCCC placing raised C$45 million before expenses and the Coal International placing raised approximately £8.5 million before expenses

- Completion of Xtract Energy and Cambrian Oil & Gas merger by way of scheme of arrangement, resulting in a further simplification of structure

- Key management additions and changes have been made at both corporate and subsidiary/associate level, including the appointment of Mark Burridge as the CEO of Cambrian

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Mark Burridge, Chief Executive of Cambrian, commented “As our highlights show this has been a positive period of activity for us, during which we have continued to make progress on both on operating and corporate development fronts. Nevertheless, we recognise that we still have some work to do ensure that all of our projects reach their targets and to unlock the underlying value in our business. To address this, in addition to taking steps on the corporate front, we have stepped up our involvement in and support of core assets, through a combination of hands on management support, corporate activity and financial backing.”

Quarterly production for the Group over the 12 months ending 30 June 2007 is set out in the table below:

Group Company	3 mths ended 30.9.06	3 mths ended 31.12.06**	3 mths ended 31.03.07	3 mths ended 30.06.07
AGD Mining	nil	215 tonnes concentrate (56% Sb) and 158 g/t Au 717 ounces Au	361 tonnes concentrate (54% Sb) and 95 g/t Au 374 ounces Au	457 tonnes concentrate (57% Sb) and 94 g/t Au 410 ounces Au
Western Canadian Coal Corp (tonnes)	297,000	371,000	544,000	773,000
Coal International (short tons)*	105,956	135,155	161,626	205,498

(*a short ton is equal to 907kg)
(**Includes the processing of ore stock piled in anticipation of the plant start up.)

COAL

Cambrian's coal interests are held through Western Canadian Coal Corp (41.7%), Falls Mountain Coal Inc (100%) and Coal International plc (34.4%).

1) WESTERN CANADIAN COAL CORPORATION (AIM/TSX:WTN)

WCCC has two operating metallurgical coal mines (Wolverine and Brule) and a 50% interest in a joint venture with additional coal properties (Belcourt Saxon).

Following the achievement of full production at the Brule PCI and Wolverine Coal mines, Gary Livingstone stepped down from his position as President and CEO to assume a role as a Special Advisor to WCCC. John William Hogg has been appointed President and CEO of WCCC. Mr. Hogg has a wealth of experience in coal mining and logistics, and his most recent role as Vice President & COO for WCCC will allow a seamless transition. WCCC recently announced that Mr. William (Bill) Caughill, C.A., has been appointed Director, Accounting and will be responsible for internal controls and procedures as well as management accounting functions. In addition Mr. Jeff Redmond, C.A., Director, Finance for the Company will assume responsibility for all corporate finance and public reporting functions, including disclosure controls and procedures. These appointments have replaced Mr. Fausto Taddei, who has stepped down from his position as Chief Financial Officer.

For the fiscal year ending 31 March 2008, WCCC is projecting coal shipments of approximately 3.4 million tonnes (Mt). This comprises 2.05 Mt of hard coking coal and 0.35 Mt of mid-volatile PCI coal from the Wolverine Mine, and 1.1 Mt of ultra-low volatile PCI coal ("ULV-PCI") from the Brule Mine, up from the earlier estimate of 0.8 Mt.

Coal production has been fully committed for coal year 2007 (fiscal 2008) with hard coking coal prices in the mid to high US$80s and PCI prices in the high US$60s to mid US$70s.

A) OPERATIONS

For the quarter, WCCC shipped 540,000 tonnes of metallurgical coal and 88,000 tonnes of ULV-PCI, for total sales revenues of C$54.2 million. Approximately 117,000 tonnes of metallurgical coal and 20,000 tonnes PCI coal were deferred from the prior fiscal year (ending 31 March 2007) to early April 2007.

i) Wolverine
For the quarter, mining operations at the Wolverine Mine included total waste stripping of approximately 3.6 million bank cubic meters (BCMs) and 884,000 tonnes of run-of-mine (ROM) coal, resulting in a 4.1 to 1 strip ratio of waste BCMs to ROM tonnes of coal. Approximately 1,004,000 tonnes of ROM coal were processed through the Wolverine plant, producing 580,000 tonnes of metallurgical coal, for a processing yield of 57.8%. As previously reported, WCCC identified an area of lesser quality coal in the Perry Creek pit that was originally thought to be hard coking coal. The area contains approximately 350,000 tonnes of this coal, which is anticipated to be completely mined by the end of fiscal 2008 and sold into the mid-volatile PCI market.

ii) Brule
Operations at the Brule Mine continue to go well. During the quarter, mining operations at Brule included total waste stripping of approximately 712,000 BCMs with 193,000 tonnes of ULV-PCI mined and 173,000 tonnes railed to port.

B) PRODUCTION

Operating performance is summarised in the table below:

Operation	3 months ended 30.9.06	3 months ended 31.12.06	3 months ended 31.3.07	3 months ended 30.6.07
Metallurgical coal (Wolverine) produced (tonnes)	169,000	371,000	373,000	580,000
Metallurgical coal (Wolverine) sold (tonnes)	nil	369,000	372,000	540,000
Ultra Low Vol PCI coal (Burnt River) produced (tonnes)	128,000	nil	171,000	193,000
Ultra Low Vol PCI coal (Burnt River) sold (tonnes)	142,000	105,000	112,000	88,000

C) BUSINESS DEVELOPMENT

During the quarter, WCCC raised gross proceeds of approximately C$45 million through the placing of 19,200,000 units at a price of C$2.35 per unit. The proceeds of the placing will be used to repay approximately C$19.6 million of the Wolverine project debt facility and for general corporate purposes including working capital.

2) FALLS MOUNTAIN COAL INC ("FALLS MOUNTAIN")

Effective from 29 June, Cambrian completed the acquisition of Falls Mountain from Pine Valley Mining Corp. in accordance with the Sale and Purchase Agreement dated April 26, 2007. Falls Mountain owns the Willow Creek coal preparation plant and coal properties in northwest British Columbia, Canada, which are near to the Brule assets of WCCC.

In accordance with the terms of the Master Agreement dated April 26, 2007 made between WCCC and Cambrian, WCCC has paid to Cambrian a fee of C$250,000 and will pay for Cambrian's costs associated with the Acquisition and the parties have entered into an Interim Management Services and Employee Supply Agreement under which WCCC will provide certain services in respect of evaluating and maintaining Falls Mountain's Willow Creek Coal Mine and the coal handling, processing and rail car loading facilities owned by Falls Mountain.

Under the terms of the Master Agreement, which were disclosed in the announcement of April 27, 2007, for a period of 180 days following completion of the Acquisition and subject to receipt of all requisite consents and approvals, WCCC will be entitled to acquire Falls Mountain from Cambrian.

In the interim, WCCC has the right to use the Willow Creek coal handling, processing and rail load-out facilities. In consideration of such use, WCCC will pay Cambrian a fee of C$2.50 per tonne of coal loaded through the Falls Mountain load out.

Falls Mountain provides excellent potential for capital cost and operational synergies between the Brule assets owned by WCCC and the infrastructure and resources of Falls Mountain. In addition the combined assets are expected to generate coal marketing synergies and allow the company to become a significant player in metallurgical coal markets and a leading player in Ultra Low Volatile PCI market.

The combination of production from Falls Mountain and WCCC's existing assets is expected to be in excess of 5 million tonnes per annum ("mtpa") of hard coking coal and ultra low vol PCI coal by late 2009. The existing WCCC assets are currently producing at the rate of 3.4 mtpa.

Recent analyst predictions are promising for the Company, with an increase in the prices of hard coking coal and PCI coal expected.

3) COAL INTERNATIONAL PLC (AIM:CLN)

CLN conducts its US mining operations through Atlantic Development and Capital ("ADC"). ADC has three wholly owned operating subsidiaries, Atlantic Leaseco, which operates the Gauley Eagle property, Maple Coal Company ("Maple Coal") which operates the Powellton property and Deepgreen West Virginia which operates the Pageton coal recovery operation.

This quarter marks an important stage in the development of CLN's operations as it commenced production at the Maple Coal No. 1 Eagle metallurgical coal mine as well as continuing to increase production at its Gauley Eagle property. CLN raised £8.5 million before expenses through a placing as well as US$7 million in equipment financing from CIT Finance. The placing proceeds were principally used to repay part of the US$12.5 million working capital facility from Cambrian to fund the development of the Eagle No.1 Mine and to complete the development of the project.

References to "tons" in this section on CLN means short tons (being 907kg).

A) OPERATIONS

i) Gauley Eagle Property

In mid June, a second D-11 dozer was commissioned at the Crooked Run surface mine. Dozer overburden removal improved 12% the rest of the month. The coal loading machine at Crooked Run was upgraded from a 980 class machine to a 988 class machine in June. The larger loader has allowed more time for split loading coal from the pit and consequently the percentage of direct ship coal improved substantially. Crooked Run shipped 10,387 tons of run of mine (ROM) direct ship coal from the pit in June compared to a total of 10,056 tons for the prior eleven month period. The total raw coal shipped increased from an average of 6,001 tons the prior eleven months to 11,491 tons for June.

The Gauley Eagle preparation plant processed 367,797 raw ton during the fourth quarter and surpassed a million ton processed milestone. An amendment to the company's refuse disposal permit was recently approved which secured continued use and expansion of slurry cells.

Coal quality at the Silo Mains underground mine improved to metallurgical grade and management expects to market the first metallurgical coal from the Gauley Eagle property in July.

ii)Maple Coal's Powellton property

At the end of the quarter production commenced (on schedule) at Maple Coal's No. 1 Eagle underground mine, the company's first operation in the Eagle seam, which contains high quality metallurgical coal. On 25 June the company took delivery of a second continuous miner unit for the Eagle No. 1 mine which is scheduled to begin operating in the third quarter 2007. The goal remains to establish annual production capacity from the Eagle seam at a level of 720,000 tons per annum by the end of 2007.

Taggart Global LLC (formerly Sedgman LLC) has completed rehabilitation work on the Katie preparation plant and commissioning is well advanced. The related outside material handling facilities have been operating well and current run of mine coal from the No.1 Eagle Mine is being stockpiled in anticipation of the preparation plant becoming fully operational. Processing and coal shipments are expected to begin in mid July.

CLN has already committed the initial production from Maple for an export order of blended metallurgical coal. The order initially covers two vessels of 70,000 tons each, one in the third calendar quarter and one in the fourth quarter of this year. It is expected that the order will consist of up to 40% of Eagle No.1 coal blended with metallurgical coals produced at CLN's Gauley Eagle and Pageton operations in West Virginia, along with third party coal purchased and processed through the Gauley Eagle preparation plant.

An important goal for the first half of financial year 2007/2008 will be to build up operations at Maple Coal to its targeted rate of 720,000 tons per annum and to solidify the marketing program for the metallurgical coal. Initial tests of coal quality have been encouraging and CLN has received broad interest in the coal.

iii) Pageton

The Pageton operation remained on a care and maintenance status during the quarter, although it sold 6,448 tons of coal from inventory. Management continues to evaluate a number of options for the facility including reopening or redeveloping the property or sale to a third party.

B) PRODUCTION

Operating performance is summarised in the table below:

	3 months ended 30.9.06	3 months ended 31.12.06	3 months ended 31.3.07	3 months ended 30.6.07
Gauley Eagle				
Marketable - Prod (tons)	97,614	132,913	161,626	179,239
Marketable - Purchased (tons)	95,167	127,294	148,071	25,420
Total Marketable - Prod (tons)	97,614	132,913	161,626	204,659
Marketable – Sold (tons)	99,026	91,551	181,511	201,148
Pageton				
Marketable - Prod (tons)	8,342	2,242	0	0
Marketable – Sold (tons)	4,960	3,007	0	6,448
Maple – Eagle No. 1				
Marketable - Prod (tons)	0	0	0	839
Marketable – Sold (tons)	0	0	0	0
Total Marketable Prod (tons)	105,956	135,155	161,626	205,498
Total Marketable Sold (tons)	101,847	94,558	181,511	207,596

C) BUSINESS DEVELOPMENT

Management continues to explore a range of new opportunities to enhance the cost competitiveness and market range for its production. The company is actively working on a series of initiatives to gain access to additional river and rail loading sites as well as exploring opportunities to source and wash third party coals. With the development of a new source of production from the Eagle seam and continued acceptance of Gauley Eagle coals, the company has an improved platform from which to produce and sell higher value blends. In support of this initiative, CLN recently secured access to a rail load-out in Cowen, West Virginia, where it will be able to ship Gauley Eagle coals.

Coal sales agreements have now been put in place for all uncommitted Gauley Eagle production for the balance of current calendar year and the 2008 calendar year providing an opportunity to evaluate further production expansion from the Gauley Eagle property.
Recent trends in metallurgical coal demand and early interest in Maple's Eagle seam indicate the Eagle product will also be sold out in 2008. Up to 62,000 tons of initial Eagle seam production has been committed to a metallurgical export blend. It is anticipated that test shipments will make up the balance of 2007's production with contracts developing for 2008.

Management has continued to follow through with permitting and engineering of both the Maple and Atlantic Leaseco reserves to strategically position the company to bring on additional production as markets allow and to provide replacement production for the existing operations. The permits add value to the properties and improve competitiveness and flexibility of operations.

Energybuild Group plc ("Energybuild")

Coal International holds 50% of the issued share capital of Energybuild. Energybuild has continued to develop its underground Anthracite mine in South Wales. During the quarter it reached the 18 foot seam landings and it intends over the next quarter to establish an air circuit in preparation for establishing two roadheaders in that seam.

It also intends over the next quarter to continue to recover old British Coal roadways in the direction of the 9 foot seam which lies below the 18 foot seam. Opencast activities continue to be developed with a further planning consent being lodged for an extension to its Nant y Mynydd site. It is anticipated that this will be determined later on this year.

BASE AND PRECIOUS METALS

Cambrian's wholly owned subsidiary, AGD Mining, owns the Augusta gold and antimony mine and the Costerfield ore treatment plant in central Victoria, Australia. Costerfield commenced production last year.

AGD also holds nickel interests through investments in Vulcan Resources Ltd (14.8%) and Asian Mineral Resources (TSX: "ASN") (14.6%, Cambrian holds an additional 5.0% of ASN directly) providing Cambrian with good exposure to one of the currently strongest commodity markets.

1) AGD MINING ("AGD")

A) OPERATIONS

Costerfield mine development continued during and subsequent to the quarter. The decline is at a vertical depth of 70 metres and the cross cut on 3 Level has been advanced to 49 metres to open a third main level and one sub-level for mining.

The Costerfield processing plant has operated well with antimony recoveries of 86% and gold recovery of 73% as bullion and in the antimony concentrate, with further improvement evident in June. For the quarter, the plant processed 7,381 tonnes of ore at an average grade of 10g/t gold and 4% antimony. (March quarter 2007: 4,649 tonnes of ore processed.)

Shipments of concentrate totalling 644 tonnes were dispatched to Zhongnan Antimony and Tungsten Trading Company via the Port of Huangpu in China, while bullion has been sold locally. Sales revenue for the quarter was A$3.1 million (£1.3 million). Concentrate stocks at the end of the quarter totalled 35 tonnes. It is anticipated that there will be three shipments in the next quarter, totalling 870 tonnes and 419 ounces of gold free of concentrate.

B) PRODUCTION

Operating performance is summarised in the table below:

	3 mths ended 30.9.06	3 mths ended 31.12.06*	3 mths ended 31.3.07	3 mths ended 30.6.07
Concentrate (tonnes)	Nil	215 tonnes concentrate (56% Sb) and 158 g/t Au	361 tonnes concentrate (54% Sb) and 95 g/t Au	457 tonnes concentrate (57% Sb) and 94 g/t Au
Gold (oz)	Nil	717	374	410

*Includes the processing of ore stock piled in anticipation of the plant start up.

Ramp up to target production rates has been hampered by poor ground conditions, equipment and manpower shortages. Tom de Vries, the new Managing Director, is undertaking a comprehensive review of the mine plan and strategy.

C) EXPLORATION

Drilling focused on northern extensions of the Augusta resource with 20 holes drilled for a total 1,813 metres. The drilling was targeted to trace the E Lode, currently being mined at Augusta, to the north of present workings and to define New Vein mineralization east of the northern extension of E Lode.

The drilling showed E Lode extends north to the old South Costerfield workings and is narrow near surface but thickens at depth.

Best intercepts in E Lode North are:

- **MH114: 0.70m @ 35.9g/t gold and 39.3% antimony**
- **MH118: 0.80m @ 38.1g/t gold and 17.7% antimony**
- **MH120: 0.50m @ 43.7g/t gold and 18.5% antimony**

Three holes drilled into the New Vein structure, 70 metres west of E Lode North, confirms two near vertical high grade lodes. So far, they have been confirmed only over 20 metres but drilling is continuing to define the extent of the New Vein system. The best intercepts in New Vein are:

- **MH121: 0.80m @ 29.5g/t gold and 2.5% antimony**
- **MH122: 1.0m @ 48.6g/t gold and 28.8% antimony and 1.1m @ 62.8g/t gold and 52.8% antimony.**

Exploration will continue with one drill rig, focused on expanding the present mining resource. Some limited drill testing of targets in the exploration leases will also be undertaken to meet expenditure commitments. Priority will be given to targets close to existing operations. In house assessment is continuing of resources outlined in the earlier Brunswick drilling program (carried out in late 2006) in conjunction with independent mining consultants.

D) BUSINESS DEVELOPMENT

AGD has shareholdings in Vulcan Resources (ASX:VCN) and Asian Mineral Resources (TSX-V:ASN). Vulcan is an Australian-based company evaluating a polymetallic copper-cobalt-zinc deposit and exploring nickel in Finland and Asian Mineral Resources is a Canadian company which holds the Ban Phuc nickel deposit in Vietnam.

The market value of the holdings at 30 June 2007 was A$37.56 million compared with a cost of A$10.41 million.

The share prices of both companies improved along with metal prices during the quarter while Vulcan announced encouraging drilling results from the Kylylahti copper-cobalt deposit and progressed its feasibility study on the development of a mine and processing plant.

Note: the information relating to AGD as set out in this report as it relates to geology and exploration results was compiled by Mr Ray Hazeldene, MAusImm, MAIG, who is a geologist employed by AGD and has 25 years experience in the minerals industry and the activities being reported on. Mr. Hazeldene is a Competent Person as described in Appendix 5A to the ASX Listing Rules and in the AIM Rules and consents to the inclusion of this information in the form and context in which it appears in this report)

ENERGY

The Group's non-coal energy interests are held by Xtract Energy Plc ("Xtract") (including in Cambrian Oil & Gas plc ("COIL"), Wasabi Energy Limited (ASX: WAS) ("Wasabi") and Aviva Corporation Limited (ASX: AVA)).

1) XTRACT ENERGY (AIM:XTR)

During the quarter Xtract announced the appointment of Andy Morrison as its new CEO. Andy has over 25 years experience in the energy and related services sectors, most recently with BOC Group as a Group Director for New Business Development. Prior to BOC Andy was employed by BG Group and Shell in various strategic and business development roles.

On 23 April 2007, the scheme of arrangement between COIL and its shareholders became effective and COIL is now a wholly owned subsidiary of Xtract.

Xtract increased its holding in ASX listed MEO Australia Limited ("MEO") through the exercise of 28,598,157 A$0.25 options. Xtract, via COIL, now holds approximately 23% of the issued capital of MEO, with a market value of A$96.3 million (£41.3 million) as at 24 July 2007.

MEO holds a 12,070 square kilometre petroleum exploration permit off the coast of Australia's Northern Territory and is planning a three well exploration programme expected to commence in September 2007. MEO recently announced that Petrofac Resources Limited has farmed into the exploration permit. Petrofac will meet 25% of the well costs associated with the 2007 appraisal drilling program to earn a 10% interest in the Permit and has an option to increase this farm-in interest to 15% by funding 37.5% of the well costs.

During the quarter MEO also raised A$41.25 million under a placement to Australian and European professional and sophisticated investors. The offer was heavily over-subscribed.

Xtract's oil shale processing technology development activities and oil exploration and production activities in Central Asia are ongoing.

CAMBRIAN CORPORATE

In May the Board of Cambrian was pleased to announce the appointment of Mark Burridge as Chief Executive of the Company, who has over 17 years experience in the metals and mining sector. He started full time on 1 July and succeeded John Byrne, who is now the Executive Chairman. Charles de Chezelles, previously the Non-Executive Chairman of Cambrian, became a Non-Executive Director.

In June, Cambrian further strengthened its board by the appointment of Mr Thomas (Ted) Button as a Non-Executive Director of the Company. Ted Button has 30 years experience in the international mining and metals industry, principally gained with Rio Tinto.

Cambrian has successfully applied to the ASX for the Company to be removed from the ASX official list, with effect from 7 September 2007. The costs associated with maintaining the ASX listing of Chess Depository Interests ("CDIs") are substantial relative to the number of CDIs on issue and the daily average volume traded on ASX. The board of Cambrian believes that these costs outweigh the limited benefits of the listing to Cambrian, its shareholders, and specifically its Australian-based shareholders.

OUTLOOK

Cambrian's producing assets are expected to continue with their increasing production trend over the next year. The financing of both Coal International and WCCC will support these companies going forward. Cambrian hopes to build on the opportunities that the synergies between Falls Mountain and WCCC provide, and aims to continue to actively improve prospects on all our assets. With a positive outlook for coal prices, the opportunity will be to capitalise on this to turn our growing production profile into returns for shareholders. In the background we are also making some changes in management and reporting systems to pave the way for continued development of the business. It is our objective going forward to foster a closer working relationship with our key subsidiaries and associates, to divest of non core holdings and to simplify the group structure, which will further improve our outlook.

Mark Burridge
Chief Executive Officer

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