

### **Coal production commences as part of accelerated development program**

**20th July 2006:** Forum Energy plc, the AIM-quoted energy group operating in the Philippines, is pleased to announce the start of production from its Naga coal mine operations in Central Cebu.

First sales are targeted for August and a further four shafts at Naga are planned to raise production to circa 300,000 tonnes a year by the end of 2008.

Newly-appointed Forum Chief Executive Russell Harvey commented:

“The commencement of coal production represents a major step forward in providing early cash flow. The coal development has been accelerated to take advantage of the infrastructure which has already been put in place. This will maximise value to shareholders and at today’s prices the predicted revenues from Naga based upon conservative production figures, will yield approximately US\$12m per year by the end of 2008. A similar development programme at Dalaguete, our Southern Cebu coal contract, is planned for 2007. This is also anticipated to generate comparable revenues at peak production”

“We see this initial development of our reserves as the start of a continuing revenue generating operation. With this in mind Forum has already applied for two additional coal production licences in the Naga area”

#### **For further information please contact:**

Russell Harvey, Chief Executive, Forum Energy plc:	+44 (0)1932 445 344
Mark Froggatt, Noble & Company Ltd:	+44 (0)20 7763 2200
Ian Foster, First City Financial Public Relations:	+44 (0)20 7436 7486
	+44 (0) 7739 185 050