

Weatherly International plc ('Weatherly' or the 'Company')**Operational Update****Heads of Agreement for Loan Facility****1 December 2008**

On 19 November 2008 Weatherly announced that in response to the recent decline in world copper prices, it had taken various actions to lower costs including the closure of the Tsumeb West and Matchless Mines and was reviewing its remaining operations.

The Board announces today that following the conclusion of its review the decision has been taken to suspend operations at the Company's remaining mines, Otjihase and Tschudi and to place them on care and maintenance. Copper prices have declined from approximately US\$ 8400/t in July 2008 to present prices of around \$3,700/t. Consensus forecasts do not indicate there will be a recovery in the medium term. Taking into account the costs of operation, Weatherly's mining operations at current and forecast near term copper prices lack sustainable economic viability. Production will continue until Christmas at which time approximately 630 employees will be made redundant.

The Tsumeb smelter will continue to operate under the control of Weatherly's subsidiary, Namibia Custom Smelters ('NCS'). Since the smelter's revenues are derived primarily from processing fees, it is not directly affected by the volatile copper price and will continue to process ore sourced internationally. Currently, the smelter is able to treat 150,000 tonnes of concentrate per year. The commissioning of an oxygen plant in 2009 will increase this capacity by 60%.

The Board also announces that today it has entered into heads of agreement ('HOA') with Dundee Precious Metals ('DPM') and another party for a five year US\$11 million first ranking secured loan facility. DPM has agreed to pay NCS US\$1 million which will be offset against the final joint facility which is subject to due diligence and the completion of final loan agreements and security documentation. This is expected to be completed by mid December 2008. The funds provided by the loan facility will be used to fund the expansion and ongoing requirements of the Tsumeb Smelter.

The terms of the HOA include proposed modifications to the terms of existing three year contracts for the supply of imported concentrates. The proposed modifications include the extension of these contracts to 2013 and the requirement for NCS to process copper concentrates provided by DPM and the other party.

In order for the Company to enter into final loan agreements effecting the terms of the HOA, it will be necessary for the Company to renegotiate certain terms of its existing convertible loan notes issued in May 2008. These negotiations are currently underway.

On 14 November 2008, trading in the Company's ordinary shares on the AIM Market was suspended pending further investigation of a potential claim against the Company from a third party in relation to an alleged, previously unknown financial obligation. This trading suspension will remain in place while this claim continues to be investigated and pending the

conclusion of the negotiations referred to above to conclude definitive loan agreements effecting the terms of the HOA.

Enquiries:

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