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Coal

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Fording recommends rejection of Sherritt offer

Sherritt International Corp

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Shares issued 97,712,000

Nov 5 2002 close \$ 80.75

Wednesday November 6 2002

News Release

See Fording Inc (FDG) News Release

Mr. Richard Haskayne of Fording reports

**FORDING INC. BOARD OF DIRECTORS ISSUES CIRCULAR
RECOMMENDING ...**

Fording has filed its director circular with securities regulators and will be mailing it to its shareholders. The circular contains the unanimous recommendation of Fording's board of directors that shareholders reject and not tender their Fording common shares to the cash offer by Sherritt Coal Acquisition Inc. to purchase all of the outstanding Fording common shares at \$29.00 per share. Fording's shares closed on the Toronto Stock Exchange yesterday at \$32.60 per share.

"The board of directors continues to be of the view that the proposed income trust conversion announced by the company on Monday, Oct. 21, 2002, is in the best interests of the shareholders and offers superior value in comparison to the offer. Further, the decision to pursue the conversion to an income trust does not preclude other value-enhancing alternatives that Fording's board and its financial advisers will continue to canvass and evaluate," said Richard Haskayne, chairman of Fording's board of directors.

In reaching its decision and making its recommendation to reject the offer, the board considered a number of factors, including the following:

since the announcement of the offer and Fording's proposed income trust conversion, Fording's common shares have traded between \$30.25 and \$33.00 per share, exceeding the offer price by a significant margin;

the opinion of RBC Capital Markets that the consideration under the offer is inadequate;

the conclusion of the board that the offer is not fair to holders of common shares and does not recognize the underlying value, record of performance and future prospects of Fording;

advice from RBC Capital Markets that the proposed conversion of Fording into an income trust is superior, from a financial point of view, to the offer;

the conclusion of the board that the conversion of Fording into an income trust is superior to the offer;

the offer is highly leveraged and is dependent on proceeds from loan facilities and a sale of Fording's assets. The board is concerned that Sherritt Coal Acquisition Inc. may not have committed financing to take up and pay for common shares deposited to the offer;

the offer contains materially inadequate disclosure regarding the offeror's plans for Fording;

the offer is highly conditional;

the letter of transmittal accompanying the offer contains certain unfavourable terms and seeks to extinguish shareholders' rights to vote by proxy common shares tendered to the offer at future meetings of the company. This would include the shareholders' meeting regarding the conversion of Fording into an income trust;

the offer was opportunistically timed to take advantage of a decline in the value of common shares; and

there is uncertainty regarding whether completion of the offer would be permitted under the Competition Act (Canada) and, if so, on what terms.

Shareholders are advised not to tender their common shares to the offer.

Furthermore, in light of the highly conditional nature of the offer and its attempt to extinguish certain shareholders' rights to vote their common shares by proxy prior to take up and payment, shareholders are urged not to tender their common shares to the offer, in any event, until after the meeting of shareholders at which Fording's conversion into an income trust will be considered.

The information circular regarding the conversion of Fording into an income trust will be mailed to shareholders later this month.

Mr. Haskayne concluded by saying: "The board of directors continues to canvass and evaluate value enhancing alternatives, in addition to conversion into an income trust, in order to maximize shareholder value. Our financial adviser, RBC Capital Markets, has begun the process of contacting potentially interested purchasers in order to determine if a superior alternative transaction is available to shareholders."

A conference call to discuss the recommendation of the directors will be held for shareholders and analysts today, Nov. 6, 2002, at 2:30 p.m. MT, 4:30 p.m. ET. Richard Haskayne, chairman, and Jim Gardiner, president and chief executive officer, will host the call, and they will be joined by Jim Popowich, executive vice-president, and Allen Hagerman, vice-president and chief financial officer. The media are invited to participate in a listen-only mode.

To participate in the conference call, please dial 1-800-814-4857 or 416-640-1907 approximately 10 minutes prior to the call. An archived recording of the call will be available shortly after the completion of the call through Thursday, Nov. 7, 2002, by dialling 1-877-289-8525 or 416-640-1917 and entering pass code 219879 followed by the pound key.

A live audio Webcast of the conference call will also be available at Fording's Web site www.fording.ca under investor relations, event calendar.

WARNING: The company relies upon litigation protection for "forward-