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News Release

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Merger discussions between Western Canadian Coal Corp. and Cambrian Mining Plc

This announcement does not constitute an announcement of a firm intention to make an offer under Rule 2.5 of the City Code on Takeovers and Mergers (“UK Takeover Code”) and there can be no certainty that any offer to acquire Cambrian Shares, as defined below, will ultimately be made, even if the pre-conditions are satisfied or waived. Any offer will be subject to the UK Takeover Code.

Vancouver, BC, 23 December 2008: Today the independent directors of **Western Canadian Coal Corp. (AIM: WTN and TSX: WTN, WTN.DB, WTN.WT)** (“Western” or the “Company” and the “Western Independent Directors”) and the independent directors of Cambrian Mining plc (AIM: CBM) (“Cambrian” and the “Cambrian Independent Directors”) reached an agreement in principle in respect of certain key terms for the possible acquisition by Western of the whole of the issued and to be issued ordinary share capital of Cambrian (the “Proposal”). Under the Proposal, the acquisition may be effected by means of a scheme of arrangement or takeover offer (either, an “Offer”).

SUMMARY OF PROPOSAL

Under the Proposal holders of ordinary shares of 20 pence each in Cambrian (“Cambrian Shareholders” and “Cambrian Shares”) will receive 0.75 common shares in Western (“Western Shares”) for every 1 Cambrian Share held.

The Proposal values the entire issued ordinary share capital of Cambrian at approximately £28.8 million and each Cambrian Share at 24.375 pence based on the closing price of one Western Share of 32.5 pence on 23 December 2008, being the last dealing day prior to this announcement. This represents a premium of approximately 47.7 per cent to the closing price of a Cambrian Share of 16.5 pence on 15 December 2008, being the last dealing day prior to the commencement of the Cambrian offer period under the UK Takeover Code.

Cambrian currently holds 72.3 million Western Shares and CDN\$34 million of convertible debt and loans in Western.

Mark Burridge, CEO of Cambrian commented: “This is an important step for Cambrian Shareholders in our transformation to become a fully-fledged operating entity. A business combination with Western offers the opportunity to combine two sets of quality assets and personnel, creating a company with the ability not just to survive the current economic climate but also to build shareholder value for the long term.”

John Hogg, President and CEO of Western Canadian Coal Corp. commented: “The merger of Western and Cambrian is a transaction that creates a financially strong company with a diversified base of coal assets. The inclusion of the West Virginia high quality hard coking and thermal coal sales into the US markets will help diversify Western’s metallurgical coal international markets. Considering the combined management talents and financial strength that each company brings, we believe this will create a stronger platform to grow both organically and through further acquisitions. This will create an enlarged company that can better endure the current economic uncertainty and position itself for future growth and potential for the enlarged company to achieve more together than each company would on its own.”

RATIONALE FOR THE PROPOSAL

The proposed business combination would result in a company with a diversified portfolio of assets, including:

- 100% ownership of three coal mines and two wash plants in North Eastern British Columbia (Canada) with reported production for the year ended 30 June 2008 of 2.8 million tonnes of metallurgical coal;
- 100% ownership of two coal mines and two wash plants in West Virginia (USA) with reported production for the year ended 30 June 2008 of 0.4 million short tons of metallurgical coal and 0.6 million short tons of thermal coal;
- The combined entity has future coal production potential of up to 10 million tonnes per annum from existing assets;
- 50.6% interest in Energybuild Group plc (AIM: EBG), an AIM traded company with reported production for the year ended 30 June 2008 of 0.1 million tonnes of thermal coal and sized coal in Wales (UK);
- 20% interest in NEMI Northern Energy & Mining Inc. (TSX: NNE.A);
- 100% ownership of a gold and antimony mine in Victoria (Australia) with reported production for the year ended 30 June 2008 of 7,550 ounces of gold and 920 tonnes of antimony; and
- 45% interest in Xtract Energy Plc (AIM: XTR), an AIM traded company which identifies and invests in a diversified portfolio of early stage energy sector technologies and businesses.

PRE-CONDITIONS OF THE PROPOSAL

The making of any offer under the Proposal is subject to, *inter alia*, the following pre-conditions:

- (i) the satisfactory completion of confirmatory due diligence (including technical, legal, tax and financial) by the boards of both Cambrian and Western on each other’s respective assets;
- (ii) the refinancing of the existing indebtedness of the Cambrian group with Investec, to Western’s satisfaction;
- (iii) Western and/or Cambrian (as the case may be) obtaining any consents required under any existing contractual arrangements or otherwise (including shareholder, regulatory and bank consents), to Western’s satisfaction;
- (iv) irrevocable undertakings to support and/or to accept any such offer in a form satisfactory to Western being received in respect of not less than a percentage to be agreed between Western and Cambrian of the issued share capital of Cambrian;
- (v) each Cambrian director providing an irrevocable undertaking in a form satisfactory to Western, in respect of his or her shareholdings, to support and to accept any such offer;
- (vi) a unanimous recommendation from the Cambrian Board that Cambrian Shareholders accept any such offer; and

- (vii) since 30 June 2008, and save as otherwise disclosed prior to the date of this letter, no event, change or condition having occurred or become known to Western where that would have or could be reasonably expected to have a material adverse effect on the business, assets, liabilities, trading or financial position, profitability or prospects of Cambrian.

The Board of Western reserves the right to:

- (i) vary the form and/or mix of consideration in respect of any such offer that may be made;
- (ii) waive any of the pre-conditions to the making of any such offer;
- (iii) (with the consent of the Panel) apply additional pre-conditions to the making of any such offer; and
- (iv) structure any transaction to implement any such offer by way of a scheme of arrangement or a takeover offer.

The pre-conditions must be satisfied or waived before an offer can be made.

This announcement does not amount to a firm intention to make an offer and, accordingly, there can be no certainty that any offer will be made even if the pre-conditions are satisfied or waived.

This announcement does not constitute an announcement of a firm intention to make an offer under Rule 2.5 of the UK Takeover Code and there can be no certainty that any offer to acquire Cambrian Shares will ultimately be made, even if the pre-conditions are satisfied or waived.

The Directors of Cambrian accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the Directors of Cambrian (who have taken all reasonable care to ensure that such is the case), the information relating to Cambrian contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Teathers, which is a trading name of Straumur-Burdaras Investment Bank hf. (“Teathers”) which is a public limited company, listed in Iceland and is authorised and regulated by the Fjármálaeftirlitið (The Financial Supervisory Authority, Iceland) and subject to limited regulation by the Financial Services Authority in the UK, is acting for Cambrian and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Cambrian for providing the protections afforded to customers of Teathers nor for providing advice in relation to the matters referred to in this announcement.

The Directors of Western accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the Directors of Western, (who have taken all reasonable care to ensure that such is the case), the information not relating to Cambrian contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Cenkos Securities plc (“Cenkos”), is acting for Western and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Western for providing the protections afforded to customers of Cenkos nor for providing advice in relation to the matters referred to in this announcement.

Disclosure in accordance with Rule 2.10 of the UK Takeover Code

In accordance with Rule 2.10 of the UK Takeover Code, Western confirms that it has 209,715,935 common shares each without par value in issue. The ISIN code for the shares is CA9578601093.

In addition, Western has 70,938 debentures due 24 March 2011 convertible into 17,734,500 common shares at any time prior to maturity issuable at a conversion price of C\$4.00 per common share quoted on the TSX (the ISIN code for these debentures is CA957860AA75) and 20,465 debentures due 30 November 2010 convertible into 27,047 common shares at any time prior to maturity at a conversion price of C\$0.75 per common share which are not quoted.

Western also has a loan due 15 July 2011 which can be converted into 6,666,667 common shares at any time prior to maturity.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the UK Takeover Code, if any person is, or becomes, "interested" (directly or indirectly) in 1% or more of any class of "relevant securities" of Western or of Cambrian, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Western or Cambrian, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the UK Takeover Code, all "dealings" in "relevant securities" of Western or of Cambrian by Western or Cambrian, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the UK Takeover Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

Advisors

The Board of Directors of Western has established a special committee (the "Western Committee") of directors that are independent of Cambrian to consider, negotiate and make a recommendation regarding the transaction to the Western board of directors. The Western

Committee has engaged Cormark Securities Inc. to provide it with financial advice with respect to the transaction, including formal valuations of Western and Cambrian. Genkos Securities plc is the Company's nominated advisor (NOMAD), broker and financial advisor. Lawson Lundell LLP and Reynolds Porter Chamberlain LLP are acting as external legal counsel to Western. Fraser Milner Casgrain LLP is acting as legal counsel to the Western Committee.

The Board of Directors of Cambrian has established an independent committee ("Cambrian Committee") of directors that are independent of Western to consider, negotiate and make a recommendation regarding the transaction to Cambrian's Shareholders. The Cambrian Committee has engaged Teathers (the Company's nominated advisor (NOMAD)) to provide it with financial advice with respect to the transaction, including formal valuations of Western and Cambrian. Goodmans LLP in Canada and Trowers & Hamblins LLP in the UK are acting as external legal counsel to Cambrian.

About Cambrian Mining Plc

Cambrian Mining Plc is a diversified mining group, headquartered in London, UK. Cambrian operates in three continents and produces four commodities. The Group produces metallurgical coal, thermal coal, gold and antimony from four locations; West Virginia USA, Western Canada, Wales and Victoria, Australia. Cambrian's customers are located in Asia, Western Europe and USA. Cambrian actively looks for growth through acquisitions and organic development. For more information, visit www.cambrianmining.com.

About Western Canadian Coal Corp

Western Canadian Coal Corp. produces high quality metallurgical coal from mines located in north eastern British Columbia. The coal is sold to many of the top steelmakers in the world. Western also has interests in various coal properties in northern and southern British Columbia and a 50% interest to explore and develop the Belcourt and Saxon group of properties in northern British Columbia. Currently, these properties provide the company with an estimated 15 years of coal reserves at current production levels. For more information, visit www.westerncanadiancoal.com.

Note: One tonne (metric) is 1,000 kg. One ton (short) is 907.2 kg. Therefore, one tonne is approximately one ton multiplied by 1.102.

Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information includes, but is not limited to, information concerning the proposed business combination between Western and Cambrian and matters relating thereto. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Assumptions upon which such forward-looking information is based include, without limitation, that the shareholders of Western and Cambrian will approve the Proposal, that all required third party, court, regulatory and governmental approvals to the Proposal will be obtained and all other conditions to the making of any offer and/or the completion of the Proposal will be satisfied or waived. Many of these assumptions are based on factors and events that are not within the control of Western and Cambrian and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include changes in market conditions, variations in coal recovery rates, risks relating to international operations, fluctuating coal prices and currency exchange rates, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, the business of the companies not being integrated successfully or such integration proving more difficult, time consuming or costly than expected as

well as those risk factors discussed in the Annual Information Form for the year ended March 31, 2008 for Western available on www.sedar.com and the June 30, 2008 Annual Report for Cambrian. Although Western and Cambrian have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Western and Cambrian undertake no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

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