



Western Canadian Coal

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News Release

WESTERN CANADIAN COAL AGREES TO PROVIDE LOAN FACILITY TO CAMBRIAN MINING

Vancouver, B.C. January 1, 2009 – Western Canadian Coal Corp (TSX: WTN, WTN.WT and WTN.DB and AIM: WTN) (the “Company” or “Western”) announces that it has entered into an agreement dated December 31, 2008, pursuant to which Western will make available a loan facility on a secured basis (the “Loan”) of up to US\$36 million to Cambrian Investment Holdings Limited (“CIH”), a wholly-owned subsidiary of Cambrian Mining Plc (AIM: CBM) (“Cambrian”), the Company’s major shareholder. The Loan will be used to repay CIH’s existing indebtedness under a financing facility with Investec Bank (UK) Limited.

The Loan will be available to Cambrian immediately subject to and upon satisfaction or waiver of the conditions set out in the loan agreement. These include the obtaining of all necessary regulatory approvals and lender consents and documentation and opinions satisfactory to Western (including without limitation that the loan and the security are in accordance with and/or are not contrary to any applicable laws or restrictions, including those restricting companies within the Cambrian group from providing financial assistance in connection with the proposed acquisition of the shares in Cambrian (*see December 24, 2008 press release*)). CIH shall pay a fee of US\$600,000 in connection with the Loan. The Loan shall accrue interest at a rate of 12% per annum until repayment and shall become payable in full on the earlier of (i) 90 days after the delivery of a written notice from Western to CIH that Western has failed to obtain the necessary approvals of its shareholders for the proposed business combination (*see December 24, 2008 press release*) and (ii) December 31, 2009.

The conditions contained within the Loan are such that there can be no assurance that monies will be advanced under the Loan and the market will be updated accordingly.

Cambrian and its wholly-owned subsidiaries, Deepgreen Minerals Corporation Ltd. and CIH, currently hold approximately 72.1 million shares, representing approximately 34% of the issued shares of the Company. In addition, Mr. John Byrne, Chairman of the Company, is also a Director and Chairman of Cambrian and Mr. John Conlon, a director of the Company is also a director of Cambrian.

As Cambrian is a substantial shareholder of the Company, the provision of the Loan to the Company is deemed to be a related party transaction under Canadian securities laws and under AIM rules. The directors of the Company, other than Messrs. Byrne and Conlon, having consulted with Cenkos Securities plc, the Company’s nominated adviser (NOMAD), consider that the terms of the Loan are substantially similar to what would be provided to an arm’s length party and that the transaction is fair and reasonable in so far as the shareholders of the Company are concerned.

Western has also entered into a conditional agreement with Cambrian relating to the CDN\$5 million loan facility provided by Cambrian to Western in September 2007, pursuant to which Cambrian has agreed to accept prepayment in full of the indebtedness outstanding under the

loan facility. The Loan of up to US\$36 million between Western and Cambrian will be reduced by any prepayment of the 2007 Loan Facility. Cambrian also holds CDN\$29 million of Western's 7.5% convertible debentures.

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.

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. Cenkos 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.

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

Western Canadian Coal Corp. produces high quality metallurgical coal from mines located in the northeast of British Columbia. The coal is sold to many of the top steelmakers in the world. The Company 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 BC. Currently, these properties provide the company with an estimated 15 years of coal reserves at current production levels. For more information, please visit www.westerncanadiancoal.com

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. As noted the conditions within the Loan mean there can be no assurance that monies will be advanced under the Loan. 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.

For further information:

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