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News Release

WTN09-33

WESTERN COAL COMPLETES SALE OF AGD MINING

Vancouver, B.C. December 3, 2009 – Western Coal Corp (TSX: WTN, WTN.WT and WTN.DB and AIM: WTN) (“Western” or “Company”), announces that it has completed the sale of AGD Mining Pty Ltd (“AGD”) to Mandalay Resources Corporation (TSXV: MND) (“Mandalay”). The sale also includes Mandalay acquiring the outstanding intercompany loans owing by AGD to the Western group of companies. AGD owns and operates the Costerfield gold and antimony mine in Australia.

In consideration for all of the issued and outstanding ordinary shares of AGD and the intercompany loans, Western received (i) 44 million common shares of Mandalay at a price of \$0.25 per share, (ii) warrants to acquire an aggregate of 40 million Mandalay common shares for a period of five years, of which 50% have an exercise price of \$0.31 per share and 50% have an exercise price of \$0.465 per share and (iii) a promissory note in the principal amount of \$1.5 million. The promissory note bears interest at 7% per annum and matures December 1, 2010.

Western has granted a group of private placement investors, some of who are related parties to Western, an option expiring November 30, 2010 to purchase up to 16.0 million of the common shares it owns in Mandalay at a price of \$0.31 per share. In addition, the Company has granted an option expiring September 25, 2011 to Plinian Capital Ltd, a company controlled by Brad Mills, the Chief Executive Officer of Mandalay, to purchase up to 24.7 million of the common shares Western owns in Mandalay at a price of \$0.25 per share.

Currently, Western owns 44 million common shares of Mandalay which represents approximately 46.6% of Mandalay’s total common shares outstanding. If all the warrants are exercised, and if all the options that Western has granted are exercised, Western would have received \$6.2 million of cash and own 43.3 million common shares of Mandalay, which represents approximately 25.9% of the total common shares outstanding in Mandalay.

Western owns approximately 18% of Arcourt Resources NL (“Arcourt”), a private holding company. Arcourt owns approximately 10.1 million shares of Mandalay or approximately 10.7%.

This press release is issued pursuant to National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, which requires an early warning report to be filed on SEDAR (www.sedar.com) containing additional information with respect to the foregoing matters.

About Mandalay

Mandalay Resources is a Canadian-based natural resource company with assets in-production. The Company is focused on executing a roll-up strategy which involves aggregation of gold and copper projects, creating critical mass through the acquisition of near-term or in-production assets in Australia and the Americas. For more information visit www.mandalayresources.com

About Western

Western is a producer of high quality metallurgical and thermal coal from mines located in northeast British Columbia (Canada) and West Virginia (USA). The mines have the capacity to produce 7 million tonnes per year and have over 20 years of coal reserves. Western also owns a 50.6% interest Energybuild (EBG: AIM) which produces high quality anthracite and thermal coal in South Wales (UK). Other interests owned include a 45% interest in Xtract Energy (XTR: AIM) and a 20% interest in NEMI Northern Energy & Mining (NNE.A: TSX). The Company is headquartered in Vancouver, BC, Canada, and trades on the AIM and TSX stock exchanges under the symbol "WTN". More information can be found at www.westerncoal.com

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