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Western Coal

News Release ***WTN09-31***

WESTERN CANADIAN COAL ANNOUNCES FISCAL SECOND QUARTER 2010 RESULTS

Vancouver, B.C., November 13, 2009 – Western Coal Corp. (TSX: WTN, WTN.DB & WTN.WT and AIM: WTN) ("Western" or the "Company") announces its operating results for the three and six month period ended September 30, 2009. On sales of $107.6 million, the Company earned $2.2 million or earnings per share of $0.01 on a basic and diluted basis for the second quarter 2010. For the six month period ending September 30, 2009, the Company earned on sales of $183.3 million, net income of $5.6 million or earnings per share of $0.02 on a basic and diluted basis.

Operating highlights for the fiscal second quarter:

- The acquisition of Cambrian Mining Plc ("Cambrian") closed on July 13, 2009. The Company has consolidated the results of the operations from Cambrian from July 14, 2009.
- Earned consolidated income from mining operations of $10.4 million.
- The Canadian Operations:
    - 42% higher shipments and 23% higher production volumes when comparing Q2-2010 to Q1-2010.
    - 30% lower coal prices in Q2-2010 than Q1-2010 which is a result of not selling any coal year 2008 carry-over tonnage, not having any spot sales, and the impact of the stronger Canadian dollar in relation to the US dollar in the second quarter 2010.
    - The Canadian dollar strengthened by an average of 8% from first quarter 2010 to second quarter 2010, which reduced sales by approximately $6.1 million.
    - Cash costs (cost of products sold plus transportation costs), on a per unit basis, were $100 per tonne or 13% lower than in Q1-2010.
- The US Operations contributed to the current quarter's results, earning operating margins of 18%.

Other highlights in the second quarter include:

- Oversubscription of a $60 million equity fundraising which closed August 2009.
- Continued strong financial position with net working capital over $120 million, debt to equity at 0.40, and cash in the bank of $94.6 million.
- Announcement of plans to grow the current production base from 7 million tonnes of installed capacity to 10 million tonnes.

- Announcement of changes that strengthen and deepen the management team with Keith Calder as President and Chief Executive Officer, Craig Dirk as Chief Operations Officer, Canadian Operations and Braam Jonker as Chief Financial Officer.

Mr. John Hogg, President and Chief Executive Officer of Western Coal Corp. comments,

“We continue to make strong progress on lowering our mining costs to the lowest level in years. The lower cost structure will ensure we generate even higher returns for our shareholders in an environment of higher coal prices next year. We continue to meet the increasing demand from our customers; considering the strong demand, constrained supply conditions and the impact of the weaker US dollar, we expect next year’s coal contract prices to be significantly higher. Layer in our plans to aggressively grow our operations and reduce our costs, and we are quickly delivering on our plans to become a premium mid-tier international coal company.”

“I would also like to highlight our employees at our US Operations for earning the very prestigious Sentinel of Safety Award and the Joseph Holmes Safety Certificate of Honor. Since the current operations at West Virginia have been restarted in 2006, each operation has earned at least one major safety award. Likewise, the team at the Willow Creek Mine earned the Stewart O’Brian Safety Award, which marks the sixth consecutive year that one of the Canadian operations has earned a major prestigious safety award. I congratulate the employees and management teams at these award winning operations.”

The Company has updated operational guidance for the remainder of fiscal 2010 and expects to generate improved cash flows from increased shipments and lower costs than it achieved in the first half of fiscal 2010. The Company now expects to ship 1.3 to 1.4 million tonnes from the Canadian operations at a sales price of US$115 to US$118 per tonne with cash costs (FOB) of C$95 to C$100 per tonne for the second half of fiscal 2010. For the same six month period, the Company expects the US operations to ship 650,000 short tons of coal at an average price of US$80 to US$85 per short ton with average cash costs (FOB) of US$70 to US$75 per short ton.

News Release

This news release is prepared as at November 12, 2009 and should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2009 and notes contained therein, and Management's Discussion and Analysis (MD&A) for the same period. This news release does not constitute a MD&A as contemplated by relevant securities rules. Western Coal Corp.'s Second Quarter Report and MD&A for the three and six months ending September 30, 2009 are available on SEDAR at www.sedar.com under the Company’s profile.

Financial Summary - unaudited:

(In thousands of Canadian dollars, except tonnes and per share data)	**September 30, 2009**	**March 31, 2009**
Cash & cash equivalents	$ 94,598	$ 74,853
Amounts receivable	64,570	40,080
Inventory	49,704	62,376
Total current assets	212,993	217,943
Total assets	790,853	662,337
Current liabilities	$ 92,100	$ 72,304
Long-term liabilities	129,128	124,625
Non-controlling interests	16,374	-
Shareholders' equity	553,251	465,408
Total liabilities and shareholders' equity	790,853	662,337
Current ratio (current assets/current liabilities)	2.31	3.01
Debt to equity ratio (total debt/shareholders' equity)	0.40	0.42

	Three months ending September 30,		**Six months ending September 30,**	
	2009	2008	2009	2008
Revenue	$ 107,637	$ 167,455	$ 183,335	$ 297,848
Cost of goods sold	97,266	85,546	153,315	162,963
Income from mining operations	10,371	81,909	30,020	134,885
Other expenses	7,858	13,284	17,859	29,339
Income tax recovery (expense)	(352)	(23,878)	(6,612)	(1,094)
Non-controlling interests	197	-	197	-
Equity (loss) related to equity investment	(172)	-	(172)	-
Net income	$ 2,186	$ 44,747	$ 5,574	$ 104,452
Earnings per share, basic	$ 0.01	$ 0.26	$ 0.02	$ 0.67
Earnings per share, diluted	$ 0.01	$ 0.24	$ 0.02	$ 0.61

Results of Operations

The results of the operations are reported in the following segments:

Canadian Operations

In thousands of Canadian dollars unless otherwise noted	**Three months ended September 30, 2009**	Three months ended September 30, 2008	**Six months ended September 30, 2009**	Six months ended September 30, 2008
Financial Excerpts				
Revenues	**$ 75,585**	$ 167,455	**$ 151,283**	$ 297,848
Cost of goods sold	**70,342**	85,546	**126,391**	162,963
Income from mining operations	**$ 5,243**	$ 81,909	**$ 24,892**	$ 134,885
Production (tonnes):				
Hard coking coal	**327,000**	315,000	**686,000**	655,000
Low-vol PCI coal	**173,000**	282,000	**220,000**	556,000
Total Production	**500,000**	597,000	**906,000**	1,211,000
Sales (tonnes):				
Hard coking coal	**370,000**	273,000	**672,000**	631,000
Low-vol PCI coal	**248,000**	327,000	**381,000**	552,000
Total Sales	**618,000**	600,000	**1,053,000**	1,183,000
Per unit:				
Coal price realized	**$ 122**	$ 279	**$ 144**	$ 252
Coal price realized (USD)	**$ 111**	$ 268	**$ 126**	$ 245
Cost of goods sold				
Cost of product sold	*$ 71*	*$ 95*	*$ 77*	*$ 93*
Transportation and other	*$ 29*	*$ 37*	*$ 29*	*$ 33*
Depletion, amortization and accretion	*$ 14*	*$ 11*	*$ 14*	*$ 12*
	$ 114	$ 143	**$ 120**	$ 138

The impact of the global economic recession has resulted in a 55% decrease in revenues from the second quarter 2010 to second quarter 2009, which is reflected in both the decrease in sales price realized partially offset by a higher sales volume. The decrease in sales price is a result of lower coal contract prices for fiscal 2010, which are US$126 per tonne for hard coking coal and US$90 per tonne for ultra-low volatile PCI, compared to US$300 per tonne and US$248 per tonne, respectively, for fiscal 2009. The decrease in sales price realized during the current quarter is partially offset by the strengthening of the US dollar against the Canadian dollar. The average US dollar/Canadian dollar exchange rate for the three month period ended September 30, 2009 was $1.10, compared to $1.04 in the comparable period in the prior year.

For the three month period ended September 30, 2009, total production was 97,000 tonnes lower than in the comparable period in the prior year due to a reduction in the production rates at the Canadian operations in response to the economic downturn.

Production of hard coking coal increased 12,000 tonnes when comparing the three month period ended September 30, 2009 to the three month period ended September 30, 2008. Despite a smaller workforce at the Company's Wolverine mine, the increase is attributable to an improvement in equipment availabilities, increased overall productivity within the mine, and a lower waste strip ratio (waste bank cubic metres to clean coal produced), which fell 22%.

Production of low-vol PCI coal from the Brule mine decreased 109,000 tonnes when comparing the three month period ended September 30, 2009 to the three month period ended September 30, 2008, which is a reflection of lower demand for the PCI product.

The 20% decrease in the per unit costs of goods sold from $143 per tonne during the quarter ended September 30, 2008 compared to $114 per tonne during the current period is mainly attributable to the Wolverine mine. The Wolverine mine's per unit cost of goods sold decreased 42%, which was a result of improvements in equipment availabilities, an increase in overall productivity, a 22% decline in the stripping ratio, and the replacement of the mining contractor on May 18, 2009 with the direct hire of Western Coal employees to operate and manage the pit operations. A reduction in fuel costs and rail fuel surcharges contributed to the decrease. The Brule mine's per unit cost of goods sold remained the same in fiscal second quarter 2009 as compared to the same quarter in 2008.

US Operations

In thousands of Canadian dollars unless otherwise noted	**Three months ended September 30, 2009**	Three months ended September 30, 2008	**Six months ended September 30, 2009**	Six months ended September 30, 2008
Financial Excerpts				
Revenues	**$ 27,338**	$ -	**$ 27,338**	$ -
Cost of goods sold	**22,433**	-	**22,433**	-
Income from mining operations	**$ 4,905**	-	**$ 4,905**	-
Production (short tons*):				
Metallurgical coal	**102,000**	-	**102,000**	-
Thermal coal	**202,000**	-	**202,000**	-
Total Production	**304,000**	-	**304,000**	-
Sales (short tons):				
Metallurgical coal	**95,000**	-	**95,000**	-
Thermal coal	**182,000**	-	**182,000**	-
Total Sales	**277,000**	-	**277,000**	-
Per unit:				
Coal price realized	**$ 99**	$ -	**$ 99**	$ -
Coal price realized (USD)	**$ 92**		**$ 92**	
Cost of goods sold	**$ 81**	$ -	**$ 81**	$ -

1 short ton = 0.907 tonnes

On July 13, 2009, the Company acquired the US coal operations, which consist of the Maple and Gauley Eagle coal mines. The results of the US coal operations are included in the Company's results from July 14, 2009.

Revenues for the three month period ended September 30, 2009 reflects the sale of 277,000 short tons at a realized price of $99 per short ton or US$92 per short ton. 89% of sales were to customers in the US.

Cost of goods sold for the three months ended September 30, 2009 reflect a unit cost of $81 per short ton. Cost of goods sold, excluding depletion, amortization and accretion was $71 per short ton which is in line with the expected cash production costs. During the period, a liability of approximately $500,000 was recorded as a result of voluntary disclosures relating to violations of the West Virginia/National Pollution Discharge Permits for violations prior to 2007.

UK Operations

In thousands of Canadian dollars unless otherwise noted	**Three months ended September 30, 2009**	Three months ended September 30, 2008	**Six months ended September 30, 2009**	Six months ended September 30, 2008
Financial Excerpts				
Revenues	**$ 3,044**	$ -	**$ 3,044**	$ -
Cost of goods sold	**2,781**	-	**2,781**	-
Income from mining operations	**$ 263**	-	**$ 263**	-
Production (tonnes):	**29,000**	-	**29,000**	-
Sales (tonnes):	**31,000**	-	**31,000**	-
Per unit:				
Coal price realized	**$ 99**	$ -	**$ 99**	$ -
Coal price realized (£)	**£ 55**	$ -	**£ 55**	$ -
Cost of goods sold	**$ 90**	$ -	**$ 90**	$ -

On July 13, 2009, the Company acquired a 50.6% interest in Energybuild Group Plc which owns the Aberpergwm underground mine and the Nant Y Mynydd open-cast coal site. The results of the UK coal operations are included in the Company's results from July 14, 2009.

Revenues for the three month period ended September 30, 2009 reflects the sale of 31,000 tonnes at a realized price of $99 per tonne or £55 per tonne.

Cost of goods sold for the three months ended September 30, 2009 reflect a unit cost of $90 per tonne.

AGD Mining Pty Ltd.

In thousands of Canadian dollars unless otherwise noted	**Three months ended September 30, 2009**	Three months ended September 30, 2008	**Six months ended September 30, 2009**	Six months ended September 30, 2008
Financial Excerpts				
Revenues	**$ 1,670**	$ -	**$ 1,670**	$ -
Cost of goods sold	**1,710**	-	**1,710**	-
Income from mining operations	**(40)**	-	**(40)**	-

On July 13, 2009, the Company acquired the Costerfield gold and antimony mine based in Victoria, Australia, owned by AGD Mining Pty, Ltd, a wholly owned subsidiary of the Company. The results of this operation is included in the Company's results from July 14, 2009. This mine is currently in the process of being disposed of.

Other expenses

Other expenses, for the three and six months ended September 30, 2009 include the following:

In thousands of Canadian dollars unless otherwise noted	**Three months ended September 30, 2009**	Three months ended September 30, 2008	**Six months ended September 30, 2009**	Six months ended September 30, 2008
General and administration	**$ 7,463**	$ 5,409	**$ 11,888**	$ 10,354
Sales and marketing	**3,128**	884	**4,250**	2,174
Coal exploration	**1,057**	385	**2,360**	948
Interest, accretion and financing fees on liabilities	**3,603**	6,828	**6,245**	16,587
Other (income)	**(7,393)**	(222)	**(6,884)**	(724)
Total other expenses	**$ 7,858**	$ 13,284	**$ 17,859**	$ 29,339

General and Administration

For the three month period ended September 30, 2009, general and administration costs have increased $2,054,000, or 38%, over the prior comparable period. Of this increase, $2,917,000 relates to costs from July 14, 2009 to September 30, 2009, of the Cambrian group. The largest portions of these costs relate to salaries, benefits and other remuneration ($1,768,000), and legal and audit ($515,000). During the three month period, there was also an increase in stock based compensation of $618,000 as a result of stock options that were issued during the first quarter of fiscal 2010. The increase from the new general, administration and selling costs and the stock-based compensation is partially offset by a decrease in consulting costs of $1,213,000.

Sales and Marketing

For the three month period ended September 30, 2009, sales and marketing costs have increased $2,244,000 or 254%, over the prior comparable period. Of these increases, $2,422,000 relates to sales and marketing costs of the Cambrian group from July 14, 2009 to September 30, 2009, which is based on a percentage of sales. These costs are expected to be incurred on a go forward basis. This increase was partially offset by a decrease in the sales and marketing costs at the Canadian operations as a result of lower sales prices.

Coal Exploration and Other Mine Maintenance Costs

Coal exploration and other mine maintenance costs for the three month period ended September 30, 2009, increased to $1,057,000, from $385,000 in the comparable period in the prior year. This increase is a result of the Willow Creek mine being put on care and maintenance at the beginning of the third quarter of fiscal 2009. Care and maintenance expenses for the Willow Creek mine are expected to continue until the Company recommences production.

Interest, Accretion and Financing Fees on Liabilities

For the three month period ended September 30, 2009, interest, accretion and financing fees on liabilities were $3,603,000 compared to $6,828,000 for the three month period ended September 30, 2008. This decrease is due to the conversion into equity of some of the Company’s convertible debentures and the repayment of certain liabilities during the prior fiscal year, resulting in lower debt levels, partially offset by interest on the debt assumed through the acquisition of Cambrian.

Other Expenses (Income)

In thousands of Canadian dollars unless otherwise noted	**Three months ended September 30, 2009**	Three months ended September 30, 2008	**Six months ended September 30, 2009**	Six months ended September 30, 2008
Foreign exchange losses	**$ 11,106**	$ 157	**$ 16,320**	$ 176
Gain on redemption of convertible debentures	**(4,155)**	-	**(4,155)**	-
Unrealized gain on forward exchange contracts	**(12,324)**	-	**(15,504)**	-
Interest income	**(2,020)**	(325)	**(3,513)**	(562)
Other income	**-**	(54)	**(32)**	(338)
	(7,393)	(222)	**(6,884)**	(724)

For the three month period ended September 30, 2009, realized foreign exchange losses increased due to the strengthening of the Canadian dollar compared to the US dollar. The gain on redemption of convertible debentures relates to the extinguishment of the Company's own convertible debentures acquired as part of the Cambrian acquisition. The unrealized gain on forward exchange contracts for the three month period ended September 30, 2009 relates to the Company's outstanding foreign currency contracts. Interest income has increased due to the Company carrying higher cash balances during the three months ended September 30, 2009.

Non-Controlling Interests

For the three month period ended September 30, 2009, the Company recognized non-controlling interest of $197,000 which relates to the remaining 49.6% interest in Energybuild not owned by the Company.

Equity (Loss) Related to Equity Investment

For the period from July 14, 2009 to September 30, 2009, the Company recognized an equity loss of $172,000, which reflects an estimate of the Company's 45% share of the net loss of Xtract.

Net Income

Net income for the three month period ended September 30, 2009 was $2,186,000 compared to $44,747,000 for the comparable period in the prior year. The current period's net income reflects: an income from mining operations of $10,371,000; other expenses totalling $7,858,000; non-controlling interest income of $197,000; equity loss of $172,000; and an income tax expense of $352,000.

The major impact on the net income for the three month period ended September 30,2009 was the lower sales price realized in fiscal 2010 compared to fiscal 2009.

Market Outlook

The Company has seen an increase in the demand for its metallurgical coal products, resulting from recent strength in the steel sector, led by China and South Korea. In China specifically, imports of coking coal from January to September 2009 are in excess of 25 million tonnes (against 7 million tonnes in 2008) and are expected to reach 35 million tonnes for the calendar year 2009. Stabilization in European and Brazilian steel output has added to the increased demand for our product.

In the longer term, the market fundamentals for metallurgical coal are expected to continue to improve, which will provide continued opportunity for the Company. The Company's Wolverine hard coking coal forms a key blend component with many of the world's leading steel mills, while the Brule mine ULV-PCI coal is consistently ranked among the top PCI coals worldwide. These high quality and high demand coals, in conjunction with the region's highly efficient rail and port infrastructure with excess capacity, continue to provide the Company a competitive advantage to continue to grow and diversify its customer base.

The Company's West Virginia operations have seen increased market demand for its metallurgical quality coals. Contracted metallurgical coal shipments are expected to increase by 45% during the second half of fiscal 2010. Second half 2010 thermal coal shipments are expected to approximate first half shipments. It is expected that increased metallurgical coal demand will enable some of the premium thermal coal produced at Gauley Eagle to be sold into the high-vol metallurgical coal market during the second half of fiscal 2010. Production capacity is already in place at the Gauley Eagle and Maple mines to meet the increased demand for the Company's metallurgical coal.

Guidance

Canadian Operations

For the remaining six months of fiscal 2010, the Company expects to produce between 1,200,000 and 1,300,000 tonnes of metallurgical coal from its two operating mines in Canada. This consists of the Wolverine operations producing 850,000 to 900,00 tonnes of hard coking coal and the Brule mine producing approximately 350,000 to 400,000 tonnes of ULV-PCI coal.

The Company expects to ship in the remaining six months of fiscal 2010 between 1,300,000 and 1,400,000 tonnes of metallurgical coal, which will consist of 850,000 to 900,000 tonnes of hard coking coal and 450,000 to 500,000 tonnes of ULV-PCI. These expected low-vol PCI sales reflect a drawdown of inventory stockpiles. This guidance is dependent upon the continued demand of the Company's customers, clean coal production at the mines, rail service and vessel arrivals.

All of the Company's current fiscal 2010 coal production is under contract for sale to international steel producers. Contracted coal prices for fiscal 2010 are approximately US$126 per tonne for hard coking coal and US$90 per tonne for its ULV-PCI coal. Since coal deliveries during fiscal 2010 will include certain quantities of fiscal 2009 carryover tonnages, the average selling prices for coal to be delivered in fiscal 2010 are expected to be in the range US$115 to US$118 per tonne, which reflects average pricing for both hard coking coal and ULV-PCI coal, as well as carryover tonnages at fiscal 2009 prices. As at September 30, 2009 there is 153,000 tonnes carry-over coal left to ship.

Expected cash cost of production (FOB) at the Canadian operations is expected to be $95 to $100 per tonne for the remainder of fiscal 2010.

The Company has entered into foreign currency contracts totaling 75% of sales or US$157,300,000 at September 30, 2009 to help manage the uncertainty of foreign exchange fluctuations in the market. The contracts mature each month through to April 2010. They are at an average rate of C$1.1693 per US$1.00. Subsequent to September 30, 2009, the Company entered into a series of forward exchange contracts to fix the rate at which future anticipated cash flows of US dollars are exchanged into Canadian dollars. Such contracts include forward sales of US dollars at an average rate of 1.05, in the aggregate amount of US$93,000,000 from May 2010 to the end of October 2010.

US Operations

The Company expects to produce and sell for the remaining six months of fiscal 2010 approximately 650,000 short tons of coals from its mines in West Virginia. This consists of 435,000 short tons of thermal coal and 215,000 short tons of coking coal.

For the remainder of fiscal 2010 average cash production costs at the US operations are expected to be approximately US$70 to US$75 per short ton with expected average coal sales price realizations of approximately US$80 to US$85 per short ton.

Conference Call

The Company will be hosting a conference call to discuss those results at 10:00am (Vancouver) November 13, 2009. To participate in the call, please dial either 416-644-3415 or 1-877-974-0448. For replay access please dial either 416-640-1917 or 1-877-289-8525 and enter passcode 4180574#.

The call will be webcast live and will be available at www.westerncoal.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), 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

Forward-Looking Information

This release may contain forward-looking statements that may involve risks and uncertainties. Such statements relate to the Company's expectations, intentions, plans and beliefs. As a result, actual future events or results could differ materially from those suggested by the forward-looking statements. Readers are referred to the documents filed by the Company on SEDAR. Such risk factors include, but are not limited to changes in commodity prices; strengths of various economies; the effects of competition and pricing pressures; the oversupply of, or lack of demand for, the Company's products; currency and interest rate fluctuations; various events which could disrupt the Company's construction schedule or operations; the Company's ability to obtain additional funding on favourable terms, if at all; and the Company's ability to anticipate and manage the foregoing factors and risks. Additionally, statements related to the quantity or magnitude of coal deposits are deemed to be forward-looking statements. The reliability of such information is affected by, among other things, uncertainties involving geology of coal deposits; uncertainties of estimates of their size or composition; uncertainties of projections related to costs of production; the possibilities in delays in mining activities; changes in plans with respect to exploration, development projects or capital expenditures; and various other risks including those related to health, safety and environmental matters.

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