



Western Canadian Coal

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WTN-09-07

News Release

WESTERN CANADIAN COAL ACHIEVES ANOTHER RECORD QUARTER

Vancouver, B.C., February 12, 2009 – Western Canadian Coal Corp. (TSX: WTN, WTN.DB & WTN.WT and AIM: WTN) (the “Company”) announces its operating results for the three and nine month period ended December 31, 2008. During this period, the Company’s financial position continued to strengthen as a result of strong cash flow from operations. Net income for the third quarter of fiscal 2009 was \$62.5 million or earnings per share of \$0.30 and \$0.29, on a basic and diluted basis, respectively. For the nine month period ending December 31, 2008, the Company has earned net income of \$167.0 million or earnings per share of \$0.96 and \$0.84 on basic and diluted basis, respectively.

Income from mining operations increased to \$94.2 million in the third quarter of fiscal 2009. This compares to the loss from mining operations of \$7.9 million in the similar period of the previous year and income from mining operations of \$81.9 million in the second quarter of fiscal 2009. The increase over the third quarter of fiscal 2008 was achieved primarily as a result of higher coal prices realized from the current coal year contracts and favourable foreign exchange rates, which resulted in coal sales of \$176.6 million.

Coal shipments for the third quarter of fiscal 2009 were 513,000 tonnes or 26% lower than the same quarter of 2008 and 15% lower than the second quarter of fiscal 2009. The average realized price of \$344 per tonne in the current quarter was 330% higher than the same quarter of 2008 and 23% higher than the second quarter of 2009. All of the Company’s coal sold in the third quarter of fiscal 2009 was sold at approximately US\$300 per tonne for hard coking coal and US\$248 per tonne for ultra low-volatile PCI (“ULV-PCI”) coal. Favourable exchange rates also aided to the improved prices realized from the sale of the Company’s coal in this quarter over previous quarters. The lower shipment levels are a result of lower production levels and customer orders being deferred into subsequent quarters. No customers have cancelled their current coal year contracts.

Coal production for the third quarter of fiscal 2009 was 609,000 tonnes or 22% lower than the same quarter of 2008 and 2% higher than the second quarter of 2009. Cash costs in the third quarter 2009 were \$146 per tonne as compared to \$131 and \$81 per tonne in the second quarter 2009 and third quarter 2008, respectively. While the Wolverine operation continues to struggle to release the coal, productivity (total bank cubic metres of materials handled per day) continues to improve. During the current quarter, total spending was lower than expected due to the 8-day production curtailment taken at the Wolverine and Brule mines over the December holidays; however cash costs per tonne have increased due to continued high stripping ratios. Brule continues to meet all productivity expectations.

Due to the global economic uncertainties, the near-term demand for metallurgical coal has declined which has resulted in a build-up of inventory levels in the industry. The Company has developed a cash preservation plan which includes reviewing for the remainder of fiscal 2009 and beyond, all discretionary capital expenditures, all non-discretionary spending to contain mining costs and deferring future projects. To date, this has resulted in suspension of

development at the Willow Creek mine, reducing production levels at the Brule mine to an annual run-rate of 750,000 tonnes per year, and providing notice at the Wolverine operations to employees of a possible curtailment of operations after May 18, 2009. The Company has also given notice to its mine contractor that after May 18, 2009, the operations of the Wolverine mine will be conducted by the Company, further reducing costs. Future operating rates at the mines will be made once future coal prices and sale commitments have been established.

The balance sheet of the Company continues to strengthen. As at December 31, 2008 the Company's working capital position improved by \$183.0 million to a positive working capital position of \$110.7 million when compared to March 31, 2008. Also, the Company's debt to shareholders' equity ratio has improved to 0.51 from 2.81 during this period.

Mr. John Hogg, President & CEO of Western Canadian Coal Corp. comments, "Given the tremendous uncertainty for the demand of metallurgical coal for the next coal year and the resultant price, to remain competitive we are working hard to reduce costs and increase productivity as fast as we can. Until then, we intend to preserve the strength of our balance sheet, ensure we remain flexible to meeting our customer's needs and opportunistically grow the Company."

News Release

This news release is prepared as at February 12, 2009 and should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2008 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 Canadian Coal Corp.'s Unaudited Interim Consolidated Financial Statements and MD&A for the three and nine months ending December 31, 2008 are available on SEDAR at www.sedar.com under the Company's profile and on the Company's website at www.westerncanadiancoal.com.

Financial Summary - unaudited:

The information set out below has been extracted from the Unaudited Interim Consolidated Financial Statements of Western Canadian Coal Corp. for the three and nine months ended December 31, 2008.

<i>(In thousands of Canadian dollars, except tonnes and per share data)</i>	December 31, 2008	March 31, 2008
Cash & cash equivalents	\$ 77,433	\$ 14,137
Accounts receivable	54,657	11,418
Inventory	46,793	24,173
Total current assets	180,149	54,552
Total assets	628,648	453,324
Current liabilities	\$ 69,458	\$ 126,891
Convertible debentures	61,263	140,411
Other long-term liabilities	80,325	67,032
Shareholders' equity	417,602	118,990
Total liabilities and shareholders' equity	628,648	453,324
Current ratio (current assets/current liabilities)	2.59	0.43
Debt to equity ratio (total debt/shareholders' equity)	0.51	2.81

	Three months ending December 31,		Nine months ending December 31,	
	2008	2007	2008	2007
Tonnes sold	513,000	693,000	1,696,000	2,178,000
Revenue	\$ 176,561	\$ 55,132	\$ 474,409	\$ 177,198
Cost of goods sold	82,410	63,064	245,373	202,633
Income (loss) from mining operations	94,151	(7,932)	229,036	(25,435)
Other expenses	3,849	13,331	33,188	29,371
Income tax expense	27,824	-	28,918	13,380
Net income (loss)	\$ 62,478	\$ (21,263)	\$ 166,930	\$ (68,186)
Earnings (loss) per share, basic	\$ 0.30	\$ (0.18)	\$ 0.96	\$ (0.62)
Earnings (loss) per share, diluted	\$ 0.29	\$ (0.18)	\$ 0.84	\$ (0.62)

Included in the above balances and results are the Company's proportionate share of its interest in the results from the Belcourt Saxon joint venture.

Revenues

For the three month period ended December 31, 2008, total sales revenues were \$176,561,000 from the sale of 513,000 tonnes of coal. The average price per tonne realized during the period was \$344 or US\$279.

For the three month period ended December 31, 2007, total sales revenues were \$55,132,000 from the sale of 693,000 tonnes of coal. The average price per tonne realized during the period was \$80 or US\$81.

The primary reason for the 220% increase in the Company's total revenues over the comparable period in the prior year is the increase in sales price realized and the strengthening of the US dollar, although this was offset by a lower sales volume. The increase in sales price is a result of higher coal contract prices. The average exchange rate of the US dollar in relation to the Canadian dollar in the three month period ended December 31, 2008 was \$1.23 compared to \$0.98 in the comparable period in the prior year.

Cost of goods sold

Cost of goods sold for the three months ended December 31, 2008, including costs of product, transportation, and depletion, amortization and accretion charges totaled \$82,410,000 or approximately \$161 per tonne compared to \$63,064,000 or approximately \$91 per tonne in the third quarter of fiscal 2007. Cost of goods sold includes cost of production, transportation, and depletion, amortization and accretion charges as presented in the table below:

<i>(In thousands of Canadian dollars)</i>	Three months ending December 31, 2008		Three months ending December 31, 2007	
		\$/tonne		\$/tonne
Cost of product sold	\$ 59,510	\$ 116	\$ 38,762	\$ 56
Transportation and other	15,252	30	17,194	25
Depletion, amortization and accretion	7,648	15	7,108	10
Total cost of goods sold	\$ 82,410	\$ 161	\$ 63,064	\$ 91

The per unit cost of product sold in the third quarter fiscal 2009 increased 108% as compared to the third quarter fiscal 2008. This is due to lower coal production volumes from the Company's Perry Creek Mine which was caused by higher stripping ratios, chronic labour shortages, and a lower coal yield experienced as a result of the areas being mined. Lower coal production volume also is attributed to the mines being closed for a 8 days during December 2008. Higher equipment rental costs, higher fuel and explosives costs and higher mining contractor costs also impacted the costs during the period.

Transportation and other costs has increased due to an increase in contract transportation rates and higher fuel costs. Also, the increase can be attributed to a significant increase in the rail fuel surcharge and the implementation of the British Columbia Provincial Carbon Tax.

Depletion, amortization and accretion charges increased due to the additional depletion, amortization and accretion charges related to the Perry Creek mine assets that were acquired or brought into production or commissioned during the last nine months of fiscal 2008.

For the third quarter 2008, cash costs, which consist of cost of product and transportation costs, which is considered a key performance indicator for the industry, were \$146 per tonne compared to \$81 per tonne for the quarter ended December 31, 2007.

Income from mining operations

Income from mining operations for the three months ended December 31, 2008 was \$94,151,000 or 53% of sales. This compares favourably to the \$7,932,000 loss from mining operations in the three months ending December 31, 2007.

Other expenses

Other expenses, for the quarter ending December 31, 2008, were \$3,849,000 and include the following:

<i>(In thousands of Canadian dollars)</i>	Three months ending December 31,	
	2008	2007
General, administration and selling	\$5,532	\$ 3,805
Coal exploration and other mine costs	4,276	1,809
Interest and financing fees on long-term debt	2,948	5,491
Unrealized gain on forward exchange contracts	(3,403)	-
Other (income) expense	(5,504)	2,226
Total other expenses	\$3,849	\$ 13,331

General, administration and selling costs for the three month period ended December 31, 2008 increased by \$1,727,000 or 45% over the same period in the prior fiscal year. The increase is primarily due to an increase in salaries, benefits and other remuneration and sales and marketing costs. The increase in salaries, benefits and other remuneration expenses are based on changes to the Company's compensation programs. Sales and marketing expenses, which are a function of coal sales, have increased due to the higher sales price received on the Company's coal in the second quarter of fiscal 2009 when compared to fiscal 2008.

Coal exploration and other mine costs for the three month period ended December 31, 2008, including the Company's proportionate share of expenses recorded by the Belcourt Saxon Coal

Limited Partnership ("the Partnership") of \$295,000, increased to \$4,276,000 from \$1,809,000 in the same period in the prior fiscal year.

For the three months ended December 31, 2008, coal exploration costs consisted of \$295,000 for the Partnership and \$557,000 for other properties whereas in the prior comparable period, the costs consisted of \$191,000 for the Partnership, \$1,442,000 for the Willow Creek Mine and \$176,000 for other properties. The decrease in coal exploration costs for the Willow Creek Mine relate to the acquisition of FMC and the capitalization of all costs subsequent to the acquisition as it is moved from the development stage to production stage. Coal exploration costs include property development expenditures, field programs, consultants, coal license and lease payments, engineering, environmental costs and other project administration expenses. Exploration costs are charged to earnings in the quarter in which they are incurred, except where these costs related to specific properties for which economically recoverable reserves have been established, in which case they are capitalized.

Care and maintenance costs for the three months ended December 31, 2008 were \$280,000 and relate to the carrying costs for the Willow Creek Mine. Previously, the costs at the Willow Creek Mine were being capitalized as pre-production costs.

Demobilization costs for the three months ended December 31, 2008 were \$3,144,000 and relate to the cost the Company incurred for the demobilization of various contractors as part of the temporary suspension of the development of the Willow Creek Mine.

For the three month period ended December 31, 2008, interest, accretion and financing fees on liabilities was \$2,948,000 compared to \$5,491,000 in the same period in the prior fiscal year. This decrease is due to the conversion of the Company's convertible debentures and repayment of other liabilities.

For the three month period ended December 31, 2008, the Company recorded \$3,403,000 of unrealized gains relating to its outstanding forward currency contracts. At December 31, 2007, the company did not have any forward currency contracts outstanding.

Other income/expenses amounted to \$5,504,000 for the three month period ended December 31, 2008 as compared to \$2,226,000 in the prior year. Other income/expenses for the three month period ended December 31, 2008 consisted of \$5,379,000 of foreign exchanges gains and \$449,000 of interest income offset by \$252,000 of realized forward currency contract losses and \$72,000 of other expenses. Other income/expense for the three month period ended December 31, 2007 consisted of \$2,746,000 of realized forward exchange losses offset by \$229,000 of interest income and \$291,000 of miscellaneous income.

Net Income

Net income for the three month period ended December 31, 2008 was \$62,478,000 compared to a net loss of \$21,263,000 for the same period in the prior fiscal year. The net income reflects the previously discussed changes to Income from mining operations and Other expenses and an income tax expense of \$27,824,000 reflecting a current income tax expense of \$12,042,000 and a future income tax expense of \$15,782,000.

Market Outlook

All of the Company's current fiscal 2009 coal production is under contract for sale at approximately US\$300 per tonne for hard coking coal and US\$248 per tonne for its ULV-PCI coal. At the time of the fiscal 2009 coal price negotiations, the US/Canadian dollar exchange rate was at parity. In October 2008, the Company entered into foreign currency contracts totaling US\$338 million to help manage the uncertainty of foreign exchange fluctuations in the market. The contracts were for approximately 65% of the Company's remaining coal sales in fiscal 2009. The contracts mature each month through to April 2009. They are at an average rate of C\$1.2319 per US\$1.00. In January 2009, as a result of the lower than expected sale volumes for the fourth quarter, the Company closed US\$145 million of forward sale contract for a realized gain of C\$4.9 million. The remaining contracts of US\$74 million are at an average rate of C\$1.237 per US\$1.00 and mature monthly until April 2009.

The current economic downturn has resulted in significant cutbacks in steel production on the part of our customers. This in turn has affected the short term demand for metallurgical coal, leading to production cutbacks at our operations. The Company believes the economic stimulus packages introduced by governments around the world will be beneficial to increased steel production and therefore increase the demand for metallurgical coal.

Subject to the world economies improving, in the longer term, the Company believes that the market fundamentals for metallurgical coal will provide substantial opportunity to further increase market diversity and market share. The Company's Wolverine hard coking coal is now firmly established as a blend component with the world's leading steel mills. The Company's Brule Mine ULV-PCI coal is consistently ranked in the top three PCI coals worldwide. These coals, in conjunction with highly efficient rail and port infrastructure with excess capacity, continue to provide the Company a strategic advantage to grow and diversify.

Guidance

The Company's Wolverine hard coking coal and Brule Mine ULV-PCI coals have been sold to major steel mills throughout Asia and Europe. Long term supply agreements have been concluded with top tier steel mills for the next three to five years.

For the fourth quarter of 2009, the Company expects to produce approximately 560,000 tonnes to 600,000 of coal and have sales of approximately 370,000 to 480,000 tonnes. The average sales price should be approximately US\$250 per tonne in the fourth quarter.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities during the nine month period ended December 31, 2008 resulted in a net increase to cash of \$63,296,000. As at December 31, 2008, the Company's cash balance stood at \$77,433,000 (including the Company's share of the Partnership's cash of \$51,000) and working capital was \$110,691,000. The increase in the coal prices for fiscal 2009 is the primary reason for the Company's working capital levels.

For the nine month period ended December 31, 2008, the Company had positive cash flow of \$251,121,000 on coal sales of \$474,409,000 before depletion, amortization and accretion and working capital changes, while for the nine month period ended December 31, 2007, a cash flow deficit of \$3,068,000 on coal sales of \$177,198,000.

As at December 31, 2008, the Company had not drawn into its short-term credit facility. In January 2009, the credit facility was reduced from \$50 million to \$30 million.

Conference Call

The Company will be hosting a conference call to discuss the third quarter 2009 operating results at 8:00am (PST) on February 13, 2009. To participate on the call, dial either 1-800-732-6179 or 416-644-3418. The call will also be webcast live on the Company's website at www.westerncanadiancoal.com.

Profit Estimate

As the Company is currently in an offer period, for the purposes of the UK City Code on Takeovers and Mergers (the "Code"), the unaudited results for the three and nine month period ending December 31, 2008 represents a profit estimate. It is a requirement of the Code that the profit estimate be reported on by the Company's auditors and financial advisers in the terms set out in Rule 28 of the Code. The basis of the preparation of this profit estimate, the assumptions on which it is based, and the text of the letters from the Company's auditors and financial advisers are set out below.

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. 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. Many of these assumptions are based on factors and events that are not within the control of Western 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 operations, fluctuating coal prices and currency exchange rates, changes in project parameters, the possibility of 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. Although Western has 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 undertakes 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.

WESTERN CANADIAN COAL CORP.

"John Hogg", President and Chief Executive Officer

For further information:

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February 12, 2009

The Board of Directors
Western Canadian Coal Corp.
Suite 900, 580 Hornby Street
Vancouver, BC V6C 3B6

Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

Dear Sirs:

We report on the unaudited results of the Western Canadian Coal Corp. consolidated with its subsidiaries (the "Company") for the three and nine month periods ended December 31, 2008 and the basic and diluted earnings per share of the Company for the three and nine months ended December 31, 2008 (together, the "Unaudited Financial Information"). The Unaudited Financial Information and the basis on which it is prepared are included in the Company's third quarter unaudited interim results issued by the Company on February 12, 2009 (the "Document").

This report is required by Rule 28.3(b) of the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers (the "City Code") and is given for the purpose of complying with that rule and for no other purpose. Accordingly, we assume no responsibility in respect of this report to Cambrian Mining Plc (the "Offeree") or to any person connected to, or acting in concert with, the Offeree or to any other person who is seeking or may in future seek to acquire control of the Company (an "Alternative Offeror") or to any other person connected to, or acting in concert with, an Alternative Offeror.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Unaudited Financial Information in accordance with the requirements of the City Code. In preparing the Unaudited Financial Information the Directors are responsible for correcting errors that they have identified which may have arisen in unaudited financial results and unaudited management accounts used as the basis of preparation for the Unaudited Financial Information.

It is our responsibility to form an opinion as required by Rule 28.3(b) of the City Code as to the proper compilation of the Unaudited Financial Information and to report that opinion to you.



Save for any responsibility under Rule 28.3(b) of the City Code to any person as and to the extent therein provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 28.4 of the City Code, consenting to its inclusion in the Document.

Basis of Preparation of the Unaudited Financial Information

The Unaudited Financial Information has been prepared on the basis stated in the unaudited interim financial results for the three and nine months ended December 31, 2008 issued by the Company on February 12, 2009.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information for the three and nine months to December 31, 2008 included in the Unaudited Financial Information has been prepared and considering whether the Unaudited Financial Information has been accurately computed using that information and whether the basis of accounting used is consistent with the accounting policies of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Unaudited Financial Information has been properly compiled on the basis stated.

However the Unaudited Financial Information has not been audited. The actual results reported, therefore, may be affected by revisions required to accounting estimates due to changes in circumstances, the impact of unforeseen events and the correction of errors in the interim financial results. Consequently we can express no opinion as to whether the actual results achieved will correspond to those shown in the Unaudited Financial Information and the difference may be material.

Our work has not been carried out in accordance with auditing standards generally accepted in Canada and accordingly should not be relied upon as if it had been carried out in accordance with those standards.

Opinion

In our opinion, the Unaudited Financial Information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Company.

Yours very truly,

PricewaterhouseCoopers LLP

Chartered Accountants

Cenkos Securities plc
6.7.8 Tokenhouse Yard
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February 12, 2009

Board of Directors
Western Canadian Coal Corp.
Suite 900, 580 Hornby Street
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Dear Directors:

We refer to the estimate (the 'Profit Estimate') comprising of the revenue and profit from continuing operations for the period 1 April 2008 to 31 December 2008 for Western Canadian Coal Corp. (the 'Company').

The Profit Estimate and the basis on which it is prepared is set out in the Company's Third Quarter Results announcement (the 'Third Quarter Results').

We have discussed the Profit Estimate, together with the basis on which it is prepared, with the Company and with PricewaterhouseCoopers LLP.

We have also considered the letter dated 5 February 2009 addressed to the Company from PricewaterhouseCoopers LLP regarding the accounting policies and calculations upon which the Profit Estimate is based.

This letter is provided in compliance with Rule 28.3(b) of The City Code on Takeovers and Mergers and may be included in the Third Quarter Results solely for the purposes of that Rule.

On the basis of the foregoing, we consider that the Profit Estimate, for which the directors of the Company are solely responsible, has been made with due care and consideration and after due and careful enquiry by the Company.

Yours faithfully,

Cenkos Securities plc