

WESTERN COAL ANNOUNCES FISCAL THIRD QUARTER 2010 RESULTS

Vancouver, B.C., February 8, 2010 – Western Coal Corp. (TSX: WTN, WTN.DB & WTN.WT and AIM: WTN) (“Western” or the “Company”) announces its operating results for the three and nine month period ended December 31, 2009. On sales of \$118.7 million, the Company earned \$24.0 million or earnings per share of \$0.10 on a basic basis for the third quarter 2010. For the nine month period ending December 31, 2009, the Company earned on sales of \$302.0 million, net income of \$29.6 million or earnings per share of \$0.13 on a basic and diluted basis.

Despite the lower price environment for coal and lower sales volumes both of which are a result of the economic downturn in fiscal 2010 when compared to fiscal 2009, the Company has been successful in reducing its per unit cash costs. Western has also been able to maintain a strong financial position through the global economic recession while continuing to invest in the business.

Key operating points for the fiscal third quarter:

- Consolidated revenues of \$118.7 million were 10% higher than fiscal second quarter 2010, partially due to 175,000 tonnes of coal sold at previous coal year prices
- Consolidated income from mining operations of \$37.8 million or a margin of 32%
- Continued lower costs with Canadian operations cash costs (cost of product sold plus transportation costs) at \$96 per tonne which was 4% lower than the previous quarter; US operations cash costs of US\$66 per short ton or 7% lower than the previous quarter
- Approximately 260,000 tonnes of low volatile PCI and hard coking coal scheduled for shipment in December 2009 were delayed, due to the late arrival of two ships, to the first week of January 2010
- Commenced operations on a permit for Maple Coal surface mine which increases reserves of marketable tons to over 10 million short tons, which is a 67% increase in the Maple surface reserves

Other key points for the fiscal third quarter:

- Continued strong financial position with cash in the bank as at December 31, 2009 of \$150.1 million or \$55.5 million more than September 30, 2009
- Approved \$23.9 million investment for six 250-tonne haul trucks and front-end loading equipment at the Wolverine mine. The new equipment, which is expected to arrive in Q1-2011 as the mines increase production rates, will replace eight 150-tonne trucks, which could be redeployed at Brule and Willow Creek. Overall productivity and costs should improve at the mines which will allow the Company to take advantage of the strengthening coal markets
- Sold AGD Mining Pty on November 30, 2009 for a gain of \$7.0 million
- Commenced a share buy-back program on December 17, 2009. No shares have been purchased on this program as at the date of this release

- Participated in the Energybuild Group Plc fundraising which increased the Company's ownership to 55%. The funds were raised to grow Energybuild's operations
- Further strengthening of the Board with the appointment of Owen Ryan on December 7, 2009
- Appointment of Keith Calder as Director, President and Chief Executive Officer on December 1, 2009

Mr. Keith Calder, President and Chief Executive Officer of Western Coal Corp. comments,

"I am quite excited for the Company's future. We have come out of the global economic recession with a lower and improved cost structure, which combined with the increasing demand for the Company's products and higher coal prices into the future, means Western is well positioned to generate higher shareholder returns. Our strategy will be to take advantage of these improved conditions to grow and expand our business which will further bolster our competitive position."

News Release

This news release is prepared as at February 8, 2010 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 Third Quarter Report and MD&A for the three and nine months ending December 31, 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)*

	December 31, 2009		March 31, 2009					
Cash & cash equivalents	\$	150,146	\$	74,853				
Amounts receivable		26,257		40,080				
Inventory		60,755		62,376				
Total current assets		242,162		217,943				
Total assets		836,111		662,337				
Current liabilities	\$	99,072	\$	72,304				
Long-term liabilities		134,871		124,625				
Non-controlling interests		25,841		-				
Shareholders' equity		576,327		465,408				
Total liabilities and shareholders' equity		836,111		662,337				
Current ratio (current assets/current liabilities)		2.44		3.01				
Debt to equity ratio (total debt/shareholders' equity)		0.41		0.42				
		Three months ending	Nine months ending					
		December 31,	December 31,					
		2009	2008	2009	2008			
Revenue	\$	118,662	\$	176,561	\$	301,997	\$	474,409
Cost of goods sold		80,912		82,410		234,227		245,373
Income from mining operations		37,750		94,151		67,770		229,036
Other (expenses)		(6,908)		(3,849)		(24,767)		(33,188)
Income tax (expense)		(7,743)		(27,824)		(14,355)		(28,918)
Non-controlling interests		(111)		-		86		-
Equity earnings		1,042		-		870		-
Net income	\$	24,030	\$	62,478	\$	29,604	\$	166,930
Earnings per share, basic	\$	0.10	\$	0.30	\$	0.13	\$	0.96
Earnings per share, diluted	\$	0.09	\$	0.29	\$	0.13	\$	0.84

Results of Operations

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

Canadian Operations

<i>In thousands of Canadian dollars unless otherwise noted</i>	Three months ended December 31, 2009	Three months ended December 31, 2008	Nine months ended December 31, 2009	Nine months ended December 31, 2008
Financial Excerpts				
Revenues	\$ 83,781	\$ 176,561	\$ 235,064	\$ 474,409
Cost of goods sold	49,946	82,410	176,337	245,373
Income from mining operations	\$ 33,835	\$ 94,151	\$ 58,727	\$ 229,036
Production (tonnes):				
Hard coking coal	354,000	280,000	1,040,000	935,000
Low-vol PCI coal	179,000	329,000	399,000	885,000
Total Production	533,000	609,000	1,439,000	1,820,000
Sales (tonnes):				
Hard coking coal	301,000	318,000	973,000	949,000
Low-vol PCI coal	146,000	195,000	527,000	747,000
Total Sales	447,000	513,000	1,500,000	1,696,000
Per sales unit:				
Coal price realized	\$ 187	\$ 344	\$ 157	\$ 280
Coal price realized (USD)	\$ 177	\$ 279	\$ 141	\$ 255
Cost of goods sold				
Cost of product sold	\$ 67	\$ 116	\$ 74	\$ 100
Transportation and other	\$ 29	\$ 30	\$ 29	\$ 32
Depletion, amortization and accretion	\$ 16	\$ 15	\$ 15	\$ 13
	\$ 112	\$ 161	\$ 118	\$ 145

The impact of the global economic recession has resulted in a 33% decrease in revenues from third quarter 2009 to third quarter 2010, which results from the decrease in sales price realized as well as a lower 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 ("ULV-PCI") compared to US\$300 per tonne and US\$248 per tonne respectively for fiscal 2009. These lower sales prices in the quarter ended December 31, 2009 were offset by 175,000 tonnes of carry-over tonnage of both ULV-PCI and hard coking coal, which were sold at fiscal 2009 prices. The decrease in sales price realized during the current quarter was further negatively impacted by the weakening of the US dollar against the Canadian dollar. The average US dollar/Canadian dollar exchange rate for the three month period ended December 31, 2009 was \$1.06, compared to \$1.23 in the comparable period in the prior year.

During the quarter ended December 31, 2009, ships scheduled to arrive in December 2009 did not arrive until early January 2010. This caused shipments of approximately 260,000 tonnes of ULV-PCI and hard coking coal scheduled for shipment in the fiscal third quarter to slip into the fiscal fourth quarter.

For the three month period ended December 31, 2009, total production was 76,000 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 74,000 tonnes when comparing the three month period ended December 31, 2009 to the three month period ended December 31, 2008.

Production of ULV-PCI coal from the Brule mine decreased 150,000 tonnes when comparing the three month period ended December 31, 2009 to the three month period ended December 31, 2008, which is a reflection of lower demand for the PCI product. Production at Brule in December 2009 was impacted by the removal of a gas pipeline. The removal of the pipeline, which was completed a month ahead of schedule, will extend the life and increase production rates at the mine.

The 31% decrease in the per unit costs of goods sold from \$161 per tonne during the quarter ended December 31, 2008 compared to \$112 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 significant 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 also contributed to the decrease. The Brule mine's per unit cost of goods sold increased 5% in fiscal third quarter 2010 as compared to the same quarter in 2009.

US Operations

<i>In thousands of Canadian dollars unless otherwise noted</i>	Three months ended December 31, 2009	Three months ended December 31, 2008	Nine months ended December 31, 2009	Nine months ended December 31, 2008
Financial Excerpts				
Revenues	\$ 29,821	\$ -	\$ 57,159	\$ -
Cost of goods sold	25,933	-	48,366	-
Income from mining operations	\$ 3,888	-	\$ 8,793	-
Production (short tons*):				
Metallurgical coal	120,000	-	222,000	-
Thermal coal	243,000	-	445,000	-
Total Production	363,000	-	667,000	-
Sales (short tons*):				
Metallurgical coal	114,000	-	209,000	-
Thermal coal	232,000	-	414,000	-
Total Sales	346,000	-	623,000	-
Per sales unit:				
Coal price realized	\$ 86	\$ -	\$ 92	\$ -
Coal price realized (USD)	\$ 80	\$ -	\$ 85	\$ -
Cost of goods sold	\$ 75	\$ -	\$ 78	\$ -

*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 properties, each operating an underground and open surface mine. 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 December 31, 2009 reflect the sale of 346,000 short tons at a realized price of \$86 per short ton or US\$80 per short ton reflecting a foreign exchange rate of 1.075. Shipments in fiscal third quarter 2010 were 25% higher than in fiscal second quarter 2010, which is a reflection of improving market conditions. Sales prices were 13% lower in the current quarter when compared to the previous quarter. The lower sales price realized was primarily due to the timing of shipping schedules with a higher contracted price customer.

Cost of goods sold for the three months ended December 31, 2009 reflect a unit cost of \$75 per short ton. Cost of goods sold, excluding depletion, amortization and accretion was \$66 per short ton which is in line with the expected cash production costs and 7% lower than costs in fiscal second quarter 2010.

During the current quarter, the Company commenced operations under a valley fill permit at the Maple coal property. The permit will increase the marketable reserves on the property to over 10,000,000 short tons of high quality thermal coal, which is a 67% increase in the Maple surface reserves. This permit will extend the life of the surface mine at Maple by ten years and employ over seventy people.

UK Operations

<i>In thousands of Canadian dollars unless otherwise noted</i>	Three months ended December 31, 2009	Three months ended December 31, 2008	Nine months ended December 31, 2009	Nine months ended December 31, 2008
Financial Excerpts				
Revenues	\$ 4,076	\$ -	\$ 7,120	\$ -
Cost of goods sold	3,142	-	5,923	-
Income from mining operations	\$ 934	-	\$ 1,197	-
Production (tonnes):	44,000	-	73,000	-
Sales (tonnes):	42,000	-	73,000	-
Per sales unit:				
Coal price realized	\$ 97	\$ -	\$ 98	\$ -
Coal price realized (£)	£ 55	£ -	£ 55	£ -
Cost of goods sold	\$ 75	\$ -	\$ 81	\$ -

On July 13, 2009, the Company acquired a 50.6% interest in Energybuild Group Plc ("Energybuild") which owns the Aberpergwm underground mine and the Nant Y Mynydd open-cast coal site. 100% of the results of the UK coal operations are included in the Company's results from July 14, 2009. Energybuild's results also include its 50% portion of the operations of its tip processing joint venture. On December 16, 2009, the Company participated in Energybuild's equity fund raising which increased the Company's ownership to 54.7% ("*Acquisition – Energybuild Group Plc*"). The funds were raised to increase production to approximately 750,000 tonnes per year.

Revenues for the three month period ended December 31, 2009 reflect the sale of 42,000 tonnes at a realized price of \$97 per tonne or £55 per tonne. The price realized is consistent with the price in fiscal second quarter 2010.

Cost of goods sold for the three months ended December 31, 2009 reflect a unit cost of \$75 per tonne, which is 17% lower than costs in fiscal second quarter 2010.

AGD Mining Pty Ltd.

<i>In thousands of Canadian dollars unless otherwise noted</i>	Three months ended December 31, 2009	Three months ended December 31, 2008	Nine months ended December 31, 2009	Nine months ended December 31, 2008
Financial Excerpts				
Revenues	\$ 984	\$ -	\$ 2,654	\$ -
Cost of goods sold	1,891	-	3,601	-
Income from mining operations	(907)	-	(947)	-

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 Cambrian. The results of this operation are included in the Company's results from July 14, 2009 until AGD was disposed on November 30, 2009.

Other expenses

Other expenses, for the three and nine months ended December 31, 2009 include the following:

<i>In thousands of Canadian dollars unless otherwise noted</i>	Three months ended December 31, 2009	Three months ended December 31, 2008	Nine months ended December 31, 2009	Nine months ended December 31, 2008
General and administration	\$ 9,134	\$ 4,210	\$ 21,022	\$ 14,564
Sales and marketing	3,403	1,322	7,653	3,496
Coal exploration and other mine costs	1,369	4,276	3,729	5,224
Interest, accretion and financing fees on liabilities	2,713	2,948	8,958	19,535
Other (income)	(9,711)	(8,907)	(16,595)	(9,631)
Total other expenses	\$ 6,908	\$ 3,849	\$ 24,767	\$ 33,188

General and Administration

For the three month period ended December 31, 2009, general and administration costs have increased \$4,924,000, or 117%, over the prior comparable period. Of this increase, \$2,362,000 relates to costs of the Cambrian group, which was acquired July 13, 2009. The largest portion of these costs relate to salaries, benefits and other remuneration (\$1,381,000). The Company is continuing to review the integration of Cambrian to reduce general and administration costs in the future. During the three month period, there was also an increase in stock based compensation of \$2,321,000 which resulted from stock options that were issued during the third quarter of fiscal 2010.

Sales and Marketing

For the three month period ended December 31, 2009, sales and marketing costs have increased \$2,081,000 or 157% over the prior comparable period. Of this increase, \$2,105,000 relates to sales and marketing costs of the US operations, 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 Costs

Coal exploration and other mine maintenance costs for the three month period ended December 31, 2009, decreased to \$1,369,000, from \$4,276,000 in the comparable period in the prior year. This decrease is a result of the Willow Creek mine being put on care and maintenance at the beginning of the third quarter of fiscal 2009. At this time, the Company incurred demobilization costs for the various contractors as a result. 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 December 31, 2009, interest, accretion and financing fees on liabilities were \$2,713,000 compared to \$2,948,000 for the three month period ended December 31, 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 Income

<i>In thousands of Canadian dollars unless otherwise noted</i>	Three months ended December 31, 2009	Three months ended December 31, 2008	Nine months ended December 31, 2009	Nine months ended December 31, 2008
Net foreign exchange (gains) losses	\$ (8,979)	\$ (5,127)	\$ 7,341	\$ (4,950)
Unrealized loss (gain) on forward exchange contracts	4,872	(3,403)	(10,632)	(3,403)
Gain on disposal of subsidiary	(6,996)	-	(6,996)	-
Gain on redemption of convertible debentures	-	-	(4,155)	-
Interest expense (income)	1,804	(449)	(1,709)	(1,011)
Other (income) expense	(412)	72	(444)	(267)
	\$(9,711)	\$(8,907)	\$ (16,595)	\$ (9,631)

For the three month period ended December 31, 2009, the Company realized net foreign exchange gains of \$8,979,000, as a result losses from the strengthening of the Canadian dollar compared to the US dollar offset by gains realized on its foreign currency contracts. The unrealized loss (gain) on forward exchange contracts for the three month period ended December 31, 2009 relates to the Company's outstanding foreign currency contracts. The gain on disposal of subsidiary relates to the Company's sale of AGD Mining Pty Ltd. to Mandalay Resources Corporation.

Non-Controlling Interests

For the three month period ended December 31, 2009, the Company recognized non-controlling interest loss of \$111,000, which relates to the remaining 45.3% interest in Energybuild not owned by the Company.

Equity Earnings

For the three month period ended December 31, 2009, the Company recognized equity earnings of \$1,042,000 which reflects an estimate of the Company's share of the net income of Xtract Energy Plc ("Xtract"). During these periods, Xtract recorded gains relating to disposals of some of its investments.

Net Income

Net income for the three month period ended December 31, 2009 was \$24,030,000 compared to \$62,478,000 for the comparable period in the prior year. The current period's net income reflects: an income from mining operations of \$37,750,000; other expenses totalling \$6,908,000; non-controlling interest loss of \$111,000; equity earnings of \$1,042,000; and an income tax expense of \$7,743,000.

The major impact on the net income for the three and nine month periods ended December 31, 2009 was the lower sales prices realized in fiscal 2010 compared to fiscal 2009.

Market Outlook

Canadian Operations

Through the year, the Company has seen a strong recovery in the demand for its metallurgical coal products, resulting from renewed strength in the steel sector worldwide. In China specifically, imports of coking coal in 2009 reached 35 million tonnes, up from 7 million tonnes in 2008. Outside of China, capacity utilization in the steel industry is fast approaching the levels seen prior to the economic slump, which bodes well for metallurgical coal demand as the industry readies itself for Coal Year 2010 (FY 2011) price negotiations.

In the longer term, the market fundamentals for metallurgical coal are expected to remain strong, 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 coals, in conjunction with highly efficient rail and port infrastructure in northern British Columbia, continue to provide the Company a competitive advantage to continue to grow and diversify its customer base.

US Operations

The increased demand for metallurgical quality coals has also benefitted the Company's West Virginia operations. This has enabled the Company to sell some of its premium thermal coal from Gauley Eagle into the high-vol metallurgical coal market, while at the Maple mine, production capacity is being reviewed in an attempt to meet the increased demand.

UK Operations

In Wales, where the Company has a 54.7% interest in Energybuild, considerable interest is being expressed in the Aberpergwm anthracite product for use in the steel sector. Energybuild's major customers are an energy plant and steel mill within 25 miles of the mine. Both of these customers are importing almost all of their thermal and PCI coal. This captive market provides a competitive advantage

for Energybuild. Energybuild, with its recent fundraising will be increasing production to meet its customer's needs.

Guidance

Canadian Operations

For the remaining three months of fiscal 2010, the Company expects to produce between 600,000 and 700,000 tonnes of metallurgical coal from its two operating mines in Canada. This consists of the Wolverine operations producing 400,000 to 450,000 tonnes of hard coking coal and the Brule mine producing 200,000 to 250,000 tonnes of ULV-PCI coal.

The Company expects to ship between 850,000 and 950,000 tonnes of metallurgical coal in the remaining three months of fiscal 2010, which will consist of 550,000 to 600,000 tonnes of hard coking coal and 300,000 to 350,000 tonnes of ULV-PCI. The expected ULV-PCI sales reflect a drawdown of inventory stockpiles. This guidance is dependent upon the continued demand from the Company's customers, clean coal production at the mines, rail service and vessel arrivals.

All of the Company's fiscal 2010 coal production from its Canadian operations is under contract for sale to international steel producers. Contracted prices for fiscal 2010 are approximately US\$126 per tonne for hard coking coal and US\$90 per tonne for its ULV-PCI coal. Coal deliveries during fiscal 2010 included certain quantities of fiscal 2009 carryover tonnages at fiscal 2009 prices. As at December 31, 2009 all carryover coal has been shipped.

Expected cash cost of production (FOB) at the Canadian operations is \$95 to \$100 per tonne for the remainder of fiscal 2010, which would reflect the sixth consecutive quarter of decreasing costs.

The Company has entered into foreign currency contracts totaling US\$184,400,000 at December 31, 2009 to help manage the uncertainty of foreign exchange fluctuations in the market. The contracts mature each month through to October 2010. They are at an average rate of C\$1.1087 per US\$1.00. Subsequent to December 31, 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 1.0639 in the aggregate amount of US\$45,000,000 from May 2010 to the end of January 2011.

US Operations

The Company expects to produce and sell for the remaining three months of fiscal 2010 approximately 365,000 short tons of coals from its mines in West Virginia. This consists of 260,000 short tons of thermal coal and 105,000 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\$69 to US\$74 per short ton with expected average coal sales price realizations of approximately US\$78 to US\$83 per short ton.

Conference Call

The Company will be hosting a conference call to discuss those results at 8:00 am (Vancouver) February 10, 2010. To participate in the call, please dial either 647-427-7450 or 1-888-231-8191. For replay access please dial either 416-849-0833 or 1-800-642-1687 and enter passcode 53445170.

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 54.7% interest Energybuild (EBG: AIM) which produces high quality anthracite and thermal coal in South Wales (UK). Other interests owned include a 42% 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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