

WESTERN COAL ANNOUNCES FISCAL FIRST QUARTER 2011 RESULTS

Vancouver, B.C., August 3, 2010 – Western Coal Corp. (TSX: WTN, & WTN.WT and AIM: WTN) (“Western” or the “Company”) announces its operating results for the three-month period ended June 30, 2010. Q1 2011 was a strong quarter with approximately 1.3 million tonnes of coal sales (Q1 2010: 435,000 tonnes) and revenues of \$203.5 million (Q1 2010: \$75.7 million), both record levels for the Company. Income from mining operations was \$70.6 million (Q1 2010: \$19.6 million) and cash flow from sales was \$84.1 million (Q1 2010: \$25.8 million). Compared to Q1 2010, revenue, production and sales tonnage have increased by a 169%, 208% and 197% respectively and were all ahead of the Company’s targets for the quarter.

Net profit was negatively affected by a \$15.2 million (Q1 2010: \$0.9 million) non-cash accounting provision to reflect the unrealized effect of the change in the US dollar:Canadian dollar exchange rate since March 31, 2010 (1.02) to June 30, 2010 (1.06) on the Company’s forward exchange contracts and a \$2.7 million (Q1 2010: Nil) provision for accounting losses in associates. The US dollar: Canadian dollar exchange rate has strengthened to 1.02 subsequent to quarter end and as at the date of this report the unrealised exchange loss was largely recovered. Net income and basic earnings per share were \$20.2 million (Q1 2010: \$3.4 million) and \$0.08 (Q1 2010: \$0.02) respectively, but \$38.1 million (Q1 2010: \$0.2 million) and \$0.15 (Q1 2010: Nil) per share respectively, when adjusted for the non-cash accounting provision on forward exchange contracts and losses of associates.

Key operating points for fiscal Q1 2011:

- Benchmark hard coking prices were US\$200 per tonne as compared to US\$126 per tonne a year ago
- Cash costs at the Canadian operations of \$105 per tonne. Costs were higher than annual guidance but within Company expectations. Costs expected to decline for the balance of the year as mining moves into lower ratio and higher yield coal areas and operating efficiencies are achieved from the deployment of new equipment; cash costs at the US operations were \$71 per tonne, within the annual guidance provided
- Re-opening of Willow Creek mine announced on June 4, 2010, two months ahead of schedule. 88% increase in the mine’s coal reserve to 29.6 million tonnes, which will extend the mine life and support potential expansion to 1.7 million tonnes per annum
- Total capital expenditures of \$72.1 million, comprising \$65.4 million in the Canadian Operations, \$3.5 million in the US Operations and \$3.2 million in the UK Operations mainly for expansion of production capacity

Other key points for fiscal Q1 2011:

- Q2 2011 global prices settled at US\$225 per tonne for hard coking coal and US\$180 per tonne for low volatile pulverised coal injection (“LV-PCI”) coals. All Q2 Canadian contracts of the Company concluded in line with or better than market guidance
- 7.5% convertible unsecured subordinated debentures converted into common shares prior to May 31, 2010 with \$202,000 being redeemed in cash, further strengthening the Company’s financial position
- David R. Beatty, O.B.E. appointed as director and Chairman of the Board of Directors on May 31, 2010
- Neil Winkelmann appointed as Chief Operating Officer of the Company on June 8, 2010
- US\$125 million revolving term two year credit facility in the process of being finalized from a Scotia led consortium of Canadian banks and US\$100 million capital lease facilities secured for the purchase of mobile equipment
- Acquisition of minority interest in Energybuild Group Plc (“Energybuild”) approved by Energybuild shareholders on July 19, 2010. Transaction to be completed on August 6, 2010 with the cancellation of Energybuild common shares on the AIM and the issue of 8,555,000 new common shares of the Company to Energybuild shareholders on August 9, 2010
- Corporate restructuring to address the 72 million common shares held by wholly owned subsidiaries of the Company submitted to regulatory authorities for approval and expected to be finalized before the end of calendar 2010

Keith Calder, President and Chief Executive Officer of Western Coal, comments, “The first quarter of the fiscal year saw rising coal production and sales, with stronger contract pricing, balanced by significant investment in building the platform for our substantial growth strategy over the next three years. The quarter saw accelerated production growth with Wolverine reaching its targeted run rate, and Willow Creek in production two months earlier than anticipated. Cash costs will continue to fall as we develop our assets, including the completion of the Falling Creek Connector Road, which will dramatically shorten the distance between our Brule and Willow Creek mines. We continue to be optimistic over the near and long term that high quality metallurgical coal will be required to meet the world’s needs. With our growth plans, competitive cost structure, and strategic location, Western Coal is in a unique position to meet those needs.”

Webcast/Conference Call

The Company will be hosting a webcast and conference call to discuss the fiscal first quarter 2011 results and provide a corporate update at 10:00am (Vancouver) August 4, 2010. Presentation slides will accompany the webcast and conference call and will be available at www.westerncoal.com/investors/financial_information.

The webcast is available at

<http://event.on24.com/r.htm?e=230921&s=1&k=63AD19332409B047853EA678A5884BF3> or on the company’s website at www.westerncoal.com/investors/financial_information.

Conference call details are 1.888.231.8191 or 647.427.7450, with a replay available at 1.800.642.1687 or 416.849.0833 with code 90561868.

News Release

This news release is prepared as at August 3, 2010 and should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2010 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 First Quarter Report and MD&A for the three months ending June 30, 2010 are available on SEDAR at www.sedar.com under the Company's profile.

Financial Summary - unaudited:

<i>(In thousands of Canadian dollars, except tonnes and per share data)</i>	June 30, 2010	March 31, 2010
Cash & cash equivalents	\$ 132,550	\$ 136,059
Amounts receivable	91,297	64,597
Inventory	48,257	46,212
Total current assets	274,915	265,149
Total assets	927,078	856,629
Current liabilities	\$ 121,217	\$ 156,112
Long-term liabilities	89,715	95,603
Shareholders' equity	676,696	604,914
Total liabilities and shareholders' equity	927,078	856,629
Capital expenditures	\$ 31,940	\$ 27,459
Average exchange rate (CAD/USD)	\$ 1.03	\$ 1.09
	Three months ending June 30,	2010
	2010	2009
Revenue	\$ 203,537	\$ 75,698
Cost of goods sold	132,908	56,049
Income from mining operations	70,629	19,649
Other expenses	34,308	10,001
Income tax expense	13,833	6,260
Equity loss	(2,670)	-
Non-controlling interest	381	-
Net income	\$ 20,199	\$ 3,388
Earnings per share, basic	\$ 0.08	\$ 0.02
Earnings per share, diluted	\$ 0.08	\$ 0.02

Results of Operations

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

Canadian Operations

In thousands of Canadian dollars unless otherwise noted	Three months ended June 30,		Three months ended June 30,	
	2010		2009	
Financial Excerpts				
Revenues	\$	158,724	\$	75,698
Cost of goods sold		93,211		56,049
Income from mining operations		65,513		19,649
Production (tonnes):				
Hard coking coal		487,000		359,000
Low-vol PCI coal		354,000		47,000
Total Production		841,000		406,000
Sales (tonnes):				
Hard coking coal		428,000		302,000
Low-vol PCI coal		367,000		133,000
Total Sales		795,000		435,000
Per sales tonne:				
Coal price realized	\$	200	\$	174
Coal price realized (USD)	\$	193	\$	147
Cost of goods sold				
Cost of product sold	\$	70	\$	88
Transportation and other		35		27
Depletion, amortization and accretion		12		14
	\$	117	\$	129

Revenues have increased 110% when comparing the first quarter 2011 to the first quarter 2010 as a result of an increase in the quarterly contracted sales prices and sales tonnage partially offset by the weakening of the US dollar against the Canadian dollar. The contracted sales prices for Q1 2011 were US\$200 per tonne for hard coking coal and US\$170 per tonne for ultra-low volatile PCI ("ULV-PCI") compared to US\$126 per tonne and US\$90 per tonne respectively for Q1 2010. The first quarter 2011 realized sales price was further increased by \$6 per tonne through the finalization of a provisional pricing arrangement on tonnage shipped during the fourth quarter of 2010. The average US dollar:Canadian dollar exchange rate for Q1 2011 was \$1.03, compared to \$1.18 in the comparable period in the prior year, negatively impacting Canadian dollar revenues.

The 83% increase in sales tonnage and 107% increase in production were a result of the continuing recovery in demand for the Company's coal due to the improvement in the global economy. In the first quarter of fiscal 2010, the Company ceased its coal mining and hauling activities at the Brule mine in response to the downturn in the markets for PCI and only recommenced coal hauling in mid-June 2009.

The 9% decrease in the per unit costs of goods sold from \$129 per tonne to \$117 per tonne quarter over quarter was mainly attributable to the Wolverine mine. The Wolverine mine's per unit cost of goods sold decreased 11%, as a result of an increase in overall productivity which included a 7% decline in the stripping ratio and a 3% increase in coal recovery. This was partially offset by higher contract pricing for transportation.

US Operations

In thousands of Canadian dollars unless otherwise noted	Three months ended June 30,		Three months ended June 30,	
	2010		2009	
Financial Excerpts				
Revenues	\$	40,683	\$	n/a
Cost of goods sold		36,039		n/a
Income from mining operations		4,644		n/a
Production (tonnes):				
Metallurgical coal		176,000		n/a
Thermal coal		198,000		n/a
Total Production		374,000		n/a
Sales (tonnes):				
Metallurgical coal		199,000		n/a
Thermal coal		263,000		n/a
Total Sales		462,000		n/a
Per sales tonne:				
Coal price realized	\$	88	\$	n/a
Coal price realized (USD)		86		n/a
Cost of goods sold				
Operating expenses	\$	71	\$	n/a
Depletion, amortization and accretion		7		n/a
Total costs	\$	78	\$	n/a

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 surface mine. The US operations were consolidated from Q2 2010 and therefore no comparative information is provided.

Revenues for the three month period ended June 30, 2010 reflect the sale of 462,000 tonnes at a realized price of \$88 per tonne or US\$86 per tonne. The average US dollar:Canadian dollar exchange rate for the quarter applied to the results of the US operations was 1.03. Shipments in Q1 2011 were 42% higher than in Q4 2010, as market demand for both metallurgical and steam coal continue to strengthen in the US. US dollar sales prices were 5% higher in the current quarter when compared to the previous quarter. The higher sales price realized was primarily due to shipments on higher price contracts.

Cost of goods sold for the three months ended June 30, 2010 reflect a unit cost of \$78 per tonne. Cost of goods sold, excluding depletion, amortization and accretion was \$71 per tonne which was in line with the expected cash production costs and 6% higher than the costs in Q4 2010 due to a transitioning into new mining areas and delays in regulatory approvals, all of which have now been received.

UK Operations

In thousands of Canadian dollars unless otherwise noted		Three months ended June 30, 2010		Three months ended June 30, 2009
Financial Excerpts				
Revenues	\$	4,130	\$	n/a
Cost of goods sold		3,658		n/a
Income from mining operations		472		n/a
Production (tonnes):		34,000		n/a
Sales (tonnes):		35,000		n/a
Per sales tonne:				
Coal price realized	\$	118	\$	n/a
Coal price realized (£)	£	77	£	n/a
Cost of goods sold	\$	105	\$	n/a

On July 13, 2009, the Company acquired a controlling interest in Energybuild Group Plc (“Energybuild”) which owns the Aberpergwm underground mine and the Nant Y Mynydd open-cast coal site. The above results reflect a 100% interest in these operations and no comparative information is provided as the Energybuild results were consolidated from Q2 2010.

Revenues for the three month period ended June 30, 2010 reflect the sale of 35,000 tonnes at a realized price of \$118 per tonne or £77 per tonne. The sales price realized was 26% higher than in Q4 2010 due to a higher percentage of sales into the metallurgical coal and sized coal markets compared to the previous quarter.

Cost of goods sold for the three months ended June 30, 2010 was \$105 per tonne, which was 35% higher than the costs in Q4 2010 mainly due to higher cost from the underground operation. The underground mine is still in development phase and its production cost is expected to fluctuate depending on tonnes produced during each phase of development. The current reported cost is not reflective of the expected long term cost of the operation.

Other expenses

Other expenses, for the three months ended June 30, 2010 include the following:

In thousands of Canadian dollars unless otherwise noted		Three months ended June 30, 2010		Three months ended June 30, 2009
General and administration	\$	11,764	\$	4,425
Sales and marketing		4,918		1,122
Coal exploration and other mine cost		2,281		1,303
Interest, accretion and financing fees on liabilities		2,404		2,642
Loss (gain) on foreign exchange contracts		16,362		(6,699)
Other (income)		(3,421)		7,208
Total other expenses		34,308		10,001

General and Administration

For the three month period ended June 30, 2010, general and administration costs have increased \$7,339,000, or 166%, over the prior comparable period. Of this increase, \$1,953,000 related to costs of the Cambrian group, which was acquired subsequent to the quarter ended June 30, 2009 and was therefore not included in the Q1 2010 comparative results. These costs represent the general and administrative costs for the US and Welsh operations as well as the London office. The remaining increase in general and administration costs was mainly attributed to: an increase in salaries, benefits and other remuneration of \$1,662,000 relating to the finalization of the Company's annual incentive plan payments, severance payments due to restructuring and a general increase in corporate staff as the Company continues to position itself for an increase in operating levels; an increase in recruiting fees of \$1,186,000 relating to the strengthening of the senior management team; and an increase in legal, accounting and professional fees of \$1,519,000 mainly relating to the defence of the class action lawsuit and professional fees regarding group restructuring and optimisation matters. The recruitment of the senior leadership team is largely complete and therefore severance payments and recruiting fees are expected to significantly reduce during future quarters.

Sales and Marketing

For the three month period ended June 30, 2010, sales and marketing costs have increased \$3,796,000 or 338% over the prior comparable period. Of this increase, \$3,030,000 related to sales and marketing costs at the US operations, where various royalties, government levies and sales commissions totalling approximately 7 per cent to 8 per cent of sales are payable. The remaining increase was due to an increase in the sales and marketing costs at the Canadian operations as a result of higher sales tonnage and price.

Coal Exploration and Other Mine Costs

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 are related to specific properties for which economically recoverable reserves have been established, in which case they are capitalized. Other mine costs relate to the carrying costs of the Willow Creek operation prior to its official reopening on June 4, 2010.

Coal exploration and other mine maintenance costs for the three month period ended June 30, 2010, increased to \$2,281,000 from \$1,303,000 in the comparable period in the prior year, again a reflection of the increased operating activities of the Company.

Interest, Accretion and Financing Fees on Liabilities

For the three month period ended June 30, 2010, interest, accretion and financing fees on liabilities were \$2,404,000 compared to \$2,642,000 for the three month period ended June 30, 2009. This decrease was due to the conversion into equity of the Company's convertible debentures in May 2010 partially offset by new long-term debt and capital leases relating to equipment acquired as part of the acquisition of Cambrian on July 13, 2009.

Loss (gain) on foreign exchange contracts

The Company has operations in Canada, the US and Wales, and therefore foreign exchange risk exposures arise from transactions denominated in foreign currencies. All sales revenues for the Canadian operations are denominated in US dollars, while costs are denominated in Canadian dollars. The Company may also become exposed to currency fluctuations on the purchase of certain equipment or facilities for its new and existing mines which are denominated in US dollars. To minimize the risk exposure of foreign currency fluctuations on sales revenues from its Canadian operations, the Company may enter into forward exchange contracts to fix the rate at which future anticipated flows of US dollars are exchanged into Canadian dollars.

For the three month period ended June 30, 2010, the Company recorded losses on its forward exchange contracts in the amount of \$16,362,000 compared to gains of \$6,669,000 for the comparable period in the prior fiscal year. The US dollar:Canadian dollar exchange rate as at March 31, 2010 was 1.02 compared to 1.06 as at June 30, 2010. As a result, the Company reversed an unrealised mark-to-market gain on its forward exchange contracts included in its March 31, 2010 results of \$4,336,000 and recorded an unrealised mark-to-market loss as at June 30, 2010 of \$10,898,000. The realized exchange losses on forward exchange contracts during the quarter was \$1,128,000.

The Company maximizes the benefit and limits the actual losses on its forward exchange contracts by settling its US dollar forward contracts when they are “in the money” or when the forward selling price is in close proximity to the actual exchange rate for contracts that are “out of the money”. The value of the Canadian dollar has fluctuated significantly against the US dollar during the quarter and has traded in the range of US dollar: Canadian dollar of 0.99 to 1.07. The average exchange rate for the quarter was 1.03, which is in line with the exchange rate of the Company’s outstanding foreign exchange contracts. The Company expect the volatility to continue for the foreseeable future.

Other (Income) Expense

In thousands of Canadian dollars unless otherwise noted	Three months ended June 30, 2010	Three months ended June 30, 2009
Net foreign exchange (gain) loss	\$ (2,631)	\$ 8,733
Gain on fair value adjustment of investments	(668)	-
Interest income	(521)	(1,493)
Other (income) expenses	399	(32)
	(3,421)	7,208

Net foreign exchange gains and losses mainly reflect the impact of changes in the US dollar: Canadian dollar exchange rate on a quarter by quarter basis on working capital balances. For the three month period ended June 30, 2010 and 2009, the Company accounted for net foreign exchange gains of \$2,631,000 and net foreign exchange losses of \$8,733,000, respectively. The gain booked during Q1 2011 largely reflects the impact of the strengthening US dollar on June 30, 2010 compared to March 31, 2010 on the Company’s US dollar denominated cash balances and accounts receivable.

The gain on fair value adjustment of investments relates to the Company’s marketable securities which were acquired on July 13, 2009 as part of the Cambrian acquisition. Interest income has decreased 65% quarter over quarter as the loan extended to Cambrian in January 2009 is now eliminated on consolidation.

Equity Loss

For the three month period ended June 30, 2010, the Company recognized equity losses of \$2,670,000, which reflect an estimate of the Company's share of the net income of Xtract Energy Plc ("Xtract") and Mandalay Resources Corporation. During the quarter, Xtract recorded an impairment relating to negative results from its Sarakiz-3 well site in Turkey. The Company has already announced that it is considering various options regarding its interest in both Xtract and Mandalay to maximise return for the Company's shareholders. The results announced during this quarter are not expected to materially impact on the potential value of these investments.

Net Income

Net income for the three month period ended June 30, 2010 was \$20,199,000 compared to \$3,388,000 for the comparable period in the prior year. The current period's net income reflects: an income from mining operations of \$70,629,000; other expenses totalling \$34,308,000; equity loss of \$2,670,000; and an income tax expense of \$13,833,000. The portion of net loss for the current period relating to non-controlling interests in Energybuild, was \$381,000.

The net income for the three month period ended June 30, 2010 was mainly impacted by the higher sales prices and volumes offset by higher general and administration and sales and marketing costs as well as foreign exchange losses.

Market Outlook

The international prices for metallurgical coal are showing signs of softening on the back of an increase in supply that eased pressure in the market. Demand is also forecast to show a moderate decline during Q3 2011 further easing fundamentals during the quarter.

On the demand side, global steel production reduced following a record 124 million tonnes (Mt) production peak for the month of May. Chinese crude steel production for the first half of 2010 has increased by 23% compared to 2009 whilst global supply increased by 40% over the same period. However, the increased production coupled with a moderate slowdown in demand has resulted in a reported global excess of crude steel production, mostly attributed to China. With steel restocking largely completed, overproduction evident, and an uncertain steel demand growth outlook, steel prices decreased in June within China, USA, the Middle East, Eastern Europe and other regions. This easing in the steel market is expected to negatively impact metallurgical coal demand during Q3 2011. The PCI market is more exposed to the softening in demand, whilst the market fundamentals for hard coking coal is expected to remain tight throughout the quarter. However, steel production is expected to rebound during Q4 2011, particularly in Asia, resulting in a strengthening in metallurgical coal demand towards the end of the fiscal year. World seaborne metallurgical coal demand is forecast to be approximately 270 Mt in calendar year 2010.

On the supply side, metallurgical coal supply continued to improve from major exporters Australia, Canada and the USA during the first half of calendar 2010 to meet the increased demand, predominantly driven from China, India and South America. China imported a record volume of coking coal of 18.7 Mt during the 5 months ending May 2010 and is forecast to import approximately 40 Mt in calendar 2010. India is expected to import 36 Mt of metallurgical coal during the 2010 calendar year while Brazil is forecasted to import approximately 16 Mt.

Iron ore, metallurgical coal and coke prices all increased during the early part of Q1 2011 in a response to the increased global steel production and by late April 2010, spot hard coking coal prices reached US\$240-250 (FOBT), a peak to date for 2010. Another key pricing development during the quarter was the introduction of a quarterly pricing system to replace the traditional benchmark annual pricing. The price for fiscal Q1 2011 was settled at US\$200 per tonne for premium hard coking coal with ULV-PCI settling at US\$170 per tonne. These price settlements for fiscal Q1 2010 compared to the annual 2009 prices represented an increase of 59% and 89% respectively.

Fiscal Q2 2011 metallurgical coal price settlements were concluded during early June at US\$225 per tonne (FOBT) for hard coking coal and US\$180 per tonne (FOBT) for ULV-PCI, representing a 12.5% and 5.9% increase respectively over the fiscal Q1 2011 prices. This increase was a reflection of the continued tightness in the market fundamentals at the time. The Company concluded all of its Q2 2011 contracts in line with the global benchmark prices.

Though the fundamentals for hard coking coal remain tight, there appears to be some potential downside to the Q2 2011 benchmark price of \$225 per tonne going into Q3 and Q4 2011. The downside for hard coking coal prices is forecast to be limited compared to a moderately more exposed PCI price over the same period.

In the longer term, the market fundamentals – strong demand and shortage of supply for high quality metallurgical coal - are expected to continue which will provide continued opportunity for the Company to increase market diversity and market share. China, India, and South America remain the driving forces for the increase in demand.

Guidance

Canadian Operations

For the remaining nine months of fiscal year ended March 31, 2011, the Company expects to produce between 2.8 and 3.0 million tonnes of metallurgical coal from its three operating mines in Canada. This consists of the Wolverine operations producing 1.2 to 1.3 million tonnes of hard coking coal, the Brule mine producing 1.1 to 1.2 million tonnes of ULV-PCI coal, and the Willow Creek mine producing approximately 0.5 million tonnes of ULV-PCI coal.

The Company expects to ship between 2.9 to 3.1 million tonnes of metallurgical coal for the remaining nine months of fiscal 2011, which will consist of 1.4 to 1.5 million tonnes of hard coking coal and 1.5 to 1.6 million tonnes of ULV-PCI. This guidance is dependent upon the continued demand from the Company's customers, clean coal production at the mines, rail service and vessel arrivals.

Expected cash cost of production (FOB) at the Canadian operations remains at less than \$100 per tonne for fiscal 2011.

The Company has entered into foreign currency contracts totaling US\$277,000,000 at June 30, 2010 to help manage the uncertainty of foreign exchange fluctuations in the market. The contracts mature each month through to March 2011 and are at an average rate of C\$1.03 per US\$1.00.

US Operations

For the remaining nine months of fiscal year ended March 31, 2011, the Company expects to produce 1.2 to 1.4 million tonnes of coal from its mines in West Virginia. This consists of 0.6 to 0.7 million tonnes of metallurgical coal and 0.6 to 0.7 million tonnes of thermal coal.

The Company expects to ship between 1.3 to 1.5 million tonnes of coal in the remaining nine months of fiscal 2011, which will consist of 0.6 to 0.7 million tonnes of metallurgical coal and 0.7 to 0.8 million tonnes of thermal coal. This guidance is dependent upon the continued demand from the Company's customers, clean coal production at the mines, rail service and vessel arrivals.

Expected cash cost of production (FOB) at the West Virginia operations remains at US\$68 to US\$72 per tonne for fiscal 2011.

UK Operations

The Company expects to produce and sell 0.15 million tonnes of coal in the remaining nine months of fiscal 2011.

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 40% 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.

For further information:

David Jan

Head of Investors Relations

Phone: 604-694-2891

Email: david.jan@westerncoal.com