Luscar Energy Partnership

FOR IMMEDIATE RELEASE

Luscar Announces Tender Offer for 9.75% Senior Notes due 2011

Edmonton, AB. December 1, 2005. Luscar Coal Ltd. announced today that its parent, Luscar Energy Partnership, has commenced an offer to purchase for cash any and all of its outstanding 9.75% senior notes due 2011 (the "Notes"). The aggregate principal amount of the Notes outstanding is US$275 million. Luscar Energy Partnership and Luscar Coal Ltd. are also soliciting consents from the holders of the Notes to approve certain proposed amendments to the Indenture, dated as of October 10, 2001 (the "Indenture"), under which the Notes were issued. The proposed amendments eliminate substantially all of the restrictive covenants and the related events of default in the Indenture, as well as certain opinion delivery obligations in the event of defeasance of the Notes.

Holders who validly tender Notes and deliver consents prior to 12:00 midnight New York City time, December 14, 2005, unless extended (the "Consent Time"), will be eligible to receive the Total Consideration (("Total Consideration") which includes a consent payment of US$30.00 per US$1,000 principal amount of Notes (the "Consent Payment")). Payment for Notes tendered prior to the Consent Time will be made promptly after the Consent Time. Holders who validly tender Notes after the Consent Time but prior to 12:00 midnight, New York City time, on December 29, 2005, unless extended (the "Expiration Time"), will be eligible to receive the Tender Consideration, which is equal to the Total Consideration less the Consent Payment. Payment for Notes tendered after the Consent Time, but prior to the Expiration Time, will be made promptly after the Expiration Time. Tendered Notes may be withdrawn and related consents may be revoked at any time prior to the Consent Time.

The Total Consideration will be a purchase price determined by reference to a fixed spread of 50 basis points or 0.50% over the yield to maturity based on the bid side price of the U.S. Treasury 2.50% Note due October 31, 2006 (the "Reference Treasury Yield") as measured at 2:00 p.m., New York City time, two days prior to the Consent Time. In addition, tendering holders will receive accrued and unpaid interest up to the applicable settlement date.

The Tender Consideration will be equal to the Total Consideration minus the US$30 Consent Payment.

Assuming a settlement date of December 15, 2005, and the Reference Treasury Yield as of 2:00 p.m. New York City time on November 30, 2005, the Total Consideration would be US$1,085.82 per principal amount of US$1,000 which includes the US$30 Consent Payment.

Information regarding the pricing, tender and delivery procedures and conditions of the tender offer and consent solicitation is contained in the Offer to Purchase and Consent Solicitation Statement, dated December 1, 2005, and related documents. Copies of these documents can be obtained by contacting Global Bondholder Services Corporation, the information agent, at (866) 873-6300. Goldman, Sachs & Co. is the exclusive dealer manager and solicitation agent. Additional information concerning the terms and conditions of the tender offer and consent solicitation may be obtained by contacting Goldman, Sachs & Co., toll free at (888) 828-3182 or collect at (212) 357-7867.

FOR FURTHER INFORMATION PLEASE CONTACT:

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