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TELKWA COAL PROJECT REVIEW COMPLETED

EDMONTON, March 23 Luscar Ltd. announced today that it has completed its review of the Telkwa coal project located south of Smithers, B.C. and has decided not to proceed with development. The decision is based upon current weak export coal markets.

"We have undertaken a detailed review of the Telkwa coal project and have concluded that international market conditions are not strong enough to justify further investment in the development of this property at this time," said Allan Flemming, project manager. "We will not be pursuing government licenses and approvals until we are satisfied that markets have recovered and we have found customers for the coal."

"In our view, to proceed with submitting the Project Report to the government at this time may raise unrealistic expectations or speculation in the community that the project will proceed imminently, and this is not the case," said Flemming. "However, we intend to retain the rights to the coal licenses so that when markets turn around, we are in a position to respond to emerging opportunities."

Steps will be taken over the coming weeks to proceed with an orderly wind-down of the operations and closure of a small project office in Telkwa.

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