

News Release



CANADIAN COAL TRUST

Suite 1000, 205 Ninth Ave. S.E.
Calgary, Alberta T2G 0R4
Website: www.fording.ca

For Immediate Release

FORDING REPORTS TAX INFORMATION FOR 2004 DISTRIBUTIONS

CALGARY, February 7, 2005 – Fording Canadian Coal Trust (TSX: FDG.UN, NYSE: FDG) today reports the following income tax information for cash distributions declared in 2004 for unitholders resident in Canada and the United States.

Unitholders are strongly urged to consult their tax advisors with respect to their particular circumstances.

Canadian Tax Information for Unitholders Resident in Canada

The following information is based on the Trust's understanding of the Income Tax Act (Canada) and regulations thereunder, and is provided for general information only. T3 Statement of Trust Income Allocations and Designations forms are expected to be available by March 31, 2005.

The following table provides the cash distributions declared in 2004, in Canadian dollars.

Record date	Payment date	Amount per Unit			
		Other Trust income (taxable)	Actual Dividend income (taxable)	Return of Capital (tax deferred)	Total distribution paid
March 31, 2004	April 15, 2004	\$ 1.000000	\$ -	\$ -	\$1.000000
June 30, 2004	July 15, 2004	1.000000	-	-	1.000000
September 30, 2004	October 15, 2004	1.100000	-	-	1.100000
December 31, 2004	January 14, 2005	<u>0.942249</u>	<u>0.336865</u>	<u>0.020886</u>	<u>1.300000</u>
Total paid		<u>\$ 4.042249</u>	<u>\$ 0.336865</u>	<u>\$ 0.020886</u>	<u>\$ 4.400000</u>

The "Other Trust income" and "Actual Dividend income" amounts, which is the portion of the cash distributions that is to be included in the income of unitholders, will be reported on the T3 statement. The portion of cash distributions that constitutes a return of capital is not taxable but should be deducted from the adjusted cost base of unitholder's units of the Trust.

Canadian Tax Information for Non-resident Unitholders

Distributions of income by the Trust to non-residents of Canada will be subject to Canadian withholding tax of 25% subject to reduction under the provisions of any applicable tax treaty or convention. Unitholders who are not residents of Canada for income tax purposes are advised to seek advice from a tax advisor in their country of residence for the tax treatment of distributions.

United States Tax Information for Unitholders Resident in the United States

Distributions by the Trust in 2004 are considered foreign-source dividend income under U.S. federal income tax principles, reportable on a Form 1099. Providing that applicable holder-level requirements are met, these distributions are “qualified dividends,” eligible for taxation at reduced rates under U.S. federal income tax legislation.

Income distributed by the Trust to U.S. unitholders is generally subject to Canadian withholding tax of 15%. U.S. unitholders are advised to seek advice from their tax advisor for the tax treatment of distributions.

Cash distributions in 2004 are reported as follows in U.S. dollars.

Record date	Payment date	<u>U.S. \$ Amount per Unit</u>	
		Qualified dividends (taxable)	Withholding tax deducted in Canada
December 31, 2003	January 15, 2004	\$ 0.773800	\$ 0.116070
March 31, 2004	April 15, 2004	0.763100	0.114465
June 30, 2004	July 15, 2004	0.746000	0.111900
September 30, 2004	October 15, 2004	<u>0.791200</u>	<u>0.118680</u>
Total paid		<u>\$ 3.074100</u>	<u>\$ 0.461115</u>

It is possible that the U.S. dollar amount was different for non-registered, or beneficial, unitholders receiving their payment from an intermediary or brokerage firm using different exchange rates.

The dividend payable to record holders on December 31, 2004 and paid on January 14, 2005 will be reported for the 2005 calendar year.

About Fording

Fording Canadian Coal Trust is an open-ended mutual fund trust. Through investments in metallurgical coal and industrial minerals mining and processing operations, the Trust makes quarterly cash distributions to unitholders. The Trust, through its wholly-owned subsidiary, Fording Inc., holds a 60% interest in the Elk Valley Coal Partnership and is the world's largest

producer of the industrial mineral wollastonite. Elk Valley Coal Partnership, comprised of Canada's senior metallurgical coal mining properties, is the world's second largest exporter of metallurgical coal, currently supplying approximately 25 million tonnes of high-quality coal products annually to the international steel industry. The Trust's shares are traded on the Toronto Stock Exchange under the ticker symbol FDG.UN and on the New York Stock Exchange under the symbol FDG.

For further information contact:

Susan J. Soprovich
Director, Investor Relations
403-260-9834
investors@fording.ca

Catherine Hart
Coordinator, Investor Relations
403-260-9817
investors@fording.ca