

18 February 2009

Atlantic Coal Plc ('Atlantic' or 'the Company')
Operations Update

Atlantic Coal Plc, the AIM listed open cast coal production and processing company with activities in Pennsylvania, USA, is pleased to provide an update on operational activities, including the recommencement of production at its primary asset, the Stockton Colliery.

Production Update

The directors are delighted to announce that continuous production has commenced from the Mammoth coal seam on the northern face and mid-section of the mine at the Stockton Colliery. The exploitation of this seam has resulted in increased yields as mining progresses to lower elevations and the basin of the mine. The increased quality and recovery obtained from the Mammoth seam will boost the volume of feed supplied to the coal preparation plant in operation at Stockton, which is now running at approximately 80% of current single shift capacity.

The coal preparation plant is now producing in excess of 450 tonnes of clean coal per day and the Company is pleased to report that despite recent falls in the oil price, the market demand for sized coal products used for heating remains strong with exceptional demand for rice sized product. The average sale price of coal has held firm in recent months, reaching \$137 per tonne in January.

Coal produced at Stockton is sold through local and regional dealers throughout the north-eastern USA. Industrial and institutional sales are marketed directly and through brokers. The Company is currently working on expanding its supply arrangements and building relationships with new coal brokers and customers in order to take advantage of the increased levels of production.

Work on the diversion of the Norfolk Southern Railway, which currently runs through the mining area at Stockton has progressed and is no longer preventing the achievement of full levels of production at the site. Despite being affected by adverse weather conditions, progress on the diversion works continued throughout the autumn and approximately one third of the total track has been laid to date. The majority of the bedding preparation work has been completed along the route and the Company anticipates that the diversion and tie in with the existing line will be complete in April. This is pending internal sign offs from the Norfolk Southern Railway Company, which are expected later this month.

Atlantic Coal Managing Director Steve Best said, “I am extremely pleased to announce that the production of clean processed coal is now continuous and is on the increase at Stockton. The business is generating increased sales and cashflow and it is estimated that the Stockton Colliery will produce over 2 million tonnes of clean processed coal from its current resources. Importantly, it is worth noting that the prices being obtained for clean processed coal remain very strong, having reached \$137 per tonne in January. Additionally, other factors such as the recent drop in diesel prices have also had a beneficial effect on our margins.”

“The rail track relocation has progressed well to the point that it is no longer hindering production and I believe that being a UK company earning dollars will hold us in good stead, as we continue to indentify additional sites within Pennsylvania with the view to expand our business further.”

****Ends****

For further information on the Company, visit: www.atlanticcoal.com or contact:

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