

23 June 2009

**Atlantic Coal Plc**  
**(‘Atlantic’ or ‘the Company’)**  
**Operations Update and Directorate Changes**

Atlantic Coal plc, the AIM listed open cast coal production and processing company with activities in Pennsylvania, USA, provides an update on activities prior to announcing its results for the year ended 31 December 2008, on 30 June 2009. The Company has increased production at its primary asset, the Stockton opencast anthracite mine (‘Stockton’), and has acquired a new excavator to further improve production and efficiency. Various cost cutting measures have also been undertaken to reduce overheads, including a Board restructuring.

Stockton has defined reserves in excess of four million tons of anthracite and an estimated production potential of over 400,000 run of mine tons of anthracite per annum. Production of run of mine coal at the colliery has increased significantly and is currently running at 25,000 thousand tons per month. This increased production has been partly due to the availability of new coal resource following the discovery in March this year of an anomaly in the Mammoth coal seam at the Stockton site. Atlantic has to date recovered approximately 50,000 tons of high yield anthracite from this resource and Company estimates suggest that a further 50,000 tons remains to be extracted.

Atlantic has signed a four year finance lease for a new Liebherr R9250, a 21 yard bucket hydraulic excavator, at a total cost of US\$3.5 million. Delivery of the new excavator is expected in circa nine months. It is anticipated that the new excavator will have a significant effect on improving mining efficiency, reducing the amount of downtime spent during maintenance of the Company’s existing machinery and increasing production capacity further at the colliery.

As a result of the discovery, ongoing exploitation of the aforementioned coal anomaly and the resulting increase in production at Stockton, as well as benefitting from optimising the operations at the colliery, the Company has decided to delay the finalisation of its project to relocate a section of the Norfolk Southern Railway, which had previously hampered production at the site. Although a significant portion of the relocation work has already been completed, the Board has taken the decision, in the light of current production levels, to delay the finalisation of the relocation work until later in the year to conserve working capital.

In a further measure to reduce the Company’s overheads, Non-executive Directors Max Crossland and Ken Ford will be stepping down from their roles with effect from 30 June 2009. Ray Petrilla will also be resigning from the Board in order to focus on his role as Chief Operations Officer of the Company’s subsidiary, Stockton Coal Group.

Atlantic Coal's Managing Director Stephen Best said, "Progress in the development of our assets continues, resulting in significant rises in production levels. Our commitment to the development of Stockton is demonstrated by our continued investment in our mining operations; the purchase of a new excavator is an example of this. The excavator will be a key piece of machinery for our ongoing operations and once delivered, will significantly improve levels of production and efficiency.

"I would like to take this opportunity to thank both Max Crosland and Ken Ford for their contributions and efforts during their time with Atlantic Coal and to wish them well in their future endeavours."

**\*\*ENDS\*\***

For further information on the Company, visit: [www.atlanticcoal.com](http://www.atlanticcoal.com) or contact:

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### **About the Company:**

Atlantic Coal owns and operates the Stockton Colliery which comprises an opencast anthracite mine and an adjacent anthracite washing plant. The mine is an established non-union surface mine encompassing circa 900 land acres in the Hazle Creek Valley, Pennsylvania and has an estimated proven reserve of 4 million tons. Mining of raw coal is from the high quality Mammoth seam, while washing and sizing takes place in the 150 ton per hour coal preparation plant. J T Boyd Company, the Company's Competent Person, estimated that there is over 10 years of mine life from existing reserves at an average production rate of 400,000 Run of Mine ('ROM') tons per annum. Based on historic production levels, the mine is capable of and is projected to produce approximately 450,000 ROM tons of coal per year. Mining operations are conducted by the use of hydraulic excavators. Uncovered raw coal is then loaded into 100 ton trucks for delivery to the onsite preparation plant. As each section of the mine is developed, mining progresses from the northern and southern faces into the basin. This yields a constant flow of raw coal to the preparation plant.