

1<sup>st</sup> September 2009

**Atlantic Coal plc ('Atlantic' or 'the Company')**  
**Issue of Secured Loan Note & Warrants**

Atlantic Coal plc, the AIM listed open cast coal production and processing company with activities in Pennsylvania, USA, has raised £470,000, with an option to increase to £1,000,000 at the discretion of the Company, through the issue of a 12 month secured loan note ('the Loan Notes') with Cornhill Capital Limited.

The Loan Notes will bear an annualised coupon rate of 15% payable upon maturity. Additionally, Cornhill Asset Management Limited has been issued with warrants totalling 50% of the total amount borrowed with an exercise price of 1p. These warrants may be exercised into new ordinary shares in the Company at any time within 5 years of issue.

The funds generated from this transaction will primarily enable the Company to continue capital investment into its operations at the Stockton Colliery and subsequently boost production levels at the mine. It will also assist in the Company's new strategy of acquiring strategic stakes in additional coal projects to expand its current US focused portfolio.

In addition, the Company has issued Allenby Capital Limited with warrants to subscribe for 13,337,120 new ordinary shares in Atlantic Coal. The exercise price is 0.5 pence per ordinary share and the warrants are exercisable at any time within five years from issue.

Atlantic Coal Chairman Adam Wilson said, "This additional injection of capital will assist the Company in achieving its aim of complimenting near term coal production and dollar revenues with exposure to substantial new coal resources in additional locations. The Board believes that this strategy, demonstrated by both our increased production figures in the USA and our recent acquisition of 9.9 percent of the South African coal business Strategic Natural Resources plc, will enable the Company to deliver increased long term value for shareholders."

**\*\*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.