

Company Atlantic Coal PLC
TIDM ATC
Headline Memorandum of Understanding
Released 09:05 13-Apr-2010
Number 0887K09



RNS Number : 0887K
Atlantic Coal PLC
13 April 2010

Atlantic Coal plc / Index: AIM / Epic: ATC / Sector: Mining

**Atlantic Coal plc ('Atlantic' or 'the Company')
Agreement with US Coal Marketing Company**

Atlantic Coal plc, the AIM listed open cast coal production and processing company with activities in Pennsylvania, USA, has signed a strategic memorandum of understanding with Xcoal Energy & Resources ('Xcoal'), a private US coal marketing company, to supply premium anthracite from Atlantic's Stockton Mine in Pennsylvania. Prior to signing of the agreement, Xcoal, which specialises in the export of US metallurgical coal to steel makers throughout the world, has taken an initial tranche of 5,000 tons of premium anthracite. Additionally, the two parties have mutually agreed to evaluate opportunities for Xcoal's potential participation in funding the expansion of both the Stockton Mine and additional mining opportunities, which would further solidify the relationship between the two parties.

Atlantic Coal Managing Director Steve Best said, "This agreement with Xcoal, which has significant strategic supply agreements particularly with major integrated steel makers in both the Atlantic and Pacific regions, marks a positive step forward for Atlantic and is recognition of the quality of our anthracite production at Stockton. With Xcoal indicating that it will look to take up to half of our targeted annual run-of-mine production of coal, the positive impact on sales and the resulting cash flow is clearly evident. Xcoal's participation in the future of Stockton fits well with our long term development plans, particularly given its international reach and we believe that the relationship will be highly beneficial for the future of the Company."

Xcoal is a highly active and expanding coal marketing company specialising in the export of US metallurgical coal to the Japanese, Chinese, Korean, and European metallurgical markets.

To facilitate its activities, Xcoal has contracted significant capacity at the CNX Marine Terminal in Baltimore and at Hampton Roads on the US east coast in Virginia.

Under the terms of the memorandum of understanding, Xcoal has agreed to purchase up to the greater of 150,000 tons per year and 50% of Stockton's annual anthracite coal production.

****ENDS****

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