

Company Atlantic Coal PLC
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**Atlantic Coal plc ("Atlantic" or the "Company")
Refinance of Convertible Loan Note and Placing**

Atlantic Coal plc, the AIM listed open cast coal production and processing company with activities in Pennsylvania, USA, today announces that it has refinanced its £1.0 million secured 12 month convertible loan note (the "Loan Notes") with Cornhill Capital Limited. Further details relating to the Loan Notes are set out in announcement made by the Company on 3 November 2009.

The annualised coupon rate of the Loan Notes has been reduced to 13.75 per cent. (from 15 per cent.) payable upon maturity and are now convertible into new ordinary shares in the capital of the Company at a conversion price of 0.55 pence per Loan Note.

In addition, at the same time the Loan Notes were entered into, the Company issued warrants totalling 50 per cent. of the total amount borrowed under the Loan Notes with an exercise price of 1p to Cornhill Asset Management Limited ("Cornhill") in November 2009 (and as announced by the Company on 3 November 2009). These warrants have been cancelled and by way of replacement the Company has issued 86,956,522 new warrants to subscribe for new ordinary shares in the capital of the Company to Cornhill. These warrants may be exercised by Cornhill at any time in the 4 years from the date of issue and have an exercise price of 0.575 pence per ordinary share subscribed for.

The Company also announces that it has raised £57,000 through a placing of 14,250,000 new ordinary shares (the "Placing Shares") at a price of 0.4p per Placing Share (the "Placing"). As part of the terms of the Placing, each placee is also to be issued with one warrant to subscribe for a new ordinary share in the capital of the Company for every Placing Share they subscribe for (the "Placing Warrants"). The Placing Warrants have an exercise price of 0.65

pence per new ordinary share and may be exercised for a period of two years from the date of admission of the Placing Shares to trading on AIM. The funds raised pursuant to this placing will be used for working capital purposes.

The Placing Shares will represent approximately 0.74 per cent. of the Company's enlarged issued ordinary share capital following Admission. Application will be made for the admission of the Placing Shares to trading on AIM and it is expected that dealings in the new shares will commence at 8:00 am on 7 September 2010. The Placing Shares will, when issued, rank pari passu in all respects with the existing ordinary shares of the Company, including the right to receive dividends and other distributions declared following Admission.

Following completion of the Placing, there the Company will have 1,927,596,350 ordinary shares of 0.07 pence each in issue. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Disclosure and Transparency Rules.

****ENDS****

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