

Company Atlantic Coal PLC
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Atlantic Coal plc ("Atlantic" or the "Company")
Full redemption of Mayford loan

Atlantic Coal plc, the AIM listed open cast coal production and processing company with activities in Pennsylvania, USA, is pleased to announce that it has today entered into an agreement with Mayford LLC ("Mayford"), a company incorporated in Pennsylvania, to discharge in full the General Electric Capital Corporation ("GECC") loan note, now held by Mayford, (the "Note"), together with all interest and penalty interest accrued on the Note in consideration of an immediate cash payment of \$2.1 million by the Company to Mayford (the "Transaction").

On 2 December 2010 the Company announced that it had been notified on 30 November 2010 that GECC sold the Note to Mayford for a cash consideration of \$1.5 million.

The Note is secured on, amongst other things, all anthracite coal to be extracted from the Company's Stockton mine, through a first mortgage on all the real property of Coal Contractors (1991) Inc., a subsidiary of the Company. The Note is repayable on 15 January 2012, and is subject to an interest charge of 2% above U.S. prime rates per annum. Since 2009 the repayments due to GECC by the Company were not made and, as a consequence, the Note attracted a penalty interest rate of 18%. The payment to Mayford pursuant to the Transaction will discharge in full all of the Company's liabilities and obligations due under the Note and, once it has received payment, Mayford will release its charges over Atlantic Group's assets.

As at 30 April 2011 the outstanding amount on the Note was US\$2.58 million (including all principal, accrued interest and accrued penalty interest).

The Directors of Mayford include Mary Best (the spouse of Atlantic's Managing Director Steve Best) and Adam Wilson, who are directors of Atlantic Coal. The shares in Mayford are held as follows:

Steve Best and family	76%
Adam Wilson	24%

As both Steve Best and Adam Wilson are directors of the Company the Transaction is considered to be a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Peter Chinneck, a non executive director of the Company, has no interest in Mayford and is, pursuant to the AIM Rules for Companies, therefore considered to be an independent director of the Company for the purpose of the Transaction. Peter Chinneck, having consulted with the Company's nominated adviser, Allenby Capital Limited, considers that the terms of the Transaction are fair and reasonable insofar as the Company's shareholders are concerned. In providing advice to Peter Chinneck, Allenby Capital Limited has taken account of his commercial judgment.

Atlantic Managing Director, Steve Best, said, "I am very pleased that the Company has agreed terms with Mayford for cancelling the former GE loan note. This will remove the security held over all the anthracite coal to be extracted from the Company's Stockton mine. In addition the Company has reduced the amount it would be required to pay to pay off the Note by almost \$0.5 million."

Peter Chinneck, the Independent Director, commented, "The removal of the General Electric Loan note is in the Company's best interest. Charges will be released against our assets at Stockton and the amount payable by the Company is less than would be due if Mayford (or GECC before them) had enforced all their rights pursuant to the Note. This is a positive benefit for the Company."

****ENDS****

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

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Notes

Atlantic Coal plc is an AIM listed coal production and processing company focussed predominantly on open cast mining and the processing of anthracite coal in Pennsylvania, USA. The Company's primary asset is the Stockton Colliery, a producing surface coal mine and adjacent anthracite preparation plant encompassing an area of approximately 900 hectares located in Hazel Creek in North-East Pennsylvania, which has current Proven Reserves of 4.2 million tons run-of-mine coal.

Atlantic's strategy is to create a significant mid-tier coal company; both through the expansion of activities at Stockton and identifying additional sites in Pennsylvania to build its production and resource profile, primarily by acquiring defined assets in stable, recognised, high quality coal regions. The Board has identified opportunities to expand within the region and is involved in ongoing negotiations regarding adjacent sites, with the intention of acting as a regional consolidator in the Pennsylvanian Coal Field. Expansion within the local area has the potential to minimise upfront deal costs as a result of existing and proven infrastructure, equipment, facilities and market demand.

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