

23 August 2011

**Atlantic Coal plc (“Atlantic” or the “Company”)
Interim Results**

Atlantic Coal plc, the AIM listed open cast coal production and processing company with primary activities in Pennsylvania, USA, announces its results for the six months ended 30 June 2011.

Overview:

- Revenues up 55% to \$7,481,880 (H1 2010: \$4,827,508)
- Return to gross profit of \$843,106 (H1 2010: gross loss of \$1,003,343)
- Reduced net loss of \$1,052,524 (H1 2010: loss of \$1,487,973)
- Continuing development and optimisation of the Stockton anthracite mine in Pennsylvania
- Target to produce 300,000 tons of run-of-mine (“ROM”) coal for 2011
- Second new Liebherr 9250 19-yard bucket hydraulic excavator ordered and expected by the Board to enhance excavation capacity from Q1 2012 onwards
- Appointed Barney Corrigan as Project Development Manager to underpin Stockton development and assist with the identification, evaluation and development of potential acquisition targets
- Raised £12.0 million in February 2011 from institutional and other investors to fund growth strategy

Atlantic Coal Managing Director Steve Best said, “We are making progress at Stockton as reflected by the increase in revenue and gross profit for the first six months of the current year. Facilitated by the arrival of our first Liebherr in June 2010, production at the mine has increased and we look forward to the arrival of the second excavator at the end of this year which we expect, when operational in the first quarter of 2012, will enhance excavation capacity and facilitate increased ROM tons supplied to the wash plant.

“Importantly, we believe that coal fundamentals remain solid and, in tandem with our mine development, we are committed to increasing our resource base via acquisition. Both our cash position and management team have been strengthened during the period and I am confident that we will be able to use these to build on our progress to date during the current period.”

Chairman’s statement

We are extremely pleased to report we are able to report a return to gross profit for the six month period, a 55% increase in revenues and reduced net loss of \$1,052,524 (H1 2010: loss of \$1,487,973). We believe that this highlights the progress we have made in developing and advancing our primary asset, the Stockton Colliery. In tandem we are also pleased that we have been able to strengthen both our balance sheet and management team during the period and look forward to seeing the benefits that we expect this will bring during the current period and beyond.

Stockton has a current reserve of 3.1 million tons of run of mine (“ROM”) anthracitic coal, equating to approximately 1.5 million tons of washed anthracite after processing. Our current target is to produce 300,000 tonnes of ROM coal for 2011 to be washed and sized for delivery to our established and diverse customer base both within the US and internationally. Following investment and the optimisation initiatives implemented, our revenues from Stockton increased to \$7,481,880 (H1 2010: \$4,827,508) for the period and importantly, we are reporting a gross profit of \$843,106 (H1 2010: gross loss of \$1,003,343). Indeed, with improvement in clearing overburden, we believe that we are entering into a key phase in the Company’s development and we anticipate that this progress will be reflected in our full year accounts.

We continue to evaluate additional synergistic opportunities in Pennsylvania to consolidate our mining operations and, on the back of our strengthened balance sheet and management team, we believe we have the foundations in place from which to build on. It should be noted that we have a stringent due diligence process in place to ensure that potential sites will provide significant uplift.

Operations review

A priority for the Company is to maximise production at Stockton through the optimisation of the existing mine, continued investment in machinery to increase production and ongoing maintenance of the site and equipment.

As announced on 14 July 2011, at Stockton, in comparison with the corresponding period in 2010, production and levels of overburden removed for the first half of 2011 increased. We reported a 65% increase in the production of ROM to 121,251 tons (H1 2010: 73,550 ROM tons) and a 18% increase in overburden removed to 1,641,727 bank cubic yards (“BCYs”) (2010: 1,393,864 BCYs). 123,037 tons of ROM coal was washed, representing an increase of 21% (2010: 101,381 ROM tons), producing 59,553 tons of clean coal - an increase of 62%. 60,515 tons were sold during the last six months at an average price for prepared coal of US\$136.14 and, including by-product, an overall average sale price of US\$126.12. ROM stocks were 36,593 tons (2010: 18,853).

In addition, as further announced on 14 July 2011, we are replacing our 17 year old DeMag H185 excavator (“DeMag”) with a new Liebherr 9250 19-yard bucket hydraulic excavator (“Liebherr”). The introduction of our first Liebherr on site in June 2010 has increased our production capacity. Having recognised this positive effect, as announced on 13 April 2011, the Board ordered a second Liebherr during the period for \$3.75 million funded through a conventional lease purchase agreement. We expect this will be operational during Q1 2012 and anticipate that it will enhance excavation capacity and facilitate increased ROM tons supplied to the wash plant.

We are also committed to ensuring that our on-site equipment is reliable and serviceable and have completed engine overhauls on eight trucks. In addition, during the period we also purchased a Reich C550DII rotary drill which we anticipate will further expedite overburden removal and enhance coal production.

Board and management

Our board and management team was bolstered over the period and in June 2011 we were pleased to welcome Mr. Barney Corrigan to our management team as Project Development Officer. Mr. Corrigan is experienced in the minerals and waste planning industry and his role will be to assist in the identification, evaluation, acquisition and development of value accretive coal sites both in the USA and potentially the UK, to increase the Company's project portfolio, resource base and production profile.

Post-period end, on 5 July 2011 we appointed Mr. Edward Nelson, who has many years experience in the coal mining and engineering industries, to the Board as Non-Executive Director.

I am pleased to welcome them both to Atlantic Coal and am confident that both Edward's and Barney's knowledge of optimising mining operations and their networks within the sector will strengthen our current operations and assist us in fulfilling our acquisition and growth strategy.

Financial review

Revenue increased to \$7,481,880 (H1 2010: \$4,827,508) and we are reporting a reduced loss of \$1,052,524 (H1 2010: loss of \$1,487,973) for the period. Cash and cash equivalents at the period end was \$15,707,669 (H1 2010: \$135,221).

As announced on 14 February 2011 we carried out a placing of 1,600,000,000 new ordinary shares of 0.07 pence each in the Company at a price of 0.75 pence per placing share, raising £12.0 million before fees and expenses. The net proceeds of this placing were approximately £11.4 million and, in addition to funding the general working capital requirements of the Company, this money is being used to assist the Directors in evaluating and, if thought appropriate by the Directors, proceeding with potential acquisitions..

As announced on 30 June 2011, we entered into an agreement with Mayford LLC ("Mayford") to discharge in full the General Electric Capital Corporation loan note, now held by Mayford, (the "Note") together with all interest and penalty interest accrued. This was paid with an immediate cash payment of US\$2.1 million by the Company to Mayford. As part of this transaction the security held over all the anthracite coal to be extracted from the Stockton mine was removed and the Company reduced the amount it would otherwise have been required to pay to pay off the Note almost \$0.5 million.

Current trading and outlook

We continue to evaluate additional synergistic opportunities in Pennsylvania to consolidate our mining operations. It should be noted that we have a stringent due diligence process in place to ensure that potential sites will provide significant uplift.

Prior to year end we expect to take delivery of a second Liebherr at Stockton, which we believe has the potential to increase our production. The first Liebherr has had a positive effect on excavation

capacity and has also facilitated increased ROM tons supplied to the wash plant and we look forward to a similar effect, once the second Liebherr becomes operational in Q1 2012.

I would like to take this opportunity to thank our team, shareholders and associates for their support over recent months and we look forward to providing further updates at the appropriate time.

Adam Wilson
Chairman

****ENDS****

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

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Elisabeth Cowell	St Brides Media & Finance Ltd	Tel: 020 7236 1177

Condensed Consolidated Income Statement	Note	6 months to 30 June 2011 Unaudited \$	6 months to 30 June 2010 Unaudited \$
Turnover		7,481,880	4,827,508
Cost of sales		<u>(6,638,774)</u>	<u>(5,830,851)</u>
Gross profit / (loss)		843,106	(1,003,343)
Administration expenses		(1,153,312)	(908,637)
Other (losses)/gains – net		<u>(550,637)</u>	<u>757,278</u>
Loss from operations	4	(860,843)	(1,154,702)
Finance income		7,175	14,869
Finance costs		<u>(198,856)</u>	<u>(348,140)</u>
Loss from ordinary activities before tax		(1,052,524)	(1,487,973)
Corporation tax expense		-	-
Retained loss for the period attributable to shareholders		<u>(1,052,524)</u>	<u>(1,487,973)</u>
Loss per share - basic and diluted	6	(0.03) cents	(0.10) cents

All activities are classified as continuing.

Condensed Consolidated Statement of Comprehensive Income	6 months to 30 June 2011 Unaudited \$	6 months to 30 June 2010 Unaudited \$
Loss for the period	<u>(1,052,524)</u>	<u>(1,487,973)</u>

Other comprehensive income:

Exchange differences on translating foreign operations	<u>194,942</u>	<u>(582,221)</u>
Total comprehensive income for the period	<u>(857,582)</u>	<u>(2,070,194)</u>

Condensed Consolidated Balance Sheet

	Note	30 June 2011 Unaudited \$	31 December 2010 Audited \$
ASSETS			
Non-current assets			
Property, plant & equipment	7	8,111,508	6,915,151
Land, coal rights and restoration		<u>7,467,598</u>	<u>7,621,494</u>
		<u>15,579,106</u>	<u>14,536,645</u>
Current assets			
Inventories		1,307,873	1,241,232
Trade and other receivables		1,941,661	1,310,932
Other assets		340,926	236,467
Bank balances and cash		<u>15,707,669</u>	<u>292,433</u>
		<u>19,298,129</u>	<u>3,081,064</u>
Total assets		<u>34,877,235</u>	<u>17,617,709</u>
EQUITY & LIABILITIES			
Equity			
Called up share capital	8	4,595,188	2,394,507
Share premium account	8	38,609,522	19,415,088
Merger reserve		15,326,850	15,326,850
Reverse acquisition reserve		(12,999,288)	(12,999,288)
Other reserves	9	213,841	352,518
Foreign currency translation reserve		(2,477,872)	(2,672,814)
Retained losses		<u>(27,225,044)</u>	<u>(26,244,957)</u>
		<u>16,043,197</u>	<u>(4,428,096)</u>
Non-current liabilities			
Borrowings	10	4,233,387	4,665,043
Accrued restoration costs		<u>3,750,899</u>	<u>3,923,710</u>
		<u>7,984,286</u>	<u>8,588,753</u>
Current liabilities			
Trade and other payables		2,920,984	4,604,594
Borrowings	10	4,320,208	5,595,593
Accrued restoration costs		<u>3,608,560</u>	<u>3,256,865</u>
		<u>10,849,752</u>	<u>13,457,052</u>
Total equity and liabilities		<u>34,877,235</u>	<u>17,617,709</u>

Condensed Consolidated Statement of Changes in Equity

Attributable to the owners of the parent							
Share capital	Share Premium	Merger reserve	Other reserves	Reverse acquisition	Translation reserve	Retained losses	Total equity

	\$	\$	\$	\$	reserve	\$	\$	\$	\$
As at 1 January 2010	1,804,719	16,616,252	15,326,850	263,426	(12,999,288)	(2,352,466)	(21,156,869)	(2,497,376)	
Comprehensive income									
Loss for the period	-	-	-	-	-	-	(1,487,973)	(1,487,973)	
Other comprehensive income									
Currency translation differences	-	-	-	-	-	(582,221)	-	(582,221)	
Total comprehensive income	-	-	-	-	-	(582,221)	(1,487,973)	(2,070,194)	
Transactions with owners									
Share capital issued	109,669	618,846	-	-	-	-	-	728,515	
Total transactions with owners	109,669	618,846	-	-	-	-	-	728,515	
As at 30 June 2010	1,914,388	17,235,098	15,326,850	263,426	(12,999,288)	(2,934,687)	(22,644,842)	(3,839,055)	

	Attributable to the owners of the parent							
	Share capital	Share Premium	Merger reserve	Other reserves	Reverse acquisition reserve	Translation reserve	Retained losses	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
As at 1 January 2011	2,394,507	19,415,088	15,326,850	352,518	(12,999,288)	(2,672,814)	(26,244,957)	(4,428,096)
Comprehensive income								
Loss for the period	-	-	-	-	-	-	(1,052,524)	(1,052,524)
Other comprehensive income								
Currency translation differences	-	-	-	-	-	194,942	-	194,942
Total comprehensive income	-	-	-	-	-	194,942	(1,052,524)	(857,582)
Transactions with owners								
Share capital issued	1,904,473	17,065,778	-	-	-	-	-	18,970,251
Exercise/expiry of share options/warrants	176,785	1,439,951	-	(129,103)	-	-	62,863	1,550,496
Conversion of loan notes	119,423	688,705	-	(9,574)	-	-	9,574	808,128
Total transactions with owners	2,200,681	19,194,434	-	(138,677)	-	-	72,437	21,328,875
As at 30 June 2011	4,595,188	38,609,522	15,326,850	213,841	(12,999,288)	(2,477,872)	(27,225,044)	16,043,197

Condensed Consolidated Cash Flow Statement

	6 months to 30 June 11 Unaudited \$	6 months to 30 June 10 Unaudited \$
Cash flows from operating activities		
Loss from operations	(860,843)	(1,154,702)
Depreciation	408,066	519,083
Amortisation	254,296	111,549
Gain on debt settlement	(78,388)	-
Accretion, accrued restoration costs	178,399	262,462
Reclamation work performed	(842,283)	(986,108)
Provision for Doubtful Debts	-	-
Foreign exchange loss/(gain)	548,641	(757,581)
Increase in trade and other receivables	(729,604)	(180,403)

(Increase) / decrease in inventories	(66,642)	672,569
(Decrease)/ increase in trade and other payables	(595,437)	711,615
Net cash used in operating activities	<u>(1,783,795)</u>	<u>(801,516)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,629,741)	(784,850)
Payment for deposits	(5,469)	(168)
Loans to third parties	-	(100,000)
Loan repayments received from third parties	-	-
Proceeds from the sale of available-for-sale financial assets	-	-
Interest paid	(193,351)	(100,416)
Interest received	7,175	-
Net cash used in investing activities	<u>(1,821,386)</u>	<u>(985,434)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	21,548,315	783,350
Transaction costs of share issue	(1,027,569)	(54,835)
Proceeds from borrowings	-	994,685
Repayments of borrowings	(964,535)	(565,000)
Finance lease payments	<u>(309,704)</u>	<u>(32,044)</u>
Net cash from financing activities	<u>19,246,507</u>	<u>1,126,156</u>
Net increase/(decrease) in cash and cash equivalents	15,641,326	(660,794)
Effect of foreign exchange rate changes	(226,090)	(47,792)
Cash and cash equivalents at the beginning of the period	<u>292,433</u>	<u>843,807</u>
Cash and cash equivalents at the end of the period	<u>15,707,669</u>	<u>135,221</u>

Significant non-cash transactions

During the period ended 30 June 2011 the Company issued 107,264,476 ordinary shares to convertible loan note holders upon the exercise of their option to convert. The aggregate loan note principal and accrued interest settled through the issue of shares during the period was \$808,128.

During the period ended 30 June 2011 the Group renegotiated the debt due to Mayford LLC (refer note 10). The renegotiation of amounts due resulted in a reduction in the debt principal of \$78,388 and accrued interest of \$259,622. The aggregate non-cash gain in the income statement was therefore \$338,010.

During the period ended 30 June 2011 the Group purchased various items of plant and equipment with an aggregate value of \$75,000 through finance lease.

Notes to the unaudited financial statements

1. General information

The principal activity of Atlantic Coal and its subsidiary (together the “Group”) is the development and operation of the Stockton Colliery which comprises the Stockton Mine and an anthracite washing plant in Pennsylvania. There is no significant seasonality or cyclicity of the Group’s operations between interim periods.

The Company’s shares are listed on the AIM Market of the London Stock Exchange plc. The Company is incorporated and domiciled in the United Kingdom. The address of its registered office is 200 Strand, London WC2R 1DJ.

2. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of IFRS as adopted by the European Union. Statutory financial statements for the year ended 31 December 2010 were approved by the Board of Directors on 8 June 2011 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The 2011 interim financial report of the Company has not been audited but has been reviewed by the Company’s auditor, Littlejohn LLP, whose independent review report is included in this Interim Report.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 30 June 2011.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group’s medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group’s 2010 Annual Report and Financial Statements, a copy of which is available on the Group’s website: www.atlanticcoal.com. The key financial risks are liquidity risk, foreign exchange risk, credit risk, price risk and interest rate risk.

Critical accounting estimates

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 2 of the Group’s 2010 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

3. Accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Group’s financial statements for the year ended 31 December 2010, except for the impact of the adoption of the Standards and interpretations described below.

3.1 Changes in accounting policy and disclosures

(a) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2011 but not currently relevant to the Group.

The following standards and amendments to existing standards have been published and are mandatory for the Group’s accounting periods beginning on or after 1 January 2011 or earlier periods, but are not currently relevant to the Group.

A revised version of IAS 24 “Related Party Disclosures” simplified the disclosure requirements for government-related entities and clarified the definition of a related party. This revision was effective for periods beginning on or after 1 January 2011.

An amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards” relieved first-time adopters of IFRSs from providing the additional disclosures introduced in March 2009 by “Improving Disclosures about Financial Instruments” (Amendments to IFRS 7). This amendment was effective for periods beginning on or after 1 July 2010.

Amendments to IFRS 7 “Financial Instruments: Disclosures” were designed to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity’s financial position. These amendments were effective for periods beginning on or after 1 January 2011 but are still subject to EU endorsement.

Amendments to IAS 32 “Financial Instruments: Presentation” addressed the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. These amendments were effective for periods beginning on or after 1 February 2010.

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” clarified the treatment required when an entity renegotiates the terms of a financial liability with its creditor, and the creditor agrees to accept the entity’s shares or other equity instruments to settle the financial liability fully or partially. This interpretation was effective for periods beginning on or after 1 July 2010.

An amendment to IFRIC 14 “IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”, on prepayments of a minimum funding requirement, applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permitted such an entity to treat the benefit of such an early payment as an asset. This amendment was effective for periods beginning on or after 1 January 2011.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted

The Group’s assessment of the impact of these new standards and interpretations is set out below.

IFRS 10 “Consolidated Financial Statements” builds on existing principles by identifying the concept of control as the determining factor as to whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IFRS 11 “Joint Arrangements” provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IFRS 12 “Disclosure of Interests in Other Entities” is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IFRS 13 “Fair Value Measurement” improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. It does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IAS 27 “Separate Financial Statements” replaces the current version of IAS 27 “Consolidated and Separate Financial Statements” as a result of the issue of IFRS 10 (see above). This revised standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IAS 28 “Investments in Associates and Joint Ventures” replaces the current version of IAS 28 “Investments in Associates” as a result of the issue of IFRS 11 (see above). This revised standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement, and is not expected to have an impact on the Group’s Financial Statements.

Amendments to IAS 1 “Presentation of Financial Statements” require items that may be reclassified to the profit or loss section of the income statement to be grouped together within other comprehensive income (OCI). The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. These amendments are effective for periods beginning on or after 1 July 2012, subject to EU endorsement. The Directors are assessing the possible impact of these amendments on the Group’s Financial Statements.

Amendments to IAS 19 “Employment Benefits” eliminate the option to defer the recognition of gains and losses, known as the “corridor method”; streamline the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhance the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans. These amendments are effective for periods beginning on or after 1 January 2013, subject to EU endorsement, and are not expected to have an impact on the Group’s Financial Statements.

4. Loss for the period

Loss for the period includes the following items which are unusual because of their nature, size or incidence:

	6 months to 30 June 11 Unaudited \$	6 months to 30 June 10 Unaudited \$
Foreign exchange (losses)/gains	(550,637)	757,278

5. Dividends

No dividend is proposed for the period.

6. Loss per share

The calculation of loss per share of 0.03 cents (30 June 2010: 0.10 cents) is based on a retained loss of \$1,052,524 for the period ended 30 June 2011 (30 June 2010: \$1,487,973) and the weighted average number of shares in issue in the period ended 30 June 2011 of 3,302,759,190 (30 June 2010: 1,464,851,875). No diluted earnings per share is presented as the effect on the exercise of share options would be to decrease the loss per share.

Details of share options that could potentially dilute earnings per share in future periods are disclosed in note 8 to these condensed interim financial statements.

7. Property plant and equipment

During the period the Group acquired various items of mining equipment with an aggregate value of \$1,604,142. There were no disposals during the period.

8. Called up share capital

There has been no movement in the authorised share capital during the period. The movements in issued share capital are as follows:

Issued	Number of shares	Ordinary shares \$	Share premium \$	Total \$
At 1 January 2011	1,927,596,350	2,394,507	19,415,088	21,809,595
Issue of new shares – 4 January 2011	75,000,000	81,449	383,972	465,421
Exercise of warrants – 11 January 2011	500,000	544	4,895	5,439
Exercise of warrants – 17 January 2011	25,000,000	27,762	230,028	257,790
Loan conversion – 17 January 2011	58,839,399	65,340	376,628	441,968
Exercise of options – 18 January 2011	25,074,070	27,865	171,173	199,038
Exercise of warrants – 18 January 2011	75,837,120	84,279	666,553	750,832
Loan conversion – 19 January 2011	41,221,731	46,038	265,658	311,696
Exercise of warrants – 19 January 2011	30,000,000	33,506	277,617	311,123
Loan conversion – 26 January 2011	4,799,626	5,339	30,783	36,122
Loan conversion – 2 February 2011	2,403,720	2,706	15,636	18,342
Exercise of warrants – 3 February 2011	2,500,000	2,829	23,444	26,273
Issue of new shares – 3 March 2011 ⁽¹⁾	1,600,000,000	1,823,024	16,681,806	18,504,830
Transfer from other reserves	-	-	66,241	66,241
At 30 June 2011	3,868,772,016	4,595,188	38,609,522	43,204,710

(1) Includes issue costs of \$1,027,569

Share options and warrants

A reconciliation of the movements in the number of options and warrants outstanding and exercisable during the period is as follows:

	Number
Outstanding as at 1 January 2011	685,042,781
Exercised	(158,911,190)
Expired	(24,108,144)
Outstanding as at 30 June 2011	502,023,447
Exercisable at 30 June 2011	502,023,447

9. Other Reserves

Share option reserve	Borrowing reserve	Total
\$	\$	\$

At 1 January 2011	339,983	12,535	352,518
Options and warrants exercised	(81,291)	-	(81,291)
Options and warrants expired	(47,812)	-	(47,812)
Conversion of loan notes		(9,574)	(9,574)
At 30 June 2011	210,880	2,961	213,841

10. Borrowings

On 30 June 2011 the Group entered into an agreement with Mayford LLC ("Mayford") to discharge in full the loan note, held by Mayford, together with all interest and penalty interest accrued on the note in consideration of an immediate cash payment of \$2.1 million by the Group to Mayford. The Group has recognised an aggregate gain of \$338,010 in the consolidated income statement for the period as a result of the reversal of previously accrued interest and a reduction in the loan principal resulting from this agreement.

Mary Catherine Best (spouse of Managing Director Stephen Best) and Adam Wilson, who is a director of Atlantic Coal plc are shareholders and beneficial owners of Mayford LLC. The settlement was subject to approval by an independent third party. Mr Best and Mr Wilson were both excluded entirely from the settlement process.

11. Capital commitments

On 13 April 2011 the Company placed an order for a second Liebherr R9250 19-yard bucket hydraulic excavator. The deposit paid for this excavator of \$124,000 has been included within property, plant and equipment additions for the period. At 30 June 2011 an amount of \$3.626 million remains committed but not provided for under this agreement.

The Group has entered into a contractual arrangement with The Railroad Associates Corporation for work to be performed in relation to the relocation of the Norfolk and Southern railway line. An amount of \$118,257 (31 December 2010: \$218,257) remains committed under this contract.

All other commitments remain as stated in the Group's Annual Financial Statements for the year ended 31 December 2010.

12. Events after balance sheet date

Repayment of loan and mortgage release

On 14 July 2011 the Group repaid \$2.1 million in full and final settlement of amounts due to Mayford LLC in accordance with the terms of the settlement agreement dated 30 June 2011 (refer note 10). On the same date, as a result of the repayment, Mayford LLC's first mortgage on all the real property of Coal Contractors (1991) Inc was released.

13. Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 22nd August 2011.

Independent Review Report to Atlantic Coal Plc

Introduction

We have been engaged by Atlantic Coal Plc to review the condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2011 which comprise the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, consolidated statement of changes in equity, condensed consolidated cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of Financial Statements.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies.

The annual Financial Statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of Financial Statements included in this half-yearly financial report has been prepared in accordance with the requirements of the AIM Rules for Companies.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of Financial Statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with the AIM Rules for Companies.

Littlejohn LLP

Chartered Accountants and Registered Auditors
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22nd August 2011