



Atlantic Coal plc



AGM Presentation
August 2008

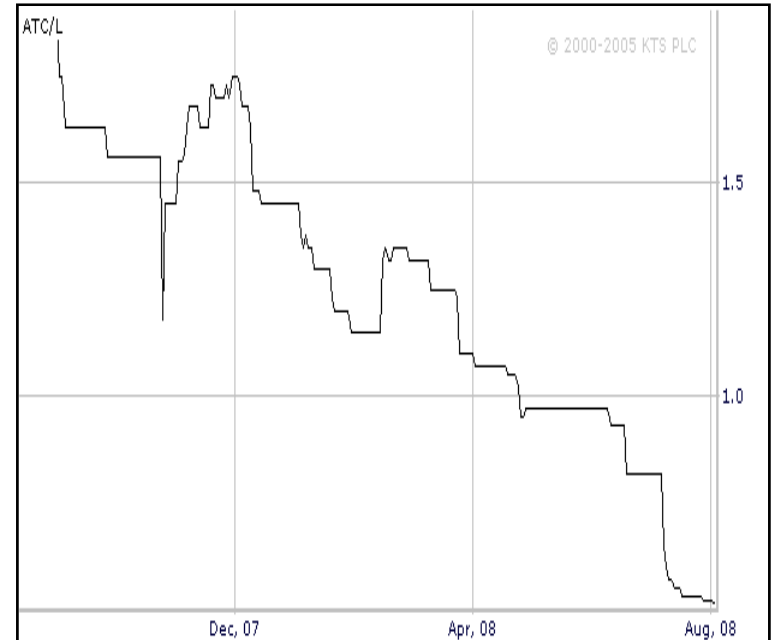
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Key Data

- Market AIM
- Ticker ATC
- Share price 0.52p
- Market Capitalisation £3.9m
- Shares in issue 762m
- Nomad / Broker HB Corporate



Directors

<p><i>Christ Lambert</i> Non Exec Chairman</p>	<p>Christopher Lambert is the Executive Chairman of AIM quoted Altona Resources plc, a coal business with a JORC compliant resource of over 7.5 billion tonnes of coal that is developing a coal to liquids and cogeneration power plant in South Australia. Additionally he is a non-executive director on the board of AIM listed Braemore Resources plc.</p>
<p><i>Steve Best</i> Chief Executive</p>	<p>Stephen Best is the Managing Director of the Stockton Coal Group. He has over 25 years experience in opencast coal mining in the UK and the USA. Mr. Best has been involved in the formation and operation of a number of private companies specialising in the acquisition of opencast coal mines and property development opportunities.</p>
<p><i>Raymond Petrilla</i> Finance Director</p>	<p>Raymond Petrilla has over 22 years experience in the Pennsylvanian anthracite industry and has been the CFO of the Stockton Coal Group since 2002. Mr. Petrilla is a certified public accountant and holds a BSc in Accounting from Pennsylvania State University. and attended the Program for Management Development at the Harvard Graduate School of Business Administration.</p>
<p><i>Toby Howell</i> Non Exec Director</p>	<p>Toby Howell is a director of Blomfield Corporate Finance Limited, a subsidiary of Hichens, Harrison & Co plc. Mr Howell has extensive experience in corporate finance, undertaking transactions on the Official List and AIM as well as private equity transactions.</p>
<p><i>Greg Kuenzel</i> Non Exec Director</p>	<p>Gregory Kuenzel holds a Bachelor of Business degree and is an Associate of the Institute of Chartered Accountants in England and Wales. Mr Kuenzel has over 13 years' experience in providing accounting and corporate advice in a diverse range of industry sectors, including resource development</p>
<p><i>Edward Stott</i> US Manager</p>	<p>Edward Stott has over 20 years experience covering all aspects of the mining industry, and has extensive management experience of mining and plant facility operations. Prior to joining Atlantic Coal in 2008 he served as vice president of engineering at the Lehigh Coal & Navigation Company.</p>



Overview

- AIM listed coal production and processing company
- Owns the Stockton Colliery, an opencast producing mining operation in the Pennsylvania Anthracite fields
- Union free surface mine encompassing circa 900 land acres with a newly constructed Anthracite Preparation/Washing Plant
- Estimated production potential of over 400,000 run-of-mine tonnes per annum with 10 year mine life from existing proven reserves
- Serving expanding market in the world's largest economy in a stable political environment
- Professional, experienced Anglo-American management team



The Stockton Open pit mine



Strategy

“Atlantic Coal has a solid existing business with defined and targeted growth prospects”

- Expand the Pennsylvanian coal business by way of
 - opening up additional reserves on-site
 - acquisition of further adjacent sites
 - entering into royalty mining operations on adjacent properties by utilising existing wash plant and equipment
- Acquire interest in projects such as exploration permits and licences, processing plants or working mines either side of the Atlantic



Existing Mining Operations

- Stockton is a fully operational, bonded and equipped opencast anthracite coal mine with an adjacent washing plant
- Encompasses circa 900 land acres in the Hazle Creek Valley
- 2.1 million tonnes run of mine coal produced since 2000
- Historic production of circa 450,000 tonnes run of mine coal per annum
- Reserves of 4.2 million tonnes run of mine coal, primarily on Mamouth Seam
- Excellent and immediate infrastructure - vehicle access to the mine and rail links for loadout





Atlant



Coal Preparation/Washing Plant

- 200 tonne per hour anthracite preparation plant
- Manufactured by Parnaby Cyclones International Ltd (County Durham)
- Commissioned in March 2007 at a cost of \$4m
- Recovery rate 50% from run of mine to clean coal
- Capable of washing 300,000 run of mine tonnes per annum on a single shift
- Produces up to eight sizes of clean coal products: Stove, Nut, Pea, Buck, Rice, Barley, No4, and No5



Coal stocks



2007 – building stock of clean washed anthracite products for sale



Extraction at Stockton



Growth in Pennsylvania

- Over 10 years of continuous production remain at Stockton at current extraction rate
- 10 million tonnes probable additional reserves within 10 miles radius of site & 300 million tonnes further probable reserves within 30 miles of site
- Nearby sites identified for expansion with negotiations on-going - Currently negotiating the recovery of reserves from other landowners on royalty basis
 - Minimisation of upfront costs
 - Ongoing costs start only after commencement of production
 - Costs directly linked to output
- No land capital outlay required
- Use of existing plant and equipment to mine new sites - additional capacity can be added to Anthracite preparation plant



Pennsylvanian Anthracite Market

- Niche industry situation
- 5.6 million tonnes produced and consumed in 2005
- Sales for alternative home heating fed by high oil price
- Industrial uses for filtration and metallurgical treatment - non-seasonal demand
- Prices firm at up to \$140/t depending on size and quality
- JT Boyd confident that demand for clean washed anthracite products will remain strong



Extract from CPR

DISCLAIMER: The below numbers relating to the Stockton Colliery are an extract from the independent Competent Person's Report prepared by John T Boyd Company which prepared model for the purposes of the Company's Admission Document. It is provided here for illustrative purposes only and is not a profit forecast relating to Atlantic Coal plc.

FUTURE MINE PRODUCTION COST AND PROJECTED CASH FLOW								
STOCKTON COAL GROUP								
COAL CONTRACTORS (1991) INC								
LUZERNE County, Pennsylvania								
Prepared for								
<u>SUMMIT RESOURCES plc and HB CORPORATE</u>								
By John T. Boyd Company								
Mining and Geological Consultants								
<u>August 2007</u>								
Fiscal Year:	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
Description	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Coal Sales (Product Tons)								
ROM	-	-	-	-	-	-	-	-
Stockton Anthracite - Clean Tons	-	-	-	-	-	-	-	-
Coal Sales Revenue	<u>19529.24</u>	<u>19772.91</u>	<u>20492.60</u>	<u>20,492.60</u>	<u>20492.60</u>	<u>20,492.60</u>	<u>20,013.60</u>	<u>20,492.60</u>
Mining (Pit) Costs								
Labour	3,658	3,668	3,668	3,668	3,668	3,668	3,668	3,668
Mine Supplies	5,345	5,352	5,352	5,352	5,352	5,352	5,352	5,352
Other	572	579	579	1,077	1,578	1,579	1,571	1,996
Preparation Plant Costs (SALP) / Cash costs	1741.63	1,434	3,021	3,022	3,025	3,021	2,897	562
Subtotal Mining Costs	<u>11,317</u>	<u>11,033</u>	<u>12,620</u>	<u>13,119</u>	<u>13,623</u>	<u>13,620</u>	<u>13,488</u>	<u>11,578</u>
Operating Profit	<u>8212.61</u>	<u>8739.91</u>	<u>7872.60</u>	<u>7373.60</u>	<u>6869.60</u>	<u>6872.60</u>	<u>6525.60</u>	<u>8914.60</u>
Less								
Capital Expenditures	(500.00)	(500.00)	(500.00)	(1,000.00)	(500.00) #	(500.00)	(500.00)	(500.00)
Repayment	(299.00)	-	-	-	-	-	-	-
Net Cash Flow pre Tax	<u><u>7,413.61</u></u>	<u><u>8,239.91</u></u>	<u><u>7,372.60</u></u>	<u><u>6,373.60</u></u>	<u><u>6,369.60</u></u>	<u><u>6,372.60</u></u>	<u><u>6,025.60</u></u>	<u><u>8,414.60</u></u>



Financial Results

	For the period from 1 September 2007 to 31 December 2007 \$	For the year ended 31 August 2007 (restated) \$
Revenue	2,523,054	4,450,695
Operating Loss	(1,307,918)	(6,843,673)
Loss for the period	(3,615,463)	(7,442,853)
Cash and cash equivalents at end of period	1,591,300	133,087
Total Assets	17,668,828	16,036,332



Production Delays 2007-8

- Production affected by Norfolk Southern Railroad track located on southern face of mine
- Railroad's present location prevents extraction of coal reserves located near, under and beyond the track
- Coal is currently mined from northern face while coal located on southern face remains untouched
- **Track relocation now in progress: to be completed in Q3/Q4 2008**
 - Completion of rail works will open both faces to exploitation, increasing strip ratio and boosting revenue
 - Resulting increase in coal volume on completion will provide feed to preparation plant and significantly raise production of clean coal



Railway Relocation 2008



Atlantic Coal's team and equipment building the new railway embankment



Local Support

- Support from local and national politicians, commonwealth and federal enforcement agencies – “US resource development crucial to the nation” – less obstacles for development
- Quick and uncomplicated planning process for open cast activities compared with EU
- Past and present support from environmental groups - active reclamation and restoration programme to return mined land to original state



Conclusion

- Established mine with quantified resource, mining equipment and processing infrastructure already in place
- Short-term difficulties with track relocation close to resolution
- Production and cash flow to be increased significantly
- Local market for anthracite remains very strong
- Additional opportunities being evaluated to consolidate Pennsylvanian mining operations
- UK acquisition opportunities also being examined



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