

20 September 2016

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Atlantic Carbon Group Plc
("ACG" or the "Company")

Possible Offer

Further to the announcement dated 19 September 2016 relating to possible offers from each of Atrum Coal NL and Live Microsystems, Inc., the Board of Atlantic Carbon Group Plc announces that it has also received a preliminary approach from Royal Energy Resources, Inc. (the "Bidder") which may or may not lead to an offer being made for the entire issued share capital of the Company.

The Company is in preliminary discussions with the Bidder but there can be no certainty that a formal offer will be made for the Company or the terms on which such an offer may be made.

In accordance with Rule 2.6(a) of the Code, the Bidder must, by not later than 5.00 p.m. on 18 October 2016, being the 28th day following the date of this announcement, either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

The Company confirms that it has 5,488,538,505 ordinary shares of 0.07p each in issue with ISIN: GB00B142G994 in accordance with Rule 2.9 of the Code.

The attention of shareholders is drawn to the disclosure requirements of Rule 8 of the Code which are summarised below.

This announcement has been issued with the approval of the Bidder.

Further announcements will be made in due course as and when appropriate. In the meantime, shareholders are urged to take no action.

Enquiries:

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Disclaimer

Daniel Stewart & Company plc ("Daniel Stewart") which is regulated in the United Kingdom by The Financial Conduct Authority is acting for the Company in relation to the matters described in this announcement and is not advising any other person, and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to

customers of Daniel Stewart or for providing advice in relation to the matters described in this announcement.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

A copy of this announcement will be made available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.atlanticcoal.com by no later than 12 noon (London time) on 21 September 2016, being the date following the date of this announcement.

Additional information

This announcement is not intended to, and does not, constitute or form part of an offer, invitation or the solicitation of an offer to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to this announcement or otherwise. Any offer, if made, will be made solely by certain offer documentation which will contain the full terms and conditions of any offer, including details of how it may be accepted.

The distribution of this announcement in jurisdictions other than the United Kingdom and the availability of any offer to shareholders of ACG who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or shareholders of ACG who are not resident in the United Kingdom will need to inform themselves about, and observe, any applicable requirements.