



1 June 2016

Atlantic Carbon Group plc announces the acquisition of Hazleton Shaft Corporation to become the major player in the US anthracite coal industry.

Atlantic Carbon Group plc, formerly Atlantic Coal plc, (“the Company”) the UK based anthracite coal mining company operating in Pennsylvania, USA is delighted to announce the acquisition of Hazleton Shaft Corporation (“HSC”) an integrated anthracite mining and processing company operating in the Hazleton area of Pennsylvania near the Company’s flagship Stockton Mine.

HSC operates two anthracite surface mines: Hazleton Shaft, immediately adjacent and to the west of Stockton Mine and Hazleton Shaft South, also known as Jeansville, 3.5 miles south west of Stockton Mine. HSC also operates a modern, high capacity washing plant at the Hazleton Shaft site and owns a 50% stake in the Hazleton Hiller anthracite drying plant on the Hazleton Shaft site.

The Company’s Managing Director, Steve Best said “the Company has been seeking to expand its position in the Pennsylvania anthracite market for some time with a view to increasing its share of both the North American and export markets. The HSC mines and preparation plants make the perfect fit to achieve this with high quality reserves and both primary and secondary preparation plants which will enable the Company to not only massively expand production but also to make inroads into the added value processed anthracite and carbons market.”

Recoverable anthracite reserves on the HSC properties amounts to over 7,000,000 tons of clean anthracite. In addition, there are additional unquantified reserves of unmined, anthracite waste anthracite and silt on two further properties, Beaver Brook and Sandy Run. The Sandy Run silt deposit is worked by a contractor which supplies anthracite to the HSC washing plant.

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In 2015 the Company's Stockton Mine achieved record production of 639,000 tons of raw anthracite and 205,000 tons of processed anthracite and is currently the largest anthracite mine in the USA. The Pennsylvania anthracite fields produce the highest quality anthracite which is a much sought after source of carbon for use in a wide range of industries. As such anthracite production has been largely immune from the problems which have beset the bituminous coal industry which main market is in electricity generation.

The Company has also received an offer of finance for mining equipment in excess of US\$20 million, on similar terms to those secured by the Company for the Stockton Mine in 2014. The new mining equipment will be arriving at the HSC mines over the next few months and it is anticipated that this will be fully operational by the end of 2016. Mine planning for the expansion of production on the HSC properties is also at an advanced stage and the Company believes that, with the new mining equipment, the HSC mines will achieve production performances in excess of those being achieved by the Company at Stockton.

The Company delisted from the AIM market in January of this year in order to progress the HSC acquisition which would have been impossible under the AIM reverse takeover rules, however, with the successful HSC acquisition the Company is now looking to relist on the US market.

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