

# January 26<sup>th</sup> 2016

## Production and Sales Update for 2015

The Directors are very pleased to once again be able to announce record end of year production at Stockton Mine, with 204,746 tons of clean anthracite being produced in 2015. This is an increase of 24% on last year's (then) record figure (165,052 tons were produced in 2014), and is accompanied by an 18% rise in clean anthracite sales.

### Highlights

- Record clean anthracite production of 204,746 tons, a 24% increase on 2014.
- Clean anthracite sales of 180,910 compared to 153,662 in 2014. This 18% rise does not take into account the run of mine (ROM) sales which started early in 2015.
- Total anthracite sales of 261,564 tons (combined clean anthracite and ROM).
- Run of Mine (ROM) production almost doubled from 341,155 tons in 2014 to 638,697 tons in 2015.

These results speak clearly for the success of the strategies which have been implemented at the mine, in particular the introduction of new equipment in early Spring 2015. The new Komatsu equipment has enabled us to substantially increase productivity at the mine, which is evident in the outstanding ROM production figures which on average work out at over 50,000 tons of ROM anthracite being dug out of the ground every month. The new machinery meant that the team at the mine were set up to take full advantage of the near solid coal, 30 feet thick, area of the Mammoth seam which we entered late in 2014.

The clean anthracite stockpile at the end of 2015 was 31,265 tons (compared with just 7,664 tons in 2014) in part due to the mild winter experienced at the end of 2015 but also good production figures. This stockpile sees us in a good position to exploit cold winter temperatures which have now arrived in the North East states of the USA.

The company, now rebranded as Atlantic Carbon Group plc, is in a very strong position at the start of 2016. With excellent production and sales results for 2015, good mining conditions continuing into the next cut, and with sub-zero (centigrade) temperatures now prevailing and the anticipated increased sales into the heating market, we can look forward with confidence to the rest of 2016.

Meanwhile we continue to make good progress with due diligence and funding for the proposed acquisition and hope to be in a position to report positively on this in the coming weeks.