



UK COAL PLC

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www.ukcoal.com

If you have sold or transferred your ordinary shares in UK Coal plc, please send this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. However, this letter should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

10 March 2010

Dear shareholder,

UK COAL PLC (the “Company”)

As required under Rule 2.6 of the Takeover Code (the “Code”), I enclose a copy of an announcement made by the Company on 9 March 2010.

Although this announcement has put the Company into what is known as an “offer period” there can be no certainty that an offer will in fact be made. We will make further announcements if and when appropriate. You need take no action at this time.

Addresses, electronic addresses and certain other information provided by you for the receipt of communications from the Company (e.g. elections to receive communications in a particular form) may be provided to an offeror during the offer period as required under Section 4 of Appendix 4 of the Code.

A copy of this letter is available on the Company’s website at www.ukcoal.com.

Yours sincerely,

A handwritten signature in black ink that reads 'David Jones'.

David Jones
Chairman

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of the Company, all “dealings” in any “relevant securities” of the Company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of the Company, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of the Company by the Company or the potential offeror, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.