

U.S. Coal Acquisition says Eastern KY deals to launch consolidation plan

We have some more on U.S. Coal Acquisition Corp.'s acquisition of Licking River Resources, Inc., SM&J Inc. and Oak Hill Corp., three related coal mining companies based in Eastern Kentucky that control more than 50 million tons of recoverable steam coal resources.

As previously detailed, the principal owners of the acquired companies, John Whitt, John Collins and Kenneth Whitt, will assume executive positions with U.S. Coal and become significant stockholders. Other terms of the transaction were not immediately disclosed.

U.S. Coal's CEO, Bob Gabbard, has more than 28 years of coal mining experience, including prior positions with Ashland Coal Inc., Oldben Coal Company, Gabbard Coal Sales, Inc. and Triton Coal.

"I have worked closely with John Whitt and the Licking River management team for over 25 years and have admired their operational expertise," Gabbard said. "I am very pleased to be partnering with them, and I believe their operations will provide U.S. Coal a good platform for launching our acquisition and consolidation strategy."

John Whitt, president of SM&J Inc. said "We are pleased that we have completed our transaction with U.S. Coal, and we are excited about working with Bob Gabbard and about the future prospects of the combined company."

U.S. Coal received gross proceeds of approximately \$23 million from the sale of its Series A convertible preferred stock. U.S. Coal intends to use the net proceeds of the financing for working capital and general corporate purposes.

The law firm of Pryor Cashman LLP of New York represented U.S. Coal in the acquisition and the financing. The financing was raised by European American Equities, Ltd., a New York-based investment bank and a subsidiary of TerraNova.