



To all known creditors

9 July 2013

Our ref: MG/UKCOL/AM013/w020130709(D355D)

Dear Sirs

UK Coal Operations Limited – in Administration (“the Company”)

I was appointed joint administrator of the Company on 9 July 2013 together with my colleagues, Ian David Green and David James Kelly. Formal notice on Form 2.12B is available with this letter at www.pwc.co.uk/

Amounts due to creditors at the date of appointment

Please complete and return to the Company at this address the statement of claim. In order to assist me further please supply details of any Company property you hold.

Creditors whose claims include VAT may be able to obtain VAT bad debt relief six months after the taxable supply. If you are not familiar with the procedure you should contact your local VAT office.

Reporting to creditors

A successful application was made to Court seeking dispensation of certain statutory requirements which would otherwise be carried out in the administration. This will allow the Company to be placed into liquidation sooner in order for the liquidators to disclaim onerous property and contracts, which would otherwise have had a detrimental effect on the return to creditors.

I intend to write to creditors in due course to confirm the move to liquidation and to provide an invitation to a meeting of creditors.

I regret that I cannot enter into general correspondence with creditors regarding the Company's affairs in the meantime.

Creditors' rights

An explanatory note giving creditors a statement of their rights in relation to administrators' remuneration and expenses, and their rights to request further information, can be found online at:

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-administrators-fees-final.pdf>

A hard copy may also be requested:

- In writing to Nadia Mann at the address below; or
- By e-mailing creditorenquiries@uk.pwc.com. Please ensure that the name of the insolvent company is clearly displayed in the email title. Include in the email the name of your company and your postal address if different to the address to which this notice has been sent.

PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP
www.pwc.co.uk

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Restrictions on the rights of creditors

The appointment of joint administrators restricts the rights of creditors in a number of ways. In particular the rights to start or continue legal proceedings or to enforce security are suspended. Paragraph 43 of Schedule B1 to the Insolvency Act 1986 makes clear that goods in the possession of the Company cannot be repossessed without the consent of the court or the administrator.

Directors' conduct

Under the insolvency legislation, the joint administrators have a duty to consider the conduct of those who have been directors of the Company at any time within the three years preceding our appointment. I also have a duty to consider whether any action should be taken against the directors or others for the recovery of, or contribution to, the Company's assets. If there is anything that you feel I should be aware of, please complete the relevant section of the attached statement of claim form or alternatively write to me separately at the above address. This is part of our usual procedures and does not necessarily imply any criticism of the directors' conduct.

Yours faithfully
For and on behalf of the Company



Michelle Gilks
for Robert Hebenton
Joint administrator

Robert James Hebenton, Ian David Green and David James Kelly have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.

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