

**EARLY WARNING REPORT
PURSUANT TO NATIONAL INSTRUMENT 62-103**

Section 102 of the *Securities Act* (Ontario)

1. Name and address of the offeror:

Satellite Overseas (Holdings) Limited (the “**Offeror**”)
c/o Lubbock Fine, Chartered Accountants
Russel Bedford House
City Forum, 250 City Road
London, United Kingdom EC1V 2QQ

2. Name of reporting issuer with respect to which this report is filed:

MicroCoal Technologies Inc. (the “**Company**”)

3. Designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the report, and whether it was ownership or control that was acquired in those circumstances:

Pursuant to a private purchase on January 20, 2015, the Offeror acquired, on a private placement basis, 79,046,666 common shares (“**Common Shares**”) of the Company, representing approximately 46.6% of the issued and outstanding Common Shares at a price of \$0.15 per Common Share pursuant to a private Common Share purchase and sale agreement (the “**Investment Agreement**”).

4. Designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file the report:

Following the acquisition indicated in paragraph 3, the Offeror, directly holds an aggregate of 79,046,666 Common Shares, representing approximately 46.6% of the outstanding Common Shares.

5. Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 4 over which:

(i) the offeror, either alone or together with any joint actors, has ownership and control;

Following the acquisition indicated in paragraph 3, the Offeror together with joint actors, directly and indirectly, holds an aggregate of 79,046,666 Common Shares, representing approximately 46.6% of the outstanding Common Shares.

(ii) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor; and

Not applicable.

- (iii) the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 6. Name of the market in which the transaction or occurrence that gave rise to the report took place:**

The Common Shares described in paragraph 3 were purchased on a private placement basis pursuant to the Investment Agreement.

- 7. Purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the report, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The Offeror has acquired the above-noted securities of the Company for investment purposes and the Offeror may, depending on market and other conditions, increase its beneficial ownership, control or direction over the Common Shares or other securities of the Company, through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise.

- 8. General nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the report, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Pursuant to the Investment Agreement, the Offeror holds certain anti-dilution and participation rights to subscribe for future Common Share issuances by the Company for so long as it holds at least 5% of the outstanding Common Shares, which provide the Offeror with the option to maintain its pro rata percentage ownership in the Company. The Offeror also has the right to appoint a director to the board of the Company, which right will continue for so long as the Offeror maintains ownership of 5% or more of the Common Shares.

Pursuant to the terms of the Investment Agreement, all Common Shares acquired by the Offeror under the Investment Agreement are subject to a six-month lock-up period, and following such six-month period the Offeror has agreed not to dispose of more than 10% of the outstanding Common Shares in any three month period on any public market, without first providing the Company with an opportunity to locate a purchaser.

- 9. Names of any joint actors in connection with the disclosure required by this report:**

Cadila Pharmaceuticals Limited.

- 10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror.**

Cash consideration of \$0.15 per Common Share.

- 11. Where applicable, a description of any change in any material fact set out in a previous report filed under the early warning requirements of applicable Canadian securities legislation.**

Not applicable.

- 12. Where applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting the reliance.**

Not applicable.

DATED this 21st day of January, 2015.

“Amitabha Banerjee” (signed)
Amitabha Banerjee
Group CFO
Satellite Overseas (Holdings) Limited