



ROYAL COAL AND MERCURIA CLOSE CONVERTIBLE DEBENTURE FINANCING

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Toronto, Ontario – July 25, 2011 – Royal Coal Corp. (“Royal Coal”) (TSX-V: RDA, F: RLC) and Mercuria Energy Group Holding SA (“Mercuria”) announce that they have closed a private placement financing (the “Offering”) of a CAD \$10,000,000 secured convertible debenture. Under the terms of the Offering, Royal Coal issued to Mercuria, a wholly owned subsidiary of Mercuria Energy Group Ltd., a CAD \$10,000,000 secured convertible debenture, which bears interest at a rate of 9% per annum, payable semi-annually in arrears and is due on or about July 22, 2013.

The convertible debenture may be converted by Mercuria at any time and from time to time into common shares of Royal Coal, at a conversion price of \$0.2689 per share, subject to adjustment in certain circumstances. The convertible debenture is guaranteed by the subsidiaries of Royal Coal, secured by second ranking security over all assets of Royal Coal and its subsidiaries and first security over certain future assets of Royal Coal and its subsidiaries, is not redeemable until maturity and is subject to typical anti-dilution protections. If the volume weighted average trading price of the common shares for each of any 90 consecutive trading days exceeds \$0.4033, Royal Coal may require Mercuria to convert all or part of the then outstanding principal amount of the convertible debenture. Royal Coal also granted Mercuria the right to participate on a pro-rata basis in its future financings. Mercuria does not currently own securities of Royal Coal. In the event that the convertible debenture is converted in its entirety, Mercuria would own common shares representing approximately 15% of Royal Coal’s common shares, based on the issued and outstanding shares outstanding as of today’s date.

Proceeds of the Offering are expected to be used to fund acquisitions and for general working capital purposes. Mercuria purchased the convertible debenture in reliance on the exemptions available under National Instrument 45-106 – *Prospectus and Registration Exemptions* for investment purposes and may increase or decrease its investment in Royal Coal from time to time, depending on market conditions or any other relevant factors. The Offering is subject to final approval of the TSX Venture Exchange.

About Royal Coal

Royal Coal is a coal exploration and production company, headquartered in Toronto, Ontario, Canada with a regional office in Hazard, Kentucky, U.S.A. whose primary business focus is developing producing surface coal mining operations in the Central Appalachian coal producing region of the United States, which includes parts of West Virginia, Virginia, Kentucky, Ohio, and Tennessee.

About Mercuria Energy Group Ltd.

Mercuria is a privately-owned international group of companies active over a wide spectrum of global energy markets including crude oil and refined petroleum products, natural gas (including LNG), power, coal, biodiesel, vegetable oils and carbon emissions. It is one of the world's five largest independent energy traders and has a longstanding sector expertise. In addition to its trading core, Mercuria has upstream and downstream assets ranging from oil reserves in Argentina, Canada and the US, to oil and

products terminals in Europe and China, as well as substantial investment in the coal mining and bio fuels industries.

For further information from Royal Coal contact Tom Griffis, Chairman of Royal Coal, at (416) 861-8775, or Richard Buzbuzian, Investor Relations for Royal Coal, at (647) 501-3290. Royal Coal's head office is located at 70 York Street, Suite 1410, Toronto, Ontario, M5J 1S9.

For further information from Mercuria contact Patrick Prendergast, Communication Director, at pprendergast@mercuria.com. Mercuria's head office is located at 50 Rue du Rhone, Geneva, 1204, Switzerland.

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