



## ***NEWS RELEASE***

### **XINERGY LTD. ACQUIRES MINORITY POSITION IN ELK HORN COAL COMPANY, LLC AND ANNOUNCES REDEMPTION OF BONDS**

KNOXVILLE, TENNESSEE, Tuesday, November 30, 2010 – Xinergy Ltd. ("Xinergy" or "the Company") announced today the signing of a purchase agreement to acquire 1,852,367 membership units (common equity) of Elk Horn Coal Company, LLC ("Elk Horn"), located in eastern Kentucky. Elk Horn is a private entity engaged in the leasing of its coal reserves to other parties that mine, prepare, and market the coal. Its properties consist of mineral rights to 153,600 acres of coal bearing land. The purchase agreement represents approximately 17.5% of the outstanding units in Elk Horn.

Jon Nix, CEO and Chairman of Xinergy, commented, "We continue to execute on our acquisition growth strategy with our investment in Elk Horn. We are taking advantage of opportunities we consider to be accretive on a near-term cash basis in the Central Appalachian region and that are contiguous to our current operations."

Xinergy has retained Moelis & Company to serve as the Company's advisor in connection with its investment in Elk Horn.

Separately, the Company also announced that it will redeem a total of US\$2.5 million of its US\$75 million senior secured note at a rate of 110% of the face amount, with the consent of its senior lenders. Additionally, Xinergy has agreed to similarly redeem, on a monthly basis until February 2011, an additional US\$2.5 million per month of its senior secured note, at the same rate of 110% of the face amount.

#### ***About Xinergy Ltd.***

*Headquartered in Knoxville, Tennessee, Xinergy Ltd., through its wholly owned subsidiary, Xinergy Corp. is engaged in coal mining in eastern Kentucky and West Virginia. Currently, Xinergy sells high quality coal to electric utilities and industrial companies throughout the south-eastern United States. For more information, please visit [www.xinergyltd.com](http://www.xinergyltd.com).*



### **Forward-Looking Information**

*This release contains “forward-looking information” that includes information related to the acquisition of the Elk Horn membership units and redemption of the senior secured note. Forward-looking information should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by which, that performance or those results will be achieved. Forward-looking information is based on information available at the time it is made and/or management’s good faith belief as of that time with respect to future events, and such information is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking information. Important factors that could cause these differences include but are not limited to: the business of the Company may suffer as a result of uncertainty surrounding the acquired membership units; the Company may be adversely affected by other economic, business, and/or competitive factors; the worldwide demand for coal; the price of coal; the price of alternative fuel sources; the supply of coal and other competitive factors; the costs to mine and transport coal; the ability to obtain new mining permits; the costs of reclamation of previously mined properties; the risks of expanding coal production; the ability to bring new mines on line on schedule; industry competition; the Company’s ability to continue to execute its growth strategies; and general economic conditions. These and other risks are more fully described in the Company’s filings with the Canadian Securities Administrators, including its Annual Information Form, available on SEDAR at [www.sedar.com](http://www.sedar.com). You should not put undue reliance on any forward-looking information. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking information, no inference should be drawn that we will make additional updates with respect to those or other forward-looking information.*

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