



## ***NEWS RELEASE***

### **XINERGY LTD. SIGNS LETTER OF INTENT TO ACQUIRE METALLURGICAL COAL PROPERTY**

KNOXVILLE, TENNESSEE, Monday, November 8, 2010 – Xinergy Ltd. ("Xinergy" or "the Company") announced today the signing of a Letter of Intent ("LOI") to acquire a property that management considers to have a significant high quality, mid-volatility metallurgical coal reserve located in southern West Virginia ("the Property").

The Property consists of approximately 15,000 acres with the majority being surface mineable. The Company will immediately begin an exploration program to produce a reserve estimate compliant with to NI43-101 standards. The Property is privately owned and the total purchase price currently under negotiation is US\$5 million with an overriding royalty, of which US\$3.5 million is subject to Xinergy receiving the required West Virginia Article 3 Permit. Total consideration for the Company includes all mineral, surface and mining rights for the property, technical information, and associated permits in place.

Jon Nix, CEO and Chairman of Xinergy, commented, "This property will be an excellent addition to our portfolio and it is in line with our acquisition growth strategy. This is our initial foray into the met coal arena and we do not expect it to be our last."

With current pricing for similar quality Central Appalachian met coal in today's market in the US\$150 per ton price range this acquisition is expected to be instantly accretive upon commencement of production. Production is expected to begin in the second half of 2011, subject to permitting.

The Company has provided a non-refundable deposit for a 90-day option to complete exploration and final due diligence. Closing of this acquisition is expected in early 2011.

#### ***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 steam 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).*

#### ***Information about Forward-looking statements***

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*This release contains “forward-looking information” that includes information related to the acquisition of the Property, its reserves, the timing of expected drilling, and Xinergy’s future business. This release contains “forward-looking information” that includes information relating to future events and future financial and operating performance, including management’s assessment of Xinergy’s future outlook. 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 assets; 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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