



April 26, 2011

Dear Shareholder,

RE: NuCoal Annual General Meeting of Shareholders Friday, May 20, 2011 at the Hilton Garden Inn, 90 – 22nd Street East, Saskatoon

In relation to our upcoming Annual General Meeting, please find enclosed:

1. The Formal Notice of Meeting which, among other things, sets out the proposed agenda for the matters to be presented to shareholders at this Meeting;
2. A Proxy Circular which reviews, in more detail, the agenda items;
3. A form of Proxy to be completed in the event that you do not intend to be present at the Meeting, but wish management or someone else of your choice, who will be in attendance at the meeting, to vote your shares on the matters to be considered; and
4. A copy of the audited financial statements of the Corporation for its year ended December 31, 2010.

Please bring these materials with you to the Meeting.

Background To The Proposed Vote

Following the last Annual General and Special Meeting of the Corporation held on September 23, 2010, Management and the Board of Directors of the Corporation engaged in extensive discussions with Coal-based Investment Holdings Ltd. ("CBI"), of China, and presented several other proposals to CBI in an effort to secure a better potential opportunity for NuCoal shareholders. Unfortunately, none of the other proposals put forward by NuCoal were acceptable to CBI. And, as NuCoal was unable to meet one of its key commitments to CBI under its Memorandum of Understanding (the "MOU") with CBI (i.e. obtaining shareholder support of the proposed transaction with CBI that was presented to shareholders at the September 23, 2010 Annual General and Special Meeting), CBI requested that NuCoal confirm that the MOU had been terminated. A mutual termination and release agreement was signed by both parties and, thereafter, NuCoal's business relationship with CBI was ended.

Subsequent to the termination of NuCoal's relationship with CBI, the Board of Directors resolved to seek out and identify other strategic options for the Corporation that might, if

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successful, deliver value to NuCoal's shareholders. To aid the Board with that task, the Corporation retained the services of a strategic advisor, Pope & Company Limited of Toronto, Ontario.

From this process, two distinct plans for the future of NuCoal emerged - one plan (the "**Toms Plan**") led by Perry Toms of Australia and the second plan (the "**Burns Plan**") led by John King Burns, a shareholder and former director of NuCoal. Both plans are briefly summarized in the attached proxy circular and both will be presented in more detail to shareholders at this Meeting. Each plan puts forward a proposed slate of directors who, if elected to the Board at this Meeting, intend thereafter to implement their respective plan. **The Board, with the advice and assistance of Francis Pope of Pope & Company, reviewed both plans and determined that the plan most beneficial to shareholders is the plan presented by Toms, and accordingly voted to unanimously support the Toms Plan, and to recommend to shareholders that they vote for the slate of directors put forward in the Toms Plan.**

In the event you wish NuCoal to proceed with the Toms Plan you are asked to support and elect his proposed slate of directors. In the event you wish NuCoal to proceed with the Burns Plan you are asked to support and elect his proposed slate of directors. If you are not able to attend the meeting, in order that your vote may still be heard and counted at the meeting, you are asked to complete and provide your proxy in support of the plan that you wish NuCoal to pursue. A further explanation of this election process together with a summary of each plan is provided in the accompanying Proxy Circular.

We, the directors of the Corporation, look forward to seeing you at the Meeting.

Sincerely Yours,

NuCoal Energy Corp.

Per:

Stephen P. Halabura, P. Geo. F.E.C. (Hon.),

Chairman of the Board