



August 2008

Shareholder Update

1.0 Overview

NuCoal Energy Corporation (“NuCoal” or “the Company”) is a Saskatoon-based resource company, founded by a team of Saskatchewan resource professionals to explore and develop Saskatchewan coal resources.

NuCoal’s mission is to be the largest diversified, multiregional exploration and development company focused on Saskatchewan coal. We have identified and applied for coal exploration permits covering 16 regional prospects, covering approximately 6.5 million acres. We have applied to Saskatchewan Mines and Energy for letters of priority and of the letters received to date we have been successful in approximately 98% of those lands applied for.

A significant portion of the Cretaceous Mannville Basin in central Saskatchewan remains relatively unexplored for higher-quality sub-bituminous and bituminous coal, despite “shows” of coal dating back to the 1950’s and 1960’s. Coal exploration in Saskatchewan effectively ended in the early 1970’s, with most companies focusing on exploitation of known lower-grade lignite coal production areas in the southeast and south-central portions of Saskatchewan. However, the significant discovery by GoldSource, at Hudson Bay, Saskatchewan in 2008 revolutionized the potential of coal based energy in Saskatchewan.

NuCoal believes that the significant discovery at Hudson Bay is not an isolated event.

The founders, Alan Cruickshank, Tom MacNeill CFA and Steve Halabura, P.Geo., organized and capitalized the company through a private placement of 1,832,000 shares for proceeds of \$458,000.

NuCoal is positioning itself to leverage this significant coal potential into an energy company. Advanced technology can provide energy from a Saskatchewan coal resource with a dramatically reduced environmental footprint. NuCoal will investigate all possibilities for value added and green production including new technologies for power generation, the creation of syn-fuels and carbon sequestration technologies.

2.0 Founders

The company was founded on the premise that the disciplines of geosciences, finance and marketing are fundamental to the success of a junior resource corporation. The following founders have worked together in the past and have a proven track record.

- **Mr. Tom MacNeill** (Strategic Business Advisor): President, CEO and Director of 49 North Resource Fund (2005 – Present) and has been involved with the inception of both Shore Gold Inc. and Wescan Goldfields Inc.;
- **Mr. Steve Halabura** P.Geo. (Director and Technical Advisor): President of the Association of Professional Engineers and Geoscientists of Saskatchewan (2006 – 2007) and well-known President and CEO of North Rim Exploration Ltd., a geological consulting company in business since July 1984;

- **Mr. Alan Cruickshank** (President and CEO): President of First Avenue Partners of Saskatchewan (2007 – Present), co-founder of 49 North Resource Fund and former VP Capital Markets for Union Securities Ltd.

3.0 Management and Board of Directors

3.1 Management

The principals and the Board of Directors have an extensive, well-networked background in resource exploration, development, marketing and finance. Their strong relationships have allowed them to successfully complete the initial private placement of founders and seed round financing in the amount of some \$8 million, primarily from Saskatchewan investors.

The company intends to expand the management team to include executives with specific expertise in the coal industry. Senior management positions are being reviewed to select candidates that are qualified, experienced and motivated to grow NuCoal efficiently and dramatically.

3.2 Board of Directors

(see website for biographies)

<u>Name</u>	<u>Title</u>	<u>Occupation</u>
Alan Cruickshank	President/CEO/Director	President of NuCoal Energy Corp.
Steve Halabura	Director/Technical Advisor	President of North Rim Exploration
Keith Brown	Director	President of TrailTech Industries
Ken From	Director	Chair/CEO of Prairie Hunter Energy

Management is presently recruiting additional Board members, such that after completion of the process the Board will consist of 7 members.

4.0 Exploration and Development Operations

NuCoal's properties are distributed almost equally between "development" lignite properties in the south and "exploratory" properties further north. We believe some of the development properties may support the definition of a historical NI43-101 resource.

The "development" coal properties are Tertiary-age lignite, thermal-quality and shallow (surface to 50m) bedded coals that are mined open-pit. These coals are located in the southeast portion of the Province near Estevan, SK and in the south-central portion of the Province near Coronach, SK. The properties were selected on the basis of existing historical data. For these properties, the principal exploration task is to review the historical data, undertake confirmatory drilling and commission the preparation of an NI43-101 report by an Independent Qualified Person recognized as being experienced in coal.

The "exploration" coal properties are newly discovered sub-bituminous to bituminous coals of an older Middle Cretaceous age. They are deeper (from 30m to in excess of 800m) and located in what may be discrete basins located across central Saskatchewan. These coals have been encountered during mineral and oil exploration drilling and in one instance, defined to the level

of determining a historical resource. All the properties were selected on the basis of identifying geophysical anomalies on regional maps and/or locating abandoned drill holes that are believed to have penetrated coal. For these properties, the principal exploration task is to confirm the geophysical mapping, re-drill abandoned holes so as to obtain cores of the interpreted coal beds, determine coal quality and commission the preparation of a NI43-101 report by an Independent Qualified Person recognized as being experienced in coal.

The exploration goal is to confirm an initial resource and quantify the coal properties so that NuCoal can rapidly exploit both market and technology opportunities.

NuCoal Energy will undertake exploration through the application of advanced geoscience concepts and technologies to existing historical geological and exploration data. In areas where such data is absent, additional data in the form of exploration seismic will be undertaken. While much of this data and software is available to competitors, it is unlikely that many will have the depth of experience and knowledge available through access to North Rim Exploration Ltd.'s files and databases. NuCoal will also engage recognized experts in the field of coal geology, exploration and development to provide independent third-party advisement and due diligence review.

The Company is in the process of completing its 2008 Budget and has begun initial geological and engineering tasks. A brief description of the Company's intended operations are as follows:

Summary of Applications for Coal Dispositions

<u>Working Name</u>	<u>Saskatchewan Location</u>	<u>Acreage</u>
Rockglen, SK	South-Central	
Eastend, SK	South-West	
Macklin, SK	West-Central	
Insinger, SK	Central	
Tway, SK	North-Central	
Fort a La Corne, SK	Central	
Torch River, SK	North-Central	
Candle Lake, SK	North-Central	
Montreal Lake, SK	North-Central	
Wawapekka Lake, SK	North-Central	
La Ronge, SK	North-Central	
Smooth Stone, SK	North-Central	
Big River, SK	North-Central	
Debden, SK	North-Central	
La Loche, SK	North-West	
Armit River, MB	Man. NW	
Total		<u>6,500,000</u>

The Company will initiate exploration operations in Q3 2008 by acquiring through a variety of methods geophysical data, which may include “trade” seismic data over the more promising leads and prospects. The goal is to identify prospective drilling locations prior to drilling initial exploration holes in the remainder of 2008 (hereinafter referred to as “Drill Program 1”). Overall, the aim of the geotechnical effort in 2008 will be to discover a new sub-bituminous to bituminous rank coal basin similar to the recent discovery made at Hudson Bay.

In Q1 2009 the Company will continue to work toward discovering new Mannville higher-rank coal basins and furthermore, to delineate any coal discoveries made during the first round of exploratory drilling in 2008 (hereinafter referred to as “Drill Program 2”). The selection of geological formation and area will depend upon the drilling results of Drill Program 1.

5.0 Finance

5.1 Actual Financings 2008

The following table outlines the financing that has been completed since its inception. There is no outstanding debt.

Investors	Shares	Price	Proceeds	
Principal Round	1,832,000	\$0.25	\$458,000	Complete
R1 – Seed Round	4,266,684	\$0.75	\$3,592,707.15	Complete
R1- FT Seed Round	4,877,266	\$0.90	\$3,967,302.90	Complete
Total	10,975,950		\$8,018,010.05	

*Average Price per Share: \$0.73

The directors and insiders of NuCoal have purchased shares at the same price as shareholders and currently hold a total of 35.3% of the company.

6.0 Markets

Overview

The world is becoming more technologically driven and is expanding its energy use every day. The demand for electricity has grown dramatically over the last couple decades and is only going to continue to grow.

6.1 Demand/ Supply

Coal is primarily used in electricity generation, steel/cement manufacturing and industrial process heating; therefore coal is indispensable for iron and steel production. About 600 million tons of coal - equivalent to approximately 16% of total hard coal production is currently utilized by the steel industry.

By 2030, China is expected to double its demand for coal from approximately one billion tons per year (2005) to 2 billion tons per year, while India is expected to nearly triple its demand for coal from approximately 450 million tons per year (also 2005) to 1,350 million tons per year.

Worldwide, more electricity is generated from coal than any other source. Coal provides over 23% of the world's primary energy and generates approximately 40% of the world's electricity. Geologists estimate that of all the world's fossil fuel reserves, the vast majority (64%) is coal.

Coal is found in over 70 countries and mined in over 50. Yet most of the known reserves, 67%, are located in four countries: the United States, Russia, China and Australia.

6.2 Canada and Saskatchewan Coal

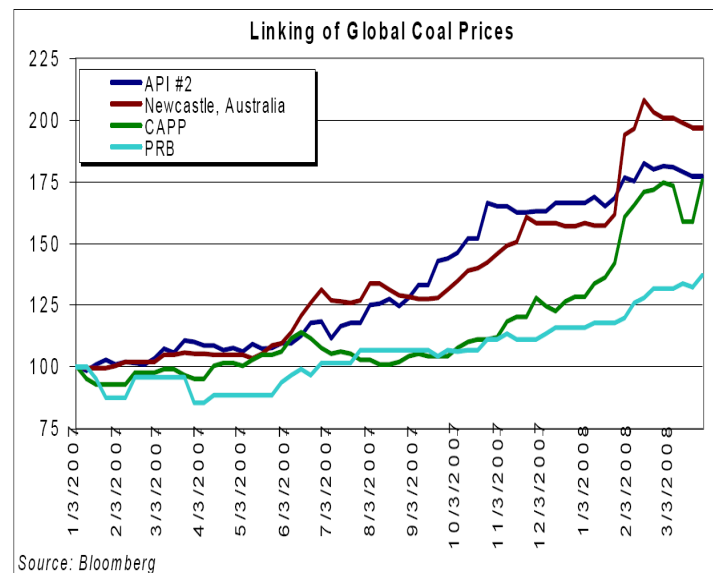
Saskatchewan is the third largest producer of coal in Canada, accounting for approximately 14 to 17% of total coal production. Coal is very accessible in Saskatchewan, which is significant when transportation costs can account for up to 70% of its delivered costs.

- Approximately 10% of Saskatchewan coal is exported to Ontario and Manitoba, mostly for generation of electricity.
- Canada exports about 28 million tons of coal annually to more than 20 countries.
- On a national basis, coal-fired plants are the most important sources of fossil-fuel generated electricity in Canada.

Canada ranks tenth in the world in total coal reserves with 4 billion tons of bituminous coal.

6.3 Price

Coal prices have been rising as demand has been rising. BOE comparison dramatically favors coal.



Western Canadian Coal Corp. recently announced that a majority of its 2008 coal year prices of its hard coking coal rose approximately 365% or an average above US\$300 per ton. Its low volatile PCI coal was valued at approximately US\$248 per ton, which is 350% higher than last year.

6.4 Major Issues

Environmental Aspects

Carbon Capture and Geological Storage (CCS) offers the potential to reduce CO₂ emissions to the atmosphere from fossil fuel power stations to near zero.

Strategic Partnerships

The Company plans to identify potential key strategic partnerships with industry leaders in the following sectors:

1. power generation firms, both in the public and private sector;
2. users of bituminous coal for steel, coking, and petrochemical processes;
3. companies that have developed and employ, both 'clean coal' and carbon sequestration technologies.

7.0 Technologies

New Clean Coal technologies are being developed to decrease emissions thus helping the environment while still maintaining the worlds demand for coal and energy. Three different types:

- 1) **Gasification:** alternative technology to manufacturing hydrogen from coal – most efficient and cleanest available technology; 20% lower cost than conventional power plant
- 2) **Carbon Capture:** decreases emissions between 65-95%
- 3) **Coal to Liquids:** either indirectly or directly – using technology, coal is converted to produce gasoline and other products

9.0 Appendices

Appendix A: See attached for Geological Maps