

The logo for NuCoal Energy Corp. is presented within a rectangular frame. The background of the frame is a gradient of dark brown to black, with a bright yellow and orange glow emanating from behind the text. The text "NuCoal" is in a large, bold, black sans-serif font, and "Energy Corp." is in a smaller, black serif font below it.

**NuCoal**  
*Energy Corp.*

[www.nucoalenergy.ca](http://www.nucoalenergy.ca)

**Shareholder Update**  
**February, 2009**

## I. Company Overview

NuCoal Energy Corp. (NuCoal) was established in April, 2008 in Saskatoon, Saskatchewan Canada. A team of Saskatchewan resource professionals founded the company to explore for and develop Saskatchewan's coal resources.

NuCoal applied for coal exploration permits covering 14 regional properties, encompassing 4.6 million acres. NuCoal became the largest coal landholder in the province.

### *Update*

Currently, NuCoal controls large coal bearing tracts in Saskatchewan totaling 1.8 million hectares. NuCoal has outlined three main projects; the Wood Mountain Project, the MainLine Project and its Northern Properties.

The Wood Mountain Project in Southern Saskatchewan has been drilled out and has historical data which includes proven, indicated and inferred lignite reserves totaling 6.5 billion tonnes. This lignite resource is open to significant expansion. NuCoal is preparing an updated 43-101 qualified report on this lignite resource which should be completed by early 2<sup>nd</sup> quarter.

NuCoal's MainLine Project is located in East-Central Saskatchewan and involves a potential additional 1 billion tonnes of higher-grade coals. The area was previously drilled for oil, but 67 meters of coal was discovered. NuCoal is preparing a separate 43-101 qualified report on the MainLine resource and the coals are being examined for suitability for in situ gasification. This report should be available by the end of the 2<sup>nd</sup> quarter.

NuCoal plans to joint venture all of its Northern Properties. There are ten properties including one property across from Hudson Bay on the Manitoba side. NuCoal has already signed an agreement with Alix Resources/Geo Minerals Ltd. for an interest in two of the Saskatchewan properties and the Manitoba property. (Please view Appendice for map)

**Vision:** *To produce clean energy (fuels) from coal using advanced technology*

**Mission:** *To monetize three blocks of coal resources in Saskatchewan*



## II. FINANCING

### a. First Financing Round

Investors	Shares	Price	Proceeds	
Principal Round	1,832,000	\$0.25	\$458,000	Complete
R1 - Seed Round	4,463,630	\$0.75	\$3,347,722.50	Complete
R1- FT Seed Round	4,680,317	\$0.90	\$4,212,285.30	Complete
Sub-Total	10,975,947	_____	\$8,018,007.80	_____

### b. Second Financing Round

Investors	Shares	Price	Proceeds	
R2 - Hard	0	\$2.50	\$0	
R2 - Flow-through	69,273	\$2.75	\$190,500.75	Complete
Sub Total	69,273	_____	\$190,500.75	_____

	Shares	Proceeds
Employment Compensation	200,000	_____
Shares Outstanding	11,245,220	\$8,208,508.55
Management & Insiders	4,057,433	\$2,901,052

### c. Financial Statements



NuCoal's financial statements will be sent out to our shareholders prior to the Annual General Meeting on April 22<sup>nd</sup>.

### III. 2008 ACCOMPLISHMENTS

- a. *Acquired large land position (See appendice for a map of NuCoal's properties)*
- b. *Obtained all the historical data from the Wood Mountain property*
- c. *Signed a joint venture agreement with Alix Resources Corp. ([www.alixresources.com](http://www.alixresources.com)) and Geo Minerals Ltd. ([www.geominerals.ca](http://www.geominerals.ca))*

The joint venture agreement is for two of NuCoal's Northern Saskatchewan properties and the Manitoba property across the border from Hudson Bay. Two news releases were made public and are available on the website ([www.nucoalenergy.ca](http://www.nucoalenergy.ca)). Alix and Geo will pay 1 million shares each, a total of \$250,000 cash and commit to spending \$2.5 million dollars over 3 years to obtain a 60% interest in the property. The issued shares will be subject to a 2 year escrow period. Upon a bankable feasibility study being completed, Alix and Geo will earn a further 20% to reach an 80% interest.

On February 4<sup>th</sup>, Alix and Geo issued press released stating their mineral interests NuCoal's Torch River property. Coal Prospecting Permits with respect to these Torch River claims have been issued by Saskatchewan's Ministry of Energy and Resources. The Torch River ground represents area covered by 7 townships, 64,512 hectares or 159,344 acres, approximately 98 coal prospecting permits. The ground is adjacent to where Weststar Resources Corp. announced "18 meter property" located immediately to the East and adjacent to North American Gem's ground located to the south and west.

- d. *Established a dedicated team for the Wood Mountain Coal to Liquids (CTL) Project*

John King Burns has put together a team of 8 international, highly skilled professionals to advance the project. NuCoal is very excited about its Wood Mountain Project and the opportunity for a Coal to Liquids (CTL) plant in Saskatchewan. NuCoal has made many advances in regards to creating the needed partnerships to make this project a reality.

NuCoal has a signed a Non Disclosure Agreement (NDA) with our proposed CLT plant operator, TransCanada Pipelines. ([www.transcanada.com](http://www.transcanada.com))



Sherritt International Corp. ([www.sherritt.com](http://www.sherritt.com)) has signed a Memorandum of Understanding (MOU) with NuCoal as the proposed contract coal miner.

NuCoal has been in talks with Black & Veatch as our proposed independent engineer for project development and SNC Lavalin as the proposed owner's representative engineer.

This project will be Saskatchewan's mega project.

*e. Participated in Trade Missions*

Alan Cruickshank, President of NuCoal Energy participated in two trade missions to Asia in May 2008 and February 2009 and 1 to Germany in July 2008 to advance discussions with large international companies with the capabilities for debt financing as well as technology exportation.

#### IV. NEW INITIATIVES SINCE THE LAST SHAREHOLDER UPDATE IN AUGUST

*a. MainLine*

NuCoal acquired valuable land in East-Central Saskatchewan, which was named MainLine because of its proximity to the Canadian Pacific Rail line. Mainline was previously drilled for oil but 67 meters of coal was discovered. Not only is this a very large discovery it also creates a unique opportunity for the company because of where Mainline is situated. As mentioned it is located on the Canadian Pacific Rail line and is on the Eastern side of Saskatchewan's potash corridor. Being positioned in this area creates opportunities to supply energy for industrial use.

#### V. FUTURE OUTLOOK

NuCoal's 3 projects:

*A) Wood Mountain*

- a. A 43-101 independent resource estimate is underway using the existing data we have obtained
- b. Discussions with world class companies both in China and Canada are being held to create the necessary corporate expertise and capability to build a gasification facility in Saskatchewan
- c. Numerous discussions and advancements with Governments has and will continue to happen to ensure they have a strong working knowledge of our plans and objectives



- d. We continue to work with our stakeholder group to advance knowledge and understanding about our projects

### **B) Mainline**

- a. We have taken the data from existing holes and identified additional drill holes to prove up a huge potential deposit located in east-central Saskatchewan
- a. Assuming we get results similar to the existing CanHunter hole drilled in the 1980's we will have an opportunity to spin this into a public company. This deposit in a public company will give us the benefit of a significant monetary gain and provide solid financial footing for NuCoal.
- b. There are 3 potential production opportunities in this zone. They are coal bed methane, insitu gasification and conventional mining.
- c. We are also advancing a monetization strategy for this coal as it is our belief that we can deliver to large industrial applications heat and electrons efficiently, economically and profitability.

### **C) Northern Properties**

- a. We have many properties across northern Saskatchewan. It is our objective to farm out all of these properties to a number of coal exploration companies.
- b. We have some properties in the GoldSource area that we may look at; however, very little focus will be spent on this.

## **VI. ANNUAL GENERAL MEETING**

The Annual General meeting is set for Wednesday April 22nd at 2:00pm (more details will be sent to shareholders in their package and will be posted on the website).

We hope to see you all there. Please bring any questions you may have as this will be a great opportunity to learn more about what NuCoal has accomplished and looks forward to in the future.

Please note, NuCoal will have a booth at Cambridge House's SaskROCKS in Saskatoon, May 9th ([www.saskrocks.ca](http://www.saskrocks.ca)). We hope you will be able to attend and visit our booth.

## **VII. PRESIDENT'S REPORT**

We are very pleased with the progress we have made in the challenging year of 2008.



We have received permits over a huge coal resource. This resource is estimated to be 5 billion tonnes in the area of immediate interest. There is a possibility to have over 10 billion tonnes. This is simply a huge resource that is attracting attention from very large companies from China, Japan and the US.

Our objective is to monetize this coal resource by using a gasification technology. The origins of this technology date back over 50 years to the 1940's where it was first introduced in Germany. Essentially heat and pressure decompose the coal into its constituent parts. There are 3 main parts, synthetic gas, carbon dioxide and slag.

The primary benefit is that we will be able to produce clean energy with little to no emissions. We expect to have a contract for energy companies to take the carbon dioxide for enhanced oil recovery, or urea fertilizer production. There is no tailing ponds or air emissions. This is an industry that is unfolding right in front of us.

We are talking to some of the biggest names in Canada and China. We have signed a Confidentiality Agreement with TransCanada Pipelines and a memorandum of understanding with Sherritt who currently mines all the coal in Saskatchewan. We have met with and expect delegations from 2 of the biggest Chinese companies who have operating experience with coal gasification to visit Saskatchewan for a site visit.

Our ultimate goal is to connect all these entities that will use our coal as a feedstock.

Mainline is another exciting prospect. We have acquired a special exploratory permit 151,075 acres of land. We have from historical drilling a strong indication that up to 67 meters of coal exists on this property. We acquired this property for the deposit which we will get back when we drill up to 3 exploratory holes. These funds are required to be spent for our flow through obligations.

There are 3 possible methods of extracting resource value from this deposit: Coal bed methane, insitu gasification, and conventional mining. We have a number of plans to monetize this but we have much more work to do. More information to follow but this is an exciting prospect.

We have a number of properties in the north. We have a very simple strategy, either we farm it out or we surrender the land. We have 2 very exciting plays that take all of our time and the north is very early stage exploration and we simply don't have the time, talent or money to do this exploration at this time.

There are many exciting things happening in our company. However, there is no capital market that is suitable for a public offering just yet. We are making progress and I hope to report that we have contracted with all the companies that I have outlined. This will be a big step toward a go public transaction. We have a sufficient resource to advance our prospects but we are always looking to raise capital.



If you have questions or comments, please do not hesitate to contact me.

Sincerely,

Alan Cruickshank, President  
NuCoal Energy Corp.

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## VIII. CONTACT INFORMATION

Please feel free to contact us with any questions or comments you may have. We are available at our main office for you to visit or call.

1103 Tower at Midtown  
Saskatoon, SK S7K 1J5  
**Telephone:** 306-651-5191  
**Website:** [www.nucoalenergy.ca](http://www.nucoalenergy.ca)



# APPENDICE

## NuCoal's Property



