



ATH Resources plc
Interim Results



June 2007

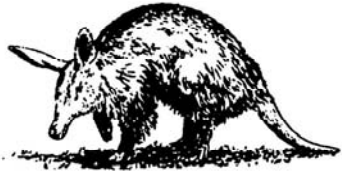


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Highlights

David Port
Non-executive Chairman



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Highlights

- Strong growth continues in turnover (+35%), PBT (19%) and cash from operations (+89%)
- Surface mining performance satisfactory despite exceptionally wet weather at the end of 2006
- Healthy pipeline developing for ATH Regeneration
- 1.6 times production added to the reserve base
- Interim dividend of 3.36p per share

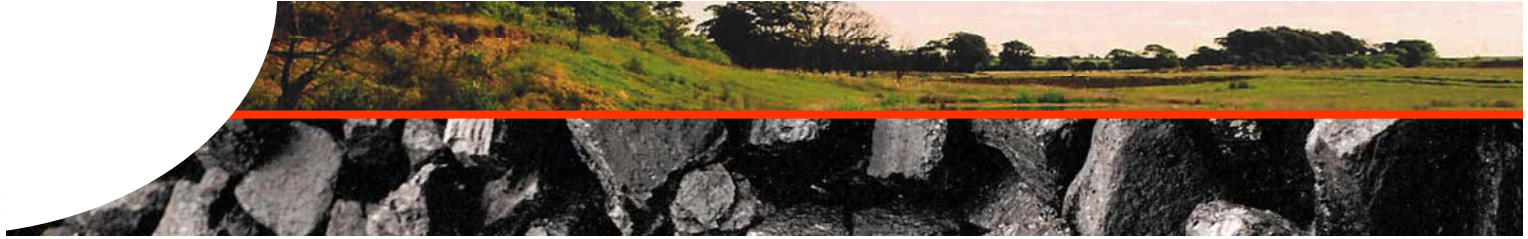


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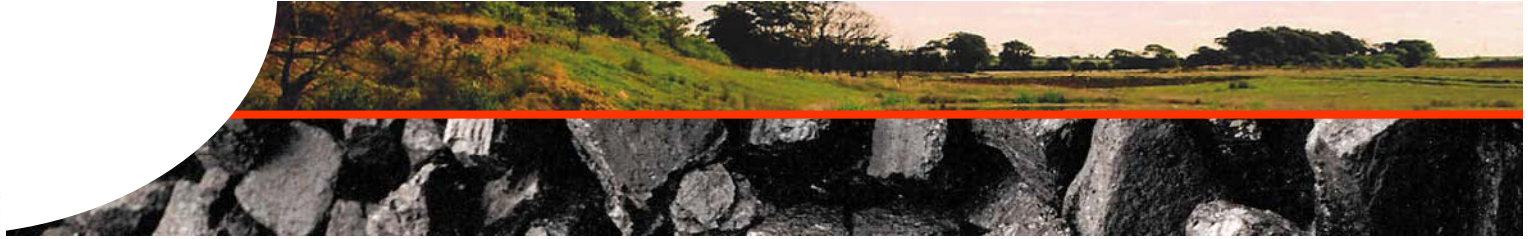
Business update

Tom Allchurch
Chief Executive

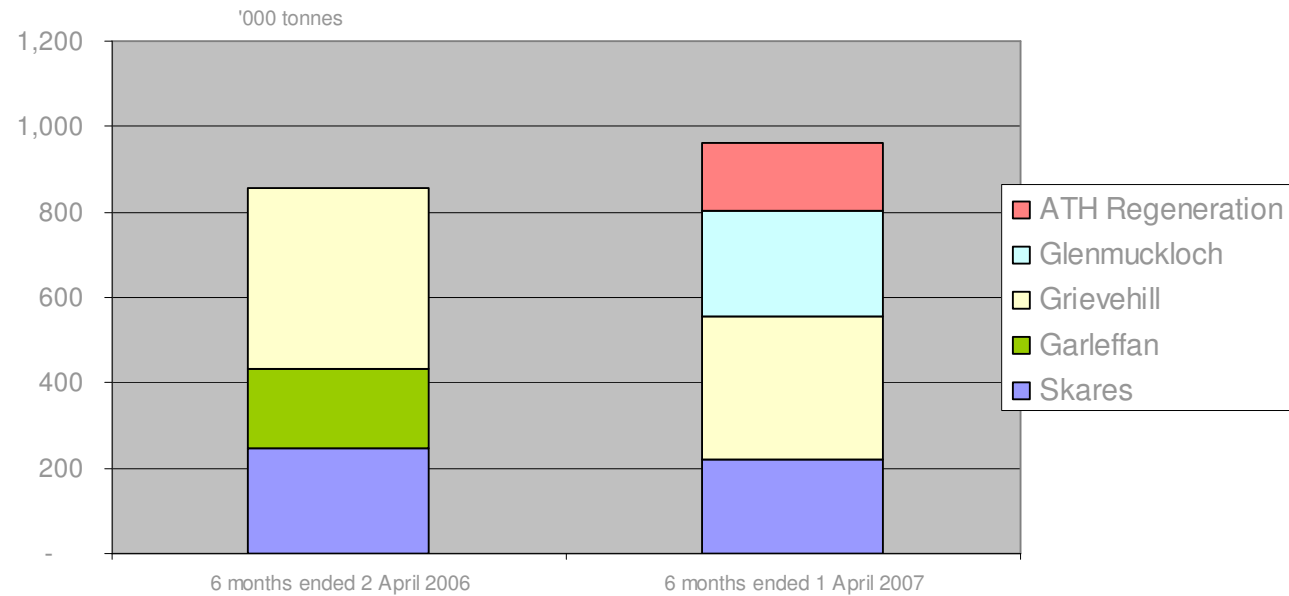


Business update- Highlights

- Planning application submitted for extension to Grievehill 970kt
- Additional 600kt (subject to planning) added to reserves for new project at Rigg, with further 800kt subject to drilling
- Opened the longest overland conveyor in Europe
- Commissioned 4km second leg of conveyor to link new mine at Laigh Glenmuir
- Acquired £2.3m development property to facilitate the Langton tip washing project



Business update- Production



Garleffan mining complete
Glenmuckloch and Laigh Glenmuir opened
Skares forecast to complete 2008/9

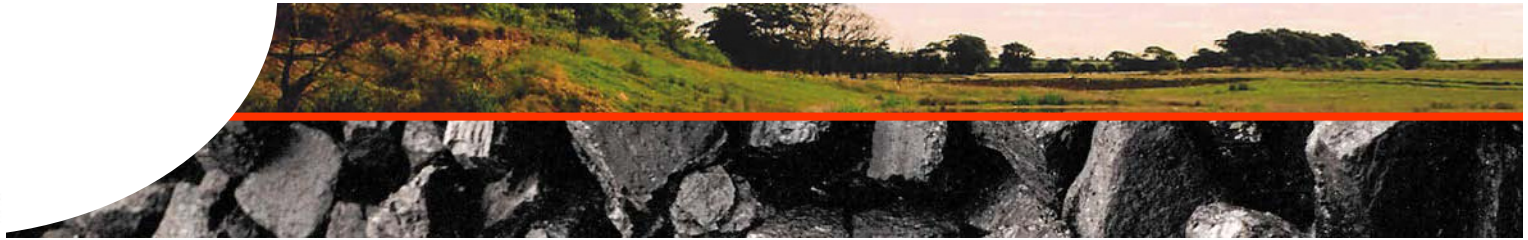


Business update- Development

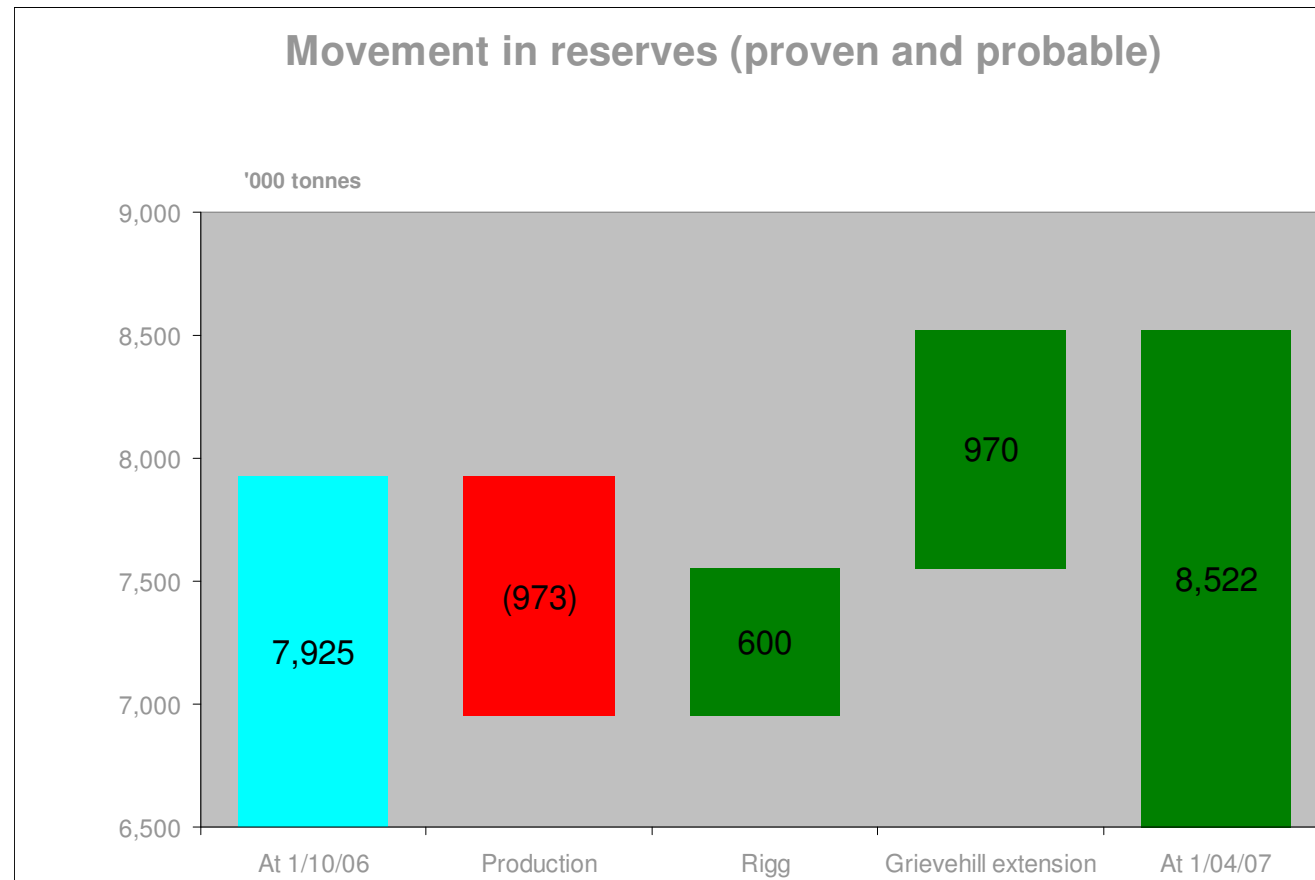
- Glenmuckloch and Laigh Glenmuir operational by the end of March
- Grievehill Extension (planning submitted)
 - 970kt
 - 18 month production starting 2008
- Rigg (land secured, planning submission expected June 2007)
 - 600kt, potential for up to a further 800kt subject to drilling
 - 24 month production starting 2009
- Logistics
 - Both sites will link in to the existing conveyor infrastructure and railhead
- Muir Dean
 - Appeal hearing underway with result expected at the end of 2007
 - Plans in place to open the site Spring 2008



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Business update- Reserves*



* A full definition of reserves is provided in the appendix

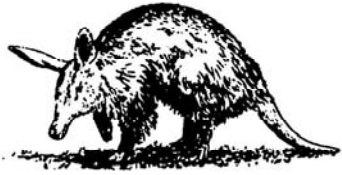


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Business update - ATH Regeneration

- Business re-branded from ATH Ogden to ATH Regeneration
- Existing operations continue to outperform
- Preparation of planning applications underway for the washing of 475kt Langton tip
- 10 projects under active development with further 10 targets identified
- European opportunities being explored



Business update - ATH Regeneration

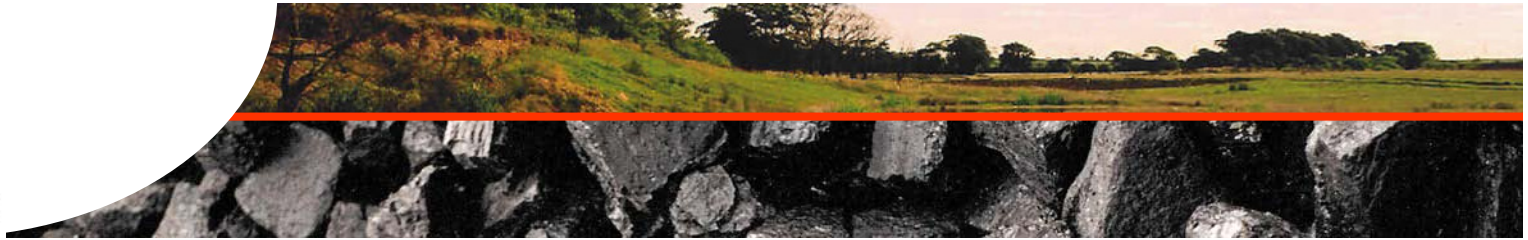
Key targets

Project	Volume kt	Target start	Client
1	475	Q3 08	ATH owned
2	300	Q4 08	Public body
3	430	Q1 09	Public body
4	380	Q2 09	Commercial
5	350	Q3 09	Public body

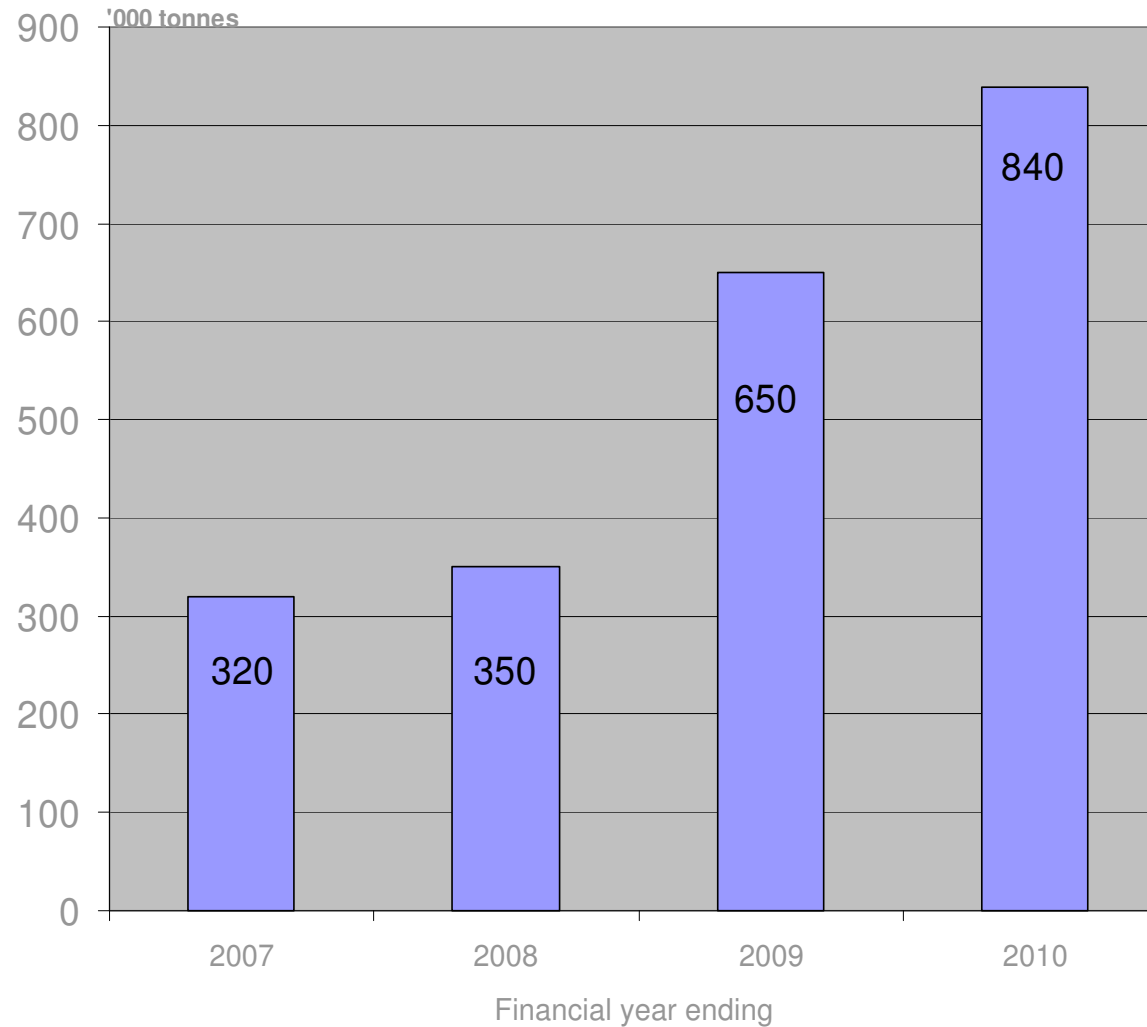
- Target for 2 new projects by the end of next financial year and 3 new projects by the end of the following year
- Further 5 projects under active development
- Potential for client contribution



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Business update - Regeneration production target

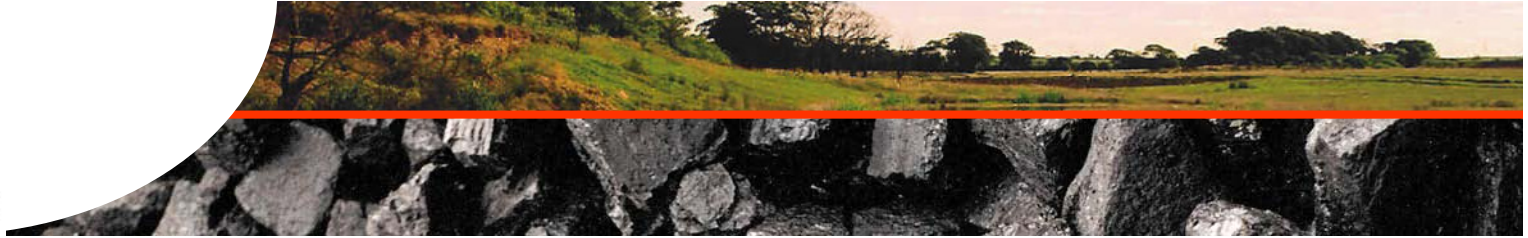




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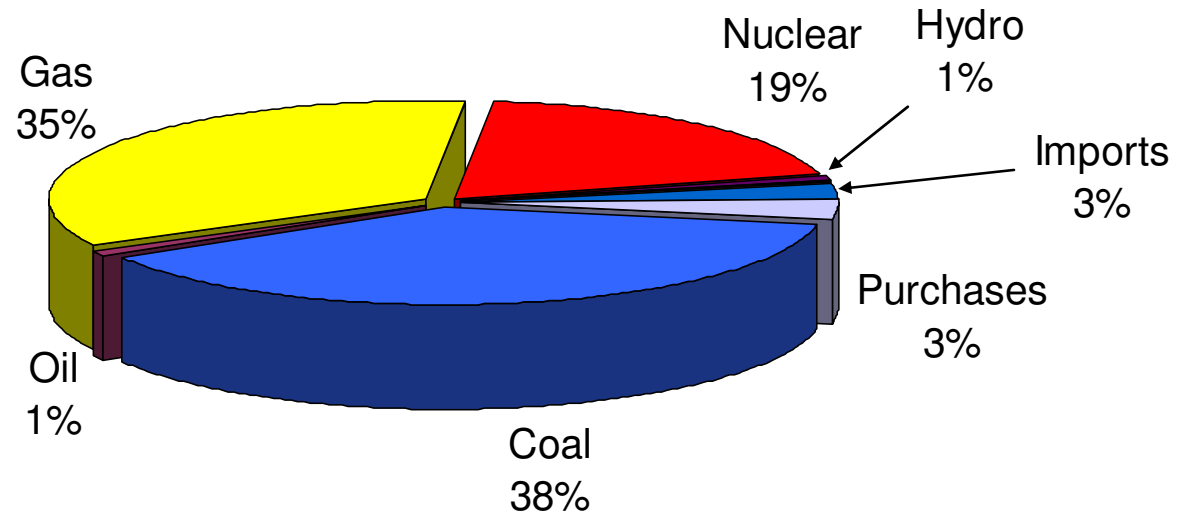


Market update



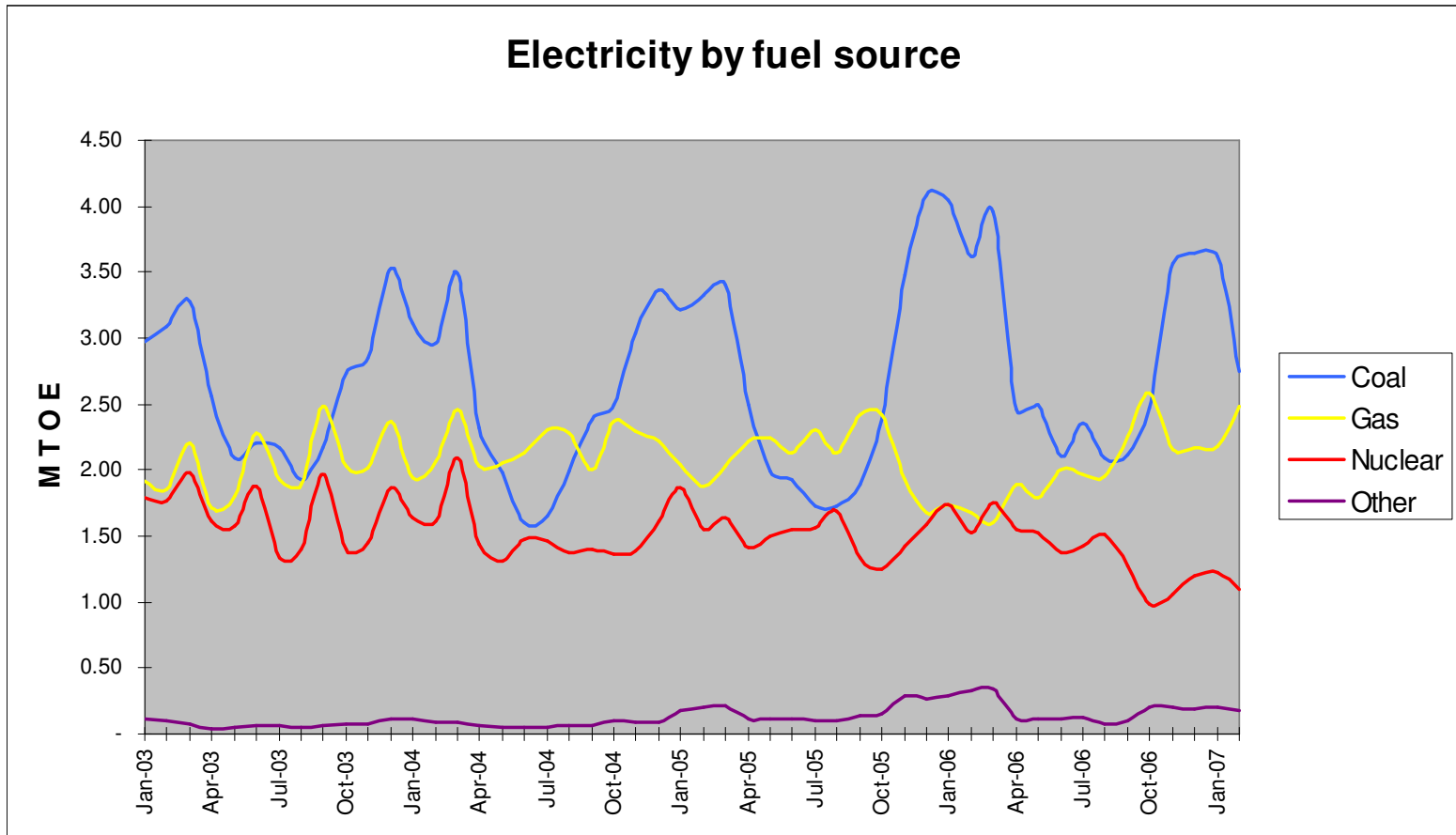
Market update - UK Electricity Supply

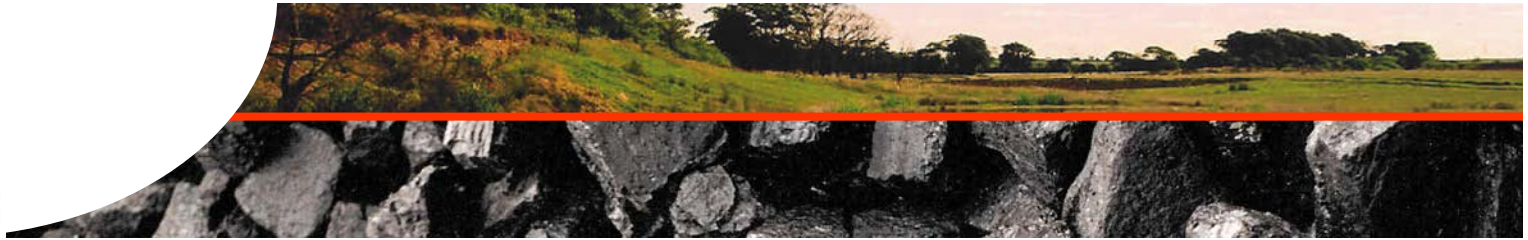
UK Electricity Supply 2006
by fuel source



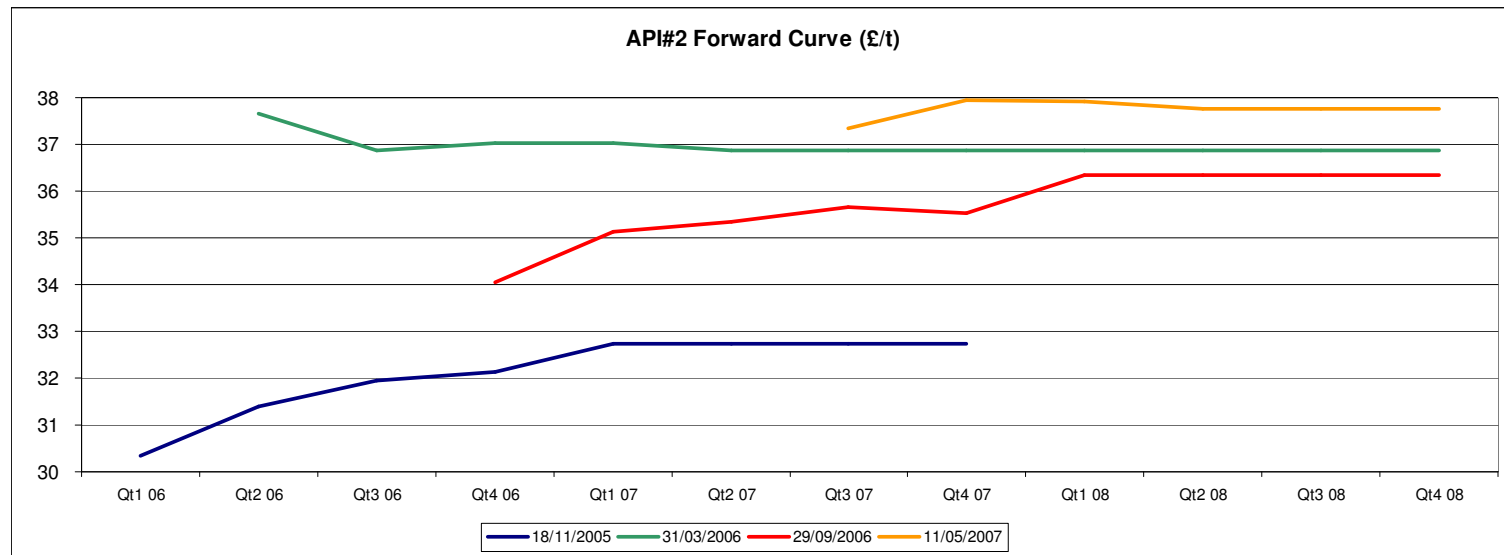


Market update - Electricity fuel source





Market update - Market



- Market price indicators remain robust
- Coal burn in UK power stations highest since 1995

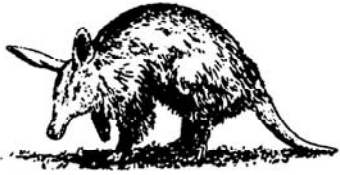


Market update - Energy White Paper

- Published 23 May 2007
- Adopted a balanced approach to energy
- Supportive of coal in achieving the appropriate balance
- Commentators concerned that potential energy gap not fully addressed

‘England, Wales and Scotland still have significant recoverable coal reserves’*

‘Making the best use of UK energy resources, including coal reserves,...contributes to our security of supply goals.’*



Market update- Coal Forum

- Interim report due summer 2007
- Strong support from generators for indigenous sources of coal to secure supply

‘...to bring forward ways of strengthening the (coal) industry, and working to ensure that the UK has the right framework to ensure the long-term future of coal-fired power generation; optimise the use of our coal reserves, where recovery is economic; and stimulate investment in clean coal technology.’*

***Source: dti – ‘The Energy Challenge’ July 2006**



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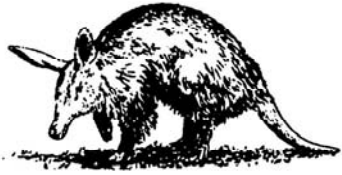
Financial update

Steven Beaumont
Group Finance Director



Financial update - Highlights

- Turnover increases by 35% to £31.2m
 - Supported by both volumes and unit price increases
- Gross margin increases by 5% to 25%
 - Continues the improved margin from final 6 months of 2006
 - Reflects contribution of higher margin ATH Regeneration business
- PBT increases by 19% to £2.3m
- EPS grows by 18% to 3.9p per share



Financial update - Adoption of FRS 20

- Share-based payments
- Reflects the value of employee share option scheme
- Prior year restated to reflect new policy
- Profit before tax reduced by £0.2 million in current and prior periods
- Small increase in net assets and distributable reserves due to tax benefit



Financial update - Key Performance Indicators

	2007	2006	
Sales volume (kt)	973	790	+23%
£/t	31.70	29.27	+8%
EPS (p)	3.9	3.3	+18%
Cash from operations (£'m)	10.1	5.3	+89%
Gearing*	58%	44%	

* Net debt/ Shareholders funds plus net debt

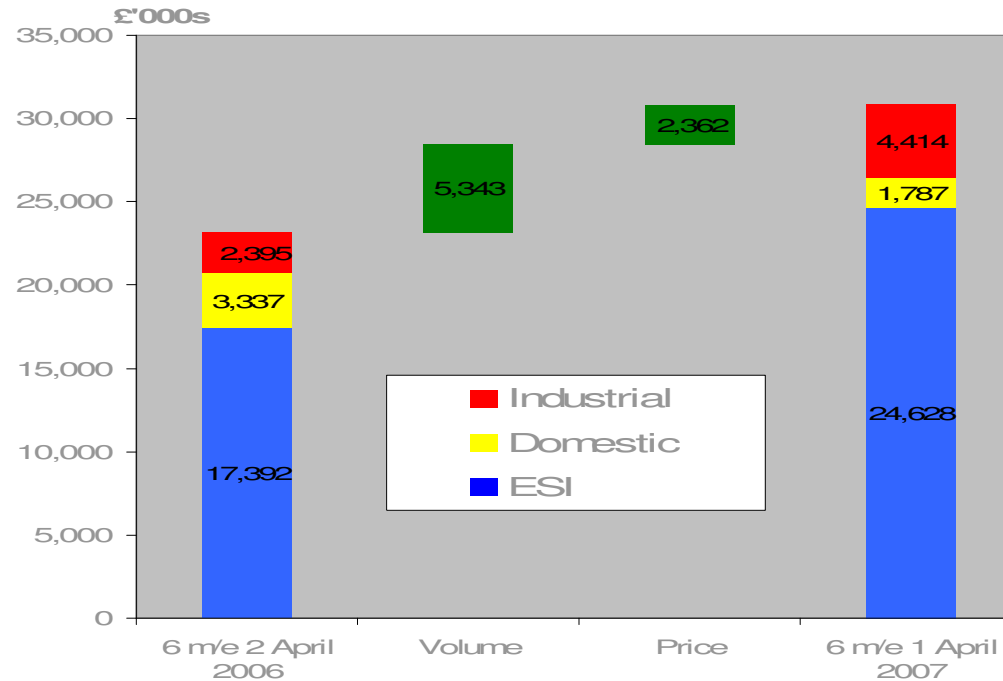


Financial update - Profit and loss

	2007	2006	
£'m		Restated	
Turnover	31.2	23.1	+35%
Cost of sales	(23.4)	(18.6)	
Gross profit	7.8	4.5	+72%
Other costs (net of income)	(4.6)	(2.2)	
PBIT	3.2	2.3	+42%
Interest	(0.9)	(0.4)	
PBT	2.3	1.9	+19%



Financial update - Coal sales



- Domestic volumes reduced due to coal quality with expected improvement in second half
- Fully covered on ESI contracts for 2006/7 and over 75% in 2007/8
- Lowest priced ESI contract removed and a further two contracts extended



Financial update - Balance sheet

£'m	2007	2006
Tangible	69.2	Restated 47.9
Intangible	6.9	1.5
	76.1	49.4
Stocks	7.6	8.5
Debtors	9.4	9.0
Current assets	17.0	17.5
Short term debt	(22.0)	(8.5)
Other creditors	(11.2)	(8.2)
Current liabilities	(33.2)	(16.7)
Net current (liabilities)/ assets	(16.2)	0.8
Total assets less current liabilities	59.9	50.2
Long term debt	(17.7)	(12.9)
Provisions	(13.6)	(9.6)
Net assets	28.6	27.7



Financial update - Cash flow

£'m	2007	2006
Net operating cash flows	10.1	5.3
Interest and dividends	(4.1)	(3.4)
Acquisitions	(0.7)	-
Capital expenditure	(9.4)	(9.0)
Taxation- acquired liability	(3.3)	-
- ongoing liability	(0.9)	-
Movement in net debt	(8.3)	(7.1)
Net debt brought forward	(31.4)	(14.3)
Net debt	(39.7)	(21.4)

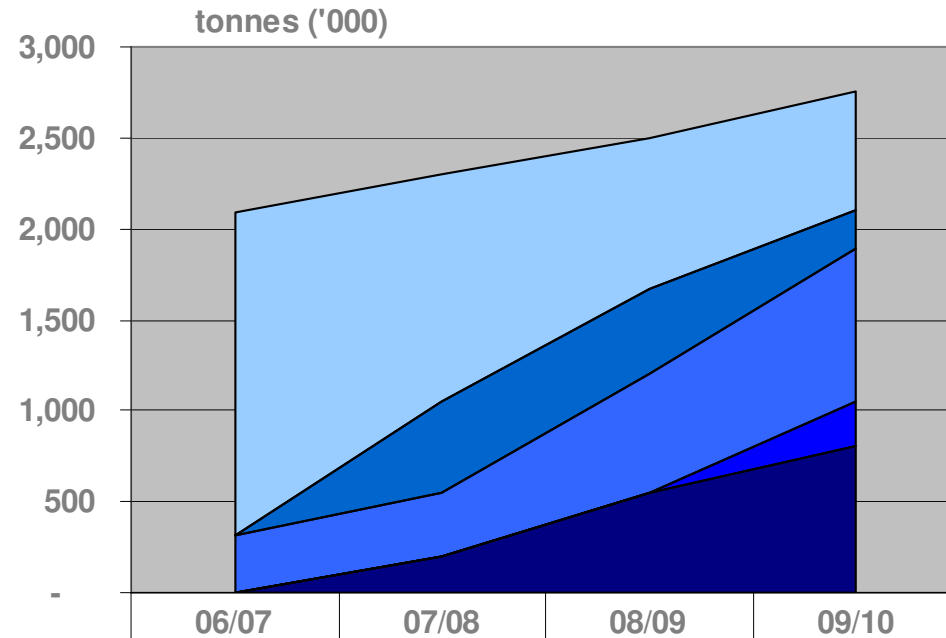


Financial update - Reserves and resources*

'000 tonnes	2006/7	2007/8	2008/9	2009/10	2010+	Total
Proven	2,086	1,460	830	645	629	5,650
Probable	-	700	1,019	660	1,466	3,845
Reserves	2,086	2,160	1,849	1,305	2,095	9,495
Measured	-	140	380	400	255	1,175
Indicated	-	-	97	495	3,158	3,750
Inferred	-	-	174	550	5,276	6,000
Resources	-	140	651	1,445	8,689	10,925
Total	2,086	2,300	2,500	2,750	10,784	20,420
Year to date	(973)					(973)
Remaining	1,113	2,300	2,500	2,750	10,784	19,447



Financial update - Production



	06/07	07/08	08/09	09/10
Existing sites	1,766	1,250	830	645
Extensions to existing sites		500	470	215
ATH Regeneration	320	350	650	840
France				240
Identified new sites		200	550	810



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Strategy

- Mining- maintain and build on strong underlying business
- Regeneration- exploit market leading position to expand rapidly through organic development
- Diversification- pursue suitable complementary acquisitions to utilise and grow skills and earnings base



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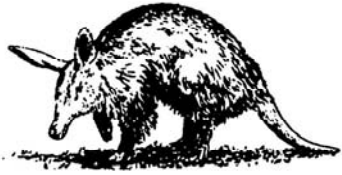
Questions



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Appendix



Appendix - Reserves

- The information in this presentation relating to exploration results, mineral resources or mineral reserves is based on information compiled by Mr Peter Morgan a full time employee of the company, who is a fellow of the Institute of Materials, Minerals and Mining. Mr Morgan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration. He has reviewed and consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears. A glossary of terms is available on our website – www.ath.co.uk.