



Press Release

10 June 2008

The following release replaces the Interim Results announcement released today at 07:00am under RNS number 3149W

In the Chairman's statement, the Group stated that the interim dividend will be payable on the 17 July 2008 to registered holders on 25 June 2008. The statement should have stated that the interim dividend will be payable on the 17 July 2008 to registered holders as at the 27 June 2008.

The statement remains unchanged in all other respects.

A full copy of the amended release appears below.

ATH Resources plc

("ATH" or "the Group")

Interim Results

ATH Resources plc, one of the UK's largest coal producers, reports its Interim Results for the six months ended 30 March 2008.

Highlights

- Turnover of £28.1 million (2007: £31.2 million) on sales of 787,000 tonnes of coal (2007: 973,000 tonnes)
- Average selling price increased by more than 10% to £35 per tonne
- Profit before tax of £0.4 million (2007 restated: £2.7 million)
- Earnings per share of 0.8 pence (2007 restated: 4.6 pence)
- Proposed interim dividend maintained at 3.36p per share
- ATH Regeneration preferred bidder on 12 million tonnes tailings washing project in Queensland, Australia
- Planning consents at Muir Dean and Grievehill mines deliver a 70% increase in Proven Reserves to 6 million tonnes*

- Grievehill and Muir Dean mines now operational
- Strong coal market results in significant increase in value of coal reserves

Commenting on the Interim Results, Tom Allchurch, Chief Executive of ATH, said:

“The results for the period, as expected, reflect lower production from our Grievehill mine whilst we were waiting for the final planning consent for an extension to the site. It is pleasing to report that both Grievehill and the new Muir Dean site are now open, which will drive a significant increase in volumes for the second half. With favourable pricing set to continue, I am confident that results for the full year will be in line with market expectations.

The last six months have seen a number of developments for ATH which will be important to the future prospects of the Group. Successful planning applications increased our Proven Reserves from 3.5 million tonnes to 6 million tonnes and the confirmation of ATH Regeneration as preferred bidder on a 12 million tonne tailings washing project in Queensland is a major breakthrough in opening up the Australian market to our unique coal tip washing process.”

- Ends -

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CHAIRMAN'S STATEMENT

Trading results

Turnover in the six months to 30 March 2008 was £28.1 million (2007: £31.2 million) on sales of 787,000 tonnes (2007: 973,000) tonnes. Profit before tax was £0.4 million (2007 restated: £2.7 million) with a net cash inflow from operations of £6.4 million (2007 restated: £10.1 million). Earnings per share were 0.8 pence (2007 restated: 4.6 pence).

The results reflect a reduction in coal sales compared with the previous period, due primarily to lower coal production from the Grievehill surface mine in East Ayrshire. The site, as previously notified, was out of production for a number of months pending final planning approval of the latest 1 million tonne extension. The site is now once again fully operational.

The surface mining business is currently expanding production capacity at Grievehill and Muir Dean, as planned, with the delivery of new mining equipment. This will contribute to the recovery of sales volumes for the full year to over 2 million tonnes, around the level for 2007.

Average selling prices increased by over 10%, reflecting a strong international market for coal. This market will drive higher average selling prices for ATH in the second half as mining production increases. Operating costs continue to be carefully monitored and successfully controlled. Oil price rises resulted in an increase in the cost of gas oil, a significant component of the cost base, however the Directors are confident this cost increase can be absorbed given the strength of the coal market and the current hedging strategy.

ATH Regeneration, the land regeneration and coal recovery business, continues to operate the Grimethorpe site until the summer when, as planned, the Group will commence final restoration of the site.

Development - UK

Following a successful appeal to the Scottish Executive, final planning approval was obtained for the commencement of mining at Muir Dean in Fife, adding 2.3 million tonnes of coal to Proven Reserves. Grievehill received planning consent for an additional 1.0 million tonnes following the design of an innovative soil strip and restoration programme to maintain the local habitat. A further 0.6 million tonnes was also added to Probable Reserves from an additional extension identified at the Skares Road site, with a planning decision expected later in 2008.

The development of a 0.5 million tonne coal washing site at Langton by ATH Regeneration progressed well during the period and consent to operate the site is expected within the next three months, with plant build and operations commencing later in the year. ATH Regeneration is pursuing a number of other opportunities in the UK, either to acquire the rights to the coal for recovery or provide tip washing to third parties. In addition to the Langton site, the Directors anticipate the construction of two further plants in the UK during 2009.

Proven Reserves increased by 70% to 6.0 million tonnes at the period end, with a further 2.4 million tonnes of Probable Reserves.

Development - Australia

The Group continues to advance opportunities for ATH Regeneration to utilise its coal recovery expertise in Australia. Several projects are being actively pursued and the Directors are confident that the technology will be successfully introduced into this large coal producing market to provide significant growth for the business in the medium term.

The Group is pleased to announce that ATH has been confirmed as preferred bidder for a project in Queensland to wash 12 million tonnes of coal tailings, anticipated to commence in 2009. The project, which is subject to final approval by the client, is for an initial three years and would be carried out under contract to one of the major global mining organisations. The proposal provides for ATH Regeneration to build and operate a wash plant under an index linked contract, with the client responsible for the marketing and transport of the coal.

ATH Regeneration is also commencing the exploration and analysis of a separate coal tailings tip on a mine owned by another major mining organisation in Australia, with a view to negotiating a contract to recover the coal from the tip. The Directors believe that these two projects will pave the way for a growing number of coal tip washing projects in Australia.

Financing

The Group refinanced its borrowing facilities during the period to reflect the long term planning and operational profile of its UK business. Existing loan facilities were replaced by £15 million of senior debt and a further £8 million facility to finance the opening of the Muir Dean site.

On the basis of the strength of the existing business and the anticipated returns from the projects, the Directors intend to maintain the Group's dividend policy for the full year.

Dividends

The Directors are proposing an interim dividend of 3.36p per share, unchanged from 2007. The dividend will be paid on 17 July 2008 to registered holders on 27 June 2008.

Outlook

Demand for coal remains strong, with international prices continuing to increase from already record levels, more than doubling over the last year. The forward price index indicates average prices over the next three years exceeding US\$120 per tonne.

Much of the current coal output, in total 4 million tonnes, supplies long term contracts with UK power generators. These contracts benefit from price certainty but are, on average, £25 to £30 per tonne below prices the business might expect to obtain on new long term contracts in the current market. In addition to this contracted tonnage, the Group has further non-contracted coal reserves of around 4 million tonnes, including 2.3 million tonnes from the Muir Dean site, and the Directors expect the Group to benefit significantly over time from higher coal prices for this and future new coal reserves.

The strength of the coal market is also expected to support the growth of ATH Regeneration, as it becomes increasingly economic to wash coal tip sites and provide land owners with sustainable environmental improvements to their sites.

Coal is set to remain a significant source of energy production within the world and UK economies and ATH is well placed with its existing coal assets, expertise and projects under development to deliver additional value to shareholders.

David Port

Non-executive Chairman

10 June 2008

* The information in this report 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 report 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.

Condensed consolidated income statement
for the six months ended 30 March 2008

	Unaudited six months ended 30 March 2008 £000	Unaudited six months ended 1 April 2007 £000	Reviewed year ended 30 September 2007 £000
Continuing operations			
Revenue	28,062	31,231	70,508
Cost of sales	(21,886)	(23,442)	(50,856)
Gross profit	6,176	7,789	19,652
Other operating income	125	22	129
Administrative expenses	(4,658)	(4,175)	(8,725)
Operating profit	1,643	3,636	11,056
Finance costs	(1,199)	(979)	(2,425)
Profit before taxation	444	2,657	8,631
Taxation	(122)	(850)	(2,767)
Profit for the period	322	1,807	5,864
Basic earnings per share	0.80p	4.55p	14.76p
Diluted earnings per share	0.78p	4.49p	14.53p

The profit on ordinary activities before taxation arises from the Group's continuing activities.

There are no recognised gains and losses other than as stated in the income statement.

Condensed consolidated balance sheet
as at 30 March 2008

	Unaudited 30 March 2008 £000	Unaudited 1 April 2007 £000	Reviewed 30 September 2007 £000
ASSETS			
Non current assets			
Goodwill	7,169	7,366	7,169
Property, plant and equipment	68,689	69,171	64,356
Investments	-	1	1
	75,858	76,538	71,526
Current assets			
Inventories	11,346	7,621	7,793
Trade and other receivables	6,995	9,331	11,229
Cash and cash equivalents	-	-	64
	18,341	16,952	19,086
Total assets	94,199	93,490	90,612
LIABILITIES			
Current liabilities			
Trade and other payables	(8,470)	(9,480)	(10,181)
Tax liabilities	(193)	(1,681)	(712)
Bank overdraft	(1,510)	(10,147)	(8,158)
Bank loans	(4,409)	(4,284)	(2,747)
Obligations under finance leases	(7,600)	(7,602)	(7,418)
	(22,182)	(33,194)	(29,216)
Non-current liabilities			
Trade and other payables	(50)	-	(175)
Bank loans	(13,709)	(1,277)	(753)
Obligations under finance leases	(11,998)	(16,389)	(12,539)
Final void provision	(13,046)	(11,984)	(12,223)
Deferred tax liabilities	(3,603)	(1,734)	(3,603)
	(42,406)	(31,384)	(29,293)
Total liabilities	(64,588)	(64,578)	(58,509)
Net assets	29,611	28,912	32,103
Equity			
Share capital	200	198	199
Share premium	27,855	27,341	27,563
Share-based payment reserve	1,508	1,068	1,313
Retained earnings	48	305	3,028
Total equity	29,611	28,912	32,103

Condensed consolidated statement of changes in equity
for the six months ended 30 March 2008

	Called up share capital £000	Share premium account £000	Share- based payment reserve £000	Retained earnings £000	Total equity shareholders' funds £000
At 1 October 2006	198	27,341	853	1,630	30,022
Issue of ordinary shares	1	222	-	-	223
Profit for the year	-	-	-	5,864	5,864
Dividends paid	-	-	-	(4,466)	(4,466)
Addition to share-based payment reserve	-	-	460	-	460
At 30 September 2007	199	27,563	1,313	3,028	32,103
At 1 October 2006	198	27,341	853	1,630	30,022
Profit for the period	-	-	-	1,807	1,807
Dividends paid	-	-	-	(3,132)	(3,132)
Addition to share-based payment reserve	-	-	215	-	215
At 1 April 2007	198	27,341	1,068	305	28,912
At 30 September 2007	199	27,563	1,313	3,028	32,103
Issue of ordinary shares	1	292	-	-	293
Profit for the period	-	-	-	322	322
Dividends paid	-	-	-	(3,302)	(3,302)
Addition to share based- payment reserve	-	-	195	-	195
At 30 March 2008	200	27,855	1,508	48	29,611

Condensed consolidated cash flow statement
for the six months ended 30 March 2008

		Unaudited six months ended 30 March 2008 £000	Unaudited six months ended 1 April 2007 £000	Reviewed year ended 30 September 2007 £000
	Notes			
Cash flows from operating activities				
Cash generated from operations	5	6,436	10,059	23,580
Interest paid		(1,414)	(994)	(2,184)
Tax paid		(642)	(4,226)	(5,234)
Net cash from operating activities		4,380	4,839	16,162
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		3	350	352
Interest received		55	15	23
Government grant received		-	1,847	1,847
Purchases of property, plant and equipment		(5,415)	(6,831)	(8,967)
Acquisition of subsidiary		-	(708)	(1,000)
Net cash used in investing activities		(5,357)	(5,327)	(7,745)
Cash flow from financing activities				
Dividends paid		(3,302)	(3,132)	(4,466)
Repayment of borrowings		(3,664)	(724)	(2,784)
Payment of finance lease liabilities		(4,048)	(4,567)	(8,248)
Proceeds from the issue of share capital		293	-	223
New bank loans raised		18,282	1,602	1,602
Net cash used in financing activities		7,561	(6,821)	(13,673)
Net increase/(decrease) in cash and cash equivalents		6,584	(7,309)	(5,256)
Cash and cash equivalents at beginning of period		(8,094)	(2,838)	(2,838)
Cash and cash equivalents at end of period		(1,510)	(10,147)	(8,094)

Notes to the interim report

for the six months ended 30 March 2008

1 Basis of preparation

For accounting periods from 1 October 2007, the Group is required to present its financial statements in accordance with International Financial Reporting Standards (“IFRS”) adopted for use in the EU (“adopted IFRS”). This interim report has therefore been prepared using accounting policies consistent with adopted IFRS with the exception of IAS 34, which is not mandatory for AIM listed businesses. These accounting policies are set out in the announcement “2007 IFRS Restatement” dated 15 April 2008 available on the Group’s website www.ath.co.uk.

The comparative figures for the financial year ended 30 September 2007 and the six months ended 1 April 2007 have been restated to comply with adopted IFRS, and the “2007 IFRS Restatement” includes reconciliations between the results under UK Generally Accepted Accounting Practices (“UK GAAP”) and IFRS.

The information for the year ended 30 September 2007 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. A copy of the accounts for that year, which were prepared under UK GAAP, have been delivered to the Registrar of Companies. The auditors’ report on those financial statements was unqualified and did not contain any statement under Section 237 (2) or (3) of the Companies Act 1985.

The Group has drawn up its accounts for the 26 week period ended 30 March 2008 (2007: 26 weeks to 1 April 2007), and these accounts are unaudited. The auditors issued an unqualified special purpose audit opinion on the restated financial information for the year ended 30 September 2007 in the “2007 IFRS Restatement”.

The interim report was approved by the Board of Directors on 9 June 2008.

2 Earnings per share

Basic earnings per share is calculated by reference to the weighted average number of ordinary shares in issue during the period of 40,049,557 (1 April 2007: 39,693,568; 30 September 2007: 39,728,508) and the profit for the period. The diluted earnings per share takes account of share options outstanding to employees as set out below:

	Unaudited six months ended 30 March 2008	Unaudited six months ended 1 April 2007	Reviewed year ended 30 September 2007
Weighted average number of shares in issue	40,049,557	39,693,568	39,728,508
Weighted average number of dilutive share options	1,269,671	550,714	619,714
Total number of shares for calculative diluted earnings per share	41,319,228	40,244,282	40,348,222

3 Taxation

Taxation for the six months ended 30 March 2008 has been shown at the rate estimated to be applicable for the full year.

4 Dividends

	Unaudited six months ended 30 March 2008 £000	Unaudited six months ended 1 April 2007 £000	Reviewed year ended 30 September 2007 £000
Declared and paid during the financial period			
Final dividend for the year ended 1 October 2006: 7.89 pence per share	-	3,132	3,132
Interim dividend for the year ended 30 September 2007: 3.36 pence per share	-	-	1,334
Final dividend for the year ended 30 September 2007: 8.24 pence per share	3,302	-	-
	3,302	3,132	4,466
Proposed after the balance sheet date and not recognised as a liability			
Final dividend for the year ended 30 September 2007 : 8.24 pence per share	-	-	3,285
Interim dividend for the year ended 30 September 2007: 3.36 pence per share	-	1,334	-
Interim dividend for the year ended 28 September 2008: 3.36 pence per share	1,347	-	-
	1,347	1,334	3,285

5 Reconciliation of operating profit to net cash generated from operations

	Unaudited six months ended 30 March 2008 £000	Unaudited six months ended 1 April 2007 £000	Reviewed year ended 30 September 2007 £000
Operating profit	1,643	3,636	11,056
Depreciation of property, plant and equipment	5,719	6,533	13,648
Loss/(profit) on disposal of fixed assets	1	(11)	58
Share based payment expense	195	215	460
Increase in inventories	(3,553)	(859)	(1,031)
Decrease/(increase) in receivables	4,234	(1,025)	(2,433)
(Decrease)/increase in payables and provisions	(1,803)	1,570	1,822
Net cash generated from operations	6,436	10,059	23,580

6 Analysis of net debt

	Unaudited six months ended 30 March 2008 £000	Unaudited six months ended 1 April 2007 £000	Reviewed year ended 30 September 2007 £000
Cash and cash equivalents and bank overdraft	(1,510)	(10,147)	(8,094)
Debt due within one year	(4,409)	(4,284)	(2,747)
Debt due beyond one year	(13,709)	(1,277)	(753)
Finance leases and hire purchase contracts	(19,598)	(23,991)	(19,957)
	(39,226)	(39,699)	(31,551)

7 Reconciliation of net cash flow to movement in net debt

	Unaudited six months ended 30 March 2008 £000	Unaudited six months ended 1 April 2007 £000	Reviewed year ended 30 September 2007 £000
Increase/(decrease) in cash in the period	6,584	(7,309)	(5,256)
Cash inflow from increase in debt and lease financing	7,712	3,690	11,032
Change in net debt resulting from cash flow	14,296	(3,619)	5,776
New finance leases and hire purchase contracts	(3,689)	(3,029)	(4,276)
New loans	(18,282)	(1,602)	(1,602)
Movement in net debt in the period	(7,675)	(8,250)	(102)
Net debt brought forward	(31,551)	(31,449)	(31,449)
Net debt carried forward	(39,226)	(39,699)	(31,551)

8 Copies of the interim report

Copies of the interim report will be posted to shareholders in due course and are available from the Company's Head Office at: Aardvark House, Sidings Court, Doncaster DN4 5NU or by visiting the Company's website www.ath.co.uk.