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JW Resources, Inc. Acquires Kentucky Thermal Coal Mining Operations from Xinerger Ltd.

KNOXVILLE, Tenn.--([BUSINESS WIRE](#))--JW Resources, Inc., ("JW Resources" or the "Company"), a privately held management and holding company formed by Bayside Capital, Inc. ("Bayside") and Lawrence M. Clark, Jr., announced today that through certain wholly-owned subsidiaries it has completed the acquisition of the Straight Creek and Red Bird thermal coal mining operations (the "Straight Creek Operations") of Xinerger Ltd. (TSX:XRG) ("Xinerger"), located in Bell, Clay, Harlan, Knox and Leslie Counties, Kentucky, for \$47.2 million in cash (the "Transaction"). The Straight Creek Operations are located in the Central Appalachian ("CAPP") coal basin in eastern Kentucky and consist of approximately 48,000 acres containing an estimated 42 million tons of proven and probable high-quality thermal coal reserves.

Assets acquired in the Transaction include all permits, contracts, real property leases and mining equipment associated with the Straight Creek Operations, as well as all related infrastructure, including two CSX unit train load-out facilities, a 500 ton/hour preparation plant, and two fully permitted refuse impoundment facilities with significant remaining useful lives. The Company's diverse mix of surface, highwall, and underground mining operations will continue to be managed by seasoned mining executive William R. "Bill" Snodgrass, who has been responsible for the Straight Creek Operations under Xinerger and will assume the role of Chief Operating Officer of JW Resources.

JW Resources is a newly-created management and holding company focused on identifying, acquiring and operating thermal and metallurgical coal mining and related assets in the United States. The Company is majority-owned by affiliates of Bayside and was formed and capitalized in partnership with Mr. Clark, an experienced institutional investor with a proven track record investing in the coal and natural resources industries. Clark will serve as Chief Executive Officer of JW Resources and will be focused on both guiding the strategic direction of the Straight Creek Operations as well as identifying and executing acquisitions of additional premier coal industry assets.

Mr. Clark commented: "Given recent challenges in the thermal coal industry, it is an attractive time to acquire low-cost producers with substantial reserve life. We are excited to be partnering with Bayside, as its large and flexible capital base provides for an ideal sponsor to both support the Straight Creek Operations and capitalize on additional acquisition opportunities through the JW Resources platform."

"We established JW Resources in partnership with Larry to acquire premier assets that are positioned to participate in the strong long-term global utility and industrial demand environment," said Sean Ozbolt, Managing Director at Bayside Capital. "We identified the Straight Creek Operations as an attractive platform due to its low-cost, high-quality CAPP coal assets and its world class operating team led by Bill Snodgrass."

About JW Resources, Inc.

Headquartered in Knoxville, Tennessee, JW Resources, Inc. is focused on identifying, acquiring and operating thermal and metallurgical coal mining and related assets in the United States.

About Bayside Capital

Bayside Capital is an affiliate of H.I.G Capital, a leading global private investment firm with more than \$10 billion of equity capital under management. Bayside Capital is focused on providing capital solutions to address complex situations, and has the ability to provide capital through a broad range of debt and equity securities with an emphasis on long term returns. With eight offices throughout the United States and Europe and over 250 investment professionals to draw upon, Bayside has the experience, resources, and flexibility required to provide capital solutions quickly, and the strategic and operational expertise to provide value enhancing support to its portfolio companies. For more information, please refer to the Bayside Capital website at www.bayside.com or contact:

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