Royal Coal Corporation Signs Letter of Intent to Acquire Coal Property

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TORONTO, Dec. 20, 2010 - Royal Coal Corp. (TSX VENTURE:RDA) ("Royal Coal" or the "Company") announced today the signing of a Letter of Intent ("LOI") to acquire a group of eight properties, one of which is already permitted, that management considers to have a significant high quality thermal coal deposit located in Eastern Kentucky ("the Property"). Production is expected to commence under the existing permit in the second quarter of 2011.

The Property consists of approximately 14,000 acres with the majority being surface mineable. The Company has commenced a drill program in order to produce a resource estimate compliant with NI 43-101 standards. The Property is privately owned and the total purchase price is US$6,000,000 payable on closing and a royalty capped at US$9,000,000.

Tom Griffis, Chairman of Royal Coal, commented, "This property will be an excellent addition to our portfolio and is in line with our growth strategy aimed at securing additional significant open pit reserves with long term production."

The Company has provided a non-refundable deposit of US$100,000 for a 45-day option to complete final due diligence and enter a definitive purchase agreement. Closing of this acquisition is expected by February 28, 2011 and is subject to Royal Coal completing financing arrangements.

About Royal Coal

Royal Coal is a coal exploration and production company, headquartered in Toronto, Ontario, Canada with a regional office in Hazard, Kentucky, U.S.A. whose primary business focus is developing producing surface coal mining operations in the Central Appalachian coal producing region of the United States, which includes parts of West Virginia, Virginia, Kentucky, Ohio, and Tennessee.

This news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. The forward-looking statements contained in this press release are made as of the date hereof and Royal Coal undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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