

# Xinergy Limited: Continues Debt Financing Efforts

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## - Continues Efforts to Complete US\$25 Million Convertible Loan

## - Defaults on Interest Payment Under Note Indenture and Enters 30 Day Cure Period

KNOXVILLE - Nov 17, 2014) - [Xinergy Ltd.](#) (TSX:XRG) (the "Company"), a Central Appalachian coal producer, announced today that it is continuing its efforts to complete the US\$25 million convertible loan (the "Aries Loan") with Aries Energy Group Venture Investor, LLC ("Aries") that it announced on November 7, 2014. The Aries Loan remains on track to close as soon as possible and the short delay has been driven by the completion of the fund formation on the part of Aries. The Company has obtained the requisite written consents of the shareholders of the Company required by the Toronto Stock Exchange for the Aries Loan, and the parties are working towards satisfying all of the other conditions to funding the Aries Loan.

As a result of delays in consummating the Aries Loan, the Company will default in the payment of approximately US\$9 million in interest due today on the Company's 9.25% senior secured notes due May 15, 2019 (the "Notes"). The Company has 30 days to cure the interest payment default. The Company has every intention to complete the Aries Loan and intends to use a portion of the proceeds of the Aries Loan to make the interest payment on the Notes and cure the default prior to expiration of the 30 day period. If the Company is unable to make the interest payment during the cure period, the interest payment default will become an "Event of Default" under the terms of the indenture governing the Notes and result in a cross-default under the credit agreement with Bayside Finance, LLC ("Bayside"), the Company's existing senior secured lender.

As a result of the above developments, the quarterly conference call scheduled for Tuesday, November 18, 2014 at 10:00 a.m. EDT to discuss the Company's operating resulting is postponed. The Company will reschedule the conference call at a later date.

## About Xinergy Ltd.

Headquartered in Knoxville, Tennessee, [Xinergy Ltd.](#), through its wholly owned subsidiary Xinergy Corp. and its subsidiaries, is engaged in coal mining in West Virginia and Virginia. Xinergy sells high quality metallurgical and thermal coal to electric utilities, steelmakers, energy trading firms and industrial companies. For more information, please visit [www.xinergycorp.com](http://www.xinergycorp.com).

## Forward-Looking Information

*This news release contains forward-looking information based on the Company's expectations and beliefs concerning future events and involves risks and uncertainties that are outside of our control and may cause actual results to materially differ from current expectations. Some of these key assumptions include, among other things: the completion of the Aries Loan, the use of proceeds; no material disruption in production, or no material variation in anticipated thermal and metallurgical coal sales volumes; no material decline in markets and pricing of steam or metallurgical coal other than anticipated variations; continued availability of an no material disruption in rail service; no production, construction or shipping disruptions due to adverse weather conditions other than normal, seasonal patterns; no material delays in the current timing for completion of ongoing projects; no material delays in the receipt of anticipated mining permits from governmental agencies; financing will be available on terms favorable and reasonable to the Company; no material variation in historical coal purchasing practices of customers; coal sales contracts will be entered into with new customers; parties execute and deliver contracts currently under negotiation; and no material variations in the current regulatory environment. The reader is cautioned that such assumptions, although considered reasonable by us at the time of preparation, may prove to be incorrect.*

*Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Additional factors include, but are not limited to, the completion of the Aries Loan, an Event of Default under the indenture governing the Notes, changes in general economic, market and business conditions; uncertainties associated with estimating the quantity and*

*quality of coal reserves and resources; commodity prices; currency exchange rates; the availability of credit facilities for capital expenditure requirements; debt service requirements; dependence on a single rail system; changes to federal and state legislation; liabilities inherent in coal mine development and production; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; geological, mining and processing technical problems; ability to obtain required mine licenses, mine permits and regulatory approvals required to proceed with mining and coal processing operations; ability to comply with current and future environmental and other laws; actions by governmental or regulatory authorities including increasing taxes and changes in other regulations; the occurrence of unexpected events involved in coal mine development and production; and other factors, many of which are beyond our control. Many of these risk factors and uncertainties are discussed in our Annual Information Form in a section entitled "Risk Factors" and other documents filed with the Canadian securities regulatory authorities available on SEDAR at [www.sedar.com](http://www.sedar.com). Please refer to these documents for further details about the risks faced by the Company. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.*

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