

Xinergy Ltd. Files Voluntary Petition Under Chapter 11 to Complete Financial and Operational Restructuring

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Xinergy Intends to Continue Serving Customers Without Interruption

KNOXVILLE -- (Marketwired - Apr 6, 2015) - [Xinergy Ltd.](#) ("Xinergy" or the "Company") (TSX:XRG), a U.S. producer of metallurgical and thermal coal, announced today that the Company and twenty-five subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Western District of Virginia, Roanoke Division. Xinergy has mineral reserves, mining operations and coal properties in the Central Appalachian regions of West Virginia and Virginia. The Company will operate its businesses and continue customer shipments without interruption during the reorganization. Xinergy will continue to pay its employees in the normal course and also filed a motion with the court seeking to honor its pre-petition employee obligations.

"Over the past several years, the coal markets in the U.S. have faced a number of significant challenges, including increased environmental regulations and reductions in demand due to weaknesses in the economy and lower natural gas prices," stated Bernie Mason, Xinergy's CEO. "Additionally, continued weakness in the market for metallurgical and thermal coal, combined with an extremely cold winter that impacted the mining and shipment of coal, has continued to erode Xinergy's cash position."

Xinergy plans to use the Chapter 11 process to undertake a financial restructuring and create a strong financial foundation for the Company's future. "After careful consideration of all available alternatives, Xinergy determined that a Chapter 11 filing was a necessary and prudent step and the best way to obtain the financing necessary to maintain regular operations and allow for a successful restructuring," said Mason.

In conjunction with the filing, the Company is seeking approval to obtain debtor-in-possession financing, which, once approved by the court, will provide an immediate source of funds to the Company. This funding source and the cash generated from the Company's ongoing operations will enable the Company to satisfy obligations associated with the daily operations of its businesses, including the timely payment of employee wages and other obligations.

Bernie Mason concluded, "We are optimistic that Xinergy will emerge from our Chapter 11 reorganization as a stronger, more competitive company that is well positioned for success in the coal industry. We have appreciated the tremendous support of our customers, employees and vendors throughout our history and look forward to continued good relations during this important phase."

Hunton & Williams LLP is serving as the Company's legal advisor, Cassels Brock & Blackwell LLP is serving as Canadian counsel, and Global Hunter Securities is serving as financial advisor.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on the Company's current plans, expectations, estimates, and projections about the coal industry and management's beliefs about the Company's future performance. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" or variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to risks and uncertainties that are difficult to predict and which may cause the Company's actual results and performance to differ materially from those expressed or forecasted in any such forward-looking statements. These risks include, among other factors, general economic conditions and specific conditions in the coal market; competition from existing and new competitors; inclement weather or natural disasters; and increased costs and expenses. This list of factors is not meant to be exhaustive. Unless required by law, the Company undertakes no obligation to update publicly any forward-looking statements.

Contact

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