



FOR IMMEDIATE RELEASE

PHOENIX COAL ANNOUNCES NO MATERIAL CHANGE

LOUISVILLE, KY, January 11, 2010 – Phoenix Coal Inc. (“Phoenix Coal” or the “Company”) (TSX: PHC) at the request of Market Surveillance, on behalf of the Toronto Stock Exchange, announces that the Company is not aware of any material undisclosed development at this time that would cause today’s upward movement in the Company’s share price. As previously disclosed, the Company is in the process of evaluating strategic alternatives for the Gryphon Mining Complex, including the possible sale of the asset to a third party.

About Phoenix Coal Inc.

Phoenix Coal is headquartered in Louisville, Kentucky and its primary coal assets are located in Henderson County and Webster County, Kentucky. The Company controls the Gryphon Mining Complex, a coal property containing 68.4 million tons of proven and probable reserves and 46.4 million tons of measured and indicated resources.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this press release contains “forward-looking statements”, and “forward-looking information” under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements which include management’s assessment of Phoenix’s future plans and operations and are based on Phoenix’s current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as “expects” “anticipates”, “believes”, “projects”, “plans”, and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Phoenix’s actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: liabilities inherent in coal mine development and production; geological, mining and processing technical problems; Phoenix’s inability to obtain required mine licenses, mine permits and regulatory approvals required in connection with mining and coal processing operations; dependence on third party coal transportation systems; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in commodity prices and exchange rates; changes in the regulations in respect to the use of coal; the effects of competition and pricing pressures in the coal market; the oversupply of, or lack of demand for, coal; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of coal products, including labor stoppages and severe weather conditions; the demand for and availability of rail, port

and other transportation services; and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Phoenix undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

The TSX has neither approved nor disapproved of the contents of this press release.

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