

NATIONAL COAL CORP.
REPORTING POLICY AND PROCEDURES FOR ACCOUNTING
AND BUSINESS CONDUCT MATTERS

(Revised July 15, 2008)

Complaint Procedures

Section 301 of the Sarbanes-Oxley Act of 2002 requires the Audit Committee of the Board of Directors (the “*Audit Committee*”) of National Coal Corp. (the “*Company*”) to establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters (the “*Accounting Matters*”); and (b) the submission by employees of the Company, on a confidential and anonymous basis, of concerns regarding questionable accounting and auditing matters.

In addition, the Company desires to establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding other matters involving suspected violations of law, regulations, or Company policy (“*Business Conduct Matters*”).

As the Company is committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices, any employee of the Company may submit a good faith complaint regarding Accounting Matters and Business Conduct Matters, without fear of dismissal or retaliation of any kind. The Audit Committee will oversee treatment of employee concerns in this area.

In order to facilitate the reporting of employee complaints, the Company’s Audit Committee has established the following procedures:

Receipt of Employee Complaints

1. Consistent with the Company’s Code of Ethics, employees with concerns regarding Accounting Matters or Business Conduct Matters should report their concerns to Thomas Meng, outside counsel for the Company, at Stites and Harbison, PLLC, email: tmeng@stites.com Telephone: 859-226-2363; or
2. Alternatively, employees may forward complaints regarding Accounting Matters to the Audit Committee at auditcommittee@nationalcoal.com, or
3. If you are concerned about maintaining anonymity, you may send correspondence regarding either type of matters to the following outside private mail box on a confidential and anonymous basis at Stubbs, Alderton & Markiles, LLP, 15260 Ventura Boulevard, 20th Floor, Sherman Oaks, CA 91403, Attn: John J. McIlvery, Esq. The firm of Stubbs, Alderton & Markiles, LLP shall determine, after consultation with the Company’s outside counsel, Thomas Meng, whether the complaint is an Accounting Matter or Business Conduct Matter, and forward the Complaint in summary form to the Audit Committee or the Company’s outside counsel, Thomas Meng, respectively. If the acts or failures relate to the Company’s CEO, then the complaint will be forwarded to the Audit Committee.

Scope of Matters Covered by These Procedures

Reports of complaints, concerns, and suspected violations may include those that relate to:

1. Questionable accounting or auditing matters, including, without limitation, the following:
 - (a) fraud or deliberate error in the preparation, evaluation, review, or audit of any financial statement of the Company;
 - (b) fraud or deliberate error in the recording and maintaining of financial records of the Company;
 - (c) material deficiencies in or noncompliance with the Company's internal accounting controls;
 - (d) misrepresentation or false statements to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports, or audit reports of the Company; or
 - (e) deviation from full and fair reporting of the Company's financial condition.
2. Other matters involving suspected violations of law, regulation, or Company policy.

Treatment of Complaints

1. Upon receipt of a complaint, Thomas Meng, or the Audit Committee as may be applicable, will (i) determine whether the complaint actually pertains to Accounting Matters or Business Conduct Matters, and (ii) when possible, acknowledge receipt of the complaint to the sender. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review and any applicable laws and regulations.
2. Complaints relating to Accounting Matters will be reviewed under Audit Committee direction and oversight by the Company's outside counsel, Thomas Meng, or such other persons as the Audit Committee determines to be appropriate.
3. Complaints relating to Business Conduct Matters will be reviewed by the Company's outside counsel, Thomas Meng, or such other persons as the Mr. Meng determines to be appropriate, after which the Mr. Meng will provide to the Audit Committee a written report and recommendation of corrective action, if any, that may be needed.
4. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee regarding all complaints relating to Accounting Matters and Business Conduct Matters.

5. The Company will not discharge, demote, suspend, threaten, harass, or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of complaints regarding Accounting Matters and Business Conduct Matters, or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002.

Reporting and Retention of Complaints and Investigations

The Audit Committee will direct the, Corporate Secretary, or the Company's outside counsel, Thomas Meng, as it deems necessary, to maintain a log of all complaints, tracking their receipt, investigation and resolution, and to prepare a periodic summary report thereof for the Audit Committee and the full Board of Directors. Copies of complaints and such log will be maintained in accordance with the Company's document retention policy.