

oil, Gas & Mining 538-5340
 Jim Springer - DOGM

Internal
 07/003 OK

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FOR IMMEDIATE RELEASE:
 Wednesday, March 14, 2007

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UTAHAMERICAN ENERGY, INC.

FILES ACTION OVER FAILURE OF THE UTAH DIVISION OF OIL, GAS AND MINING
 ("DOGM") TO ISSUE A PERMIT FOR THE LILA CANYON MINE

Price, Utah:

Today, UtahAmerican Energy, Inc. ("UEP") announced that it had filed a Petition for Review before the Utah Board of Oil, Gas and Mining ("Board") as the result of the failure of DOGM to follow Utah state laws and issue the required mining permit for the UEI Lila Canyon Mine.

"For eight (8) years, UEI has been pursuing the issuance of a mining permit for Lila Canyon Mine and during this eight (8) years UEI has strictly followed the law and answered any and every request or demand of DOGM related to the permit," said Bruce Hill. "Every time an issue is resolved, DOGM raises a new one, all in an apparent attempt to unlawfully deny UEI its permit. The latest being a cultural study which the Federal government says is not required."

The Lila Canyon Mine is projected to be an underground longwall coal mine in Carbon and Emery Counties, producing approximately seven (7) million tons of coal annually and employing over 300 persons.

"We are looking forward to the development of the Lila Canyon Mine. The Mine would be an tremendous economic boost for the depressed area of Utah. According to a study by The Pennsylvania State University, up to eleven (11) additional jobs are created for every mining job to provide goods and services," said Mr. Hill. "Yet, DOGM has failed to follow its charge from the State of Utah and timely issue the permit and has deprived the state of up to 3,600 jobs."

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Mr. Hill added, "UtahAmerican has also had to deal with interference in the process by the radical environmental group, Southern Utah Wilderness Alliance. SUWA's goal is to stop any mining activity in Utah. We are confident the Board will follow the law and direct DOGM to issue the Permit."
