



***Matrix Advises the Special Committee
of the Board of Directors of United Fuel & Energy Corporation on
its Merger with SC Fuels***



RICHMOND, VA - February 16, 2010 - Matrix Capital Markets Group, Inc. ("Matrix") announced today that it provided financial advisory services and a fairness opinion to the Special Committee (the "Special Committee") of the Board of Directors for United Fuel & Energy Corporation (Pink Sheets: UFEN) ("United Fuel") on its merger with Southern Counties Oil Co. ("SC Fuels"), and its wholly-owned acquisition subsidiary, Goldstream, Inc. ("Goldstream").

United Fuel is engaged in the business of distributing gasoline, diesel and lubricant products primarily in certain markets of Texas, California, New Mexico, Arizona and Oklahoma. United Fuel represents the consolidation of numerous companies, the most significant of which was the Eddins-Walcher Company and Cardlock Fuels System. SC Fuels is a California limited partnership that distributes petroleum products throughout the Western United States.

Matrix's advisory team was led by Tom Kelso, Managing Director, Spencer Cavalier, Director, and Cedric Fortemps, Vice President. Mr. Cavalier added, "It was an honor to work with the members of the Special Committee who did an excellent job maximizing shareholder value."

Cox Smith Matthews Incorporated acted as legal advisor for United Fuel and Fulbright & Jaworski L.L.P. served as legal advisor for the Special Committee. Rutan & Tucker, LLP served as legal advisor to SC Fuels.

Matrix Capital Markets Group is a leading middle-market investment bank headquartered in Richmond, Virginia. Since 1988, Matrix has focused on providing merger & acquisition and financial advisory services for corporate and privately-held companies, including sales and divestitures, Staged Liquidity Transactions®, management buyouts, and debt & equity placements. For additional information, please visit www.matrixcapitalmarkets.com.

Matrix's Energy and Multi-Site Retail Group is recognized as the national leader in providing transactional advisory services to companies in the downstream energy and multi-site retail sectors. Team members are dedicated to these sectors and draw upon complementary experiences to provide advisory services to complete sophisticated merger and acquisition transactions, private debt and equity raises, corporate restructurings, and corporate valuation and long term planning engagements. These sectors include companies such as convenience store chains, petroleum marketers, fuels distributors, retail propane distributors, heating oil distributors, lubes retailers and distributors, terminal operators, fuels transportation companies, hospitality companies, and other specialty retail chains. For additional information, please visit www.matrixenergyandretail.com.

NEWS RELEASE

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For more information, contact:

Managing Directors

Thomas E. Kelso

Jeffrey G. Moore

Michael C. Morrison

William H. Weirich

Directors

Spencer P. Cavalier

Vice Presidents

R.H. Butler, Jr.

Cedric C. Fortemps

C. Bryan Johnson

William B. Kerkam, IV

Corporate Headquarters

11 South 12th Street, 3rd Floor

Richmond, VA 23219

804.780.0060

www.matrixcapitalmarkets.com

100 South Charles St., Suite 1350

Baltimore, MD 21201

410.752.3833

www.matrixenergyandretail.com

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