January 2, 2013, – Vancouver, BC - Alabama Graphite Corp. (the "Company") (CNSX:ALP) (Frankfurt: 1AG.F) (ISIN# CA0102931080) (WKN A1J35M) is pleased to provide a year end review of its Coosa Graphite Project in Alabama.

The following is a recap of significant milestones for Alabama Graphite in 2012:

On August 1, 2012 a mineral lease of 14,000 acres was executed by CEO Dan Spine with a private Alabama title holder which allowed the Company an opportunity to enter the graphite exploration business. Dr. Douglas Oliver joined as VP Exploration and laid out an exploration program later incorporated into a National Instrument 43-101 Technical Report filed on SEDAR in Canada. Geologist Jim Duff joined the company as the prior Chief Operating Officer of Minera Andes. Wade Black of Blackberry Fund Management also joined as a director. Jean Depatie joined as Chairman of the Board following the sale of Consolidated Thompson to Cliffs Natural Resources. Later in the year, Spine negotiated and leased additional land from the title holder. Alabama Graphite mineral lease increased to 42,000 acres for a seventy year term.

The Company found office and work space in Sylacauga, AL and put together a team under the direction of Doug Oliver. Major Drilling was engaged to commence the first drill program on the mineral claims measuring a grid of 2,000' by 1,800' and ALS Chemex was retained to assay the core. A contract with respected firm Bumigene of Quebec, Canada was signed in order to evaluate the economic potential of the graphite.

The Company convened two meetings with public, legislative and regulatory officials in Alabama to discuss the impacts and steps toward permitting an operation in Coosa County.

In December the Company completed its first 6000 meter drill program consisting of 66 core drill holes. The first nine holes were reported on December 20, 2012 containing graphite mineralization. The remaining drill core samples are with ALS Chemex awaiting assay in 2013. The Company has engaged Scott Wilson (Metal Mining Consultants, Denver) to prepare a National Instruments 43-101 resource estimate. The Company also plans to under a metallurgical testing program on core samples in 2013.

About Alabama Graphite:

Alabama Graphite Corp., through its wholly-owned subsidiary, Alabama Graphite Company Inc., is a graphite exploration and development company whose flagship project "The Coosa Graphite Project" in Coosa County, Alabama encompasses of over 40,000 acres located in an area with significant historical production of crystalline flake graphite.

For further details go to www.alabamagraphite.co.

The Canadian National Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

ALABAMA GRAPHITE CORP.

Daniel Spine, CEO

(404) 661-6254

Danny Gravelle, Investor Relations

(949) 481-5396

ir@alabamagraphite.co