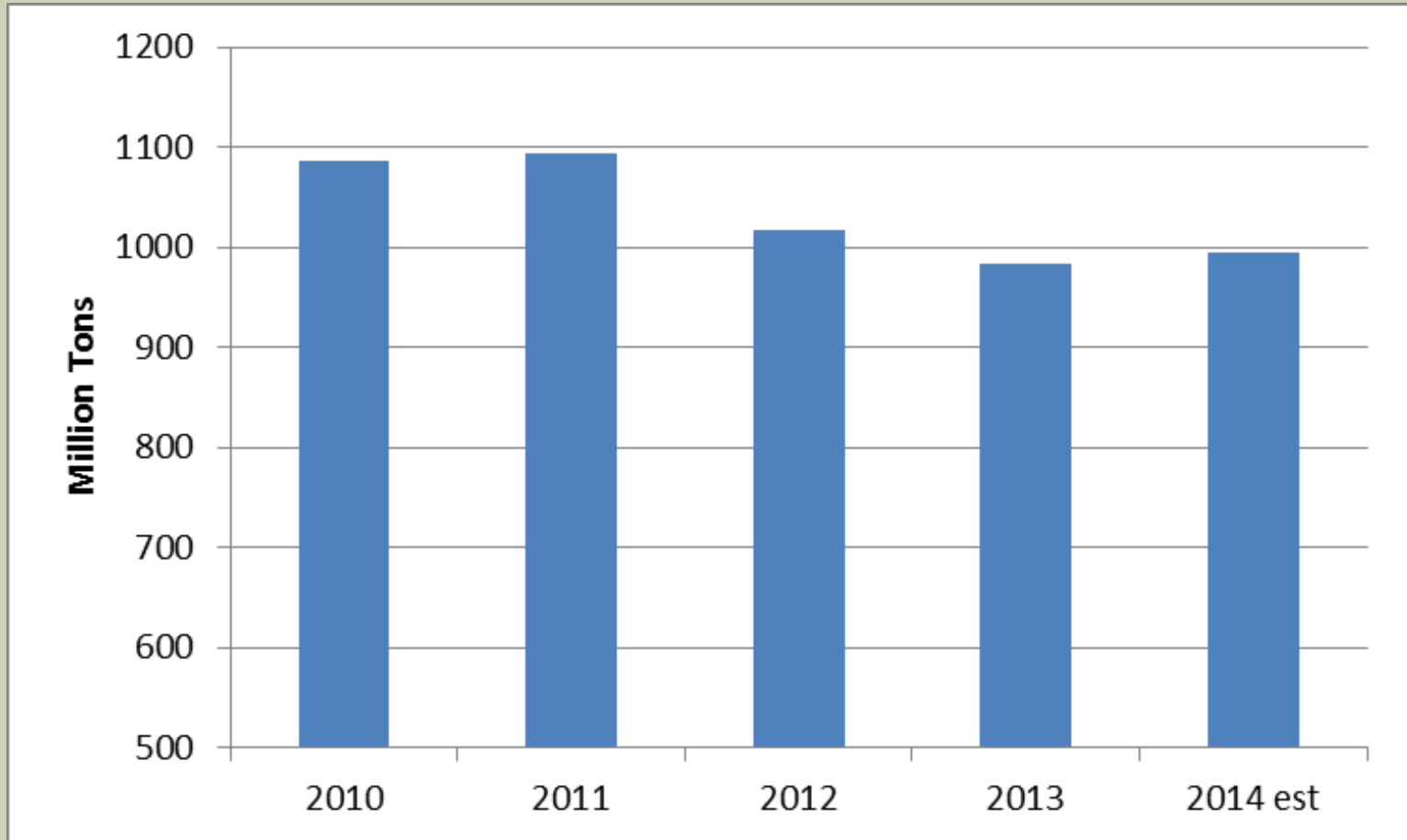


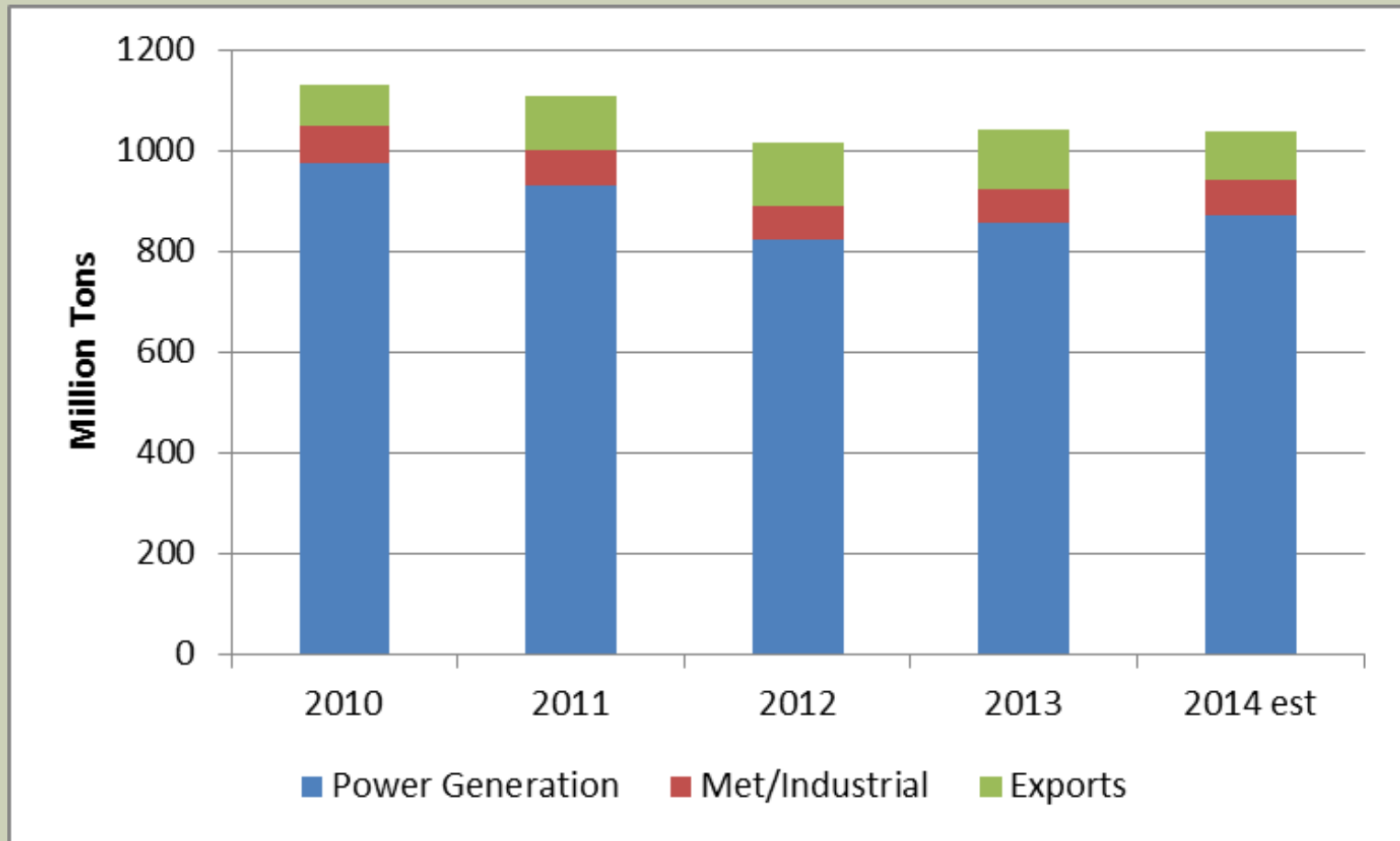
**SURFACE
TRANSPORTATION BOARD
RETAC
COAL PRODUCER UPDATE**

October 2,
2014

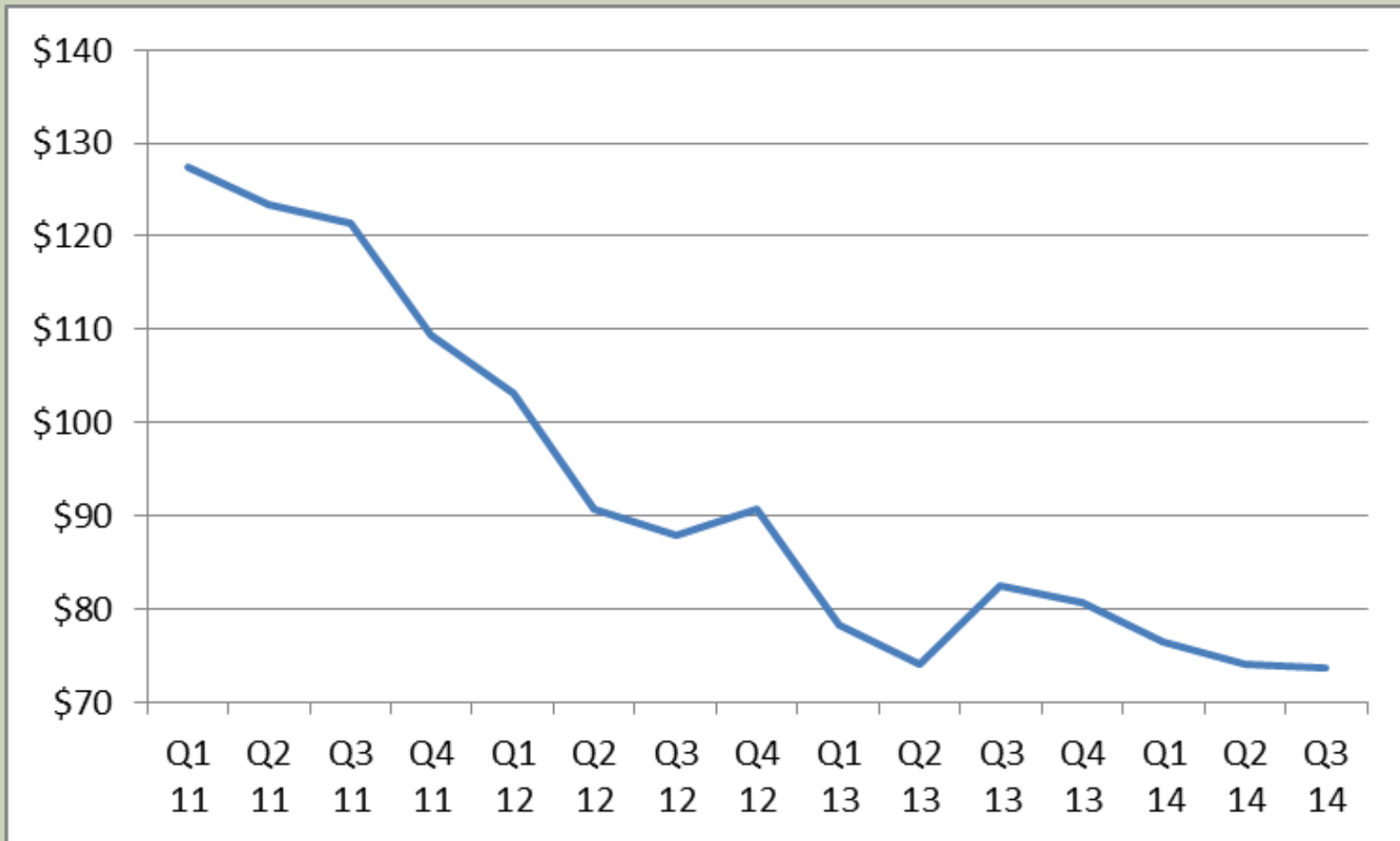
US COAL PRODUCTION



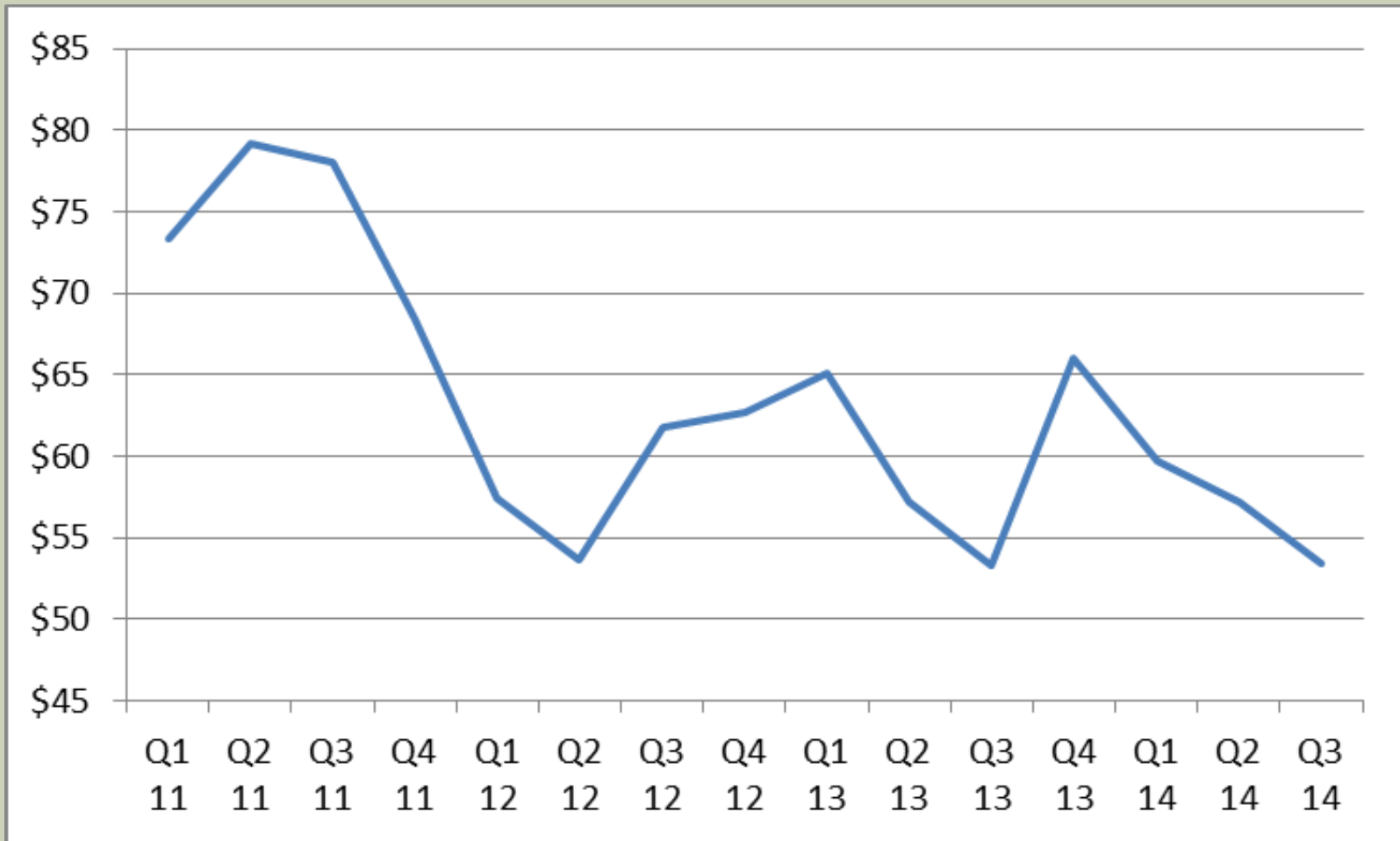
US COAL DEMAND



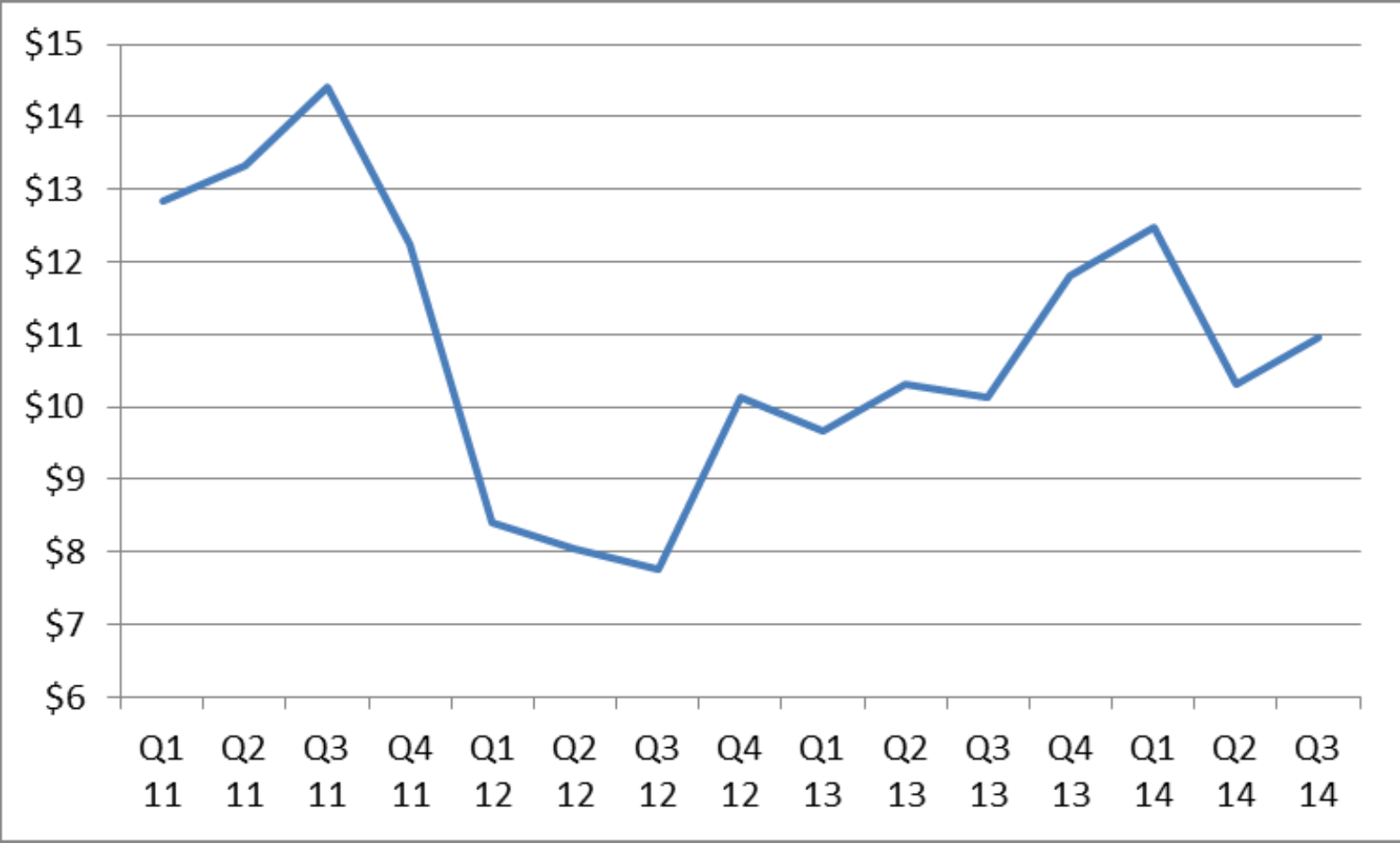
EXPORT PRICES – API2 6000 KCAL



DOMESTIC PRICES – CSX 12500 <1



DOMESTIC PRICES – PRB 8800 BTU



IMPACT OF RAIL PERFORMANCE ISSUES

- Most PRB producers have cited poor rail performance as a contributing factor to lower than anticipated revenue
 - ACI estimates 4-5 million tons lost in 1H
 - BTU estimates 1-2 million tons lost in Q2
 - ANR reduced 2014 PRB shipment guidance by 3 million tons.
 - Since Q1, CLD has reduced 2014 top-end guidance from 92 million to 86 million tons
 - BTU estimates collectively 15M tons lost in first half due to poor shipments and coal conservation
- Several customers cite inability to get coal delivered as a reason they haven't purchased additional volumes this year.
- Recent drop in 2014 prices reflects this