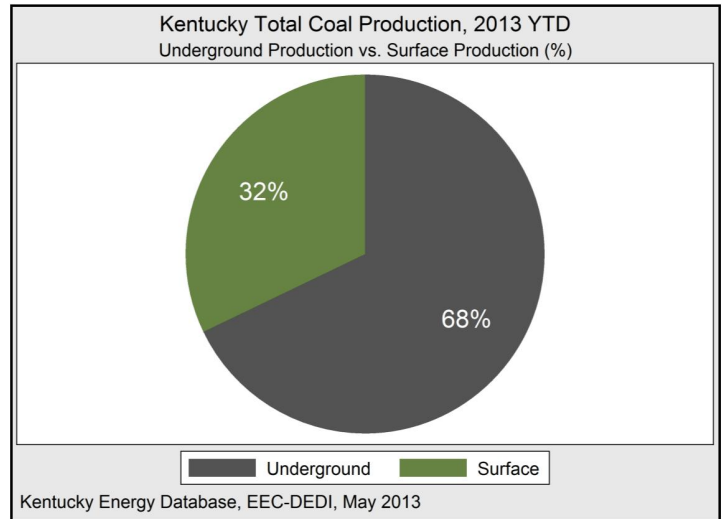
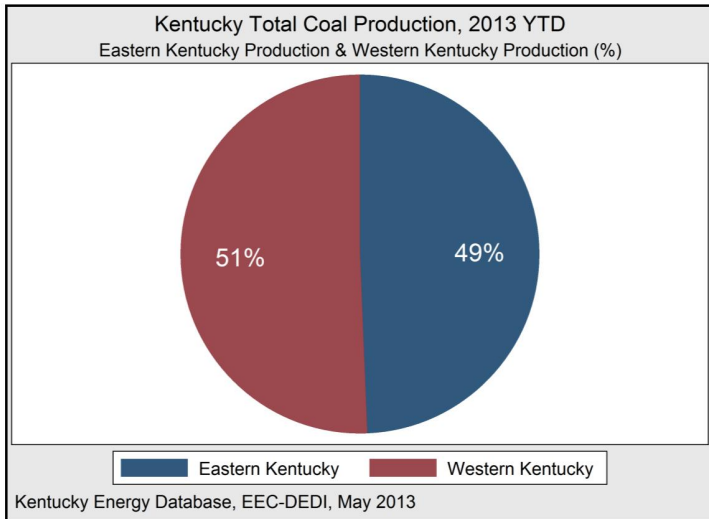


Kentucky Quarterly Coal Report

January to March 2013

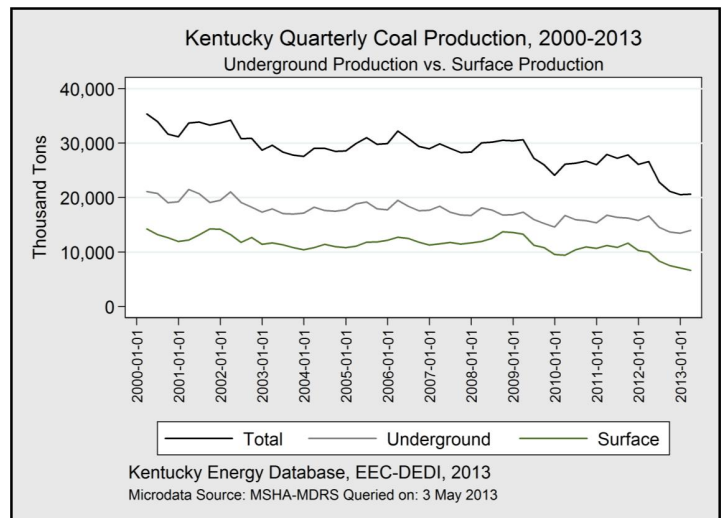
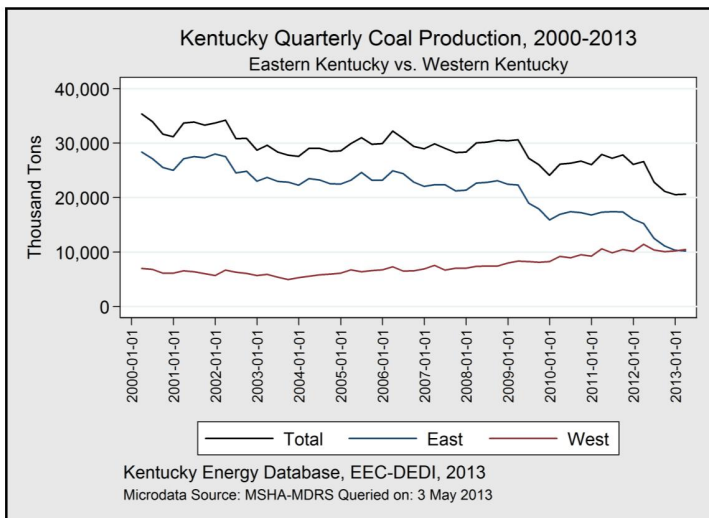


Region	Q1 Tonnage	Quarter Change
Total	20,625,870	+0.4%
Western Kentucky	10,446,240	+2.3%
Eastern Kentucky	10,179,620	-1.5%

Mine Type	Q1 Tonnage	Quarter Change
Total	20,625,870	+0.4%
Underground	13,997,710	+4.0%
Surface	6,628,161	-6.4%

Western Kentucky produced more than 10.4 million tons of coal in the first 3 months of 2013, which was 51 percent of production and 2.6 percent more than Eastern Kentucky.

Underground coal mines in Kentucky produced nearly 14 million tons, or 68 percent of total production, while surface mines produced 6.6 million tons, or 32 percent of production.

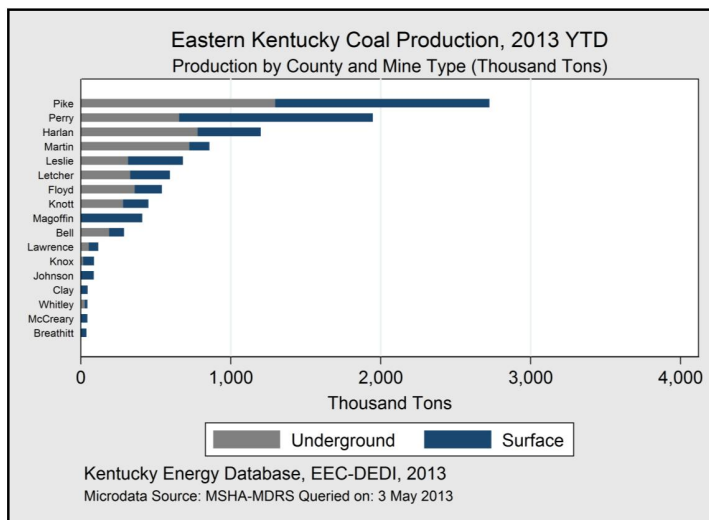
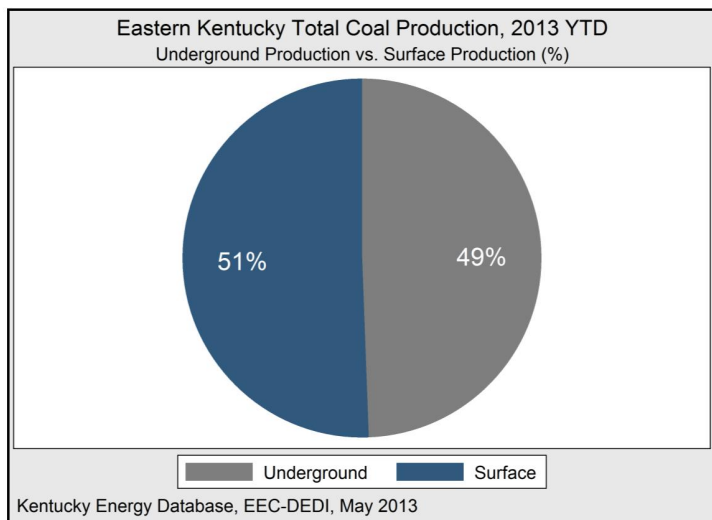


Preliminary data indicate that total Kentucky coal production increased by a marginal 0.4 percent during the first three months of 2013, to a rate of 20.6 million tons per quarter. Although Western Kentucky production increased by 2.3 percent, Eastern Kentucky production decreased by 1.5 percent. Total Kentucky production rates have fallen by 26 percent during the past 18 months, by 38 percent since the year 2000, and by 52 percent since peaking in the year 1990.

During the first 3 months of 2013, coal production at underground coal mines in Kentucky increased by 4 percent while production at surface mines decreased by over 6 percent. Surface production has decreased by 49 percent since the year 2000, and is now at the lowest level since 1963. The annualized rate of total Kentucky coal production is also at its slowest since 1963.

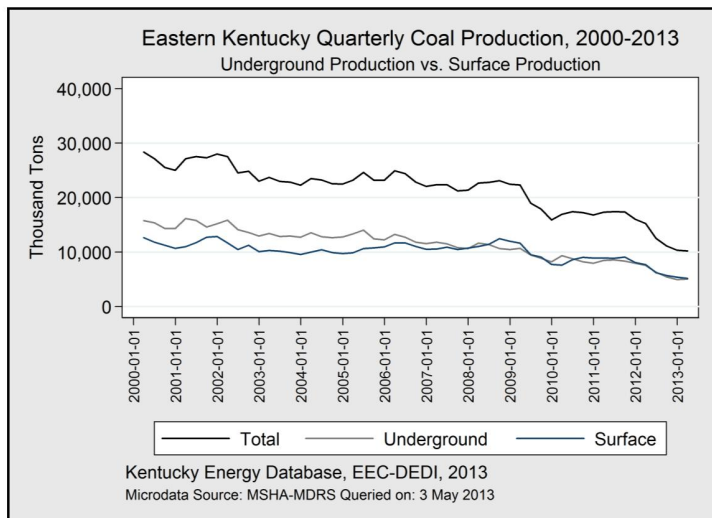
Eastern Kentucky Coal Production

January to March 2013



Mine Type	Q1 Tonnage	Quarter Change
Total	10,179,620	-1.5%
Underground	5,030,073	+1.9%
Surface	5,149,551	-4.6%

Eastern Kentucky produced less than 10.2 million tons of coal in the first three months of 2013, 49 percent from underground mines and 51 percent from surface mines.



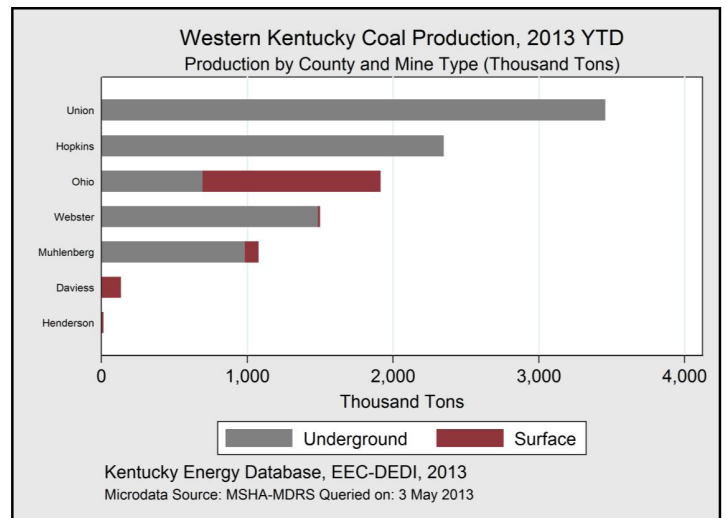
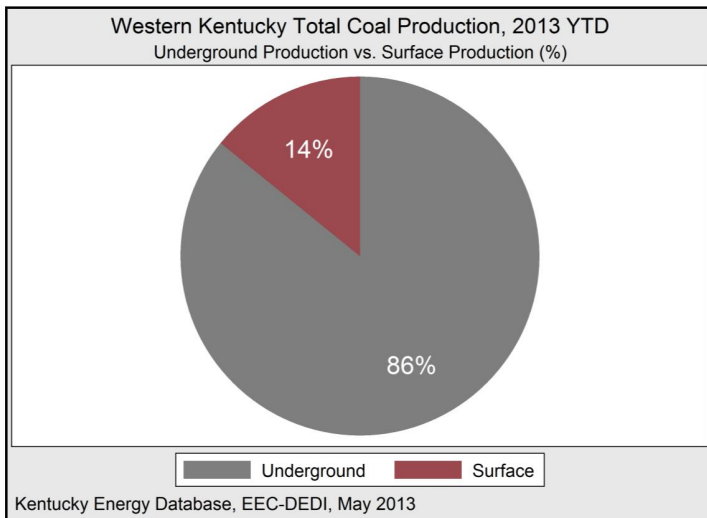
The rate of Eastern Kentucky coal production decreased by 1.5 percent during the first three months of 2013, by 42 percent during the past 18 months, and by 64 percent since the year 2000. Production slowed at surface mining operations by 4.6 percent, but increased by a marginal 1.9 percent in underground mines.

Eastern County	Q1 Tonnage	Quarter Change
Pike	2,725,614	+2.95%
Perry	1,948,201	-4.07%
Harlan	1,199,699	-19.27%
Martin	857,440	+45.06%
Leslie	681,858	-1.22%
Letcher	594,574	-13.11%
Floyd	540,812	+5.28%
Knott	451,341	-0.08%
Magoffin	409,583	+0.33%
Bell	288,042	+10.00%
Lawrence	116,531	+0.53%
Knox	88,004	-47.42%
Johnson	86,783	+23.36%
Clay	45,415	-43.21%
Whitley	44,398	-11.38%
McCreary	43,859	+69.44
Breathitt	38,290	+69.11%
Rockcastle	12,167	+146.80%
Laurel	7,013	-36.40%
Elliott	0	N/A
Owsley	0	N/A
Wolfe	0	N/A

Pike County remained the largest coal producing county in Eastern Kentucky but the second largest producing county overall, having been overtaken by Union County in 2012. Elliott, Owsley, and Wolfe counties, which mined coal in 2012, reported zero coal production in the first three months of 2013.

Western Kentucky Coal Production

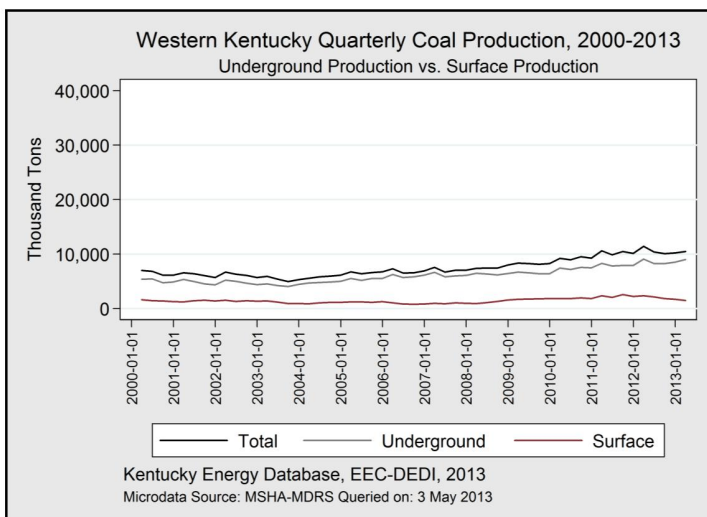
January to March 2013



Mine Type	Q1 Tonnage	Quarter Change
Total	10,446,240	+2.3%
Underground	8,967,632	+5.2%
Surface	1,478,610	-12.3%

Western Kentucky produced nearly 10.5 million tons of coal in the first three months of 2013, 86 percent from underground mines and 14 percent from surface mines.

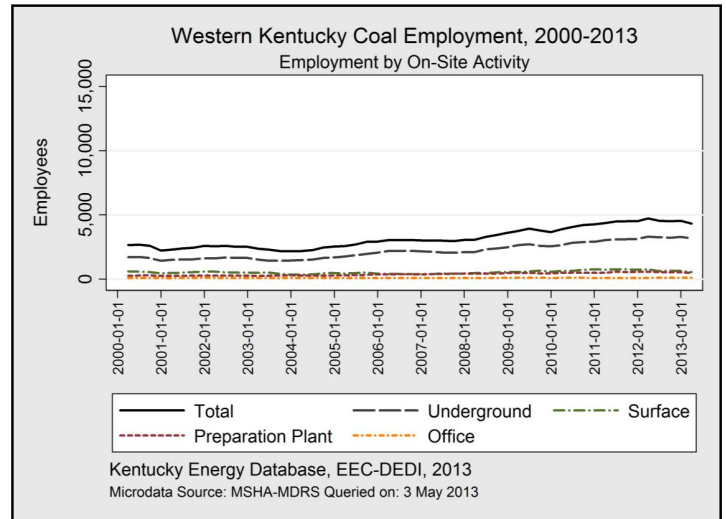
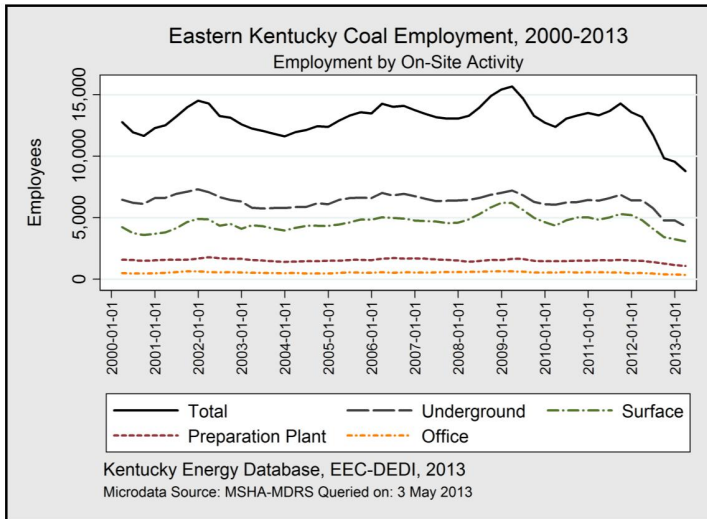
Western County	Q1 Tonnage	Quarter Change
Union	3,457,080	+4.26%
Hopkins	2,347,685	+5.01%
Ohio	1,914,796	+6.14%
Webster	1,500,003	+13.96%
Muhlenberg	1,077,951	+11.58%
Daviess	135,064	+30.86%
Henderson	13,663	-93.73%
Marshall	0	N/A
McLean	0	N/A



Western Kentucky coal production increased by 2.3 percent during the first three months of 2013. Underground coal mines increased production by 5.2 percent while surface mining decreased by 12.3 percent. Union County solidified its new position as Kentucky's leading coal producing county, producing nearly 3.5 million tons during the first quarter of 2013.

Kentucky Coal Mine Employment

January to March 2013



Eastern Counties	Employment	Quarter Change	
Total	8,783	-773	-8.1%
Pike	2,220	-137	-5.8%
Perry	1,313	-217	-14.2%
Harlan	1,227	-198	-13.9%
Martin	744	+23	+3.2%
Leslie	603	-50	-7.7%
Letcher	589	-20	-3.3%
Floyd	507	-38	-7.0%
Bell	380	-68	-15.2%
Knott	296	-34	-10.3%
Magoffin	204	+18	+9.7%
Knox	178	-46	-20.5%
Whitley	93	+2	+2.2%
Lawrence	92	+9	+10.8%
Johnson	80	+12	+17.7%
Boyd	69	-15	-17.9%
Clay	68	+2	+3.0%
McCreary	57	+22	+62.8%
Breathitt	47	-15	-24.2%
Laurel	11	-3	-24.4%
Other Counties	5	-20	N/A

Western Counties	Employment	Quarter Change	
Total	4,326	-217	-4.78%
Union	1,274	-18	-1.39%
Hopkins	935	-62	-6.22%
Ohio	731	+21	+2.96%
Webster	705	-2	-0.28%
Muhlenberg	509	-67	-11.6%
Marshall	54	+4	+8.0%
Daviess	43	0	+0.0%
Henderson	16	-92	-85.2%
McLean	7	-1	-12.5%

Description	Employment	Quarter Change	
Kentucky Total	13,109	-990	7.0%
Underground	7,491	-577	-7.2%
Surface	3,609	-267	-6.9%
Preparation Plant	1,569	-103	-6.2%
Office	440	-43	-8.9%

Preliminary data indicate that Kentucky coal mines reduced on-site employment by 990 workers, or 7 percent, during the first three months of 2013 alone to a new historical low of 13,109. Layoffs included 884 coal miners, 577 underground and 267 surface, 103 preparation plant workers, and 43 mine office staff. Over the past 18 months, total on-site employment at Kentucky coal mines has fallen by 5,695, or 30 percent, from 18,804 in September 2011.

Eastern Kentucky coal mines reduced total employment by 773 persons, or 8 percent, in the first three months of 2013, bringing total layoffs during the past 18 months to 5,512 or 38.6 percent. Coal mines in Western Kentucky reduced total employment by 217 jobs, or 4.8 percent in the first three months of 2013, an 18 month reduction of 183 jobs, or 4 percent.