



**FOR IMMEDIATE RELEASE**

## **Alpha Natural Resources Announces Agreement to Transfer Idle Assets and Eliminate Self-Bonding in West Virginia**

**KINGSPORT, TN, July 19, 2017** – Alpha Natural Resources (ANR, Inc.) announced today that it has entered into an Asset Purchase Agreement with Lexington Coal Company (LCC) to convey real and personal properties located in Kentucky, Illinois, Tennessee and West Virginia. The conveyance will include approximately 280 permits, substantial reclamation equipment, ongoing royalty payments associated with these properties and 100 million tons of reserves. While the specific economic terms were not disclosed, LCC will receive approximately \$204 million in cash at the time of closing and \$112 million in installment payments to assist in the fulfillment of bonding, reclamation, water treatment and other obligations associated with the conveyed properties and permits.

Alpha CEO David Stetson called the agreement a significant transaction for all stakeholders of the Central Appalachian coal producer. “LCC has a decade-long history of reclaiming properties in a diligent and environmentally responsible manner,” said Stetson, “and Alpha is providing LCC with adequate resources to meet its obligations to the communities in which the properties are located.”

Alpha established a dedicated management team to oversee its idle and non-active properties after emerging from bankruptcy and that team will take senior leadership positions in LCC at the time of closing. Stetson added, “The seamless transition of this management team, which knows the properties and permits and has a demonstrated track record of success, coupled with the conveyance of infrastructure and capital, will enable LCC to dedicate resources to accelerate the reclamation of the properties with less contingent exposure for the states.”

In addition to accelerating reclamation compared to current plans, the transaction with LCC will eliminate all remaining self-bonds in West Virginia. Prior to emerging from bankruptcy in July 2016, Alpha had approximately \$250 million in self-bonding outstanding. Alpha and West Virginia regulators have worked to reduce that exposure by more than \$100 million over the past year. This transaction with LCC allows Alpha’s self-bonds in West Virginia to be replaced nine years ahead of schedule.

The closing is subject to various contingencies, including Alpha obtaining financing and entering into agreements with various state and federal regulatory agencies on the transfer of the permits. After closing, Alpha will continue to operate 19 mines and 9 prep plants in West Virginia, and the company still expects to produce 14 million tons of metallurgical and thermal coal in 2017. The parties expect to close during the third quarter of 2017.

### **About Alpha Natural Resources**

Alpha Natural Resources has affiliate mining operations in West Virginia and Kentucky, and supplies metallurgical coal to the steel industry and thermal coal to generate power. Alpha has offices in Kingsport, Tennessee, and Julian, West Virginia, which support approximately 20 active mining operations. Alpha is

committed to being a leader in mine safety and an environmental steward in the communities where its affiliates operate. For more information, visit Alpha's website ([www.alphanr.com](http://www.alphanr.com)).

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