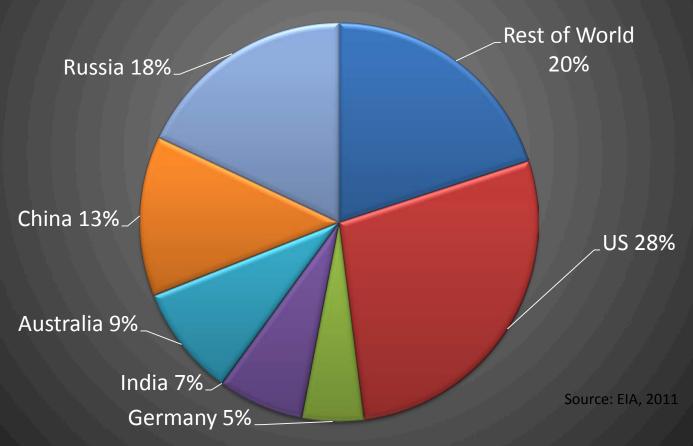


JOHN PIPPY, CEO October 8, 2015 Pittsburgh, Pennsylvania



SNAPSHOT OF TODAY'S COAL RESERVES

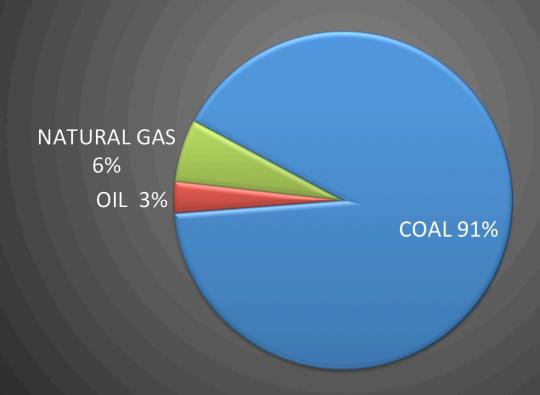
Global Share of Recoverable Coal Reserves





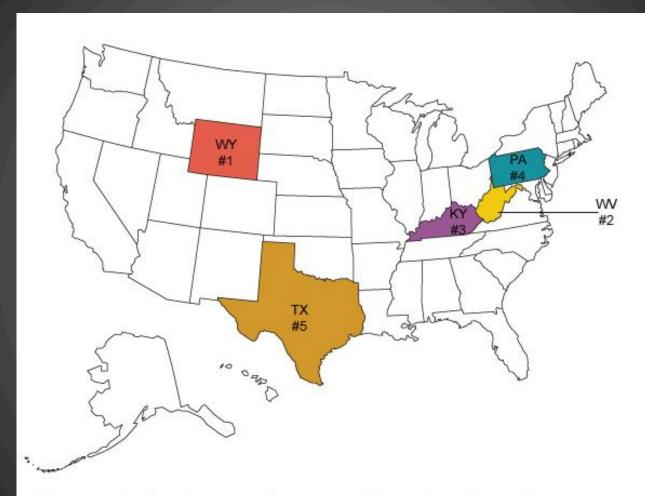
U.S. HAS ABUNDANT FOSSIL ENERGY RESERVES

U.S. Fossil Energy Reserves





TOP COAL PRODUCING STATES



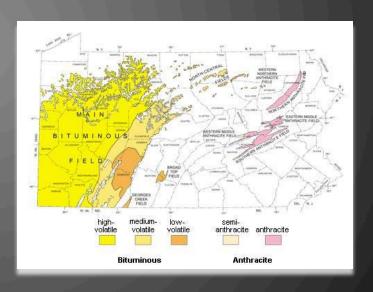
Source: U.S. Energy Information Administration, Quarterly Coal Report (June 2012).



STATE OF THE INDUSTRY IN PA

(1 of 2)

- Total Production: 67,161,030 tons
 - Pennsylvania is the 4th largest coal-producing state nationally and the only state producing anthracite coal
 - 80% of Pennsylvania's coal goes to creating electricity
- In 2013, 40% of Pennsylvania's electricity came from coal





STATE OF THE INDUSTRY IN PA

(2 of 2)

- The coal industry contributes over \$4.1 billion annually to Pennsylvania's economy
- The industry supports 8,100 direct jobs and 36,000 minerelated jobs, with a payroll totaling over \$2.2 billion
 - Taxes on these wages alone netted more than \$700 million to federal, state & local governments
- Pennsylvania has the largest mining and equipment manufacturing industry in the country, accounting for 27% of that sector's national employment







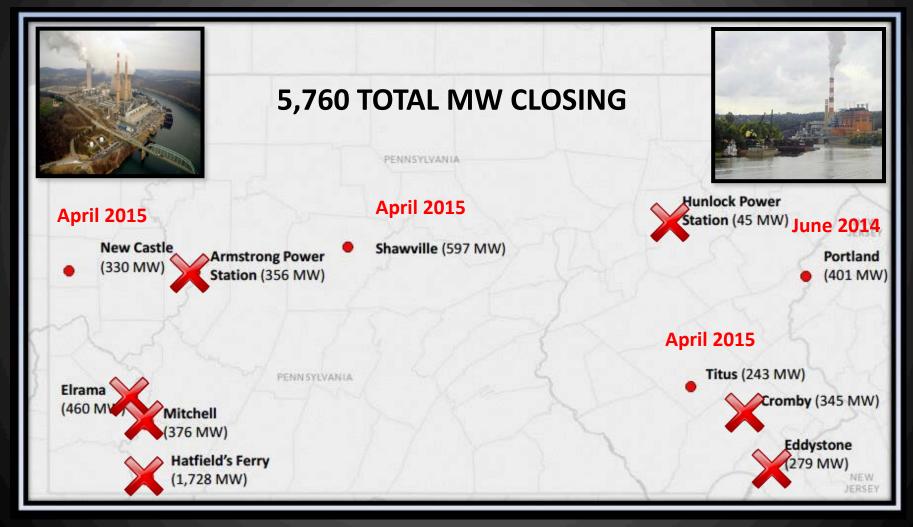
EPA REGULATIONS

OVERSIGHT IS GOOD → OVERREACH IS BAD

NSPS for GHGs CERCLA/EPCRA Underground Secondary Aluminum From New Power Reporting for HAPs from Storage Tank **MACT Revision** Reassessment of **National Drinking Plants** NSPS for GHGs **Animal Waste at Farms** Revisions Uses of PCBs Proposed -Water Standards for From New Proposed Proposed Final Supplemental Proposed **Lead and Copper Power Plants** Proposed Final Effluent Guidelines National Drinking Water Polyvinyl Chloride and Tier 3 Motor **Best Management** Rule for Standards for Copolymers MACT Vehicle and Construction and **Practices for** Lead Renovation, Repair and Perchlorate Revision **Fuels Standard** Recreational Boats Development Painting Rule for Public and Proposed Proposed Final Proposed Commercial Buildings Final Proposed Startup, Shutdown **Definition of Solid Effluent Guidelines Brick MACT** NSPS for GHGs from and Malfunction **Waste Rule** Existing / Modified **Brick MACT** Revision Pesticides Applicator for Coalbed Amendments to **Power Plants** Methane Certification Revision Proposed Final **NESHAP Part 63** Proposed Final Proposed Proposed Proposed Group IV Polymers and Mineral Ferroallovs Resins, Pesticide Active GHG Tailoring Rule 5-year Study Formaldehyde Wool/Wool Ingredient Production, and Production MACT TRI Industry of GHG Permitting for Smaller Standards for Wood Fiberglass MACT Polyether Polyols Production Revision Sectors Products / Certification Sources Revision Expansion **MACT Revision** Proposed -(< 95,000 tons/year of CO,) to Requirements Final Supplemental Proposed be completed Final Final 2014 2015 Criteria and Standards Phosphoric Acid / Regulation of NSPS for Kraft Pulp for Cooling Water Intake Lead NAAOS Mercury in Certain **Phosphate Fertilizer** Hydraulic Fracturing Revised Mills **Structures** Products **MACT Revision** Revision Chemicals Reporting **Definition of** Final Under TSCA Final "Waters of the Proposed Proposed Proposed U.S." for Clean Proposed Water Act Agricultural Worker **NSPS for New and** Revised NSPS for **Hydraulic Fracturing** Ozone Jurisdiction **Pesticide Protection** Residential Chemicals Reporting **Existing Other Solid** NAAOS Stormwater Standards Under TSCA **Wood Heaters** Waste Incinerator Units Final Revision Discharges from Proposed Proposed Advance Proposal Proposed **Developed Sites** Proposed **Lead Emissions** Proposed Nanoscale from Piston-Revised Definition of Flexible Polyurethane **Water Quality** Coal Ash Waste Materials TSCA **Engine Aircraft** "Waters of the U.S." for Foam Production Standards for Florida Lead Dust Hazard Management Rule Using Leaded Fuel Estuaries and Coastal lean Water Act Jurisdiction **MACT Revision** Standard Rule Proposed Waters Proposed Final Proposed Proposed Final Final **Effluent Guidelines for Petroleum Refineries Agricultural Worker** Aerospace Water Quality Standards for **Primary Aluminum MACT Power Plants** MACT Revision **Pesticide Protection MACT Revision** Florida Lakes and Streams Revision Standards Final Proposed Final Final Proposed - Supplemental Final



ANNOUNCED DEACTIVATIONS OR RETIREMENTS

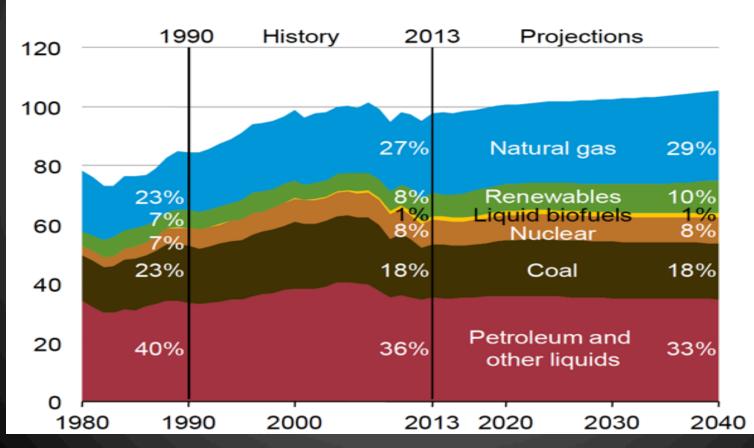




U.S. ELECTRICITY GENERATION: 1980-2040

(trillion kilowatt-hours)

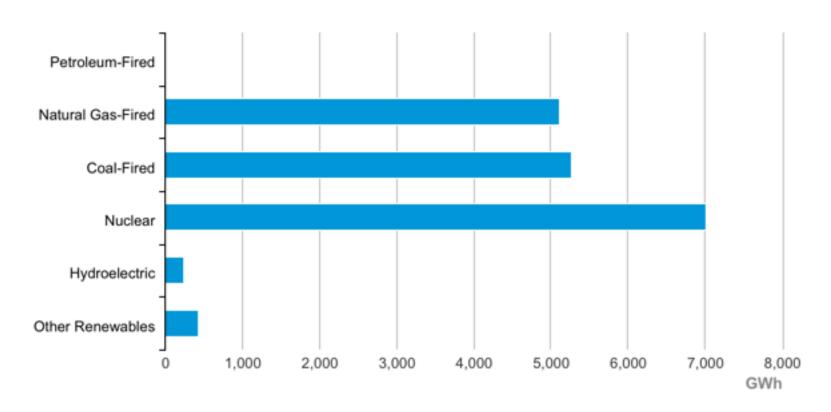
Figure 18. Primary energy consumption by fuel in the Reference case, 1980-2040 (quadrillion Btu)





ELECTRICITY PROFILE IN PA

Pennsylvania Net Electricity Generation by Source, Jun. 2015 DOWNLOAD

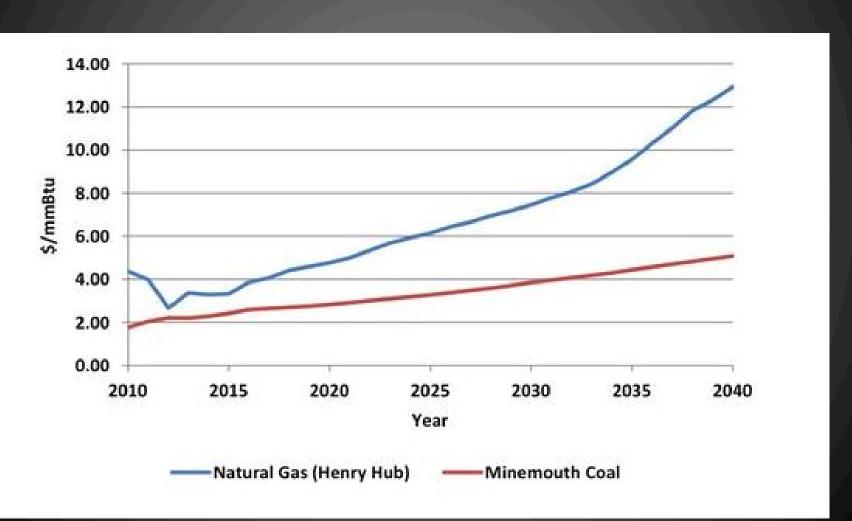




Source: Energy Information Administration, Electric Power Monthly



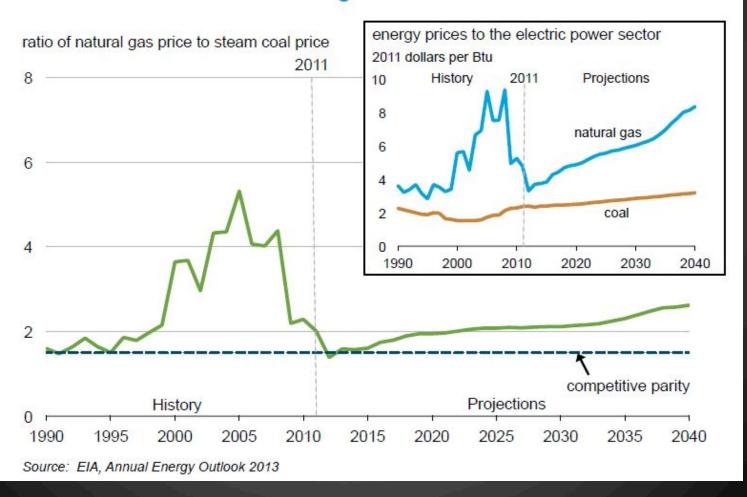
NOMINAL NATURAL GAS & COAL PRICE PROJECTIONS: 2010-2040





COAL vs. NATURAL GAS

Coal regains some competitive advantage relative to natural gas over time on a national average basis





RELIABILITY CONCERNS

- Largest wave of Utility MACT shutdowns still to come (2015-2016). MISO projecting a 2.3 GW reserve margin shortfall in 2016.
- EPA Utility MACT retirement projections illustrate need for independent analyses.
 (EPA projected 4.7 GW of retirements in December 2011; in February 2014 DOE estimated actual retirements at 54 GW.
- Reliability analyses by RTOs, NERC Councils, PUCs underway and forthcoming
- FERC Commissioner Philip Moeller: "Just as the Commission does not have expertise in regulating air emissions, I would not expect the EPA to have expertise on the reliability implications of transforming the electric generation sector. Hence I reiterate my call for a forum to publicly discuss the extent of reliability challenges under the proposal and potential solutions to these challenges."



NATIONAL IMPACT

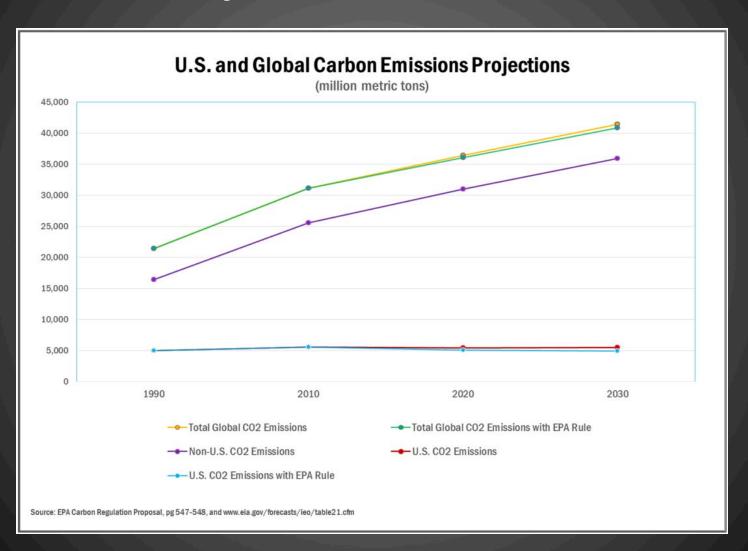
Assessment of the Impact of Potential New Carbon Regulations in the United States

COMPLIANCE IMPACT PROJECTIONS:

- Cost \$366 billion \$479 billion over 15 years
- Lower U.S. Gross Domestic Product (GDP) by \$51 billion on average every year through 2030
- Lead to 224,000 fewer U.S. jobs on average every year through 2030
- Force U.S. consumers to pay \$289 billion more for electricity through
 2030
 - 43 states are projected to have double digit electricity price increases
- Lower total disposable income for U.S. households by \$586 billion through 2030
- Coal generation will decline 29% 71% and additional coal retirements range from 45GW - 169GW



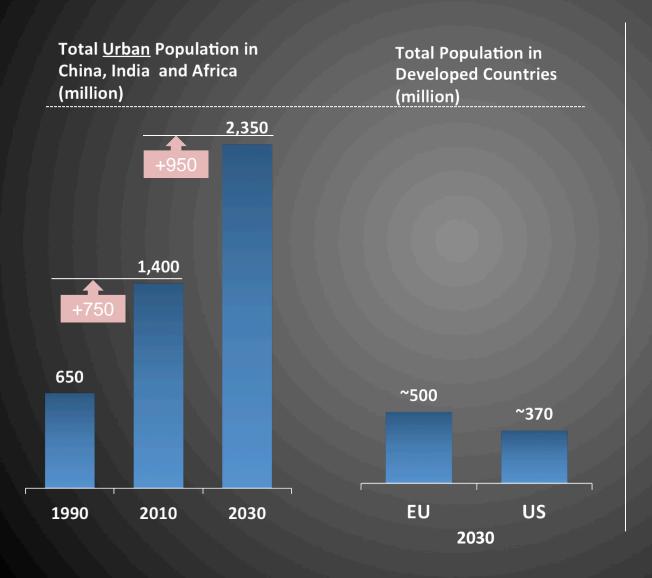
EPA's Projected Carbon Emissions





ENERGY HUNGRY WORLD

Scale and Pace of Developing World Urbanization

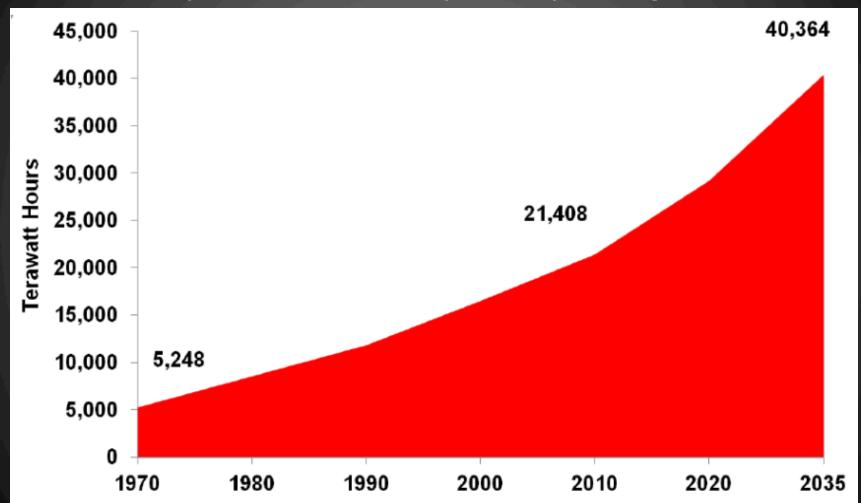


- By 2020, developing countries will account for almost 80% of the world's total urban population
- The global growth is equal to adding the population of Mumbai every second month or Shanghai every third

Source: McKinsey & Company

GLOBAL CONTEXT

Electricity demand to increase by 670% in just two generations

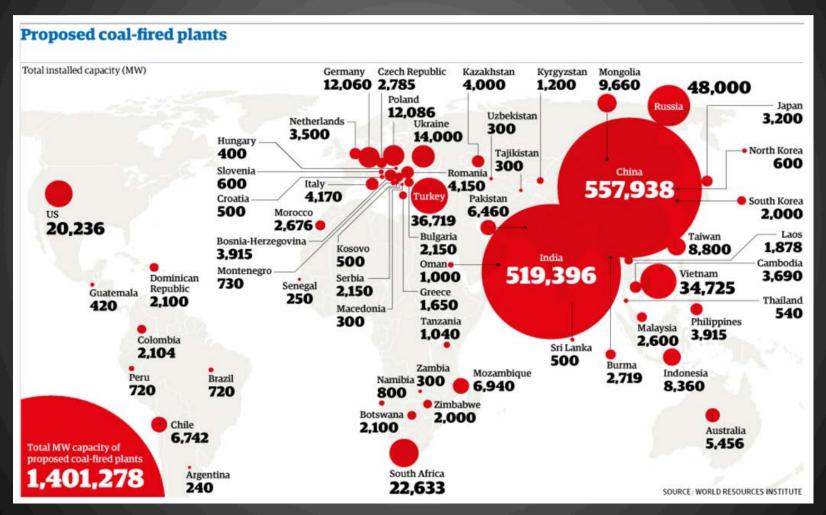


Source: IEA; WEO 2012 (Current Policy Scenario), WEO 2002, WEO 1996



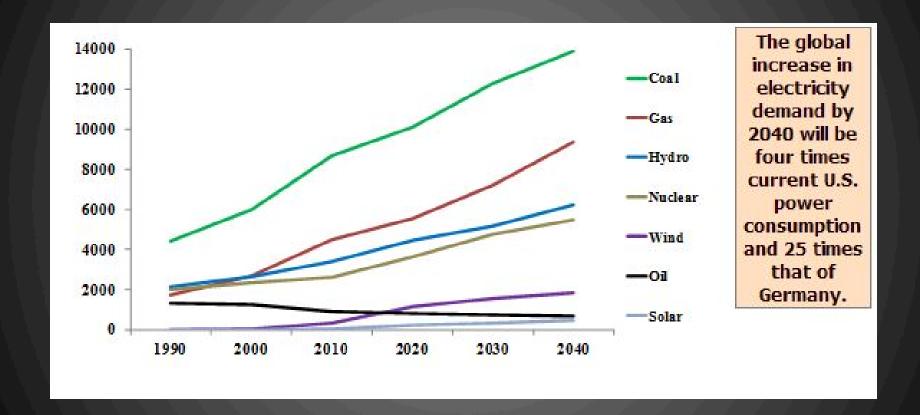
GLOBAL CONTEXT

Rest of the World Aggressively Building New Plants





COAL = FOUNDATION OF THE WORLD'S ELECTRIC POWER SYSTEM





COAL: A WORLD'S PARTNER ENERGY SOURCE

- Maximize efficiency
- Increase domestic oil & gas production
- Recognize role for clean coal
- Allow investment in innovation & technology
- Increase energy security

"Stricter clean air regulations and competition from cheap natural gas won't slow the world's appetite for coal, set to grow 2.3 percent in 2015, according to the International Energy Agency.

Much of the demand will come from India, which burns coal for 60 percent of its electricity."

- Bloomberg Businessweek

(November 2014)

"Coal is more popular than ever as the cheapest fuel for generating electricity in the developing world, despite efforts by the Obama administration and environmentalists to limit its use."

- Washington Times

(October 2014)



ENERGY FUTURE IS IN INNOVATION NOT REGULATION

Longview Power proves that electricity can be generated with coal

- A low cost producer, competitive with natural gas generation
- Environmentally friendly and sustainable





We do not need to choose between our country's economic health and environmental quality. We can address both – if we work collaboratively to continue to reduce coal emissions and support production so that coal and Pennsylvania will remain strong for our future.

www.BetterWithCoal.com







