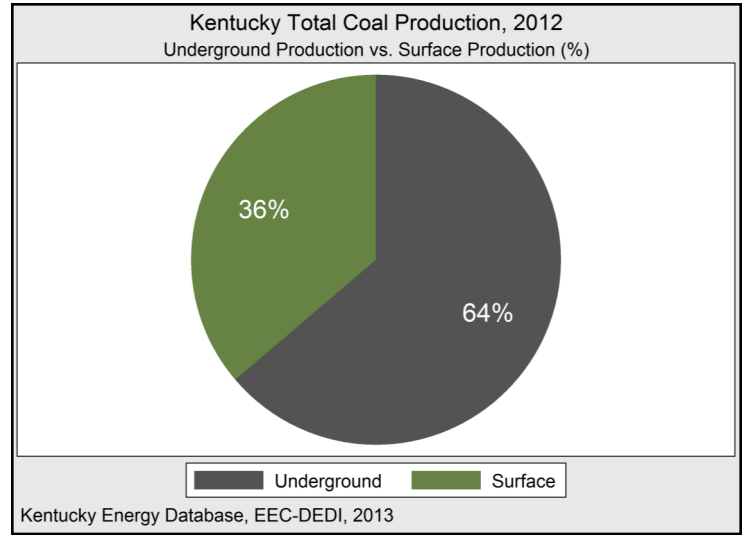
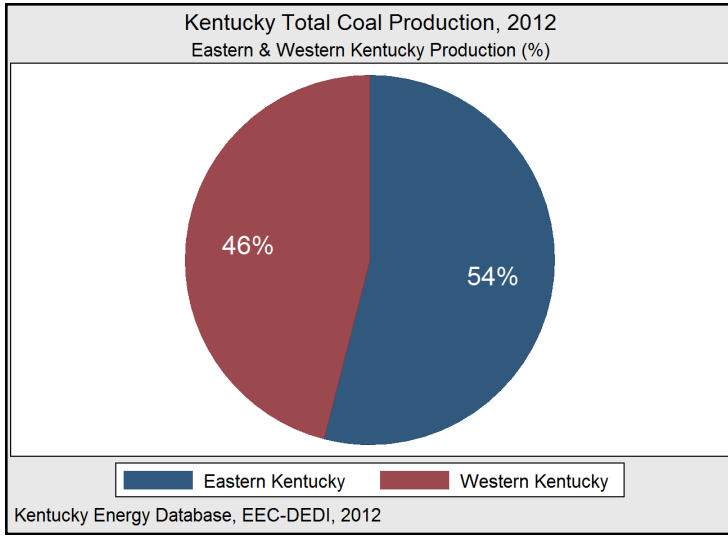
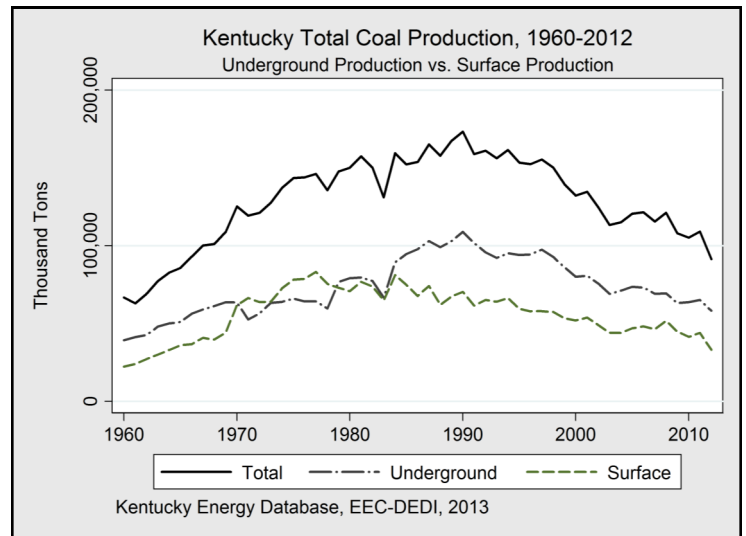
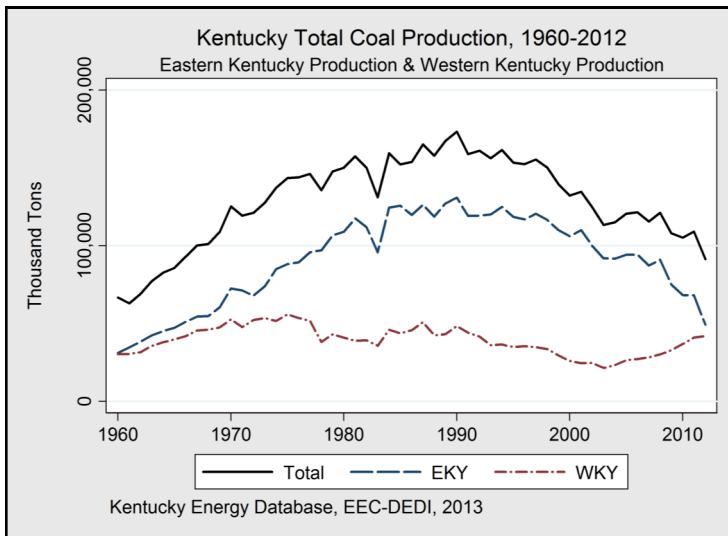


Kentucky Coal Production, 2012



Region	Tons	2012 Change
Total	91,407,310	-16.3%
Eastern Kentucky	49,363,960	-27.6%
Western Kentucky	42,043,350	+2.5%

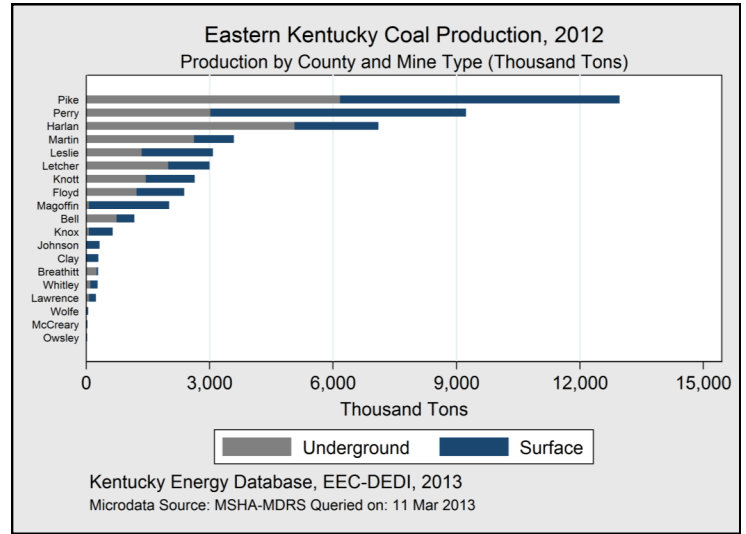
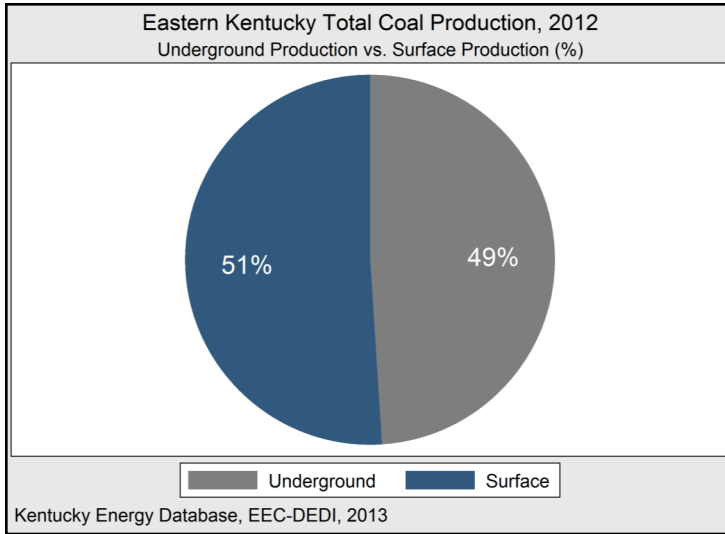
Mine Type	Tons	2012 Change
Total	91,407,310	-16.3%
Underground	58,278,720	-10.6%
Surface	33,128,590	-24.7%



Preliminary data from year-end 2012 indicate that total coal production in Kentucky decreased by more than 16.3 percent from 2011 to the lowest level since 1965. Although western Kentucky production increased marginally in 2012, eastern Kentucky production decreased by 27.6 percent. During that last 3 months of 2012, the rate of production in western Kentucky was greater than in eastern Kentucky for the first time since 1960.

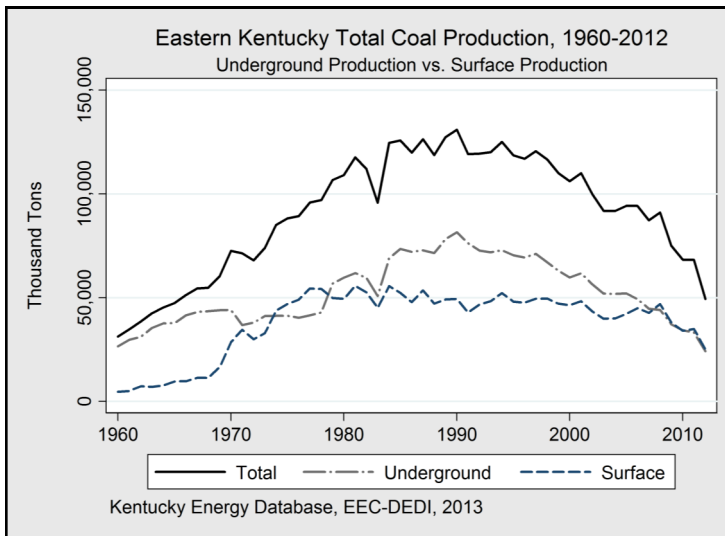
Production slowed at both underground and surface mines in 2012 by 10.6 and 24.7 percent respectively. Underground coal mines produced 58.3 million tons, and accounted for 64 percent of total production. Surface mines in Kentucky produced 33 million tons and accounted for 36% of production.

Eastern Kentucky Coal Production



Mine Type	Tons	2012 Change
Total	49,363,960	-27.6%
Underground	24,187,310	-27.3%
Surface	25,176,650	-27.8%

County*	Tons	2012 Change
Pike	12,931,200	-17.9%
Perry	9,231,478	-30.1%
Harlan	7,034,754	-28.1%
Martin	3,587,476	-36.0%
Leslie	3,008,930	-30.7%
Letcher	2,979,510	-36.1%
Knott	2,641,000	-45.1%
Floyd	2,382,712	-18.1%
Magoffin	2,015,308	-31.9%
Bell	1,161,442	-26.0%
Knox	565,092	+45.5%
Johnson	327,683	+41.2%
Clay	293,829	-23.0%
Breathitt	287,783	-65.5%
Whitley	263,881	-50.2%
Lawrence	234,628	+189.6%
Wolfe	39,315	+100%
McCreary	31,744	+∞%
Owsley	26,647	-61.3%
Laurel	12,627	+∞%
Rockcastle	4,930	+∞%
Elliot	2,396	-94.9%

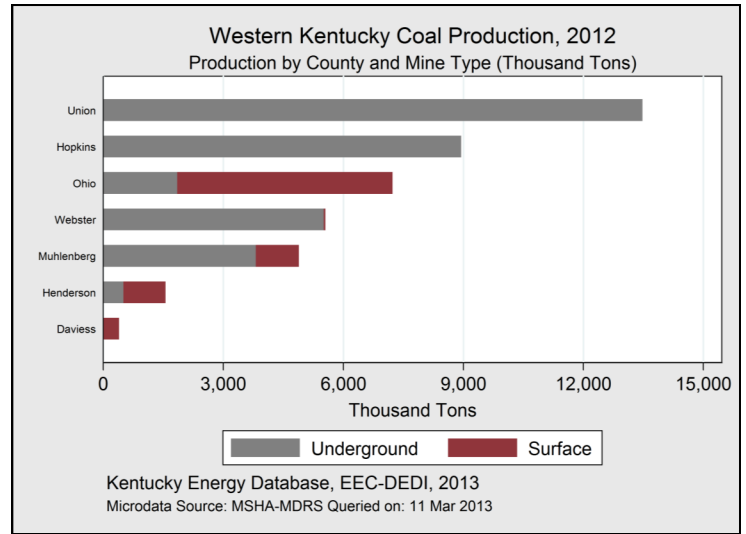
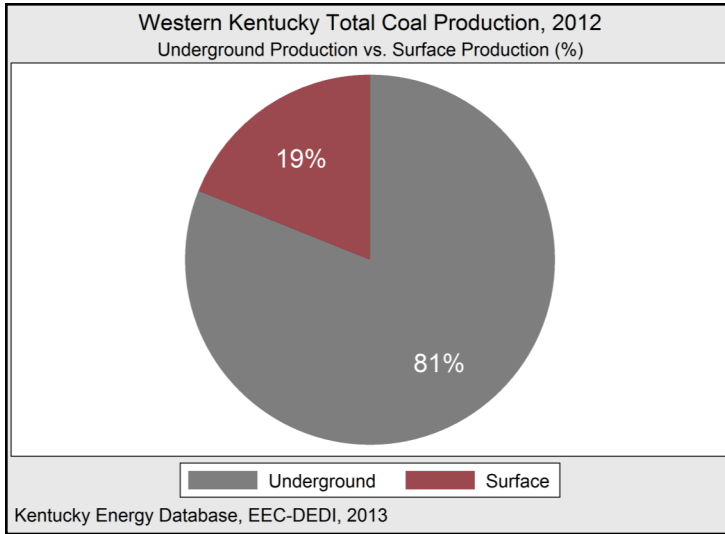


Eastern Kentucky coal production decreased in 2012 by 27.6 percent from 2011 to 49.4 million tons—the lowest level since 1965. Production slowed at both underground and surface mines. Eastern Kentucky production has declined by 53.5 percent since the year 2000, and by 62.3 percent since peaking at 131 million tons in 1990.

* Counties with less than 1,000 tons not listed.

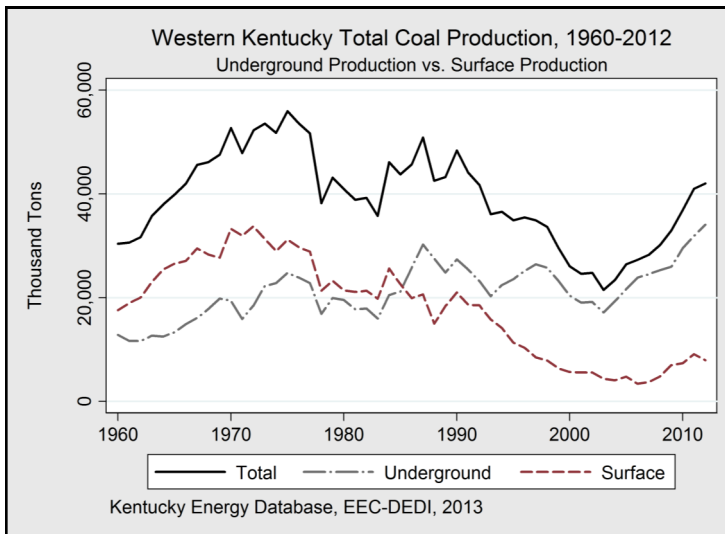
Total coal production decreased by more than 15 percent in 15 eastern Kentucky counties. Pike County remained the largest coal producing county in eastern Kentucky; however, for the first time in recent history is no-longer the largest coal producing county in Kentucky, having been overtaken by Union County in 2012.

Western Kentucky Coal Production



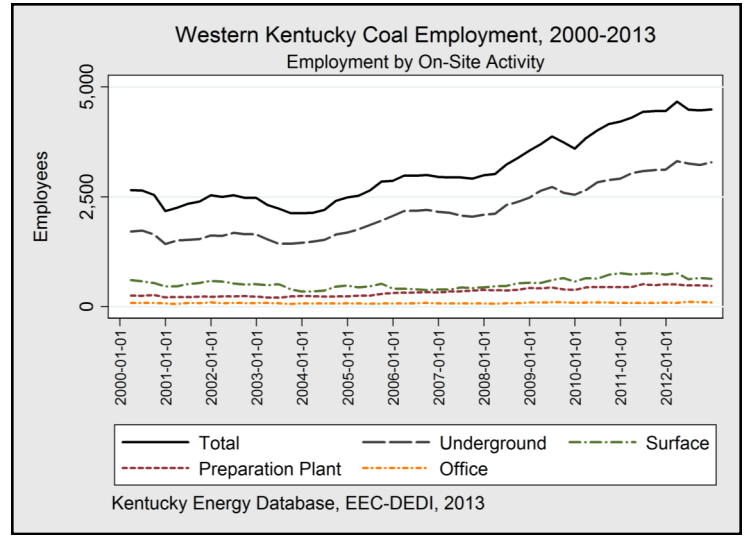
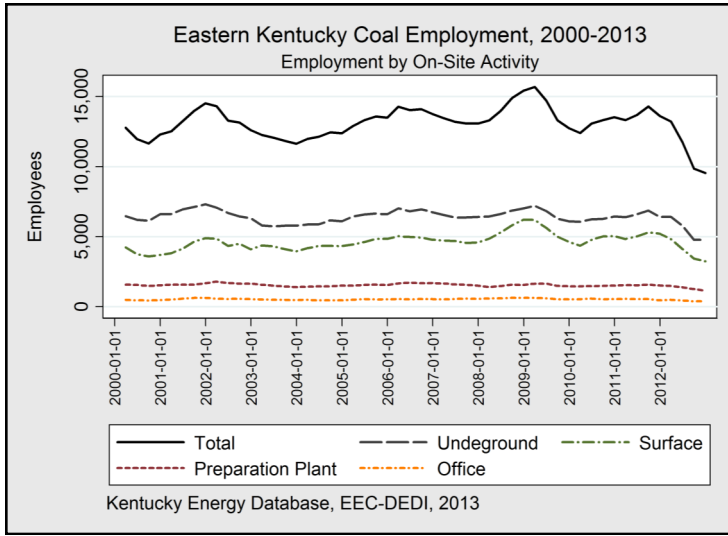
Mine Type	Tons	2012 Change
Total	42,043,350	+2.5%
Underground	34,091,410	+6.9%
Surface	7,951,938	-12.7%

County	Tons	2012 Change
Union	13,474,900	+9.3%
Hopkins	8,945,605	+1.8%
Ohio	7,231,326	+30.5%
Webster	5,550,427	-3.1%
Muhlenberg	4,887,921	-14.9%
Henderson	1,558,006	-36.9%
Daviess	395,164	-2.5%



Western Kentucky coal production increased by 2.5 percent from 2011 to more than 42 million tons. All of this increase was due to production in Union and Ohio Counties. During 2012, Union County became the largest coal producing county in Kentucky, surpassing Pike County by 543,700 tons, or 4.2 percent.

Coal Mine Employment, 2012



EKY Counties	Employment	2012 Change
All	9,540	-29.9%
Pike	2,316	-28.0%
Perry	1,530	-27.9%
Harlan	1,367	-37.1%
Martin	721	-30.2%
Leslie	605	-29.5%
Letcher	583	-34.2%
Floyd	530	-24.1%
Bell	448	-23.7%
Knott	330	-63.2%
Magoffin	186	-47.9%
Knox	112	-24.8%
Boyd	78	+4%
Lawrence	76	+171.4%
Johnson	67	-8.2%
Clay	66	+34.7%
Breathitt	62	-68.4
McCreary	35	+400%
Whitley	31	-81.5%
Wolfe	20	+100%
Laurel	14	+250%

WKY Counties	Employment	2012 Change
All	4,543	~0.0%
Union	1,292	-0.5%
Hopkins	997	+11.1%
Ohio	710	+28.6%
Webster	671	-6.8%
Muhlenberg	576	-4.6%
Henderson	108	-60.7%
Livingston	52	-8.8%
Marshall	50	-3.8%
Daviess	43	+4.9%
McLean	8	-27.3%

Description	Employment	2012 Change
State Total	14,083	-4,028 -22.2%
Underground	7,959	-1,470 -15.4%
Surface	3,786	-2,160 -34.8%
Preparation Plant	1,666	-415 -20.0%
Office	482	-74 -13.3%

In western Kentucky there were 4,543 persons employed at coal mines, approximately the same number as were employed in 2011.

Employment at Kentucky coal mines has fallen by over 22 percent from 18,111 in December, 2011, to an average of 14,083 in December, 2012, a loss of 4,028 employees. Coal mine layoffs have been concentrated in eastern Kentucky where on-site employment has fallen by 29.9 percent from 13,608 in 2011 to only 9,540 in 2012, a loss of 4,068 employees.