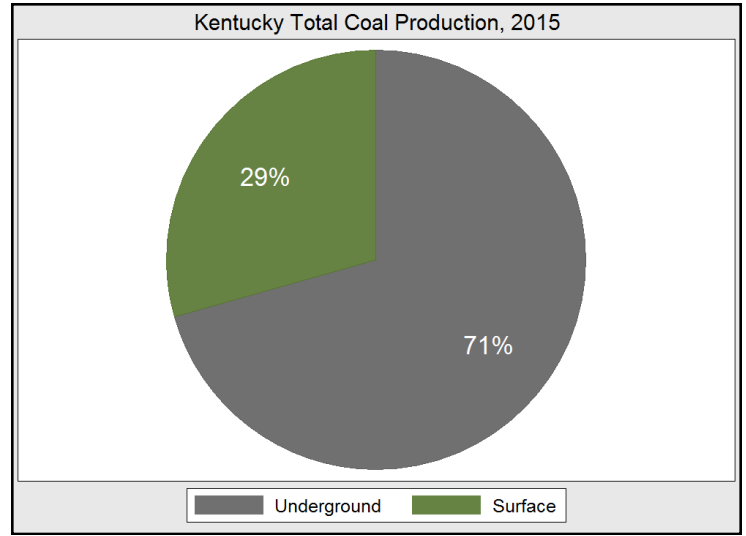
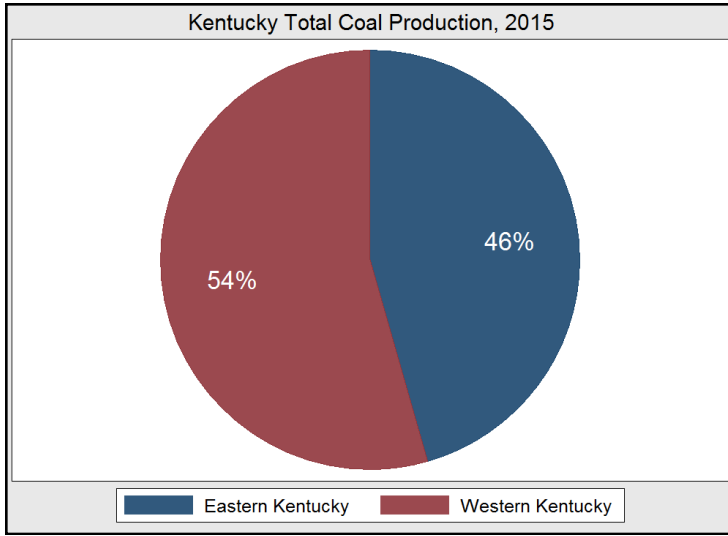


Kentucky Quarterly Coal Report

October to December 2015

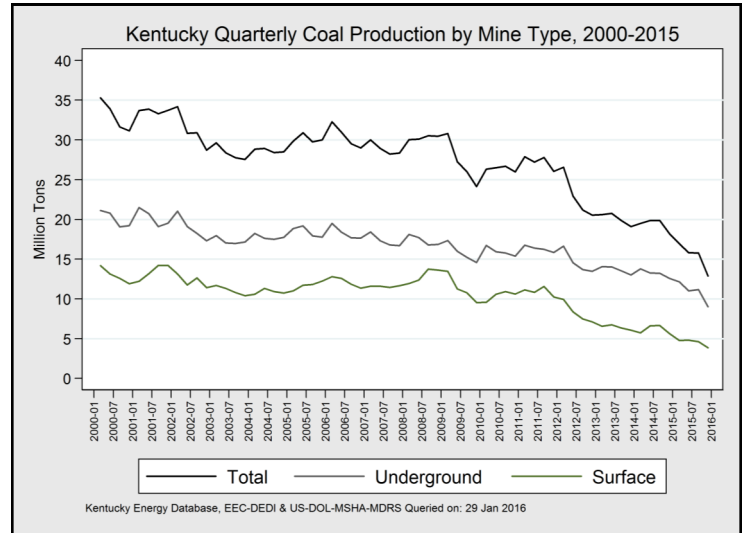
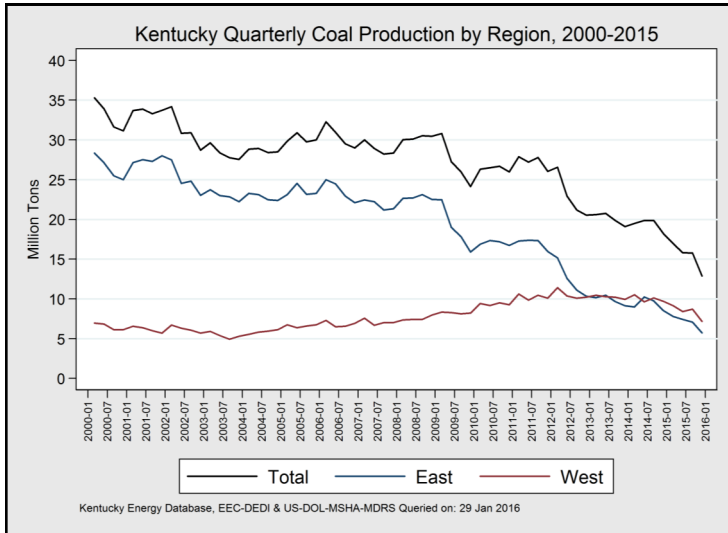


Region	2015 Tonnage	Annual Change
Total	61,424,920	-20.7%
Western Kentucky	33,424,002	-16.4%
Eastern Kentucky	28,000,918	-25.3%

Mine Type	2015 Tonnage	Annual Change
Total	61,424,920	-20.7%
Underground	43,364,257	-17.9%
Surface	18,060,663	-26.7%

Preliminary data indicate that Kentucky coal mines produced 61.4 million tons of coal in 2015, a decrease of 20.7 percent from 2014 and the lowest level since 1954.

Coal production at underground mines slowed to 43 million tons in 2015, a decrease of 17.9 percent. Surface mines produced 18 million tons, a decrease of 26.7 percent.

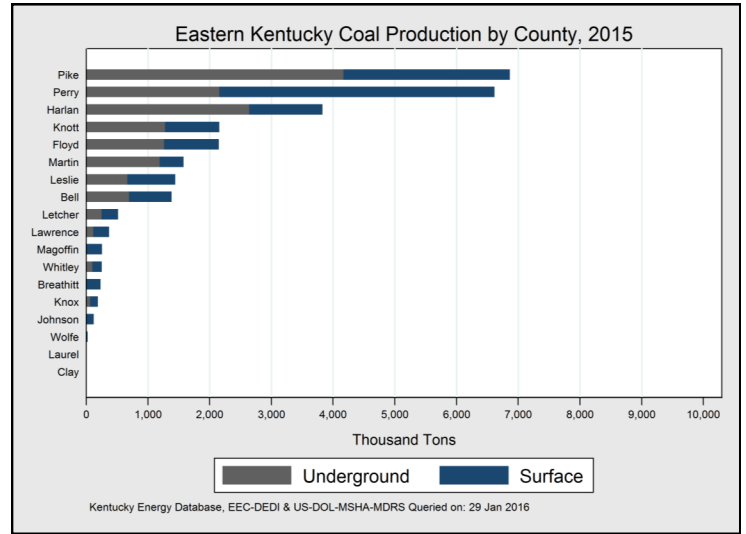
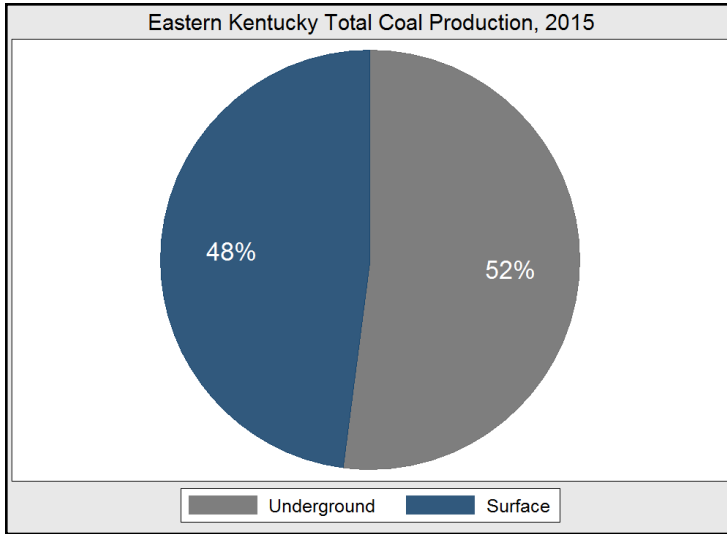


During the fourth quarter of 2015, Kentucky produced 12.9 million tons of coal, a decrease of 18.4 percent from the third quarter. Western Kentucky mines decreased coal production by 17.6 percent, to produce 7.2 million tons for the quarter. Eastern Kentucky mines decreased production by 19.3 percent, to produce more than 5.7 million tons. During the fourth quarter of 2015, underground mines in Kentucky produced 9 million tons, a decrease of 19.2 percent from the third quarter of 2015. Surface mines slowed by 16.4 percent to produce just over 3.9 million tons.

Many coal-fired power plants across the United States have closed in response to federal environmental regulations, high production costs, low natural gas prices, and low electricity demand, which has reduced demand for Kentucky coal. Approximately 85 percent of the coal mined in Kentucky in 2015 was used to generate electricity at 89 power plants in 15 states—located primarily in the Southeast. Of this amount, 3 percent went to power plants that have retired coal-fired generating capacity in 2015 and another 13 percent went to plants that will close capacity before 2019.

Eastern Kentucky Coal Production

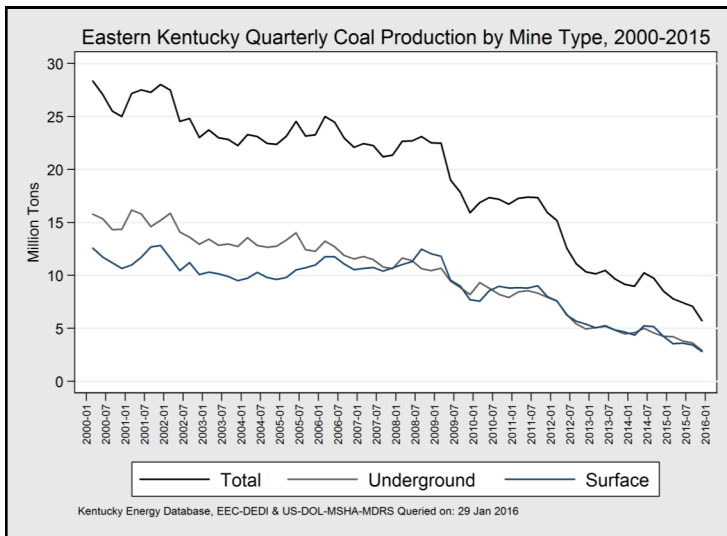
October to December 2015



Mine Type	2015 Tonnage	Annual Change
Total	28,000,918	-25.3%
Underground	14,583,838	-20.8%
Surface	13,417,080	-29.6%

Eastern Counties	2015 Tonnage	Annual Change
Pike	6,863,459	-34.0%
Perry	6,617,141	-11.5%
Harlan	3,827,320	-20.1%
Knott	2,156,114	+8.3%
Floyd	2,148,884	-15.0%
Martin	1,578,349	-22.8%
Leslie	1,444,272	+2.9%
Bell	1,382,103	-2.5%
Letcher	517,143	-68.6%
Lawrence	370,267	-52.8%
Magoffin	258,011	-78.6%
Whitley	253,477	-33.6%
Breathitt	231,777	-59.0%
Knox	188,867	-53.3%
Johnson	122,108	-40.0%
Wolfe	24,444	+57.3%
Laurel	8,668	-28.9%
Clay	8,514	-95.1%

Eastern Kentucky coal production decreased in 2015 by 25 percent to 28 million tons of coal, 52 percent from underground mines and 48 percent from surface mines.

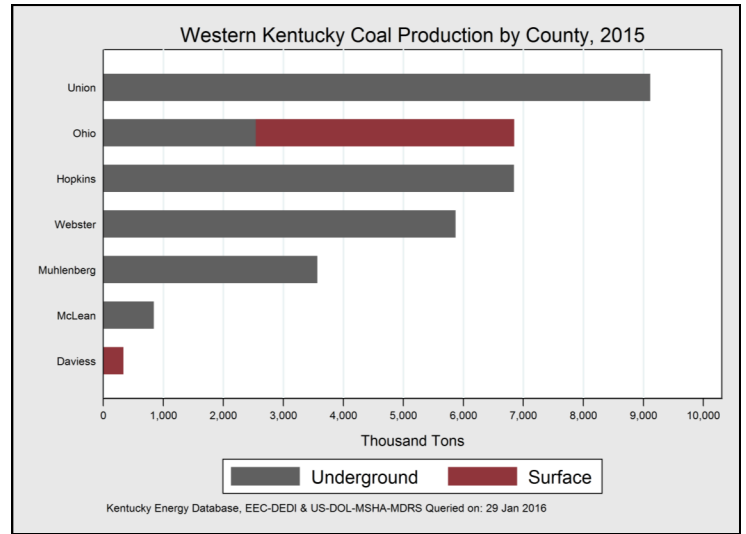
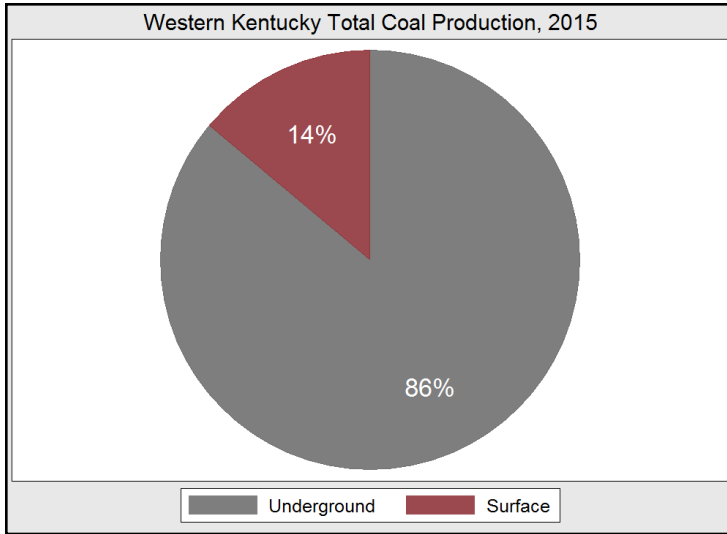


Annual production slowed at both underground and surface mining operations, by 20.8 and 29.6 percent respectively to its lowest level since 1932. Eastern Kentucky coal production during the fourth quarter of 2015 was 5.7 million tons, a decrease of 19.3 percent from the third quarter.

Pike County reduced coal production by 34.2 percent. Pike remained the highest coal-producing county in eastern Kentucky and second-highest coal producing county in Kentucky for the year. Coal production in Breathitt County stopped during the fourth quarter.

Western Kentucky Coal Production

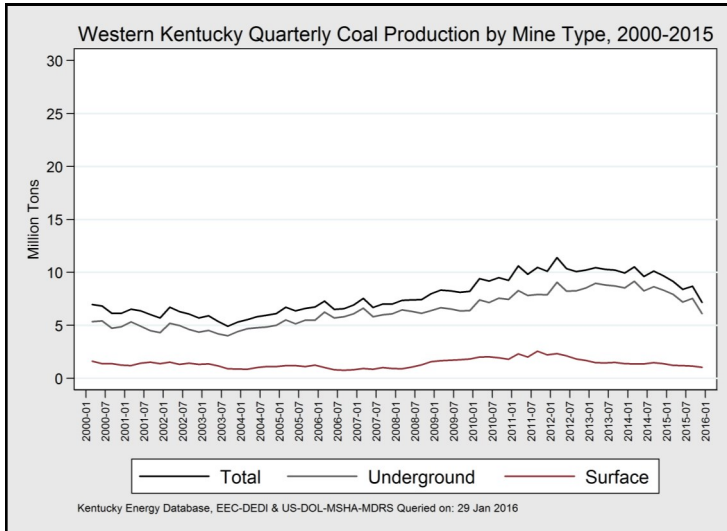
October to December 2015



Mine Type	2015 Tonnage	Annual Change
Total	33,424,002	-16.4%
Underground	28,780,419	-16.3%
Surface	4,643,583	-16.7%

Western Counties	2015 Tonnage	Annual Change
Union	9,114,413	-29.8%
Ohio	6,848,636	-17.9%
Hopkins	6,844,611	-15.3%
Webster	5,871,014	-8.2%
Muhlenberg	3,567,732	-1.7%
McLean	842,924	+281.6%
Daviess	334,672	+3.4%

Western Kentucky mined 33.4 million tons in 2015, a decrease of 16.4 percent from 2014. Of this amount, 86 percent was produced in underground mines.

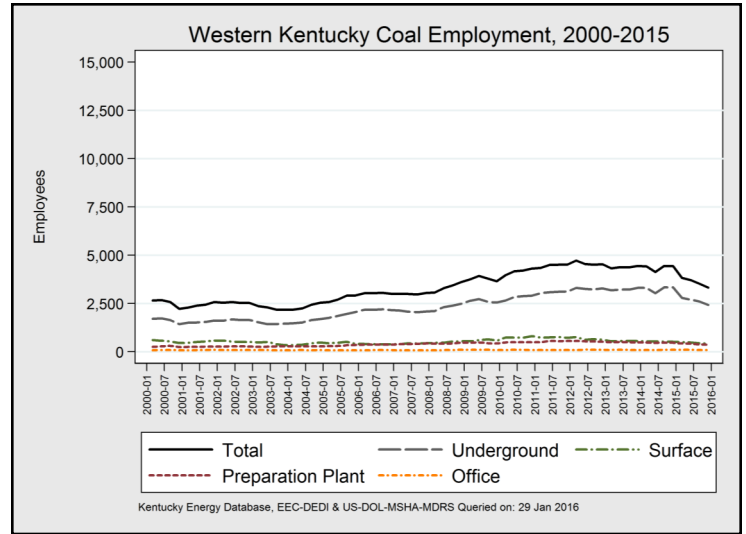
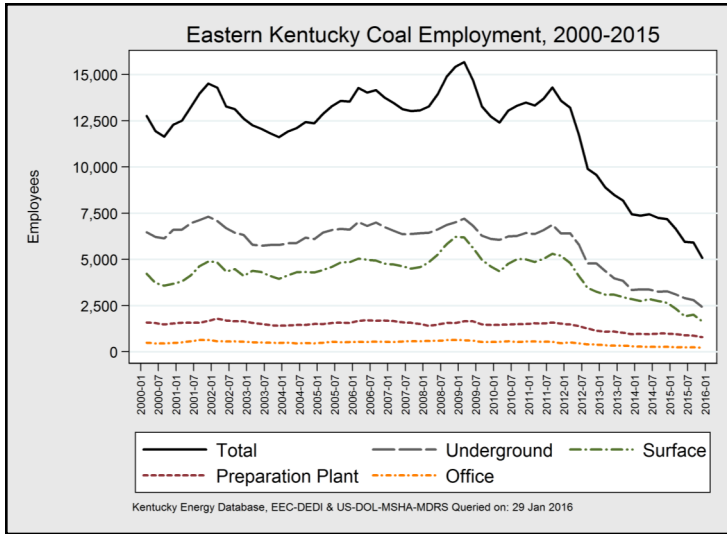


Coal production for the fourth quarter of 2015 was 7.2 million tons per quarter, a decrease of 17.6 from the third quarter. The River View Mine in Union County remained Kentucky's highest-producing coal mine. The only coal producer in Union County, the River View Mine, now produces more coal than any Kentucky county and more than double the quantity of coal produced by the second-largest coal mine, Dotiki in Webster County.

This report does not include the recent idling of the Onton #9 in Webster County that employed 164 as of December 31, 2015, which will be reflected in the Q1-2016 report.

Kentucky Coal Mine Employment

October to December 2015



Eastern Counties	Q4 Employment	Annual Change	Annual Change
Total	5,077	-2,080	-29.1%
Pike	1,285	-617	-32.4%
Harlan	898	-83	-8.5%
Perry	812	-285	.26.0%
Martin	363	-134	-27.0%
Floyd	346	-92	-21.0%
Bell	331	-136	-29.1%
Leslie	251	-56	-18.2%
Knott	227	-69	-23.3%
Whitley	112	-63	-36.0%
Letcher	101	-170	-62.7%
Knox	96	-28	-22.6%
Johnson	52	-23	-30.7%
Magoffin	45	-84	-65.1%
Lawrence	43	-71	-62.3%
Estill	37	-4	-9.8%
Boyd	34	-28	-45.2%
Clay	19	-31	-62.0%
Breathitt	16	-80	-83.3%
Laurel	5	-9	-64.3%
McCreary	4	0	+0.0%
Wolfe	0	-17	-100%

Western Counties	Q4 Employment	Annual Change	Annual Change
Total	3,324	-1,109	-24.9%
Hopkins	741	-239	-24.4%
Union	697	-586	-45.7%
Ohio	629	-173	-21.6%
Webster	551	-129	-19.0%
Muhlenberg	459	-17	-3.6%
McLean	159	+56	+54.4%
Marshall	45	+2	+4.7%
Daviess	28	+2	+7.7%
Livingston	14	-18	-56.2%
Henderson	1	-7	-87.5%

Description	Q4 Employment	Annual Change	Annual Change
Kentucky Total	8,401	-3,218	-27.7%
Underground	4,846	-1,763	-26.7%
Surface	2,065	-1,108	-34.9%
Preparation Plant	1,163	-295	-20.2%
Office	327	-52	-13.7%

As of December 31, 2015, an estimated 8,401 persons were employed at coal mines within Kentucky. Employment was reduced by 3,218 workers, or 27.7 percent, during the year of 2015 and by 1,032 or 11 percent during the fourth quarter alone. Reductions in employment include layoffs, furloughs, and temporarily idling of coal mines. If Kentucky coal demand and prices increase, Kentucky coal mine employment can be expected to increase.

As of December 31, 2015, there were 5,077 persons employed at eastern Kentucky coal mines, a decrease of 14 percent from the third quarter of 2015. Coal mines in western Kentucky decreased total employment by 5.6 percent to 3,324. To check for an updated version of this report or for more detailed information on coal production in Kentucky, please visit us online at:

energy.ky.gov/Pages/CoalFacts.aspx

Date		Kentucky Total				Eastern Kentucky								Western Kentucky								
		Average Employment		Tons of Coal Produced		Average Employment		Tons of Coal Produced		Dollars per Ton				Average Employment		Tons of Coal Produced		Dollars per Ton				
										Delivered		Processed						Delivered		Processed		
		Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	
2008	Q1	17,738	16,356	121,139,838	30,032,214	14,381	13,279	90,972,560	22,674,090	\$68.46	\$59.15	\$54.98	\$49.89	3,357	3,077	30,167,278	7,358,124	\$37.90	\$34.47	\$30.81	\$27.44	
	Q2		17,238		30,090,129		13,942				22,682,090		\$64.69		\$53.60		3,296		7,408,039		\$35.85	\$28.81
	Q3		18,327		30,539,544		14,883				23,112,800		\$74.42		\$57.76		3,444		7,426,744		\$39.75	\$32.55
	Q4		19,030		30,477,951		15,420				22,503,580		\$75.59		\$58.67		3,610		7,974,371		\$41.51	\$34.42
2009	Q1	17,877	19,422	108,181,019	30,809,807	14,094	15,668	75,228,920	22,477,210	\$81.78	\$80.55	\$67.14	\$66.58	3,783	3,754	32,952,099	8,332,597	\$47.39	\$48.98	\$40.24	\$41.93	
	Q2		18,630		27,264,780		14,702				18,998,720		\$81.63		\$67.17		3,928		8,266,060		\$48.59	\$41.42
	Q3		17,075		25,979,240		13,278				17,850,570		\$82.53		\$67.37		3,797		8,128,670		\$46.10	\$38.93
	Q4		16,380		24,127,192		12,729				15,902,420		\$82.40		\$67.42		3,651		8,224,772		\$45.88	\$38.67
2010	Q1	17,229	16,378	105,472,262	26,304,888	13,063	12,404	68,140,830	16,883,820	\$87.66	\$86.13	\$73.40	\$71.83	4,165	3,974	37,331,432	9,421,068	\$50.04	\$51.07	\$42.75	\$43.78	
	Q2		17,217		26,510,521		13,051				17,339,430		\$88.55		\$74.30		4,166		9,171,091		\$51.00	\$43.75
	Q3		17,520		26,683,752		13,311				17,189,270		\$88.14		\$73.93		4,209		9,494,482		\$48.99	\$41.69
	Q4		17,799		25,973,101		13,487				16,728,310		\$87.84		\$73.55		4,312		9,244,791		\$49.08	\$41.78
2011	Q1	18,194	17,684	108,965,633	27,889,220	13,728	13,331	67,954,870	17,282,860	\$88.62	\$87.83	\$74.78	\$73.72	4,466	4,353	41,010,763	10,606,360	\$51.76	\$50.11	\$44.92	\$43.36	
	Q2		18,191		27,222,033		13,695				17,385,220		\$88.26		\$75.65		4,496		9,836,813		\$51.31	\$44.26
	Q3		18,812		27,805,240		14,303				17,341,360		\$90.24		\$75.63		4,509		10,463,880		\$52.11	\$44.65
	Q4		18,089		26,049,140		13,583				15,945,430		\$88.15		\$74.03		4,506		10,103,710		\$53.51	\$45.13
2012	Q1	15,682	17,932	91,226,470	26,571,280	11,099	13,203	49,180,150	15,171,750	\$87.26	\$89.12	\$73.02	\$74.85	4,583	4,729	42,046,320	11,399,530	\$56.26	\$56.12	\$47.14	\$47.18	
	Q2		16,281		22,926,260		11,734				12,570,260		\$89.16		\$72.58		4,547		10,356,000		\$56.50	\$47.66
	Q3		14,406		21,173,120		9,892				11,094,450		\$86.69		\$73.26		4,514		10,078,670		\$56.82	\$46.93
	Q4		14,109		20,555,810		9,566				10,343,690		\$84.08		\$72.29		4,543		10,212,120		\$55.62	\$47.04
2013	Q1	12,637	13,225	80,302,335	20,590,860	8,253	8,899	39,423,367	10,144,620	\$83.12	\$87.95	\$68.76	\$72.11	4,384	4,326	40,878,968	10,446,240	\$56.90	\$57.42	\$47.06	\$46.89	
	Q2		12,882		20,752,670		8,490				10,464,560		\$84.59		\$68.37		4,392		10,288,110		\$57.29	\$46.53
	Q3		12,548		19,876,822		8,180				9,667,612		\$78.73		\$69.76		4,368		10,209,210		\$55.81	\$47.18
	Q4		11,893		19,081,983		7,443				9,146,575		\$81.21		\$68.47		4,450		9,935,408		\$57.08	\$47.05
2014	Q1	11,667	11,792	77,431,885	19,494,449	7,310	7,366	37,462,852	8,969,519	\$78.42	\$77.35	\$64.59	\$65.09	4,357	4,426	39,969,033	10,524,930	\$58.26	\$58.53	\$48.38	\$47.64	
	Q2		11,577		19,866,435		7,449				10,242,400		\$77.81		\$65.65		4,128		9,624,035		\$57.91	\$48.28
	Q3		11,681		19,866,504		7,239				9,742,734		\$78.66		\$64.24		4,442		10,123,770		\$58.29	\$47.86
	Q4		11,619		18,204,497		7,186				8,508,199		\$79.84		\$65.14		4,433		9,696,298		\$58.33	\$48.96
2015	Q1	9,493	10,465	61,424,920	16,938,524	5,897	6,639	28,000,918	7,788,933	\$71.68	\$75.91	\$60.33	\$62.81	3,597	3,826	33,424,002	9,149,591	\$58.14	\$57.98	\$49.36	\$49.14	
	Q2		9,674		15,817,614		5,958				7,421,363		\$74.13		\$60.17		3,716		8,396,251		\$58.21	\$49.25
	Q3		9,433		15,784,522		5,912				7,077,927		\$71.55		\$59.02		3,521		8,706,595		\$58.61	\$49.53
	Q4		8,401		12,884,260		5,077				5,712,695		\$65.11		\$57.19		3,324		7,171,565		\$57.76	\$49.32

In order to provide the public with timely access to these data, this report uses the best-available estimate for each factor at the time of publication. Data for Q4-2015 are preliminary and subject to revision. Data for previous dates have been revised. This report is produced by the Kentucky Energy and Environment Cabinet using data from numerous sources including the U.S. Department of Labor's Mine Safety Health Administration, the Kentucky Department of Revenue, and the Kentucky Division of Mine Safety. To check for an updated version of this report or for more detailed information on coal production in Kentucky, please visit us online at: energy.ky.gov/Pages/CoalFacts.aspx