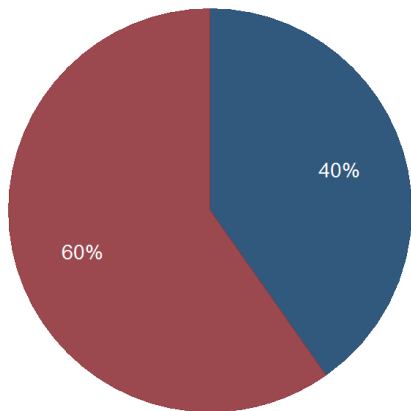


Kentucky Quarterly Coal Report

January to March 2016

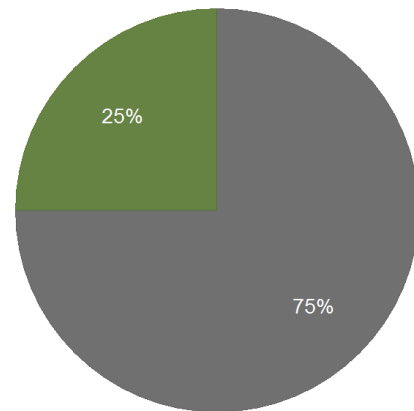
Kentucky Coal Production by Region, Q1-2016



Legend: Eastern Kentucky (Blue), Western Kentucky (Red)

Kentucky Energy Database, EEC-DEDI & US-DOL-MSHA-MDRS Queried on: 29 Apr 2016

Kentucky Coal Production by Mine Type, Q1-2016



Legend: Underground (Grey), Surface (Green)

Kentucky Energy Database, EEC-DEDI & US-DOL-MSHA-MDRS Queried on: 29 Apr 2016

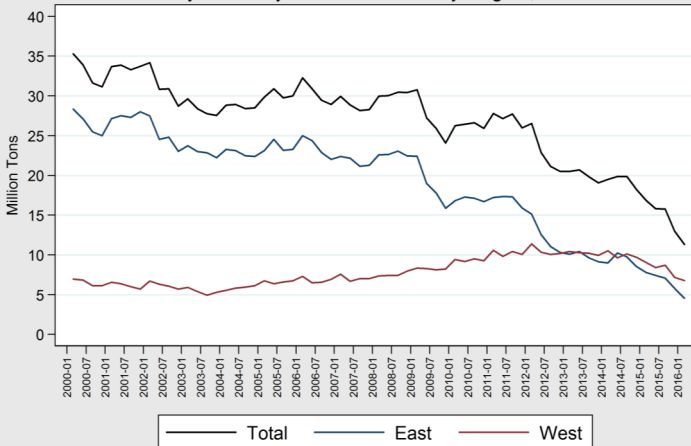
Region	Q1 Tonnage	Quarter Change
Total	11,313,650	-12.8%
Western Kentucky	6,763,269	-5.7%
Eastern Kentucky	4,550,379	-21.6%

Mine Type	Q1 Tonnage	Quarter Change
Total	11,313,650	-12.8%
Underground	8,483,665	-6.1%
Surface	2,829,983	-28.0%

Preliminary data indicate that total coal production at Kentucky mines declined by 12.8 percent during the first quarter of 2016 to 11.3 million tons.

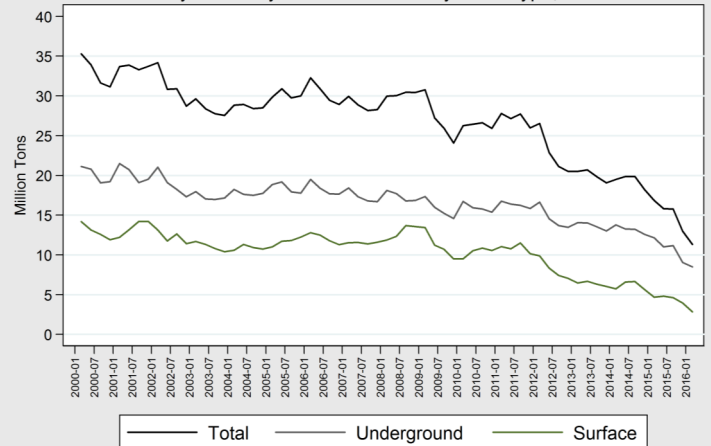
Coal production at surface mines decreased by 28 percent during the first quarter of 2016 and accounted for 25 percent of total Kentucky production.

Kentucky Quarterly Coal Production by Region, 2000-2016



Kentucky Energy Database, EEC-DEDI & US-DOL-MSHA-MDRS Queried on: 29 Apr 2016

Kentucky Quarterly Coal Production by Mine Type, 2000-2016



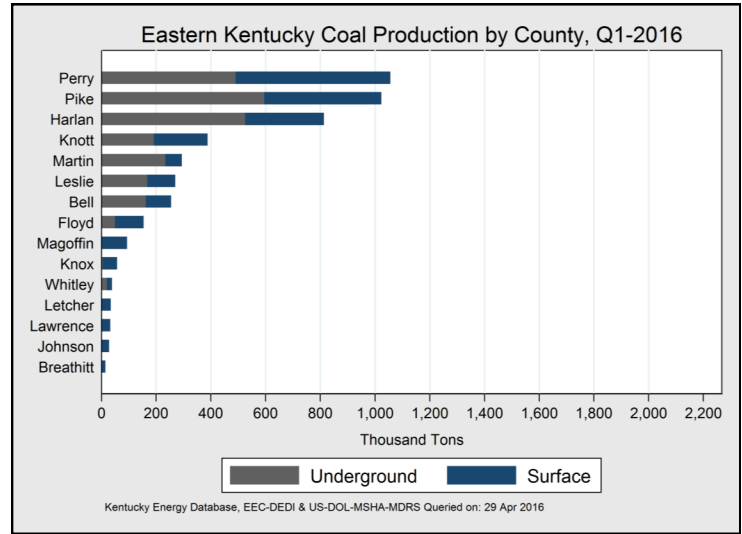
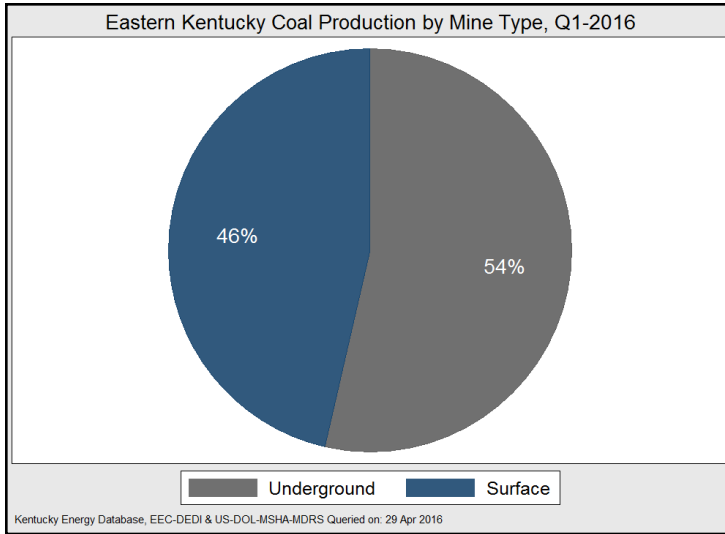
Kentucky Energy Database, EEC-DEDI & US-DOL-MSHA-MDRS Queried on: 29 Apr 2016

During the first quarter of 2016, underground mines in Kentucky produced nearly 8.5 million tons, a reduction of 6.1 percent from the fourth quarter of 2015 and accounted for 75 percent of production. Western Kentucky coal mines decreased production by 5.7 percent, to produce 6.8 million tons for the quarter. Eastern Kentucky mines decreased production by 21.6 percent to produce 4.5 million tons. The rate of Kentucky coal production in 2016 is the lowest statewide production rate since 1939 and the lowest in eastern Kentucky since 1917.

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 retired coal-fired generating capacity in 2015 and another 13 percent went to plants that will close capacity before 2019.

Eastern Kentucky Coal Production

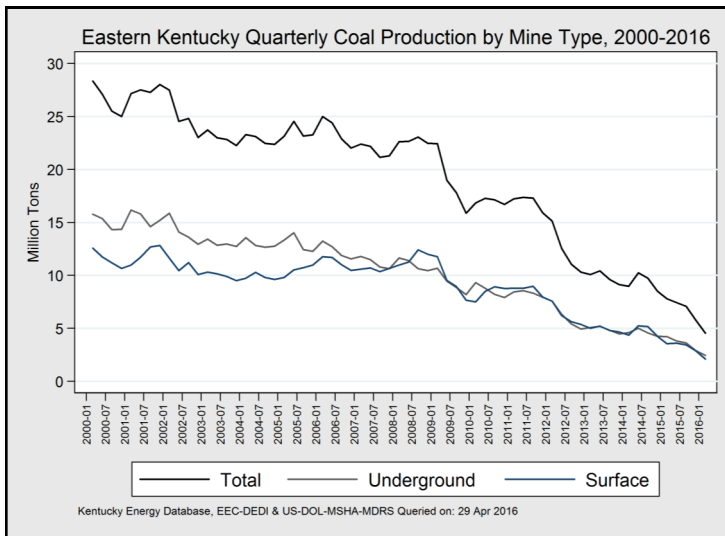
January to March 2016



Mine Type	Q1 Tonnage	Quarter Change
Total	4,550,379	-21.6%
Underground	2,439,246	-16.5%
Surface	2,111,133	-26.7%

Eastern County	Q1 Tonnage	Quarter Change
Perry	1,055,713	-17.7%
Pike	1,022,947	-21.5%
Harlan	812,880	-14.6%
Knott	388,081	-19.0%
Martin	293,535	-20.2%
Leslie	269,476	-12.5%
Bell	254,402	-16.9%
Floyd	153,780	-68.4%
Magoffin	94,080	-8.9%
Knox	57,152	+124.1%
Whitley	38,862	-7.3%
Letcher	34,105	+13.8%
Lawrence	32,283	-43.2%
Johnson	28,224	-23.9%
Breathitt	14,859	-23.0%
Laurel	0	-100%
Clay	0	-0%
Wolfe	0	-0%

Eastern Kentucky coal production decreased by 21.6 percent during the first quarter of 2016. Production decreased most substantially at surface mining operations, by 26.7 percent.

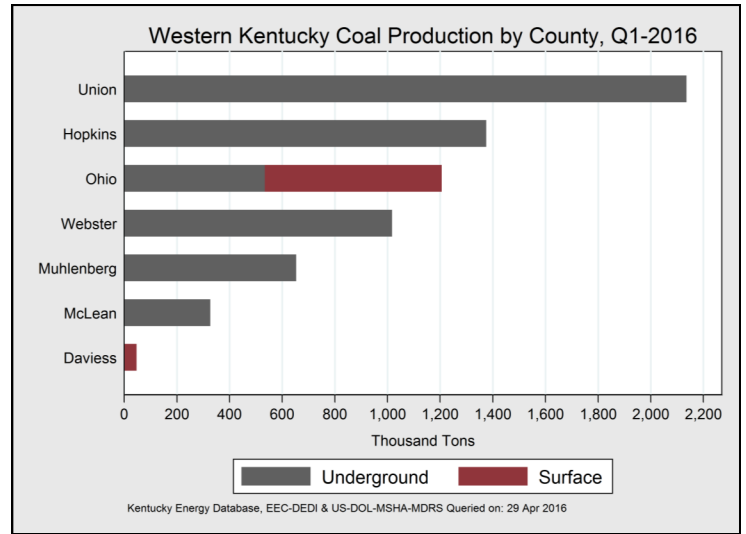
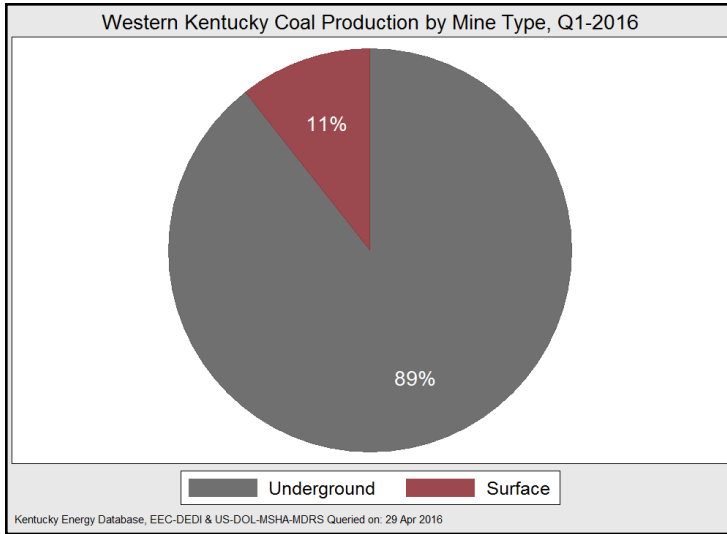


Underground mining techniques were the leading method of coal extraction in eastern Kentucky during the first quarter—accounting for 54 percent of production. Surface mining techniques accounted for 46 percent of production.

Preliminary data indicate that Pike County was displaced as eastern Kentucky’s leading coal producing county during the first quarter of 2016 by Perry County. Pike County held the spot as Kentucky’s leading coal-producing county between 1978 and 2011 until it was displaced in 2012 by Union County in western Kentucky. Current production rates in Pike County are 89 percent lower in 2016 than during peak production of 35.6 million tons in 1996 and make it Kentucky’s 5th highest producing county.

Western Kentucky Coal Production

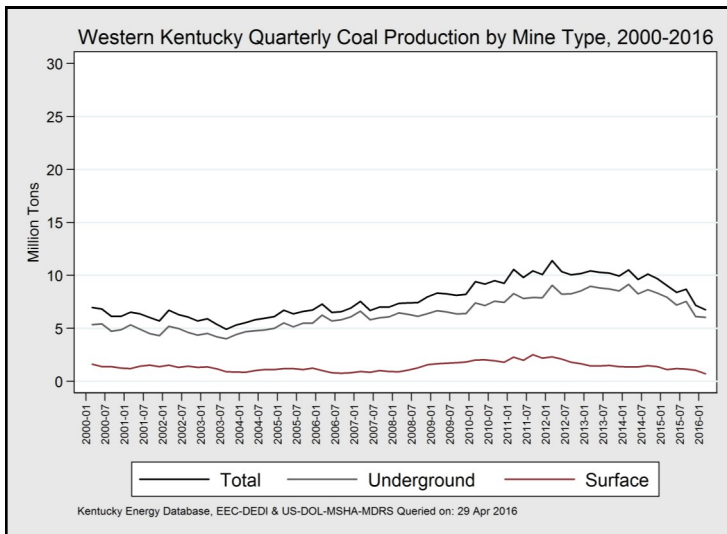
January to March 2016



Mine Type	Q1 Tonnage	Quarter Change
Total	6,763,269	-5.7%
Underground	6,044,419	-1.2%
Surface	718,850	-31.7%

Western County	Q1 Tonnage	Quarter Change
Union	2,136,086	+3.6%
Hopkins	1,375,641	-1.4%
Ohio	1,206,360	-21.7%
Webster	1,017,371	-6.1%
Muhlenberg	653,712	-17.3%
McLean	327,169	+49.2%
Daviess	46,930	-42.0%
Henderson	0	-0%

Western Kentucky mined nearly 6.8 million tons during the first quarter of 2016, 89 percent from underground mines and 11 percent from surface mines.

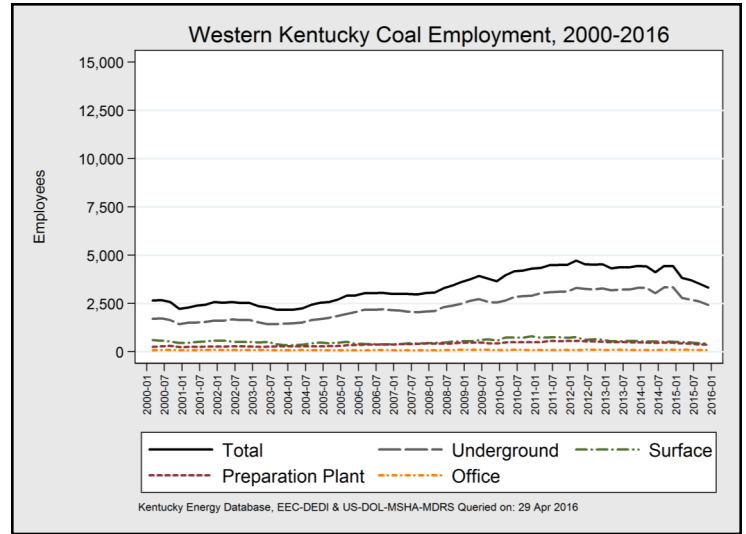
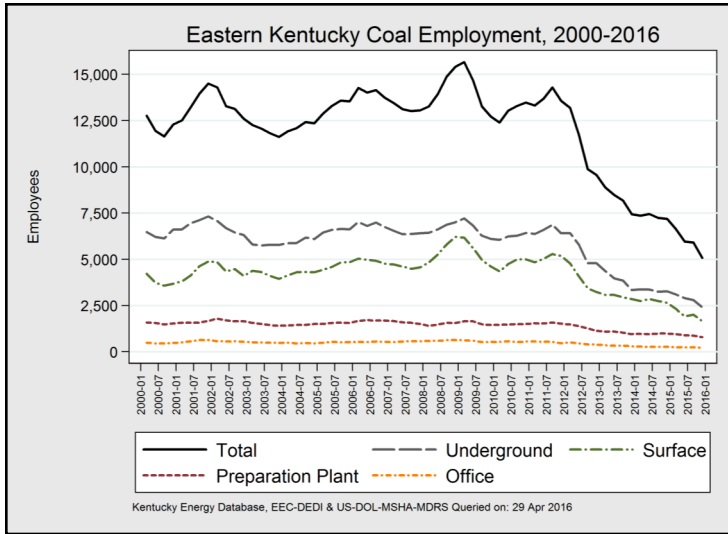


Western Kentucky coal production decreased by 5.7 percent during the first quarter of 2016. Union County increased production by 3.6 percent and remained Kentucky's leading coal producing county. Western Kentucky began producing more coal than eastern Kentucky in 2013 for the first time since 1911.

This report, covering data through March 31st, does not include the announced closure of the Parkway Mine owned by Armstrong in Muhlenberg County, which employed 122 people in March and produced 130,385 tons of coal during the first quarter, or 20 percent of Muhlenberg County production.

Kentucky Coal Mine Employment

January to March 2016



Eastern Counties	Q1 Employment	Quarter Change		
Total	3,981	-1,096	-21.6%	
Pike	987	-298	-23.2%	
Harlan	795	-103	-11.5%	
Perry	607	-205	-25.2%	
Martin	320	-43	-11.8%	
Bell	314	-17	-5.1%	
Leslie	183	-68	-27.1%	
Knott	163	-64	-28.2%	
Floyd	105	-241	-69.7%	
Knox	97	+1	+1%	
Letcher	87	+0	+0%	
Whitley	83	-29	-25.9%	
Johnson	57	+5	+9.6%	
Magoffin	47	-1	-2.1%	
Lawrence	46	+3	+7.0%	
Boyd	31	-3	-8.8%	
Clay	20	+1	+5.3%	
Breathitt	16	-10	-38.5%	
Estill	16	-21	-56.8%	
McCreary	4	+0	+0%	
Laurel	3	-2	-40%	

Western Counties	Q1 Employment	Quarter Change		
Total	2,919	-405	-12.2%	
Union	702	+5	+0.7%	
Hopkins	596	-145	-19.6%	
Ohio	554	-75	-11.9%	
Muhlenberg	411	-48	-10.5%	
Webster	378	-173	-31.4%	
McLean	182	+23	+14.5%	
Marshall	53	+8	+17.8%	
Daviess	23	-5	-17.9%	
Livingston	12	-2	-14.3%	
Henderson	8	+7	+700%	

Description	Q1 Employment	Quarter Change		
Kentucky Total	6,900	-1,501	-17.9%	
Underground	4,000	-846	-17.5%	
Surface	1,625	-440	-21.3%	
Preparation Plant	972	-191	-16.4%	
Office	303	-24	-7.3%	

Preliminary data indicate that Kentucky coal mines reduced on-site employment by 1,501 workers, or 17.9 percent of their workforce, during the first quarter of 2016. As of April 1, an estimated 6,900 persons were employed at Kentucky coal mines, which is the lowest level recorded since 1898 when there were an average of 6,399 coal miners.

During the first quarter of 2016, there were 3,981 persons employed at eastern Kentucky coal mines, a decrease of 21.6 percent from the fourth quarter of 2015. Coal mines in western Kentucky decreased total employment by 405 jobs or 12.2 percent. 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			
		Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter
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		12,972,646		5,077		5,801,081		\$65.11		\$57.19		3,324		7,171,565		\$57.76		\$49.32
2016	Q1		6,900		11,313,650		3,981		4,550,379			\$48.72		2,919		6,763,269				\$47.64	

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 Q1-2016 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.