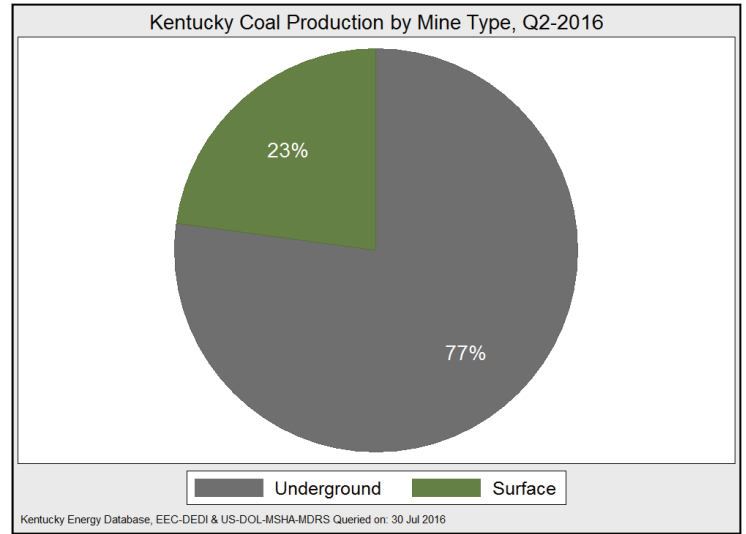
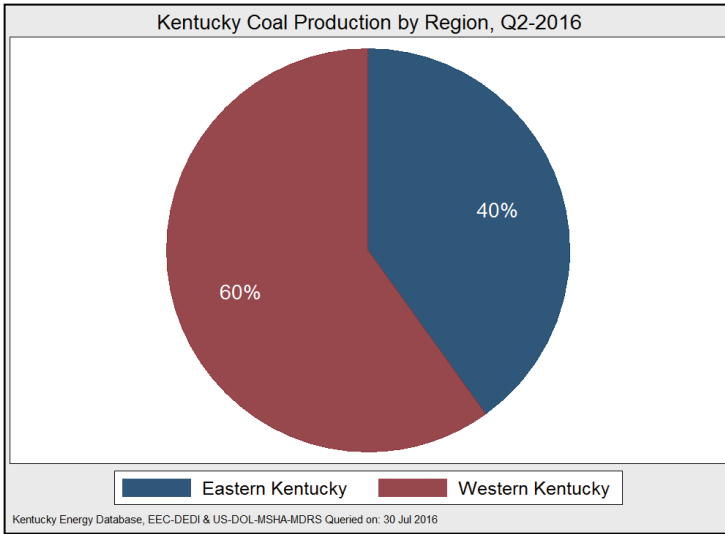


Kentucky Quarterly Coal Report

April to June 2016

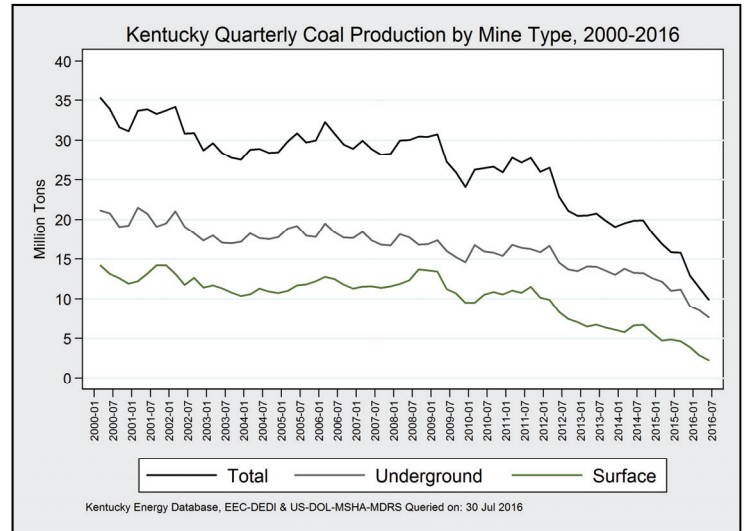
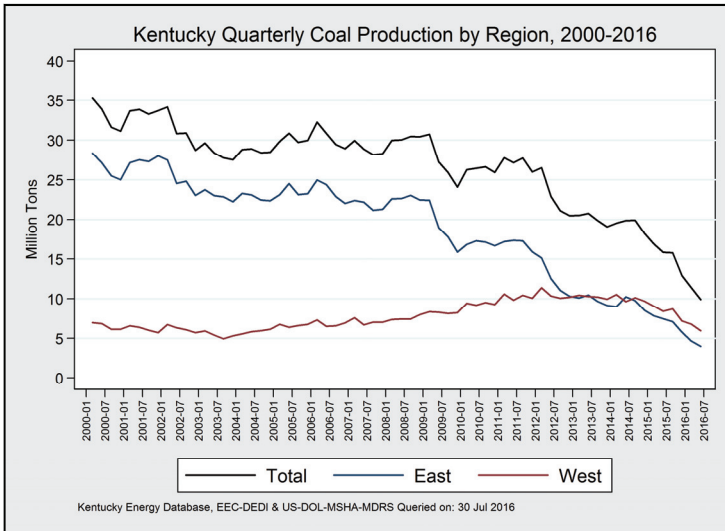


Region	Q2 Tonnage	Quarter Change
Total	9,903,261	-13.1%
Western Kentucky	5,933,430	-12.3%
Eastern Kentucky	3,969,831	-14.3%

Mine Type	Q2 Tonnage	Quarter Change
Total	9,903,261	-13.1%
Underground	7,639,974	-10.5%
Surface	2,263,287	-20.9%

Preliminary data indicate that total coal production at Kentucky mines declined by 13.1 percent during the second quarter of 2016 to 9.9 million tons.

Coal production at surface mines decreased by 20.9 percent during the second quarter of 2016 and accounted for 23 percent of total Kentucky production.

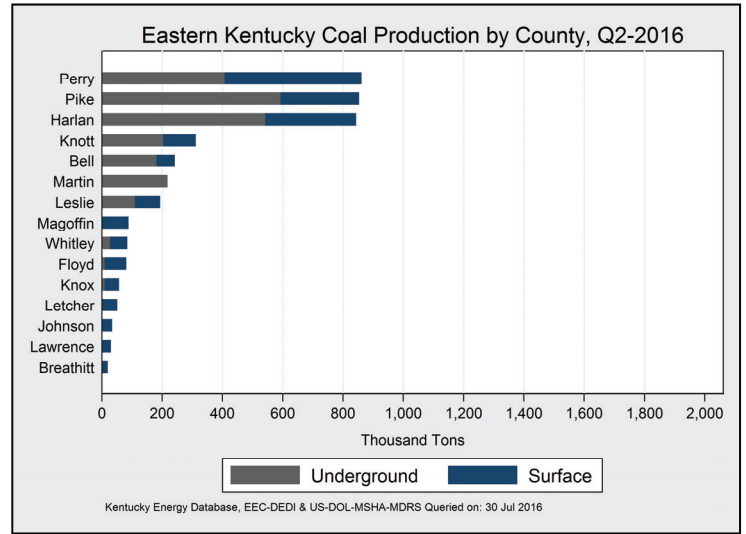
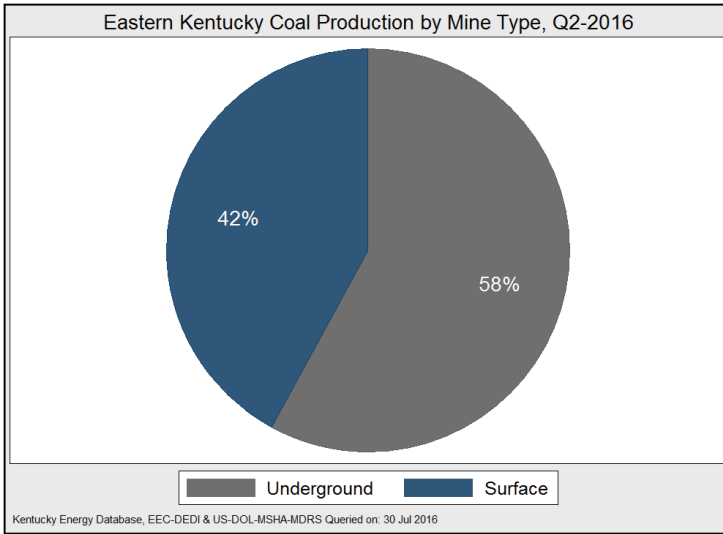


During the second quarter of 2016, underground mines in Kentucky produced 7.6 million tons, a reduction of 10.5 percent from the first quarter of 2016 and accounted for 77 percent of production. Western Kentucky coal mines decreased production by 12.3 percent, to produce 5.9 million tons for the quarter. Eastern Kentucky mines decreased production by 14.3 percent to produce 3.9 million tons. The rate of Kentucky coal production in 2016 is the lowest statewide production rate since 1934 and the lowest in eastern Kentucky since 1915.

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. In 2016, Kentucky continues to sell coal to many power plants that are scheduled to close before 2019.

Eastern Kentucky Coal Production

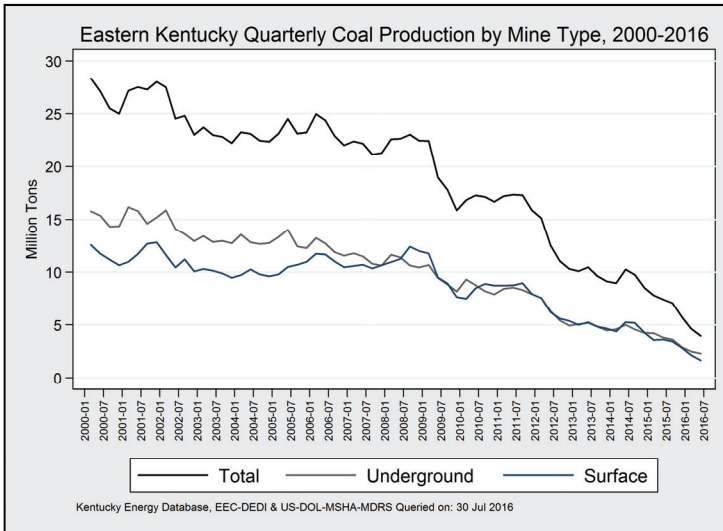
April to June 2016



Mine Type	Q2 Tonnage	Quarter Change
Total	3,969,831	-14.3%
Underground	2,299,705	-7.7%
Surface	1,670,126	-22.1%

Eastern County	Q2 Tonnage	Quarter Change
Perry	861,339	-20.9%
Pike	853,259	-20.6%
Harlan	843,395	+3.8%
Knott	311,858	-19.6%
Bell	242,419	-4.7%
Martin	217,762	-25.8%
Leslie	193,172	-28.3%
Magoffin	88,578	-5.8%
Whitley	84,545	+117.6%
Floyd	81,392	-47.1%
Knox	56,660	-0.1%
Letcher	51,422	+50.8%
Johnson	34,322	+21.6%
Lawrence	29,965	-7.2%
Breathitt	19,743	+32.9%

Eastern Kentucky coal production fell by 14.3 percent during the second quarter of 2016. Production decreased most substantially at surface mining operations, falling 22.1 percent.

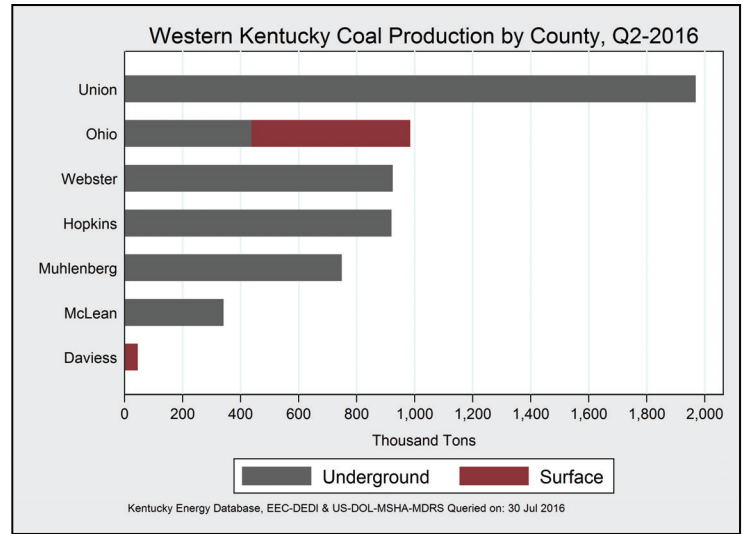
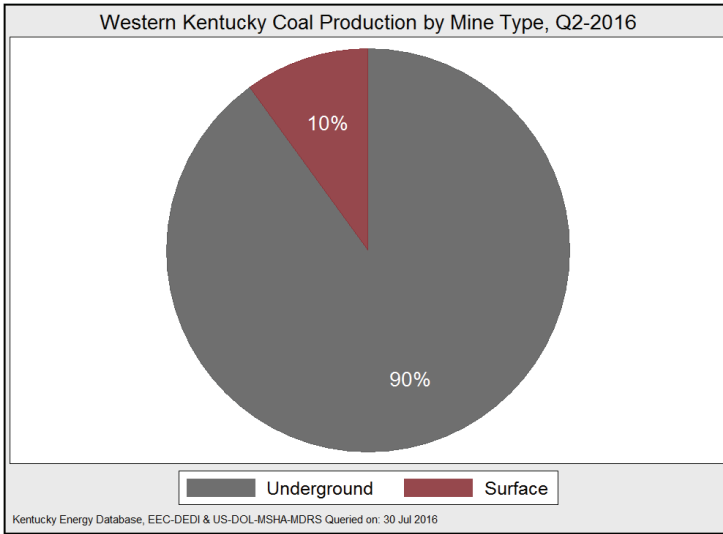


Underground mining techniques were the leading method of coal extraction in eastern Kentucky during the second quarter—accounting for 58 percent of production. Surface mining techniques accounted for 42 percent of production. Preliminary data indicate that Perry County remained eastern Kentucky’s leading coal producing county during the second quarter of 2016 after replacing Pike County last quarter.

Five counties in eastern Kentucky increased production in the second quarter of 2016. Harlan County, the region’s third largest producer, increased production by 3.8 percent in the second quarter of 2016. Whitley and Letcher counties increased production by 117.6 and 50.8 percent, respectively during the second quarter.

Western Kentucky Coal Production

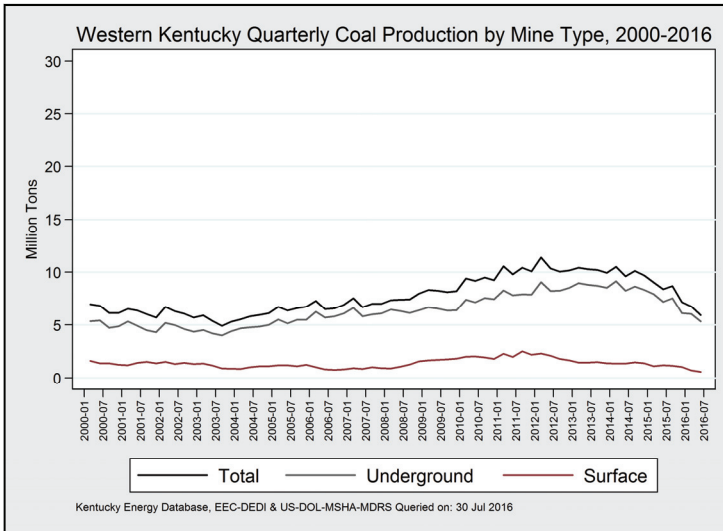
April to June 2016



Mine Type	Q2 Tonnage	Quarter Change
Total	5,933,430	-12.3%
Underground	5,340,269	-11.6%
Surface	593,161	-17.5%

Western County	Q2 Tonnage	Quarter Change
Union	1,968,852	-7.8%
Ohio	984,723	-18.4%
Webster	924,450	-9.1%
Hopkins	920,284	-33.1%
Muhlenberg	748,305	+14.5%
McLean	341,326	+4.3%
Daviess	45,490	-3.1%

Western Kentucky mined just over 5.9 million tons during the second quarter of 2016, 90 percent from underground mines and 10 percent from surface mines.

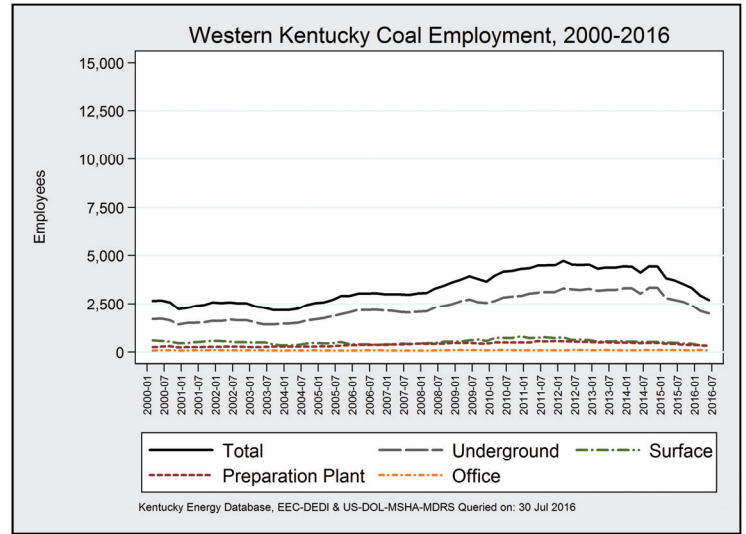
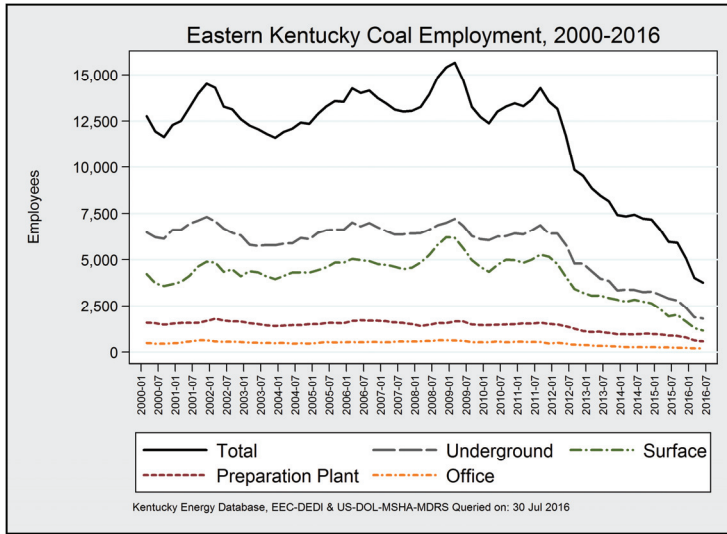


Western Kentucky coal production decreased by 12.3 percent during the second quarter of 2016. Union County, Kentucky's leading coal producing county, experienced a 7.8 percent reduction in production during the second quarter. As has been the case since 2013, western Kentucky production continued to out pace that of eastern Kentucky.

Hopkins County had the largest losses in both production and employment in western Kentucky during the second quarter. Coal production fell by 33.1 percent to 920,284 tons, while employment dropped by 117 people.

Kentucky Coal Mine Employment

April to June 2016



Eastern Counties	Q2 Employment	Quarter Change	
Total	3,764	-245	-6.1%
Pike	913	-74	-7.5%
Harlan	764	-31	-3.9%
Perry	518	-104	-16.7%
Bell	312	-2	-0.6%
Martin	291	-29	-9.1%
Knott	186	+23	+14.1%
Leslie	183	+0	+0.0%
Whitley	116	+33	+39.8%
Floyd	106	+1	+1.0%
Letcher	89	+2	+2.3%
Knox	83	-12	-12.6%
Johnson	51	-6	-10.5%
Magoffin	46	-1	-2.1%
Lawrence	38	-12	-24.0%
Boyd	21	-14	-40.0%
Breathitt	14	-7	-33.3%
Clay	14	-8	-36.4%
Estill	10	-6	-37.5%
Laurel	5	+2	+66.7%
McCreary	4	0	-0.0%

Western Counties	Q2 Employment	Quarter Change	
Total	2,701	-231	-7.9%
Union	649	-53	-7.5%
Ohio	526	-28	-5.1%
Hopkins	479	-117	-19.6%
Muhlenberg	398	-13	-3.2%
Webster	378	-13	-3.3%
McLean	180	-2	-1.1%
Marshall	47	-6	-11.3%
Daviess	18	-5	-21.7%
Livingston	17	+5	+41.7%
Henderson	9	+1	+12.5%

Description	Q2 Employment	Quarter Change	
Kentucky Total	6,465	-476	-6.9%
Underground	3,812	-197	-4.9%
Surface	1,447	-199	-12.1%
Preparation Plant	906	-73	-7.5%
Office	300	-7	-2.3%

Preliminary data indicate that Kentucky coal mines reduced on-site employment by 476 workers, or 6.9 percent of their workforce, during the second quarter of 2016. As of July 1, an estimated 6,465 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 second quarter of 2016, there were 3,764 persons employed at eastern Kentucky coal mines, a decrease of 6.1 percent from the first quarter of the year. Coal mines in western Kentucky decreased total employment by 231 jobs or 7.9 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		Tons of Coal		Average		Tons of Coal		Average		Tons of Coal	
		Employment		Produced		Employment		Produced		Employment		Produced	
		Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter
2008	Q1	17,670	16,355	121,212,504	30,028,000	14,373	13,278	91,045,224	22,669,880	3,296	3,077	30,167,278	7,358,124
	Q2		17,238		30,090,130		13,942		22,682,090		3,296		7,408,039
	Q3		18,327		30,539,540		14,883		23,112,800		3,444		7,426,744
	Q4		19,030		30,477,960		15,420		22,503,580		3,610		7,974,371
2009	Q1	17,812	19,422	108,263,968	30,809,810	14,098	15,668	75,311,872	22,477,210	3,714	3,754	32,952,100	8,332,597
	Q2		18,630		27,264,780		14,702		18,998,720		3,928		8,266,060
	Q3		17,075		25,979,240		13,278		17,850,570		3,797		8,128,670
	Q4		16,380		24,127,190		12,729		15,902,420		3,651		8,224,772
2010	Q1	17,115	16,378	105,554,104	26,304,890	13,020	12,404	68,222,672	16,883,820	4,095	3,974	37,331,432	9,421,068
	Q2		17,217		26,510,520		13,051		17,339,430		4,166		9,171,091
	Q3		17,517		26,682,350		13,308		17,187,870		4,209		9,494,482
	Q4		17,796		25,972,700		13,484		16,727,910		4,312		9,244,791
2011	Q1	18,069	17,684	109,018,240	27,889,220	13,679	13,331	68,007,480	17,282,860	4,390	4,353	41,010,760	10,606,360
	Q2		18,191		27,222,030		13,695		17,385,220		4,496		9,836,813
	Q3		18,810		27,804,080		14,301		17,340,210		4,509		10,463,880
	Q4		18,087		26,047,990		13,581		15,944,280		4,506		10,103,710
2012	Q1	15,622	17,932	91,358,160	26,571,280	11,117	13,203	49,311,848	15,171,750	4,505	4,729	42,046,316	11,399,530
	Q2		16,278		22,924,670		11,731		12,568,670		4,547		10,356,000
	Q3		14,406		21,173,110		9,892		11,094,450		4,514		10,078,670
	Q4		14,107		20,555,240		9,564		10,343,130		4,543		10,212,120
2013	Q1	12,550	13,223	80,359,000	20,590,860	8,239	8,897	39,480,036	10,144,620	4,310	4,326	40,878,964	10,446,240
	Q2		12,882		20,752,660		8,490		10,464,560		4,392		10,288,110
	Q3		12,548		19,876,820		8,180		9,667,612		4,368		10,209,210
	Q4		11,892		19,081,980		7,443		9,146,575		4,449		9,935,408
2014	Q1	11,508	11,790	77,468,336	19,494,440	7,242	7,366	37,499,304	8,969,519	4,267	4,424	39,969,028	10,524,930
	Q2		11,574		19,864,630		7,447		10,240,600		4,127		9,624,035
	Q3		11,681		19,866,500		7,239		9,742,734		4,442		10,123,770
	Q4		11,619		18,204,500		7,186		8,508,199		4,433		9,696,298
2015	Q1	9,493	10,465	61,424,920	16,938,520	5,897	6,639	28,000,918	7,788,933	3,597	3,826	33,424,002	9,149,591
	Q2		9,674		15,817,610		5,958		7,421,363		3,716		8,396,251
	Q3		9,094		15,574,200		5,579		6,867,600		3,515		8,706,595
	Q4		8,401		12,884,260		5,077		5,712,695		3,324		7,171,565
2016	Q1		6,941		11,397,478		4,009		4,634,209		2,932		6,763,269
	Q2		6,465		9,903,261		3,764		3,969,831		2,701		5,933,430

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 Q2-2016 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.