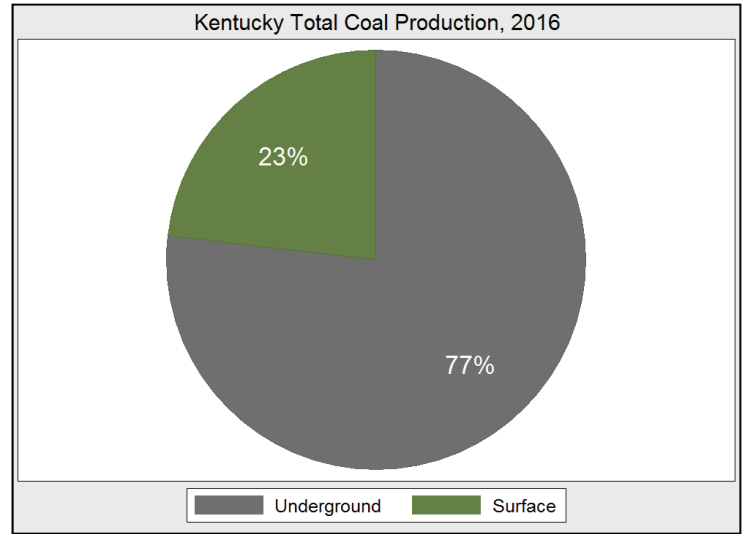
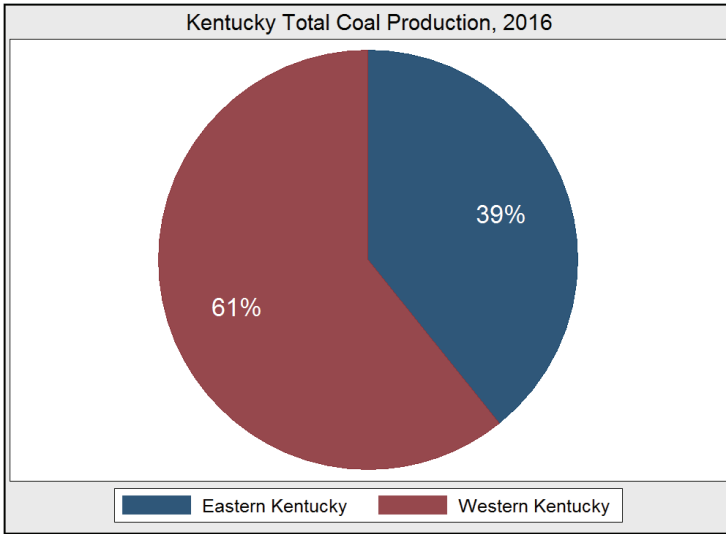


Kentucky Quarterly Coal Report

October to December 2016

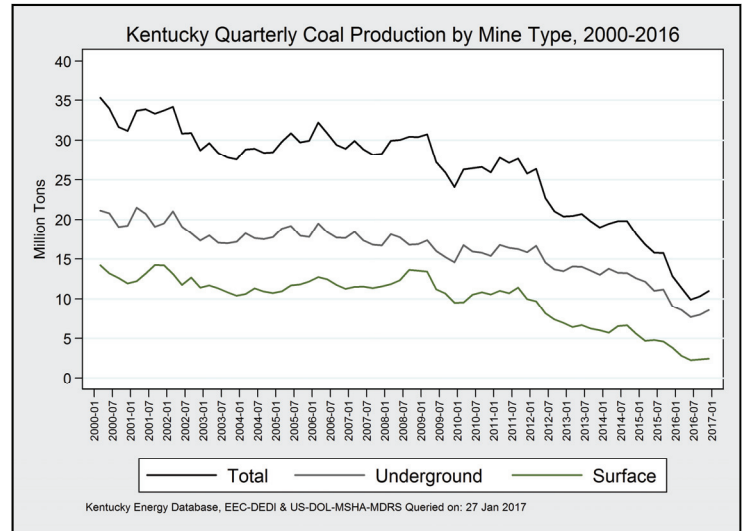
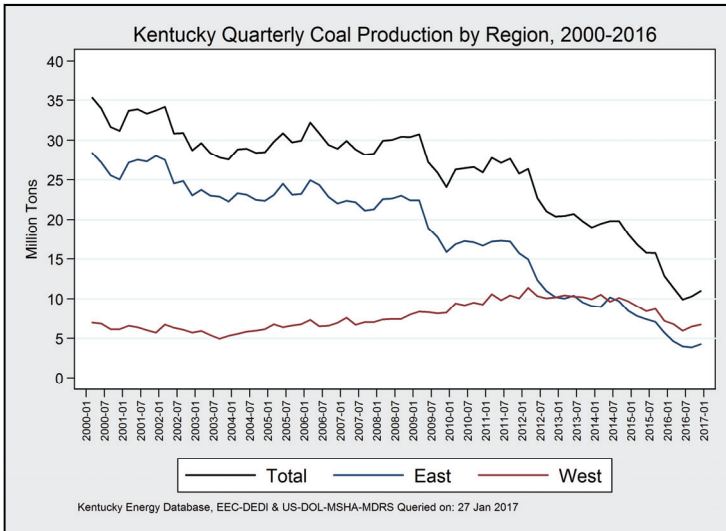


Region	2016 Tonnage	Annual Change
Total	42,560,312	-30.7%
Western Kentucky	25,870,771	-22.4%
Eastern Kentucky	16,689,541	-40.6%

Mine Type	2016 Tonnage	Annual Change
Total	42,560,312	-30.7%
Underground	32,696,216	-24.6%
Surface	9,864,096	-45.3%

Preliminary data indicate that Kentucky coal mines produced nearly 42.6 million tons of coal in 2016, a decrease of 30.7 percent from 2015 and the lowest level since 1939.

Coal production at underground mines fell to 32.7 million tons in 2016, a decrease of 24.6 percent. Surface mines produced nearly 10 million tons, a decline of 45.3 percent.

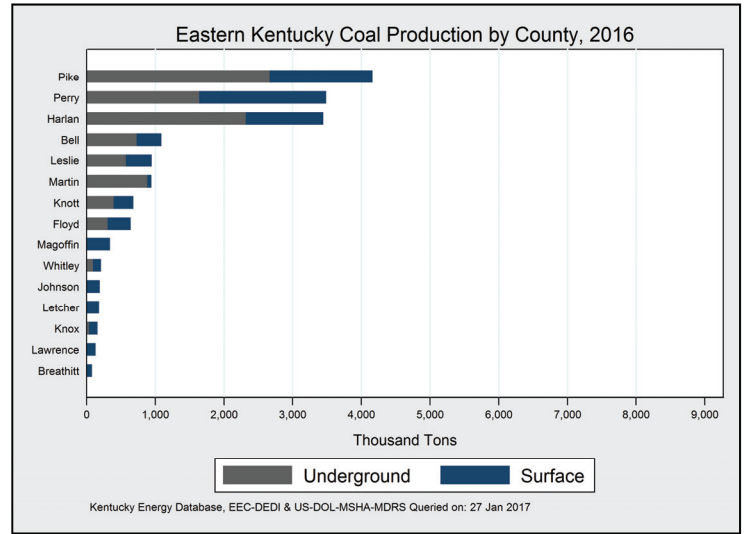
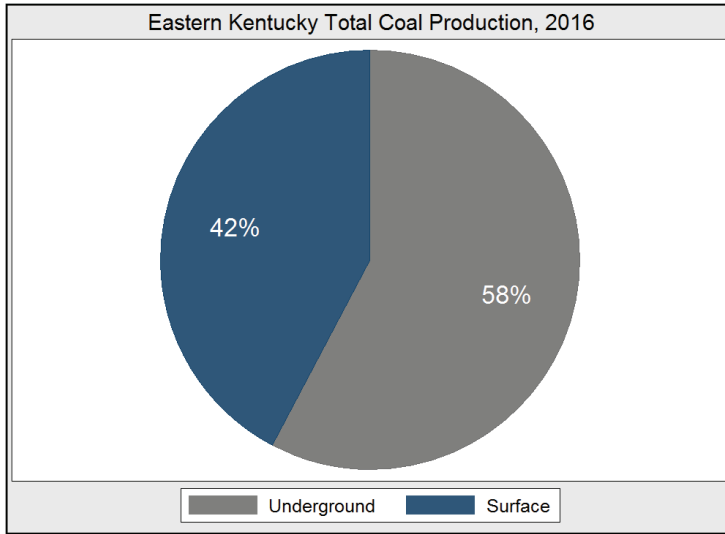


During the fourth quarter of 2016, Kentucky produced almost 11 million tons of coal, an increase of 6.6 percent from the third quarter. Western Kentucky mines increased coal production by 3.9 percent, to produce 6.7 million tons for the quarter. Eastern Kentucky mines also increased production in the quarter to produce just over 4.2 million tons, an 11 percent increase from last quarter. During the fourth quarter of 2016, underground mines in Kentucky produced 8.5 million tons, while surface mines produced 2.4 million tons.

Preliminary data indicated that Kentucky fell from its ranking as the third largest coal producing state in the U.S. during 2016, a spot it had held since 1994. The Commonwealth now ranks fourth in the country in coal production, trailing Wyoming, West Virginia, and Illinois. Illinois produced 43.8 million tons in 2016, almost 1.3 million more tons than Kentucky. Kentucky was the country's largest coal producer from 1971 until 1988, and second largest coal producer from 1989 to 1994.

Eastern Kentucky Coal Production

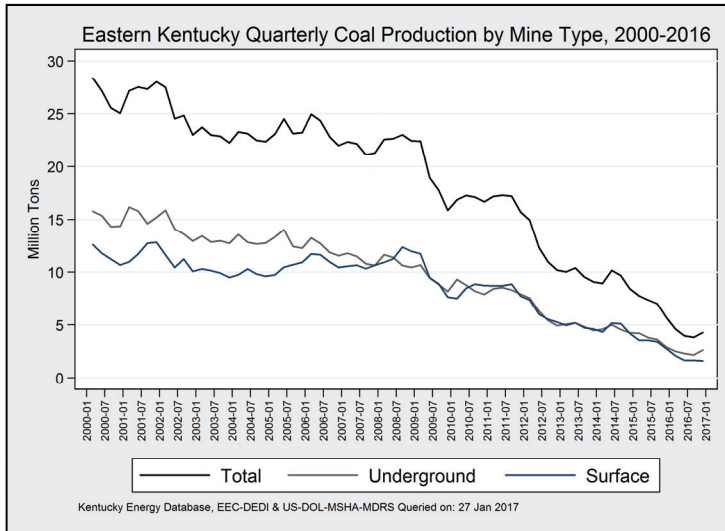
October to December 2016



Mine Type	2016 Tonnage	Annual Change
Total	16,689,541	-40.6%
Underground	9,638,951	-34.0%
Surface	7,050,590	-47.7%

Eastern Counties	2016 Tonnage	Annual Change
Pike	4,161,659	-40.1%
Perry	3,486,800	-47.6%
Harlan	3,446,776	-9.9%
Bell	1,088,613	-21.2%
Leslie	945,906	-30.5%
Martin	945,048	-37.9%
Knott	681,708	-67.0%
Floyd	640,971	-70.2%
Magoffin	341,204	32.1%
Whitley	210,838	-16.8%
Johnson	190,073	55.7%
Letcher	180,114	-65.6%
Knox	159,570	-11.7%
Lawrence	130,945	-64.9%
Breathitt	79,316	-68.4%
Wolfe	-	-100.0%
Laurel	-	-100.0%
Clay	-	-100.0%

Eastern Kentucky coal production decreased in 2016 by 40.6 percent to 16.7 million tons of coal, 58 percent from underground mines and 42 percent from surface mines.



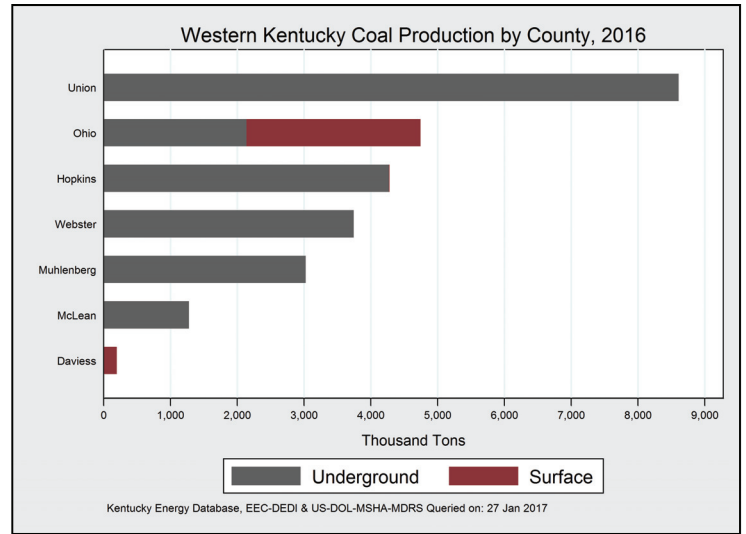
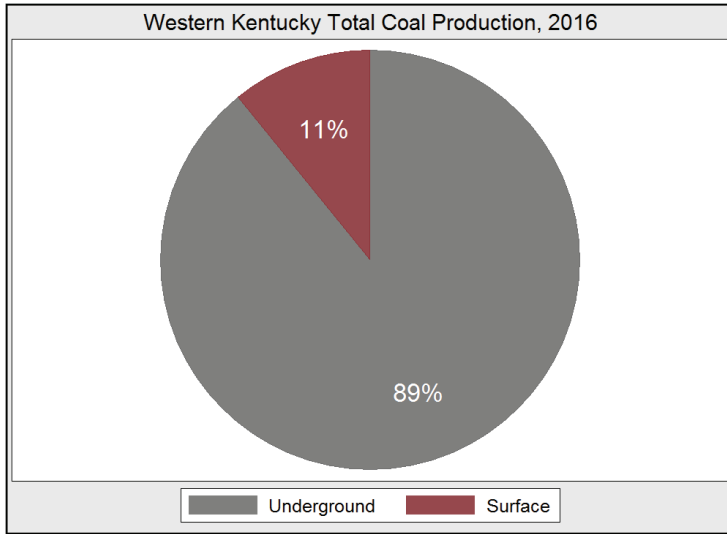
Annual production slowed at both underground and surface mining operations in eastern Kentucky in 2016, by 34.0 and 47.7 percent respectively.

Eastern Kentucky underground coal production during the fourth quarter of 2016 was 2.6 million tons, an increase of 20.9 percent from the third quarter. Surface production in eastern Kentucky decreased by 2 percent to 1.6 million tons in the final quarter of 2016.

With the exception of Magoffin and Johnson counties, counties in Eastern Kentucky experienced decreases in coal production during 2016. Pike County reduced coal production by 40.1 percent. Pike county still remained the highest coal-producing county in eastern Kentucky and fourth-highest coal producing county in Kentucky. This year, coal production ceased in Wolfe, Laurel, and Clay counties.

Western Kentucky Coal Production

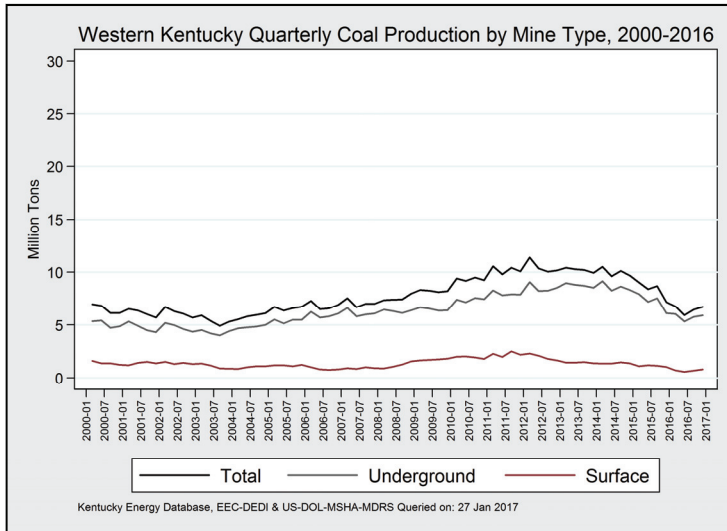
October to December 2016



Mine Type	2016 Tonnage	Annual Change
Total	25,870,771	-22.4%
Underground	23,057,265	-19.9%
Surface	2,813,506	-39.4%

Western Counties	2016 Tonnage	Annual Change
Union	8,607,528	-5.6%
Ohio	4,742,266	-29.7%
Hopkins	4,281,379	-37.4%
Webster	3,744,015	-36.2%
Muhlenberg	3,025,787	-15.2%
McLean	1,274,873	51.2%
Daviess	194,923	-41.8%

Western Kentucky mined 25.9 million tons of coal in 2016, a decrease of 22.4 percent from 2015. Underground mines accounted for 89 percent of regional production in 2016.



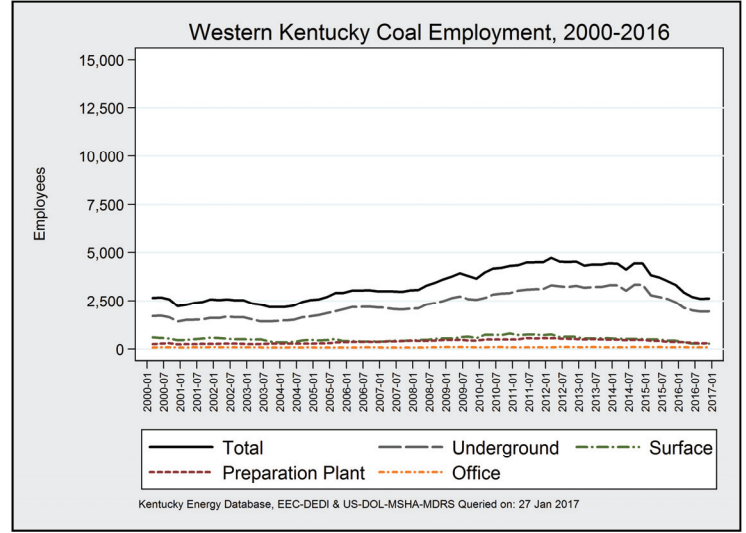
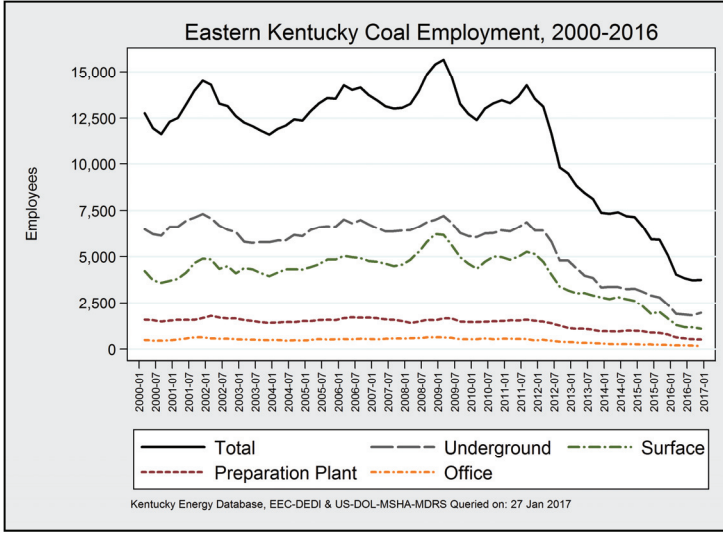
Annual coal output fell at both underground and surface mining operations in western Kentucky in 2016, by 19.9 and 39.4 percent respectively.

Underground coal production in western Kentucky for the fourth quarter of 2016 was 5.9 million tons, an increase of 2.2 percent from the third quarter. Surface production increased by 18.3 percent in the fourth quarter, reaching 813 thousand tons.

The top 3 coal producing counties in the Commonwealth are located in western Kentucky: Union, Ohio, and Hopkins. In 2016, Union County produced 8.6 million tons, a 5.6 percent decrease for the year. Hopkins County suffered a significant decline in coal output in 2016, falling 37.4 percent to 4.3 million tons. McLean County was the only county to increase production in western Kentucky, boosting output 51.2 percent to over 1.2 million tons.

Kentucky Coal Mine Employment

October to December 2016



Eastern Counties	Q4 Employment	Annual Change		
Total	3,742	-1,334	-26.3%	
Pike	906	-406	-30.9%	
Harlan	817	-81	-9.0%	
Perry	577	-235	-28.9%	
Bell	369	+38	+11.5%	
Martin	256	-93	-26.6%	
Floyd	197	-149	-43.1%	
Leslie	188	-58	-23.6%	
Whitley	106	-6	-5.4%	
Letcher	51	-36	-41.4%	
Knott	47	-174	-78.7%	
Magoffin	43	-5	-10.4%	
Johnson	39	-13	-25.0%	
Knox	32	-62	-66.0%	
Lawrence	28	-15	-34.9%	
Boyd	26	-8	-23.5%	
Estill	20	-17	-45.9%	
Breathitt	18	-8	-30.8%	
Clay	14	-5	-26.3%	
McCreary	4	0	0.0%	
Laurel	4	-1	-20.0%	

Western Counties	Q4 Employment	Annual Change		
Total	2,629	-695	-20.9%	
Union	623	-74	-10.6%	
Ohio	510	-119	-18.9%	
Hopkins	471	-270	-36.4%	
Muhlenberg	402	-57	-12.4%	
Webster	344	-207	-37.6%	
McLean	186	27	17.0%	
Marshall	43	-2	-4.4%	
Daviess	21	-7	-25.0%	
Livingston	19	+5	+35.7%	
Henderson	10	+9	+900.0%	

Description	Q4 Employment	Annual Change		
Kentucky Total	6,371	-2,030	-24.2%	
Underground	3,909	-937	-19.3%	
Surface	1,376	-689	-33.4%	
Preparation Plant	823	-340	-29.2%	
Office	263	-64	-19.6%	

As of December 31, 2016, an estimated 6,371 persons were employed at coal mines within Kentucky. Although employment increased by 47 people during the final quarter of 2016, coal employment decreased by 2,030 workers, or 24.2 percent, when compared with the fourth quarter of 2015. Reductions in employment include layoffs, furloughs, and temporarily idling of coal mines.

As of December 31, 2016, there were 3,742 persons employed at eastern Kentucky coal mines, an increase of 0.7 percent from the third quarter of 2016. Coal mines in western Kentucky increased employment by 0.8 percent to 2,629 in the final quarter of 2016. 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	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	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	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	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	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	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	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	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	6,550	6,971	42,560,312	11,397,478	3,833	4,039	16,689,541	4,634,209	2,717	25,870,771	6,763,269					
	Q2		6,534										9,903,261	3,833	3,969,831	2,701	5,933,430
	Q3		6,324										10,166,428	3,717	3,706,518	2,607	6,459,910
	Q4		6,371										10,973,229	3,742	4,259,068	2,629	6,714,161

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 Q4-2016 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.

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