



*Mining the Past...Powering the Future*

# **Annual Shareholders Meeting**

**Linthicum Heights, MD**

**James F. Roberts**

**Chairman of the Board and CEO**

**May 22, 2008**



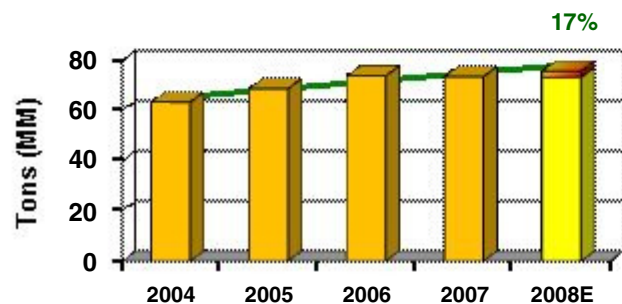
# Presentation Overview

- Financial Performance
- Report Card on Company Initiatives
- Market Outlook

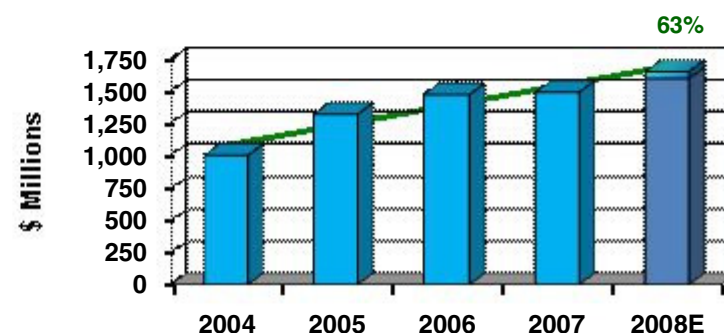


# Annual Performance and 2008 Guidance

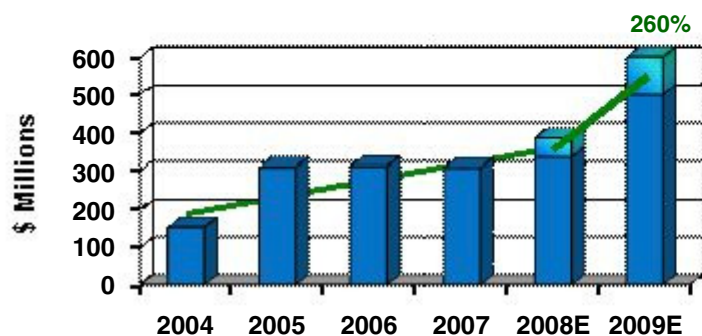
## Coal Shipments



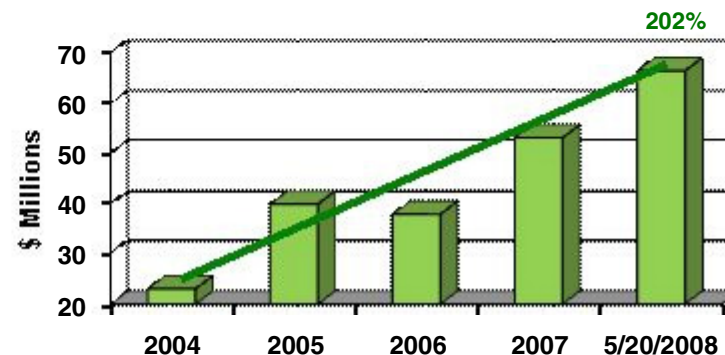
## Revenues



## Adjusted EBITDA



## Closing Share Price





# Financial Guidance

(In millions, except per share items)

	2008 Guidance	2007 Actual	Change (%)
Revenues	\$1,595 – \$1,650	\$1,490	7 – 11%
Adjusted EBITDA	\$335 – \$385	\$308	9 – 25%
Net Income Excluding Special Items	\$50 – \$72	\$41*	22 – 76%
Earnings per Diluted Share Excluding Special Items	\$1.05 – \$1.55	\$0.88*	19 – 76%

**NOTE:** Excludes charges for employee and coal supply termination expenses at the Wabash mine of \$9.0 million, a non-cash charge related to the accelerated amortization of deferred debt issuance costs of \$0.2 million, and a benefit of \$0.8 million due to a premium refund settlement from the Combined Benefit Fund.

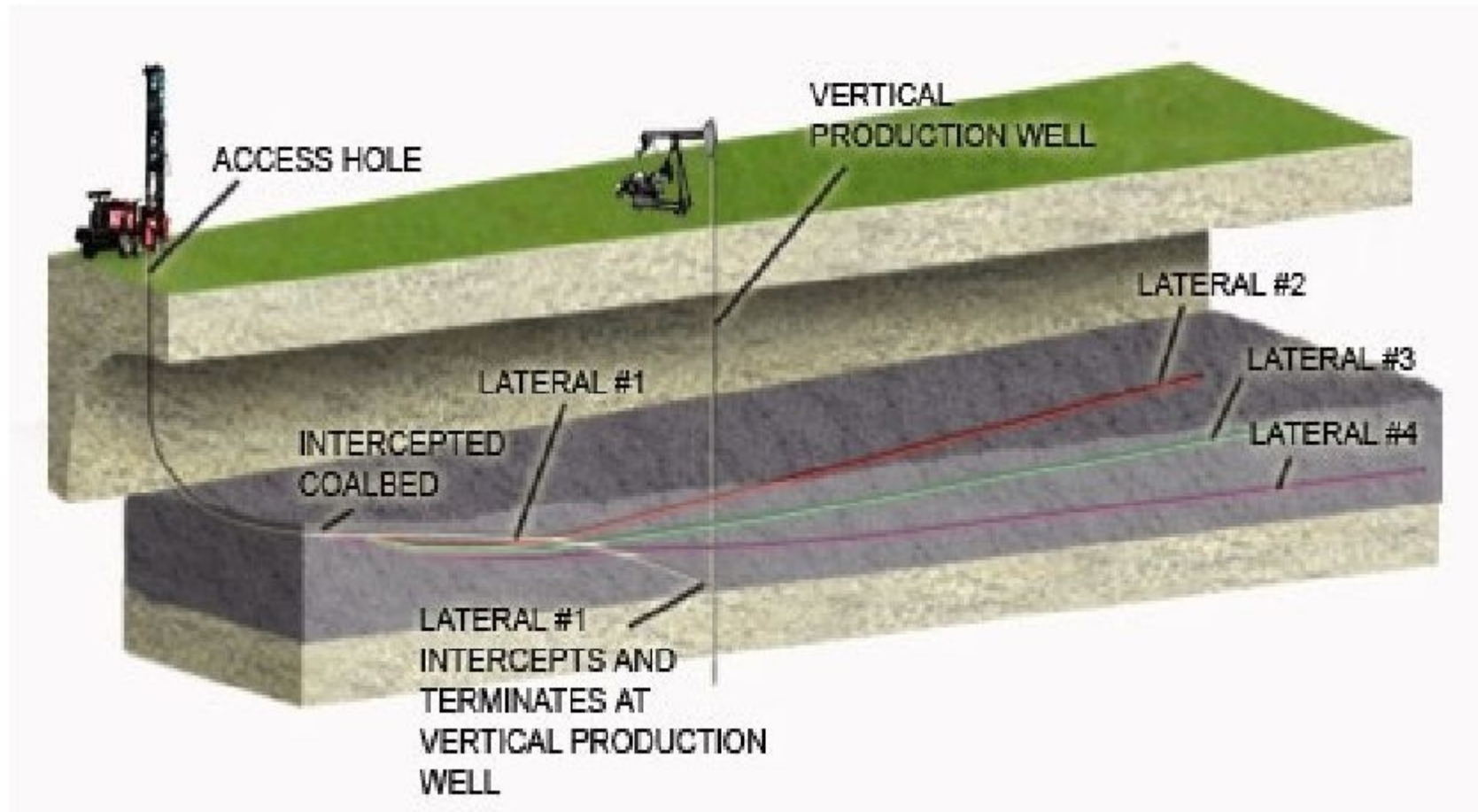


# Report Card on Company Initiatives

Initiative	Status	Impact
Belle Ayr Overland Conveyor	Completed in 3Q 2007	Increases production capacity, saves diesel fuel and truck tires
Second Emerald Longwall	Completed in 1Q 2008	Increases NAPP production capacity to 14 million tons annually; adds production flexibility
PRB LBA	Successful bid in 1Q 2008	Increases reserves by 250 million tons; extends Eagle Butte by 10 years
Safety Initiatives	Continuing	Reported second best year in company history
Organic Mine Growth <ul style="list-style-type: none"> <li>•Foundation Mine</li> <li>•Freeport Mine</li> <li>•Harts Creek Mine</li> </ul>	<ul style="list-style-type: none"> <li>•Continuing</li> <li>•Continuing</li> <li>•Continuing</li> </ul>	<ul style="list-style-type: none"> <li>•\$400 million capital; 7-21 million tons</li> <li>•\$300 million capital; 2-3 million tons</li> <li>•\$120 million capital; 2 million tons</li> </ul>
Acquisitions and Investments <ul style="list-style-type: none"> <li>•LaBelle Dock</li> <li>•Target Drilling</li> </ul>	<ul style="list-style-type: none"> <li>•Completed in 4Q 2007</li> <li>•Completed in 1Q 2008</li> </ul>	<ul style="list-style-type: none"> <li>•Increases transportation flexibility</li> <li>•Provides controlled access to drilling partner</li> </ul>
Coalbed Methane Development	Continuing	New business development

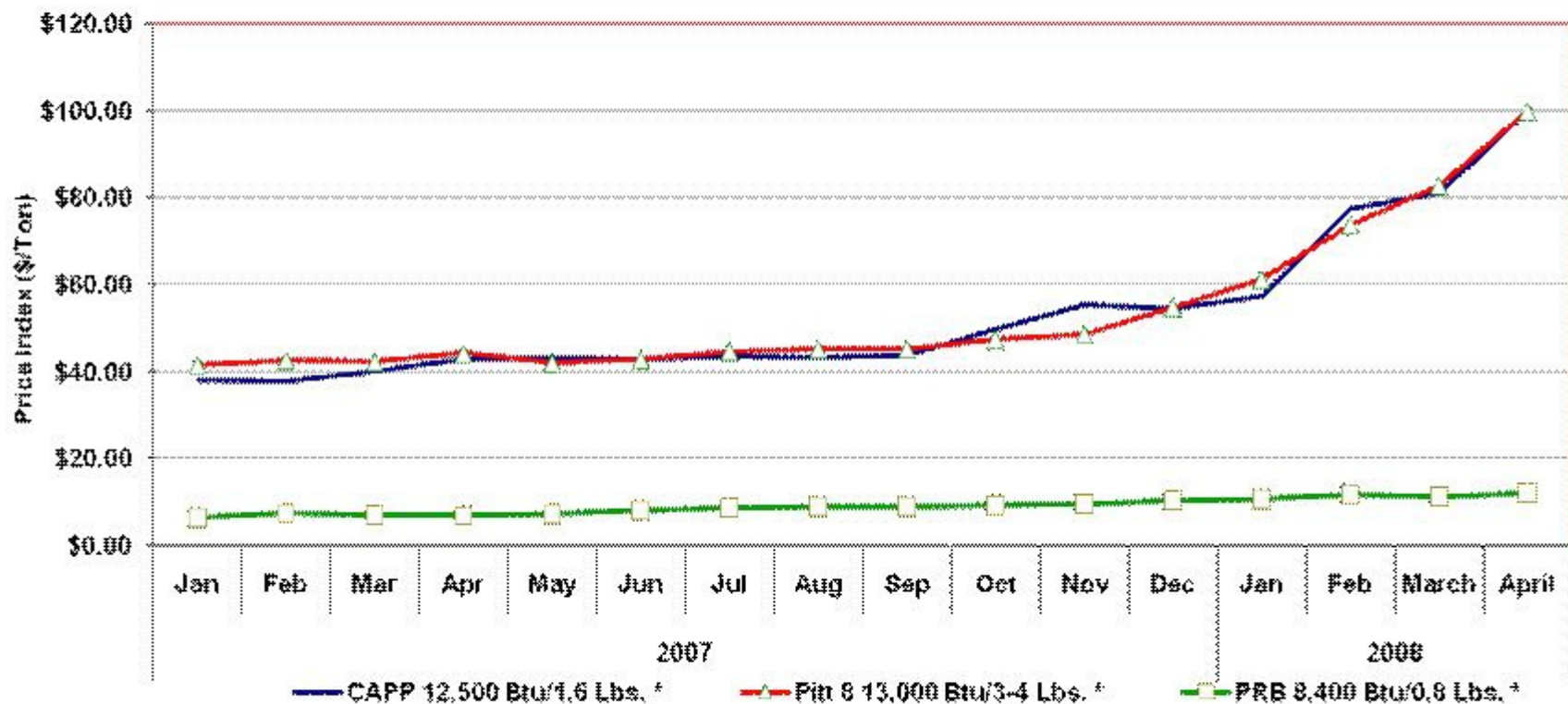


# Typical Surface Directional Well





# Coal Prices Continue Upward



Source: Argus Media as published in Coal Daily/Coal Weekly

CAPP - Central Appalachia

Pitt 8 - Pittsburgh 8 Seam (Northern Appalachia)

PRB - Powder River Basin



\* of sulfur dioxide (SO<sub>2</sub>) per MMBtu

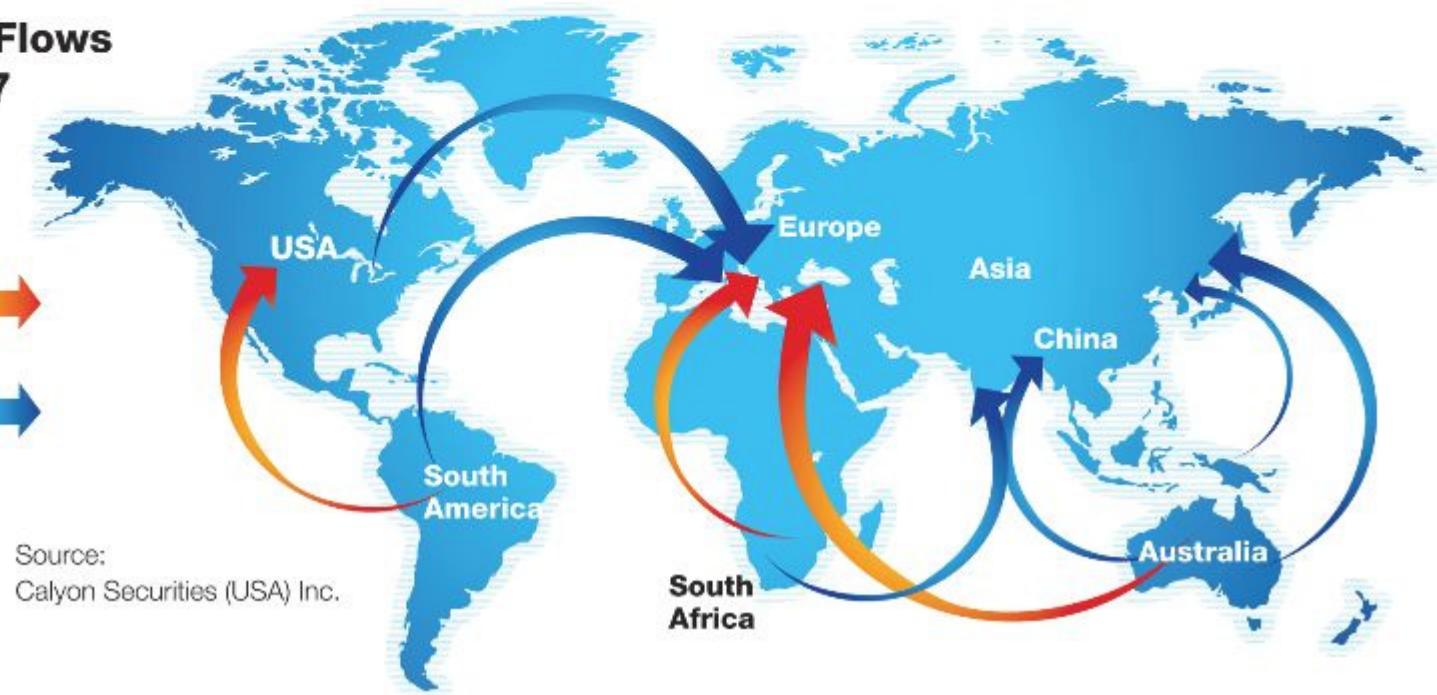




# Coal Is A Global Commodity

## Global Coal Flows Beyond 2007

Decreasing Trend   
Increasing Trend 



Source:  
Calyon Securities (USA) Inc.





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