

# Newsroom



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Jim Ruby, Executive Secretary  
Environmental Quality Council

## Contura Subsidiaries Sell Powder River Basin Assets

*Transaction Narrows Strategic Focus to Eastern Operations and Reduces Company's Undiscounted Reclamation Obligations by Approximately \$200 Million*

**BRISTOL, Tenn., December 11, 2017** – Contura Energy, Inc., a leading U.S. coal supplier, today announced that its wholly-owned subsidiary, Contura Coal West, LLC, and related entities, have completed a transaction with Blackjewel L.L.C. to sell the Eagle Butte and Belle Ayr mines located in the Powder River Basin (PRB) in Wyoming, along with related coal reserves, equipment, infrastructure and other real properties. Combined, the two mines shipped 24.5 million tons through the first three quarters of 2017, and Contura subsidiaries controlled approximately 600 million tons of proven and probable reserves in the PRB.

Under the terms of the transaction, Contura will receive deferred consideration of up to \$50 million through various royalty payments. Blackjewel L.L.C. will assume all permit and reclamation obligations associated with the assets acquired, thereby eliminating approximately \$200 million in undiscounted reclamation obligations for Contura. Additionally, subject to further calculation, this transaction is expected to generate for Contura significant income tax deductions of approximately \$400 million to \$450 million, which would be available to offset taxable income in 2017 and future years. The company expects to incur a book loss on the sale, which will be recorded in the fourth quarter of this year.

"In the short 16 months since Contura's launch, our management team and board have maintained diligent focus on three key operating goals – running safe, environmentally responsible, and productive mines, leveraging our Trading and Logistics platform to take advantage of a resurgent metallurgical coal market, and enhancing value for the company's shareholders," said Kevin Crutchfield, chief executive officer. "This transaction allows us to further sharpen our focus on the company's well-positioned eastern assets and a growing met sales portfolio. While these PRB thermal assets will not be part of our company's operational strategy moving forward, the purchaser is acquiring two solid mines with decades of minable reserves, a top-notch, professional workforce and a great operating track record. I appreciate and commend the contributions that current and past employees in the PRB made toward that success, and wish them the very best in the future."

Contura will continue to maintain a diversified production profile comprised primarily of high-quality, metallurgical coal mines in Central Appalachia and its underground, longwall thermal coal mine in Northern Appalachia. Post-transaction, Contura affiliates control nearly 700 million tons of proven and

probable reserves in Northern and Central Appalachia and maintain a 65 percent ownership interest in the world-class Dominion Terminal Associates (DTA) coal export terminal located in Newport News, Virginia.

#### **FORWARD-LOOKING STATEMENTS**

This news release includes forward-looking statements. These forward-looking statements are based on Contura's expectations and beliefs concerning future events and involve risks and uncertainties that may cause actual results to differ materially from current expectations. These factors are difficult to predict accurately and may be beyond Contura's control. Forward-looking statements in this news release or elsewhere speak only as of the date made. New uncertainties and risks arise from time to time, and it is impossible for Contura to predict these events or how they may affect Contura. Except as required by law, Contura has no duty to, and does not intend to, update or revise the forward-looking statements in this news release or elsewhere after the date this release is issued. In light of these risks and uncertainties, investors should keep in mind that results, events or developments discussed in any forward-looking statement made in this news release may not occur.

#### **ABOUT CONTURA ENERGY**

*Contura Energy is a private, Tennessee-based coal supplier with affiliate mining operations across major coal basins in Pennsylvania, Virginia and West Virginia. With customers across the globe, high-quality reserves and significant port capacity, Contura Energy reliably supplies both metallurgical coal to produce steel and thermal coal to generate power. For more information, visit [www.conturaenergy.com](http://www.conturaenergy.com) (<http://www.conturaenergy.com>).*

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