

**DTC Flash©: MSHA Q3 2017 Production Update**

**Q3 2017 MSHA Production:** We estimate that about 96% of the expected production has been reported thus far. However, we note that there appears to be some inconsistencies and we are hunting down corrections as we find them. Additionally, there are still an estimated 7 to 9 mm tons of missing reports thus far. For this iteration, we have assumed the production volume from Q2 as a proxy for the missing entities. **Peabody Energy's** Bear Run, Foidel Creek (Twentymile) and Francisco mines were not in the latest MSHA run. Also missing is **Bowie's** Skyline mine in Utah.

With noted caution, we estimate Q3 production around 197 mm tons. This compares to **EIA's** estimate of 206.5 mm tons which represents a 9.2 mm ton overestimation. The largest gap was in Napp where **EIA** estimated 29.8 mm tons and **MSHA** count is closer to 24.8 mm tons. **EIA** was also over in the SPRB and Gulf Lignite by 3.8 mm and 2.4 mm tons, respectively. **EIA** underestimated Capp by 1.3 mm which continues a trend where **EIA** has overestimated Napp and underestimated Capp – a difficult distinction given the estimates are based on state-level railcar counts.

In this report, we include production from **Alliance, Alpha, Arch, Blackhawk, Bowie, Cloud Peak, CONSOL, Contura, Coronado, Foresight, Hallador, Murray, Peabody, Ramaco, Rhino, Signal Peak, VCLF, Warrior Met** and **Westmoreland**.

*Note: If you are new to our **MSHA** coverage, let us know so we can explain what it is and more importantly, how to interpret it to benefit you. **DTC** tracks this data to give clients an edge ahead of earnings.*

**MSHA Production Comments by Region**

- **Capp:** We project, using **MSHA** data, that Capp production will come in close to 19.6 mm tons which compares to 21.0 mm for Q2 and 16.3 mm for Q3 2016. **DTC** believes the figure will rise as some of the discrepancies appear to indicate some underreporting. So generally, Capp production has been running close to 20 mm tons per quarter. This is consistent with the strong metallurgical market which has helped boost demand for Capp coal. In terms of surface/underground production, the split remains about 44% surface and 56% underground. **DTC** expects the ratio to continue to increase given the growing emphasis on met coal production.
- **Napp:** We project Napp production of roughly 24.8 mm tons, down from 26.9 mm in Q2 and 26.6 mm in Q3 2016. **MSHA** data show declines at major complexes including **CONSOL's** Bailey/Enlow Fork, **Murray Energy's** Marion County and Century, **Contura's** Cumberland, **VCLF's** Federal and **Arch Coal's** Leer. The above mines added up to a net decrease of 2.5 mm tons from Q2. **Murray Energy** increased output at Marshall County and Monongalia County and **CONSOL's** Harvey also produced more tons than in Q2 which partially offset the declines at the other complexes.
- **Ill Basin:** Estimated production for Q3 is 24.6 mm tons which compares to 26.5 mm in Q2 and 23.9 mm in Q3 2016. Production decreases were reported from **Alliance's** Dotiki, and Hamilton County, **Foresight Energy's** Sugar Camp and Mach, **Hallador's** Oaktown No. 1 and the ramping down of **Murray Energy's** New Future. These were partially offset by increases at **Foresight's** Shay, **Alliance's** River View and Gibson South and **White Stallion's** Friendsville among others.
- **PRB:** All PRB mines have now reported. Total PRB production for Q3 was 93.0 mm tons (including **Signal Peak**). This compares to 77.3 mm for Q2 and 93.3 mm for Q3 2016. **DTC** fully expected the increase in Q3 as this is consistent with seasonal patterns. The three mines that produce the

8800 Btu coal in Wyoming mined and shipped 54.9 mm tons which is up from 45.0 mm in Q2 but marginally down from the 55.4 mm in Q3 2016. The SPRB 8400 mines produced 27.7 mm compared to 24.5 mm in Q2 and 28.7 mm for Q3 2016. For the Montana PRB, production totaled 10.4 mm tons, up from 7.7 mm in Q2 and 9.2 mm in Q3 2016. The increase in the NPRB can mostly be attributed to more west coast exports from **Cloud Peak** and **Signal Peak**.

- **Other regions:** Sapp output is down in Q3 to 2.8 mm tons compared to 3.5 mm in Q2 and 2.3 mm in Q3 2016. Most of this is attributed to the previously announced longwall moves at **Warrior** and reduced output at **ERP's** Oak Grove and **Drummond's** Shoal Creek. CO/UT is missing two major mines so these numbers are likely to change. **DTC** estimates CO/UT production at 6.8 mm tons which compares to 7.6 mm in Q2 and 6.1 mm in Q3 2016. For AZ/NM, Q3 production is 4.6 mm which compares to 5.0 for Q2 and 4.6 mm for Q3 2016. Gulf lignite is down on the closure of the Jewett mine but it looks like production will be down significantly in 2018 assuming the announced closures of the Three Oaks and Turlington (Big Brown) are completed. This will remove roughly 8 mm tons of production (based on 2016 totals).
- **Other metrics:** U.S. coal producers opened or restarted 37 mines in Q3 which produced a total of 440K tons. However, they also idled or closed 39 mines which produced 655K tons in Q2 2017. **DTC** counts 449 active mines in Q3 which produced 10.0 mm more tons than Q2 – most of this was in the PRB.

## MSHA Production Comments by Company

**Alliance:** 100% of ARLP mines have been reported.

Alliance Resource Partners (ARLP) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>Capp</b>	334,839	380,102	-11.91%	304,226	10.06%
<b>Napp</b>	2,242,807	2,343,626	-4.30%	2,223,631	0.86%
<b>ILB</b>	6,011,580	6,835,058	-12.05%	6,066,550	-0.91%
<b>Total</b>	<b>8,589,226</b>	<b>9,558,786</b>	<b>-10.14%</b>	<b>8,594,407</b>	<b>-0.06%</b>
<b>Note:</b> Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

### Will Report Earnings Oct 30<sup>th</sup>

**DTC Comments:** **ARLP** performed two longwall moves in Q3. On the Q2 call, **ARLP** indicated it had roughly 1 mm tons of deferrals due to force majeure conditions at several power plants. These tons will be made up at the contracted price either in 2H 2017 or by Q1 2018 at the latest – depending on rail service.

- **Capp:** All tons are from Mine #4.
- **Napp:** Tunnel Ridge reported 1.78 mm tons, flat seq but up from 1.72 mm tons YoY. Mountain View reported 464K tons, down from 561K tons seq and 500K tons YoY.
- **ILB:** Hamilton (Mine No. 1) reported 891K tons, down from 1.78 mm tons seq but up from 492K tons YoY. Dotiki reported 560K tons, down from 667K tons seq and 924K tons YoY. Gibson South reported 1.50 mm tons, up from 1.38 mm tons seq and 930K tons YoY. River View reported 2.23 mm tons, up from 2.09 mm tons seq and 2.21 mm tons YoY.

**Alpha: 88% of Alpha mines have reported.**

Alpha Natural Resources Holdings, Inc Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>Capp</b>	3,213,056	3,375,903	-4.82%	2,408,677	33.40%
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** Data represents the mines left to **Alpha Natural Resources Holdings** after emerging from Chapter 11 in Q3 2016 and splitting with **Contura**. In July, **Alpha** announced it entered into an Asset Purchase Agreement with **Lexington Coal Company** for assets in KY, IL, TN and WY that included ~280 permits, reclamation equipment, ongoing royalty payments for the properties and 100 mm tons of reserves.

- **Capp:** Aracoma Alma reported 205K tons, down from 234K tons seq but up from 121K tons YoY. Black Castle mine reported 420K tons, down from 425K tons seq but up from 415K tons YoY. Slabcamp reported 262K tons, down from 351K tons seq but up from 233K tons YoY. Alloy surface reported 65K tons, up from 10K tons seq (the mine's first production since Q4 2012).

**Arch: 100% of ARCH mines have reported.**

Arch Coal (ARCH) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>Capp</b>	1,173,231	1,258,453	-6.77%	1,113,410	5.37%
<b>Napp</b>	1,129,842	1,377,495	-17.98%	1,263,461	-10.58%
<b>ILB</b>	408,192	412,352	-1.01%	478,382	-14.67%
<b>CO/UT</b>	874,077	1,525,849	-42.72%	1,312,940	-33.43%
<b>PRB</b>	21,368,648	17,868,305	19.59%	22,539,160	-5.19%
<b>Total</b>	<b>24,953,990</b>	<b>22,442,454</b>	<b>11.19%</b>	<b>26,707,353</b>	<b>-6.57%</b>
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

#### Will Report Earnings Oct 31<sup>st</sup>

**DTC Comments:** **Arch Coal (ARCH)** completed the sale of its Lone Mountain complex (Capp), two thought-to-be idled properties and two prep plants to **Revelation Energy** for \$8.3 mm in September and as such, we have removed production from **Arch's** profile.

- **Capp:** Mt. Laurel reported 268K tons, down from 341K tons seq and 371K tons YoY. Longwall moves were expected at Mt. Laurel in both Q1 and in July.
- **Napp:** Sentinel reported 381K tons, up from 371K tons seq and 286K tons YoY. Leer reported 749K tons, down from 1.01 mm tons seq and 977K tons YoY. A longwall move was scheduled at Leer for Q3.
- **ILB:** All production from Viper.
- **CO/UT:** All production from West Elk. A long wall move was scheduled for Q3.
- **PRB:** Black Thunder reported 19.26 mm tons, up from 15.65 mm tons seq but down from 20.04 mm tons YoY. Coal Creek reported 2.10 mm tons, down from 2.21 mm tons seq and 2.50 mm tons YoY.

**Blackhawk: 100% of Blackhawk mines have reported.**

Blackhawk Mining Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>Capp</b>	3,324,916	3,344,167	-0.58%	2,587,260	28.51%
<b>ILB</b>	0	0	n/a	209,777	n/a
<b>Total</b>	3,324,916	3,344,167	-0.58%	2,797,037	18.87%
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** 3.32 mm tons, down 0.58% seq but up 18.87% YoY.

- **Capp:** Panther reported 395K tons, down from 562K tons seq and 519K tons YoY.
- **ILB:** No production in Q3, flat seq but down from 210K tons YoY. Decline reflects **Blackhawk's** plans announced last year to idle operations due ongoing economic challenges in the domestic thermal market.

**Bowie: 57% of Bowie mines have reported.**

Bowie Resource Partners Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>CO/UT</b>	1,530,117	1,470,131	4.08%	1,307,744	17.00%
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** Still looking for Skyline #3 to report.

- **Sufco:** 1.36 mm tons, up from 1.32 mm tons seq and 1.15 mm tons YoY.
- **Dugout Canyon:** 169K tons, up from 150K tons seq and 159K tons YoY.

**Cloud Peak: 100% of CLD mines have reported.**

Cloud Peak Energy (CLD) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>PRB</b>	15,532,614	14,141,706	9.84%	16,990,198	-8.58%
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**Will Report Earnings Oct 26<sup>th</sup> Post-market**

**DTC Comments:** In August **Cloud Peak (CLD)** was awarded a 160K MT spot tender from **Taipower** for September and October delivery (80K MT each).

- **Spring Creek:** 3.93 mm tons, up from 3.25 mm tons seq and 2.85 mm tons YoY.
- **Antelope:** 7.83 mm tons, up from 6.66 mm tons seq but down from 8.64 mm tons YoY.
- **Cordero:** 3.77 mm tons, down from 4.23 mm tons seq and 5.49 mm tons YoY.

**CONSOL: 100% of CNX/CNXC mines have reported.**

CONSOL Energy Inc (CNX)/CONSOL Coal Resources (CNXC) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>Napp</b>	6,144,695	6,813,737	-9.82%	6,179,252	-0.56%
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**Will Report Earnings Oct 30<sup>th</sup> (CNXC)/Oct 31<sup>st</sup> (CNX)**

**DTC Comments:** 6.14 mm tons, down 9.82% seq and 0.56% YoY.

- **Harvey (BMX):** 1.44 mm tons, up from 1.15 mm tons seq and 1.16 mm tons YoY.
- **Bailey:** 2.76 mm tons, down from 3.14 mm tons seq and 3.05 mm tons YoY. Following the expiration of the permit for panel 4L, Bailey saw one of its longwalls sit idle in September until the decision was made to move to panel 5L. The move was completed and production resumed on October 6. The operation will run additional shifts through the end of 2017 to make up for lost tons.
- **Enlow Fork:** 1.94 mm tons, down from 2.52 mm tons seq and 1.96 mm tons YoY.

**Contura: 100% of CNTE mines have reported.**

Contura Energy (CNTE) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>PRB</b>	8,976,852	6,715,237	33.68%	10,152,895	-11.58%
<b>Napp</b>	1,353,342	1,873,027	-27.75%	1,467,118	-7.76%
<b>Capp</b>	854,793	907,725	-5.83%	895,020	-4.49%
<b>Total</b>	<b>11,184,987</b>	<b>9,495,989</b>	17.79%	<b>12,515,033</b>	-10.63%
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** 11.18 mm tons, up 17.79% seq but down 10.63% YoY.

- **PRB:** Belle Ayr reported 4.47 mm tons, up from 2.92 mm tons seq but down slightly from 4.51 mm tons YoY. Eagle Butte reported 4.50 mm tons, up from 3.79 mm tons seq but down from 5.65 mm tons YoY.
- **Napp:** A roof fall occurred at Cumberland September 19<sup>th</sup> and reportedly buried the headgate; in addition, we heard the longwall has been encountering difficult geology. According to market sources, force majeure notices were sent to customers in early October and advise the operation could be down another 2-4 weeks.
- **Capp:** Deep Mine 41 reported 427K tons, up from 401K tons seq and 413K tons YoY.

**Coronado: 100% of Coronado mines have reported.**

Coronado Coal Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>Capp</b>	2,082,312	2,240,049	-7.04%	1,879,541	10.79%
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** Coronado's low vol met operation, Buchanan Mine #1 reported 1.23 mm tons, down from 1.39 mm tons seq but up from 1.21 mm tons YoY.

**Foresight: 100% of FELP mines have reported.**

Foresight Energy (FELP) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>ILB</b>	5,297,460	5,660,401	-6.41%	4,774,205	10.96%
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** Deer Run is still listed as nonproducing.

- **Mach #1:** 1.61 mm tons, down from 1.74 mm tons seq but up from 1.39 mm tons YoY.
- **MC #1:** 3.11 mm tons, down from 3.45 mm tons seq but up from 2.87 mm tons YoY.
- **Shay #1:** 575K tons, up from 471K tons seq and 516K tons YoY.

**Hallador: 100% of HNRG mines have reported.**

Hallador Energy (HNRG) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>ILB</b>	1,486,501	1,647,338	-9.76%	1,501,359	-0.99%
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

#### Will Report Earnings Nov 6<sup>th</sup> Post-market

**DTC Comments:** 1.49 mm tons, down 9.76% seq and 0.99% YoY.

- **Oaktown Fuels Mine No 1:** 699K tons, down from 928K tons seq and 928 mm tons YoY.
- **Oaktown Fuels Mine No 2:** 669K tons, up from 635K tons seq and 469K tons YoY.
- **Ace in the Hole:** 119K tons, up from 85K tons seq and 105K tons YoY.

**Murray (excluding Foresight): 100% of Murray mines have reported.**

Murray Energy (excluding Foresight) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>Napp</b>	9,075,324	9,412,274	-3.58%	10,660,391	-14.87%
<b>ILB</b>	485,039	1,233,088	-60.66%	838,516	-42.16%
<b>CO/UT</b>	280,359	372,618	-24.76%	426,340	-34.24%
<b>Total</b>	9,840,722	11,017,980	-10.68%	11,925,247	-17.48%
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:**

- **Napp:** Harrison County reported 1.47 mm tons, down from 1.52 mm tons seq and 1.72 mm tons YoY. Marion County reported 1.11 mm tons, down from 1.56 mm tons seq and 1.36 mm tons YoY. Ohio County reported 1.35 mm tons, down from 1.36 mm tons seq and 1.78 mm tons YoY. Monongalia County reported 1.14 mm tons, up from 885K tons seq and 1.07 mm tons YoY. Marshall County reported 2.67 mm tons, up from 2.57 mm seq but down from 2.86 mm tons YoY.

- **ILB:** New Future reported 212K tons, down from 846K tons seq but up from 23K tons YoY.
- **CO/UT:** All tons are from Lila Canyon.

**Peabody: 51% of ILB, 100% of PRB and West mines have reported.**

Peabody Energy Corp (BTU) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>ILB</b>	2,381,822	2,285,440	4.22%	2,324,468	2.47%
<b>PRB</b>	33,170,262	27,978,202	18.56%	32,741,063	1.31%
<b>West</b>	2,755,404	2,679,088	2.85%	2,732,091	0.85%
<b>Total</b>	<b>38,307,488</b>	<b>32,942,730</b>	<b>16.29%</b>	<b>37,797,622</b>	<b>1.35%</b>
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**Will report earnings October 25<sup>th</sup>**

**DTC Comments:**

- **ILB:** Still waiting for Bear Run and Francisco production to be reported.
- **PRB:** Rawhide reported 2.50 mm tons, down from 2.58 mm tons seq but up from 2.35 mm tons YoY. Caballo reported 2.85 mm tons, up from 2.67 mm seq but down from 3.73 mm YoY. North Antelope Rochelle reported 27.81 mm tons, up from 22.72 mm tons seq and 26.67 mm tons YoY.
- **West:** El Segundo reported 1.38 mm tons, up from 1.30 mm tons seq and 1.26 mm tons YoY. Kayenta reported 1.37 mm tons, down from 1.38 mm tons seq and 1.47 mm tons YoY.
- **CO:** No production reported yet for Q3.

**Ramaco: 77% of METC mines have reported.**

Ramaco Resources (METC) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>Capp</b>	142,276	70,615	101.48%	0	#DIV/0!
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** Still looking for Highwall Miner No. 1 to report.

- **Stonecoal Branch Mine No 2:** 67K tons, up from 57K tons seq and no production YoY.
- **Eagle Seam Deep Mine:** 75K tons, up from 14K tons seq and no production YoY.

**Rhino: 100% of Rhino mines have reported.**

Rhino Resource Partners Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>Capp</b>	441,078	399,348	10.45%	211,764	108.29%
<b>ILB</b>	296,222	366,525	-19.18%	284,137	4.25%
<b>Napp</b>	104,116	83,658	24.45%	137,903	-24.50%
<b>CO/UT</b>	267,025	237,258	12.55%	209,371	27.54%
<b>Total</b>	<b>1,108,441</b>	<b>1,086,789</b>	<b>1.99%</b>	<b>843,175</b>	<b>31.46%</b>
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** 1.11 mm tons, up 1.99% seq and 31.46% YoY.

- **Capp:** Mine #28 reported 117K tons, up from 116K tons seq and no tons YoY. Grapevine South reported 109K tons, down from 115K tons seq but up from 49K tons YoY. Remining #3 reported 135K tons, up from 101K tons seq and 54K tons YoY.
- **ILB:** All tons are from Riveredge (Pennyrile) mine.
- **Napp:** 104K tons, up 24.45% seq but down 24.50% YoY.
- **CO/UT:** 267K tons, up 12.55% seq and 27.54% YoY.

**Signal Peak: 100% of mines have reported.**

Global Mining Group Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>MT</b>	1,768,831	1,419,170	24.64%	1,568,066	12.80%
Note: Sequential & YOY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** In August, a US District Court Judge ruled that the Office of Surface Mining must revisit the expansion permit for the mine to take into account the climate change impact the expansion might have. As a result of this action, Signal Peak warned that as many as ~80 miners could lose their jobs if the permit is not granted, with 30 being let go by the end of this month.

**VCLF: 100% of VCLF mines have reported.**

Virginia Conservation Legacy Fund Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>AL</b>	185,123	409,014	-54.74%	385,875	-52.03%
<b>Capp</b>	488,138	615,438	-20.68%	333,454	46.39%
<b>Napp</b>	210,769	378,426	-44.30%	336,130	-37.30%
<b>Total</b>	<b>884,030</b>	<b>1,402,878</b>	<b>-36.98%</b>	<b>1,055,459</b>	<b>-16.24%</b>
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** 884K tons, down 36.98% seq and 16.24% YoY.

- **AL:** All tons are from Oak Grove. The mine suffered a roof fall in July and was under force majeure into August. Since being purchased from **Cleveland-Cliffs**, the mine has added new shields for the longwall, rebuilt 3 continuous miners and upgraded the infrastructure at the prep plant. The Oak Grove mine has a target of 2.3 mm tons/year with a second continuous miner unit added in September.
- **Capp:** Pinnacle reported 312K tons, up from 295K tons seq and 206K tons YoY. Production at Pinnacle has been impacted over the last year by tough geology. The current panel has numerous known slip faults. The mine will move to a new panel in early October with better conditions. The mine will also add another continuous miner ahead of the longwall to help develop the area. Mission has plans for the mine to rebound to 2.7 mm tons/year of low-vol.
- **Napp:** All tons are from Federal No. 2. WARN notices have been issued at this mine for 252 employees, expected to be executed between Nov 10 – 23.



**Warrior: 100% of HCC mines have reported.**

Warrior Met Coal Intermediate Holdco, LLC (HCC) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>AL</b>	1,619,553	1,908,732	-15.15%	578,350	180.03%
Note: Sequential & YOY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** HCC expects to have a longwall move straddling Q3/Q4 and two in Q4. The three moves will be concentrated in a roughly 60-day period. Each move will impact approx. 100-150K tons of output.

- **No. 4:** 480K tons, down from 516K tons seq but up from 56K tons YoY. In Q3 2016, the mine was just coming back online after being idled in H1 '16.
- **No.7:** 1.14 mm tons, down from 1.39 mm tons seq but up from 523K tons YoY.

**Westmoreland: 100% of WLB mines have reported.**

Westmoreland Coal Company (WLB) Quarterly Coal Production (Source: MSHA)					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>WLB</b>	6,793,027	5,353,589	26.89%	8,368,840	-18.83%
Note: Sequential & YOY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**Will report earnings October 31<sup>st</sup>**

**DTC Comments:** 6.79 mm tons, up 26.89% seq but down 18.83% YoY.

- **Absaloka Mine (PRB):** 1.06 mm tons, up from 582K tons seq but down from 1.22 mm tons YoY.
- **Buckingham #6 (Napp):** 178K tons, up from 116K tons seq but down from 181K tons YoY.
- **Kemmerer (WY):** 1.17 mm tons, up from 1.08 mm tons seq and 1.11 mm tons YoY. **WLB** and **PacificCorp** amended their 2017 coal supply agreement in July, increasing annual maximums for 2017-2021 while reducing the Tier 2 price threshold.
- **Beulah (ND):** 125K mm tons, up from 99K tons seq and 121K tons YoY.
- **San Juan Mine 1:** 1.18 mm tons, down from 1.52 mm tons seq but up from 724K tons YoY.

**MSHA Production Comments by Coking Coal Longwall**

Coking Coal Longwalls					
	Q3 2017	Q2 2017	% Change	Q3 2016	% Change
<b>Coronado's Buchanan</b>	1,230,560	1,387,946	-11.34%	1,209,641	1.73%
<b>VCLF's Pinnacle</b>	311,807	294,511	5.87%	205,592	51.66%
<b>Blackhawk's Panther</b>	395,123	561,657	-29.65%	518,623	-23.81%
<b>Arch's Mt. Laurel</b>	267,887	341,016	-21.44%	370,525	-27.70%
<b>Arch's Leer</b>	749,026	1,006,679	-25.59%	977,326	-23.36%
<b>VCLF's Oak Grove</b>	185,123	409,014	-54.74%	385,875	-52.03%
<b>Warrior's No. 4</b>	480,278	516,368	-6.99%	55,686	762.48%
<b>Warrior's No. 7</b>	1,139,275	1,392,364	-18.18%	522,664	117.97%
<b>Drummond's Shoal Creek</b>	341,458	564,005	-39.46%	673,127	-49.27%
<b>Total</b>	<b>5,100,537</b>	<b>6,473,560</b>	<b>-21.21%</b>	<b>4,919,059</b>	<b>3.69%</b>
Note: Sequential & YoY comparisons include only those mines whose production have been posted by <b>MSHA</b> for Q3 2017					

**DTC Comments:** With the exception of Shoal Creek, each of the mines in the table have been addressed above in the producer breakout. When all pulled together into one table, it certainly paints a vastly different landscape in Q3 than many of these producers were anticipating back at the start of the quarter.

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