Wyoming Coal Production

Wyoming Coal Mines

- **Active Mine Site**
- **Potential Mine Site**
- **Reclaimed Mine Site**
Wyoming Coal Production
Exporting from the PNW
Export Cost Profile:

**Illustration of Logistics Services for International Customers**

- **Mine**
- **Third Party Broker**
- **Terminal**
- **Power Plant**

**Existing NAL Benchmarks**
- **FOB Mine Price** ~ $12 per ton

**Logistics Business (affiliated or unaffiliated)**
- **Rail Costs** ~ $35 per ton
- **Terminal Fees** ~ $10 per ton
- **Other** ~ $5 per ton
- **Total** ~ $50 per ton

**Business Risk**
- **Take or Pay Obligations**
  - Rail ~ $75 million per year*
  - Terminal ~ $50 million per year*
  - Term: 5-10 years
  - *Assuming 5M tons per year

**Pricing to International Customer**
- Australian Price (Newcastle): $100/tonne
- With Energy Adjustment: $80/tonne
- With Subbituminous Discount: $68/tonne
- With Indonesian Shipping Delta: $62/tonne
- Convert to Short Tons: $56/ton

**Vessel (Cost typically borne by customer)**
Challenges

Lack of export capacity to ship coal
• Current export capacity in Canada is fully contracted
• Need new terminals to take advantage of market opportunities

Significant NGO opposition
• Opposition to anything dealing with coal
• Enlisting additional opposition to litigate and oppose each and every action
• Rail concerns – congestion, dust, infrastructure

Tribal Considerations
• Historical treaty rights
• Pro-coal tribal interests

International coal prices
• Exasperated by international currency markets
• Strength/weakness of dollar
Thank you!

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