

Coal Trader

Thursday, January 5, 2006

Platts Daily OTC Assessments

Region Btu/Sulf	Feb 06	Ch.	Mar 06	Ch.	2Q 06	Ch.	3Q 06	Ch.	4Q 06	Ch.	CY-07	Ch.
NYMEX 12,000/<1%	56.90	(0.65)	56.90	(1.00)	57.90	(0.25)	58.15	(0.35)	58.25	(0.25)	57.50	(0.45)
CSX 12,500/1%	57.30	(0.10)	57.30	(0.10)	57.55	(0.35)	57.50	(0.25)	57.75	(0.15)	56.70	0.00
PRB 8,800/0.35%	22.00	(0.05)	22.00	0.00	21.55	0.00	21.00	0.35	21.00	0.00	18.60	0.00
PRB 8,400/0.35%	17.20	(0.40)	17.20	(0.20)	16.90	(0.35)	18.50	0.75	18.00	0.25	15.40	0.00

NYMEX spec is FOB barge, others are FOB rail. Ch.=change from last daily Platts Coal Trader assessment.

'Miscommunication' blamed for families being told Sago miners survived

Miscommunication between rescuers, a relay station and the command center was blamed for families who were awaiting word of their loved ones trapped in the Sago mine in West Virginia being told that 12 of 13 had survived, then being told hours later than only 27-year-old Randal L. McCloy survived.

"They needed good information; we were trying to get them good information, but we allowed the jubilation to

go on far longer than it should have," said Bennett Hatfield, president and CEO of International Coal Group, the mine's owner, during a Wednesday afternoon press conference.

He said information was relayed at 11:45 p.m. Tuesday from the rescue team to the command center staffed by ICG, Mine Safety and Health Administration and West Virginia Office of Miners' Health, Safety and

Peabody shuts Black Mesa mine as Mohave closes

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Training officials that 12 miners were alive. The message was relayed from a fresh air base at the mine portal.

ICG Vice President Gene Kitts noted that the rescue team communicated by

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One miner survives explosion at Sago mine; fund will aid victims' families

International Coal Group owner Wilbur L. Ross said late Wednesday that the Sago Mine Fund had been established with a \$2 million grant from the company to provide financial support to victims' families.

"A terrible tragedy has occurred and everyone at International Coal Group shares the grief of the families

of the 12 miners who lost their lives despite the best efforts of our company, Gov. Joe Manchin and the rescue teams," Ross said.

"Our intentions are to do the right thing and protect our people the best we can," said Bennett Hatfield, president and CEO of ICG. "Our goal is to always see that our people get home

safely each day, and we will redouble our efforts to make sure that a tragedy like this never occurs again. Our management is working diligently with the government investigators to learn the cause of the explosion, and we will report all findings in the hope that lessons learned here may help prevent

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OTC Broker Index

Coal Product Specifications	Dec Final Monthly Average	Jan Final Monthly Average	Feb Daily Assessment	Daily Change	2Q 2006 Assessment	Daily Change	1Q Average
NYMEX look-alike - 12,000 Btu/lb. -1%	58.01	57.62	56.90	(0.65)	57.81	(0.34)	57.50
CSX BS/K - 12,500 Btu/lb. -1%	56.72	57.69	57.29	(0.11)	57.56	(0.32)	57.59
PRB - 8,800 Btu/lb.	7.87	19.79	22.00	(0.05)	21.56	0.01	17.55
PRB - 8,400 Btu/lb.	5.88	15.74	17.19	(0.41)	16.88	(0.37)	14.12
CAPP 1% vs. Compliance spread	5.50	7.50	8.00	0.06	7.92	0.04	6.22

This index is done in cooperation with A.E. Bruggemann & Co., Evolution Markets LLC, ICAP Energy and United Power Inc. For comments or questions email: coal@platts.com.

*To view Broker Index methodology visit: <http://www.platts.com> and click the "Coal" tab.

whether Knoxville, Tenn.-based SunCoke, a division of Sunoco Inc., has a buyer for the coke.

SunCoke purchases coal for its Haverhill operations from a number of sources in Virginia, West Virginia and Pennsylvania, he said, declining to elaborate.

The proposed 1.2 million tons/year Ebensburg coke project also is facing an environmental challenge "that's taking a lot longer to resolve ...," he said. Asked if SunCoke will continue to pursue the project if the appeal is not settled soon, he replied, "That's up to Mittal." Officials with the steel company could not be reached for comment.

Amfire Coal would supply an unspecified amount of coal to the Ebensburg coke plant.

'Miscommunication' ... from page 1

radio while wearing oxygen masks. "We don't know where the miscommunication occurred. I was in the command center when the message was received that 12 are alive."

He noted that people in the command center were told not to release the information until it was confirmed.

"We had no idea what [the families] were being told," Hatfield said.

Kitts said McCloy was found by the sound of his moans. "The next communication came 45 minutes later that the survivor was at the fresh air base and was being transported out."

No other survivors

At 12:18 a.m. Wednesday, a message was relayed that the mine rescue team and survivors were leaving the face area. Then at 12:30 a.m. another message was received from the fresh air base that there was one survivor and that "the other 11 showed no vital signs and appeared to be deceased," Hatfield said. "We clung to fervent hope that the other 11 miners might be in some sort of comatose state and could be revived."

At 1:38 a.m., four more rescue teams were dispatched to confirm that the miners were deceased or to provide medical care. "We didn't feel it was prudent to issue a statement without identification and confirmation ...," Hatfield said.

At 2 a.m., officials asked state police to relay to clergy at the Sago Baptist Church where family members waited that there were additional fatalities while officials debriefed the rescue team. "Clearly that did not get carried through very well and that I deeply regret," Hatfield said. At 2:15 a.m. the identifications were confirmed and at 2:30 a.m. company officials met with the families.

"Rightly or wrongly, we believed it was important to make factual statements to the families," Hatfield said. "There was no prudent benefit of saying there could be one or there could be 12 [survivors]. We sincerely regret the manner in which things occurred this morning." However, he stressed that company officials did not tell the families that the 12 had been found alive, but that

was instead relayed by people who had been in the command center by cellular telephone.

Kitts refused to lay blame for the miscommunication.

— Mark E. Heckathorn, mark_heckathorn@platts.com

One survives ... from page 1

similar problems at other mines."

Only Randal L. McCloy Jr., 27, was rescued alive from ICG's Sago mine near Tallmansville, W.Va., late Tuesday evening, more than 41 hours after an explosion trapped 13 miners early Monday morning.

Rescue crews found one body about 9:15 p.m. Tuesday. That miner appeared to have died from injuries received from the explosion itself.

Miscommunication crisis

In a terrible swing of emotions, unofficial word came just before midnight that 12 of the 13 were alive. That turned out to be incorrect.

Miscommunication from the rescue team underground to the command center resulted in the incorrect report of survivors, said Hatfield in a press conference Wednesday afternoon. A conversation was relayed to families without ICG's authorization.

"People in the command center believed there were 12 survivors because that was initially the information that came to the command center, but that was wrong," he said. About 20 minutes after the good news, rescuers reported an "error in the previous communication." There were 12 individuals, but they were not all alive. It appeared 11 were dead and one was alive."

However, the families were not notified of the change for about three hours.

"I would not wish that on anyone," he said early Wednesday morning of the families being initially told 12 had survived. "I regret that it happened. Welcome to the worst day of my life."

Hatfield said the rescue team found the miners about 11:45 p.m. Tuesday at the production face in the second left section of the mine behind a rough barricade miners constructed using a ventilation curtain to secure a safe breathing area about 13,000 feet from the mine portal. "The mine rescue team did an exceptional job of providing medical care to stabilize the lone survivor," he said during a Wednesday afternoon press conference.

"The miners [behind the barricade] survived for a period of time. They had donned their self-contained breathing apparatus and headed to a barricaded area not far from the first drill hole." He said they appeared to have died from carbon monoxide poisoning.

Hatfield surmised that miners tried to exit the mine after the explosion, encountered dense smoke "and concluded they had no safe way to exit the mine." The oxygen supply the miners carried "lasts for one hour with aggressive walk-

ing," but could have possibly been stretched out.

As for McCloy, Hatfield theorized that he may have been the lone survivor because he was "deeper in the barricaded area from the toxic gasses or because he was younger and able to space out his breathing."

Survivor stabilized in hospital

McCloy was treated at a triage center set up at the mine then taken by ambulance to St. Joseph's Hospital in nearby Buckhannon, W.Va., about 1:30 a.m. Wednesday

Dr. Susan Long from St. Joseph's said McCloy was unconscious but moaning when he arrived and was in critical condition. Hospital staff placed him on a ventilator, stabilized him then transferred him by ambulance to West Virginia University's Ruby Memorial Hospital, a level 1 trauma center in Morgantown, W.Va.

Long said McCloy's carbon monoxide levels were negative, he was dehydrated and he had no visible burns. "We have no idea what happened in there. We have no idea if he received trauma in there."

Dr. Larry Roberts of Ruby Memorial said McCloy was in critical but guarded condition about 1:30 p.m. Wednesday. Although he was sedated, Roberts said McCloy "responded with facial expressions and by squeezing hands."

One of McCloy's lungs "was almost completely collapsed when he arrived" at Ruby and he was suffering from carbon monoxide poisoning, "poorly hydrated and having kidney dysfunction," Roberts said. He was placed on hemodialysis, but the doctor said he assumed it would be temporary. "The good news is that in every other bodily function test we do, he is very stable. Oxygen in his tissue seems very normal. There has been progress in the right direction. If the trend continues, I expect he will improve."

Although he had been deprived of oxygen, Roberts said

a hyperbolic chamber was not necessary and a CT scan showed no major injury to McCloy's brain.

— Mark E. Heckathorn, mark_Heckathorn@platts.com

Monthly broker emissions index

Index for December option expiry

	Bid	Offer	Index
S02 - Spot	1592.00	1630.00	1615.00
NOx			
2005	1892	2033	1950
2006	2817	2925	2875
2007	2417	2558	2450

These indexes are done in cooperation with Air Liquid Advisors, Cantor Fitzgerald, Evolution Markets LLC, ICAP Energy, TFS Energy LLC *and* United Power Inc. **For comments or questions email:** coal@platts.com.

* Asterisk connotes bid/ask mean for index value. No asterisk connotes consensus last done trade.

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<http://www.platts.com> and <http://www.emissions.platts.com>.

Weekly broker emissions index

As of week's end, Dec. 30

	Bid	Offer	Index
S02 - Spot	1563.50	1607.00	1587.50
NOx			
2005	1875	2017	1950
2006	2617	2758	2700
2007	2400	2517	2450