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ALPHA REPORTS TO U.S. ATTORNEY'S OFFICE ON PROGRESS UNDER FEDERAL AGREEMENT

Accidents and injuries down at former Massey operations; construction underway at new \$18 million training facility

CHARLESTON, W.Va. – The United States Attorney's Office for the Southern District of West Virginia (USAO) today announced details of a report made by Alpha Natural Resources, Inc. (Alpha) on actions taken under its December 2011 agreement with the USAO (the "Agreement"). The report indicates that Alpha is in compliance with the Agreement and has made substantial progress in improving safety.

Alpha reported that accidents are down by nearly one-third at former Massey mines now owned by Alpha, and injuries are down by nearly 25%.

In Julian, West Virginia, construction has begun on Alpha's new \$18 million training facility, the Running Right Leadership Academy, which is scheduled to open in June 2013. The Academy will comprise approximately 126,000 total square feet of training space, including a 96,000-square-foot, state-of-the-art mine simulation lab that will allow miners to train in realistic mine conditions without training in actual mines. The Academy will provide a comprehensive mine training curriculum and will be available not just to Alpha, but to any mine operator that wants to take advantage of the facility to train its employees. Project plans and a rendering of the new facility are attached to the email version of this release.

Alpha has established a mine safety and health research foundation that will devote \$48 million to research and development projects under the leadership of three nationally recognized experts. In the six months since December 2011, Alpha also has paid the Mine Safety and Health Administration (MSHA) over \$34 million in penalties incurred under Massey, a record for any resolution of MSHA penalties.

"The progress Alpha reported is a very positive beginning to our agreement," said U.S. Attorney Booth Goodwin. "The company has made great strides in addressing the systemic problems it inherited after the merger.

"The health and safety research foundation and the innovations in safety equipment under our agreement have the potential to create major improvements in mine safety, not just at Alpha but across the country," Goodwin continued.

"And the financial consequences of Massey's behavior are a powerful reminder that cutting corners on safety is bad for business.

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“There is still work to be done, as Alpha has acknowledged,” Goodwin said. “But a lot’s been accomplished over the past six months, and I look forward to another good report in December.”

Alpha has done remedial safety maintenance at all its former Massey mines and has added maintenance and safety personnel at former Massey operations. The company also has purchased state-of-the-art digital explosibility meters to check for dangerous conditions in all its mines, a step recommended after the UBB explosion by an independent investigation panel appointed by West Virginia’s then Governor (now U.S. Senator) Joe Manchin. In addition, Alpha has implemented rock dusting and cleanup plans for all its mines, including former Massey mines, as well as a system to monitor results under those plans and to add or reallocate resources where needed.

This month, Alpha plans to make its first purchase of a cutting-edge cascading oxygen escape system, which helps miners safely get out of a mine in an emergency. Alpha ultimately expects to invest at least \$10-\$12 million in these systems. The company also has hired a mine technology company to develop wireless sensors that can check for potentially explosive methane gas anywhere in a mine. The sensors, which will be in place in all Alpha’s mines by next year, also will make sure mine air is circulating properly in critical locations.

Alpha has hired a new Director of Regulatory Compliance to focus exclusively on meeting health and safety standards. Under the supervision of the Director of Regulatory Compliance, Alpha has conducted safety compliance visits at all its underground mines. Those visits will be repeated at least every six months. The company also has re-engineered the ventilation systems at former Massey mines where a need for ventilation improvements were identified, and has similarly re-engineered systems for preventing dangerous roof falls.

Alpha has implemented its Running Right safety program at all former Massey mines, giving all miners a way to anonymously report to managers their safety concerns and ideas for improvement and requiring managers to address all problems reported. In addition, the company has trained more than 4,200 employees in areas that include how to spot potential safety problems in mines, how to properly conduct mine safety examinations, and leadership skills.

Alpha also reported that it plans to meet the 2018 requirements for emergency refuge shelters several years earlier than required, pending MSHA approval. These upgrades include shelters that can withstand more powerful explosions and hotter temperatures and that have space for more miners.

Additional details provided in Alpha’s report include the following:

Injury and Accident Rates

At former Massey mines, the total reportable incident rate, a statistic measuring overall accidents, fell from 5.74 in the quarter just after Alpha assumed control to 3.86 in the quarter after the Agreement, a decline of 32.8%. Non-fatal days lost, a measure of injuries, dropped from 3.23 in the quarter just after Alpha assumed control to 2.45 in the quarter after the Agreement, a decrease of 24%.

Payments to MSHA

Since last December, Alpha has paid MSHA over \$34 million in penalties incurred by Massey. That total includes a payment of nearly \$11 million for citations issued in December 2011 in connection with the UBB explosion. Rather than challenging any of the UBB-related citations, Alpha instead paid them in full less than a week after they were issued. Moreover, because Alpha dropped Massey’s challenges to all outstanding citations as a term of the Agreement, MSHA’s backlog of contested cases was reduced substantially.

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