

CONTURA ENERGY, INC.



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2017

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Financial Statements

CONTURA ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
(Amounts in thousands, except share and per share data)

	Three Months Ended March 31, 2017
Revenues:	
Coal revenues	\$ 508,890
Freight and handling revenues	60,223
Other revenues	4,320
Total revenues	573,433
Costs and expenses:	
Cost of coal sales (exclusive of items shown separately below)	368,152
Freight and handling costs	60,223
Other expenses	1,453
Depreciation, depletion and amortization	16,931
Amortization of acquired intangibles, net	19,658
Selling, general and administrative expenses (exclusive of depreciation, depletion and amortization shown separately above)	13,829
Secondary offering costs	942
Mark-to-market adjustment - acquisition-related obligations	(4,357)
Total costs and expenses	476,831
Income from operations	96,602
Other income (expense):	
Interest expense	(11,468)
Interest income	31
Loss on early extinguishment of debt	(38,701)
Mark-to-market adjustment for warrant derivative liability	2,160
Equity loss in affiliates	(1,211)
Miscellaneous income, net	205
Total other expense, net	(48,984)
Income before income taxes	47,618
Income tax expense	(10,347)
Net income	\$ 37,271
Basic income per common share	\$ 3.62
Diluted income per common share	\$ 3.47
Weighted average shares - basic	10,309,428
Weighted average shares - diluted	10,728,281

CONTURA ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited)
(Amounts in thousands, except share and per share data)

	March 31, 2017
Assets	
Current assets:	
Cash and cash equivalents	\$ 240,607
Trade accounts receivable, net	136,458
Inventories, net	63,625
Assets held for sale	1,714
Prepaid expenses and other current assets	34,870
Total current assets	477,274
Property, plant, and equipment, net	316,035
Other acquired intangibles (net of accumulated amortization of \$81,509)	67,491
Long-term restricted cash	49,321
Long-term deposits	55,435
Other non-current assets	34,343
Total assets	\$ 999,899
Liabilities and Stockholders' Equity	
Current liabilities:	
Current portion of long-term debt	\$ 6,461
Trade accounts payable	87,807
Acquisition-related obligations - current	19,218
Accrued expenses and other current liabilities	81,379
Total current liabilities	194,865
Long-term debt	384,893
Acquisition-related obligations - long-term	52,884
Asset retirement obligations	192,091
Other non-current liabilities	99,287
Total liabilities	924,020
Stockholders' Equity	
Preferred stock - par value \$0.01, 2.0 million shares authorized, none issued	—
Common stock - par value \$0.01, 20.0 million shares authorized, 10.3 million issued and outstanding at March 31, 2017	103
Additional paid-in capital	47,420
Accumulated other comprehensive income	2,016
Treasury stock, at cost: 81 shares at March 31, 2017	(1)
Retained earnings	26,341
Total stockholders' equity	75,879
Total liabilities and stockholders' equity	\$ 999,899

CONTURA ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
(Amounts in thousands)

		Three Months Ended March 31, 2017
Operating activities:		
Net income	\$	37,271
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization		16,931
Amortization of acquired intangibles, net		19,658
Accretion of acquisition-related obligations discount		2,413
Mark-to-market adjustment for warrants derivative liability		(2,160)
Mark-to-market adjustment for acquisition-related obligations		(4,357)
Equity loss in affiliates		1,211
Accretion of asset retirement obligations		5,525
Employee benefit plans, net		1,178
Non-cash loss on extinguishment of debt		13,665
Other, net		2,005
Changes in operating assets and liabilities		42,873
Net cash provided by operating activities		136,213
Investing activities:		
Capital expenditures		(12,878)
Proceeds from sale of property, plant and equipment		250
Capital contribution to equity affiliates		(1,180)
Purchase of additional ownership interest in equity affiliate		(13,293)
Net cash used in investing activities		(27,101)
Financing activities:		
Proceeds from borrowings on debt		396,000
Principal repayments of debt		(356,500)
Principal repayments of capital lease obligations		(223)
Debt issuance costs		(10,389)
Debt extinguishment costs		(25,036)
Principal repayments of notes payable		(305)
Net cash provided by financing activities		3,547
Net increase in cash and cash equivalents		112,659
Cash and cash equivalents at beginning of period		127,948
Cash and cash equivalents at end of period	\$	240,607
Supplemental cash flow information:		
Cash paid for interest	\$	20,627
Supplemental disclosure of non-cash investing and financing activities:		
Capital leases and capital financing - equipment	\$	147
Accrued capital expenditures	\$	7,799

CONTURA ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (Unaudited)
(Amounts in thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Treasury Stock at Cost	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balances, December 31, 2016	10,309	\$ 103	\$ 45,964	\$ 2,087	\$ —	\$ (10,930)	\$ 37,224
Net income	—	—	—	—	—	37,271	37,271
Other comprehensive loss	—	—	—	(71)	—	—	(71)
Stock-based compensation and net issuance of common stock for share vesting	—	—	1,456	—	(1)	—	1,455
Balances, March 31, 2017	10,309	\$ 103	\$ 47,420	\$ 2,016	\$ (1)	\$ 26,341	\$ 75,879