

## CONSOL Energy Announces Development of the Itmann Mine

CANONSBURG, Pa., May 8, 2019 [/PRNewswire/](#) -- CONSOL Energy Inc. (NYSE: CEIX) announced today that it has commenced the development of a new low-vol metallurgical coal mining operation in Wyoming County, West Virginia, with an anticipated completion date of 2021.

"We are very pleased to announce the commencement of the Itmann Mine project, our first major growth initiative," said Jimmy Brock, Chief Executive Officer of CONSOL Energy Inc. "Since becoming an independent publicly-traded company, we have meaningfully de-levered our balance sheet and improved our liquidity through strong operational performance and completion of our 1Q19 refinancing. We also continue to return capital to our shareholders through our expanded repurchase program announced today. The Itmann Mine begins the next phase of our evolution, as we are now focusing on strategic and controlled growth as an additional avenue to increase our per-share value.

"Consistent with our goal of being a low-cost, high-margin producer of high-quality products, we believe the Itmann Mine will align perfectly with our current asset base. It will further diversify our already robust portfolio by adding a new metallurgical coal product stream to the mix. When combined with our current crossover metallurgical product from the Pennsylvania Mining Complex, which we anticipate will continue to become more attractive in the marketplace with an upcoming improvement in sulfur content, the addition of this new Itmann product should allow us to consistently produce 2.5+ million tons of metallurgical quality coal annually, after the mine and preparation plant are constructed and fully functioning in 2021. We are also excited about the timing of the Itmann project, as coking coal prices remain attractive. While other new metallurgical coal supply is expected to emerge in the U.S. in the coming years, we believe that most of this new supply will be focused on high-vol metallurgical products; meanwhile, the Itmann Mine is targeted at the domestic low-vol production space, which recently has seen some supply come offline, and which we believe could continue to remain constrained going forward due to limited availability of high-quality reserves. Our initial market outreach has indicated a strong interest level among domestic and international customers in the Itmann product."

Some key expected economic metrics surrounding the Itmann project are summarized below:

- 600+ thousand tons per year of high-quality, low-vol coking coal production at full run rate.
- Anticipated mine life of 25+ years.
- Cash cost of coal sold per ton<sup>1</sup> of \$65-\$75, once steady-state production is achieved.
- Construction of the mine is expected to begin in late 2019 or early 2020, pending successful permitting and project development efforts, which are ongoing and progressing as planned.
- Full production is expected in 2021, upon the completion of a new preparation plant.
- Total capital expenditures of \$65-\$80 million over the next two years to develop the mine and preparation plant.

We expect that this project will be funded internally by our strong organic free cash flow generation and will not significantly affect our ability to continue to de-lever our balance sheet or to opportunistically repurchase CEIX shares or CCR units.

### Footnotes:

<sup>1</sup>CEIX is unable to provide a reconciliation of cash cost of coal sold per ton, an operating ratio derived from non-GAAP financial measures, due to the unknown effect, timing and potential significance of certain income statement items.

### About CONSOL Energy Inc.

CONSOL Energy Inc. (NYSE: CEIX) is a Canonsburg-based producer and exporter of high-Btu bituminous thermal and crossover metallurgical coal. It owns and operates some of the most productive longwall mining operations in the Northern Appalachian Basin. Our flagship operation is the Pennsylvania Mining Complex, which has the capacity to produce approximately 28.5 million tons of coal per year and is comprised of 3 large-scale underground mines: Bailey, Enlow Fork, and Harvey. The company also owns and operates the CONSOL Marine Terminal, which is located in the port of Baltimore and has a throughput capacity of approximately 15 million tons per year. In addition to the ~698 million reserve tons associated with the Pennsylvania Mining Complex, the company also controls approximately 1.6 billion tons of greenfield thermal and metallurgical coal reserves located in the major coal-producing basins of the eastern United States. Additional information regarding CONSOL Energy may be found at [www.consolenergy.com](http://www.consolenergy.com).

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### **Cautionary Statement Regarding Forward-Looking Statements**

Certain statements in this press release are "forward-looking statements" within the meaning of the federal securities laws. With the exception of historical matters, the matters discussed in this press release are forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) that involve risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in or implied by the forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenues, income and capital spending. When we use the words "anticipate," "believe," "could," "continue," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," "will," or their negatives, or other similar expressions, the statements which include those words are usually forward-looking statements. When we describe strategy that involves risks or uncertainties, we are making forward-looking statements. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Specific risks, contingencies and uncertainties are discussed in more detail in our filings with the Securities and Exchange Commission. The forward-looking statements in this press release speak only as of the date of this press release and CEIX disclaims any intention or obligation to update publicly any forward-looking statements, whether in response to new information, future events, or otherwise, except as required by applicable law.

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