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CONSOL COAL RESOURCES LP

# CONSOL Energy Inc.
# CONSOL Coal Resources LP

## Investor Presentation

August 2018

# Disclaimer

This presentation contains statements, estimates and projections which are forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended). Statements that are not historical are forward-looking, and include, without limitation, projections and estimates concerning the timing and success of specific projects and the future production, revenues, income and capital spending of CONSOL Energy, Inc. ("CEIX") and CONSOL Coal Resources LP ("CCR," and together with CEIX, "we," "us," or "our"). 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. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those statements, plans, estimates and projections. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of future actual results. 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. Factors that could cause future actual results to differ materially from the forward-looking statements include risks, contingencies and uncertainties that relate to, among other matters, the following: whether the operational, strategic and other benefits of CEIX's separation from CNX Resources Corporation ("CNX") can be achieved; whether the costs and expenses of CEIX's separation can be controlled within expectations; deterioration in economic conditions in any of the industries in which our customers operate may decrease demand for our products, impair our ability to collect customer receivables and impair our ability to access capital; volatility and wide fluctuation in coal prices based upon a number of factors beyond our control including oversupply relative to the demand available for our products, weather and the price and availability of alternative fuels; an extended decline in the prices we receive for our coal affecting our operating results and cash flows; the risk of our debt agreements and changes in interest rates affecting our operating results and cash flows, the effect of the affiliated company credit agreement on CEIX's cash flows and the restrictions contained therein on CCR's business; foreign currency fluctuations that could adversely affect the competitiveness of our coal abroad; our customers extending existing contracts or entering into new long-term contracts for coal on favorable terms; our reliance on major customers; our inability to collect payments from customers if their creditworthiness declines or if they fail to honor their contracts; our inability to acquire additional coal reserves and other assets; our inability to control the timing of divestitures and whether they provide their anticipated benefits; the availability and reliability of transportation facilities and other systems, disruption of rail, barge, gathering, processing and transportation facilities and other systems that deliver our coal to market and fluctuations in transportation costs; a loss of our competitive position because of the competitive nature of coal industries, or a loss of our competitive position because of overcapacity in these industries impairing our profitability; coal users switching to other fuels in order to comply with various environmental standards related to coal combustion emissions; the impact of potential, as well as any adopted environmental regulations including any relating to greenhouse gas emissions on our operating costs as well as on the market for coal; the risks inherent in coal operations, including our reliance upon third party contractors, being subject to unexpected disruptions, including geological conditions, equipment failure, delays in moving out longwall equipment, railroad derailments, security breaches or terroristic acts and other hazards, timing of completion of significant construction or repair of equipment, fires, explosions, seismic activities, accidents and weather conditions which could impact financial results; decreases in the availability of, or increases in, the price of commodities or capital equipment used in our coal mining operations; obtaining, maintaining and renewing governmental permits and approvals for our coal operations; the effects of government regulation on the discharge into the water or air, and the disposal and clean-up of, hazardous substances and wastes generated during our coal operations; the effects of stringent federal and state employee health and safety regulations, including the ability of regulators to shut down our operations; the potential for liabilities arising from environmental contamination or alleged environmental contamination in connection with our past or current coal operations; the effects

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of mine closing, reclamation and certain other liabilities; defects in our chain of title for our undeveloped reserves or failure to acquire additional property to perfect our title to coal rights; uncertainties in estimating our economically recoverable coal reserves; labor availability, relations and other workforce factors; defaults by CEIX under its operating agreement, employee services agreement and affiliated company agreement; changes in CCR's tax status; conflicts of interest that may cause CCR's general partner or CCR's sponsor to favor their own interest to CCR's detriment; the requirement that CCR distribute all of its available cash; the outcomes of various legal proceedings; exposure to employee-related long-term liabilities; failure by Murray Energy to satisfy liabilities it acquired from CNX, or failure to perform its obligations under various arrangements that CNX guaranteed and for which CEIX has indemnification obligations to CNX; information theft, data corruption, operational disruption and/or financial loss resulting from a terrorist attack or cyber incident; operating in a single geographic area; certain provisions in our multi-year coal sales contracts may provide limited protection during adverse economic conditions, and may result in economic penalties or permit the customer to terminate the contract; the majority of the common units that CEIX holds in CCR are subordinated, and CEIX may not receive distributions from CCR; the potential failure to retain and attract skilled personnel; the impact of CEIX's separation and risks relating to CEIX's ability to operate effectively as an independent, publicly traded company, including various costs associated with operation, and any difficulties associated with enhancing its accounting systems and internal controls and complying with financial reporting requirements; unfavorable terms in CEIX's separation from CNX, related agreements and other transactions and CEIX's agreement to provide certain indemnification to CNX; any failure of the our customers, prospective customers, suppliers or other companies with which we conduct business to be satisfied with our financial stability, or our failure to obtain any consents that may be required under existing contracts and other arrangements with third parties; a determination by the IRS that the distribution of CEIX's common stock or certain related transactions should be treated as a taxable transaction; our ability to engage in desirable strategic or capital-raising transactions; the existence of any actual or potential conflicts of interest of CEIX's directors or officers because of their equity ownership in CNX as a result of the separation; exposure to potential liabilities arising out of state and federal fraudulent conveyance laws and legal dividend requirements as a result of the separation and related transactions; uncertainty with respect to CEIX's common stock, including as to whether an active trading market will develop for CEIX's common stock, potential stock price volatility and future dilution; the existence of certain anti-takeover provisions in our governance documents, which could prevent or delay an acquisition of us and negatively impact the trading price of our common stock or units; and other unforeseen factors. Additional factors are described in detail under the captions "Cautionary Statements Regarding Forward-Looking Statements" and "Risk Factors" in our public filings with the Securities and Exchange Commission. The forward-looking statements in this presentation speak only as of the date of this presentation; we disclaim any obligation to update the statements, and we caution you not to rely on them unduly.

This presentation includes unaudited "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, including EBIT, EBITDA, Adjusted EBITDA, Bank EBITDA, PAMC Adjusted EBITDA, leverage ratio, bank net leverage ratio, adjusted net leverage ratio, consolidated debt, Adjusted EBITDA attributable to CONSOL Energy shareholders and Free Cash Flow. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in the isolation from, the financial measures reported in accordance with GAAP. See the Appendix for a reconciliation of the non-GAAP financial measures included in this presentation to their comparable GAAP financial measures. References to historical measures means historical predecessor measures, for which we have provided calculations and reconciliations in the Appendix.

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# Introduction

# Performance Since Spin-off from CNX as an Independent Public Company in November 2017

- Equity market capitalization more than doubled to $1.31B[1]
- Improved net leverage to 1.6x (bank method)
- Improved 2018 Adjusted EBITDA guidance by 20% YTD through June 2018 - on pace to grow 11% at the mid-point compared to 2017 levels
- 2018 sales volume on pace for 3% growth at guidance mid-point vs. 2017
- Repaid $49 million of various tranches of debt through June 30, 2018
- Senior secured second lien debt is currently trading at 12% premium
- Signed a multi-year 14 MT export contract with take-or-pay terminal revenue

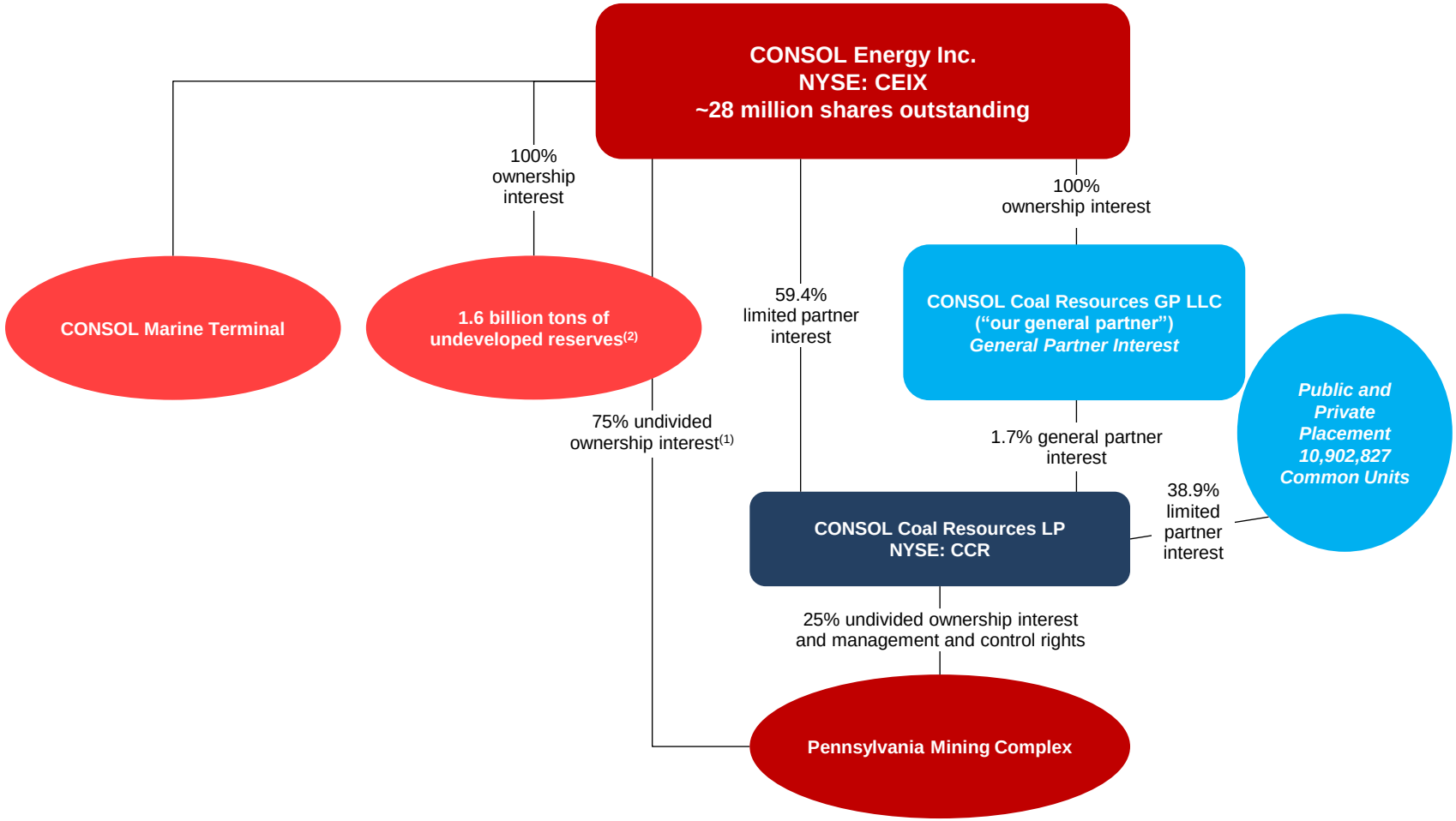
(1) Comparison is based on intra-day 8/2/2018 market cap of $1.31B vs open price of $21.87 on November 28, 2017 multiplied by 28 million shares.

# Pure-Play Coal Company with Significant Current and Growing Export Exposure

- CONSOL Energy Inc. ("CEIX") was created through the November 2017 spin-off of CNX Resources Corporation's ("CNX") coal business
- **Differential Assets:** Foundation of CEIX is the premier US mining complex, Pennsylvania Mining Complex ("PAMC")
  - 75% undivided interest in PAMC; 100% ownership of CONSOL Marine Terminal ("CMT"); 1.6 BTs of undeveloped coal reserves
- **MLP Ownership:** CEIX owns the GP and ~60% LP interest in CONSOL Coal Resources LP (NYSE: "CCR")
  - CCR is an MLP formed in 2015 with a current 25% undivided interest in PAMC
  - CCR has consistently paid $0.5125/unit quarterly distribution to its common unitholders since its June 2015 IPO
- **FCF Generation:** PAMC is the workhorse for CEIX and CCR generating FCF(1) throughout the downturn in 2015-2016
  - 2014-17 average of $449 million annual PAMC Adjusted EBITDA(1) and $297 million annual free cash flow (FCF)(1)
- **Two Ways To Invest:** CEIX and CCR enable investors access to participate in growing global thermal and met coal demand with a differentiated marketing strategy and control through ownership in our CONSOL Marine Terminal
  - CCR - MLP with a consistent distribution history, currently yielding ~13%
  - CEIX - C-Corp with ability to capture share price appreciation tying to a broader set of assets

(1) PAMC Adjusted EBITDA is defined as Adjusted EBITDA attributable to the Pennsylvania Mining Complex segment. Free cash flow or "FCF" herein is defined as PAMC Adjusted EBITDA less capex. These are non-GAAP measures. A reconciliation to the GAAP measures is provided in the Appendix.

# Organizational Structure Overview




Source: CONSOL Energy Inc. filings and Management.
(1) Owned through CONSOL Pennsylvania Coal Company LLC ("CPCC") and Conrhein Coal Company ("Conrhein").
(2) Through various subsidiaries and associated entities.

# 2Q18 Performance Executive Summary and 2018 Outlook

- PAMC posted 2Q18 revenue and cash margins per ton[1] of $47.34 and $20.35, respectively, an improvement of 6% and 30% compared to 2Q17 .
- CEIX posted 2Q18 Earnings per Diluted Share of $1.58 and Adjusted EBITDA[1] of $136 million.
- CCR announced 2Q18 Net Income per Limited Partner Unit – Diluted of $0.69 per unit and Adjusted EBITDA[1] of $34 million.
- Raised 2018 Adjusted EBITDA guidance for CEIX and CCR by 11% and 5%, respectively.
- CEIX generated Organic Free Cash Flow Net to CEIX Shareholders[1] of $123 million.
- CEIX and CCR net leverage ratios[2] declined to 1.3x and 1.5x, respectively, due to higher EBITDA, debt repayments and strong cash generation.
- PAMC set production and sales volume records in 2Q18.
- CEIX reduced outstanding debt and equity year-to-date June 30, 2018 by $49 million and $3 million, respectively.
- **CEIX Board increased repurchase authorization to $100MM through June 30, 2019. Potential avenues include CEIX stock, CCR units and CEIX senior secured notes.**

(1) A non-GAAP measure. Please see the appendix for a definition of this measure and also a reconciliation to the most directly comparable GAAP measure.
(2) Please see page 24 for a definition/calculation of this ratio.
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# Second Quarter Results and 2018 Guidance Raise

| Earnings Results | For the Quarter Ended | | | Guidance | |
|---|---|---|---|---|---|
| | June 30, 2018 | June 30, 2017 | Change | CEIX 2018[4] | CCR 2018[4] |
| **Pennsylvania Mining Complex** | | | | | |
| **Volumes (MM Tons)** | | | | | |
| Production | 7.7 | 6.8 | 0.9 | | |
| Sales | 7.8 | 6.8 | 1.0 | 26.4 - 27.4 | 6.60 - 6.85 |
| **Operating Metrics ($/Ton)** | | | | | |
| Average Revenue per Ton Sold | $47.34 | $44.75 | $2.59 | $47.75 - $48.75 | $47.75 - $48.75 |
| Average Cash Cost per Ton Sold[1] | $26.99 | $29.08 | ($2.09) | $28.50 - $29.50 | $28.50 - $29.50 |
| Average Cash Margin per Ton Sold[1] | $20.35 | $15.67 | $4.68 | | |
| **CONSOL Marine Terminal** | | | | | |
| **Volumes (MM Tons)** | | | | | |
| Throughput Volume | 3.5 | 3.6 | (0.1) | 12.0 - 15.0 | |
| **Financials ($MM)** | | | | | |
| Terminal Revenue | 17 | 15 | 2 | | |
| Operating and Other Costs | 6 | 5 | 1 | | |
| **CEIX Financials ($MM)** | | | | | |
| Adjusted EBITDA[2] | 136 | 96 | 40 | 425 - 465 | |
| Capital Expenditures | 34 | 14 | 20 | 125 - 145 | |
| Organic Free Cash Flow Net to CEIX Shareholders[3] | 123 | 36 | 87 | | |
| Earnings per Share - Dilutive ($/share) | $1.58 | $1.71 | ($0.13) | | |
| **CCR Financials ($MM)** | | | | | |
| Adjusted EBITDA[2] | 34 | 25 | 9 | | 100 - 120 |
| Capital Expenditures | 7 | 3 | 4 | | 31 - 36 |
| Organic Free Cash Flow[3] | 42 | 20 | 22 | | |
| Net Income per Limited Partner Unit - Diluted ($/unit) | $0.69 | $0.40 | $0.29 | | |

(1) "Average cash cost per ton sold" & "average cash margin per ton sold" are operating ratios derived from non-GAAP financial measures, each of which are reconciled to the most directly comparable GAAP financial measure in the appendix.
(2) Adjusted EBITDA is a non-GAAP financial measure. Please see the appendix for a definition of Adjusted EBITDA and a reconciliation to net income.
(3) Organic Free Cash Flow Net to CEIX Shareholders is defined as Net Cash Provided by Operations less Capital Expenditures, less Distributions to Noncontrolling Interest. Organic Free Cash Flow is defined as Net Cash Provided by Operations less Capital Expenditures. Please see the appendix for a reconciliation.
(4) CEIX & CCR are unable to provide a reconciliation of adjusted EBITDA guidance to net income, the most comparable financial measure calculated in accordance with GAAP, nor a reconciliation of average cash cost per ton sold, an operating ratio derived from non-GAAP financial measures, due to the unknown effect, timing and potential significance of certain income statement items.

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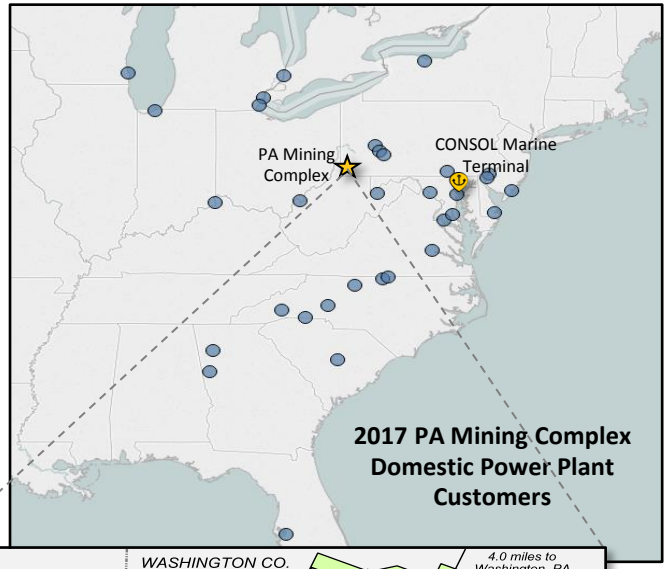
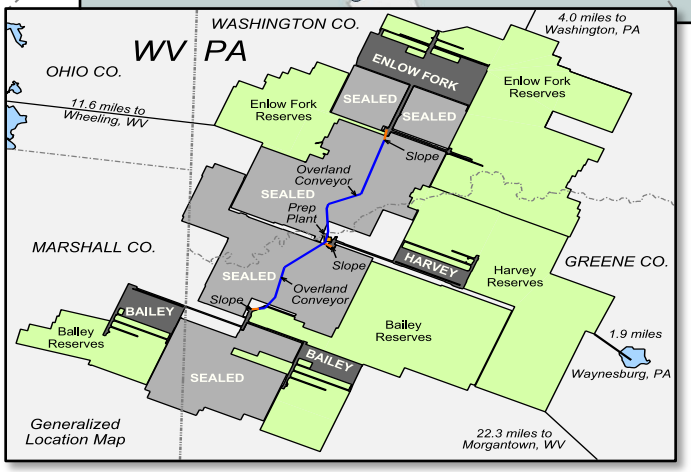
# Operations

# Pennsylvania Mining Complex Overview

- Three highly productive, well-capitalized underground coal mines
- Five longwalls and 15-17 continuous miner sections
- Largest central preparation plant in the United States
- ~79% of 736 mm ton reserves are owned and require no royalty payment
- Extensive logistics network served by two Class I railroads
- Access to seaborne markets through CONSOL Marine Terminal
- Nearly $1.5bn invested in the mine operations since 2012
- Non-union workforce since 1982



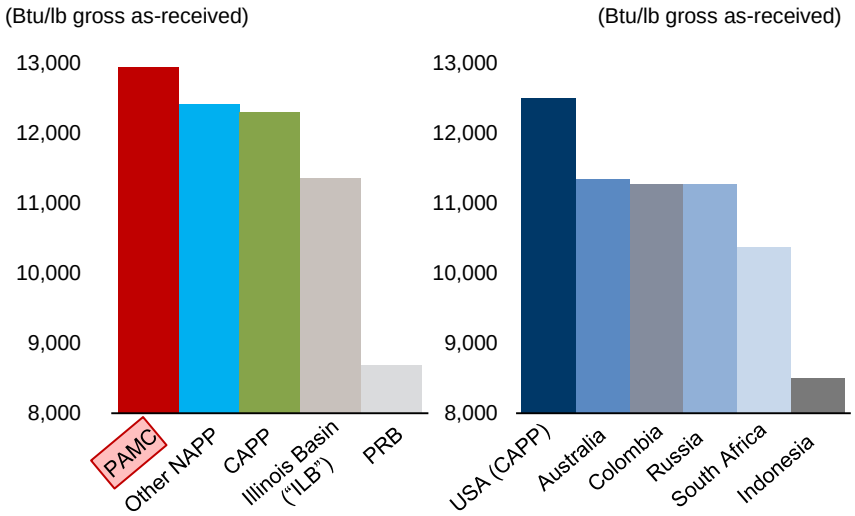

| Mine | Total Recoverable Reserves* | Average AR Gross Heat Content (Btu/lb) | Average AR Sulfur Content | Est. Annual Production Capacity*(3) | 2017A Production* |
|---|---|---|---|---|---|
| Bailey(1) | 245 | 12,898 | 2.60% | 11.5 | 12.1 |
| Enlow Fork(1) | 296 | 12,897 | 2.12% | 11.5 | 9.2 |
| Harvey(1) | 195 | 12,963 | 2.22% | 5.5 | 4.8 |
| **Total** | **736** | **12,915** | **2.30%** | **28.5** | **26.1** |
| Illinois Basin(2) | | 11,348 | 2.94% | | |
| Other Napp(2) | | 12,410 | 3.27% | | |

*(million tons)

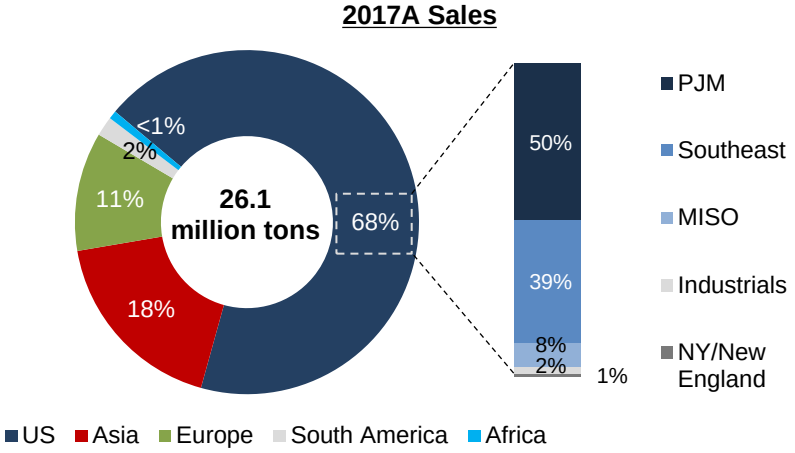
Source: CONSOL Energy Inc. management, ABB Velocity Suite, EIA
Note: Data shown on a 100% basis for PAMC
(1) For the fiscal year period ending and as of 12/31/2017
(2) Represent the average of power plant deliveries for the three years ending 12/31/17 per EIA / ABB Velocity Suite. Excludes waste coal
(3) Represents illustrative general capacity for each mine; actual production on a mine by mine basis can exceed illustrative capacity in order to maximize complex capacity of 28.5MM tons

# The Premier U.S. Coal Mining Complex

## Best-in-class Btu content[1]

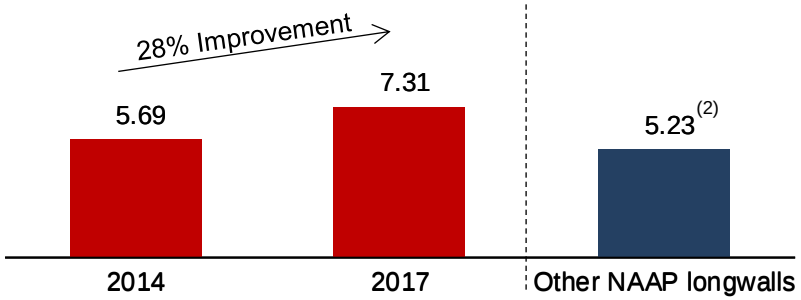



## Highly-diversified portfolio with access to free markets

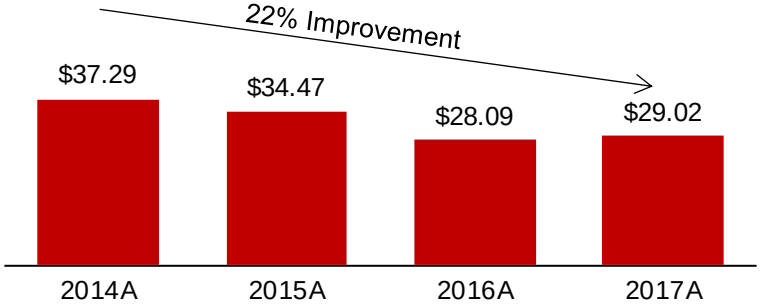



## Highly productive and cost efficient mines

### *Tons of coal production per employee hour*




### *Operating costs per ton sold[3]*




Source: CONSOL Energy Inc. management, Mine Safety and Health Administration ("MSHA"), ABB Velocity Suite, EIA, and S&P Global Platts

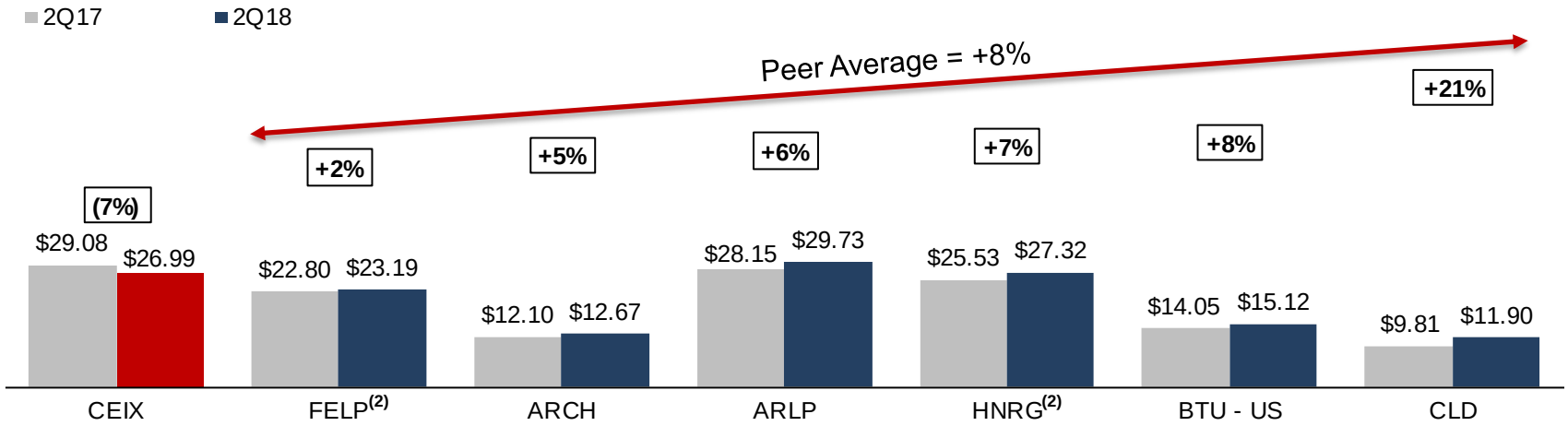
(1) Other NAPP, CAPP, ILB and PRB represent the average of power plant deliveries for the three years ending 12/31/2017 per EIA / ABB Velocity Suite. Excludes waste coal. BTU content for other countries from S&P Global Platts.

(2) Average for the year ended 2017.

(3) PAMC operating costs per historical SEC filings.

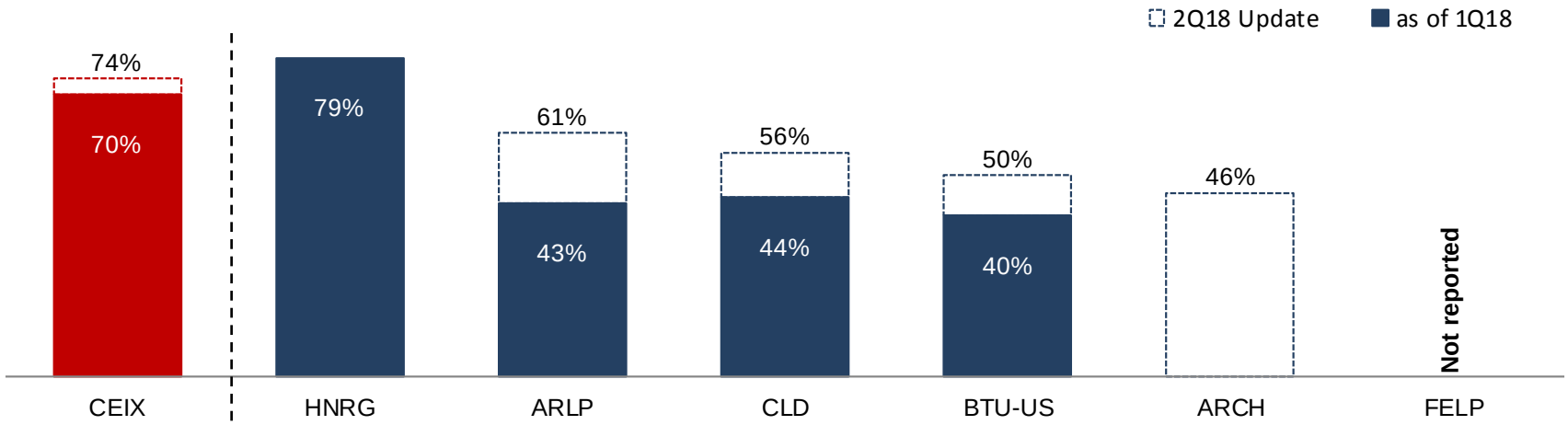
# Thermal Coal Peer Benchmarking Analysis

## Cash Cost Improvement[1]



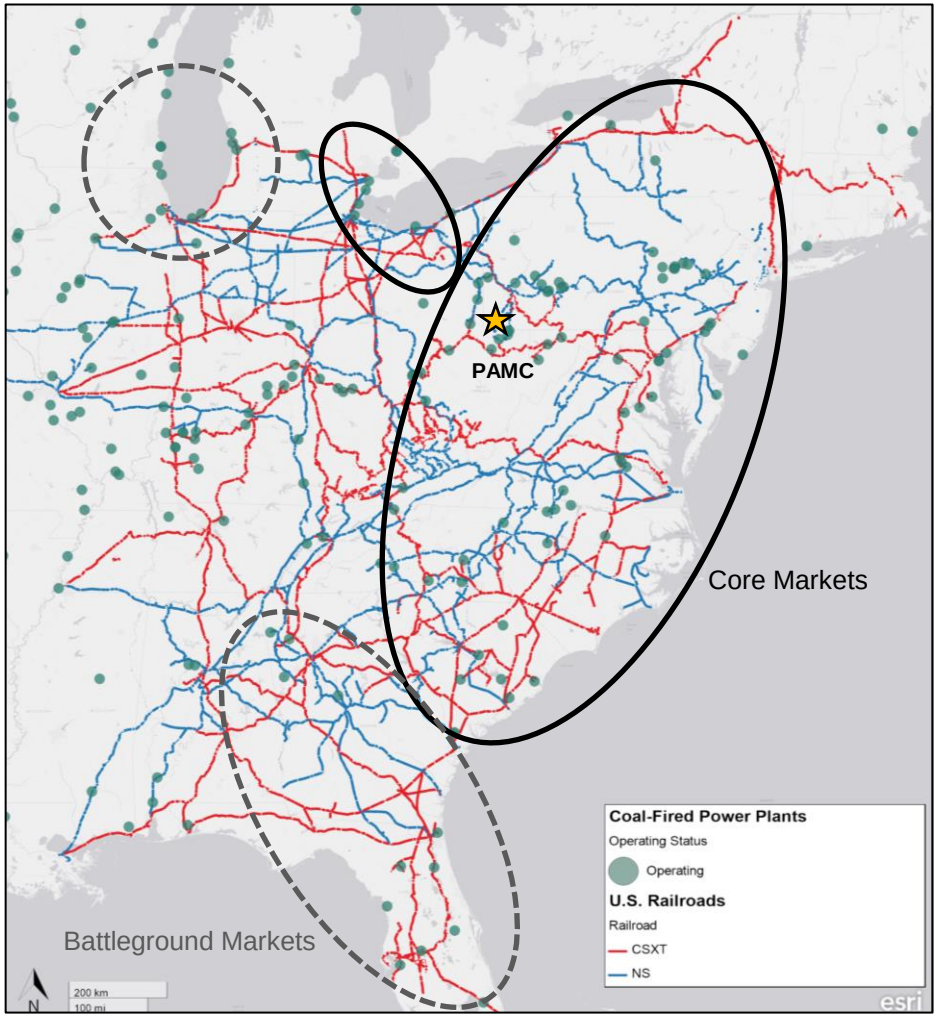

## Committed volume - contract portfolio provides sales visibility[3]

***2019E peers comparison (% committed)***

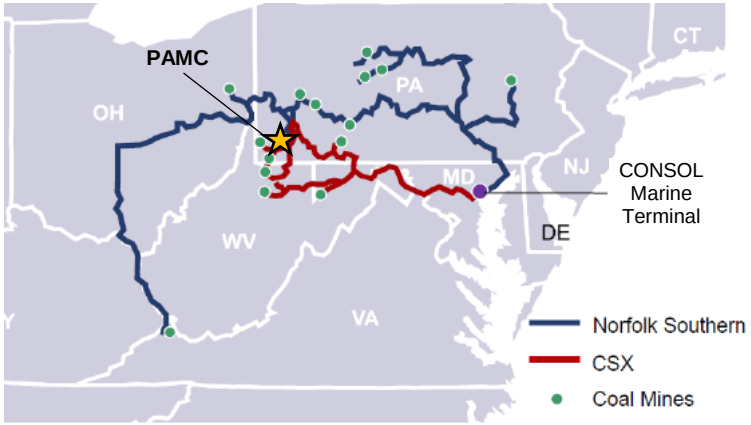



Source: CONSOL Energy Inc. management and historical SEC filings
(1) Cash cost is based on historical company SEC filings.
(2) Cash costs for FELP and HNRG are based on 1Q18 vs 1Q17 as 2Q18 results are not available yet.
(3) Committed volumes for PAMC are as of the quarter-ended June 30, 2018 and include any optional tons that the Company projects customers will take given current market conditions.

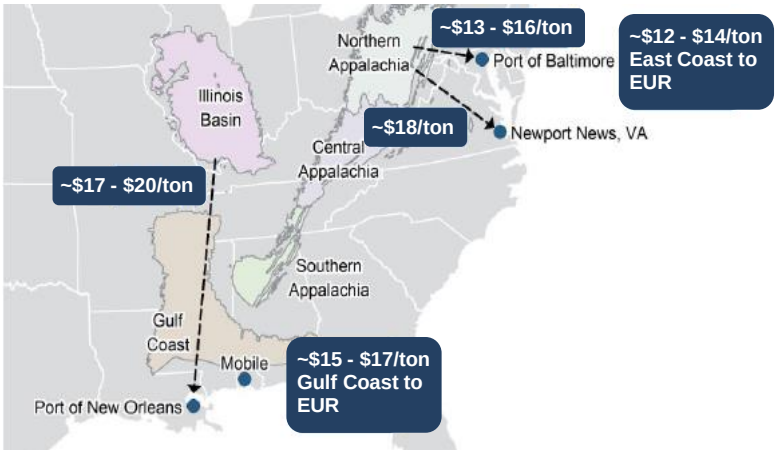
# Excellent Access to Transportation Infrastructure Provides Global Reach




## Dual-served railroad access




## Eastern U.S. coal regions and points of export(1)




Source: S&P Global Market Intelligence, CONSOL Energy Inc. management.
(1) Represents estimated ocean/rail rates to port terminals, exclusive of terminal throughput charges.

# CONSOL Marine Terminal – Provides Strategic Access to Export Market

## Overview

- **Coal export terminal strategically located in Baltimore, MD**
  - 15.0 million tons per year throughput capacity
  - 1.1 million tons coal storage yard capacity
  - Sole East Coast coal export terminal served by two railroads
  - Operational 24/7, 363 days per year
  - Exports both PAMC and third party coal
- **Achieved significant service and operating cost efficiencies starting in 2016**
- **CMT achieved a record year in 2017**
  - Throughput volume of 14.3 mm tons (~50% 3rd party)
  - Terminal revenue of $60 million
  - Operating and other costs of $21 million
- **2018 throughput volume guidance of 12-15 million tons**
  - Take-or-pay agreement from 2Q18 to 2Q20

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# Marketing

# Multi-pronged PAMC Marketing Strategy

| | | Illustrative portion of annual production |
|---|---|---|
| 1 | Maximize sales to established customer base of rail-served power plants in the Eastern U.S., with a focus on top-performing environmentally-controlled plants | ~60 – 80% |
| 2 | Place approximately 2.0 – 2.5 million tons per annum in the seaborne met coal market | ~10% |
| 3 | Selectively place remaining tonnage in opportunities (export or domestic) that maximize FOB mine margins | ~10 – 30% |
| 4 | Capitalize on innovative marketing tactics and strategies to grow opportunities and realizations in all of the Company's market areas | |

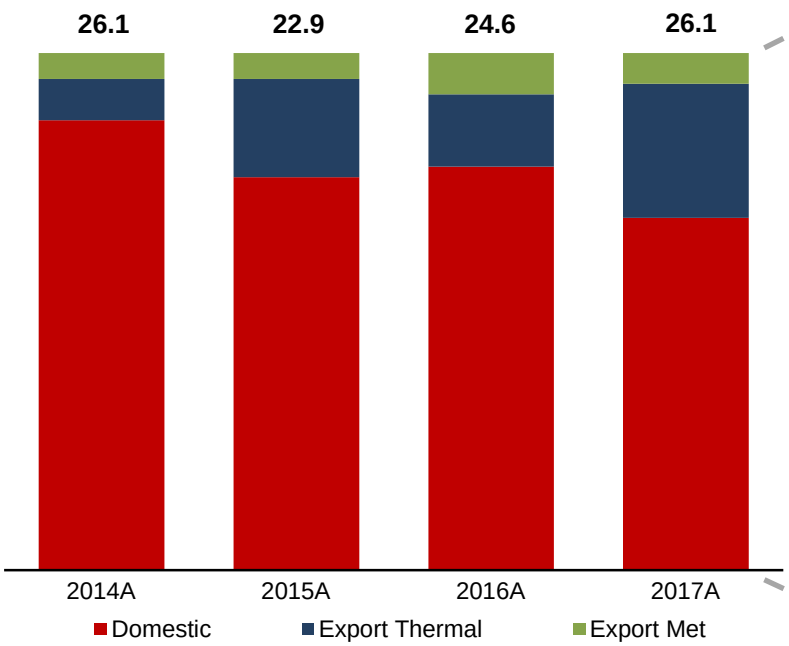
- Creative contract structures
- Technical marketing initiatives to gain market share for PAMC by displacing other basins
- Development of crossover met markets for PAMC

Source: CONSOL Energy Inc. management

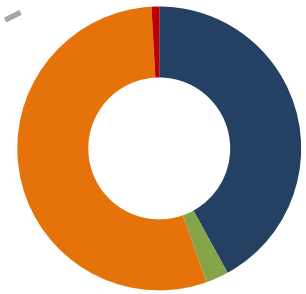
# Highly-diversified Portfolio Provides Volume Stability and Multiple Paths to Upside

**Annual coal sales (million tons)**

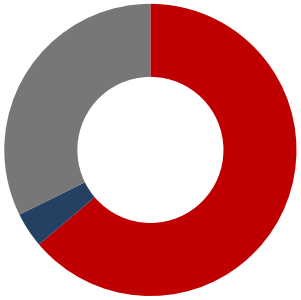
(sales figures represented in percentages)




**2017A Export Thermal:**

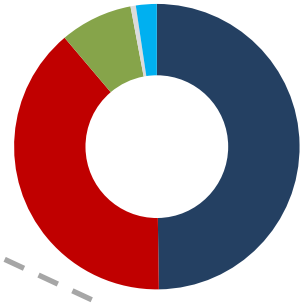


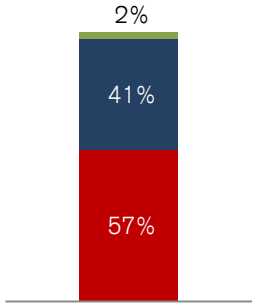
**2017A Export Met:**



Europe Africa India Other Asia South America

**2017A Domestic Thermal:**






Industrial/Met Customers

Merchant (Unregulated) Power Plants

Regulated Power Plants

PJM Southeast MISO NY/New Eng Industrial/Met

**In 2017, the Company sold PAMC coal to 32 domestic power plants located in 15 states, and to thermal and metallurgical end-users located across five continents.**

Source: CONSOL Energy Inc. management

# Well-established Diversified Credit-worthy Customer Base Minimizes Market Risk

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## Major select customers[1]

DTE Energy
Market cap: $19.9bn
Baa1 / BBB+

DUKE ENERGY
Market cap: $57.0bn
Baa1 / A-

Dominion It all starts here.
Market cap: $46.7bn
Baa2 / BBB+

Southern Company
Market cap: $48.7bn
Baa2 / A-

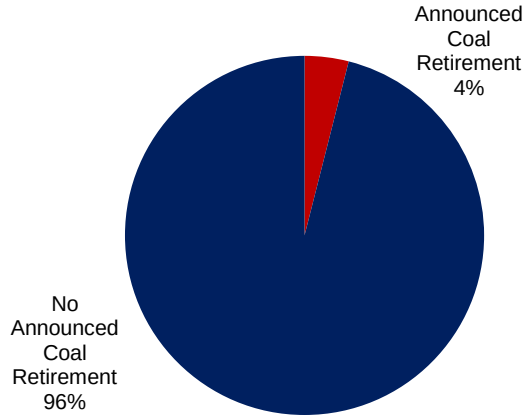
Xcoal ENERGY & RESOURCES
Private
- / -

KEYSTONE-CONEMAUGH PROJECTS KCPO
Private
- / -

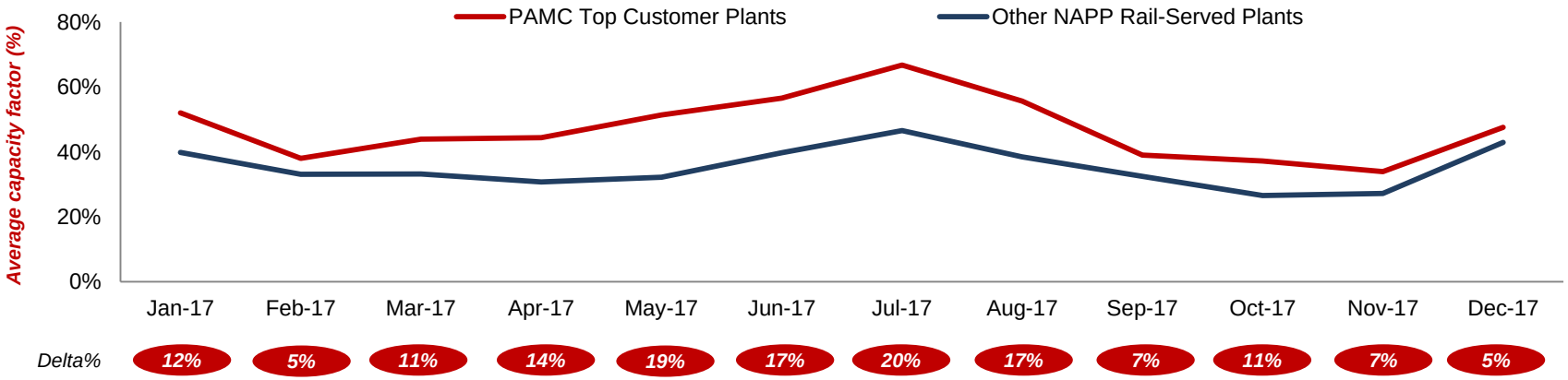
TALEN ENERGY
Private
B2 / B+

## Limited volume at risk due to announced power plant retirements

*2017 domestic power plant shipments by unit retirement status*



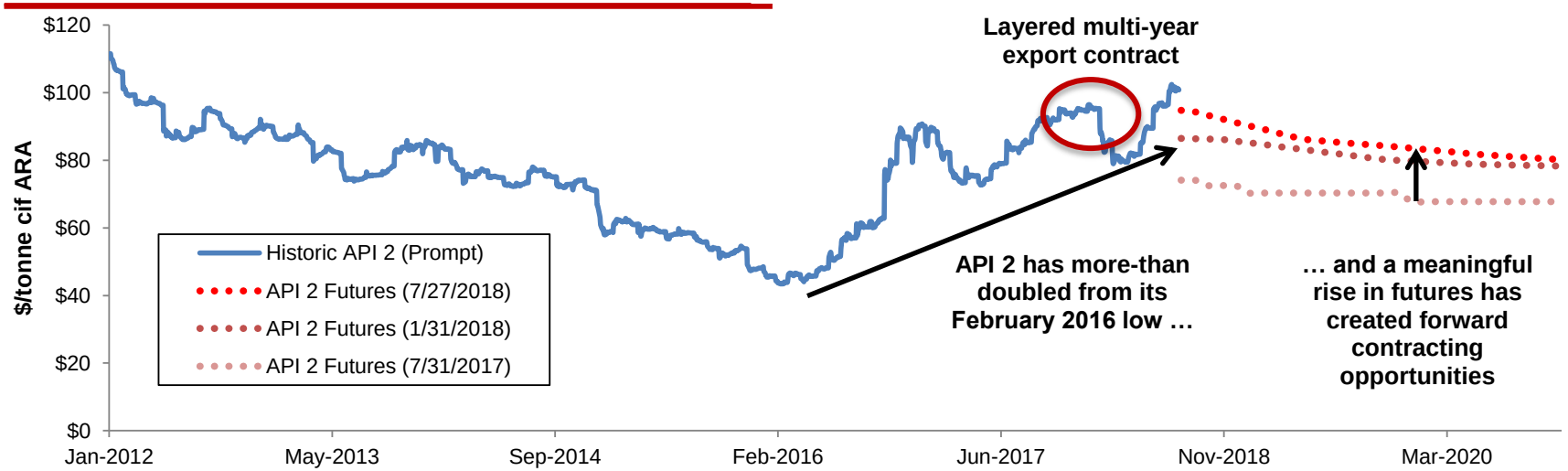

## Average capacity factor (weighted by capacity)[2][3]



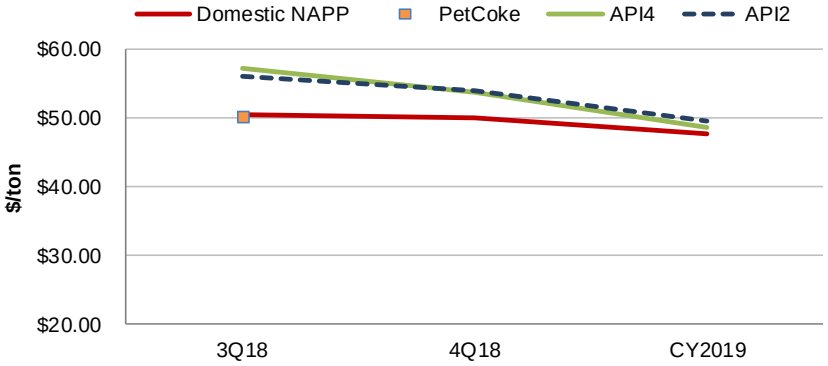

Source: CONSOL Energy Inc. management, EIA, ABB Velocity Suite, SEC filings, and FactSet.
(1) Market capitalizations and credit ratings for select customers are as of 7/27/2018.
(2) PAMC Top Customer Plants represent the thirteen domestic power plant customers to which PAMC shipped >500,000 tons of coal in 2017.
(3) Other NAPP Rail-Served Plants include all other power plants that took delivery of NAPP rail coal in January-December 2017.

# Significant Opportunities in Improving Export Markets

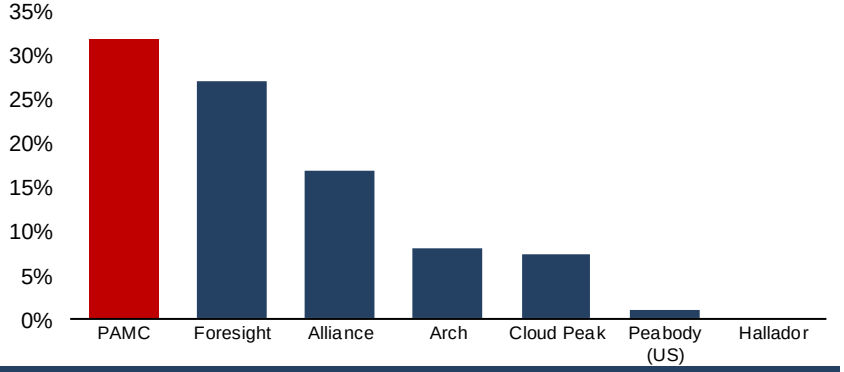
## Historic and Forward API 2 Prices




## FOB Mine Export Netbacks – Export Netback Prices are Near $50/ton




## Selected US Coal Producer Exports as % of Total FY 2017 Sales

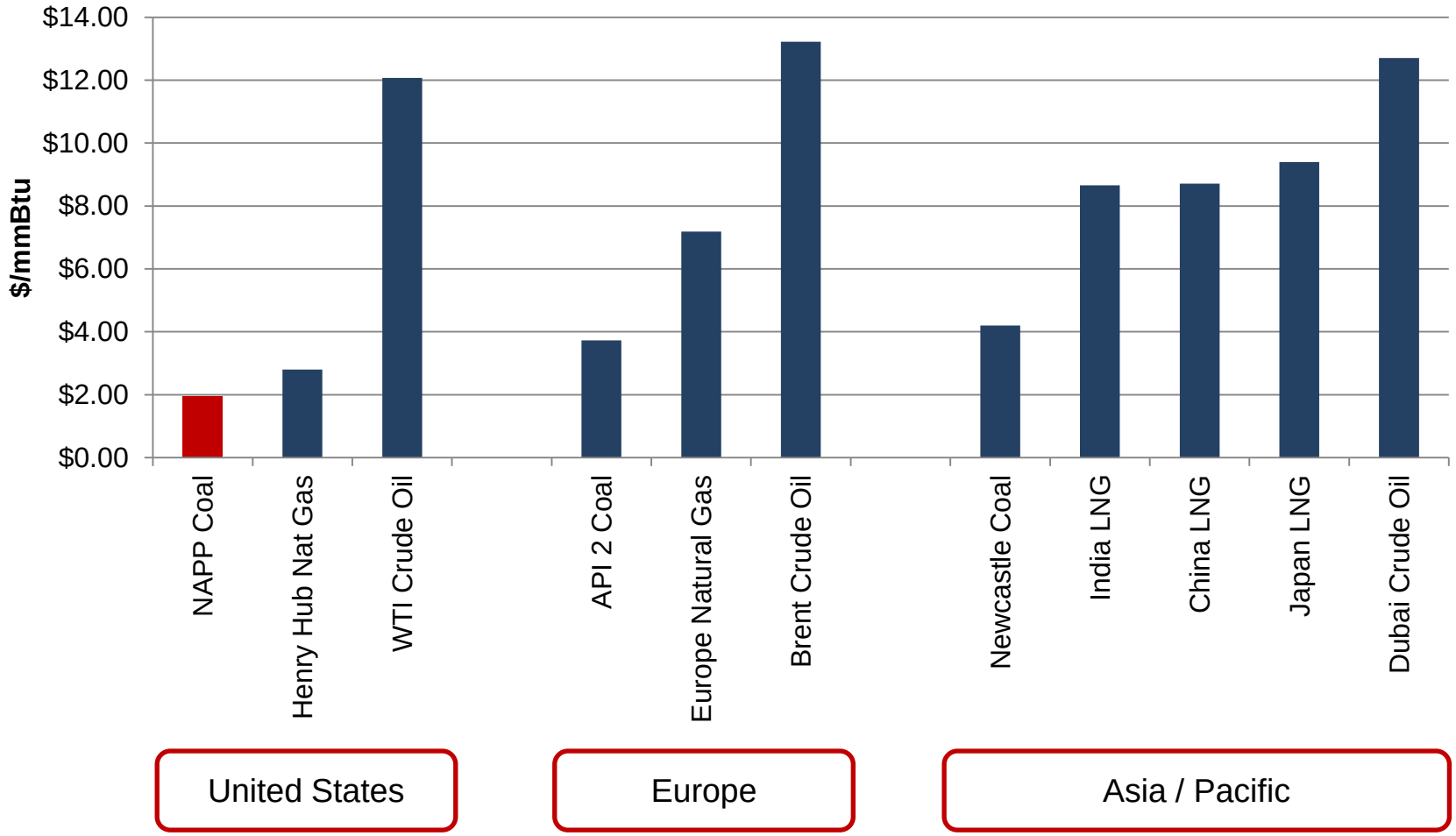



**Growing demand from India and other developing countries has created new opportunities for NAPP coal and pulled traditional supply out of the Atlantic seaborne market, helping to boost pricing. PAMC and CMT are well-positioned to take advantage.**

Source: ABB Velocity Suite, Coaldesk LLC, CONSOL Energy Inc. Management and company 10-K filings.
Domestic NAPP is sourced from Coaldesk LLC's forecast at 4.75lb sulfur and 13,000 mmBtu.

# Arbitrage Opportunity in the Global Value Proposition for Coal

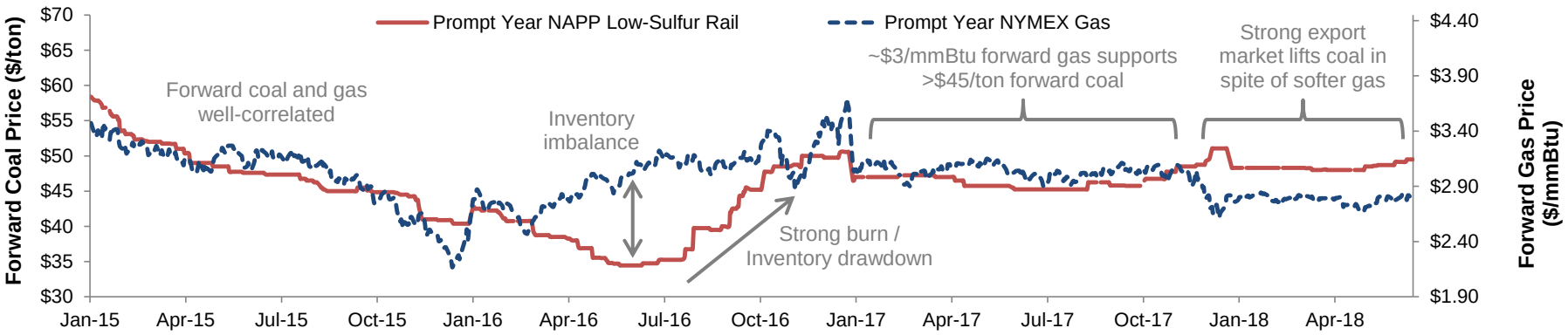
**Spot / Prompt Prices – Mid-Q2 2018**



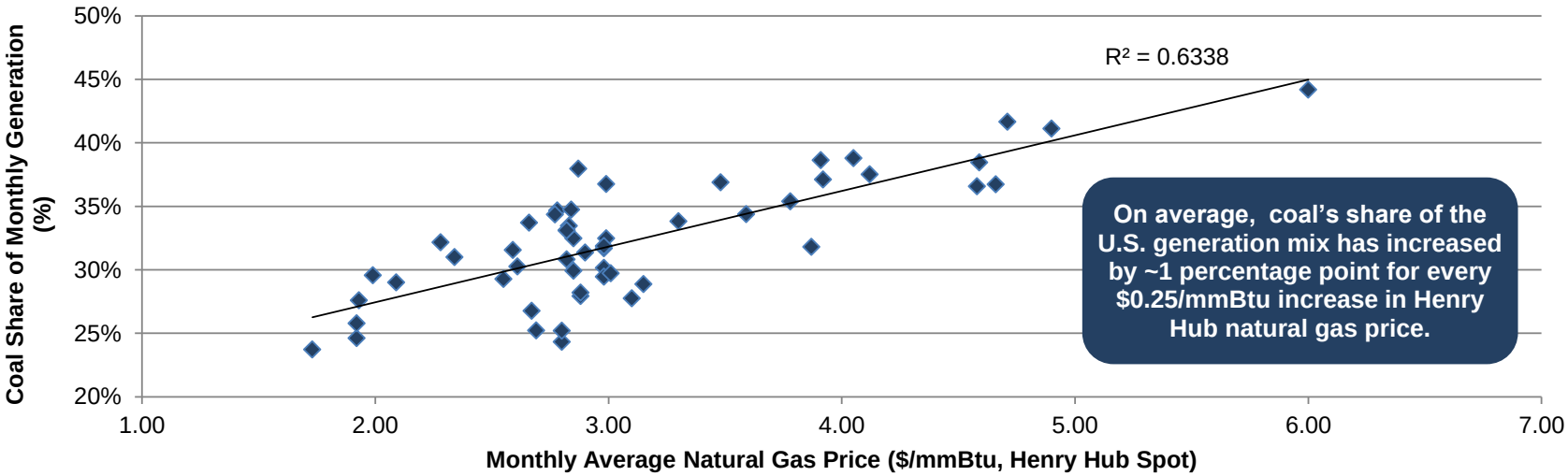

Source: Coaldesk LLC, World Bank, Doyle Trading Consultants, EIA, FERC

# Highly Competitive with Natural Gas Today

## Thermal coal price behavior vs. natural gas price




## Coal Share of U.S. generation vs. natural gas price (January 2014 – May 2018)




**On average, coal's share of the U.S. generation mix has increased by ~1 percentage point for every $0.25/mmBtu increase in Henry Hub natural gas price.**

Source: ABB Velocity Suite, NYMEX, Coaldesk, EIA

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# Finance

# CEIX - Summary of Financial Policy

| | |
|---|---|
| **Deleveraging and Targeted Shareholder Returns** | ■ Primary use of free cash flow will be to de-lever the balance sheet in the near- and medium-term[1]<br>■ Long-term incentive compensation of executives tied to free cash flow generation and shareholder returns<br>■ Selectively pursue open market equity (CEIX common shares and CCR units) and debt repurchases under the previously announced Board authorization<br>■ Expecting to further improve cash flows due to the implementation of tax reform |
| **Maintain strong liquidity** | ■ Strong liquidity position of $529 million including $278 million of cash and cash equivalents provides flexibility in volatile commodity markets<br>■ Current distribution policy of CCR, if maintained, would result in receipt of consistent distributions for CEIX's ~60% interest<br>■ CEIX cash flow expected to be augmented by CCR via pro rata distributions to unitholders (on ~60% ownership interest), interest payments and any potential principal paydown on Affiliate Loan |
| **Disciplined use of capital** | ■ Continue to operate assets with disciplined approach to capital expenditures<br>■ Evaluate other investment opportunities in light of cost of capital, B/S and sector and commodity price outlook<br>■ Greenfield reserves provide attractive monetization opportunities for efficient growth through asset sales and JVs<br>■ Ability to fund opportunistic, accretive investments while maintaining leverage targets |

(1) Free cash flow is defined as operating cash flow less capital expenditures

# Leverage and Liquidity Analysis

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| CEIX Financial Metrics ($MM except ratios) | Adjusted Method LTM 6/30/2018 | Bank Method LTM 6/30/2018 |
|---|---|---|
| **Leverage** | | |
| EBITDA[(1)(2)] | $474 | $380 |
| Consolidated Net Debt[(3)] | 610 | 610 |
| Net Leverage Ratio | 1.3x | 1.6x |
| Adjusted EBITDA Attributable to CONSOL Energy Shareholders[(1)] | $433 | |
| Consolidated Net Debt less non-controlling portion of CCR Affiliate Loan[(4)] | 548 | |
| Modified Net Leverage Ratio | 1.3x | |
| **Liquidity (as of 6/30/2018)** | | |
| Cash and Cash Equivalents less CCR Cash[(5)] | $277 | |
| Revolving Credit Facility | 300 | |
| Accounts Receivable Securitization (lesser of $100MM and A/R borrowing base) | 52 | |
| Restricted Cash - Securitization | 6 | |
| Less: Letters of Credit Outstanding | (108) | |
| Total CEIX Liquidity | $528 | |

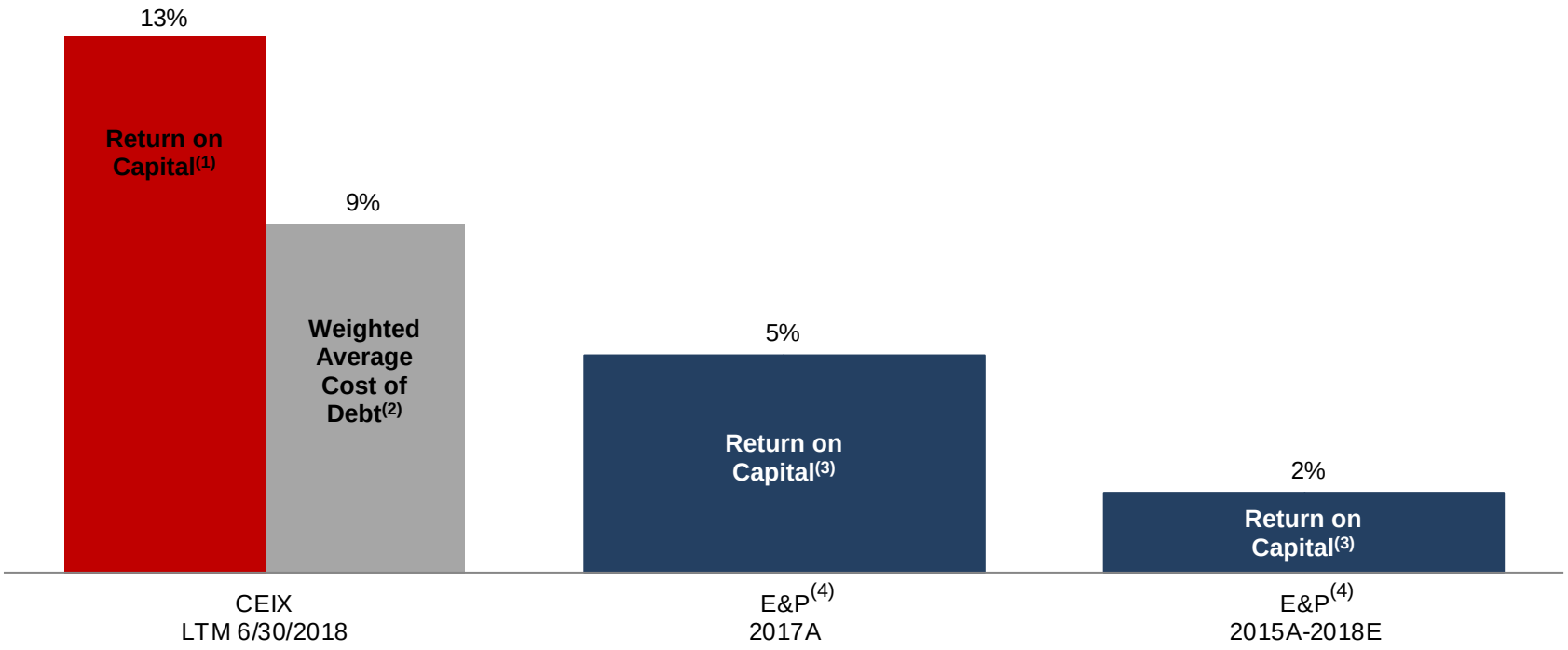
| CCR Financial Metrics ($MM except ratio) | LTM 6/30/2018 |
|---|---|
| **Leverage** | |
| EBITDA per Affiliated Company Credit Agreement[(1)] | $118 |
| Net Debt per Affiliated Company Credit Agreement | 170 |
| Net Leverage Ratio | 1.5x |
| **Liquidity (as of 6/30/2018)** | |
| Cash and Cash Equivalents | $1 |
| Affiliated Company Credit Agreement | 275 |
| Less: Amount Drawn | (161) |
| Total CCR Liquidity | $115 |

Some numbers may not foot due to rounding.

(1) "Adjusted EBITDA", "Bank EBITDA", "Adjusted EBITDA Attributable to CONSOL Energy Shareholders" and "EBITDA Per Affiliated Company Credit Agreement" are non-GAAP financial measures. Please see the appendix for a reconciliation to net income.
(2) Adjusted Method is based on "Adjusted EBITDA" and Bank Method is based on "Bank EBITDA". Please see the Disclaimer for a definition of "Bank EBITDA".
(3) Calculated as total long-term debt of $861 million, plus current portion of long-term debt of $21 million, plus debt issuance costs of $18 million, less CCR capitalized leases of $10 million, less advanced mining royalties of $2 million, less cash and equivalents of $278 million
(4) Calculated as consolidated net debt of $610 million less the 38.9% public ownership of CCR's Affiliate Loan of ~$161 million.
(5) Calculated as CEIX cash and equivalents of ~$278 million as of 6/30/2018 less CCR cash and equivalents of ~$1 million as of 6/30/2018.

# Return on Capital Highlights the Need for Rising Commodity Prices

- Focused on margins and corporate returns instead of just growth.
- Low production decline asset vs steep natural decline for the shales.
- Ability to export a high percentage of production to capture the highest BTU value chain.
- Ability to generate free cash flow and return to shareholders now.

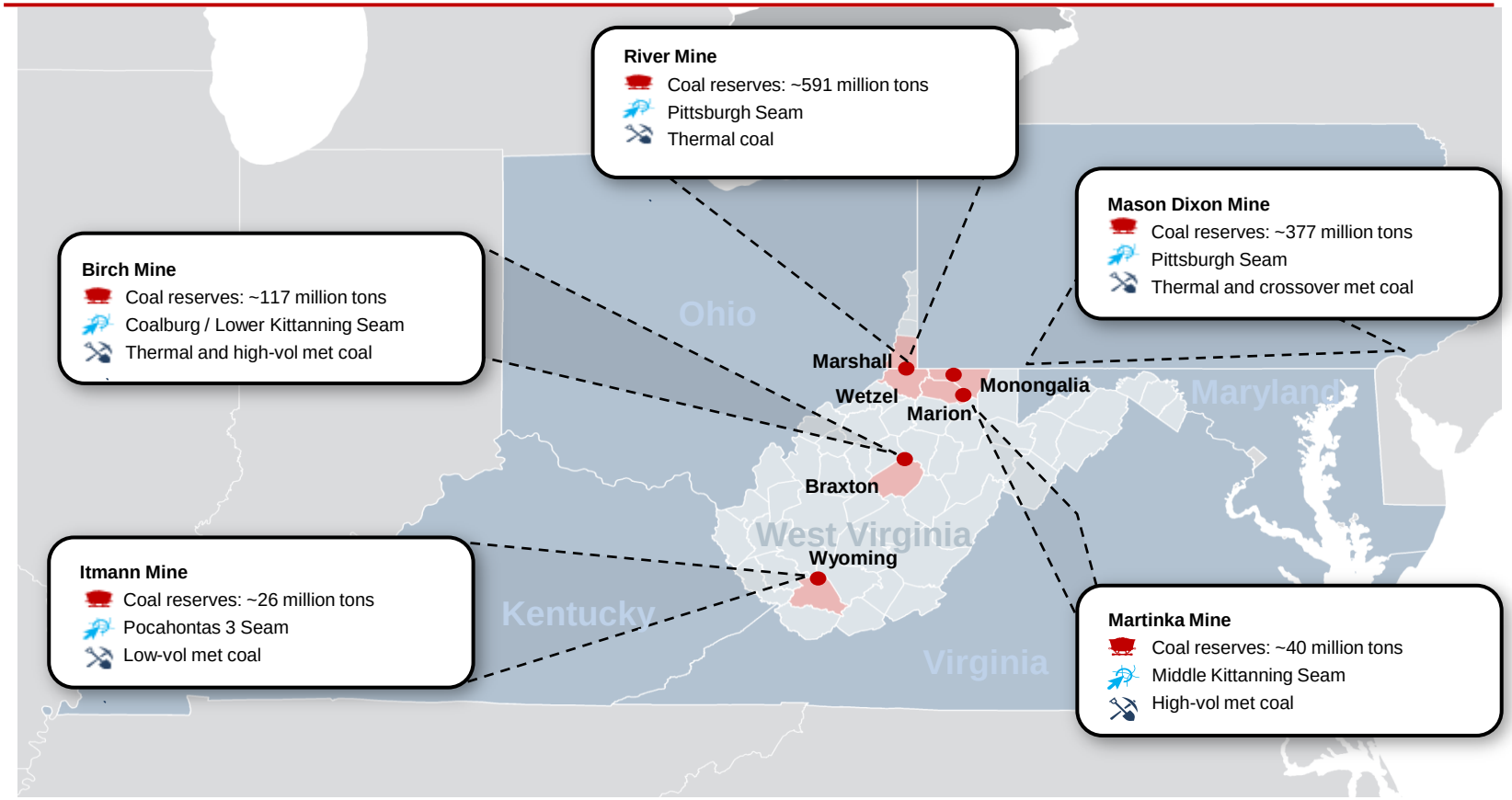



Source: CONSOL Energy Inc. management and Factset
(1) CEIX LTM 6/30/2018 return on capital adjusted for legacy liability expense = ($243 million EBIT + $72 million LTL Cash Servicing Cost) / ($2,757 million Total Assets - $376 million Current Liabilities)
(2) Calculated as the weighted average interest expense for Term-Loan A (TLA), Term-Loan B (TLB), 2nd Lien Notes and Baltimore Bonds multiplied by their respective interest rates. Assumed LIBOR of 2% for TLA and TLB
(3) Return on capital is defined as EBIT/(Total Assets – Current Liabilities)
(4) Comparable E&P universe = CHK, COG, RRC, SWN, EQT, REP, EOG, AR, and GPOR

# CEIX - Extensive, High-quality Reserve Base Presents Multiple Value Creation Options

- 1.6 billion tons of additional greenfield met and thermal reserves in NAPP, CAPP and ILB
- Greenfield reserves provide attractive monetization opportunities for efficient growth through asset sales and joint ventures

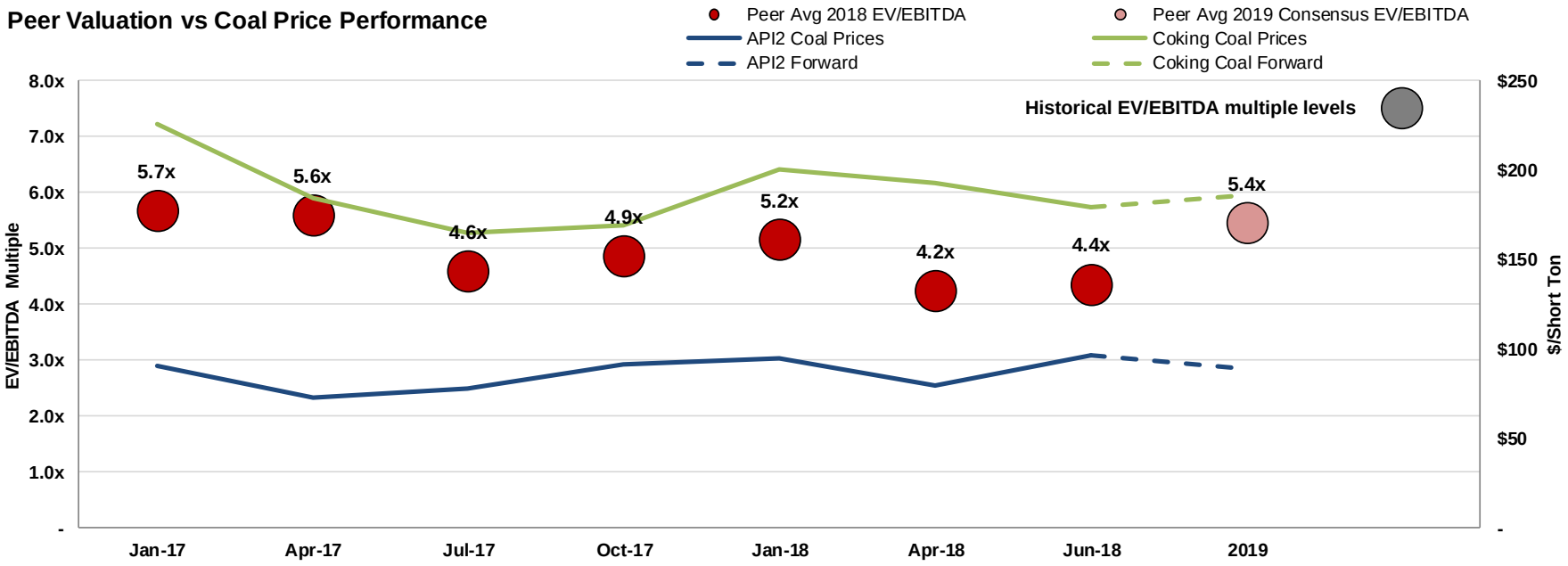
**Undeveloped reserve holdings**




Source: CONSOL Energy Inc. management
Note: Coal reserves represent clean tons

# CEIX Peer Valuation vs API#2 and Coking Coal Price Performance

- While the coal landscape is very different, it is very similar to the early 2000s time horizon.
- Balance sheets are much healthier today than they were historically.
- Valuations don't realize the full potential of undeveloped reserves and the use of significant free cash flow generation.




**The coal sector has significant upside from current levels.**

Source: FactSet
Note: Peer group includes: ARCH, BTU, HCC, CLD, ARLP, FELP, HNRG and CNTE. CEIX not included.
Consensus is based on analyst EBITDA forecasts of then-listed peers for each period.

# Differentiated and Sustainable Coal Story with Significant Upside Potential

1. The premier U.S. coal mining complex with a proven track record of operational excellence
2. Highly-experienced, proven management team with the vision and skills to optimize this world-class portfolio
3. Diversified sales portfolio and proven marketing strategy that provides volume stability and multiple paths to growing market share
4. Significant existing presence and optionality in both the thermal and met export markets through CONSOL Marine Terminal
5. Highly competitive with natural gas and driven by a superior cost position vs. Appalachian E&P producers
6. Compelling coal industry backdrop, driven by multi-year underinvestment and rising global demand
7. Multiple paths to additional value creation including monetization of undeveloped reserves

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# Appendix

# CEIX Balance Sheet Legacy Liabilities, Manageable and Declining

## Significant legacy liability reductions over past three years

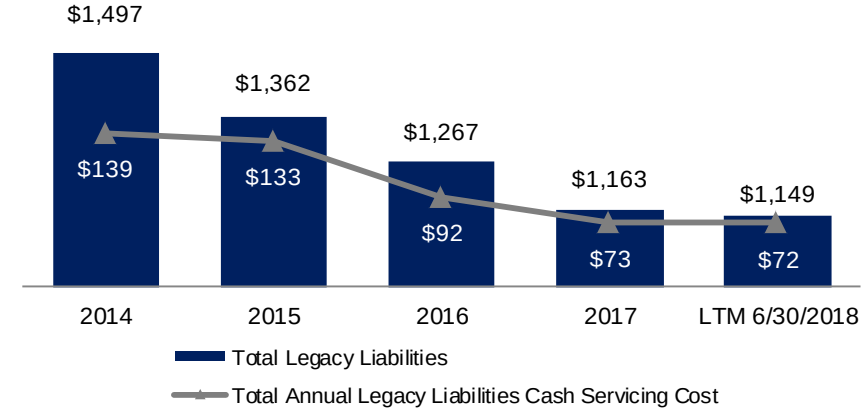
- Administrative changes in 2017 reduced our OPEB liability without impacting the level of benefits delivered to beneficiaries
- Cash payments related to legacy liabilities are declining over time
- Considerable tax benefits associated with legacy liability payments
- Legacy liabilities could be viewed as payment obligations between unsecured debt and equity on a company's balance sheet
- Approximately 80% of all CEIX employee legacy liabilities are closed classes
  - Actuarial and demographic developments continue to drive medium-term reduction in liabilities
  - Actively managing costs down
- CEIX's Qualified Pension Plan was 97% funded as of 6/30/2018 as compared to 89% for the S&P 1500 qualified plans
  - The investment performance over the past 10 years has been in the top 5th percentile of all corporate pension plans

| Legacy liabilities[1] | Balance Sheet Value | Cash Servicing Cost |
|---|---|---|
| | 6/30/2018 | LTM 6/30/2018 |
| Long-term disability | 15 | 3 |
| Workers' compensation | 78 | 14 |
| Coal workers' pneumoconiosis | 163 | 12 |
| Other post-employment benefits | 582 | 32 |
| Pension obligations | 46 | 2 |
| Asset retirement obligations | 265 | 9 |
| **Total legacy liabilities** | **1,149** | **72** |

(1) Numbers may not foot due to rounding

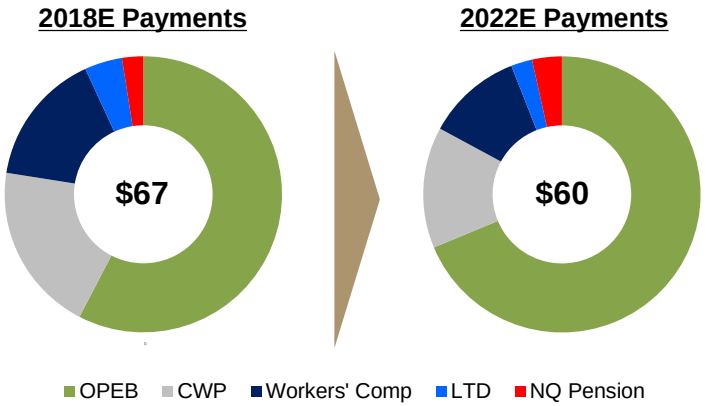
## CEIX legacy liabilities and cash costs

($ mm)




## CEIX employee-related liability projections

($ mm)



# Experienced Management Team Focused on Safety, Compliance and Financial Discipline

| Executive role at CEIX | | Years of experience: CONSOL | Years of experience: Industry |
|---|---|---|---|
|  | **Jimmy Brock**<br>*President and Chief Executive Officer* | 37 | 37 |
|  | **David Khani**<br>*EVP and Chief Financial Officer* | 6 | 23 |
|  | **Kurt Salvatori**<br>*Chief Administrative Officer* | 25 | 25 |
|  | **Jim McCaffrey**<br>*Chief Commercial Officer* | 41 | 41 |
|  | **Martha Wiegand**<br>*General Counsel and Secretary* | 9 | 17 |
|  | **Eric Schubel**<br>*VP – Operations* | 34 | 34 |

## Key performance results

- Significant expertise owning, developing, and managing coal and associated infrastructure assets
  - Effectively reduced operating costs per ton sold by 22% from 2014 levels as of year-end 2017
- Strong focus on achieving and maintaining industry-leading safety and compliance standards
  - PAMC's Mine Safety and Health Administration ("MSHA") reportable incident rate was 39% lower than the industry average in 2013-2017
  - PAMC's MSHA significant and substantial citation rate was 33% lower than the industry average for YE 2017
  - Executive and workforce compensation tied in part to environmental and safety performance
- Addressing environmental and legacy liabilities
  - Annual cash servicing costs reduced from $139mm in 2014 to $72mm LTM 6/30/2018
- Management incentivized to improve free cash flow and shareholder returns

Source: CONSOL Energy Inc. management

# PAMC Adjusted EBITDA Reconciliation

| | Years Ended | | | |
|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 |
| **Earnings before Income Taxes** | **$431** | **$405** | **$131** | **$189** |
| *Plus:* | | | | |
| Interest Expense, net | - | 3 | 9 | 10 |
| Depreciation, Depletion and Amortization | 173 | 177 | 168 | 167 |
| **PAMC EBITDA** | **$604** | **$585** | **$308** | **$366** |
| *Plus:* | | | | |
| Stock/Unit-Based Compensation | 17 | 5 | 8 | 19 |
| OPEB Plan Changes | - | (129) | - | - |
| Other CCR MLP Transaction Fees | - | 12 | - | - |
| **PAMC Adjusted EBITDA** | **$621** | **$473** | **$316** | **$385** |
| *Less:* | | | | |
| Capex | ($341) | ($136) | ($51) | ($78) |
| **PAMC Adjusted EBITDA - Capex** | **$280** | **$337** | **$265** | **$307** |

# CEIX Adjusted EBITDA & Organic Free Cash Flow Net to CEIX Shareholders Reconciliations

| EBITDA Reconciliation | 2Q18 | 2Q17 |
|---|---|---|
| Net Income | $52.7 | $52.2 |
| Plus: | | |
| Interest Expense, net | 21.5 | 3.9 |
| Interest Income | (0.5) | (0.5) |
| Income Tax Expense | 3.0 | 9.6 |
| Depreciation, Depletion and Amortization | 55.0 | 25.3 |
| **EBITDA** | **$131.7** | **$90.6** |
| Plus: | | |
| Stock/Unit-Based Compensation | 2.8 | 5.0 |
| Loss on Debt Extinguishment | 1.7 | - |
| Total Pre-tax Adjustments | 4.5 | 5.0 |
| **Adjusted EBITDA** | **$136.3** | **$95.6** |
| Less: Adjusted EBITDA Attributable to Noncontrolling Interest | (13.1) | (10.3) |
| **Adjusted EBITDA Attributable to CONSOL Energy Inc. Shareholders** | **$123.1** | **$85.3** |

| Organic Free Cash Flow Net to CEIX Shareholders Reconciliation | 2Q18 | 2Q17 |
|---|---|---|
| Net Cash Provided by Operating Activities | $162.5 | $55.5 |
| Less: Capital Expenditures | (34.2) | (14.2) |
| **Organic Free Cash Flow** | **$128.2** | **$41.3** |
| Less: Distributions to Noncontrolling Interest | (5.6) | (5.5) |
| **Organic Free Cash Flow Net to CEIX Shareholders** | **$122.6** | **$35.8** |

Some numbers may not foot due to rounding.

# CCR Adjusted EBITDA & Organic Free Cash Flow Reconciliations

| EBITDA Reconciliation | 2Q18 | 2Q17 |
|---|---|---|
| Net Income | $19.4 | $11.5 |
| Plus: | | |
| Interest Expense, net | 1.8 | 2.4 |
| Depreciation, Depletion and Amortization | 11.9 | 10.3 |
| **EBITDA** | **$33.1** | **$24.1** |
| Plus: | | |
| Unit Based Compensation | 0.5 | 0.8 |
| Total Adjustments | 0.5 | 0.8 |
| **Adjusted EBITDA** | **$33.6** | **$25.0** |

| Organic Free Cash Flow Reconciliation | 2Q18 | 2Q17 |
|---|---|---|
| Net Cash Provided by Operating Activities | $48.9 | $23.1 |
| Less: Capital Expenditures | (7.3) | (3.4) |
| **Organic Free Cash Flow** | **$41.7** | **$19.7** |

Some numbers may not foot due to rounding.

# CEIX LTM Bank EBITDA Reconciliation

| Bank EBITDA Reconciliation | LTM 6/30/2018 |
|---|---|
| Net Income | $107.5 |
| Plus: | |
| Interest Expense, net | 60.7 |
| Interest Income | (2.6) |
| Income Tax Expense | 77.4 |
| **EBIT** | **$243.0** |
| Plus: | |
| Depreciation, Depletion and Amortization | 198.2 |
| **EBITDA** | **$441.2** |
| Plus: | |
| Stock/Unit-Based Compensation | 18.0 |
| Pension Settlement | 10.2 |
| Transaction Fees | 1.8 |
| Loss on Debt Extinguishment | 3.1 |
| Total Pre-tax Adjustments | 33.0 |
| **Adjusted EBITDA** | **$474.2** |
| Less: | |
| CCR Adjusted EBITDA, Net of Distributions Received | (82.9) |
| Employee Legacy Liability Payments, Net of Provision | (11.9) |
| Other Adjustments | 1.0 |
| **Bank EBITDA** | **$380.4** |

Some numbers may not foot due to rounding.

# CCR Leverage Ratio Reconciliation

| CCR Net Leverage Ratio Reconciliation | LTM 6/30/2018 |
|---|---|
| Net Income | $56.3 |
| Plus: | |
| Interest Expense | 8.2 |
| Depreciation, Depletion and Amortization | 43.3 |
| Unit Based Compensation | 5.0 |
| Cash Payments for Legacy Employee Liabilities, Net of Non-Cash Expense | 1.4 |
| Loss on Extinguishment of Debt | 2.5 |
| Other Adjustments to Net Income | 1.1 |
| **EBITDA Per Affiliated Company Credit Agreement** | **$117.8** |
| Borrowings under Affiliated Company Credit Agreement | 160.5 |
| Capitalized Leases | 10.4 |
| **Total Debt** | **$170.9** |
| Less: | |
| Cash on Hand | 0.6 |
| Net Debt Per Affiliated Company Credit Agreement | 170.2 |
| **Net Leverage Ratio (Net Debt/EBITDA)** | **1.5x** |

Some numbers may not foot due to rounding.

# Average Cash Margin and Average Cash Cost Per Ton Sold Reconciliations

| ($MM except per ton data) | 2Q18 | 2Q17 |
|---|---|---|
| Total Coal Revenue | $371 | $304 |
| Operating and Other Costs | 248 | 223 |
| Less: Other Costs (Non-Production) | (36) | (26) |
| Total Cash Cost of Coal Sold | 212 | 197 |
| Depreciation, Depletion and Amortization | 55 | 25 |
| Less: Depreciation, Depletion and Amortization (Non-Production) | (10) | 14 |
| Total Cost of Coal Sold | $258 | $236 |
| | | |
| Average Revenue per Ton Sold | $47.34 | $44.75 |
| Average Cash Cost per Ton Sold | $26.99 | $29.08 |
| Depreciation, Depletion and Amortization Costs per Ton Sold | $5.91 | $5.71 |
| Average Cost per Ton Sold | $32.90 | $34.79 |
| Average Margin per Ton Sold | $14.44 | $9.96 |
| Add: Depreciation, Depletion and Amortization Costs per Ton Sold | $5.91 | $5.71 |
| **Average Cash Margin per Ton Sold** | **$20.35** | **$15.67** |

Some numbers may not foot due to rounding.