

Usibelli Coal Mine, Inc.  
The Year in Review &  
Future Development Opportunities

Resource Development Council

27<sup>th</sup> Annual Conference

November 16, 2006

Steve Denton, VP Business Development



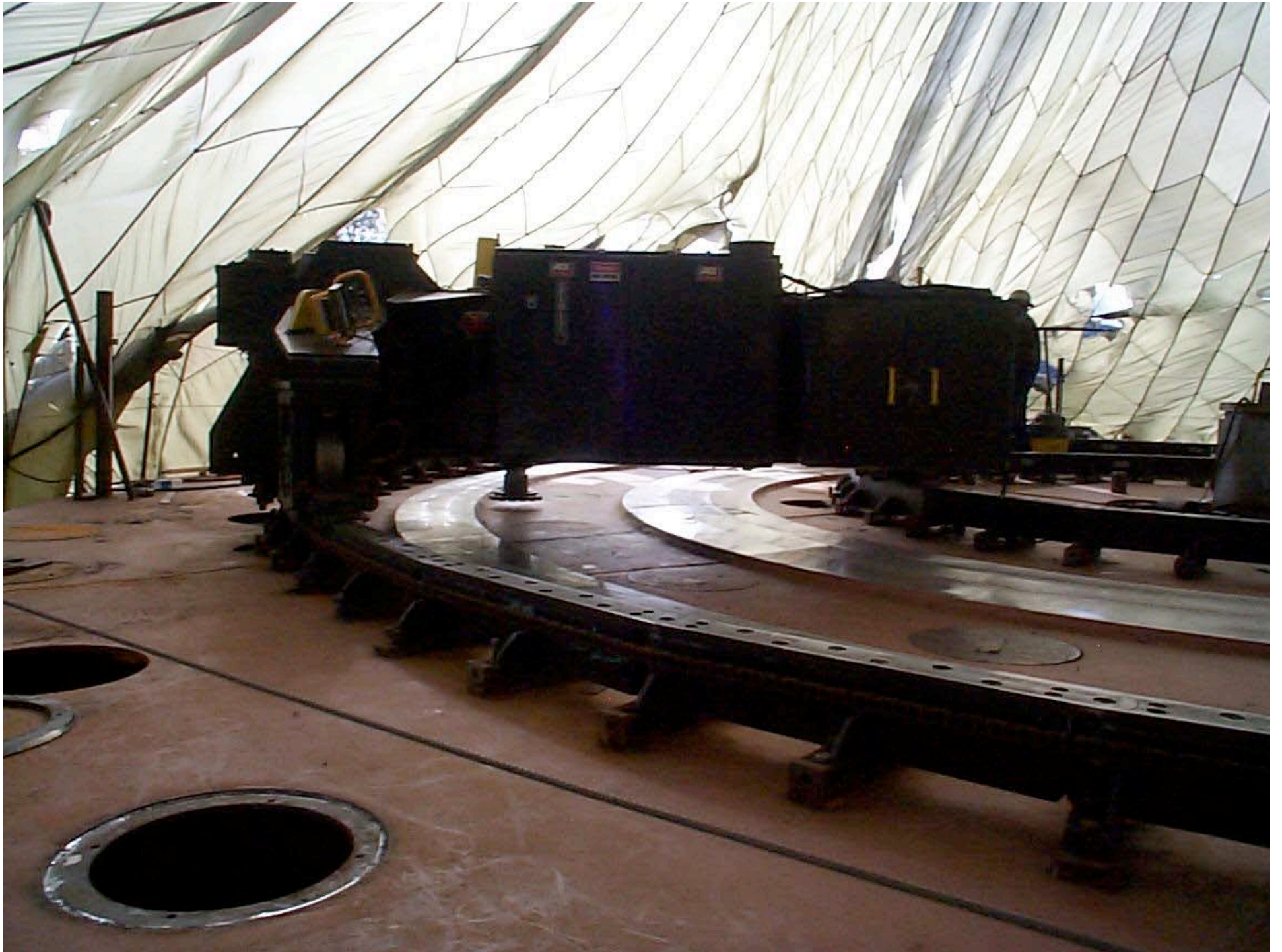
# 2006 Operating Highlights

- NLT Accident Record, April 3, 797 days
- 4Q05 - 3Q06 Sales – 1,410,251 tons
  - Domestic – 972,523 tons
  - Export – 437,728 tons
- New Equipment
  - On-line coal analyzer
  - New Cat 785C Truck (150 ton)
  - Replace Dragline Tub

# Dragline Tub Replacement

- Prime Contractor – P&H Mine-Pro
- 4 months to construct after arrival of first tub sections
- Maximum crew – approximately 25
- Tub weight – around 500,000 pounds
- Project cost – \$5.3 million















































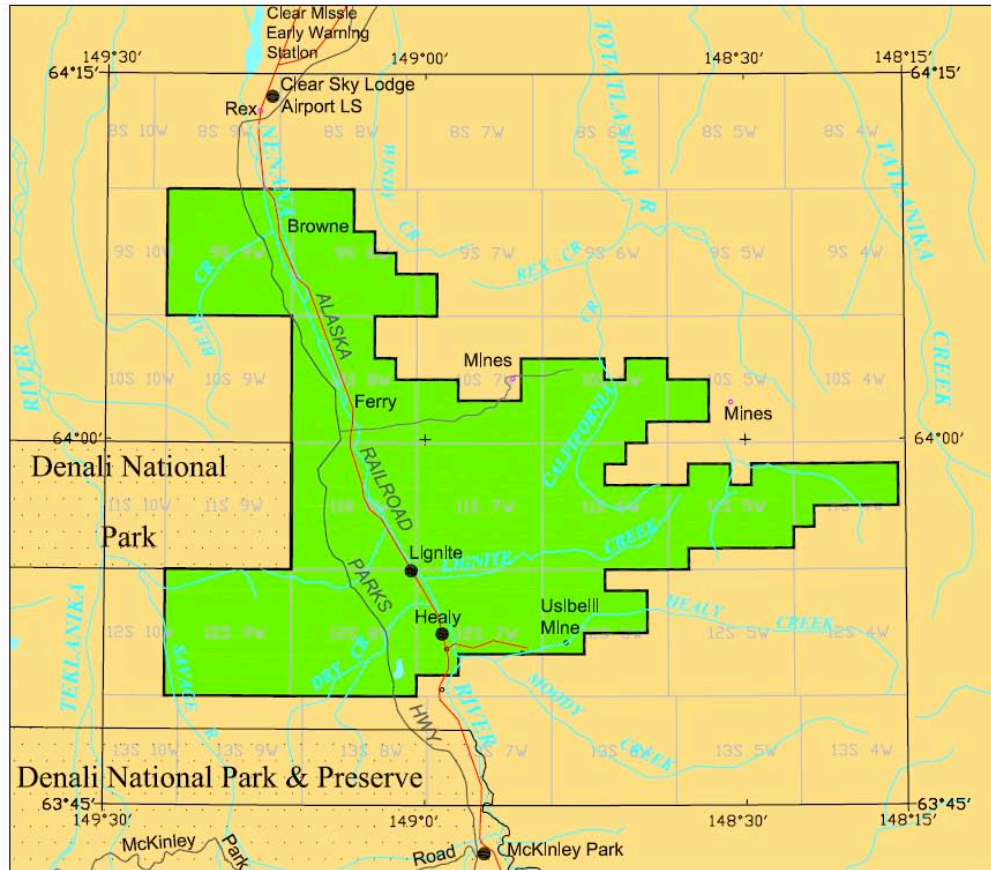






# 2006 Oops and Darns

- Finding miners, especially electricians.
- HCCP still sits idle.
- Healy Basin Exploration license hi-jacked.
- UCM tipple stockpile fire, July 13.
- Fort Wainwright fire, February 24.
  - Damaged coal elevator tower.
  - Forced to run from stockpile/bypass



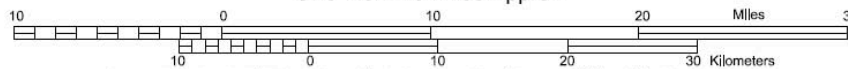
### Proposed Healy Basin Exploration License

Proposed Exploration License Area = 

Federal Lands = 



Scale 1:380,000  
One Inch = 6 Miles Approx.



Map created, edited, and published by the State of Alaska, Department of Natural Resources, Division of Oil and Gas.  
Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 148° 52' 40", origin latitude of 50°, northern parallel of 65°, and southern parallel of 55°.  
This is not an official license map, but is for informational purposes only. DNR makes no claim as to its accuracy.



Tipple Fire 07/14/06



# Fort Wainwright Power Plant

Coal Elevator Tower

Damaged by Fire /24/06



Base of Elevator Tower









04/24/2006



04/24/2006



ARR  
164 56

LD LMT 203000  
LT WT 59400

04/24/2006



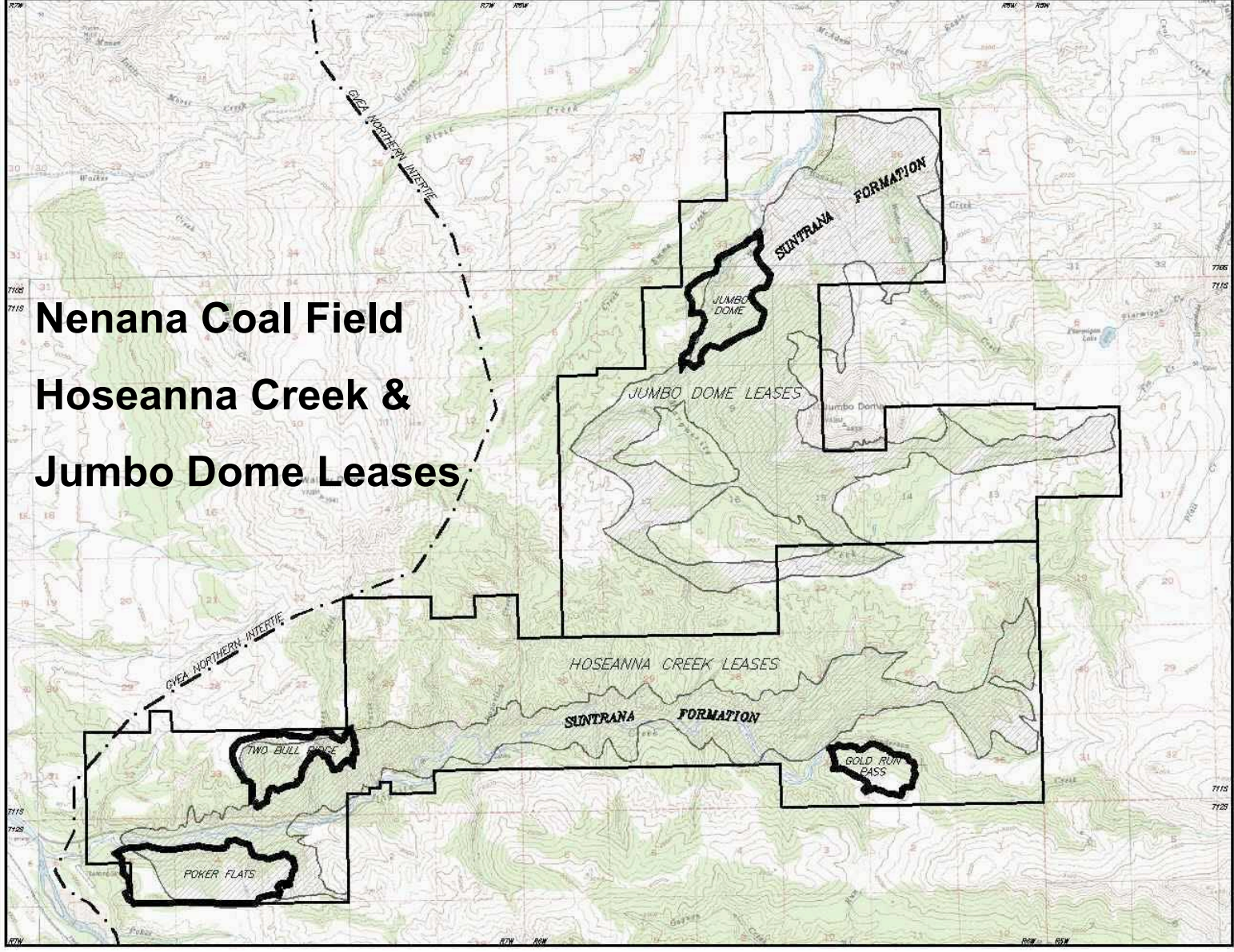
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04/24/2006

# Future Prospects

- Railbelt Utility Expansion
  - Growth in existing plant utilization
  - New plant construction
- Healy Clean Coal Project
- Jumbo Dome Mine Development
- Coal Gasification
  - Blue Sky Project
  - Coal to Liquids (DOE Study)



**Nenana Coal Field  
Hoseanna Creek &  
Jumbo Dome Leases**



GCS, NAD-83

**SUNTRANA FORMATION**  
 AS DERIVED FROM  
 GEOLOGIC QUADRANGLE MAPS  
 HEALY D-4 & FIDEBANKS A-4, ALASKA

SCALE: 1" = 2,640' (1/2 480')



**USIBELLI COAL MINE, INC.**  
 HEALY, ALASKA 99745

Compiled By:  
 UCM ENGINEERING DEPT.  
 T.S. VANADUPEL PLS  
 Date Completed: AUGUST 2, 2002.

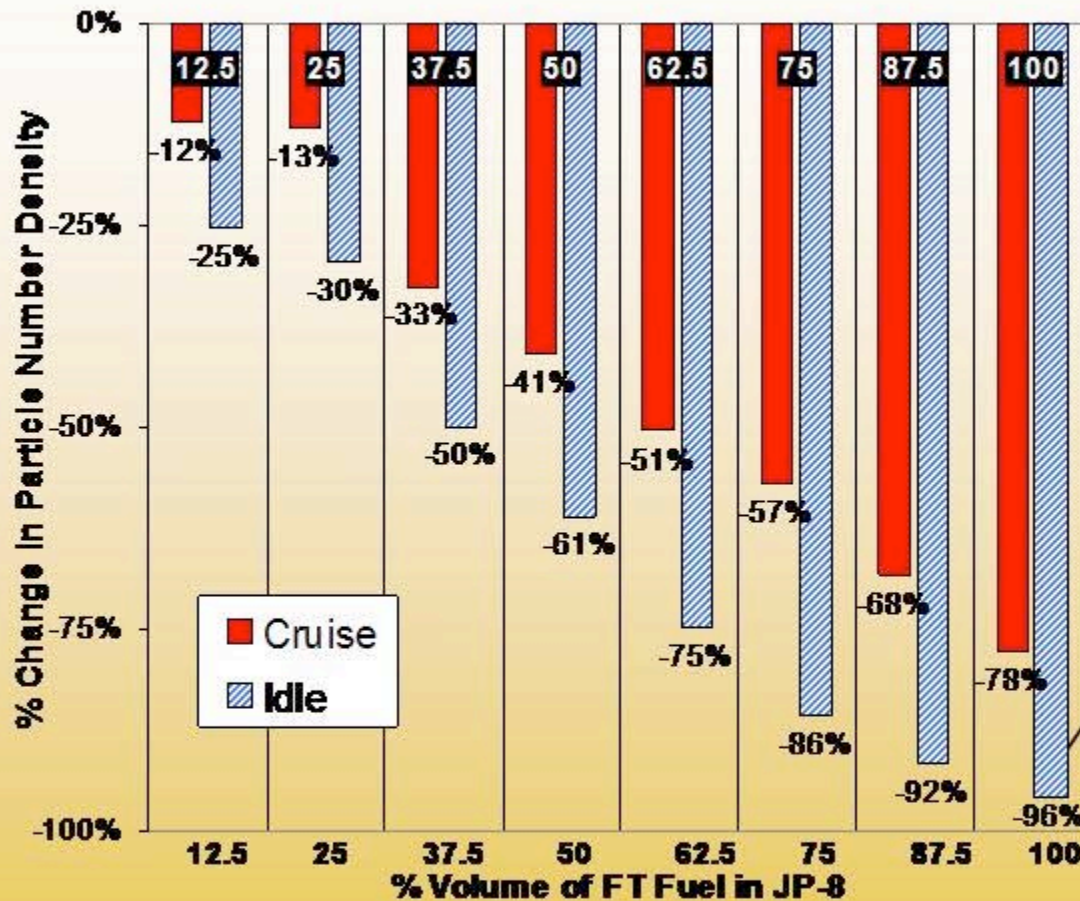
# Jumbo Dome Coal Quality

	3 Seam	4 Seam	Current Typical
Seam Thickness, feet	27.5	38	15-25
Heating Value, Btu/lb	7666	8034	7700
Moisture, %	28	28	27
Ash, %	9.1	4.6	9
Sulfur, %	0.14	0.12	0.17





# Reduced Particulate Emissions with FT Fuel Relative to JP-8



**96% reduction\* in particulate emissions at idle conditions.**



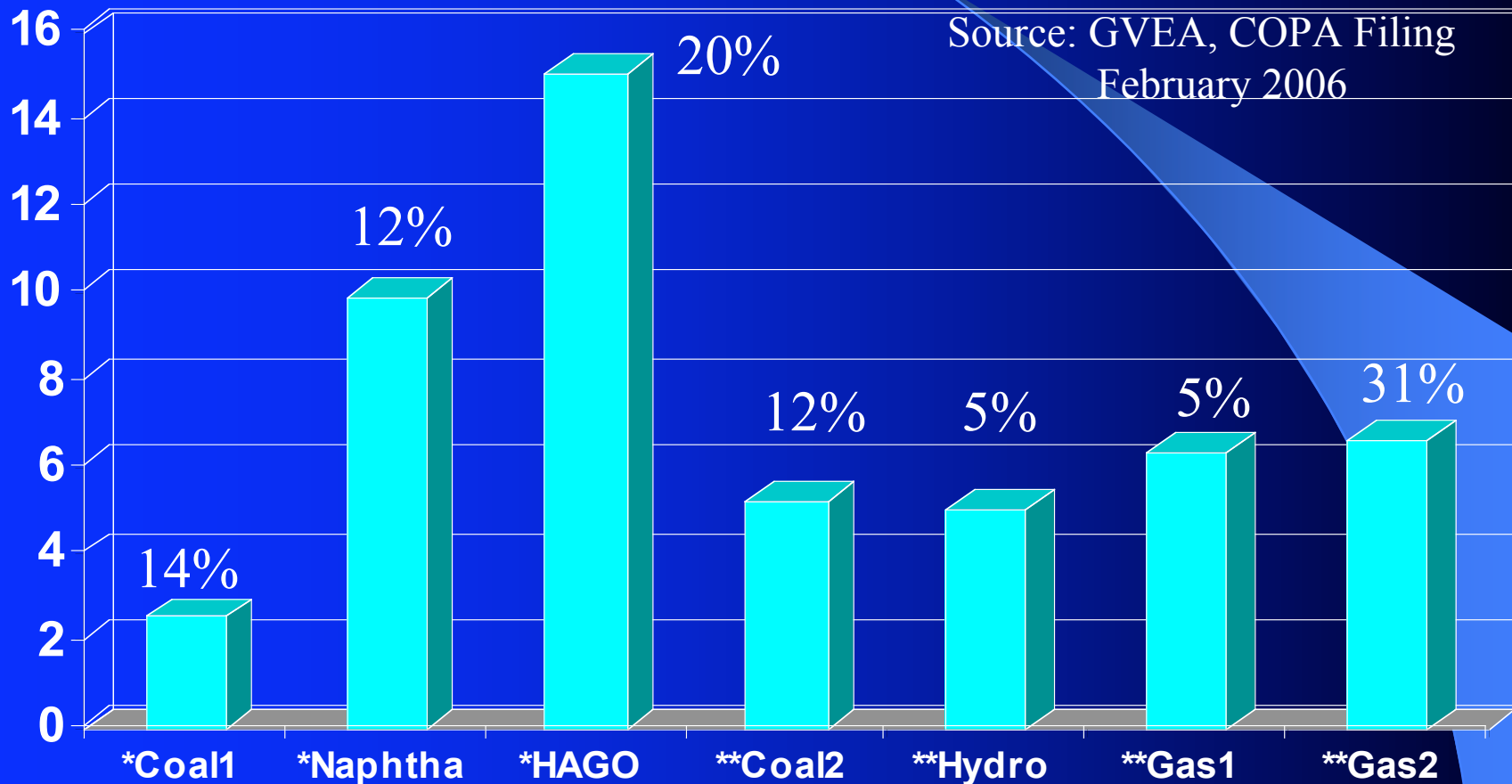
**Even moderate fractions of FT fuel blended in JP-8 significantly reduce exhaust emission particulates in T63 turbine engine testing.**

*\* Note: Results are highly dependent on engine model/year and composition of baseline fuel.*

# Predictions for 2007

- 5% growth in domestic burn.
  - Military/University construction.
  - Aurora plant improvements.
- HCCP will restart (10 – 20 % increase)
- Railbelt utility will announce new plant.
- 10 to 20% export growth.

# Electricity Cost Comparison



\* Fuel cost only

\*\* Purchased power



# Electroandina Plant Mejillones, Chile



# Thank You

Questions?

