Coal Miners Look to Benefit From Rally in Natural Gas Prices

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The Paragon Report Provides Stock Research on James River Coal and Patriot Coal

NEW YORK, NY -- (Marketwire) -- 10/02/12 -- The Coal Industry has been hit hard in 2012 as vast amounts of natural gas unlocked from shale deposits have made it a cheaper alternative to coal. Recent data released from the Energy Department has shown that the amount of gas used by power companies has risen 32 percent during the first half of the year, while coal usage has dropped 18 percent. The Paragon Report examines investing opportunities in the Coal Industry and provides equity research on James River Coal Company (NASDAQ: JRCC) and Patriot Coal Corporation (PINKSHEETS: PCXCQ).

Access to the full company reports can be found at:

www.ParagonReport.com/JRCC

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Slowing economies in Europe and Asia have led to steep drops in demand for coal. The Wall Street Journal recently reported that for the 12 months ended in June coal output in the U.S. surpassed consumption by 152 million tons, which was the largest surplus in roughly 30 years.

The recent rally in natural gas prices could prove beneficial to coal miners. The spread between the NYMEX Central Appalachian coal and Henry Hub natural gas futures on Thursday was the widest it has been in over a year. The gap on Thursday reached $1.25 per million British thermal units (mmBtu) according to data from Reuters. The cost of transporting Eastern coal is roughly $1 per mmBtu, so when the discount is above $1 per mmBtu it becomes more cost effective for utilities to burn coal instead of natural gas. Since April, natural gas has rebounded to $3.28 per mmBtu from $1.902, while coal has dropped to $2.13 per mmBtu from $2.03, according to Reuters.

Paragon Report releases regular market updates on the Coal Industry so investors can stay ahead of the crowd and make the best investment decisions to maximize their returns. Take a few minutes to register with us free at www.ParagonReport.com and get exclusive access to our numerous stock reports and industry newsletters.

James River Coal Company mines and sells metallurgical, bituminous, steam and industrial-grade coal through eight operating subsidiaries located throughout Eastern Kentucky, Southern West Virginia and Southern Indiana. Raymond James last month downgraded the company to market perform from outperform.

Patriot Coal ships to domestic and international electricity generators, industrial users and metallurgical coal customers, and controls approximately 1.9 billion tons of proven and probable coal reserves. The company last month reported it plans to reduce metallurgical coal production by approximately 85,000 tons per month as a result of weakening market demand.

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