

BRISTOL, Va., May 17, 2016 /PRNewswire/ -- [Alpha Natural Resources Inc.](#) (ANRZQ) today announced that Vantage Energy Appalachia II, LLC was named the successful bidder for certain oil and natural gas assets (collectively the "PLR Assets") in Southwest Pennsylvania owned by its subsidiary, Pennsylvania Land Resources, LLC. Vantage's winning cash bid of \$339.5 million far exceeded the previously announced stalking horse bid of \$200 million for those same assets.

"While we were not surprised with the interest the PLR Assets generated from operators in the region, the strategic sale of these assets will only help to maximize the value of the estate for the benefit of all stakeholders," said Alpha's Chairman and CEO Kevin Crutchfield. "We continue to forge ahead toward the final phase of our restructuring."

On February 8, 2016, Alpha filed a motion with the Bankruptcy Court requesting approval of procedures to govern a marketing and sale process for Alpha's core assets. These procedures were designed to implement a fair and competitive process for all qualified parties to bid for the Debtors' coal and natural gas assets. On March 11, 2016, the Court entered the Bidding Procedures Order approving the bidding and sales process.

Under the Bidding Procedures Order, interested potential purchasers were required to submit "Qualified Bids" for any of the Debtors' assets by May 9, 2016. On April 12, 2016, Rice Energy Inc. announced that its affiliate, Rice Drilling B, LLC, had entered into a stalking horse asset purchase agreement with Pennsylvania Land Resources to acquire the PLR Assets, subject to higher and better offers from competing, qualified bidders.

On May 16, 2016, the Debtors conducted an auction among five qualified bidders for the sale of the PLR Assets. At the conclusion of the auction, the \$339.5 million cash bid submitted by Vantage Energy Appalachia II, LLC was designated as the Successful Bid. The Debtors also designated a bid with a cash purchase price of \$335 million as the Next Best Bid. U.S. Bankruptcy Court approval is required before the agreed-upon acquisition by Vantage Energy can close. A hearing on this matter is currently scheduled for May 26, 2016. Alpha was advised on this transaction by Jackson Kelly as corporate counsel, Jones Day as restructuring counsel?, and Rothschild Inc. as Investment Banker.

Alpha and certain of its wholly-owned subsidiaries filed voluntary petitions to reorganize under Chapter 11 of the United States Bankruptcy Code on August 3, 2015. More information about Alpha's bankruptcy process and legal filings made with the Court to date can be found at www.kccllc.net/alpharestructuring.

About Alpha Natural Resources

Alpha Natural Resources is one of the largest and most regionally diversified coal suppliers in the United States. With affiliate mining operations in Virginia, West Virginia, Kentucky, Pennsylvania and Wyoming, Alpha supplies metallurgical coal to the steel industry and thermal coal to generate power to customers on five continents. Alpha is committed to being a leader in mine safety with our Running Right safety process, and an environmental steward in the communities where its affiliates operate. For more information, visit Alpha's website (www.alphanr.com).

Forward Looking Statements

This news release includes forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on Alpha's expectations and beliefs concerning future events and involve risks and uncertainties that may cause actual results to differ materially from current expectations. These factors are difficult to predict accurately and may be beyond Alpha's control. The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- our ability to continue as a going concern, including our ability to meet the requirements of our debtor-in-possession financing arrangements, our ability to execute one or more strategic transactions as part of a plan of reorganization, including the sale of the PLR Assets to Vantage Energy Appalachia II, LLC or otherwise, and our ability to successfully confirm a plan of reorganization that would restructure certain of our debt obligations to address our liquidity issues and allow emergence from the Chapter 11 proceedings;
- sustained depressed levels or further declines in coal prices;
- worldwide market demand for coal, electricity and steel, including demand for U.S. coal exports;
- competition in coal markets;
- our liquidity, results of operations and financial condition;
- our ability to obtain or renew surety bonds on acceptable terms or maintain self-bonding status;
- our ability to enter into settlements with state and federal governmental entities regarding the scope and necessary funding of reclamation obligations;
- utilities switching to alternative energy sources such as natural gas, renewables and coal from basins where we do not operate;
- reductions or increases in customer coal inventories and the timing of those changes;
- our production capabilities and costs;
- inherent risks of coal mining beyond our control, and our ability to utilize our coal assets fully and replace reserves as they are depleted;
- changes in environmental laws and regulations, including those directly affecting our coal mining and production, and those affecting our customers' coal usage, including potential climate change initiatives;

- changes in safety and health laws and regulations and their implementation, and the ability to comply with those changes;
- future legislation, regulatory and court decisions and changes in regulations, governmental policies or taxes or changes in interpretation thereof;
- global economic, capital market or political conditions, including a prolonged economic downturn in the markets in which we operate and disruptions in worldwide financial markets;
- the outcome of pending or potential litigation or governmental investigations;
- our relationships with, and other conditions affecting, our customers, including the inability to collect payments from our customers if their creditworthiness declines;
- changes in, renewal or acquisition of, terms of and performance of customers under coal supply arrangements and the refusal by our customers to receive coal under agreed contract terms;
- our ability to obtain, maintain or renew any necessary permits or rights, and our ability to mine properties due to defects in title on leasehold interests;
- attracting and retaining key personnel and other employee workforce factors, such as labor relations;
- the geological characteristics of the Powder River Basin, Central and Northern Appalachian coal reserves;
- funding for and changes in postretirement benefit obligations, pension obligations, including multi-employer pension plans, and federal and state black lung obligations;
- cybersecurity attacks or failures, threats to physical security, extreme weather conditions or other natural disasters;
- reclamation and mine closure obligations;
- our assumptions concerning economically recoverable coal reserve estimates;
- our ability to negotiate new United Mine Workers of America ("UMWA") wage agreements on terms acceptable to us, increased unionization of our workforce in the future, and any strikes by our workforce;
- disruptions in delivery or changes in pricing from third party vendors of key equipment and materials that are necessary for our operations, such as diesel fuel, steel products, explosives and tires;
- inflationary pressures on supplies and labor and significant or rapid increases in commodity prices;
- railroad, barge, truck and other transportation availability, performance and costs;
- disruption in third party coal supplies;
- the consummation of financing or other transactions and the related effects on our business and financial position;
- indemnification of certain obligations not being met;
- our substantial indebtedness;
- our ability to generate sufficient cash or obtain financing to fund our business operations; and
- other factors, including the factors addressed in previous filings made with the Securities and Exchange Commission and the Bankruptcy Court.

Forward-looking statements in this news release or elsewhere speak only as of the date made. New uncertainties and risks arise from time to time, and it is impossible for Alpha to predict these events or how they may affect the Company. Alpha has no duty to, and does not intend to, update or revise the forward-looking statements in this news release after the date it is issued. In light of these risks and uncertainties, investors should keep in mind that the results, events or developments disclosed in any forward-looking statement made in this news release may not occur.

To view the original version on PR Newswire,

visit: <http://www.prnewswire.com/news-releases/vantage-energys-qualified-bid-of-3395-million-announced-as-winner-for-pennsylvania>

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