

Alpha Natural Resources Closes New \$150 Million Credit Facility to Support Lexington Coal Transaction

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KINGSPORT, Tenn., Oct. 24, 2017 /PRNewswire/ -- Alpha Natural Resources (ANR Inc.) announces that it has successfully closed the sale of substantially all idle assets to Lexington Coal with funding for the transaction provided by key shareholders under a \$150 million credit facility.

Alpha CEO David Stetson said, "The deal with Lexington Coal represents a major step forward for Alpha. The transaction is immediately accretive to Alpha's business through the elimination of over \$70 million of annual cash costs and will allow Alpha to improve its operations and balance sheet to the benefit of all stakeholders. The financing facilitating the transaction was provided by certain of our key shareholders, who were willing to offer very competitive terms and, in doing so, make a further commitment to Alpha's future. The credit facility has a favorable rate of LIBOR+700 basis points (L+700 bps) and contains covenant-lite terms and minimum call protection, providing the greatest flexibility for the company to consider its future options."

Jake Mercer, Head of Special Situations and Restructuring at Whitebox Advisors LLC, said their support of the Lexington Coal deal, "is because of our confidence in Alpha's future as a major Central Appalachia coal supplier, which has been significantly advanced by the work done in the past year by the management team."

Moelis & Company LLC served as exclusive financial advisor to ANR Inc. Stetson added, "Our team, along with Moelis, did an excellent job of presenting Alpha's story to the investment community and we received multiple proposals for financing, but the offer from current shareholders provided Alpha with the greatest flexibility and lowest borrowing costs of all the options that were considered."

And Stetson further stated, "Since emergence from reorganization in July 2016, we have made significant progress in strengthening the balance sheet, setting the table for a bright future as one of the premier coal producers in Central Appalachia. The financing will enable the company to complete the LCC transaction while enhancing its strong working capital position. And Alpha is positioned to continue providing our customers with a reliable supply of high-quality metallurgical and thermal coals in 2017 and beyond. The closing of the Lexington Coal transaction and the related financing are further steps forward for Alpha and provide the company with optionality as we review the next chapter for the company."

Alpha's legal representation was provided by Curtis, Mallet-Prevost, Colt & Mosle LLP and Jackson Kelly PLLC on the financing and Steptoe & Johnson PLLC on the LCC transaction.

Alpha operates 20 mines in West Virginia and has benefitted from a resurgence in the metallurgical coal market and continued strong relationships with power utility customers which, in some cases, have been in place for decades. The company is on track to produce more than 14 million tons in 2017.

About Alpha Natural Resources

Alpha Natural Resources has affiliate mining operations in West Virginia and supplies metallurgical coal to the steel industry and thermal coal to generate power. Alpha has offices in Kingsport, Tennessee, and Julian, West Virginia, which support approximately 20 active mining operations. Alpha is committed to being a leader in mine safety and an environmental steward in the communities where its affiliates operate. For more information, visit Alpha Natural Resources' website (www.alphanr.com).

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SOURCE Alpha Natural Resources

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