060001-EI

EXHIBIT B REDACTED

VMH

Penbody COALTRADE, Inc. 701 Market Street St Louis, MO 63101 Phone 314,342,7600

COAL CONFIRMATION LETTER

Trade Ref #: 980-4949

March 10, 2004

Al Pitcher

Progress Fuels Corporation One Progress Plaza 200 Central Ave St. Petersburg, FL 3370!

Dear Alt

LEW PEP This letter confirms the agreement between Posbody COALTRADE, Inc. ("PCT") and Progress Fuels Corporation ("Progress") with respect to the Transaction dated Match 09, 2004 described below and constitutes a "Confirmation,"

TRANSACTION TYPE:

Physical

PRODUCT

BUYER

Progress Puels Corporation

SELLER:

Posbody SOALTRADE, Inc.

BUYER'S CONTACT:

At Picher (727) 824-6692 / FAX: (727)834-6601

SELLER'S CONTACT:

Bill Grebenc (314) 342/7598 / FAX. (314) 588-2792

TERM:

March 01, 2904 - April 29, 2004

QUANTITY:

29,000 tans total

SCHEDULE:

or to book to prove the experit | Train(s) per month, approximately 14,500 tens each

PRICE:

Ser ton

PAYMENT TERMS:

+ AME FOR COME TO SERVE Payment shall be made by the 25th day of the delivery month for financial settlements or

15 days after receipt of invoice for physical deliveries.

INVOICES:

Seller shall submit an invoice for one! delivered during the preceding month to Buyer in a form acceptable to the Parties on or before the fifteenth day of each month.

Varior

Address:

Ecy: Altti:

SPECIAL PROVISIONS:

Test burn NARM (S FOB Mine Plus S rail rate/thruput = S

If this Confirmation correctly sets forth the terms and conditions of this Transaction that we have entered into, please promptly confirm in a reply to us by signing below and sending this Confirmation (or a copy hereof) to us by fax (314) 588-2702 within three (3) business days of receipt of this Confirmation.

if Counterparty objects to any differences between the binding agreement of the parties regarding this Transaction and the contents of the Confirmation. Counterparty must notify Peabody COALTRADE, Inc. of its objections in writing by fax (3:4) 588-2702 within such time period.

If Counterparty fails to so coply or object within such time period, such objections shall be deemed waived and the terms of this Confirmation will become final and conclusive evidence of all the terms of the binding agreement regarding this Transaction. Any other terms and conditions are objected to and shall not be binding upon PCT.

This Confirmation supersedes and replaces any broker confirmation(s) regarding this Transaction to the extent of any irreconcilable conflict. If Counterparty notifies PCT of additional or different terms from those set forth herein, those terms shall be construed as proposals for smendments to this Transaction and shall not become part hereof unless agreed to by PCT in a supplemental written confirmation.

If you are in agreement with the foregoing, please execute where indicated below and fex a copy of this letter to COALTRADE Scheduling at (314) 588-2702.

Sincerely,

Perbody COALTRADE, Inc.

By:

Bill Grebene

Title:

: Trader

Date:

March 10, 2004

AGREED TO AND ACCEPTED.

Progress Fuels Corporation

370

Ticle:

Pitcher, Al (PFC)

From: Crake, Kyle on behalf of Crake, Kyle (Energy)

Sent: Thursday, May 20, 2004 7:52 AM

To: Pitcher, AI (PFC)

Subject: RE: Coal Purchases

Approved

----Original Message----

From: Pitcher, Al (PFC) [mailto:APitcher@progressfuels.com]

Sent: Wednesday, May 19, 2004 2:52 PM

To: Crake, Kyle

Subject: Coal Purchases

Based upon an economic evaluation, discussions with the supplier, and a visit to their mine, I request permission to purchase the following coal.

Crystal River Units 1 & 2

	Year 2005	Year 2006
B&W Resources, Inc		
Tons	240,000	240,000
\$/Ton of Coal	\$1000	\$
¢/MMBtu Delivered	\$	\$

We are currently evaluating other suppliers, and will contact you for permission to make additional purchases. I hope to complete our purchase activity by Friday. All of the purchases made thus far are subject to the successful negotiation of all contract terms and conditions.

A prompt reply, at your earliest convenience, would be greatly appreciated.

Al Pitcher



INTER-OFFICE CORRESPONDENCE

Fuel Transportation Office

BT10E MAC 727/824-6692 Phone No.

SUBJECT: COAL PURCHASE AUTHORIZATION

TO:

Kyle Crake

DATE: May 17, 2004

Year 2006

We have evaluated the bids received in response to our April 12, 2004, Request for Proposals. Preliminary discussions have been conducted with several suppliers. Based upon these discussions, I request permission to purchase the following coals.

Year 2005

Crystal River Units 1 & 2

Sequoia Energy LLC/Black Gold, LLC	Year 2005	<u> </u>
Tons	120,000	240,000
\$/Ton of Coal	\$	\$
¢/MMBtu Delivered	\$ 1	\$
Manage		
Massey Tons	720 000	NY / A
\$/Ton	720,000	N/A
	\$	N/A N/A
¢/MMBtu Delivered	φ	IN/ A
Crystal River Units 4 & 5		
Rail Coals	<u>Year 2005</u>	<u>Year 2006</u>
Survey of the Control		
Massey Utility Sales Company Tons	720 000	N/A
\$/Ton of Coal	720,000 \$ 4.11	- N/A N/A
¢/MMBtu Delivered	S	N/A
Trivible Dolly Clou	Ψ	11/11
Progress Fuels		
Tons	360,000	360,000
\$/Ton	\$	\$
¢/MMBtu Delivered	\$	\$
Water Coals		
		,100
Central Coal Company	202 222	200.000
Tons	300,000	300,000
\$/Ton of Coal ¢/MMBtu Delivered		
4/MMMptu Denvered	3	φ

Because of the strength of the current market, we only purchased for 2005 and 2006. Our plan is to watch the market, and re-enter for both spot and contract coal during late 2004 and early 2005. I have enclosed with this memo the purchases and the economic evaluation from the RFP (See Attachment "A"), a Supply Assessment for 2005 and 2006 (See Attachment "B"), and the 2005 and 2006 scheduled purchases including their economic evaluations (See Attachment "C").

As always, we attempted to improve the economics, as compared to the prices offered, while increasing the tonnage purchased and the term offered.

2005-2006 PURCHASES

FOREIGN WATER

Choice:

• During the latter part of March and early April, we began negotiations with Drummond for an extension of our 2004 agreement. This decision was made because all indicators pointed to the beginning of another round of price increases and supply shortages for both domestic and foreign coals. We purchased 800,000 tons for 2005 and 1 million tons for 2006 from Drummond's Mina Pribbenow mines; this is "Delta" coal. The delivered cost to Crystal River (CR) is \$/MMBTU and \$/MMBTU, respectively.

No additional purchases were made for foreign coal from the RFP because the prices submitted from other foreign suppliers were not competitive. Their prices ranged from 2.828 to 2.948 \$/MMBTU. These prices compared to 2.672 to 3.082 \$/MMBTU, for offers from the domestic suppliers.

Explanation:

During 2004, we began shipments of Drummond's Colombian coal. The results economically, environmentally, and operationally have been excellent. This coal, besides being very low in ash and sulfur, reduces NO_x emissions by almost 25%. This purchase will assist CR in achieving their NO_x goals, while providing them with a competitively priced product.

DOMESTIC WATER

Choices:

• We purchased "Delta" coal from two suppliers for delivery on the river system. We were offered and purchased 300,000 tons per year for 2005 and 2006 from Central Coal Company. This "Delta" coal will ship via truck to the Kanawha River and will deliver into CR at \$/MMBTU. We also purchased 360,000 and 180,000 tons of "Delta" coal for 2005 and 2006 from Massey Energy. This coal will be rail-delivered to the Ohio River, and it will deliver into CR at \$/MMBTU.

Explanation:

• We have had previous experience with both of these suppliers and are very satisfied they will meet or exceed the specifications bid.

DOMESTIC RAIL

Choices:

• We purchased "Delta" coal from two companies and "Alpha" coal from three others. We have previous experience with three of the suppliers and have added two new companies.

"DELTA COAL"

We purchased 360,000 for 2005 and 180,000 tons for 2006 from Massey Energy. This coal will deliver into CR at \$\frac{1}{2} \$\frac{1}{2}

"ALPHA COAL"

We purchased 720,000 tons for 2005 and 360,000 for 2006 from Massey Energy. This coal will deliver into CR at \$/MMBTU. We purchased 120,000 tons for 2005 and 240,000 tons for 2006 from Sequoia Energy LLC. This coal will deliver into CR at \$/MMBTU. Also, we purchased 240,000 tons for each year (2005 and 2006) from B&W Resources. This coal will deliver into CR at \$/MMBTU.

Explanation:

• Massey Energy has been a consistently reliable supplier over the past 20 years. Progress Fuels-Marketing & Trading has very good quality coal and a reliable track record. Because of the shortage of coals in the Central Appalachian region, we felt it imperative to add to our base of suppliers. Both Sequoia Energy and B&W Resources will fulfill this need. Prior to contracting with them we had our field representative visit their mining operations, and we called other utility buyers to verify their performance. No problems were noted in either case.

2004 RE-OPENERS

We have only one contract with a re-opener during 2004. Consol Energy (Consol) has a price, quantity, and terms re-opener, which needs to be completed by November 1, 2004. We have already had several discussions with Consol regarding tonnage for next year. Current estimates are that they will have 750,000 to 1 million tons to offer. The current contract is for 1 million tons.

CR Units 1,2, 4 and 5 **PURCHASES** from 2005-2006

RFP

CORRECTED COPY

+++++++ +++++++ ((0,0,0))Evaluated -Punchase Spedifications ligital. 2005 2006 UMIIIzedl Suppiliar CoalType Tomo Tions - Asia Sulfur, Bui Molsiuro Vol. Hell 802 802 Cost 980 lions: Water Drummond / Interocean 1800 D (CR4&5) 1/05-12/06 **FOB Mobile** 800 1000 5.50% 0.70% 11,700 14.00% 32.00% 43 1.20 Central Coal Co. D (CR4&5) 1/05-12/06 600 Winifred Dock 300 300 12.00% 0.74% 12,300 8.00% 31.00% 42 1.20 Massey D (CR4&5) 1/05-6/06 FOB Ceredo 540 360 180 13.00% 0.73% 12,100 8.00% 31.00% 42 1.20 Rail Massey D (CR4&5) 1/05-6/06 Bandmill 360 180 12.00% 0.73% 12,100 8.00% 31.00% 42 1.20 Progress Fuels D (CR4&5) 1/05-12/06 Diamond May 360 360 12.00% 0.75% 12,500 8.00% 32.00% 43 1.20 Sequoia Energy LLC A (CR1&2) | 1/05-12/06 CSX Harlan 120 10.00% 240 1.34% 12,700 8.00% 31.00% 42 | 1.50 2.10 Massey A (CR1&2) 1/05-6/06 CSX BS 720 360 12.00% 1.27% 12,100 8.00% 31.00% 42 | 1.50 2.10 **B&W Resources** A (CR1&2) 1/05-12/06 CSX Jellico 240 240 11.50% 1.25% 12,500 7.00% 32.00% 42 1.50 2.00 SQ2

CR Units 1,2, 4 and 5 PURCHASES from 2005-2006 RFP

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. Supplier .	Coal Type	Толт	Origin .	lions					JEXOr					S@2	(୧୯୫(<i>ମ</i> ଧ୍ୟ	CostS/M	Goek Stetc	Gost SIM
Water				Editorre della come		<u> </u>												
Drummond / Interocean	D (CR4&5)	1/05-12/06	FOB Mobile	1800	800	1000	5.50%	0.70%	11,700	14.00%	32.00%	43		1.20	\$	site See 2	9	8
Central Coal Co.	D (CR4&5)	1/05-12/06	Winifred Dock	600=	300	300	12.00%	0.74%	12,300	8.00%	31.00%	42		1.20	\$			
Massey	D (CR4&5)	1/05-6/06	FOB Ceredo	\$1640.3	360	180	13.00%		12,100	8.00%	31.00%	42		1.20	\$	—	\$	\$
Rail									-									
Massey	D (CR4&5)	1/05-6/06	Bandmill	540	360	180	12.00%	0.73%	12,100	8.00%	31.00%	42		1.20	9	.	\$	19
Progress Fuels	D (CR4&5)	1/05-12/06	Diamond May	720	360	360	12.00%	0.75%	12,500	8.00%	32.00%	43		1.20	\$		\$	
CAM-KY	D (CR4&5)	1/05-12/06	Diamond May	720	360	360	12.00%	0.75%	12,500	8.00%	32.00%	43		1.20	\$			
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Sequoia Energy LLC	A (CR1&2)	1/05-12/06	CSX Harlan	360	120	240	10.00%	1.34%	12,700	8.00%	31.00%	42	1.50	2.10			ه ا	
Massey	A (CR1&2)	1/05-6/06	CSX BS	1080	720	360	12.00%	1.27%	12,100	8.00%	31.00%	42		2.10	Ψ			
B&W-Resources	A (GR1&2)	1/05-12/06	esx Jellico	1000	240	Z40	41.50%		12,500		32:00%	42		2.00	******		***************************************	
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CR Units 1,2, 4 and 5 PURCHASES 2005-2006

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Guasare (1)	D (CR4&5)	1/04-12/05	Pasa Diablo - IMT	650	650	0	7.00%	0.77%	12,800	8.00%	34.00%	45		1.20				
Guasare	D (CR4&5)	1/04-12/05	Mina Norte-IMT	150	150	0	8.00%	0.78%	13,000	8.00%		-					- V	
Drummond / Interocean	D (CR4&5)	1/05-12/06	FOB Mobile	1,800	800	1000	5.50%	0.70%	11,700	14.00%	31.00%	45		1.20	\$		\$4	\$
Central Coal Co.	D (CR4&5)	1/05-12/06	Winifred Dock	600	300	300	12.00%		12,300		31.00%		-	1.20	\$		\$	
Massey	D (CR4&5)	1/05-6/06	FOB Ceredo	5/40	360	180	13.00%		12,100	8.00%	31.00%	42		1.20	o dimension		3000	V
<u>Paíl</u>										0.0076	31.0076	42	-	1,20	- Agreement		3	3 8 2
CAM	D (CR4&5)	1/04-12/06	CSX BS	7,00	500	200	11.00%	0.75%	12,500	8.00%	31.00%	42	-	1.20				
Alliance	D (CR4&5)	1/02-12/06	MC Mining	600	600	0	10.00%	0.74%	12,300	9.00%	32.00%	39		1.20	30000		32000	9
Massey	D (CR4&5)	1/05-6/06	Bandmill	540	360	180	12.00%	0.73%	12,100	8.00%	31.00%	42		1.20	***************************************		\$	
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Massey	A (CR1&2)	ends 3/05	CSX BS	150	150	0	12.00%	1.31%	12,500	7.00%	33.00%	45	4.50					
Sequoia Energy LLC	A (CR1&2)	1/05-12/06	CSX Harlan	360	120	240	10.00%	1.34%	12,700	8.00%	31.00%	45	1.50	2.10			\$	\$
Massey	A (CR1&2)	1/05-6/06	CSX BS	4080	720	360	12.00%	1.27%	12,100	8.00%	31.00%	42	1.50	2.10	3		\$ (1000)	
B&W Resources	A (CR1&2)	1/05-12/06	CSX Jellico	480	240	240	7 5,0,119	1.25%	12,500	AND THE PERSON NAMED IN		42	() (() ()	2.10	\$		\$ 200	Same.
Consot (2)	A (CR1&2)	1/05-12/05	CSX BS	7/50	750			1.35%	12,800	7.00% 8.00%	32.00%	42	1.50	2.00	\$		3	
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ck - New Contract		Ţ	otali¶onsis.	9/1/20	6060	3060								S02				

(1) Gusare has reopener for 2006

(2)Consol Reopener Pricing is estimated

CR Units 4 and 5 May 2004 Solicitation ALL BIDS

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		Pasa Diablo - IMT	990		330	\$	330	S	330		0	7.00%	0.77%	12,800	8.00%	34.00%	45	1,20	9	i e	100 m		
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CR 1 and 2 May 2004 Solicitation ALL BIDS

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Massey	05	CSX BS	720	720	0	0	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	\$			\$		
B&W Resources	05-07	CSX Jellico	7/2/0	240	240	240	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	\$		SECTION SECTION	\$	(4)	
Marshall	05-06	CSX Clinchfield	500	250	250	0	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	\$		Diversion	\$	\$	
Massey	05	CSX Kan	720	720	0	0	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	\$			\$	Š	
Central App	05-07	CSX BS	7/20	240	240	240	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	\$			\$	S	
Black Gold	05-07	CSX Harlan	600	120	240	240	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	\$			\$	Ş	Pro LOVERING
Horizon	05-07	CSX-Evergreen	1/5000	500	500	500	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	\$		調整を	\$	69	80/
Central Coal Co	05-06	CSX-Kan	480	240	240	0	12.00%	0.99%	12,300	8.00%	32.00%	45	1.60	\$			\$	\$	A Company
СМС	05	Colombia-Mobile	400	400	0	. 0	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	\$			\$	\$	
Logan&Kanawha	05-07	CSX Kan	* #1 080	360	360	360	13.00%		12,500	8.00%	30.00%	42	1.60	\$			\$	9	orage.
СМС	05	Colombia-ECT	400	400	0	0	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	\$			\$:\$	
Peabody	05-07	CSX Kan	£7/240	240	240	240	13.50%	Pada a James i	12,200	6.70%	30.00%	40	2.10				\$	1,0	
Horizon	05-07	CSX Haz- Typo	1500k	500	500	500	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	\$			\$	S	
Smokey Mtn	05	CSX Kan	240	240	0	0	13.00%		12,000	8.00%	31.00%	42	2.10	\$			\$	\$	
			Constitution and Constitution						onomics Ba		L	ı - _			10 Marie				
							Ash	Sulfur	Btu	Moisture	Vol	HGI	ĺ						
		Total Tons	10300				10.00%	1.05%	12,000	8.00%	34.00%	40							

CR Units 1,2, 4 and 5 May 2004 Sollcitation PURCHASES

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Supulor	Contract	Jun.	Ototio	iron	19691	ions	Frainc	Tions	Dalla.			7.1	Gue	I CHECKEL		300	in a		101241001		re-rai Cara		ar in		a vermanismismi	1, mars
ater									1	T	1	MACH ACRES 1	Sognors	PARTY LITTLE STATE	MIN CORLUS	NAME OF TAXABLE PARTY.	BR13331888	SOLER	a O Controller	E/Dividents	WOOD NAVO	i Coston	i Broceitecer	A PROCESSION		
Central Coal Co.	D (CR485)	1/05-12/06	Winifred Dock	600	7(A) Y	300		300		S	3	12.00%	0.74%	12,300	8,00%	31.00%	42	1.20					-		Buy	
Massey	D (CR4&5)	05	FOB Ceredo	0.00		360		180		3		13,00%	0.73%	12,100	8.00%	31.00%	42	1,20		А					Buy	18 month deal - 06' minimums
	<u> </u>	L	<u> </u>										1						• •						Buy	
Щ	· —																									
Маязву	D (CR485)	05	Bandmill		A STATE OF THE PARTY OF THE PAR	360	\$	180	5		-	13.00%	0.73%	12,100	8.00%	31.00%	42	1,20		A					Buy	18 month deal - 06' minimums
Progress Fuels	D (CR4&5)	05-07	Diamond May	7/20		360		360	4			12.00%	0.75%	12,500	8.00%	32.00%	43	1.20			,				Buy	
																							-			
Seguola Energy LLC	A (CR1&2)	05-07	CSX Harlan		200	120	:	240	5			10.00%	1.34%	12,700	8.00%	31.00%	42	2 10	-	s					Buy	
Massey	A (CR1&2)	05	CSX BS	1080		720	4	360	\$			12.50%				31.00%	42			AS			s		Buv	18 month deal - 06' minimums
B&W Resources	A (CR1&2)	05-07	CSX Jellico	2000		240		240		S	ş	11.50%				32.00%				s					Buy	
										100									-		-					
												 														
			1 22 67 72		1.6	2360		4360				 										1			Revise	

CR Units 1,2, 4 and 5
May 2004
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Water				MANAGE SANG	256 Services														<u> </u>			\$	建筑地域影響		
Central Coal Co.	D (CR4&5)	1/05-12/06	Winlfred Dock	000	30	9	300	24	SHARM		12.00%	0.74%	12,300	8.00%	31,00%	42	1.20	,	<u> </u>	7	100 a mar	- 2	No. 75 Page 18	Buy	
Massey	D (CR4&5)	05	FOB Ceredo	800	36	0 5	0	-	9		13.00%	0.73%	12,100	B.00%	31.00%	42	1.20	4	A	5			د ب	Buy	18 month - Bandmill Rail Option
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D-11				Daniel Change in the Table	- Control of the Cont			1,																	and the second s
Kall				1342 13 10 2	W. 1	V	Deministra	-	Mark Street, Williams	New York	C-C-Duna	THE RESERVE	The second second	eserces.	muse and		COLUMN TO	-	1		No.	THE PERSON NAMED IN		1	18 month - Bandmill Water option
Massey	U (CR485)	05	Bandmill	94838UPE E	36		0				13.00%	0.73%	12,100	8.00%	31.00%	42	1.20		A	3.5	B.	4	Parallel Control	Buy	18 month - Bandmill Water option
Progress Fuels	D (CR4&5)	05-07	Diamond May	720 . 5	36	9	360			-	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	-		3	A CONTRACT			Buy	
	, , , , ,						Ţ																		
Sequola Energy LLC	A (CR1&2)	05-07	CSX Harlan	360)	12		240		-	-	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	,	s			9		Buy	
Massey	A (CR1&2)	05	CSX BS	700	72) }	0				12.50%	1.27%	12,100	8,00%	31.00%	42	2.10		AS		T and		And the second	Виу	New Ridge/Goff
B&W Resources	A (CR1&2)	05-07	CSX Jellico	480	24		240	2			11.50%	1.25%	12,500	7.00%	32,00%	42	2.00		s		1			Buy	
					_			-	_	_											-				
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			Totale Lons	36001	2	60)	13740												SOZ Pake	4				Revised	6/1/2004 7:14

PROGRESS FUELS CORPORATION

GR Units 4 and 5

May 2004

Solicitation

ALL BIDS by Rall/Water

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Water			AND STATE OF THE PARTY OF		-							20010	REAL PROPERTY.	UNIVIAMENT .	MAD (URSS)	WOURTHURS	MAN CHAPPE	HGIBES	924 26	05/5 4 (600	0051157	n Cosken	Cosksis	sia agosiis/	A ACTION TAR	ENE Noting
DTE	2005	PRB/Cora		504	5	0 5	0	-	0		51		5.64% 0.	30%	8,800	26.70%	31.65%	51 0.0	. 1		M SOL		-	EV TO THE	1870	
Kennecott	05-07	Barge Cahokia	1500	500	1_5	500 \$	500	\$	0		s		4.00% 0.			22.36%							-1	10.55 (S	102 5-73	Incl ground storage- SO2 prem@0.8
Arch	1/05-12/07	Thunder Basin	(800)	500		500	500		0									61 0.1			M)		_ 1	2 m S	200	
Trition	05	PRB N. Rochelle	1000	1000		0	0		0					30%	8,800		30.75%	50 0.6	68	BA	V		_ 4	5		SO2 prem@0.8
Triton	05-07	PRB-Buckskin	8000	1000	1. 19	000	1000							35%	8,800		31.50%	63 0.8	В0	Б	м		_5	4.315	Lad	SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	×1000	1000	-	000	1000			1	16.00	i i	5.50%	94%	-8:400.	30.00%)	33:00.8	9.65a - 0.6	10-1-	or 20	100		anne de			SUZ PIENIZUJE
Peabody	05-07	Antelope		300		300	1		0				5.20% 0.3	35%	8,800	28.50%	31.50%	63 0.8	10	_ 8	и :				#이 (100)	SO2 prem@0,8
Kennecott	05-07	Barge Cahokla	1000				300		0 3				5.50% 0.2	27%	8,900	28.00%	30,00%	56 0.6	50	ВМ	v :			13	20	SO2 prem@0.8
Oxbow	05-08	Colorado	6330	200 \$		100 \$	400	\$	0				5.00% 0.5	59%	9,963	13.22%	30.75%	61 1.1	8	ВМ	v s					Check vol on IB Coal
Interocean	07	35	1000	50	51	i00 \$	500	\$	500 9			1	2.00% 0.7	72% 1	11,900	9.00%	31.00%	50 1.2	0		3 3				in the second	
		Colombia-Mobile		0	-	0	1000	4	0			5	5.50% 0.7	0% 1	11,700	4.00%	31.00%	43 1.2	0	В					8	ground storage included
Central	1/05-12/06	Winlfred Dock	(00)	300 \$	30	00 \$	0		0			1:	2.00% 0.7	4% 1	12,300			42 1,2		1				200		
Massey	05	FOB Ceredo	7/20	720		0	0		0 5			13	3.00% 0.7							-			-	S STORY	\$44 35	
Massey	05	Sydney-Ceredo	60082	600	0	0	. 0		0				2.50% 0.7					42 1,20			1 5	数 基	-12	Service S		18 month
CMC	05	Colombia-Mobile	200	200 \$		a	0											42 1.20	0	·	\$			15	1.7	18 month
Glencore	2005	Colombia-IMT	150	150 \$	0	,							.30% 0.7	1% 1	1,800 1	2.00% 3	3.00%	45 1.20	0	SA	. 4			200		
CMC	05	Colombia-ECT	9200° C	200 \$					- 1		+1	9.	.00% 0.69	9% 1	2,000 1	0.00% 3	4.00%	46 1.15	5	-			4	5.00		SO2 guaranteed at 0.8
Glencore	2005	Colombia-IMT		150 \$		-		-	0 \$		+	8.	.30% 0.7	1% 1	1,800 1	2.00% 3	3,00%	45 1.20		SM			5		200	goodaniced at 0.0
Guasare	05-07	Pasa Diablo - IMT			0				0 \$	1	+4	8.	.00% 0.75	5% 12	2,400 9	.00% 3	5.00%	46 1.20		s				14	75	
Guasare	05-07	218		330 \$	33		330	\$	0 5			7.0	00% 0,77	1% 12	2,800 8	.00% 3	4.00%	45 1.20								
- Courselle	05-07	Mina Norte-IMT	700033 R I	200 \$	25	io s	250	s	0	1		В.	00% 0.78	1% 13	3,000 B	.00% 3	1.00%	15 1.20						2700		
		1000			l			-		4								N.L.		-				i s		
an an		Distr.																		-		難		diam's	9	
Massey	05	Bandmill (S)	/20 3	720	0		0	\$, s			13	.00% 0.73		2,100 8.				\top		-	# # F		(Remain		
Progress	05-07	Diamond May	10805	360	360	0 4	360	s			. 1		1				_	2 1.20	+	A				200		18 month
Alliance	05-07	MC Mining	900	150	150		600						0.75		,500 8,	00% 32	.00%	3 1.20								
Massey	05	NS-Sydney	600	600 \$			1		1		H		00% 0.74		300 9.	00% 32	.00% 3	9 1.20	1	н			14			06 & 07 reopener
							1-0-1-			1	1.3	12:5	50% 0.74	% 12,	300 8	00% 31	.00% 4	2 1.20		A				Series .		
		ofalstons 🗽 🗽	Y998 4 1									As 10.0		r Bt	nics Base 5	sture (ns /ol HG							1		NS Move-NO FREIGHT Included
										testi	mated in re	ed						<u>"</u>		\$02 Price						4.000
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CR 1 and 2 May 2004 Solicitation RAIL BIDS

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<u> Gurjaltar</u>	īdim	- Oahlin	(000) Xojni Seri As Seri Inco		2005 - 2006 2006 - 2006	2000 - 2007 - 7 Priles Tours P			Rallen		ndinso Sp	oslikaljen			હાલાદ સાંગ -	ଜ୍ଞାନ୍ତର ବ୍ୟବସ୍ଥର	(G13)i	tarat gadii - Ott	eirii Fve Izoi U	linetegii Hilizogi		
Massey	05	CSX BS	720	720 \$			0	£10030303	(008158.00A				THE REAL PROPERTY.	S-1860-C-0-4-00	COEVER	\$00083 (C)	5518/51 (C	SIEM = 60	(05)	S(S/MI)	AGILONHAKENA	Moles
B&W Resources	05-07	CSX Jellico	7/20	240 \$	240	240				0% 1.27%					_\$	AS \$		<u>\$</u>		Stay as Section		New Ridge/Goff
Marshall	05-06	CSX Clinchfield	5500	章 250 \$	250	0	,			0% 1.25% 0% 1.31%						SS	- E	靈		100		
Massey	05	CSX Kan	720	720 \$	0	0	0			0% 1.27%		7.00% 8.00%		0 2.10		ASV S	麗	3	100 M			
Central App	05-07	CSX BS	5720	240 \$	240	240 \$	0			0% 1.32%		8.00%		2 2.10		ASV	一條	黎 \$	25 9F	Production		Bandmill
- Second Colde	105407	COXILLA		iniskā preside	2500	246				7.34%					ş 	S		S	**************************************	100 m	STORY TO THE WAY TO STORY	Barrier - Company of Company of Company
Horizon	05-07	CSX-Evergreen	1500	500 s	500 \$	500	0			0% 1.29%	- 1					s		\$		e may		
Central Coal Co	05-06	CSX-Kan	400	240 \$	240 \$	0	0			0.99%		8.00%				AS		\$ S	- 323	Maria de la Companya		Note reopener 06 and 07
GMC	05	Colombia-Mobile	\$ 0400000	400 \$	0	0	0			% 0.78%	- 1	12.30%				SBM S				-		SO2 set to 1.6
Logan&Kanawha	05-07	CSX Kan	100015	360 \$	360	360	0			1.00%		8.00%		2 1.60		ASV S			- Indian	32.5 ·		
CMC	05	Colombia-ECT	200	400	0	0	0		9.20	% 0.78%		12.30% 3				SBM	東部 紅色岩原			1900 n		Snap Creek
Peabody	05-07	CSX Kan	720	240	240	240 5	0		13.50	1.28%				2.10		ASV			95.VE	refu.		
Horizon	05-07	CSX Haz- Typo	1600	500	500 \$	500	0			% 1.27%			1.00% 42		s	AS			30			Sulfur Premium @ 1.6
Smokey Mtn	05	CSX Kan	240	240 9	0	0	0		13.00	% 1.25%	12,000	8.00% 3	1.00% 42	2.10	s	AS				1997		reopener 06 and 07
																	10000		-in 18	in of		
										CR 12 Ec	nomics Bas	se Specificati	ons									
	1	Tolal Tons	10300						Ash 10.00	Sulfur X 1.05%	Btu	Molsture	Vol HG	'	_							
L		potalitions.	10300					*Gstluvated i	n red	N 1.05%	12,000	8.00% 3	4.00% 40	1	S	01 Price					Revised:	6/1/2004 7:14

CR 1 and 2 May 2004 Solicitation ALL BIDS

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vendants:	160700-	Calilla	1000 - VOID 1000 - VOI 1000 - VOID	10 2005 i ilous	7005 2003 1008 1008		2007 2000 Biteo done	200) iretigip (2 Pilgo 1904) (1	llior	Durch	so Spendite	floris		(IJ)(IFz-16a	unima Ocialo	લાકા	ligvenne Geschi willige	lou Evaluato ou Ulillo		
Massey	05	CSX BS	7/20	720	2 0		A THE OWNER HOUSE SAFE	Encestation Costantio		1			(HG) 50)	Coste	(0000S)	Cos((9/s)	oosiismi aloosii	/510 2 005 [10]	A AUTIONITAKEN	Notes at
B&W Resources	05-07	CSX Jellico	7/20	240	\$ 240	\$ 240			12.50%				42 2.10		AS					New Ridge/Goff
Marshall	05-06	CSX Clinchfield	600	250	\$ 250	210			11.50%		1	32.00%	42 2.00	1 2				- and	an'	
Massey	05	CSX Kan	1/20	720	5				13.00%			29.00%		-	ASV			2.2	3.4 3.6	
Central App	05-07	CSX BS	20	240	\$ 240	240			12.50%		,100 8.00	30.00%	42 2.10		ASV			144	knu	Bandmill
0130k (3010	75 OF	CSA Hanaii	ZZ A	720	270	240 240	3 15		12,00%	CHANGE FORK	Selection to Change		42 2.10		S.					
Horizon	05-07	CSX-Evergreen	1600	500	5 500	500	3 0		10,00%		,700 8.00	% 31.00%	42 2.10		s	į.				The second secon
Central Coal Co	05-06	CSX-Kan	410	240	240	300	0		13.00%		1	% 31.00%	45 2.10		AS					Note reopener 06 and 07
СМС	05	Colombia-Mobile	300	400	0				12.00%		300 8.00	% 32.00%	45 1.60		s	135		ex		SO2 set to 1.6
Logan&Kanawha	05-07	CSX Kan	0000	360	\$ 360		0		9.20%		600 12.30	% 32.00%	45 1.34		SBM			ine	Lis .	
СМС	05	Colombia-ECT	400	400	300	360	3 1 0		13.00%		500 8.00	% 30.00%	42 1.60		ASV	7				Snap Creek
Peabody	05-07	CSX Kan	100	240	240	240		++ +	9.20%	~	600 12.30	% 32.90%	45 1.34		SBM					
Horizon	05-07	CSX Наz- Туро	1500	500	500	500	9 0 3	9	13.50%		-		40 2,10		ASV					Sulfur Premium @ 1.6
Smokey Min	05	CSX Kan	240	240	300	300			1		100 8.00	4 31,00%	42 2.10		AS	嫚				reopener 06 and 07
				89 <u> 715</u> 3		, m	0 1		13,00%	1.26% 12,	000 8.00	4 31.00%	42 2.10		AS		الأ			
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		Lotal Fons	10300						10,00%	1.05% 12	i Molstu 000 8,00%		40							
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CR Units 4 and 5 May 2004 Solicitation ALL BIDS

Facility Company of the Santania	Cara area in Printer & action		orV2/2					ALL DIDS		
e Supplier	itim	(000), Welgi 1327 - 1327 1337 - 1341 - 1341			2017年1日 1日 1	097 7008 2	ens inggrigit (1896	rPurch().Specifications	Connects Con	Voluntud Povujerani Quilitzari Quinna Consider Gonsider Accinigramazion Monta
DTE	2005	Ottolic dearn juried PRB/Core F504 C				COMPANION STATE	Alega de Confession de Confess			COSUSCIT COSUMM AACHONDAKEN NOIGS
Kennecott	05-07		\$ 504 \$	0 \$	0 \$	0 5	\$ \$	5.64% 0.30% 8,800 26.70% 31.65%	51 0.68 BM	lncl ground storage- SO2 prem@0.8
	1/05-12/07	Barge Cahokia 3,41500 5 5 5	多 500 s	500 \$	500 \$	0 5	\$ 5	4.00% 0.38% 9,350 22,36% 31,26%	61 0.80 BM	
Arch	05		500	500	500	0 \$	\$ 5	5.50% 0.30% 8,800 28.00% 30,78%	50 0.68 BMV	SO2 prem@0.8
Triton	05-07	PRB N. Rochelie 2000000000000000000000000000000000000	1000	0 9	0	0	\$	5,20% 0.35% 8,890 28.50% 31.50%	63 0.80 BM	SO2 prem@0.8
Triton		PR8-Buckskin 3000as	\$ 1000	1000	1000	0	\$	5.50% 0.34% 8,400 30.00% 31.00%	50 0.68 BMV BMV 55 0.60 BMV	SO2 prem@0.8 SO2 prem@0.8 SO2 prem@0.8 SO2 prem@0.8 Check vol on IB Coal ground storage included 18 month 18 month SO2 guaranteed at 0.8
veTelloo		*7E0V4E022E3E4*	1000000 ES	2 11959	224500 x 4 4 5	Frank Stranger	\$ 000 ABS	57.20% 0.50% 0.500 20.50% 57.50%	35 7.863 - BM - BM	SOZ premigio.8
Peabody	05-07	Antelope (100)	300	300	300	0 :	\$	5.50% 0.27% 8,900 28,00% 30,00%		SO2 prem@0,8
Kennecott	05-07	Barge Cahokla 1000 5	200 ;	400 \$	400	0 3		5.00% 0.59% 9,963 13.22% 30.75%	51 1.18 BMV 50 1.20 S	Check vol on IB Coal
Oxbow	05-08	Colorado 5.3 550 348	基 50	500	500	500 \$		12.00% 0.72% 11,900 9.00% 31.00%	50 1.20 S	ground storage Included
Interocean	07	Colombia-Mobile a 10003	0	0	1000	0		5.50% 0.70% 11,700 14.00% 31.00%	43 1.20 BM	
Central	1/05-12/06	Winifred Dock # 600 g	300	300	0	0		12.00% 0.74% 12.300 8.00% 31.00%	42 1.20	
Massey	05	FOB Ceredo (0.7/20 m. s. s	720	0	0	0		13.00% 0.73% 12,100 8.00% 31.00%	42 1,20 A	18 month
Massey	05	Sydney-Ceredo 2 4600 as \$6\$	600	0	0	0		12.50% 0.74% 12,300 8.00% 31.00%	42 1.20 A S	18 month
СМС	05	Colombia-Mobile 200 S	200	0	0	0		8.30% 0.71% 11,800 12.00% 33.00%	45 1.20 SM S	
Glencore	2005	Colombia-IMT 5150 5	150	0	0	0 9		9.00% 0.69% 12,000 10.00% 34.00%	42 1.20 A S S S S S S S S S S S S S S S S S S	SO2 guaranteed at 0,8
СМС	05	Colombia-ECT 2000	200	0	0	0		8.30% 0.71% 11,800 12.00% 33.00%	45 1,20 SM S	372 guaranteed at 0.8
Glencore	2005	Colombia-IMT 150% S	150	0	0	0			46 1.20 S	
Guasare	05-07	Pasa Diablo - IMT 5-8990 S.C.	330	330	330	0			45 1.20	SANCE STATE OF THE
Guasare	05-07	Mina Norte-IMT 257,000 8	200	250	250	0			45 1.20	
Massey	05	NS-Sydney 2 800% st.	600		0	0			45 1.20 45 1.20 A	NS Move
Massey	05	Bandmill //20	720	0	0	0			42 1.20 A	
Progress	05-07	Diamond May 1080 25	360	350	360	0			43 1.20	18 month
Alliance	05-07	MC Mining 900 s	150	150	600				39 1.20	
				-				32.00%	35 120	06 & 07 reopener
								CB 45 Economics Pass Passiti.	_]	
								CR 45 Economics Base Specifications Ash Sulfur Blu Moléture Vol Ho	GI	
		Totals ons: 20584					"entimated in red	10.00% 0.70% 12,000 8.00% 31.00%	40	İ
							Chumotha at 16il	1	502 Price	Revised: 6/1/2004 7:14

5. Price:

The Coal, priced and delivered FOB the Delivery Point, is based on an "as received" heat content of 8,800 Btus per pound, a sulfur dioxide content of 0.80 pounds per million Btu (based on %S x 20,000 ÷ Btu), and other specific terms and conditions as stated in this Offer.

	2005	2006	2007
Fixed Price	\$	\$	\$9
Escalated Price	\$	\$	\$
Annual Re-Opener	\$	+/-\$0 2005) +/-\$ (2006)

The Offered Base Price of \$ per ton is a fixed price set over the entire term, starting January 01, 2005 and ending December 31, 2007. The escalated price uses \$100 per ton as the average. The annual re-opener for 2005 provides ACS the right to impose a "floor price" of \$100 or Progress Energy the right to impose a "ceiling price" of \$100 otherwise, the parties could negotiate a price between the two extremes.

The Offered Base Price may be adjusted as provided under Section 6.

The above price(s) do not include any sales or use taxes. Progress Energy should provide ACS with either a valid and appropriate sales tax exemption certificate or be responsible for any applicable sales or use taxes.

6. Price Adjustments:

a. GOVERNMENT IMPOSITIONS:

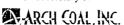
The base price may be adjusted for changes in ACS' taxes on Coal delivered to Progress Energy and for changes in costs, if any, incurred by ACS resulting from changes in government regulations after May 12, 2004.

b. BTU PRICE ADJUSTMENTS:

Pro rata (premium or discount) about 8,800 Btu/lb. basis; adjusted monthly.

c. SULFUR PRICE ADJUSTMENT:

If, during the month the as received weighted average SO2 varies from the basis value of 0.80 lbs SO2/mmBtu, (based on %S x $20,000 \div \text{Btu}$) a lump



Ott, Robin (PFC)

From:

Pitcher, AI (PFC)

Sent:

Wednesday, May 12, 2004 12:02 PM

To:

Ott, Robin (PFC)

Subject:

FW: DTE Offer Summary

FYI.

Al Pitcher

----Original Message----

From: Rolando Sanz-Guerrero [mailto:rsanzg@attwireless.blackberry.net]

Sent: Wednesday, May 12, 2004 12:01 PM

To: Pitcher, Al (PFC)

Subject: Re: DTE Offer Summary

Oops...sorry.

Rolando

----Original Message----

From: "Pitcher, Al (PFC)" <APitcher@progressfuels.com>

Date: Wed, 12 May 2004 11:59:36

To:<rsanzg@attwireless.blackberry.net>

Subject: RE: DTE Offer Summary

Our procedures do not allow for me to see this information prior to 5:00 PM. Robin will enclose it with the bids. Please do not send this type of information in the future prior to the expiration of the RFP submission.

Al Pitcher

----Original Message-----

From: Sanz-Guerrero, Rolando [mailto:SanzguR@dtecs.com]

Sent: Wednesday, May 12, 2004 11:49 AM

To: Pitcher, Al (PFC) Subject: DTE Offer Summary

Al:

I sent all the official offers to Robin as requested in the RFP. I wanted to summarize the different options for your information.

All offers are for minimum one train/month (168,000 tons) and up to 3 trains/month (504,000 tons). All offers are for calendar 2005.

- Offer one- This covers both rail cars and transportation to the Cora terminal. The price is \$ \(\) ton. This offer is good for 30 days, as requested.
- * Offer two- The price includes rail cars, transportation and Cora terminal fees, in other words FOB Barge mile post Cora terminal. The Price is \$ _____/ton plus \$ _____/ton if the transfer is from rail to barge directly. If the transfer is from rail to ground to barge the fee is \$ _____/ton. This offer is also good for 30 days, as requested.

* Offer three- The price includes Offer two plus Coal supply. The price is ton for direct transload from train to barge and ton if reclaimed from ground to barge. Because of the volatility of Coal prices, DTE can make this Offer firm for one week (May 20,2004). After that date I need to reconfirm the coal price.

I hope this e-mail finds you well. Please call me if you have any questions or when you have some information on the short list.

Have a great day!

Rolando

734-913-5877

*** PROPRIETARY, CONFIDENTIAL OR PRIVILEGED COMMUNICATION *** This communication may contain proprietary, privileged or confidential information protected by law. It is solely for the use of the intended recipient named above. Any review, dissemination, distribution, forwarding, or copying of this communication by someone other than the intended recipient, or the employee responsible for delivering this communication to the intended recipient, is prohibited. If you have received this communication in error, please immediately notify the sender via email, then destroy the original message.

*** PROPRIETARY, CONFIDENTIAL OR PRIVILEGED COMMUNICATION *** This communication may contain proprietary, privileged or confidential information protected by law. It is solely for the use of the intended recipient named above. Any review, dissemination, distribution, forwarding, or copying of this communication by someone other than the intended recipient, or the employee responsible for delivering this communication to the intended recipient, is prohibited. If you have received this communication in error, please immediately notify the sender via email, then destroy the original message.

The Delivery Point for the coal would be F.O.B. Barge (Cora). Title and risk of loss would pass to Buyer at the Delivery Point.

6. QUALITY

- a. The coal would be substantially free of magnetic material and other foreign material impurities.
- b. The typical coal quality for the coal to be shipped during the term of this agreement is shown below. All quality information provided in or with this proposal is for Buyer's information only, and will not constitute a warranty. Any warranty will be subject to mutual agreement.

	Wt. <u>Av.</u>	Train <u>Rej.</u>
Btu/Lb.	8800	8600
Lb. SO2/MMBtu	0.8	1.2
Moisture %	27	N/A
Ash %	5.5	N/A

7. PRICE

The Price would be \$ ton on a direct transload to barge from train.

The Price would be \$ ton if coal is reclaimed from ground storage to barge.

The above Price does not include any sales or use taxes. Buyer would either provide Seller with a valid Wyoming sales tax exemption certificate or be responsible for any applicable sales or use taxes.

The Price would be adjusted for changes in Seller's royalties and taxes on coal delivered to Buyer and for changes in costs incurred by Seller resulting from changes in government regulations.

8. STORAGE

If Storage is required at Cora terminal the fees are a s follows:

- First 50,000 tons- Free
- Anything over 50,000- \$0.15/ton/month.

9. PRICE ADJUSTMENT FOR HEAT CONTENT VARIATION

The Delivery Point for the coal would be the Cora Terminal in Seller's provided rail cars.

6. PRICE

The Transportation Price would be \$ ton to Cora Terminal; an additional fee would be assessed as a transfer fee according to the following:

- If direct from railcar to barge the fee would be an additional \$ ____ton
- If the coal goes from Railcar to ground to barge the fee would be an additional \$ 100 ton

Storage fees are as follows:

- First 50,000 tons Free
- Anything over 50,000 tons would cost an additional \$ ton/month.

This price includes (a) rail rate from Mine and (b) rail cars to Delivery Point. Plus any transfer fees to the barge

The above price does not include the price for the Coal. Buyer to provide coal at Mine.

7. PROPOSAL VALIDITY PERIOD

This proposal will remain valid until close of business on June 12, 2004. Following that date, this proposal will be subject to Seller's reconfirmation.

The supply of Transportation would be covered by an agreement to be negotiated and mutually agreed upon, based on the terms of this proposal, along with other terms and provisions usually included in Transportation supply agreements. Any agreement would be subject to the approval of the management of Seller and Buyer. In addition, the final contract between the parties would be subject to both parties' review and acceptance of the other party's credit status.

Please call me at (734) 913-5877 if you need further information or have any questions.

Sincerely,

Rolando Sanz-Guerrero

folm l. bom from

Director of Sales, DTECS

May 11, 2004 Page 2

The Delivery Point for the coal would be the Cora Terminal in Seller-provided railcars.

6. PRICE

The Transportation Price would be \$ ____/ton.

This price includes (a) rail rate from Mine and (b) rail cars from Source (s) to Delivery Point.

The above price does not include the price for the Coal. Buyer to provide coal at Mine.

PROPOSAL VALIDITY PERIOD

This proposal will remain valid until close of business on June 12, 2004. Following that date, this proposal will be subject to Seller's reconfirmation.

The supply of Transportation would be covered by an agreement to be negotiated and mutually agreed upon, based on the terms of this proposal, along with other terms and provisions usually included in Transportation supply agreements. Any agreement would be subject to the approval of the management of Seller and Buyer. In addition, the final contract between the parties would be subject to both parties' review and acceptance of the other party's credit status.

Please call me at (734) 913-5877 if you need further information or have any questions.

Sincerely,

Rolando Sanz-Guerrero

Director of Sales, DTECS

holan! den len -

Oxbow Mining LLC

Period: 2005 – 2008

Tonnage: 2005: 5 trains for testing

2006: 500,000 tons 2007: 500,000 tons 2008: 500,000 tons

Price: 2005: \$ per net ton, FOB loaded railcar, Somerset, CO

20068: \$ per net ton, FOB loaded railcar, Somerset, CO 2007: \$ per net ton, FOB loaded railcar, Somerset, CO 200: \$ per net ton, FOB loaded railcar, Somerset, CO

Compliance Coal Sales Proposal Progress Fuels Corp.

To:

Mr. A.W. Pitcher Vice President, Coal Procurement **Progress Fuels Corp.** One Progress Plaza 200 Central Avenue St. Petersburg, FL 33701

Seller:

Peabody COALSALES Company

701 Market Street St. Louis, MO. 63101 Phone: 314-342-7698 Fax: 314-342-7529

Plant Destination: Crystal River Plant

Term, Quantity and Price Per Ton FOB Mine:

Term	Quantity	Price
1/1/05-12/31/05	300,000 tons	\$
1/1/06-12/31/06	300,000 tons	\$
1/1/07-12/31/07	300,000 tons	\$

- Tons to be shipped ratably over the term of the agreement
- Tonnage firm, no variances or option tons

Btu

Premium/Penalty

Provision:

At the end of each month a quality adjustment would be computed based on the difference between the actual weighted average Btu per pound and the Monthly Weighted Average Btu per pound (8.900 Btu/lb.).

SO₂

Premium/Penalty

Provision:

At the end of the month, a quality adjustment would be computed based on the difference between the actual monthly weighted average pounds of SO2 per million Btu and the Monthly Weighted Average lbs. SO2/mmBtu (0.50 # SO2/mmBtu). The difference will be applied to the average "Air Daily Monthly SO2 Index."



COAL PRODUCERS' SOLICITATION FORM CRYSTAL RIVER 4 & 5 PAGE 1 OF 3

PRODUCER NAME: Triton Coal Company, LLC		e .							
STREET ADDRESS: 113 S. Gillette Ave., Suite 203;	Gillette, WY 8271	6							
CONTACT: Bob Gabbard									
MINE(S): Buckskin BOM DISTRICT: WY	COUNTY: Campbell	STATE: WY							
ORIGIN RAILROAD(S)/DISTRICT: EK CV Big Sandy Other BNSF	-PRB R/R TIPPL	E DESIGNATION/NUMBER: Buckskin Mine							
TYPE OF LOADING FACILITY:		TRAINLOAD:							
MAXIMUM LOADING CAPACITY:		2 unit trains 136 cars TRACK CAPACITY							
WATER DELIVERY CAPABILITY: X YES NO	IMPORT COAL: LO	AD PORT							
SHIP THROUGH: NO preference OCK	LO	AD RATE::							
TOTAL PRODUCTION CAPACITY PER MONTH: 1.6mm TONS									
	ONS								
	_% STRIP	% AUGER							
SEAMS: Anderson, Canyon	BLEND RATIOS: n/a								
COAL PREPARATION: X RAW	WASHED	COMBINATION							
TYPE OF COAL WASHER, IF WASHED:									
TYPE OF COAL SAMPLING: ASTM certified three-stage mech	anical sampler								
TYPE OF COAL WEIGHING: Batch & weigh-in-motion	SCALE CERTIFIED?	YESNO							
DEDICE. TO		7.05 PRIOR PER 70.1 50 P. MILE							
PERIOD	INAGE .	BASE PRICE PER TON FOR MINE							
		* \$ firm for 3 years							
January 1,2005-December 31,2007 1.0mm tons/y	ear	* \$ firm for 3 years							
January 1,2005-December 31, 2007 1.0mm tons/y	rear UCER PLEASE INDICATE SO BY	* \$ firm for 3 years MAKING AN "X" IN THIS SPOT.							
January 1,2005-December 31, 2007 1.0mm tons/y	rear UCER PLEASE INDICATE SO BY	* \$ firm for 3 years MAKING AN "X" IN THIS SPOT. guarantees							
January 1,2005-December 31, 2007 1.0mm tons/y IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PROD PRODUCER'S COMMENTS: *Price is based on 8,400 Btv	vear UCER PLEASE INDICATE SO BY a and 0.80 # SO2 9	* \$ firm for 3 years MAKING AN "X" IN THIS SPOT.							
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STREETADDRESS 173 S. Gillette Ave., Suite 203; Gillette, WY 82716 CONTACT. Bob Gabbard TELEPHONE NO. 859-223-8820 MNE(S): Buckskin Bom District: WY COUNTY. Campbell STATE WY ORIGIN RALFOADS/DISTRICT EK. OV. By Sandy. Chee. BNSF-PRB RT TIPPLE DESIGNATION/NUMBER Buckskin Mine TYPE OF LOADING FAGULTY. WAXMAMINLOADING CAPACITY: SINGLE CAR. TRAIN.OAD: WAXMAMINLOADING CAPACITY: Y. YES NO MAPORT COAL: LOAD PORT SHIP THROUGH: NO PREFERENCES CAPACITY PER MONTH: 1.6 FRT TONS PRODUCTION PER MONTH-MEETING OUR COAL SPECIFICATIONS: 1.6 FRT TONS PRODUCTION PER MONTH-MEETING OUR COAL SPECIFICATIONS: 1.6 FRT TONS PRODUCTION PER MONTH-MEETING OUR COAL SPECIFICATIONS: 1.6 FRT TONS PRODUCTION PER MONTH-MEETING OUR COAL SPECIFICATIONS: 1.6 FRT TONS PRODUCTION PER MONTH-MEETING OUR COAL SPECIFICATIONS: 1.6 FRT TONS PRODUCTION PER MONTH-MEETING OUR COAL SPECIFICATIONS: 1.6 FRT TONS TYPE OF COAL WASHER, IF WASHED TYPE OF COAL WASHER, IF WASHED TYPE OF COAL WASHER, IF WASHED TYPE OF COAL WEIGHING: BATCH & Weigh-in-motion SCALE CERTIFIED? X. YES NO PERMOD TONNAME BASE PRICE PER TON FOR MINE TYPE OF COAL WEIGHING: BATCH & Weigh-in-motion SCALE CERTIFIED? X. YES NO PERMOD TONNAME BASE PRICE PER TON FOR MINE THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PRODUCER PLASS INDICATE SO BY MAKING AN "X" IN THIS SPOT. PRODUCER'S COMMENTS: "Frice is based on 8, 400 Btu and 0.80 # SO2 guarantaes CREDIT REFERENCES (Minimum Mon): Pairmont Supply Company - 307-686-2400 Wyoming Machinery Company - 307-686-2400 Wyoming Machinery Company - 307-472-1000 NOUSTRY REFERENCES (Minimum Mon): Oklahoma Gas & Electric; Western Farmers; Dynegy; PP&L									



COAL PRODUCERS' SOLICITATION FORM CRYSTAL RIVER 4 & 5 PAGE 1 OF 3

PRODUCER NAME: Triton Coal Company, LLC		y.
STREET ADDRESS: 113 S. Gillette Ave., Suite 203;	Gillette, WY 827	16
CONTACT: Bob Gabbard	TELEPHONE NO. 859-	-223-8820
MINE(S): North Rochelle BOM DISTRICT: WY	COUNTY: Campbell	STATE: WY
ORIGIN RAILROAD(S)/DISTRICT: EK CV Big Sandy Other PRB_UE	/BNSF R/R TIPP	LE DESIGNATION/NUMBER: North Rochelle
TYPE OF LOADING FACILITY:		TRAINLOAD:
MAXIMUM LOADING CAPACITY:		trains @ 150 cars TRACK CAPACITY
WATER DELIVERY CAPABILITY: X YESNO	IMPORT COAL: LC	DAD PORT
SHIP THROUGH: <u>no preference</u> bock	LC	DAD RATE::
TOTAL PRODUCTION CAPACITY PER MONTH: 2mm TONS		
PRODUCTION PER MONTH—MEETING OUR COAL SPECIFICATIONS: $2\pi m$	ONS	
TYPE OF MINE:% DEEP	% STRIP	% AUGER
SEAMS: Lower Canyon	BLEND RATIOS: n/a	
COAL PREPARATION: 100% RAW	WASHED	COMBINATION
TYPE OF COAL WASHER, IF WASHED:		
TYPE OF COAL SAMPLING: ASTM certified three-stage med	hanical sampler	
TYPE OF LABOR CONTRACT(S): NONE DATE FOR RENEGOTIATIO	n; n/a	!
TYPE OF COAL WEIGHING: Batch & weigh-in-motion	SCALE CERTIFIED?	YESNO
PERIOD TON	NAGE	BASE PRICE PER TON FOB MINE
FERIOD		
January 1, 2005-December 31, 2007 1.0mm tons/	year	firm for 3 years*
January 1, 2005-December 31, 2007 1.0mm tons/	JCER PLEASE INDICATE SO BY	MAKING AN "X" IN THIS SPOT.
January 1, 2005-December 31, 2007 1.0mm tons/	JCER PLEASE INDICATE SO BY	MAKING AN "X" IN THIS SPOT.
January 1, 2005-December 31, 2007 1.0mm tons/	JCER PLEASE INDICATE SO BY Btu and 0.80# SO.	/ MAKING AN "X" IN THIS SPOT. 2 guarantees
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January 1, 2005-December 31, 2007 1.0mm tons/ IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PROD PRODUCER'S COMMENTS: *Price is based on 8,800 CREDIT REFERENCES (Minimum two): Fairmont Supply Compa Wyoming Machinery Com INDUSTRY REFERENCES (Minimum four): Oklahoma Gas & Electric SIGNATURE: Add Add Machinery Compa Mail This Form and any	Btu and 0.80# SO: Btu and 0.80# SO: ny - 307-686-2400 pany - 307-472-10 c; Western Farmers Title: Vice Presidentional information to:	MAKING AN "X" IN THIS SPOT. 2 guarantees 0 000 s; Dynegy & PP&L
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COAL PRODUCERS' SOLICITATION FORM CRYSTAL RIVER 4 & 5 PAGE 1 OF 3

PRODUCER NAME: Triton Coal Compar	ny, LLC			,,						
STREET ADDRESS: 113 S. Gillette Av	re., Suite 203;	Gillette, W	Y 82716							
CONTACT: Bob Gabbard		TELEPHONE NO.	859-22	3-8820						
MINE(S): North Rochelle BOMDI	STRICT: WY	COUNTY: Camp		STATE: WY						
ORIGIN RAILROAD(S)/DISTRICT: EK CV Big S	SandyOther_PRB_UP	/BNSF	R/R TIPPLE D	ESIGNATION/NUMBER:	North Rochelle					
TYPE OF LOADING FACILITY: UNIT TRAIN: X		GLE CAR:		TRAIN	LOAD:					
MAXIMUM LOADING CAPACITY: 18,000 TONS	4	HOURS 4	unit tr	ains @ 150 <u>ca</u>	TS TRACK CAPACIT					
WATER DELIVERY CAPABILITY: X YES	NO	IMPOR	T COAL: LOAD	PORT						
SHIP THROUGH: no preference ock			LOAD	RATE::						
TOTAL PRODUCTION CAPACITY PER MONTH: 2mm	TONS									
PRODUCTION PER MONTH—MEETING OUR COAL SPEC	FICATIONS: 2mm 7	ONS								
TYPE OF MINE:% DEEP	100	_% STRIP			% AUGEF					
SEAMS: Lower Canyon		BLEND RATIOS:	n/a							
COAL PREPARATION: 100% RAW		WASHED			COMBINATION					
TYPE OF COAL WASHER, IF WASHED:										
TYPE OF COAL SAMPLING: ASTM certified	three-stage med	hanical sar	mpler							
TYPE OF LABOR CONTRACT(S): NONE	DATE FOR RENEGOTIATIO	N: n/a								
TYPE OF COAL WEIGHING: Batch & weigh-in	n-motion	SCALE CERTIFIE	D? <u>X</u> Y	ESNO						
PERIOD	4OT	INAGE		BASE PRICE PER TON FOB MINE						
January 1, December 31, 2005	1.0 mm			* \$ 1						
IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDU	AL WHICH IS NOT THE PROD	UCER PLEASE INDI	CATE SO BY MA	KING AN "X" IN THIS SPO	OT.					
PRODUCER'S COMMENTS: *Price	e is based on 8,	800 Btu and	1 0.80# S	502 guarantees						
					·					
CREDIT REFERENCES (Minimum two): Fairmo	ont Supply Compa	ny - 307-68	36-2400							
	ng Machinery Com)						
<u> </u>										
INDUSTRY REFERENCES (Minimum four): Oklahoma	a Gas & Electric	; Western	Farmer	s; Dynegy; 1	PP&L					
) . ni										
SIGNATURE:) suit Vable	nd/du	TITLE: Vice	Preside	nt	DATE: 5/11/04					
, , , , , , , , , , , , , , , , , , ,	MAIL THIS FORM AND ANY	ADDITIONAL INFORMA	TION TO:							

MRS. ROBIN OTT
PROGRESS FUELS CORPORATION
ONE PROGRESS PLAZA, SUITE 600
ST. PETERSBURG, FLORIDA 33701

OR

POST OFFICE BOX 15208 ST. PETERSBURG, FLORIDA 33733

PHONE NO. 727/824-6670 FAX NO. 727/824-6601



Kennecott Energy Company บที่เป็นอย่างได้สีสมาให้และเคาได้ เปื้อ year Commandiago James namenten VVI namman, synta i Demok ademika syntamaterikan

Lagrana Grades De Caraga de La

May 11, 2004

Mrs. Robin Ott Progress Fuels Corporation One Progress Plaza, Suite 600 St. Petersburg, FL 33701

Dear Mrs. Ott:

Letter encount of

Kennecott Energy Company is pleased to respond to your request to supply a portion of Progress Energy's requirements for the Crystal River Units 1 and 2 for the years 2005, 2006 and 2007. The following coal offered represents a blended coal from Kennecott Energy's Spring Creek mine located in Decker, Montana and Knight Hawk Coal LLC Creek Paum Mine located in Ava, Illinois.

COAL OFFERED

Origin

Seventy-five percent Spring Creek Coal -Big Horn County, Montana Twenty-five percent Knight Hawk Coal - Ava, Illinois

Delivery Point

FOB Barge - Cahokia Terminal located in St. Louis, Missouri

Term/Quantity/Base Price

	January 1, 2005 - December 31, 2007	
	Quantity	
Term	(To the nearest unit train.)	Price
2005	200,000 Tons	\$ Ton
2006	400,000 Tons	*
2007	400,000 Tons	*

Prices are pnt FOB Barge Cahokia Terminal, St. Louis, Missouri based on coal having a standard heating value of 9,963 Btu/lb and a standard sulfur value of 1.18 lbs. SO₂/MMBtu. The Base Prices include Kennecott's best estimate of all Third Party costs as defined in Adjustment Provisions hereinbelow as of May 11, 2004. The standard heating and sulfur values are for price adjustment purposes only. The price shall be subject to adjustment for variations in the monthly weighted average calorific value from the standard heating value on an FOB mine basis and for variation in SO₂ content from the standard sulfur value in accordance with a mutually agreed upon SO₂ adjustment provision.

* The transportation component of \$ will escalate based on 100% of the RCAF-U on a quarterly basis and a fuel surcharge adjustment monthly.

Typical Quality (Annual Average)

Typical Values	2005 - 2007
Btu	9,963
Moisture	13.22%
Ash	5.0%
Suifur (Lbs. SO ₂ /mmBtu)	1.18
Sodium (Na2O)	5.00%



Kennecoh Energy Company beh Chath Cathai Asamas (80710) Pred Jaka Hell (40) Jakane West (19, 10012, 2000) Shaka (19, 1002, 2000)

May 11, 2004

Mrs. Robin Ott Progress Fuels Corporation One Progress Plaza, Suite 600 St. Petersburg, FL 33701

Dear Mrs. Ott:

Letter increased in pro-The product of 45 Le constant 445 John Call 20 445 Froban Call 20

Kennecott Energy Company, on behalf of Spring Creek Coal Company, is pleased to respond to your request to supply a portion of Progress Energy's requirements for the Crystal River Units 1 and 2 for the years 2005, 2006 and 2007.

COAL OFFERED

Origin

Spring Creek Coal - Big Horn County, Montana. Served by the BNSF Railroad.

Delivery Point

FOB Barge - Cahokia Terminal located in St. Louis, Missouri

Term/Quantity/Base Price

	January 1, 2005 - December 31, 2007	
	Quantity	
Term	(To the nearest unit train.)	Price
2005	500,000 Tons	\$ Ton
2006	500,000 Tons	\$ Ton
2007	500,000 Tons	\$ Ton

Prices are pnt FOB Barge Cahokia Terminal, St. Louis, Missouri based on coal having a standard heating value of 9,350 Btu/lb and a standard sulfur value of 0.80bs. SO₂/MMBtu. The Base Prices include Kennecott's best estimate of all Third Party costs as defined in Adjustment Provisions hereinbelow as of May 11, 2004. The standard heating and sulfur values are for price adjustment purposes only. The price shall be subject to adjustment for variations in the monthly weighted average calorific value from the standard heating value on an FOB mine basis and for variation in SO₂ content from the standard sulfur value in accordance with a mutually agreed upon SO₂ adjustment provision.

Sixty-Five percent (65%) of the above listed prices will be adjusted at 100% of the RCAF-U on a quarterly basis and a fuel surcharge adjustment monthly.

Typical Quality (Annual Average)

	-
2005 - 2007	
9,350	-
22.36%	
4.0%	
0.80	
8.00%	
	9,350 22.36% 4.0% 0.80

CR Units 1,2, 4 and 5 May 2004 Solicitation PURCHASES

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Water			econoscione dia properta	Old State of the S	2000 Back 1, 144		. at the desired part														B (2000)							
Central Coal Co.	D (CR4&5)	1/05-12/06	Winifred Dock	600		300	2-	300				12,00%	0.74%	12,300	8.00%	31.00%	42	1,20	2							Ε	Buy	
Massey	D (CR4&5)	05	FOB Ceredo	540		360		180				13.00%	0.73%	12,100	8.00%	31.00%	42	1.20		A						.E	Buy	18 month deal - 06' minimums
	<u> </u>	L		<u></u>													<u> </u>									E	Buy	
Rail	1	· · · · · · · · · · · · · · · · · · ·		·											,	γ	,—											
Masseÿ	D (CR4&5)	05	Bandmill	540		360		180				13.00%	0.73%	12,100	8.00%	31.00%	42	1.20		A						E	Buy	18 month deal - 06° minimums
Progress Fuels	D (CR4&5)	05-07	Diamond May	720		360		360				12.00%	0.75%	12,500	8.00%	32.00%	43	1.20			-					E	Buy	
																		1			-					-		
Sequoia Energy LLC	A (CR1&2)	05-07	CSX Harlan	360		120		240				10,00%	1,34%	12,700	8.00%	31.00%	42	2.10		s						E	Buy	
Massey	A (CR1&2)	05	CSX BS	1080		720		360				12.50%	1.27%	12,100	8.00%	31.00%	42	2.10		AS	5					E	Buy	18 month deal - 06' minimums
B&W Resources	A (CR1&2)	05-07	CSX Jellico	480		240		240		,		11.50%	1.25%	12,500	7.00%	32.00%	42	2.00		s	;					E	Buy	
																				1								
			Total Tons	4320		2460		1860			Ι					I				SOZ Price							Revised	: 3/8/2006 15:34

PROGRESS FUELS CORPORATION
CR Units 4 and 5
May 2004
Solicitation
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DTE	2005	PRB/Cora	\$04	504					5.64%	0.30% \$,	800 26.70	0% 31.85%	51 D.6							в м		ВМ					inci ground storage- SO2 prem@0.8
Kennecott	05-07	Barge Cahokla	1590	500	500	500	0		4,00%	0,38% 9,	350 22,36	6% 31,26%	61 0.8							в м		ВМ					
Arch	1/05-12/07	Thunder Basin	1500	500					5.50%	0.30% 8,	28.00	0% 30.78%	50 0.6							8 M	v	BMV					SO2 prem@0.8
Titten	05	PRB N. Rochelle	1000	100					5.20%	0.35% 8,	800 28,50	0% 31.50%	63 0.6							в м	1	ВМ					SOZ prem@0.6
Triton	05-07	PRB-Buckskin	3000	100		100			5.50%	0.34% 8,	400 30.00	0% 31.00%	65 0.0	_						В М	<u> </u>	BM					SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	3000	100					5,20%	0.35% 8,	800 28,54	0% 31.50%	63 0.8	0						в и		ВМ					SO2 prem@0.8
Peabody	05-07	Antelope	900	300	300	200			6,50%	0.27% 8,	900 28,04	0% 30,00%	56 0.6	0						в м	v	BMV					SOZ prem@0.8
Kennecott	05-07	Barge Cahokla	1000	200	400	400			5.00%	0.59% 9,	963 13.2:	2% 39,75%	61 1.1							8 <u>M</u>	v	BMV					Check vol on IB Coal
Oxbow	05-08	Colorado	1550	50	500	500	500		12.00%	9.72% 11,	900 9.00	31,00%	50 1.2	a :					s								ground storage included
Interocean	07	Colombia-Mobile	1000				0		5.50%	0,70% 11,	700 14.0	0% 31.00%	43 1.2	0						В м	·	ВМ					
Central	1/05-12/06	Winifred Dock	600	301	301	0			12.00%	0.74% 12,	300 8.00	31.00%	42 1.2	0							 						
Massey	05	FOB Ceredo	720	72		0			13.00%	0.73% 12,	100 8.00	31.00%	42 1.2	0								_ A					18 month
Massey	05	Sydney-Ceredo	600	60		_ •	. 0		12,50%	0.74% 12,	300 8,00	31.00%	42 1.3	0								^					18 month
CMC	05	Colombia-Mobile	200	20	<u> </u>				8.30%	0.71% 11,	EGO 12.0	0% 33,00%	45 1.3	0					. s		4	MB					
Glencore	2005	Cotombia-IMT	150	15	. 0		_ 0		9.00%	0.69% 12,	000 10.0	0% 34.00%	46 1.1	5													SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	209	20	<u> </u>	0	0		8,30%	0.71% 11,	860 12.0	0% 33.00%	45 1.3	0					s		'	3M					
Glencore	2005	Colombia-IMT	150	150					8.00%	0.75% 12,	460 9.00	35,00%	46 1.2	0							+-+	3					
Guasare	95-07	Pasa Diablo - IMT	996	33	33	330			7.00%	0.77% 12,	8.00	34.00%	45 1.2	<u>•</u>							 						ļ
Guasare	05-07	Mine Norte IMY	700	20	25	250			8.00%	0.78% 13,	000 8.00	31.00%	45 1.2	0													
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Rell			·						-					-							$\overline{}$						1
Massey	05	Bandmill	720	72						1	100 8.00		42 1.3	_				A.			+						16 month
Progress	05-07	Diamond May	1080	36	36	361	·		12.00%	0.75% 12,		32.00%	43 1.2	0						+	+	- $+$ $ -$					
Alliance	05-07	MC Mining	900	15	15	601						32.00%	39 1.2								+	н н					06 & 07 reopener
Massey	05	NS-Sydney	600	60			G		12.50%	0.74% 12,	300 8.00	31.00%	42 1.3	0				- A									NS Move-NO FREIGHT Included
									<u> </u>																		•
									Ash	CR 45 Econom Sulfur Bt	u Mois	ture Vol	HGI														
		Total Tons	19984					*estimated in i	10.00% red	0.70% 12	2,000 8.00	0% 31.00%	40									SOZ Files				Revise	e: 3/23/2006 15:13

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

RAIL BIDS. Base Specifications

100% 100% 100% 1000 100% 1000% 40

10/03/00 3/12 PM

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	CSX BS	720		720			٥.		\$0.00		12.50%	1.27%	12,100	8,00%	31.00%	42 2,10						┥—-	AS				New Ridge/Goff
5-07	CSX Jellico	726		240	240		240	. 0	\$0,00		11.50%	1,25%	12,500	7,00%	32.00%	42 2.00			8		_		ş				ļ
5-06	CSX Clinchfield	500		250			•	0	\$0.00		13.00%	1.31%	12,500	7.00%	29.00%	50 2.10		A	5			v	ASV				
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5-07								0	\$0.00		12.00%	1,32%	12,500	8.00%	32.00%	42 2.10			s				5				
5-07	CSX Harlan	600			L.				\$0,00		10.00%	1.34%	12,700	8,00%	31.00%	42 2.10							8				
	CSX-Evergreen	1500							1		13.00%	1.29%	12,300	8.00%	31.00%	45 2.10			s				AS				Note reopener 06 and 07
5-06		480									12.00%	1 1		1 1					s				s				SO2 set to 1.6
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CSX Cinchided 500 320 220 0 0 0 5200 13.00% 1.31% 12.500 7.00% 25.00% 25.00% 25.00% 25.00 A S S CSX KNo 720 720 0 0 0 52.00 115.00% 1.32% 12.500 8.00% 30.00% 24 2.10 A S S CSX KNo 720 720 240 240 240 0 52.00 12.00% 12.00% 12.20% 24 2.10 S S S S S S S S S S S S S S S S S S S</td><td>10 CSX Clinchideld 500 250 250 250 0 0 10.00 12.</td><td>10 CSX Clinchifield 500 320 250 0 0 10,000 13,00% 1,11% 12,500 7,00% 25,00% 25,00% 22,10 A S V CSX KWAN 720 720 0 0 0 50,00 12,60% 13,00% 12,00% 13,00% 12,00% 32,00% 42 2,10 A S V CSX KWAN 720 240 240 240 0 50,00 12,00% 13,00% 12,00% 12,00% 13,00% 14,00%</td><td>10. CSX (Included 500 320 250 0 0 5200 13.00%,</td><td>10 CSX CEnchristed 500 250 250 250 0 10.00 13.00% 13.11% 12.500 7.00% 25.00% 42 2.10 A S V ASV CSX Kan 720 720 0 0 0 10.00 12.50% 12.7% 13.70 13.00% 10.00% 30.00% 42 2.10 A S V ASV CSX Kan 720 240 240 240 0 10.00 12.50% 12.7% 13.70 13.00% 10.00% 30.00% 42 2.10 S S S S S S S S S S S S S S S S S S S</td><td>10 CSX Clinchtried 500 250 250 0 0 0 10.000 12.00% 1.21% 12.700 1.20% 29.00% 29.00% 20 2.10 A S V ASV CT CXX BIS 720 240 240 240 0 50.00 12.00% 1.21% 12.700 1.20% 1.21% 12.200 1.00% 29.00% 42 2.10 A S V ASV CXX BIS 720 240 240 0 50.00 12.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.00% 1.21% 12.200 1.00%</td><td>10</td></t<>	08	06 CSX Clinchfelds 500 250 250 0 0 10.00 13.00% 13.00% 13.00% 13.1% 127% 127% 127% 127% 127% 127% 127% 12	13.00% 13	10 CSX CEnchefuld 500 250 250 0 0 10.00 13.00 13.00 13.00 13.00 17.00 13	06 CSX Cincinities 500 250 250 0 0 18.00 13.00% 1.21% 12.200 7.00% 25.00% 5 CSX Kien 720 7.00 0 0 0 10.00 12.50% 1.27% 12.100 8.00% 30.00% 50.00 12.50% 1.27% 12.100 8.00% 30.00% 50.00% 50.00 12.50% 1.22% 12.00% 50.00% 50.00% 50.00 12.00% 13.00% 13.00% 13.00% 13.00% 50.00 13.00% 13.	06 CSX Cincinities 500 250 250 0 0 50.00 13.00% 13.1% 12,500 7.00% 25.00% 50 2.10 0 0 50.00 12.50% 12.7% 12,100 8.00% 39.00% 47 2.10 0 0 0 50.00 12.50% 12.7% 12,100 8.00% 39.00% 47 2.10 0 0 50.00 12.50% 12.7% 12,100 8.00% 39.00% 47 2.10 0 0 50.00 13.00% 13.00% 13.00% 13.00% 13.00% 47 2.10 0 0 13.00% 13.00% 13.00% 13.00% 47 2.10 0 0 13.00% 13.00% 13.00% 13.00% 47 2.10 0 0 13.00%	06 CSX Clinchideld 500 320 250 0 0 500 13.00% 1.31% 12.2509 7.00% 25.00% 25.00% 25.00% 2 2.10 0 0 58.00 11.50% 1.32% 12.500 8.00% 30.00% 22.00% 22.10 0 0 58.00 12.50% 1.21% 12.500 8.00% 30.00% 22.00% 22.10 0 0 58.00 12.50% 1.22% 12.500 8.00% 30.00% 22.00% 22.10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	10 CSX Clinchtried 500 250 250 0 0 10.000 13.007, 1.317, 12.500 7.00%, 29.00% 50 2.10 A CSX Kan 720 720 0 0 0 10.000 12.50%, 1.27%, 12.700 1.00%, 30.00%, 42 2.10 CSX Kan 720 240 240 240 0 50.00 12.00%, 1.34%, 12.700 1.00%, 31.00%, 42 2.10 CSX Clinchtried 500 720 240 240 0 50.00 12.00%, 31.00%, 42 2.10 CSX Clinchtried 500 120 240 0 50.00 12.00%, 31.00%, 42 2.10 CSX Clinchtried 500 720 240 240 0 50.00 12.00%, 31.00%, 31.00%, 42 2.10 CSX Clinchtried 500 120 240 0 50.00 12.00%, 31.00%, 31.00%, 42 2.10 CSX Clinchtried 500 120 240 0 50.00 12.00%, 31.00%, 31.00%, 42 2.10 CSX Clinchtried 500 120 240 0 50.00 12.00%, 31.00%, 31.00%, 42 2.10 CSX Clinchtried 500 120 240 0 50.00 12.00%, 31.00%, 31.00%, 42 2.10 A A CSX Clinchtried 500 120 240 0 50.00 12.00%, 31.00%, 42 1.00%, 31.00%, 42 1.00% CSX Clinchtried 500 120 120%, 31.00%, 31.00%, 31.00%, 32.00	13.00% 13.	10. 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CSX (Included 500 320 250 0 0 5200 13.00%,	10 CSX CEnchristed 500 250 250 250 0 10.00 13.00% 13.11% 12.500 7.00% 25.00% 42 2.10 A S V ASV CSX Kan 720 720 0 0 0 10.00 12.50% 12.7% 13.70 13.00% 10.00% 30.00% 42 2.10 A S V ASV CSX Kan 720 240 240 240 0 10.00 12.50% 12.7% 13.70 13.00% 10.00% 30.00% 42 2.10 S S S S S S S S S S S S S S S S S S S	10 CSX Clinchtried 500 250 250 0 0 0 10.000 12.00% 1.21% 12.700 1.20% 29.00% 29.00% 20 2.10 A S V ASV CT CXX BIS 720 240 240 240 0 50.00 12.00% 1.21% 12.700 1.20% 1.21% 12.200 1.00% 29.00% 42 2.10 A S V ASV CXX BIS 720 240 240 0 50.00 12.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.21% 12.200 1.00% 1.00% 1.21% 12.200 1.00%	10

CR 1 and 2 May 2004 Solicitation ALL BIDS

	i a e		(000)	Weight Vii	0.00	2005 - 2005 Sate - 1005	2000	2017.	2007 (87) March (80)	700	reipie Piller		IP.	relia (S)	e Helio				On One on the		erin edi edili erin edi edili	to, lÉvalantes de Ulliza	TAKEN NO	
Massey	05	CSX BS	720		720	o o		0	0	\$0.00			1.27%		1	31.00%	T	2.10	SHOUSING MACA	AS	Contract of the Contract of the Contract			v Ridge/Goff
B&W Resources	05-07	CSX Jellico	720		240	240		240	0	\$0.00		11.50%	1.25%	12,500	7.00%	32.00%	42	2.00		s				
Marshali	05-06	CSX Clinchfield	500		250	250		0	0	\$0.00		13.00%	1.31%	12,500	7.00%	29.00%	50	2.10		ASV				
Massey	05	CSX Kan	720		720	0		0	0	\$0.00		12.50%	1.27%	12,100	8.00%	30.00%	42	2.10		ASV			 Ban	ndmill
Central App	05-07	CSX BS	720		240	240		240	0	\$0.00		12.00%	1.32%	12,500	8.00%	32,00%	42	2.10		s			 	
Black Gold	05-07	CSX Harlan	600		120	240		240	o	\$0.00		10.00%	1.34%	12,700	8.00%	31.00%	42	2.10		s				
Horizon	05-07	CSX-Evergreen	1500		500	500		500	0	\$0.00		13.00%	1.29%	12,300	8.00%	31.00%	45	2.10		AS			 Not	te reopener 06 and 07
Central Coal Co	05-06	CSX-Kan	480		240	240		0	0	\$0.00		12.00%	0.99%	12,300	8.00%	32.00%	45	1.60		s			 so	2 set to 1.6
CMC	05	Colombia-Mobile	400		400	0		0	0	\$0.00		9.20%	0.78%	11,600	12.30%	32.00%	45	1.34		SBM				
Logan&Kanawha	05-07	CSX Kan	1080		360	360		360	0	\$0.00		13.00%	1.00%	12,500	8.00%	30,00%	42	1.60		ASV			 Sna	ap Creek
CMC	05	Golombia-ECT	400		400	0		0	0	\$0.00		9.20%	0.78%	11,600	12.30%	32,00%	45	1.34		SBM			 	
Peabody	05-07	CSX Kan	720		240	240		240	0	\$0.00		13.50%	1.28%	12,200	6.70%	30.00%	40	2,10		ASV			 Sul	fur Premium @ 1,6
Horizon	05-07	CSX Haz- Typo	1500		500	500		500	. 0	\$0.00		13.00%	1.27%	12,100	8.00%	31.00%	42	2.10		AS			reo	pener 06 and 07
Smokey Mtn	05	CSX Kan	240		240	0		0	0	\$0,00		13,00%	1,26%	12,000	8.00%	31.00%	42	2.10		AS				
											CR 12 Economics Base Specifications													
ye was a second of the second												Ash	Sulfur	Btu	Moisture	Vol	HGI				<u></u>			
		Total Tons	10300	<u></u>							*estimated in red	10.00%	1.05%	12,000	8.00%	34.00%	40		soz	Price			 Revised: 3/9/	2006 11:33

PROGRESS FUELS CORPORATION CR Units 4 and 5 May 2004 Solicitation ALL BIDS

Base Specifications
10.00% 0.70% 12000 8.00% 31.00%

			(000)	Welling		Tokstok.			TO Chrone Princer			enri≃nie				The frequency and the second of the second o	
Supplier		ennin.	LIGH.		Total Carpet	east district the	Seria III	ika iinti	pies 0:0 Ros /Or	300	Name of the	Nortur	Val	e Olgi	Soy.	Comit Connect But Morning vol. 1981. 1771/ Control 2007. Activity Control Control Control Control Control Control	
DTE	2005	PRB/Cora	504		504	. 0	0		5,64%	0.307	6 8,800	26,70%	31.65%	51	0.68	BM In	cl ground storage- SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1500		500	500	500		4.00%	0.387	9,350	22.36%	31.28%	61	0.80	3M	
Arch	1/05-12/07	Thunder Basin	1500		500	500	500	. 0	5.50%	0,307	8,800	28.00%	30.78%	50	0.68	BMY	02 prem@0.8
Triton	05	PRB N. Rochelle	1000		1000		0	. 0	5,20%	0.359	6 a,sec	28,50%	31.50%	63	0.80	ВМ	O2 prem@0.8
Triton	05-07	PR6-Buckskin	3000		1000	1000	1000		5,509	0,345	6 8,400	30.00%	31.00%	65	0.80	BM	02 prem@0.8
Triton	05-07	PRB N. Rochelle	3000		1000	1000	1000	0	5.205	0.357	6,800	28.50%	31.50%	63	0.80	BM SC	O2 prem@0.8
Peabody	05-07	Antelope	900		300	300	300	0	5,507	0.277	8,900	28.00%	30.00%	56	0,60	BMV	02 prem@0.8
Kennecott	05-07	Barge Caltokia	1000		200	400	400	0	5.00%	0.595	9,963	13.22%	30.75%	61	1,18	DINY	heck vol on IB Coal
wadxO	05-08	Colorado	1550		50	500	500	500	12.00	y. 0.725	11,900	9.00%	31.00%	50	1.20	s gr	round storage included
Interocean	07	Colombia-Mobile	1000			0	1000		5,503	6 0.70	11,700	14,00%	31.00%	43	1.20	BM	
Contral	1/05-12/06	Winlfred Dock	600		300	300	. a	0	12.00	0.74	12,300	8,00%	31.00%	42	1.20		
Massey	05	FOB Ceredo	720		720	0		0	13.00	× 0,73	% 12,100	8.00%	31.00%	42	1,20	A 15	8 month
Massey	05	Sydney-Ceredo	600		600	0	0	0	12.50	% 0.74°	12,300	8.00%	31.00%	42	1,20	18	8 month
CMC	05	Cotombia-Mobile	200		200	0	0		8.30	6 0.71	11,80	12.00%	33.00%	45	1.20		
Glencore	2005	Colombia-IMT	150		150	0		0	9.00*	0,68	12,00	10,00%	34.00%	46	1.15		O2 guaranteed at 0.8
CMC	05	Colombia-ECT	200		200	0	0	0	8.30	0.71	11,80	12.00%	33,00%	45	1.20	SM .	
Glencore	2005	Colombia-IMT	150		150	0	0	0	8.00	6 0.75	12,40	9.00%	35.00%	46	1,20	s s	
Guasare	05-07	Pasa Diablo - IMY	990		330	330	330	0	7.00*	0.77	12,800	8.00%	34.00%	45	1.20		
Guasare	05-07	Mine Norte-IMT	700		200	250	250	0	8.00	0.78	13,000	8.00%	31.00%	45	1,20		
Massey	0.5	NS-Sydney	600		606	0	0	0		% 0.7 <u>4</u>		8,00%	31.00%		1.20		(S Move-
Massey	05	Bandmill	720		720	. 0	0	0	13,00	% 0.73		8.00%	$\overline{}$		1.20		8 month
Progress	05-07	Diamond May	1080		360	380	360		12.00	% 0.75		8,00%	1	1	1,20		
Alliance	05.07	MC Mining	900		150	150	600	0	10.00	% 0.74	12,30	9.00%	32.00%	4 39	1.20	Н 10	6 & 07 reopener
										****					1		
									<u> </u>	CR 4	5 Economics	Base Speci	fications		-		
									10.00	5 SUR	ur 19tu % 12.00	moistur g 8.00%	51.00%	HG1 40			
		Total Tons	2058	4					*estimated in red						1	302 Price Revised: 3/	722/2006 15:24

PROGRESS FUELS CORPORATION

CR Units 1,2, 4 and 5

May 2004

Solicitation

PURCHASES

				(600)	velgiti ve	2005	2005	2005	2006	Ten in	Pullen		Po	ingeso St	oralije (lo		ilei.		nizici Oraș	Onligh Dreib	(6)341 (6)341	(ers)	Switzson William Graffan	Belling Ullian Octavi	A CHONTANES	Notes
CHARLES	жеоантуреч	SSETTIAL THREE	CONTRACTOR OF THE PARTY OF THE	SHEET OUTSES	SERES ENCORES	TREKOU 27	WALE I I GOVE	SEE EULISME	MATE CIGORE	ABRUUSIN	MAGOSTE	Section Sings	Souther	The property	amostuce 	TOWNS CO MISS	garaging 	15004B	14003030	March Control of the	***************************************		1			
Central Coal Co.	D (CR4&5)	1/05-12/06	Winifred Dock	600	:	300	4	300				12.00%	0.74%	12,300	8.00%	31.00%	42	1.20							Buy	
Massey	D (CR4&5)	05	FOB Ceredo	540		360		180				13.00%	0.73%	12,100	8.00%	31.00%	42	1.20		А	and the same				Buy	18 month deal - 06' minimums
					-								1	-					-				-		Buy	
92//				4			-				-															
Massey	D (CR4&5)	05	Bandmill	540		360		180		5		13.00%	0.73%	12,100	8.00%	31.00%	42	1.20		A			100		Buy	18 month deat - 06' minImums
Progress Fuels	D (CR4&5)	05-07	Diamond May	720	\$	360		360			-	12.00%			8.00%	32.00%	43	1.20							Buy	
						l	1			1	_				ļ	-									'	
Sequola Energy LLC	A (CR1&2)	05-07	CSX Harlan	360	ş	120		240				10.00%	1.34%	12,700	8.00%	31,00%	42	2.10	4	s					Buy	
Massey	A (CR182)	05	CSX BS	1080	5	720	,	360	3	d		12.50%	1.27%	12,100	8.00%	31.00%	42	2.10		AS			To the second		Buy	18 month deat - 05' minimums
B&W Resources	A (CR182)	05-07	CSX Jellico	480	S	240		240		S		11.50%			7.00%					S.					Buy	
										1											amilia Con			•		
																				1						
			Total Tons	4320		2460)	1860												SD2 Price					Revised	5/25/2004 11:35

PROGRESS FUELS CURPORATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS

programme and the second	Contract Street	and the second	The state of the s	BOILT WHEN	APPLICATION OF THE PARTY.	THE PERSON NAMED IN	NAMES OF TAXABLE PARTY.	NEW AND PARTIES OF THE	ALTER PROPERTY AND ADDRESS OF	A PROPERTY OF THE PARTY	AND THE RESERVE	7.1	LEDIU) 	-														
Supplifor	лети	Olitin	76-11 1015	AST Differ	\$200% TROTES	2005 200 Prime Tons	2006 Palso	2007 200 Doğu Pril	0003 I	2000 1960	Uringi Gun	Ellen	74	Ponel exitor	aseSpe	olije uoi Mokium	i <u> </u>			(III) Fillio	a) ijiidi olared	(Crish	Cateli	Byrtonic Williza	d ju	valbejeti UMBrati			
Massey	05	CSX BS	720		720			0		\$0:00%		Section 2	42 504		Ī	and the same of the same	I		器之の方数	MGOSVSI	e Godes	IGOSINS/S	1065145/	A COSUS	多優 鬱	Cosps/Mil	ACTION	FAKENES	olesis as Alan Salat A
B&W Resources	05-07	CSX Jellico	720		240	240		240		\$0.00			12.50%					1	2.10		AS							N.	ew Rldge/Goff
Marshall	05-06	CSX Clinchfield	500		250	250		D		\$0.00			11.50%		f	7.00%		77			S	+	-		\$!				
Massey	05	CSX Kan	720		720	0		0	0	\$0.00			13.00%		1	7.00%	1 .				ASV		37	-	1-				
Central App	05-07	CSX BS	720	-	240	240		240		\$0.00			12.50%			8.00%	I	T			ASV			-				В	llimbne
Black Gold	05-07	CSX Harlan	600		120	240		240		\$0.00		an la company	12.00%			B.00%				-	s		100		1		<u> </u>		
Horizon	05-07	CSX-Evergreen	1500		500	500		500		\$0.00			10.00%			8.00%			2.10	- 6	s				-				
Central Coal Co	05-06	CSX-Kan	480		240	240		0		1			13.00% 1		- 1	8.00%			2.10		AS							No.	ote reopener 06 and 07
CMC	05	Colombia-Mobile	400		400	0		•		\$0.00			12.00% (- 1	8.00%			1.60		s				1	á i		sc	02 set to 1.6
Logan&Kanawha	05-07	CSX Kan	1080		360	360		360	0	\$0.00			9.20% 0			12.30%		1			SBM				Ш,				
СМС	05	Colombia-ECT	400		400	· 0		0	0	\$0.00	+		13.00% 1	1.00% 1	12,500	8.00%	30.00%	42	1.60		ASV				Ш			Sn	ap Creek
Peabody	05-07	CSX Kan	720		240	240			0	\$0.00	1		9.20% 0		11,600	12.30%	32.00%	45	1.34	-	SBM				Ι.		<u> </u>		
Horizon	05-07	CSX Haz- Typo	1500		500	500		240	0	\$0.00		Ø.	13.50% 1			6.70%			2.10		ASV							Su	lfur Premium @ 1.6
Smokey Mtn	05	CSX Kan	240		240	300		500	, 0	\$0.00		5	13.00% 1	1	2,100	8.00%	31.00%	42	2.10		AS							rec	pener 06 and 07
		1			1 240 [4	J U		0 1	0	\$0.00		الخر	13.00% 1	.26% 1	2,000	8.00%	31.00%	42	2.10		AS								
İ												F											-						
1												-		R 12 Econo	mics Base	e Specifica	tions												
	ĺ	Total Tons	10300										Ash S 10.00% 1	oss.	81u A	Moisture	Vol	HGI							-				
		1010	10300								/Stimates)	A 560			12,000	0.00%	34.00%	10			SO2 Price							Revised: 5/20	V2004 11:25

PRUGRESS FUELS CURPORATION

CR 1 and 2

May 2004

Solicitation

RAIL BIDS

	19. 18. 18		(000)	Weight					60.00											Uni	/p		livaluat	d Balt	ia(00)		
Supplier	Tem	O/felia -	ton	Pilos	ions	Orien Tone	Polito	June 18	160 - 70 <u>18</u>	Price	-Iliriida Godi	Costs	Ash S	ulium a		meanons loistuloi	Vol	iligi s	02 605	ER Co	105 (COS)	Sign (Cost)	M Costs	51 (CO)	1874	ACTIONTAKE	Notes
Massey	. 05	CSXBS	720		720	0		0	1 0	\$0.00			2.50% 1.	.27% 1:	2,100	8.00%	31.00%	42 2.	10		AS						New Ridge/Goff
B&W Resources	05-07	CSX Jellico	720		240	240		240	0	\$0.00			1.50% 1.	.25% 1:	2,500	7.00%	32.00%	42 2.	00	[]	5 0	in wall		9			
Marshall	05-06	CSX Clinchfield	500		250	250		0	0	\$0.00			3.00% 1.	.31% 1	2,500	7.00%	29.00%	50 2.	10	,	sv	Company of the Compan					
Massey	05	CSX Kan	720		720	0		0	. 0	\$0.00			2.50% 1.	.27% 1:	2,100	8.00%	30.00%	42 2.	10		sv i	1					Bandmill
Central App	05-07	CSX BS	720		240	240		240	0	\$0.00		-	2.00% 1.	.32% 12	2,500	8.00%	32.00%	42 2.	10		5	- [
Black Gold	05-07	CSX Harlan	600		120	240		240	0	\$0.00			0.00% 1.	34% 1	2,700	8.00%	31.00%	42 2,	10		S						
Horizon	05-07	CSX-Evergreen	1500		500	500		500	0	\$0.00	J		3.00% 1.	.29% 1	2,300	8.00%	31.00%	45 2.	10		AS						Note reopener 06 and 07
Central Coal-Co	05-06	CSX-Kan	480		240	240		0	0	\$0.00			2.00% 0.	99% 12	2,300	8.00%	32.00%	45 1,	50		s	ď					SO2 set to 1.6
CMC	05	Colombia-Mobile	400		400	0_		0	0	\$0.00		Π,	0.20% 0.	78% 11	1,600 1	12.30%		45 1.		s	вм 💈	-		-	***		
Logan&Kanawha	05-07	CSX Kan	1080		360	360		360	e o	\$0.00	Section 2	1	3.00% 1.	00% 12		8.00%		-			sv 🖟		ì				Snap Creek
CMC	05	Colombia-ECT	400		400	0		0	0	\$0.00_	100		0.20% 0.			12.30%		45 1		s							
Peabody	05-07	CSX Kan	720		240	240		240	0	\$0.00_	Annual Section 1	1	3.50% 1.			6.70%					sv 🖟						Sulfur Premium @ 1.6
Horizon	05-07	CSX Haz- Typo	1500		500	500		500	0	\$0.00		1	3.00% 1.	27% 12	.100	8.00%	31.00%	42 2.	10		AS						reopener 05 and 07
Smokey Min	05	CSX Kan	240		240	0		0	0	\$0.00		1	3,00% 1.3	26% 12	,000	8.00%	31.00%	42 2.	0		AS						
								-														france (
													CR	12 Eçanor	nics Base	Specificat	ions										
												Γ	Ash St	elfur E	Stu M	loisture	Vol	HGI									
		Total Tons	10300								Tusilmatan i		0.00% 1,0	05% 1	2,000	8.00%	34.00%	40		502 Pr	. 22	3450 64				Revi	ed: 5/20/2004 11:25

PROGRESS FUELS CORPORATION
CR Units 4 and 5
May 2004
Solicitation
ALL BIDS

Similar	Tom	Origina	(000) (cd)	Waldire Waldire	2005 - 2 1015 - P	200	2006 - 2007 (Patro Torre	2001 200) 2000	Heingh Heike Oost Oost		i R	nchaso S _i	editeato	16		JUJIL	Unites Besta	(91F)	Origin	valtated (E Uillizat	velhacii (UIII) zal		
DTE /	2005	PRB/Cora	504	A STATE OF	504														COSKS/SHIP	Cesh s omis	G05115/512 20	(GBS)(\$/)M	MAGTION TAKEN	Notes established the second
Kennecott -	05-07	Barge Cahokia	1500		500	500	500			No.	5.64%		9,350		31,65%	51 0.68	17	ВМ	100	i i				litcl ground storage - SO2 prem@0.8
Arch 🗸	1/05-12/07	Thunder Basin	1500	State of	500.	500	500				5.50%		8,800	28,00%	31.25%		1	/ BM	Contract of the Contract of th				 	
Triton V	05	PRB N. Rochelle	1000		1000	0		0			5.20%			28.50%				BMV		1 8		1		SO2 prem@0.8
Triton V	05-07	PRB-Buckskin	3000	<u></u>	1000	1000	1000			I	5.50%		8,400			63 0.80	1	, BM	 +			100		\$02 prem@0.8
Triton	05-07	PRB N. Rochelle	3000	Pro edit	1000	1000	1000	and a second			5.20%				31.00%	65 0.80	3	BM						SO2 prem@0.8
Peabody	05-07	Antelope	900		300	300	300	C C	Mileson &		5.50%	-		28.50%		63 0.80	2	S BM		8			 	SO2 prem@0.8
Kennecott Y	05-07	Barge Cahokia	1000		200	400	400		Service Servic				8,900	28.00%		56 0,60	1 3	BMV	4				 	SO2 prem@0.8
Oxbow &	05-08	Colorado	1550		50	500	500	500	all lines		5.00%		9,963	13.22%		61 1.18		BMV				a A		Check vol on IB Goal
Interocean	07	Colombia-Mobile	1000		0	0	1000	, O		A STATE OF THE PERSON NAMED IN COLUMN 1	12.00%		11,900	9.00%	31.00%	50 1.20		S S						ground storage included
Central	1/05-12/06	Winifred Dock	600		300	300			Constitution of the	100	5.50%			14.00%		43 1.20		S BM			3			
Massey	05	FOB Ceredo	720		720	0	0				12.00%				31.00%	42 1.20	17				i i		ļ	
Massey	05	Sydney-Ceredo	600	and the state of t	600	0			7		13.00%		12,100		31.00%	42 1.20		4					ļ	18 month
CMC	05	Colombia-Mobile	200	4	200	0			al constant		12,50%		12,300	8,00%		42 1.20		ΑΑ	1				-	18 month
Glencore	2005	Colombia-IMT	150		150	0					8,30%		11,800	12,00%		45 1,20	1.	SM SM			1 9		-	
СМС	05	Colombia-ECT	200		200				1		9.00%		12,000	10.00%		46 1.15			\mathbb{H}	6			 	SO2 guaranteed at 0,8
Glencore	2005	Colombia-IMT	150		150	0	0			THE STATE OF THE S	8,30%			12.00%		45 1.20	110	SM SM	Н					
Guasare	05-07	Pasa Diablo - IMT	990		330	330	330	4	al land		8.00%		12,400		35,00%	46 1.20	H	\$	+ #					
Guasare	05-07	Mina Norte-IMT	700		200		250	77.0	8		7.00%				34.00%	45 1.20	1							
Massey	05	NS-Sydney	600	15	600	230	250	0			8.00%		13,000		31.00%	45 1.20	ļ.,							
Massey	05	Bandmill	720		720	0	0	200			12.50%				31.00%	42 1.20	+1	A						NS Move
Progress	05-07	Diamond May	1080	1	360	350	360	0	100		13.00%		-	8.00%		42 1.20	H	A						18 month
Alllance	05-07	MC Mining	900	al less	150	150	360				12.00%				32.00%	43 1.20			+				 	
				<u>.</u>	130	et- 130	1 600	0	17		10.00%	0.74%	12,300	9.00%	32.00%	39 1.20		н				4	1	06 & 07 reopener
											ſ													
											Ash (CR 45 Ecc	nomics Bas	se Specifica		HGI								İ
		otal Yons	20584								10.00%	0.70%	12,000	8.00%	31,00%	40								
		1303	20304							15(0) 15(0) 1 15.	I							SO2 Price					Revised	5/20/2004 11:25

PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS by Rail/Water

Suppler		Projec	- (000) TGH	Weight	200	7 <u>1</u> 005	2001 Tens	2003 - 2007 Edin - Trons	9007 - Baloo	2000	100 Tis	ngp Callen	Adh S		chaseksp	cification				ullialien Gestat	01/5 01/10	(Proj. Coul?Is	(C)Ali	lavalo Gri	ilai liv		ACINONE	AXEN	Note:
Water																													
DTE	2005	PRB/Cora	504		504		0	0		0			5.64% 0	0.30%	8,800	26,70%	31.65%	51	0.68		BM					A			Incl ground storage- SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1500		500		500	500		0			4.00% 0	1.38%	9,350	22.36%	31,26%	61	0.80		BM								
Arch	1/05-12/07	Thunder Basin	1500	2	500		500	500	100	0			5.50% 0	30%	8,800	28.00%	30.78%	50	0.68		BMV						2		SO2 prem@0.8
Trilon	05	PRB N, Rochelle	1000	E C	1000		0	0		0			5.20% 0	1.35%	8,800	28.50%	31.50%	_63	68.0		вм								SO2 prem@0,8
Triton	05-07	PRB-Buckskin	3000	2	1000		1000	1000		0			5,50% 0	.34%	8,400	30.00%	31.00%	65	0.80		8M								SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	3000		1000		1000	1000		0	1		5.20% 0	3.35%	8,800	28.50%	31.50%	63	0.80		BM								SO2 prem@0.8
Peabody	05-07	Antelope	900	_	300	, ,	300	300		0			5.50% 0	0.27%	8,900	28.00%	30,00%	56	0.60		BMV	demo							SO2 prem@0.8
Kennecolt	05-07	Barge Cahokia	1000	100	200		400	400		0			5.00% 0	.59%	686,6	13.22%	30,75%	61	1.18		вму			Ш		1.			Check vol on IB Coal
Oxbow	05-08	Colorado	1550	-	50		500	500	The last	500			12.00% 0	.72%	11,900	9.00%	31.00%	50	1.20		s	de la constante de la constant	a constitution				<u> </u>		ground storage included
Interocean	07	Colombia-Mobile	1000		0		0	1000	3	0		Eggener 1	5.50% 0	.70%	11,700	14.00%	31.00%	43	1.20		ВМ		3,825						
Central	1/05-12/06	Winifred Dock	600		300		300	0	8	0			12.00% 0	.74%	12,300	8.00%	31.00%	42	1,20	e de la companya de l									
Massey	05	FOB Ceredo	720		720		0	0	Supplement of the supplement o	0		and the second	13.00% 0	.73%	12,100	8.00%	31.00%	42	1.20		Α	dor, car	1			1			18 month
Massey	05	Sydney-Ceredo	600		500		0	0	1168	0			12.50% 0	.74%	12,300	8.00%	31.00%	42	1.20	Strang	A		5	324		1			18 month
CMC	05	Colombia-Mobile	200		200		0	S 0	ale de la company	0			8.30% 0	.71%	11,800	12.00%	33.00%	45	1.20	an const	SM		Maria de la composición dela composición de la composición dela composición dela composición dela composición de la composición dela composición del composición del composición del composición dela composición dela composición del composición del composición del composición del composición del composición del composición dela composición dela composición dela composición del composición	100			5 1 5 2		
Glencore	2005	Colombia-IMT	150	and the same	150		0	0	i de la companya de l	0			9.00% 0	.69%	12,000	10.00%	34.00%	46	1.15				1			· }	E		SO2 guaranteed at 0,8
СМС	05	Colombia-ECT	200		200		0	0		0			8.30% 0	.71%	11,800	12.00%	33.00%	45	1.20		SM			1					
Glencore	2005	Colombia-IMT	150	100	150		0	0		0			8.00% 0	.75%	12,400	9.00%	35.00%	46	1.20		s		- digital	1			5.		
Guasare	05-07	Pasa Diablo - IMT	990	and the second	330		330	330	1	0			7.00% 0	.77%	12,800	8.00%	34.00%	45	1.20							<u>.</u>	5.		
Guasare	05-07	Mina Norte-IMT	700		200		250	250		0			8.00% 0	.78%	13,000	8.00%	31.00%	45	1.20				and a						
	· <u> </u>		i								200		lL.						8				Receipt						
Rall								in a second	1		No.	500							_				a fores		37.176				
Massey	05	Bandmill	720		720	- 1	0	0		0	-		13.00% 0.	.73%	12,100	8.00%	31.00%	42	1.20		A		-						18 month
Progress	05-07	Diamond May	1080		360		360	360		0		3	12.00% 0.	.75%	12,500	8,00%	32.00%	43	1.20			! } ''							
Alliance	05-07	MC Mining	900		150		150	600		0			10.00% 0.	.74%	12,300	9,60%	32.00%	39	1.20		н				200				05 & 07 reopener
Massey	05	NS-Sydney	600		600		0			0			12.50% 0.	74%	12,300	8.00%	31.00%	42	1.20			T,					£		NS Move NO FREIGHT included
1																													
													cı	R 45 Ec	onomics Ba	se Specific	ations	_											
}													Ash S	olfur	Btu	Moisture	Vol	HGI					,						
	···	Total Tons	19984								Çeleli	data a chi	10.00% 6.	.70%	12,000	8.00%	31.00%	40			SOZ Price	-	·					Revised:	5/20/2004 11:25

FRUGRESS FUELS CURPURATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS

100	40.0		(000)	Wolfin																Unite			Evaluation.	Ballines		
			165	WO.	/20065	2005 200	2008	2007	2007 200	B 2000	ilemap.	Rallen		Puro	inasolsme	វេប៊ីនេវេបា	IS A REPORT		Dilliveri	ග මාන්ග	©Bi	©nelti	Ulliand	Uilliza		
Supplied	MANUEL DE SERVICE		Long	Bile	and ons	Price Seption	ESTA RICOR	Manion Sagar	Priceration	SMARIDO	GOSING	0.00515	ASIO	STHURE	38 10 S	Moisture	Sta Võjas	HGIMS	024 GosV	iz Godesi	IGOSIN/SI	OCCUPANT.	MUOSIN/SI	ALCOSTISIO	JAS REMOVESTIC LINE IN V. C.	A Safe 1, O.O. G. S. ROMAN CORNEL SAFE SAFE SAFE SAFE SAFE SAFE SAFE SAFE
Black Gold	05-07	CSX Harlan	600		120	240		240	<u> </u>				10.00%	1.34%	12,700	8,00%	31.00%	45 2.	10	<u> </u>		66		1 4		
B&W Resources	05-07	CSX Jellico	720		240	240		240	9 0				11.50%	1.25%	12,500	7.00%	32,00%	42 2.	00	s		4				
Central App	05-07	CSX BS	720		240	240		240	0			ži.	12.00%	1.32%	12,500	8.00%	32.00%	42 2.	10	s				3	2	
Central Coal Co	05-06	Barge-Kanawha	480		240	240		0	0		NO.		12.00%	1.00%	12,300	8.00%	32,00%	45 1.	63	s						
CMC	05	Colombia-ECT	400		400	0		0				P	9.20%				33.00%			SM						
									ľ										128							
CMC	05	Colombia-Mobile	200	-	200		-}-	0	-0			+	9.20%			12.30%		45 1.	34	SM	1 1			11		
CMC	05	Colombia-ECT	400		400	0	-(0	0		10	-	9.20%	0.78%	11,600	12.30%	33.00%	45 1.	34	SBM		4	- 2	1-4		
CMC	05	Colombia-Mobile	200		200	0		0	0	_#			9.20%	0.78%	11,600	12.30%	33.00%	45 1.	34	SBM						
Horizon	05-07	Evergreen	1500		500	500		500	D				13.00%	1.29%	12,300	8.00%	31.00%	45 2.	10	AS					The state of the s	reopener 06 and 07
Horizon	05-07	CSX Haz- Typo	1500		500	500	į.	500	0	in go			13.00%	1.27%	12,100	6.00%	31.00%	42 2.	10	AS						reopener 06 and 07
Logan&Kanawha	05-07	CSX Kan	1080		360	360		360			g)		13.00%	1.00%		8.00%			13	ASV						Snap Creek
Marshall	05-06	CSX Clinchfield	500		250	250		g				author.	13.00%						652	į[1					
				optio de					, i		100	200			12,500	7.00%		50 2.	30	ASV						Apex 3
Massey	05	CSX Kan	720	1	720	0	+	0	-			850	12.50%	1.26%	12,000	8,00%	30.00%	42 2.	10	ASV				1	2.0	
Massey	05	CSX BS	720	-	720	0	- 1	- 0	0	- 3		C 177	12,50%	1,26%	12,000	8.00%	31.00%	42 2.	10	AS.						_
Peabody	05-07	CSX Kan	720		240	240	_ //	240	0				13.50%	0.98%	12,200	6.70%	30.00%	40 1.	50	ASV					Specs way off	Sulfur Premiumt!
Smokey Mtn	05	CSX Kan	240		240	0		0	0				13.00%	1.26%	12,000	8,00%	31.00%	42 2.	10	AS				l term	i je	
						4500			_													446				
				N.e										CR 45 Fce	nomics Ba	en Conside	vions								1	
													Ash	Sulfur	8tu	Moisture	Vol	HG1								
		~											10.00%	1,05%	12,000	8.00%	34.00%	40		T-				j	}	
		Total Tons	10700								- promete (ព្យៈអេជ	L							SO2 Price	- 3	ŀ		L	Rev	ised: 5/13/2004 8:48





PROGRESS FUELS CORPORATION CR 1 and 2 May 2004 Solicitation ALL BIDS by Rail/Water

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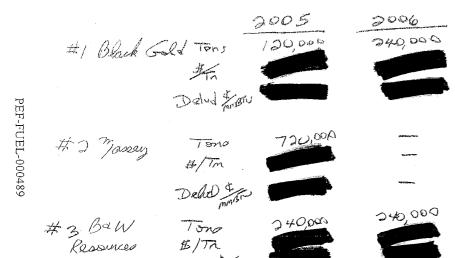
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Supplier Roll Roll	e consumation	23454011010WW	Tons	Prices.	2 Shorts	Price To	SECULO	100SF	BRACON	PERONS	PICON	COSINE	COSIS	BASILER	SOHOG	3.00	Moisture	WAY OLD	WHG 188	S0211	(CosUSI)	I Codes	igosus/stilt	COSHSYM		UK MIGOS	TANKE !	BEAGLIOIN PARENCE	NOTES SOME STATE OF THE STATE O
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Horizon	05-07	Evergreen	1500		500	50		500		0	\$0,00		1	13.00%	1.29%	12.300	8.00%	31.00%	45	2.10		AS						Grans-cost needed	reopener 06 and 07
Massey	05	CSX Kan	720		720	0		0	1	0	\$0.00	- Carlo	1		1.26%			30.00%	i			ASV	and the same						
Logan&Kanawha	05-07	CSX Kan	1080		360		2	360				200	2					I											
	1			11		36	4			0	\$0.00	200	į.		1.00%			30,00%				ASV	in a			\vdash	計		Snap Creek
Peabody	05-07	C\$X Kan	720		240	24	0 8	240		0	\$0.00		 	13.50%	0.98%	12,200	6.70%	30.00%	40	1.60		ASV						Specs way off	Sulfur PremiumII
Horizon	05-07	CSX Haz- Typo	1500	Į.	500	50	0	500		0	\$0.00	ale de		13.00%	1.27%	12,100	8.00%	31.00%	42	2.10		AS	* 4			i			reopener 06 and 07
Smokey Mtn	05	CSX Kan	240		240	0		0		. 0	\$0.00			3.00%	1.26%	12,000	8,00%	31,00%	42	2,10		AS							
		A RailTotal	9020										200					<u> </u>											
Water									ON SOIL				and the													3			
Central Coal Co	05-06	Barge-Kanawha	480		240	24	0	0		0	\$0.00		1	12.00%	1.00%	12,300	8.00%	32,00%	45	1.63		s				30			
СМС	05	Colombia-Mobile	200		200			0		0	\$0.00		E.	9.20%	0.78%	11,600	12 30%	33.00%		- 1		SBM							
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	05		200	<u> </u>	200	0	- 8	0	All ha	0	\$0.00			1	0.79%			33,00%	1	1.34	4.	SM	·- #			* F	P		
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PROGRESS FUELS CORPORATION

CR 1 and 2 May 2004 Solicitation

Massey 05 CSX BS 720 0 0 0 0 50.00 0 50.00 12.50% 12.50% 12.70% 12,100 8.00% 31.00% 42 2.10 AS	AKEN Note: New Ridge/Goff
	New Ridge/Goff
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Smokey Mtn 05 CSX Kan 240 240 0 0 0 50.00 13,00% 1,25% 12,000 8,00% 31,00% 42 2,10 AS	
CR 12 Economics Base Specifications	
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Total Tons 10300 (vs/disalc) 10.700 (1.05% 12,000 8.00% 34.00% 40 sozyales	Revised: 5/14/2004 17:01



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PROGRESS FUELS CORPORATION

CR 1 and 2 May 2004 Solicitation

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Rall		D Z 7=			Est								The second second	on the land of the land	STACES STATES OF THE PARTY OF T	_	a constraint and a service	NAMES OF TAXABLE PARTY	CO.C. STORY OF CO.C. STORY OF CO.C.	AND THE REAL PROPERTY.
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Marshall 05-06	CSX Clinchfield 500	250	250	0	0	\$0.00	V	13.00% 1.3	1% 12,5	00 7.00%	29.00%	50 2,10		sv			# ·			
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Black Gold 05-07	CSX Harlan 600	1201	/ 240	240	0	\$0.00		10.00% 1.3	4% 12,7	8.00%	31.00%	45 2.10		s .						
Horizon 05-07	Evergreen 1500	500	500	500	0	\$0.00	Capper T	13.00% 1.2	9% 12,30	8.00%	31.00%	45 2.10		AS .	S		1		reopener 06 and 07	
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Smokey Min 05	CSX Haz- Typo 1500	500	500	500	0	\$0.00		13.00% 1.2	7% 12,10	00 8.00%	31.00%	42 2.10		AS &				*****	reopener 06 and 07	
Jillokey Milli US	CSX Kan 240	240	0	0	8 0	\$0.00	8	13.00% 1.2	5% 12,00	8.00%	31.00%	42 2.10	ļ <i>i</i>	s .						
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CMC 05	Colombia-Mobile 200	400	0	0	F	\$0.00	4	9.20% 0.78		1	1		SB	м	- 1					
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Black Gold 7500 120 240 ((5X Harlon) &

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS

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Central App CSX CS	-4 Supplier	tierm		rcel Jims	Pales	20015 (20015)	2006 - 2006 Prim - Dons	2006 Pales	2007 Tones	2007/ 200 Pirso To	0 /2001 5 Pale	विद्यास (१०५१)	io⊒ile Oosi	nir to Anlit	Ro Solin	idhisosi Bili	ocificati Mafati	iis l	irai		ille (joi Coarar	Unity (5) (Detroit)	Cash	Cash	By hell Utiliz	ed lev di si	1021012 100726				
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Marshall 05-06 CSX Kina 720 720 720 0 0 50.00 13.00%	B&W Resources	05-07	CSX Jellico	720		240	240		240	0	\$0,00		2.5	11.50%	1,25%							,,,,,		ī				<u> </u>			
Massey	Marshall	05-06	CSX Clinchfield	500		250	250		0	0	\$0.00	40.00		13.00%	1.31%			T	1-1			ASV	. 4								
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Black Gold 05-07 CSX Harlan 600 120 240 240 0 50.00 10.00% 1.34% 12.700 8.00% 31.00% 45 2.10 S 1 Properties and 07 Prope	Central App	05-07	CSX BS	720		240	240		240	0	\$0.00			12.00%	1.32%	1		1													
Horizon 05-07 Evergreem 1500 500 500 500 500 0 5	Black Gold	05-07	CSX Harlan	600		120	240	1	240	0	\$0.00	1		10.00%	1.34%				T			,									
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Logan&Kanawha 05-07 CSX Kan 1080 360 360 360 360 0 S0.00 13.00% 12.500 8.00% 30.00% 42 1.60 ASV Snap Creek Peabody 05-07 CSX Kan 720 240 240 0 S0.00 13.00% 12.30% 33.00% 45 1.34 SBM SIM Peabody 05-07 CSX Kan 720 500 500 500 0 S0.00 13.00% 12.7% 12.00 8.00% 31.00% 42 2.10 ASV Sulfur Premium!! CMC 05 Colombia-Mobile 200 200 0 0 0 0 50.00 9.20% 0.79% 11.800 12.30% 33.00% 45 1.34 SM SIM Preopener 06 and 07 CMC 05 Colombia-ECT 400 400 0 0 0 0 50.00 9.20% 0.79% 11.800 12.30% 33.00% 45 1.34 SM SIM SIM SIM SIM SIM SIM SIM SIM SIM	CMC	05	Colombia-Mobile	200		200	0	le de la constante de la const	0	0	\$0.00	e e		9.20%	0.78%		1	1		1			6							reopener 06 and i	07
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Peabody 05-07 CSX Kan 720 240 240 0 S0.00 13.00 12.70 13.00 4 0 1.60 13.00 4 12.70 13.00 4 1.00 4 1.00 4 1.00 4 1	CMC	05	Colombia-ECT	400		400	0		0	0	\$0.00		600	9.20%	0.78%	11,600	1		1	1					-					Snap Creek	
Horizon 05-07 CSX Haz- Typo 1500 500 500 500 500 0 50.00 13.00% 1.27% 12.100 8.00% 31.00% 42 2.10	Peabody	05-07	CSX Kan	720		240	240		_240	0	\$0.00			13.50%	0.98%	12,200															
CMC 05 Colombia-Mobile 200 0 0 0 50.00 9.20% 0.79% 11,800 12.30% 33.00% 45 1.34 SM SM SM SM SM SM SM SM SM SM SM SM SM	Horizon	05-07	CSX Haz- Typo	1500		500	500	4	500	0	\$0.00			13.00%	1.27%	12,100	8.00%	31,00%				- 3					3				
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Smokey Min 05 CSX Kan 240 240 0 0 0 0 50.00 13.00% 1.26% 12.000 8.00% 31.00% 42 2.10 AS CX 45 Economics Base Specifications Ash Suffux Bu Moisture Vol NG 10.00% 10.00% 12.00% 34.00% 46	CMC	05	Colombia-ECT	400		400	0		. 0	0	\$0.00			9.20%	1			1				i i	j								
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Total Tons 10700 Ash Sulfur Bu Moisture Vot NG 10.00% 1.05% 12,000 8.00% 34.00% 46								1980.													ALCOHOL:	, no pas	STATE OF THE PARTY		Supple				l.		
Total Tons 10700 Ash Sulfur Bu Moisture Vot NG 10.00% 1.05% 12,000 8.00% 34.00% 46															CR 45 Ec	onomics B:	se Specifi	ations]
10/00 10/00 (conspections)														Ash	Sullur	Btu	Moisture	Vol	HGI												ŀ
			Total Tons	10700								(annate	ea da nea	10.00%	1.05%	12,000	8.00%	34.00%	40		[SO2 Price		•					Revised: 5	/13/2004 11:34	

PROGRESS FUELS CORPORATION

CR 1 and 2
May 2004
Solicitation
Short List
1 Year Bids

Supplier	Term	([‡] Origin	(000) Total Tous	.weight Avi a. <u>Prie</u> e	2004 Toms	2005 Prices	itialites Cost	Rallea 0091s		JP07 Suljur	dinge Sp Blu	elije dlo Moisiure	us Vols	1)(6)	502	Utilitzation Gost/st	Unit 46 Dérate Codes	Carali Great Vi	Ga40 (Coot:37	Evaluat Ulilliza Cost	luated filized	. AOJIONITAKE	N - Nates	
Rail					,				T12-6				,								 			
Massey	05	CSX BS	720		720					1.26%	12,100	8.00%	31.00%	42	2.08		AS						18 month deal	
Marshall	05-06	CSX Clinchfield	250		250	l d			13.00%	1.31%	12,500		29.00%	T -	1		ASV						10 11 10 11 11 11 11 11 11 11 11 11 11 1	
Black Gold	05-07	CSX Harlan	120		120)		10.00%	1.34%	12,700		31.00%		2.10		s							
B&W Resources	05-07	CSX Jellico	240		240				11.50%	1.25%	12,500	7.00%	32.00%		2.00		s							
Central App	05-07	CSX BS	240		240				12.00%	1.32%	12,500	8.00%	32.00%	42	2.10		S							
						days and										199 M (42)			1,21,400	- Same				
Water																				1				
Central Coal Co	05-06	Barge-Kanawha	240		240			<u>.</u>	12,00%	1.00%	12,300	8.00%	32.00%	45	1.63	<u> </u>	s		-		_			
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PROGRESS FUELS CORPORATION

CR 1 and 2
May 2004
Solicitation
Short List
1 Year Bids



Supulio	Term	Quali	(000) Totals	Weight Avg	2005	2005 Priso	Polisii	Fallson	-	Po	diase sp	eoffice(flo	15.00	1		Utilization	Ump45 Derate	Gasin	Gish	Javano de Cultiva	l Ezabalo Ulluz	d d			
Rail			100000000000000000000000000000000000000	***************************************		145-814-17-25-2		************		8625/03/104/04	mana tana	MINISTERS.	40 × 400 × 4	SECTION STR	100 A 10 A 10	lauc Ganara	there on page	the days to ta	eliooside.	illade content	Talk Bake GOVEN	(00%) 陈老爷爷	elin Austranze	Named (Arries See	
Marshall	05-06	CSX Clinchfield	250		250		1000		13.00%	1.31%	12,500	7.00%/	29.00%	50	2.10		ASV	7						Apex 3	
Black Gold	05.07	CSX Harlan	120		120				10.00%	1.34%	12,700	8.00%	31.00%	45	2.10		s								
B&W Resources	05-07	CSX Jellico	240		240				11.50%	1.25%	12,500-	4.00%	32.00%	42	2.00		s								
Massey	05	CSX BS	720		720				12.50%	1.26%	12,000	8.00%	31.00%		2.10		AS				-			-	
Central App	05-07	CSX BS	240		240		A		1	1.32%			32.00%		2.10		s								
Water									-													-			
Central Coal Co	05-06	Barge-Kanawha	240		240				12.00%	1.00%	12,300	8.00%	32.00%	45	1.63		s	name of the lates							
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							lastingier	a 31 (85)	10.00%	1.05%	12,000	8.00%	34.00%	40			SO2 Price						Rev	ised: 5/13/2004 1	10:28

PROGRESS FUELS CURPURATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS by Rail/Water

I-Supplier Rail	Term	<u> jo</u> ulg in	(000) TOLE Fores	Weight Ag Pag	2005 Tons	2005 20 Pileo Fo	9 2006 E 1966	2007 Tons	2007 (Příko	2008 - Mons	2001 - Transj Hilas - Gort	ittillen Cosis	ASIn	E0 Spirior	ranescosti (Bliu	edilleallo Moisiole	is Vol	JiGi .	\$02	्राधीस्त्राधित (१८५५)	Unitas Derilo Codes	Casin Cost <u> </u> ¶5	G051.877	Evaluated Villizad Cost(Vs)	Evaluat Utiliz Oost	ada ada A	HONTAKEN.	lojet .
Massey	05	Bandmill.	720		720	isivan	(3)	0		0			13.00%	0.73%	12 100	8.00%	31,00%	42	1.20									
Progress	05-07	Diamond May	1080		360	36		360		0		Ī		0.75%	12,500		32.00%	-	1.20				I					
Alliance	04-07	MC Mining	900		150	e 15		A 600		0				0.74%	12,300	Ĭ ·	32.00%		1.20		н					.6		06 & 07 reopener
		Total Rail	2700	Section 2		Trapport.	The second second	6	AND STORY														ेक्ट्रक्स स्टे	a eggs		Cole, or		
DTE	2005	PRB/Cora	504		504	0	Jin	0	, was	0			5.64%	0.30%	8,795	26.70%	31.65%	51	0.68		ВМ				1			
Kennecott	05-07	Barge Cahokla	1500		500	50		500		0			4.00%	0.38%	9,350	22.36%	31.00%	45	0.80		ВМ	Satura	N. W.			Ì		
Arch	1/05-12/07	Thunder Basin	1500		500	50	,	500	832-151 1	0		1	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68		вму							
Triton	05	PRB N. Rochelle	1000		1000			0	Sec.	0		V	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80		ВМ	The state of						
Triton	05-07	PRB-Buckskin	3000		1000	100	0	1000		0			5.50%	0.34%	8,400	30,00%	31.00%	65	0.80		ВМ			Mende				
Triton	05-07	PRB N. Rochelle	3000		1000	101	0	1000		0			5.20%	0,35%	8,800	28.50%	31.50%	63	0.80		ВМ	39			100			
Peabody	05-07	Antelope	900		300	30		300		0			5.50%	0.27%	8,900	28.00%	30.00%	56	0.61		вму							
Kennecott	05-07	Barge Cahokia	1000		200	40	2/2	400	1	0			5.00%	0.59%	9,963	13.22%	32.00%	45	1.18	Serving Serving	Вм		3					
Oxbow	05-08	Colorado	1550		50	50		500		500			12.00%	0.72%	11,900	9.00%	31.00%	50	1.20		s			A SECTION				round storage included
Interocean	07	Colombia-Mobile	1000		0	0		1000		0			5.50%	0.70%	11,700	14.00%	31.00%	43	1.20		ВМ							
Central	1/05-12/06	Winifred Dock	600		300	30	2	0		. 0	Negative Park		12.00%	0.73%	12,300	8.00%	31.00%	42	1.19									
Massey	05	FOB Ceredo	720		720	0		0		0			13.00%	0.73%	12,100	8,00%	31.00%	42	1.20		А							
CMC	05	Colombia-Mobile	200		200	0		0	-	0			8.30%	0.70%	(11,600	12.00%	33.00%	45	1.20		ВМ							
CMC	05	Colombia-ECT	400		400	0		0		0			8.30%	0.70%	11,600	12.00%	33.00%	45	1.20		ВМ							
CMC	05	Colombia-Mobile	200		200	0	200	0		0	₩.		8.30%	0.71%	11,800)12.00%	33.00%	45	1,20		SM							
Glencore	2005	Colombia-IMT	150		150	. 0		0	d vicas	0			9.00%	0.69%	12,000	10.00%	34.00%	46	1.15							()		O2 guaranteed at 0.8
/ CMC	05	Colombia-ECT	400		400	0		0		0			8.30%	0.71%	11,800	12.00%	33,00%	45	1.20		SM							
Glencore	2005	Colombia-IMT	150		150	0		0		0			8.00%	0.71%	12,400	9.00%	35.00%	46	1.15			8		l l				
Guasare	05-07	Pasa Dlablo - IMT	990		330	330		330		0	Ú.		7.00%	0.77%	12,800	8.00%	34.00%	45	1.20		s					1		
\ Guasare	05-07	Mina Norte-IMT	700	أأنني	200	250		250		0			8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	, d								
		Total Water	19464										F															
														CR 45 Ec	onomics Ba	se Specific	ations											
													10.30%	Sulfur 0.70%	12,000	Moisture 8.00%	Vo! 31.00%	HG1		F		. 248 %	Ŀ					
L		Total Tons	22164								'esmnate	sam ogé	<u> </u>							1	SOZ Price)				Revised: 5	/13/2004 15:55

PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS

Supplier		Auth	(000) Total	Wordin	9803 Z Uois II	005 2005	_ 2006 (eneg	2007	2007 2006 Man Stone	-2003 illentajo il Prileo Gost	ules		PironsoS	pecificalio	19 <u> </u>	tial of	giji)25	Unités Jon Dario	Cash C	iovali asii UIII	interi Filo Book (nuncid Villzod	AGRIONSVAKE	
DTE	2005	PRB/Cora	504		504	0		0	0			0.30	1	26.70%	1		4	BM						
Kennecott	05-07	Barge Cahokla	1500		500	500		500	0		1	0.38		22.36%		45 0.8		ВМ						
Arch	1/05-12/07	Thunder Basin	1500		500	500		500	0		\$ 1	0.30		28.00%				ВМУ						
Triton	05	PRB N. Rochelle	1000		1000	0		0	0		2	0.35		28.50%				ВМ						
Triton	05-07	PRB-Buckskin	3000		1000	1000		100D				0.34		_		65 0.6	4	ВМ						
Triton	05-07	PRB N. Rochelle	3000		1000	1000		1000	0		1	0.35		28.50%				ВМ						
Peabody	05-07	Antelope	900		300	300		300	0		4	0,27		28.00%		56 0.6		вму	Ī					
Kennecott	05-07	Barge Cahokia	1000		200	400		400	o	200	5.0	0.59	T	13.22%		45 1.1	- "	ВМ						
Oxbow	05-08	Colorado	1550		_50	500		500	500	100		0% 0.72			31.00%	50 1.2		s	i ii					ground storage included
Interocean	07	Colombia-Mobile	1000		0	0	the Gard	1000	0		5.5	0.70	% 11,700	14.00%	31.00%	43 1.2	20	вм						
Central	1/05-12/06	Winlfred Dock	600		300	300		0	0	and the same	12.0	0% 0.73	% 12,300	8.00%	31.00%	42 1.1	19							
Massey	05	Bandmill	720		720	0	j .	0	0		13.0	0% 0.73	% 12,100	8.00%	31.00%	42 1.2	20	А						
Massey	05	FOB Ceredo	720		720	0		0	0		13.0	0% 0.73	% 12,100	8.00%	31.00%	42 1.2	20	A						
CMC	05	Colombia-Mobile	200		200	0		0	0		8.3	0.70	% 11,600	12.00%	33.00%	45 1.2	20	ВМ						
Progress	05-07	Olamond May	1080		360	360		360	0		12.0	0% 0.75	% 12,500	8.00%	32.00%	43 1,2	20							
CMC	05	Colombia-ECT	400		400	0	4	. 0	0		8.3	% 0.70	% 11,600	12.00%	33.00%	45 1.2	20	ВМ		1				
CMC	05	Colombia-Mobile	200		200	0	0.00 mg	o	0		8.3	% 0.71	11,800	12.00%	33.00%	45 1.2	20	SM				Many .		
Glencore	2005	Colombia-IMT	150		150	0	The state of the s	0	0		9.0	0.69	% 12,000	10.00%	34.00%	46 1.1	5							SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	400		400	0		0	0		8.3	% 0.71	% 11,800	12,00%	33.00%	45 1.2	0	SM S						
Glencore	2005	Colombia-IMT	150		150	0		0	0	4 4 1	8.0	% 0.71	/ 12,400	9.00%	35.00%	46 1.1	5	5						
Guasare	05-07	Pasa Dlablo - IMT	990		330	330		330	0		7.00	% 0.77	12,800	8.00%	34.00%	45 1.2	0	s						
Guasare	05-07	Mina Norte-IMT	700	a de la composição de l	200	250	1	250	0		8.0	% 0.78	% 13,000	8.00%	31.00%	45 1.2	0		1					
Alliance	04-07	MC Mining	900		150	150		600	0		10,0	0.74	% 12,300	9.00%	32.00%	39 1.2	0	н					<u> </u>	06 & 07 reopener
											_													
											_	CR 4	5 Economics E	Base Specific	ations									
											16.0	h Sulfu 1% 0.701	F Btu	Molsture 8.00%	Vol 31.00%	HG1								
		Total Tons	22164							specialism a		0.705	12,000	8.00%	31.0074	. 40		SO2 Price					Revis	ed: 5/13/2004 11:36

PROGRESS FUELS CORPORATION

CR Units 4 and 5 May 2004 Solicitation ALL BIDS by Rail/Water

	J. m	Orderlo.	(000) 15:41	Wollin Wo	7005	2003 2000 Barrier Barrier	7005 90 Blico 10	7 207 13 1216	2008 - 2	00 Tagjen Pellen no God Cour	r	Pu Sullet	nints St	eliteallo		Was So	Dillizida Gesti	Only E al Eore Co	(C13)	CLER	lavajo frai Oblivadi	Evolucio Gostiso	ACUIONIPAKEN	Solor
Water										.0450			(Jan Dr. G. Jan Jan Jan Jan Jan Jan Jan Jan Jan Jan	1110/01/21/22	Construction of the Constr			18/18/0/00/3/	Marie Control	A CONTRACTOR				
DTE	2005	PRB/Cora	504		504	0			0		5.64%	0.30%	8,800	26.70%	31.65%	51 0.68	and a	ВМ						Incl ground storage- SO2 prem@0.8
Kennecott	65-07	Barge Cahokta	1500	1	500	500	50	0 3	0		4.00%	0.38%	9,350	22.36%	31.26%	61 0.80		ВМ						
Arch	1/05-12/07	Thunder Basin	1500	7	500	500	50	0	0	la de la companya de la companya de la companya de la companya de la companya de la companya de la companya de	5.50%	0.30%	8,800	28.00%	30.78%	50 0.68		ВМУ						SO2 prem@0.8
Triton	05	PRB N. Rochelle	1000		1000	0			0		5.20%	0.35%	8,800	28.50%	31.50%	63 0.80	<u> </u>	ВМ				V		SO2 prem@0.8
Triton	05-07	PRB-Buckskin	3000		1000	1000	104	0	0		5.50%	0.34%	8,400	30.00%	31.00%	65 0.80	4	ВМ						SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	3000		1000	1000	101	0	0		5.20%	0,35%	8,800	28.50%	31.50%	63 0.80		ВМ						SO2 prem@0.8
Peabody	05-07	Antelope	900		300	300	30		0	4	5.50%	0,27%	8,900	28.00%	30,00%	56 0,60		BMV		1				SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1000		200	400	40	0	0		5.00%	0.59%	9,963	13.22%	30,75%	61 1.18		вму						Check vol on IB Coal
Oxbow	05-08	Colorado	1550		50	500	50	•	500	4	12,00%	0.72%	11,900	9.00%	31,00%	50 1.20	1	5						ground storage included
Interocean	07	Colombia-Mobile	1000		0	0	100	0 8	0		5.50%	0.70%	11,700	14,00%	31.00%	43 1.20	1	ВМ						
Central	1/05-12/06	Winifred Dock	600		300	300	•	-	0		12.00%	0.74%	12,300	8,00%	31.00%	42 1.20	200	 			And the second second		_	
Massey	05	FOB Ceredo	720	_	720	00	0		0		13,00%	0.73%	12,100	8,00%	31.00%	42 1.20		Α.		1		_		18 month
Massey	05	Sydney-Ceredo	600		500	. 0	0		0		12.50%	0.74%	12,300	8.00%	31,00%	42 1.20	1,000	A .	1		1			18 month
СМС	05	Colombia-Mobile	200		200	0	0		0		8.30%	0.71%	11,800	12.00%	33,00%	45 1.20		SM						
Glencore	2005	Colombia-IMT	150		150	0	0		0	Separate Commence	9.00%	0,69%	12,000	10.00%	34.00%	46 1.15		2		Op.				SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	200		200	0	0		0		8,30%	0.71%	11,800	12.00%	33.00%	45 1.20		SM	Sec.					
Glencore	2005	Colombia-IMT	150		150	D	0		0		8.00%	0.75%	12,400	9,00%	35.00%	46 1,20		s		and the				
Guasare	05-07	Pasa Diablo - IMT	990		330	330	33		0		7.00%	0.77%	12,800	8.00%	34.00%	45 1.20			J.			3.		l
Guasare	05-07	Mina Norte-IMT	700		200	250	25		0		8,00%	0.78%	13,000	8.00%	31.00%	45 1.20						-	<i>y</i>	
				描绘		#Bar L		400.604		**			l	1		l	<u></u>							
Rail									_	4764.														
Massey	05	Bandmill	720		720	0	0		0		13.00%	0.73%	12,100	8.00%	31.00%	42 1,20	1	A					Q.	18 month
Progress	05-07	Diamond May	1080		360	360	36		0		12.00%	0.75%	12,500	8.00%	32.00%	43 1.20	1	à						1
Afllance	05-07	MC Mining	900		150	150	60		0		10,00%				32.00%	39 1.20	T	н						05 & 07 reopener
Massey	05	NS-Sydney	600		600	. 0	0		0	là la	12,50%	0.74%	12,300	8.00%	31.00%	42 1.20		_ A						NS Move-NO FREIGHT included
							1965	** **********************************				CR 45 Eco	nomics Ba	se Specific	alions		Mari			*.0	d in the		,	
											Ash	Sulfor	Btu	Moisture	Vol	HGI								
		Total Tons	19984							tale, aned le car	10.00%	0.70%	12,000	8.00%	31.00%	40		502 Price		1			Revised	5/14/2004 17:18

CR Units 4 and 5 May 2004 Solicitation Short List 05 CSX Kan (Bmill) 18 Month deal Progress 05-07 Diamond May 360 12.00% 0.75% 12,500 8.00% 06 & 07 reopener Alliance 04-07 12,300 9.00% 32.00% Water (Central App Only) Central 1/05-12/06 Winifred Dock 12.00% 0.73% 12,300 8.00% 31.00% Massey 05 FOB Ceredo 12,100 Sulfur Vol 10.00% 0.70% 12,000 8.00% 31.00% Contail sur short Revised: 5/13/2004 11:31 0000 Punkand 5/14

Funkand 5/14

Bail Tono 720

Prospers (D Jay) Tono 360

Water Dearly Tono 300

Central Cool Tono 300

Dali) 1380

GGO

Dali) 1380 PEF-FUEL-000497

NOUNEDUT DELU CONFORMION

PROGRESS FUELS CORPORATION

CR Units 4 and 5
May 2004
Solioitation
ALL BIDS by Rail/Water

100	100		(000)	Wojoni Ara											# COLOR					美華 聖教教教			A SECTION	No. Description of the	MICH TOWNS OF THE SERVE	and a second areas	COMPRESSION CONTRACTOR OF THE PARTY OF THE P	
SySupplier	Lim	Oddn +	100 27 Mars	_ /VO Daib	7005 Tons	2005 Rico	2006 Tota	2006	2007	2007	2000 /2	००३ ीलाह). (Ell	(e)	e de la pro-	dhue Si	olileallo			Silleri	lan linet	Casin	Grish	Exellent Miller				
Rail					- Andrews	- ALL CONTRACTOR	nonsyn	AUAIL COME	on onse	KIRTEGRAMA	Lonsmand	litea Gosi	009	is envasion		Blue	Molstone	Vol	HGITS	2 Cost	al Gogle	(0:si 0:c	1 005.0	000000 000000	e Cosiso	ACTIONITAK	in Notes	
Massey	05	Bandmill	720		720		6		0				व	12 000			\leq					3						
Progress	05-07	Diamond May	1080		360	\mathbb{D}	360	1	360		0		Medical	5	,	12,100		31,00%	42 1.3	0	A	H						
Alliance	04-07	MC Mining	900		150		150		600			de de la constante de la const	100	12.00%		12,500	8.00%		43 1.3	10	H		-					
	ļ	Rail D Total	2700	THE PARTY OF THE P									£ 3	AS 10.00%	0.74%	12,300	9.00%	32.00%	39 1.2	0	н	温					06 & 07 reopener	
Water				_		-							+-	1-1	-+							<u> </u>	<u> </u>	ļ		w)		
DTE	2005	PRB/Cora	504		504		0		0 3			100	2							419044		Sant No.						
Kennecott	05-07	Barge Caliokla	1500		500		500		500					5.64%		8,795	26.70%	31.65%	51 0.6	8 3	ВМ						ground storage incl	luded
Arch	1/05-12/07	Thunder Basin	1500		500	2	500		500			No.		4.00%		9,350	22.36%	31.00%	45 0.8	0	ВМ							
Triton	05	PRB N. Rochelle	1000		1000		0		0	i i	D 3			5,50%		8,800	28.00%	30.78%	50 0.6	8	BMV		1					
Triton	05-07	PRB-Buckskin	3000		1000		1000		1000		0	11:	8	5.20%				31.50%	63 0.8	2	BM	Š					,37	-
Triton	05-07	PRB N. Rochelle	3000		1000		1000		1000		0			5.50%		8,400	30.00%	31.00%	65 0.8		ВМ						SO2 guaranteed at 0	0.8
Peabody	05-07	Antelope	900		300	.	300		300					5.20%		8,800	28.50%	31.50%	63 0.8		Вм							
Kennecott	05-07	Barge Cahokia	1000		200		400		400	1	0		4	5.50%		В,900	28.00%	30.00%	56 0.6		BMV			9				
Oxbow	05-08	Colorado	1550		50		500	i i	500					5.00%		9,963	13.22%	32.00%	45 1.18		ВМ							
Interocean	67 .	Colombia-Mobile	1000		0	1	0	£ _	1000	1	00			12,00%		11,900	9.00%	31.00%	50 1.20		s							
Central	1/05-12/06	Winlfred Dock	600		300	(h)	000		0		0			5.50% (11,700	14.00%	31.00%	43 1.20	1 8	ВМ							
. V* Massey	05	FOB Ceredo	720		720		0 8		0					12.00% (12,300	8.00%	31.00%	42 1.19	1		-						
CMC	05	Colombia-Mobile	200		200	T	0		0	ř	0 3		1	13.00% 0		12,100	8.00%	1.00%	42 1.20		Α Α		2	dia.				
CMC	0.5	Colombia-ECT	400		400	77	0		0					8.30% 0		11,600	2.00% 3	3.00%	45 1.20	1	ВМ							
CMC	05	Colombia-Mobile	200		200	97.50	0		0					8		11,600	2.00% 3	3.00%	45 1,20		ВМ							
Glencore	2005	Colombia-IMT	150		150		0		0				ì	8.30% 0		11,800	2.00% 3	3.00%	45 1.20		SM							
CMC	05	Colombia-ECT	400		400		0		0		18		Sign of the last	9.00% 0	.69%	12,000 1	0.00% 3	4.00%	46 1.15									
Glencore	2005	Colombia-IMT	150		150			S.	0					8.30% 0.	.71%	1,800 1	2.00% 3	3.00%	45 1.20		SM							
Guasare	05-07	Pasa Diablo - IMT	990		330	33		Ž.	30					8.00% O.	71%	2,400	.00% 3	5.00%	46 1.15									
Guasare	05-07	Mina Norte-IMT	700		200	25		<i>[</i>]	50						1	2,800	.00% 3	4.00%	45 1.20		s							
ľ		Water D Total	19464				, J/S	100	30 K	ا_لگ_	- 15	الله الله	To the Control	8.00% 0.	78% 1	3,000 8	.00% 3	1.00%	45 1.20									
																			_	-				closes.	- Contraction			
									4.3		Z.			Ash Si	R 45 Econe		Specification		_]
								i	Conk	,					18for 70%		olsture .00% 3:	Vol He	GI 40				-					
				1			कु पं	<u> 1</u>	1 to/3	1-3		estimaten	in .ed	<u> </u>							SOZ Price					Revise	d: 5/13/2004 8:42	
		ਮੁਜ਼ਪ		١.	11.02/) 	- Z	i)	y view	, h	X												po:					
		P		11/	اللي: ا	!	26			1)	<i>i</i>																	

?-FUEL-000498

Proposition 300 water

PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS

Simples	John Co.	@rmin	(000) icel	Wagni	2095 Tone	2011	2006 Topes	2006 Bilgo	20.07 Tons	2007 Priles	2008	ACOO DIFFORM	enler Orda	/(1)	<u>170</u>	រូវតែទទៀ	edijesti	one .	lirei	802	जी।स्त्रीक्ष स्थानक	Only E Details Godes	Colsin Colsi	(CE)	iEvalie Vijiji		zhetoù Unlied Gas W	ACTIONITA	(EV = Notes:	
Alliance	04-07	MC Mining	900		150		150		600		0				0.74%			32.00%	1	1.20		н							06 & 07 reopener	
Massey	05_	Bandmill	720		720	100	0		0		0		1		0.73%		8,00%			1.20		А								
Progress	05-07	Diamond May	1080		360		360		360		0			12.00%	0.75%	12,500	8.00%	32.00%	43	1.20			and the same	9		Witter:				
Arch	1/05-12/07	Thunder Basin	1500		500	<u> </u>	500	1	500		0			5.50%	0.30%	8,800	28.00%	30.78%	50	0.68		BMV								
Central	1/05-12/06	Winifred Dock	600		300		300		0		0			12.00%	0.73%	12,300	B.00%	31,00%	6 42	1.19		1	Ē	300						
CMC	05	Colombia-ECT	400		400		0		0		0			8.30%	0.71%	11,800	12.00%	33.00%	45	1.20		SM								
CMC	05	Colombia-Mobile	200		200		0		9		0			8.30%	0.71%	11,800	12.00%	33,00%	45	1.20	*	SM						\		
CMC	05	Colombia-ECT	400		400		0		0		0			8.30%	0.70%	11,600	12,00%	33.00%	45	1.20		ВМ								
CMG	05	Colombia-Mobile	200		200	A.	0		_0		0			8.30%	0.70%	11,600	12.00%	33.00%	45	1.20		ВМ	L			, -				
DTE	2005	PRB/Cora	504		504	<u>.</u>	0		0		0			5.64%	0.30%	8,795	26,70%	31.65%	51	0.68		ВМ							ground storage include	ed
Glencore	2005	Colombia-IMT	150		150		0		D		0				0.69%		10.00%					┼	1				-	<u> </u>		
Glencore	2005	Colombia-IMT	150		150		0		0		0				0.71%		1	1										+		
Guasare	05-07 05-07	Pasa Diablo - IMT Mina Norte IMT	990 ; 700		330	6	330		250		0	+ #	,		0.77%		1	1				s						+		
Interocean	07	Colombia-Mebile	1000		200		250		1000		0				0.78%	13,000				1.20		ВМ		The same				\		
Kennecott	05-07	Barge Cahokia	1000		200		400		400		0		\$		0.59%	9,963		32.00%		1.18		ВМ			d panel					
Kennecott	05-07	Barge Cahokia	1500		500		500		500		0			4.00%			22.36%					ВМ								
Massey	05	FOB Ceredo	720		720		0		0		0		7	13.00%	0.73%	12,100						А	learness of							
Oxbow	05-08	Colorado	1550		50		500		500		500			12.00%	0.72%	11,900	9.00%	31.00%	50	1.20		s								
Peabody	05-07	Antelope	900		300	2	300		300		0			5.50%	0.27%	8,900	28.00%	30.00%	56	0.61		вму					4			
Triton	05-07	PRB-Buckskin	3000		1000		1000		1000		0			5.50%	0.34%	8,400	30.00%	31.00%	65	0.80		BM							SO2 guaranteed at 0.8	
Triton	05-07	PRB N. Rochelle	3000		1000		1000		1000		0		A STATE	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80		ВМ			and the second					
Triton	05	PRB N. Rochelle	1000		1000	į.	0		0		0		<u> </u>	5.20%	0.35%	8,800	28,50%	31,50%	63	0.80	5	ВМ	- Park			200		1		
				Here																			•							1
															CR 45 E	onomics 8	Base Specif													1
	1													Ash 10.00%	Sultur 0.70%	8tu 12,800	Moisture 8,00%	Vol 31.00%	HGI 40					D .						
L		total tons	22164									Andrialist.	1764	L								SO2 Price						<u>F</u>	tevised: 5/13/2004 B:42	

Pitcher, Al (PFC)

From:

Pitcher, Al (PFC)

Sent:

Friday, August 05, 2005 5:15 PM

To:

Weintraub, Sasha (Energy)

Cc:

Phipps, Brett (Energy)

FW: Guasare Re-opener

Subject: Importance: High

CONFIDENTIAL

We have received the CMC three year bid. The BTU's offered were not 11300 but 11400. Also, their previously submitted one year bid of 11800 coal is still valid; however, that bid was not competitive when compared to either the Glencore or Guasare bids.Upon evaluation, the Glencore bid is #1, CMC is #2, and Guasare is #3. Originally, I thought CMC would have evaluated higher based upon the BTU's and their previous price indication, but this was not the case. However, although the CMC bid evaluated better than anticipated and they were more economical than Guasare, their low BTU and high moisture trigger plant de-rate codes in our evaluation. Our evaluation model triggers de-rate codes for BTU less than 12000, Ash higher than 10.0%, Moisture greater than 8.0%, and Volatile less than 31%. Although we do not assign a cost for these de-rate codes, they are a warning that the plant may have problems with coals exceeding the parameters noted. Effectively, the CMC bid will allow us to use their price to negotiate the other bids down. I would recommend the tonnages noted below for Glencore and Guasare at \$ 100 mmbtu or \$ 100 mm evaluated basis.

A. W. Pitcher

Vice President-Coal Procurement Progress Fuels Corporation One Progess Plaza, BT10C St. Petersburg, FL 33701 Phone No. 727-824-6692 Fax No. 727-824-6601 E-mail al.pitcher@progressfuels.com -Original Message----

From: Pitcher, Al (PFC)

Sent: Tuesday, August 02, 2005 11:48 AM

To: Weintraub, Sasha (Energy) Cc: Phipps, Brett (Energy) Subject: Guasare Re-opener

Importance: High

CONFIDENTIAL

I want to get a jump on the Guasare re-opener and therefore, I am providing you and Brett some thoughts before the final CMC bid is received. Drummond has nothing for 2006 and their price for 2007-2008 was suppliers of symmetry. PFC still has not provided us with a bid; and therefore, I am assuming they have nothing to offer us in regards to this re-opener.

With the one year bids we have in hand, Glencore is #1, CMC #2, and Guasare is #3. This rating is on both the cash and the evaluated basis. See the attached evaluations. Guasare has the right to match the lowest evaluated bid for a one year contract and would have to reduce their price of standard but I believe they will be high priced because of the status of their current bid, and they have previously communicated that their BTU going forward will be closer to the 11300 BTU. The Guasare bid is still behind Glencore. Guasare will need to reduce their sprice by about sper ton to be competitive with Glencore for a three year

My approach to this re-opener would be to award, pending further discussion with suppliers and receiving the CMC bid, a three year contract as follows:

<u>Guasare</u>

13 cargoes or approximately 645,000 tons to Guasare, providing they reduce their price to match Glencore, for 2006.

8/5/2005

- √ 11 cargoes each year as offered by Guasare or approximately 500,000 tons each year for 2007 and 2008, once again
 providing they match the Glencore price.
- 8 additional optional cargoes as offered by Guasare for each year of 2007 and 2008 with the price to be determined by August 30 of each year. The price will be mutual, but Guasare should not have the right to match.

Glencore

- ✓ 2 cargoes or approximately 100,000 tons to Glencore for 2006.
- √ 13 cargoes or approximately 645,000 tons to Glencore each year for 2007 and 2008.

The reasons for above recommendations is both the CMC and the Drummond contracts expire at the end of 2006 and each of them have changed their mining plans such that the coals offered will be of the 11300 BTU variety. Therefore, Glencore will allow us to maintain a Colombian supplier with high quality coal that is currently under production. I recognize that there are other parties that will have potential supply from Colombia during 2007 and beyond, but we need to cover our positions now. With the above plan, we would have approximately 20% of our requirements for 2007 and 2008. The purchase in 2006 of Glencore would increase our current hedge above the guidelines, but that would insure us of "locking down" Glencore for future years. The optional cargoes would further allow us to hedge our position. We can also close the gap needed to meet the Risk Committee guidelines with our domestic supplier re-openers.

By the terms of the Guasare contract, a new price must be established by August 30th. I have spoken with Eladio (Guasare) and Andrew (Glencore) and told both of them we would have a provisional answer by late this week for early next week. I informed both parties that we were waiting for one additional bid to arrive. Also, I informed Glencore that Guasare has the "right to match" for 2006 but not for future years. Also, my opinion is Guasare does not have the right to match for a three year contract. This first re-opener will be a good one for Brett to "get his feet wet," and it will expose him to the import side of the business. Let me know your thoughts or if you have any additions to the direction recommended.

CONFIDENTIAL

A. W. Pitcher
Vice President-Coal Procurement
Progress Fuels Corporation
One Progess Plaza, 8T10C
St. Petersburg, FL 33701
Phone No. 727-824-6602
Fax No. 727-824-6601
E-mail al.pitcher@progressfuels.com

PROGRESS FUELS CORPORATION Guasare Reopener Offer Analysis CR45 Quarter 3 - 2005

Submission Date	Supplier	e jauss Term	- sõhjih	Total #gr Short Tons (000) -	short Olon Price	Transp.	Bunker	Lyanep Cost	SO2 Price	Relicat	Ash	Sulfur	Purchase Sp Blu		Vols	Yer HGI	S02	Ulilizatio Cosvat	Unit/45 Codes	Contra	God	(EVAL) (1) (1) (1) (1) (2) (1) (1)		ACTION T	AKEN	Notes and a second
07/21/05	Guasara	1 yr (06)	Pass Diablo	645		Gulf		-			8.50%	0.87%	12,800	8.00%	31.00%	45	1.05			1	4			- Dne y	Pan.	Conveyor vesselIMT
07/21/05	Guasare	2 yr (08-07)	Pasa Diablo	1,091		Gulf					8.50%	0.67%	12,800	8.00%	31.00%	45	l l							189		8 add'i cargoes - (match plant low price)-not included
07/21/05	Guasare	3 yr (06-08)	Pasa Diablo	1,637		Gulf					8.50%	0.67%	12,800	8.00%	31.00%	45	1.05					7.3		יין נשמד -	Rav7	16 add'i cargoes - (match plant low price)-not included
07/22/05	Glancora	2008	LaJagua	400-650		Gulf					7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	¥						- Done c		
07/28/05	Glencore	2006-2007	LaJagua	400-650		Gulf					7.00%	0.71%	12,400	8.50%	35.00%	45	1.15							1	,	
07/26/05	Glencore	2008-2008	LaJagua	400-650		Gulf					7.00%	0.71%	12,400	8.50%	35.00%	45				4500				Thee yen		
07/26/05	СМС	2005	Carrejon	500		Gulf					7,30%	0.82%	11,800	11.00%	34.00%	49	1.05		м					- Ome yo		
08/04/05	СМС	2008-2008	Cerrejon	660		Gulf	il.				8,10%	0.55%	11,400	12.90%	34.00%	48	0.9в		B&M					True 44		
07/29/05	Drummond	2007-2008	Pribbenow	1,000		Gulf					7.50%	0.60%	11,380		32.00%	43	1.06		B&M					1,,,,		
 								-		Total Control										-						
																								7		
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Notes:

Regarding Guasare Bids Only:

Bid 06' is 14 firm cargoes calculated at 50,000 short tons each.

Bid 06-07 is 14 cargoes in 06' and 11 in 07' at 50000 short tons each. 07 has an additional option for 8 cargoes that match the lowest plant price. Bid 06-08 is 14 cargoes in 06',11 in 07', and 11 in 08' at 50000 short tons each. 07' and 08' each have an additional option for 8 cargoes that match. the lowest plant price.

PEF-FUEL-000543

CR 45 Economics Base Specifications

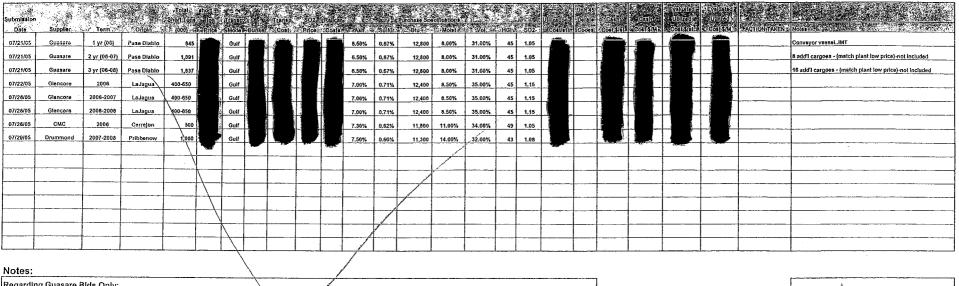
Ash Sulfur Btu Moist Vol HGI
10.00% 0.70% 12,000 8.00% 31.00% 40

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PROGRESS FUELS CORPORATION Guasare Reopener Offer Analysis CR45 Quarter 3 - 2005



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PEF-FUEL 000544

CR 45 Economics Base Specifications Ash Sulfur Btu Moist Vol HGI 10.00% 0.70% 12,000 8.00% 31.00% 40

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PROGRESS FUELS CORPORATION Guasare Reopener Offer Analysis CR45 Quarter 3 - 2005

Submission	7			Total Short Tons	short tion	. 1				Palls			Purchase Sp						Unit 4			Evaluated	c Eyaluated		
Date	Supplier	Term	Origin	de Contractor de	Price	Mode	Bunker	Cost	Rrice :				Biu 1			HGI	S02	Cosust	Code	Cost soli	COM S.M	B Cost Val	Cost sine	ACTION TAKEN	Notes
07/21/03	Guasare	1 yr (06)	Pasa Diablo	645		Gulf			-		6.50%	0.67%	12,800	8.00%	31,00%	45	Į.	A CONTRACTOR OF THE PARTY OF TH		-					Conveyor vesselIMT
07/21/05	Guasare	2 yr (08-07)	Pasa Diablo	1,091	i i	Gulf				1	6.50%	0.67%	12,800	8.00%	31,00%	45	1.05					à			8 add'i cargoes - (match plant low price)-not included
07/21/05	Guasere	3 yr (06-08)	Pasa Diablo	1,637		Gulf				4	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05								16 add'i cargoes - (match plant low price)-not included
07/22/05	Glencore	2008	LaJagua	400-650	daverei	Gulf				10.70	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15				1				
07/26/05	Glencore	2006-2007	LaJagua	400-650		Gulf	inde.		5		7.00%	0.71%	12,400	8.50%	35,00%	45	1.15		1		-				
07/28/05	Glencore	2008-2008	LaJagua	400-650		Gulf					7.00%	0.71%	12,400	8.50%	35.00%	45	1,15								
07/26/05	CMC	2006	Cerrejon	500		Gulf			1		7.30%	0.62%	11,800	11,00%	34.00%	49	1.05								
07/29/05	Drummond	2007-2008	Pribbenow	1,000		Gulf					7.50%	0.60%	11,300	14.00%	32.00%	43	1.06								
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Regarding Guasare Blds Only:

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PEF-FUEL-000545

CR 45 Economics Base Specifications

Ash Sulfur Btu Moist Vol HGI
10.00% 0.70% 12,000 8.00% 31.00% 40

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PROGRESS FUELS CORPORATION Guasara Reopenar Offer Analysis CR45 Quarter 3 - 2005



Submission - Suppler 1 and Organ Color Col																					/ '							
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O7728/05 CMC 2008 Cerrejon 500 Gulf Figure	3	Supplier	Term	Ortoln	(000)	Price	Mode	Bunke	Cost	Price	Costa	the second second	Total Control of the	Billion	Moist	Vol			Costel	Cooks	Costs	Cost \$/M	Cost	Costs			Notes	
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07/24/05 Glencore 2008 LaJagua 400-650 Gulf 7.00% 0.71% 12,400 8.50% 35.00% 45 1.05 / 1.15 /			1		1															Y							8 add'i cargoes • (match plant low price	o)-not included
07/22/05 Glencore 2008 LaJagua 400-650 Gulf 07/28/05 Glencore 2008-2007 LaJagua 400-650 Gulf 07/28/05 Glencore 2008-2007 LaJagua 400-650 Gulf 07/28/05 Glencore 2008-2008 LaJagua 400-650 Gulf 07/28/05 CMC 2008 Cerrejon 500 Gulf 7,30% 0,62% 11,800 11,00% -34,00% 49 1,05			1			1				Ť	1111					1	1			/	į.							
07/26/05 Glencore 2008-2007 LaJagua 400-650 Gulf 7.00% 0.71% 12,400 8.50% 35.00% 45 1.15 7.00% 0.71% 12,400 8.50%			\			3	ä									1											1	
07/26/05 Glencore 2008-2008 LaJagua 400-650 Gulf 7.00% 0.71% 12,400 8.50% 35.00% 45 1.15 7.30% 0.62% 11,800 11.00% -34.00% 49 1.05						THE STATE OF															į.							
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Regarding Guasare Blds Only:

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PEF-FUEL-000546

CR 45 Economics Base Specifications

Ash Sulfur Btu Moist Vol HGI
10.00% 0.70% 12,000 8.00% 31.00% 40

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Glencore Ltd.

Fax:2033283156

Aug 10 2005 15:59

P. 02



August 9, 2005

Mr. Andrew Lawson Glencore Ltd. Three Stamford Plaza 301 Tresser Boulevard Stamford, Connecticut 06901-3244

RE: JULY 22, 2005 RESPONSE TO REQUEST FOR COAL

Dear Andrews

This letter is a revision of my letter duted August 5, 2005. As previously noted, Progress Fuels Corporation (PPC) has completed its evaluation of the offers received during the contract price re-opener with one of our suppliers. PPC has decided to enter one or more multi-year contracts as opposed to only a one year arrangement as previously discussed. Further, we would like to begin discussions with Glancore Ltd (Glancore), pending the successful negotiations of all contractual terms and conditions and all necessary management and board of director's approvals, for a three (3) year contract beginning January 1, 2006 and continuing through December 31, 2008. The necessary parameters of an arrangement will contain the following:

- Price:
 - per ST based upon 12400; the price is DES International Marine Terminals (IMT) and will remain fixed for the duration. The term DES, as used herein, means that PFC will take title to the product as it crosses the rail of the ship. However, PPC is fully responsible for transloading the product to ground storage at IMT.
- Tonnage:
 - 2006 Two (2) firm cargoes or approximately 100,000 MT
 - Thirteen (13) firm cargoes or approximately 650,000 MT. - 2007
 - 2008 Thirteen (13) firm cargoes or approximately 650,000 MT.
- Other Contract Items:
 - The cargoss shall be 65,000 to 75,000 MT at Seller's option; each cargo to be $\pm -10\%$. The armual tonnage will be spread everily over each calendar year.
 - Any price re-openers will be based upon mutual agreement with Saller having no right to match the lowest price,

Progress Fuels Corporation 200 Central Avenue 5t. Providing, Rt. 33701

CONFIDENTIAL

I want to get a jump on the Guasare re-opener and therefore, I am providing you and Brett some thoughts before the final CMC bid is received. Drummond has nothing for 2006 and their price for 2007-2008 was Security elevered compared with a range from the other suppliers of \$\frac{1}{2}\text{mmbtu}\$. PFC still has not provided us with a bid; and therefore, I am assuming they have nothing to offer us in regards to this re-opener.

With the one year bids we have in hand, Glencore is #1, CMC #2, and Guasare is #3. This rating is on both the cash and the evaluated basis. See the attached evaluations. Guasare has the right to match the lowest evaluated bid for a one year contract and would have to reduce their price of delivered to IMT by approximately \$100. On the three year bid Glencore is still the lowest price, CMC's will not be until Friday but I believe they will be high priced because of the status of their current bid, and they have previously communicated that their BTU going forward will be closer to the 11300 BTU. The Guasare bid is still behind Glencore. Guasare will need to reduce their \$100 price by about \$100 per ton to be competitive with Glencore for a three year contract.

My approach to this re-opener would be to award, pending further discussion with suppliers and receiving the CMC bid, a three year contract as follows:

Guasare

- ✓ 13 cargoes or approximately 645,000 tons to Guasare, providing they reduce their price to match Glencore, for 2006.
- ✓ 11 cargoes each year as offered by Guasare or approximately 500,000 tons each year for 2007 and 2008, once again providing they match the Glencore price.
- ✓ 8 additional optional cargoes as offered by Guasare for each year of 2007 and 2008 with
 the price to be determined by August 30 of each year. The price will be mutual, but
 Guasare should not have the right to match.

Glencore

- √ 2 cargoes or approximately 100,000 tons to Glencore for 2006.
- √ 13 cargoes or approximately 645,000 tons to Glencore each year for 2007 and 2008.

The reasons for above recommendations is both the CMC and the Drummond contracts expire at the end of 2006 and each of them have changed their mining plans such that the coals offered will be of the 11300 BTU variety. Therefore, Glencore will allow us to maintain a Colombian supplier with high quality coal that is currently under production. I recognize that there are other parties that will have potential supply from Colombia during 2007 and beyond, but we need to cover our positions now. With the above plan, we would have approximately 20% of our requirements for 2007 and 2008. The purchase in 2006 of Glencore would increase our current hedge above the guidelines, but that would insure us of "locking down" Glencore for future years. The optional cargoes would further allow us to hedge our position. We can also close the gap needed to meet the Risk Committee guidelines with our domestic supplier re-openers.

I would recommend that Brett decide whether the existing contract is sufficient for a three year arrangement or a new contract in a different format needs to be implemented. The current contract is fairly simple and was originally provided by Guasare and modified by us during the negotiation process. I would not allow Guasare, as requested, the "right to match" for price reopeners or mutual price agreement. Guasare has this provision in their current contract, but it does not work to our benefit. Any price re-openers need to be mutual with no right to match. Also,

I would recommend revisiting the "Bunker Clause," which has a free range of \$ to \$ ased upon the IFO Platt's Quotation for Norfolk, Virginia. Brett may want to compare the wording in the PEC contract and see if there are any advantages we can gain. Once we provisionally notify the suppliers of their "success," I would recommend Brett take the ball and run with it. I am certainly here to assist, but this will further "jump start" the transition and training schedule.

By the terms of the Guasare contract, a new price must be established by August 30th. I have spoken with Eladio (Guasare) and Andrew (Glencore) and told both of them we would have a provisional answer by late this week for early next week. I informed both parties that we were waiting for one additional bid to arrive. Also, I informed Glencore that Guasare has the "right to match" for 2006 but not for future years. Also, my opinion is Guasare does not have the right to match for a three year contract. This first re-opener will be a good one for Brett to "get his feet wet," and it will expose him to the import side of the business. Let me know your thoughts or if you have any additions to the direction recommended.

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A. W. Pitcher
Vice President-Coal Procurement
Progress Fuels Corporation
One Progess Plaza, BT10C
St. Petersburg, FL 33701
Phone No. 727-824-6692
Fax No. 727-824-6601
E-mail al.pitcher@progressfuels.com

Pitcher, AI (PFC)

From:

Pitcher, AI (PFC)

Sent:

Tuesday, August 02, 2005 11:48 AM

To:

Weintraub, Sasha (Energy)

Cc:

Phipps, Brett (Energy)

Subject:

Guasare Re-opener

Importance: High

CONFIDENTIAL

I want to get a jump on the Guasare re-opener and therefore, I am providing you and Brett some thoughts before the final CMC bid is received. Drummond has nothing for 2006 and their price for 2007-2008 was delivered compared with a range from the other suppliers of suppliers of suppliers of suppliers. PFC still has not provided us with a bid; and therefore, I am assuming they have nothing to offer us in regards to this re-opener.

With the one year bids we have in hand, Glencore is #1, CMC #2, and Guasare is #3. This rating is on both the cash and the evaluated basis. See the attached evaluations. Guasare has the right to match the lowest evaluated bid for a one year contract and would have to reduce their price of \$4.000 delivered to IMT by approximately \$4.000 fto. On the three year bid Glencore is still the lowest price, CMC's will not be until Friday but I believe they will be high priced because of the status of their current bid, and they have previously communicated that their BTU going forward will be closer to the 11300 BTU. The Guasare bid is still behind Glencore. Guasare will need to reduce their \$4.000 price by about \$4.000 per ton to be competitive with Glencore for a three year contract.

My approach to this re-opener would be to award, pending further discussion with suppliers and receiving the CMC bid, a three year contract as follows:

Guasare

- ✓ 13 cargoes or approximately 645,000 tons to Guasare, providing they reduce their price to match Glencore, for 2006.
- ✓ 11 cargoes each year as offered by Guasare or approximately 500,000 tons each year for 2007 and 2008, once again providing they match the Glencore price.
- ✓ 8 additional optional cargoes as offered by Guasare for each year of 2007 and 2008 with the price to be determined by August 30 of each year. The price will be mutual, but Guasare should not have the right to match.

Glencore

- ✓ 2 cargoes or approximately 100,000 tons to Glencore for 2006.
- √ 13 cargoes or approximately 645,000 tons to Glencore each year for 2007 and 2008.

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September 12, 2005

Señor Hernando Torrealba S. Guasare Coal International, NV Edificio Banco Industrial Av. 9B entra calles 77 (5 de Julio) y 78, Piso N° 10, Maracaibo – estado Zulia Código postal: 4001

RE: LETTER AGREEMENT FOR THE PURCHASE AND SALE OF COAL DURING CALENDAR YEAR 2006

Señor Torrealba:

This letter is to memorialize the agreement reached between Progress Fuels Corporation ("PFC") and Guasare Coal International, NV ("Guasare") with respect to the purchase and sale of coal for Calendar Year 2006 (as defined below).

As you are aware, PFC and Guasare previously entered into that certain Coal Supply Agreement dated August 7, 2003, (the "Agreement") pursuant to which Guasare agreed to sell and deliver to PFC and PFC agreed to accept and purchase from Guasare, certain amounts of coal subject to the terms and conditions contained therein. As you are also aware, Section 12 of the Agreement provides that the contract price for the coal to be sold by Guasare and purchased by PFC during the period beginning on January 1, 2006, and ending on December 31, 2006, ("Calendar Year 2006") must be mutually agreed to between Guasare and PFC prior to August 30, 2005, (the "2006 Price"). For the record, Guasare and PFC have, in fact, mutually agreed to a 2006 Price of \$ USD per million Btu which agreement was reached prior to August 30, 2005, as required by the Agreement. The 2006 price is based on a Btu specification of 12,800 Btu and is a delivered price including all of Seller's cost to transport the coal and deliver it in accordance with the provisions of Section 4 of the Agreement. PFC and Guasare agree that the 2006 Price is subject to the "Bunker Clause" adjustment as provided in the last paragraph of Section 12 of the Agreement.

In addition to the aforementioned 2006 Price, PFC and Guasare agree as follows:

- 1. PFC and Guasare reaffirm the contract quantity of thirteen (13) firm cargoes as provided in Section 3(c) of the Agreement.
- 2. Notwithstanding the provision of Section 3(d) of the Agreement, the cargoes delivered during Calendar Year 2006 shall be from 35,000 to 50,000 metric tons at Seller's option; provided, however, that Guasare acknowledges and agrees that the

Contract Quantity:

Eleven (11) firm Shipments in each Calendar Year, or approximately 385,000 to 550,000 Metric Tons each Calendar Year, depending on the actual size of each Shipment. Seller acknowledges and agrees that the actual size of each Shipment is dependent only upon finding suitable Vessel sizes and shall not be construed as a right by Seller to take advantage of economic opportunities and market fluctuations that are beneficial to Seller.

In addition, to the foregoing, eight (8) additional Shipments may be Shipped in each Calendar Year (the "Additional Shipments"): provided that the Parties can mutually agree to the Contract Price with respect to such Additional Shipments (i) by not later than August 30, 2006 for the Calendar Year 2007, Additional Shipments and (ii) by no later than August 30, 2007 for the Calendar Year 2008 Additional Shipments.

Loading Point Price (to be used for BTU calculations):

For the purposes of calculating the price adjustments due to BTU content pursuant to the provisions of this Confirmation, the calculation shall be made based on a Loading Point Price of USD \$ per Ton. The Parties acknowledge and agree that the Loading Point Price shall be atilized sofely for the purpose of such BTU price adjustment calculations

Contract Price:

The Contract Price to be paid by Buyer to Seller hereunder shall be per million Btu except as otherwise may be adjusted in accordance with the provisions of this Agreement.

The Contract Price is a delivered price including all of Seller's cost to transport the Coal to and offload such Coal at the Delivery Point in accordance with the Delivery Specifications.

Delivery Point:

The Delivery Point shall be the point of delivery specified in the Delivery Specifications attached hereto as Exhibit 1.

Production Sources: The Coal shall be produced by Carbones del Guasare, S.A. ("CdG") from the mine Paso Diablo located near Maracaibo, State of Zulia, Venezuela.

My personal opinion is the company does not need the services of Coal Export Services. Progress Fuels has done business in Venezuela with out there services with no negative repercussions. Please as Brett his

opinion. I would insert Buyer wherever we have used Export Serivces.

an adjustment to the Contract Price (either an increase or decrease, as the case may be), shall be made with respect to such Coal in an amount as determined in accordance with the following formula:

Loading Point Price x (Actual Btu/lb. - Quality Specification Btu/lb.)

Quality Specification Btu/lb.

The Contract Price applicable to such Coal shall be adjusted upward if the Actual Btu/lb. exceeds the Quality Specification for Btu/lb. and the Contract Price applicable to such Coal shall be adjusted downward if the Actual Btu/lb. is less than the Quality Specification for Btu/lb.

- (2) Moisture Price Adjustment Calculation. If the moisture content of any Shipment of Coal delivered hereunder exceeds 7.5%, then the Contract Price for the Coal contained in such Shipment shall be decreased by USD \$ per Fon for each one percent (1%) in excess of the Quality Specification calculated pro rata.
- (3) Bunker Fuel Adjustment Calculation. If the mean delivered price for IFO 180 CSE marine bunker fuel last quoted at Norfolk, VA, USA as published in Platt's Oilgram Bunkerwire on or immediately prior to the Bill of Lading date (the "Bunker Price") is less than USD per Metric Ton delivered or more than USD per Metric Ton delivered (the "Free Range"), the Contract Price for the Coal delivered in such Shipment shall be adjusted respectively downwards or upwards by USD \$ for each USD \$ and pro rata variance in the Bunker Price below or above the Free Range.

Billing and Payment: In accordance with Section 7 of the GTC.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed (including by means of facsimile signatures), by their respective duly authorized representatives as of the Effective Date.

AGREED TO AND ACCEPTED BY:

Progress Energy Florida, Inc.	Guasare Coal International N.V.
Ву:	Ву:
Name:	Name:

Contract Quantity:

Eleven (11) firm Shipments in each Calendar Year, or approximately 385,000 to 550,000 Metric Tons each Calendar Year, depending on the actual size of each Shipment. Seller acknowledges and agrees that the actual size of each Shipment is dependent only upon finding suitable Vessel sizes and shall not be construed as a right by Seller to take advantage of economic opportunities and market fluctuations that are beneficial to Seller.

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Loading Point Price (to be used for BTU calculations):

For the purposes of calculating the price adjustments due to BTU content pursuant to the provisions of this Confirmation, the calculation shall be made based on a Loading Point Price of USD \$ per Ton. The Parties acknowledge and agree that the Loading Point Price shall be utilized solely for the purpose of such BTU price adjustment calculations

Contract Price:

The Contract Price to be paid by Buyer to Seller hereunder shall be per million Btu except as otherwise may be adjusted in accordance with the provisions of this Agreement.

The Contract Price is a delivered price including all of Seller's cost to transport the Coal to and offload such Coal at the Delivery Point in accordance with the Delivery Specifications.

Delivery Points.

The Delivery Point shall be the point of delivery specified in the Delivery Specifications attached hereto as Exhibit 1.

Production Sources: The Coal shall be produced by Carbones del Guasare, S.A. ("CdG") from the mine Paso Diablo located near Maracaibo, State of Zulia, Venezuela.

Loading Point:

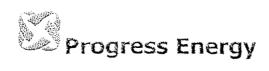
"Bulk Wayuu", Santa Cruz Terminal, Maracaibo Lake, Venezuela. At Seller's request and with the prior written consent of Buyer, which consent may be withheld in Buyer's sole discretion, Seller may load the Coal from El Bajo Terminal, Maracaibo Lake, Venezuela or Palmarejo Terminal, Maracaibo Lake, Venezuela, The Contract Price applicable to such Coal shall be adjusted upward if the Actual Btu/lb. exceeds the Quality Specification for Btu/lb. and the Contract Price applicable to such Coal shall be adjusted downward if the Actual Btu/lb. is less than the Quality Specification for Btu/lb.

- (2) Moisture Price Adjustment Calculation. If the moisture content of any Shipment of Coal delivered hereunder exceeds 7.5%, then the Contract Price for the Coal contained in such Shipment shall be decreased by USD per Ton for each one percent (1%) in excess of the Quality Specification calculated pro rata
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AGREED TO AND ACCEPTED BY:	
Progress Energy Florida, Inc.	Guasare Coal International N.V.
By:	Ву:
Name:	Name:Title:



August 18, 2005

Mr. Eladio Bueno
Chief Executive Officer
Guasare Coal International n.v.
Lincoln House
137 - 143 Hammersmith Road
London W140QL
UNITED KINGDOM

RE: PASO DIABLO COAL PURCHASE FOR 2007 AND 2008

Dear Eladio:

As outlined in my letter dated August 18, 2005 regarding the price re-opener for the contract between Progress Fuels Corporation (PFC) and Guasare Coal International (GCI), the parties have agreed to a new price effective January 1, 2006. (See Attached) Further, the parties have agreed to an additional two years, which will be covered in a new contract between GCI and Progress Energy Florida. The terms are to be negotiated, in general, the terms agreed to are as follows:

· Price:

 9 per million BTU basis 12800; the price is DES International Marine Terminals' (IMT) hoppers and will remain fixed for the duration.

· Tonnage:

- 2007 Eleven (11) firm cargoes or approximately 385,000 MT to 550,000 MT depending upon vessel size. Eight (8) optional cargoes subject to mutual agreement on price prior to August 30, 2006.
- 2008 Eleven (11) firm cargoes or approximately 385,000 MT to 550,000 MT depending upon vessel size. Eight (8) optional cargoes subject to mutual agreement on price prior to August 30, 2007.

· Other Contract Items:

- The cargoes shall be 35,000 to 50,000 MT at Selter's option; each cargo to be +/+10%. The range of cargo size is dependent only upon finding suitable vessel sizes and not an economic opportunity to reduce shipments to PFC based upon market fluctuations. The annual tonnage will be spread evenly over each calendar year.
- Any price re-openers will be based upon mutual agreement with Seller having no right to match the lowest price.

Frugrass Suels Corporation (2010) and come (2010) and (2010)



August 18, 2005

Mr. Eladio Bueno Chief Executive Officer Guasare Coal International n.v. Lincoln House 137 - 143 Hammersmith Road London W140QL UNITED KINGDOM

PRICE RE-OPENER FOR 2006 FOR COAL SUPPLY AGREEMENT BETWEEN GUASARE COAL INTERNATIONAL, NV AND PROGRESS FUELS CORPORATION (PASO DIABLO)

Dear Eladio:

RE:

This letter will summarize our recent discussions regarding the establishment of a price for 2006, in accordance with Section 12 of the contract between Progress Fuels Corporation (PFC) and Guasare Coal International (GCI) dated August 7, 2003. The terms agreed to are per the existing contract and those items noted below:

- Price:
 — Sper million BTU basis 12800; the price is DES International Marine
 Terminals' (IMT) hoppers.
- Tonnage:
 2006 Thirteen (13) firm cargoes.
- Other Contract Items:
 - The cargoes shall be 35,000 to 50,000 MT at Seller's option; each cargo to be +/-10%. The annual tomage will be spread evenly over the calendar year. The range of cargo size is dependent only upon finding suitable vessel sizes and not an economic opportunity to reduce shipments to PEF based upon market fluctuations.
 - An independent surveyor will observe each cargo discharge; the discharge report will bind all
 parties; the cost of the surveyor will be split between Buyer and Seller.

If you are in agreement with the contents of this letter, please print two originals, and sign both originals on behalf of GCI in the signature block provided below and return one original to me via fax and regular mail.

Best regards,

A. W. Pitcher

Vice President - Coal Procurement

AWP/ro

Agreed to and accepted the 24" day of AU1

200

Guasare Coal International n.v.

By: HERNANDO TORREN/GA

Title: DIRECTOR

Progress Feels Corporation

ASI CHARA REPORT W. Translating (F) 18 Mg

Pitcher, Al (PFC)

From:

Pitcher, Al (PFC)

Sent:

Friday, August 05, 2005 5:15 PM

To:

Weintraub, Sasha (Energy)

Cc:

Phipps, Brett (Energy)

Subject:

FW: Guasare Re-opener

Importance: High

CONFIDENTIAL

We have received the CMC three year bid. The BTU's offered were not 11300 but 11400. Also, their previously submitted one year bid of 11800 coal is still valid; however, that bid was not competitive when compared to either the Glencore or Guasare bids. Upon evaluation, the Glencore bid is #1, CMC is #2, and Guasare is #3. Originally, I thought CMC would have evaluated higher based upon the BTU's and their previous price indication, but this was not the case. However, although the CMC bid evaluated better than anticipated and they were more economical than Guasare, their low BTU and high moisture trigger plant de-rate codes in our evaluation. Our evaluation model triggers de-rate codes for BTU less than 12000, Ash higher than 10.0%, Moisture greater than 8.0%, and Volatile less than 31%. Although we do not assign a cost for these de-rate codes, they are a warning that the plant may have problems with coals exceeding the parameters noted. Effectively, the CMC bid will allow us to use their price to negotiate the other bids down. I would recommend the tonnages noted below for Glencore and Guasare at \$100 mmbtu or \$100 mmbtu or \$100 mmbtu or \$100 mmbtu or \$100 mmbtu or \$100 mmbtu cash cost and \$100 mmbtu evaluated cost. Each of these prices is delivered to the plant and will be less than the CMC coal on either a cash or evaluated basis.

A. W. Pitcher

Vice President-Coal Procurement
Progress Fuels Corporation
One Progess Plaza, BT10C
St. Petersburg, FL 33701
Phone No. 727-824-6692
Fax No. 727-824-6601
E-mail al.pitcher@progressfuels.com

----Original Message-----From: Pitcher, Al (PFC)

Sent: Tuesday, August 02, 2005 11:48 AM

To: Weintraub, Sasha (Energy)
Cc: Phipps, Brett (Energy)
Subject: Guasare Re-opener

Importance: High

CONFIDENTIAL

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My approach to this re-opener would be to award, pending further discussion with suppliers and receiving the CMC bid, a three year contract as follows:

Guasare

✓ 13 cargoes or approximately 645,000 tons to Guasare, providing they reduce their price to match Glencore, for 2006.

- ✓ 11 cargoes each year as offered by Guasare or approximately 500,000 tons each year for 2007 and 2008, once again providing they match the Glencore price.
- √ 8 additional optional cargoes as offered by Guasare for each year of 2007 and 2008 with the price to be determined by August 30 of each year. The price will be mutual, but Guasare should not have the right to match.

Glencore

- ✓ 2 cargoes or approximately 100,000 tons to Glencore for 2006.
- √ 13 cargoes or approximately 645,000 tons to Glencore each year for 2007 and 2008.

The reasons for above recommendations is both the CMC and the Drummond contracts expire at the end of 2006 and each of them have changed their mining plans such that the coals offered will be of the 11300 BTU variety. Therefore, Glencore will allow us to maintain a Colombian supplier with high quality coal that is currently under production. I recognize that there are other parties that will have potential supply from Colombia during 2007 and beyond, but we need to cover our positions now. With the above plan, we would have approximately 20% of our requirements for 2007 and 2008. The purchase in 2006 of Glencore would increase our current hedge above the guidelines, but that would insure us of "locking down" Glencore for future years. The optional cargoes woulc further allow us to hedge our position. We can also close the gap needed to meet the Risk Committee guidelines with our domestic supplier re-openers.

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CONFIDENTIAL

A. W. Pitcher

Vice President-Coal Procurement Progress Fuels Corporation One Progess Plaza, BT10C St. Petersburg, FL 33701 Phone No. 727-824-6692 Fax No. 727-824-6601 E-mail al.pitcher@progressfuels.com

PROGRESS FUELS CORPORATION Guasare Reopener Offer Analysis CR45 Quarter 3 - 2005

Submission Date	Supplier	lerm.		Tolaij≇ Short Jona (000) >	short ston Price	Transp.	Bűnke	Transp.	\$02 Price	OR alker	Ash	Sultur	Rurchase So	ecifications,	6 P G	i i i	14 a	Ulilization	Unit 45 Deraile	G	0.00		EVI III Uliiza	AGTION/TAKEN	OUT SEE
07/21/05	Guasare	1 yr (08)	Pasa Diablo	645		Gulf		3	1		8.50%	0,87%	12,800	8,00%	31.00%	45	1,05	A		5 No. 10	, service	V. 272.12		- Donk year	Conveyor vesselIMT
07/21/05	Guasare	2 yr (06-07)	Pasa Diablo	1,091		Gulf	-				6.50%	0.67%	12,800		31.00%	45								~	8 add'i cargoes - (match plant low price)-not included
07/21/05	Guasare	3 yr (08-08)	Pasa Diablo	1,637		Gulf	of the day	100			8,50%	0.67%	12,800	1	31.00%	45								- They year	16 add'l cargoes - (match plant low price)-not included
07/22/05	Glencore	2008	LaJagua	400-650		Gulf		2	i c		7.00%	0.71%	12,400	Ī	35,00%	45	1.15	Take.		Adjusted in				- Done year	
07/28/05	Glancore	2006-2007	LaJagua	400-650		Gulf	and the same of th	ğ			7.00%	0.71%	12,400		35.00%	45	1,15			all control		1			
07/26/05	Glencore	2008-2008	LaJagua	400-650		Gulf		g	and a		7.00%	0.71%	12,400	8,50%	35.00%	45	1.15			Co.).Ci.				That year	
07/26/05	СМС	2006	Cerrejon	500		Gulf					7.30%	0.62%	11,800	11.00%	34.00%	49	1.05		м					- One year	
08/04/05	CMC	2008-2008	Cerrejon	660		Galf					8.10%	0.55%	11,400	12,90%	34.00%	48	0.96		B&M					Total year	
07/29/05	Drummond	2007-2008	Pribbenow	1,000		Gulf					7.50%	0.60%	11,300	14,00%	32.00%	43	1.05		B&M						
							-																		
		L																							
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Notes:

Regarding Guasare Bids Only:

Bid 06' is 14 firm cargoes calculated at 50,000 short tons each.

Bid 06-07 is 14 cargoes in 06' and 11 in 07' at 50000 short tons each. 07 has an additional option for 8 cargoes that match the lowest plant price. Bid 06-08 is 14 cargoes in 06',11 in 07', and 11 in 08' at 50000 short tons each. 07' and 08' each have an additional option for 8 cargoes that match. the lowest plant price.

CR 45 Economics Base Specifications

Ash Sulfur Btu Moist Voi HGI

10.00% 0.70% 12,000 8.00% 31.00% 40

On a one year contract Germane must newww then pruce by

On a they year Guarane & Glencone.

must motel CMC. Guarane must reduce
by Glencore must reduce by

PEF-FUEL-00001

8/4/20054:28 PM

PROGRESS FUELS CORPORATION Guasare Reopener Offer Analysis CR45 Quarter 3 - 2005

Submission			er (a)	Total	thort	a de la compa		Transo.	\$ 1000 \$ 1000	S Railon			Rurchage Spe	cifications	PW.	1		Utilization	Unit 45 Decate	Carl			illiaireal.	a Evaluated	5 to 5.	
Dâte	Supplier	Term	"Origin	(000)	Rica	Mode	Bunker	Cori	Price	Costs	Asir	Sultur	38lu /	Molet	r vol	HGI	SO2	ec.	Codes	00815181	360313	M EG		Costs/M	ACTIONITAKEN	Notes : Example : Inches : Inc
07/21/05	Guasare	1 yr (06)	Pasa Diablo	645	, Andrews	Gulf		A STATE OF	, in	e constru	8.50%	0.67%	12,800	8.00%	31.00%	45	1.05							4		Conveyor vesselIMT
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07/21/05	Guasare	3 yr (08-08)	Pasa Diablo	1,637		Gulf	The second secon	2			6.50%	0.67%	12,800	8,00%	31,00%	45	1,05			100						16 add'i cargoes · (match plant low price)-not included
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07/28/05	Glencore	2006-2007	LaJagua	400-650		Gulf					7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	2600			-			100		
07/26/05	Glencore	2008-2008	LaJagua	400-650	l	Gulf		agilia.			7.00%	0.71%	12,400	8.50%	35.00%	45	1.15									
07/26/05	CMC	2006	Cerrejon	500		Gulf			I		7.30%	0.62%	11,800	11.00%	34.00%	49	1.05	100								
07/29/05	Drummond	2007-2008	Pribbenow	1,000		Gulf					7.50%	0.60%	11,300	14.00%	32.00%	43	1.06			estatus.						
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Notes:

Regarding Guasare Bids Only:

Bid 06' is 14 firm cargoes calculated at 50,000 short tons each.

Bid 06-07 is 14 cargoes in 06' and 11 in 07' at 50000 short tons each. 07 has an additional option for 8 cargoes that match the lowest plant price.

Bid 06-08 is 14 cargoes in 06',11 in 07', and 11 in 08' at 50000 short tons each. 07' and 08' each have an additional option for 8 cargoes that match. the lowest plant price.

PEF-FUEL-000616

CR 45 Economics Base Specifications

Ash Sulfur Btu Moist Voi HGI
10,00% 0.70% 12,000 8.00% 31.00% 40

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PROGRESS FUELS CORPORATION Guasare Reopener Offer Analysis CR45 Quarter 3 - 2005

Submission			r sa i de	Tolal	short			1 00 %				- 3 N	Burchase Sp				45.83		Unit 4			Evalua	ed Evaluated		
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Notes:

Regarding Guasare Bids Only:

Bid 06' is 14 firm cargoes calculated at 50,000 short tons each.

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CR 45 Economics Base Specifications

Ash Sulfur Btu Moist Vol HGI
10.00% 0.70% 12,000 8,00% 31.00% 40

PEF-FUEL-000617

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07/21/05	Guasare	3 yr (05-08)	Pasa Diablo	1,786	100	Gulf		i.	13 6	i	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05			1	- 20	1 3		 	16 add'l cargoes - (match plant low price)-not included
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07/26/05	Glencore	2008-2008	LaJagua	400-850	3	Gulf			1		7.00%	0.71%	12,400	8.50%	35.00%	45	1.15				100				
07/28/05	CMC	2008	Cerrejon	500		Gulf	a di				7.30%	0.62%	11,800	11,00%	34.00%	49	1.05				6				1
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07/29/05	Drummond	2007-2008	Pribbenow	1,000		Gulf					7.50%	0.60%	11,300	14.00%	32.00%	43	1.08		f			4			
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Notes:

Regarding Guasare Bids Only:

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PEF-FUEL-000618

CR 45 Economics Base Specifications

Ash Sulfur Btu Moist Vol HGI
10.00% 0.70% 12,000 8.00% 31.00% 40

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August 18, 2005

Mr. Eladio Bueno Chief Executive Officer Guasare Coal International n.v. Lincoln House 137 - 143 Hammersmith Road London W140QL UNITED KINGDOM

RE: PASO DIABLO COAL PURCHASE FOR 2007 AND 2008

Dear Eladio:

As outlined in my letter dated August 18, 2005 regarding the price re-opener for the contract between Progress Fuels Corporation (PFC) and Guasare Coal International (GCI), the parties have agreed to a new price effective January 1, 2006 (see attached). Further, the parties have agreed to an additional two years, which will be covered in a new contract between GCI and Progress Energy Florida (PEF). The terms are to be negotiated. In general, the terms agreed to are as follows:

Price:

- per million BTU basis 12800; the price is DES International Marine Terminals' (IMT) hoppers and will remain fixed for the duration.

• Tonnage:

- 2007 Eleven (11) firm cargoes or approximately 385,000 to 550,000 MT depending upon vessel size. Eight (8) optional cargoes subject to mutual agreement on price prior to August 30, 2006.
- 2008 Eleven (11) firm cargoes or approximately 385,000 to 550,000 MT depending upon vessel size. Eight (8) optional cargoes subject to mutual agreement on price prior to August 30, 2007.

Other Contract Items:

- The cargoes shall be 35,000 to 50,000 MT at Seller's option; each cargo to be +/- 10%. The range of cargo size is dependent only upon finding suitable vessel sizes and not an economic opportunity to reduce shipments to PEF based upon market fluctuations. The annual tonnage will be spread evenly over each calendar year.
- Any price re-openers will be based upon mutual agreement with Seller having no right to match the lowest price.



August 18, 2005

Mr. Eladio Bueno Chief Executive Officer Guasare Coal International n.v. Lincoln House 137 - 143 Hammersmith Road London W140QL UNITED KINGDOM

PRICE RE-OPENER FOR 2006 FOR COAL SUPPLY AGREEMENT BETWEEN GUASARE COAL RE: INTERNATIONAL, NV AND PROGRESS FUELS CORPORATION (PASO DIABLO)

Dear Eladio:

This letter will summarize our recent discussions regarding the establishment of a price for 2006, in accordance with Section 12 of the contract between Progress Fuels Corporation (PFC) and Guasare Coal International (GCI) dated August 7, 2003. The terms agreed to are per the existing contract and those items noted below:

- Price:
 - per million BTU basis 12800; the price is DES International Marine Terminals' (IMT) hoppers.
- Tonnage:
 - 2006 Thirteen (13) firm cargoes.
- Other Contract Items:
 - The cargoes shall be 35,000 to 50,000 MT at Seller's option; each cargo to be +/-10%. The annual tonnage will be spread evenly over the calendar year. The range of cargo size is dependent only upon finding suitable vessel sizes and not an economic opportunity to reduce shipments to PEF based upon market fluctuations.
 - An independent surveyor will observe each cargo discharge; the discharge report will bind all parties; the cost of the surveyor will be split between Buyer and Seller.

If you are in agreement with the contents of this letter, please print two originals, and sign both originals on behalf of GCI in the signature block provided below and return one original to me via fax and regular mail.

Best regards,

A. W. Pitcher

Vice President - Coal Procurement

AWP/ro Agreed to and accepted the _____ day of _______, 2005. Guasare Coal International n.v. PEF-FUEL-000623 Title:

Ott, Robin (PFC)

From: Eladio Bueno [E.Bueno@GCI-UK.NET]
Sent: Thursday, August 11, 2005 11:56 AM

To: brandy pitchr

Cc: Weintraub, Sasha (Energy); Phipps, Brett (Energy); Ott, Robin (PFC); Hernando Torrealba; Catarina Carrasquinho;

ebjrops

Subject: RE: Contract Renewal

Al.

Thanks for your note, all points mentioned in your e-mail attached are acceptable to GCI NV.

On behalf of GCI NV and CDG we appreciate the opportunity to continue the good commercial relationship between all parties.

Best regards,

Eladio Bueno Chief Executive Officer

Guasare Coal International - UK Branch

Phone: ++44 (0)20 7471 3806 Fax: ++44 (0)20 7471 3809 Mobile: +44 (0)7939 136 831 B-mail: e.bueno@gci-uk.net

From: brandy pitchr [mailto:brandypitcher@comcast.net]

Sent: 11 August 2005 16:21

To: Eladio Bueno

Cc: sasha.weintraub@pgnmail.com; brett.phipps@pgnmail.com; ROtt@progressfuels.com

Subject: Contract Renewal

The email is in response to your communication Wednesday August 10 regarding our contract re-opener discussions. My response is in order of your new proposal:

- 1. Progress Fuels Corporation (PFC) recognizes Guasare Coal International's (GCI) desire to have flexibility in obtaining various size vessels during the term of this agreement. However, GCI must also recognize PFC is concerned with purchasing a particular quantity of coal for Progress Energy Florida's Crystal River facility. We can agree with GCI on the range of 35,000 to 50,000 MT for 13 firm cargoes in 2006, 11 firm cargoes for 2007 and 2008, and 8 optional cargoes for each year of 2007-2008 providing the quantity to be shipped is based upon only finding suitable vessel sizes and not an economic opportunity to reduce shipments to PFC based upon market fluctuations. Since you mention a previous agreement with the ship owners, this should not be an issue. If you can agree with this provision, consider the matter resolved.
- 2. PFC is required to purchase from the lowest cost supplier(s). In order to satisfy our Florida Public Commission concerns and our fiduciary responsibility to our rate payers, we can agree to a price of per million BTU based upon 12800, DES IMT hoppers fixed from January 1, 2006 through December 31, 2008. This price is based upon the lowest evaluated cost at Crystal River including consideration for BTU, sulfur, ash, and moisture.
- 3. PFC agrees with contractual terms as per the existing contract for 2006. However, the contract for 2007 and 2008 will consist of an entirely new contract determined by Progress Energy Florida but should include most of the basic terms of the existing contract.
- 4. PFC can accept the existing Bunker Clause providing it is back to back with your ship owner's agreement. As indicated earlier, this would imply that you have fixed your agreement for freight as indicated in (1) above.
- 5. The other terms as indicated in your email dated July 20, 2005 were previously acceptable.

Based upon the above five points, PFC is ready to begin negotiations with GCI for the new agreement. As you indicated time is of the essence in finalizing this phase of the process. I need to resolve whether we have an understanding of the basic terms of our agreement by today's close of business. Please convey your acceptance via email. You may be able to reach me on my mobile, but I am not sure of the reception.

Phone No. 727-824-6670 Fax No. 727-824-6601

E-mail Address: robin.ott@progressfuels.com

----Original Message----

From: Ott, Robin (PFC) On Behalf Of Pitcher, Al (PFC)

Sent: Wednesday, August 10, 2005 4:06 PM

To: 'Eladio Bueno'

Cc: Phipps, Brett (Energy); Weintraub, Sasha (Energy)

Subject: RE: Contract Price Re-opener

Eladio, Al is currently on vacation, but when he checked in I was able to relay your e-mail below to him. He requested that I send you the following response:

"We agree with your understanding regarding discharge terms as laid out in your e-mail below, and will look forward to receiving the letter containing your signature that we sent to you on August 9. By copy of this e-mail, I am requesting Brett Phipps to assemble the contract that Progress Energy Florida will want to use for this agreement. As previously discussed, this contract will be in the name of Progress Energy Florida, not Progress Fuels Corporation.

"Eladio, we have approvals from management to purchase this coal as discussed. However, all of the terms and conditions must be agreed to in contractual format before final approval can be obtained."

If you have any additional concerns, Eladio, please let me know and I will make sure the information gets to Al.

Robin Ott

Progress Fuels Corporation One Progress Plaza, BT10C 200 Central Avenue St. Petersburg, FL 33701 Phone No. 727-824-6670 Fax No. 727-824-6601

E-mail Address: robin.ott@progressfuels.com

----Original Message----

From: Eladio Bueno [mailto:E.Bueno@GCI-UK.NET]

Sent: Wednesday, August 10, 2005 5:57 AM

To: Pitcher, Al (PFC)

Cc: Phipps, Brett (Energy); htorrealba@carbozulia.com.ve; Catarina Carrasquinho; ebjrops

Subject: RE: Contract Price Re-opener

AI,

As per our yesterday telecom, first thanks for your counter offer, pls. find below our new proposal:

- 1. Quantity as per your letter dated Aug. 5, 2005, However the contractual volume shall be as per each cargo delivered and the total volume indicated per year will only be used as indication.
- 2. Price: US per million BTU basis 12,800, DES IMT hoppers fixed from Jan 1st, 2006 to Dec. 31st, 2008.
- 3. Contractual terms for 2006 as per existing contract with corresponding Addendum. Contractual terms and conditions for 2007 and 2008 to be mutually agree using as basic terms the existing contract.
- 4. Bunker Clause as per our offer in e-mail dated July 20, 2005. This is a back to back with ship owners.
- 5. Other terms as per our e-mail dated July 20, 2005. Validity up to 5 pm New York time August 19, 2005.
- 6. We trust that the above revision is satisfactory to your company, whereby we are meeting mid way, which consolidate the good and excellent commercial relationship build through the years.

Best regards,

Eladio Bueno Chief Executive Officer

Guasare Coal International - UK Branch

Phone: ++44 (0)20 7471 3806 Fax: ++44 (0)20 7471 3809 Mobile: +44 (0)7939 136 831

brandy pitchr

From: Eladio Bueno [E.Bueno@GCI-UK.NETI

Sent: Thursday, August 11, 2005 10:56 AM

To: brandy pitchr

sasha.weintraub@pgnmail.com; brett.phipps@pgnmail.com; ROtt@progressfuels.com; Hernando Torrealba; Cc:

Catarina Carrasquinho: ebirons

Subject: RE: Contract Renewal

AL.

Thanks for your note, all points mentioned in your e-mail attached are acceptable to GCI NV.

On behalf of GCI NV and CDG we appreciate the opportunity to continue the good commercial relationship between all parties.

Best regards.

Eladio Bueno Chief Executive Officer

Guasare Coal International - UK Branch

Phone: ++44 (0)20 7471 3805 Fax: ++44 (0)20 7471 3809 Mobile: +44 (0)7939 136 831 E-mail: e.bueno@gci-uk.net

From: brandy pitchr [mailto:brandypitcher@comcast.net]

Sent: 11 August 2005 16:21

To: Eladio Bueno

Cc: sasha.weintraub@pgnmail.com; brett.phipps@pgnmail.com; ROtt@progressfuels.com

Subject: Contract Renewal

The email is in response to your communication Wednesday August 10 regarding our contract re-opener discussions. My response is in order of your new proposal:

- 1. Progress Fuels Corporation (PFC) recognizes Guasare Coal International's (GCI) desire to have flexibility in obtaining various size vessels during the term of this agreement. However, GCI must also recognize PFC is concerned with purchasing a particular quantity of coal for Progress Energy Florida's Crystal River facility. We can agree with GCI on the range of 35,000 to 50,000 MT for 13 firm cargoes in 2006, 11 firm cargoes for 2007 and 2008, and 8 optional cargoes for each year of 2007-2008 providing the quantity to be shipped is based upon only finding suitable vessel sizes and not an economic opportunity to reduce shipments to PFC based upon market fluctuations. Since you mention a previous agreement with the ship owners, this should not be an issue. If you can agree with this provision, consider the matter resolved.
- 2. PFC is required to purchase from the lowest cost supplier(s). In order to satisfy our Florida Public Commission concerns and our fiduciary responsibility to our rate payers, we can agree to a price of concerns and our fiduciary responsibility to our rate payers, we can agree to a price of the per million BTU based upon 12800, DES IMT hoppers fixed from January 1, 2006 through December 31, 2008. This price is based upon the lowest evaluated cost at Crystal River including consideration for BTU, sulfur, ash, and moisture.
- 3. PFC agrees with contractual terms as per the existing contract for 2006. However, the contract for 2007 and 2008 will consist of an entirely new contract determined by Progress Energy Florida but should include most of the basic terms of the existing contract.
- 4. PFC can accept the existing Bunker Clause providing it is back to back with your ship owner's agreement. As indicated earlier, this would imply that you have fixed your agreement for freight as indicated in (1) above.
- 5. The other terms as indicated in your email dated July 20, 2005 were previously acceptable.

Based upon the above five points, PFC is ready to begin negotiations with GCI for the new agreement. As you indicated time is of

brandy pitchr

From: brandy pitchr [brandypitcher@comcast.net]

Sent: Thursday, August 11, 2005 10:21 AM

To: 'E.Bueno@GCI-UK.NET'

Cc: 'sasha.weintraub@pgnmail.com'; 'brett.phipps@pgnmail.com'; 'ROtt@progressfuels.com'

Subject: Contract Renewal

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- 1. Progress Fuels Corporation (PFC) recognizes Guasare Coal International's (GCI) desire to have flexibility in obtaining various size vessels during the term of this agreement. However, GCI must also recognize PFC is concerned with purchasing a particular quantity of coal for Progress Energy Florida's Crystal River facility. We can agree with GCI on the range of 35,000 to 50,000 MT for 13 firm cargoes in 2006, 11 firm cargoes for 2007 and 2008, and 8 optional cargoes for each year of 2007-2008 providing the quantity to be shipped is based upon only finding suitable vessel sizes and not an economic opportunity to reduce shipments to PFC based upon market fluctuations. Since you mention a previous agreement with the ship owners, this should not be an issue. If you can agree with this provision, consider the matter resolved.
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- 3. PFC agrees with contractual terms as per the existing contract for 2006. However, the contract for 2007 and 2008 will consist of an entirely new contract determined by Progress Energy Florida but should include most of the basic terms of the existing contract.
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- 5. The other terms as indicated in your email dated July 20, 2005 were previously acceptable.

Based upon the above five points, PFC is ready to begin negotiations with GCI for the new agreement. As you indicated time is of the essence in finalizing this phase of the process. I need to resolve whether we have an understanding of the basic terms of our agreement by today's close of business. Please convey your acceptance via email. You may be able to reach me on my mobile, but I am not sure of the reception.

PEF-FUEL-000630

----Original Message----

From: Eladio Bueno [mailto:E.Bueno@GCI-UK.NET] Sent: Wednesday, August 10, 2005 5:57 AM

To: Pitcher, AI (PFC)

Cc: Phipps, Brett (Energy); htorrealba@carbozulia.com.ve; Catarina Carrasquinho; ebjrops

Subject: RE: Contract Price Re-opener

AL.



As per our yesterday telecom, first thanks for your counter offer, pls. find below our new proposal;

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- 2. Price: US per million ETU basis 12,800, DES IMT hoppers fixed from Jan 1st, 2006 to Dec. 31st, 2008.
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- 5. Other terms as per our e-meil dated July 20, 2005. Validity up to 5 pm New York time. August 19, 2005.
- 6. We trust that the above revision is satisfactory to your company, whereby we are meeting mid way, which consolidate the good and excellent commercial relationship build through the years.

Best regards,

Eladio Bueno

Chief Executive Officer

Guasare Coal International - UK Branch

Phone: ++44 (0)20 7471 3806 Fax: ++44 (0)20 7471 3809 Mobile: +44 (0)7939 136 831 E-mail: e.bueno@gci-uk.net

From: Pitcher, AI (PFC) [mailto:APitcher@progressfuels.com]

Sent: 05 August 2005 20:19

To: Eladio Bueno

Cc: Phipps, Brett (Energy)

Subject: Contract Price Re-opener

Per our discussion this morning, attached is Progress Fuels Corporation counter offer to your previously submitted proposal for the Paso Diablo contract re-opener.

A. W. Pitcher

Vice President-Coal Procurement Progress Fuels Corporation One Progess Plaza, BT10C St. Petersburg, FL 33701 Phone No. 727-824-6692 Fax No. 727-824-6601

E-mail al pitcher a prograssifuels com

Pitcher, AI (PFC)

Eladio Bueno [E.Bueno@GCI-UK.NET]

Sent: Thursday, July 21, 2005 12:24 PM

To: Pitcher, AI (PFC)

Cc: Weintraub, Sasha (Energy); Phipps, Brett (Energy); Catarina Carrasquinho; ebjrops

Subject: RE: Paso Diablo 2006 price neg. & offer for 2007/8.

ΑI,

From:

a. Our offer for the 2006 firm cargoes, DES IMT, is US\$ per million BTU.

b. Our offer for the 2006 and 2007 firm cargoes, DES IMT, is US\$ per million BTU

c. Other conditions as per attached e-mail dated July 20th, 2005

Best regards,

Eladio Bueno Chief Executive Officer

Guasare Coal International - UK Branch

Phone: ++44 (0)20 7471 3806 Fax: ++44 (0)20 7471 3809 Mobile: +44 (0)7939 136 831 E-mail: e.bueno@gci-uk.net

From: Pitcher, Al (PFC) [mailto:APitcher@progressfuels.com]

Sent: 20 July 2005 22:48

To: Eladio Bueno

Cc: Weintraub, Sasha (Energy); Phipps, Brett (Energy)

Subject: RE: Paso Diablo 2006 price neg. & offer for 2007/8.

Thank you for your offer noted below. In order to begin evaluation of this offer, I need to have the following:

** A separate price for the 2006 renewal only.

** A separate price for 2006 and 2007 only.

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A. W. Pitcher

Vice President-Coal Procurement
Progress Fuels Corporation
One Progess Plaza, BT10C
St. Petersburg, FL 33701
Phone No. 727-824-6692
Fax No. 727-824-6601
E-mail al.pitcher@progressfuels.com

----Original Message----

From: Eladio Bueno [mailto:E.Bueno@GCI-UK.NET]

Sent: Wednesday, July 20, 2005 11:24 AM

To: Pitcher, Al (PFC)

Cc: Catarina Carrasquinho; ebjrops

Subject: Paso Diablo 2006 price neg. & offer for 2007/8.

ΑI,

As per several telecom, we are pleased to provide the following offer as service provider to GCI NV:

05014

PEF-FUEL-000634

7/21/2005

Consula 13 mat 14

1. Quantity:

- a) Price negotiation (January 1st to Dec. 31, 2006) Fourteen (14) firm cargoes. Pls. note we are offering one more cargo than under the existing contract.
- b) Incremental offer (January 1st to Dec. 31 2007) Eleven (11) firm cargoes. Plus 8 cargoes subject to mutual agreement on price prior August 30, 2006.
- c) Incremental offer (January 1st to Dec. 31, 2008) Eleven (11) firm cargoes. Plus 8 cargoes subject to mutual agreement on price prior August 30th, 2007.
- d) Seller shall have the right of first refusal and Seller shall have the right to match the lowest price calculated at the power plant boiler for all cargoes which requires price mutual agreement to be delivered in 2007 and 2008. Seller shall have the right to match and sale the coal but shall not have the obligation to sale if do not match the lowest price at the plant boiler.
- e) The above mentioned cargoes shall be 35 to 50.000 metric tons at Seller's option and each cargo to be +/10% at Seller's option, evenly spread through the each 12 month period. Loading laycan of each cargo to be
 mutually agreed.

2. Price:

The price of the coal shall be, Gross as Received, DES at International Marine Terminal (IMT) hoppers, New Orleans, USA, for all firm cargoes from January 1st 2006 to December 31st, 2008, US\$ per million BTU, basis 12,800 Btu/lb.

Bunker clause as per existing contract indicated in Clause 12 Price.

- 3 Discharge at IMT shall be monitor by an Independent Surveyor. Cost of the surveyor shall be paid by Buyer/Seller/Owner in equal portion. The discharge report of the independent surveyor for each cargo shall be binding to all parties including the terminal IMT.
- 4 Other terms and conditions as per existing Coal Supply Agreement dated 7th August 2003, applicable for Paso Diablo coal.
- The validity of this offer is up COB (5.0pm) London time on August 2nd, 2005.
- This offer is subject to Seller concluding a suitable COA with vessel owners and GCI NV and CDG Board approvals.

It will be a pleasure to see you next Tuesday 26th July, for early dinner and to initiate some discussion on this offer.

Best regards,

Eladio Bueno Chief Executive Officer

Guasare Coal International - UK Branch

Phone: ++44 (0)20 7471 3806 Fax: ++44 (0)20 7471 3809 Mobile: +44 (0)7939 136 831 E-mail: e.bueno@gci-uk.net

PEF-FUEL-000635

Consiste State

- c) Incremental offer (January 1st to Dec. 31, 2008) Eleven (11) firm cargoes. Plus 8 cargoes subject to mutual agreement on price prior August 30th, 2007.
- d) Seller shall have the right of first refusal and Seller shall have the right to match the lowest price calculated at the power plant boiler for all cargoes which requires price mutual agreement to be delivered in 2007 and 2008. Seller shall have the right to match and sale the coal but shall not have the obligation to sale if do not match the lowest price at the plant boiler.
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Guasare Coal International - UK Branch

Phone: ++44 (0)20 7471 3806 Fax: ++44 (0)20 7471 3809 Mobile: +44 (0)7939 136 831 E-mail: e.bueno@gci-uk.net

Pitcher, AI (PFC)

From:

Pitcher, AI (PFC)

Sent:

Wednesday, July 20, 2005 5:48 PM

To:

'Eladio Bueno'

Cc:

Weintraub, Sasha (Energy); Phipps, Brett (Energy)

Subject: RE: Paso Diablo 2006 price neg. & offer for 2007/8.

Thank you for your offer noted below. In order to begin evaluation of this offer, I need to have the following:

** A separate price for the 2006 renewal only.

** A separate price for 2006 and 2007 only.

We want to evaluate the renewal under the existing contract separate from your offer for multiple years. Per the existing contract, we need to at least look at whether we will move forward with Guasare for 2006 or select another supplier. Your prompt attention to this will be greatly appreciated.

A. W. Pitcher

Vice President-Coal Procurement Progress Fuels Corporation One Progess Plaza, BT10C St. Petersburg, FL 33701 Phone No. 727-824-6692 Fax No. 727-824-6601 E-mail al.pitcher@progressfuels.com

----Original Message----

From: Eladio Bueno [mailto:E.Bueno@GCI-UK.NET]

Sent: Wednesday, July 20, 2005 11:24 AM

To: Pitcher, Al (PFC)

Cc: Catarina Carrasquinho; ebjrops

Subject: Paso Diablo 2006 price neg. & offer for 2007/8.

AL:

As per several telecom, we are pleased to provide the following offer as service provider to GCI NV:

1. Quantity:

- a) Price negotiation (January 1st to Dec. 31, 2006) Fourteen (14) firm cargoes. Pls. note we are offering onmore cargo than under the existing contract.
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Bunker clause as per existing contract indicated in Clause 12 Price.

Discharge at IMT shall be monitor by an Independent Surveyor. Cost of the surveyor shall be paid by Buyer/Seller/Owner in equal portion. The discharge report of the independent surveyor for each cargo shall be binding to all parties including the terminal IMT.

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Cc: Catarina Carrasquinho; ebjrops

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Sent: Wednesday, July 20, 2005 11:24 AM

To: Pitcher, AI (PFC)

Cc: Catarina Carrasquinho; ebjrops

Subject: Paso Diablo 2006 price neg. & offer for 2007/8.

140 35 490K

55 = 385 K

110 50 550K

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It will be a pleasure to see you next Tuesday 26th July, for early dinner and to initiate some discussion on this offer.

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Roopine Crue

12800 BTU =

Eladio Bueno

Chief Executive Officer

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Pitcher, Al (PFC)

Gua sare

From: Eladio Bueno [E.Bueno@GCI-UK.NET]

Sent: Tuesday, August 02, 2005 12:43 PM

To: Pitcher, Al (PFC)

Cc: Weintraub, Sasha (Energy); Phipps, Brett (Energy); Catarina Carrasquinho; ebjrops

Subject: RE: Paso Diablo 2006 price neg. & offer for 2007/8.

Al,

As per our discussions last week and yesterday we are pleased to extend our attached offer up to 5 pm New York time on August 19th, 2005.

Best regards,

Eladio Bueno

Chief Executive Officer

Guasare Coal International - UK Branch

Phone: ++44 (0)20 7471 3806 Fax: ++44 (0)20 7471 3809 Mobile: +44 (0)7939 136 831 E-mail: e.bueno@gci-uk.net

From: Eladio Bueno Sent: 21 July 2005 17:24 To: 'Pitcher, Al (PFC)'

Cc: Weintraub, Sasha (Energy); Phipps, Brett (Energy); Catarina Carrasquinho; ebjrops

Subject: RE: Paso Diablo 2006 price neg. & offer for 2007/8.

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a. Our offer for the 2006 firm cargoes, DES IMT, is US\$ per million BTU.

b. Our offer for the 2006 and 2007 firm cargoes, DES IMT, is US\$ per million BTU

c. Other conditions as per attached e-mail dated July 20th, 2005

Best regards,

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Sent: 20 July 2005 22:48

To: Eladio Bueno

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Best regards,

GUASARE (2)COAL 2005

VESSEL pd-#1 08/03/05	7/19/2005		Paso Diablo Mine Rate Voyage 7			
PRICE PER MBTU	GUARANTEE BTU	METRIC	PRICE PER TON	METRIC TONS	AMOUNT	DUE TO ROUNDING HERE
\$	X 12800 X	2.2046 / 1000) = \$ X	42,998.73 = \$ inv# 05-046		TYPE IN RED
pd-#2	AS RECEIVED BTU			ACTUAL TONG		
\$	► 13160 X	2.2046 / 1000		ACTUAL TONS 42,998.73 = \$ inv#		TYPE IN RED
]	VARIANCE \$	4	
PRICE PER MBTU	AS RECEIVED BTU		PRICE PER TON	SHORT TONS	SHORT TONS AMOUNT	
\$	X 13160	/ 500	= \$ X	46,703.41 = \$		TYPE IN RED \$
						
		VARI	ANCE - METRIC VS SHO	ORT TONS \$		
S	per contract	/ 500	= \$ V	46,703.41 = \$		DUE TO ROUNDING HERE TYPE IN RED
Ψ	12000	1 300	- V	40,700.41 ~ P		THE IN KED



Gudodie Coal International n.v.

Corporate Headquarters, Aruba

Subsidiary of Carbozulia filial of Corpozulia Lincoln House

137 - 143 Hammersmith Road London W14 OQL, United Kingdom

Phone: +44 (0) 20 -7471 3807, Fax: +44 (0) 20 -7471 3809 E-mail address: all.gci@gci-uk.net

Commercial Register no.: FC022481 England and Wales

PASO DIABLO MINE

DATE	DEBIT NOTE NBR.
06/29/2005	06-05-037

CONTRACT DATE 08/07/2003

MINE NAME AND No. PASO DIABLO 2820

PROGRESS FUELS CORPORATION 200 Central Ave, St. Petersburg, Florida 33701 Attn.: Mr. AL PITCHER. Telephone (1) 727 - 824-6673 Telefax: (1) 727 - 824 -6692

PORT OF DISCHARGE

ONE (1) SAFE BERTH MISSISIPPI RIVER IMT BERTH, USA

MAKE CHECKS PAYABLE TO:

GUASARE COAL INTERNATIONAL N.V.

WIRE TRANSFER INSTRUCTIONS and COPY OF INVOICE TO THE FOLLOWING

GUASARE-COAL INTERNATIONAL N.V. ACCOUNT NUMBER: 36964696 CITIBANK N.A. NEW YORK, N.Y.

30 DAYS AFTER BIL DATE

ORIGIN OF COAL: PASO DIABLO, STATE OF ZULIA, COUNTRY OF VENEZUELA SHIPMENT METHOD:

ABA NUMBER: 021 0000 89

PRODUCT DESCRIPTION	PRICE DESCRIPTION	PRICE/NET	AMOUNT U.S.\$	
CALORIFIC VALUE ADJUSTMENT FOR COAL SHIPPED ON 15-JUN-2005 VESSEL: BALDER BTULB AS RECEIVED 13125 BTULB CONTRACTED 12800 LIBRAS PER MT 2,2046 MT: 43.402,35 PRICE ADJUSTMENT FORMULA:	INITIAL DES	-		
1/3-	TOTAL AMOUNT DUE	1166		

TRAIN #:

SUPPLIER: COALTYPE:

DELIVERY MODE 1 INMALS:

LOAD DATE: TONS:

TOTAL AMOUNT DUE U.S.\$

ROM THIS INVOICE. NO STATEMENTS WILL BE ISSUED PLEASE NOTIFY US THE DAY THAT THE FUNDS WERE TRANSFERRED TO OUR ACCOUNT IN ORDER TO CHECK WITH THE BANK

PREPARED BY

AFMIX 景:		
AMOUNT APPROVED):	
PAYMENT DATE:		_
ACCTG PERIOD:		_
APPROXED BY:ACCT/G AFPA/DVAL:		_
		_
UNITACET POLICE		_
PHOTEBRONED BY:	Q.	_

PROGRESS FUELS CORP

DESCRIPTION (20)

Response to GCI regarding price re-opener

Progress Fuels Corporation (PFC) has completed its evaluation of the offers received during the contract price re-opener with Guasare Coal International (GCI). PFC has decided to enter one or more multi-year contracts as opposed to only a one year arrangement as previously discussed. Further, we would like to begin discussions with GCI, pending the successful negotiations of all contractual terms and conditions and all necessary management and board of director's approvals, for a three (3) year contract beginning January 1, 2006 and continuing through December 31, 2008. The necessary parameters of an arrangement will contain the following:

Price per million BTU basis 12800; the price is DES International Marine Terminals (IMT) hoppers and will remain fixed for the duration.

1	Tonnage	2006	Thirteen (13) firm cargoes or approximately 600,000 MT

2007 Eleven (11) firm cargoes or approximately 450,000 MT Eight (8) optional cargoes subject to mutual agreement on price prior to August 30th 2006

2008 Eleven (11) firm cargoes or approximately 450,000 MT Eight (8) optional cargoes subject to mutual agreement on price prior to August 30th 2007.

✓ Other Contract Items

- The cargoes shall be 35,000 to 50,000 MT at Seller's option; each cargo to be+/- 10%. The annual tonnage will be spread evenly over each calendar year.
- Any price re-openers will be based upon mutual agreement with Seller having no right to match the lowest price.
- An independent surveyor will observe each cargo discharge; the discharge report will bind all parties including IMT; the cost of the surveyor will be split between Buyer and Seller.
- The contract will contain a "Bunker" clause to be negotiated by the Buyer and Seller.



August 5, 2005

Mr. Eladio Bueno Chief Executive Officer Guasare Coal International n.v. Lincoln House 137 - 143 Hammersmith Road London W140QL UNITED KINGDOM

RE: PRICE RE-OPENER FOR COAL SUPPLY AGREEMENT BETWEEN GUASARE COAL INTERNATIONAL, NV AND PROGRESS FUELS CORPORATION (PASO DIABLO)

Dear Eladio:

Progress Fuels Corporation (PFC) has completed its evaluation of the offers received during the contract price re-opener with Guasare Coal International (GCI). PFC has decided to enter one or more multi-year contracts as opposed to only a one year arrangement as previously discussed. Further, we would like to begin discussions with GCI, pending the successful negotiations of all contractual terms and conditions and all necessary management and board of director's approvals, for a three (3) year contract beginning January 1, 2006 and continuing through December 31, 2008. The necessary parameters of an arrangement will contain the following:

Price:

per million BTU basis 12800; the price is DES International Marine Terminals' (IMT) hoppers and will remain fixed for the duration.

Tonnage:

- 2006 Thirteen (13) firm cargoes or approximately 600,000 MT
- 2007 Eleven (11) firm cargoes or approximately 450,000 MT
 Eight (8) optional cargoes subject to mutual agreement on price prior to August 30th 2006.
- 2008 Eleven (11) firm cargoes or approximately 450,000 MT
 Eight (8) optional cargoes subject to mutual agreement on price prior to August 30th 2007.

• Other Contract Items:

- The cargoes shall be 35,000 to 50,000 MT at Seller's option; each cargo to be +/- 10%. The annual tonnage will be spread evenly over each calendar year.



COAL PURCHASE CONFIRMATION

Confirmation #:	Glencore
-----------------	----------

Buyer: Progress Energy Florida, Inc.

Brett Phipps

410 S. Wilmington St. PEB10A

Raleigh, NC 27601

(P) 919-546-7750 (F) 919-546-2590

Seller: Glencore Ltd.

Andrew Lawson Three Stamford Plaza 301 Tresser Boulevard Stamford, CT 06901-3244

(Ph) 203-328-3113

The purpose of this letter is to confirm the agreement entered into this _____ day of August, 2005, between Glencore Ltd. ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. Commencement of deliveries of Coal (as defined herein) by Seller under the Transaction described herein shall constitute acceptance of the terms set forth in this Agreement, without regard to whether or not Seller has actually signed this Confirmation. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description: Physical-Colombian Coal- Vessel-Delivered to International Marine Terminal, Myrtle

Grove, Louisiana, approximately mile post 57 AHP (above head passes) on the west bank

of the Mississippi River

Seller:

Glencore Ltd.

Buyer:

Progress Energy Florida, Inc.

Term:

January 1, 2006 through December 31, 2008, inclusive

Contract Quantity:

2006 = approximately 100,000 Metric Tonnes (as defined in the GTC) *

2007 = approximately 650,000 Metric Tonnes* 2008 = approximately 650,000 Metric Tonnes*

*Delivered in cargoes of approximately 65,000 to 75,000 Metric Tonnes ± 10% at

Seller's option.

Contract Price:

The Contract Price to be paid by Buyer to Seller hereunder shall be USD per Ton (as defined in the GTC), based on 12,400 Btu/lb on an "as received" basis in accordance with ASTM standards. The Contract Price is a delivered price including all of Seller's costs to transport such Coal to the Delivery Point. The Contract Price shall remain fixed



COAL PURCHASE CONFIRMATION

Confirmation #:		Glencore
-----------------	--	----------

Buyer: Progress Energy Florida, Inc.

Brett Phipps

410 S. Wilmington St. PEB10A

Raleigh, NC 27601

(P) 919-546-7750 (F) 919-546-2590

Seller: Glencore Ltd.

Andrew Lawson Three Stamford Plaza 301 Tresser Boulevard Stamford, CT 06901-3244

(Ph) 203-328-3113

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Term:

January 1, 2006 through December 31, 2008, inclusive

Contract Quantity:

2006 = approximately 100,000 Metric Tonnes (as defined in the GTC) *

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GLENCORE Ltd.

B.d.

Mr A W Pitcher Vice President-Coal Procurement Progress Fuels Corporation One Progess Plaza, BT10C St. Petersburg, FL 33701

By Email

July 22, 2005

Dear Al

Re: Request for Coal

Glencore Ltd is pleased to offer coal to Florida Progress for Calendar Year 2006 in accordance with the following terms and conditions:

Product:

La Jagua Brand Thermal Coal

Quantity:

400,000 - 650,000 Short Tons (exact quantity to be agreed

at time of booking) +/- 10% Shipping Tolerance

Delivery:

Calendar Year 2006 (evenly spread, with exact shipment

schedule to be mutually agreed).

Disport:

IMT, New Orleans, LA

Size

Specifications (as received basis):

Min/Max 11.0% max Moisture: 7.0% max Ash: Volatiles: 36.0 % 35.0% min Sulfur: 0.72 % 0.75% max SO2: 1.2 lbs max 1.16 lbs Btu / Lb. 12,200 min 12,400 HGI 48 45 min AFT IDT Red 2,500 °F 2,450 °F min

0" x 2"

Unit Price:

US\$ Short Ton CIF IMT basis 12,400 Btu/lb GAR.

Pan Gardane, coolingte ut 12404 ETU 6.0% Clah

GLENCORE Ltd.

Mr A W Pitcher Vice President-Coal Procurement Progress Fuels Corporation One Progess Plaza, BT10C St. Petersburg, FL 33701

By Email

July 22, 2005

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Product: La Jagua Brand Thermal Coal

Quantity: 400,000 – 650,000 Short Tons (exact quantity to be agreed

at time of booking) +/- 10% Shipping Tolerance

Delivery: Calendar Year 2006 (evenly spread, with exact shipment

schedule to be mutually agreed).

Disport: IMT, New Orleans, LA

Specifications (as received basis): <u>Typical Min/Max</u>

Moisture: 8.5 % 11.0% max Ash: 7.0% max 6.0 % Volatiles: 36.0 % 35.0% min Sulfur: 0.75% max 0.72 % SO2: 1.2 lbs max 1.16 lbs Btu / Lb. 12,400 12,200 min HGI 48 45 min AFT IDT Red 2,450 °F min 2,500 °F

Size 0" x 2"

Unit Price: US\$ Short Ton CIF IMT basis 12,400 Btu/lb GAR.

Pitcher, Al (PFC)

From:

Andrew Lawson/stamford/glen [Andrew.Lawson@glencore-us.com]

Sent: To:

Tuesday, July 26, 2005 4:49 PM Pitcher, AI (PFC)

Cc: Subject: John McConaghy/stamford/glen RE: Offer of Coal for CY 06

Al

We would be comfortable offering 400,000 - 650,000 short tons for delivery in 2007 and 2008 as well (with actual contract tonnage to be declared at time of booking, same as our 2006 offer).

The issue is that the freight is actually in significant contango for 2007 and 2008 compared to 2006. Therefore, our pricing increases in we make it multi-year.

What we could offer is as follows:

short ton CIF IMT basis 12400 btu arb (as per our 2006 Only USD existing offer made on Friday) /short ton CIF IMT basis 12400 btu arb 2006 - 2008 USD short 2006 - 2007 USD: ton CIF IMT basis 12400 btu arb

All other terms and conditions as with our 2006 offer. Validity until 5pm EST July 28,

If you took a bigger volume in 06 compared to the later years this would reduce the multiyear pricing.

Regards Andrew

> "Pitcher, Al \ (PFC\) " <APitcher@progres</pre> sfuels.com> 07/25/2005 01:55 PM -------

"Andrew Lawson/stamford/glen" <Andrew.Lawson@glencore-us.com> To:

>-----

CC:

Subject: RE: Offer of Coal for CY 06



August 9, 2005

Mr. Andrew Lawson Glencore Ltd. Three Stamford Plaza 301 Tresser Boulevard Stamford, Connecticut 06901-3244

RE: JULY 22, 2005 RESPONSE TO REQUEST FOR COAL

Dear Andrew:

This letter is a revision of my letter dated August 5, 2005. As previously noted, Progress Fuels Corporation (PFC) has completed its evaluation of the offers received during the contract price re-opener with one of our suppliers. PFC has decided to enter one or more multi-year contracts as opposed to only a one year arrangement as previously discussed. Further, we would like to begin discussions with Glencore Ltd (Glencore), pending the successful negotiations of all contractual terms and conditions and all necessary management and board of director's approvals, for a three (3) year contract beginning January 1, 2006 and continuing through December 31, 2008. The necessary parameters of an arrangement will contain the following:

Price:

per ST based upon 12400; the price is DES International Marine Terminals (IMT) and will remain fixed for the duration. The term DES, as used herein, means that PFC will take title to the product as it crosses the rail of the ship. However, PFC is fully responsible for transloading the product to ground storage at IMT.

Tonnage:

- 2006 Two (2) firm cargoes or approximately 100,000 MT
- 2007 Thirteen (13) firm cargoes or approximately 650,000 MT.
- 2008 Thirteen (13) firm cargoes or approximately 650,000 MT.

Other Contract Items:

- The cargoes shall be 65,000 to 75,000 MT at Seller's option; each cargo to be +/- 10%.
 The annual tonnage will be spread evenly over each calendar year.
- Any price re-openers will be based upon mutual agreement with Seller having no right to match the lowest price.



August 9, 2005

Mr. Andrew Lawson Glencore Ltd. Three Stamford Plaza 301 Tresser Boulevard Stamford, Connecticut 06901-3244

RE: July 22, 2005 Response to Request for Coal

Dear Andrew:

This letter is a revision of my letter dated August 5, 2005. As previously noted, Progress Fuels Corporation (PFC) has completed its evaluation of the offers received during the contract price re-opener with one of our suppliers. PFC has decided to enter one or more multi-year contracts as opposed to only a one year arrangement as previously discussed. Further, we would like to begin discussions with Glencore Ltd (Glencore), pending the successful negotiations of all contractual terms and conditions and all necessary management and board of director's approvals, for a three (3) year contract beginning January 1, 2006 and continuing through December 31, 2008. The necessary parameters of an arrangement will contain the following:

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- 2007 Thirteen (13) firm cargoes or approximately 650,000 MT.
- 2008 Thirteen (13) firm cargoes or approximately 650,000 MT.

• Other Contract Items:

- The cargoes shall be 65,000 to 75,000 MT at Seller's option; each cargo to be +/- 10%.
 The annual tonnage will be spread evenly over each calendar year.
- Any price re-openers will be based upon mutual agreement with Seller having no right to match the lowest price.

Progress Fuels Corporation 200 Central Avenue St. Petersburg, Ft. 33701



August 9, 2005

Mr. Andrew Lawson Glencore Ltd. Three Stamford Plaza 301 Tresser Boulevard Stamford, Connecticut 06901-3244

RE: JULY 22, 2005 RESPONSE TO REQUEST FOR COAL

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Tonnage:

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- 2008 Thirteen (13) firm cargoes or approximately 650,000 MT.

Other Contract Items:

- The cargoes shall be 65,000 to 75,000 MT at Seller's option; each cargo to be +/- 10%.
 The annual tonnage will be spread evenly over each calendar year.
- Any price re-openers will be based upon mutual agreement with Seller having no right to match the lowest price.



August 5, 2005

Mr. Andrew Lawson Glencore Ltd. Three Stamford Plaza 301 Tresser Boulevard Stamford, Connecticut 06901-3244

RE: JULY 22, 2005 RESPONSE TO REQUEST FOR COAL

Dear Andrew:

Progress Fuels Corporation (PFC) has completed its evaluation of the offers received during the contract price re-opener with one of our suppliers. PFC has decided to enter one or more multi-year contracts as opposed to only a one year arrangement as previously discussed. Further, we would like to begin discussions with Glencore Ltd (Glencore), pending the successful negotiations of all contractual terms and conditions and all necessary management and board of director's approvals, for a three (3) year contract beginning January 1, 2006 and continuing through December 31, 2008. The necessary parameters of an arrangement will contain the following:

• Price:

 per ST based upon 12400; the price is DES International Marine Terminals (IMT) hoppers and will remain fixed for the duration.

• Tonnage:

- 2006 Two (2) firm cargoes or approximately 100,000 MT
- 2007 Thirteen (13) firm cargoes or approximately 650,000 MT.
- 2008 Thirteen (13) firm cargoes or approximately 650,000 MT.

• Other Contract Items: 65 75000

- The cargoes shall be 45,000 to 50,000 MT at Seller's option; each cargo to be +/- 10%.
 The annual tonnage will be spread evenly over each calendar year.
- Any price re-openers will be based upon mutual agreement with Seller having no right to match the lowest price.
- An independent surveyor will observe each cargo discharge; the discharge report will bind all parties; the cost of the surveyor will be split between Buyer and Seller.

Response to Glencore regarding price re-opener

Progress Fuels Corporation (PFC) has completed its evaluation of the offers received during the contract price re-opener with one of our suppliers. PFC has decided to enter one or more multi-year contracts as opposed to only a one year arrangement as previously discussed. Further, we would like to begin discussions with Glencore Ltd (Glencore), pending the successful negotiations of all contractual terms and conditions and all necessary management and board of director's approvals, for a three (3) year contract beginning January 1, 2006 and continuing through December 31, 2008. The necessary parameters of an arrangement will contain the following:

Price per ST based upon 12400; the price is DES International Marine Terminals (IMT) hoppers and will remain fixed for the duration.

✓	Tonnage	2006	Two (2) firm cargoes or approximately 100,000 MT	
		2007	Thirteen (13) firm cargoes or approximately 650,000 MT	
		2008	Thirteen (13) firm cargoes or approximately 650,000 MT	

✓ Other Contract Items

- The cargoes shall be 45,000 to 50,000 MT at Seller's option; each cargo to be+/- 10%. The annual tonnage will be spread evenly over each calendar year.
- Any price re-openers will be based upon mutual agreement with Seller having no right to match the lowest price.
- An independent surveyor will observe each cargo discharge; the discharge report will bind all parties; the cost of the surveyor will be split between Buyer and Seller.
- Payments will be made on or before the 10th of the month following discharge for all shipments received from the 1st to the 15th day of the month; payments will be made on the or before the 25th of the month following discharge for all shipments received from the 16th through the end of the month.
- Premiums and penalties for BTU will be computed pro rata based upon the actual BTU compared to the guaranteed BTU.
- The discharge rate at IMT will be as follows:
 - ** Self discharge conveyor belt vessel 48,000 MT/day

 ** Hybrid conveyor belt vessel 15,000 MT/day

 ** Gearless vessel 15,000 MT/day

 15,000 MT/day

 15,000 MT/day
 - Any additional terms and conditions regarding discharge to be discussed by Buyer and Seller.

Pitcher, AI (PFC)

From:

Andrew Lawson/stamford/glen [Andrew.Lawson@glencore-us.com]

Sent:

Thursday, August 04, 2005 8:23 AM

To:

Pitcher, AI (PFC)

Cc: Subject: John McConaghy/stamford/glen Offer of Coal for CY 06 - 08

Al

.,••

Apologies for not sending the updated numbers yesterday.

The numbers have not deviated from the below. The freight is steady going forward. So we are prepared to maintain our offer with a new validity of 5.00pm EST on Monday August 8, 2005.

Please give me a call if you need anything else.

Regards Andrew

Al

We would be comfortable offering 400,000 - 650,000 short tons for delivery in 2007 and 2008 as well (with actual contract tonnage to be declared at time of booking, same as our 2006 offer).

The issue is that the freight is actually in significant contango for 2007 and 2008 compared to 2006. Therefore, our pricing increases in we make it multi-year.

What we could offer is as follows:

2006 Only USD short ton CIF IMT basis 12400 btu arb (as per our

existing offer made on Friday)
2006 - 2007 USD# /short ton CIF IMT basis 12400 btu arb 2006 - 2008 USD /short ton CIF IMT basis 12400 btu arb

All other terms and conditions as with our 2006 offer. Validity until 5pm EST July 28, 05.

If you took a bigger volume in 06 compared to the later years this would reduce the multi-year pricing.

Regards Andrew

Thanks your bid; we are evaluating yours as well as others. Additionally, what availability do you have for 2007 and 2008? If you have coal available, I would like a bid for 2006-2007 (two year bid) and 2006-2008 (three year bid). I a few other suppliers that are providing multiple year bids.

A. W. Pitcher Vice President

Vice President-Coal Procurement Progress Fuels Corporation One Progess Plaza, BT10C St. Petersburg, FL 33701 Phone No. 727-824-6692 Fax No. 727-824-6601 E-mail al.pitcher@progressfuels.com

----Original Message---From: Andrew Lawson/stamford/glen
[mailto:Andrew.Lawson@glencore-us.com]
Sent: Friday, July 22, 2005 5:06 PM

To: Pitcher, Al (PFC)

Cc: John McConaghy/stamford/glen

PEF-FUEL-000756

Delivery

Coal would be supplied CIF Electrocoal Terminal, New Orleans. Except as provided otherwise herein, the provisions of Incoterms 2000 would apply.

Quality

Coal would be unwashed, crushed, and would have typical specifications as shown below on an "as received" basis as sampled at Puerto Bolivar. The average quality of Buyer's coal may vary due to deviations in the quality of coal being mined at the time of loading. The term "as received" basis has that meaning defined in ASTM specifications D3180.

Typical Coal Analysis	Typical	ASTM Test Nr.
Calorific value (Btu/lb gar)	11,800	D1989
Total moisture (wt percent)	11.3	D3302
Ash (wt percent)	7.3	D3174
Volatile Matter (wt percent)	33.9	D3175
Sulfur (wt percent)	0.6	D4239C
Hardgrove Index	49	D409
Nominal Top Size (mm)	50	D4749
% below 1/4 inch	45	
SO2/MBTU	1.02	
Carbon (wt percent)	65.5	
Hydrogen (wt percent)	4.6	
Nitrogen (wt percent)	1.2	
Chlorine (wt percent)	0.03	
Oxygen (wt percent)	8.1	

<u>Price</u>

CMC would supply low sulfur thermal coal, as stated above, at the price of:

- US\$ per short ton CIF Electrocoal Terminal, New Orleans at 11,800 Btu/lb gar

Scheduling

Delivery schedule would be mutually agreed.

PEF-FUEL-000766

4.

2008: 660,000 short tons +/- 10%

Delivery

Coal would be supplied CIF Electrocoal Terminal, New Orleans. Except as provided otherwise herein, the provisions of Incoterms 2000 would apply.

Quality

Compliance coal would be unwashed, crushed, and would have typical specifications as shown below on an "as received" basis as sampled at Puerto Bolivar. The average quality of Buyer's coal may vary due to deviations in the quality of coal being mined at the time of loading. The term "as received" basis has that meaning defined in ASTM specifications D3180.

Typical Coal Analysis	<u>Typical</u>	ASTM Test Nr.
Calorific value (Btu/lb gar)	11,400	D1989
Total moisture (wt percent)	12.9	D3302
Ash (wt percent)	8.1	D3174
Volatile Matter (wt percent)	33.5	D3175
Sulfur (wt percent)	0.55	D4239C
Hardgrove Index	48	D409
Nominal Top Size (mm)	50	D4749
% below 1/4 inch	47	
SO2/MBTU	0.96	
Carbon (wt percent)	64.3	
Hydrogen (wt percent)	4.6	
Nitrogen (wt percent)	1.2	
Chlorine (wt percent)	0.03	
Oxygen (wt percent)	8.22	

Price

CMC would supply compliance coal, as stated above, at the following prices:

- 2006: US per short ton CIF Electrocoal Terminal, New Orleans at 11,400 Btu/lb gar

- 2007: US\$ per short ton CIF Electrocoal Terminal, New Orleans at 11,400 Btu/lb gar
- 2008: US per short ton CIF Electrocoal Terminal, New Orleans at 11,400 Btu/lb gar

Scheduling

Delivery schedule would be mutually agreed.

Other

This offer shall not be binding on either party until the parties reach a mutual agreement on each of the terms proposed above, as well as other contractual clauses covering payment terms, passage of title, scheduling and shipping, weighing, sampling and analysis, quality adjustments, taxes, insurance, force majeure, limitation of warranties, no consequential damages, applicable law, arbitration, assignment, and confidentiality. This offer shall not be binding on either party until a definitive agreement has been approved by the management of each company and executed by an authorized representative of each party.

Expiration

In line with freight validity, freight portion of 2006 price will expire tomorrow, Friday, August 5, 2005. Freight portion of prices for 2007 and 2008 will expire Tuesday, August 9, 2005.

The upward swing in the freight market explains such short freight validity; nonetheless, should you need more time for evaluation please let us know and we will try to obtain extension from the shipowner in same terms and conditions.

We request that you treat this proposal and supporting information as confidential.

We will be glad to further discuss our offer, at your convenience.

Sincerely,

Francisco J. Garcia.

Pitcher, AI (PFC)

From: Steul, Dennis [djsteul@drummondco.com]

Sent: Friday, July 29, 2005 5:00 PM

To: Pitcher, Al (PFC)

Subject: 2007/2008 Drummond Colombian Coal

Al,

We can offer the following Drummond Colombian coal:

Calendar year 2007 and 2008

Up to one million net tons per year.

Specifications as received basis

Btu 11,300 Minimum Ash 7.50% Maximum Sulfur 0.60% Maximum

Price NT FOB barge, Mobile, AL

This offer is valid through August 5, 2005

All terms and conditions of any agreement are subject to mutual acceptance by both parties.

Best regards, Dennis

Drummond Coal Sales Inc.

1000 Urban Center Drive Suite 300 Vestavia Hills, Alabama 35242

Office: 205-945-6411 Fax: 205-945-6440

PEF-FUEL-000779

	Original						
	Contract						
Counterparty	Date	Term	F	Price	Description_	Process	Comment
B & W Resources	6/7/2004 1/1/	/05 - 12/31/06	\$		"A" Non-Compliance Rail Coal	May '04 RFP	
Central Coal Company	9/13/2004 1/1/	/05 - 12/31/06	\$ '		"D" Compliance River Coal	May '04 RFP	
Coal Marketing Company	10/25/2004 9/1/	/04 - 12/31/06	\$		"D" Import Coal	Sept '04 Informal	
Massey Energy	8/9/2004 1/1/	/05 - 12/31-05	\$		"A" Non-Compliance Rail Coal	May '04 RFP	
Massey Energy	9/8/2004 1/1/	/05 - 12/31/05	\$		"D" Compliance Rail Coal	May '04 RFP	
Progress Fuels Corporation	1/1/	/05 - 12/31/06	\$		"D" Compliance River Coal	Sept '04 Informal	
Progress Fuels Corporation	1/1/	/05 - 12/31/06	\$		"D" Compliance Rail Coal	Sept '04 Informal	
Seguoia Energy, LLC	7/8/2004 1/1/	/05 - 12/31/06	\$		"A" Non-Compliance Rail Coal	May '04 RFP	



Amendment to the Agreement for the Sale and Purchase of Coal

This Amendment to the Agreement for the Sale and Purchase of Coal (this "Amendment") is made and entered into as of the 13th day of January 2006 (the "Effective Date") by and between Progress Fuels Corporation ("PFC" or "Purchaser") and B&W Resources, Inc. ("B&W" or "Seller"). Each of Purchaser or Seller may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, PFC and B&W entered that certain Agreement for the Sale and Purchase of Coal dated June 7th 2004 (the "Agreement"), pursuant to which B&W agreed to sell and deliver and PFC agreed to purchase and accept certain quantities of coal, subject to the terms and conditions set forth therein;

WHEREAS, PFC and B&W desire to amend the Agreement as more specifically set forth herein;

NOW, THEREFORE, in consideration of the foregoing and for the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged by the Parties and intending to be legally bound hereby, Purchaser and Seller hereby agree as follows:

1. Make-up Shipments. During the 2005 term of the Agreement, shortfalls occurred and as a result of such shortfalls there remains as of the Effective Date of this Amendment outstanding obligations for Seller to sell and deliver and Purchaser to purchase and receive 30,000 tons of coal in make-up obligations (the "Make-up Tons") at the 2005 price of per ton. Therefore the parties agree that, notwithstanding the anything to the contrary, Seller shall include in such Make-up Tons as additional tons to be delivered during the 2006 term.

All other terms and conditions of the Agreement remain unchanged and in full force and effect.

Capitalized terms used but not defined in this Amendment shall have the meaning given to them in the Agreement.

This Amendment shall supersede and replace all prior agreements, oral and written between the Parties with respect to the subject matter hereof. In the event of any conflict or inconsistency between the Agreement and this Amendment, the terms and conditions of this Amendment shall prevail.

This Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

2:01 SELLER'S Reserves and Preparations for Selling Coal. SELLER represents and warrants that SELLER owns or leases the Coal Property. SELLER further represents and warrants that the Coal Property contains economically recoverable coal of a quality and in quantities which, under present mining laws, practices, governmental rules and regulations will be sufficient to satisfy all the requirements of this Agreement during the entire term of this Agreement. SELLER agrees and warrants that it will immediately proceed to mine coal from the Coal Property and provide loading facilities capable of loading at the rate required to comply with this Agreement, all on such a schedule as to put SELLER in position to commence its sales and deliveries of coal to PURCHASER in accordance with the further provisions hereof. SELLER hereby expressly dedicates to PURCHASER sufficient reserves of coal meeting the quality specifications hereof and lying on or in the Coal Property so as to fulfill the quantity specifications hereof. SELLER shall not ship any coal hereunder mined from any source other than the Coal Property without the prior written approval of PURCHASER.

3.01 Quantity. During each calendar year during the term hereof, the quantity of coal to be delivered hereunder shall be 240,000 tons, prorated for any partial calendar year. Coal to be supplied under this Agreement shall be substantially from the Coal Property, however Seller may supplement the same type coal from purchased sources.

4.01 <u>Term</u>. The term of this Agreement will commence on January 1, 2005, and will continue in effect for a period of twenty-four (24) months.

5.01 Base Price. The base price per ton of coal, f.o.b. SELLER'S mine loading site, (hereinafter "base price") shall be fixed at per ton, adjusted monthly for the quality of coal in accordance with the formula and procedures set out in Appendix A hereto, during the term of this Agreement.

7.04 Excess Loading Costs Chargeable to SELLER. If SELLER fails to satisfy the loading requirements of the applicable tariff and such failure is not excused pursuant to force majeure as provided in Section 10.01 hereof or the applicable tariff, SELLER shall pay PURCHASER or railroad any resulting car detention penalties, demurrage, crew charges or charges for cars not timely loaded to marked capacity which PURCHASER is required to pay under the applicable tariff. In addition, SELLER shall pay PURCHASER reasonable lost railcar utilization charges for failure to timely and fully load and/or time lost to unload overloaded railcars of PURCHASER. Examples of these charges are listed in Appendix B.

7.06 Payment of Excess Costs to PURCHASER. Any payments required by Sections 7.04 and 7.05 above shall be promptly paid on receipt by SELLER of a written statement from PURCHASER itemizing such charges and showing facts necessary to permit SELLER to verify such charges. At either party's election, such charges may be credited against amounts then owed by PURCHASER to SELLER hereunder.

7.07 Freeze Proofing. When required by the river transfer terminal, a PURCHASER approved freeze proofing material will be applied by SELLER at a cost of per pint per ton to PURCHASER. Freeze proofing will not typically be required on direct rail shipments. SELLER shall be advised by PURCHASER as to amounts of freeze proofing required on an "as needed" basis.

8.01 Weighing. The net weight of coal sold and delivered hereunder shall be determined by SELLER'S certified scales (if available) at origin for unit train shipments or, if the origin scales are inoperable or are not certified, PURCHASER may order weighing by the carrying railroad over certified scales or may use the average of the net weights of the five (5) prior unit trains. Notwithstanding the above, at PURCHASER'S option, weight may be determined by certified scale at discharge point.

8.02 Sampling and Analysis.

A. <u>Sampling</u>. Sampling of coal subject to this Agreement shall be performed on each shipment with an automatic sampling system by a third party employed by PURCHASER at the mine or, if SELLER is unable to obtain samples in conformance with the specifications of ASTM Standards, except for deviations agreed to in writing by PURCHASER and SELLER, then the samples will be obtained at PEF's Crystal River power plant. In case of any failure of the automatic

APPENDIX B

Railroad and Railcar Detention Costs

A. RAILROAD CHARGES:

1. Detention: As published in Tariff ICC CSXT-8200-Series, including supplements

thereto and re-issues thereof,

2. Dead Freight: Actual railroad charges.

3. Crew Change: subject to periodic adjustment by the railroad.

B. PFC RAILCAR CHARGES:

1. Lost Utilization Charges: Sum of a, and b, below.

a. Delay of Train = per car per day of delay.

b. Failure to Fully Load Cars = ((9,600 ÷ 90 x AC) - AW) x

Where: AC = actual number railcars

AW = actual weight of trains

P\$ = penalty in dollars

Amendment to the Coal Purchase Confirmation

This Amendment to the Coal Purchase Confirmation (this "Amendment") is made and entered into as of the 13th day of January 2006 (the "Effective Date") by and between Progress Fuels Corporation ("PFC" or "Purchaser") and Coal Marketing Company (USA) Inc., ("CMC" or "Seller"). Each of Purchaser or Seller may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, Purchaser and Coal Marketing Company Ltd. ("Coal Marketing") entered that certain Coal Purchase Confirmation dated October 25, 2004 (the "Agreement"), pursuant to which Coal Marketing agreed to sell and deliver and Purchaser agreed to purchase and accept certain quantities of coal, subject to the terms and conditions set forth therein;

WHEREAS, Coal Marketing assigned the Agreement and CMC accepted such assignment of the Agreement effective July 1, 2005 ("the Assignment")

WHEREAS, PFC and CMC desire to amend the Agreement as more specifically set forth herein:

NOW, THEREFORE, in consideration of the foregoing and for the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged by the Parties and intending to be legally bound hereby, Purchaser and Seller hereby agree as follows:

1. Make-up Shipments. During the 2005 term of the Agreement, shortfalls occurred and as a result of such shortfalls there remains as of the Effective Date of this Amendment outstanding obligations for Seller to sell and deliver and Purchaser to purchase and receive 54, 176,62 tons of coal in make-up obligations (the "Make-up Tons") at the 2005 price of per ton. Therefore the parties agree that, notwithstanding the anything to the contrary, Seller shall include in such Make-up Tons as additional tons to be delivered during the 2006 term

2. Delivery Schedule shall be deleted in its entirety and replaced with the following:

Delivery Schedule: September 2004 - December 2005 = 155,883.38 tons +/- 10%

January 2006 - December 2006 = 255 1155 tons 155 10% 345,000 tons win to 406,000 tons mer

All other terms and conditions of the Agreement remain unchanged and in full force and effect.

(E.J

COAL PURCHASE CONFIRMATION

Buyer:

Progress Fuels Corporation

One Progress Plaza, BT10C 200 Central Avenue

St. Petersburg, FL 33701

UNITED STATES OF AMERICA (P) 727-824-6692 (F) 727-824-6601

Seller: Coal Marketing Company Ltd.

7 Bachelor's Walk Dublin 1, Ireland

(P) 353-1-878-7799 (F) 353-1-878-7803

The purpose of this letter is to confirm the agreement entered into this 25th day of October, 2004, between Coal Marketing Company Ltd. ("Seller") and Progress Fuels Corporation ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. Commencement of deliveries of Coal (as defined herein) by Seller under the Transaction described herein shall constitute acceptance of the terms set forth in this Agreement, without regard to whether or not Seller has actually signed this Confirmation. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description:

Steam Coal in Bulk

Seller: Buyer: Coal Marketing Company Ltd.
Progress Fuels Corporation
October 2004—December 2006

Term: Contract Quantity:

510,000 total tons +/- 10% shipped in lots at Seller's option between 55,000 tons and

75,000 tons.

Contract Price:

Delivery Point:

int: Shall be the point designated as such in the Delivery Specifications attached hereto as

Exhibit 1.

Production Source(s):

Cerrejon Mines

Destination Plant(s): Delivery Schedule: Progress Energy Florida's Crystal River Units 4 & 5 September 2004—December 2005 = 210,000 tons +/- 10%

January 2006—December 2006 = 300,000 tons +/- 10%

Shipping schedule to be determined and mutually agreed upon.

Delivery Specifications:

The Parties agree to comply with the Delivery Specifications attached hereto as Exhibit 1. In the event of any conflict between the Delivery Specifications and the GTC, the terms

of the Delivery Specifications shall prevail.

Quality Specifications:

All Coal delivered hereunder shall meet the Quality Specifications specified in the following table for each of the listed criteria. The Rejection Limits shall be as specified in the following table for each of the listed criteria. All amounts are as measured on an as-received basis in accordance with ASTM standards.

	Quality Specification	Rejection Limit
BTU:	11,800 Btu/lb. monthly weighted	11,500 Btu/lb.
	average	
S02 lbs./MMBtu:	1.2 lbs. monthly weighted average	greater than 1.2 lbs.
Moisture:	11.3 % maximum	greater than 12.6 %
Ash:	. 7.3 % maximum	greater than 10 %
Volatile Matter:	33.5 % minimum	less than 31 %
HGI:	47 minimum	less than 42
AST:	2320°F minimum	less than 2280°F
Pyritic Sulfur	less than 0.2	greater than 0.25
Sizing:	2" x 0"	greater than 55% by weight fines passing
		¼" screen

Quality Price Adjustments:

(1) <u>BTU Price Adjustment Calculation</u>. If, on a per shipment basis, the weighted average for BTU content for Coal delivered hereunder is either above or below the Quality Specification for BTU content specified above, an adjustment to the Contract Price (either an increase or decrease, as the case may be), shall be made with respect to such Coal as follows:

Contract x (Actual Btu/lb, — Quality Specification Btu/lb,)
Price Quality Specification Btu/lb.

The Contract Price applicable to such Coal shall be adjusted upward if the Actual Btu/lb. exceeds the Quality Specification for Btu/lb. and the Contract Price applicable to such Coal shall be adjusted downward if the Actual Btu/lb. is less than the Quality Specification for Btu/lb.

(2) <u>SO₂ Price Adjustment Calculation</u>. If the weighted average, on a per shipment basis, for SO₂ content for Coal delivered hereunder is below the Quality Specification for SO₂ content specified above, less a .2# SO₂ dead band, an adjustment to the Contract Price, shall be made with respect to such Coal as follows:

(Quality Specification S0₂ - Actual S0₂) x (Quality Specification Btu/lb. x Allowance Price)
1,000,000

However, if the weighted average, on a per shipment basis, is above the Quality Specifications for SO₂ content specified above, with no dead band, the cargo will be rejected in accordance with Section 6(b). In lieu of rejection, the following adjustment will be made.

Current Contract Price x 5% = Penalty

Where "Allowance Price" means the "S0₂ Monthly Price" or "S0₂ Allowance Price", as the case may be, that relates to the applicable month in which such Coal was delivered, as reflected in Coal Daily as published by Argus Media Ltd. or any successor thereto.

(3) Ash, Moisture, and Grind (HGI) Price Adjustment Calculations.

Ash. If the ash content of any Shipment of Coal delivered hereunder exceeds the Quality Specification for "Ash" in the table above, the Contract Price for such Coal shall be reduced by per ton for each one percent (1%) variation from the Quality Specification. If the ash content of any Shipment of Coal delivered hereunder is less than the Quality Specification for "Ash" in the table above, the Contract Price for such

Coal shall be increased by per ton for each one percent (1%) variation from the Quality Specification.

Moisture. If the moisture content of any Shipment of Coal delivered hereunder exceeds the Quality Specification for "Moisture" in the table above, the weight for such Coal shall be reduced by one percent (1%) for each one percent (1%) variation from the Quality Specification.

Grindability (HGI). If the grindability (HGI) of any Shipment of Coal delivered hereunder is less than the Quality Specification for "HGI" in the table above, the Contract Price for such Coal shall be reduced by the per ton for each point variation from the Quality Specification.

Billing and Payment: With respect to deliveries of Coal made under this Agreement, Buyer shall pay Seller according to the following schedule: (1) For Coal received at the location designated by Buyer for unloading from the first (1st) day of a month in which deliveries are made ("Delivery Month") through the fifteenth (15th) day of such Delivery Month and for which payment has not previously been received, payment will be made on or before the tenth (10th) day of the month immediately following such Delivery Month; and (2) For Coal received during the remainder of such Delivery Month and for which payment has not previously been received, payment will be made on or before the twenty-fifth (25th) day of the month immediately following such Delivery Month. With respect to the payment of Quality Price Adjustments (as specified above), the calculation of such price adjustments shall be completed by the end of the month immediately following the applicable Delivery Month. Payment of Quality Price Adjustments shall be made by the 25th day of the month immediately following the calculation of such Quality Price Adjustments.

CEMS: Coal supplied under this Agreement shall be reasonably consistent throughout each shipment with respect to SO₂. If, in the opinion of Buyer, CEMS readings would exceed 1.2LB, then Seller shall reimburse Buyer additional costs associated with offloading, stockpiling, or blending the affected cargo.

This Confirmation shall supersede any broker confirmation concerning this Transaction.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed (including by means of facsimile signatures), by their respective duly authorized representatives as of the first date mentioned herein.

Sincerely,		AGREED	TO AND ACCEPTED BY:
Progress Fuels Corporation		Coal Mark	ceting Company Ltd.
By: W. The		By:	Dr
Name: A. W. Pitcher		Name:	H.C. GATISS
Title: Vice President-Coal Procurement		Title:	CEO
Date: 10/25/04		Date:	18 NOV 04
			. /

ORIGINAL

FIRST AMENDMENT TO THE COAL SALES AGREEMENT BETWEEN ELECTRIC FUELS CORPORATION AND MASSEY COAL SALES COMPANY, INC. DATED OCTOBER 30, 2001

THIS FIRST AMENDMENT (hereinafter "First Amendment"), effective as of the first day of September 2003, by and between PROGRESS FUELS CORPORATION (formerly ELECTRIC FUELS CORPORATION), a Florida corporation (hereinafter "Purchaser"); and MASSEY COAL SALES COMPANY, INC., a Virginia corporation (hereinafter "Seller"), to the Coal Sales Agreement dated October 30, 2001, by and between Purchaser and Seller (hereinafter the "Agreement").

WHEREAS, Purchaser and Seller are of the opinion that it would be mutually beneficial to extend the Agreement for an additional term of sixteen (16) months;

NOW, THEREFORE, in consideration of the mutual benefits to be derived from extending the Agreement, Purchaser and Seller agree as follows:

Sections 1, 2, and 4 are deleted in their entirety and in substitution thereof the following is added:

1. Term. The extended term of the Agreement shall commence on September 1, 2003, and will continue in effect through December 31, 2004.

shall be 320,000 total tons or 20,000 tons per month.

2. Quantity. During the extended term hereof, the quantity of coal to be delivered hereunder

4 Base Price. During the extended term h	ereof, the base price per ton of coal, f.o.b. railcar
CSX Kanawha District (hereinafter "base price") shall be ston premium of the stone per 100 Btu for co	al shipments with Btu levels above 12,000, fractions
pro rata, on a monthly composite and pay a per ton penalt shipments with Btu levels below 12,000, fractions pro rata, or	y of the state of
In all other respects, Purchaser and Seller here amended.	eby ratify and reaffirm the Agreement as herein
IN WITNESS WHEREOF, each party has caused thin its proper officer thereunto duly authorized, all effective as o	s First Amendment to be executed on its behalf by if the day and year first above written.
	PROGRESS FUELS CORPORATION
WITNESS:	(FORMERLY ELECTRIC FUELS CORPORATION)
Loberta () Utt	By JW. VW
7	Vice President—Coal Procurement Date Executed 9/16/03
	Date Excession
WITNESS:	MASSEY COAL SALES COMPANY, INC.
Kill r. B.H	By John L. Parker
- Hurry Carry	Date Executed 9/30/03

Amendment to the Agreement for the Sale and Purchase of Coal

This Amendment to the Agreement for the Sale and Purchase of Coal (this "Amendment") is made and entered into as of the day of Jw., 2005 (the "Effective Date") by and between Progress Fuels Corporation ("PFC" or "PURCHASER") and Massey Utility Sales Company ("Massey" or "SELLER"). Each of PFC and Massey may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, PFC and Massey have entered that certain Agreement for the Sale and Purchase of Coal dated August 9, 2004 (the "Agreement") pursuant to which Massey agreed to sell and deliver and PFC agreed to purchase and accept certain quantities of coal, subject to the terms and conditions set forth therein;

WHEREAS, PFC and Massey desire to amend the Agreement as more specifically set forth herein;

NOW, THEREFORE, in consideration of the foregoing and for the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged by PFC and Massey and intending to be legally bound hereby, PFC and Massey hereby agree as follows:

- 1. Section 4.01 <u>Term</u>. Notwithstanding the provision of Section 4.01, the Parties agree that the term of this Agreement shall be extended for an additional twelve (12) month period and therefore the Agreement shall expire on December 31, 2006.
- 2. Section 5.01 <u>Base Price</u>. For the period January 1, 2006-December 31, 2006, the "Base Price" shall be per ton, delivered F.O.B. railcar at SELLER's mine loading site and per ton delivered F.O.B. PURCHASER'S barge at Kanawha River Terminals Ceredo; provided, however that with respect to barge deliveries, upon reasonable prior notice to PURCHASER the price may be adjusted to account for any increase in SELLER'S cost for rail transportation of the coal from SELLER's mine railcar loading site to Kanawha River Terminals Ceredo.
- 3. Make-up Shipments. SELLER acknowledges that PURCHASER previously entered into the Agreement with the intent to subsequently provide the coal purchased and sold pursuant to the Agreement to PURCHASER's affiliate, PEF. During the Initial Term of this Agreement, shortfalls have occurred and as a result of such shortfalls there remain as of the Effective Date of this Amendment outstanding obligations for Seller to sell and deliver, and PURCHASER to purchase and receive the shortfall tons of coal in make-up obligations (the "Make-up Tons"). SELLER and PURCHASER each acknowledge the difficulty in rescheduling such shipments during the current calendar year as required pursuant to Section 7.06 of the Agreement ("Section

from

upon mutually agreeable terms and conditions. Unless otherwise extended as provided herein, this Agreement shall terminate at the end of the Initial Term. The failure to reach agreement with respect to the terms and conditions of any extension shall not be an arbitrable dispute hereunder.

2. Quantity. During the Initial (eighteen (18) month) Term hereof, Seller shall deliver 900,000 tons of coal. Coal deliveries made under this Agreement shall be in approximately equal monthly quantities in accordance with requests for shipment made from time to time by Purchaser.

3. Warranty and Dedication of Seller's Reserves. Seller represents and warrants that its affiliates identified in Section 7 as the source of coal hereunder own, lease or control mineral interests containing reserves in seams sufficient in quality and quantity to supply the coal covered by this Agreement ("Coal Property"). Seller hereby expressly dedicates to Purchaser sufficient mining capacity on or in the Coal Property so as to fulfill the quantity and quality specifications hereof.

4. Price.

- (a) During the Initial Term of this Agreement, the price per ton for all coal sold, delivered and accepted hereunder, f.o.b. Seller's mine loading site ("Price"), shall be per ton, adjusted monthly for the quality of coal in accordance with the provisions of Section 4(b) hereto. The Price during any Extended Term shall be negotiated as provided in Section 1 above.
- (b) During the Initial Term of this Agreement, Seller shall receive a premium of BTU for coal shipments with BTU levels above 12,100, fractions prorata, on

a monthly composite and pay a penalty of BTU for coal shipments with BTU levels below 12,100, fractions prorata, on a monthly composite.

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- 5. <u>Billing and Payment</u>. Seller shall invoice Purchaser for each shipment for the coal delivered to Purchaser at the Price as provided in Section 4 hereof. Each invoice shall be paid by Purchaser within ten (10) days of the date of Purchaser's receipt of the invoice. Adjustments under Section 4(b) shall be separately stated and, if not calculated in time for preparation of the invoice, may be stated as a retroactive adjustment on any invoice next following the calculation date. A statement showing the basis for the adjustment shall accompany the invoice.
- 6. Weighing. The net weight of coal sold and delivered hereunder shall be determined by Seller's certified batch scales (if available) at the origin for unit train shipments or by railroads which haul the coal at the usual railroad company weighing point for non-unit train shipments or by certified belt scales at the barge loading point or by barge survey if rail weights or certified scales are not available. However, for unit train shipments, if the origin scales are inoperable or are not certified, Purchaser may request weighing by the carrying railroad over certified scales or may use the average of the net weights of the five (5) prior unit trains, or at Purchaser's option, weight may be determined by certified scale or draft survey at loading or discharge point.

7. <u>Delivery</u>. Title and Shipment.

(a) All coal to be supplied under this Agreement shall be sourced from mines operated by Bandmill Coal Company or other of Seller's affiliates as mutually agreed to between the parties as alternate sources. Delivery shall commence on or about

than the scheduled load date. Seller shall have no responsibility for the railroad's prompt movement of rail cars or purchaser's prompt unloading of railcars.

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(c) Excess Freight Costs Chargeable to Seller. If Seller fails to have available sufficient coal to satisfy the quality requirements of Section 10 on the regularly scheduled basis referred to in Section 7(c) and thereby fails to satisfy the tonnage requirements of the applicable contract or tariff (dead freight, volume incentive threshold, annual volume guarantee) and such failure is not excused pursuant to force maieure as provided in Section 13 hereof or not due to the fault or negligence of the CSX railroad and/or Purchaser of providing an adequate quantity of railcars suitable for loading at the scheduled loading date, Seller shall pay Purchaser any resulting freight charges which Purchaser is required by such contract or tariff to pay in excess of the amount of such charges that would have been payable with respect to the coal actually shipped had such tonnage requirements been met upon presentation by Purchaser of freight carrier documents verifying that Purchaser has incurred and paid these charges. In the event locomotives, caboose, and train crew are released by Seller without a unit train of loaded cars being released to the railroad due to inadequate coal supply, detention charges, which include charges for locomotives, if any, will cease at the time of notification of such release. When a train crew, caboose, and locomotives are again required by Seller for service, a charge of adjusted by the railroad, will be assessed by the railroad and paid by Seller and the detention and free time provisions will again be applicable upon the arrival of locomotives, caboose, and crew at the mine loading site.

APPENDIX A

Railroad and Railcar Charges

A. RAILROAD CHARGES:

1. Detention: As published in Tariff ICC CSXT-8200-Series, including

supplements thereto and re-issues thereof.

2. Dead Freight: Actual railroad charges.

3. Crew Change: per change, subject to periodic adjustment by the

railroad.

B. PRIVATE RAILCAR CHARGES:

1. Lost Utilization Charges: Sum of a. and b. below.

a. Delay of Train = per car per day of delay.

b. Failure to Fully Load Cars = ((9,700 ÷ 90 x AC) - AW) x

Where: AC = actual number railcars

AW = actual weight of train

P\$ = penalty in dollars

FIRST AMENDMENT TO THE AGREEMENT FOR THE SALE AND PURCHASE OF COAL

PML RFP & PAH II

THIS FIRST AMENDMENT (hereinafter "First Amendment"), effective as of the first day of January 2001, by and between ELECTRIC FUELS CORPORATION, a Florida corporation (hereinafter "Purchaser"); This is and MASSEY COAL SALES COMPANY, INC., a Virginia corporation (hereinafter "Seller"), to the Agreement for the Sale and Purchase of Coal dated June 1, 1999, by and between Purchaser and Seller (hereinafter the "Agreement").

WHEREAS, Purchaser and Seller are of the opinion that it would be mutually beneficial to amend the Agreement in certain respects;

NOW, THEREFORE, in consideration of the mutual benefits to be derived from amending the Agreement, Purchaser and Seller agree as follows:

Sections 1.03, 1.04, and 1.05 are deleted in their entirety and in substitution thereof the following is added:

1.03 Quantity. During the initial term hereof, the quantity of coal to be delivered hereunder shall be 1,050,000 tons. The quantity to be delivered during the renewal period shall be 720,000 tons.

1.04 Term. The initial term of this Agreement will commence on July 1, 1999, and will continue in effect for a period of eighteen (18) months. The renewal term of this Agreement will commence on January 1, 2001, and will continue in effect for a period of twelve (12) months.

1.05 Base Price. The base price per ton of coal, f.o.b. Seller's mine loading site, (hereinafter "base price") shall be per ton, adjusted monthly for the quality of coal in accordance with the formula and procedures set out in Appendix A hereto, during the initial term of this Agreement. Base price during the renewal term shall be per ton, adjusted monthly for the quality of coal in accordance with the formula and procedures set out in Appendix A hereto.

In addition to the above, the "Fines (minus 1/4 inch)" specification in Section 3.01 is changed to "55% maximum".

In all other respects, Purchaser and Seller hereby ratify and reaffirm the Agreement as herein amended.

IN WITNESS WHEREOF, each party has caused this First Amendment to be executed on its behalf by its proper officer thereunto duly authorized, all effective as of the day and year first above written.

WITNESS: Johnson a. All

ELECTRIC FUELS CORPORATION

Vice President—Coal Procurement

Date Executed (1-1)-00

WITNESS:

Date Executed //

SECOND AMENDMENT TO THE

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AGREEMENT FOR THE SALE AND PURCHASE OF COAL NO.

THIS SECOND AMENDMENT (hereinafter "Second Amendment") to the Agreement for the Sale and Purchase of Coal dated June 1, 1999, (hereinafter the "Agreement"), is entered into as of the 31⁵⁷ day of October, 2001, with an effective date of April 1, 2002, by and between ELECTRIC FUELS CORPORATION, a Florida corporation (hereinafter "Purchaser"); and MASSEY COAL SALES COMPANY, INC., a Virginia corporation (hereinafter "Seller").

WHEREAS, Purchaser and Seller acknowledge that the Agreement provides Purchaser an option to renew the Agreement upon the expiration as the initial term thereof. Purchaser exercised that option and the Agreement was renewed by First Amendment to the Agreement for the Sale and Purchase of Coal ("First Amendment"), effective January 1, 2001.

WHEREAS, notwithstanding the foregoing, Purchaser and Seller desire to extend and renew the Agreement under the same terms and conditions except as specifically amended herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained herein, the adequacy and sufficiency of which are acknowledged, Purchaser and Seller agree as follows:

Sections 1.03, 1.04, 1.05, 1.06, 2.05, 2.06 and Appendix A of the Agreement and First Amendment, as the case may be, are deleted in their entirety and in substitution thereof the following is add

- 1.03 Quantity. The quantity to be delivered during the second renewal period shall be 900,000 tons. The quantity to be delivered during the third renewal period, if any, shall also be 900,000 tons.
- 1.04 <u>Term.</u> The second renewal term of this Agreement shall commence on April 1, 2002, and continue thereafter for a period of eighteen (18) months to and including September 30, 2003. The third renewal term of this Agreement, if any, shall commence on October 1, 2003, and continue thereafter for a period of eighteen (18) months to and including March 31, 2005.
- 1.05. Base Price. The base price per ton of coal, f.o.b. Seller's mine loading site (the "base price") shall be per ton, adjusted monthly for Btu at \$.35 per 100 Btu/LB from 12,500 fractions pro rata during the second renewal term. The base price during the third renewal term shall be mutually agreed to by Purchaser and Seller by no later than September 1, 2003. If the parties fail to agree on a base price for the third renewal term, this Agreement shall terminate effective September 30, 2003.
- 1.06. <u>Billing and Payment</u>. Seller shall invoice Purchaser for each shipment for the coal delivered to Purchaser at the base price as shown in Section 1.05 above. Each invoice shall be paid by Purchaser within ten (10) days after receipt of the invoice.

2.05. Excess Loading Costs Chargeable to Seller. If Seller fails to satisfy the loading requirements of the applicable tariff and such failure is not excused pursuant to force majeure as provided in Section 4.01 hereof or the applicable tariff, Seller shall pay Purchaser or railroad any resulting car detention penalties, demurrage, crew charges or charges for cars not timely loaded to marked capacity which Purchaser is required to pay under the applicable tariff. In addition, Seller shall pay Purchaser reasonable lost railcar utilization charges for failure to timely and fully load and/or time lost to unload overloaded railcars of Purchaser, provided such costs were not incurred due to the fault and/or negligence of the CSX railroad and/or Purchaser. Examples of these charges are listed in Appendix B. Notwithstanding the foregoing, Seller shall have no obligation to pay lost car utilization charges to purchaser for time lost on railcars that arrive earlier or later than the scheduled load date. Seller shall have no responsibility for the railroad's prompt movement of rail cars or purchaser's prompt unloading of railcars.

2.06. Excess Freight Costs Chargeable to Seller. If Seller fails to have available sufficient coal to satisfy the quality requirements of Section 3.01 on the regularly scheduled basis referred to in Section 2.02 and thereby fails to satisfy the tonnage requirements of the applicable contract or tariff (dead freight, volume incentive threshold, annual volume guarantee) and such failure is not excused pursuant to force majeure as provided in Section 4.01 hereof or not due to the fault or negligence of the CSX railroad and/or Purchaser of providing an adequate quantity of railcars suitable for loading at the scheduled loading date, Seller shall pay Purchaser any resulting freight charges which Purchaser is required by such contract or tariff to pay in excess of the amount of such charges that would have been payable with respect to the coal actually shipped had such tonnage requirements been met upon presentation by Purchaser of freight carrier documents verifying that Purchaser has incurred and paid these charges. In the event locomotives, caboose, and train crew are released by Seller without a unit train of loaded cars being released to the railroad due to inadequate coal supply, detention charges, which include charges for locomotives, if any, will cease at the time of notification of such release. When a train crew, caboose, and locomotives are again required by Seller for service, a charge of as adjusted by the railroad, will be assessed by the railroad and paid by Seller and the detention and free time provisions will again be applicable upon the arrival of locomotives, caboose, and crew at the mine loading site.

Section 3.01 of the Agreement shall be amended as follows:

3.01. <u>Coal Specifications</u>. Coal delivered pursuant to this Second Amendment shall conform to the following quality specifications:

Specification	Requirements			
Moisture	7.00% (maximum)			
Ash	12.00% (maximum)			
Sulfur (Total)	0.94% (minimum)			
	1.31% (maximum)			
Volatile	33.0% (minimum)			
AST	2600° (minimum)			
Grindability	45 HGI (minimum)			
Btu	12,500 Btu llb			
Fines (minus ¼ inch)	55% (maximum)			

In addition to the above, Appendix B to the Agreement shall be amended to the extent that the calculation provided in Section B(1)(b) for the failure to fully load cars therein shall be deleted and in its place inserted an amended Section B(1)(b) as follows: Failure to Fully Load Cars = $(9,700 \div 90 \times AC)$ -AW) x = P\$. Appendix B in all other respects shall remain in full

In all other respects, Purchaser and Seller hereby ratify and reaffirm the Agreement as herein amended.

IN WITNESS WHEREOF, each party has caused this Second Amendment to be executed on its behalf by its proper officer thereunto duly authorized, all effective as of the day and year first above written.

WITNESS:

ELECTRIC FUELS CORPORATION

Vice President Coal Procurement

Date Executed October 31, 2001

WITNESS:

MASSEY COAL SALES COMPANY, INC.

By John R. Take

Date Executed Retober

,...



September 8, 2003

VICKY HICKS ORIG TO CF

Mr. John R. Parker Senior Vice President Massey Coal Sales Company, Inc. Four North Fourth Street Richmond, Virginia 23219

Dear John:

In accordance with the Second Amendment to the Agreement For The Sale and Purchase of Coal dated June 1, 1999, between Electric Fuels Corporation (Purchaser) and Massey Coal Sales Company, Inc. (Seller), Progress Fuels Corporation (formerly Electric Fuels Corporation) agrees to a "third renewal term" under the following terms and conditions:

- Quantity 900,000 tons total or 50,000 tons per month.
- Term October 1, 2003 through March 31, 2005.

FOB Seller's mine loading site, adjusted monthly for BTU at BTU/LB from 12500 fractions pro rata.

All other terms and conditions of the contract and all subsequent amendments will remain in effect. If you are in agreement with this memo, please sign one copy and return to me, retaining one copy for your files.

Best regards

Vice President—Coal Procurement

AWP/ro

Agreed to and accepted this the 7th day of September 2003.

Massey Coal Sales Company, Inc.

Progress Fuels Corporation 200 Central Avenue

St. Petersburg, FL 33701

ORIGINAL



April 7, 2005

Mr. John R. Parker Senior Vice President Massey Coal Sales Company, Inc. Four North Fourth Street Richmond, Virginia 23219

Dear Mr. Parker

This Letter Agreement is being written to amend the following contracts:

- 1. Agreement for the Sale and Purchase of Coal between Massey Coals Sales Company and Electric Fuels Corporation dated June 1, 1999, as amended (Contract 1), and
- 2. Agreement for the Sale and Purchase of Coal between Massey Utility Sales Company and Progress Fuels Corporation dated September 8, 2004 (Contract 2).

At the end of calendar year 2004 there were 358,269.75 tons remaining to be shipped on Contract 1. This amount includes 208,269.75 tons of Carry Over Tons and 150,000 tons of contract tons due to be shipped during first quarter 2005. During the first quarter, 126,571.93 tons were shipped on Contract 1, leaving 231,697.82 tons remaining. The price of Contract 1 was f.o.b. railcar. (See Attachment 1.)

The initial term of Contract 2 is January 1, 2005 through December 31, 2005. The quantity to be shipped is 720,000 tons at a price of f.o.b. railcar. (See Attachment 1.)

The intent of this amendment is to combine the remaining tons on both Contract 1 and Contract 2 beginning April 1, 2005, continuing through December 31, 2005, or until all of the tonnage is shipped subject to all the terms and provisions of Contract 2. Further, the intent is to create one billing price for the combined contracts. The combined price of and the remaining tons as of April 1, 2005 are detailed on Attachment 1 of this Letter Agreement.

If you are in agreement terms outlined above, please indicate so by having the appropriate individuals sign, on behalf of Massey Coal Sales Company and Massey

Progress Fuels Corporation 200 Central Avenue St. Potersburg, FL 33701

ATTACHMENT 1

MASSEY A RAIL 2004 CARRYOVER TONS

Undership 2004	208,269.75		2005 Cont	ract 1 Price ract 1 Price ract 2 Price	3	150,000 tons ends 3/31/05 720,000 tons 1/1 - 12/31/05
2005	TONS PURCHASED	YTD	<u>.</u>	BALANCE REMAINING		
JAN FEB MAR APR	48,509.08 29,423.05 48,639.80	48,509.08 77,932.13 128,671.93	3 ,	159,760.67 130,337.62 81,697.82		
MAY JUN JUL AUG						
SEP OCT NOV DEC						
		Tons	Rate	Dollars		
Remaining 2004 (2005 Contract 1 to	0/0 tons ons: 1/1-3/31/05	81,697.82 150,000.00 231,697.82				
Contract 2 tons:	1/1 -12/31/05	720,000,00				

951,697.82

Amendment to the Agreement for the Sale and Purchase of Coal

This Amendment to the Agreement for the Sale and Purchase of Coal (this "Amendment") is made and entered into as of the I day of Inv., 2001 the "Effective Date") by and between Progress Fuels Corporation ("PFC" or "PURCHASER") and Massey Utility Sales Company ("Massey" or "SELLER"). Each of PFC and Massey may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, PFC and Massey have entered that certain Agreement for the Sale and Purchase of Coal dated September 8, 2004 (the "Agreement") pursuant to which Massey agreed to sell and deliver and PFC agreed to purchase and accept certain quantities of coal, subject to the terms and conditions set forth therein;

WHEREAS, PFC and Massey desire to amend the Agreement as more specifically set forth herein;

NOW, THEREFORE, in consideration of the foregoing and for the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged by PFC and Massey and intending to be legally bound hereby, PFC and Massey hereby agree as follows:

- 1. Section 4.01 <u>Term.</u> Notwithstanding the provision of Section 4.01, the Parties agree that the term of this Agreement shall be extended for an additional twelve (12) month period and therefore the Agreement shall expire on December 31, 2006.
- 2. Section 5.01 <u>Base Price</u>. For the period January 1, 2006-December 31, 2006, the "Base Price" shall be sper ton, delivered F.O.B. the railcar.
- 3. Make-up Shipments. SELLER acknowledges that PURCHASER previously entered into the Agreement with the intent to subsequently provide the coal purchased and sold pursuant to the Agreement to PURCHASER's affiliate, PEF. During the Initial Term of this Agreement, shortfalls have occurred and as a result of such shortfalls there remain as of the Effective Date of this Amendment outstanding obligations for Seller to sell and deliver, and PURCHASER to purchase and receive the shortfall tons of coal in make-up obligations (the "Make-up Tons"). SELLER and PURCHASER each acknowledge the difficulty in rescheduling such shipments during the current calendar year as required pursuant to Section 7.06 of the Agreement ("Section 7.06"). Therefore the Parties agree to negotiate in good faith the quantity of the Make-up Tons and the schedule for such shipments.

- 1.02 Warranty and Dedication of SELLER'S Reserves. SELLER represents and warrants that SELLER owns, leases or controls mineral interests containing reserves in seams sufficient in quality and quantity to supply the coal covered by this Agreement (hereinafter the "Coal Property"). SELLER hereby expressly dedicates to PURCHASER sufficient mining capacity on or in the Coal Property so as to fulfill the quantity and quality specifications hereof.
- 1.03 Quantity. During the initial term hereof, the quantity of coal to be delivered hereunder shall be 1,050,000 tons. The quantity under any renewal period shall be mutually agreed to by PURCHASER and SELLER by October 1, 2000.
- 1.04 <u>Term</u>. The initial term of this Agreement will commence on July 1, 1999, and will continue in effect for a period of eighteen (18) months. PURCHASER shall have an option, exercisable by notice in writing prior to October 15, 2000, to renew this Agreement for an additional term of up to eighteen (18) months.
- 1.05 <u>Base Price</u>. The base price per ton of coal, f.o.b. SELLER'S mine loading site, (hereinafter "base price") shall be per ton, adjusted monthly for the quality of coal in accordance with the formula and procedures set out in Appendix A hereto, during the initial term of this Agreement. Base Price during the optional additional term shall be negotiated by October 1, 2000.
- 1.06 <u>Billing and Payment</u>. SELLER shall invoice PURCHASER monthly for the coal delivered to PURCHASER during the preceding month at the base price as shown in

APPENDIX B

Railroad, Railcar and River Barge Demurrage/Detention Costs

A. RAILROAD CHARGES:

1. Detention: As published in Tariff ICC CSXT-8200-Series, including

supplements thereto and re-issues thereof.

2. Dead Freight: Actual railroad charges.

3. Crew Change: per change, subject to periodic adjustment by the

railroad.

B. EFC RAILCAR CHARGES:

1. Lost Utilization Charges: Sum of a. and b. below.

a. Delay of Train = per car per day of delay.

b. Failure to Fully Load Cars = ((9,600 ÷ 90 x AC) - AW) x

Where: AC = actual number railcars

AW = actual weight of trains

P\$ = penalty in dollars

C. RIVER BARGE DEMURRAGE CHARGES:

One (1) day free time to load; currently \$ barge/day. This rate subject to change.



February 3, 2005

SENT VIA FAX NO. 304/453-6917

Joseph B. Jefferson
Progress Fuels Corporation
Post Office Box 308
Ceredo, West Virginia 25507

RE: AGREEMENT FOR THE SALE AND PURCHASE OF COAL BETWEEN PROGRESS FUELS CORPORATION AND PROGRESS FUELS CORPORATION, ON ITS OWN BEHALF AND AS AGENT FOR DIAMOND MAY COAL COMPANY; KANAWHA RIVER TERMINALS, INC.; KENTUCKY MAY COAL COMPANY, INC.; AND POWELL MOUNTAIN COAL COMPANY, INC. EFFECTIVE JANUARY 1, 2005 THROUGH DECEMBER 31, 2006 MODE OF DELIVERY—WATER

Dear Mr. Jefferson:

71.0

This is to confirm our acceptance of your offer to supply two trains of approximately 12,000 tons each of low-sulfur, Colorado-origin coal during January and February of 2005 under the above referenced contract.

The price of the first trainload will be per net ton based on 11,871 Btu. The price of the second trainload will be per net ton based on 11,758 Btu. Prices are f.o.b. barge Mt. Vernon Terminal, Mount Vernon, Indiana.

Load origin analysis and supplier certified batch weights shall apply, as adjusted for actual railroad cars dumped. All other aspects of the existing contract shall apply.

As these tons are based on a fixed price already adjusted for load quality and loading point, this coal will be excluded from subsequent premium/penalty calculations.

If you are in agreement with the above, please indicate so by signing in the acceptance block provided below and returning one original for our files.

Progress Fuels Corporation 200 Central Avenue St. Petersburg, FL 33701



February 14, 2005

SENT VIA FAX NO. 919/546-7165

Mr. Brett Phipps Progress Fuels Corporation 100 E. Davie Street-TPP9 Raleigh, NC 27601-1806

Re: Agreement for the Sale and Purchase of Coal Between Progress Fuels Corporation and Progress Fuels Corporation, on its own behalf and as agent for Diamond May Coal Company; Kanawha River Terminals, Inc.; Kentucky May Coal Company, Inc.; and Powell Mountain Coal Company, Inc.

EFFECTIVE JANUARY 1, 2005 THROUGH DECEMBER 31, 2006 MODE OF DELIVERY—WATER

Dear Mr. Phipps:

This is to confirm our acceptance of your offer to supply one train of 12191.73 tons (net dumped) of low-sulfur Colorado origin coal during February 2005 under the above referenced contract.

The price of the trainload will be per net ton, based on 11,836 Btu. The price is f.o.b. barge Mt. Vernon Terminal, Mount Vernon, Indiana.

Load origin analysis and supplier certified batch weights shall apply, as adjusted for actual railroad cars dumped. All other aspects of the existing contract shall apply.

As these tons are based on a fixed price already adjusted for load quality and loading point, this coal will be excluded from subsequent premium penalty calculations.

If you are in agreement with the above, please indicate so by signing in the acceptance block provided below and returning one original for our files.

Progress Fuels Corporation 200 Control Avenue St. Potersburg, Fl. 33701 1.01 <u>Mutual Obligations</u>. SELLER agrees to sell and deliver to PURCHASER, and PURCHASER agrees to buy from SELLER, coal of the quality and in the quantities and on the terms and conditions, set forth below.

2.01 Warranty and Dedication of SELLER'S Reserves. SELLER represents and warrants that SELLER owns, leases or controls mineral interests containing reserves in seams sufficient in quality and quantity to supply the coal covered by this Agreement (hereinafter the "Coal Property"). SELLER hereby expressly dedicates to PURCHASER sufficient reserves of coal meeting the quality specifications hereof and lying on or in the Coal Property so as to fulfill the quantity specifications hereof. SELLER further agrees to reimburse PURCHASER for any increased cost that might be incurred to replace coals that SELLER is unable to ship on this contract. SELLER agrees and warrants that it provide loading facilities capable of loading at the rate required to meet Seller's delivery requirements pursuant to this Agreement.

3.01 Quantity. During each calendar year during the term hereof, the quantity of coal to be delivered hereunder shall be 480,000 tons, prorated for any partial calendar year.

4.01 Term. The term of this Agreement will commence on January 1, 2005, and will continue in effect for a period of twenty-four (24) months, ending on December 31, 2006, inclusive.

5.01 <u>Base Price</u>. The base price per ton of coal, f.o.b. barge at SELLER'S loading site, (hereinafter "base price") shall be fixed at the formula and procedures set out in Appendix A hereto, during the term of this Agreement.

APPENDIX B

River Barge Demurrage/Detention Costs

One (1) day free time to load; day or portion thereof thereafter. This rate is subject to change.

- **4.01 Term.** The term of this Agreement will commence on January 1, 2005, and will continue in effect for a period of twenty-four (24) months, ending on December 31, 2006, inclusive.
- 5.01 <u>Base Price</u>. The base price per ton of coal, f.o.b. SELLER'S mine loading site, (hereinafter "base price") shall be fixed at for the calendar years 2005 and 2006, adjusted monthly for the quality of coal in accordance with the formula and procedures set out in Appendix A hereto, during the term of this Agreement.
- 6.01 Billing and Payment. SELLER shall invoice PURCHASER monthly for the coal delivered to PURCHASER during the preceding month at the base price as shown in Section 5.01 hereof. Each invoice shall be paid by PURCHASER within twenty (20) days of the date of the invoice or fifteen (15) days from receipt of the invoice, whichever is later. Adjustments under Appendix A shall be separately stated and if not calculated in time for preparation of the monthly invoice may be stated as a retroactive adjustment on the monthly invoice next following the calculation date. A statement showing the basis for the adjustment shall accompany said invoice.
- 7.01 <u>Delivery and Title</u>. Delivery shall commence during January 2005. Time is of the essence. Delivery will be at PURCHASER'S option as provided in Section 7.02, in railroad cars or trucks f.o.b. the Coal Property and will be so scheduled as to permit loading in unit train lots in accordance with the terms of the applicable contract or tariff (as defined hereinafter). PURCHASER represents that it will supply transportation equipment as required for delivery. Delivery shall be in approximately equal monthly installments wherever possible; however, PURCHASER retains the right to, with reasonable notification to SELLER, alter monthly shipping schedules on a reasonable basis to meet monthly burn requirements at PEF's Generating Units and to conform to PURCHASER'S unit train and river barge tonnage requirements. Title to the

train crew are released without a unit train of loaded cars being released to the railroad, and such failure is not excused pursuant to force majeure as provided in Section 11.01 hereof, detention charges, which include charges for locomotives, if any, will cease at the time of notification of such release. When a train crew and locomotives are again required by SELLER for service, and such failure is not excused pursuant to force majeure as provided in Section 11.01 hereof, a charge of as adjusted by the railroad, will be assessed by the railroad and paid by SELLER and the detention and free time provisions will again be applicable upon the arrival of locomotives and crew at the mine loading site.

7.06 Payment of Excess Costs to PURCHASER. Any payments required by Sections 7.04 and 7.05 above shall be promptly paid on receipt by SELLER of a written statement from PURCHASER itemizing such charges and showing facts necessary to permit SELLER to verify such charges. At either party's election, such charges may be credited against amounts then owed by PURCHASER to SELLER hereunder.

7.07 Freeze Proofing. When required by the river transfer terminal, a PURCHASER approved freeze proofing material will be applied by SELLER at the rate of two (2) pints per ton at a cost of fifty cents per ton to PURCHASER. Freeze proofing will not be required on direct rail shipments.

8.01 Weighing. The net weight of coal sold and delivered hereunder shall be determined by SELLER'S certified scales (if available) at origin for unit train shipments or, if the origin scales are inoperable or are not certified, PURCHASER may, at its sole discretion, order weighing by the carrying railroad over certified scales or may use the average of the net weights of the five (5) prior unit trains. Notwithstanding the above, at PURCHASER'S option, weight may be determined by certified scale at discharge point.

APPENDIX B

Railroad and Railcar Detention Costs

A. RAILROAD CHARGES:

12 pro 14

1. Detention: As published in Tariff ICC CSXT-8200-Series, including supplements

thereto and re-issues thereof.

2. Dead Freight: Actual railroad charges.

3. Crew Change: per change, subject to periodic adjustment by the railroad.

B. PFC RAILCAR CHARGES:

1. Lost Utilization Charges: Sum of a. and b. below.

a. Delay of Train = per car per day of delay.

b. Failure to Fully Load Cars = ((9,600 + 90 x AC) - AW) x

Where: AC = actual number railcars

4.8 - Q

AW = actual weight of trains

P\$ = penalty in dollars

2.01 SELLER'S Reserves and Preparations for Selling Coal. SELLER represents and warrants that SELLER owns or leases the Coal Property. SELLER further represents and warrants that the Coal Property contains economically recoverable coal of a quality and in quantities which, under present mining laws, practices, governmental rules and regulations will be sufficient to satisfy all the requirements of this Agreement during the entire term of this Agreement. SELLER agrees and warrants that it will immediately proceed to mine coal from the Coal Property and provide loading facilities capable of loading at the rate required to comply with this Agreement, all on such a schedule as to put SELLER in position to commence its sales and deliveries of coal to PURCHASER in accordance with the further provisions hereof. SELLER hereby expressly dedicates to PURCHASER sufficient reserves of coal meeting the quality specifications hereof and lying on or in the Coal Property so as to fulfill the quantity specifications hereof. SELLER shall not ship any coal hereunder mined from any source other than the Coal Property without the prior written approval of PURCHASER.

- 3.01 Quantity. During calendar year 2005, the quantity of coal to be delivered hereunder shall be 120,000 net tons. During calendar year 2006, the quantity of coal to be delivered hereunder shall be 240,000 net tons.
- 4.01 <u>Term</u>. The term of this Agreement will commence on January 1, 2005, and will continue in effect for a period of twenty-four (24) months. This Agreement will expire on December 31, 2006.
- 5.01 <u>Base Price</u>. The base price per ton of coal, f.o.b. SELLER'S mine loading site, (hereinafter "base price") shall be per ton fixed for the term of this Agreement, adjusted monthly for the quality of coal in accordance with the formula and procedures set out in Appendix A hereto, during the term of this Agreement.

7.04 Excess Loading Costs Chargeable to SELLER. If SELLER fails to satisfy the loading requirements of the applicable tariff and such failure is not excused pursuant to force majeure as provided in Section 10.01 hereof or the applicable tariff, SELLER shall pay PURCHASER or railroad any resulting car detention penalties, demurrage, crew charges or charges for cars not timely loaded to marked capacity which PURCHASER is required to pay under the applicable tariff. In addition, SELLER shall pay PURCHASER reasonable lost railcar utilization charges for failure to timely and fully load and/or time lost to unload overloaded railcars of PURCHASER. Examples of these charges are listed in Appendix B.

7.05 Excess Freight Costs Chargeable to SELLER. If SELLER fails to have available sufficient coal to satisfy the quantity requirements of Section 3.01 on the regularly scheduled basis referred to in Section 7.01 and thereby fails to satisfy the tonnage requirements of the applicable contract or tariff (dead freight, volume incentive threshold, annual volume guarantee) and such failure is not excused pursuant to force majeure as provided in Section 11.01 hereof, SELLER shall pay PURCHASER any resulting freight charges which PURCHASER is required by such contract or tariff to pay in excess of the amount of such charges that would have been payable with respect to the coal actually shipped had tonnage requirements been met. In the event locomotives and train crew are released without a unit train of loaded cars being released to the railroad, detention charges, which include charges for locomotives, if any, will cease at the time of notification of such release. When a train crew and locomotives are again required by SELLER for service, a charge of the provisions will be assessed by the railroad and paid by SELLER and the detention and free time provisions will again be applicable upon the arrival of locomotives and crew at the mine loading site.

7.06 Payment of Excess Costs to PURCHASER. Any payments required by Sections7.04 and 7.05 above shall be promptly paid on receipt by SELLER of a written statement from

APPENDIX B

Railroad and Railcar Detention Costs

A. RAILROAD CHARGES:

1. Detention: As published in Tariff ICC CSXT-8200-Series, including supplements

thereto and re-issues thereof.

2. Dead Freight: Actual railroad charges.

3. Crew Change: per change, subject to periodic adjustment by the railroad.

B. PFC RAILCAR CHARGES:

1. Lost Utilization Charges: Sum of a. and b. below.

a. Delay of Train per car per day of delay.

b. Failure to Fully Load Cars = ((9,600 ÷ 90 x AC) - AW) x

Where: AC = actual number railcars

AW = actual weight of trains

P\$ = penalty in dollars

Harley, April

From: Harley, April

Sent: Tuesday, March 21, 2006 10:28 AM

To: Desouza, Ray F

Cc: bruce.crawford@cohlaw.com

Subject: RE: BML v. FPC, DOT, SWFMD

We'll see him then. Thanks.

From: Watkins, Donna W on behalf of Desouza, Ray F

Sent: Mon 3/20/2006 10:19 AM

To: Harley, April

Subject: Declined: BML v. FPC, DOT, SWFMD

Ray is not available until 1:00 p.m.