060001-EI

EXHIBIT B

REDACTED

COALTRADE

Peabody 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 33701

xc: RWP
DHD
EHL
LDL
MIP
THH
VMH
[illegible] RFP

Dear Al:

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

TRANSACTION TYPE:	Physical
PRODUCT:	Sub-Bituminous Coal, PRB 8800
BUYER:	Progress Fuels Corporation
SELLER:	Peabody COALTRADE, Inc.
BUYER'S CONTACT:	Al Pitcher (727) 824-6692 / FAX: (727)824-6601
SELLER'S CONTACT:	Bill Grebenc (314) 342-7598 / FAX: (314) 588-2702
TERM:	March 01, 2004 - April 29, 2004
QUANTITY:	29,000 tons total
SCHEDULE:	1 Train(s) per month, approximately 14,500 tons each
PRICE:	$[redacted] per ton
PAYMENT TERMS:	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 coal delivered during the preceding month to Buyer in a form acceptable to the Parties on or before the fifteenth day of each month.

Name:
Address:

Fax:
Attn:

SPECIAL PROVISIONS: Test burn NARM ([redacted]) FOB Mine Plus [redacted] rail rate/thruput = [redacted]

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 (314) 588-2702 within such time period.

If Counterparty fails to so reply 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 amendments 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 fax a copy of this letter to COALTRADE Scheduling at (314) 588-2702.

Sincerely,

Peabody COALTRADE, Inc.

By: Bill Grebene
Bill Grebene

Title: Trader

Date: March 10, 2004

AGREED TO AND ACCEPTED BY:

Progress Fuels Corporation

By:

Title: Vice President - Coal Procurement

Pitcher, Al (PFC)

From: Crake, Kyle on behalf of Crake, Kyle (Energy)
Sent: Thursday, May 20, 2004 7:52 AM
To: Pitcher, Al (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	$[redacted]	$[redacted]
¢/MMBtu Delivered	$[redacted]	$[redacted]

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

PEF-FUEL-000120

PROGRESS FUELS Corporation

INTER-OFFICE CORRESPONDENCE

Fuel Transportation	BT10E	727/824-6692
Office	MAC	Phone No.

SUBJECT: COAL PURCHASE AUTHORIZATION

TO: Kyle Crake

DATE: May 17, 2004

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.

Crystal River Units 1 & 2

	Year 2005	Year 2006
Sequoia Energy LLC/Black Gold, LLC		
Tons	120,000	240,000
$/Ton of Coal	$[redacted]	$[redacted]
¢/MMBtu Delivered	$[redacted]	$[redacted]
Massey		
Tons	720,000	N/A
$/Ton	$[redacted]	N/A
¢/MMBtu Delivered	$[redacted]	N/A

Crystal River Units 4 & 5

Rail Coals	Year 2005	Year 2006
Massey Utility Sales Company		
Tons	720,000	N/A
$/Ton of Coal	$[redacted]	N/A
¢/MMBtu Delivered	$[redacted]	N/A
Progress Fuels		
Tons	360,000	360,000
$/Ton	$[redacted]	$[redacted]
¢/MMBtu Delivered	$[redacted]	$[redacted]

Water Coals

Central Coal Company		
Tons	300,000	300,000
$/Ton of Coal	$[redacted]	$[redacted]
¢/MMBtu Delivered	$[redacted]	$[redacted]

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 [redacted] $/MMBTU and [redacted] $/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 [redacted] $/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 [redacted] $/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 $[redacted] $/MMBTU. We also purchased 360,000 each year from Progress Fuels-Marketing and Trading. This product will deliver into CR at [redacted] $/MMBTU.

"ALPHA COAL"

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

PROGRESS FUELS CORPORATION

Attachment A

CR Units 1,2, 4 and 5

PURCHASES from

2005-2006

RFP

++++++++ *CORRECTED COPY* ++++++++

Supplier	Coal Type	Term	Origin	(000) Total Tons	2005 Tons	2006 Tons	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	Min SO2	Max SO2	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M
Water																		
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
Massey	A (CR1&2)	1/05-6/06	CSX BS	1080	720	360	12.00%	1.27%	12,100	8.00%	31.00%	42	1.50	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]
B&W Resources	A (CR1&2)	1/05-12/06	CSX Jellico	480	240	240	11.50%	1.25%	12,500	7.00%	32.00%	42	1.50	2.00	$[redacted]	[redacted]	$[redacted]	$[redacted]
			Total Tons	4320	2460	1860								SO2	$[redacted]			

PEF-FUEL-000128

PROGRESS FUELS CORPORATION

Attachment A

CR Units 1,2, 4 and 5

PURCHASES from

2005-2006

RFP

Supplier	Coal Type	Term	Origin	(000) Total Tons	2005 Tons	2006 Tons	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	Min SO2	Max SO2	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M
Water																		
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	$[redacted]	$[redacted]
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	$[redacted]	[redacted]	[redacted]	[redacted]
Massey	A (CR1&2)	1/05-6/06	CSX BS	1080	720	360	12.00%	1.27%	12,100	8.00%	31.00%	42	1.50	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]
~~B&W Resources~~	~~A (CR1&2)~~	~~1/05-12/06~~	~~CSX Jellico~~	~~480~~	~~240~~	~~240~~	~~11.50%~~	~~1.25%~~	~~12,500~~	~~7.00%~~	~~32.00%~~	~~42~~	~~1.50~~	~~2.00~~	$[redacted]	[redacted]	$[redacted]	[redacted]
			Total Tons	5040	2820	2220								SO2	$[redacted]			

PROGRESS FUELS CORPORATION

CR Units 1,2, 4 and 5

PURCHASES

2005-2006

Attachment C

Supplier	Coal Type	Term	Origin	(000) Total Tons	2005 Tons	2006 Tons	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	Min SO2	Max SO2	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M
Water																		
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	[redacted]	[redacted]	[redacted]	[redacted]
Guasare	D (CR4&5)	1/04-12/05	Mina Norte-IMT	150	150	0	8.00%	0.78%	13,000	8.00%	31.00%	45		1.20	[redacted]	[redacted]	[redacted]	[redacted]
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	[redacted]	[redacted]	[redacted]	[redacted]
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	[redacted]	[redacted]	[redacted]	[redacted]
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	[redacted]	[redacted]	[redacted]	[redacted]
Rail																		
CAM	D (CR4&5)	1/04-12/06	CSX BS	700	500	200	11.00%	0.75%	12,500	8.00%	31.00%	42		1.20	[redacted]	[redacted]	[redacted]	[redacted]
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	[redacted]	[redacted]	[redacted]	[redacted]
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	[redacted]	[redacted]	[redacted]	[redacted]
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	[redacted]	[redacted]	[redacted]	[redacted]
Massey	A (CR1&2)	ends 3/05	CSX BS	150	150	0	12.00%	1.31%	12,500	7.00%	33.00%	45	1.50	2.10	[redacted]	[redacted]	[redacted]	[redacted]
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	[redacted]	[redacted]	[redacted]	[redacted]
Massey	A (CR1&2)	1/05-6/06	CSX BS	1080	720	360	12.00%	1.27%	12,100	8.00%	31.00%	42	1.50	2.10	[redacted]	[redacted]	[redacted]	[redacted]
B&W Resources	A (CR1&2)	1/05-12/06	CSX Jellico	480	240	240	11.50%	1.25%	12,500	7.00%	32.00%	42	1.50	2.00	[redacted]	[redacted]	[redacted]	[redacted]
Consol (2)	A (CR1&2)	1/05-12/05	CSX BS	750	750	0	10.00%	1.35%	12,800	8.00%	32.00%	42	1.50	2.10	[redacted]	[redacted]	[redacted]	[redacted]
			Total Tons	9120	6060	3060								SO2	[redacted]			

Black - New Contract

(1) Gusare has reopener for 2006

(2)Consol Reopener Pricing is estimated

PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS

Workpapers Only

PEF-FUEL-000135

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	Ash	Sulfur	Btu	Moisture	Vol	HGI	Max SO2	Cash Cost $/t	Cash Cost $/M	Evaluated Utilized Cost $/t	Evaluated Utilized Cost $/M
												Purchase Specifications										
Western Coals																						
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	5.64%	0.30%	8,800	26.70%	31.65%	51	0.68	[redacted]	[redacted]	[redacted]	[redacted]
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	4.00%	0.38%	9,350	22.36%	31.26%	61	0.80	[redacted]	[redacted]	[redacted]	[redacted]
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68	[redacted]	[redacted]	[redacted]	[redacted]
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	[redacted]	[redacted]	[redacted]
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	[redacted]	[redacted]	[redacted]
Triton	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	[redacted]	[redacted]	[redacted]
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	5.50%	0.27%	8,900	28.00%	30.00%	56	0.60	[redacted]	[redacted]	[redacted]	[redacted]
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	5.00%	0.59%	9,963	13.22%	30.75%	61	1.16	[redacted]	[redacted]	[redacted]	[redacted]
Oxbow	05-08	Colorado	1560	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	[redacted]	[redacted]	[redacted]
		Total Western	13954		5054	[redacted]	4200	[redacted]	4200	[redacted]	500								[redacted]		[redacted]	
Central App Coals																						
Massey	05	NS-Sydney	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	[redacted]	[redacted]	[redacted]
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	[redacted]	[redacted]	[redacted]
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	[redacted]	[redacted]	[redacted]
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]	[redacted]	[redacted]	[redacted]
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	[redacted]	[redacted]	[redacted]
Massey	05	Sydney-Ceredo	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	[redacted]	[redacted]	[redacted]
Alliance	05-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	[redacted]	[redacted]	[redacted]
		Total Cent App	5220		3450	[redacted]	810	[redacted]	960	[redacted]	0								[redacted]		[redacted]	
Foreign Coals																						
~~Interocean~~	~~07~~	~~Colombia-Mobile~~	[illegible]	[redacted]	~~0~~	[redacted]	~~0~~	[redacted]	~~1000~~	[redacted]	~~0~~	~~5.50%~~	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[redacted]	[redacted]	[redacted]	[redacted]
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	[redacted]	[redacted]	[redacted]
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]	[redacted]	[redacted]	[redacted]
CMC	05	Colombia-ECT	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	[redacted]	[redacted]	[redacted]
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20	[redacted]	[redacted]	[redacted]	[redacted]
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]	[redacted]	[redacted]	[redacted]
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]	[redacted]	[redacted]	[redacted]
		Total Foreign	3390		1230	[redacted]	580	[redacted]	1580	[redacted]	0								[redacted]		[redacted]	
		Total Tons	22564		9734	[redacted]	5590	[redacted]	6740	[redacted]	1500	Ash	Sulfur	Btu	Moisture	Vol	HGI					
												10.00%	0.70%	12,000	8.00%	31.00%	40	SO2 $	[redacted]			

PROGRESS FUELS CORPORATION

Workpapers Only

PEF-FUEL-000136

CR 1 and 2
May 2004
Solicitation
ALL BIDS

Supplier	Term	Origin	(000) Total Tons	2005 Tons	2006 Tons	2007 Tons	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M
Massey	05	CSX BS	720	720	0	0	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]
B&W Resources	05-07	CSX Jellico	720	240	240	240	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	$[redacted]	[redacted]	$[redacted]	$[redacted]
Marshall	05-06	CSX Clinchfield	500	250	250	0	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]
Massey	05	CSX Kan	720	720	0	0	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]
Central App	05-07	CSX BS	720	240	240	240	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]
Black Gold	05-07	CSX Harlan	600	120	240	240	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]
Horizon	05-07	CSX-Evergreen	1500	500	500	500	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]
Central Coal Co	05-06	CSX-Kan	480	240	240	0	12.00%	0.99%	12,300	8.00%	32.00%	45	1.60	$[redacted]	[redacted]	$[redacted]	$[redacted]
CMC	05	Colombia-Mobile	400	400	0	0	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	$[redacted]	[redacted]	$[redacted]	$[redacted]
Logan&Kanawha	05-07	CSX Kan	1080	360	360	360	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	$[redacted]	[redacted]	$[redacted]	$[redacted]
CMC	05	Colombia-ECT	400	400	0	0	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	$[redacted]	[redacted]	$[redacted]	$[redacted]
Peabody	05-07	CSX Kan	720	240	240	240	13.50%	1.28%	12,200	6.70%	30.00%	40	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]
Horizon	05-07	CSX Haz- Typo	1500	500	500	500	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]
Smokey Mtn	05	CSX Kan	240	240	0	0	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	$[redacted]	[redacted]	$[redacted]	$[redacted]

Total Tons 10300

CR 12 Economics Base Specifications

Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

[redacted]

PROGRESS FUELS CORPORATION

CR Units 1,2, 4 and 5

May 2004

Solicitation

PURCHASES

Supplier	Coal Type	Term	Origin	(000) Total Tons	Weight Avg. Price	2005 Tons	2005 Price	2006 Tons	2006 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4/5 Derate Code	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Water																										
Central Coal Co.	D (CR4&5)	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	[redacted]	[redacted]	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	Buy	
Massey	D (CR4&5)	05	FOB Ceredo	640	[redacted]	360	[redacted]	180	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]	Buy	18 month deal - 06' minimums
																									Buy	
Rail																										
Massey	D (CR4&5)	05	Bandmill	540	[redacted]	360	[redacted]	180	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]	Buy	18 month deal - 06' minimums
Progress Fuels	D (CR4&5)	05-07	Diamond May	720	[redacted]	360	[redacted]	360	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	Buy	
Sequoia Energy LLC	A (CR1&2)	05-07	CSX Harlan	360	[redacted]	120	[redacted]	240	[redacted]	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]	Buy	
Massey	A (CR1&2)	05	CSX BS	1080	[redacted]	720	[redacted]	360	[redacted]	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]	Buy	18 month deal - 06' minimums
B&W Resources	A (CR1&2)	05-07	CSX Jellico	480	[redacted]	240	[redacted]	240	[redacted]	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]	Buy	
			Total Tons	4320		2460		1860																		

SO2 Price [redacted]

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PROGRESS FUELS CORPORATION

CR Units 1,2, 4 and 5

May 2004

Solicitation

PURCHASES

Supplier	Coal Type	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	Transp. Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4/5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Water																										
Central Coal Co.	D (CR4&5)	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	[redacted]	[redacted]	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	Buy	
Massey	D (CR4&5)	05	FOB Ceredo	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]	Buy	18 month - Bandmill Rail Option
																									Buy	
Rail																										
Massey	D (CR4&5)	05	Bandmill	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]	Buy	18 month - Bandmill water option
Progress Fuels	D (CR4&5)	05-07	Diamond May	720	[redacted]	360	[redacted]	360	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	Buy	
Sequoia Energy LLC	A (CR1&2)	05-07	CSX Harlan	360	[redacted]	120	[redacted]	240	[redacted]	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]	Buy	
Massey	A (CR1&2)	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]	Buy	New Ridge/Goff
B&W Resources	A (CR1&2)	05-07	CSX Jellico	480	[redacted]	240	[redacted]	240	[redacted]	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]	Buy	
			Total Tons	3600		2460		1140												SO2 Price [redacted]					Revised: 6/1/2004 7:14	

PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS by Rail/Water

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Purchase Specifications: Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost $/t	Unit 4/5 Derate Codes	Cash Cost $/t	Cash Cost $/M	Evaluated Utilized Cost $/t	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Water																													
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.64%	0.30%	8,800	26.70%	31.65%	51	0.68	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		Incl ground storage- SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	4.00%	0.38%	9,350	22.36%	31.26%	61	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.30%	8,800	28.00%	30.75%	50	0.68	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	[illegible]	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.60	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	[redacted]	[redacted]	5.00%	0.59%	9,963	13.22%	30.75%	61	1.18	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		Check vol on IB Coal
Oxbow	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	[redacted]	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		ground storage Included
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
Massey	05	Sydney-Ceredo	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	[redacted]	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Rail																													
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Alliance	05-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]	[redacted]	[redacted]	[redacted]		06 & 07 reopener
Massey	05	NS-Sydney	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		NS Move--NO FREIGHT Included

Total Tons 19984

*estimated in red

CR 45 Economics Base Specifications

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

SO2 Price [redacted]

Revised: 6/1/2004 7:14

PROGRESS FUELS CORPORATION

CR 1 and 2
May 2004
Solicitation
RAIL BIDS

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Purchased Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4/5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Massey	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		New Ridge/Goff
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	CSX Kan	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Bandmill
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Black Gold	05-07	[illegible]	[illegible]	[redacted]	[illegible]	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Horizon	05-07	CSX-Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		Note reopener 06 and 07
Central Coal Co	05-06	CSX-Kan	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.99%	12,300	8.00%	32.00%	45	1.60	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		SO2 set to 1.6
CMC	05	Colombia-Mobile	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Snap Creek
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	13.50%	1.28%	12,200	6.70%	30.00%	40	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Sulfur Premium @ 1.6
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		

Total Tons 10300

*estimated in red

CR 12 Economics Base Specifications

Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

Revised: 6/1/2004 7:14

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS

Supplier	Term	Origin	(000) Total Ton	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4/5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Massey	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		New Ridge/Goff
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	CSX Kan	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Bandmill
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
~~Black Gold~~	~~05-07~~	~~CSX Harlan~~	~~600~~	[redacted]	~~120~~	[redacted]	~~240~~	[redacted]	~~240~~	[redacted]	~~0~~	[redacted]	[redacted]	[redacted]	~~10.00%~~	~~1.34%~~	~~12,700~~	~~8.00%~~	~~31.00%~~	~~42~~	~~2.10~~	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Horizon	05-07	CSX-Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		Note reopener 06 and 07
Central Coal Co	05-06	CSX-Kan	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.99%	12,300	8.00%	32.00%	45	1.60	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		SO2 set to 1.6
CMC	05	Colombia-Mobile	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Snap Creek
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	13.50%	1.28%	12,200	6.70%	30.00%	40	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Sulfur Premium @ 1.6
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		

Total Tons 10300

*estimated in red

CR 12 Economics Base Specifications					
Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

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PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Cost	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/t	Unit 4/5 Derate Codes	Cash Cost $/t	Cash Cost $/M	Evaluated Utilized Cost $/t	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.64%	0.30%	8,800	26.70%	31.65%	51	0.68	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		Incl ground storage- SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	4.00%	0.38%	9,350	22.36%	31.26%	61	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
~~Triton~~	~~05-07~~	[illegible]	[illegible]	[redacted]	[illegible]	[redacted]	[illegible]	[redacted]	[illegible]	[redacted]	[illegible]	[redacted]	[redacted]	[redacted]	~~5.20%~~	~~0.35%~~	[illegible]	[illegible]	~~31.50%~~	~~63~~	~~0.80~~	[redacted]	~~BM~~	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.60	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	[redacted]	[redacted]	5.00%	0.59%	9,963	13.22%	30.75%	61	1.18	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		Check vol on IB Coal
Oxbow	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	[redacted]	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		ground storage included
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
Massey	05	Sydney-Ceredo	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,600	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	[redacted]	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	NS-Sydney	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		NS Move--
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Alliance	05-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]	[redacted]	[redacted]	[redacted]		06 & 07 reopener

Total Tons 20584

*estimated in red

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

SO2 Price [redacted]

Revised: 6/1/2004 7:14

PEF-FUEL-000144

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	$[redacted]	$[redacted]	$[redacted]
Escalated Price	$[redacted]	$[redacted]	$[redacted]
Annual Re-Opener	$[redacted]	+/-$[redacted]2005)	+/-$[redacted](2006)

The **Offered Base Price of $[redacted]per ton** is a fixed price set over the entire term, starting January 01, 2005 and ending December 31, 2007. The escalated price uses $[redacted]per ton as the average. The annual re-opener for 2005 provides ACS the right to impose a "floor price" of $[redacted] or Progress Energy the right to impose a "ceiling price" of $[redacted]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 ÷ Btu) a lump

A Subsidiary of
ARCH COAL, INC.
City Place One, Suite 300 St. Louis, Missouri 63141 (314) 994-2700

Ott, Robin (PFC)

From: Pitcher, Al (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 $[redacted]/ 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 $[redacted]/ton plus $[redacted]/ton if the transfer is from rail to barge directly. If the transfer is from rail to ground to barge the fee is $[redacted]/ton. This offer is also good for 30 days, as requested.

PEF-FUEL-000369

* Offer three- The price includes Offer two plus Coal supply. The price is [redacted]/ton for direct transload from train to barge and [redacted]/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.

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. Av.	Train Rej.
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 $[redacted]/ton on a direct transload to barge from train.

The Price would be $[redacted]/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 $[redacted]/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 $[redacted]/ton
- If the coal goes from Railcar to ground to barge the fee would be an additional $[redacted]/ton

Storage fees are as follows:

- First 50,000 tons – Free
- Anything over 50,000 tons would cost an additional $[redacted]/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

Director of Sales, DTECS

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

6. PRICE

The Transportation Price would be $[redacted]/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.

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
Director of Sales, DTECS

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:	$[redacted] per net ton, FOB loaded railcar, Somerset, CO
	20068:	$[redacted] per net ton, FOB loaded railcar, Somerset, CO
	2007:	$[redacted] per net ton, FOB loaded railcar, Somerset, CO
	200:	$[redacted] per net ton, FOB loaded railcar, Somerset, CO

May 12, 2004

North Antelope/Rochelle

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	$[redacted]
1/1/06-12/31/06	300,000 tons	$[redacted]
1/1/07-12/31/07	300,000 tons	$[redacted]

- 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."

PROGRESS FUELS CORPORATION

COAL PRODUCERS' SOLICITATION FORM
CRYSTAL RIVER 4 & 5

PRODUCER NAME: Triton Coal Company, LLC

STREET ADDRESS: 113 S. Gillette Ave., Suite 203; Gillette, WY 82716

CONTACT: Bob Gabbard | TELEPHONE NO. 859-223-8820

MINE(S): Buckskin BOM DISTRICT: WY | COUNTY: Campbell | STATE: WY

ORIGIN RAILROAD(S)/DISTRICT: EK____ CV____ Big Sandy____ Other BNSF-PRB | R/R TIPPLE DESIGNATION/NUMBER: Buckskin Mine

TYPE OF LOADING FACILITY:
UNIT TRAIN: X SINGLE CAR: ____ TRAINLOAD: ____

MAXIMUM LOADING CAPACITY:
16,500 TONS 4 HOURS 2 unit trains 136 cars TRACK CAPACITY

WATER DELIVERY CAPABILITY: X YES ____ NO IMPORT COAL: LOAD PORT ____

SHIP THROUGH: no preference DOCK LOAD RATE:: ____

TOTAL PRODUCTION CAPACITY PER MONTH: 1.6mm TONS

PRODUCTION PER MONTH--MEETING OUR COAL SPECIFICATIONS: 1.6mm TONS

TYPE OF MINE: ____% DEEP 100 % 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 mechanical sampler

TYPE OF LABOR CONTRACT(S): None | DATE FOR RENEGOTIATION: n/a

TYPE OF COAL WEIGHING: Batch & weigh-in-motion | SCALE CERTIFIED? X YES ____ NO

PERIOD	TONNAGE	BASE PRICE PER TON FOB MINE
January 1,2005-December 31, 2007	1.0mm tons/year	* $[redacted] firm for 3 years

IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PRODUCER PLEASE INDICATE SO BY MAKING AN "X" IN THIS SPOT.

PRODUCER'S COMMENTS: *Price is based on 8,400 Btu and 0.80 # SO2 guarantees

CREDIT REFERENCES (Minimum two): Fairmont Supply Company - 307-686-2400
Wyoming Machinery Company - 307-472-1000

INDUSTRY REFERENCES (Minimum four): Oklahoma Gas & Electric; Western Farmers; Dynegy; PP&L

SIGNATURE: Robert Gabbard | TITLE: Vice President | DATE: 5/11/04

MAIL THIS FORM AND ANY ADDITIONAL INFORMATION 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

PROGRESS FUELS CORPORATION

PRODUCER NAME: Triton Coal Company, LLC

STREET ADDRESS: 113 S. Gillette Ave., Suite 203; Gillette, WY 82716

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 UP/BNSF | R/R TIPPLE DESIGNATION/NUMBER: North Rochelle

TYPE OF LOADING FACILITY:
UNIT TRAIN: X SINGLE CAR: ____ TRAINLOAD: ____

MAXIMUM LOADING CAPACITY:
18,000 TONS 4 HOURS 4 unit trains @ 150 cars TRACK CAPACITY

WATER DELIVERY CAPABILITY: X YES ____ NO IMPORT COAL: LOAD PORT ____

SHIP THROUGH: no preference DOCK LOAD RATE:: ____

TOTAL PRODUCTION CAPACITY PER MONTH: 2mm TONS

PRODUCTION PER MONTH—MEETING OUR COAL SPECIFICATIONS: 2mm TONS

TYPE OF MINE: ____% DEEP 100 % 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 mechanical sampler

TYPE OF LABOR CONTRACT(S): None | DATE FOR RENEGOTIATION: n/a

TYPE OF COAL WEIGHING: Batch & weigh-in-motion | SCALE CERTIFIED? X YES ____ NO

PERIOD	TONNAGE	BASE PRICE PER TON FOB MINE
January 1, 2005-December 31, 2007	1.0mm tons/year	$[redacted] firm for 3 years *

IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PRODUCER PLEASE INDICATE SO BY MAKING AN "X" IN THIS SPOT.

PRODUCER'S COMMENTS: *Price is based on 8,800 Btu and 0.80# SO2 guarantees

CREDIT REFERENCES (Minimum two): Fairmont Supply Company - 307-686-2400
Wyoming Machinery Company - 307-472-1000

INDUSTRY REFERENCES (Minimum four): Oklahoma Gas & Electric; Western Farmers; Dynegy & PP&L

SIGNATURE: Robert Gabbard / dsw | TITLE: Vice President | DATE: 5/11/04

MAIL THIS FORM AND ANY ADDITIONAL INFORMATION 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

PROGRESS FUELS CORPORATION

COAL PRODUCERS' SOLICITATION FORM
CRYSTAL RIVER 4 & 5

PRODUCER NAME: Triton Coal Company, LLC

STREET ADDRESS: 113 S. Gillette Ave., Suite 203; Gillette, WY 82716

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 UP/BNSF | R/R TIPPLE DESIGNATION/NUMBER: North Rochelle

TYPE OF LOADING FACILITY:
UNIT TRAIN: X SINGLE CAR: ______ TRAINLOAD: ______

MAXIMUM LOADING CAPACITY:
18,000 TONS 4 HOURS 4 unit trains @ 150 cars TRACK CAPACIT

WATER DELIVERY CAPABILITY: X YES ____ NO IMPORT COAL: LOAD PORT ______

SHIP THROUGH: no preference DOCK LOAD RATE:: ______

TOTAL PRODUCTION CAPACITY PER MONTH: 2mm TONS

PRODUCTION PER MONTH—MEETING OUR COAL SPECIFICATIONS: 2mm TONS

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 mechanical sampler

TYPE OF LABOR CONTRACT(S): None | DATE FOR RENEGOTIATION: n/a

TYPE OF COAL WEIGHING: Batch & weigh-in-motion | SCALE CERTIFIED? X YES ____ NO

PERIOD	TONNAGE	BASE PRICE PER TON FOB MINE
January 1-December 31, 2005	1.0 mm	* $[redacted]

IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PRODUCER PLEASE INDICATE SO BY MAKING AN "X" IN THIS SPOT.

PRODUCER'S COMMENTS: *Price is based on 8,800 Btu and 0.80# SO2 guarantees

CREDIT REFERENCES (Minimum two): Fairmont Supply Company - 307-686-2400
Wyoming Machinery Company - 307-472-1000

INDUSTRY REFERENCES (Minimum four): Oklahoma Gas & Electric; Western Farmers; Dynegy; PP&L

SIGNATURE: Robert Gabbard/dw | TITLE: Vice President | DATE: 5/11/04

MAIL THIS FORM AND ANY ADDITIONAL INFORMATION 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

PEF-FUEL-000399

Kennecott Energy

Kennecott Energy Company

May 11, 2004

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

Dear Mrs. Ott:

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

Term	Quantity (To the nearest unit train.)	Price
2005	200,000 Tons	$[redacted]/ 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. SO_2/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 SO_2 content from the standard sulfur value in accordance with a mutually agreed upon SO_2 adjustment provision.

* The transportation component of $[redacted] 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%
Sulfur (Lbs. SO_2/mmBtu)	1.18
Sodium (Na2O)	5.00%

PEF-FUEL-000405

Kennecott Energy

Kennecott Energy Company

May 11, 2004

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

Dear Mrs. Ott:

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		
Term	Quantity (To the nearest unit train.)	Price
2005	500,000 Tons	$[redacted]/Ton
2006	500,000 Tons	$[redacted]/Ton
2007	500,000 Tons	$[redacted]/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. SO_2/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 SO_2 content from the standard sulfur value in accordance with a mutually agreed upon SO_2 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)

Typical Values	2005 - 2007
Btu	9,350
Moisture	22.36%
Ash	4.0%
Sulfur (Lbs. SO_2/mmBtu)	0.80
Sodium (Na2O)	8.00%

PEF-FUEL-000443

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

Supplier	Coal Type	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Water																										
Central Coal Co.	D (CR4&5)	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]			12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]		[redacted]				Buy	
Massey	D (CR4&5)	05	FOB Ceredo	540	[redacted]	360	[redacted]	180	[redacted]			13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]				Buy	18 month deal - 06' minimums
					[redacted]		[redacted]		[redacted]										[redacted]		[redacted]				Buy	
Rail																										
Massey	D (CR4&5)	05	Bandmill	540	[redacted]	360	[redacted]	180	[redacted]			13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]				Buy	18 month deal - 06' minimums
Progress Fuels	D (CR4&5)	05-07	Diamond May	720	[redacted]	360	[redacted]	360	[redacted]			12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]				Buy	
					[redacted]		[redacted]		[redacted]										[redacted]		[redacted]					
Sequoia Energy LLC	A (CR1&2)	05-07	CSX Harlan	360	[redacted]	120	[redacted]	240	[redacted]			10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	[redacted]	S	[redacted]				Buy	
Massey	A (CR1&2)	05	CSX BS	1080	[redacted]	720	[redacted]	360	[redacted]			12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]				Buy	18 month deal - 06' minimums
B&W Resources	A (CR1&2)	05-07	CSX Jellico	480	[redacted]	240	[redacted]	240	[redacted]			11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]				Buy	
			Total Tons	4320		2460		1860												SO2 Price	[redacted]					Revised: 3/8/2006 15:34

PEF-FUEL-000477

PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS by Rail/Water

Supplier	Terms	Origin	Tons		2005 Tons		2006 Tons		2007 Tons		2008 Tons		Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2		Ash => 12.00%	SO2 1.20	Btu <= 11,800	Moisture => 10.00%	Vol < 31.00%	HGI < 40	Unit 4/5 Derate Codes		ACTION TAKEN	Notes
Water																														
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	5.64%	0.30%	8,800	26.70%	31.85%	51	0.68	[redacted]			B	M			BM	[redacted]		Incl ground storage- SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	4.00%	0.38%	9,350	22.36%	31.26%	61	0.80	[redacted]			B	M			BM	[redacted]		
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68	[redacted]			B	M	V		BMV	[redacted]		SO2 prem@0.8
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]			B	M			BM	[redacted]		SO2 prem@0.8
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]			B	M			BM	[redacted]		SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]			B	M			BM	[redacted]		SO2 prem@0.8
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.60	[redacted]			B	M	V		BMV	[redacted]		SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	5.00%	0.59%	9,963	13.22%	30.75%	61	1.18	[redacted]			B	M	V		BMV	[redacted]		Check vol on IB Coal
Oxbow	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]		S					S	[redacted]		ground storage included
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]			B	M			BM	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]								[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A						A	[redacted]		18 month
Massey	05	Sydney-Ceredo	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	. 0	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A						A	[redacted]		18 month
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	8.30%	0.71%	11,600	12.00%	33.00%	45	1.20	[redacted]		S		M			SM	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]								[redacted]		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	46	1.20	[redacted]		S		M			SM	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20	[redacted]		S					S	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]								[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]								[redacted]		
Rail																														
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A						A	[redacted]		18 month
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]								[redacted]		
Alliance	05-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]						H	H	[redacted]		06 & 07 reopener
Massey	05	NS-Sydney	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A						A	[redacted]		NS Move--NO FREIGHT Included

Total Tons 19984

*estimated in red

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

SO2 Price [redacted]

Revised: 3/22/2006 15:13

PEF-FUEL-000478

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

RAIL BIDS

Base Specifications: 10.00% 1.05% 12000 8.00% 34.00% 40

SO2 [redacted]

Unit Derate Parameters: => SO2 <= => < <

Suppliers	Term	Origin	Total Tons (000)	Weighted Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transportation / Rail Costs	Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Region Utilization Costs (Ash, Sulfur, Btu, Moisture, Vol, HGI, User); Utilization Cost/st	Ash	Sulfur	Btu	Moisture	Volatile	HGI	Unit Derate Codes	Cash Cost $/st; Cash Cost $/M; Evaluated Utilized Cost $/st; Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Massey	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	A	S					AS	[redacted]		New Ridge/Goff
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]		S					S	[redacted]		
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	$0.00	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	A	S			V		ASV	[redacted]		
Massey	05	CSX Kan	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	[redacted]	A	S			V		ASV	[redacted]		Bandmill
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]		S					S	[redacted]		
Black Gold	05-07	CSX Harlan	600	[redacted]	120	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	[redacted]		S					S	[redacted]		
Horizon	05-07	CSX-Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	A	S					AS	[redacted]		Note reopener 06 and 07
Central Coal Co	05-06	CSX-Kan	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	$0.00	[redacted]	12.00%	0.99%	12,300	8.00%	32.00%	45	1.60	[redacted]		S					S	[redacted]		SO2 set to 1.6
CMC	05	Colombia-Mobile	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]		S	B	M			SBM	[redacted]		
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	$0.00	[redacted]	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	A	S			V		ASV	[redacted]		Snap Creek
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]		S	B	M			SBM	[redacted]		
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	13.50%	1.28%	12,200	6.70%	30.00%	40	2.10	[redacted]	A	S			V		ASV	[redacted]		Sulfur Premium @ 1.6
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	A	S					AS	[redacted]		reopener 06 and 07
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	A	S					AS	[redacted]		

Total Tons 10300

*estimated in red

CR 12 Economics Base Specifications					
Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

Revised: 3/22/2006 15:13

PEF-FUEL-000479

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4-5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized $ Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Massey	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]		12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]					New Ridge/Goff
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]		11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]					
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	$0.00	[redacted]		13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]					
Massey	05	CSX Kan	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]		12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	[redacted]	ASV	[redacted]					Bandmill
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]		12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]					
Black Gold	05-07	CSX Harlan	600	[redacted]	120	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]		10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	[redacted]	S	[redacted]					
Horizon	05-07	CSX-Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]		13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	AS	[redacted]					Note reopener 06 and 07
Central Coal Co	05-06	CSX-Kan	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	$0.00	[redacted]		12.00%	0.99%	12,300	8.00%	32.00%	45	1.60	[redacted]	S	[redacted]					SO2 set to 1.6
CMC	05	Colombia-Mobile	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]		9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]					
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	$0.00	[redacted]		13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	ASV	[redacted]					Snap Creek
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]		9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]					
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]		13.50%	1.28%	12,200	6.70%	30.00%	40	2.10	[redacted]	ASV	[redacted]					Sulfur Premium @ 1.6
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]		13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]					reopener 06 and 07
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]		13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]					

Total Tons 10300

*estimated in red

CR 12 Economics Base Specifications

Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

Revised: 3/9/2006 11:33

PEF-FUEL-000480

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

Base Specifications

10.00%	0.70%	12000	8.00%	31.00%	40

Supplier	Term	Origin	Total Tons (000)	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price / Transp. Cost / Railcar Cost	Purchase Specifications: Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	SO2 [redacted] Per Ton Utilization Costs: Ash / Sulfur / Btu / Moisture / Vol / HGI / Ugr / Utilization Cost $/t	Unit Derate Code	Cash Cost $/t / Cash Cost $/M / Evaluated Utilized Cost $/t / Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	5.64%	0.30%	8,800	26.70%	31.65%	51	0.68	[redacted]	BM	[redacted]		Incl ground storage- SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	4.00%	0.38%	9,350	22.36%	31.28%	61	0.80	[redacted]	BM	[redacted]		
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	5.50%	0.30%	8,800	28.00%	30.78%	50	0.66	[redacted]	BMV	[redacted]		SO2 prem@0.8
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]		SO2 prem@0.8
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	BM	[redacted]		SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]		SO2 prem@0.8
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.60	[redacted]	BMV	[redacted]		SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	5.00%	0.59%	9,963	13.22%	30.75%	61	1.16	[redacted]	BMV	[redacted]		Check vol on IB Coal
Oxbow	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	S	[redacted]		ground storage Included
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]	BM	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]		[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]		18 month
Massey	05	Sydney-Ceredo	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]		18 month
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]		[redacted]		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20	[redacted]	S	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]		[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]		[redacted]		
Massey	05	NS-Sydney	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]		NS Move--
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]		18 month
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]		
Alliance	05-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]		06 & 07 reopener

Total Tons 20584

*estimated in red

CR 45 Economics Base Specifications

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

SO2 Price [redacted]

Revised: 3/22/2006 15:24

PEF-FUEL-000481

PROGRESS FUELS CORPORATION

CR Units 1,2, 4 and 5

May 2004

Solicitation

PURCHASES

Supplier	Coal Type	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4,5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Water																										
Central Coal Co.	D (CR4&5)	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	[redacted]	[redacted]	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	Buy	
Massey	D (CR4&5)	05	FOB Ceredo	540	[redacted]	360	[redacted]	180	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]	Buy	18 month deal - 06' minimums
																									Buy	
Rail																										
Massey	D (CR4&5)	05	Bandmill	540	[redacted]	360	[redacted]	180	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]	Buy	18 month deal - 06' minimums
Progress Fuels	D (CR4&5)	05-07	Diamond May	720	[redacted]	360	[redacted]	360	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	Buy	
Sequoia Energy LLC	A (CR1&2)	05-07	CSX Harlan	360	[redacted]	120	[redacted]	240	[redacted]	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]	Buy	
Massey	A (CR1&2)	05	CSX BS	1080	[redacted]	720	[redacted]	360	[redacted]	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]	Buy	18 month deal - 06' minimums
B&W Resources	A (CR1&2)	05-07	CSX Jellico	480	[redacted]	240	[redacted]	240	[redacted]	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]	Buy	
			Total Tons	4320		2460		1860												SO2 Price	[redacted]					Revised: 5/25/2004 11:36

PEF-FUEL-000482

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS

Supplier	Terms	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Massey	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		New Ridge/Goff
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	CSX Kan	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Bandmill
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Black Gold	05-07	CSX Harlan	600	[redacted]	120	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Horizon	05-07	CSX-Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		Note reopener 06 and 07
Central Coal Co	05-06	CSX-Kan	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	0.99%	12,300	8.00%	32.00%	45	1.60	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		SO2 set to 1.6
CMC	05	Colombia-Mobile	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Snap Creek
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	13.50%	1.28%	12,200	6.70%	30.00%	40	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Sulfur Premium @ 1.6
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		

Total Tons	10300

CR 12 Economics Base Specifications					
Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

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PEF-FUEL-000483

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

RAIL BIDS

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp. Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4/5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Massey	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		New Ridge/Goff
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	CSX Kan	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Bandmill
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Black Gold	05-07	CSX Harlan	600	[redacted]	120	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Horizon	05-07	CSX-Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		Note reopener 06 and 07
Central Coal Co	05-06	CSX-Kan	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	0.99%	12,300	8.00%	32.00%	45	1.60	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		SO2 set to 1.6
CMC	05	Colombia-Mobile	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Snap Creek
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	13.50%	1.28%	12,200	6.70%	30.00%	40	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Sulfur Premium @ 1.6
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		

Total Tons	10300

CR 12 Economics Base Specifications

Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

Revised: 5/20/2004 11:25

PEF-FUEL-000484

PROGRESS FUELS CORPORATION

CR Units 4 and 5
May 2004
Solicitation
ALL BIDS

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4/5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
DTE ✓	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.64%	0.30%	8,800	26.70%	31.65%	51	0.68	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		Incl ground storage- SO2 prem@0.8
Kennecott ✓	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	4.00%	0.38%	9,350	22.36%	31.26%	61	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Arch ✓	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton ✓	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton ✓	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton ✓	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Peabody ✓	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.60	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Kennecott ✓	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	[redacted]	[redacted]	5.00%	0.59%	9,963	13.22%	30.75%	61	1.18	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		Check vol on IB Coal
Oxbow ✓	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	[redacted]	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		ground storage included
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
Massey	05	Sydney-Ceredo	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	[redacted]	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	NS-Sydney	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		NS Move--
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Alliance	05-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]	[redacted]	[redacted]	[redacted]		06 & 07 reopener

Total Tons 20584

CR 45 Economics Base Specifications

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

SO2 Price [redacted]

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PEF-FUEL-000485

PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS by Rail/Water

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Cost	Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4/5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Water																													
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.64%	0.30%	8,800	26.70%	31.65%	51	0.68	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		Incl ground storage- SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	4.00%	0.38%	9,350	22.36%	31.26%	61	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.60	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	[redacted]	[redacted]	5.00%	0.59%	9,983	13.22%	30.75%	61	1.18	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		Check vol on IB Coal
Oxbow	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	[redacted]	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		ground storage included
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
Massey	05	Sydney-Ceredo	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	[redacted]	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Rail																													
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Alliance	05-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]	[redacted]	[redacted]	[redacted]		06 & 07 reopener
Massey	05	NS-Sydney	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		NS Move--NO FREIGHT included

Total Tons 19984

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

SO2 Price [redacted]

Revised: 5/20/2004 11:25

PEF-FUEL-000486

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Black Gold	05-07	CSX Harlan	600	[redacted]	120	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	45	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Central Coal Co	05-06	Barge-Kanawha	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	1.00%	12,300	8.00%	32.00%	45	1.63	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.20%	0.79%	11,800	12.30%	33.00%	45	1.34	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.20%	0.79%	11,800	12.30%	33.00%	45	1.34	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	33.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	33.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Horizon	05-07	Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Snap Creek
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Apex 3
Massey	05	CSX Kan	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	1.26%	12,000	8.00%	30.00%	42	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	[redacted]	[redacted]	13.50%	0.98%	12,200	6.70%	30.00%	40	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]	Specs way off	Sulfur Premium!!
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		

Total Tons	10700

CR 45 Economics Base Specifications					
Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

Revised: 5/13/2004 8:48

PEF-FUEL-000487

[redacted] #1 [redacted] 12130 [redacted] #1 [redacted] One year Basis #2

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS by Rail/Water

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp. Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Rail																													
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]
Massey (Go ff)	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		One year Deal
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Apex 3
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Black Gold	05-07	CSX Harlan	600	[redacted]	120	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	45	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Horizon	05-07	Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]	Trans cost needed	reopener 06 and 07
Massey	05	CSX Kan	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.26%	12,000	8.00%	30.00%	42	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Snap Creek
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	13.50%	0.98%	12,200	6.70%	30.00%	40	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]	Specs way off	Sulfur Premium!!
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		
		A RailTotal	9020																										
Water																													
Central Coal Co	05-06	Barge-Kanawha	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	1.00%	12,300	8.00%	32.00%	45	1.63	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	33.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	33.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.79%	11,800	12.30%	33.00%	45	1.34	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.79%	11,800	12.30%	33.00%	45	1.34	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
		A Water Total	1680																										

CR 45 Economics Base Specifications

Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

estimated in red

SO2 Price [redacted]

Revised: 5/13/2004 8:48

PEF-FUEL-000488

✓ Purchased

to Start up operation ? ?

[redacted] Fixed two yrs.

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4/5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Massey	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		New Ridge/Goff
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Ash/Vol Out
Massey	05	CSX Kan	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Bandmill
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Black Gold	05-07	CSX Harlan	600	[redacted]	120	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Horizon	06-07	CSX-Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		Note reopener 06 and 07
Central Coal Co	05-06	CSX-Kan	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	0.99%	12,300	8.00%	32.00%	45	1.60	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		SO2 set to 1.6
CMC	05	Colombia-Mobile	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Snap Creek
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	13.50%	1.28%	12,200	6.70%	30.00%	40	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Sulfur Premium @ 1.6
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		

Total Tons 10300

CR 12 Economics Base Specifications					
Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

Revised: 5/14/2004 17:01

		2005	2006
#1 Black Gold	Tons	120,000	240,000
	$/Tn	[redacted]	[redacted]
	Delvd $/MMBTU	[redacted]	[redacted]
#2 Massey	Tons	720,000	—
	$/Tn	[redacted]	—
	Delvd $/MMBTU	[redacted]	—
#3 B&W Resources	Tons	240,000	240,000
	$/Tn	[redacted]	[redacted]

Note:

Currently discussing w/ Massey 300K addl 150 2005 and 150 2006. We are considering the Consol. Consol has informed us ... 750K for renewal.

Additional conversations w/ Consol indicate they will have 1.0 million for the renewal DR 5/25/04

PEF-FUEL-000489

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS by Rail/Water

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/$t	Unit 4/5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Rail																													
Massey Same	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.26%	12,100	8.00%	31.00%	42	2.08	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		
Massey Same	05	CSX Kan BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.26%	12,100	8.00%	30.00%	42	2.08	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Black Gold	05-07	CSX Harlan	600	[redacted]	120	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	45	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Horizon	05-07	Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Snap Creek
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	13.50%	0.98%	12,200	6.70%	30.00%	40	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Sulfur Premiumll
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		
		Total Rail	9020	[redacted]		[redacted]		[redacted]		[redacted]			[redacted]	[redacted]								[redacted]							
Water				[redacted]		[redacted]		[redacted]		[redacted]			[redacted]	[redacted]								[redacted]							
Central Coal Co	05-06	Barge-Kanawha	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	1.00%	12,300	8.00%	32.00%	45	1.63	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	33.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	33.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.79%	11,800	12.30%	33.00%	45	1.34	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.79%	11,800	12.30%	33.00%	45	1.34	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
		Total Water	1680																										

Total Tons 10700

CR 45 Economics Base Specifications

Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

Revised: 5/13/2004 11:56

Purchased 5/14		000's 2005	2006
Massey (CSX BS)	Tons	720	—
	$	[redacted]	—
Black Gold (CSX Harlan)	Tons	120	240
	$	[redacted]	[redacted]

PEF-FUEL-000490

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

ALL BIDS

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Central Coal Co	05-06	Barge-Kanawha	480	[redacted]	240	[redacted]	240	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	1.00%	12,300	8.00%	32.00%	45	1.63	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	CSX BS	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.26%	12,100	8.00%	31.00%	42	2.08	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		
B&W Resources	05-07	CSX Jellico	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Marshall	05-06	CSX Clinchfield	500	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	CSX Kan	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	12.50%	1.26%	12,100	8.00%	30.00%	42	2.08	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		
Central App	05-07	CSX BS	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Black Gold	05-07	CSX Harlan	600	[redacted]	120	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	45	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Horizon	05-07	Evergreen	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	33.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Logan&Kanawha	05-07	CSX Kan	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Snap Creek
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.78%	11,600	12.30%	33.00%	45	1.34	[redacted]	SBM	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	CSX Kan	720	[redacted]	240	[redacted]	240	[redacted]	240	[redacted]	0	$0.00	[redacted]	[redacted]	13.50%	0.98%	12,200	6.70%	30.00%	40	1.60	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Sulfur Premium!!
Horizon	05-07	CSX Haz- Typo	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		reopener 06 and 07
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.79%	11,800	12.30%	33.00%	45	1.34	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	9.20%	0.79%	11,800	12.30%	33.00%	45	1.34	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Smokey Mtn	05	CSX Kan	240	[redacted]	240	[redacted]	0	[redacted]	0	[redacted]	0	$0.00	[redacted]	[redacted]	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		

Total Tons	10700

CR 45 Economics Base Specifications

Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

Revised: 5/13/2004 11:34

PEF-FUEL-000491

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

Short List

1 Year Bids

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	Transp. Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4&5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Rail																							
Massey	05	CSX BS	720	[redacted]	720	[redacted]	[redacted]	[redacted]	~~12.50%~~	1.26%	12,100	8.00%	31.00%	42	2.08	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		18 month deal
Marshall	05-06	CSX Clinchfield	250	[redacted]	250	[redacted]	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		
Black Gold	05-07	CSX Harlan	120	[redacted]	120	[redacted]	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	45	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
B&W Resources	05-07	CSX Jellico	240	[redacted]	240	[redacted]	[redacted]	[redacted]	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Central App	05-07	CSX BS	240	[redacted]	240	[redacted]	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Water																							
Central Coal Co	05-06	Barge-Kanawha	240	[redacted]	240	[redacted]	[redacted]	[redacted]	12.00%	1.00%	12,300	8.00%	32.00%	45	1.63	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		

CR 12 Economics Base Specifications

Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

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PEF-FUEL-000492

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

Short List

1 Year Bids

12,00

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 4,5 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Rail																							
Marshall	05-06	CSX Clinchfield	250	[redacted]	250	[redacted]	[redacted]	[redacted]	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10	[redacted]	ASV	[redacted]	[redacted]	[redacted]	[redacted]		Apex 3
Black Gold	05-07	CSX Harlan	120	[redacted]	120	[redacted]	[redacted]	[redacted]	10.00%	1.34%	12,700	8.00%	31.00%	45	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
B&W Resources	05-07	CSX Jellico	240	[redacted]	240	[redacted]	[redacted]	[redacted]	11.50%	1.25%	12,600	7.00%	32.00%	42	2.00	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	CSX BS	720	[redacted]	720	[redacted]	[redacted]	[redacted]	12.50%	1.26%	12,000	8.00%	31.00%	42	2.10	[redacted]	AS	[redacted]	[redacted]	[redacted]	[redacted]		
Central App	05-07	CSX BS	240	[redacted]	240	[redacted]	[redacted]	[redacted]	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Water																							
Central Coal Co	05-06	Barge-Kanawha	240	[redacted]	240	[redacted]	[redacted]	[redacted]	12.00%	1.00%	12,300	8.00%	32.00%	45	1.63	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		

CR 12 Economics Base Specifications

Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price [redacted]

Revised: 5/13/2004 10:28

PEF-FUEL-000493

PROGRESS FUELS CORPORATION

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

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp. Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost $/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Rail																													
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Alliance	04-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]	[redacted]	[redacted]	[redacted]		06 & 07 reopener
		Total Rail	2700																										
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.64%	0.30%	8,795	26.70%	31.65%	51	0.68	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	4.00%	0.38%	9,350	22.36%	31.00%	45	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Triton	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.61	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	[redacted]	[redacted]	5.00%	0.69%	9,963	13.22%	32.00%	45	1.18	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Oxbow	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	[redacted]	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		ground storage included
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.73%	12,300	8.00%	31.00%	42	1.19	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.70%	11,600	12.00%	33.00%	45	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.70%	11,600	12.00%	33.00%	45	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.71%	12,400	9.00%	35.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	[redacted]	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
		Total Water	19464																										
		Total Tons	22164																										

estimated in red

CR 45 Economics Base Specifications

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

SO2 Price [redacted]

Revised: 5/13/2004 11:55

PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp. Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/t	Unit 4/5 Derate Codes	Cash Cost $/t	Cash Cost $/M	Evaluated Utilized Cost $/t	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.64%	0.30%	8,795	26.70%	31.65%	51	0.68	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	4.00%	0.38%	9,350	22.36%	31.00%	45	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Triton	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.61	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	[redacted]	[redacted]	5.00%	0.59%	9,963	13.22%	32.00%	45	1.18	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Oxbow	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	[redacted]	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		ground storage included
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.73%	12,300	8.00%	31.00%	42	1.19	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.70%	11,600	12.00%	33.00%	45	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.70%	11,600	12.00%	33.00%	45	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.71%	12,400	9.00%	35.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	[redacted]	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Alliance	04-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]	[redacted]	[redacted]	[redacted]		06 & 07 reopener

Total Tons 22184

CR 45 Economics Base Specifications

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

SO2 Price [redacted]

Revised: 5/13/2004 11:36

PEF-FUEL-000495

PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS by Rail/Water

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Water																													
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.64%	0.30%	8,800	26.70%	31.65%	51	0.68	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		Incl ground storage- SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	4.00%	0.38%	9,350	22.36%	31.26%	61	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.60	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	[redacted]	[redacted]	5.00%	0.59%	9,963	13.22%	30.75%	61	1.18	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		Check vol on IB Coal
Oxbow	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	[redacted]	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		ground storage included
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
Massey	05	Sydney-Ceredo	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	[redacted]	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Rail																													
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 month
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Alliance	05-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]	[redacted]	[redacted]	[redacted]		06 & 07 reopener
Massey	05	NS-Sydney	600	[redacted]	600	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		NS Move--NO FREIGHT Included

Total Tons 19984

CR 45 Economics Base Specifications

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

SO2 Price [redacted]

Revised: 5/14/2004 17:18

PEF-FUEL-000496

Contact John - Some year Deal

Spot w/ Jason + Fred [redacted] year

2 year deal

\# [redacted] Fixed for two years

[redacted] Delvd

PROGRESS FUELS CORPORATION

CR Units 4 and 5

May 2004

Solicitation

Short List

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	Transp Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Rail																							
Massey	05	CSX Kan (Bmill)	720	[redacted]	720	[redacted]	[redacted]	[redacted]	12.0 13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		18 Month deal
Progress	05-07	Diamond May	360	[redacted]	360	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
Alliance	04-07	MC Mining	150	[redacted]	150	[redacted]	[redacted]	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]	[redacted]	[redacted]	[redacted]		06 & 07 reopener
Water (Central App Only)																							
Central	1/05-12/06	Winifred Dock	300	[redacted]	300	[redacted]	[redacted]	[redacted]	12.00%	0.73%	12,300	8.00%	31.00%	42	1.19	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		

estimated in red

CR 45 Economics Base Specifications

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

SO2 Price [redacted]

Revised: 5/13/2004 11:31

Contact Duke - 2 yr deal

Call Roy re MC

Purchased 5/14

		000's 2005	2006
Rail			
# Massey (CSX Kan) Bmill	Tons	720	—
	$ Delvd $/mmBtu	[redacted]	
Progress (D May)	Tons	360	360
	$ Delvd $/mmBtu	[redacted]	[redacted]
Water			
Central Coal	Tons	300	300
	$	[redacted]	[redacted]
	Delvd	1380	660
		[redacted]	[redacted]

PEF-FUEL-000497

PROGRESS FUELS CORPORATION

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

[redacted] Purchase [redacted] Reduce 12.5% 12300 [redacted] Wiser/Year [redacted] on 01 only year deal

Supplier	Term	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcar Costs	Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Borate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Rail																													
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Alliance	04-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]	[redacted]	[redacted]	[redacted]		06 & 07 reopener
		Rail D Total	2700																										
Water																													
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.64%	0.30%	8,795	26.70%	31.65%	51	0.68	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		ground storage included
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	4.00%	0.38%	9,350	22.36%	31.00%	45	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 guaranteed at 0.8
Triton	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.61	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	[redacted]	[redacted]	5.00%	0.59%	9,963	13.22%	32.00%	45	1.18	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Oxbow	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	[redacted]	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.73%	12,300	8.00%	31.00%	42	1.19	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.70%	11,600	12.00%	33.00%	45	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.70%	11,600	12.00%	33.00%	45	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.71%	12,400	9.00%	35.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	[redacted]	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
		Water D Total	19464																										

estimated in red

CR 45 Economics Base Specifications

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

SO2 Price [redacted]

Revised: 5/13/2004 8:42

Massey 360 Rail → X
→ 360 Water
Progress 360 Rail → X
Central 300 Water

PEF-FUEL-000498

PROGRESS FUELS CORPORATION

CR Units 4 and 5
May 2004
Solicitation
ALL BIDS

Supplier	Terms	Origin	(000) Total Tons	Weight Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp. Cost	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	Utilization Cost $/t	Unit 45 Derate Codes	Cash Cost $/t	Cash Cost $/M	Evaluated Utilized Cost $/t	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
Alliance	04-07	MC Mining	900	[redacted]	150	[redacted]	150	[redacted]	600	[redacted]	0	[redacted]	[redacted]	[redacted]	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20	[redacted]	H	[redacted]	[redacted]	[redacted]	[redacted]		06 & 07 reopener
Massey	05	Bandmill	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		
Progress	05-07	Diamond May	1080	[redacted]	360	[redacted]	360	[redacted]	360	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Arch	1/05-12/07	Thunder Basin	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		
Central	1/05-12/06	Winifred Dock	600	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	12.00%	0.73%	12,300	8.00%	31.00%	42	1.19	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	[redacted]	SM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-ECT	400	[redacted]	400	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.70%	11,600	12.00%	33.00%	45	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
CMC	05	Colombia-Mobile	200	[redacted]	200	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.30%	0.70%	11,600	12.00%	33.00%	45	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
DTE	2005	PRB/Cora	504	[redacted]	504	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.64%	0.30%	8,795	26.70%	31.65%	51	0.68	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		ground storage included
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Glencore	2005	Colombia-IMT	150	[redacted]	150	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.71%	12,400	9.00%	35.00%	46	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Pasa Diablo - IMT	990	[redacted]	330	[redacted]	330	[redacted]	330	[redacted]	0	[redacted]	[redacted]	[redacted]	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Guasare	05-07	Mina Norte-IMT	700	[redacted]	200	[redacted]	250	[redacted]	250	[redacted]	0	[redacted]	[redacted]	[redacted]	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
Interocean	07	Colombia-Mobile	1000	[redacted]	0	[redacted]	0	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Kennecott	05-07	Barge Cahokia	1000	[redacted]	200	[redacted]	400	[redacted]	400	[redacted]	0	[redacted]	[redacted]	[redacted]	5.00%	0.59%	9,963	13.22%	32.00%	45	1.18	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Kennecott	05-07	Barge Cahokia	1500	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	0	[redacted]	[redacted]	[redacted]	4.00%	0.38%	9,350	22.36%	31.00%	45	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Massey	05	FOB Ceredo	720	[redacted]	720	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[redacted]	A	[redacted]	[redacted]	[redacted]	[redacted]		
Oxbow	05-08	Colorado	1550	[redacted]	50	[redacted]	500	[redacted]	500	[redacted]	500	[redacted]	[redacted]	[redacted]	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20	[redacted]	S	[redacted]	[redacted]	[redacted]	[redacted]		
Peabody	05-07	Antelope	900	[redacted]	300	[redacted]	300	[redacted]	300	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.27%	8,900	28.00%	30.00%	56	0.61	[redacted]	BMV	[redacted]	[redacted]	[redacted]	[redacted]		
Triton	05-07	PRB-Buckskin	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		SO2 guaranteed at 0.8
Triton	05-07	PRB N. Rochelle	3000	[redacted]	1000	[redacted]	1000	[redacted]	1000	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		
Triton	05	PRB N. Rochelle	1000	[redacted]	1000	[redacted]	0	[redacted]	0	[redacted]	0	[redacted]	[redacted]	[redacted]	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	[redacted]	BM	[redacted]	[redacted]	[redacted]	[redacted]		

total tons	22164

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

SO2 Price [redacted]

Revised: 5/13/2004 8:42

PEF-FUEL-000499

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 $[redacted]/mmbtu or $[redacted]per short ton based on 12800 BTU and Glencore at $[redacted]/mmbtu based upon 12400 BTU or $[redacted]per short ton. With these prices, Glencore wi evaluate at $[redacted]mmbtu cash cost and $[redacted]/mmbtu evaluated cost and Guasare will evaluate at $[redacted]/mmbtu cash cost and $[redacted]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

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 $[redacted]delivered compared with a range from the other suppliers of[redacted] $/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 $[redacted]delivered to IMT by approximately $[redacted]ton. 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 $[redacted]price by about $[redacted]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:

<u>Guasare</u>
- ✓ 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 re-openers 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 $[redacted] to $[redacted] based 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.

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	Term	Origin	Total Short Tons (000)	short $/ton Price	Transp. Mode	Bunker	Transp. Cost	SO2 Price	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moist	Vol	HGI	SO2	Utilization Cost $/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
07/21/05	Guasare	1 yr (06)	Pasa Diablo	645	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	8.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	– One year	Convayor vessel..IMT
07/21/05	Guasare	2 yr (06-07)	Pasa Diablo	1,091	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	8.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		8 add'l cargoes - (match plant low price)-not included
07/21/05	Guasare	3 yr (06-08)	Pasa Diablo	1,637	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	8.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	– Three year	16 add'l cargoes - (match plant low price)-not included
07/22/05	Glencore	2006	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	– One year	
07/26/05	Glencore	2006-2007	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2008	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	Three year	
07/26/05	CMC	2006	Cerrejon	500	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.30%	0.62%	11,800	11.00%	34.00%	49	1.05	[redacted]	M	[redacted]	[redacted]	[redacted]	[redacted]	– One year	
08/04/05	CMC	2006-2008	Cerrejon	660	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	8.10%	0.55%	11,400	12.90%	34.00%	48	0.98	[redacted]	B&M	[redacted]	[redacted]	[redacted]	[redacted]	Three year	
07/29/05	Drummond	2007-2008	Pribbenow	1,000	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.50%	0.60%	11,300	14.00%	32.00%	43	1.06	[redacted]	B&M	[redacted]	[redacted]	[redacted]	[redacted]		

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.

On a one year contract Guasare must reduce their price by $[redacted]/ton

On a three year Guasare & Glencore must match CMC; Guasare must reduce by $[redacted]; Glencore must reduce by $[redacted]

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

PEF-FUEL-000543

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

Submission Date	Supplier	Term	Origin	Total Short Tons (000)	short ton Price	Transp. Mode	Bunker	Transp. Cost	SO2 Price	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moist	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
07/21/05	Guasare	1 yr (06)	Pasa Diablo	645	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		Conveyor vessel..IMT
07/21/05	Guasare	2 yr (06-07)	Pasa Diablo	1,091	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		8 add'l cargoes - (match plant low price)-not included
07/21/05	Guasare	3 yr (06-08)	Pasa Diablo	1,637	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		16 add'l cargoes - (match plant low price)-not included
07/22/05	Glencore	2006	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2007	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2008	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	CMC	2006	Cerrejon	500	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.30%	0.62%	11,800	11.00%	34.00%	49	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/29/05	Drummond	2007-2008	Pribbenow	1,000	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.50%	0.60%	11,300	14.00%	32.00%	43	1.08	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		

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

PEF-FUEL-000544

PROGRESS FUELS CORPORATION

Guasare Reopener Offer Analysis

CR45

Quarter 3 - 2005

Submission Date	Supplier	Term	Origin	Total Short Tons (000)	short ton Price	Transp. Mode	Bunker	Transp. Cost	SO2 Price	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moist	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
07/21/05	Guasare	1 yr (06)	Pasa Diablo	645	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		Conveyor vessel..IMT
07/21/05	Guasare	2 yr (06-07)	Pasa Diablo	1,091	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		8 add'l cargoes - (match plant low price)-not included
07/21/05	Guasare	3 yr (06-08)	Pasa Diablo	1,637	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		16 add'l cargoes - (match plant low price)-not included
07/22/05	Glencore	2006	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2007	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/28/05	Glencore	2006-2008	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	CMC	2006	Cerrejon	500	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.30%	0.62%	11,800	11.00%	34.00%	49	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/29/05	Drummond	2007-2008	Pribbenow	1,000	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.50%	0.60%	11,300	14.00%	32.00%	43	1.06	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		

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

PEF-FUEL-000545

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

corrected all [redacted]

Submission Date	Supplier	Term	Origin	Total Short Tons (000)	short ton Price	Transp. Mode	Bunker	Transp. Cost	SO2 Price	Railcar Costs	Purchase Specifications: Ash	Sulfur	Btu	Moist	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
07/21/05	Guasare	1 yr (06)	Pasa Diablo	694	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		Conveyor vessel..IMT
07/21/05	Guasare	2 yr (06-07)	Pasa Diablo	1,240	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		8 add'l cargoes - (match plant low price)-not included
07/21/05	Guasare	3 yr (06-08)	Pasa Diablo	1,786	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		16 add'l cargoes - (match plant low price)-not included
07/22/05	Glencore	2006	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2007	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2008	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	CMC	2006	Cerrejon	500	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.30%	0.62%	11,800	11.00%	34.00%	49	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/29/05	Drummond	2007-2008	Pribbenow	1,000	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.50%	0.60%	11,300	14.00%	32.00%	43	1.06	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		

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.

One Year Bid

Cash Basis	$/MMBTU	Evaluated Basis	$/MMBTU
#1 Glencore	[redacted]	#1 Glencore	[redacted]
#2 CMC	[redacted]	#2 CMC	[redacted]
#3 Guasare	[redacted]	#3 Guasare	[redacted]

Three Year Bid

Cash Basis	$/MMBTU	Evaluated Basis	$/MMBTU
#1 Glencore	[redacted]	#1 Glencore	[redacted]
#2 Guasare	[redacted]	#2 Guasare	[redacted]
#3 CMC	[redacted]	#3 CMC	[redacted]

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

PEF-FUEL-000546

7/29/20055:30 PM

MESSAGE CONFIRMATION

AUG-22-05 17:10 MON

FAX NUMBER :
NAME :

FAX NUMBER	:	919195463208
PAGE	:	002
ELAPSED TIME	:	00'39"
MODE	:	G3 STD ECM
RESULTS	:	[O.K]

Glencore Ltd. Fax:2033283156 Aug 10 2005 15:59 P.02

Progress Energy

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:
  - $[redacted]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.

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

PEF-FUEL-000547

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 [redacted]delivered compared with a range from the other suppliers of [redacted] $/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 [redacted]delivered to IMT by approximately [redacted]/ton. 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 [redacted]price by about [redacted]er 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 re-openers 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 $[redacted] to $[redacted]based 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.

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

Pitcher, Al (PFC)

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 [redacted] delivered compared with a range from the other suppliers of [redacted] $/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 [redacted] delivered to IMT by approximately [redacted]/ton. 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 [redacted] price by about [redacted] 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:

<u>Guasare</u>

- ✓ 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.

<u>Glencore</u>

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- ✓ 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 re-openers 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 [redacted] to [redacted] based 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.

Progress Energy

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 $[redacted] 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 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 $[redacted] 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 $[redacted] per Ton 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 CST 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 $[redacted] per Metric Ton delivered or more than USD $[redacted] 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 $[redacted] for each USD $[redacted] 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.
By: ____________________	By: ____________________
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.

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 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 $[redacted] 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.

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 $[redacted] per Ton 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 CST 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 $[redacted] per Metric Ton delivered or more than USD $[redacted] 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 $[redacted] for each USD $[redacted] 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.
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________

PEF-FUEL-000588

Progress Energy

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:
  - $[redacted] 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 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 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.

Progress Fuels Corporation

PEF-FUEL-000610

Progress Energy

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: PRICE RE-OPENER FOR 2006 FOR COAL SUPPLY AGREEMENT BETWEEN GUASARE COAL 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:
  - [redacted] 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 24th day of August, 2005.

Guasare Coal International n.v.

By: Hernando Torrealba

Title: Director

Progress Fuels Corporation

PEF-FUEL-000612

08/25/2005 10:04 FAX 05802617520334 GCIA DE ADMON Y FINANZAS 002

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 $[redacted]/mmbtu or $[redacted] per short ton based on 12800 BTU and Glencore at $[redacted]/mmbtu based upon 12400 BTU or $[redacted] per short ton. With these prices, Glencore wil evaluate at $[redacted]/mmbtu cash cost and $[redacted]/mmbtu evaluated cost and Guasare will evaluate at $[redacted]/mmbtu cash cost and $[redacted]/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

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 $[redacted]delivered compared with a range from the other suppliers of[redacted]$/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 $[redacted]delivered to IMT by approximately $[redacted]/ton. 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 $[redacted]price by about $[redacted]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:

<u>Guasare</u>

✓ 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.

<u>Glencore</u>

- ✓ 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 re-openers 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 $[redacted] to $[redacted] based 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.

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	Term	Origin	Total Short Tons (000)	short ton Price	Transp Mode	Bunker	Transp Cost	SO2 Price	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moist	Vol	HGI	SO2	Utilization Cost$/t	Unit 45 Derate Codes	Cash Cost $/t	Cash Cost $/M	Evaluated Utilized Cost $/t	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
07/21/05	Guasare	1 yr (06)	Pasa Diablo	645	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	One year	Conveyor vessel..IMT
07/21/05	Guasare	2 yr (06-07)	Pasa Diablo	1,091	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		8 add'l cargoes - (match plant low price)-not included
07/21/05	Guasare	3 yr (06-08)	Pasa Diablo	1,637	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	Three year	16 add'l cargoes - (match plant low price)-not included
07/22/05	Glencore	2006	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	One year	
07/26/05	Glencore	2006-2007	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2008	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	Three year	
07/26/05	CMC	2006	Cerrejon	500	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.30%	0.62%	11,800	11.00%	34.00%	49	1.05	[redacted]	M	[redacted]	[redacted]	[redacted]	[redacted]	One year	
08/04/05	CMC	2006-2008	Cerrejon	660	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	8.10%	0.55%	11,400	12.90%	34.00%	48	0.96	[redacted]	B&M	[redacted]	[redacted]	[redacted]	[redacted]	Three year	
07/29/05	Drummond	2007-2008	Pribbenow	1,000	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.50%	0.60%	11,300	14.00%	32.00%	43	1.06	[redacted]	B&M	[redacted]	[redacted]	[redacted]	[redacted]		

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.

On a one year contract Guasare must reduce their price by $[redacted]/ton

On a three year Guasare & Glencore must match CMC. Guasare must reduce by $[redacted], Glencore must reduce by $[redacted]

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

PEF-FUEL-000615

8/4/20054:28 PM

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

Submission Date	Supplier	Term	Origin	Total Short Tons (000)	Short ton Price	Transp Mode	Bunker	Transp Cost	SO2 Price	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moist	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
07/21/05	Guasare	1 yr (06)	Pasa Diablo	645	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		Conveyor vessel..IMT
07/21/05	Guasare	2 yr (06-07)	Pasa Diablo	1,091	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		8 add'l cargoes - (match plant low price)-not included
07/21/05	Guasare	3 yr (06-08)	Pasa Diablo	1,637	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		16 add'l cargoes - (match plant low price)-not included
07/22/05	Glencore	2006	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2007	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2008	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	CMC	2006	Cerrejon	500	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.30%	0.62%	11,800	11.00%	34.00%	49	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/29/05	Drummond	2007-2008	Pribbenow	1,000	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.50%	0.60%	11,300	14.00%	32.00%	43	1.06	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		

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

PEF-FUEL-000616

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

Submission Date	Supplier	Term	Origin	Total Short Tons (000)	short ton Price	Transp Mode	Bunker	Transp Cost	SO2 Price	Railcar Costs	Ash	Sulfur	Btu	Moist	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
07/21/05	Guasare	1 yr (06)	Pasa Diablo	645	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		Conveyor vessel..IMT
07/21/05	Guasare	2 yr (06-07)	Pasa Diablo	1,091	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		8 add'l cargoes - (match plant low price)-not included
07/21/05	Guasare	3 yr (06-08)	Pasa Diablo	1,637	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		16 add'l cargoes - (match plant low price)-not included
07/22/05	Glencore	2006	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2007	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2008	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	CMC	2006	Cerrejon	500	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.30%	0.62%	11,800	11.00%	34.00%	49	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/29/05	Drummond	2007-2008	Pribbenow	1,000	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.50%	0.60%	11,300	14.00%	32.00%	43	1.06	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		

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

PEF-FUEL-000617

8/1/20056:56 PM

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

Corrected all [redacted]

Submission Date	Supplier	Term	Origin	Total Short Tons (000)	short ton Price	Transp. Mode	Bunker	Transp. Cost	SO2 Price	Railcar Costs	Purchase Specifications Ash	Sulfur	Btu	Moist	Vol	HGI	SO2	Utilization Cost/st	Unit 45 Derate Codes	Cash Cost $/st	Cash Cost $/M	Evaluated Utilized Cost $/st	Evaluated Utilized Cost $/M	ACTION TAKEN	Notes
07/21/05	Guasare	1 yr (06)	Pasa Diablo	694	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		Conveyor vessel..IMT
07/21/05	Guasare	2 yr (06-07)	Pasa Diablo	1,240	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		8 add'l cargoes - (match plant low price)-not included
07/21/05	Guasare	3 yr (06-08)	Pasa Diablo	1,786	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	6.50%	0.67%	12,800	8.00%	31.00%	45	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		16 add'l cargoes - (match plant low price)-not included
07/22/05	Glencore	2006	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2007	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	Glencore	2006-2008	LaJagua	400-650	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.00%	0.71%	12,400	8.50%	35.00%	45	1.15	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/26/05	CMC	2006	Cerrejon	500	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.30%	0.62%	11,800	11.00%	34.00%	49	1.05	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		
07/29/05	Drummond	2007-2008	Pribbenow	1,000	[redacted]	Gulf	[redacted]	[redacted]	[redacted]	[redacted]	7.50%	0.60%	11,300	14.00%	32.00%	43	1.08	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]		

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

One Year Bid

Cash Basis $/mmBTU
#1 Glencore [redacted]
#2 CMC [redacted]
#3 Guasare [redacted]

Evaluated Basis $/mmBTU
#1 Glencore [redacted]
#2 CMC [redacted]
#3 Guasare [redacted]

Three Year Bid

Cash Basis $/mmBTU
#1 Glencore [redacted]
#2 Guasare [redacted]
#3 CMC [redacted]

Evaluated Basis $/mmBTU
#1 Glencore [redacted]
#2 Guasare [redacted]
#3 CMC [redacted]

PEF-FUEL-000618

7/29/2005 5:30 PM

Progress Energy

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:
  - [redacted] 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.

Progress Energy

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: PRICE RE-OPENER FOR 2006 FOR COAL SUPPLY AGREEMENT BETWEEN GUASARE COAL 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:**
  - [redacted] 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.

By:____

Title:____

PEF-FUEL-000623

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
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 [redacted] 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

Al,

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 [redacted] 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

PEF-FUEL-000626

brandy pitchr

From: Eladio Bueno [E.Bueno@GCI-UK.NET]
Sent: Thursday, August 11, 2005 10:56 AM
To: brandy pitchr
Cc: sasha.weintraub@pgnmail.com; brett.phipps@pgnmail.com; ROtt@progressfuels.com; 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
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 [redacted]er 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

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 [redacted] 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.

PEF-FUEL-000630

-----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

Al, [redacted]

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[redacted] 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
E-mail: e.bueno@gci-uk.net

From: Pitcher, Al (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@progressfuels.com

13 35,000 MT × 1.1023 = 38580 501,540
46247 609,018
13 Ave
13 50,000 MT × 1.1023 = 55115 716495

Guasare Reopener

Pitcher, Al (PFC)

From: Eladio Bueno [E.Bueno@GCI-UK.NET]
Sent: Thursday, July 21, 2005 12:24 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,

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

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.

PEF-FUEL-000634

Al,

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

Consider 13 not 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.

no right to match

+10

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$[redacted]per million BTU, basis 12.800 Btu/lb,
Bunker clause as per existing contract indicated in Clause 12 Price.

Current [redacted] Mar pk

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.
5 The validity of this offer is up COB (5.0pm) London time on August 2nd, 2005.
6 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

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 b 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$[redacted] per million BTU, basi 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.

5 The validity of this offer is up COB (5.0pm) London time on August 2nd, 2005.

6 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-000637

Pitcher, Al (PFC)

From: Pitcher, Al (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, w need to at least look at whether we will move forward with Guasare for 2006 or select another supplier. Your prompt attention to thi 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 on 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 mutu 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 mutu 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 calculat at the power plant boiler for all cargoes which requires price mutual agreement to be delivered in 2007 ar 2008. Seller shall have the right to match and sale the coal but shall not have the obligation to sale if do r 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 tc 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$[redacted] per million BTU, b. 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.

Pitcher, Al (PFC)

From: Pitcher, Al (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 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$[redacted] 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.

Pitcher, Al (PFC)

From: Eladio Bueno [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.

Tons
14 @ 35 490K
14 @ 50 700K
Tons
11 @ 35 = 385K
11 @ 50 550K

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 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$[redacted] 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.
5. The validity of this offer is up COB (5.0pm) London time on August 2nd, 2005.
6. 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,

$/mmBTU
Response Price → [redacted] @ 12800 BTU = $ [redacted]
Current Contract [redacted] @ 12800 BTU = $ [redacted]
$ [redacted]
520-650K
Increase

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-000641

Guasare
Reopener

Pitcher, Al (PFC)

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.

Al,

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

PEF-FUEL-000642

** 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 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$[redacted] 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.
5 The validity of this offer is up COB (5.0pm) London time on August 2nd, 2005.
6 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,

PEF-FUEL-000643

GUASARE (2)COAL 2005

VESSEL BALDER — Paso Diablo Mine Rate

pd-#1 7/19/2005 — Voyage 7

08/03/05

PRICE PER MBTU		GUARANTEE BTU		METRIC				PRICE PER TON		METRIC TONS		AMOUNT	
$ [redacted]	X	12800	X	2.2046	/	1000	=	$ [redacted]	X	42,998.73	=	$ [redacted]	DUE TO ROUNDING HERE TYPE IN RED [redacted]
										inv# 05-046			

pd-#2

		AS RECEIVED BTU								ACTUAL TONS			
$ [redacted]		13160	X	2.2046	/	1000		$ [redacted]	X	42,998.73	=	$ [redacted]	TYPE IN RED [redacted]
										inv#			

VARIANCE $ [redacted]

PRICE PER MBTU		AS RECEIVED BTU				PRICE PER TON		SHORT TONS		SHORT TONS AMOUNT	
$ [redacted]	X	13160	/	500	=	$ [redacted]	X	46,703.41	=	$ [redacted]	TYPE IN RED $ [redacted]
											[redacted]

VARIANCE - METRIC VS SHORT TONS $ [redacted]

		per contract									
$ [redacted]	X	12800	/	500	=	$ [redacted]	X	46,703.41	=	$ [redacted]	DUE TO ROUNDING HERE TYPE IN RED [redacted]

PEF-FUEL-000645

Guasare Coal International n.v.

G.C.I.

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

SOLD TO

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. TERMS:

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. ABA NUMBER: 021 0000 89	30 DAYS AFTER B/L DATE

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

PRODUCT DESCRIPTION	PRICE DESCRIPTION	PRICE/NET	AMOUNT U.S.$
CALORIFIC VALUE ADJUSTMENT FOR COAL SHIPPED ON 15-JUN-2005			
VESSEL: BALDER	INITIAL DES	[redacted]	
BTU/LB AS RECEIVED 13125			
BTU/LB CONTRACTED 12800			
LIBRAS PER MT 2,2046			
MT: 43.402,35			
PRICE ADJUSTMENT FORMULA: [redacted]	FINAL DES	[redacted]	[redacted]
LESS: INVOICE NBR. 05-039			[redacted]
	TOTAL AMOUNT DUE U.S.$		[redacted]

TRAIN #: ____
LOAD DATE: 6/15
TONS: 47842.91
SUPPLIER: Guasare C
COAL TYPE: Foreign D
DELIVERY MODE: Loader
INITIALS: GB

PLEASE PAY FROM 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.

Pedro W Arteaga
PREPARED BY:

PROGRESS FUELS CORP
VENDOR #: ____
AMOUNT APPROVED: ____
PAYMENT DATE: ____
ACCTG PERIOD: ____
APPROVED BY: ____
ACCTG APPROVAL: ____
UNIT ACCT #: ____
PROC APPROVED BY: ____
DESCRIPTION (20) ____

PEF-FUEL-000646

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 [redacted] 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.
  - ❖ 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.

Progress Energy

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:
  - [redacted] 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.

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

DRAFT- for discussion purposes only

Progress Energy

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[redacted] 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

PEF-FUEL-000650

DRAFT- for discussion purposes only

Progress Energy

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.

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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) *
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*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 [redacted] 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

PEF-FUEL-000669

DRAFT- for discussion purposes only

Progress Energy

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.

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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*
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*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[redacted] 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

PEF-FUEL-000686

Bid 1
2006

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

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

Specifications (as received basis):

	Typical	Min/Max
Moisture:	8.5 %	11.0% max
Ash:	6.0 %	7.0% max
Volatiles:	36.0 %	35.0% min
Sulfur:	0.72 %	0.75% max
SO2:	1.16 lbs	1.2 lbs max
Btu / Lb.	12,400	12,200 min
HGI	48	45 min
AFT IDT Red	2,500 °F	2,450 °F min
Size	0" x 2"	

Per Anderson, evaluate at 12400 BTU 6.0% ash 1.2# SO2

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

Three Stamford Plaza • 301 Tresser Boulevard • Stamford, CT 06901-3244 • U.S.A.
Telephone (203) 328-4900 • Telefax (203) 978-2630 • Telex 6819406

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

Dear Al

Re: Request for Coal

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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):

	Typical	Min/Max
Moisture:	8.5 %	11.0% max
Ash:	6.0 %	7.0% max
Volatiles:	36.0 %	35.0% min
Sulfur:	0.72 %	0.75% max
SO2:	1.16 lbs	1.2 lbs max
Btu / Lb.	12,400	12,200 min
HGI	48	45 min
AFT IDT Red	2,500 °F	2,450 °F min
Size	0" x 2"	

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

Bid 2
2006-2007
2006-2008

Pitcher, Al (PFC)

From: Andrew Lawson/stamford/glen [Andrew.Lawson@glencore-us.com]
Sent: Tuesday, July 26, 2005 4:49 PM
To: Pitcher, Al (PFC)
Cc: John McConaghy/stamford/glen
Subject: 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:

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

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

07/25/2005 01:55 PM

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

cc:

Subject: RE: Offer of Coal for CY 06

PEF-FUEL-000710

Progress Energy

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:
  - [redacted] 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.

PEF-FUEL-000727

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

Progress Energy

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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  - [redacted] 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.

Progress Energy

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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- **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.

Progress Energy

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:**
  - [redacted] 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.

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

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 [redacted] 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
    - ** Geared/Cranes and Grab vessel - 15,000 MT/day
    - ** Gearless vessel - 15,000 MT/day
  - ❖ Any additional terms and conditions regarding discharge to be discussed by Buyer and Seller.

Pitcher, Al (PFC)

From: Andrew Lawson/stamford/glen [Andrew.Lawson@glencore-us.com]
Sent: Thursday, August 04, 2005 8:23 AM
To: Pitcher, Al (PFC)
Cc: John McConaghy/stamford/glen
Subject: 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

----- Forwarded by Andrew Lawson/stamford/glen on 08/04/2005 08:20 AM -----

Andrew Lawson
07/26/2005 04:49 PM

To: "Pitcher, Al \(PFC\)" <APitcher@progressfuels.com>
cc: John McConaghy/stamford/glen
Subject: RE: Offer of Coal for CY 06(Document link: Andrew Lawson)

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[redacted]/short ton CIF IMT basis 12400 btu arb (as per our

PEF-FUEL-000755

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

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|---------+----------------------------->
|         |             "Pitcher, Al     |
|         |             \(PFC\)"         |
|         |             <APitcher@progres|
|         |             sfuels.com>      |
|         |                              |
|         |             07/25/2005 01:55 |
|         |             PM               |
|         |                              |
|---------+----------------------------->
>-------------------------------------------------------------------------------------------------------------------------------------|
  |                                                                                                                                   |
  |       To:       "Andrew Lawson/stamford/glen" <Andrew.Lawson@glencore-us.com>                                                    |
  |       cc:                                                                                                                         |
  |       Subject:  RE: Offer of Coal for CY 06                                                                                       |
>-------------------------------------------------------------------------------------------------------------------------------------|
```

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-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 McGonaghy/stamford/glen

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	

Price

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

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

Scheduling

Delivery schedule would be mutually agreed.

- 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	Typical	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[redacted] per short ton CIF Electrocoal Terminal, New Orleans at 11,400 Btu/lb gar

- 2007: US$[redacted]per short ton CIF Electrocoal Terminal, New Orleans at 11,400 Btu/lb gar
- 2008: US[redacted]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. GarciaP.

Pitcher, Al (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 [redacted]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

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

PEF-FUEL-000900

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 [redacted] 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 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.

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 [redacted] 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 <u>Excess Loading Costs Chargeable to SELLER</u>. 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 <u>Excess Freight Costs Chargeable to SELLER</u>. 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 $[redacted], 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 a cost of [redacted] 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. Sampling. 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: [redacted] 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 = [redacted] per car per day of delay.

   b. Failure to Fully Load Cars = ((9,600 ÷ 90 x AC) - AW) x [redacted] = P$

   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 ~~54,116.62~~ [redacted] tons of coal in make-up obligations (the "**Make-up Tons**")at the 2005 price of [redacted] 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 = ~~354,116.62 tons +/- 10%~~ 345,000 tons min to 406,000 tons max

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

CEV

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:	Coal Marketing Company Ltd.
Buyer:	Progress Fuels Corporation
Term:	October 2004—December 2006
Contract Quantity:	510,000 total tons +/- 10% shipped in lots at Seller's option between 55,000 tons and 75,000 tons.
Contract Price:	[redacted]
Delivery Point:	Shall be the point designated as such in the Delivery Specifications attached hereto as Exhibit 1.
Production Source(s):	Cerrejon Mines
Destination Plant(s):	Progress Energy Florida's Crystal River Units 4 & 5
Delivery Schedule:	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 average	11,500 Btu/lb.
$S0_2$ lbs./MMBtu:	1.2 lbs. monthly weighted average	greater than1.2 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) **BTU Price Adjustment Calculation.** 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:

$$\text{Contract Price} \times \frac{(\text{Actual Btu/lb.} - \text{Quality Specification Btu/lb.})}{\text{Quality Specification Btu/lb.}}$$

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) **SO_2 Price Adjustment Calculation.** If the weighted average, on a per shipment basis, for $S0_2$ content for Coal delivered hereunder is below the Quality Specification for $S0_2$ content specified above, less a .2# SO_2 dead band, an adjustment to the Contract Price, shall be made with respect to such Coal as follows:

$$(\text{Quality Specification } S0_2 - \text{Actual } S0_2) \times \frac{(\text{Quality Specification Btu/lb.} \times \text{Allowance Price})}{1{,}000{,}000}$$

However, if the weighted average, on a per shipment basis, is above the Quality Specifications for SO_2 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 "$S0_2$ Monthly Price" or "$S0_2$ 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 [redacted] 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 [redacted] 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 [redacted] 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 SO_2. 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,

Progress Fuels Corporation

By:
Name: A. W. Pitcher
Title: Vice President-Coal Procurement
Date: 10/25/04

AGREED TO AND ACCEPTED BY:

Coal Marketing Company Ltd.

By:
Name: H.C. GATISS
Title: CEO
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.

2. Quantity. During the extended term hereof, the quantity of coal to be delivered hereunder [redacted] shall be 320,000 total tons or 20,000 tons per month. [redacted]

4 Base Price. During the extended term hereof, the base price per ton of coal, f.o.b. railcar CSX Kanawha District (hereinafter "base price") shall be [redacted]. Additionally, Seller shall receive a per ton premium of [redacted] per 100 Btu for coal shipments with Btu levels above 12,000, fractions pro rata, on a monthly composite and pay a per ton penalty of [redacted] per 100 Btu for coal shipments with Btu levels below 12,000, fractions pro rata, on a monthly composite.

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: Roberta Q. Ott

PROGRESS FUELS CORPORATION
(FORMERLY ~~ELECTRIC FUELS~~ CORPORATION)

By ________
Vice President—Coal Procurement
Date Executed 9/16/03

WITNESS: Kelly C. Butt

MASSEY COAL SALES COMPANY, INC.

By John R. Parker
Senior Vice President
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 9th day of Jan., 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 Term. 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 Base Price. For the period January 1, 2006-December 31, 2006, the "Base Price" shall be [redacted] per ton, delivered F.O.B. railcar at SELLER's mine loading site and [redacted] 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**

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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.

50,000 per month

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

5. Billing and Payment. 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. Delivery, 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.

(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 majeure 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 [redacted], 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.

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: [redacted] 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 = [redacted] per car per day of delay.

   b. Failure to Fully Load Cars = ((9,700 ÷ 90 x AC) - AW) x [redacted] = P$

   Where: AC = actual number railcars
   AW = actual weight of train
   P$ = penalty in dollars

DMD
PML
RFP
RAH
RSM
DLB
FYI
KA 11-27-00

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

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**"); 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**"). This to CF

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 [redacted] 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 [redacted] 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 ¼ 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:

____

ELECTRIC FUELS CORPORATION

By ______________________
Vice President—Coal Procurement

Date Executed 11-13-00

WITNESS:

____

MASSEY COAL SALES COMPANY, INC.

By ______________________

Date Executed 11-16-00

xc: AMU
PML
RFP
DLE
"A" Coal extension

SECOND AMENDMENT TO THE

AGREEMENT FOR THE SALE AND PURCHASE OF COAL ~~MSHA~~ thanks to CF

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 31st 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[redacted]

1.03 <u>Quantity</u>. 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. 50 mo for 18 mo's

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. <u>Base Price</u>. The base price per ton of coal, f.o.b. Seller's mine loading site (the "base price") shall be [redacted] 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 [redacted], 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. **Coal Specifications**. 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)

PEF-FUEL-000977

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 ÷ 90 x AC)-AW) x [redacted]=P$. Appendix B in all other respects shall remain in full force and effect.

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:

Roberta A. Ott

ELECTRIC FUELS CORPORATION

By Dennis H. Edwards

Vice President Coal Procurement

Date Executed October 31, 2001

WITNESS:

MASSEY COAL SALES COMPANY, INC.

By John R. Parker

Date Executed October 30, 2001

ORIGINAL

Progress Energy

XC: AWP
DHD
FML
HJK
RFP
CAL
VICKY HICKS
ORIG TO CF

September 8, 2003

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.
- Price [redacted] FOB Seller's mine loading site, adjusted monthly for BTU at [redacted] per 100 BTU/LB from 12500 fractions pro rata. [redacted]

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,

A. W. Pitcher
Vice President—Coal Procurement

AWP/ro

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

Massey Coal Sales Company, Inc.

By: John R. Parker

Its: Senior Vice President

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

ORIGINAL

Progress Energy

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 [redacted] 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 [redacted] 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 [redacted] 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

ATTACHMENT 1

MASSEY A RAIL
2004 CARRYOVER TONS

2004 Contract 1 Price	[redacted]	
2005 Contract 1 Price		150,000 tons ends 3/31/05
2005 Contract 2 Price		720,000 tons 1/1 - 12/31/05

Undership 2004 208,269.75

2005	TONS PURCHASED	YTD	BALANCE REMAINING
JAN	48,509.08	48,509.08	159,760.67
FEB	29,423.05	77,932.13	130,337.62
MAR	48,639.80	126,571.93	81,697.82
APR			
MAY			
JUN			
JUL			
AUG			
SEP			
OCT			
NOV			
DEC			

	Tons	Rate	Dollars
Remaining 2004 C/O tons	81,697.82	[redacted]	$ [redacted]
2005 Contract 1 tons: 1/1-3/31/05	150,000.00		
	231,697.82		
Contract 2 tons: 1/1 -12/31/05	720,000.00	[redacted]	[redacted]
	951,697.82		$ [redacted]

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 9th day of JAN., 2006 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 Term. 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 Base Price. For the period January 1, 2006-December 31, 2006, the "Base Price" shall be $[redacted] per 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 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. 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 Base Price. The base price per ton of coal, f.o.b. SELLER'S mine loading site, (hereinafter "base price") shall be$[redacted] 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 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

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: [redacted] 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 = [redacted] per car per day of delay.

   b. Failure to Fully Load Cars = ((9,600 ÷ 90 x AC) - AW) x [redacted] = P$

   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 $[redacted]/barge/day. This rate subject to change.

Progress Energy

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:

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 [redacted] per net ton based on 11,871 Btu. The price of the second trainload will be [redacted] 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

Progress Energy

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 [redacted] 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 Central Avenue
St. Petersburg, 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 <u>Warranty and Dedication of SELLER'S Reserves</u>. 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 <u>Quantity</u>. 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 <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, 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 [redacted] 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.

APPENDIX B

River Barge Demurrage/Detention Costs

One (1) day free time to load; [redacted]/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 **Base Price.** The base price per ton of coal, f.o.b. SELLER'S mine loading site, (hereinafter "base price") shall be fixed at [redacted] 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 Delivery and Title. 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 [redacted] 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 [redacted] 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:

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: [redacted] 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 = [redacted] per car per day of delay.

   b. Failure to Fully Load Cars = ((9,600 + 90 x AC) - AW) x [redacted] = P$

   Where: AC = actual number railcars
   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 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. This Agreement will expire on December 31, 2006.

5.01 Base Price. The base price per ton of coal, f.o.b. SELLER'S mine loading site, (hereinafter "base price") shall be [redacted] 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 [redacted], 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

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: [redacted] 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 = [redacted] per car per day of delay.

    b. Failure to Fully Load Cars = ((9,600 ÷ 90 x AC) - AW) x [redacted] = P$

    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.