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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:

Alpha Natural Resources, Inc., et al.,
Debtors.

Chapter 11

Case No. 15-33896 (KRH)

(Jointly Administered)

**DEBTORS' MONTHLY OPERATING REPORT FOR THE
PERIOD FROM OCTOBER 1, 2015 THROUGH OCTOBER 31, 2015**⁽¹⁾

In accordance with Section 1746 of Title 28 of the United States Code, I declare under penalty of perjury that I have examined the following monthly operating report and the accompanying attachments and, to the best of my knowledge, these documents are true, correct and complete.

Authorized Person:

/s/ Philip J. Cavatoni

Philip J. Cavatoni
Executive Vice President &
Chief Financial & Strategy Officer

Dated: November 20, 2015



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CASH RECEIPTS & DISBURSEMENTS

(amounts in thousands)

	Case No.	Debtor Entity	Cash Receipts	Cash Disbursements ⁽²⁾
1	15-33963 (KRH)	AMFIRE Mining Company, LLC	\$ —	\$ 15
2	15-34032 (KRH)	Maxxum Carbon Resources, LLC	—	—
3	15-33939 (KRH)	Alpha Land and Reserves, LLC	—	1,309
4	15-33962 (KRH)	Esperanza Coal Co., LLC	—	—
5	15-33932 (KRH)	Dickenson-Russell Coal Company, LLC	—	1,556
6	15-33935 (KRH)	Dickenson-Russell Land and Reserves, LLC	—	—
7	15-34039 (KRH)	Paramont Coal Company Virginia, LLC	—	15,130
8	15-33960 (KRH)	Enterprise Mining Company, LLC	—	2,233
9	15-33970 (KRH)	Axiom Excavating and Grading Services, LLC	—	—
10	15-33904 (KRH)	Knox Creek Coal Corporation	—	1,453
11	15-33905 (KRH)	Mill Branch Coal Corporation	—	76
12	15-33908 (KRH)	Pigeon Creek Processing Corporation	—	9
13	15-33907 (KRH)	North Fork Coal Corporation	—	89
14	15-33910 (KRH)	Resource Land Company LLC	—	19
15	15-33903 (KRH)	Harlan Reclamation Services LLC	—	12
16	15-33909 (KRH)	Resource Development LLC	—	68
17	15-33929 (KRH)	Rawl Sales & Processing Co.	—	58
18	15-34015 (KRH)	Martin County Coal Corporation	—	174
19	15-33981 (KRH)	Sidney Coal Company, Inc.	—	2,248
20	15-33951 (KRH)	Road Fork Development Company, Inc.	—	27
21	15-33991 (KRH)	Sycamore Fuels, Inc.	—	—
22	15-33987 (KRH)	Long Fork Coal Company	—	51
23	15-34034 (KRH)	New Ridge Mining Company	—	622
24	15-34047 (KRH)	Pilgrim Mining Company, Inc.	—	55
25	15-34028 (KRH)	Crystal Fuels Company	—	—
26	15-33953 (KRH)	Lauren Land Company	—	1,124
27	15-34046 (KRH)	Peter Cave Mining Company	—	15
28	15-33975 (KRH)	Freeport Resources Company, LLC	—	—
29	15-34030 (KRH)	Cumberland Coal Resources, LP	—	18,412
30	15-33925 (KRH)	Alpha Coal Resources Company, LLC	—	—
31	15-34042 (KRH)	Pennsylvania Land Holdings Company, LLC	—	28
32	15-34043 (KRH)	Pennsylvania Land Resources Holding Company, LLC	—	—
33	15-34020 (KRH)	Pennsylvania Land Resources, LLC	662	3,857
34	15-33956 (KRH)	Emerald Coal Resources, LP	—	6,206
35	15-33964 (KRH)	Rostraver Energy Company	—	—
36	15-34044 (KRH)	Pennsylvania Services Corporation	—	509
37	15-33968 (KRH)	Foundation PA Coal Company, LLC	—	—
38	15-33973 (KRH)	Freeport Mining, LLC	—	—
39	15-33965 (KRH)	Foundation Mining, LLC	—	26

Case Name: Alpha Natural Resources, Inc., et al.

Case Number: 15-33896 (KRH) (Jointly Administered)

CASH RECEIPTS & DISBURSEMENTS

(amounts in thousands)

	Case No.	Debtor Entity	Cash Receipts	Cash Disbursements ⁽²⁾
40	15-33955 (KRH)	Alpha PA Coal Terminal, LLC	—	309
41	15-33936 (KRH)	River Processing Corporation	—	6
42	15-33961 (KRH)	Rockspring Development, Inc.	—	1,309
43	15-33946 (KRH)	Riverton Coal Production Inc.	—	—
44	15-34049 (KRH)	Pioneer Fuel Corporation	—	2,521
45	15-34040 (KRH)	Paynter Branch Mining, Inc.	—	85
46	15-33924 (KRH)	Kingston Mining, Inc.	—	5,121
47	15-33906 (KRH)	Neweagle Industries, Inc.	—	—
48	15-33986 (KRH)	Barbara Holdings Inc.	—	—
49	15-33967 (KRH)	Rum Creek Coal Sales, Inc.	—	631
50	15-33966 (KRH)	Aracoma Coal Company, Inc.	—	6,684
51	15-33978 (KRH)	Bandmill Coal Corporation	—	1,592
52	15-33996 (KRH)	Highland Mining Company	—	3,561
53	15-33919 (KRH)	Delbarton Mining Company	—	3,221
54	15-33982 (KRH)	Logan County Mine Services, Inc.	—	41
55	15-33990 (KRH)	Barnabus Land Company	—	1
56	15-34016 (KRH)	Brooks Run Mining Company, LLC	—	8,999
57	15-34033 (KRH)	McDowell-Wyoming Coal Company, LLC	—	—
58	15-33992 (KRH)	Herndon Processing Company, LLC	—	50
59	15-33976 (KRH)	Litwar Processing Company, LLC	—	887
60	15-34013 (KRH)	Kepler Processing Company, LLC	—	1,389
61	15-33943 (KRH)	Riverside Energy Company, LLC	—	1,796
62	15-33988 (KRH)	Stirrat Coal Company	—	16
63	15-33920 (KRH)	Premium Energy, LLC	—	1,029
64	15-34022 (KRH)	Brooks Run South Mining, LLC	—	6,882
65	15-34036 (KRH)	Nicewonder Contracting, Inc.	—	25
66	15-34011 (KRH)	Twin Star Mining, Inc.	—	245
67	15-33895 (KRH)	Buchanan Energy Company, LLC	—	—
68	15-33941 (KRH)	Kingwood Mining Company, LLC	—	56
69	15-34041 (KRH)	Peerless Eagle Coal Co.	—	26
70	15-34005 (KRH)	Jacks Branch Coal Company	—	271
71	15-33933 (KRH)	Republic Energy, Inc.	—	9,327
72	15-34021 (KRH)	White Buck Coal Company	—	—
73	15-33985 (KRH)	Green Valley Coal Company	—	102
74	15-33914 (KRH)	Power Mountain Coal Company	—	450
75	15-34010 (KRH)	Kanawha Energy Company	—	44
76	15-33984 (KRH)	Spartan Mining Company	—	7,992
77	15-33911 (KRH)	Alex Energy, Inc.	—	4,740
78	15-33948 (KRH)	Elk Run Coal Company, Inc.	—	8,569

Case Name: Alpha Natural Resources, Inc., et al.

Case Number: 15-33896 (KRH) (Jointly Administered)

CASH RECEIPTS & DISBURSEMENTS

(amounts in thousands)

	Case No.	Debtor Entity	Cash Receipts	Cash Disbursements ⁽²⁾
79	15-34009 (KRH)	Marfork Coal Company, Inc.	—	12,790
80	15-34045 (KRH)	Performance Coal Company	—	89
81	15-33979 (KRH)	Goals Coal Company	—	133
82	15-34008 (KRH)	Black King Mine Development Co.	—	1,395
83	15-34026 (KRH)	Clear Fork Coal Company	—	4
84	15-34038 (KRH)	Omar Mining Company	—	33
85	15-34002 (KRH)	Independence Coal Company, Inc.	—	577
86	15-34004 (KRH)	Black Castle Mining Company, Inc.	—	5,485
87	15-33969 (KRH)	Laxare, Inc.	—	124
88	15-34012 (KRH)	Boone East Development Co.	—	1,203
89	15-33949 (KRH)	Alpha Wyoming Land Company, LLC	—	72
90	15-34007 (KRH)	Jay Creek Holding, LLC	—	—
91	15-33923 (KRH)	Delta Mine Holding Company	—	—
92	15-34014 (KRH)	Wabash Mine Holding Company	—	236
93	15-33944 (KRH)	Alpha Midwest Holding Company	—	—
94	15-34017 (KRH)	Warrick Holding Company	—	—
95	15-33971 (KRH)	Foundation Royalty Company	—	6
96	15-33926 (KRH)	Alpha Coal Sales Co., LLC	—	31,151
97	15-33901 (KRH)	Appalachia Holding Company	—	1,748
98	15-33972 (KRH)	Russell Fork Coal Company	—	—
99	15-33896 (KRH)	Alpha Natural Resources, Inc.	11	3,329
100	15-33921 (KRH)	Alpha Appalachia Services, Inc.	—	13
101	15-33902 (KRH)	Black Mountain Cumberland Resources, Inc.	—	—
102	15-33900 (KRH)	Appalachia Coal Sales Company, Inc.	—	—
103	15-33974 (KRH)	Shannon-Pocahontas Coal Corporation	—	—
104	15-34025 (KRH)	Wyomac Coal Company, Inc.	—	—
105	15-34000 (KRH)	Big Bear Mining Company	—	38
106	15-33999 (KRH)	Hopkins Creek Coal Company	—	—
107	15-33995 (KRH)	T. C. H. Coal Co.	—	—
108	15-34006 (KRH)	Trace Creek Coal Company	—	—
109	15-33912 (KRH)	Dehue Coal Company	—	—
110	15-33947 (KRH)	Alpha Natural Resources, LLC	260,063	1,810
111	15-33954 (KRH)	AMFIRE, LLC	—	—
112	15-33938 (KRH)	DRIH Corporation	—	—
113	15-33958 (KRH)	AMFIRE Holdings, LLC	—	—
114	15-34023 (KRH)	Williams Mountain Coal Company	—	—
115	15-34001 (KRH)	Thunder Mining Company II, Inc.	—	—
116	15-33917 (KRH)	Alpha Appalachia Holdings, Inc.	—	3
117	15-33952 (KRH)	Alpha Natural Resources Services, LLC	—	87,963

Case Name: Alpha Natural Resources, Inc., et al.

Case Number: 15-33896 (KRH) (Jointly Administered)

CASH RECEIPTS & DISBURSEMENTS

(amounts in thousands)

	Case No.	Debtor Entity	Cash Receipts	Cash Disbursements ⁽²⁾
118	15-34029 (KRH)	Maxxim Shared Services, LLC	—	7,486
119	15-33913 (KRH)	Alpha American Coal Company, LLC	—	—
120	15-33915 (KRH)	Alpha American Coal Holding, LLC	—	—
121	15-33950 (KRH)	Alpha Natural Resources International, LLC	—	—
122	15-33937 (KRH)	Alpha India, LLC	—	6
123	15-33898 (KRH)	Alpha European Sales, Inc.	—	22
124	15-33977 (KRH)	Shannon-Pocahontas Mining Company	—	—
125	15-33994 (KRH)	Lynn Branch Coal Company, Inc.	—	5
126	15-33942 (KRH)	Duchess Coal Company	—	—
127	15-34019 (KRH)	West Kentucky Energy Company	—	—
128	15-33989 (KRH)	Greyeagle Coal Company	—	6
129	15-33957 (KRH)	Robinson-Phillips Coal Company	—	—
130	15-33945 (KRH)	Eagle Energy, Inc.	—	43
131	15-33983 (KRH)	Bandytown Coal Company	—	—
132	15-33993 (KRH)	Belfry Coal Corporation	—	4
133	15-34050 (KRH)	Plateau Mining Corporation	—	14
134	15-34024 (KRH)	Castle Gate Holding Company	—	—
135	15-34003 (KRH)	Maple Meadow Mining Company	—	—
136	15-33997 (KRH)	Tennessee Consolidated Coal Company	—	49
137	15-34027 (KRH)	Maxxim Rebuild Co., LLC	—	2,225
138	15-33928 (KRH)	DFDSTE Corp.	—	—
139	15-34035 (KRH)	New River Energy Corporation	—	445
140	15-34018 (KRH)	Coal Gas Recovery II, LLC	111	284
141	15-33940 (KRH)	Alpha Terminal Company, LLC	—	—
142	15-33959 (KRH)	Alpha Shipping and Chartering, LLC	—	—
143	15-33931 (KRH)	Alpha Coal West, Inc.	—	21,652
144	15-33916 (KRH)	Alpha Sub Eight, LLC	—	—
145	15-33918 (KRH)	Alpha Sub Eleven, Inc.	—	—
146	15-33922 (KRH)	Alpha Sub Nine, LLC	—	—
147	15-33927 (KRH)	Alpha Sub One, LLC	—	—
148	15-33930 (KRH)	Alpha Sub Ten, Inc.	—	—
149	15-33934 (KRH)	Alpha Sub Two, LLC	—	—
	Total Debtors ⁽³⁾		\$ 260,847	\$ 313,801

Case Name: Alpha Natural Resources, Inc., et al.

Case Number: 15-33896 (KRH) (Jointly Administered)

BANK ACCOUNT INFORMATION

(amounts in thousands)

	Account Holder	Bank Name	Account Description	Last Digits of Account Number	Ending Bank Balance ⁽⁴⁾
1	Alpha Natural Resources, LLC	Bank of America, N.A.	Main Concentration Account	8595	\$ 344,847
2	Alpha Natural Resources, LLC	Branch Banking and Trust Company	Concentration Account	0601	\$ 47
3	Alpha Natural Resources, Inc.	Citicorp North America, Inc.	Concentration Account	8377	\$ —
4	Alpha Natural Resources, LLC	Bank of America, N.A.	Segregated Account	8084	\$ 324,940
5	Alpha Natural Resources, LLC	Bank of America, N.A.	ZBA Lockbox Account	8603	\$ —
6	Alpha Natural Resources, Inc.	Bank of America, N.A.	ZBA Lockbox Account	3314	\$ —
7	Alpha Natural Resources, Inc.	Bank of America, N.A.	ZBA Lockbox Account	8967	\$ —
8	Alpha Natural Resources Services, LLC	Bank of America, N.A.	ZBA Payroll Account	7851	\$ —
9	Bandmill Coal Corporation	Bank of America, N.A.	ZBA Payroll Account	0891	\$ —
10	Cumberland Coal Resources, LP	Bank of America, N.A.	ZBA Payroll Account	7899	\$ —
11	Dickenson-Russell Coal Company, LLC	Bank of America, N.A.	ZBA Payroll Account	7912	\$ —
12	Emerald Coal Resources, LP	Bank of America, N.A.	ZBA Payroll Account	7931	\$ —
13	Goals Coal Company	Bank of America, N.A.	ZBA Payroll Account	0896	\$ —
14	Litwar Processing Company, LLC	Bank of America, N.A.	ZBA Payroll Account	7979	\$ —
15	Power Mountain Coal Company	Bank of America, N.A.	ZBA Payroll Account	0919	\$ —
16	Alpha Natural Resources Services, LLC	Bank of America, N.A.	ZBA Master Disbursement Account	9502	\$ —
17	Maxxim Rebuild Co., LLC	Branch Banking and Trust Company	Maxxim Operating Account	2706	\$ 303
18	Foundation PA Coal Company, LLC	Bank of America, N.A.	Rice Proceeds Account	7254	\$ 39,386
19	Alpha Natural Resources Services, LLC	Bank of America, N.A.	Operating Account	9311	\$ —
20	Alpha Natural Resources Services, LLC	Bank of America, N.A.	Operating Account	9316	\$ —
21	Alpha India, LLC	Bank of America, N.A.	Operating Account	5585	\$ —
22	New River Energy Corporation	First Community Bank	Operating Account	6945	\$ 33
23	Pennsylvania Land Resources, LLC	Wells Fargo	Operating Account	7130	\$ 7,062
24	Coal Gas Recovery II, LLC	Wells Fargo	Operating Account	7155	\$ 592
25	Alpha European Sales, Inc.	UBS Bank	Foreign Account	1501T	\$ 14
26	Alpha European Sales, Inc.	UBS Bank	Foreign Account	1560W	\$ —
27	Alpha European Sales, Inc.	UBS Bank	Foreign Account	1561Q	\$ 3
28	Alpha Appalachia Services, Inc.	Branch Banking and Trust Company	Petty Cash Account	3914	\$ 5
29	Alpha Appalachia Services, Inc.	Branch Banking and Trust Company	Petty Cash Account	3949	\$ 9
30	Alpha Appalachia Services, Inc.	United Bank	Petty Cash Account	1965	\$ 4
31	Alpha Coal West, Inc.	First National Bank	Petty Cash Account	1657	\$ 14
32	Alpha Natural Resources Services, LLC	Bank of America, N.A.	Payroll Petty Cash Account	5234	\$ 30
33	Logan County Mine Services, Inc.	Branch Banking and Trust Company	Petty Cash Account	3930	\$ 11
34	Brooks Run Mining Company, LLC	JP Morgan Chase	Petty Cash Account	3496	\$ 12
35	Brooks Run Mining Company, LLC	First Community	Petty Cash Account	2576	\$ 10
36	Marfork Coal Company, Inc.	Branch Banking and Trust Company	Petty Cash Account	3957	\$ 14
37	Cumberland Coal Resources, LP	First Federal	Petty Cash Account	3816	\$ 8
38	Lauren Land Company	Branch Banking and Trust Company	Petty Cash Account	3841	\$ 7

Case Name: Alpha Natural Resources, Inc., et al.

Case Number: 15-33896 (KRH) (Jointly Administered)

BANK ACCOUNT INFORMATION

(amounts in thousands)

	Account Holder	Bank Name	Account Description	Last Digits of Account Number	Ending Bank Balance ⁽⁴⁾
39	Alpha Appalachia Services, Inc.	Branch Banking and Trust Company	Petty Cash Account	3922	\$ 15
40	Kingston Mining, Inc.	Branch Banking and Trust Company	Petty Cash Account	1972	\$ 3
41	Kingwood Mining Company, LLC	ClearMountain Bank	Petty Cash Account	7670	\$ —
42	Knox Creek Coal Corporation	Branch Banking and Trust Company	Petty Cash Account	1794	\$ 1
43	Maxxim Shared Services, LLC	Branch Banking and Trust Company	Petty Cash Account	6712	\$ 3
44	Alpha Natural Resources Services, LLC	Global Cash Card	Payroll Petty Cash Account	6652	\$ 124
45	Alpha Natural Resources, Inc.	Bank of America, N.A.	Other Account (Retiree Medical Reimbursement Fund)	0946	\$ 467
46	DRIH Corporation ⁽⁵⁾	Branch Banking and Trust Company	Other Account (de minimis payables)	1730	\$ —
47	Alpha Natural Resources, Inc.	Citicorp North America, Inc.	Other Account (letters of credit collateral)	5459	\$ 110,192
48	Alpha Natural Resources, Inc.	Bank of America, N.A.	Money Market Account	0A10	\$ 41,523
49	Alpha Natural Resources, Inc.	Bank of America, N.A.	Investment Account (inactive)	8906	\$ —
50	Alpha Natural Resources, LLC	Wells Fargo	Managed Securities Account	2600	\$ 130,343
51	Alpha Natural Resources, LLC	Wells Fargo	Managed Securities Account	2602	\$ 75,207
52	Alpha Natural Resources, LLC	Wells Fargo	Managed Securities Account	2605	\$ 75,391
53	Alpha Natural Resources, LLC	Wells Fargo	Managed Securities Account	2606	\$ 95,113
54	Alpha Natural Resources, LLC	Wells Fargo	Managed Securities Account	2607	\$ 75,244
55	Alpha Natural Resources, Inc.	Bank of America, N.A.	Rabbi Trust	0388	\$ 36
56	Alpha Natural Resources, Inc.	Bank of America, N.A.	Rabbi Trust	0379	\$ 418
57	Alpha Natural Resources, Inc.	Bank of America, N.A.	Rabbi Trust	0387	\$ 7,851
58	Alpha Appalachia Holdings Company	Bank of America, N.A.	Rabbi Trust	0378	\$ 713
59	Foundation PA Coal Company, LLC	Barclays	Corporate Equity Securities (Rice Shares)	N/A	\$ 61,286

Case Name: Alpha Natural Resources, Inc., et al.

Case Number: 15-33896 (KRH) (Jointly Administered)

PAYMENTS TO INSIDERS ⁽⁶⁾
(amounts in thousands)

Name	Title / Capacity	Type of Payment	Amount Paid in Current Period	Total Paid to Date Postpetition
E. Linn Draper, Jr.	Director	Quarterly Director Fees & Expense Reimbursement	\$ 14	\$ 28
William J. Crowley, Jr.	Director	Quarterly Director Fees & Expense Reimbursement	12	14
Deborah M. Fretz	Director	Quarterly Director Fees & Expense Reimbursement	14	17
L. Patrick Hassey	Director	Quarterly Director Fees & Expense Reimbursement	17	20
P. Michael Giftos	Director	Quarterly Director Fees & Expense Reimbursement	16	18
Joel Richards, III	Director	Quarterly Director Fees & Expense Reimbursement	19	21
Various Employees	Various	Wages & Other Payroll Earnings, Allowances and Considerations	845	1,770
Various Employees	Various	Expense Reimbursements	20	44
Total Payments To Insiders			\$ 957	\$ 1,932

PAYMENTS TO PROFESSIONALS
(amounts in thousands)

Name	Role / Capacity	Amount Paid in Current Period	Total Paid to Date Postpetition	Total Accrued & Unpaid ⁽⁷⁾
Jones Day	Debtors' Counsel	\$ —	\$ —	\$ 4,590
Hunton & Williams LLP	Debtors' Local Counsel	—	—	339
Jackson Kelly PLLC	Debtors' Special Counsel	—	—	1,013
Quinn Emanuel Urquhart & Sullivan, LLP	Debtors' Special Counsel	—	—	297
Cleary Gottlieb Steen & Hamilton LLP	Debtors' Special Counsel	—	—	128
Rothschild Inc.	Debtors' Investment Banker	—	—	2,443
Alvarez & Marsal North America, LLC	Debtors' Financial Advisor	1,807	1,807	800
McKinsey Recovery & Transformation Services, US, LLC	Debtors' Turnaround Advisor	—	—	4,788
Kurtzman Carson Consultants, LLC	Debtors' Notice, Claims, and Solicitation Agent	—	—	1,101
Prime Clerk, LLC	Debtors' Claims Administrator	—	—	—
Davis Polk & Wardwell LLP	First Lien Lender Counsel	419	2,482	1,016
McGuire Woods LLP	First Lien Lender Local Counsel	—	233	53
Ducera Partners LLC	First Lien Lender Investment Bankers	—	182	180
Kirkland & Ellis LLP	Second Lien Lender Counsel	287	804	1,851
Kutak Rock LLP	Second Lien Lender Local Counsel	—	81	39
Houlihan Lokey, Inc.	Second Lien Lender Investment Bankers	624	624	150
Milbank Tweed Hadley & McCloy LLP	UCC's Counsel	—	—	2,974
Sands Anderson PC	UCC's Local Counsel	—	—	301
Jefferies Group LLC	UCC's Investment Banker	—	—	409
Protiviti Inc.	UCC's Financial Advisor	—	—	1,153
Blackacre LLC	UCC's Coal Consultant	—	—	96
KPMG LLP	Debtors' Auditor	—	—	567
Deloitte Tax LLP	Debtors' Tax Advisor	—	—	186
Ernst & Young LLP	Debtors' Accounting/Tax/Valuation Advisor	—	33	40
Office of the United States' Trustee	Trustee	503	503	267
Total Payments To Professionals ⁽⁸⁾		\$ 3,640	\$ 6,749	\$ 24,781

Case Name: Alpha Natural Resources, Inc., et al.

Case Number: 15-33896 (KRH) (Jointly Administered)

**POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE
AND ADEQUATE PROTECTION PAYMENTS ⁽⁹⁾
(amounts in thousands)**

Principal	Beginning Balance	Advances	Repayments	Other	Ending Balance ⁽¹⁰⁾
DIP Term Loan	\$ 300,000	\$ —	\$ —	\$ —	\$ 300,000
1 st Lien Revolver	445,000	—	—	—	445,000
1 st Lien Term Loan	610,938	—	—	—	610,938
Total	\$ 1,355,938	\$ —	\$ —	\$ —	\$ 1,355,938

Accrued Interest/Fees	Beginning Balance	Interest and Fees Incurred	Payments	Other	Ending Balance
DIP Term Loan	\$ 2,319	\$ 2,698	\$ (924)	\$ —	\$ 4,093
1 st Lien Revolver	8,638	2,925	(8,593)	—	2,970
1 st Lien Term Loan	—	1,841	—	—	1,841
Total	\$ 10,957	\$ 7,464	\$ (9,517)	\$ —	\$ 8,904

DEBTOR QUESTIONNAIRE
(amounts in thousands)

	Yes	No
Have any assets been sold or transferred outside the normal course of business this reporting period?	X ⁽¹¹⁾	
Have any funds been disbursed from any account other than a debtor in possession account?		X
Are any postpetition receivables (accounts, notes, or loans) due from related parties?	X ⁽¹²⁾	
Have any payments been made on pre-petition liabilities this reporting period?	X ⁽¹³⁾	
Have any postpetition loans been received by the Debtor from any party?		X
Are any postpetition payroll taxes past due?		X
Are any postpetition State or Federal income taxes past due?		X
Are any postpetition real estate taxes past due?		X
Are any other postpetition taxes past due?	X ⁽¹⁴⁾	
Are any amounts owed to postpetition creditors delinquent?	X ⁽¹⁴⁾	
Have any pre-petition taxes been paid during this reporting period?	X ⁽¹³⁾⁽¹⁵⁾	
Are any wage payments past due?		X
Are workers compensation, general liability or other necessary insurance coverages in effect?	X ⁽¹⁶⁾	
Are all premium payments paid current?	X ⁽¹⁶⁾	
Please itemize policies below	X ⁽¹⁶⁾	

Insurance Installment Payments			
Type of Policy	Carrier	Period Covered	Payment Amount & Frequency⁽¹⁷⁾
Storage Tank Liability Insurance	AIG	8/31/15 - 8/31/16	\$1/Annually
Cargo Insurance	Starr Indemnity	3/31/15 - 3/31/16	\$69/Quarterly
Oil Lease Property Insurance	Lloyd's Syndicate	10/1/15 - 10/1/16	\$63/Annually

Appendix A

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CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) ⁽¹⁸⁾

(amounts in thousands)

October 31, 2015 ⁽¹⁹⁾

Assets	
Current assets	
Cash and cash equivalents	\$ 830,942
Trade accounts receivable, net	204,279
Inventories, net	230,278
Short-term investments	372,437
Prepaid expenses and other current assets	266,466
Total current assets	<u>1,904,402</u>
Property, plant and equipment, net	7,774,941
Goodwill, net	43,906
Other acquired intangibles, net	62,773
Long-term investments	70,304
Long-term restricted cash	110,192
Other non-current assets	119,172
Total assets	<u>\$ 10,085,690</u>
Liabilities and Stockholders' Equity	
Liabilities not subject to compromise	
Current liabilities	
Current portion of long-term debt	\$ 1,312,266
Trade accounts payable	141,822
Accrued expenses and other current liabilities	400,433
Total current liabilities	<u>1,854,521</u>
Long-term debt	32,445
Asset retirement obligations	591,163
Deferred income taxes	741,651
Other non-current liabilities	359,764
Total liabilities not subject to compromise	<u>3,579,544</u>
Liabilities subject to compromise	<u>4,803,411</u>
Total liabilities	8,382,955
Stockholders' Equity	
Preferred stock - par value \$0.01	—
Common stock - par value \$0.01	2,351
Additional paid-in capital	8,216,363
Accumulated other comprehensive loss	(253,048)
Treasury stock, at cost	(273,620)
Accumulated deficit	(5,989,311)
Total stockholders' equity	<u>1,702,735</u>
Total liabilities and stockholders' equity	<u>\$ 10,085,690</u>

Case Name: Alpha Natural Resources, Inc., et al.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
FOR THE MONTH AND TEN MONTHS ENDED OCTOBER 31, 2015 ⁽¹⁸⁾

(amounts in thousands)

	MTD	YTD ⁽¹⁹⁾
Revenues		
Coal revenues	\$ 184,787	\$ 2,255,795
Freight and handling revenues	28,073	284,348
Other revenues	3,794	43,201
Total revenues	216,654	2,583,344
Costs and expenses		
Cost of coal sales (exclusive of items shown separately below)	191,593	2,337,228
Freight and handling costs	28,073	284,348
Other expenses	1,634	9,158
Depreciation, depletion and amortization	44,222	525,008
Amortization of acquired intangibles, net	1,975	26,992
Selling, general and administrative expenses (exclusive of depreciation, depletion and amortization shown separately above)	7,032	93,464
Asset impairment and restructuring	825	525,955
Total costs and expenses	275,354	3,802,153
Loss from operations	(58,700)	(1,218,809)
Other income (expense)		
Interest expense	(11,468)	(206,035)
Interest income	89	1,849
Gain on early extinguishment of debt	—	364,153
Miscellaneous income, net	26	116,395
Total other income, net	(11,353)	276,362
Loss before reorganization items and income taxes	(70,053)	(942,447)
Reorganization items, net	5,865	647,017
Loss before income taxes	(75,918)	(1,589,464)
Income tax benefit	10,959	261,913
Net loss	\$ (64,959)	\$ (1,327,551)

SUMMARIZED AND CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE MONTH AND TEN MONTHS ENDED OCTOBER 31, 2015 ⁽¹⁸⁾

(amounts in thousands)

	MTD	YTD ⁽¹⁹⁾
Net cash used in operating activities	\$ (39,162)	\$ (175,025)
Investing activities:		
Capital expenditures	(12,469)	(127,656)
Purchases of investments	(70,422)	(572,081)
Sales of investments	46,693	649,881
Deposit of restricted cash	—	(110,160)
Purchase of joint venture interest	—	(126,016)
Proceeds from sale of property, plant and equipment	734	19,425
Net cash used in investing activities	(35,464)	(266,607)
Financing activities:		
Proceeds from borrowings on long-term debt	—	943,646
Principal repayments of long-term debt	—	(379,509)
Principal repayments of capital lease obligations	(1,266)	(15,574)
Debt issuance and modification costs	(436)	(15,912)
Other, net	(9)	(1,263)
Net cash (used in) provided by financing activities	(1,711)	531,388
Net (decrease) increase in cash and cash equivalents	(76,337)	89,756
Cash and cash equivalents at beginning of period	907,279	741,186
Cash and cash equivalents at end of period	\$ 830,942	\$ 830,942

ACCOUNTS RECEIVABLE AGING ⁽¹⁸⁾
 (amounts in thousands)

Accounts Receivable	Amount
0-30 Days	\$ 199,360
31-60 Days	2,037
61-90 Days	352
91+ Days	5,695
Other Non-Trade & Misc. Receivables	5,953
Accounts Receivable (Gross)	\$ 213,397
Reserve for Bad Debt	(9,118)
Amount Considered Uncollectible	—
Accounts Receivable (Net) ⁽²⁰⁾	\$ 204,279

AGING OF POSTPETITION TAXES & PAYABLES ⁽¹⁸⁾
 (amounts in thousands)

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
Federal	\$ 10,939	\$ —	\$ —	\$ —	\$ 10,939
State and Local	19,124	48	—	—	19,172
Other	—	—	—	—	—
Total Taxes Payable ⁽²¹⁾	\$ 30,063	\$ 48	\$ —	\$ —	\$ 30,111
Accounts Payable ⁽²²⁾	\$ 54,514	\$ 1,658	\$ 155	\$ 21	\$ 56,348
Total	\$ 84,577	\$ 1,706	\$ 155	\$ 21	\$ 86,459

STATUS OF POSTPETITION TAXES ⁽¹⁸⁾
 (amounts in thousands)

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid (Received)	Ending Tax
Withholding	\$ 7	\$ 9,819	\$ (6,441)	\$ 3,385
FICA-Employee	1,522	4,323	(3,359)	2,486
FICA-Employer	1,481	4,307	(3,348)	2,440
Unemployment	10	2	(8)	4
Excise	334	2,821	(1,762)	1,393
Income	—	—	—	—
Other (Office of Surface Mining)	2,856	1,230	(2,855)	1,231
Total Federal Taxes	\$ 6,210	\$ 22,502	\$ (17,773)	\$ 10,939
State and Local				
Withholding	\$ 571	\$ 3,351	\$ (2,160)	\$ 1,762
Sales / Use	38	230	(314)	(46)
Mineral Severance	7,449	5,828	(7,387)	5,890
Unemployment	140	20	(119)	41
Real Property	3,000	1,181	—	4,181
Personal Property	201	76	—	277
Income/Franchise	184	417	(46)	555
Explosive Tax	32	16	—	48
Other Tax Payable	3	3	(3)	3
Sales Tax Collected	—	—	1	1
Other (Production Taxes)	5,012	2,788	(1,340)	6,460
Total State and Local	\$ 16,630	\$ 13,910	\$ (11,368)	\$ 19,172
Total Taxes ⁽²¹⁾	\$ 22,840	\$ 36,412	\$ (29,141)	\$ 30,111

NOTES

- (1) On August 3, 2015 (the "Petition Date"), Alpha Natural Resources, Inc. and certain of its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors") commenced their reorganization cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division (the "Bankruptcy Court").

This Monthly Operating Report and the condensed consolidated financial statements included herein have been prepared solely for the purpose of complying with the monthly reporting requirements for the Bankruptcy Court and the lenders under the Debtors' postpetition financing facility, as amended (the "DIP Facility") and are in a format that the Debtors believe is acceptable to the Office of the United States Trustee for Region Four (the "U.S. Trustee"). The Monthly Operating Report is limited in scope and covers a limited time period. The schedules contained herein were not audited or reviewed by independent accountants nor are they intended to reconcile to any financial statements otherwise prepared or distributed by the Debtors or any of the Debtors' affiliates. Furthermore, because the Debtors generally produce their financial reporting on a consolidated basis, it is possible that not all assets, liabilities, cash receipts and disbursements have been recorded at the correct legal entity of either the Debtors or non-Debtor affiliates.

In addition, the assets, liabilities and results of operations of several non-Debtor affiliates of the Debtors (Alpha Coal India Private Limited, Alpha Coal Sales International Limited, ANR Second Receivables Funding, LLC and Gray Hawk Insurance Company) are included in the Debtors' condensed consolidated financial statements. The Debtors reserve all rights to supplement or amend any schedules contained in this Monthly Operating Report.

The information presented herein is unaudited and subject to further review and potential adjustments, and may not have been subject to all procedures that would typically be applied to financial information presented in accordance with Generally Accepted Accounting Principles in the United States of America ("US GAAP"), including, but not limited to, accruals, tax provision and other recurring adjustments considered necessary by management to fairly state the financial position and results of operations for the interim period(s) presented. Furthermore, this Monthly Operating Report does not contain all disclosures that would be required for presentation in accordance with US GAAP, and there can be no assurance that, from the perspective of an investor or potential investor, the Monthly Operating Report is complete. As part of their restructuring efforts, the Debtors are reviewing their assets and liabilities on an ongoing basis, including without limitation with respect to intercompany claims and obligations, and nothing contained in this Monthly Operating Report shall constitute a waiver of any of the Debtors' rights with respect to such assets, liabilities, claims and obligations.

Certain prepetition liabilities have been reclassified as liabilities subject to compromise. Liabilities subject to compromise may include estimated or liquidated amounts for certain obligations arising prior to the Petition Date, including, among others, (a) debt related obligations, (b) employee or retiree benefit related obligations, (c) contractual obligations and (d) litigation and other contingent claims. The Debtors continue to analyze and reconcile these amounts, and, therefore, the amounts reflected herein are current estimates and subject to change as additional analysis and decisions are completed.

The Debtors caution readers not to place undue reliance upon the information contained in this Monthly Operating Report. The results herein are not necessarily indicative of results which may be expected from any other period or for the full year and may not necessarily reflect the combined results and financial position of the Debtors in the future.

- (2) The Debtors are authorized to continue using their centralized cash management system pursuant to the *Final Order, Pursuant to Sections 345, 363(c)(1), 503(b)(1) and 553 of the Bankruptcy Code and Bankruptcy Rules 6003(b) and 6004(h): (A) Approving the Continued Use of the Debtors' Cash Management System, Bank Accounts and Business Forms; (B) Granting a Waiver of the Requirements of Section 345(b) and Certain of the US Trustee's Operating Guidelines; (C) Permitting Continued Intercompany Transactions; (D) Preserving and Permitting the Exercise of Intercompany Setoff Rights; and (E) Authorizing Banks to Honor Certain Transfers and Charge Certain Fees and Other Amounts* (Docket No. 683) (the "Cash Management Order"). Accordingly, disbursement

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activity is reported on behalf of the Debtor entity that incurred the corresponding obligation.

- (3) Represents receipts and disbursements (excluding certain intercompany cash management activity by and among accounts of the Debtors and/ their non-Debtor affiliates) on a book basis for the period from October 1, 2015 through October 31, 2015. For presentation purposes, all activity associated with non-Debtor ANR Second Receivables Funding, LLC has been shown on a net basis. Receipts and disbursements exclude the Debtors' investing activities (e.g., purchases and sales of securities and investment income).
- (4) Represents ending bank balance as of October 31, 2015. As part of the Debtors' monthly close process, all bank accounts, which the Debtors are authorized to maintain pursuant to the Cash Management Order, are reconciled to the applicable bank statements. The bank accounts include cash accounts, managed security accounts, restricted cash and securities accounts, which are reflected on the balance sheet as cash and cash equivalents, short-term investments, long-term investments, and long-term restricted cash.
- (5) Bank account closed during the period from October 1, 2015 to October 31, 2015.
- (6) The Debtors have included net employee compensation and expense reimbursement amounts for this schedule. For purposes of this Monthly Operating Report, the Debtors have defined "insiders" as: (a) Kevin S. Crutchfield; (b) Gary W. Banbury; (c) Philip J. Cavatoni; (d) V. Keith Hainer; (e) Alan W. Jones Jr.; (f) Mark M. Manno; (g) Brian D. Sullivan; (h) Richard H. Verheij; (i) Bruce A. Hartshorn; (j) the members of each of the boards of directors or boards of managers of the Debtors and their non-Debtor affiliates, as applicable; (k) any individuals holding the title of (i) president or (ii) general manager of any of the Debtors or their non-Debtor affiliates; and (l) all relatives of the foregoing parties who have been disclosed pursuant to Section 16 of the Securities Exchange Act of 1934 (the "Section 16 Relatives"). The Debtors do not maintain records of family relationships other than with respect to the Section 16 Relatives.

The parties identified as "insiders" have been included for informational purposes only. The inclusion of a party as an "insider" herein is not an acknowledgment or concession that such party is an insider under applicable bankruptcy law.

- (7) Amounts include estimated incurred and uninvoiced amounts, which are based on assumptions and available information believed to be reasonable at the time. Actual results however could differ from these estimates.
- (8) Includes fees related to the DIP Facility.
- (9) Amounts disclosed exclude interest and fees incurred and any payments related to the termination of the accounts receivable securitization facility.
- (10) Disclosed amounts represent principal and do not include any related debt discounts.
- (11) During the period from October 1, 2015 to October 31, 2015, Debtor Alpha Natural Resources Services, LLC sold a helicopter pursuant to the *Order Establishing Procedures for the Sale, Transfer or Abandonment of Miscellaneous and De Minimis Assets and Granting Certain Related Relief* (Docket No. 466). In consideration for the sale, the Debtor entities received approximately \$605,000 in cash.
- (12) Intercompany receivables are created in the normal course among the Debtors and their non-Debtor affiliates as a result of their use of a centralized cash management system.
- (13) Certain payments have been made on prepetition obligations, including certain (a) employee-related obligations; (b) customer obligations; (c) sales & use, franchise, and other taxes and fees; and (d) obligations to trade creditors, in accordance with certain "first-day" relief granted by the Bankruptcy Court.
- (14) Due to administrative issues and the process of reconciling claims, certain payments may periodically be delayed.
- (15) Pursuant to the *Final Order, Pursuant to Sections 105(a), 363(b), 507(a) and 541 of the Bankruptcy Code*,

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Authorizing the Debtors and Debtors in Possession to Pay Certain Prepetition Taxes (Docket No. 354), the Debtors are authorized to make payments on certain prepetition taxes.

- (16) Pursuant to the *Final Order Authorizing the Debtors to: (A) Maintain, Continue and Renew Their Property, Casualty, Liability, Workers' Compensation and Other Insurance Programs, Policies and Agreements; and (B) Honor all Obligations in Respect Thereof* (Docket No. 353), the Debtors are authorized to maintain their insurance programs and pay related obligations without interruption and in accordance with the same practices and procedures as were in effect prior to the Petition Date. The Debtors' insurance policies are identified in Exhibit C to the *Motion of Debtors for Interim and Final Orders Authorizing the Debtors to (I) Maintain, Continue and Renew Their Property, Casualty, Liability, Workers' Compensation and Other Insurance Programs, Policies and Agreements and (II) Honor All Obligations in Respect Thereof* (Docket No. 15) (the "Insurance Motion").
- (17) Further information regarding the Debtors' insurance programs is provided in the Insurance Motion.
- (18) Represents consolidated balances of both Debtor and non-Debtor entities.
- (19) Amounts include prior period adjustments.
- (20) Represents accounts receivable (net) inclusive of accruals for bad debt, amounts considered uncollectible and other receivables. Represents ending balance as of October 31, 2015.
- (21) Disclosed amounts exclude foreign taxes.
- (22) Reflects postpetition trade-related payables (excluding payables related to goods and services received, but not yet invoiced, and other miscellaneous accruals during the reporting period).