



Washington

Houston

London

Mexico City

Moscow

Columbia

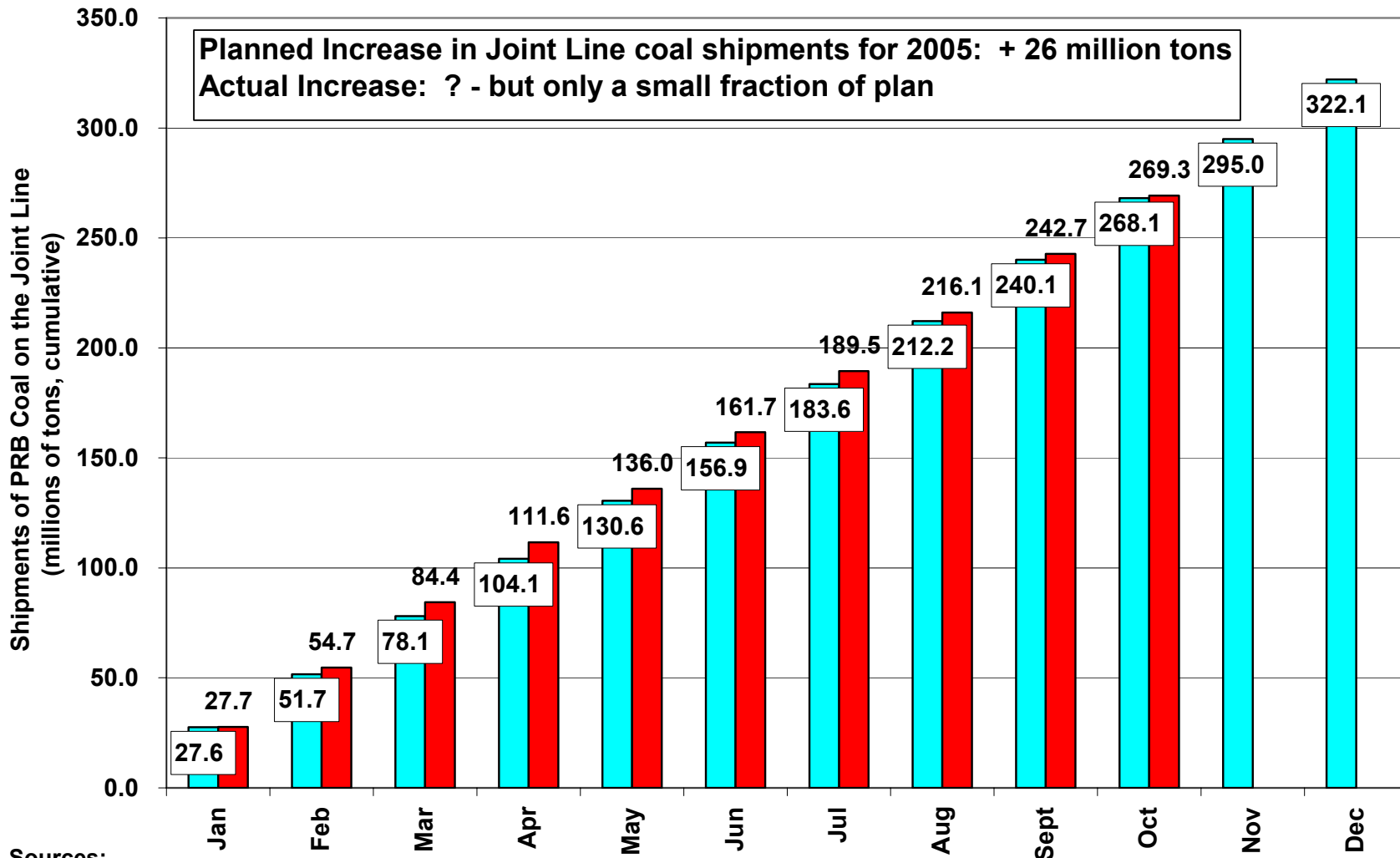
## **Outlook for the U.S. Coal Market**

Presentation to Society for Mining, Metallurgy, and Exploration,  
Washington DC Section

Presented by: Trygve Gaalaas  
November 8, 2005

# Coal Shipments on the PRB Joint Line

Coal Supply

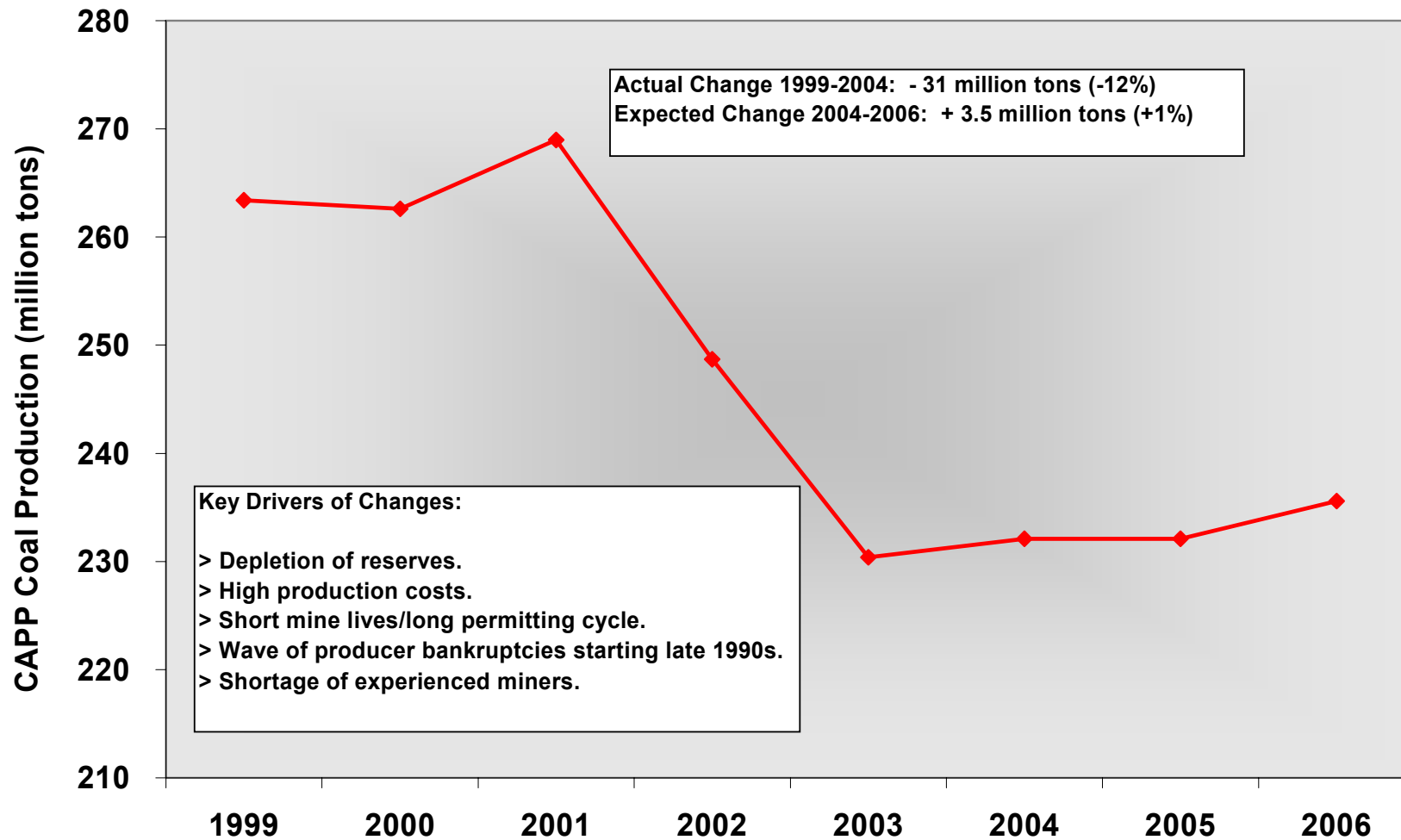


Sources:  
BNSF & UP data, and Pace Global estimates.

■ 2004 ■ 2005

# U.S. Coal Production: Central Appalachia

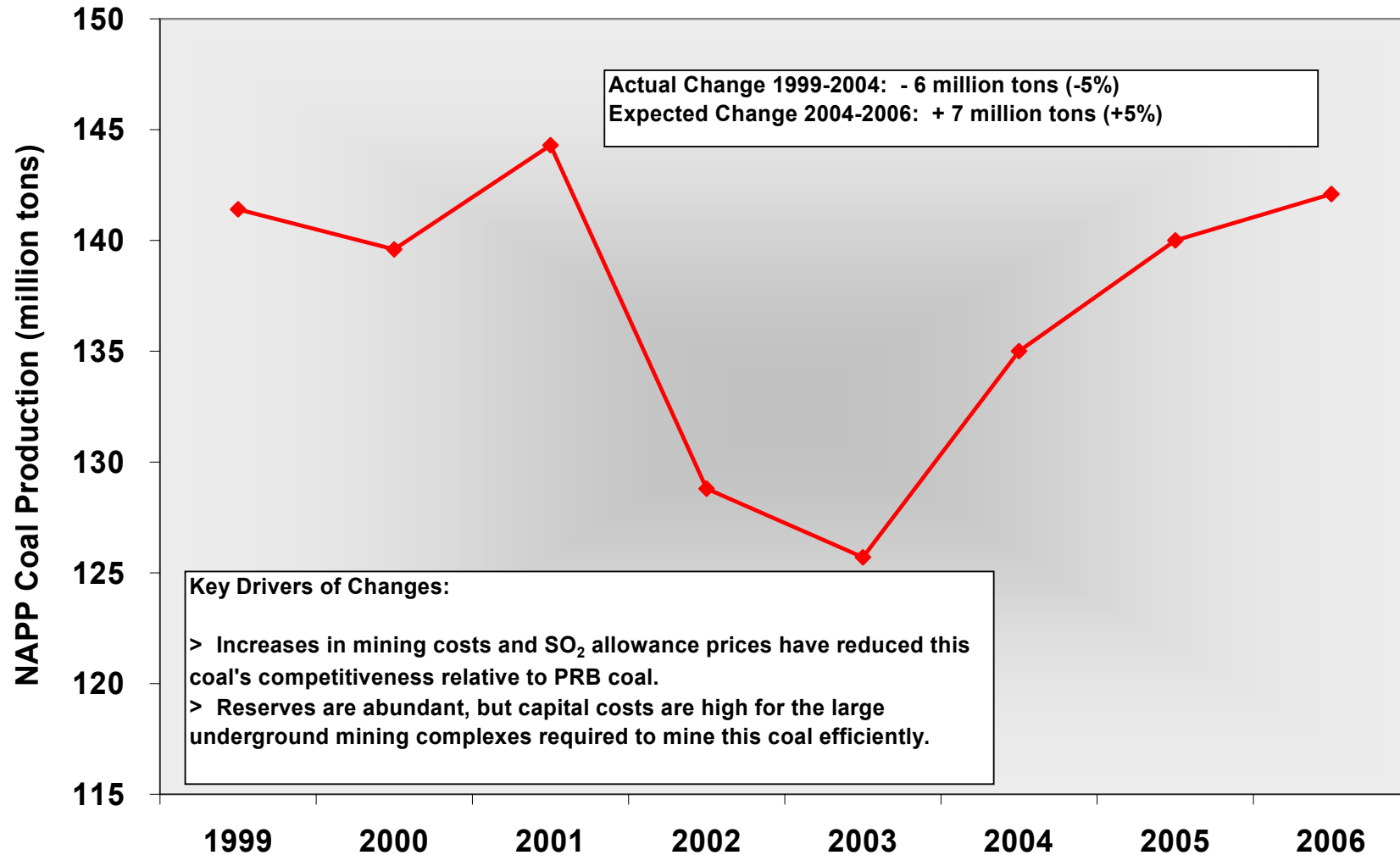
Coal Supply



Data sources: 1999-2003 Platts COALdat; 2004 EIA; 2005-2006 Pace Global Energy Services estimates.

# U.S. Coal Production: Northern Appalachia

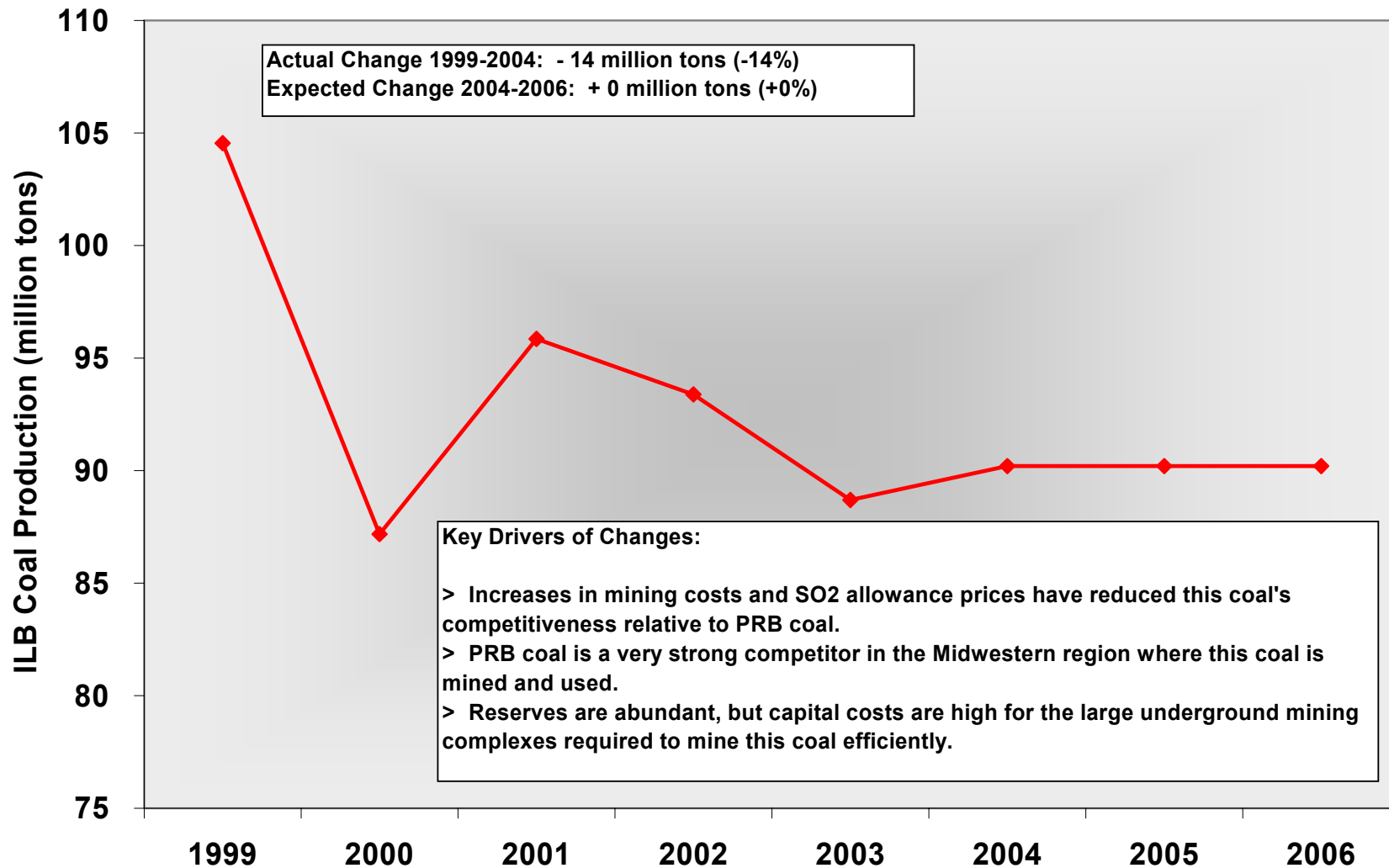
Coal Supply



Data sources: 1999-2003 Platts COALdat; 2004 EIA; 2005-2006 Pace Global Energy Services estimates.

# U.S. Coal Production: Illinois Basin

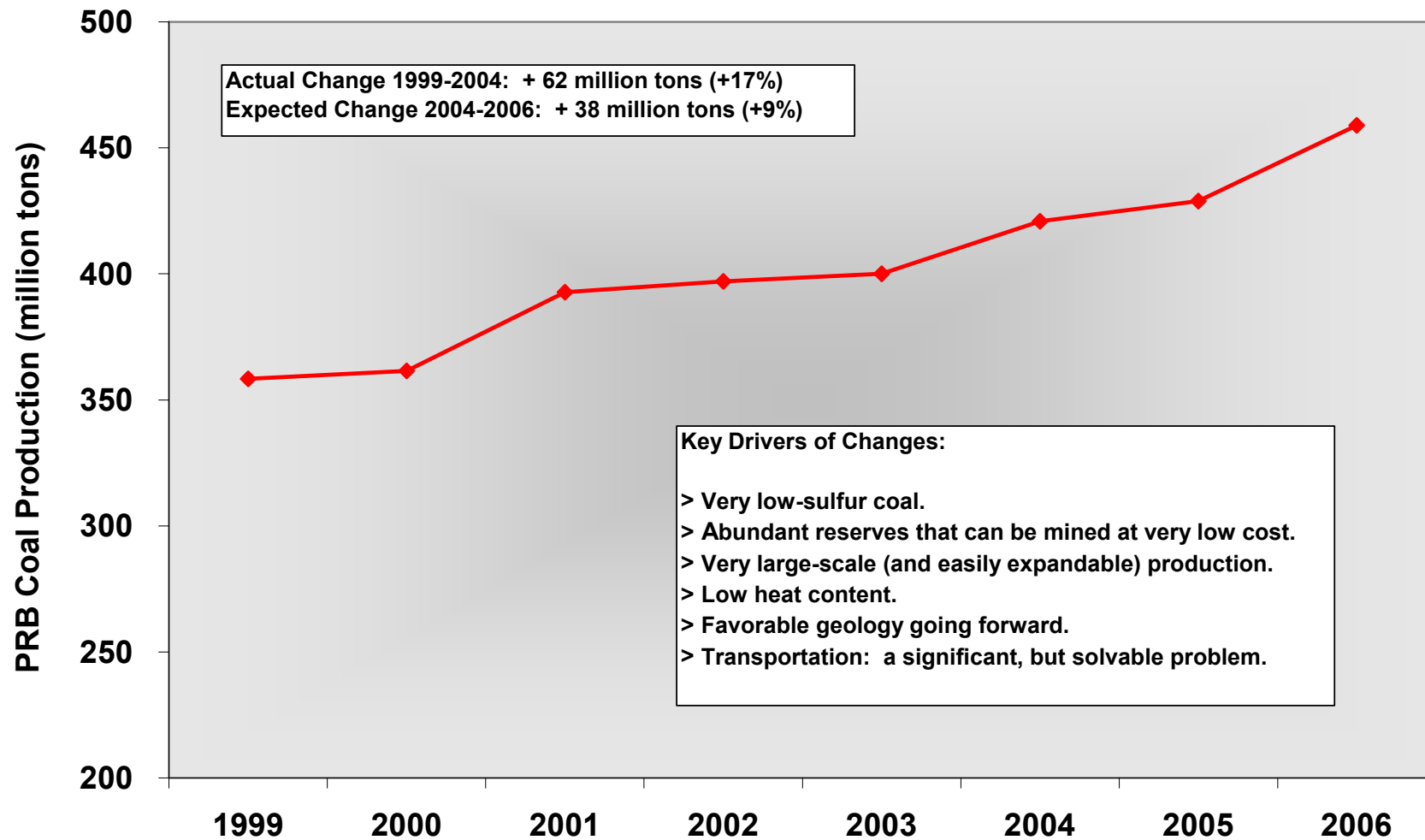
Coal Supply



Data sources: 1999-2003 Platts COALdat; 2004 EIA; 2005-2006 Pace Global Energy Services estimates.

# U.S. Coal Production: Powder River Basin

Coal Supply



Data sources: 1999-2003 Platts COALdat; 2004 EIA; 2005-2006 Pace Global Energy Services estimates.

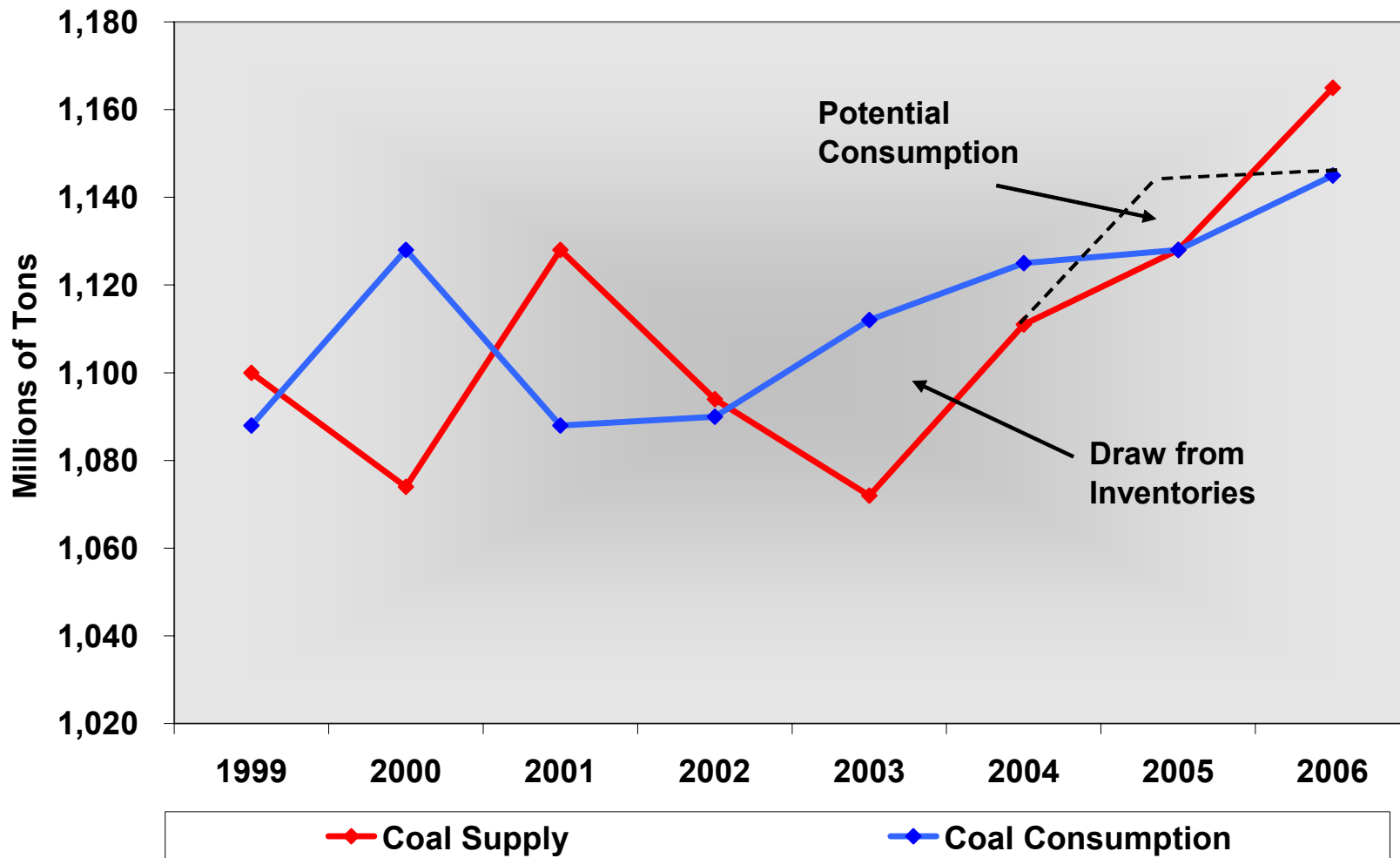
## Other Important Market Developments

### Coal Supply & Consumption

- Coal consumption for electric generation is up moderately so far this year.
  - + 0.7% through the first half
  - Expected to increase by a total of 10 million tons for all of 2005.
- Coal consumption for industrial use appears likely to decrease by about 2 million tons in 2005 (a decrease of slightly more than 2%).
- Coal exports will likely be flat in 2005 as the international market for metallurgical coal has cooled somewhat.
- Coal imports will likely be up by 5 million tons (to 32 million tons) for 2005, and will likely continue to increase significantly in the near term.

# Short Term Outlook: Coal Supply & Consumption

## Coal Supply & Consumption

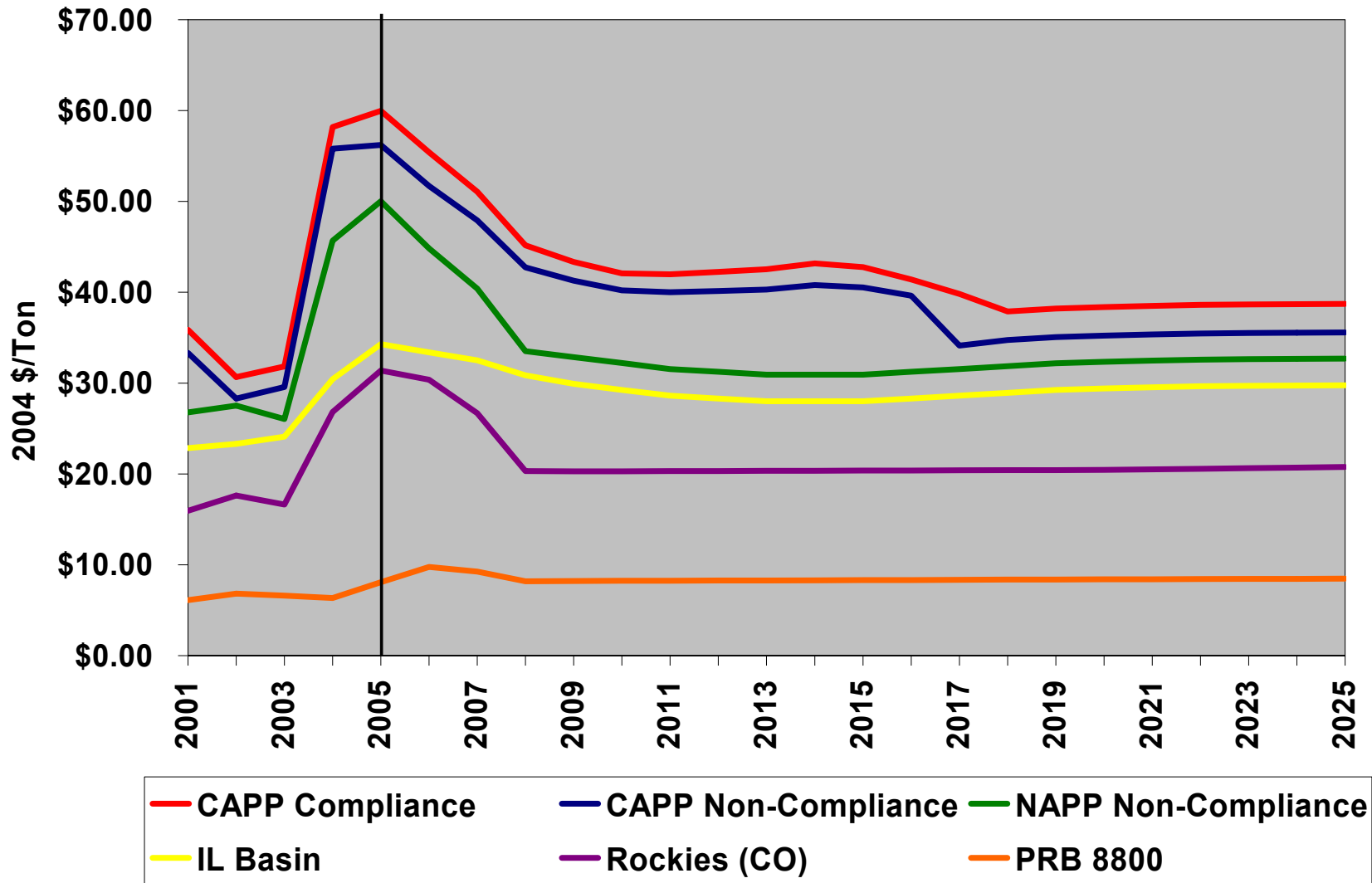


Sources: 1999-2004 EIA; 2005-2006 Pace Global Energy Services estimates.



# Long-Term Outlook: Coal Prices

Coal Prices



## Contact Information

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Thank You!