MURRAY ENERGY CORPORATION
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ROBERT E. MURRAY
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August 4, 2017

Mr. John D. McEntee III
Special Assistant and Personal Aide to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20502
johndmcentee@WHO.EOP.GOV

Dear Mr. McEntee:

Last evening in Huntington, West Virginia, after President Donald Trump met briefly with Mr. Charles E. Jones, Chief Executive Officer of FirstEnergy Corporation, and the undersigned, he turned to you and said "tell Cohn to do whatever these two want him to do".

In Youngstown, Ohio nine days ago, after my personally speaking with President Trump, he turned to Energy Secretary Rick Perry and said three (3) times "I want this done". What is the action that the President has directed, but his staff has not carried out?

We have requested that President Trump direct Energy Secretary Rick Perry to invoke Section 202(c) of the Federal Power Act declaring an emergency on the electric power grid.

FirstEnergy Solutions is on the verge of bankruptcy, as we advised President Trump in the oval office four (4) weeks ago, in Youngstown nine days ago, and as well as last evening. They will be forced to immediately close their coal-fired electricity generating stations.

Their bankruptcy will force Murray Energy Corporation into immediate bankruptcy, promptly terminating our 6,500 coal mining jobs. Each of our coal mining jobs spins off up to eleven (11) more jobs in our coal mining communities, according to university studies. This would be a disaster for President Trump and for our coal miners and employees.

We are desperate for the President to, once again, order Energy Secretary Perry to invoke Section 202(c) of the Federal Power Act for FirstEnergy's merchant power plants.

This situation was created by the destructive regulations of the Obama Administration and his Democrat supporters and bureaucrats, many of whom are still in place by the slowness in replacing them since the inauguration. In my presence in Youngstown on July 25, President Trump told Secretary Perry to invoke Section 202(c) of the Federal Power Act to temporarily declare a "time out" on this job and electric power system reliability destruction. He also said similar words to you last evening.

This urgent action, now ordered by President Trump several times, has not occurred. As stated, disastrous consequences for President Trump, our electric power grid reliability, and tens of thousands of coal miners will result if this is not immediately done.

We appreciate your consideration and attention to this urgent matter.

Sincerely,

MURRAY ENERGY CORPORATION

Robert E. Murray

Robert E. Murray
Chairman, President and Chief Executive Officer

REM/lms
Enclosures

- It's been 3 weeks since we last talked to you and there seems to be no resolution and no action, and our time is running out. And over 5,000 jobs in in West Virginia, Pennsylvania, Ohio, Illinois, Kentucky, and Utah are at stake.

- Our understanding is that White House lawyers have some concern regarding 202 C. Our lawyers who are experts on the particular law do not share that concern – quite the opposite. They feel there is a 95% success rate that this will not be overturned by the courts. If it is not enacted there is a 100% chance that these jobs will be lost.

- While we are trying to reduce the level of concern of White House lawyers – and we think we are having some success, time is a luxury we do not have.

- We can understand why lawyers don't want to risk losing. The question is – are these jobs worth fighting for; are these jobs worth taking a risk. Keeping in mind the experts on this law believe that the risk of losing is extremely low.

- Secretary Perry has the ability to do something if he is willing to step up and fight for coal jobs.

- Our time is running out. Please fight for us. Even if we are wrong and this fails, at least we can tell our people you did everything possible and that you left no stone unturned. They will be grateful. We will be forced to file for bankruptcy in October of this year if no action is taken.

- If we are right, then you will have saved thousands of jobs, in West Virginia, Pennsylvania, Ohio, Illinois, Kentucky, and Utah - and they will all be forever in your debt.

- We need action. DOE must enact 202 C.

Dear Mr. President,

We are asking that Secretary Perry use his 202(c) emergency authority to ensure national security by preserving the resilient electric plants that are currently at tremendous financial risk. This action will save thousands of jobs and protect our electric grid from disaster. We cannot wait – we need action now.

The Secretary's use of 202(c) is necessary to ensure disaster is avoided. There is an emergency and if left unchecked, damage will occur. Section 202(c) was specifically designed to provide the Secretary discretion to take action in just such a situation. There is a pending emergency and absent action by the Secretary, using his emergency authorities under section 202(c) of the Federal Power Act to preserve at-risk resilient coal and nuclear, the county will soon be facing a risk to national security.

Absent immediate action to preserve these power plants, many thousands of jobs in Ohio, Pennsylvania, West Virginia and elsewhere will be at dire risk. In addition, the risk to the grid and national security will reach a level that is unacceptable. You fully understand the war on coal that was waged during the previous Administration and you have taken steps to end that war and provide for a potential future once again for coal. But the wounds from that war have not healed and the future of coal is dependent upon surviving the present. As more plants shut down, the future of coal becomes bleaker and bleaker. The storm is here and we will suffer significant harm if the Secretary fails to take emergency action. Not only are coal jobs at risk, but nuclear jobs are also at risk as well as the nuclear infrastructure in the United States that is vital to our global nuclear dominance.

The warning signs are clear and absent action to stop the loss of these resources immediately the security of the grid and the country will be compromised. We recognize there is concern within your administration for taking such action. This is a bold move and reluctance is not surprising, but this is a necessary move to preserve the jobs of those who have not only been supporters, but vocal advocates for you. You represent their last and only hope. Please do not let them down.

We thank you for the time that you have given us to speak to you and for your unwavering support for the thousands of coal miners and others whose jobs and living depends on coal. They have always been there you and you have always been there for them. We are asking that you once again stand up for them and others who provide necessary resilient electricity generation.

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August 18, 2017

The Honorable James Richard "Rick" Perry
United States Secretary of Energy
United States Department of Energy
1000 Independence Ave., SW
Washington, D.C. 20585

Dear Secretary Perry:

In furtherance of our conversation with your Chief of Staff Brian McCormack, we urgently request that the United States Department of Energy ("DOE") invoke Section 202(c) of the Federal Power Act ("Section 202(c)") in order to prevent the destruction of the hundreds of thousands of lives in West Virginia, Pennsylvania, Ohio, Kentucky, and elsewhere throughout the United States. Their livelihoods, pensions, and retirement medical benefits are absolutely dependent on the continued operation of coal-fired electric generation plants and the dozens of coal mines that produce the thermal coal consumed in the electric generation process. Indeed, immediately invoking Section 202(c) is the only alternative that will prevent the aforementioned destruction and protect the reliability and resiliency of our nation's electric power grid.

Specifically, the following will be the devastating consequences from further inaction by your office, and the including the bankruptcies that will occur as a result, in the coal and electric generating utility industries:

- The elimination of approximately $4 billion of United Mine Workers' of America ("UMWA") retirement medical benefits for nearly 16,000 individuals.

- The default on nearly $3 billion of unfunded UMWA 1974 pension obligations, bargained for by the Federal Government, that are supporting over 155,000 UMWA pension benefit recipients.

- The loss of over 100 million tons per year of domestic thermal coal market.

- The negative impact to nearly 150,000 direct and indirect jobs, in addition to the previously mentioned retirees and pensioners, supported solely by Murray Energy Corporation's operations in West Virginia, Pennsylvania, Kentucky, Ohio, Illinois and Utah.

- The closure of dozens of thermal coal producing mines and the loss of thousands of jobs.

Very frankly, as we discussed with Mr. McCormack, no other viable alternative, including increased thermal coal exports, additional executive orders, or the purchase of stranded thermal coal production by federal, state, or local government, will stop the certain collapse of much of the thermal coal industry, other than immediately invoking Section 202(c). The export of thermal coal into the global market is not an option as the thermal coal mines impacted by the imminent closure of coal-fired electric generating lack: 1.) the transportation infrastructure to access domestic export terminals; 2.) the ability to reach export terminals economically; 3.) the ability to compete with foreign and existing domestic coal exports on a delivered basis to global customers; and 4.) sufficient coal quality to participate in the thermal coal export market. Additional executive orders will not result in the timely action required to deal with this immediate matter as coal markets will evaporate overnight, resulting in the loss of coal sales revenues and cash flow required to support each thermal coal mine impacted. From a practical standpoint, coal producers cannot produce coal and stack coal inventory endlessly. Coal producers lack the physical storage space and do not possess access to the unlimited cash that would make such an unrealistic plan even remotely achievable. Lastly, the purchase of stranded thermal coal production by federal, state, or local government is not feasible as thermal coal cannot be stockpiled for multiple years without risk of spontaneous combustion and stockpile degradation. More importantly, there is no benefit gained by stockpiling thermal coal if there are no thermal coal fired electric generating plants operating to consume the stockpiled thermal coal inventory.

As you are aware, the thermal coal industry is facing the rapid loss of domestic coal markets as announced coal fired generating plant closures continue to occur unabated. With twenty-four (24) coal fired electric generating plant closures to come in the next fourteen (14) months, the coal industry will see a precipitous decline in thermal coal demand of over 100 million tons annually. With coal supplies already in excess of coal demand, there will be no option other than the immediate closure of dozens of thermal coal producing mines resulting in the elimination of thousands of jobs and the abovementioned destruction and devastation of the very population that voted President Donald J. Trump into the Oval Office.

While Murray Energy Corporation (together with affiliates "Murray Energy"), has been at the forefront of this issue, it is important to note that Section 202(c) is not a "one-company fix." Indeed, on August 15, 2017, Mr. Glenn Kellow, the President and Chief Executive Officer of Peabody Energy, Inc., a large competitor of ours, called for a two (2) year moratorium on coal plant closures. Section 202(c) is the only viable mechanism to accomplish this task and to preserve the reliability of our Nation's electric power grid. Additionally, the President and Chief Executive Officer of Alliance Resource Partners, L.P., Mr. Joe Craft, has joined us in raising awareness of this devastating issue and calling for the invocation of Section 202(c).

As we have previously communicated, the failure of DOE to invoke Section 202(c) would, among other things, result in the bankruptcy of FirstEnergy Solutions ("FirstEnergy"), FirstEnergy is just one of the several companies that operate in the PJM Interconnection ("PJM") electric transmission system, which serves all of part of twelve (12) states and the District of Columbia. The PJM wholesale electric construct is a fundamentally flawed market, where the valuable attributes of baseload coal and nuclear generation is taken for granted and not considered in the marketplace. This makes it extremely difficult to compete with heavily subsidized renewables. The failure to utilize the protections of Section 202(c) will cause the bankruptcy of FirstEnergy and certain other electric power producers, whereas invoking Section 202(c) will give the Federal Energy Regulatory Commission adequate time to consider long-term market fixes while we preserve to these vital assets. These bankruptcies would have a cascading effect which would decimate the States of Ohio, West Virginia, and Pennsylvania, all of which voted overwhelmingly for President Trump.

As discussed during the call, the consequences to Murray Energy, and those who depend on Murray Energy, will be devastating. Murray Energy has debt payments of: $44.4 million, due September 29, 2017; $59.4 million, due October 17, 2017; and $44.3 million, due December 29, 2017. A bankruptcy filing by FirstEnergy, or another of our major customers, would make it impossible for Murray Energy to make these debt payments as these customers would be forced to close their coal fired electric generating fleets due to their inability to dispatch economically into a power market where they are forced to compete against alternate forms of electric generation that are subsidized by the federal government. This would result in Murray Energy being in material default of our various credit agreements, an acceleration of our nearly $2.7 billion of secured debt which has priority over the abovementioned nearly $7 billion of UMWA pension and retiree medical obligations owed by the Company and a filing for bankruptcy protection.

As a result, our analysis, as reflected in the enclosed Attachment A, shows that: over 301,000 lives will be decimated; tax revenue and other benefits would decrease $523.1 million per year; and the cost of unpaid obligations would total $11.8 billion. This figure includes approximately $7 billion of the UMWA unfunded pension and post-retiree medical obligations, as outlined herein. Further, the reliability and resiliency of our electric power grid will be crippled by these coal-fired power plant closures.

Time is of the essence, and action is needed now. During our conversation with Mr. McCormack, we discussed the rapid timeline for when closures and layoffs will take place. While the precise moment of bankruptcy filing cannot be predicted, the closure of First Energy's plants by the end of the third quarter of 2017 will cause immediate layoffs of coal miners in West Virginia, Ohio, and Pennsylvania. This is all in an area in which President Trump was elected by up to a forty-two percent (42%) margin.

We believe that some in the Administration do not understand the severe consequences of not invoking Section 202(c) of the Federal Power Act, for the President, for our communities, and for our Country.

Accordingly, we request a meeting with you, as soon as possible, to discuss this urgent matter. We appreciate your consideration.

Sincerely,

MURRAY ENERGY CORPORATION

Robert D. Moore
Executive Vice President, Chief Financial Officer, and Chief Operating Officer

Enclosure

CC:

President
Vice President
Secretary Rick Perry
Secretary Alexander Acosta
Director Gary Cohn
General John Kelly

Secretary Ryan Zinke

Ashley Gunn
Kathryn Wall
Stan Gerdes
Emily Hoffman
Ashley Marquis
Zachary Fuentes
Kristjen Nielsen
Scott Hommel
Brian McCormack
Dan Brouilette
Mike Catanzaro
Nick Ayers
Don McGahn
Ann AllenWelden
John McEntee
Rick Dearborn

Attachment A

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Murray Energy Corporation
Consequences Resulting from the Failure to Invoke Section 202(C) of the Federal Power Act
August 14, 2017

If the Department of Energy fails to invoke Section 202(C) of the Federal Power Act to preserve the operation of certain of FirstEnergy Corporation's coal-fired power plants, the consequences to Murray Energy Corporation (together with affiliates "Murray Energy"), and those who depend on Murray Energy, are currently estimated to be as follows:

Human Cost	Lives Impacted	
Number of Lives Receiving Pension Benefits through UMWA Funds	153,815	1
Including Surviving Spouses	19,490	
Including Retirees of Murray Energy	15,382	
Including Orphans Whose Last Employer Does Not Contribute	118,943	
Number of Lives Receiving Healthcare through Murray Energy	29,189	2
Number of Active Employees at All Murray Energy Affiliated Companies	5,393	
Number of Indirect Lives Relying on Murray Energy	118,646	3
Total Lives Impacted (Sum of items marked 1, 2, and 3)	**301,650**	

Financial Cost	Payable per Year	Total Obligations
Total Debt Obligations of Murray Energy		$ 4,008,611,000
Total Unfunded Pension Obligations		2,900,000,000
Total Post-Retiree Medical Obligations		3,958,960,735
Outstanding Surety Bonds		282,872,765
Reclamation Liability		637,104,423
Coal Severance Tax Obligations	$ 87,538,164	
Ohio	831,485	
West Virginia	82,231,679	
Other	4,475,000	
Real Estate Tax Obligations	20,007,998	
Personal Property Tax in West Virginia	17,184,765	
Murray Energy Contributions to UMWA Plans	30,077,303	
Medical Benefits for Retirees	111,957,010	
Medical Benefits for Hourly Employees	68,242,927	
Medical Benefits for Salaried Employees	24,482,373	
Federal Reclamation Tax	7,852,247	
Federal Royalties	5,408,635	
Black Lung Excise Tax Obligations	62,833,723	
Total Financial Cost	**$ 523,123,309**	**$ 11,787,548,923**