

CONTURA ENERGY, INC. AND SUBSIDIARIES
RESULTS OF OPERATIONS

<i>(In thousands, except for per ton data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Tons sold:				
CAPP - Met operations	3,060	1,184	5,856	2,138
CAPP - Thermal operations	1,189	—	2,181	—
NAPP operations	1,747	1,572	3,399	2,986

<i>(In thousands, except for per ton data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Coal revenues:				
CAPP - Met operations	\$ 372,863	\$ 152,154	\$ 718,684	\$ 286,723
CAPP - Thermal operations	\$ 73,511	\$ —	\$ 130,826	\$ —
NAPP operations	\$ 76,239	\$ 70,708	\$ 147,094	\$ 132,166

Coal sales realization per ton:				
CAPP - Met operations	\$ 121.85	\$ 128.51	\$ 122.73	\$ 134.11
CAPP - Thermal operations	\$ 61.83	\$ —	\$ 59.98	\$ —
NAPP operations	\$ 43.64	\$ 44.98	\$ 43.28	\$ 44.26
Average	\$ 87.16	\$ 80.86	\$ 87.15	\$ 81.75

<i>(In thousands, except for per ton data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Cost of coal sales:				
CAPP - Met operations	\$ 260,174	\$ 89,248	\$ 519,917	\$ 165,996
CAPP - Thermal operations	\$ 61,742	\$ —	\$ 126,831	\$ —
NAPP operations	\$ 54,639	\$ 63,428	\$ 121,526	\$ 117,234

Cost of coal sales per ton:				
CAPP - Met operations	\$ 85.02	\$ 75.38	\$ 88.78	\$ 77.64
CAPP - Thermal operations	\$ 51.93	\$ —	\$ 58.15	\$ —
NAPP operations	\$ 31.28	\$ 40.35	\$ 35.75	\$ 39.26

Coal margin per ton ⁽¹⁾:				
CAPP - Met operations	\$ 36.83	\$ 53.13	\$ 33.95	\$ 56.47
CAPP - Thermal operations	\$ 9.90	\$ —	\$ 1.83	\$ —
NAPP operations	\$ 12.36	\$ 4.63	\$ 7.53	\$ 5.00

⁽¹⁾ Coal margin per ton for our coal operations is calculated as coal sales realization per ton for our coal operations less cost of coal sales per ton for our coal operations.

Trading and Logistics Segment

<i>(In thousands, except for per ton data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018 ⁽²⁾	2019	2018 ⁽²⁾
Tons sold	369	1,629	816	3,078
Coal revenues	\$ 131,215	\$ 302,306	\$ 264,184	\$ 584,644
Less: cost of coal sales	119,513	278,628	241,988	518,818
Trading and Logistics margin ⁽¹⁾	\$ 11,702	\$ 23,678	\$ 22,196	65,826

⁽¹⁾ Trading and Logistics margin includes coal trading margin and logistics-related margin.

⁽²⁾ Prior periods have been modified to reflect total coal revenues and total cost of coal sales including freight and handling components formerly stated separately.

Our cost of coal sales includes idle and closed mine costs and purchased coal costs. Additionally, due to the merger, our cost of coal sales includes the cost impact of coal inventory fair value adjustments. In the following tables, we calculate adjusted cost of produced coal sold as cost of coal sales less idle and closed mine costs, cost impact of coal inventory fair value adjustments and purchased coal costs.

Three Months Ended June 30, 2019

<i>(In thousands, except for per ton data)</i>	CAPP - Met	CAPP - Thermal	NAPP	All Other
Cost of coal sales:				
Cost of produced coal sold	\$ 232,239	\$ 58,738	\$ 53,906	\$ —
Cost of purchased coal sold	24,406	2,443	—	—
Cost impact of coal inventory fair value adjustment ⁽¹⁾	1,033	—	—	—
Idle and closed mine costs	2,496	561	733	678
Total cost of coal sales	\$ 260,174	\$ 61,742	\$ 54,639	\$ 678
Tons sold	3,060	1,189	1,747	—
Cost of coal sales per ton	\$ 85.02	\$ 51.93	\$ 31.28	\$ —
Total cost of coal sales				
	\$ 260,174	\$ 61,742	\$ 54,639	\$ 678
Less: cost of purchased coal sold	(24,406)	(2,443)	—	—
Less: cost impact of coal inventory fair value adjustment	(1,033)	—	—	—
Less: idle and closed mine costs	(2,496)	(561)	(733)	(678)
Cost of produced coal sold	\$ 232,239	\$ 58,738	\$ 53,906	\$ —
Produced tons sold	2,819	1,144	1,747	—
Cost of produced coal sold per ton	\$ 82.38	\$ 51.34	\$ 30.86	\$ —

⁽¹⁾ The cost impact of the coal inventory fair value adjustment as a result of the Alpha Merger is expected to have short-term impact.

Three Months Ended June 30, 2018

<i>(In thousands, except for per ton data)</i>	CAPP - Met	CAPP - Thermal	NAPP	All Other
Cost of coal sales:				
Cost of produced coal sold	\$ 79,778	\$ —	\$ 62,514	\$ —
Cost of purchased coal sold	8,420	—	—	—
Idle and closed mine costs	1,050	—	914	—
Total cost of coal sales	\$ 89,248	\$ —	\$ 63,428	\$ —
Tons sold	1,184	—	1,572	—
Cost of coal sales per ton	\$ 75.38	\$ —	\$ 40.35	\$ —
Total cost of coal sales				
	\$ 89,248	\$ —	\$ 63,428	\$ —
Less: cost of purchased coal sold	(8,420)	—	—	—
Less: idle and closed mine costs	(1,050)	—	(914)	—
Cost of produced coal sold	\$ 79,778	\$ —	\$ 62,514	\$ —
Produced tons sold	1,102	—	1,572	—
Cost of produced coal sold per ton	\$ 72.39	\$ —	\$ 39.77	\$ —

Six Months Ended June 30, 2019

<i>(In thousands, except for per ton data)</i>	CAPP - Met	CAPP - Thermal	NAPP	All Other
Cost of coal sales:				
Cost of produced coal sold	\$ 458,276	\$ 117,136	\$ 119,964	\$ —
Cost of purchased coal sold	52,763	5,327	—	—
Cost impact of coal inventory fair value adjustment ⁽¹⁾	4,751	3,458	—	—
Idle and closed mine costs	4,127	910	1,562	2,178
Total cost of coal sales	\$ 519,917	\$ 126,831	\$ 121,526	\$ 2,178
Tons sold	5,856	2,181	3,399	—
Cost of coal sales per ton	\$ 88.78	\$ 58.15	\$ 35.75	\$ —
Total cost of coal sales				
Total cost of coal sales	\$ 519,917	\$ 126,831	\$ 121,526	\$ 2,178
Less: cost of purchased coal sold	(52,763)	(5,327)	—	—
Less: cost impact of coal inventory fair value adjustment	(4,751)	(3,458)	—	—
Less: idle and closed mine costs	(4,127)	(910)	(1,562)	(2,178)
Cost of produced coal sold	\$ 458,276	\$ 117,136	\$ 119,964	\$ —
Produced tons sold	5,390	2,088	3,399	—
Cost of produced coal sold per ton	\$ 85.02	\$ 56.10	\$ 35.29	\$ —

⁽¹⁾ The cost impact of the coal inventory fair value adjustment as a result of the Alpha Merger is expected to have short-term impact.

Six Months Ended June 30, 2018

<i>(In thousands, except for per ton data)</i>	CAPP - Met	CAPP - Thermal	NAPP	All Other
Cost of coal sales:				
Cost of produced coal sold	\$ 146,491	\$ —	\$ 115,518	\$ —
Cost of purchased coal sold	17,469	—	—	—
Idle and closed mine costs	2,036	—	1,716	—
Total cost of coal sales	\$ 165,996	\$ —	\$ 117,234	\$ —
Tons sold	2,138	—	2,986	—
Cost of coal sales per ton	\$ 77.64	\$ —	\$ 39.26	\$ —
Total cost of coal sales				
Total cost of coal sales	\$ 165,996	\$ —	\$ 117,234	\$ —
Less: cost of purchased coal sold	(17,469)	—	—	—
Less: idle and closed mine costs	(2,036)	—	(1,716)	—
Cost of produced coal sold	\$ 146,491	\$ —	\$ 115,518	\$ —
Produced tons sold	1,982	—	2,986	—
Cost of produced coal sold per ton	\$ 73.91	\$ —	\$ 38.69	\$ —