

**CONTURA ENERGY, INC. AND SUBSIDIARIES**  
**RESULTS OF OPERATIONS**  
(Amounts in thousands, except per ton data)

	Three Months Ended September 30, 2017	% of Total Revenues	Nine Months Ended September 30, 2017	% of Total Revenues
Cost of coal sales (exclusive of items shown separately below)	358,620	74.3 %	1,087,828	69.3 %
Freight and handling costs	61,492	12.7 %	191,411	12.2 %
Other expenses	1,326	0.3 %	3,752	0.2 %
Depreciation, depletion and amortization	15,154	3.1 %	49,431	3.1 %
Amortization of acquired intangibles, net	14,868	3.1 %	49,111	3.1 %
Selling, general and administrative expenses (exclusive of depreciation, depletion and amortization shown separately above)	15,946	3.3 %	56,094	3.6 %
Secondary offering costs	1,061	0.2 %	4,499	0.3 %
Total other operating (income) loss:				
Mark-to-market adjustment for acquisition-related obligations	839	0.2 %	3,221	0.2 %
Gain (loss) on settlement of acquisition-related obligations	—	— %	(9,200)	(0.6)%
Total costs and expenses	\$ 469,306	97.2 %	\$ 1,436,147	91.5 %
Other (expense) income:				
Interest expense	(8,598)	(1.8)%	(28,373)	(1.8)%
Interest income	43	— %	116	— %
Loss on early extinguishment of debt	—	— %	(38,701)	(2.5)%
Equity loss in affiliates	(405)	(0.1)%	(2,106)	(0.1)%
Bargain purchase gain	369	0.1 %	1,011	0.1 %
Miscellaneous income, net	51	— %	278	— %
Total other expense, net	(8,540)	(1.8)%	(67,775)	(4.3)%
Income tax expense	5,076	1.1 %	(8,369)	(0.5)%
Net income	\$ 10,159	2.1 %	\$ 57,881	3.7 %
Cost of coal sales:				
CAPP Operations	76,027	15.7 %	227,672	14.5 %
NAPP Operations	65,645	13.6 %	191,357	12.2 %
PRB Operations	87,574	18.1 %	245,044	15.6 %
Trading and Logistics Operations	129,374	26.8 %	423,755	27.0 %
Tons sold:				
CAPP Operations	1,026		3,074	
NAPP Operations	1,474		5,512	
PRB Operations	8,963		24,462	
Trading and Logistics Operations	1,288		3,629	