

*Bureau of Indian Affairs
Providers Conference*



Usibelli Coal Mine

Cleaner Energy ✦ Brighter Future



The History of UCM



Emil Usibelli started Usibelli Coal Mine in 1943 with used equipment and a contract for 10,000 tons of coal to the Army's Ladd Airfield.

Three Generations of Usibelli Leadership



Emil Usibelli
founded the
mine in 1943.



Joe Usibelli
became
president in
1964.

Joe Usibelli Jr. has
been president since
1987.



The People of Usibelli Coal Mine



- About 112 Full-time employees
- Average years of service: 12
- Average age in the workforce: 45
- 36% are 2nd, 3rd, 4th generation employees



Coal Facts

- The U.S. has 27% of the world's coal reserves
- Alaska has 50% of the U.S. coal reserves
- Railbelt, >1,000 years reserve at current consumption

Northern Alaska Basin

Hypothetical Resource (10 ⁶ tonnes)	Identified Resource (10 ⁶ tonnes)	Measured Reserves (10 ⁶ tonnes)
3,630,000	136,100	73

Nenana Province

Hypothetical Resource (10 ⁶ tonnes)	Identified Resource (10 ⁶ tonnes)	Measured Reserves (10 ⁶ tonnes)
13,320	7,800	227

BERING SEA


ARCTIC OCEAN

CANADA

GULF OF ALASKA

Key to Coal Rank

-  Bituminous
-  Subbituminous
-  Lignite

 Major Basin Margins

-  Exploration Phase
-  Development Phase
-  PRODUCING MINE
-  Major Port
-  Alaska Railroad

All Other Areas

Hypothetical Resource (10 ⁶ tonnes)	Identified Resource (10 ⁶ tonnes)	Measured Reserves (10 ⁶ tonnes)
8,660	520	0

Cook Inlet-Susitna Basin

Hypothetical Resource (10 ⁶ tonnes)	Identified Resource (10 ⁶ tonnes)	Measured Reserves (10 ⁶ tonnes)
64,230	10,550	1,400

Deadfall Syncline

Barrow

PRUDHOE

West Nome (prospective)

Kotzebuc

Nome

Fairbanks

USIBELLI HEALY MINE

Little Tonzona

CHUITNA

Wishbone Hill

Bethel

Beluga Coal Co.

North Foreland (prospective)

Anchorage

Dillingham

Kenai

Whittier

Valdez Oil Terminal

Seward Coal Terminal

Bering River

Kodiak

JUNEAU

Sitka

Skagaway

Petersburg

Ketchikan

Unalaska

Usibelli Today



- 1.2 million tons production in '15
- Only operating coal mine in Alaska
- Supply 100% of Alaska's in state demand
- Exports started 1984

Pre-Mining

Active Mining

Reclamation



Two Bull Ridge
Usibelli Coal Mine
Healy Alaska

Distance ~1 mile

Direction of
Mining

Prestripping/
Topsoil Removal

Active Pit

Backfilling

Regrading

Topsoil Replaced/
Revegetation

Over and Inter
Burden

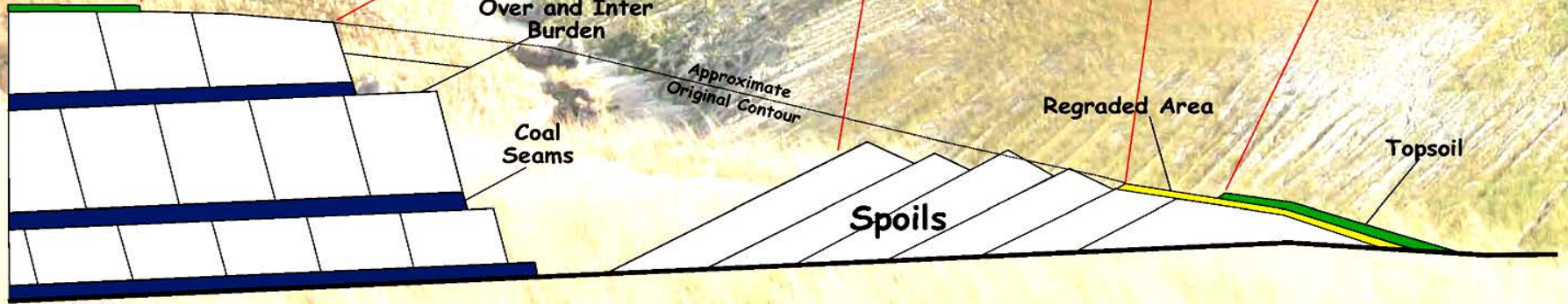
Approximate
Original Contour

Coal
Seams

Regraded Area

Topsoil

Spoils





Shovel & Truck



Current Alaskan Coal Customers

* cogeneration



- Ft Wainwright*
- Eielson AFB*
- Clear AFS*
- UAF*
- Aurora Energy*
- Healy #1
- Healy #2



Seward Coal Terminal

- Owned by Alaska Railroad Corporation
- Operated by Aurora Energy Services, LLC



Historical Coal Export Markets

- South Korea - 15 million tons since 1984
- Chile - 3.3 million tons since 2003
- Japan - 840,000 tons since 2008
- Previous “Test” Shipments:
 - Taiwan
 - Russia
 - China

Alaska's Clean Coal Reduces Emissions

- UCM coal - ultra-low in sulfur – 0.1 %
- Powder River Basin (WY) coal - 0.5%
- Eastern US bituminous grade coal - 6.0%
- Low mercury – *Alaskan coals contain up to 2/3's less mercury per pound than other coals in the Pacific Rim thermal coal market*

Reclamation at Usibelli



Reclaiming the Land



Collecting seeds and cones from indigenous trees and shrubs.



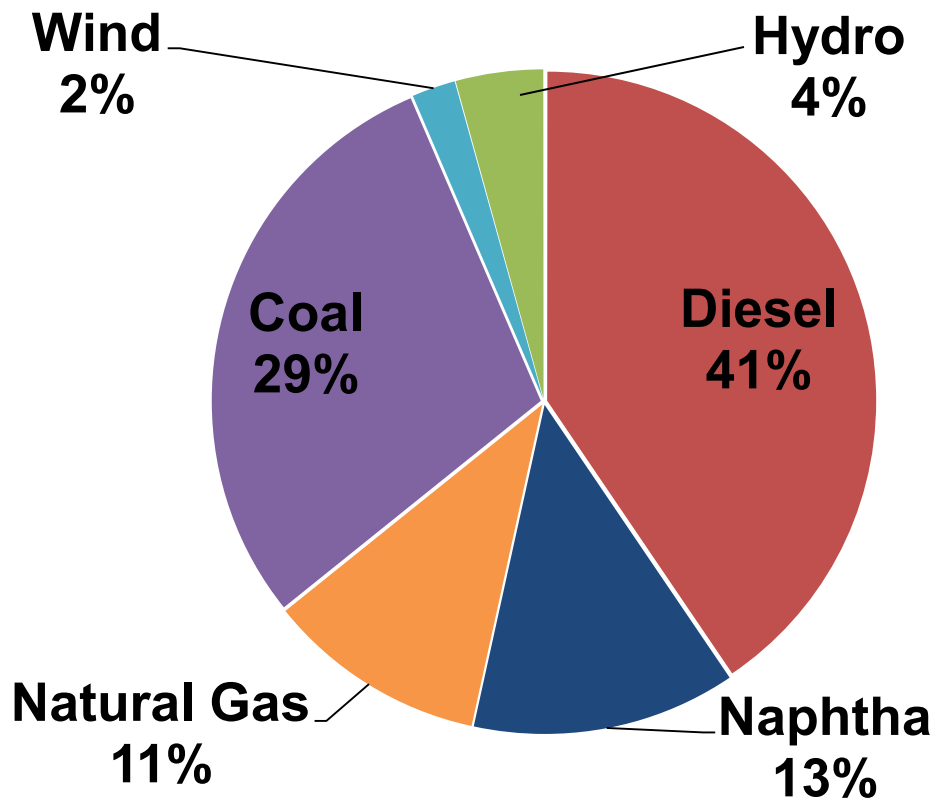
Each year UCM plants about 10,000 trees.



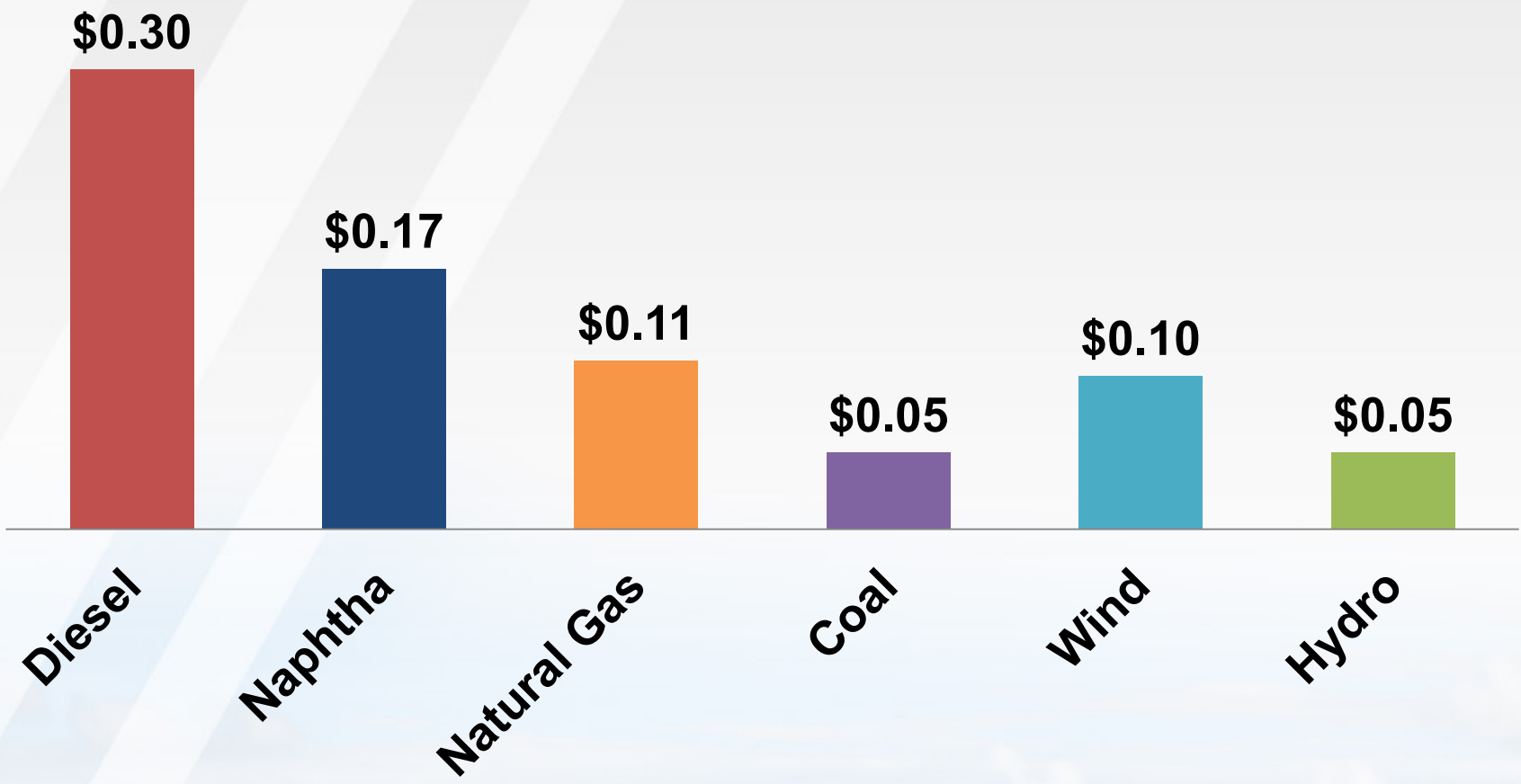
Coal is vital to Alaska.

Coal is a Critical Source Interior Alaska Energy

Interior Energy Capacity, by Source



GVEA Average Cost per kWh, by Source in 2012

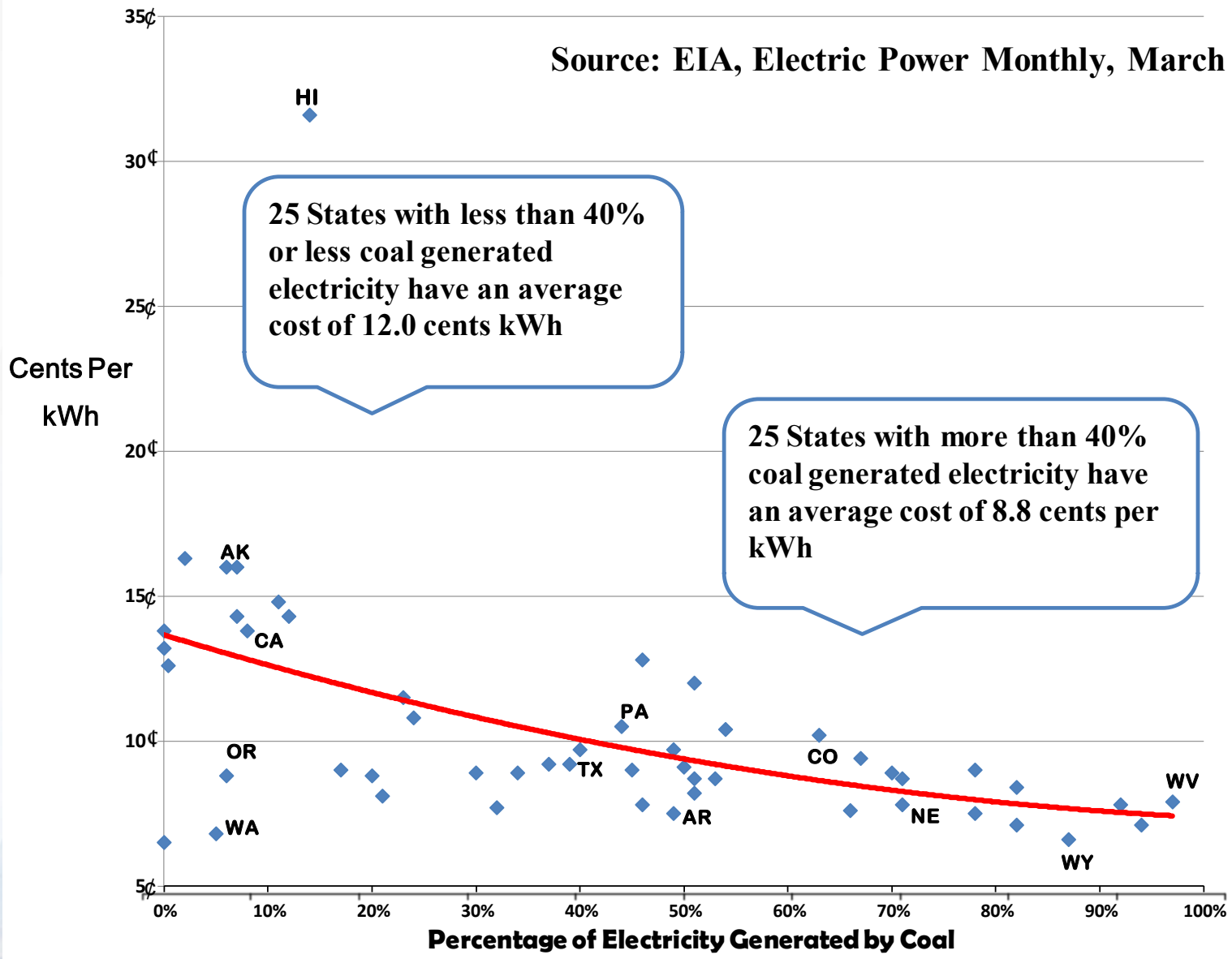


Average GVEA Production Costs per kWh in 2012 and Percent of Total Generation by Fuel Type

Energy Source	Cost per kWh	Percent of Generation
Diesel	\$0.30	13%
Naphtha	\$0.17	30%
Natural Gas	\$0.11	18%
Wind	\$0.10	2%
Coal	\$0.05	29%
Hydro	\$0.05	4%

Source: GVEA 2013, RCA 2013

Source: EIA, Electric Power Monthly, March 2012



Usibelli Coal Mine Spending in Alaska, 2012, by Community

Source: UCM

Location	Number of Vendors	Spending (\$millions)
Anchorage	105	\$27.0
Fairbanks North Star Borough	195	21.6
Denali Borough	27	0.5
Mat-Su Borough	28	0.4
All Other Alaska	45	1.2
Total Spending in Alaska	400	\$50.7



Usibelli Coal Mine

Cleaner Energy ✦ Brighter Future

CONTACT

Lorali Simon
VP External Affairs

office: 907.745.6028
lorali@usibelli.com