

Blackjewel Provides Update on Ongoing Effort to Restart Operations, Bring Employees Back to Work and Honor Prepetition Payroll Checks

CHARLESTON, W.Va. – JULY 10, 2019 – Blackjewel, L.L.C. (“Blackjewel”) today confirmed that the basic operations aimed at protecting the safety and security of its coal mines in Kentucky, Virginia, West Virginia and Wyoming have resumed, allowing more than 140 employees to return to work following the initial suspension of its operations on July 1, 2019.

Employees were initially sent home after a number of unexpected disputes arose between the company and its lenders, which left the company unable to obtain the anticipated loan it had arranged in relation to its restructuring under Chapter 11 of the United States Bankruptcy Code, which commenced on July 1, 2019. Blackjewel has since secured approval of \$5 million in debtor-in-possession bridge financing, which has allowed the company to bring back the first wave of employees who are crucial to ensuring the safety of its mines and equipment while it works towards a longer-term solution.

All the employees returning to work have or will be paid for time worked prior to the company’s Chapter 11 filing, and the company fully intends to pay these employees for all hours worked moving forward. The company’s ability to bring more employees back to work is contingent upon its ability to secure additional financing, which remains the top priority for the management team.

Specifically, the status of payments made to employees is as follows:

- Wyoming employees received cashier’s checks in the amount owed to them as part of their regular pay cycle on June 28, 2019, after the company learned that the usual electronic transfers used to pay these employees had been blocked. While the process of cashing the cashier’s checks was initially more complicated than expected, all of these checks are valid and should now be able to be cashed at any local bank.
- Wyoming employees who have been called back to work were paid on July 8, 2019, via the usual electronic funds transfer for the remaining amounts owed to them for time worked prior to the Chapter 11 filing. The company expects to pay returning Wyoming employees according to its usual schedule and process moving forward.
- Kentucky, Virginia and West Virginia employees who have returned to work have been issued hard-copy checks for time worked prior to the Chapter 11 filing as these locations do not have a pre-existing system for electronic fund transfers. The funds are available for these checks to be deposited. However, some employees have reported issues with their local banks honoring the checks. Blackjewel is working as quickly as possible to address these issues, and its primary bank, United Bank, has posted a public letter on the company’s restructuring website encouraging local banks to “consider such checks for deposit, subject to [such] bank confirming availability of funds through customary check-clearing processes.”

Blackjewel employees currently holding checks issued by the company, as well as local banks presented with Blackjewel checks, should contact the Blackjewel restructuring hotline at (844) 234-1462 with any questions. The company will respond as quickly as possible to address any issues you may be experiencing.

“Management – and everyone involved in Blackjewel’s Chapter 11 case – understands that every day that passes adds to the hardship our employees and their families are experiencing, and we want to emphasize the urgency with which we are approaching this situation,” said David Beckman, Interim CEO of Blackjewel. “We are doing everything possible to get our employees back to work and ensure they are able to deposit their paychecks as quickly as possible.”

Additional information about Blackjewel’s Chapter 11 case, including periodic employee updates and legal filings, is available via the company’s restructuring website, <https://cases.primeclerk.com/blackjewel/>.

Squire Patton Boggs is serving as legal advisor to Blackjewel, FTI Consulting has been retained as Chief Restructuring Officer and financial advisor, and Jefferies LLC is serving as the company’s investment banker.

About Blackjewel

U.S.-based Blackjewel LLC is one of the nation’s top coal producers supporting both the global steel and power generation industries. Its network of mining complexes is one of the most diversified in the United States including major operations in Appalachia and the Powder River Basin. The company controls more than 1.2 billion tons of high-quality metallurgical and thermal coal reserves.

Forward-Looking Statements

This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from changes in the demand for our coal by the domestic electric generation industry; from legislation and regulations relating to the Clean Air Act and other environmental initiatives; from operational, geological, permit, labor and weather-related factors; from fluctuations in the amount of cash we generate from operations; from potential demands for additional collateral for self-bonding; from our ability to complete our potential exchange offers; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

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