

Blackjewel Employee Update

Sale of Wyoming Operations

We are pleased to report that Blackjewel LLC has completed the sale of its Wyoming operations and facilities to Eagle Specialty Materials (“ESM”), an affiliate of FM Coal, LLC (the “Wyoming Sale”). This sale was approved by the Bankruptcy Court on October 4, 2019 and became effective on October 18, 2019. The facilities and operations included in this sale (the “Wyoming Facilities”) include:

- Belle Ayr: located at 2273 Bishop Road, Gillette, WY
- Eagle Butte: located at 10023 Highway 14-16, Gillette, WY
- Central Distribution Center (West) located at 3205 South Highway 59, Gillette, WY

ESM has stated that it intends to operate the facilities utilizing a combination of currently active Blackjewel employees, furloughed Blackjewel employees and new employees. ESM has been given contact information for the active and furloughed Blackjewel employees for purposes of contacting them in regards to prospective employment opportunities with ESM.

As a result of the Wyoming Sale, employees of the Wyoming Facilities are deemed terminated as employees of Blackjewel LLC as of October 18, 2019. There are no bumping rights.

Blackjewel sincerely appreciates your past contributions and wishes you all the best in future opportunities.

If you would like any additional information, contact Lauren Haynes at lauren.haynes@blackjewel.us.

Completion of Postpetition Sales Process

Blackjewel management is excited that the completion of the Wyoming Sale will allow:

- The reopening of the Wyoming operations by ESM,
- The employment of many of our prior employees by ESM, and
- The payment of the amounts owed to Blackjewel employees for past due prepetition wages.

Management understands that this had been a difficult situation for you and your families and thanks you all for your support and patience through this process.

The Wyoming Sale, along with the previous sales of eastern mines (and the pending sale of the Beechfork Mine and the BHL Division), will result in:

- Almost all of Blackjewel’s operating mines reopening under new ownership,
- Hundreds of employees having the opportunity to go back to work, and

October 21, 2019

- All Blackjewel employees finally being paid for prepetition wages that were due at the time of the chapter 11 filing.

Payment of Prepetition Employee Wages

One of the key benefits stemming from the successful completion of the comprehensive sales process that management has been diligently pursuing for the last 3-4 months, and one that the management is very pleased to announce, is that the final step in this process (the completion of the Wyoming Sale) allows for the payment of all employee back wages earned from June 10th through July 1st 2019.

East: Blackjewel is in the process of cutting paychecks for those who worked in the eastern operations. These paychecks will be mailed to the last known address on file for each employee, and are expected to be mailed in the next day or two.

West: ESM has assumed responsibility for the payments to Wyoming employees. Blackjewel is coordinating with ESM to facilitate payments to Wyoming employees.

We know this will not make up for the hardships you've experienced in recent months, but management is grateful that the employees that have been so important to the success of these mines, and the recent sales process, are finally receiving their prepetition wages. Blackjewel management will now turn its full attention toward completing the chapter 11 process and maximizing the remaining value of the Debtors for our creditors. We will continue to provide updates at <https://cases.primeclerk.com/blackjewel/>, and the restructuring hotline remains available at (844) 234-1462 to help address your questions.

Thank you again for your dedication to Blackjewel over the years, and for the perseverance you have demonstrated during this incredibly difficult time. We could not have gotten this far without you.