



Status Update

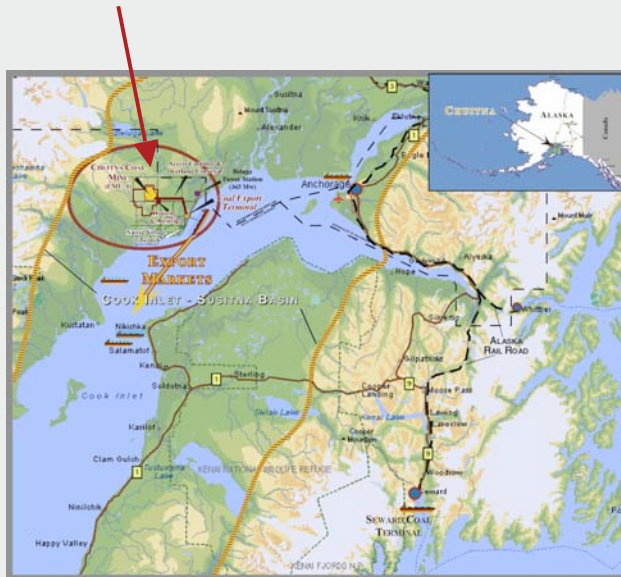
Chuitna Coal Project

World Trade Center Alaska

Anchorage, AK

September 5, 2007

Chuitna Coal Project



Robert B. Stiles, President
DRven Corporation





Project Scope

Integrated, green field coal export development based on ultra low sulfur proven subbituminous coal reserves of the Beluga Coal Field, Southcentral Alaska.

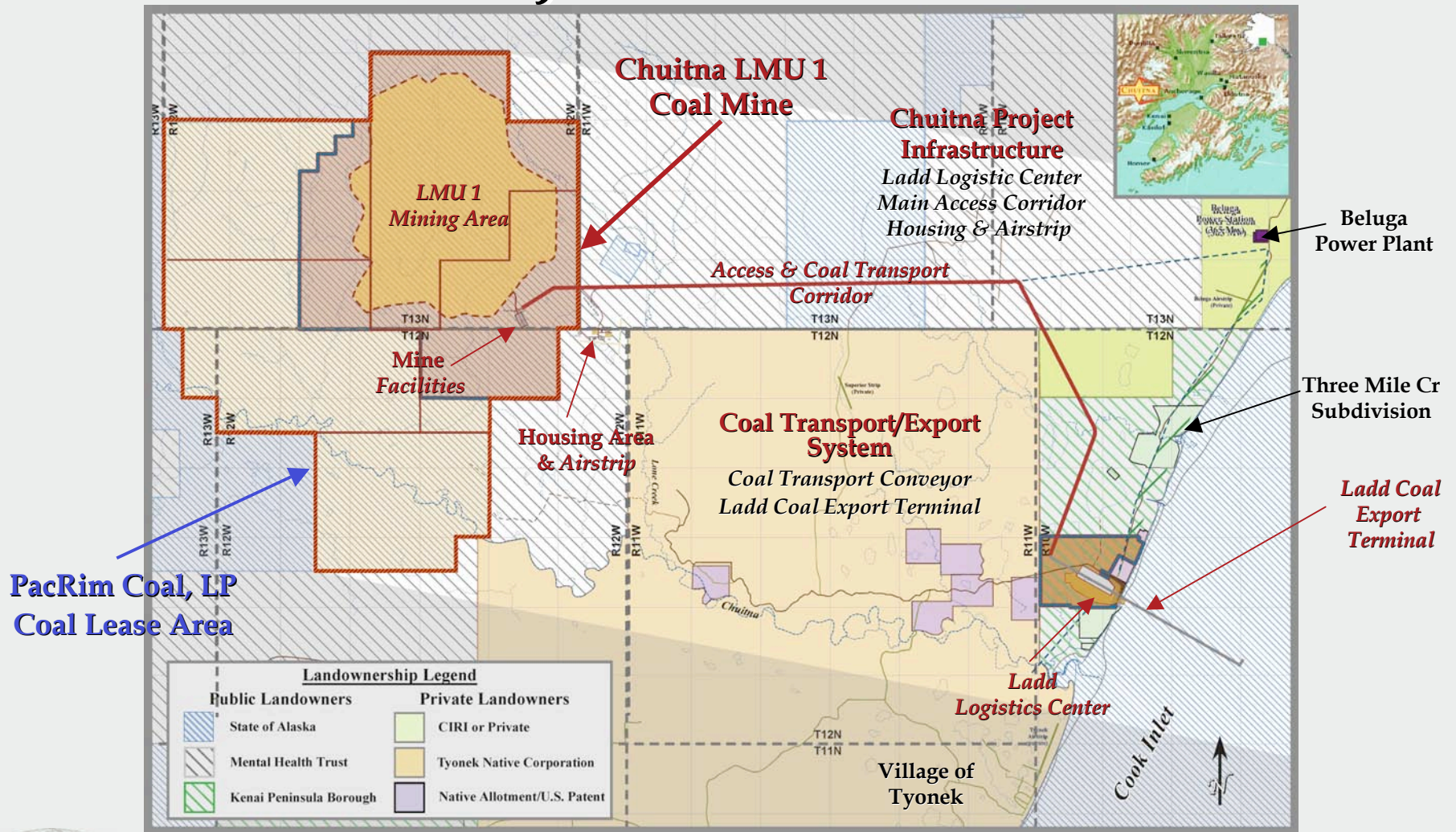
Major Components

- ❖ **Chuitna LMU 1 Coal Mine**
- ❖ **Chuitna Project Infrastructure**
- ❖ **Coal Transport/Export System**

CHUITNA COAL PROJECT



Project Overview



09/07

Project Data, Capacities & Facilities

Total Project

- ❖ Total Initial Investment (2007\$): +\$500 MM
- ❖ Total Royalties to State (25yr Life): +\$350 MM
- ❖ Total Property Tax to KPB (25yr Life): +\$100 MM
- ❖ Peak Construction Job: \pm 300
- ❖ Peak Operating Jobs: \pm 350
- ❖ Numerous Service Contracts
- ❖ Earliest Start-Development: 2009
- ❖ Earliest Start-Shipments: 2011-2012

Project Data, Capacities & Facilities

Chuitna LMU 1 Coal Mine

- ❖ LMU 1 Permit Area \pm 10,000 ac.
- ❖ LMU 1 Mining Area \pm 5,000 ac
- ❖ LMU 1 Mineable Reserves \pm 300MMTons
- ❖ Peak Production 12MMTons/yr
- ❖ Minimum LMU 1 Life 25 yrs
- ❖ Average Strip Ratio 4.7 cubic meters/Ton
- ❖ Shop, Coal Handling & 30 MTon Covered Surge Storage

Notes:

- Tons = metric tons
- LMU 1 energy equivalent to 920 MMbl of oil or 5 tcf of n. gas
- Strip Ratio = cu meters/metric ton

Project Data, Capacities & Facilities

Chuitna Project Infrastructure

Ladd Logistics Center

- ❖ Main receiving & warehouse facility
- ❖ Shallow draft Bulkhead Island offshore
- ❖ Upland warehouse, shop, office & fuel storage facilities

Main Access Corridor

- ❖ Main Access Road: 12 mi. X 50' wide
- ❖ Conveyor Pad & Service Road: 12 mi. X 46' wide.
- ❖ 12 mi Overhead Transmission Line: 138 kV w/ 24.9 kV under build

Housing & Airstrip

- ❖ Housing for 350 person workforce
- ❖ Offices, Mess Hall, Communications Center
- ❖ 5,000' Main & 3,500' Crosswind Runways

Project Data, Capacities & Facilities

Coal Transport/Export System

Coal Transport Conveyor

- ❖ 60" wide X 12 mi. long covered conveyor.
- ❖ 4 transfer points w/ intermediate drives
- ❖ Elevated wildlife & vehicular crossings
- ❖ ± 20 MMTpy Through-put capacity

Ladd Coal Export Terminal

- ❖ 500 MTon Upland Storage Capacity
- ❖ Stacker-Reclaimer w/ 72" yard conveyors
- ❖ 7,500' to 10,000' trestle to Panamax/Cape Class draft berth
- ❖ 2 X 3,000 Ton/hr ship loaders (deep draft)
- ❖ 2,000 Ton/hr shallow draft loading berth.
- ❖ ± 20 MMTpy Through-put capacity

Development Status - Phase 0

❖ **General**

- ❖ Project Investment Feasibility Complete 4th Qtr 07

❖ **Lands & Resource**

- ❖ Current Holding
- ❖ Interests to be Finalized

❖ **Exploration** (Completed in '86)

❖ **Engineering**

❖ **Environmental**

- ❖ Baseline
- ❖ Management Plans

❖ **Permits, Approvals & Authorization**

- ❖ NEPA
- ❖ Federal
- ❖ State

Development Status - Phase 0

Land & Resource Position

- ❖ 20,000 acres of State coal leases with \pm 1,000 MMTons
- ❖ Option to lease \pm 700 acres @ Ladd Landing

Interests To Be Finalized

- ❖ *Tidelands lease from State - Ladd Coal Export Terminal*
- ❖ *2 mi Easement from KPB - Access & Coal Transport Corridor*
- ❖ *1 mi Easement from CIRI - Access & Coal Transport Corridor*
- ❖ *6 mi Easement from MHTA - Access & Coal Transport Corridor*
- ❖ *1 mi Easement from State - Access & Coal Transport Corridor*
- ❖ *Ground lease from MHTA - Housing & Airstrip Facility*

Development Status - Phase 0

Engineering

- ❖ Mine & Reclamation Plan LMU 1 - 95% Complete
- ❖ Feasibility/Preliminary Engineering - 90% Complete
- ❖ Permit Level Designs & Operating Plans - 90% Complete
- ❖ Photogrammetry & Surveying - Complete
- ❖ Geotechnical Investigations - Complete
- ❖ Feasibility Economic Evaluation - Ongoing

To Be Completed

- ❖ *Construction/Development Contacting Strategy*
- ❖ *Construction Management Plan*
- ❖ *Manning, Operating, & Production Plan*

Development Status - Phase 0

Environmental

❖ Completed Baseline Studies

- ❑ **Meteorology**
- ❑ **Soils & Geology**
- ❑ **Water Resources (Monitoring On Going)**
- ❑ **Terrestrial Wildlife**
- ❑ **Vegetation & Wetlands**
- ❑ **Freshwater Fisheries (Additional Studies Underway)**
- ❑ **Cultural Resources/Subsistence/Traditional Knowledge**
- ❑ **Marine Mammals & Marine Fisheries (Monitoring On Going)**

❖ Environmental Management Plans

- ❑ **Fish & Wildlife Protection Plan 90% Complete**
- ❑ **Water Management & Stream Restoration Plan 90% Complete**
- ❑ **Air Quality Management Plan Complete**
- ❑ **Revegetation Plan Complete**



Development Status - Phase 0

Permits, Approvals & Authorizations

Integrated Federal/State Permitting & Approval Process with EPA Lead Federal Agency & ADNR (OPMP) Lead State Agency.

- ❖ NEPA
 - ❖ Draft Supplemental EIS (SEIS)-1st Qtr '08 (3rd Party Contractor-ENSR)
 - ❖ Final SEIS 3rd/4th Qtr '08
- ❖ Federal Agencies (Permitting Authority)
 - ❖ EPA - NPDES Permits
 - ❖ COE - 404 & Section 10
 - ❖ NMFS - ITA/LOA
 - ❖ Consulting - USF&WS
- ❖ State Agencies (Permitting Authority)
 - ❖ ADNR - ASCMCRA, OHMP, ACMP, SHPO
 - ❖ ADEC - Air & Water
 - ❖ Consulting - ADF&G

Challenges

Governmental

- ❖ Tax Policy - Proposed changes
- ❖ Environmental Policies - Beluga listing, CO₂ Legislation
- ❖ Permitting, Approval & Authorizations Processes

❖ 3rd Party Actions

- ❖ Unsuitability Petition
- ❖ Legal Challenges of Agency Decisions

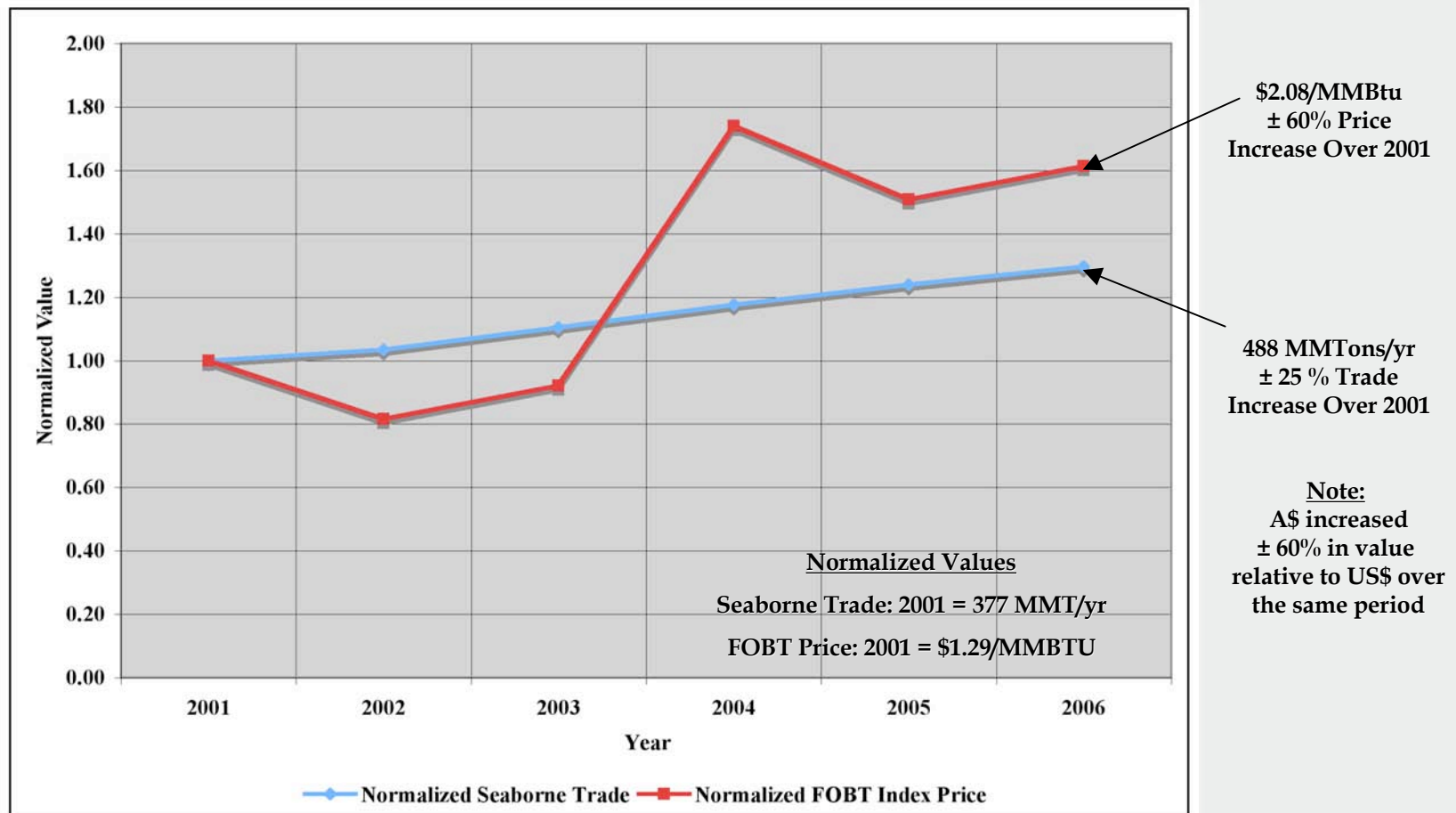
❖ Economic

- ❖ Rising Costs & Constrained Capacities
- ❖ Markets - Price/Demand, Commoditization, Exchange Rates

CHUITNA COAL PROJECT



Seaborne Coal Trade & FOBT Price



Price Data Source: Average of Global Coal Richards Bay & Newcastle Index Price
Trade Data Source: Combination of Barlow-Jonkers & BP Statistical Review 2007



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QUESTIONS ?

