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## Alpha Natural coal prices to increase in 2010

*Sunday, 13 Sep, 2009*

Bloomberg reported that Alpha Natural Resources Inc the third largest US coal producer expects prices for its coal to increase next year.

Alpha Natural Resources said in a regulatory filing that the company coal from its Western mines will rise 6.4% to USD 11.17 a ton from USD 10.50 this year. Its Eastern steam coal will climb 8.9% to USD 69.51 a tonne and Eastern metallurgical coal will fetch USD 114.45 a tonne 13% more than this year. Alpha will ship between 80 million tons to 90 million tonnes of coal next year from between 83 million to 87.5 million tonnes this year.

In May, Alpha acquired Foundation Coal Holdings Inc. in an all-stock transaction valued at USD 2 billion.

Mr Kevin Crutchfield CEO of Alpha Natural Resources said that the company will continue to grow beyond the recent acquisition. He said that “We have created a strategy that allows us to deal with opportunities as they become available. We don’t think anything’s off the table as long as it makes sense.”

Mr Crutchfield said natural gas, priced below USD 3 per million British thermal units, has displaced about 30 million tonnes of coal. He said that “That’s taken a bite out of coal market share.”

Natural gas for October delivery rose 0.4% to USD 2.833 per million Btu at 10:50 AM on the New York Mercantile Exchange. Gas prices are 61% lower than a year ago.

(Sourced from Bloomberg)

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