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From: "Dragoo, Denise" <ddragoo@swlaw.com>
To: "Pam Grubaugh-Littig" <pamgrubaughlittig@utah.gov>
Date: 8/15/2006 12:25:55 PM
Subject: Change in Ownership & Control - Andalex/Murray Energy Corporation

Pam, attached as we discussed is a letter regarding the change in ownership and control of the Andalex operations as the result the the stock acquisition of this entity by Murray Energy Corporation. We will be following up with additional information once we have confirmed whether Murray Energy will propose to change the names of the permittees of these operations. Thanks for your assistance in this matter. Denise

Denise A. Dragoo
Snell & Wilmer L.L.P.

15 West South Temple
Suite 1200
Gateway Tower West
Salt Lake City, Utah 84101-1547
Phone: (801) 257-1998 (direct)
Fax: (801) 257-1800
(Assistant is Julie McKenzie, 801-257-1959 or
jmckenzie@swlaw.com)
www.swlaw.com

Note: This communication is intended only for the designated recipients, and may contain confidential or privileged information. If you are not a designated recipient, please disregard this communication, and contact the sender immediately. Thank you.

<<Ltr to Grubaugh-Littig.pdf>>

CC: "McKown, Mike" <mmckown@coalsource.com>, "Dave Shaver" <dshaver@UtahAmerican.com>, "Marshall, Jay" <jmarshall@coalsource.com>

Snell & Wilmer
L.L.P.
LAW OFFICES

15 West South Temple, Suite 1200
Gateway Tower West
Salt Lake City, Utah 84101
(801) 257-1900
Fax: (801) 257-1800
www.swlaw.com

Denise A. Drago (801) 257-1998
ddragoo@swlaw.com

August 15, 2006

SALT LAKE CITY, UTAH

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TUCSON, ARIZONA

IRVINE, CALIFORNIA

DENVER, COLORADO

LAS VEGAS, NEVADA

VIA E-MAIL AND U.S. MAIL

Pamela Grubaugh-Littig
Permit Supervisor
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114

Re: Change of Ownership and Control – Andalex Resources, Inc.

Dear Pam:

As we have discussed, on behalf of Murray Energy Corporation, enclosed is a news release regarding the recent change in ownership and control of Andalex Resources, Inc. (“Andalex”). Murray Energy Corporation has purchased all of the shares of the common stock of Andalex and its subsidiaries, effective as of August 9, 2006. The Utah operations of Andalex including the Crandall Canyon Project, West Ridge Project, Tower Division, and the Wildcat Loadout will be operated by UtahAmerican Energy, Inc, the Utah subsidiary of parent Murray Energy Corporation. This change in ownership and control may be followed up with a name change regarding the permitted operator of each of the former Andalex operations. We understand that this second phase of the change over would involve a transfer, assignment or sale (TAS) of permit rights subject to approval of the Division pursuant to R645-303-300. If Murray Energy Corporation decides to change the names of the permittees, a TAS application for each of the former Andalex operations will be submitted for Division approval. If Murray Energy Corporation decides not to change the current names of the permittees, we will be providing the Division with updated ownership and control information in the near future.

Thank you for your assistance in this matter. Please let Dave Shaver or me know if you have further questions.

Very truly yours,



Denise A. Drago

DAD:kh

cc: Michael McKown, Esq.
David Shaver

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PHONE (216) 765-1240
FAX (216) 765-2654

FOR IMMEDIATE RELEASE

August 9, 2006

CONTACT:

Michael O. McKown, Esq.
Secretary
Office: (216) 765-1240
Office: (314) 854-1351
Mobile: (216) 215-3737

Robert D. Moore
Vice President
Office: (740) 926-1365
Mobile: (740) 391-1365

**MURRAY ENERGY CORPORATION
ACQUIRES ANDALEX RESOURCES, INC.**

Cleveland: Murray Energy Corporation ("Murray Energy"), headquartered in Cleveland, Ohio, has announced the purchase of all of the shares of the common stock of Andalex Resources, Inc. and its four subsidiary companies from Andalex Hungary Management Limited Liability Company ("Andalex").

The former Andalex properties will be owned and operated by Murray Energy's Subsidiary, UtahAmerican Energy, Inc. ("UtahAmerican Energy"). Two of the mines are co-owned with the Intermountain Power Agency ("Intermountain Power"), which is managed by the Los Angeles Department of Water and Power. "We are looking forward to a long term, mutually beneficial relationship with our new partner and all of our customers", said Mr. Robert E. Murray, Chairman, President and Chief Executive Officer of Murray Energy.

FOR IMMEDIATE RELEASE

August 9, 2006

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The new UtahAmerican Energy properties consist of three underground coal mining operations and a transloading facility located in Carbon and Emery Counties, Utah. They are the Crandall Canyon Project, West Ridge Project, and Tower Division, as well as the Wildcat Loadout on the Utah and Union Pacific railways. Crandall Canyon and West Ridge are fifty percent co-owned by Intermountain Power, which operates the huge, over five million ton per year, Delta Power Plant in Utah.

"This acquisition provides many synergies for Intermountain Power and Murray Energy", stated Mr. Murray. "First, all three purchased mines are operated using very complex underground longwall mining techniques. Murray Energy is the second largest longwall mining Company in the United States, and we have the expertise to operate these mines in a very safe and efficient manner", he advised.

"Secondly", Mr. Murray added, "for nearly five years UtahAmerican Energy has owned the very large Lila Canyon Mine coal reserves near the purchased properties. For all of this time UtahAmerican Energy has been attempting to obtain its final mining permit from the Utah Division of Oil, Gas and Mining, which is expected this year, notwithstanding the destructive and delaying tactics of the radical Southern Utah Wilderness Alliance. This acquisition will provide a very beneficial transition for Murray Energy into our high quality Lila Canyon reserves, when the Crandall Canyon Mine, which has limited reserves, is depleted. We will be able to supply high quality coal to our electric customers and partner for many years, plus serve new ones when Lila Canyon is soon developed", said Mr. Murray.

Murray Energy has deployed a team of experts to integrate the newly acquired UtahAmerican Energy operations into its diversified portfolio of mining Companies. Mr. Douglas H. Smith will remain in the organization as President of UtahAmerican Energy, while Mr. John C. Bradshaw, former Vice President, Finance, will be joining Murray Energy in Ohio as Treasurer, Tax Manager, and Internal Auditor. Mr. Karl E. Yoder will remain as General Manager of Sales for UtahAmerican Energy.

"Having operated underground mines in Utah from 1968 to 1972, I am looking forward to our return", said Mr. Murray. "We intend to provide outstanding and reliable service to Intermountain Power and our many new customers, and to provide good employment and the best possible quality of life to the people and communities of Carbon and Emery Counties", he concluded.
