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From: Steve Christensen
To: Dana Dean; Daron Haddock; Jim Smith
Date: 5/12/2009 10:40 AM
Subject: Interesting phone conversation

FYI-- I just got off the phone with a Mr. Martin Phipps. He claimed that he worked for Rio Tinto and was asking questions regarding active versus in-active mines. He said that he's managed the coal that comes into the Utah power plant for the last 7 years. He said that they've been purchasing their coal from Sufco but that in 2012, Sufco will run out of coal that will meet the specifications of their plant.

Mr. Phipp's has been doing research as to whether other coal operations in Utah may fulfill their power plants requirements. Apparently, he has not been successful in finding a Utah operation that will work. According to Mr. Phipp's, the sulfur content in most Utah coal is too high for the plants boiler. He said that 4 years ago they bought Black Butte coal out of Wyoming and that it was a disaster because of the coal quality and other logistical problems. Mr. Phipp's indicated that he didn't see a problem for Sufco in losing them as a customer as they only use 450,000 tons/year and because Sufco wouldn't have a problem finding a customer that would pay them more for their coal.

He was asking questions about Coal Hollow and Kinney. I told them that they were in the process of being permitted, but at this point, I couldn't give him an accurate estimate as to when they would start producing or what the coal's sulfur content was.

At any rate, I just wanted to pass that along. It was an interesting conversation.

Steve