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Blaschak Coal Corporation Sets Coal Mine Production and Sales Record in 2011; Anticipates Record 1 Million Tons of Production in 2012

With Global and Residential Demand Rising, Blaschak Well-Positioned to Set New Processing Record

MAHANOY CITY, PA—January 9, 2012—<u>Blaschak Coal Corporation</u> reported a record year in coal mine production and sales in 2011 and expects to produce a record 1 million tons of coal in 2012, as global and residential demand for anthracite coal continues to rise.

Last year, the 75-year-old coal company's "Run of Mine" coal production – the coal as it is removed from mines – exceeded 625,000 tons. Blaschak's prepared coal sales were more than 275,000 tons. Both of those figures were new records for Blaschak.

"As oil prices continue to rise, and the global need for process carbon grows, Blaschak, and the rest of the Pennsylvania industry is experiencing growing demand for anthracite, both from global manufacturers and local consumers," said Greg Driscoll, Chairman and CEO of Blaschak Coal Corp. "Anthracite is experiencing a renaissance as a low-cost, clean source of carbon and energy. We expect to produce nearly 1 million tons of run of mine anthracite this year."

Driscoll said that the strategic acquisition last year of a new processing plant in Luzerne County, near Hazleton, Pa., would enable Blaschak to increase its production capacity in 2012.

"The acquisition of the Lattimer facility will enable us to extend the hours of our mining and processing operations," he said. "We expect to sell more than 350,000 tons of prepared coal next year."

In addition, Driscoll said, Blaschak enjoys a unique business model and a market position that will favor further growth in 2012.

"Blaschak's business model successfully integrates production, processing and distribution, relying on three active mines and two major processing facilities," he said. "We also enjoy market diversity, ranging from global steel manufacturers in Europe and South America to residential customers in Pennsylvania and throughout the northeast. Easy access to railway transportation connects us to East Coast ports that support global demand for our product."

Based in the heart of coal country in Northeastern Pennsylvania, Blaschak sits atop one of the largest known anthracite fields in North America. According to the <u>Pennsylvania Anthracite</u> <u>Council</u>, there are 4 to 6 billion tons of reserves of anthracite left in the Northeastern Pennsylvania region.

Blaschak's increase in production resulted in 40 new jobs being added last year. Blaschak now employs 140, with further growth anticipated in 2012.

Anthracite coal mining is done on previously mined land that is completely reclaimed and restored.

"We take great pride in the fact that we are reclaiming old mine sites and restoring the land," said Driscoll. "Our work provides an important source of energy, replenishes forest land and restores erosion and sedimentation controls that help renew the health of streams."

About Blaschak Coal Corp.

Blaschak Coal Corp. (www.blaschakcoal.com) is a miner, preparer and marketer of Pennsylvania anthracite. Blaschak is a market leader and one of the few fully integrated U.S. anthracite companies with a large reserve base, multiple mines, multiple preparation plants, a bagging plant, both rail and truck loading facilities and extensive marketing operations serving a wide range of end markets, including home heating, steel and water filtration.

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