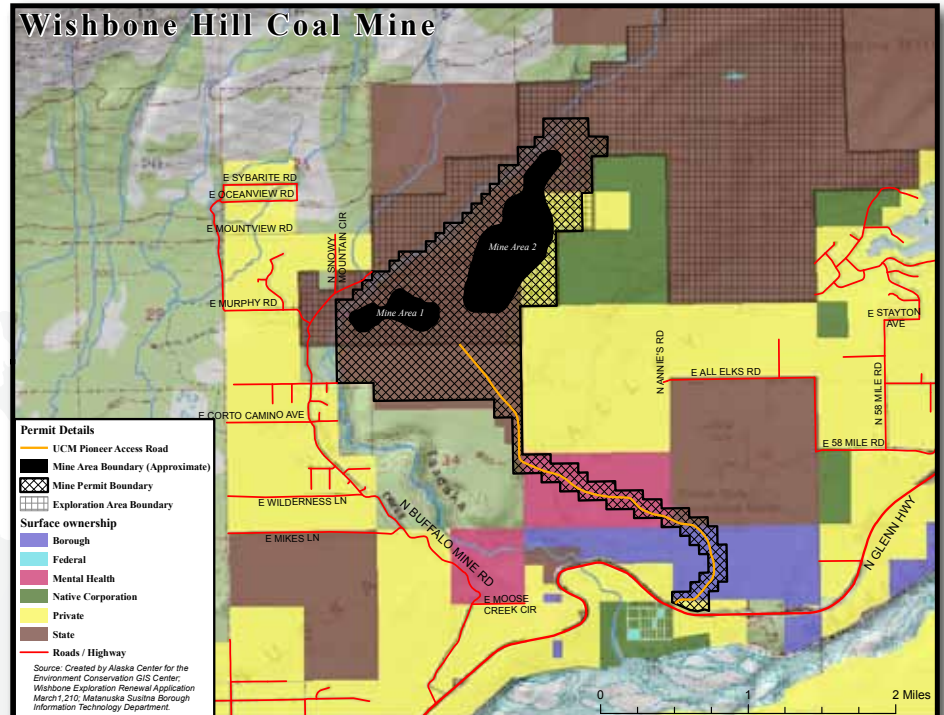


ALASKA COAL FACTS

PROPOSED WISHBONE HILL COAL STRIP MINE

Introduction:

- Wishbone Hill is located 40 miles northeast of Anchorage, 10 miles northeast of Palmer, near the community of Sutton in Alaska's Matanuska-Susitna Valley. Since the 2000 census, the borough has been the fast growing area of the state and among the top 40 fastest growing in the country.
- Commercial production of coal in the area began in 1916, when military steamships relied on coal, and continued through 1968.
- Wishbone Hill leases were purchased in 1983 by the Japan-based energy company Idemitsu Kosan. In 1997, Usibelli Coal Mine finalized the purchase of 7,343 acres.



Location of the proposed Wishbone Hill coal strip mine.

- There are an estimated 14 million tons of surface minable bituminous coal.
- Bituminous coal has an energy content of 12,200 BTUs per pound, a low sulfur content of 0.4% and an ash content of 9%.
- The coal is destined for foreign markets. According to Usibelli, all the coal will be shipped to a foreign power company in Japan, J-Power.
- According to Usibelli Vice President Steve Denton, if the test holes show promise, the company could begin a mine as early as 2012.
- Usibelli has confirmed that there will be regular blasting and up to 100 double-bedded coal trucks a day transporting the coal to its destination.

Permits:

- Usibelli is seeking renewal of the DNR exploration permit
- Usibelli holds a surface coal mining permit for the Wishbone Hill leases from the Alaska Department of Natural Resources that is valid through 2011.
- Usibelli is in the pre-application process for an air quality permit with the Alaska Department of Environmental Conservation.

ALASKA COAL FACTS

- Usibelli is currently applying for a modification of their Mat-Su Borough land lease which provides access to their coal lease area.

History of Wishbone Hill

Compiled from the Matanuska-Susitna Borough website

- In 1955 Jerry and Elizabeth Harrison lived on Buffalo Mine Rd, along with several other families, their daughter and son in law live on the property today.
- In 1960 Paul Omlin acquired the Premier Coal mine in the Matanuska Valley which is less than a mile from our neighborhood. Paul dug coal and sold it to locals to heat their homes.
- In 1971 a flood closes the Premier Coal Mine.
- In 1978 several subdivisions were platted and people started buying and building homes.
- In 1984 after Paul Omlin's death from Cancer, Diamond Alaska Coal Co. and Japan's Electric Power Developments Corp. enter a joint feasibility study but never did mine.
- In 1992 Usibelli purchases the lease. There had been a residential neighborhood already established for 17 years prior to their lease purchase.

Usibelli is planning an open pit mining operation within ¼ mile of these established homes. According to the Borough, there are 128 families within less than a mile on the down wind side of the proposed site. The borough assessment of these homes is \$15,730,000.00. Near other open pit strip mines, property values drop drastically. These families could then owe more than the properties are worth. If these families are force to leave, the borough and the banks may be the new owners of property they can't sell.

Impacts of Coal Dust:

Coal dust is a fine powder form of coal, which is created by the crushing, grinding, or pulverizing of coal. Because of the brittle nature of coal, coal dust can be created during mining, transportation, or by mechanically handling coal.

Particulate Matter, the vast majority of dust from mining consists of course particulate matter that can be breathed in.

Chronic inhalation of coal dust is associated with pulmonary disease, bronchitis, decreased pulmonary function, and emphysema. Inhalation of coal dust can permanently damage lung tissue. Children, people with chronic illnesses, and the elderly are particularly vulnerable, according to Alaska Community Action on Toxics.

In Seward, where a subsidiary of Usibelli, Aurora Energy Services, exports coal there have been major problems with toxic coal dust. Residents of Seward have reported coal dust on their boats in the harbor, windows in downtown and airfilters in their homes. Coal dust has also been documented in Resurrection Bay.

Visit the Usibelli website to get a preview of the blasting & realities of a coal strip mine www.usibelli.com