

INITIAL TREATMENT BOND/TRUST CALCULATOR

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Prepared For: Brant Coal Co.

Date (mm/dd/yy):

October 21, 2005

Treatment System ID: 1S

Inflation Rate:

3.1%

Options

O&M only

Total

Yrs to Treat start:

0

Annual Treatment Cost:

\$573.00

option #1

\$23,684.56

\$24,267.02

Trust Fees:

1.50%

conventional bond:

(\$75,215.44)

(\$74,632.98)

Bond (not needed for land rec):

\$98,900.00

bond adjustment:

(\$75,215.44)

Investment Ratios:

stock: 80%

option #2

\$13,135.22

\$13,398.66

bond: 20%

full funding (year 1):

\$13,135.22

Effective Rate of Return:

8.43%

Volatility Index:

1.16

Remaining Time on Permit: 5 years

PV of Recap (todays \$\$) @

8.43%

Eff RoR &

3.1% Inf:

\$263.44

(for trust)

PV of Recap (todays \$\$) @

6.00%

Eff RoR &

3.1% Inf:

\$500.00

(for bond)