

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a yellow Greek letter alpha symbol to the right, all on a dark red background.

CONSOL Energy Inc. Q3 2008 Earnings Conference Call Transcript

Question-and-Answer Session

[Operator Instructions] And our first question comes from the line of Jim. Rollyson of Raymond James. Please go ahead.

James M. Rollyson - Raymond James

Good morning gentlemen.

J. Brett Harvey - President and Chief Executive Officer

Hi, Jim.

James M. Rollyson - Raymond James

Brett could you maybe spend a minute just talking obviously there has been a lot of different numbers but as it relates to pricing and what you're seeing maybe spend a minute on what you're seeing in terms of Eastern steam coal prices and how recently you may have booked some coal just to kind of give us a sense for where the real market is right now?

J. Brett Harvey - President and Chief Executive Officer

Sure. I'll be glad to do that. In the last three weeks we've done deals on Eastern steam coal at everything plus \$110 per ton. On the low-vol met side we've done deals at 1.2 million tons for 2009 between \$285 and \$310 a ton. On the Eastern steam side I might want to reiterate we've signed up almost 3 million tons of Eastern steam coal plus the 110.

So, we see the market stable and strong and '09 looks very good for pricing. We still see in any economy the base energy demand of which our coals are related to in steel as well as steam coal is in demand and very strong? very strong pricing.

James M. Rollyson - Raymond James

And on the met side presumably that's with domestic US steel makers?

J. Brett Harvey - President and Chief Executive Officer

Yes it is.

James M. Rollyson - Raymond James

Any thoughts as to how that pricing might holdup as you go further in time to the international negotiations? Do you expect that to generally holdup when you get to the international settlements?

J. Brett Harvey - President and Chief Executive Officer

Well we expect met pricing to roll into the international environment because we believe they're linked. The other piece that we really believe and I'm really satisfied with is that our high premium low-vol coal is going to demand higher prices and will move into that market as well just like it did here in the Eastern United States. What we're seeing is this premium high low-vol pricing creates value for the steel guys as their coke plants become more efficient in a different marketplace for themselves.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.