

**XINERGY CORP.
OVERVIEW**

Contingent on procuring the required financing and securing the assumed 2016 contract shipments, the preliminary 2016 projection model indicates that Xinergy Corp. is a viable entity and generates positive cash flow before estimated debt service.

- ① The preliminary 2016 model forecasts EBITDA of \$7.2 million.
 - Improved EBITDA performance in 2016 is being driven by:
 - (1) Improved pricing for met and thermal coal.
 - (2) Increased sales volume.
 - (3) Benefit of capex programs.
 - RFP's for 2016 contracts have been submitted to two large domestic steelmakers. While both are viable and pending we have included only one (1) of the potential customers in the projections.
 - If the Company is able to secure both contracts for 2016, estimated incremental EBITDA of up to \$2.9 million could be realized as shown in below illustrative example (subject to review and further confirmation).

Base Case - 1 Customer	
Operating Cash Flow	\$ 7,130
CapEx	(2,000)
Operating Cash Flow Less CapEx	\$ 5,130
Both Customers	
Operating Cash Flow	\$ 10,467
CapEx	(2,382)
Operating Cash Flow Less CapEx	\$ 8,085

- ② The preliminary 2016 model indicates that minimal financing would be required to support Company operations over the 12 month period ended December 31, 2016.
 - The primary driver of the funding need of \$0.7 million in 2016 is to fund interest expense on an Exit TL facility of \$47.2 million (1).
 - (1) Assumed for analysis purposes only. Actual disposition of the DIP facility upon exit to be determined.
- ③ The projections delivered in the meeting with bondholders on August 6, 2015, are holding firm:
 - Significantly improved volume and pricing are driving the improvements versus the Baseline Forecast dated August 7, 2015.
 - Our interim funding request remains at \$5 million.
- ④ The Company and its advisors believe there are additional potential improvements to the estimated funding requirements due to the following:
 - Additional customer orders / improved pricing at both South Fork and Raven Crest.
 - Lower than estimated professional fees.
 - Lower than estimated cure payments.

**XINERGY CORP.
ASSUMPTIONS FOR FUNDING PROJECTIONS**

Chapter 11	<p>Emerge December 2015.</p> <p>No more professional fees incurred after November 2015 (other than de minimus fees to close the case).</p> <p>Success fees (\$2.263 million) and estimated cure payments (\$2.0 million) paid by exit lender.</p> <p>Revolver or other financing available at exit.</p> <p>Assume DIP rolled into exit term loan (to be reviewed).</p>
Working Capital	Assume 30 days for AR and AP, set minimum 2016 inventory to 30K and 20K tons at South Fork and Raven Crest, respectively.
Capex	\$6.5 million for mining equipment, ancillary equipment and additional/unanticipated requirements.
Operations	<p>Raven Crest Production continues at current level, matched to order requirements, with pricing based on expected improvement in market conditions.</p> <p>South Fork Retain current customers through 2015, with additional volume from new customer in 2016. Execute capex programs in late 2015, with resulting cost improvements projected in 2016. Surface mine production commences in 2016 to support new customer requirements.</p> <p>Other Idle mine costs continue (ability to reject / modify under review).</p> <p>Corporate Go forward with current cost structure.</p>

XINERGY CORP.
CONSOLIDATED BRIDGE
2015 TO 2016
\$'000

				% of Revenue		2016 Comments
	2015	Change	2016	2015	2016	
Revenue	\$ 44,800	\$ 21,650	\$ 66,450	100%	100%	New customer, improved pricing.
Direct Costs	27,892	1,731	29,622	62%	45%	Benefit of capex programs and full year of HWM operations. Reduced headcount.
Indirect Costs	19,732	5,612	25,344	44%	38%	Primarily fixed cost absorption.
Cost of Operations	47,623	7,343	54,966	106%	83%	
Inventory Valuation	(727)	1,686	959	-2%	1%	Inventory reduction.
Cost of Sales	46,896	9,029	55,925	105%	84%	
G & A	4,193	(357)	3,836	9%	6%	Reduced headcount.
Other	379	146	525	1%	1%	
EBITDAR	(5,910)	13,125	7,215	-13%	11%	

**XINERGY CORP.
CONSOLIDATED
PROFIT AND LOSS PROJECTIONS**

	YTD 2015	Jul-15 A	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Second half 2015	2015	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Year end 2016	
Revenue	\$ 21,722	\$ 2,347	\$ 5,885	\$ 5,286	\$ 3,260	\$ 3,150	\$ 3,150	\$ 23,078	\$ 44,800	\$ 5,538	\$ 5,538	\$ 5,538	\$ 5,538	\$ 5,538	\$ 5,538	\$ 5,538	\$ 5,538	\$ 5,538	\$ 5,538	\$ 5,538	\$ 5,538	\$ 5,538	\$ 66,450
Cost of Sales	24,525	2,147	6,348	5,148	3,014	2,833	2,880	22,371	46,896	4,812	4,694	4,712	4,691	4,516	4,692	4,691	4,520	4,692	4,691	4,522	4,691	4,691	55,925
G&A	2,264	303	348	320	320	320	320	1,929	4,193	320	320	320	320	320	320	320	320	320	320	320	320	320	3,836
Other Income (Expense)	267	16	58	35	3	-	-	112	379	44	44	44	44	44	44	44	44	44	44	44	44	44	525
EBITDAR	\$ (4,801)	\$ (87)	\$ (753)	\$ (146)	\$ (71)	\$ (3)	\$ (50)	\$ (1,110)	\$ (5,910)	\$ 449	\$ 568	\$ 549	\$ 570	\$ 745	\$ 570	\$ 570	\$ 742	\$ 570	\$ 570	\$ 740	\$ 570	\$ 570	\$ 7,215
Operating Statistics																							
Tons Sold (000s)																							
Raven Crest	282	49	83	83	60	60	60	394	676	60	60	60	60	60	60	60	60	60	60	60	60	60	720
South Fork	96	2	36	23	5	3	3	72	167	28	28	28	28	28	28	28	28	28	28	28	28	28	336
Sold tons	378	51	119	106	65	63	63	466	844	88	88	88	88	88	88	88	88	88	88	88	88	88	1,056
Average price / ton																							
Raven Crest	\$ 46.03	\$ 42.32	\$ 43.35	\$ 43.82	\$ 45.00	\$ 45.00	\$ 45.00	\$ 44.07	\$ 44.89	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50	\$ 47.50
South Fork	\$ 91.32	\$ 150.00	\$ 64.01	\$ 71.82	\$ 116.63	\$ 150.00	\$ 150.00	\$ 79.46	\$ 86.23	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98	\$ 95.98
Average price / ton	\$ 57.48	\$ 46.29	\$ 49.62	\$ 49.96	\$ 50.31	\$ 50.00	\$ 50.00	\$ 49.53	\$ 53.09	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93	\$ 62.93

XINERGY CORP
CASH SOURCES AND USES 12/2/15 - 12/31/16 POST EMERGENCE
\$000s

Cash sources	Dec '15	2016	Total Post Emergence	Total Pre and Post Emergence
DIP Facility	\$ -	\$ -	\$ -	\$ 6,158
Exit Facility	4,606	667	5,272	10,535
Total New Funding	\$ 4,606	\$ 667	\$ 5,272	\$ 16,693
Cash	-	-	-	4,040
Operations	-	7,130	7,130	7,130
Total cash sources	\$ 4,606	\$ 7,797	\$ 12,402	\$ 27,863
Cash uses				
Operations	\$ (604)		\$ (604)	\$ (2,883)
Interest	(452)	(5,797)	(6,249)	(8,111)
CapEx	(3,550)	(2,000)	(5,550)	(6,506)
Cure payments	-	-	-	(2,000)
Professional fees	-	-	-	(7,363)
Minimum cash at emergence	-	-	-	(1,000)
Total cash uses	\$ (4,606)	\$ (7,797)	\$ (12,402)	\$ (27,863)

XINERGY CORP
CASH SOURCES AND USES THROUGH 12/1/15 EMERGENCE
\$000s

Cash sources	July '15		Total Through Emergence
	- Nov '15	Emergence	
DIP Facility	\$ 6,158	\$ -	\$ 6,158
Exit Facility	-	5,263	5,263
Total New Funding	\$ 6,158	\$ 5,263	\$ 11,421
Cash	4,040	-	4,040
Operations	-	-	-
Total cash sources	\$ 10,197	\$ 5,263	\$ 15,460

Cash uses			
Operations	\$ (2,279)	-	\$ (2,279)
Interest	(1,862)	-	(1,862)
CapEx	(956)	-	(956)
Cure payments	-	(2,000)	(2,000)
Professional fees	(5,100)	(2,263)	(7,363)
Minimum cash at emergence	-	(1,000)	(1,000)
Total cash uses	\$ (10,197)	\$ (5,263)	\$ (15,460)

