

Summary of Tax Consequences

I. Introduction

On June 1, 2011, Alpha Natural Resources, Inc. (“Alpha”) completed its acquisition of Massey Energy Company (“Massey”) with Alpha’s wholly-owned subsidiary, Mountain Merger Sub, merging with and into Massey and Massey surviving. Pursuant to the definitive merger agreement announced January 29, 2011, Massey shareholders received 1.025 shares of Alpha common stock and \$10 in cash for each share of Massey common stock exchanged. In lieu of any fractional shares, Massey shareholders received cash in an amount equal to such fractional amount multiplied by the volume-weighted average price per share of Alpha on each of the five consecutive trading days ending prior to the effective time of the merger. Such price was to be weighted by the total volume of trading in Alpha stock on each trading day, rounded to the nearest one-tenth of one cent.

This document is intended to provide a summary of certain U.S. federal income tax consequences to persons who exchanged Massey stock for Alpha stock and cash pursuant to the merger. This document does not constitute tax advice and does not address any special tax rules (including, but not limited to, the alternative minimum tax) or the tax consequences in any state, local, or foreign jurisdiction. Please consult the proxy statement filed with the Securities and Exchange Commission for additional information regarding the U.S. income tax consequences of the merger.

The actual tax consequences of the merger to you may be complex and will depend on your specific tax situation. Please consult your own tax adviser to determine the U.S. income tax consequences of the transaction to you in light of your own personal circumstances as well as any other tax consequences under any state, local, or foreign tax authorities.

For purposes of the following examples and discussions, each Massey shareholder is an individual citizen or resident of the United States who purchased Massey stock for cash and held such stock as a capital asset. This document does **not** generally apply to any shares that you hold in tax-deferred accounts, such as 401(k) or IRA accounts. Further, the following summary is premised on the merger qualifying as a reorganization within the meaning of section 368(a) of the U.S. Internal Revenue Code of 1986, as amended.

II. Summary of Certain U.S. Federal Income Tax Consequences

A. Gain

1. Realized Gain

A Massey shareholder’s realized gain is equal to: (1) the fair market value of Alpha stock received, plus (2) the amount of cash received (including cash in lieu of fractional shares), less (3) the shareholder’s tax basis in the Massey shares exchanged. Realized gain will only be taxable to the extent it is recognized in accordance with general U.S. federal income tax principles as described below.

2. Recognized Gain.

Your taxable gain is equal to the **lesser** of (i) the excess, if any, of the value of the shares and cash that you received as a result of the merger over your basis in the Massey shares that you delivered in the exchange (your “**realized gain**”); and (ii) the amount of cash that you received. The closing price of our shares on June 1 was \$53.40, so you received total consideration worth \$64.735 (1.025 exchange ratio x \$53.40 share price + \$10) for each Massey share, or \$64,735 for each 1,000 shares.

B. Loss

The realized loss on the transaction is equal to the excess of a Massey shareholder’s tax basis over the sum of the fair market value of Alpha shares and cash received in the exchange. However, Massey shareholders generally may not recognize such loss except the extent of loss realized on the disposition of fractional shares.

If a Massey shareholder received cash in lieu of fractional shares, that shareholder should be treated as having sold the fractional shares for an amount equal to the cash received in lieu of such shares. The shareholder should recognize gain or loss in the manner described above using the amount of cash received in lieu of the fractional shares and the tax basis in the fractional shares as computed below to determine such gain or loss.

C. Tax Basis

1. Aggregate Tax Basis

Your basis in the Alpha shares that you received as a result of the merger should be equal to your basis in the Massey shares that you surrendered, **plus** the amount of any gain that you recognized for tax purposes as a result of the merger, **minus** the amount of cash that you received (\$10/share, or \$10,000) **divided by** the exchange ratio (1.025 shares of Alpha stock for each share of Massey stock).

2. Per Share Tax Basis

The per share tax basis of each Alpha share received pursuant to the merger should be equal to the shareholder’s aggregate tax basis divided by the number of Alpha shares received, including fractional shares.

3. Fractional Share Tax Basis

The fractional share tax basis to be used in computing any gain or loss for cash received in lieu of fractional shares equals the product of the fractional share interest and the per share tax basis.

D. Holding Period

The holding period of the Alpha shares former Massey shareholders received pursuant to the merger should include the holding period of the Massey stock exchanged in the transaction.

III. Examples

A. Assumptions

The examples illustrate four alternative cases dealing with purchased shares and two cases dealing with shares that you may have received as compensation pursuant to Massey's LTIP program. The same basic principles apply for each purpose. You are treated as if you purchased shares that you received as compensation on the dates (and at the prices) at which those shares were includible in your income (i.e., the dates such Massey shares vested). For shares that you received as compensation, you will need to know these dates and prices for each block of shares that you were awarded. The table attached to this presentation provides this information for shares awarded in recent years pursuant to Massey's LTIP program.¹

These examples assume you acquired all of your Massey shares at the same time. If you acquired shares at different times (for example, if you purchased some shares in 2001 and other shares in 2004, or if you received share awards pursuant to a Massey equity plan or program), then you will need to compute your basis separately with respect to each block of shares. If you purchased some Massey shares for \$50/share and others for \$70/share, you will not be able to determine on a combined basis your gain on those shares and tax basis in such shares and instead will need to make two separate computations.

B. Purchased shares

1. Significant Gain

You purchased your 1,000 Massey shares for \$25/share. In this case, you realized gain significantly in excess of the cash that you received from us. Your taxable income is limited to the amount of that cash, or \$10,000. Your basis in our shares would be \$24.39/share ($[\$25,000 \text{ basis} - \$10,000 \text{ cash} + \$10,000 \text{ gain}] / 1,025 \text{ shares of our stock}$).

2. Lesser Gain

You purchased your 1,000 Massey shares for \$58/share. In this case, you realized gain less than the amount of cash that you received from us. In this case, your taxable income is limited to the amount of that gain, which would be \$6,735

¹ If you received any of your shares as compensation pursuant to a program other than Massey's LTIP program or subject to special vesting arrangements, the prices in the referenced table may not be applicable to your shares.

([\$64,735-\$58,000]). Your basis in our shares would be \$53.40/share ([\$58,000 basis - \$10,000 cash + \$6,735 gain]/1,025 shares of our stock).

3. Break-Even

You purchased your 1,000 Massey shares for \$64.735/share. In this case, you did not realize any gain or loss. Your basis in your Alpha shares would be \$53.40/share ([\$64,735 basis - \$10,000 cash + 0 gain]/1,025 shares of our stock).

4. Loss

You purchased your 1,000 Massey shares for \$75/share. In this case, you realized a loss because you exchanged shares that you had purchased for \$75 for consideration worth \$64.375, but you are not allowed to claim that loss for tax purposes until you sell your shares. Your basis in your Alpha shares would be \$63.41/share ([\$75,000 basis - \$10,000 cash + 0 gain]/1,025 shares of our stock).

C. Shares Received as Compensation

1. Shares Received in 2010

You received your Massey shares on November 10, 2010. The shares were included in your income at \$46.06/share, which was the value of those shares on the date that they vested. In this case, you realized gain significantly in excess of the cash that you received from Alpha. Your taxable income is limited to the amount of the cash merger consideration, or \$10,000. Your basis in your Alpha shares would be \$44.936/share ([\$46,060 basis - \$10,000 cash + \$10,000 gain]/1,025 shares of our stock).

2. Shares Vested Upon the Merger in 2011

Your Massey shares vested as a result of the merger, and will be includible in your income based on the closing price of those shares on the merger date, or \$65.14 per share. You are treated as if you purchased your Massey shares for \$65.14/share and immediately exchanged them for Alpha shares plus \$10/share in cash pursuant to the merger. In this case, the shares awarded to you will be includible in your income as compensation, but you will not recognize any further gain or loss as a result of your receipt of Alpha shares and cash pursuant to the merger. Your basis in your Alpha shares would be \$53.79/share ([\$65,140 basis - \$10,000 cash + 0 gain]/1,025 shares of our stock).

IV. Circular 230

To ensure compliance with Treasury Department Circular 230, you are hereby notified that this document was not intended or written to be used, and cannot be used, for the purpose of (a) avoiding any tax penalty or (b) promoting, marketing, or recommending to another party to any transaction or matter addressed herein.

**Schedule of Prices Applicable to Massey Shares Received as Compensation Pursuant to
Massey's LTIP Program²**

<u>Vesting Date³</u>	<u>MEE Stock Price</u>
6/1/2011	\$65.14
11/12/2010	\$47.12
11/10/2010	\$46.06
11/9/2010	\$44.89
11/17/2009	\$40.39
11/12/2009	\$35.96
11/10/2009	\$35.15
11/17/2008	\$15.55
11/14/2008	\$16.20
11/12/2008	\$16.03
11/16/2007	\$28.55
11/12/2007	\$28.96
9/10/2007	\$21.75
11/17/2006	\$24.72
10/27/2006	\$25.73
9/8/2006	\$22.83
11/17/2005	\$38.17
10/28/2005	\$38.81
9/9/2005	\$50.72
11/17/2004	\$31.16
10/29/2004	\$26.865
9/10/2004	\$27.82
10/29/2003	\$13.99
9/10/2003	\$12.93
10/29/2002	\$7.28
9/10/2002	\$7.925
9/10/2001	\$19.75

² If you received any of your shares as compensation pursuant to a program other than Massey's LTIP program or subject to special vesting arrangements, the prices in this table may not be applicable to your shares.

³ Not all vesting dates are represented here, so you may need to rely on data previously provided.