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EDITED TRANSCRIPT

HNRG - Q3 2014 Hallador Energy Company Earnings Conference Call

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Brent Bilsland *Hallador Energy Company - President, CEO*

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CONFERENCE CALL PARTICIPANTS

Mark Levin

Lucas Pipes

Paul Sonz

Matt Klody

PRESENTATION

Operator

Good day, ladies and gentlemen and thank you for standing by. Welcome to the Hallador Energy Company Third Quarter 2014 Earnings Conference Call.

At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will be given at that time. (Operator Instructions)

Please note, today's conference is being recorded. I would now like to hand the conference over to Becky Palumbo, IR Director. Please go ahead.

Becky Palumbo - *Hallador Energy Company - IR*

Thank you, Karen. Good afternoon, everyone and welcome to Hallador's third quarter 2014 earnings conference call. Yesterday afternoon, we filed our 10-Q with the SEC. You can access it on our website. This call is being webcast and will be available on our website along with a copy of the transcript.

Management present for the call today is Brent Bilsland, president and CEO, Hallador Energy, Andy Bishop, CFO, Hallador Energy, Larry Martin, CFO, Sunrise Coal; and myself, IR for Hallador Energy.

Our remarks will include forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially, for example, our estimates of mining costs and regulations relating to the Clean Air Act and other environmental initiatives. We do not undertake to update our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

The format for today will be a discussion from management followed by a question-and-answer period. Brent Bilsland, Hallador's CEO, will now discuss Hallador's third quarter results.

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Brent Bilsland - *Hallador Energy Company - President, CEO*

Hi. First of all, I would like to thank all of you taking the time to listen to our earnings call today. This is the first time Hallador has hosted a quarterly earnings call and this will be the format we anticipate using going forward. So if you any of you have questions, I encourage you to ask them during the question-and-answer period at the end.

For 2014, much of management's time and effort, and attention has been focused on purchasing Vectren Fuels, a transaction that has essentially tripled the size of our Company. In the first quarter, we analyzed the potential acquisition via a desk due diligence , if you will. In the second quarter, we spent that time negotiating the transaction and completing the physical due diligence, boots on the ground sort of thing.

In the third quarter we obtained financing, interviewed, background checked and hired two-thirds of our now employee base. We closed the transaction and began integrating our employees and assets into the Sunrise Coal way of life, so to speak.

In the fourth quarter we expect to complete the move of the Prosperity equipment to Oaktown and finish loading out remaining coal inventory that exists at Prosperity. Once we complete this that will enable us to move the remaining employee base which today accounts at Prosperity -- about 8% of total workforce is there, from Prosperity equipment salvage type work into Oaktown coal production type work. So anyhow, Vectren was basically the big challenge that we have spent all of our time on this year.

Another challenge that we faced in '14 has been poor rail service, which I think it surprised anybody in the coal industry. It's been all in the headlines, how the railroads have struggled. Unfortunately we've not been immune to this issue. Of our eight customers, three have struggled to provide adequate freight to us in 2014, the other five are on schedule or ahead of schedule in some cases.

However, we have made some changes to improve transportation going forward, and don't expect 2015 for transportation be the issue that it has in 2014.

We've done a lot of work with the railroads to dramatically improve cycle times, once trains are on our property. We feel we've definitely made a big headway there. We have contracts that allow us now the option of loading coal at either Carlisle or Oaktown, and we have verbal agreements with others who are papering that or amending those contracts now.

And what this does is, you know, if CSX says, hey, we want to bring you a train today and we've got two already sitting at Carlisle, you know, in the past we just had to let that train go because we couldn't accept it. Now we have the ability to take that train on Oaktown and load it. And, you know, for 2014, you know, we probably lost six trains at Carlisle alone, just the loop being full and we couldn't accept a train.

We're also -- in 2015, we're going to handle more coal via truck, 30% of our production will be hauled via truck in 2015. And then also we're working to continue to add new customers. Every time we add a customer it kind of gives us flexibility. If one customer is long, another one might be short and we can kind of trade back and forth between the two, defer tons with one and ship early on another contract, to kind of help the logistics issues be smoothed out.

Anyhow all of these challenges, you know, the combination of the transportation and the challenge of acquiring Vectren Fuels has not helped to contain our cost structure throughout '14. In 2014 our cash cost per ton has averaged $32.56 versus the previous year our cash cost averaged $28.37. This is a difference of $4.19 a ton. This trend is unacceptable to us, but we continue to believe that in 2015 our cash cost will return to $30 or less.

Now we've said this before that we've kind of had our hands full here with the tripling in size. We've now had the Vectren transaction behind us for about 60 days. And we are very encouraged by the results we're seeing, especially in October out of the new assets and even the existing Sunrise assets as well.

I realize one good month does not make a year but we're starting to get our arms around the new company going forward and we'll continue to sharpen our focus on lowering our cost going forward into 2015.

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As we look ahead, as disclosed in our 10-Q, the balance of 2014 we anticipate shipping and we're contracted to ship 2.4 million tons at a price of -- a base price of $43.24. In 2015 we now have 9.5 million tons sold at a price of $44.32, in 2016 3.4 million tons at $44.03, and in 2017 1.5 million tons at $44.39.

Looking at the Q, we have few onetime charges that I would like to discuss. We have $7.9 million of one-time transaction cost associated with the Vectren purchase. In addition to that we wrote off 1.1 million of deferred financing cost that was related to our previous credit facility -- once we issued a new credit facility, we had to expense the portion that was still unamortized.

Looking forward on the new -- one dramatic change also an interest is under the new facility our interest payments are approximately $1.2 million a month versus previously they were $35,000 a month, so quite a big change there. And if you look at our debt facility to complete the transaction we secured a new $425 million credit facility with PNC and some leading 17 other banks.

The facility is made up of a $250 million revolver with a $175 million term loan. As of September 30th, we had -- $398 million was the max available to us due to loan covenants and our outstanding balance was $345.6 million.

Looking forward, management today, we expect to pare our loan down to $300 million by year end. And moving forward to Savoy, Savoy, you know, we put our marketing efforts on hold with Savoy because coal prices, or excuse me, oil prices had declined 20% here in the last month. And we did receive a distribution from Savoy of $4.9 million to Hallador in October, the proceeds of which we used to reduce our bank debt for our loan covenants.

One other thing, we'd like to point out is our ownership in Savoy did decline in the third quarter from 45% to 40%. These are Savoy's management exercising all of the remaining stock options. So, it's a one-time event, that, they have no more stock options and that's behind us now.

So that's all the remarks I have on the quarter. So I'm going to open it up to questions now.

QUESTIONS AND ANSWERS

Operator

Thank you. (Operator Instructions)

Our first question comes from the line of Mark Levin from BB&T.

Mark Levin

Hey, Brent. Just a quick question on the cost. So if you go back to -- again if you go back to Q2, you guys did about $30.81 this quarter, cash cost of $35.06. Can you maybe, you know, I realize you'd just be sort of guesstimating, but maybe guesstimate the sequential increase of what contributed to the $4? I mean, was it half rail, half integration? I mean, how would you kind of break down that sequential increase?

Brent Bilsland - *Hallador Energy Company - President, CEO*

Well, I'd say the first half of the year, we really struggled with rail which I've talked about this before.

Unfortunately the way our Carlisle mine, which is the only asset we had at that time, or beside Ace, it just didn't have a lot of coal yard. And so once the coal yard's full, you're down. And so we didn't run near as many hours as we normally run, which, you know, you just got a lot of fixed cost that just start backing up on you then. And so I'm going to say the first half of the year, those were the big issues.

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In August, the rail service seemed to get better, not perfect but better, and we were able to implement some of the changes I discussed about earlier, as far as cycle times, of when a train was on us and the like.

But then, I mean, you know, really we just completely had -- you know, we couldn't lean on our management anymore or ask anymore because we really have -- had a lot of late, late, late nights just trying to get the Vectren deal negotiated yet again. Two thirds of our employee base has worked for us for less than 70 days now.

So we had to get all those people interviewed, figured out who is going to do what, background checks, drug testing. And so we had a lot of our time, effort and attention focused on that.

It also just happens to happen at the same point in time where we were mining in areas of the mine that were full recovery. I mean, and -- you know, we don't believe -- we know from drilling that, that is not a condition that's going to exist for the life of the reserve, but there certainly will be, you know, multiple quarters at a time when we have to go through those areas in able to get to the better areas of the reserve. And it's just one of those things that can evolve at the same time.

And, you know, you've kind of talked to us a lot in the past about being a single portal of risk. Maybe that's not a risk point of view but this is single point of cost point of view, that back when we just had Carlisle, those were the issues. Now we essentially have three underground portals and the Ace in the Hole mine, and so, we are a much more diverse company.

As far as where we are at in our process of -- you know, when we talked in September about what was going to happen as far as making the transition and that sort of thing, we're right where we think we ought to be and we're happy with the changes that we've been able to make. And not just in the new assets, but existing assets to improve results. We're very encouraged by what we're seeing come out of the mines in October.

Mark Levin

So when you think about cash cost in Q4 and then I guess in '15 when you talk about getting to 30 or below, can you maybe talk about how you expect the cost to trend I guess in Q4, and then why do you have such a great deal of confidence that you can get cost, you know, 30 or below in 2015?

Brent Bilsland - *Hallador Energy Company - President, CEO*

Well, in Q4 we're $35, and by Q1 of '15 our goal was to get to $30. What that cost looks like in Q4, you know, mining results are better. We still have 8% of our work force that is extracting equipment at another mine at which we're no longer running.

So to get -- that is going to step down from $35 to $30 in the fourth quarter. Where we're going to end up exactly, it's too hard for me to say. There are too many moving parts to really be able to pinpoint that.

And, you know, and Mark, really, I mean, that's -- really, we're leaning on the expert analyst to figure that kind of stuff out for us.

Mark Levin

Well, I don't know if I can help you there. But let me say just segue just real quick then I'll get back in the queue, '15, I think you already mentioned interest expense right now running on one-one, to one-two. But in '15, maybe some help with how to think about SG&A and also CapEx?

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Andy Bishop - *Hallador Energy Company - CFO*

Mark, this is Andy. On SG&A $12 million, I think, would be good number for that, and on the CapEx, you know, $4 a ton. Say a run rate of 10 million tons, $4 a ton, say $40 million for maintenance CapEx.

Mark Levin

And in terms of growth next year and in terms of CapEx, above and beyond?

Andy Bishop - *Hallador Energy Company - CFO*

There's not going to be anything significant besides that. You know, we get -- a lot of the equipment we get from Prosperity. That $40 million could be a little bit high.

Mark Levin

Okay, great. Thanks, guys, I appreciate it.

Brent Bilsland - *Hallador Energy Company - President, CEO*

Thank you, Mark.

Operator

Thank you. And our next question comes from the line of Lucas Pipes from Brean Capital.

Lucas Pipes

Hi, good afternoon, everybody.

Brent Bilsland - *Hallador Energy Company - President, CEO*

Hi, Lucas.

Lucas Pipes

My first question is on kind of what you're seeing in the marketplace right now. Just trying to back into what you've priced during the quarter for '15 and '16, number looked a little bit funky. So I was just curious if you could may be tell us kind of how you see the pricing evolve and how also customers are behaving in this type of market environment.

Brent Bilsland - *Hallador Energy Company - President, CEO*

I'm not sure I understand the first part of your question, Lucas, could you restate that.

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Lucas Pipes

In terms of any tons that you contracted and priced for 2015 and 2016, what was the price on those that you contracted during the most recent quarter?

Brent Bilsland - *Hallador Energy Company - President, CEO*

That's not a number we're going to disclose, you know, but I can tell you, part of the reason the pricing probably looks a little funny to you is some of 2015, 14 tons are kind of blended and extended into '16.

Lucas Pipes

Okay. And in terms of...

Brent Bilsland - *Hallador Energy Company - President, CEO*

So we just can't really price it right now because we still have offers out to other utilities.

Lucas Pipes

Okay. All right. And then maybe more switching to a higher level kind of strategic topic. When I think about, you call it the $40 million CapEx, cash cost below $30, pricing still above $40, you're pretty well positioned to generate a lot of cash in 2015 and beyond in my opinion, and some of your coal mining peers that are similarly well positioned have thought aloud about MLP opportunities. Has this topic come up internally? How do you think about that opportunity valuation? It seems a lot more to track this type of structure.

Brent Bilsland - *Hallador Energy Company - President, CEO*

Well, I think our primary focus right now is to A -- Job number one for us is drive our cost structure down. Job number 2 will be to pay down debt. Once we get to a more comfortable debt position for us, again, previous quarter, our debt payments were $35,000 a month and now we've jumped to $1.2 million.

So, that's always been core to our group. We're probably more conservative than some of the large competitors from that standpoint. And so, I think that's going to be our next move. As far as MLP structure, we have casual conversations about it. I don't see us go in that direction anytime soon.

Lucas Pipes

That's helpful. Thank you. And then maybe lastly on Savoy, production was a little bit weaker in comparison to some of the prior periods. Anything in particular going on there, or was that more of a data point?

Brent Bilsland - *Hallador Energy Company - President, CEO*

It was more of a data point. I mean, we did market Savoy for a period of six months and we were fairly happy with that process, anytime you have oil prices earnings commodity that you're selling, pricing drop by over 20%, it just kind of makes it hard for two sides to get together.

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So we've really tabled that. Perhaps they have not drilled as aggressively as maybe they have in the past because they were in kind of sell mode but we're very -- we don't have any problems there. We're very happy with the assets. We're very comfortable to sell the asset. We're very comfortable to hold the asset.

I mean, it's good management and good reserves and we're just going to keep blocking and tackling and creating value there. One thing that was unusual about the quarter was that they distributed cash to us and that's really kind of been the first time that's happened in a long, long time.

Andy Bishop - *Hallador Energy Company - CFO*

We'd gotten tax cash distributions but this was over and above the cash distributions for taxes.

Operator

Thank you. And our next question comes from the line of Paul Sonz from Sonz Partners.

Paul Sonz

Hi. A question I had, Andy, did you figure out what tax rate you think we're going to -- we should use to model?

Andy Bishop - *Hallador Energy Company - CFO*

Paul, 25%, plus or minus a couple of points.

Paul Sonz

Okay. Do you expect any more payments from Savoy or was that just a one off and we shouldn't expect to see another payment like that?

Andy Bishop - *Hallador Energy Company - CFO*

I don't know if you are going to see those same type of distributions, but they are in the distribution mode. So we'll see if these prices rebound and get some more. But as we said, any cash we get goes right to the banks.

Paul Sonz

And talking about the cash, we have a dividend and looking at it, wouldn't it make more sense just to cancel the dividend and use it to pay down debt?

Andy Bishop - *Hallador Energy Company - CFO*

We don't want to do that, stop paying a dividend. I don't think that would be -- go over too well.

Paul Sonz

Okay. In the Ohio River Terminal, is there -- I noticed there's been talk in the past about people coming to you and wanting to utilize it for some purpose or another. Is there anything that works on that?

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Brent Bilsland - *Hallador Energy Company - President, CEO*

I mean, a new idea walks through the door every couple of months. I don't think we have anything significant going on there today.

Paul Sonz

Okay.

Brent Bilsland - *Hallador Energy Company - President, CEO*

That terminal is really more of an access point that enable -- we've looked at other projects in the past in that area and we think that future projects, that becomes a key asset. Today, it's something that we own and it's kind of a non-factor for our company. We hope we can go on to something substantial.

Paul Sonz

Yes. Last question, last time in the September call, we asked about whether you felt that it would be easy to replace -- to find buyers for the coal that we lost out of Indianapolis and I wondered if there was anything you could say publically about replacing buyers for that tonnage.

Brent Bilsland - *Hallador Energy Company - President, CEO*

Well I think that, if you look -- two years ago, we didn't sell any coal to the Florida market. Today we sell 15% of our production to the Florida market and we still see that Southeast part of the world, that business growing for us.

So that's kind of where we're at. Would we like to still have Harding Street forever? Absolutely we would. But it doesn't look like that's going to be the case. But again, I mean, it's 1.3 million tons out of 9.5 million, 10 million tons of our sale. So we feel comfortable we can get that replaced.

Paul Sonz

Is there anything that you guys want to say about what the market for your particular kind of coal looks like in terms of pricing or do you want it just leave that until after the sales season is over.

Brent Bilsland - *Hallador Energy Company - President, CEO*

You tell me what the weather forecast is going to be and I'll tell you what pricing is going to look like. I mean, right now the gas prices jump roughly $0.40 in a week, a week and a half, and this has such a dramatic effect on our coal pricing.

And here we've got, I'm not sure what part of the world you are in, Paul, but I think it's going to be 26 degrees here in Indiana tonight and if we get -- if winter shows up, pricing is going to be good, if winter doesn't show up, pricing is going to be soft and that's just kind of the market we're in right now.

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Paul Sonz

Let me ask you this, because that you're sold out for '15. So when you're contracting to sell coal now into '16 and '17 and how does that -- I'm unfamiliar with the forward curve and what that looks like. And is that affected at all by pricing, by getting a really cold winter, this winter. Does that really affect a couple of years out?

Brent Bilsland - *Hallador Energy Company - President, CEO*

We typically see utilities more want to hook up for a two-year deal. So anybody we're talking to about '15, '16 is probably part of the conversation, '17 isn't. And the Indiana market five years ago, companies were willing to do five, six and a half year contracts, we signed some of those.

But natural gas has become a bigger factor and coal especially in the Florida market has become a little bit of swing fuel. So because of that, because of more uncertainty of what coal burning is going to be, you see utilities playing a little closer to the vest. And that can be good for us and that can be bad for us.

And the good side is if they're short and winter shows up and summer shows up, you're going to see dramatic movement in pricing. So I think coal pricing going forward will be more volatile than it was five years ago so, yes. Anyhow I don't know if that answers your question or not but --

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Paul Sonz

I am not sure that, that when you're talking about two-contracts, how people -- I mean, whether this winter is cold or not, I don't know how much that matters but--

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Brent Bilsland - *Hallador Energy Company - President, CEO*

It matters.

Paul Sonz

I guess it matters.

Brent Bilsland - *Hallador Energy Company - President, CEO*

Hopefully it does.

Paul Sonz

Are the inventories still very well in your customers?

Brent Bilsland - *Hallador Energy Company - President, CEO*

I'd say our coal -- all the ones that have transportation issues, it's not because they don't want the coal. And those guys are really -- three of our customers are really concerned about their coal inventories going into winter.

But transportation has been difficult for those with those three guys. The other ones, they seem to be in really good shape. So it is improving, but at the end of the day we need some winter to show up to really get pricing exciting.

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So we're happy. We're happy with our contracts. We're not under pressure to sell because we're in a really good sales position for next year. We've really got 12 months to get 2016 put to bed.

All the customers that we're selling to in '15, they still need to buy coal in '16, but they are still focused on -- three of them are very focused on how do I get my inventory up today and the others, I think they're trying to kind of see what the market will bring.

Paul Sonz

All right. Thank you very much.

Brent Bilsland - *Hallador Energy Company - President, CEO*

Thank you.

Operator

Thank you. (Operator Instructions).

Our next question comes from the line of Matt Klody from MCN Capital.

Matt Klody

Hi, Brent, Andy. How are you guys?

Brent Bilsland - *Hallador Energy Company - President, CEO*

Great. How are you doing?

Matt Klody

Doing well. Thanks. Quick question. If you go through your filings in the pro forma information that you provided, which I think you're pointing out the Prosperity mine because you are guys are shutting that down. If I'm reading that correctly, once that mine is -- that higher cost mine is poured out, the remaining Oaktown mines in the first half of '14, were they running cash cost around kind of $30, $31?

Brent Bilsland - *Hallador Energy Company - President, CEO*

We don't really want to get into get into splitting out each mine month-by-month and you got to realize for Oaktown, we only have one month of that going into the quarter.

Matt Klody

No, I understand that.

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Brent Bilsland - *Hallador Energy Company - President, CEO*

So, our big thing is, is going forward what you're going to -- we have created a very large mining complex and we think it's most beneficial to our shareholders to focus on and the report as the giant mining complex that we've created. And so that's why we've chosen not to break that out.

If you want to ask me if Carlisle had a great quarter, it didn't. There are a lot of reasons for that. But we think we're on the right path and we don't take it lightly that we have said we can get mining costs to $30 next year and we realize our reputation depends on that. So that's our number one goal.

Andy Bishop - *Hallador Energy Company - CFO*

Matt, as you and everybody else on the call probably knows, we have to file production reports for each mine on a quarterly basis and that's available to the public on the [IMSA] website.

Matt Klody

Sure. Okay. And Andy, you said, fresh in next year, it's $12 million?

Andy Bishop - *Hallador Energy Company - CFO*

$12 million.

Matt Klody

$12 million, okay. Got you. I think the sell side material a little higher sent you there. Okay. Great. Thank you, guys.

Operator

Thank you. And our next question is a follow up from the line of Mark Levin from BB&T.

Mark Levin

Yes, just one last question as it relates to rail, Brent. To the best extent possible, when you think about driving cost or the impact of rail or poor rail service on these three customers, how many dollars a ton if you had to guess do you think that impacted cost? I mean, was that a $2 hit, a $3 hit, a $1 hit?

I mean, is there a way to maybe quantify how much impact would have come from rail alone or is this geology productivity, integration and all that stuff. I'm just trying parse out the different pieces as you try to get to that $30 number next year.

Brent Bilsland - *Hallador Energy Company - President, CEO*

That's a tough one Mark. Yes. I mean, at the end of the day it would a guess, right.

Mark Levin

Right, sure.

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Brent Bilsland - *Hallador Energy Company - President, CEO*

We know that we weren't allowed to run the hours that we normally run. We still have all the fixed [overhead]. So the only way to really answer that is to kind of look back to previous year and the previous year, we had good rail service and our recovery is a little bit better. I think you're trying to nail down what percentage of that was recovery and what percentage of that was rail and I want to give you a number because it would really flat out probably be a guess.

Mark Levin

I appreciate the honesty. Just trying to encapsulate your degree of confidence of getting the cost structure below the $30 level or at the $30 level and it sounds like you're confident in it but obviously it's contingent upon the rails as you point out getting better and then also the recovery is getting better as well.

Brent Bilsland - *Hallador Energy Company - President, CEO*

Yes, why we feel better about rail; A, we've made some structural changes of how -- we've had a lot of flexibility post the Vectren transaction versus previous to that and we've made some changes with how we go about loading a train and how all that -- haul that handoff works and getting them back. We feel we've dramatically improved that.

And then from a contractual standpoint, the three customers that are struggling, we've changed some things contract-wise for two of them specifically that we think alleviates the problem almost completely as of the end of the year.

So one could still struggle but it becomes less significant, right? Also the Vectren assets, they just have a lot more -- they're just a much bigger facility. Carlisle was originally designed to be a two-unit mine. There's five units of equipment there. So the yard of which we can serve coal, it fits 200,000 tons whereas the Oaktown complex, I think they've had as much as 1 million tons on that yard.

So we don't want to have that kind of inventory because that creates a whole new host of other problems but it's able to weather that storm better than Carlisle is and because of how we now have our contracts, we think we can utilize the availability of the rail better and leverage that for better performance.

So we feel much better starting first quarter of '15 about transportation that I did in the previous two quarters of this year or three quarters of this year. So I feel much better about that. And geology-wise, you're going to have good months, you're going to have bad months. That's just part of this business. We don't work in a factory. We have to mine through the earth and sometimes we have to get to -- what's on the other side.

Unidentified Speaker

Over three mines now.

Brent Bilsland - *Hallador Energy Company - President, CEO*

Yes, but that's spread over three mines and we've gone from four units of production to 9 to 10, that are actually running every day and then we've got another three units of back up equipment. So, typically in the past, we'd run 40 units of equipment with one back up. Now we're running -- now we have 13 units of equipment which we run, eight to nine.

So, hopefully it will make us more consistent going forward and we're just really pretty pleased with what's going on at the Oaktown complex. I think whenever we try to go in to buy something, we've got limited information and you have to make some assumptions and now we've got more data points, we've run it for over 60 days. And we feel confident that our game plan is going to be successful.

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Mark Levin

That makes sense. Hey, last question, I know it's been a long call but anything in last three months on Bulldog? Any change there for better or for worse or just status quo?

Brent Bilsland - *Hallador Energy Company - President, CEO*

Well, I think for the better. We've had an informal hearing that we've gone through there. We will have a formal hearing coming up here in the next 30, 40 days. Currently, once your permit is deemed complete in Illinois, there is a timetable that then finally starts.

And we're on that timetable and the current schedule is, is we come out of that with an approved permit in March. So that seems to be advancing fine. Like any coal project, there is people out there that aren't in love with it but there is also probably a quieter group of people that are very much excited about it and we're completely committed to develop a mine there.

Mark Levin

Right. Thanks very much, Brent. I appreciate it.

Brent Bilsland - *Hallador Energy Company - President, CEO*

Yes. Thank you.

Operator

Thank you. (Operator Instructions). And I see no further questions. I'd like to turn the conference back to management for closing comments.

Brent Bilsland - *Hallador Energy Company - President, CEO*

Well again, we thank all of you for your time, and again we're excited about where we're at. We feel we're on our timetable exactly where we ought to be at this juncture and we look forward very much to next year. And hopefully we'll have better results to share with everyone. Thank you.

Operator

Thank you. Ladies and gentlemen thank you for your participation in today's conference. This does conclude the program, and you may now disconnect. Everyone have a good day.

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