



**PRESS RELEASE**  
**December 4, 2006**

Drummond Company, Inc. today announces a layoff at its Shoal Creek Mine effective December 6, 2006. A WARN notice was issued to the UMWA labor force on October 6, 2006, notifying them of this pending layoff. The mine will be reduced to idle status and will be put on care and maintenance with eighty-one (81) UMWA labor force employees retained during the idle period. Several other UMWA employees will continue for a short period to clear coal inventories from this location. Current UMWA employees at Shoal Creek Mine total 536.

This action is necessary in order to provide time for the Company to evaluate alternatives for Shoal Creek Mine. We hope to restart operations in the near future. We regret this action but it is necessary to reduce the losses from this location while alternatives for the future are evaluated.