

A large green Elmer coal carrier ship is shown from a rear-quarter perspective, sailing on a calm body of water. The ship's superstructure is white with orange accents, and the name "Elmer" is visible on the bridge. The deck is green and features various equipment and mooring points. In the background, other ships and a distant shoreline are visible under a cloudy sky.

Status of U.S. Coal Exports

April 2017

Finn Host

HOST

Contents

- T. Parker Host
- Exports Terminal Capacity
- Export / Import Figures
- Ocean Freight Markets
- Next Steps

YOUR HOST

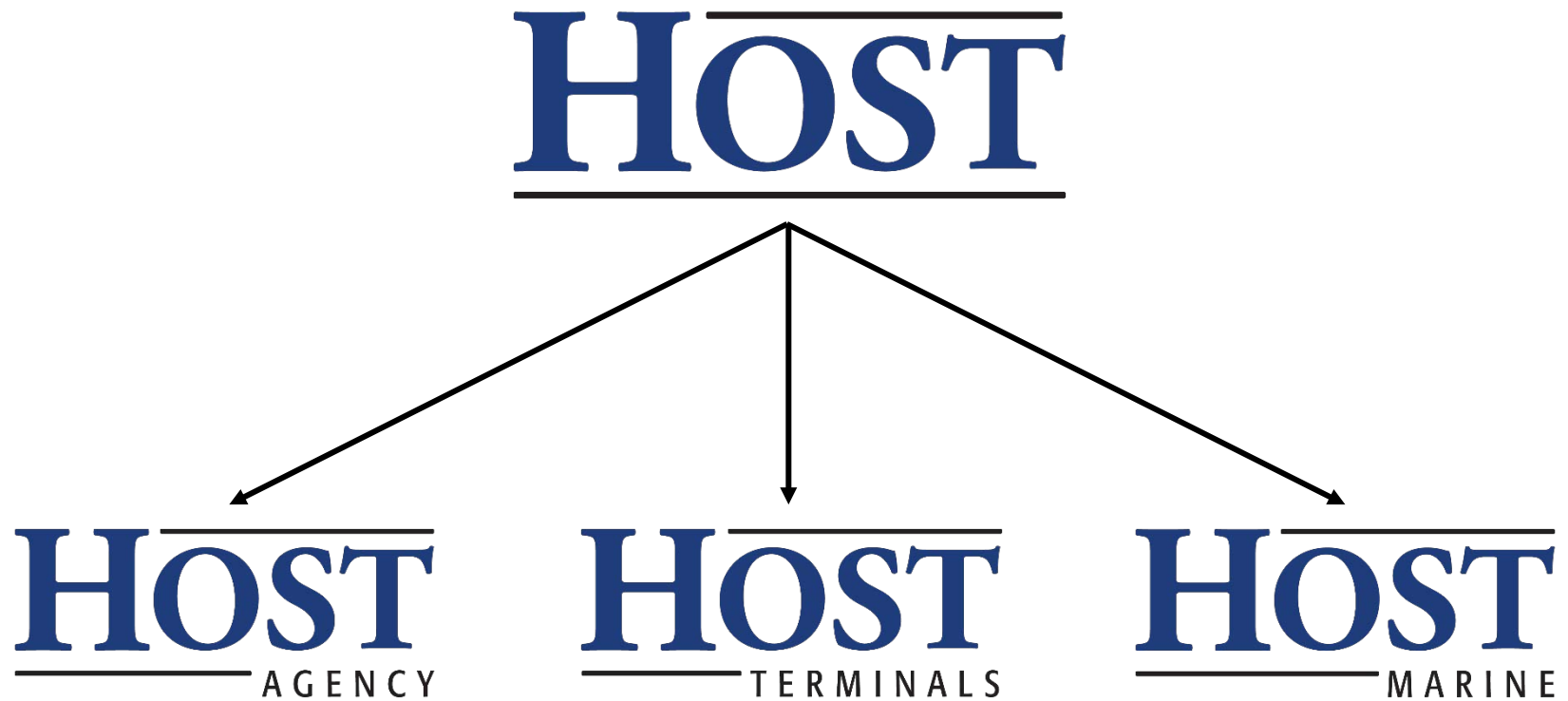
ON THE WATERFRONT

Providing REAL Solutions



HOST

Company Structure



HOST

Our Business

HOST
AGENCY



3,500 Vessels as Agents

Largest Dry Bulk Agent in the U.S.

Established in 1923

HOST
MARINE



Tugboats

Dry and Wet Terminals



Barges

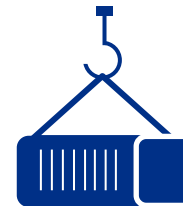
HOST
TERMINALS



1,240 Vessels



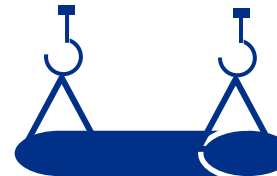
15M Tons of Dry Bulk



7 Acre Container Terminal



Liquids: Over 200 Unit
Trains and Barges



150K Tons of
Breakbulk



Heavy Lift:
Over 700 Yachts Lifted

HOST

Our Core Principles

PEOPLE

Our people are our greatest assets.

SAFETY

Their safety is our top priority.

SERVICE

We provide exceptional service.

RELATIONSHIPS

We believe every relationship is important.

DETECTIVES

We are detectives, understanding all activities within our markets.

OPPORTUNITY

We know today's opportunities are tomorrow's growth.

INTEGRITY

We conduct all business with integrity.

LEGACY

We build on our legacy.

Our Growing Network

Over 30 Operations

Host adds an average of one operation every six months.



HOST

Our Service Circle



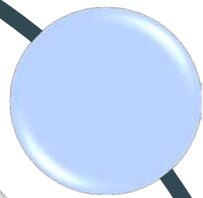
Our Safety Record

Total Recordable Incident Rate

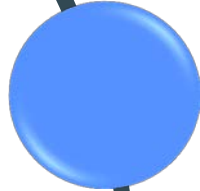
Fiscal Year	Host	Industry
2015-2016	0.88	7.0
2014-2015	2.24	9.9
2013-2014	4.7	9.4

Host Fiscal Year: Oct 1st to Sept 30th

The Host Agency Process



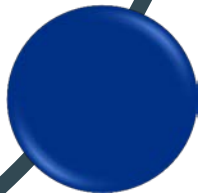
RELATIONSHIP



RESEARCH



OPTIONS



REAL SOLUTIONS

Relationship

We've been building relationships since 1923. We represent principals, charterers, and owners all over the world.

We listen to your needs and adopt your goals, so we can add real value, not just another opinion.

Research

We track every ship that comes in our ports—where it's coming from, what it's carrying, and where it's going.

When faced with a challenge, the information needed to provide an immediate response is at our fingertips.

Once we understand your goal, we dive deeper into the details to address all variables.

Options

Our experienced team lays out each option for an individual vessel, helping you understand the best fit for your needs.

At this stage, we are ready to answer any questions, explore customized services, or research any new challenges on your behalf.



The Host Agency Process

REAL Solutions

Our creative and comprehensive solutions set us apart in the maritime industry.

We focus on your needs, while adding value, not cost, to every port call.

Host Agency's Team

- **Diverse**
 - Various Skillsets and Experiences
- **Trained**
 - Proprietary Safety Modules
 - Continuing Education & Certificate Programs
- **Present**
 - Direct Communication with Customers
 - Personal Attention
 - Leadership On Board
- **Commercially Aware**
 - Presenting Solutions, Not Relaying Problems
 - Understanding the Goals of Each Party
 - Following Carefully Developed Operating Procedures for Each Principle



HOST

Value Added Services

Cargo Services

- Our Cargo Services Division has extensive experience in all U.S. and foreign regulations for the preparation and issuance of cargo documents. We also provide onsite monitoring to ensure the quality of the operation.

KPI Reports

- Host works with you to determine key performance indicators, then we measure, track, and report on our service.



Value Added Services

Commodity Reports and Flash Reports

- Our clients receive access to our industry-leading commodity reports that provide valuable market insight. We also broadcast critical information surrounding the ports to keep our clients updated on the latest news.



Finding Solutions

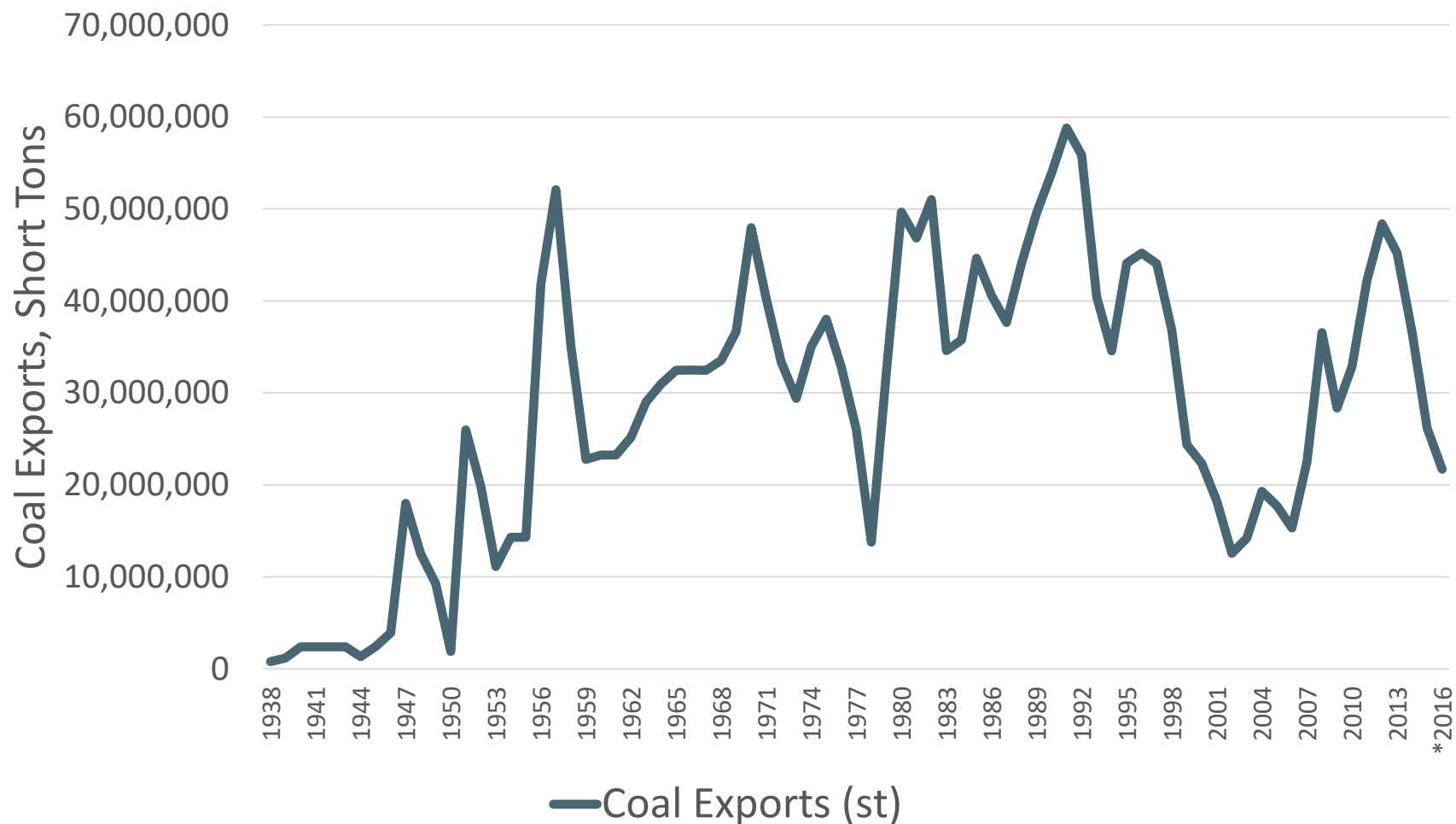
**The Host Difference:
Your Goals are Our Goals**

We dive in alongside our clients.
We take responsibility and deliver what we promise.



HOST

Hampton Roads Historical Exports



Source: EIA (*2016 Exports Annualized Jan-Sept.)

1957-The Suez Crisis

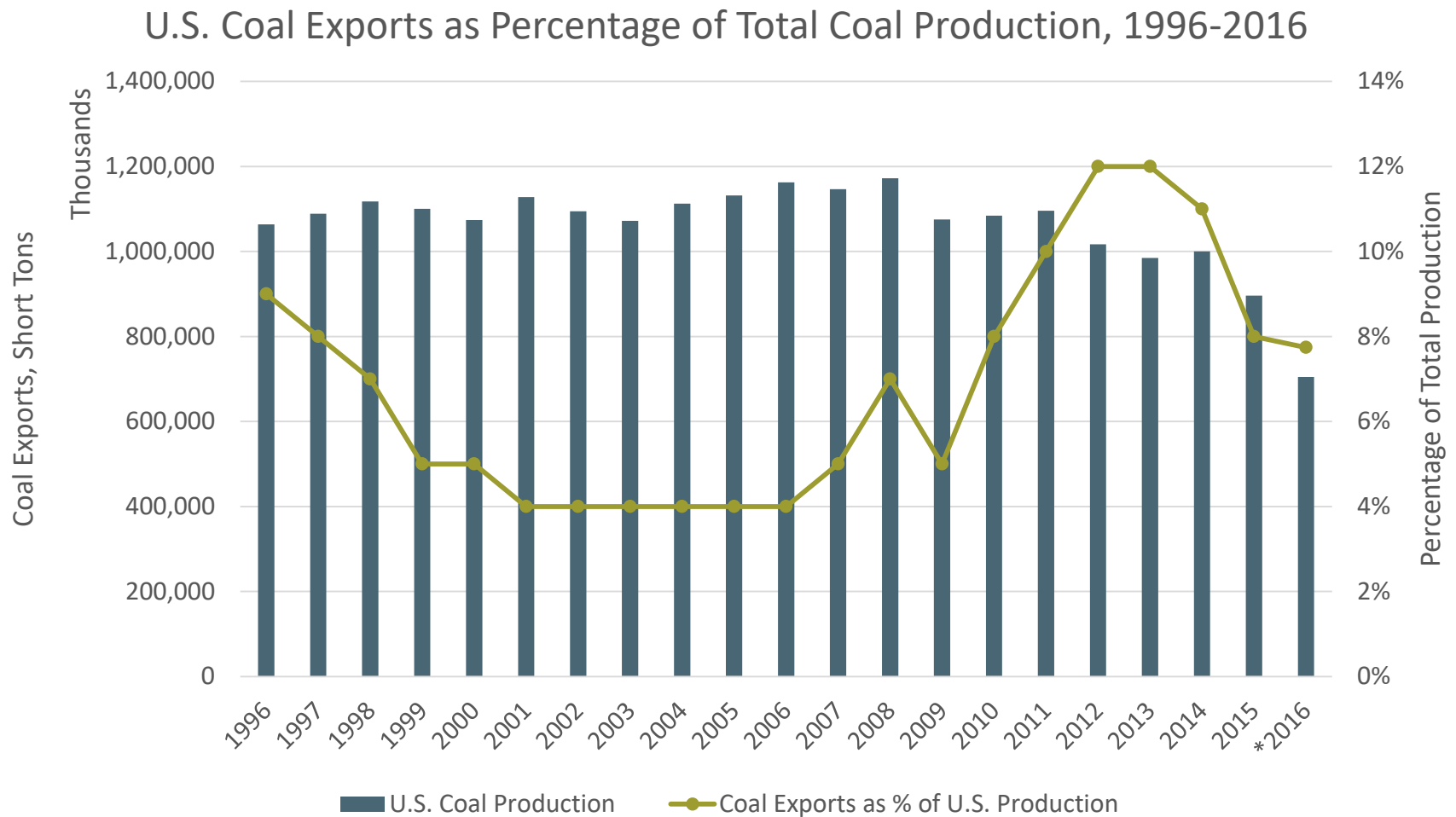
- Exported over 52 million tons from Hampton Roads
- Each Liberty ship held a total of 10K tons.



Historical Export Years, Hampton Roads

1956	41 Million Tons	Suez Crisis
1957	52 Million Tons	
1970	48 Million Tons	Miners strike in Northern Europe
1980	50 Million Tons	<ul style="list-style-type: none"> • Europe threatens cutoff of Iranian oil, resulting in Europe's conversion from oil to steam coal • Prolonged miners strike in Australia • Canadian miners strike • Pressure on Poland from Moscow to stop selling coal to the West in order to supply her Eastern block comrades
1981	47 Million Tons	
1982	51 Million Tons	
1990	54 Million Tons	Western Europe sanctions on South Africa (APARTHEID) Deregulation of Generation and mining in United Kingdom
1991	59 Million Tons	
2008	36 Million Tons	<ul style="list-style-type: none"> • Major flooding in Queensland • Cold Winter in China forcing export restrictions • Power outages in South Africa • China/India – global demand for steel, i.e., metallurgical coal • Unrest in Venezuela • Russian gas supply cutoff to Europe • Price of oil
2009	28 Million Tons	Global Recession
2012	48 Million Tons	Global Bank Bailout Cheap Credit. Everyone went long.
2015	26 Million Tons	Credit dries up.

U.S. Coal Exports and Production



Source: EIA *2016 Annualized Jan-Sept

Total USEC & USG Coal Export Volumes and Capacity

Region	2014 Exports	2015 Exports	2016 Exports	2017 Exports*	Current Capacity
Baltimore	12.9 M	12.8 M	13.2 M	18 M	28.5 M
Hampton Roads	36.6 M	24.2 M	19.9 M	30 M	77.8 M
Mobile	11.7 M	9.6 M	6.3 M	7.8 M	16.4 M
New Orleans	9.3 M	7.9 M	5.3 M	12.6 M	57.5 M
Houston	2.0 M	467 K	48 K	690 K	10 M
TOTAL	72.5 M	55.0 M	44.7 M	69.1 M	190.2 M

Source: T. Parker Host (*2017 Exports Annualized Jan-Feb.)

Hampton Roads Coal Export Terminals

% Change 2016 over 2015



Norfolk Southern
Lamberts Point



Kinder Morgan
Pier IX



Dominion
Terminal Associates

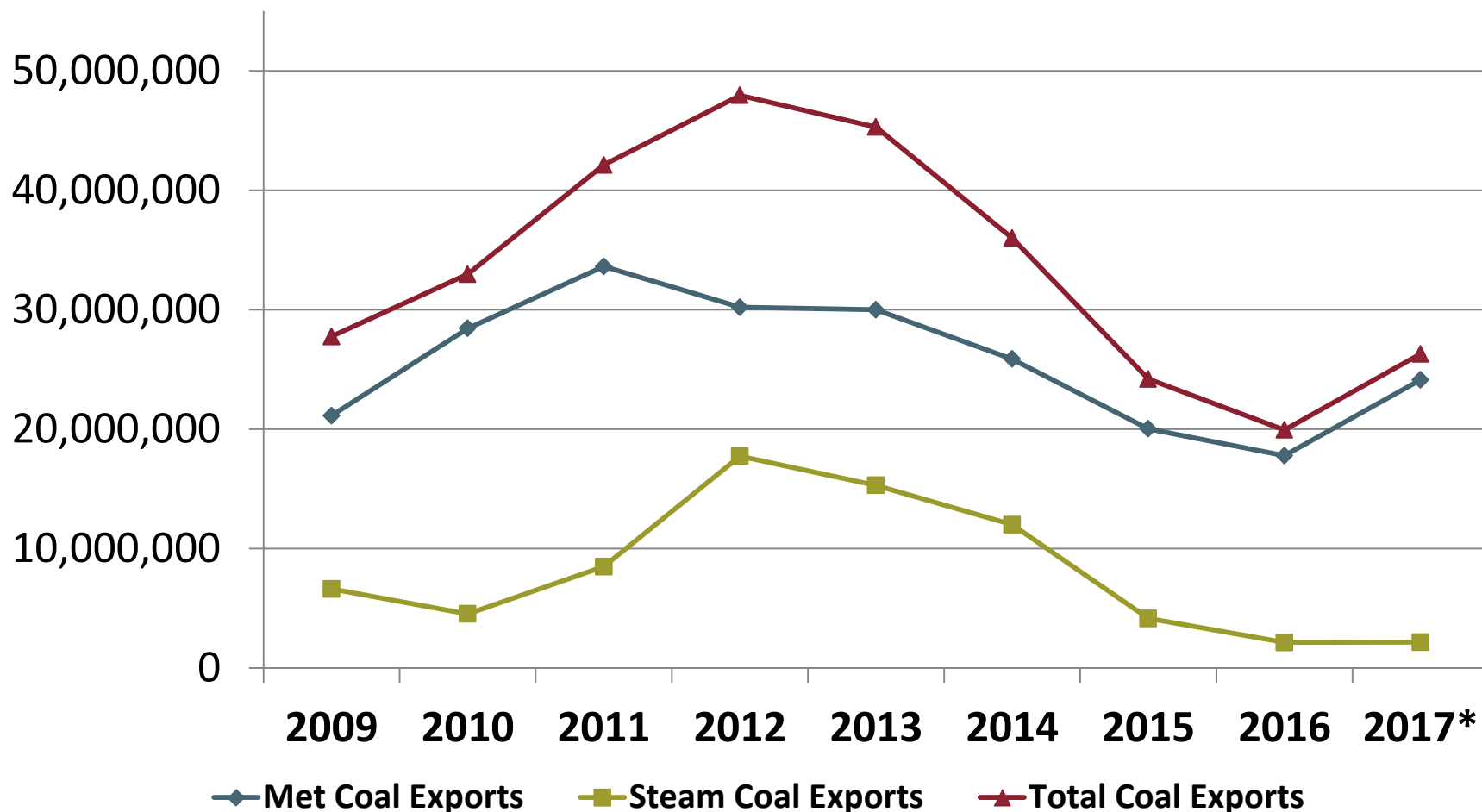
HAMPTON ROADS TERMINALS EXPORTS

Terminal	2014	2015	2016	2017*	Capacity
Norfolk Southern	15.0 M	10.1 M	8.6 M	12.6 M	38.0 M
Pier IX	9.8 M	4.8 M	4.5 M	9.0 M	17.8 M
DTA	11.9 M	9.3 M	6.8 M	8.4 M	22.0 M
TOTAL	36.6 M	24.2 M	19.9 M	30.0 M	77.8 M

Source: T. Parker Host (*2017 Exports Annualized Jan-Feb.)

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Hampton Roads Coal Exports



Source: T. Parker Host (*2017 Exports Annualized Jan-Feb.)

Baltimore Coal Export Terminals

% Change 2016 over 2015



CNX Marine



Chesapeake Bay Piers (CSX)

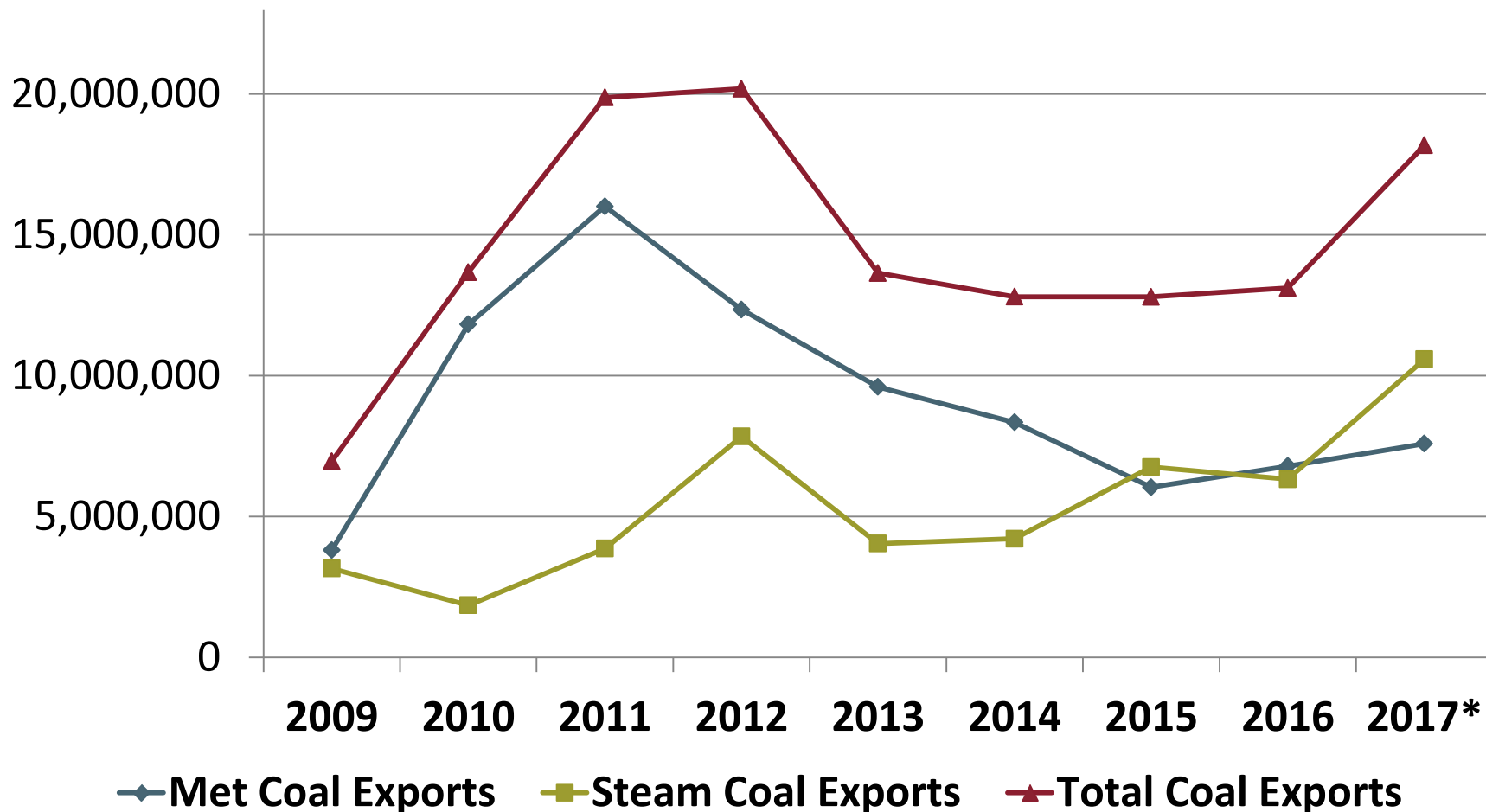
BALTIMORE TERMINALS EXPORTS

Terminal	2014	2015	2016	2017*	Capacity
CNX	8.9 M	7.0 M	7.1 M	11.4 M	14.5 M
CSX	4.0 M	5.8 M	6.1 M	7.2 M	14.0 M
TOTAL	12.9 M	12.8 M	13.2 M	18.6 M	28.5 M

Source: T. Parker Host (*2017 Exports Annualized Jan-Feb)

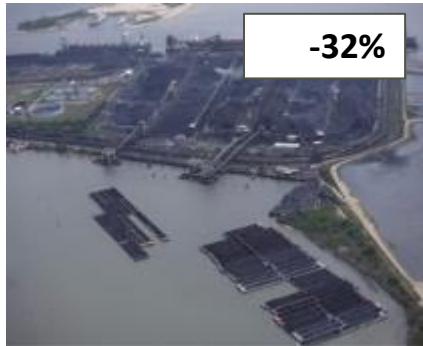
HOST

Baltimore Coal Exports



Source: T. Parker Host (*2017 Exports Annualized Jan-Feb.)

Mobile Coal Export Terminals



McDuffie



*Bulk Material
Handling Plant (BMHP)*

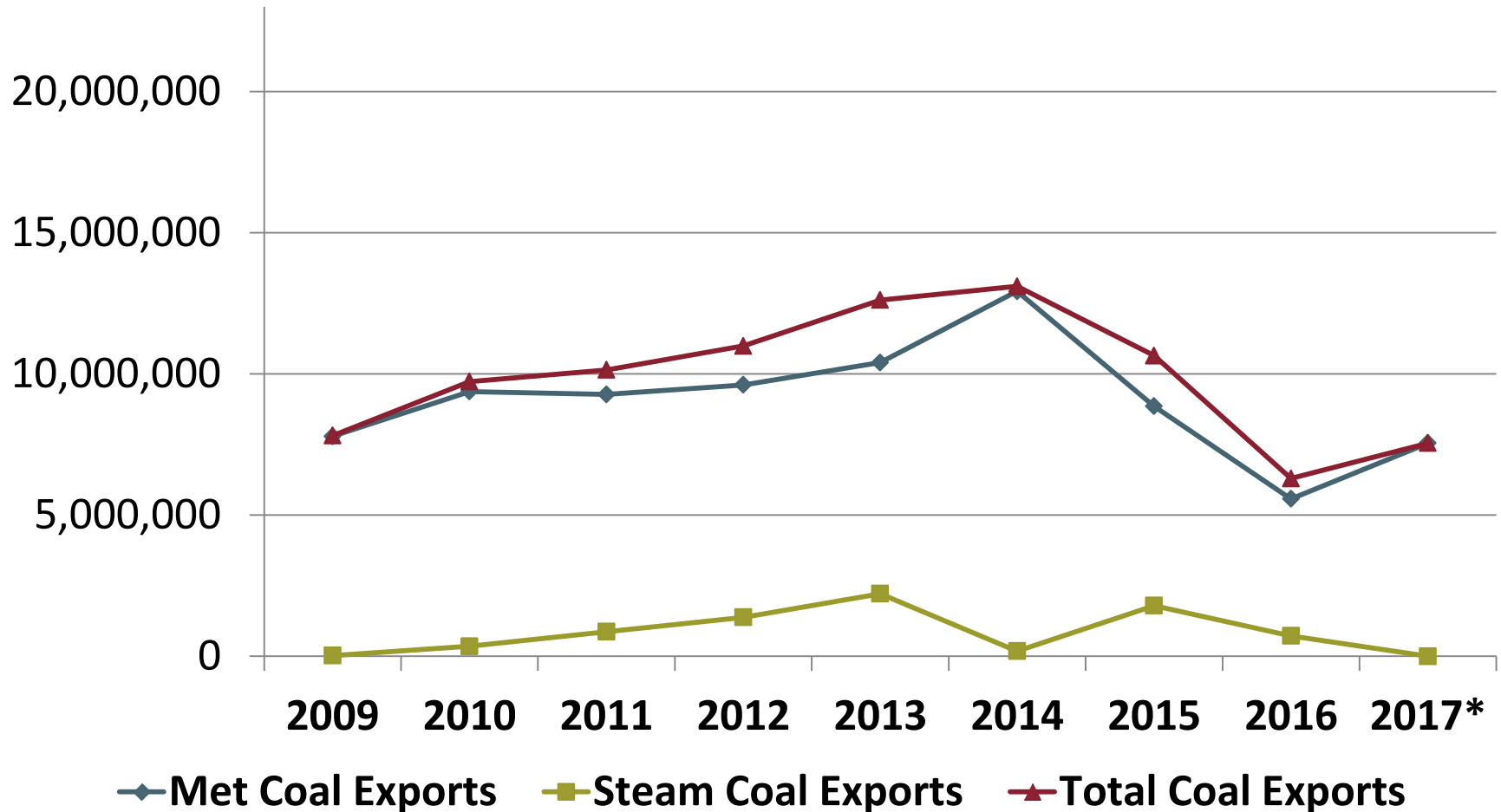


Chipco

MOBILE TERMINALS EXPORTS					
Terminal	2014	2015	2016	2017*	Capacity
McDuffie	10.7 M	9.2 M	6.3 M	7.8 M	14.0 M
BMHP	455 K	88 K	0	0	1.0 M
Chipco	537 K	298 K	0	0	1.4 M
TOTAL	11.7 M	9.6 M	6.3 M	7.8 M	16.4 M

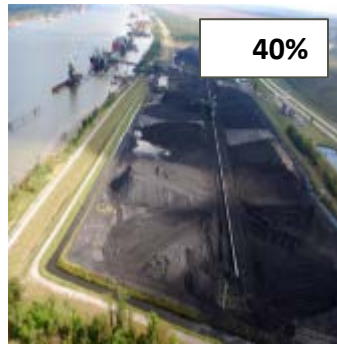
Source: T. Parker Host (*2017 Exports Annualized Jan-Feb.)

Mobile Coal Exports



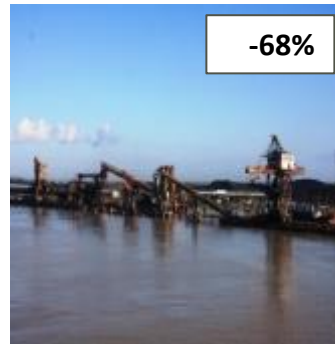
Source: T. Parker Host (*2017 Reports Annualized Jan-Feb)

New Orleans Coal Export Terminals



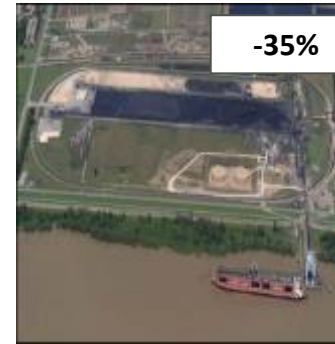
40%

*International
Marine Terminals*



-68%

*United Bulk
Terminal*



-35%

*Convent Marine
Terminal*



39%

*Midstream
Operators*

% Change 2016 over 2015

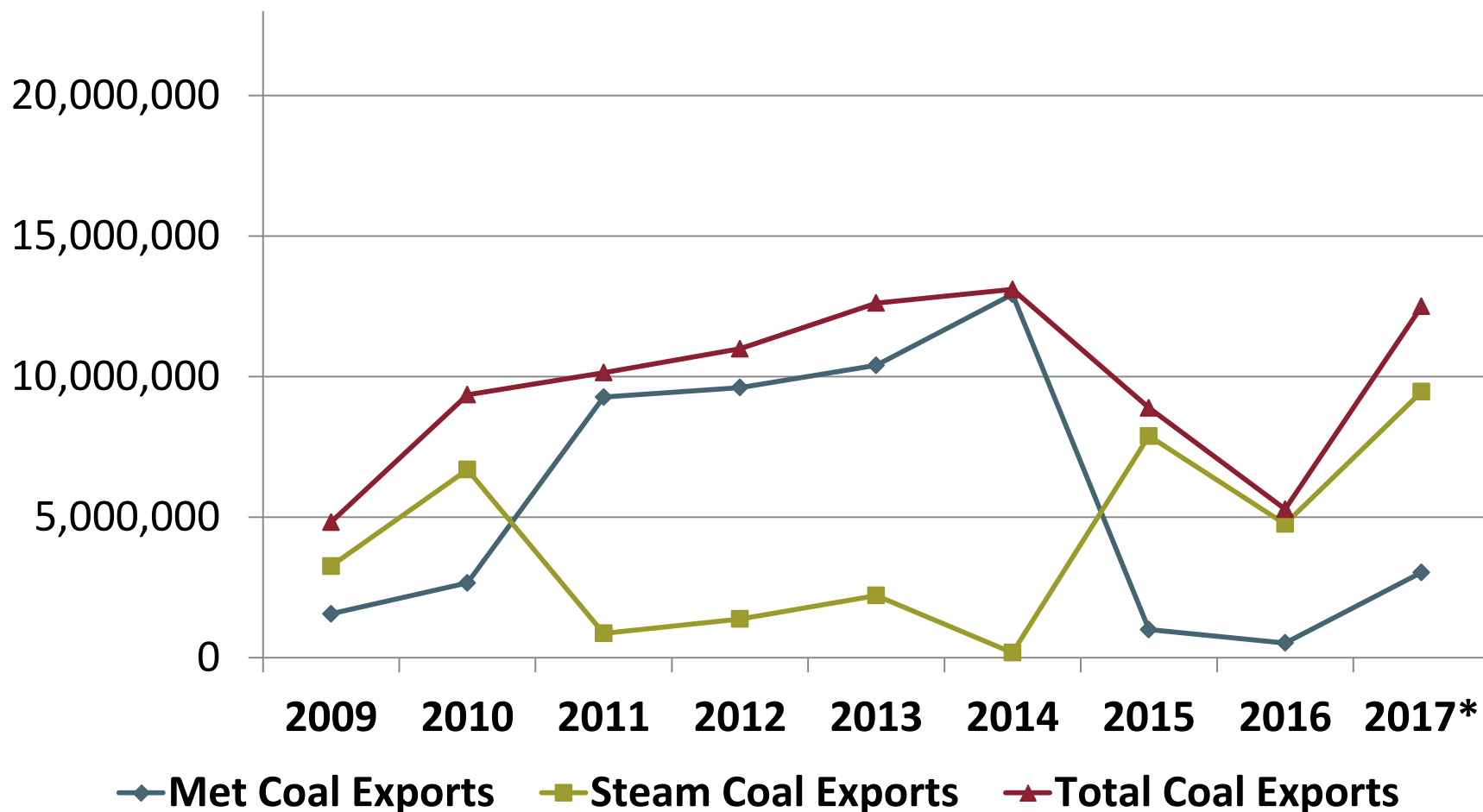
NEW ORLEANS TERMINALS & MIDSTREAM OPERATORS EXPORTS

Terminal	2014	2015	2016	2017*	Capacity
IMT	530 K	77 K	108 K	0	10.0 M
UBT	1.7 M	1.2 M	380 K	0	12.0 M
Convent Marine	5.9 M	6.0 M	3.9 M	6.0 M	15.0 M
Midstream Ops	1.2 M	655 K	914 K	6.6 M	20.5 M
TOTAL	9.3 M	7.9 M	5.3 M	12.6 M	57.5 M

Source: T. Parker Host (*2017 Exports Annualized Jan-Feb.)

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New Orleans Coal Exports



Source: EIA – (*2017 Reports Annualized Jan-Feb)



Source: Big River Coalition

HOST



PJ HAHN PHOTOGRAPHY

Source: Big River Coalition

HOST



Patrick M. Quigley
www.gulfcoastairphoto.com
Slidell, LA 985.788.3458
A SOAV owned small business.

Source: Big River Coalition

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Houston Coal Export Terminals

% Change 2016 over 2015



Deepwater Terminal



Houston Bulk Terminal

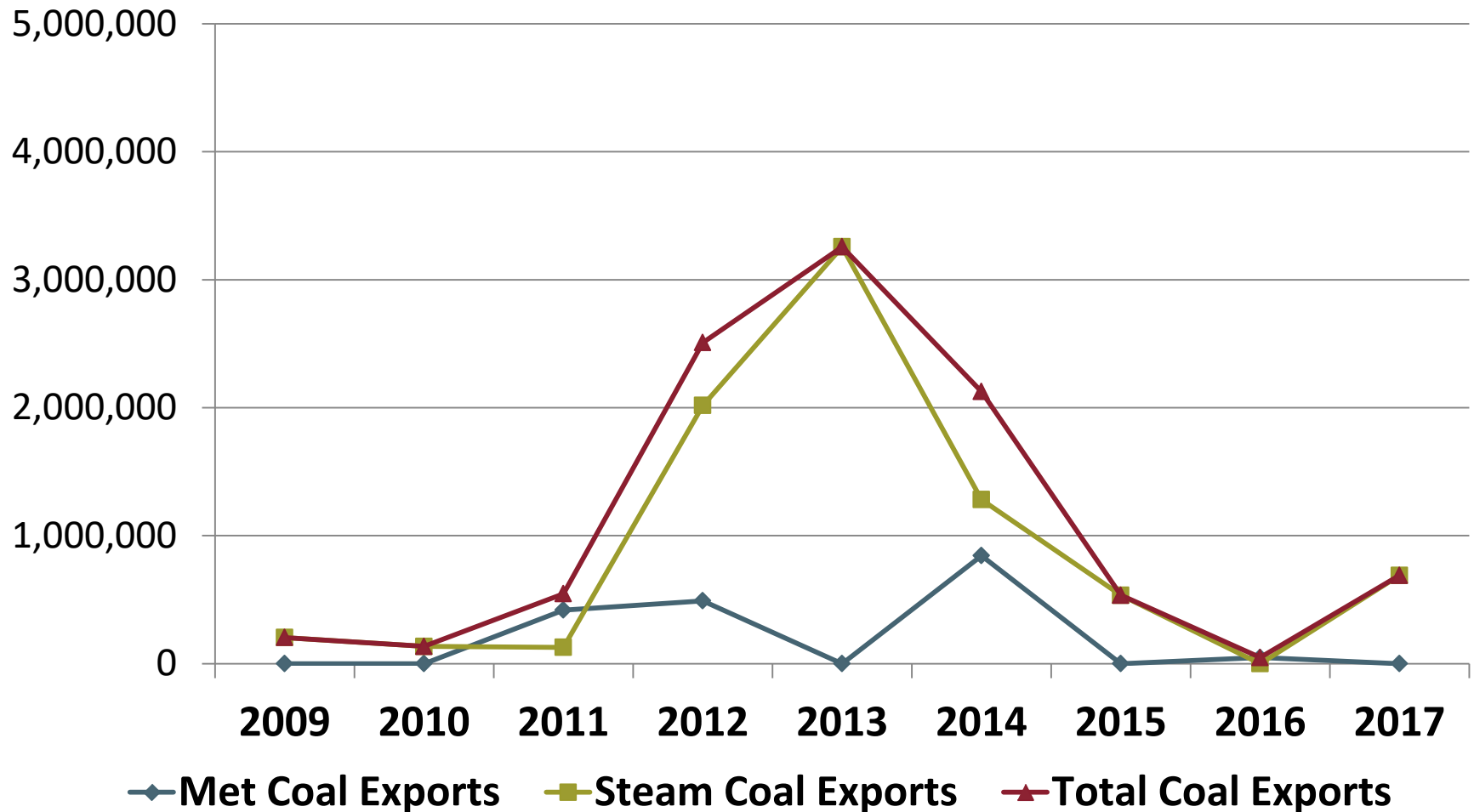
HOUSTON TERMINALS EXPORTS

Terminal	2014	2015	2016	2017*	Capacity
Deepwater	246 K	467 K	48 K	690 K	4.5 M
Houston Bulk	1.7 M	--	--	--	5.5 M
TOTAL	2.0 M	467 K	48 K	690 K	10.0 M

Source: T. Parker Host (*2017 Exports Annualized Jan-Feb.)

HOST

Houston Coal Exports



Source: T. Parker Host (*2017 Exports Annualized Jan-Feb.)

California Coal Export Terminals



Long Beach



Port of Stockton



*Levin-Richmond
Terminal*

Terminal	Capacity	2015	2016
Long Beach	2.4 M	Combined 3.0 M	Combined 1.5 M
Port of Stockton	2.2 M		
Levin-Richmond Terminal	1.5 M		
TOTAL	6.1 M	3.0 M	1.5 M

Source: Census Bureau

Total U.S. Coal Export Capacity

Region	Current Capacity	2015 Exports	2016 Exports
Baltimore	28.5 M	12.8 M	13.2 M
Hampton Roads	77.8 M	24.2 M	19.9 M
Mobile	16.4 M	9.6 M	6.3 M
New Orleans	54.5 M	7.9 M	5.3 M
Houston	8.7 M	467 K	48 K
California	6.1 M	3.0 M	1.5 M
TOTAL	192 M	58 M	46.5 M

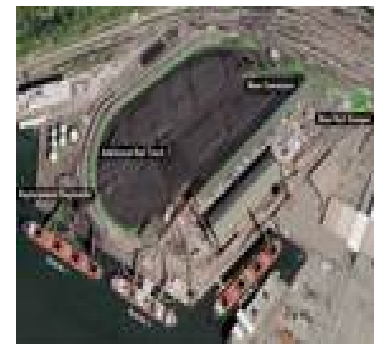
U.S. Coal Exports via Canadian Terminals



Ridley Coal Terminal



Westshore Terminal



Neptune Bulk Terminal

Terminal	Capacity	2013	2014	2015
Ridley	12.0 M	Combined 6.2 M	Combined 12.52 M	Combined 9.96 M
Westshore	30.0 M			
Neptune Bulk (All Commodities)	12.5 M			
TOTAL	54.5 M	6.2 M	12.52 M	9.96 M

Source: DTC

Pacific Northwest Proposed Export Coal Terminals



*Gateway Pacific
Terminals*



*Millennium Bulk
Terminal*

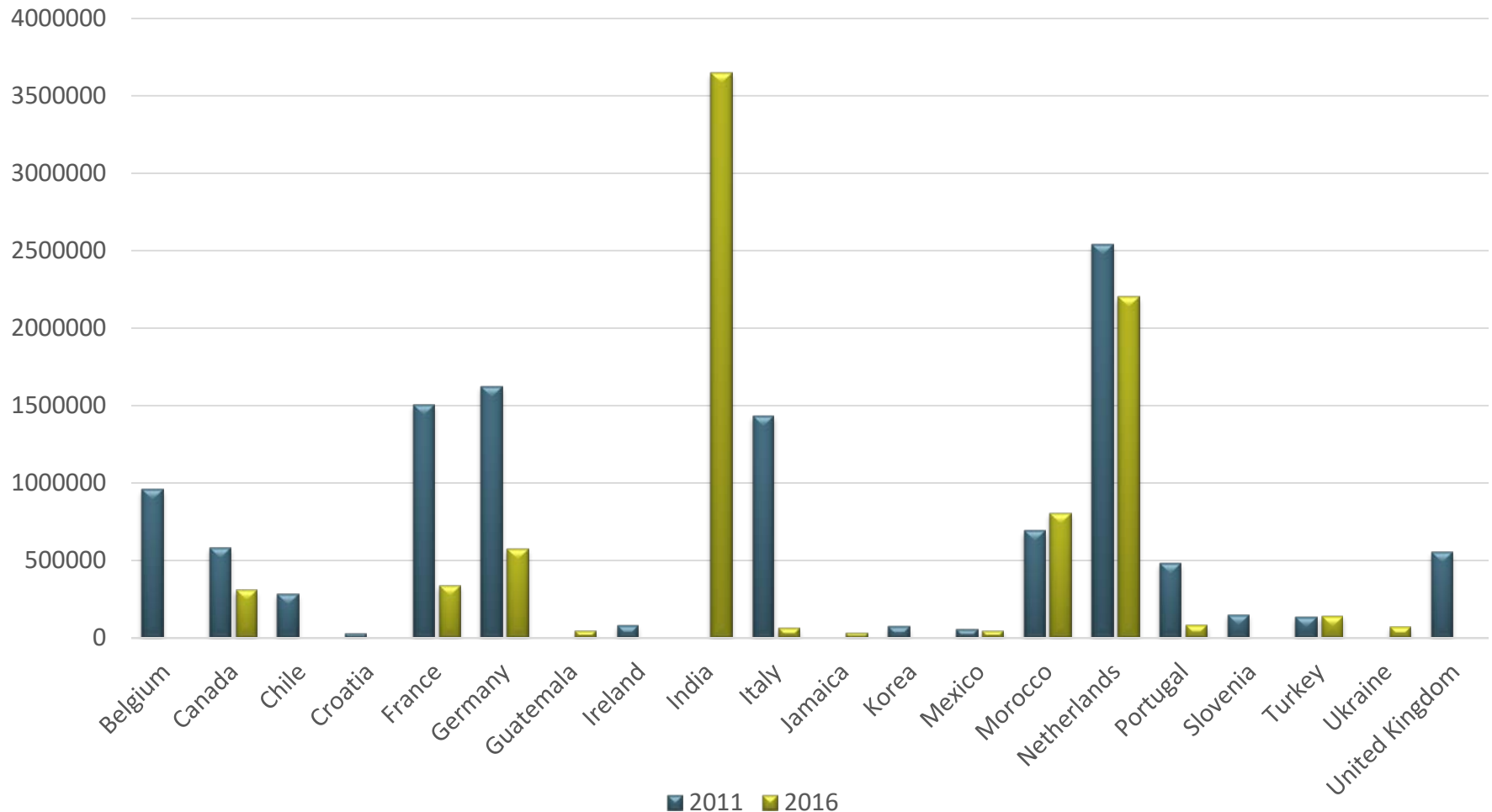


Morrow Pacific: Coyote Island & Port Westward

PROPOSED PACIFIC NORTHWEST TERMINALS

Terminal	Owners	Status	Potential Capacity
Gateway Pacific	Cloud Peak & SSA Marine	Permit Request withdrawn by Owners in Feb 17.	54.0 M
Morrow Pacific	Lighthouse Resources	Permit Denied.	8.0 M
Millennium Bulk	Millennium	Owners file appeal in Court after lack of permit in Feb 17.	44.0 M
TOTAL			106 M

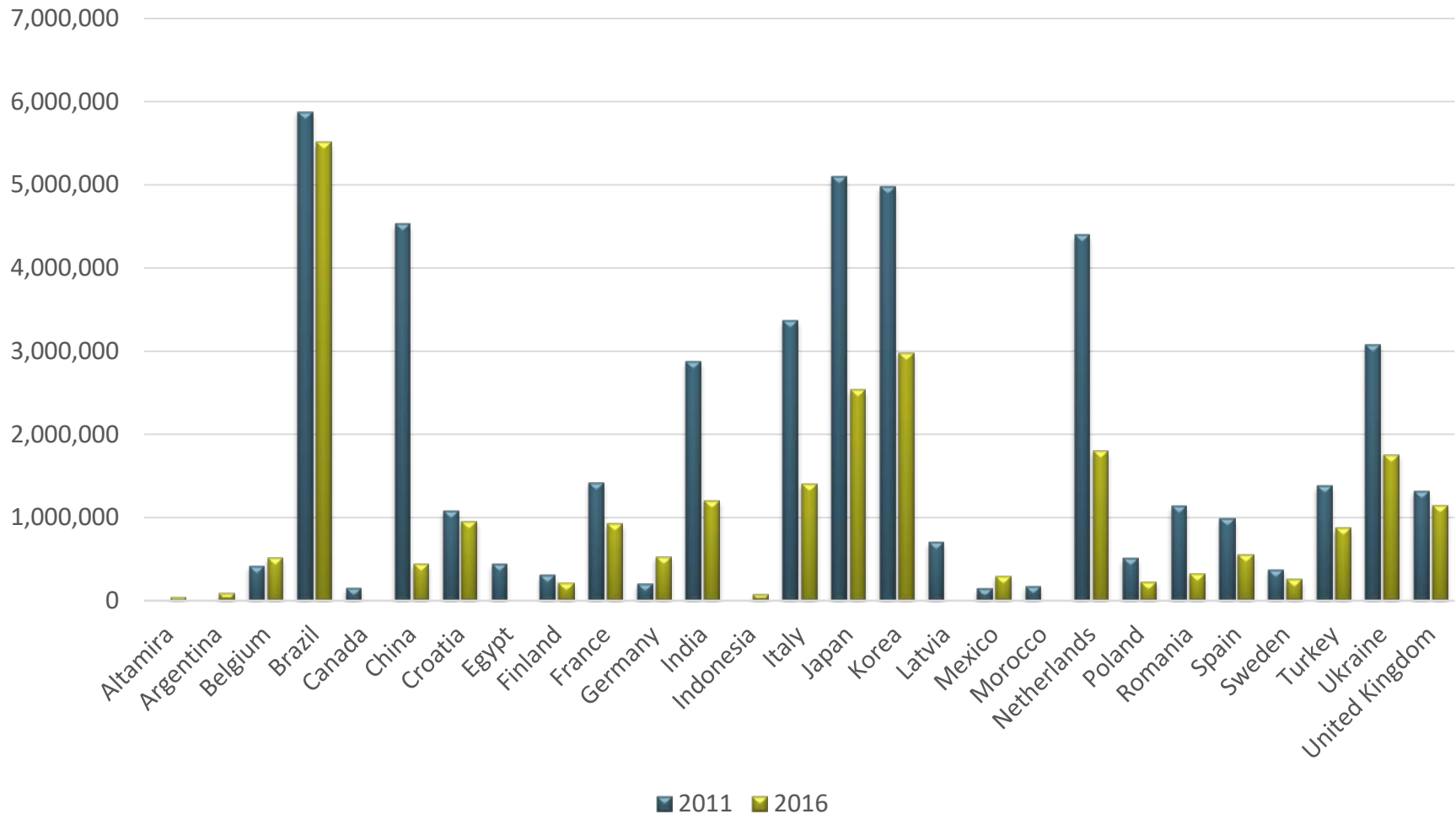
U.S. East Coast Steam Coal Exports



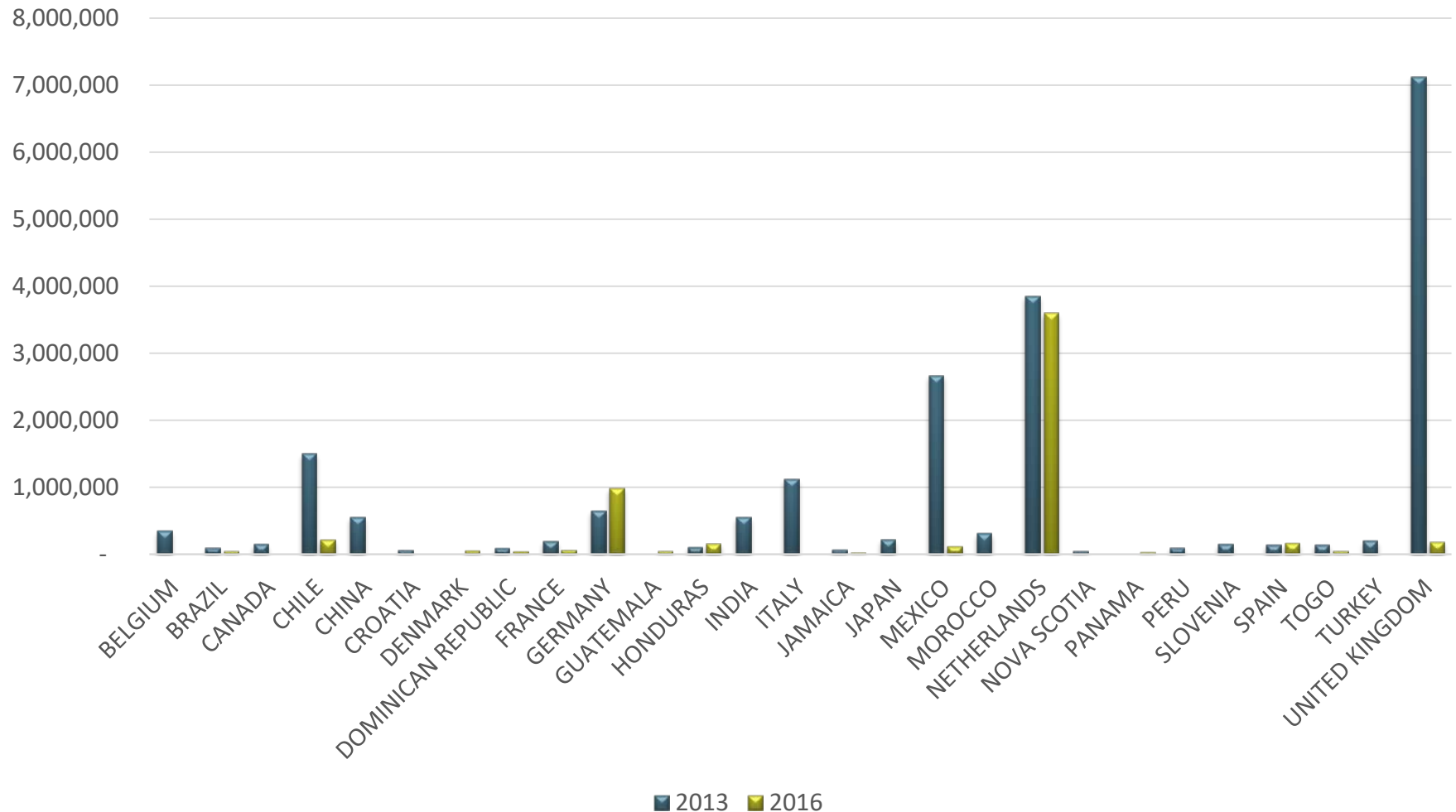
Source: T. Parker Host

HOST

U.S. East Coast Met Coal Exports



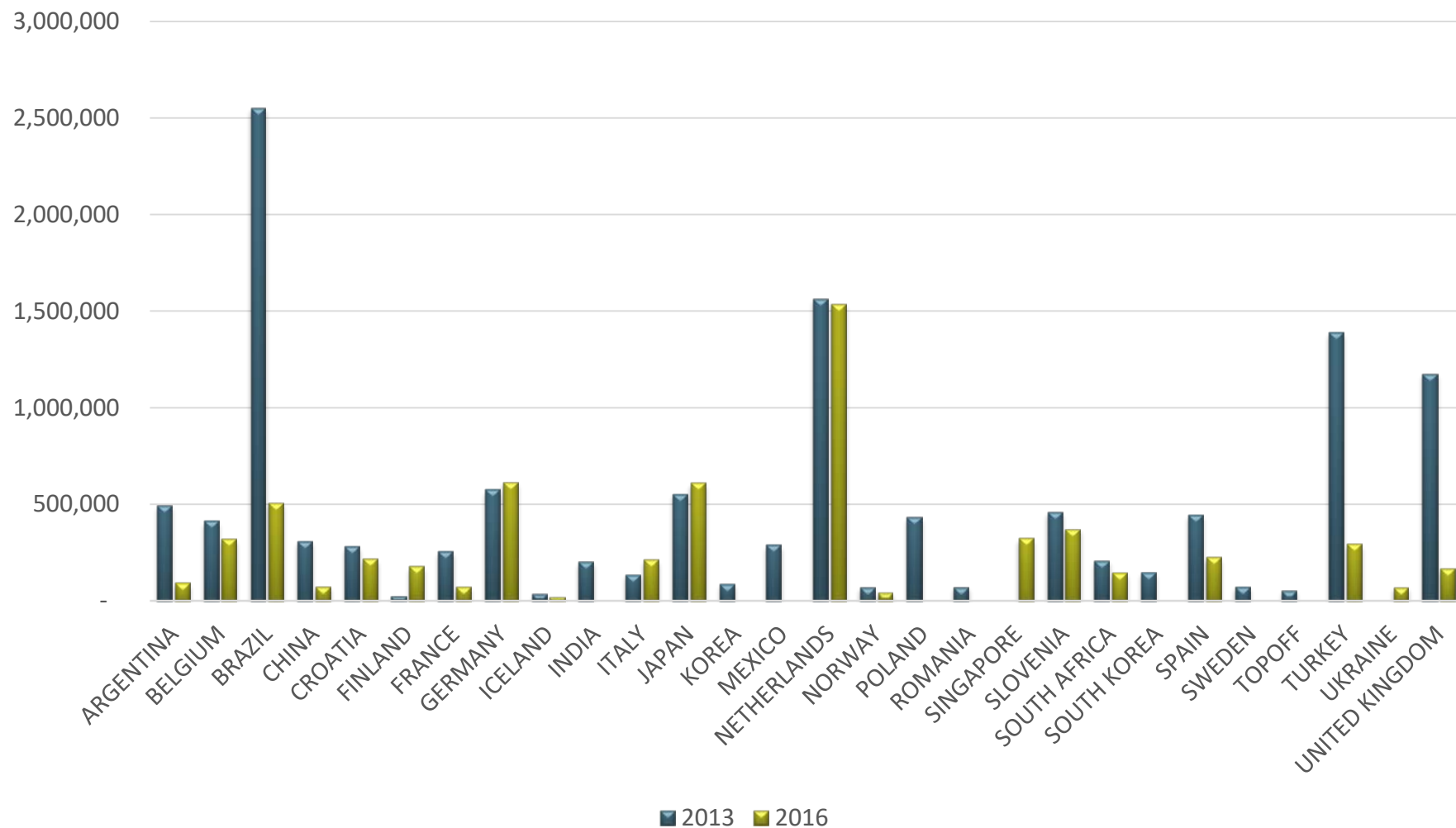
U.S. Gulf Coast Steam Coal Exports



Source: T. Parker Host

HOST

U.S. Gulf Coast Met Coal Exports



Source: T. Parker Host

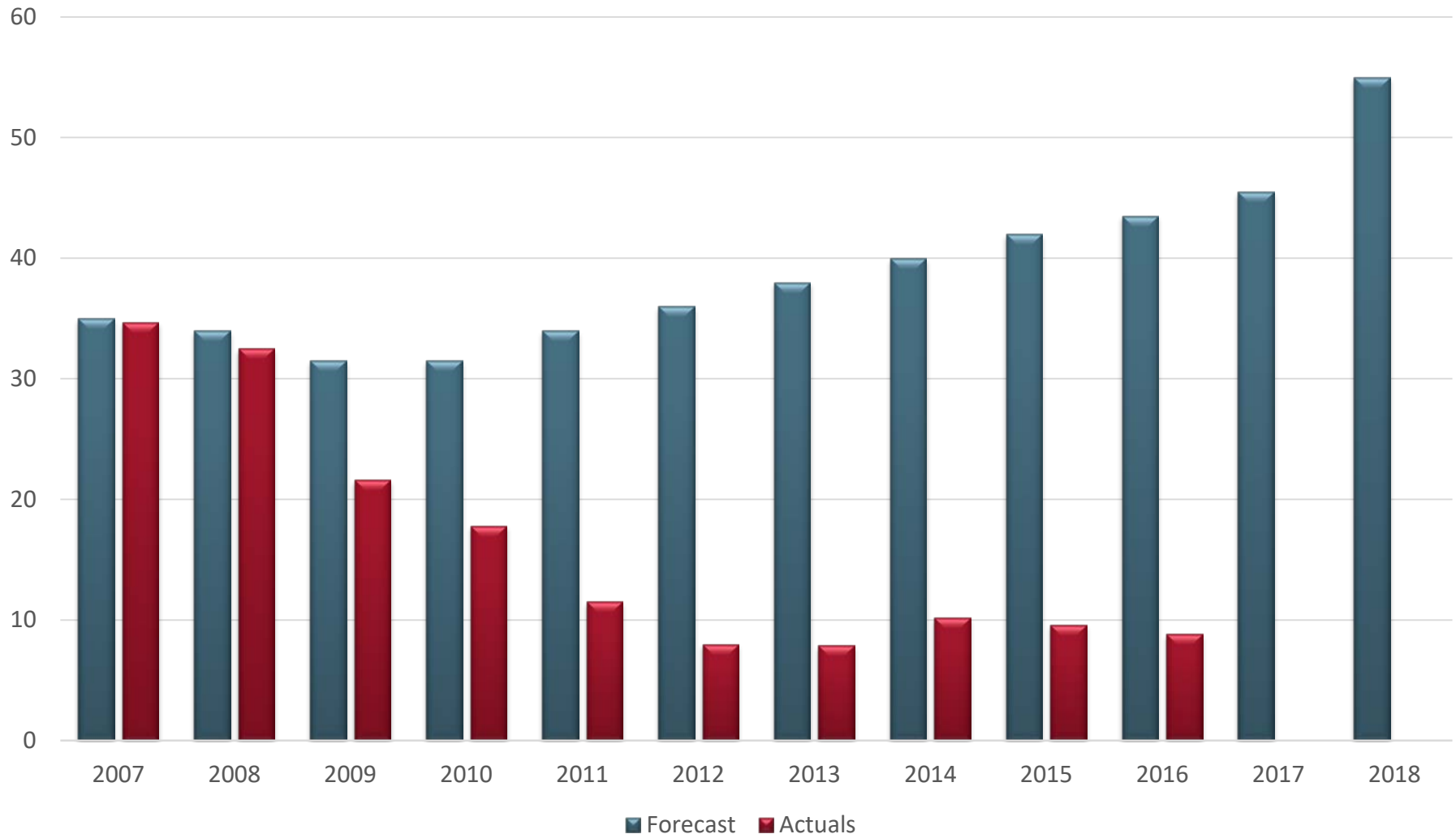
HOST

U.S. Coal Exports

Destination	2006	2011	2016*
Brazil	4,533,561	8,680,249	6,627,869
Russia			
India	1,059,485	4,500,105	5,496,877
China	3,008	5,586,428	273,274

Source: EIA (*2016 Exports Annualized Jan-Sept.)

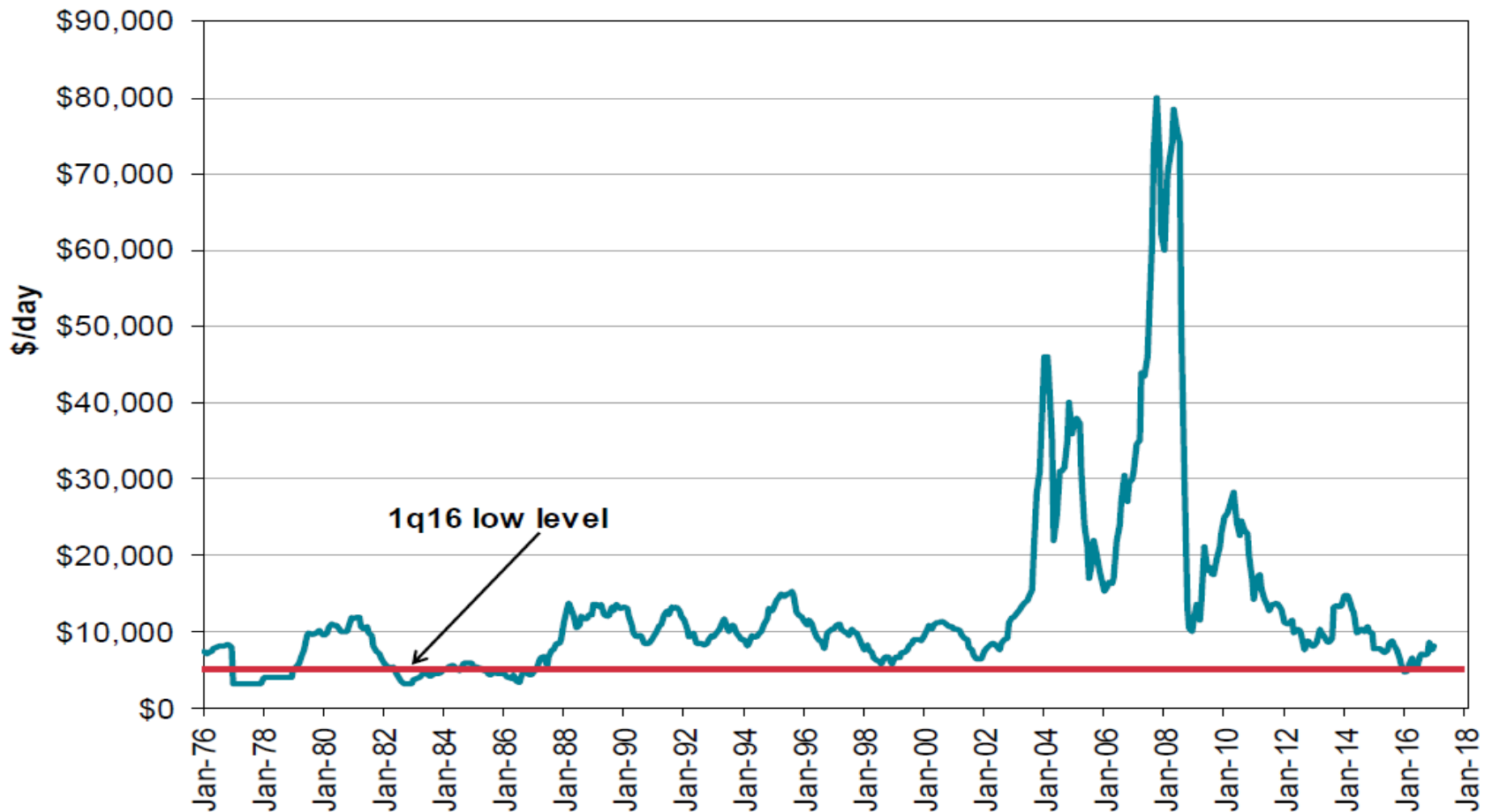
U.S. Steam Coal Imports – Forecast/Actual



Source: McCloskey, EIA

HOST

PANAMAX ONE YEAR PERIOD RATES



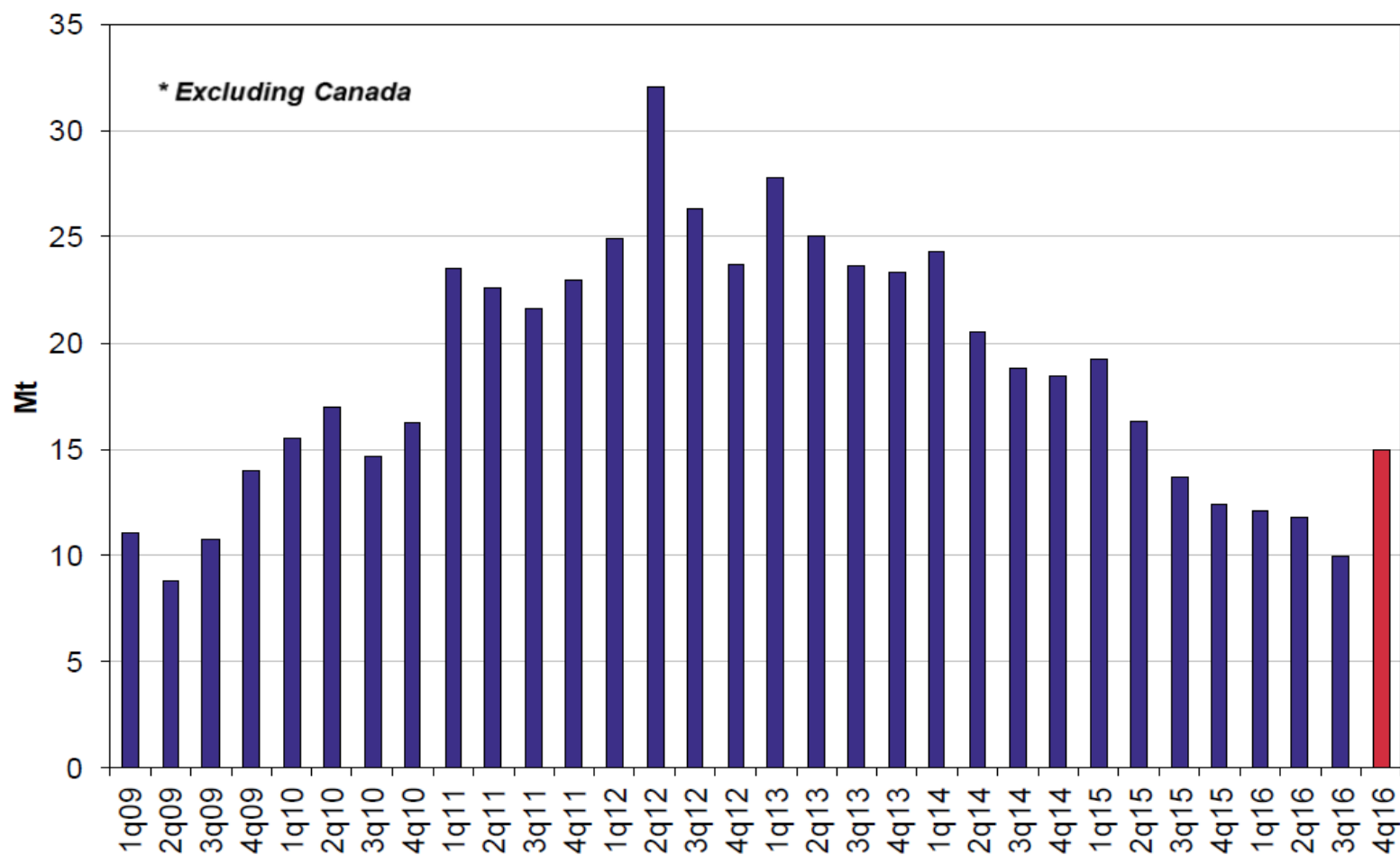
BALTIC EXCHANGE DRY INDEX



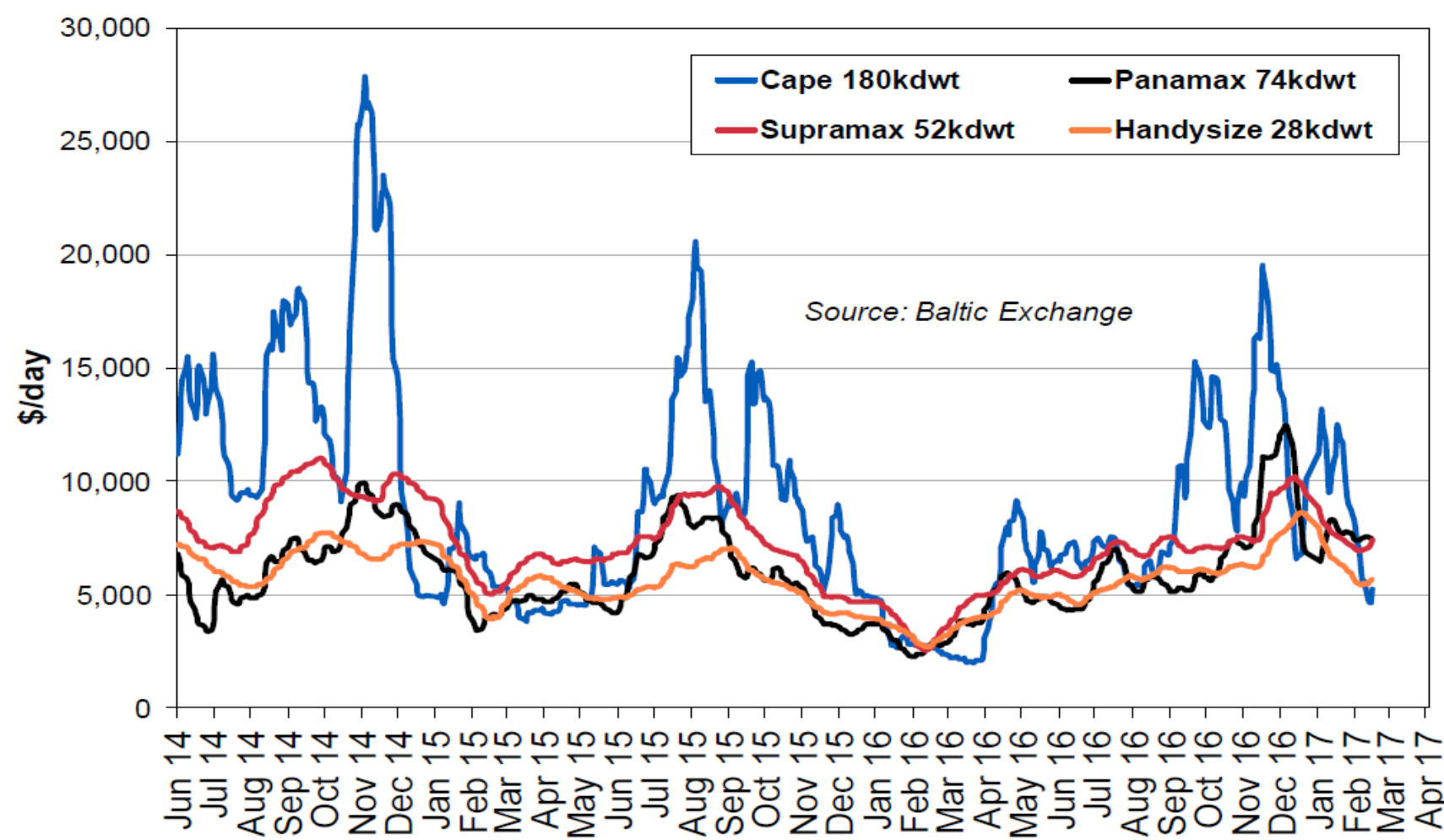
SOURCE: WWW.TRADINGECONOMICS.COM | OTC

HOST

PARTIAL REBOUND IN US COAL EXPORTS

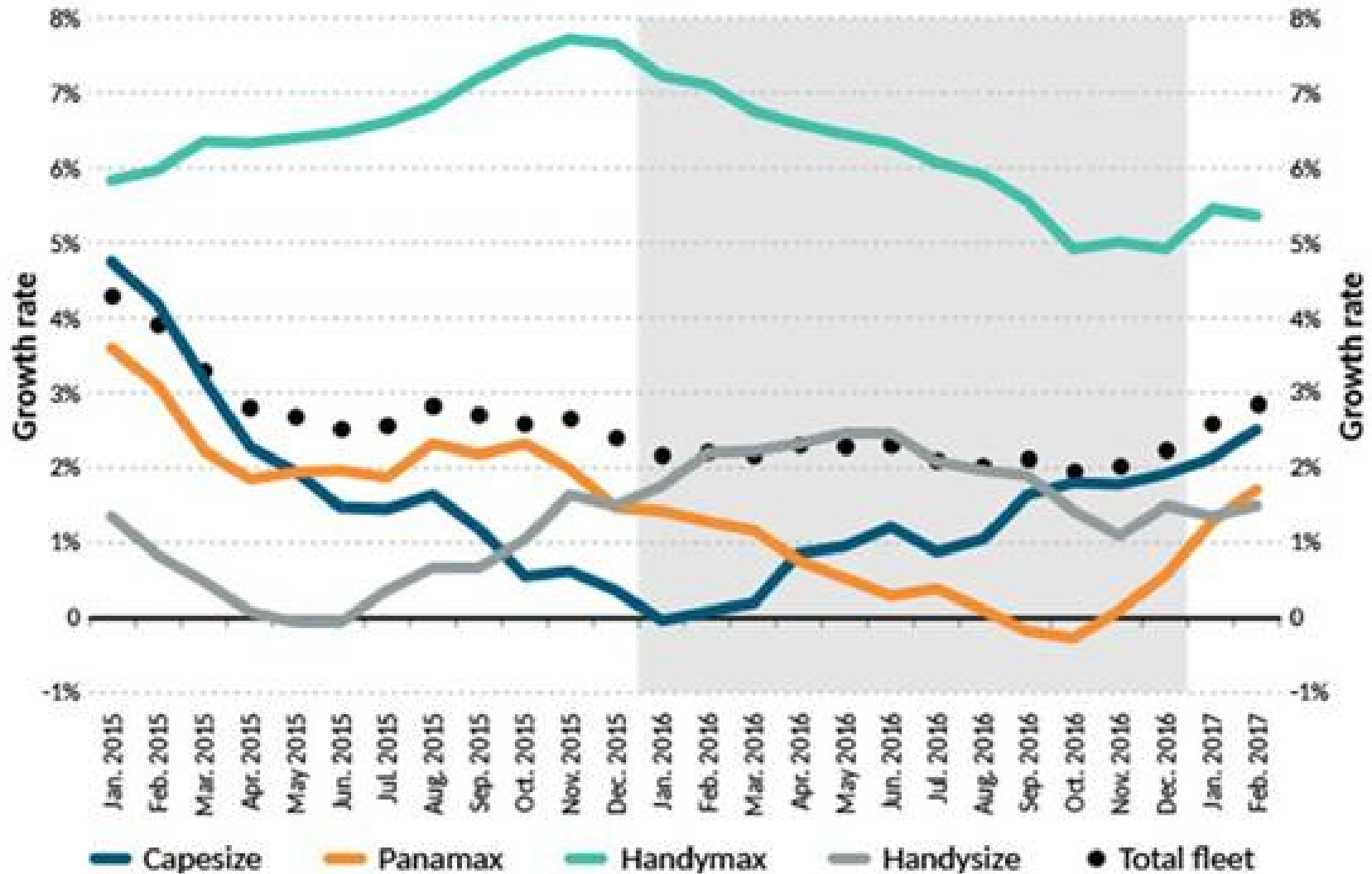


BALTIC EXCHANGE AVERAGE TIMECHARTER RATES



Dry bulk segment fleet growth

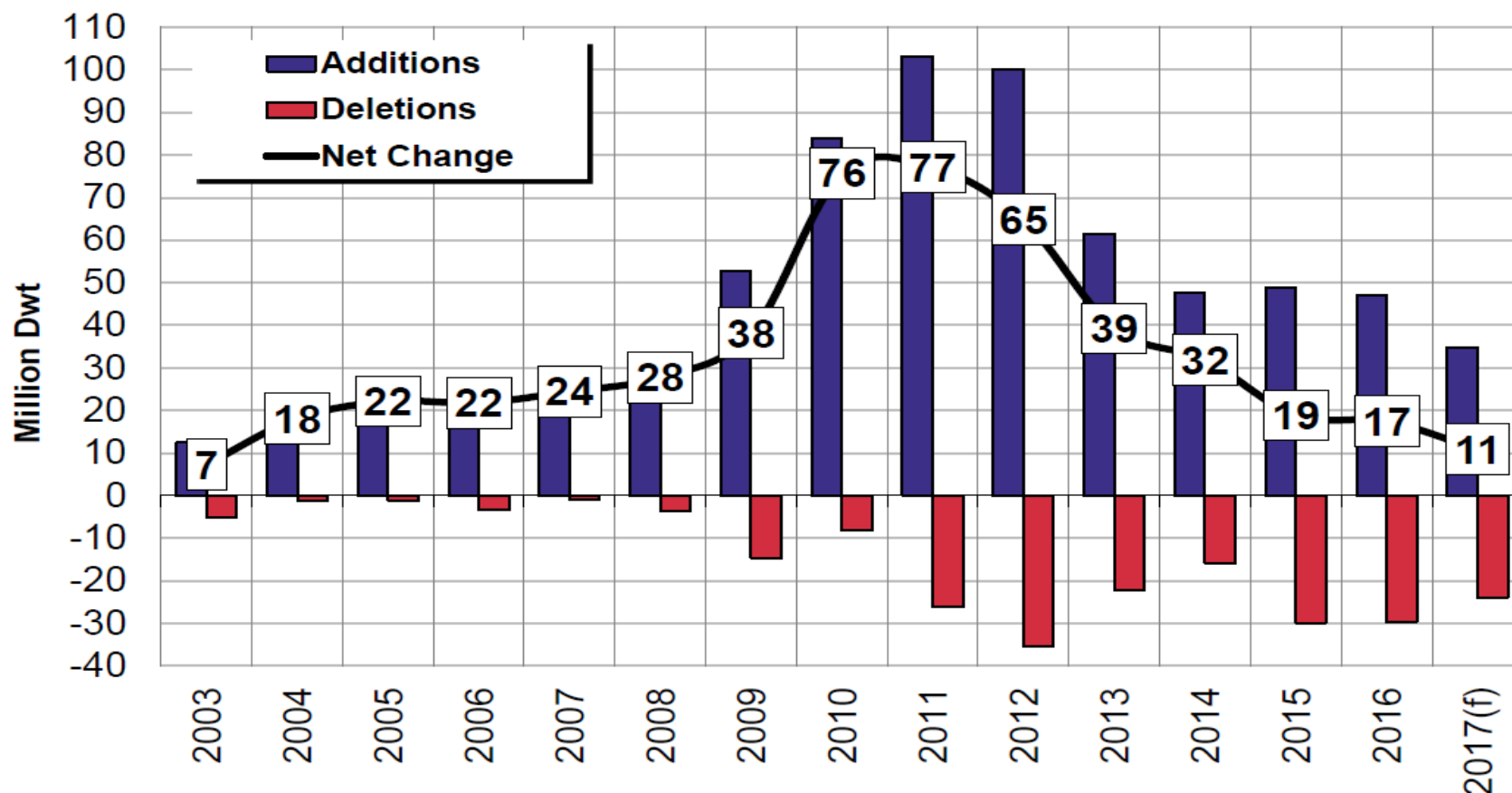
Y-o-y monthly, 2015-2017 YTD



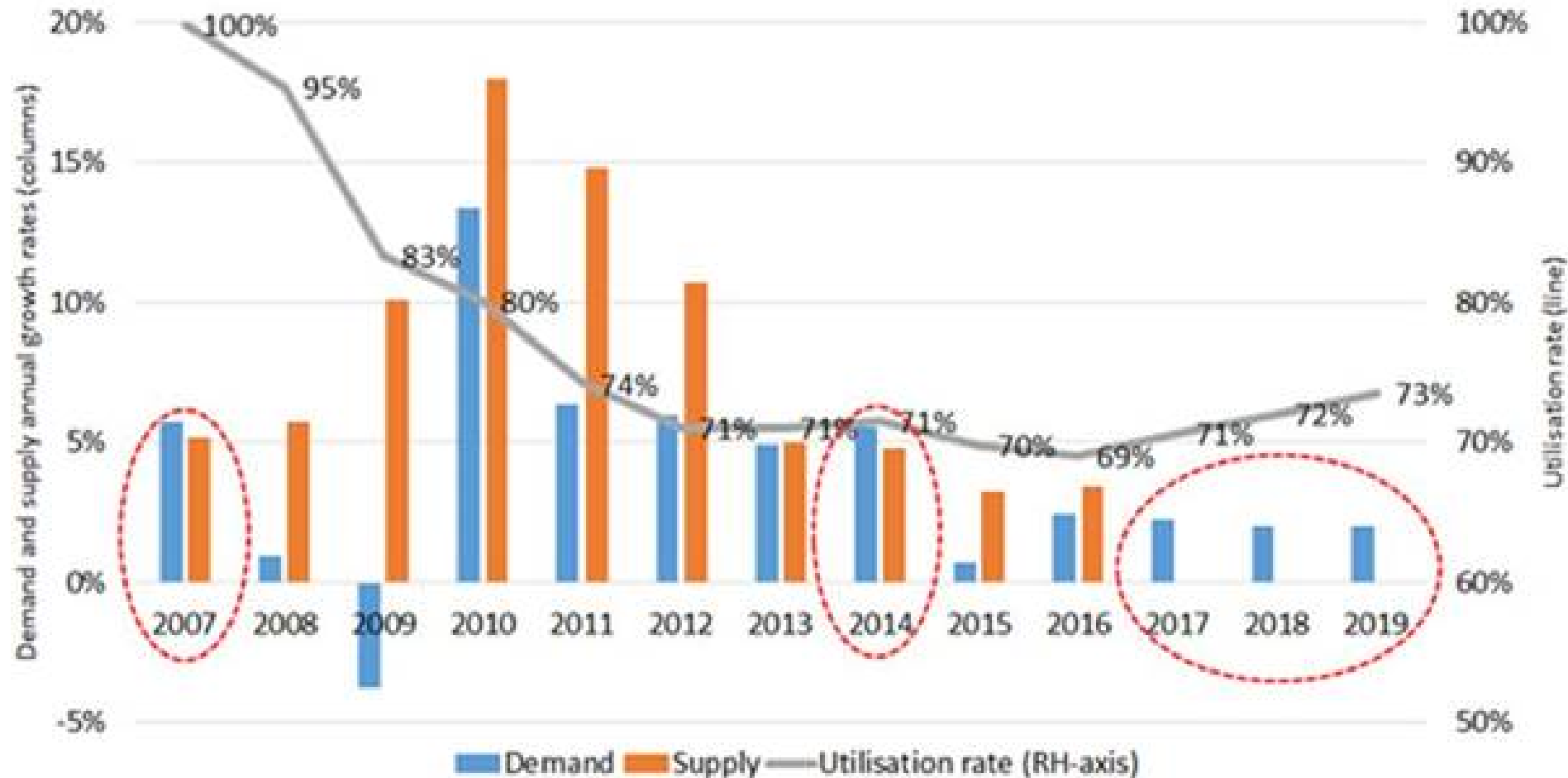
Source: BIMCO, Clarksons

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DRY BULK CARRIER NET FLEET CHANGE



Changes to the fundamental market balance



Next Steps

- Swing supplier/buyer
 - Coal gen in US is still part of baseload (approx. 700m)
 - Imports restricted to geography and peak demand surges
 - US is at an ocean freight disadvantage to demand growth areas like India and Asia
 - US has stable and reliable logistics network with excess capacity
 - US remains faucet
 - Arbs appear and vanish in months not years



HOST