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With Their Mine in Virginia Producing High-Grade Metallurgical Coal Used in the Coking Steel Process, Infrastructure in Place and a Feature on the Upcoming Coal TV Series to Beginning Airing in the Spring of 2011, Cobalt Coal Corp. is Well Positioned for Future Growth

Resources
Coal Exploration
(CBT-TSXV)

Cobalt Coal Corp.

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Michael R. Crowder, BSC
Computer Science
President and CEO

BIO:

Mike Crowder serves as CEO. Prior to becoming CEO of Cobalt Mr. Crowder held the position of Vice President of Cobalt's wholly owned subsidiary Cobalt Coal Corp Mining, Inc. Prior to joining Cobalt Mr. Crowder was Chief Financial Officer of New Tech Mining, Inc. Mr. Crowder has been full-time or part-time owner of five privately held companies and has vast experience in building successful companies. Mr. Crowder is also a real estate investor and has owned consulting companies with international clients.

Mr. Crowder holds a Bachelor of Science degree in Computer Science from East Tennessee State University.

Company Profile:

Cobalt Coal Corp is a metallurgical coal acquisition and development company focusing on the Appalachian region of the USA. Metallurgical coal, also known as 'Coking Coal' is used in the production of steel, as opposed to 'Thermal' or 'Steam' coal which is burned in power plants for its energy content. The company is focused on the acquisition and development of known, high grade metallurgical coal reserves to produce near term cash flow.

Cobalt currently has two coal projects which it owns and operates; The Westchester Coal Mine and The Westchester Expansion. Cobalt is currently involved in acquisition on of a third property. All three of these projects contain high grade metallurgical coal with several drill holes and out-crop samples confirming the presence, and quality of coal.

Cobalt has a head office in Calgary, Alberta and a field office in Welch, West Virginia where Cobalt's full time operating staff is already in place. The Company's management team has extensive experience in founding, growing and selling both public and private energy and resource companies. Cobalt Coal Corp is uniquely positioned for success.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Crowder, what is the current focus at Cobalt Coal?

Mr. Crowder: Cobalt Coal is a metallurgical coal acquisition and development company. We are a coal mining company that researches and acquires coal properties that hold high quality, high grade, metallurgical coal that is used in the coking process for steel manufacturing.

CEOCFO: Would you explain the process for coking steel?

Mr. Crowder: Coking steel is basically a process that you have to go through in the steel mill in order to take the iron and the carbon in a process that smelts or melts and binds together in a blast furnace producing the final product of steel. If you do not have certain temperatures and certain aspects of that, then you not going to get a quality product. That is kind of an overlooked process that helped drive the many years of industrial revolution that we went through. We manufactured a lot of steel and a lot of automobiles, but some folks did not realize that coal was behind that whole process. There is no substitute for coal in the coking process of steel, so it is an absolute integral part of it.

CEOCFO: Would you tell us about your current projects?

Mr. Crowder: We have one mine that is going in the McDowell County, West Virginia location. It is a metallurgical coalmine property. We are a

small operation there now. We run what is called a single-unit mine, meaning we have one full spread of underground mining equipment. As part of this spread of equipment we have one underground continuous mining machine, a 50-ton beast that brand-new would cost \$2 million, but we bought it used for \$600 thousand. We have two haulers that carry the coal back and forth from the continuous miner to the belts and those are called the shuttle cars and they are fairly expensive pieces of equipment as well. We run two shifts at that operation and each shift has approximately thirteen people that work at the site. Then we carry 24/7 security and we have office personnel that support that site. We also have truckers. So that particular project runs with about forty to forty-two people.

CEOCFO: What would you say about the debate over coal and the environmental issues?

Mr. Crowder: It is certainly a debate. It is a political debate as much as it is an environmental debate, but I typically do not get caught up in the debate. It is something that when you start looking at nuclear you got to look at the alternatives and I got to tell you with this thing going on over in Japan right now I am glad I am not next to a nuclear energy plant. I am certainly in favor of renewable energy. The irony is if you said, well there is a left side and a right side and if the left side was the anti-coal and the right side was pro-coal, it is really not that way. I am pro-coal and everybody that I work with is pro-coal, but I also believe that everybody that I work with is pro-renewable energy and pro-environmentally conscious and environmentally safe. For someone that is anti-coal to think that pro-coal people are anti-renewable and anti-environmental is completely false.

CEOCFO: We need it all!

Mr. Crowder: Yes, we do.

CEOCFO: Cobalt Coal added some new cost efficiencies and some pro-

duction changes over the last year; what has changed and what has improved for you?

Mr. Crowder: We had a realignment of management within our company and we had a reinjection of additional much needed capital; we were under-capitalized. I was not completely part of that at that time because I am a new CEO of this company; I was named CEO last fall of last year. Although it is not necessarily prior management's fault, as they were victims of circumstances, as they were trying to go into a new operation with really cheap equipment because their budget was set too low. You just cannot do that in the coal industry. It is the kiss of death to go in with sub-par equipment to try to get to a cash flow position, because typically you never get to that positive cash flow position.

All of Cobalt's production is high-grade MET coal and it is going to continue to be a very strong product for years to come. We have the infrastructure in place with proven success. In addition, because of the series that premiered March 30th on SPIKE TV, Cobalt Coal soon will be a nationally recognized name and there will be more shareholder confidence that will follow from that. There is future potential revenue from the additional seasons of this show called COAL. It is being filmed by Emmy award winner Thom Beers who also is the producer of Deadliest Catch, Ice Road Truckers, and Ax Men. - Michael R. Crowder

CEOCFO: How have you been able to reduce costs?

Mr. Crowder: I do not know if you know this, but our company is also being filmed by SPIKE TV and that has helped us negotiate better equipment deals. In addition, the way we reduced our cost has just become more efficient with the operation. We still have a long way to go, as we may need to add some high-voltage power and that will reduce our cost, but it is a capital expenditure of \$400 thousand to put that high voltage in. However, that will reduce our cost by more than \$30 thousand a month once we do that. It is just capital that has been the challenge all along with our company. So we are becoming

more efficient, adding better equipment and reducing our downtime.

CEOCFO: Are you looking at additional projects?

Mr. Crowder: Yes, we are definitely looking at additional projects and there are several that we are looking at that are a real opportunity for us that exist in the coal space right now particularly in MET coal.

CEOCFO: Is the investment community starting to pay attention?

Mr. Crowder: Definitely; industry wide particularly in the MET coal. Australia is a big provider of MET coal and they had some major historical flooding that occurred in their mining region of Australia that completely crippled their MET coal production. That has driven the price up, but overall these BRIC countries, the Brazil, Russia, India, China, countries that are developing and having greater economic success than the United States is right now, they are driving this demand for steel. Therefore, the price is continuing to go up for MET coal.

CEOCFO: Do you typically have your prices set, do you contract out, how do you handle that?

Mr. Crowder: We have a five-year contract renewable

annually as the market fares, and will be adjusted accordingly. Right now we are receiving more per ton than we ever have received. Last year we were at \$85, and this year we are at \$110 a ton.

CEOCFO: Would you make the case for coal to potential investors and for Cobalt Coal specifically?

Mr. Crowder: You have to start out by talking about our management team. If you combine the value of our management team in the coal space and success with business, we have a couple hundred years amongst us. We are mining successful properties that are proven. Thomas Roberts is over the operations and he has had more than a dozen different under-

ground coal mines in the years that he has mined with. Definitely, we have an extraordinary management team and when you talk about MET coal, MET coal is in short supply and is hard to find. All of Cobalt's production is high-grade MET coal and it is going to continue to be a very strong product for years to come. We have the infrastructure in place with proven success. In addition, because of the series that premiered March 30th on SPIKE TV, Cobalt Coal soon will be a nationally recognized name and there will be more shareholder confidence that will follow from that. There is future potential revenue from the additional seasons of this show called COAL. It is being filmed by Emmy award winner Thom Beers who also is the producer of Deadliest Catch, Ice

Road Truckers, and Ax Men. Those are very popular television programs. I guess from the valuation perspective we have because we have a mine that is already in production with complete infrastructure, we have considerable more value. We have 1.8 million tons, but we are adjacent to an additional 9 million tons in place. We have the best Coking Coal product in the world with this Seam that we mine called the Sewell Seam. We are above the water table, so we have no methane reading problems or anything like that, which are some of the risk factors that you would rather not deal with in under ground mining. We have several other pending projects that people have approached us with that have incredible opportunity as well and we have already done the

due diligence to incorporate some of those projects into our company. Overall we have the experienced management team, we have proven mine-able properties, we are a MET coal company and we are expanding the corporate profile and our brand name will be a household name soon we do believe that. We have great potential for growth and we are already past all the start-up hurdles.

CEOCFO: Sounds like you are ready to meet the world!

Mr. Crowder: Yep we are excited! We are working a lot of hours and doing a lot of good things, so the future looks bright right now.



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