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Study: NTEC acquisition of Powder River Basin mines is a prudent investment

FARMINGTON, N.M. – Navajo Transitional Energy Company (NTEC), a wholly-owned Navajo tribal entity, applauds the release of a study that states NTEC’s acquisition of Cloud Peak Energy’s assets is a prudent investment.

“During the Due Diligence process, we identified the positive aspects to the acquisition of Cloud Peak Energy’s assets. This is a good investment for NTEC for several reasons and this study supports that premise,” said Clark Moseley, NTEC CEO.

“Cloud Peak is a Prudent Investment for NTEC and the Navajo Nation,” prepared by Energy Ventures Analysis, lists several factors that indicate how the Cloud Peak asset acquisition is a sound investment.

The study says NTEC purchased the assets at a “very low cost.” NTEC paid \$15.7 million for the assets through the federal bankruptcy court. The purchase includes nearly 1 billion tons of leased coal reserves, almost 100,000 acres of owned surface lands, and all the equipment at Spring Creek, Cordero Rojo and Antelope mines. In addition, NTEC also has a seller note for \$40 million that will be paid over time. To be clear, NTEC will not assume any of Cloud Peak’s \$350 million debt, the study stated.

The study notes that while domestic coal demand will decrease in the future, demand for domestic high-quality coal will still exceed 250 million tons a year. NTEC also has opportunities to develop international coal sales. “The export markets have high upside potential for Spring Creek’s sales,” the study stated.

“We expect this acquisition will sustain long term success for NTEC, allowing NTEC to continue to invest in other forms of energy. As a Navajo owned company, we are expanding our reach internationally. The demand for clean high-quality coal will continue for the foreseeable years making the Cloud Peak asset acquisition a sound investment for NTEC and the country as we will help fuel a reliable, cost effective, and environmentally conscious foundation of all energy development,” Moseley said.

The acquisition is expected to close in early October. NTEC was the winning bidder for Cloud Peak Energy’s assets in August.

The study can be viewed [here](#).

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About NTEC

NTEC is a single member limited liability company, organized under the laws of the Navajo Nation, that owns the Navajo Mine, located south of Fruitland, New Mexico. The mission of NTEC is to be a reliable, safe producer of coal, while diversifying the Navajo Nation’s energy resources to create economic sustainability for the Nation and the Navajo people. NTEC is 100 percent owned by the Navajo Nation. For more information about NTEC, visit www.navajo-tec.com.