CONSOL Energy Announces Operations Update

Gas Division Announces Upper Devonian Shale Exploration Success;

Gas Division Initiates 2014 Production Guidance of 210 - 225 Bcfe;

Coal Division Produces 13.8 Million Tons in Quarter

PITTSBURGH, July 15, 2013 /PRNewswire/ -- CONSOL Energy Inc. (NYSE: CNX), the leading diversified fuel producer in the Eastern U.S., is providing an operations update for the quarter ended June 30, 2013.

"Our operations performed in line this quarter," commented J. Brett Harvey, chairman and chief executive officer. "In our Gas Division, we drilled a successful Upper Devonian Shale exploration well on our first attempt."

Specifically, CONSOL Energy drilled its Upper Devonian Shale well in the Burkett formation, which is the deepest of numerous Upper Devonian shales. The Burkett formation is the only Upper Devonian shale which falls within the ownership of the joint venture with Noble Energy. CONSOL chose to drill its first well in the Burkett in order to test the potential interaction with deeper Marcellus Shale wells and to benefit from jointly-owned surface infrastructure. CONSOL's future Upper Devonian Shale wells will include wells drilled in 100% CONSOL-owned strata.

The company believes that while all of its acreage in Southwestern Pa. and Northern W.Va. has the potential for the existence of the Upper Devonian Shale formation, our initial geologic estimates show that we control 300,000 acres with commercial Upper Devonian Shale potential.

The company's first Upper Devonian Shale well, the NV 39F, is located in Greene County, Pa. The joint venture well had an average casing pressure of 2,173 psi on a 42/64 inch choke and was drilled to a total measured depth of 12,490 feet, with a lateral length of 4,889 feet. The well was completed in 17 stages. The well was fractured together with five underlying Marcellus Shale wells and has been flowing at a sustained rate of approximately 3.0 MMcfd. Importantly, the NV 39F well seems to have concentrated and contained the fracture treatments in the Marcellus Shale wells below; specifically, the NV 39B and NV 39C Marcellus Shale wells, which are showing strong early results flowing at approximately 9.0 MMcfd and 10.0 MMcfd, respectively.

Overall, CONSOL's Gas Division produced 38.6 Bcfe for the 2013 second quarter or 3% more than the 37.3 Bcfe produced in the 2012 second quarter, which is consistent with guidance provided last quarter. The 2013 second quarter production included 418 MMcf per day of natural gas, 335 barrels per day of oil/condensates, and 655 barrels per day of NGLs (all net to CONSOL). As we expected, our 2013 well completions will be weighted toward the back-end of the year.

CONSOL's Coal Division produced 13.8 million tons for the second quarter of 2013, including 1.2 million tons of low-vol coking coal from the company's Buchanan Mine. Both production figures were slightly above previous guidance provided last quarter. Although second quarter sales at Buchanan were higher than expected, low-vol prices weakened as the quarter progressed.

During the second quarter of 2013, CONSOL's total coal inventory decreased by 47,000 tons to 917,000 tons as of June 30, 2013, which marks a new 15-year low inventory level. Thermal coal inventory decreased by 102,000 tons to 773,000 tons during the quarter, as customers continued to take all contracted tonnage. Low-vol coal inventory increased during the quarter by 55,000 tons, to 144,000 tons.

Third Quarter 2013 Forecasts

Gas: CONSOL Energy expects its 2013 gas production to be approximately 170 – 175 Bcfe (net to CONSOL). Third quarter 2013 gas production, net to CONSOL, is expected to be approximately 43 – 45 Bcfe, which is an estimated 14% increase compared with the 38.6 Bcfe produced in the second quarter of 2013, based on the midpoint of the range.

Coal: CONSOL Energy expects third quarter 2013 total coal production to be between 13.4 – 13.9 million tons. Annual 2013 total coal production guidance is 55.5 – 57.5 million tons. Buchanan Mine's third quarter production is expected to be between 0.7 – 0.9 million tons, while annual production guidance remains at 4.0 – 4.2 million tons.

2014 Gas Forecast

CONSOL Energy is initiating a 2014 production estimate of 210 – 225 Bcfe. Although early in the planning process, the company believes 225 Bcfe is a reasonable upper bound, given the level of drilling in 2013 and the expected effect that could have on 2014 production.

"Despite the uncertainty surrounding the upper bound of our initial 2014 gas production guidance," continued Mr. Harvey, "Investors need to understand that CONSOL's 2013 investment in gas will have an important effect on our 2014 gas production. The Gas Division represents the growth vehicle for CONSOL's shareholders once the BMX Mine is completed next year."

And, that rate of growth is expected to accelerate. Assuming the company achieves the mid-point of the 2013 guidance range of 172.5 Bcfe, it would represent a 10% growth rate over 2012 actual production of 156.3 Bcfe. For 2014, the range of 210 – 225 Bcfe represents a 22% - 30% growth rate over the 172.5 Bcfe our 2013 forecast.

Furthermore, the company expects to achieve Gas Division margin expansion through the increased emphasis on production in the liquids-rich portions of the Marcellus and Utica shales. Condensates and NGLs typically generate much higher revenues than methane on an equivalent units basis. Our 2013 exit rate is projected to be 520 barrels per day of oil/condensates and 4,900 barrels per day of NGLs, with higher levels expected in 2014.

"When you look back over the last few years," continued Mr. Harvey, "CONSOL bought an opportunity in 2010 with the Marcellus and Utica shale acreage we acquired from Dominion E&P. Then, in 2011, we brought in top-quality joint venture partners to bring value forward for our shareholders. In 2012, our joint ventures began producing in the liquids-rich area of the plays. And today, we're adding rigs and accelerating our drilling. I see 2014 as a logical progression in this endeavor, where we'll be able to continue our acceleration in gas production and deliver meaningful value to our shareholders. And unlike pure-play E&P companies, we'll have a Coal Division and potential asset sales that can help fund this growth."

Gas Division Operations

CONSOL's Gas Division saw zero safety exceptions in the first quarter of 2013, which is unchanged compared to the same quarter of 2012. In the area of compliance, CONSOL's Gas Division saw violations decrease by 40% compared to the year-earlier quarter.

During the second quarter, CONSOL Energy drilled 13 horizontal shale wells: nine Marcellus Shale and four Utica Shale wells. The average drilled lateral length for the Marcellus Shale wells and the Utica Shale wells was 8,860 feet and 5,459 feet, respectively. CONSOL completed 15 Marcellus Shale wells in the second quarter and expects to initiate completion operations on the Utica Shale wells in the third quarter of 2013.

Marcellus Shale Dry Gas (CONSOL Energy-operated):

Southwest Pa.: During the second quarter, CONSOL drilled six wells in Southwest Pa., all in Washington County. The wells ranged in lateral length from 7,274 feet to 10,171 feet.

CONSOL completed 10 wells: six wells in Washington County and four wells in Greene County. Also during the second quarter, CONSOL turned in line 14 wells: three wells of the five-well NV 42 pad, the eight-well NV 41 pad, and three wells of the six-well NV 39 pad, which are currently producing approximately 17.0 MMcfd, 36.0 MMcfd, and 14.8 MMcfd, respectively.

CONSOL has one horizontal rig operating and plans to drill an additional nine wells in Southwest Pa., which is a slight decrease from previous guidance provided last quarter to now drill 22 wells in 2013.

Central Pa.: During the second quarter, CONSOL did not drill any new wells in Central Pa.

CONSOL completed five wells located on the Kuhn 3 pad in Westmoreland County, and flowback operations have commenced. One well, the Kuhn 3B, has been turned in line, where it subsequently flowed at 10 MMcf during a 24-hour period.

CONSOL does not currently have a horizontal rig operating but expects to drill five additional wells in Westmoreland County inCentral Pa., which increases previous guidance provided last quarter to now drill 10 wells in 2013.

Northern W.Va.: During the second quarter, CONSOL drilled the first three of six wells on the PHL 13 pad in the Philippi Field,Barbour County. The wells ranged in lateral length from 7,586 feet to 9,974 feet.

CONSOL expects completion operations to commence on the PHL 13 wells in September 2013.

CONSOL has one horizontal rig operating in Barbour County and expects to drill eight additional wells in Northern W.Va., which is an increase from previous guidance provided last quarter to now drill 11 wells in 2013.

Marcellus Shale Wet Gas (Noble Energy-operated):

During the second quarter, in the wet gas portion of the Marcellus Shale, Noble Energy drilled 13 wells: eight wells in Marshall County, W.Va. and five wells in Gilmer County, W.Va. The wells ranged in lateral length from 3,255 feet to 8,858 feet.

Noble Energy completed, and turned in line, 11 wells on the WEB 4 pad located in Marshall County, W.Va.

Noble Energy is currently operating three horizontal rigs with the addition of a fourth rig now expected in the third quarter. By the end of 2013, Noble expects to operate five horizontal rigs, which is a decrease from previous guidance provided last quarter of six rigs, due to the improvements in horizontal rig efficiency being realized by increased top-hole drilling.

Ohio Utica Shale (CONSOL-operated):

During the second quarter, in the Utica Shale joint venture with Hess Corporation, CONSOL Energy drilled four wells: the third and final well on the NBL 11 pad, and three wells on the NBL 33 pad, all in Noble

County. The average lateral length of the NBL 11 pad and the NBL 33 pad was 5,801 feet and 5,476 feet, respectively.

CONSOL expects completion operations on all six wells to commence in the third quarter. CONSOL expects production from the NBL 11 and NBL 33 wells, as well as the previously drilled NBL 1A and NBL 16A wells, to commence by the end of 2013 or very early in 2014.

CONSOL has one horizontal rig operating and expects to drill three additional wells in Noble County, which is a slight decrease from previous guidance provided last quarter to now drill nine wells in 2013, all in Noble County.

Ohio Utica Shale (Hess-operated):

During the second quarter, our joint venture partner, Hess Corporation, drilled four wells: the Athens A 2H-24 and Athens A 3H-24 wells in Harrison County; and the Oxford A 1H-8 and Oxford A 2H-8 wells in Guernsey County.

Hess completed two wells: the Athens A 2H-24 and Athens A 3H-24 wells during the second quarter.

Hess finished the second quarter with two horizontal rigs operating on JV acreage. Their current activity level is consistent with guidance provided by them last quarter.

Coal Division Operations

CONSOL's Coal Division saw safety exceptions flat in the second quarter of 2013 compared to the same quarter of 2012. In the area of compliance, CONSOL's Coal Division saw violations decrease by 16% compared to the year-earlier quarter.

The Bailey Preparation Plant has successfully upgraded the existing control room with new computers, operator screens, and the required software and hardware to support the increased plant capacity from 6,300 tons per hour (tph) to 8,200 tph. Also, the Bailey clean coal handling system installed, and placed into operation, a new dual batch loadout facility that will increase the capacity of loading unit trains to 9,000 tph, which is a 50% increase from the previous unit that had a loading capacity of approximately 6,000 tph. These continuous improvement projects are in anticipation of starting production at the BMX Mine onApril 1, 2014.

Earnings Release Information

CONSOL Energy will report additional operational and financial results for the quarter ended June 30, 2013 at 7:00 a.m. ET onThursday, July 25, followed by a conference call at 10:00 a.m. ET. The call can be accessed at the investor relations section of the company's web site, at www.consolenergy.com.

Cautionary Statements

Various statements in this release, including those that express a belief, expectation or intention, may be considered forward-looking statements (as defined in Section 21E of the Exchange Act) that involve risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenues, income and capital spending. When we use the words "believe," "intend," "expect," "may," "should," "anticipate," "could," "estimate," "plan," "predict," "project," or their negatives, or other similar expressions, the statements which include those words are usually forward-looking statements. When we describe strategy that involves risks or uncertainties, we are making forward-looking statements. The forward-looking statements in this press release, if any, speak only as of the date of this press release; we disclaim any obligation to update these statements. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks, contingencies and uncertainties relate to, among other matters, the following: deterioration in global economic conditions in any of the industries in which our customers operate, or sustained uncertainty in financial markets cause conditions we cannot predict; an extended decline in demand for or in the prices we receive for our coal and gas affecting our operating results and cash flows; our customers extending existing contracts or entering into new long-term contracts for coal; the expiration or failure to extend existing long-term contracts; our reliance on major customers; our inability to collect payments from customers if their creditworthiness declines; the disruption of rail, barge, gathering, processing and transportation facilities and other systems that deliver our coal and gas to market; a loss of our competitive position because of the competitive nature of the coal and gas industries, or a loss of our competitive position because of overcapacity in these industries impairing our profitability; our failure to maintain satisfactory labor relations; coal users switching to other fuels in order to comply with various environmental standards related to coal combustion emissions; the impact of potential, as well as any adopted regulations relating to greenhouse gas emissions on the demand for coal and natural gas, as well as the impact of any adopted regulations on our coal mining operations due to the venting of coalbed methane which occurs during mining; foreign currency fluctuations could adversely affect the competitiveness of our coal abroad; the risks inherent in coal and gas operations being subject to unexpected disruptions, including geological conditions, equipment failure, timing of completion of significant construction or repair of equipment, fires, explosions, accidents and weather conditions which could impact financial results; our focus on new gas development projects and exploration for gas in areas where we have little or no proven gas reserves; decreases in the availability of, or increases in, the price of commodities and services used in our mining and gas operations, as well as our exposure under "take or pay" contracts we entered into with well service providers to obtain services of which if not used could impact our cost of production; obtaining, maintaining and renewing governmental permits and approvals for our coal and gas operations; the effects of government regulation on the discharge into the water or air, and the disposal and clean-up of, hazardous substances and wastes generated during our coal and gas operations; the effects of stringent federal and state employee health and safety regulations, including the ability of regulators to shut down a mine or well; the potential for liabilities arising from environmental contamination or alleged environmental contamination in connection with our past or current coal and gas operations; the effects of mine closing, reclamation, gas well closing and certain other liabilities; uncertainties in estimating our economically recoverable coal and gas reserves; defects may exist in our chain of title and we may incur additional costs associated with perfecting title for coal or gas rights on some of our properties or failing to acquire these additional rights we may have to reduce our estimated reserves; the outcomes of various legal proceedings, which are more fully described in our reports filed under the Securities Exchange Act of 1934; the impacts of various asbestos litigation claims; increased exposure to employee related long-term liabilities; increased exposure to multi-employer pension plan liabilities; minimum funding requirements by the Pension Protection Act of 2006 (the Pension Act) coupled with the significant investment and plan asset losses suffered during the recent economic decline has exposed us to making additional required cash contributions to fund the pension benefit plans which we sponsor and the multi-employer pension benefit plans in which we participate; lump sum payments made to retiring salaried employees pursuant to our defined benefit pension plan exceeding total service and interest cost in a plan year; acquisitions and joint ventures that we recently have completed or entered into or may make in the future including the accuracy of our assessment of the acquired businesses and their risks, achieving any anticipated synergies, integrating the acquisitions and unanticipated changes that could affect assumptions we may have made and divestitures we anticipate may not occur or produce anticipated proceeds including joint venture partners paying anticipated carry obligations; the anti-takeover effects of our rights plan could prevent a change of control; increased exposure on our financial performance due to the degree we are leveraged; replacing our natural gas reserves, which if not replaced, will cause our gas reserves and gas production to decline; our ability to acquire water supplies needed for gas drilling, or our ability to dispose of water used or removed from strata in connection with our gas operations at a reasonable cost and within applicable environmental rules; our hedging activities may prevent us from benefiting from price increases and may expose us to other risks; changes in federal or state income tax laws, particularly in the area of percentage depletion and intangible drilling costs, could cause our financial position and profitability to deteriorate; and other factors discussed in the 2012 Form 10-K under "Risk Factors," as updated by any subsequent Form 10-Qs, which are on file at the Securities and Exchange Commission.

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible oil and gas reserves that a company anticipates as of a given date to be economically and legally producible and deliverable by application of development projects to known accumulations. We may use certain terms in this press release, such as EUR (estimated ultimate recovery), unproved reserves and total resource potential, that the SEC's rules strictly prohibit us from including in filings with the SEC. These measures are by their nature more speculative than estimates of reserves prepared in accordance with SEC definitions and guidelines and accordingly are less certain. We also note that the SEC strictly prohibits us from aggregating proved, probable and possible reserves in filings with the SEC due to the different levels of certainty associated with each reserve category.

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