

CONSOL ENERGY INC  
Form 425  
February 20, 2008

2008 Morgan Stanley  
Basic Materials Conference  
February 20, 2008  
New York  
Filed by CONSOL Energy Inc.

Pursuant  
to  
Rule  
425  
under  
the  
Securities  
Act  
of  
1933  
and  
deemed  
filed  
pursuant  
to  
Rule  
14a-12  
and  
Rule  
14d-2(b) of  
the  
Securities  
Exchange  
Act  
of  
1934  
Subject  
Company:  
CNX  
Gas  
Corporation  
Commission  
File  
No.  
001-32723

2  
Cautionary Statements  
Some statements in this presentation contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may relate to, among other things, future performance generally, business development activities, future capital expenditures, financing

sources  
and  
availability  
and  
the  
effects  
of  
regulation  
and  
competition.

In addition, this presentation contains certain financial measures, such as EBIT and EBITDA. As required by Securities and Exchange Commission Regulation G, reconciliations of these measures to amounts reported in CONSOL Energy's consolidated financial statements are provided in its quarterly earnings releases.

**IMPORTANT  
INFORMATION:**

In  
connection  
with  
the  
proposed  
exchange  
offer  
to  
the  
stockholders  
of  
CNX  
Gas  
Corporation,  
CONSOL  
Energy  
expects  
to  
file  
a  
registration  
statement  
on  
Form  
S-4  
containing  
an  
exchange  
offer  
prospectus  
and  
related  
materials  
with

the  
Securities  
and  
Exchange  
Commission.  
INVESTORS  
AND  
SECURITY  
HOLDERS  
OF  
CNX  
GAS  
CORPORATION  
ARE  
URGED  
TO  
READ  
THE  
EXCHANGE  
OFFER  
PROSPECTUS  
AND  
THE  
OTHER  
RELEVANT  
MATERIALS  
WHEN  
THEY  
BECOME  
AVAILABLE  
BECAUSE  
THEY  
WILL  
CONTAIN  
IMPORTANT  
INFORMATION  
ABOUT  
THE  
OFFER  
AND  
CONSOL  
Energy.  
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CONSOL  
Energy  
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commission  
at  
the  
commission's  
web  
site,  
[www.sec.gov](http://www.sec.gov).  
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relevant  
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CONSOL  
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Requests  
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CONSOL  
Energy  
should  
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in  
writing  
to  
Thomas  
F.  
Hoffman,  
Senior  
Vice  
President  
-  
External  
Affairs,  
CONSOL  
Energy  
Inc.,  
1800  
Washington  
Road,  
Pittsburgh,  
PA  
15241,  
or  
by  
email  
at  
[tomhoffman@consolenergy.com](mailto:tomhoffman@consolenergy.com).

3  
CONSOL Energy's Assets  
Coal Reserves

Large, contiguous blocks owned-in fee

Heat content



Location

Transportation

River transportation subsidiary

Dual rail access at several mines

Coal export terminal

Gas Company

4  
World  
World  
United States  
World  
Energy Demand Today  
453 QBtu

/ Year

81% Fossil Energy

703 QBtu

/ Year

82% Fossil Energy

Energy Demand 2030

124 QBtu/Year

84% Fossil Energy

101 QBtu/Year

85% Fossil Energy

+24%

+55%

Global Long-Term Demand for Energy

Source: DOE NETL

5  
Domestic Electricity Generation Forecast  
AEO 08 (early release)  
0  
500  
1,000  
1,500

2,000

2,500

3,000

3,500

2004

2006

2008

2010

2012

2014

2016

2018

2020

2022

2024

2026

2028

2030

55.4%

55.4%

Petroleum

Petroleum

Coal

Coal

Natural gas

Natural gas

Renewables

Renewables

Nuclear

Nuclear

14.0%

17.5%

17.5%

11.6%

11.6%

1.2%

1.2%

48.6%

48.6%

Source: DOE NETL

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Largest Coal Reserve Holder East of MS. River  
Northern Appalachia

Reserves ~ 2.7 billion tons

Production: 52.9 million tons

Central Appalachia

Reserves ~ 800 million tons

Production: 10.7 million tons

Illinois Basin

Reserves ~ 700 million tons

PRB

Reserves ~ 300 million tons

\*

2007

production

includes

1.0

million

tons

from

Emery,

UT.

Reserves

include

31

mmt

assigned

to

UT

and

129

mmt

assigned

to

Western

Canada.

Profile of CONSOL Coal\*

Reserves ~ 4.5 BNt

2007 Production: 64.6 Mt

Avg. Reserve Life: 25+ years

Operating Mine Complexes: 15

7

Coal Reserves Owned-in-fee ~ 77 QBtu

Advantages of ownership:

Leverage to higher pricing

Ability



to  
forecast  
and  
control  
future  
costs

no  
LBA  
payments  
Coal Reserves  
Approx.  
Approx.  
Company  
(billions of tons)  
% Owned  
Qbtu Owned  
CONSOL Energy  
4.5  
70%  
76.9

Peabody (excl. Patriot)  
8.8  
42%  
70.2

Patriot Coal  
1.2  
55%  
16.5

Foundation Coal  
1.6  
45%  
15.1

Massey Energy  
2.3  
18%  
10.4

Arch Coal  
2.9  
13%  
9.0

Alpha Natural Resources  
0.5  
5%

0.6

Source: Company filings with the Securities and Exchange Commission.

QBtu calculated using an estimated Btu average that is dependent on coal basin ownership mix.

8  
Heating Value ~ 99% of Production is High-Btu  
8,400  
13,000  
12,500  
8,800  
11,500

0  
5,000  
10,000  
15,000  
PRB  
PRB  
ILB  
CAPP  
NAPP  
Btu s per pound of coal  
Approx. 80% of CONSOL s coal production  
Approx. 19% of CONSOL s coal production  
\* Remaining 1% of production includes approximately 1.0 million tons from Emery, UT.

9

Close Proximity to Scrubbed Customers

By 2012, ~ 142 gigawatts

scrubbed East of MS. River

60 generating units

within 50 miles of CONSOL s

Pitt8 coal reserves

CONSOL's Assets in Appalachia

Producing Complexes: 14

Reserves: 3.5 billion tons

10

Scrubber Builds Are Being Completed

Since 2006, CONSOL has signed 6 multi-year, multi-million ton agreements with domestic customers that in aggregate ~ 250 million tons of high-Btu coal

62%

28%

10%

Thru 12/31/08

2009-2010

2011+

Percentage of Gigawatts Scrubbed by Year





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NAPP Pricing Has Converged with CAPP

Source: EIA

Why the convergence?

1. Sulfur disadvantage

no longer exists

2. Stockpiles low in NAPP

3. Met customers

shopping for NAPP coal

Source: EIA





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Up Cycle Just Beginning for Steam Coal?

API #2 to ARA

\$-

\$20

\$40

\$60

\$80

\$100

\$120

\$140

Last up cycle for coal ~ 2 years

Current price ~ \$134 for  
delivery in first half of 2009

API #2 to ARA (\$/metric tonne)

110

\$

130

\$

150

\$

Implied pricing of 3.4# NAPP (\$/short ton)

57

\$

72

\$

87

\$

\*assumes vessel rate to ARA of \$35

13  
100% Ownership of Coal Export Terminal  
Largest exporter of coal in the U.S.  
Served by two rail lines

Norfolk Southern



CSX Transport  
Capacity

Practical: 12 million tons  
Export Terminal at the Port of Baltimore  
Export Terminal at the Port of Baltimore  
Ground storage

1.2 million tons  
Coal exports

For 2007, approx. 6.9 mm tons

For 2008, up another ~25%  
Countries served

Denmark, England, France, Germany, Ireland, Portugal

14

Forecast: Coal Exports Up 20 million tons in 2 years

Coal Exports

69.6

57.6

49.6

0

20,000  
40,000  
60,000  
80,000  
100,000  
120,000

Sources: EIA, PIRA. Estimates include steam and metallurgical coal.

15  
Unpriced Volumes Ability to Capitalize on Up Cycle  
33.4  
4.5  
53.1  
5.1  
62.8

5.2  
0  
20  
40  
60  
2009  
2010  
2011  
Unpriced Steam Coal  
Unpriced Low-Vol Met Coal  
2009  
2010  
2011  
Production Guidance  
70  
74  
76.6  
80.6  
76.7  
80.7  
(mm of Tons)

16

Appalachian Brownfield Opportunities

Potential to grow Appalachian production through brownfield expansion by ~ 25 million tons

over next 10 years

Longwall Face Extensions

Birch

Shoemaker  
Additional Longwalls

17  
Margin Focused and Production Disciplined  
\$2.45  
\$6.91  
\$10  
\$15  
\$20



\$25  
\$30  
\$35  
\$40  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
60  
64  
68  
72  
76  
80  
Avg. Production Cost  
Coal Margin  
Coal Production  
\$35.61  
\$24.66  
\$26.76  
\$27.61  
\$30.06  
\$38.99  
Avg. Realized Pricing  
\$40.66  
As of December 31, 2007

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River Transportation Subsidiary

Assets on the inland waterways of Northern Appalachia

750 Barges

25 Tow Boats

5 Harbor Boats

24+ Million tons per year capability

Alicia Dock

19  
Transportation Flexibility at Mines  
(Millions of tons)  
2006  
Northern Appalachia  
Production  
CSX

NS  
Barge  
Rail-to-Barge  
Enlow Fork  
10.7  
X  
X  
X  
McElroy  
10.5  
X  
Bailey  
10.2  
X  
X  
X  
Loveridge  
6.4  
X  
X  
X  
Robinson Run  
5.7  
X  
X  
Blacksville  
5.0  
X  
X  
X  
Mine 84  
3.5  
X  
X  
Shoemaker  
1.0  
X  
X  
Central Appalachia  
Buchanan (metallurgical)  
5.0  
X  
X  
Amvest (~10% metallurgical)  
4.9  
X  
X  
X  
Jones Fork  
3.1

X

X

Mill Creek

2.1

X

X

Southern WV Resources

1.2

X

X

Miller Creek

0.9

X

X

Amonate (metallurgical)

0.5

X

X

Western U.S.

Emery

1.1

Railroads

Truck-to-Rail

Coal Delivery Options

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Unique Investment Proposition

Coal Reserves

Large, contiguous blocks owned-in fee

Location

Transportation

River transportation subsidiary

Coal export terminal

Gas Company



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