

The Black-Scholes model – a mathematical model of the market for an equity, in which the equity's price is a stochastic process.

Blast-furnace coke – coke used to power blast furnaces. This coke must have a high strength to support heavy loads in the blast furnace without disintegration. Also known as metallurgical coke.

BP Statistical Review of World Energy – an annual review which provides quantitative data on the major fundamentals of the energy market.

By-product – material other than the principal product generated by an industrial process.

Coal – a readily combustible rock, formed from plant remains that have been compacted, chemically altered and metamorphosed by heat and pressure over millions of years.

Coke – the solid carbonaceous material derived from the destructive distillation of coal.

Coking coal – high volatility coal used to create coke, which is consumed in the steel reduction process.

COP 2010 – NWR's Coking Plant Optimisation Programme, a capital investment programme designed to improve the productivity of its coking plants.

Emission – pollution discharged into the atmosphere by commercial or industrial facilities, or by motor vehicle, locomotive or aircraft exhausts.

EXW – ex works. A trade term requiring the seller to deliver goods at his or her own place of business. All other transportation costs and risks are assumed by the buyer.

Foundry coke – coke used in furnaces to produce cast and ductile iron products. It is a source of heat and also helps maintain the required carbon content of the metal product. Foundry coke production requires lower temperatures and longer times than blast furnace coke.

GDP – Gross Domestic Product, the total value of all goods and services produced in a particular economy.

Hard coal – another name for anthracite, the coal with the highest level of carbon and the lowest level of impurities. Both metallurgical coking coal and thermal coal are forms of hard coal.

IMF – the International Monetary Fund, an international organisation that oversees the global monetary system.

IMGE – was an internal business unit of OKD specialised in land reclamation works.

IPO – Initial Public Offering.

JORC – the Joint Ore Reserves Committee.

Letter of Intent – a document outlining an agreement between two or more parties before the agreement is finalised.

Longwall mining – a fully mechanised underground mining technique in which a coal face is excavated by a shearer and then transported to the surface by conveyor belt.

LTIFR – Lost Time Injury Frequency Rate represents the number of reportable injuries after three days of absence divided by total number of hours worked expressed in millions of hours.

Glossary

continued

Metallurgical coke – another name for blast-furnace coke.

Mine refuse – is certified as the material which is used for redevelopment and reclamation works, as well as for the construction of motorways and railway tracks. Mine refuse is not considered to be any waste. High-quality slurries are retreated and serve as a production source.

Net Debt – includes cash and cash equivalents (excl. restricted cash), short-term debt and long-term debt.

POP 2010 – NWR's Productivity Optimisation Programme, a major capital investment programme designed to improve the productivity of its mines.

Probable reserves – reserves of coal which are known to exist but where some doubt exists over whether they are technically or economically viable.

Proved reserves – estimated quantities of coal that analysis of geologic and engineering data demonstrates with reasonable certainty are recoverable under existing economic and operating conditions.

Revenues – sales of coal, coke and others (mainly transportation and electricity trading). Includes discontinued operations and does not reflect real estate extraction.

Seam – a geological structure containing a series of layers of coal, shale and other mineral materials of varying thicknesses.

Shaft – a mine working (usually vertical) used to transport miners, supplies, ore and waste.

Sludge – high ash reject material from the fine coal washing circuits that can be recovered and re-processed to sell as additional coal by blending it with other products.

Steam coal – another name for thermal coal.

Thermal coal – coal used in combustion processes by power producers and industrial users to produce steam for power and heat. Also called steam coal.

Tonne – a metric tonne, a measure of mass equal to 1,000 kilograms or approximately 2,205 pounds.

World Coal Institute – a non-profit, non-governmental organisation funded by coal companies and stakeholders which represents the coal industry in international energy and environmental policy and research discussions.