

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT to SCHEDULE 13G)

Ashland Coal, Inc.  
(Name of issuer)

Common Stock  
(Title of class of securities)

043906 10 6  
(CUSIP number)

Thomas L. Feazell  
Senior Vice President, General Counsel and Secretary  
Ashland Oil, Inc.  
1000 Ashland Drive  
Russell, KY 41169  
(606) 329-3333  
(Name, address and telephone number of person  
authorized to receive notices and communications)

December 6, 1994  
(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box \_\_\_\_.

Check the following box if a fee is being paid with the statement. \_\_\_\_ (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7.)

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CUSIP No. 043906 10 6 13D

- 1 NAME OF REPORTING PERSONS Ashland Oil, Inc.  
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS  
61-0122250
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  
N/A (b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS 00 (See Item 3)
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEM 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Kentucky
- NUMBER OF 7 SOLE VOTING POWER  
SHARES 9,823,727 shares of Common Stock\*  
BENEFICIALLY (See Items 1 and 5)  
OWNED BY
- EACH 8 SHARED VOTING POWER  
REPORTING 0  
PERSON WITH
- 9 SOLE DISPOSITIVE POWER

9,823,727 shares of Common Stock\*  
(See Items 1 and 5)

10 SHARED DISPOSITIVE POWER  
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
9,823,727 shares of Common Stock\* (See Items 1 and 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
53.7% of the shares of Common Stock\* (See Items 1 and 5)

14 TYPE OF REPORTING PERSON  
CO

\* Includes shares of Common Stock obtainable through the exercise of the Put and Call Option for 150 shares of Class B Preferred Stock and the subsequent conversion of the Class B Preferred Stock into Common Stock before August 18, 1998.

Securities and Exchange Commission  
Washington, D.C. 20549  
Schedule 13D

Item 1. Security and Issuer

Ashland Oil, Inc. ("Ashland") currently owns 7,071,827 shares of Common Stock ("Common Stock"), par value \$.01 per share, of Ashland Coal, Inc. ("Ashland Coal"), a Delaware corporation. Pursuant to a Put and Call Agreement (the "Put and Call Agreement") by and between Ashland and Saarbergwerke AG ("Saarberg") which is attached hereto as Exhibit A, Saarberg granted Ashland the option to purchase 150 shares of Ashland Coal Class B Preferred Stock (the "Class B Preferred") owned by Saarberg (hereinafter the "Call Option") and Ashland granted Saarberg the option to require Ashland to purchase the Class B Preferred (hereinafter the "Put Option"). These options are exercisable during certain periods in February 1995 and are subject to a number of conditions, including appropriate governmental approvals.

Pursuant to a Restated Shareholders Agreement (the "Shareholders Agreement") among Ashland, Saarberg and Carboex International, Inc. ("Carboex") and Ashland Coal which is attached hereto as Exhibit B, Carboex has a right of first refusal to purchase its Proportionate Percentage (as such term is defined in the Shareholders Agreement) of the Class B Preferred. Carboex's Proportionate Percentage of the Class B Preferred is 20.6%, or 31 shares. In addition, the Shareholders Agreement requires Carboex's consent to the sale of the Class B Preferred, which consent cannot be unreasonably withheld.

Each share of Class B Preferred is presently convertible into 18,346 shares of Common Stock. This conversion rate increases to 19,596 shares of Common Stock on August 18, 1998 and to 20,846 shares of Common Stock on August 18, 2003. The holders of the Class B Preferred and Class C Preferred Stock, voting together as a class and using cumulative voting, have the right to elect one director to Ashland Coal's Board of Directors for every 63 shares of Class B Preferred and Class C Preferred Stock held by such holders, provided that the maximum number of directors which can be elected is three.

The principal executive offices of Ashland Coal are located at 2205 Fifth Street Road, Huntington, West Virginia 25771.

Item 2. Identity and Background

(a), (b) and (c) Ashland is a Kentucky corporation with its principal executive offices located at 1000 Ashland Drive, Russell, KY 41169. Ashland is a large U.S. independent refiner and independent crude oil gatherer and marketer; a regional retail marketer of gasoline and merchandise; and a motor oil and automotive chemical marketer in the U.S. and other countries.

In addition, Ashland is a large distributor of chemicals and plastics in North America; a supplier of specialty chemicals worldwide; a large U.S. highway contractor; and a producer of natural gas and crude oil. Ashland also has equity positions in Ashland Coal and Arch Mineral Corporation, both U.S. coal producers.

The executive officers and directors of Ashland and their principal occupations and business addresses are shown on the attached Schedule I. Each executive officer's position is with Ashland Oil, Inc. or a division or subsidiary thereof. Each director's address is Ashland Oil, Inc., c/o Office of the Secretary, 1000 Ashland Drive, Russell, KY 41169.

(d-e) During the last five years, neither Ashland nor any of the persons listed in Schedule I hereto, has been (i) convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or state securities laws or finding any violation with respect to such laws.

(f) Each executive officer and director is a U.S. citizen.

Item 3. Source and Amount of Funds or Other Consideration

The purchase price of the Class B Preferred pursuant to the exercise of either the Call Option or Put Option is \$110,076,000. The consideration for the purchase price will be provided from the issuance of corporate debt.

Item 4. Purpose of Transaction

Ashland acquired the Call Option and granted the Put Option for investment purposes. Ashland currently intends to exercise the Call Option during the February 1995 exercise period. Currently, Ashland does not intend to convert the Class B Preferred into Common Stock.

Pursuant to the Put & Call Agreement, upon the closing of the purchase of the Class B Preferred, the two directors elected by Saarberg to Ashland Coal's Board of Directors will resign. Ashland as owner of the Class B Preferred intends to elect at least one representative to Ashland Coal's Board and may choose to elect a second representative to fill these vacancies (assuming Carboex does not exercise its right of first refusal described in Item 1, in which case, Ashland will presumably only elect one director).

Ashland has no current plans or proposals which relate to or would result in: (a) the acquisition by any person of additional securities of Ashland Coal except periodic reinvestment of dividends under the Ashland Coal Dividend Reinvestment Plan, or the disposition of securities of Ashland Coal, except as otherwise described herein; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation involving Ashland Coal or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of Ashland Coal or any of its subsidiaries; (d) any change in the present Board of Directors or Management of Ashland Coal other than as described above; (e) any material change in the present capitalization or dividend policy of Ashland Coal; (f) any other material change in Ashland Coal's business or corporate structure; (g) changes in Ashland Coal's charter, by-laws or instruments corresponding thereto or other actions which may impede the acquisition of control of Ashland Coal by any person; (h) causing a class of securities of Ashland Coal to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of Ashland Coal becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or (j) any action similar to any of those enumerated above.

Item 5. Interest in Securities of the Issuer

Ashland currently owns 7,071,827 shares of Common Stock which constitutes 38.6% of the voting power of Ashland Coal. Assuming the exercise of either the Call Option or Put Option and the immediate conversion of the 150 shares of Class B Preferred into Common Stock, Ashland may be deemed to beneficially own a total of 9,823,727 shares of Common Stock which would constitute a total of 53.7% of the voting power of Ashland Coal. No transactions were effected with respect to the Common Stock during the past 60 days by Ashland, its subsidiaries and its executive officers, directors and affiliated persons other than the Call and Put Option transaction described above and the periodic reinvestment of dividends under the Ashland Coal Dividend Reinvestment Plan.

Item 6. Contracts, Arrangements or Understandings with Respect to Securities of the Issuer

See Item 1.

Item 7. Material to be Filed as Exhibits

- A. Option Agreement
- B. Shareholders Agreement

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

December 15, 1994

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(Date)

/s/ Thomas L. Feazell

Thomas L. Feazell  
Senior Vice President, General  
Counsel and Secretary of  
Ashland Oil, Inc.

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Schedule I

DIRECTORS AND OFFICERS  
OF  
ASHLAND OIL, INC.  
PRINCIPAL OCCUPATIONS AND BUSINESS ADDRESSES

DIRECTORS	PRINCIPAL OCCUPATION*
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Jack S. Blanton	Chairman of the Board of Houston Endowment, Inc., and Director and President of Eddy Refining Company, Houston, Texas
Thomas E. Bolger	Chairman of the Executive Committee of the Board of Bell Atlantic Corporation, Philadelphia, Pennsylvania
Samuel C. Butler	Partner of Cravath, Swaine & Moore, Attorneys, New York, New York
Frank C. Carlucci	Chairman of the Board of the Carlyle Group, Washington, D.C.
Paul W. Chellgren	President and Chief Operating Officer of Ashland Oil, Inc., Ashland, Kentucky
James B. Farley	Retired Chairman and Current Trustee of Mutual of New York, New York
Edmund B. Fitzgerald	Managing Director of Woodmont Associates, Nashville, Tennessee
Ralph E. Gomory	President of the Alfred P. Sloan Foundation, New York, New York
John R. Hall	Chairman of the Board of and Chief Executive Officer of Ashland Oil, Inc., Ashland, Kentucky
Mannie L. Jackson	Majority owner and Chairman of the Harlem Globetrotters, International
Patrick F. Noonan	Chairman of the Board and Chief Executive Officer of The Conservation Fund, Arlington, Virginia



DIRECTORS	PRINCIPAL OCCUPATION*
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Jane C. Pfeiffer	Management Consultant, Greenwich, Connecticut
James R. Rinehart	Business and Labor Consultant, Hiram, Ohio
Michael D. Rose	Chairman of the Board of The Promus Companies Incorporated, Memphis, Tennessee
William L. Rouse, Jr.	Investments, Lexington, Kentucky
Dr. Robert B. Stobaugh	Professor, Harvard Business School, Boston, Massachusetts
James W. Vandever	Oil and Gas Producer, Chairman of the Board of Vantex Enterprises, Inc., Dallas, Texas

\* For business addresses, see Item 2.

EXECUTIVE OFFICERS	BUSINESS ADDRESS	PRINCIPAL OCCUPATION
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John R. Hall	P.O. Box 391 Ashland, KY 41114	Chairman of the Board and Chief Executive Officer
Paul W. Chellgren	P. O. Box 391 Ashland, KY 41114	President and Chief Operating Officer
James R. Boyd	P. O. Box 391 Ashland, KY 41114	Senior Vice President and Group Operating Officer
John A. Brothers	Ashland Chemical Company, a Division of Ashland Oil, Inc. P.O. Box 2219 Columbus, OH 43216	Senior Vice President and Group Operating Officer
J. Marvin Quin	P. O. Box 391 Ashland, KY 41114	Senior Vice President and Chief Financial Officer
Thomas L. Feazell	P. O. Box 391 Ashland, KY 41114	Senior Vice President, General Counsel and Secretary
Robert E. Yancey, Jr.	P. O. Box 391 Ashland, KY 41114	Senior Vice President and Group Operating Officer; President, Ashland Petroleum Company, a Division of Ashland Oil, Inc.
Harry M. Zachem	P. O. Box 391 Ashland, KY 41114	Senior Vice President, External Affairs
John D. Barr	P. O. Box 14000 Lexington, KY 40512	Senior Vice President; President, The Valvoline Company
David J. D'Antoni	Ashland Chemical Company, a Division of Ashland Oil, Inc. P. O. Box 2219 Columbus, OH 43216	Senior Vice President; President, Ashland Chemical Company, a Division of Ashland Oil, Inc.

EXECUTIVE OFFICERS	BUSINESS ADDRESS	PRINCIPAL OCCUPATION
John F. Pettus	P. O. Box 14000 Lexington, KY 40512	Senior Vice President; President, SuperAmerica Group, a Division of Ashland Oil, Inc.
Charles F. Potts	APAC, Inc. 3340 Peachtree Rd., NE Tower Place Atlanta, GA 30326	Senior Vice President; President, APAC, Inc.
G. Thomas Wilkinson	14701 St. Mary's Lane Houston, TX 77079	Senior Vice President; President, Ashland Exploration, Inc.
John W. Dansby	P. O. Box 391 Ashland, KY 41114	Administrative Vice President; Treasurer
Kenneth L. Aulen	P. O. Box 391 Ashland, KY 41114	Administrative Vice President; Controller
Philip W. Block	P. O. Box 391 Ashland, KY 41114	Administrative Vice President
Fred E. Lutzeier	P. O. Box 391 Ashland, KY 41114	Auditor

EXHIBIT A

PUT AND CALL AGREEMENT

THIS PUT AND CALL AGREEMENT, dated as of the 21st day of November, 1994 (the "Agreement"), is by and between Ashland Oil, Inc., a Kentucky corporation ("Ashland"), and Saarbergwerke AG, a company organized under the laws of the Federal Republic of Germany ("Saarberg").

RECITALS

WHEREAS, Saarberg is the owner of 150 shares of Class B Preferred Stock (the "Shares") of Ashland Coal, Inc., a Delaware corporation ("Ashland Coal"); and

WHEREAS, Ashland and Saarberg desire to grant to each other the options set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual benefits to be derived herefrom, and other good and valuable consideration, Ashland and Saarberg hereby agree as follows:

1. Grant of Options.

(a) The Put Option. Ashland hereby grants to Saarberg the right and option, in Saarberg's sole discretion, to require Ashland to purchase all of the Shares from Saarberg, on the terms and subject to the conditions set forth herein (the "Put Option").

(b) The Call Option. Saarberg hereby grants to Ashland the right and option, in Ashland's sole discretion, to require Saarberg to sell all of the Shares to Ashland or a subsidiary of Ashland, on the terms and subject to the conditions set forth herein (the "Call Option").

2. Exercise Period. The Call Option shall be exercisable by Ashland only during the period beginning on February 1, 1995 and ending at midnight in New York, New York on February 7, 1995. The Put Option shall be exercisable by Saarberg only during the period beginning February 22, 1995 and ending at midnight in New York, New York on February 28, 1995. If neither Ashland nor Saarberg shall exercise its Call Option or Put Option, respectively, then this Agreement shall expire.

3. Exercise of the Options.

(a) The Put Option. The Put Option may be exercised by Saarberg by delivery to Ashland of written notice of its intention to

exercise such option. The Put Option may be exercised only in whole and not in part, subject to Section 4(e) below.

(b) The Call Option. The Call Option may be exercised by Ashland by delivery to Saarberg of written notice of its intention to exercise such option. The Call Option may be exercised only in whole and not in part, subject to Section 4(e) below.

(c) Purchase Price. The purchase price of the Shares pursuant to exercise of either the Put Option or the Call Option shall be U.S. \$110,076,000, subject to adjustment pursuant to Section 4(e) below (the "Purchase Price").

4. Miscellaneous Option Provisions. The Put Option and the Call Option shall each be subject to the following additional terms and conditions:

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(a) Closing. The purchase and sale of the Shares shall occur at such date, time and place as Saarberg and Ashland may agree, but in the event of the failure to so agree, such purchase and sale shall occur at the offices of Shearman & Sterling in New York City no later than 5:00 p.m., Eastern Standard Time, on the 10th business day following receipt by Saarberg or by Ashland of notice of exercise of the Put Option or the Call Option, respectively, from the other party hereto (the date of such purchase and sale hereinafter referred to as the "Closing Date"); provided that the Closing Date shall be extended as necessary to permit the parties to obtain any and all governmental approvals deemed reasonably necessary by either or both parties hereto. Saarberg agrees that it will deliver to Carboex International, Inc. ("Carboex") the Disposition Notice required by the Restated Shareholders Agreement dated December 12, 1991, as amended August 6, 1993 (the "Shareholders Agreement"), no later than two business days following approval by Saarberg's Supervisory Board of the execution, delivery and performance of this Agreement.

(b) Title to the Shares. Subject to the terms of the Shareholders Agreement, Saarberg has good and marketable title to the Shares free and clear of all pledges, liens, claims or encumbrances; and upon delivery of the Shares and payment of the Purchase Price therefor as herein contemplated, Ashland shall receive good and marketable title to the Shares free and clear of any pledge, lien, claim or encumbrance.



During the term of this Agreement, Saarberg shall not convert the Shares into Common Stock of Ashland Coal nor shall it sell, assign, convey or in any way transfer to any other person or entity other than a Saarberg Subsidiary (as hereinafter defined) any rights, title or interest in or to the Shares or grant or otherwise allow to exist any encumbrance on or with respect to the Shares. In the event that the Shares are transferred to a Saarberg Subsidiary as provided herein, Saarberg shall at the time of such transfer also assign its rights and obligations hereunder to such Saarberg Subsidiary pursuant to Section 8 of this Agreement, such Saarberg Subsidiary shall assume such rights and obligations, and Saarberg shall remain liable for the performance of all obligations of Saarberg or the Saarberg Subsidiary hereunder.

(c) Payment of Purchase Price; Refund of Withholding Tax.

Upon the closing of the exercise of the Put Option or the Call Option, the Purchase Price, less any required withholding, shall be paid by Ashland to Saarberg by wire transfer in immediately available funds to an account within the United States designated by Saarberg in writing prior to the Closing Date. Ashland agrees not to withhold tax provided that it has received, within 30 days prior to the payment of the Purchase Price hereunder, a statement issued by Ashland Coal described in Section 1.1445-2(c)(3) of the Treasury Regulations certifying that the Shares are not a U.S. real property interest (which statement Saarberg (and any Saarberg Subsidiary to which this Agreement and the Shares

may have been assigned) and Ashland will request). If such statement has not been so received (and if Saarberg determines to waive the closing condition set forth in Section 7(h)), Ashland shall withhold such tax as may be required for U.S. Federal income tax purposes. If, however, an application for a withholding certificate as described in Section 1.1445-1(c)(2) of the Treasury Regulations has been submitted to the Internal Revenue Service ("IRS") on or prior to the Closing Date, Ashland shall not report and pay over the withheld amount to the IRS until after the IRS's final determination with respect to the application. If, as a result of receipt of a withholding certificate or otherwise, Ashland shall no longer be obligated to pay to the IRS any amount of the Purchase Price withheld for tax purposes or Ashland shall receive a refund of any such amount previously paid, Ashland shall pay promptly to Saarberg such amount plus interest from the Closing Date until payment in full at money market rates (except Ashland shall not be required to pay interest for any period during which such amount was held by the IRS).

(d) Failure to Sell or Buy; Specific Performance. In the event the Put Option is exercised by Saarberg and Saarberg thereafter fails to sell the Shares or Ashland thereafter fails to purchase the Shares, or the Call Option is exercised by Ashland and Ashland thereafter fails to purchase the Shares or Saarberg thereafter fails to sell the Shares, in each case, in accordance with the terms and conditions of this Agreement, either



party shall be entitled to obtain specific performance of such option exercise, together with any other injunctive or other equitable remedies as may be appropriate under the circumstances and the payment of any damages, costs and expenses the injured party shall incur as a result of or otherwise in connection with such failure to perform (unless the failure to perform was caused by governmental action or inaction, in which case the injured party shall not be entitled to recover such damages, costs and expenses), including, if applicable, all reasonable costs and expenses (including, but not limited to, attorneys' fees) incurred in obtaining judicial enforcement of these remedies. The remedies available under this sub-paragraph shall also be available in the event of a threatened breach by Saarberg or Ashland of its obligations, should such obligations arise through the exercise of the Put Option or the Call Option, respectively.

(e) Carboex Right of First Refusal and Consent. Saarberg and Ashland recognize and acknowledge that Carboex has a right of first refusal to purchase its Proportionate Percentage (as such term is defined in the Shareholders Agreement) of the Shares pursuant to the Shareholders Agreement. In addition, the Shareholders Agreement requires Carboex's consent to the sale of the Shares, which consent cannot be unreasonably withheld. Saarberg and Ashland hereby agree that in the event Carboex elects to exercise its right of first refusal under the Shareholders Agreement, this Agreement shall remain in full force and effect as to the Shares not purchased or to be purchased by

Carboex, and the Purchase Price shall be reduced proportionately to reflect the reduction in the number of Shares being purchased by Ashland. If, after notifying Saarberg of its intention to purchase its Proportionate Percentage of the Shares, Carboex fails to complete such purchase as provided in the Shareholders Agreement, Ashland shall purchase and Saarberg shall sell such Shares (at a second closing, if necessary) upon the terms and conditions of this Agreement.

5. Proration of Dividends and Voting Rights.

(a) Ashland and Saarberg agree and acknowledge that any dividend(s), whether in cash, stock, or other form, paid by Ashland Coal on the Shares on or after the Closing Date shall be prorated as of such date, irrespective of the record date established for such dividend(s) and irrespective of the record owner of such Shares on the record date such that (i) the amount of such prorated dividends that Saarberg shall be entitled to receive shall be determined by multiplying 95% of the total dividends paid or to be paid with respect to the Shares by a fraction, the numerator of which shall be equal to the number of days from the payment date for the dividend payable immediately preceding the dividend to be adjusted to the Closing Date and the denominator of which shall be equal to the number of days from the payment date for the dividend payable immediately preceding the dividend to be adjusted to the payment date of the dividend to be adjusted, and (ii) the amount of such prorated dividends that Ashland shall be entitled to receive shall be

determined by multiplying 95% of the total dividends paid or to be paid with respect to the Shares by a fraction, the numerator of which shall be equal to the number of days from the Closing Date to the payment date for the dividend to be adjusted and the denominator of which shall be equal to the number of days from the payment date for the dividend payable immediately preceding the dividend to be adjusted to the payment date of the dividend to be adjusted. Any prorated payment required to be made by Ashland or Saarberg under this Section 5(a) shall be made by wire transfer in immediately available funds to an account in the United States designated by the recipient of such prorated payment within two business days after receipt by Ashland or Saarberg of the dividend payment giving rise to such prorated payment.

(b) If requested by Ashland, on and after the Closing Date, Saarberg agrees to execute and deliver to Ashland an irrevocable proxy granting to Ashland the right to vote the Shares.

6. Ashland Closing Conditions. If Saarberg exercises the Put Option, or if Ashland exercises the Call Option, Ashland's obligation to purchase the Shares for the Purchase Price shall be subject to the fulfillment to Ashland's reasonable satisfaction of the following conditions:

(a) On the Closing Date, Saarberg shall deliver to Ashland a certificate or certificates for the Shares duly endorsed for transfer or with appropriately executed stock powers attached;

(b) Saarberg hereby represents and warrants to Ashland, and on the Closing Date shall represent and warrant that Saarberg has full corporate power to make, and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and, subject to Carboex's right of first refusal and the receipt of Carboex's consent, each as referred to in Section 4(e) of this Agreement, the sale and delivery of the Shares free and clear of all claims, liens, encumbrances, charges and equities whatsoever and has full right, power and authority to sell the Shares; provided, however, that as of the date of this Agreement, Saarberg has not obtained the approval of its Supervisory Board to the execution, delivery and performance of this Agreement, and thus no representation or warranty is hereby made as to such approval. However, it is Saarberg's intention to seek such approval at the December 6, 1994 meeting of the Supervisory Board, and it is agreed that receipt of such approval shall be a condition to this Agreement. On the Closing Date, Saarberg shall represent and warrant to Ashland that (i) all consents and approvals of governmental or public authorities, agencies, courts and others necessary in connection with the transactions contemplated by this Agreement have been obtained, and (ii) there is no restriction on Saarberg's right to sell and transfer the Shares. Saarberg shall take all such actions as Ashland shall reasonably request to assure that the foregoing representations and warranties are true and correct on the Closing Date and shall deliver to

Ashland a certificate executed by the President or authorized Vice President of Saarberg, dated the Closing Date, to this effect.

(c) On the Closing Date, Ashland shall have received an opinion of counsel for Saarberg to the effect that (i) Saarberg has full corporate power to make, and has taken all necessary corporate action to authorize the execution, delivery and performance of, this Agreement and the sale and delivery of the Shares to Ashland, (ii) this Agreement constitutes a valid and binding obligation of Saarberg, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting generally the enforcement of creditors' rights and except as the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses, (iii) approval of such sale is not required by the stockholders of Saarberg, or if such approval is required, it has been duly obtained, (iv) the sale by Saarberg of the Shares will not result in the violation of any terms of the charter or by-laws of Saarberg or of any indenture, note or other agreement known to such counsel to which Saarberg is a party or of any judgment, decree, order, law or other governmental rule or regulation applicable to Saarberg, (v) all consents and approvals of governmental or public authorities, agencies, courts and others necessary in connection with the transactions contemplated by this Agreement have been obtained, and (vi) there is no restriction on Saarberg's right to sell and transfer the Shares to Ashland.

(d) On the Closing Date, no court or other governmental body or authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which in effect restricts, prevents or prohibits consummation of the transactions contemplated by this Agreement, nor shall there be any actual or threatened action or proceeding by any governmental body or authority (not including Carboex) which shall seek to restrict, prevent or prohibit consummation of the transactions contemplated by this Agreement; provided that the party invoking this condition shall have used its best reasonable efforts to have any such order, action or proceeding vacated or terminated.

(e) On the Closing Date, Saarberg shall have delivered to Ashland Coal resignation letters signed by its representatives on the Ashland Coal Board of Directors.

(f) All waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder (the "HSR Act") applicable to the exercise of the Call Option or Put Option, as the case may be, shall have expired or been terminated.

7. Saarberg Closing Conditions. If Saarberg exercises the Put Option, or if Ashland exercises the Call Option, Saarberg's obligation to sell the Shares for the

Purchase Price shall be subject to the fulfillment to Saarberg's reasonable satisfaction of the following conditions:

(a) On the Closing Date, Ashland shall pay the Purchase Price to Saarberg as set forth in Section 4(c) of this Agreement.

(b) Ashland hereby represents and warrants to Saarberg, and on the Closing Date shall represent and warrant that Ashland has full corporate power to make, and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the purchase of the Shares. On the Closing Date, Ashland shall represent and warrant to Saarberg that all consents and approvals of governmental or public authorities, agencies, courts and others necessary in connection with the transactions contemplated by this Agreement have been obtained. Ashland shall take all such actions as Saarberg shall reasonably request to assure that the foregoing representations and warranties are true and correct on the Closing Date and shall deliver to Saarberg a certificate executed by the President or authorized Vice President of Ashland, dated the Closing Date, to this effect.

(c) On the Closing Date, Saarberg shall have received an opinion of counsel for Ashland to the effect that (i) Ashland has full corporate power to make, and has taken all corporate action to authorize, the execution, delivery and performance of this Agreement and the purchase of the Shares, (ii) this Agreement constitutes a valid and binding

obligation of Ashland, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting generally the enforcement of creditors' rights and except as the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses, (iii) approval of such purchase is not required by the stockholders of Ashland, or if such approval is required, it has been duly obtained, (iv) the purchase by Ashland of the Shares will not result in the violation of any terms of the charter or by-laws of Ashland or of any indenture, note or other agreement known to such counsel to which Ashland is a party or of any judgment, decree, order, law or other governmental rule or regulation applicable to Ashland, and (v) all consents and approvals of governmental or public authorities, agencies, courts and others necessary in connection with the transactions contemplated by this Agreement have been obtained.

(d) On the Closing Date, no court or other governmental body or authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which in effect restricts, prevents or prohibits consummation of the transactions contemplated by this Agreement, nor shall there be any actual or threatened action or proceeding by any governmental body or authority (not including Carboex) which shall seek



to restrict, prevent or prohibit consummation of the transactions contemplated by this Agreement; provided that the party invoking this condition shall have used its best reasonable efforts to have any such order, action or proceeding vacated or terminated.

(e) On the Closing Date, Saarberg shall have received pursuant to Section 5.4 of that certain Indemnity Agreement dated September 21, 1981, as amended August 6, 1993 (the "Indemnity Agreement") an instrument from Ashland releasing Saarberg from all its obligations (or, if Carboex exercises its right to purchase its Proportionate Percentage of the Shares, proportionally reducing its obligations) to indemnify Ashland for any Ashland Loss, as defined in the Indemnity Agreement, arising on or after the Closing Date.

(f) On the Closing Date, Saarberg shall have received Carboex's consent to the sale of the Shares as required by the Shareholders Agreement.

(g) All waiting periods under the HSR Act applicable to the exercise of the Call Option or Put Option, as the case may be, shall have expired or been terminated.

(h) On or not more than 30 days before the Closing Date, Saarberg and any Saarberg Subsidiary to which this Agreement and the Shares may have been assigned shall have received a statement addressed to it, issued by Ashland Coal, described in

Section 1.1445-2(c)(3) of the Treasury Regulations, certifying that the Shares are not a U.S. real property interest.

8. Assignment and Transfer. This Agreement and the rights and obligations hereunder may not be assigned or in any way transferred by either party hereto and any such assignment or transfer shall be null and void; provided, however, Ashland and Saarberg may assign and transfer their rights and obligations hereunder to any corporation or other business entity wholly owned by Ashland (an "Ashland Subsidiary"), or Saarberg (a "Saarberg Subsidiary"), as the case may be, and such Ashland Subsidiary or Saarberg Subsidiary may in turn assign and transfer its rights and obligations hereunder to another Ashland Subsidiary or Saarberg Subsidiary. Notwithstanding the foregoing, in the event that Ashland or Saarberg shall assign this Agreement and its rights and obligations hereunder to an Ashland Subsidiary or Saarberg Subsidiary as provided above, Ashland or Saarberg, as the case may be, shall remain liable for the performance of its obligations hereunder.

9. Notices. Any notice pursuant to this Agreement by Saarberg or by Ashland shall be in writing and may be given by personal delivery, by mail or by telex or telecopy. Notice by mail shall be made by air mail, return receipt requested, (a) if to Saarberg, Saarbergwerke AG, P.O. Box 102652, D 66026 Saarbruecken, Federal Republic of Germany, Attention: Michael Ziesler; and (b) if to Ashland, Ashland Oil, Inc., 1000 Ashland Drive, Russell, KY 41169, Attention: General Counsel. Any notice or other communication so transmitted shall be deemed to have been given at the time of delivery, in the case of a communication delivered personally; on the business day following receipt of answerback or telecopy confirmation, in the case of

a communication sent by telex or telecopy, respectively; or ten days after mailing in the case of a communication sent by mail; provided, however, that any notice of exercise of the Call Option or Put Option shall be deemed given when received.

10. Limitation of Rights. This Agreement shall be for the sole and exclusive benefit of Saarberg and Ashland, and nothing in this Agreement shall be construed to give any person or corporation other than Saarberg and Ashland (or a Saarberg Subsidiary or an Ashland Subsidiary) any legal or equitable right, remedy or claim under this Agreement.

11. Changes in Capital Structure. If, prior to the Closing Date:

(i) Ashland Coal shall effect a stock split, subdivision or consolidation of shares or a recapitalization or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of Class B Preferred Stock of Ashland Coal, then the number of Shares then subject to the Put Option and the Call Option hereunder shall be appropriately adjusted.

(ii) There shall occur a merger of one or more corporations into Ashland Coal, or a share exchange with, or a consolidation of, Ashland Coal and one or more corporations in which Ashland Coal shall be the surviving corporation, Ashland shall, at no additional cost, be entitled upon exercise of the Put Option or the Call Option by the appropriate party to receive the Shares, or if Saarberg shall have received any shares of stock, other securities or other consideration for the Shares in

any such merger, share exchange or consolidation, such shares of stock or other securities or consideration.

(iii) Ashland Coal is merged into, or conducts a share exchange or is consolidated with, another corporation under circumstances where Ashland Coal is not the surviving corporation, or Ashland Coal sells or otherwise disposes of substantially all its assets to another corporation, after the effective date of such merger, share exchange, consolidation or sale, as the case may be, Ashland shall be entitled, upon exercise of the Put Option or the Call Option by the appropriate party, to receive the shares of stock, other securities or other consideration received by Saarberg in exchange for the Shares in any such merger, share exchange, consolidation or sale.

12. Confidentiality. Unless otherwise agreed, Saarberg and Ashland each shall keep this Agreement and its terms confidential and neither party will make any announcement or disclosure with respect thereto until after the Agreement has been approved by both Saarberg's Supervisory Board and Ashland's Board of Directors; provided, that Saarberg shall have the right to give notice to Carboex (including delivery of a copy of this Agreement) immediately after the parties hereto have signed this Agreement. Notwithstanding the foregoing, in the event that Saarberg's or Ashland's legal counsel concludes, prior to receipt of such approvals, that disclosure is required by law or by the German Federal or Saarland state authorities, then Saarberg or Ashland, as the case may be, may make such required disclosure, but only after first advising the other party hereto of the proposed timing and content of

such disclosure at least two business days prior to the date of such proposed disclosure. The term "business day" shall mean any day that is not a Saturday, Sunday or other day on which courts in the State of Delaware are authorized or obligated to close.

13. Best Reasonable Efforts. Ashland will utilize its best reasonable efforts to cause the satisfaction of conditions in Section 7, including making all filings required under the HSR Act. Saarberg will utilize its best reasonable efforts to cause the satisfaction of conditions in Section 6.

14. Securities Act Compliance. Ashland understands that the Shares have not been registered under the Securities Act of 1933, as amended (the 33 Act) or registered or qualified under the securities laws of any state and agrees that it will not transfer the Shares unless they are subsequently registered under the 33 Act and registered or qualified under applicable state securities laws, or unless an exemption is available which permits transfers without registration or qualification.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth above.

ASHLAND OIL, INC.

SAARBERGWERKE AG

By: /s/ Thomas L. Feazell  
-----  
Thomas L. Feazell  
Its: Senior Vice President, General  
Counsel and Secretary

By: /s/ Hans-Reiner Biehl  
-----  
Hans-Reiner Biehl  
Its: Chairman of the  
Board of Managing Directors

By: /s/ Michael G. Ziesler  
-----  
MichaelG. Ziesler  
Its: Member of the Board of  
Managing Directors

EXHIBIT B

AMENDMENT TO RESTATED SHAREHOLDERS AGREEMENT

THIS AMENDMENT TO RESTATED SHAREHOLDERS AGREEMENT

(the "Amendment") dated this 6th day of August, 1993 by and among Ashland Oil, Inc. ("Ashland"), a Kentucky corporation, Saarbergwerke AG ("Saarberg"), a company organized under the laws of the Federal Republic of Germany, Carboex International, Ltd. ("Carboex"), a company organized under the laws of the Bahamas and Ashland Coal, Inc. (the "Company"), a Delaware corporation.

WITNESSETH:

WHEREAS, Ashland, Saarberg, Carboex and the Company entered into the Restated Shareholders Agreement dated December 12, 1991 (the "Agreement"); and

WHEREAS, Ashland, Saarberg, Carboex and the Company desire to amend the Agreement as provided herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Ashland, Saarberg, Carboex and the Company hereby agree as follows:

(1) A NEW SECTION 1.22 IS HEREBY ADDED TO THE AGREEMENT TO READ AS FOLLOWS:

1.22 "Qualifying Disposition" means a Disposition of Shares of common stock of the Company made in accordance with paragraph B of Section 4.4 by a Shareholder: (i) in an underwritten public offering made pursuant to a registration statement filed with the Securities Exchange Commission; or (ii) in a sale under Rule 144 of the Securities Act of 1933, as amended on any national stock exchange on which the Shares of the Company are listed to any buyer except a buyer with whom the

sale has been previously arranged and who, together with any affiliated Person, will hold more than five hundred thousand (500,000) Common Shares of the Company after the Disposition; or (iii) to any Person who, together with any affiliated Person, will hold five hundred thousand (500,000) Common Shares of the Company or less after the Disposition. For purposes of this Section 1.22, a Person shall be deemed affiliated with another Person if such Person, directly or indirectly, controls, is controlled by or is under common control with the other Person (where "control" means the beneficial ownership, directly or through others, of more than 50% of the voting shares or equivalent interest or ownership interest).

(2) SECTION 4.2 OF THE AGREEMENT IS HEREBY AMENDED TO READ AS FOLLOWS:

4.2 Restrictions in General. No Shareholder shall make or permit a Disposition of any Shares except in compliance with the terms of this Article 4. No Shareholder shall pledge or otherwise encumber, or create a security interest in, any Shares owned by such Shareholder or permit to exist any lien, encumbrance or security interest in any such Shares except that the foregoing restrictions shall not apply to pledges, encumbrances, liens or security interests that collectively affect not more than five hundred thousand (500,000) Common Shares owned by such Shareholder that are made to any one Person (including affiliates of such Person as defined in Section 1.22 above). No Shareholder shall have the right to make or permit a Disposition other than (i) a

Disposition to an Affiliate pursuant to Section 4.3 hereof, (ii) a sale to a person other than an Affiliate pursuant to paragraph A of Section 4.4 hereof in consideration of a purchase price payable solely in cash (in a currency which can be freely bought and sold), or (iii) a Qualifying Disposition. In the case of any Disposition of Shares, except a Qualifying Disposition, the person acquiring such Shares shall (unless the Remaining Shareholder shall otherwise agree in writing) by acceptance of the certificates evidencing the Disposition Shares, become bound by the terms and conditions of this Agreement, as though an original party hereto, and shall, nevertheless, as a condition precedent to such Disposition, join in this Agreement by an instrument in writing reasonably satisfactory to the Remaining Shareholder.

(3) SECTION 4.4 OF THE AGREEMENT IS HEREBY AMENDED TO READ AS FOLLOWS:

4.4 Disposition to Non-Affiliate.

A. This paragraph A shall govern any Disposition of Shares (as such term is defined in the Agreement) by any Shareholder to a person other than an Affiliate of such Shareholder except a Qualifying Disposition.

1. In case any Shareholder shall receive a bona fide offer (meeting the requirements of Section 4.2 hereof) from a person other than an Affiliate of such Shareholder (a "Third Party Offeror") to purchase Shares owned by such Shareholder and shall in good faith intend to accept such offer, such Shareholder shall transmit to the



Remaining Shareholder a notice of such offer (a "Disposition Notice"), specifying in reasonable detail the identity of the Third Party Offeror and the purchase price and other terms and conditions of such offer, and transmitting a complete and correct copy of such offer. Upon delivery of the Disposition Notice, each Remaining Shareholder shall have the right and option, exercisable by written notice to the Disposing Shareholder within 30 days after delivery of the Disposition Notice, to purchase all, but not less than all, of its "Proportionate Percentage" (meaning the percentage arrived at by dividing the number of Shares owned by it by the number of Shares owned by all the Remaining Shareholders) of the Disposition Shares at the purchase price and upon the other terms and conditions specified in the Disposition Notice except that, in the case of a Disposition of Shares of Common Stock of the Company (which is not a Qualifying Disposition), the purchase price per share shall be an amount equal to the closing price of the Company's Common Shares on the New York Stock Exchange on the date the Disposition Notice is given less a reasonable underwriter's fee or a private placement discount which will be determined by taking the arithmetical average of such fee or discount as quoted by two underwriters or investment bankers, one selected by the Disposing Shareholder and one selected by the Remaining Shareholder. The closing of the purchase of the Disposition Shares by each Remaining Shareholder shall take place at the principal office of the Company on the dates specified by each Remaining Shareholder in the notice of exercise, but not earlier than 60 days after the date of the

Disposition Notice. At the closing, the Disposing Shareholder shall deliver to each Remaining Shareholder certificates for the Disposition Shares to be purchased by it (duly endorsed for transfer to or accompanied by appropriate stock powers to) each Remaining Shareholder, accompanied by any requisite stock transfer tax stamps or other evidence of payment of any applicable stock transfer taxes, against payment by each Remaining Shareholder of the purchase price therefor.

If one Remaining Shareholder does not elect to purchase its Proportionate Percentage of the Disposition Shares the Disposing Shareholder shall give notice of this fact to the Remaining Shareholder who has elected to purchase its Proportionate Percentage of the Disposition Shares and thereafter said Remaining Shareholder shall have the option for 10 days to purchase the remainder of the Disposition Shares on the same terms and manner set forth hereinabove for its option to purchase its Proportionate Percentage of the Disposition Shares.

2. In case the Remaining Shareholder shall not exercise its option pursuant to the foregoing subparagraph 1 of this paragraph A, the Disposing Shareholder may (subject to Section 4.5 hereof) within 180 days after the date of the Disposition Notice, sell all, but not less than all, of the Disposition Shares to the Third Party Offeror at a purchase price and upon other terms and conditions no more favorable to the Third Party Offeror than those specified in the Disposition Notice.

Promptly after such sale, the Disposing Shareholder shall give notice thereof to the Remaining Shareholder, confirming the identity of the Third Party Offeror and the purchase price and other terms and conditions of the sale, accompanied by duly executed counterparts of the instrument of joinder required by Section 4.2 hereof. Upon delivery of such notice and instrument, the Disposing Shareholder shall be released from all obligations hereunder with respect to the Disposition Shares.

B. A Shareholder may make a Qualifying Disposition subject to the following conditions:

1. Prior to making the Qualifying Disposition, the Shareholder shall give the Company and the Remaining Shareholder at least 20 days prior written notice specifying if the Common Shares are to be sold publicly, or, if a private sale is contemplated, specifying in reasonable detail the identity of the recipient of such shares, the number of such shares the recipient will receive in the Disposition and the price per share or other consideration to be paid for each share.

2. Subject to the next sentence, the Company may, by written notice to the Shareholders, suspend the right of the Shareholders to make a Qualifying Disposition for a period of 90 days if, at the time it receives notice pursuant to subparagraph 1 of this paragraph B, the Company determines, in its reasonable business judgment, that the Qualifying Disposition would require the disclosure of material information which the Company has a bona fide business purpose for preserving as confidential or would interfere with any pending or

formally proposed securities offering involving the Company or any of its subsidiaries and promptly provides the Shareholders with a notice of suspension. The Company shall not be permitted to suspend more than two Qualifying Dispositions in any twelve month consecutive period.

C. If at any time a Shareholder and its Affiliates no longer hold any Shares, such Shareholder shall cease be a party to this Agreement.

(4) SECTION 4.5 OF THE AGREEMENT IS HEREBY AMENDED TO READ AS FOLLOWS:

4.5 Approval of Non-Affiliates. Notwithstanding any provision of this Article 4 to the contrary, no Shareholder shall make a Disposition, except a Disposition to an Affiliate or a Qualifying Disposition, without the approval of the Remaining Shareholder, which approval shall not be unreasonably withheld. Such approval shall be conclusively deemed to have been granted if not expressly withheld by written notice delivered to the Disposing Shareholder within 30 days after delivery of the applicable Disposition Notice.

(5) SECTION 5.1 OF THE AGREEMENT IS HEREBY AMENDED TO READ AS FOLLOWS:

5.1 Stock Legend. The Company shall cause all certificates representing Shares to be endorsed as follows:

"The shares evidenced by this Certificate are subject to the restrictions and options stated in, and are transferrable only upon compliance with, the provisions of that certain Restated Shareholders Agreement Dated December 12,

1991, among Ashland Oil, Inc., Saarbergwerke AG, Carboex International Ltd. and Ashland Coal, Inc., as amended, a copy of which is on file in the office of the Secretary of the Company, and the provisions of which Agreement are incorporated herein by reference. The holder of this Certificate, by its acceptance hereof, agrees to be bound by all the terms of said Agreement, unless this Certificate is received as part of a Qualifying Disposition as defined in said Agreement. Except as provided in said Agreement, the shares evidenced by this Certificate may not be transferred, pledged or otherwise encumbered."

(6) SECTION 5.3 OF THE AGREEMENT IS HEREBY AMENDED TO READ AS FOLLOWS:

5.3 Transfer of Shares. The Company agrees that from and after the Effective Date (a) it shall not transfer any Shares except in compliance with the terms of this Agreement and (b) except upon the written consent of the Remaining Shareholder provided pursuant to the last sentence of Section 4.2 hereof, all certificates representing Shares issued by the Company during the continuance of this Agreement, except Common Shares issued in connection with a Qualifying Disposition or Shares for which the Remaining Shareholder has released the person acquiring such Shares from this Agreement as provided in the last sentence of Section 4.2, shall be endorsed as stated in Section 5.1 hereof.

(7) SECTION 7.2 OF THE AGREEMENT IS HEREBY AMENDED TO READ AS FOLLOWS:

[This Section intentionally left blank.]

(8) EXCEPT AS OTHERWISE AMENDED HEREIN, THE AGREEMENT SHALL REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, Ashland, Saarberg, Carboex and the Company have hereunto caused this amendment to be executed by duly authorized representatives as of the day and year first above written.

ASHLAND OIL, INC.

CARBOEX INTERNATIONAL, LTD.

By: /s/ Paul Chellgren  
-----

By:/s/ Gregorio Gonzalez-Irun Canchez  
-----

SAARBERGWERKE AG

ASHLAND COAL,

By: /s/ Michael G. Ziesler  
/s/ Werner Externbrink  
-----

By: /s/ William C. Payne  
-----

RESTATED

SHAREHOLDERS AGREEMENT

AMONG

ASHLAND OIL, INC.,

SAARBERGWERKE AG,

CARBOEX INTERNATIONAL, LTD.

AND

ASHLAND COAL, INC.

DATED December 12, 1991

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Appendix "A"      Designation of Region I

RESTATED SHAREHOLDERS AGREEMENT, dated December 12, 1991, among ASHLAND OIL, INC. ("Ashland"), a Kentucky corporation, SAARBERGWERKE AG ("SAARBERG"), a company organized under the laws of the Federal Republic of Germany, CARBOEX INTERNATIONAL LTD. ("Carboex") a company organized under the laws of the Bahamas, and ASHLAND COAL, INC. (the "Company"), a Delaware corporation.

WITNESSETH:

WHEREAS, Ashland, Saarberg Coal International GmbH ("SCI") and the Company entered into an agreement dated May 28, 1981, (the "Shareholders Agreement") for the corporate governance of the Company; and,

WHEREAS, the Shareholders Agreement has been amended by that certain First Shareholders Agreement Amendment dated February 27, 1982, among Ashland, SCI, Sociedad Espanola de Carbon Exterior, S.A. ("SECE") and the Company (the "First Amendment") and an amendment dated June 30, 1982, and that certain Second Amendment to Shareholders Agreement dated August 18, 1988, both among Ashland, SCI, Carboex and the Company; and,

WHEREAS, by Assignment and Assumption Agreement made as of June 30, 1982, SECE assigned to Carboex all of its rights, duties and obligations under certain agreements, including among them the First Amendment, and Carboex assumed full performance of all of the terms and conditions of the First Amendment; and,

WHEREAS, effective September 30, 1988, SCI was merged into Saarberg with Saarberg being the surviving corporation; and,

WHEREAS, the parties desire to enter into this Restated Shareholders Agreement for the purpose of restating the Shareholders Agreement, as so amended, in its entirety to reflect such amendments and the merger of SCI into Saarberg and not to otherwise change any of the substantive terms and provisions thereof.

NOW, THEREFORE, the parties hereto agree as follows:

1. DEFINITIONS

For all purposes of this Agreement, the following terms shall have the following meanings:

1.1 "Affiliate" means, with respect to any Shareholder, any other Person, which, directly or indirectly, controls, is controlled by, or is under common control with, such Shareholder; provided, however, that ATEC, INC. (formerly U.S. Filter Corporation) shall not be deemed to be an affiliate of Ashland. For purposes of this definition, "control" means the beneficial ownership directly, or indirectly through one or more Affiliates, of more than 50% of the voting shares or equivalent interests or ownership interests in a Person.

1.2 "Associate" means, with respect to any Shareholder, any other Person, more than 25% but not more than 50% of the voting shares or equivalent interests or ownership interests

in which are beneficially owned directly, or indirectly through one or more Subsidiaries or Associates, by such Shareholder; provided, however, that ATEC, INC. shall be deemed to be an Associate of Ashland.

1.3 "Board" means the Board of Directors of the Company.

1.4 "By-Laws" means the Amended By-Laws of the Company.

1.5 "Certificate of Incorporation" means the Restated Certificate of Incorporation of the Company, as amended by Certificates of Amendment of September 30, 1987 and July 28, 1988.

1.6 "Coal-Off-Take Agreement" means the restated coal off-take agreement of even date herewith between the Company, Saarberg and Carboex relating to the right on the part of Saarberg and Carboex to purchase coal from the Company.

1.7 "Director" means a member of the Board.

1.8 "Disposing Shareholder" means the Shareholder who makes a Disposition to one or more of its Affiliates pursuant to Section 4.3 hereof or the Shareholder who provides the Disposition Notice referred to in Section 4.4 hereof.

1.9 "Disposition" means any sale, transfer, assignment or other disposition, whether by operation of law or otherwise, by any Shareholder of any Shares.

1.10 "Disposition Shares" means Shares which are the subject of a proposed Disposition.

1.11 "Effective Date", for the purposes of this Agreement, means (a) with respect to Saarberg, the date of the consummation of the Closing under the Stock Subscription

Agreement, and (b) with respect to Carboex, the date of the consummation of the Closing under the Stock Purchase Agreement.

1.12 "Person" means any corporation, partnership, joint venture, association, trust or other business entity.

1.13 "Region I" means the geographic areas designated as Region I on the map contained in Appendix "A" attached hereto and in the Supplement thereto, as such areas may from time to time be modified pursuant to the terms of the Supplement thereto.

1.14 "Region III" means Producing District 8, as currently established by the United States Bureau of Mines, exclusively of Region I.

1.15 "Remaining Shareholder" means the Shareholder or Shareholders, as the context may require, other than the Disposing Shareholder.

1.16 "Services and Employee Benefits Agreement" means the agreement dated May 28, 1981 between Ashland and the Company relating to the provision of certain administrative services to the Company by Ashland and to the participation by certain Company employees in the employee benefit plans of Ashland.

1.17 "Shareholder" means any of Ashland, Saarberg and Carboex and "Shareholders" means all of Ashland, Saarberg and Carboex.

1.18 "Shares" means shares of any class of capital stock of the Company owned by any Shareholder.

1.19 "Stock Purchase Agreement" means the agreement dated February 27, 1982 between Ashland and SECE relating to the purchase of certain Shares by SECE from Ashland, which agreement was assigned to Carboex on June 30, 1982.

1.20 "Stock Subscription Agreement" means the agreement dated May 28, 1981, between SCI, Ashland and the Company relating to the subscription for certain Shares made by SCI and Ashland.

1.21 "Subsidiary" means, with respect to any Person, any other Person, more than 50% of the voting shares or equivalent interests or ownership interests in which are beneficially owned directly, or indirectly through one or more Subsidiaries, by such Person; provided, however, that ATEC, INC. shall be deemed not to be a Subsidiary of Ashland.

## 2. LEGAL STRUCTURE

(INTENTIONALLY LEFT BLANK]

## 3. CONDUCT OF BUSINESS OF THE COMPANY

3.1 Business of the Company. The business of the Company and its Subsidiaries shall be limited to (a) the acquisition, construction, and operation of coal mines of every type and nature, (b) the exploration for, acquisition of and exploitation of coal properties, (c) the producing, preparation and related processing, loading, storing, transporting and marketing of coal, (d) the activities

conducted by Commonwealth Equipment, Inc., when it was a Subsidiary of the Company and the activities currently conducted by Tri-State Testing Co., Inc., a Subsidiary of the Company, (e) the exploitation of the limestone properties currently controlled by the Company, (f) the subleasing of coal properties to others, (g) the purchase and sale of coal produced by others, (h) activities (other than hard-rock mining) incidental to the foregoing activities or to the ownership of properties acquired in connection with the foregoing activities, such as the sale, lease, development or exploitation of timber rights, oil and gas rights and other mineral rights.

3.2 Negation of Other Restrictions and Conditions. Nothing in this Agreement shall be deemed to prohibit or restrict any Shareholder or any of its Affiliates or Associates from engaging in any activity or acquiring any asset which is not expressly prohibited or restricted by this Agreement.

3.3 Independent Organization. The Shareholders agree that the Company shall be operated by its own management and employees as an independent legal and economic entity in accordance with the General Corporation Law of Delaware, this Agreement, and the Certificate of Incorporation and By-Laws of the Company.

3.4 Capitalization. (INTENTIONALLY LEFT BLANK]

3.5 Services Provided by Ashland. Ashland and the Company have entered into the Services and Employee Benefits Agreement at the request of and with the approval of SCI. Carboex has reviewed a copy of such Agreement and has ratified, approved and accepted such Agreement. The Shareholders agree that the relationship between Ashland and the Company regarding the provision by Ashland of any particular service or benefit plan under the Services and Employee Benefits Agreement shall be in accordance with, and subject to, the terms of the Services and Employee Benefits Agreement. The Shareholders further agree that at such time as such relationship is to be terminated, whether at the election of the Company or as a result of the occurrence of an event requiring termination under the Services and Employee Benefits Agreement, representatives of Ashland and the Company shall work together to devise and implement a gradual phase-out of such relationship in a manner designed (a) to minimize any adverse administrative impact on the Company, and (b) with respect to employee benefit plans, to minimize future funding and administrative costs for the Company in providing such benefits.



3.6 Coal Off-Take Agreement. The Company has entered into the Coal Off-Take Agreement granting Saarberg and Carboex certain rights to purchase coal.

3.7 Technological Cooperation. Each of the Shareholders shall make available (to the extent not in violation of contractual prohibitions, secrecy agreements, or rights of third parties and to the extent otherwise feasible) to the Company on customary terms, such current and future technological know-how relating to the mining and preparation and related processing of coal for sale as coal which such Shareholder possesses or controls if such know-how can reasonably be expected to contribute to the success of the business or operation of the Company.

3.8 Geographic Cooperation.

A. In case any Shareholder or Subsidiary shall acquire or propose to acquire directly, or indirectly through any Subsidiary, any interest in any coal property (fee or leasehold) or in any facility for the mining, preparation and related processing, loading, storing or transporting of coal located in Region I (such interest being called a "Region I Opportunity"), such shareholder shall, prior to or promptly after the acquisition of such Region I opportunity, give notice to the Company describing such Region I Opportunity in reasonable detail and specifying the price and terms and conditions upon which such Region I opportunity has been or is proposed to be acquired by such Shareholder or Subsidiary. The Company shall have the right, exercisable within 30 days

after receipt of such notice, to purchase such Region I opportunity at the price and upon the other terms and conditions specified in such notice.

B. In case any Shareholder or Subsidiary shall acquire or propose to acquire directly or indirectly through any Subsidiary, any interest of more than 50% in any coal property (fee or leasehold) or in any facility for the mining, preparation and related processing, loading, storing or transporting of coal located in Region II (such interest being called a "Region II Opportunity"), such Shareholder shall, prior to or promptly after the acquisition of such Region II Opportunity, give notice to the Company describing such Region II Opportunity in reasonable detail. If within 30 days after delivery of such notice, the Company shall advise such Shareholder or Subsidiary that the Company is interested in participating in the ownership, use or operation of such Region II Opportunity and shall indicate the general nature and the basic terms and conditions for such participation, such Shareholder or Subsidiary will discuss the proposed participation with the Company in good faith to determine whether the parties would have a mutual economic interest in such participation (it being understood that such Shareholder or Subsidiary shall be under no obligation to negotiate or to grant any participation if it determines, in its sole discretion, that there is no such mutual economic interest).

C. In case the transfer of a Region I Opportunity pursuant to paragraph A of this Section 3.8 or the granting of a participation in a Region II Opportunity pursuant to paragraph B of this Section 3.8 would require the consent of a third party, the Shareholder or Subsidiary acquiring such opportunity shall use reasonable efforts to obtain such consent, and the obligation to give the notice required by paragraph A or B of this Section 3.8 or to transfer such Region I opportunity or to grant such participation in such Region II Opportunity shall be subject to the receipt of such consent. In case any Shareholder or Subsidiary shall not obtain any such consent, such Shareholder shall notify the Company, and the other Shareholders shall have the right, by notice to the Company and the other Shareholders, (a) to terminate the provisions of this Section 3.8, in the case of a Region I Opportunity, or (b) to terminate the provisions of paragraphs B and E of this Section 3.8, in the case of a Region II Opportunity.

D. In case any Associate of any Shareholder shall acquire or propose to acquire directly, or indirectly through any Associate, any Region I Opportunity, such Associate may offer such Opportunity to the Company in the manner and upon the terms provided in paragraph A of this section 3.8. In case such Associate shall not make such offer to the Company, such Shareholder shall notify the Company of such acquisition, and the other Shareholders shall have the right, by notice to the Company and the other Shareholders, to

terminate the provisions of this Section 3.8.

E. In case any Associate or any Shareholder shall acquire or propose to acquire directly, or indirectly through any Associate, any Region II Opportunity, such Associate may give notice to the Company and, if requested by the Company, discuss the possibility of participation with the Company in the manner provided in paragraph B of this Section 3.8. In case such Associate shall not give notice to the Company, or, if requested, shall fail to discuss participation as provided in paragraph B of this Section 3.8, such Shareholder shall notify the Company of such acquisition and the other Shareholders shall have the right, by notice to the Company and the other Shareholders, to terminate the provisions of paragraphs B and E of this Section 3.8.

#### 4. DISPOSITION OF COMPANY SHARES

4.1 Investment Representation. The Shareholders represent to each other Shareholder that they intend to hold their Shares as a long-term investment for the indefinite future and have no current intention of making a Disposition thereof except for the possible transfer pursuant to Section 4.3 hereof to an Affiliate having a similar intention.

4.2 Restrictions in General. No Shareholder shall make or permit a Disposition of any Shares except in compliance with the terms of this Article 4. No Shareholder shall pledge or otherwise encumber, or create a security interest in, any Shares owned by such Shareholder or permit to exist any lien, encumbrance or security interest in any such

Shares. No Shareholder shall have the right to make or permit a Disposition other than (i) a Disposition to an Affiliate pursuant to Section 4.3 hereof, or (ii) a sale to a person other than an Affiliate pursuant to Section 4.4 hereof in consideration of a purchase price payable solely in cash (in a currency which can be freely bought and sold). In the case of any Disposition of Shares, the person acquiring such Shares shall (unless the Remaining Shareholder shall otherwise agree in writing) by acceptance of the certificates evidencing the Disposition Shares, become bound by the terms and conditions of this Agreement as though an original party hereto, and shall, nevertheless, as a condition precedent to such Disposition, join in this Agreement by an instrument in writing reasonably satisfactory to the Remaining Shareholder.

4.3 Disposition to Affiliate. Each Shareholder may make a Disposition of all or part of its Shares to an Affiliate of such Shareholder, which in turn may make a Disposition of all or part of such Shares to such Shareholder or to another Affiliate of such Shareholder; provided that (a) unless the Remaining Shareholder, at the request of the Disposing Shareholder but in the sole discretion of the Remaining Shareholder, releases the Disposing Shareholder in writing, the Disposing Shareholder shall remain liable for the performance by such Affiliate of all obligations of the Disposing Shareholder hereunder with respect to the Disposition Shares acquired by such Affiliate, and (b) as a condition precedent to such Disposition, the Disposing

Shareholder, such Affiliate and the Remaining Shareholder shall enter into an agreement, reasonably satisfactory in form and substance to the Remaining Shareholder, providing that the Disposing Shareholder shall have an unqualified right and obligation to reacquire the Disposition Shares from such Affiliate upon such Affiliate's ceasing to be an Affiliate of the Disposing Shareholder (upon which reacquisition such Disposing Shareholder shall, if previously released by the Remaining Shareholder, again become a party to this Agreement).

#### 4.4 Disposition to Non-Affiliate.

A. In case any Shareholder shall receive a bona fide offer (meeting the requirements of Section 4.2 hereof) from a person other than an Affiliate of such Shareholder (a "Third Party Offeror") to purchase Shares owned by such Shareholder and shall in good faith intend to accept such offer, such Shareholder shall transmit to the Remaining Shareholder a notice of such offer (a "Disposition Notice"), specifying in reasonable detail the identity of the Third Party Offeror and the purchase price and other terms and conditions of such offer, and transmitting a complete and correct copy of such offer. Upon delivery of the Disposition Notice, each Remaining Shareholder shall have the right and option, exercisable by written notice to the Disposing Shareholder within 30 days after delivery of the Disposition Notice, to purchase all, but not less than all, of its "Proportionate Percentage" (meaning the percentage arrived at by dividing

the number of Shares owned by it by the number of Shares owned by all the Remaining Shareholders) of the Disposition Shares at the purchase price and upon the other terms and conditions specified in the Disposition Notice. The closing of the purchase of the Disposition Shares by each Remaining Shareholder shall take place at the principal office of the Company on the dates specified by each Remaining Shareholder in the notice of exercise, but not earlier than 60 days after the date of the Disposition Notice. At the closing, the Disposing Shareholder shall deliver to each Remaining Shareholder certificates for the Disposition Shares to be purchased by it (duly endorsed for transfer to or accompanied by appropriate stock powers to) each Remaining Shareholder, accompanied by any requisite stock transfer tax stamps or other evidence of payment of any applicable stock transfer taxes, against payment by each Remaining Shareholder of the purchase price therefor.

If one Remaining Shareholder does not elect to purchase its Proportionate Percentage of the Disposition Shares the Disposing Shareholder shall give notice of this fact to the Remaining Shareholder who has elected to purchase its Proportionate Percentage of the Disposition Shares and thereafter said Remaining Shareholder shall have the option for 10 days to purchase the remainder of the Disposition Shares on the same terms and manner set forth hereinabove for its option to purchase its Proportionate Percentage of the Disposition Shares.

B. In case the Remaining Shareholder shall not exercise its option pursuant to the foregoing paragraph A, the Disposing Shareholder may (subject to Section 4.5 hereof) within 180 days after the date of the Disposition Notice, sell all, but not less than all, of the Disposition Shares to the Third Party Offeror at a purchase price and upon other terms and conditions no more favorable to the Third Party Offeror than those specified in the Disposition Notice. Promptly after such sale, the Disposing Shareholder shall give notice thereof to the Remaining Shareholder, confirming the identity of the Third Party Offeror and the purchase price and other terms and conditions of the sale, accompanied by duly executed counterparts of the instrument of joinder required by Section 4.2 hereof. Upon delivery of such notice and instrument, the Disposing Shareholder shall be released from all obligations hereunder with respect to the Disposition Shares, and provided that if neither the Disposing Shareholder nor any of its Affiliates then hold any Shares, such Disposing Shareholder shall cease to be a party to this Agreement.

4.5 Approval of Non-Affiliates. Notwithstanding any provision of this Article 4 to the contrary, no Shareholder shall make a Disposition to a person other than an Affiliate except upon the approval of the Remaining Shareholder, which approval shall not be unreasonably withheld. Such approval shall be conclusively deemed to have been granted if not expressly withheld by written notice delivered to the



Disposing Shareholder within 30 days after delivery of the applicable Disposition Notice.

#### 5. OBLIGATIONS OF THE COMPANY

5.1 Stock Legend. The Company shall cause all certificates representing Shares to be endorsed as follows:

"The shares evidenced by this Certificate are subject to the restrictions and options stated in, and are transferrable only upon compliance with, the provisions of that certain Restated Shareholders Agreement Dated December 12, 1991, among Ashland Oil, Inc., Saarbergwerke AG, Carboex International Ltd. and Ashland Coal, Inc., a copy of which is on file in the office of the Secretary of the Company, and the provisions of which Agreement are incorporated herein by reference. The holder of this Certificate, by its acceptance hereof, agrees to be bound by all the terms of said Agreement. The shares evidenced by this Certificate may not be pledged or otherwise encumbered and may not be transferred except as provided in said Agreement."

5.2 Company's Execution. The Company shall execute and deliver to the Shareholders, and shall become a party to, this Agreement, and the Shareholders hereby consent to such execution and delivery.

5.3 Transfer of Shares. The Company agrees that from and after the Effective Date (a) it shall not transfer any Shares except in compliance with the terms of this Agreement and (b) except upon the written consent of the Remaining Shareholder provided pursuant to the last sentence of Section 4.2 hereof, all certificates representing Shares issued by the Company during the continuance of this Agreement shall be endorsed as stated in Section 5.1 hereof.

5.4 Inspection Right. The Company agrees, and the Shareholders agree that they shall cause the Company, to provide each of the Shareholders and their respective authorized representatives full and free access to all books and records of the Company and any and all reports, budgets or proposals prepared by or on behalf of the Company and to provide each Shareholder a monthly statement of income and monthly reports on production, sales and such other information as any Shareholder may reasonably request. The Company agrees that on reasonable notice and during standard business hours it will make any and all officers and employees of the Company available to each Shareholder and its authorized representatives for interviews.

5.5 Actions of Subsidiaries. The Company covenants and agrees that it will cause each Subsidiary of the Company to comply with and carry out decisions of the Board taken in accordance with the By-Laws, and it will not permit any Subsidiary to take (or omit to take) any action which, if taken (or omitted) by the Company, would require approval of the Board pursuant to Article II, Section 10.B of the By- Laws, unless the taking (or omission) of such action by such Subsidiary has been duly approved by the Board.

## 6. DEFAULTS AND REMEDIES

6.1 Specific Enforcement. In the event of any breach or threatened breach by any party to this Agreement of any of the covenants, agreements, terms, conditions or limitations contained in this Agreement, any other party to this

Agreement shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right or remedy allowed at law or in equity or by statute or otherwise, it being understood, agreed and acknowledged that monetary damages may not be sufficient to compensate an aggrieved party.

6.2 Submission to Jurisdiction; Service of Process. The Shareholders hereby irrevocably submit to the jurisdiction of the Federal court sitting in the Southern District of New York over any action or other proceeding brought by any of the parties hereto or by any of their successors or assigns arising out of or relating to this Agreement. The Shareholders and the Company hereby irrevocably agree that all claims with respect to such suit, action or other proceeding may be heard and determined in such courts to the exclusion of any other forum in the United States.

Saarberg hereby irrevocably appoints Messrs. Shearman & Sterling, Attention: Edward L. Turner III, Esq., whose office is located at 599 Lexington Ave., New York, NY 10022, United States, as its agent to receive on behalf of Saarberg service of copies of any summons and complaint and any other process which may be served in any such action or proceeding.

Carboex hereby irrevocably appoints C T Corporation System, whose office is located at 1633 Broadway, New York, New York 10019, United States, as its agent to receive on behalf of Carboex service of copies of any summons and complaint and any other process which may be served in any

such action or proceeding.

## 7. MISCELLANEOUS

7.1 Term. This agreement shall become effective on the Effective Date and shall remain in full force and effect thereafter until terminated by an instrument in writing by all parties hereto. In the event that the Effective Date does not occur (a) with respect to Saarberg, on or before June 9, 1981 or such later date to which the parties to the Stock Subscription Agreement consent to extend the closing thereunder, or (b) with respect to Carboex, on or before September 30, 1982, or such later date to which the parties to the Stock Purchase Agreement consent to extend the closings thereunder, this Agreement shall terminate and become null and void.

7.2 Tradename and Trademarks. Ashland agrees to permit the Company to use the name "Ashland" and all trademarks and tradenames of the Company associated therewith for a period of five years from and after August 18, 1988; provided, however, if at any time after two years from and after August 18, 1988, Ashland shall own less than 40% of the outstanding Shares, the Company agrees that within 30 days of Ashland's request the Company shall change its corporate name so as to eliminate therefrom the word "Ashland" and any simulation or variation thereof and that it shall thereafter forever discontinue the use of its current trademark, the use of its current tradename, the use of the word "Ashland" in its corporate title, its tradename or otherwise, and the use of

any simulation or variation of such trademark, tradename or word. The Shareholders agree to vote their Shares in favor of any corporate action necessary to accomplish the foregoing.

7.3 Amendments; Waivers. This Agreement may not be amended or modified in any manner, and no provision hereof may be waived or discharged except by an instrument in writing signed by an authorized officer of each of the parties hereto. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

7.4 Successors and Assigns. Unless otherwise herein provided, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns.

7.5 Notices. All notices, requests, demands and other communications hereunder shall be in writing and delivered personally or sent by first class airmail, telex or telecopy as follows:

To Ashland:

Ashland Oil, Inc.  
P. O. Box 391  
Ashland, Kentucky 41114, USA

Telex No. 218476  
Answer Back: AOINC  
Attention: General Counsel

To Saarberg:

Saarbergwerke AG  
Trierer Strasse 1  
P. O. Box 1030  
D-6600 Saarbruecken, Federal  
Republic of Germany  
Telex No. 4421240  
Answer Back: SBWD

Attention: Vorstand

To Carboex:

Sociedad Espanola de Carbon Exterior, S.A.  
Calle Manuel Cortina  
No. 2  
Madrid 10  
Spain  
Telex No. 46342  
Answer Back: CRBX-E

To the Company:

Ashland Coal, Inc.  
P. O. Box 6300  
Huntington, West Virginia 25771, USA  
Telex No. 7109311907  
Answer Back: ASH COAL

Attention: President

or such other address as may be designated in writing by any party to the other parties hereto. Any notice or other communication so transmitted shall be deemed to have been given at the time of delivery, in the case of a communication delivered personally, on the business day following receipt of answerback or telecopy confirmation, in the case of a communication sent by telex or telecopy, respectively, or ten

days after mailing in the case of a communication sent by mail.

7.6 Computation of Time Periods. The words "day" or "days" as used in this Agreement with respect to the computation of periods of time shall mean calendar days and the words "business day" or "business days" as used in this Agreement with respect to the computation of periods of time shall mean any day that is not a Saturday, Sunday, or other holiday in West Virginia or Saarbruecken, Federal Republic of Germany or Madrid, Spain; provided, however, that if the last day of any period of time shall fall on a day other than a business day, such period shall be extended to include the next succeeding business day in each such location. All computations of time shall be based on New York City time.

7.7 Confidentiality. Except as required by law, by the German Federal or Saarland state authorities or Spanish state authorities, the Shareholders agree that they shall each keep confidential all non-public information received by them from the Company regarding its affairs, business, prospects and properties and will not disclose such information to any party other than to another Shareholder, any Affiliate of a Shareholder, any prospective purchasers of Shares, or any employee or agent of such Shareholder, Affiliate or prospective purchaser; provided, however, that the recipient of such information is subject to confidentiality agreements equivalent hereto, unless such information was in the possession of such party prior to its receipt from the

Company, was in the public domain or was received from a third party who did not receive it from the Company.

7.8 Severability. If any provision of this Agreement should be or become fully or partly invalid or unenforceable for any reason whatsoever or should violate any applicable law, this Agreement is to be considered devisible as to such provision and such provision is to be deemed deleted from this Agreement, and the remainder of this Agreement shall be valid and binding as if such provision were not included therein. There shall be substituted for any such provision deemed to be deleted a suitable provision, which as far as is legally possible, comes nearest to what the parties desired or would have desired according to the sense and purpose of this Agreement, had they considered the point when concluding this Agreement.

7.9 Counterparts; Headings. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all such counterparts together shall constitute but one and the same instrument. The Article and Section headings in this Agreement are for the convenience of reference only and shall not affect the construction hereof.



7.10 Governing Law. This Agreement shall be governed by, enforceable under and construed in accordance with the law of the State of New York.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ASHLAND OIL, INC.

CARBOEX INTERNATIONAL, LTD.

By: /s/ Paul Chellgren  
-----

By: /s/ Juan Antonio Ferrando  
-----

SAARBERGWERKE AG

ASHLAND COAL, INC.

By: /s/ Hans Freymann  
/s/ Deitrich Reinhardt  
-----

By: /s/ William C. Payne  
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DESIGNATION OF REGION I

The Property Map for Ashland Coal, Inc. dated January 21, 1981, bearing a notation referring to this Agreement and initialled by the parties hereto, is incorporated herein by reference. A reduced reproduction of said Property Map is attached hereto for purposes of convenience only.

APPENDIX "A"

SUPPLEMENT TO APPENDIX "A"

The map contained in Appendix "A" is hereby supplemented as follows:

- AREA A - western boundary is western limit of Appalachian coal field.
- AREA B - includes all reserves committed to the Monterey Coal Company Mine by the joint venture of Exxon Coal and Columbia Gas as established by that certain joint venture agreement between Exxon Coal and Columbia Gas.
- AREA E - includes all river loading facilities on the Ohio between Point Pleasant and the confluence of the Ohio and Mississippi Rivers, Big Sandy and Kanawha Rivers except such facilities as required by any Shareholder or any Subsidiary or Associate of any Shareholder for preparation and related processing of coal provided from mines in Producing District 8 in which they have an equity interest or for preparation and related processing of coal provided from other Districts.

If the Company acquires any coal property constituting a major mine unit which is located in Region II, the Shareholders will discuss the possibility of revising the definition of Region I to accommodate such acquisition.

[MAP APPEARS HERE]

## Graphic Material Cross-Reference Page

A map which shows in extensive detail various boundaries of Appalachian coal fields and all river coal loading facilities on the Ohio River between Point Pleasant, West Virginia, and the confluence of the Ohio and Mississippi Rivers, Big Sandy and Kanawha Rivers appears on page 25.