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President Shelly Signs \$2.3 Million Bill to Fund Continued Due Diligence Investigation into Coal Mine Acquisition

WINDOW ROCK, Ariz. – Navajo Nation President Ben Shelly signed legislation allowing \$2.3 million to be drawn down from the Undesignated Unreserved Fund Balance to pay for continuation of the due diligence investigation for the possible acquisition of Navajo Mine.

“I signed this legislation because we need to know whether acquire this mine is beneficial for the Navajo Nation. We are in times unlike any other with federal budget cuts, reduced revenue and taxes. We must consider investments that could help sustain critical programs that help our people. The due diligence investigation will help us learn all we need to know to make an informed decision about acquiring Navajo Mine,” President Shelly said.

President Shelly added that the Navajo Nation hasn’t decided to buy Navajo Mine yet.

“At this point, I need to know more information about the entire operation of the mine. I also want to know how are we going to pay for the mine, if we decide we want to buy it. And, I want us to think far into the future and consider other technologies for clean coal. We need to look ahead and see how we can make use of our resources,” President Shelly said.

The legislation was signed today. The investigation is the second phase into a due diligence investigation that started last fall.

The proposal for Navajo Nation to acquire Navajo Mine came after Four Corners Power Plant and Navajo Mine owners could not agree upon a coal price.

“We have to keep in mind that we have about 800 Navajo people working at the mine and the power plant. We have to protect their jobs too. If acquiring Navajo Mine can protect those existing jobs, it is my duty as president to ensure that we at least consider the proposal. We have to protect jobs,” President Shelly added.

If the Navajo Nation acquired the mine by June 2013, BHP Billiton would continue managing the mine until 2016. The mine employs nearly 400 people, most of whom are Navajo.

The Navajo Nation would buy all shares of BHP Navajo Coal Company, the merge the coal company with a Navajo company yet to be determined. The Navajo owned company would receive all equipment, improvements, workforce, tangible and intangible intellectual property rights, and permits.

Navajo Mine is the sole provider of coal to Four Corners Power Plant, which is owned by Arizona Public Service. APS officials estimate that Four Corners Power Plant would need about six to eight million tons of coal per year to continue the operations beyond 2016.

Last year, Navajo Mine supplied about 8.1 million tons of coal to Four Corners Power Plant, which generated more than \$40 million for the Navajo Nation.

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