

Working with the coal industry to survive

The worldwide coal industry is in a state of turmoil, worsening every day. The fashionable “progressive” Climate Change Agenda with its WAR on coal, all carbon fuels and free-market values-based Capitalism, is one of the primary causes of this havoc.

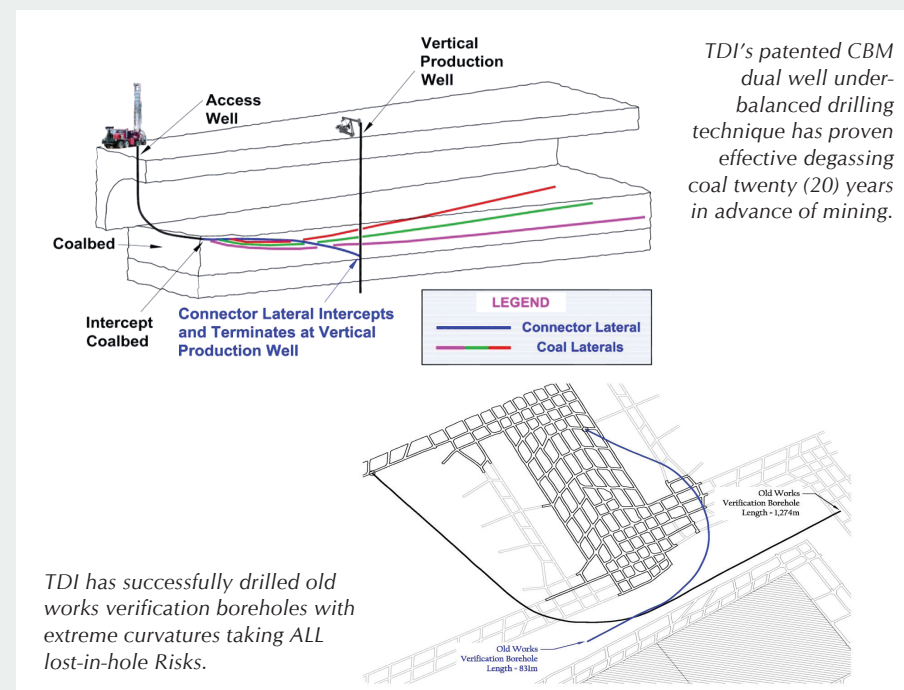
The U.S. NOAA reports that of the .0003 percent of total atmosphere that consists of CO₂, just .0004 percent of that number could be seen as man-made, or .00000012 percent of the entire gas envelope that swaddles the globe! [Ed Rogers, November 4, 2015, “Inconvenient numbers for the global warming crowd,” *The Washington Post*].

Never-the-less, as pointless as Climate Change regulation [as adopted by the Energy Prevention Agency, otherwise known as the Environmental Protection Agency] might seem, it isn't even the most damaging issue that thermal coal producers must contend with. The Boom in Shale Gas, which catapulted the U.S. to the largest producer of natural gas in the world, has significantly reduced demand for thermal coal to generate electric power in favour of cheap and abundant NG.

Numerous [too many], large and small, coal companies have been forced into various forms of bankruptcy, with more expected due to over-regulation, over-supply and low prices.

Despite the unprecedented downturn on the global coal market, thermal and metallurgical coal will rebound, but no one knows when or to what level. Consequently, survival in the global coal industry, both within coal producers and, just as importantly along their supply chains, requires management skills honed to higher levels not previously appreciated; and those skills, albeit with minimum staff levels, in turn, must rely on evolving technologies like never before.

Other inherent challenges continue to face coal operators; gas, water, geology, and unverified locations of old works still plague the industry, regardless of current coal market conditions. Because coal cannot be safely and efficiently extracted without prior implementation of effective solutions to mitigate these challenges, the speed, predictability and cost of those



solutions can and will bear heavily on whether coal mining can proceed within this demanding technical and economic environment.

Target Drilling Inc. and its affiliate, Target Technologies, LLC, (both referred herein collectively as “TDI”), have continued to develop and refine in-mine and surface, directional drilling technologies [over 8 MM feet of in-mine bore-holes and surface horizontals drilled to date] that address these needs.

Specialized techniques coupled with newly engineered and fabricated directional drilling equipment, high powered rigs and borehole navigation, have positioned TDI at the cutting edge of cost-effective degasification, large diameter water drainage, coalbed exploration and old works verification, facilitating profitable coal mining amid all the current market disruption.

To enhance our clients' economic viability, TDI takes business risks by offering, turnkey services at a not-to-exceed or fixed cost, flat-rate billing with deferred or scheduled payments, and design/management of its directional drilling applications at NO additional COST. A couple of examples of TDI's directional drilling experience are illustrated above.

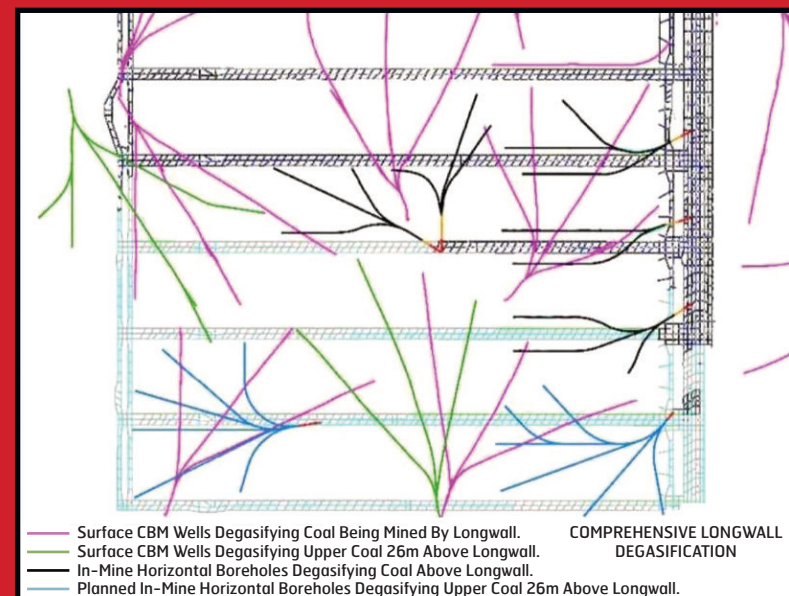
— Steve Kravits, President/CEO

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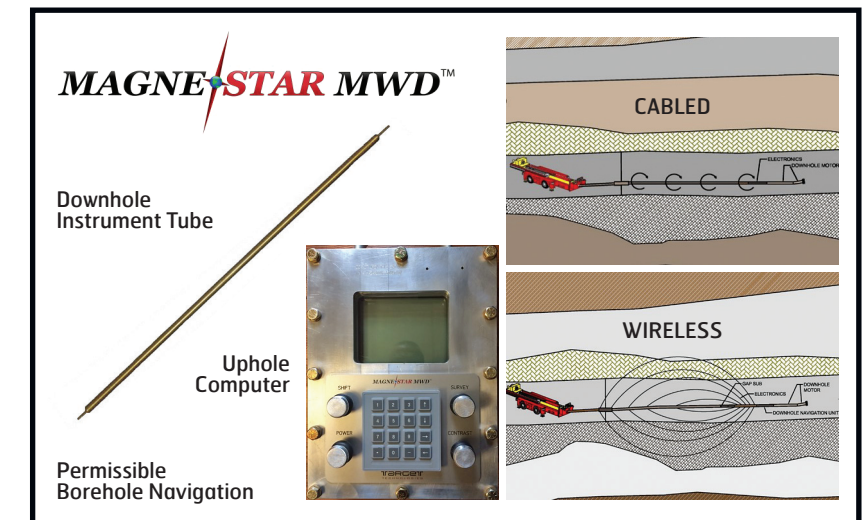
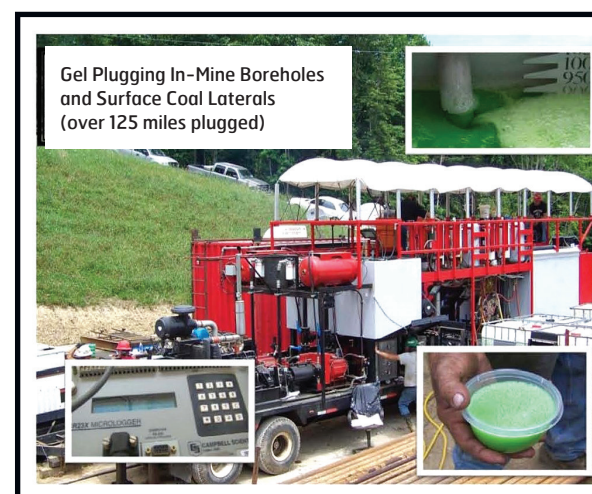
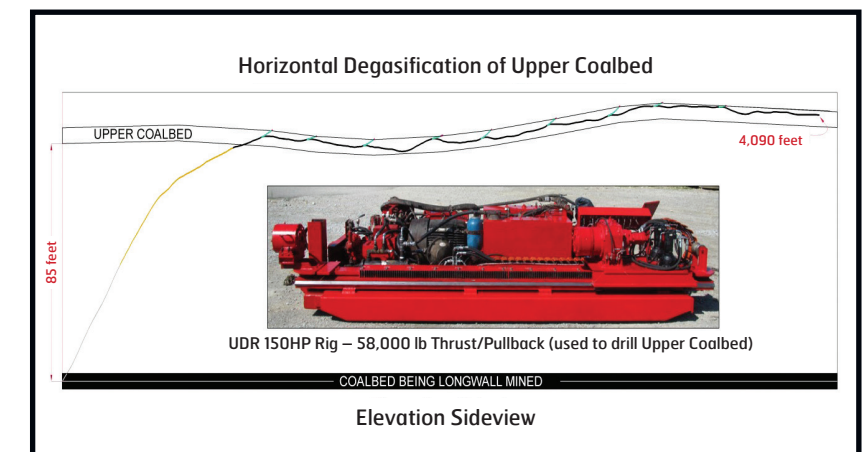


Enhancing your fight for economic viability and survival in today's coal market, TDI offers clients:

- Turnkey, not-to-exceed or fixed cost billing
- Flat-rate and deferred payments
- NO additional cost for drilling application design and project management

For In-Mine and Surface Directional Boreholes/Wells:

- Degasification
- Old Works Verification
- Water Drainage
- Coalbed Exploration
- Equipment sales/services



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