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Investors Ask CONSOL Energy to Report the Risk that 2/3 of Its Coal Reserves May Become Unusable

The First-of-Its-Kind Climate Change Shareholder Resolution Comes to Vote May 8

Shareholders will vote tomorrow on a [resolution](#) asking CONSOL Energy to inform its shareholders that up to 2/3 of its fossil fuel reserves may become unburnable due to more stringent carbon regulations, creating the potential for stranded fossil fuel assets and a significant loss in company value.

CONSOL Energy, headquartered in Pittsburgh, PA, is one of the nation's largest producers of coal from underground mines, with 4.5 billion tons of proven reserves. A large portion of the value of energy companies like CONSOL is based on the company's fossil fuel reserves, with the assumption that all such reserves can be burned without limitation.

"The potential for severe limits on carbon creates real risk for investors who need to be fully informed of how, or if, the company is planning for a carbon constrained future," said Danielle Fugere, President and Chief Counsel of [As You Sow](#), lead filer of the resolution.

The resolution highlights research from the [Carbon Tracker Institute](#) and the [International Energy Agency](#) demonstrate that, in order to keep climate change to 2° Celsius or less, the point at which global governments have agreed catastrophic climate disruption will occur, 2/3 or more of current fossil fuel reserves must remain unburned between now and 2050.

If this worldwide carbon budget is adhered to fossil fuel companies will be left with stranded assets in the form of unburnable reserves and underused infrastructure. This, in turn, means that fossil fuel companies will be overvalued, creating a "carbon bubble" much like the U.S. housing bubble that imploded the U.S. economy.

"Overvalued fossil fuel reserves, if not acknowledged, could wreak far greater worldwide harm than the U.S. housing bubble did," said Fugere. "Energy companies must acknowledge this issue and give investors a chance to adjust their behavior accordingly."

The resolution also asks CONSOL to report on its business plans for addressing such an outcome. Fugere, who will present the resolution at CONSOL's annual shareholder meeting, has been in dialogue with the company since the resolution was filed. Although the negotiation did not result in a commitment by the company to act on this issue, Fugere was invited to continue the discussions in person before the annual meeting.

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As You Sow is a nonprofit organization that promotes environmental and social corporate responsibility through shareholder advocacy, coalition building, and innovative legal strategies. For more information visit www.asyousow.org.