



MLP & Energy Infrastructure Conference

May 23, 2018



ALLIANCE RESOURCE
PARTNERS, L.P.



ALLIANCE
HOLDINGS GP, L.P.

Forward-Looking Statements

This presentation contains forward-looking statements and information that are based on the beliefs of Alliance Resource Partners, L.P. and Alliance Holdings GP, L.P. (the “Partnerships”) and those of their respective general partners (the “General Partners”), as well as assumptions made by and information currently available to them. When used in this presentation, words such as “anticipate,” “project,” “expect,” “plan,” “goal,” “forecast,” “intend,” “could,” “believe,” “may,” and similar expressions and statements regarding the plans and objectives of the Partnerships for future operations, are intended to identify forward-looking statements. Actual results may differ materially from results contemplated by our forward-looking statements.

Any forward-looking statement in this presentation reflects the Partnerships’ and General Partners’ current views with respect to future events and is subject to these views and other risks, uncertainties and assumptions relating to our operations, operating results, growth strategy and liquidity. We urge you to carefully review the disclosures we make concerning risks and other factors that may affect our business and operating results, including those made under the heading “Risk Factors” in our Annual Reports on Form 10-K for the fiscal year ended December 31, 2017, as such risk factors may be amended, supplemented or superseded from time to time by other reports the Partnerships file with the SEC in the future. We caution you that any forward-looking statements in this presentation and the documents incorporated herein by reference are not guarantees of future performance and you should not place undue reliance on such statements or documents, which speak only as of the date on which they are made.

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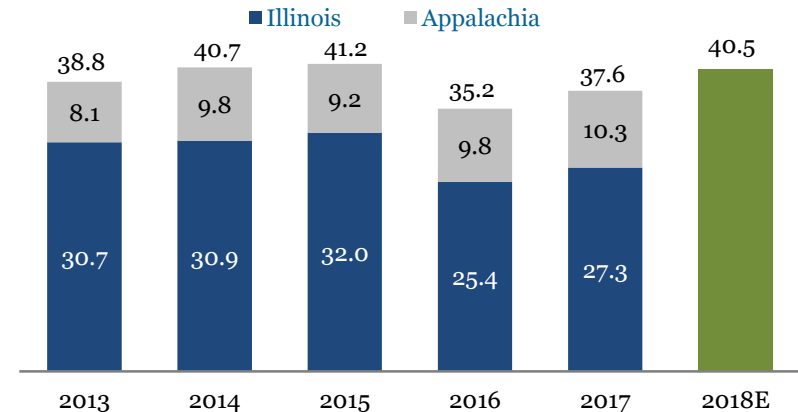


ARLP Company Overview

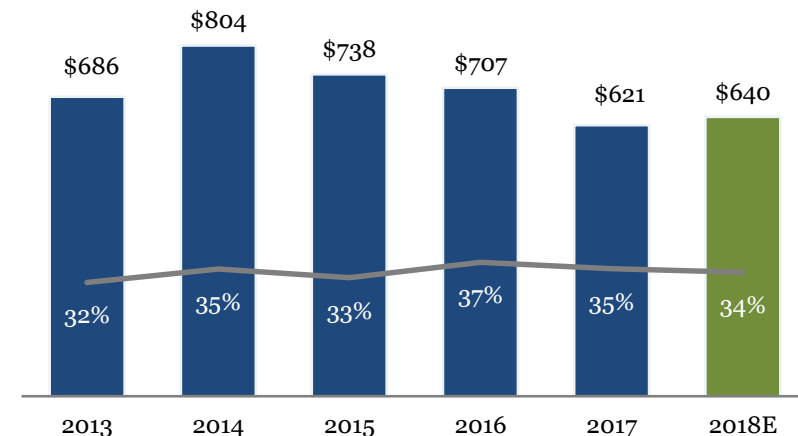
Company Overview

- Alliance Resource Partners, L.P. (ARLP) began operations in 1971. ARLP began trading on NASDAQ in 1999 as the coal industry's first publicly traded MLP and our general partner Alliance Holdings GP, L.P. (AHGP) began trading publicly in 2006.
- ARLP has grown to be the second largest coal producer in the eastern U.S., operating 8 underground mining complexes in the Illinois Basin and Appalachia and marketing thermal and metallurgical coal to domestic utilities, industrials and the growing international markets.
- Since 2014, ARLP has pursued opportunities in addition to coal and now generates income from investments in oil & gas royalties and natural gas compression services
- Alliance has a track record of success – consistently delivering strong operating and financial performance while maintaining a conservative balance sheet throughout market cycles.

Historical Production (mm tons)



Historical Adjusted EBITDA (\$mm) / margin



Source: Company filings; Note: Market data as of May 18, 2018



The Alliance Strategy for Success

Focus on:

- Cash flow generation
 - ❖ Low-cost operations
 - ❖ High-return organic development projects and investments
- Maintain strong balance sheet and liquidity

Capital Allocation Priorities:

- Invest to build and grow future cash flows over the long term
 - ❖ Coal Platform
 - Leverage off of existing operations to take advantage of market opportunities
 - Reopening the Gibson North mine
 - Potential new mine in East Kentucky
 - Disciplined acquisitions
 - ❖ Opportunities in Addition to Coal
 - Mineral interests and gas compression services - opportunistic investments expected to provide long-term, sustainable cash flow and/or attractive returns
 - Taken a “walk before you run” approach to date ultimately creating a more strategic growth platform in the future
- Return cash to unitholders
 - ❖ Currently via increasing cash distributions

A circular inset image showing coal miners in a dark tunnel, wearing blue hard hats and high-visibility orange and blue work clothes. They are standing near a conveyor belt system. The image is framed by several concentric, overlapping arcs in yellow and teal. The background of the entire slide is a dark, swirling, motion-blurred pattern.

Coal Platform



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Well Positioned Mines in Strategic Basins



ILLINOIS BASIN

current operations

1. GIBSON COMPLEX
 - 1A. GIBSON SOUTH
 - 1B. GIBSON NORTH -
Production to resume in 2018
2. HAMILTON COMPLEX
3. RIVER VIEW COMPLEX
4. DOTIKI COMPLEX
5. WARRIOR COMPLEX



APPALACHIA

current operations

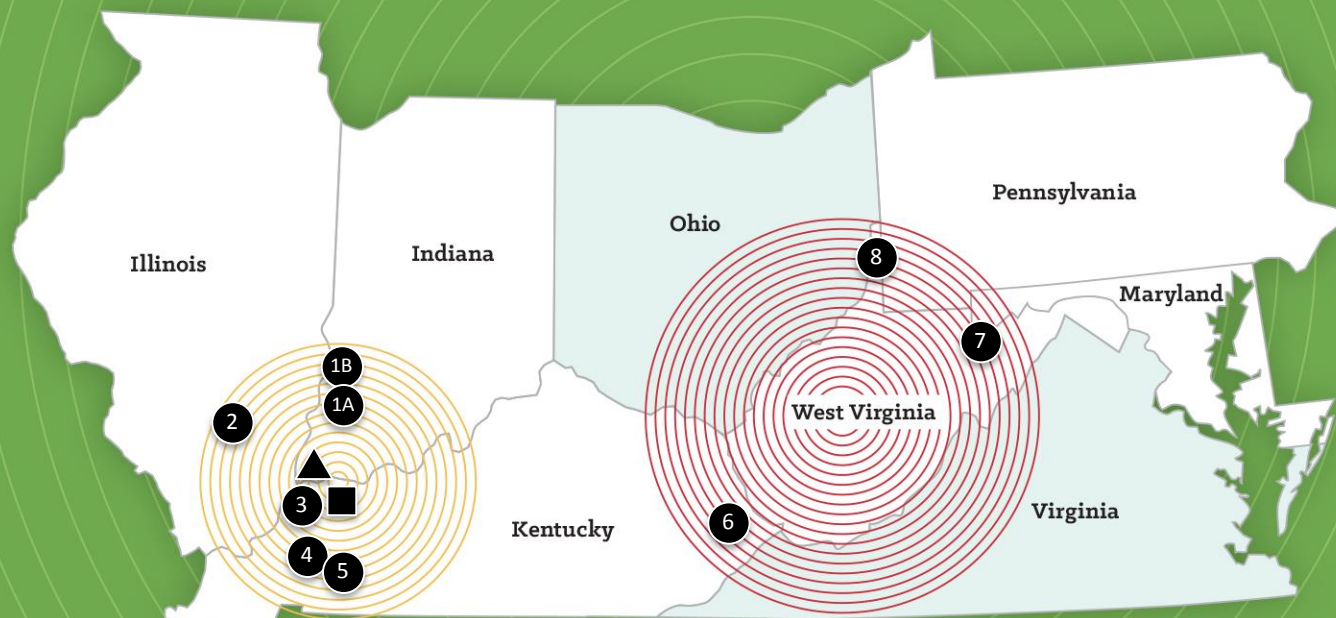
6. MC MINING COMPLEX
7. METTIKI COMPLEX
8. TUNNEL RIDGE COMPLEX



MOUNT VERNON TRANSFER
TERMINAL

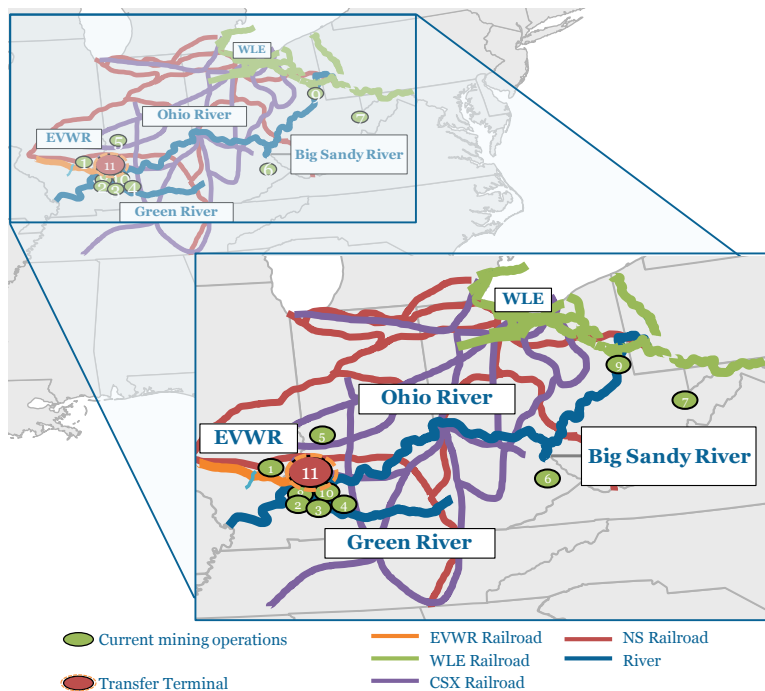


HENDERSON/UNION RESERVES



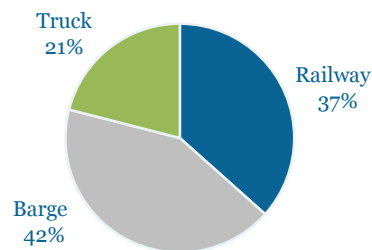
Multiple Transportation Options

Illinois and NAPP assets and logistics



In 2017, the largest volume transporter of coal shipments was the CSX railroad which moved ~26% of total tonnage

2017 logistical mix



Key logistical connectivity options

Mine complex	Railway					River/ Barge	Truck	Barge access via rail/ Truck
	CSX	NS	PAL	EVWR	WLE			
Dotiki	✓	✓	✓	-	-	-	✓	✓
Gibson Complex	✓	✓	-	-	-	-	✓	✓
Hamilton	✓	✓	-	✓	-	-	✓	✓
River View	-	✓	-	-	-	✓	-	-
Warrior	✓	✓	✓	-	-	-	✓	✓
MC Mining	✓	-	-	-	-	-	✓	✓
Mountain View	✓	-	-	-	-	-	✓	-
Tunnel Ridge	✓	✓	-	-	✓	✓	-	-

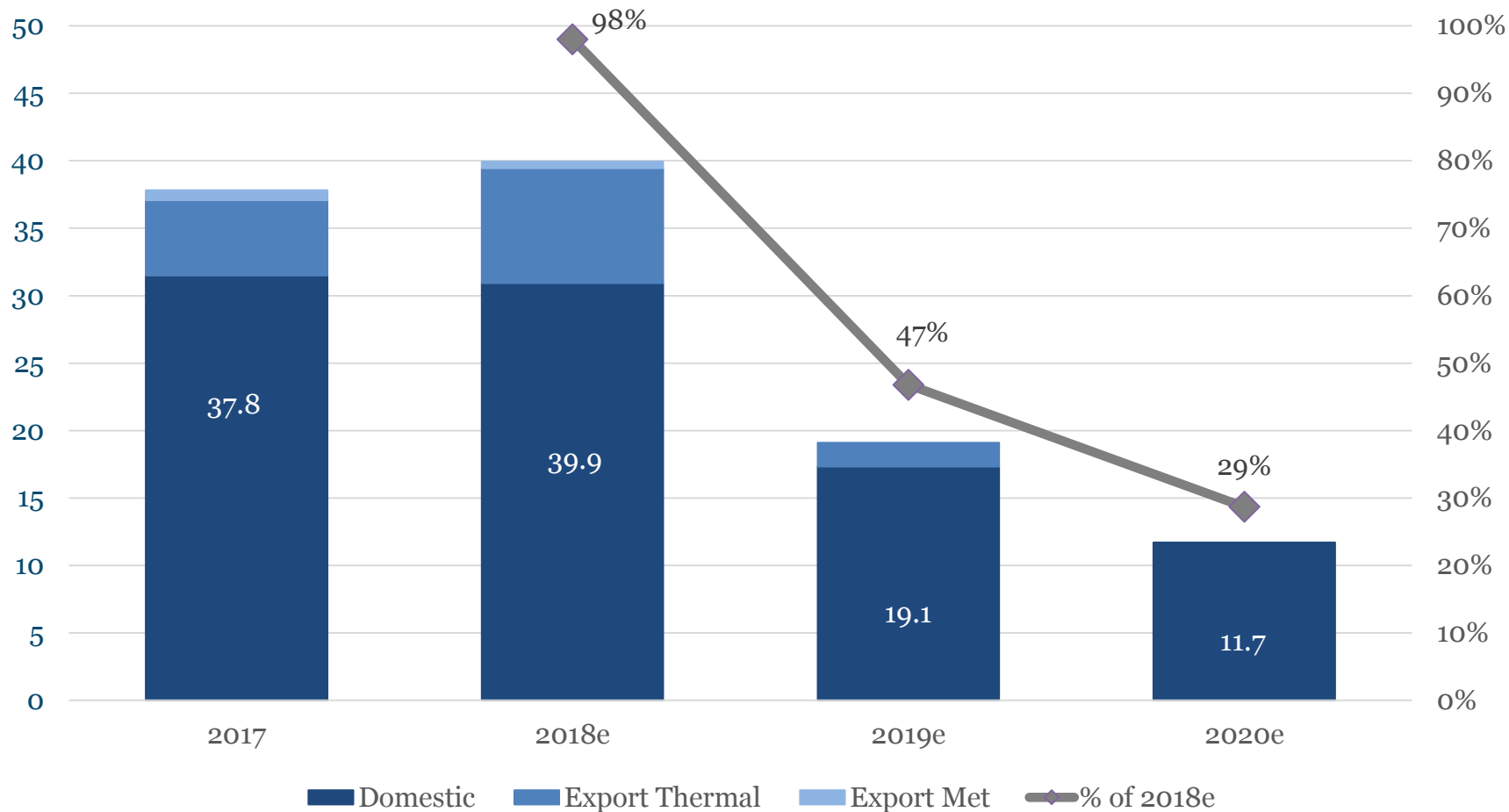
Source: Company website and filings; Note: CSX – CSX Corporation Transportation railroad, NS – Norfolk Southern railroad, PAL – Paducah & Louisville Railway railroad, EVWR – Evansville Western Railway railroad, WLE – Wheeling and Lake Erie Railway railroad

Diverse Product and Contract Offerings

- **Produce thermal and metallurgical coal for U.S. and international customers**
- **Wide range of coal specifications**
 - ❖ *Heat content – low, mid and high BTU products (11,000 to 12,500)*
 - ❖ *Sulfur – 1.5% to 3.0+%*
 - ❖ *Trace elements – low and high chlorine product*
- **Contract flexibility**
 - ❖ *Quality mix*
 - ❖ *Volume optionality*
 - ❖ *Multiple sourcing locations*

Sales Commitments

Alliance Committed and Priced Tons – May 2018

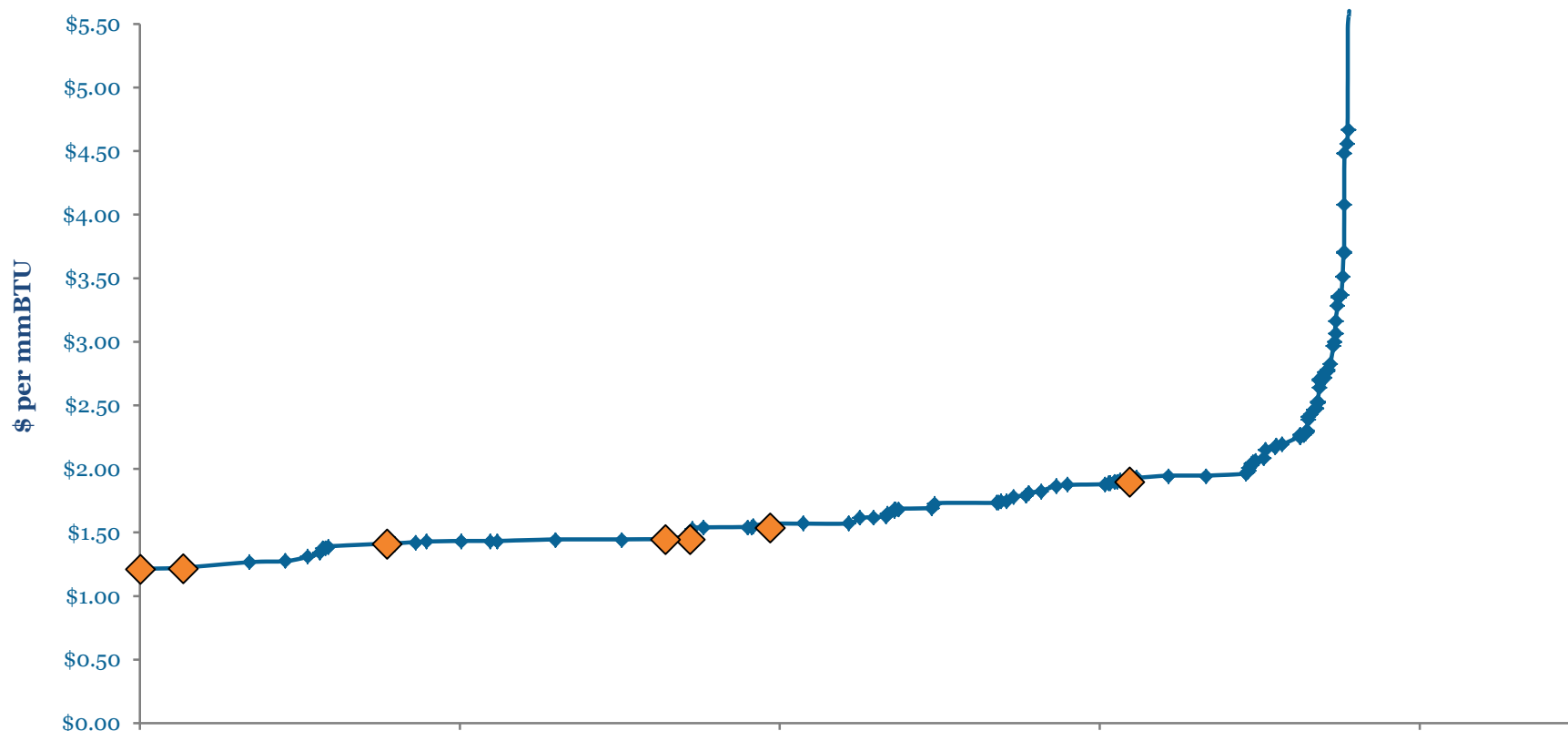


Note: 2018e – 2021e percentage based on midpoint of 1Q2018 guidance for tons sold



ARLP Low Cost Mines Attractive Both Domestically and Internationally

2018 Domestic Thermal Cost Curve—Total Costs (Opex + Capex) – ILB, NAPP, CAPP

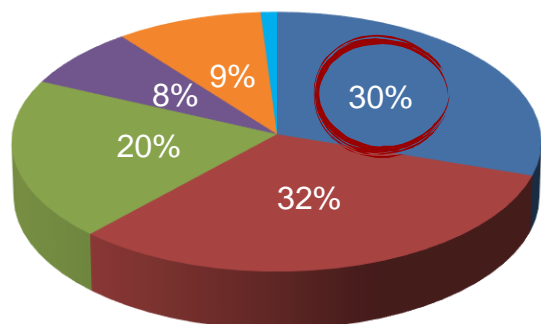


◆ ARLP Mines

Sources: CME Group May 26th, 2017 and Company Analysis

Coal's Share of America's Electricity Generation

U.S. Electricity Generation in 2017



- Coal
- Natural Gas
- Nuclear
- Wind & Solar
- Hydro & Other Renewables
- Other

Coal Production and Consumption

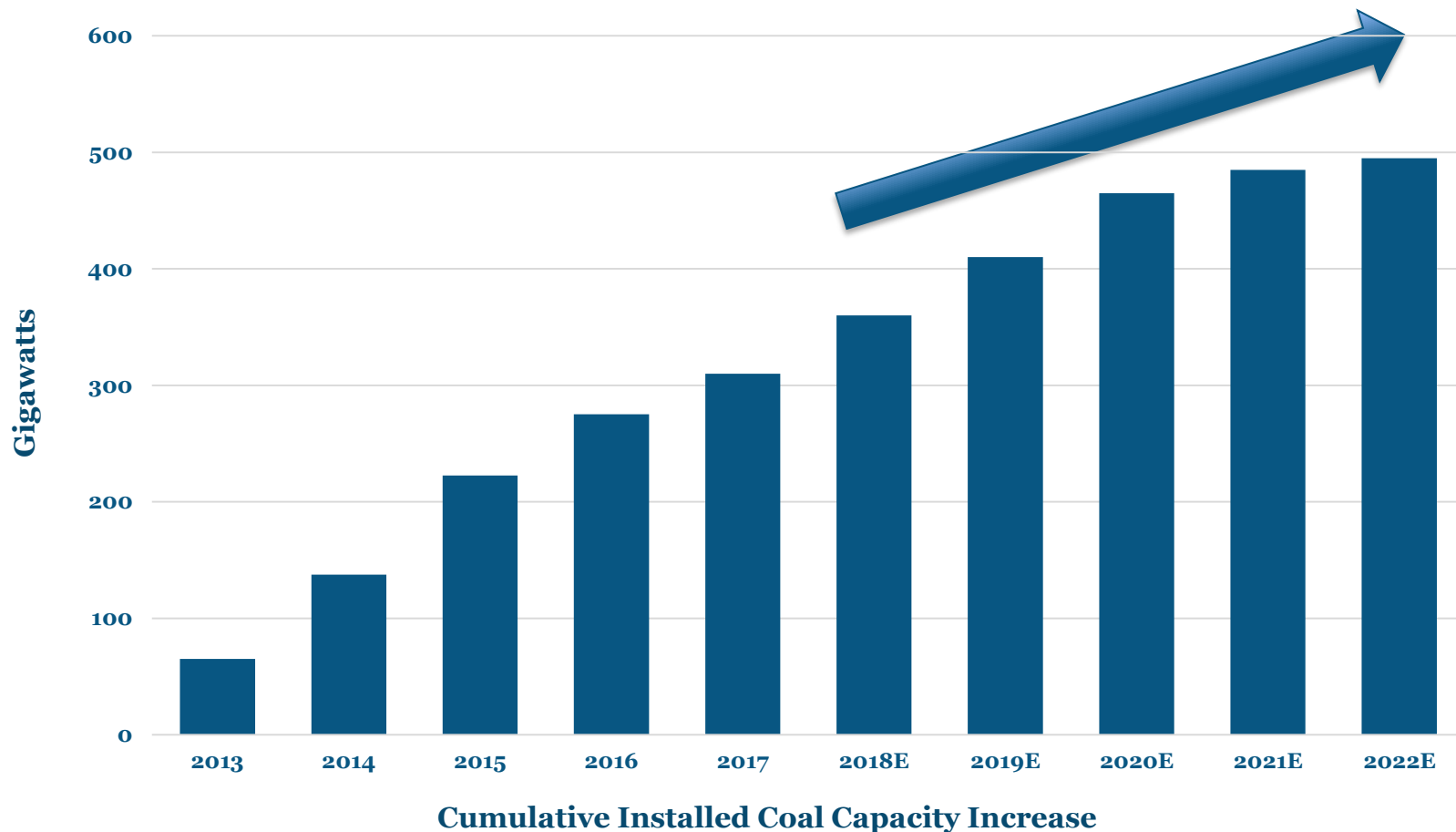
(Million Short Tons)	2016	2017	% Change	2018	% Change
Coal Production					
Appalachia	180.3	198.5	10.1%	173.2	-12.7%
Interior	144.1	145.4	0.9%	145.9	0.3%
Western	404.0	430.2	6.5%	432.0	0.4%
Total Production	728.4	774.1	6.3%	751.1	-3.0%
Coal Consumption					
Electric Power Sector	678.6	664.7	-2.0%	639.9	-3.7%
Industrial & Other	35.8	34.7	-3.0%	33.9	-2.4%
Domestic Met	16.5	17.5	6.1%	16.7	-4.6%
Total Domestic	730.9	717.0	-1.9%	690.5	-3.7%
Export Met	40.9	55.3	35.2%	55.1	-0.4%
Export Steam	19.3	41.7	116.1%	33.0	-20.9%
Total Export	60.2	97.0	61.1%	88.1	-9.2%
Total Consumption	791.1	814.0	2.9%	778.6	-4.3%

Coal remains a substantial source of U.S. electricity generation

Sources: EIA Short Term Energy Outlook (May 2018 release)

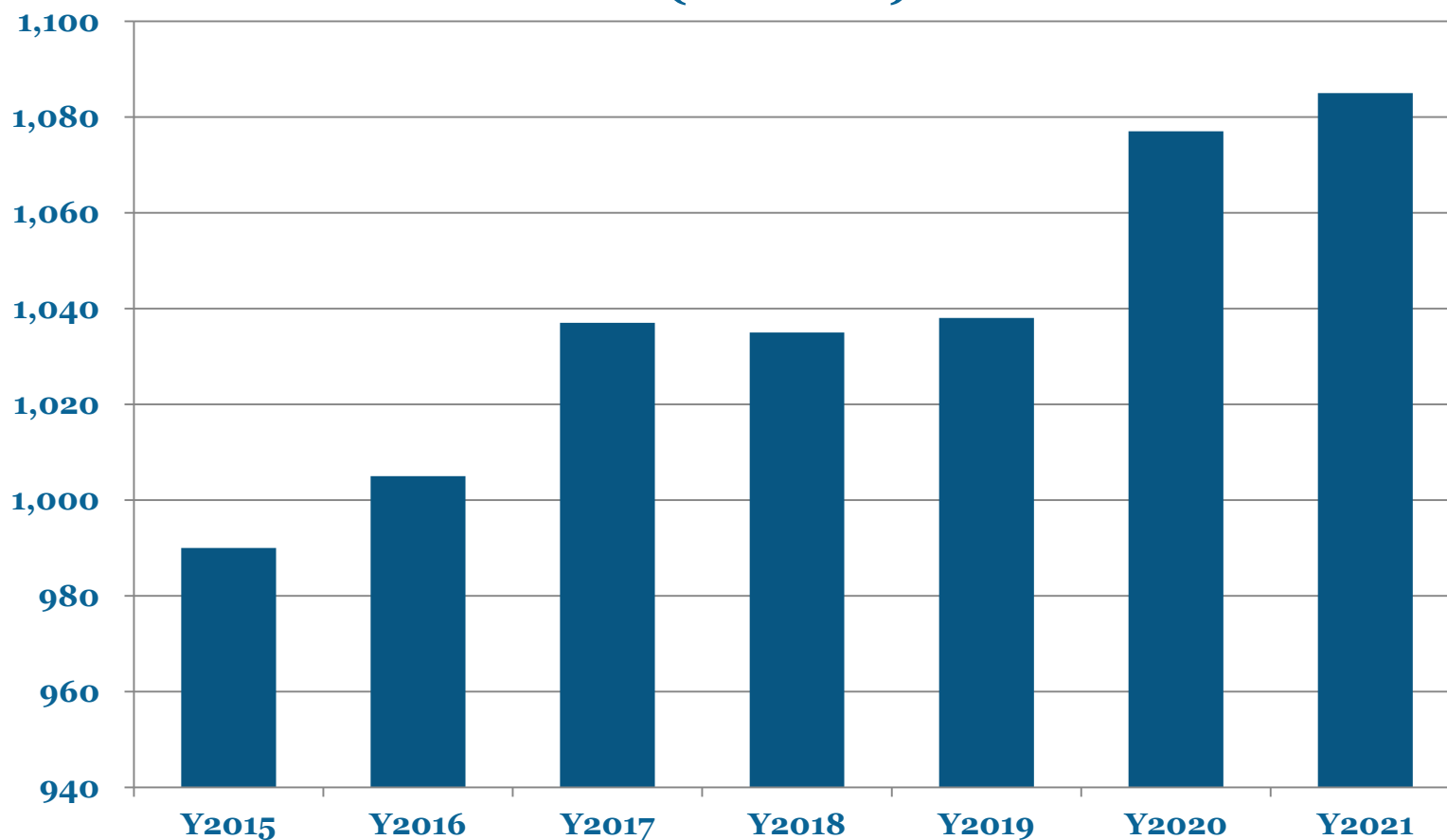


Global Installed Coal Capacity has Increased Significantly and is Set to Grow for the Next 5 Years...



Export Market Demand Outlook

World Seaborne Thermal Coal Demand (mm MT)

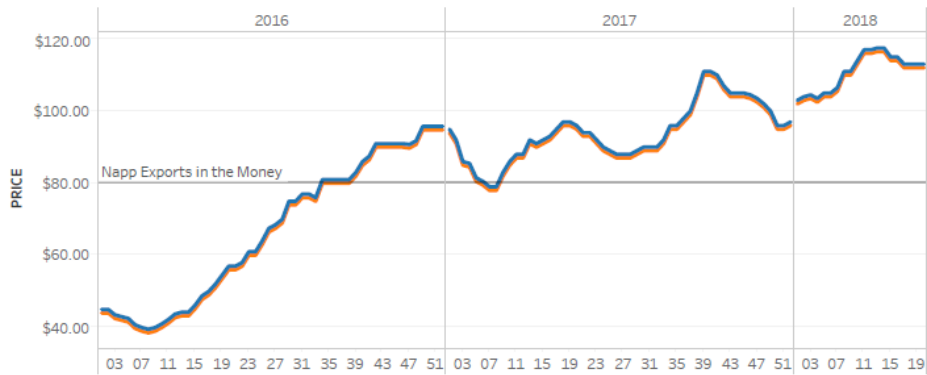


Sources: IHS Global MT

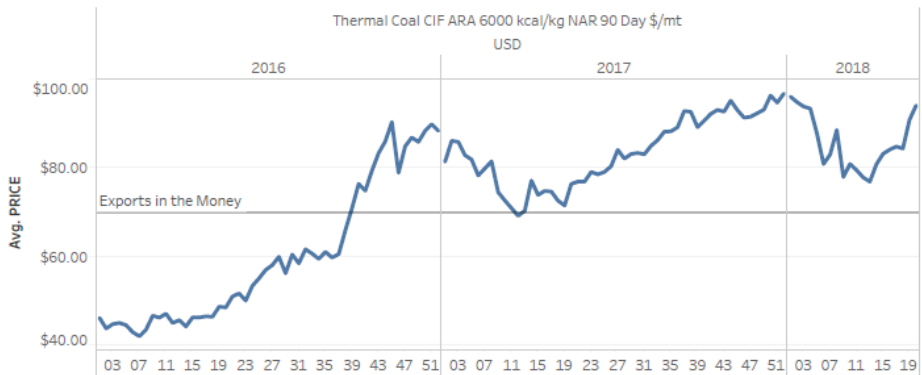


We Expect Pricing to Remain Constructive

India Petcoke - NAPP Export Proxy



ARA



Colombia



Richards Bay



Russia

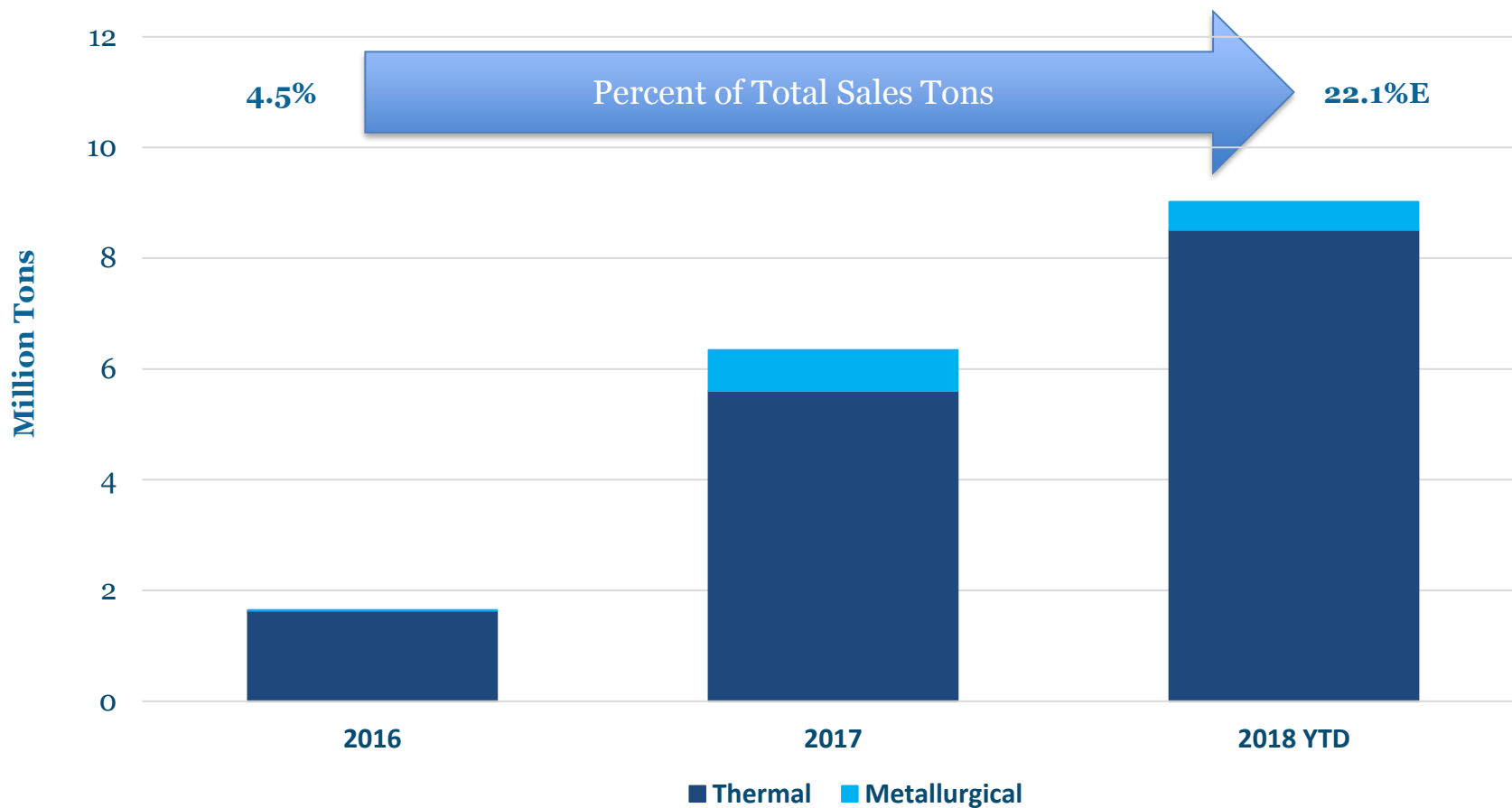


NEWC



Alliance Export Activity Has Increased Significantly

- *Growing from 4.5% of total sales volume in 2016 to approximately 22% in 2018*



Note: 2018e percentage based on midpoint of 1Q2018 guidance for committed sales Tons as of May 18, 2018





Platform Outside of Coal



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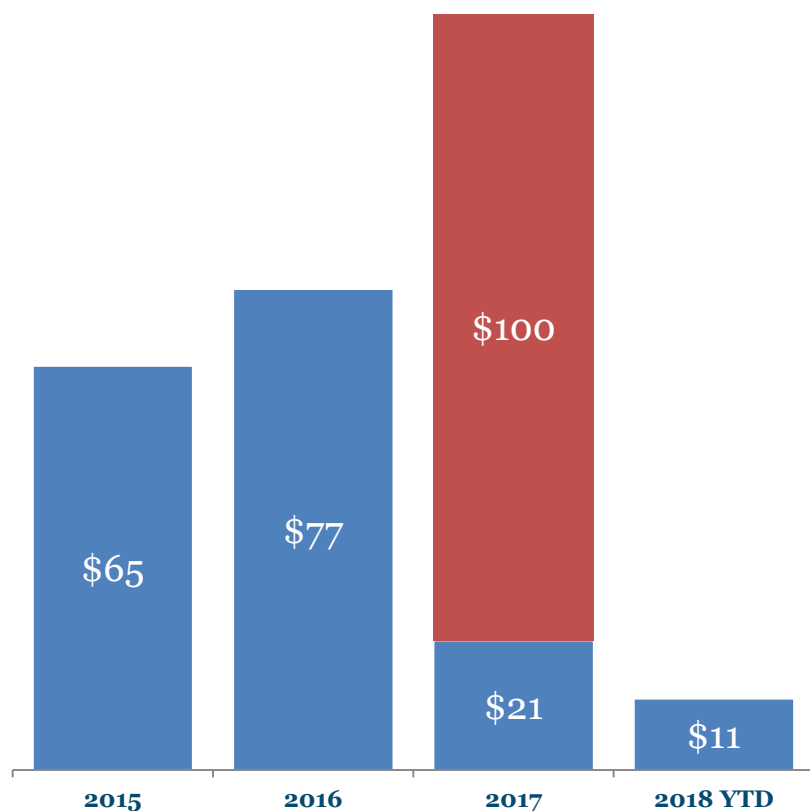


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Alliance Minerals / Kodiak Gas Services

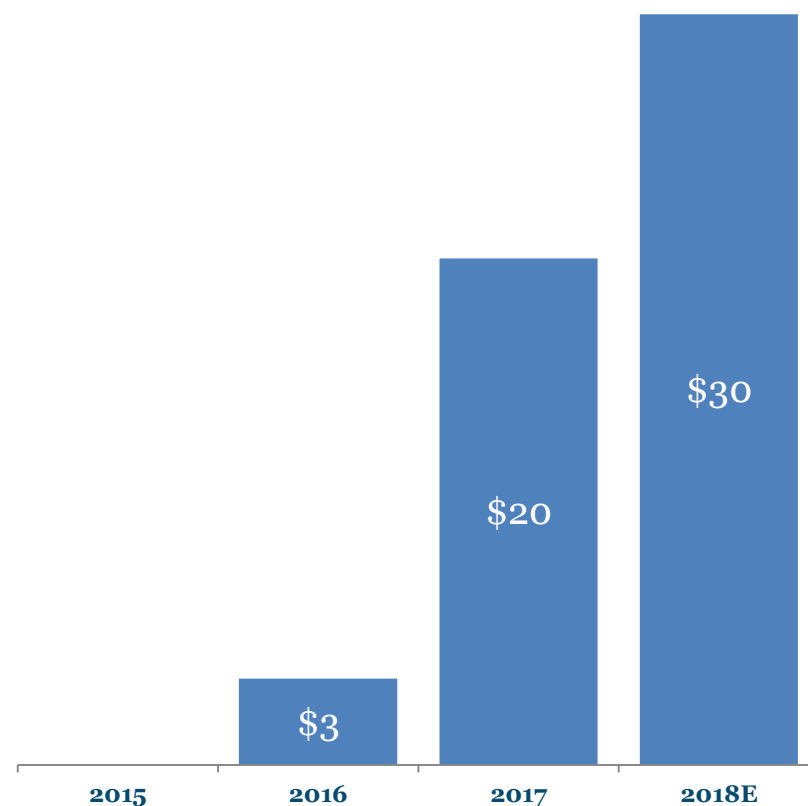
Capital Invested (\$mm)

■ AllDale ■ Kodiak



EBITDA Contribution (\$mm)

■ Minerals & Compression



Source: ARLP and ARLP Public Filings; 2018 estimated EBITDA contribution at midpoint of 1Q18 guidance



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Financial Strength



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Financial Strength

Stable, Long-Term, Conservative Balance Sheet

- Total debt/capital leases of \$506.3 million at end of 1Q2018
 - ❖ Revolving credit facility maintains \$461.3 million of capacity through May 2021
 - ❖ \$400 million, 7.5% senior unsecured notes maturing May 2025
- Ample liquidity of \$671.4 million at end of 1Q2018
- Total debt / capital leases decreased \$67.8 million during 1Q2018 reducing leverage to 0.86x

IDR Exchange / Simplification Transaction Enhances Capital Structure

- Elimination of IDR supports distribution growth and lower cost of equity capital
- Final simplification step
 - ❖ Expands public unit float
 - ❖ Improves ARLP trading liquidity
 - ❖ Broadens investor access and unit marketability
- 100% equity transaction maintains ARLP balance sheet strength and is expected to improve credit profile

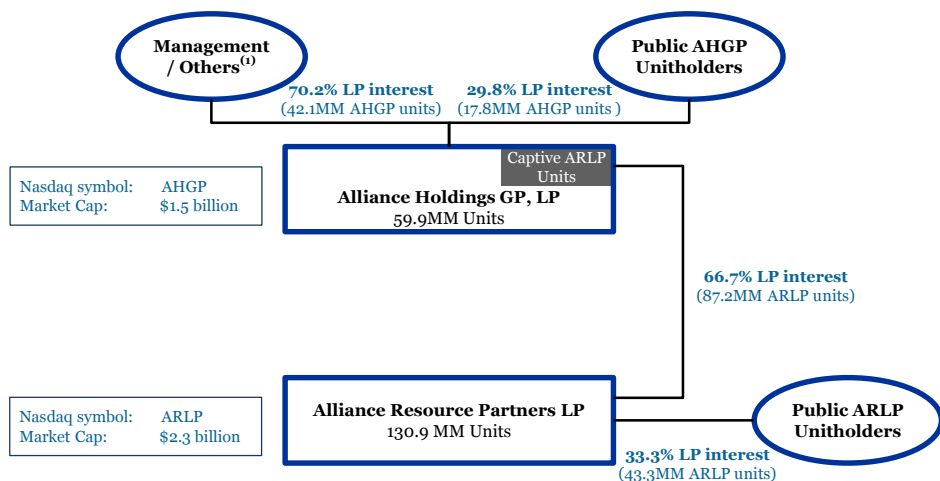
Simplified Structure Increases Flexibility

- Efficient equity capital market access supports pursuit of potential large-scale M&A opportunities
- Enhances options to reinvest strong future cash flows
 - ❖ Extension/expansion of core business in response to coal market opportunities
 - ❖ Long-term unitholder distribution growth
 - ❖ Ancillary investment opportunities

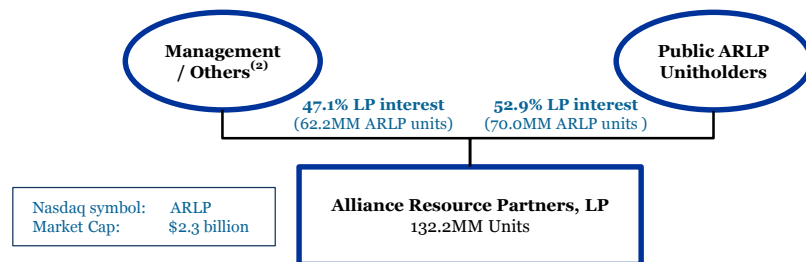


ARLP Simplification Plan

ARLP Current Structure



ARLP Final Simplification – Resulting Structure



Simplification Transaction:

- All ARLP common units held by AHGP and its subsidiaries are distributed to AHGP unitholders at a 1.478 ratio in exchange for their AHGP common units
- Result is that ARLP is the sole publicly traded partnership and AHGP becomes a wholly owned subsidiary of ARLP
- AHGP has received necessary consent from unitholders owning a majority of AHGP common units
- Transaction currently expected to close at the end of May 2018

⁽¹⁾Includes control group comprised of present members of Alliance management and others, all of whom are subject to a transfer restrictions agreement

⁽²⁾Includes control group comprised of present members of Alliance management and others





Alliance Investment Thesis



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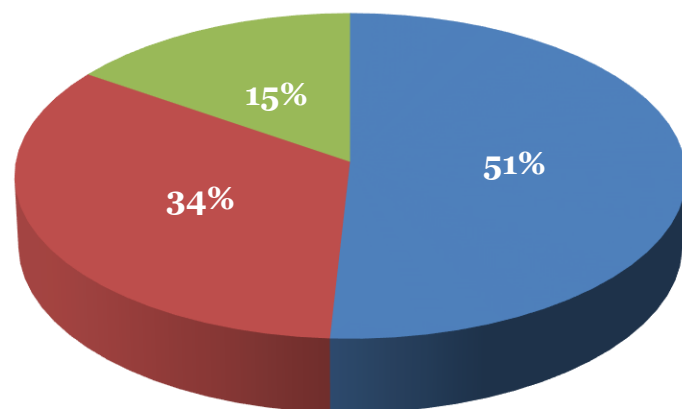
Anticipating Growth in 2018

\$mm	2017 Actual	Increased 2018 Guidance
Tons Sold (ooo's)	37,824	40,300 – 41,300
Tons Produced (ooo's)	37,609	40,000 – 41,000
Revenue ⁽¹⁾	\$1,711	\$1,870 - \$1,910
Net Income ⁽²⁾	\$304	\$405 - \$425
Adjusted EBITDA ⁽³⁾	\$621	\$610 - \$630
Oil & Gas Minerals / Compression Contribution	\$20	\$25 - \$35
Capital Expenditures	\$145	\$220 - \$240
Growth Capex / Investments	\$5 / \$127	\$17 / \$30
Coal Sales Price / Ton Sold	\$45.24	Slightly Higher
Seg Adj EBITDA Expense/ Ton	\$28.88	1.0% - 2.0% Higher
Seg Adj EBITDA / Ton	\$18.05	3.0% - 4.0% Lower
Distributable Cash Flow⁽³⁾	\$421	\$407.5
Distribution Coverage Ratio⁽³⁾	1.75x	1.47x



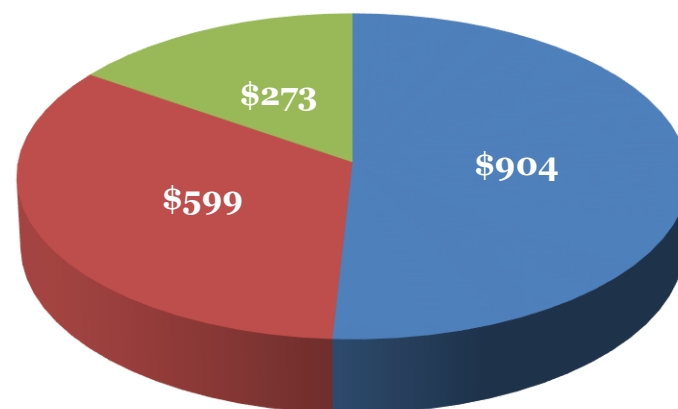
Capital Allocation: 2015 – YTD 2018

Total Capital Allocation (Percentage)



- Cash Returned to Unitholders
- Coal Platform - Cap Ex, Mine & Reserve Acq
- Minerals & Compression Investments

Total Capital Allocation (\$ Millions)



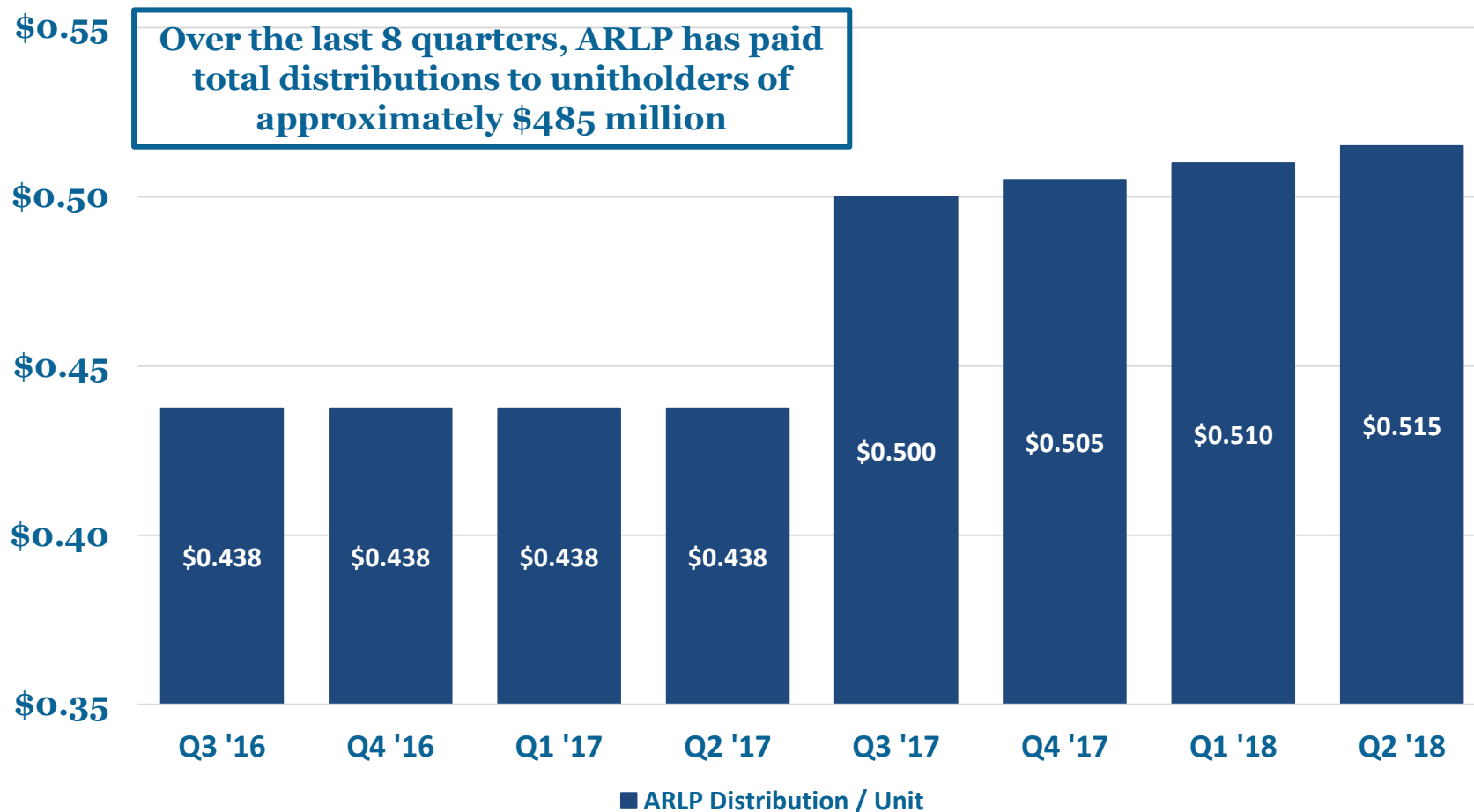
- Cash Returned to Unitholders
- Coal Platform - Cap Ex, Mine & Reserve Acq
- Minerals & Compression Investments

Sources: ARLP Public Filings



Cash Returned to Unitholders

Quarterly Distributions Paid / Unit

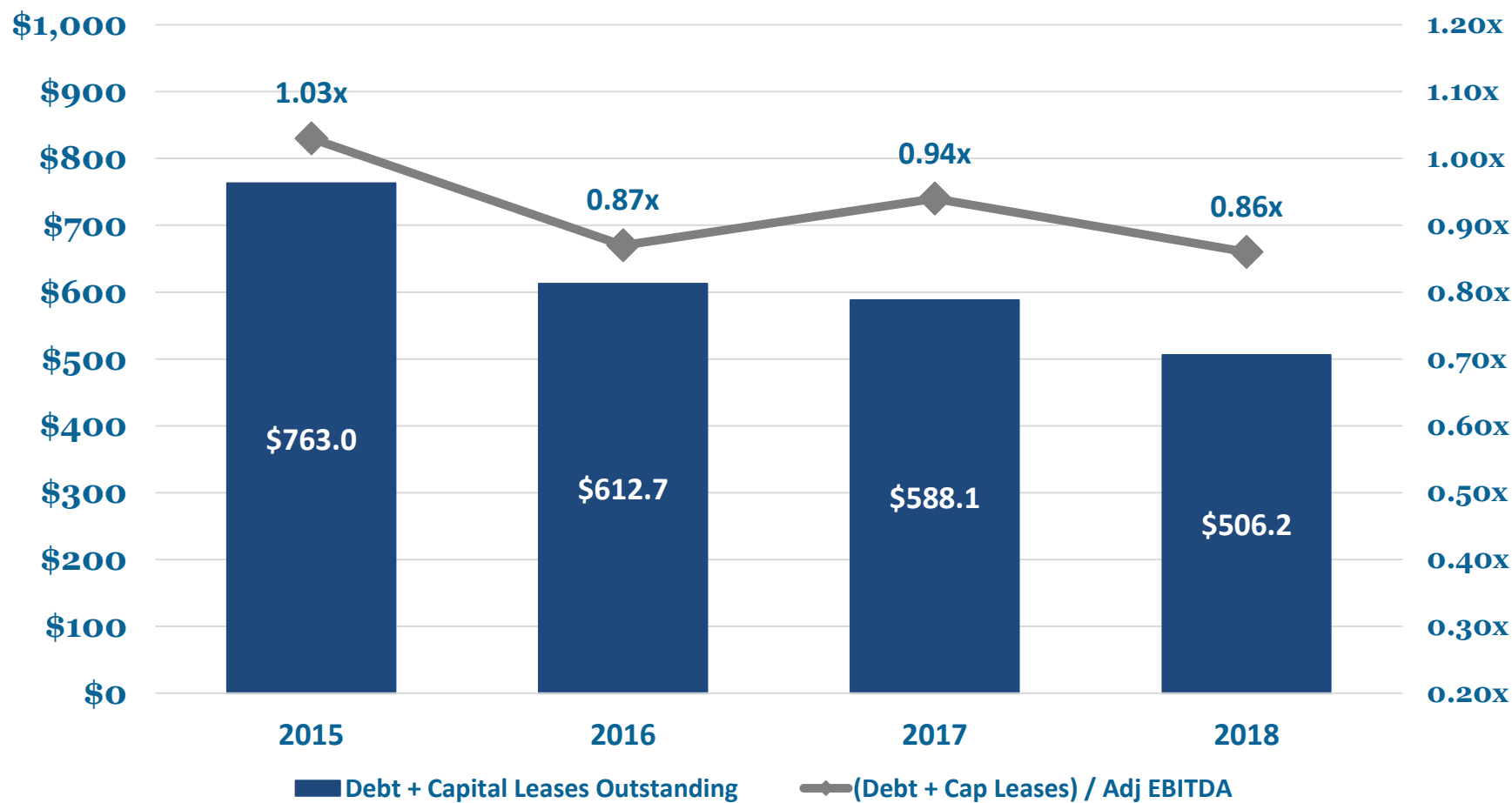


Source; ARLP Public Filings



Focus on Strong Balance Sheet

Debt + Capital Leases Outstanding (\$ Millions)



Source; ARLP Public Filings; leverage ratio reflects trailing 12 months Adj EBITDA



Why Alliance?

Clear strategy and focus on delivering long-term value to unitholders...

- **Strong cash flow generating platforms**
 - ❖ *Strategically-located, low-cost coal operations*
 - ❖ *Well positioned in domestic markets and growing export market demand*
 - ❖ *Growing contribution from oil & gas minerals and gas compression services*
- **Increasing cash returns to unitholders**
 - ❖ *Well covered unitholder distributions*
- **Financial strength**
 - ❖ *Stable, conservative balance sheet*
 - ❖ *Ample liquidity*
 - ❖ *Flexible capital market access*