

FRONTIER-KEMPER CONSTRUCTORS, INC.

CROSSCUT

Introducing the DHI 240,
Frontier-Kemper's Record Setting
Blind Drilling System

Frontier-Kemper Safety



Frontier-Kemper's Shop facility, located at the Headquarters Office in Evansville, Indiana.

The night of June 8th, 1917 began as did all others. In Butte, Montana, folks who had surface jobs began to settle in for the evening. However, due to the world's insatiable need for copper, a large percentage of the town's 14,500 miners were beginning their night shift. During this period of "high tide" in underground mining, the mountains surrounding, and the streets beneath Butte were honeycombed with all manner of drift, shaft, tunnel, and slope. As legend would have it, there wasn't a safe place to stand.

A crew had just been lowered into the Granite Mountain Shaft in order to inspect a power cable which had been tangled into the shaft timbers while being lowered on the previous shift. As the crew examined the cable, located near the 2,400 ft. level, a carbide miners lamp ignited the paraffin coated cable. Tragically, Granite Mountain was one of the best-ventilated mines of its day, which allowed the smoke and flames to spread quickly through its workings and into those of the connected Speculator Mine. The result was our nation's worst hard-rock mining disaster – 186 miners perished.

The need for copper continued, and the Granite Mountain and Speculator Mines reopened. They both operated in various stages until the end of underground mining in Butte during the mid-1980's. As mining structures were disassembled, the hoist house from the Speculator Mine found a new home – it became the main shop facility in Evansville, Indiana, for Frontier-Kemper Constructors, Inc.

It is fitting that a structure with such ties to the past, provides support for the equipment used to construct new mines, and install emergency facilities such as shafts, raises, and hoisting systems to protect underground miners.

"Safety First, Last and Always"

George W. Zugel, CMSP
Corporate Safety Director

FKCI Welcomes New President & CEO



Dave Rogstad, former Senior Vice President & Chief Operating Officer, was named Frontier-Kemper's President and Chief Executive Officer on July 4, 2008. Dave brings numerous years of experience in the heavy civil and mining construction industries. His passion for expanding the business into new markets combined with his pragmatic approach to performing the work made Dave the clear choice to fill the position vacated by Rip at his retirement in July.

Dave joined Frontier-Kemper in late 1995 as an Estimator at the Evansville Headquarters Office. In October 2004, Dave was elected Vice-President & Chief Operating Officer, and transferred to the Northwest Division Office. In late March 2007, Dave was promoted to Senior Vice President and Chief Operating Officer and was transferred back to the Evansville Headquarters Office, where he worked under this title until being selected as the FKCI's commander in chief.

Prior to joining FKCI, Dave received his Bachelor Degree in Building Construction from the University of Washington, in 1979. From 1979 through 1981, Dave worked for Genstar Construction in Bellevue, Washington. Later in 1981, he joined S.J. Groves & Sons Company and worked as an Engineer on lock, dam, and bridge projects on the Mississippi and Saginaw Rivers. He worked in Alaska from 1985 through 1991, first as a Project Engineer and then as a Project Manager for Enserch Constructors, Inc. on the Bradley Lake Hydro Project. Afterward, Dave became Project Manager for S.A. Healy Co.'s Dallas Area Rapid Transit NC-1B Project, which involved 35,000 LF of rail tunnel and related structures. Dave went on to earn his MBA at the University of Washington in 2001.

With nearly 30 years of experience in the heavy civil and mining construction industries, Dave certainly has the experience to lead Frontier-Kemper – but it's his determination, dedication, and love of the work that makes everyone at FKCI excited about working with him. We look forward to continue our history of excellence under Dave's leadership.

Congratulations and good luck Dave!



Above: Dave speaks at Rip's Retirement Ceremony.

Right: Dave presents Del Brock, former Blind Drilling Department Manager, with his retirement gift at the 2008 FKCI Christmas Party.



DHI 240 Takes FKCI to New Heights

In the summer of 2007, Frontier-Kemper Constructors, Inc. made the decision to enter the Blind Drilling market; not only to serve the mining industry, but to also provide services for the heavy civil industry. To support this market, Frontier-Kemper, in a joint agreement with Wirth and ACI, have designed and fabricated a 240-ton blind drilling rig, the DHI-240. This rig, in its current configuration, will be capable of drilling a 14 ft. diameter shaft to a depth in excess of 1,000 ft.

The second quarter of 2008 was quite busy for many employees at the Evansville Headquarters Office and Shop/Yard Facilities. In June of 2008, the Evansville Shop, along with the support of Frontier-Kemper's Engineering Department and Drilling Division, took part in the set-up and testing of FKCI's new DHI-240 Blind Drilling System. As a foundation for this assembly, Evansville Shop employees along with the help of Ron Joyce, Eric Joyce, and Tim Dye from the Vent Shaft No. 11 Project (FKCI Job No. 05.05), placed concrete for the blind drill test pad just outside of Frontier-Kemper's paint shop. It was an effort months in the making, with the generous reward of seeing the finished product standing tall in all of its glory.

Many readers might be wondering what exactly blind drilling is. How does it work? When would it be appropriate to utilize blind drilling methods over conventional methods? What are the benefits? First, it is vital to understand how blind drilling compares to our typical shaft construction methods.

Raise boring a shaft, which is generally fast and technically sound, requires access to the planned shaft bottom to connect the reamer head to the drill rod and remove the cuttings. Conventional shaft sinking does not require bottom access but can be schedule intensive. In comparison, blind shaft drilling does not require bottom access and, depending upon geological conditions, is often comparable to raise boring in terms of the time needed to perform a project. In addition, blind shaft drilling can be a cost effective alternative to conventional sinking methods.

Blind Drilling, by definition, is the mechanical excavation of a shaft from the surface using a large drill rig. "Blind" means that there is no



This group photo displays the massiveness of Frontier-Kemper's new drill rig.



The DHI 240 is stood for the first time at the Evansville yard in late June.



FKCI's Blind Drilling crew works on preparations for raising the DHI 240's mast at the Oaktown Shafts Project (FKCI Job No. 08.17) in late December.

opening (mine or tunnel) at the bottom of the constructed shaft. Virtually all construction work is performed on the surface so that no underground work is required. Rolling cutters fracture the rock, and the loose cuttings are washed or vacuumed to the surface in a column of water. Thrust for advancing the cutterhead is applied by using "dead weight" when blind drilling, whereas in the raise bore method, thrust is applied to the cutterhead via large diameter hydraulic cylinders located on the drill rig at the surface.

The creation of the Frontier-Kemper's DHI-240 involved the design and fabrication of several components. Wirth/ACI assisted in the design and fabrication of the drill rig's drill collars, upper stabilizer, lower stabilizer, cutterhead, rotary table, traveling block, crossover assembly, swivel, and Kelly bar, while FKCI took the responsibility of the mast, headworks, and the sliding platform. Throughout late 2007 and early 2008, components were shipped to FKCI's Shop and Yard facilities from Wirth's fabrication shop in Germany.

In October 2008, FKCI was awarded its first blind drilled shaft contract from Black Panther Mining LLC. The Return Shaft will be constructed at Black Panther's Oaktown Fuels Mine No. 1 and

will be drilled to a diameter of 20 ft. and then concrete lined to a finished diameter of 18 ft. The final depth of the shaft will be 350 VF. As of mid-December 2008, the site has been mobilized and work is rapidly progressing.

The result of Frontier-Kemper's entry into the blind shaft drilling market will be the availability of an additional option to owners when schedule and geological conditions warrant an alternative to conventional shaft sinking or raise boring methods. Frontier-Kemper has always been committed to providing cost-effective, technologically advanced solutions to owners in the mining and heavy civil industries. We are now capable of performing every shaft construction method available. Thanks to everyone that made the creation of our blind drilling division a reality. It is this kind of teamwork that makes Frontier-Kemper live up to the words of our motto - "Excellence in Underground and Heavy Civil Construction."



So long, Chief!



Rip poses for a photo with his family after his retirement party.

Since July, it's been relatively quite at the Evansville Headquarters office. No longer can the sound of heavy footsteps be heard stomping rapidly down the office hallways. The sound of these footsteps came from a pair of cowboy boots belonging to Mr. Galyn "Rip" Rippentrop, FKCI's former President & CEO. Of course, Rip never stomped his way down the hallways of Frontier-Kemper out of anger or panic – he was simply a man on a mission.

Rip graduated from the South Dakota School of Mines and Technology in 1974 with a Bachelor's Degree in Civil Engineering. From there, Rip quickly dove into the "work world" by working at various civil and mining underground excavation projects between 1974 and 1975. In 1976, Rip landed a position at Peter Kiewit Sons, Inc. (PKS) in Omaha, Nebraska as a Project Engineer. Between 1978 and 1999, Rip worked with PKS as a Construction Manager, Project Manager, Area Tunnel Manager, and Project Executive, until finding his way to Frontier-Kemper in December of 1999, where he claimed the title of President & CEO.

During his time at FKCI, Rip became known for



Rip visits the Bluefield Coal Show.

his extreme dedication to quality work and the Underground Construction Industry as a whole. Working long hours and many, many weekends, Rip had always made maintaining Frontier-Kemper's renown his number one priority. Anyone who began to work on a project with Rip immediately knew they were in for the "long haul", but were comfortable knowing that they were working alongside such an intelligent and respected individual in the Industry.

Even more interesting than Rip's work habits was his own personality. Whenever Rip needed something done, he always went about asking for it in a kind and compassionate manner, addressing most of his male co-worker's as "chief." Whenever Rip couldn't be found crunching numbers in Accounting, discussing near-term bidding opportunities in Estimating, or returning a myriad of missed phone calls in his office, he could most likely be found standing outside on the second floor fire escape taking a short smoke break (usually while discussing business on his BlackBerry). Rip's phone calls to our New York Division Office would usually kick off with a five-minute discussion regarding the Yankee's current season. On summer weekends, Rip could be found working in the Executive Conference room sporting a Nike T-shirt, swim trunks, and flip-flops. Rip certainly meant business, but his likable personality made him quite easy to work with.

In the early winter months of 2008, Rip determined that it was time to take a much-deserved vacation - retirement. In his official e-mail announcement to employees, Rip said "It is hard to believe over eight years have passed since I joined FKCI. We are all familiar with the old saying 'Time flies when your having fun.' In my case, this has certainly been true. Even during the period when times were really tough, I cannot put into words the gratitude and appreciation I felt watching everyone pull together and show their determination



Rip discusses the use of Eimco Muckers with an employee of the Twentymile Coal Project.

to survive and create an even stronger company." For the time being, Rip will remain a member of FKCI's Board of Directors and will continue to support Dave Rogstad, FKCI's new President and CEO, and the Company as a consultant.

In recognition of Rip's retirement, a retirement party was held on Tuesday, July 1, 2008 at the Aztar Executive Conference Center in Evansville, Indiana. Over 200 guests were in attendance, including industry friends, colleagues, and family members. Guest speakers included Dave Klug of David R. Klug and Associates, Jochen Greinacher of Deilmann-Haniel International, Ron Kurta and Tom Clemens of ACI, Tom DeLuca and Bob Baldwin of Travelers, and many others. It was a fun filled evening packed with laughter, memories, and best wishes.

Rip's primary goal for the remainder of 2008 is to enjoy time with his family and grandchildren in South Dakota. FKCI would like to thank Rip for his tremendous service, and we wish him a relaxing retirement.



Rip welcomes attendees to the 2006 Supervisory Conference.

News and Events



Above (From Left): Jenny (Todd's sister), Mike Alm, and Marcus Jessee.



Above: 2008 Supervisory Conference attendees gather for a group photo before a dinner cruise.



Above: Petrified wood discovered at the Ballinger Way Shaft during excavation.

Todd Richardson Scholarship Awarded

On May 29, 2008, Marcus Jessee, a graduating senior of Richlands High School (RHS) in Richlands, VA, was awarded the first Christopher Todd Richardson Memorial Scholarship. The scholarship fund was created in memory of Todd Richardson, a long-time employee and friend of Frontier-Kemper's; having served in many capacities over his 15 year career with the company. The scholarship fund was created to help off-set the cost of college for exemplary students who share the same kind of positive outlook and unwavering commitment to excellence that Todd so greatly displayed throughout his career and personal life. While attending RHS, Marcus was a member of many organizations including Future Farmers of America and Future Business Leaders of America. Marcus is currently attending Radford University in Radford, VA, and is majoring in Geology. Marcus has a strong interest in the Energy and Natural Resources Industries as well as the Mining Industry. On hand for the award was Todd's immediate family and Mike Alm, FKCI Director of Cost Management and a close friend of Todd's. Congratulations Marcus, we wish you the best of luck in your future endeavors!

2008 Supervisory Conference Held

The 2008 FKCI Supervisory Conference was held October 2-4, 2008 in Seattle, Washington. This year's theme was "Operational Excellence," which stressed the quality of FKCI's Operations and our ability to overcome many obstacles. Over 50 FKCI employees, joint venture staff, and guests attended the annual meeting. Close to twenty attendees gave presentations, most of which consisted of current FKCI project case studies. Other conference events included an evening dinner cruise and a visit to the Brightwater Tunnel Project. Thanks to all attendees for a successful, informational, and productive conference. See you next year!

Petrified Wood Found at Brightwater

A small piece of petrified wood was recently discovered roughly 180 ft. below

surface during the excavation of the Ballinger Way Shaft at the Brightwater Tunnel Project in Seattle, Washington. Jim Nickerson, Estimator/Project Manager at the Northwest Division Office, sent the wood off to be analyzed by a professional. Based on the findings, it was determined that the piece of petrified cedar is most likely between 30,000 and 90,000 years old. The specimen can be seen in the display case in the lobby of the Evansville Headquarters Office.

FKCI Volunteers Get Involved

Evansville Headquarters employees put their Frontier-Kemper Volunteer shirts on once again - this time to help out with the Habitat for Humanity Home Building Blitz. The event took place on Saturday, October 11, and saw a great turnout of several FKCI employees. Activities included framing, landscaping, siding, roofing, and various other home building tasks. Excellent work participants, and thanks for your commitment to help those in need!

FKCI Exhibits at MINExpo International

The 2008 MINExpo International Trade Show was held September 22-24, in Las Vegas, NV. Frontier-Kemper's booth was swarming with potential clients and interested passersby. Within FKCI's booth were representatives from Frontier-Kemper's Mining, Drilling, and Lake Shore divisions. FKCI booth staff included Jim Brendel, Rob Brown, Roger Cherry, Shawn Collins, Steve Crewdson, Ron Hart, Jose Montoya, Andrew Shumate, and Alan Zeni. A representative from Deilmann-Haniel Mining Systems and Shaft Sinking, Andreas Guse, was also on hand. The three day event saw a tremendous turnout and proved to be greatly beneficial to Frontier-Kemper's future in the Mining industry.

Recognition and Announcements

Years of Service:

Ron Hart, Manager of Electrical Services at the EVV Headquarters Office, celebrated thirty years of service on 04/10/08.

Gary Trout, Shop Yardman in the EVV Shop, celebrated thirty years of service on 04/10/08.

John A. Rhodes, Hoist Operator at the River View Shaft & Slope Project, celebrated fifteen years of service on 04/28/08.

Ron Joyce, Superintendent at the Vent Shaft No. 11 Project, celebrated ten years of service on 05/11/08.

Chuck McGlothlen, Chief Financial Officer at the EVV Headquarters Office, celebrated five years of service on 5/12/08.

Curt Wolfe, RBM Operator at the Doe Run Vent Shafts Project, celebrated twenty-five years of service on 7/14/08.

Tim Wargel, Yard Foreman at the EVV Shop, celebrated fifteen years of service on 7/26/08.

Jerry Tuley, CAD Designer at the EVV Headquarters Office, celebrated fifteen years of service on 8/30/08.

Jarrod Cannon, RBM Operator, celebrated five years of service on 10/21/08.

Vinny Sambrato, Vice President of the Northeast Division, celebrated fifteen years of service on 12/06/08.

Ray Hashimee, Field Engineer at the Brightwater Tunnel Project, celebrated five years of service on 12/08/08.

Terry Yokota, Contract Engineer at the Brightwater Tunnel Project, celebrated five years of service on 12/08/08.

Rich Raab, President of the Northeast Division, celebrated fifteen years of service on 12/20/08.

Future Miners:

Congratulations to Tony Jones, Logistics/Traffic Coordinator at the EVV Headquarters Office and his wife, Reagan, on the adoption of their daughter, Maya Davis, on 04/24/08.

Congratulations to Matthew Grimes, Field Foreman at the FKC-Lake Shore Division and his wife, Leslie, on the birth of their daughter, Gavin, on 6/20/08.

Congratulations to Michael Watson, Welder at the EVV Shop, and his wife, Kristina, on the birth of their son, Evan, on 8/27/08.

Congratulations to Dan Rathmann, Mechanic at the EVV Shop, and his wife, Ronda, on the birth of their son, Wyatt, on 8/29/08.

Congratulations to Matthew Justice, Miner I at the EVV Headquarters Office, and his wife, Kimberly, on the birth of their son, Dominick, on 9/3/08.

Congratulations to Jesse Schneider, Assistant Plant Manager/Field Engineer at the Detroit River Outfall Project, and his wife, Ashley, on the birth of their son, Jayden, on 9/10/08.

Marriages:

Congratulations to Derek Williams, Miner III at the River View Shaft & Slope Project and his bride, Amanda, on their recent marriage on 04/04/08.

Congratulations to Jon Kraynak, Graphic Communications Designer at the EVV Headquarters Office and his bride, Laura, on their recent marriage on 4/26/08.

Congratulations to Andrew Schmitt, Mechanic at the EVV Shop and his bride, Valerie, on their recent marriage on 06/14/08.

Marriages (Continued):

Congratulations to Justin Bohleber, Skilled Laborer at the EVV Shop and his bride, Ashley, on their recent marriage on 6/6/08.

Congratulations to Eugene Williams, Parts Runner at the Vent Shaft No. 11 Project and his bride, Patty, on their recent marriage on 06/30/08.

Congratulations to Darrell Todd, Jr., Mucker Operator at the River View Shaft & Slope Project, and his bride, Samantha, on their recent marriage on 10/08/08.

Congratulations to Nicholas Hedrick, Field Laborer for the FKC-Lake Shore Division, and his bride, Ashley, on their recent marriage on 10/10/08.

Congratulations to Chris Ellington, CAD Designer for the FKC-Lake Shore Division, and his bride, Teresa, on their recent marriage on 12/13/08.

Project Updates As of December 2008

00.10 Interim Plant Upgrade FKCI/Durr/Perini Joint Venture

The additional testing of Pump No. 1 requested by the NYC DEP was completed in July 2007 and the JV has received Article 17, Occupation or Use Prior to Completion from the City on September 30, 2008, which stated the acceptance of LLP#1 as of July 23, 2008. In addition, the JV has requested Substantial Completion in August 2008. Major items of work remaining to be completed include: Demolition, installation, testing, and acceptance of LLMSP#2 and associated piping and valves; Completion of the Boiler Wing including the completion of gratings and miscellaneous punch list items; and miscellaneous jobsite punch list items and clean up.

04.09 NYC DEP City Tunnel 3, Stage 2 Schivone/Shea/FKCI Joint Venture

Tunnel work was completed in November and Shaft 26B was turned over to J. P. Picone on December 2. Picone is currently working at four additional sites and should be completed with all concrete and backfilling by April 2009 except for Shaft 26B, where work will continue until December 2009. The Joint Venture is currently restoring four shaft sites and dismantling the main site at 26B. As Picone completes the other site, the Joint Venture will continue restoration. The restoration of all shafts except for 26B should be complete by May 2009.

05.05 Buchanan Mine No. 11 Ventilation Shaft Frontier-Kemper Constructors, Inc.

As of December 2008, the shaft has been excavated to the final depth of 1,556 ft. One water ring has been installed at the bottom. The two-way station is complete and the divider wall is finished. The site is currently being demobilized and all work is scheduled to be completed in December 2008.

06.12 Brightwater Central Tunnel Project Vinci/Parsons/FKCI Joint Venture

The BT-2 TBM (Helene) has advanced 6,425 ft. (1,285 rings) and the BT-3 TBM (Rainier) has advanced over 4,805 ft. (961 rings) as of December 14, 2008. Approximately 188 maintenance/inspection interventions have been performed on Helene and Rainier. Approximately 3,530 precast concrete segment rings (over 56% of the total required) have been manufactured. The Ballinger Way Shaft final concrete lining subcontractor completed the invert slab in September, the first lift of lining around the tunnel eyes in November, and has placed 80 ft. of lining as of mid-December. Approximately 100 ft. (50%) of the shaft remains to be lined.

06.13 Ashlu Creek Hydro Project Frontier-Kemper Constructors ULC

TBM mining began in May 2007. As of mid-December 2008, 3.8 km of tunnel had been excavated in very hard granite, often exceeding 200 MPa in compressive strength: there are now

just over 600 m left to reach the end of the tunnel. All six of the originally identified fault zones were encountered. In addition, another fault zone was encountered which had not been previously identified, necessitating the use of 52 steel ring sets. Nevertheless, production has steadily increased reaching its peak in August 2008 as the TBM mined 414 m during the month which included its best week so far at 114 m. Tunnel excavation is now scheduled to be completed in early-February 2009 and will be followed by raise boring of the intake shaft. Tunnel grade was increased to 2% at 2.5 km which reduces the depth of the intake shaft by 22 m. The project is expected to be completed by the original contractual date (Summer 2009).

07.08 Mountain Coal Company – West Elk Mine Frontier-Kemper Constructors, Inc.

As of December 2008, the 24 ft. diameter shaft is mucked out down to 80 ft. where it encountered a water leak that is currently being grouted by Hayward Baker. The 8 ft. diameter shaft has been reamed with the raise bore to within 10 ft. of the surface where it is on hold until the water is plugged on the 24 ft. shaft.

07.10 River View Coal – Shaft & Slope Frontier-Kemper Constructors, Inc.

As of December 16, 2008 the shaft has been excavated to full depth of 425 ft. The No. 9 seam development is complete and work is ready to begin on lining of the No. 9 stations and sump. After the lining is complete, a divider wall will be installed. The slope excavation is complete to station 16+04 (1404 LF). Steel sets are installed to station 14+42 (1242 LF). The 11 seam development excavation is complete and secondary support of the belt entry and transfer point is being installed. Work yet to be performed includes bottom development in the No. 9 seam, completion of the steel sets and backfill in the slope and No. 9 seam turnouts, and construction of the divider deck, sump, and portal ramp.

07.12 CONSOL – Shoemaker Mine Frontier-Kemper Constructors, Inc.

The Shoemaker Slope Project was completed ahead of schedule on November 21, 2008. Along with a 1,203 ft., 16 degree slope and a 215' mother belt entry, the station floor, walls, sumps, and portal have all been successfully poured. The final dimensions were 115 ft. by 28 ft. wide by 40 ft. tall.

07.13 Delaware Aqueduct Rondout Constructors, JV (Schivone/Picone/FKCI)

Aside from a few change orders and final course paving, the drainage, fencing, electrical, grading, and paving work at Shaft 6 is complete. The second saturation dive (700 ft. deep) was performed and the underwater concrete and piping demolition was completed. Diving work was extended to 29 days because of additional work requested from NYC DEP. As a result, the

new gate valve was not installed. A third dive will be required and, due to additional owner restrictions to the allowable work periods, will not occur until at least fall of 2009. The mechanical installation of a new tunnel dewatering system within the shaft will also be delayed until diving work is complete. Structural modifications required inside Shaft 6 are currently being evaluated. Work at Shaft 2A and Shaft 8 was delayed by owner issues until November. Work at Shaft 1 has been delayed due to the identification of asbestos material and work at Shaft 4, Shaft 5A, and the Rondout Effluent Chamber has been delayed due to design changes. Job site investigation, grading, and fencing work is being performed, as weather conditions allow. Fabrication of specialty equipment including tunnel transport vehicles, tunnel pipe carriers, 2,500 hp submersible vertical turbine pumps, 800 hp submersible centrifugal turbine pumps, shaft hoist systems, grouting equipment, etc. are ongoing.

08.01 City of Lafayette, IN – Pearl River Tunnel Triad / FKCI Joint Venture

As of early-December, the digger shield has advanced to approximately Station 10+36, corresponding to 740 ft. of steel segment installed and grouted. Dewatering has commenced at the Ferry Street and main work shaft area. The ribs and liner plates have been received for the Ferry Street shaft.

08.06 The Doe Run Company – Raise Bore Shafts Frontier-Kemper Constructors, Inc.

As of mid-December, a total of three shafts have been constructed. FKCI is currently awaiting site preparation for the fourth and final shaft. Currently, there is no anticipated start date for this last shaft.

08.09 Schiavone/Picone JV – Raise Bore Shafts Frontier-Kemper Constructors, Inc.

On November 27, Frontier-Kemper Constructors, Inc. mobilized its 7SP Raise Bore drill on the Jerome Park Reservoir site to complete two 13 ft. 6 in. raise bore shafts 55 ft. and 59 ft. deep respectively for the Schiavone/Picone JV as part of the Croton Water Treatment Plant Rehabilitation Project (CRO-313). The raises were completed on December 9, 2008. All equipment was transported back to Evansville by December 18, 2009. The initial contract had a third raise bore constructed within the Reservoir divider wall; However, this work was subsequently deleted by the Department Environmental Protection.

08.17 Black Panther Mining LLC – Blind Drilled Shaft Frontier-Kemper Constructors, Inc.

In October 2008, Frontier-Kemper Constructors, Inc. was awarded a contract for the construction of our first blind drilled shaft. The shaft will be constructed for Black Panther Mining's new Oaktown Fuels Mine No. 1 which is currently under construction near Oaktown, Indiana. The return shaft

will be blind drilled to a diameter of 20 ft. using our new blind drilling system, model DHI 240, and will be concrete lined to a final diameter of 18 ft. using our raise bore lining system. The final depth will be 350 VF. Completion of this shaft is scheduled to coincide with the completion of the slope construction by the owner to allow ventilation to be established and to allow Black Panther Mining to begin mining coal. As of mid-December, about 50% of the DHI 240 has been assembled. The coping has been completed to 38 ft. The concrete pad for the blind drill has been completed and the hoist has been installed. Completion is anticipated for June 2009.

08.21 Webster County Coal LLC – Raise Bore Shaft Frontier-Kemper Constructors, Inc.

In October 2008, FKCI was awarded the contract to construct a new ventilation shaft for Alliance Coal's subsidiary, Webster County Coal, at its Dotiki Mine near Nebo, Kentucky. The shaft will be raise bored using our 81R Raise Bore Machine to a diameter of 20 ft. and will be approximately 750 ft. deep. After raise boring, the shaft will be lined with a final concrete lining of 18 ft. finished diameter using one of our lining systems. As of mid-December, the Raise Bore crew is currently in the process of drilling the pilot hole. Work on this project is expected to be complete by June 2009.

Benefits Spotlight



While a majority of Frontier-Kemper employees are eligible for medical benefits through our health insurance provider, Anthem, very few are familiar with our provider's free online health portal, MyHealth@Anthem.

You can access MyHealth@Anthem simply by visiting the Anthem website (www.anthem.com) and registering. From here, you can access numerous informational features. The "MyHealth" Assessment is a personal medical quiz of sorts. You will walk away from this assessment with your personal health risk factors, a doctor's summary of your well-being, and steps you can take to reduce your health risks. "MyHealth Record" allows you to view your medical claims, scheduled health screenings, and manage various other medical records. "The Lifestyle Centers" provides you with important health information that is specifically tailored to you. Upon visiting the website, you'll find that the possibilities are endless.

Register at Anthem.com today! You may be missing out on important health information and tips that could help you stay on top of your medical records and even reduce your health risks. If you have any questions, please contact Scott Harrell in the Human Resources Department at 812.426.2741.

Scott Harrell
Corporate Human Resources Director

In Loving Memory of Eric Joyce



On Friday, April 11, 2008 Eric Joyce, son of Superintendent Ron Joyce, was fatally injured in a traffic accident. Eric worked as a Mucker Operator at the Vent Shaft No. 11 Project in Whitewood, Virginia (FKCI Job No. 05.05). Eric began his career with Frontier-Kemper in August of 2006 when he was hired as a Miner III for the Perry County Coal Project (FKCI Job No. 06.10) in Hazard, Kentucky. In September of that same year, Eric was promoted to a Miner II, and then to a Miner

I in October 2006. In November of 2006, Eric transferred to the Vent Shaft No. 12 Project where he was promoted to a Mucker Operator in January of 2007. In March of 2007, he was transferred to the Vent Shaft No. 11 Project, where he worked until his untimely passing. Eric will be dearly missed, and we wish Ron, his wife Dwana, and their family well.

Crosscut is FKCI's quarterly newsletter. Just as a crosscut in a mine or tunnel provides a connection between one area and another, this newsletter serves to connect the various parts of our organization. The Crosscut's aim is to celebrate accomplishments, provide explanations and information, and promote communication. To help maintain the standard of our publication, your comments and suggestions are appreciated and welcome. Write to FKCI Crosscut, P.O. Box 6690, Evansville, IN 47719-0690.