

September 26, 2006

KFx Dusts Its Analysts, Again.

On August 16th KFx, Inc. (\$9.83) announced sales to two unnamed industrial users. Then KFx denounced reports that an unnamed industrial user had rejected a shipment. Yesterday, 42 days after the so-called sale, KFx announced the "release" of one shipment to one unnamed industrial user. No further information about this latest controversy was provided. KFx, however has started using a different name.

KFx has admitted shipping at least 30,000 tons of unprocessed coal to a customer. KFx has not disclosed any actual cost information; actual sales prices; the amount of coal it has actually processed; the exact amount of coal it has shipped and been accepted; the size and Btu content of each of its production batches and the Btu content of its shipments. Thus Wall Street analysts have not been able to provide investors with any actual fact-based pricing and cost information.

In this vacuum of actual information, Wall Street analysts have experienced KFx's errant guidance on operational capacity; omission of material adverse information about the First Energy delivery; the spending over \$166.1 million and well over 4 years on an experimental plant that it claimed would only cost \$20 to \$25 million and take only 9 to 12 months to build; large controversies over the very small Neil Simpson test burn and repeated violations of the industry leading PRB User Group's guiding principle: the open sharing of detailed information on actual experiences in using PRB coal.

It is no wonder that KFx's Wall Street analysts are lost in a cloud of dust.

Media inquiries can be submitted to Reports@asensio.com.

asensio.com reports are published and distributed solely and exclusively to registered asensio.com subscribers who have read and agreed to the Mandatory User Agreement located at <http://www.asensio.com/TermsOfUse.aspx>. This Mandatory User Agreement is included herein in its entirety by reference thereto and by notice of its availability.