CONSOL Energy Inc
Form DEF 14A
March 19, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement.

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**

x Definitive Proxy Statement.

¨ Definitive Additional Materials.

¨ Soliciting Material Pursuant to §240.14a-12.

CONSOL Energy Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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CONSOL Energy Inc.

CNX Center

1000 CONSOL Energy Drive

Canonsburg, Pennsylvania 15317

Telephone (724) 485-4000

Annual Meeting of Shareholders

to be held on May 4, 2010

Dear Shareholder:

You are cordially invited to attend CONSOL Energy Inc. s 2010 Annual Meeting of Shareholders on May 4, 2010, at 11:30 a.m., Eastern Time, at the Hyatt Regency Pittsburgh International Airport, Earhart Room, 1111 Airport Boulevard, Pittsburgh, Pennsylvania 15231.

The enclosed Notice of Annual Meeting and the Proxy Statement describe the various matters to be acted upon during the meeting. In addition, there will be a report on the state of CONSOL Energy Inc. s business and an opportunity for you to ask questions on subjects related to CONSOL Energy Inc. s operations.

Whether or not you plan to attend the Annual Meeting, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or by internet (as described in the enclosed instructions, if applicable), or by completing and returning the enclosed proxy card or voting instruction card, which requires no additional postage if mailed in the United States.

If you need assistance, please contact CONSOL Energy Inc. s Investor Relations Office at 724-485-4000. Our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 accompanies this Proxy Statement.

The Annual Meeting gives us an opportunity to review CONSOL Energy Inc. s results and discuss the steps CONSOL Energy Inc. has taken to assure a strong performance in the future. We appreciate your ownership of CONSOL Energy Inc., and I hope you will be able to join us at this year s Annual Meeting.

Sincerely,

John Whitmire

Chairman of the Board

March 19, 2010

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CONSOL Energy Inc.

CNX Center

1000 CONSOL Energy Drive

Canonsburg, PA 15317

Telephone (724) 485-4000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 4, 2010

Notice is hereby given that the Annual Meeting of Shareholders of CONSOL Energy Inc. will be held on May 4, 2010, at 11:30 a.m., Eastern Time, at the Hyatt Regency Pittsburgh International Airport, Earhart Room, 1111 Airport Boulevard, Pittsburgh, Pennsylvania for the following purposes:

1. To elect directors to hold office in accordance with the Amended and Restated Bylaws of CONSOL Energy Inc.;

2. To ratify the anticipated selection of Ernst & Young LLP, an independent registered public accounting firm, as the independent auditor of CONSOL Energy Inc. for the fiscal year ending December 31, 2010; and

3. If properly presented, to consider and vote upon a joint shareholder proposal regarding climate change.

By resolution of the Board of Directors, we have fixed the close of business on March 11, 2010, as the record date for determining the shareholders of CONSOL Energy Inc. entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof.

Whether or not you plan to attend the Annual Meeting, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or by internet (as described in the enclosed instructions, if applicable), or by completing and returning the enclosed proxy card or voting instruction card, which requires no additional postage if mailed in the United States. Your prompt response will be helpful and your cooperation is appreciated. If you attend the meeting, you may withdraw your proxy and vote in person, if you so choose.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 4, 2010:

The Proxy Statement, Annual Report on Form 10-K and related materials are available at *http://materials.proxyvote.com/20854P*.

Sincerely,

P. Jerome Richey

Chief Legal Officer and Secretary

March 19, 2010

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CONSOL Energy Inc.

CNX Center

1000 CONSOL Energy Drive

Canonsburg, PA 15317

INFORMATION ABOUT THE ANNUAL MEETING

March 19, 2010

The enclosed proxy is being solicited by the Board of Directors (the Board) of CONSOL Energy Inc. (CONSOL Energy or the Corporation) to be voted at the Annual Meeting of Shareholders to be held on May 4, 2010, at 11:30 a.m., Eastern Time, at the Hyatt Regency Pittsburgh International Airport, Earhart Room, 1111 Airport Boulevard, Pittsburgh, Pennsylvania 15231 (the Annual Meeting).

The specific proposals to be considered, and voted upon, at the Annual Meeting are summarized in the Notice of Annual Meeting of Shareholders. Each proposal is described in more detail in this Proxy Statement.

Voting

The persons named as proxies on the accompanying proxy card have informed CONSOL Energy of their intention, if no contrary instructions are given, to vote the shares represented by such proxies:

- in favor of the election as directors of CONSOL Energy of those persons nominated in this Proxy Statement to hold office in accordance with the Amended and Restated Bylaws of CONSOL Energy;
- in favor of the ratification of the anticipated selection of Ernst & Young LLP, an independent registered public accounting firm, as the independent auditor of CONSOL Energy for the fiscal year ending December 31, 2010;
- against the shareholder proposal regarding climate change; and
- in accordance with their judgment, on any other matters which may properly come before the Annual Meeting.

The Board does not know of any business to be brought before the Annual Meeting other than as indicated in the Notice of Annual Meeting of Shareholders.

Annual Report

CONSOL Energy s Annual Report to Shareholders and Annual Report on Form 10-K are being mailed to shareholders together with this Proxy Statement on or about March 30, 2010 to holders of record, as of March 11, 2010, of CONSOL Energy common stock.

Record Date and Vote Required for Approval

The record date with respect to this solicitation is March 11, 2010. All holders of record of CONSOL Energy common stock as of the close of business on March 11, 2010 are entitled to vote at the Annual Meeting and any adjournment or postponement thereof. As of March 11, 2010, the Corporation had 181,421,854 shares of common stock outstanding. Each share of common stock is entitled to one vote. Shareholders do not have cumulative voting rights. The holders of a majority of the outstanding shares of common stock of the Corporation entitled to vote generally in the election of directors, represented in person or by proxy, will constitute a quorum at a meeting of shareholders, except in certain limited circumstances. Election of directors at all meetings of the shareholders at which directors are to be elected shall be by ballot, and, subject to the rights of the holders of any series of preferred stock to elect directors under specified circumstances, the affirmative votes of a plurality of the votes cast is required for the election of directors. Except as otherwise provided by law, CONSOL Energy s Certificate of Incorporation or Amended and Restated Bylaws, on all other matters, the affirmative vote of a majority of the shares of common stock present in person or represented by proxy at the meeting and entitled to vote on the matter is required for approval.

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If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. Brokers that have not received voting instructions from their clients cannot vote on their clients behalf on non-routine proposals, such as the election of directors (Proposal No. 1) and the shareholder proposal regarding climate change (Proposal No. 3), although they may vote their clients shares on routine matters, such as the ratification of the anticipated selection of Ernst & Young LLP, an independent registered public accounting firm, to serve as the independent auditor (Proposal No. 2). In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained. Abstentions have the same effect as votes against the matter. Proxies received but marked as abstentions and broker non-votes will be counted for quorum purposes.

The voting instruction form also serves as the voting instruction for the trustees who hold shares of record for participants in the CONSOL Energy Inc. Investment Plan for Salaried Employees. If voting instructions representing shares in this plan are not received, those shares will not be voted.

Revocation of Proxy

A proxy may be revoked by a shareholder at any time prior to the time that the proxy is exercised by delivery to the Corporate Secretary of a notice of revocation or a properly executed proxy bearing a later date or by voting in person at the meeting. If a proxy is properly executed and is not revoked by the shareholder, the shares it represents will be voted at the meeting in accordance with the instructions from the shareholder. If the proxy card is signed and returned without specifying choices, the shares will be voted in accordance with the recommendations of the Board and in accordance with their judgment, on any other matter that may properly come before the Annual Meeting. Attendance at the meeting without a request to revoke a proxy will not effectively revoke a previously executed and delivered proxy.

Proxy Solicitation

All costs relating to the solicitation of proxies will be borne by CONSOL Energy. Georgeson Inc. has been retained by CONSOL Energy to aid in the solicitation of proxies, at an estimated cost of $8,500 plus reimbursement of out-of-pocket expenses. Proxies may also be solicited by officers, directors and employees personally, by mail, or by telephone, facsimile transmission or other electronic means. On request, CONSOL Energy will pay brokers and other persons holding shares of common stock in their names or in those of their nominees for their reasonable expenses in sending soliciting material to, and seeking instructions from, their principals.

Secrecy in Voting

As a matter of policy, proxies, ballots and voting tabulations that identify individual shareholders are held confidential by CONSOL Energy. Such documents are available for examination only by the inspectors of election and certain employees who assist in the tabulation of the vote. The identity of the vote of any shareholder is not disclosed except as may be necessary to meet legal requirements.

Attendance at the Meeting

Subject to space availability, all shareholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration will begin at 10:00 a.m. Those who attend may be asked to present valid picture identification, such as a driver s license or passport, and may be issued a ticket for admission to the meeting. Cameras, recording devices and other electronic devices will not be permitted at the meeting. Please also note that if shares are held in street name (that is, through a broker or other nominee), a copy of a brokerage statement reflecting stock ownership as of the record date must be provided during check-in at the registration desk at the Annual Meeting.

CONSOL Energy will provide to any shareholder, without charge and upon the written request of the shareholder, a copy (without exhibits, unless otherwise requested) of CONSOL Energy s Annual Report on Form 10-K as filed with the United States Securities and Exchange Commission (the SEC) for CONSOL

Energy s fiscal year ended December 31, 2009. Any such request should be directed to CONSOL Energy Inc., Investor Relations Department, 1000 CONSOL Energy Drive, Canonsburg, PA 15317.

BOARD OF DIRECTORS AND COMPENSATION INFORMATION

BOARD OF DIRECTORS AND ITS COMMITTEES

Board of Directors

The business and affairs of CONSOL Energy are under the direction of our Board. Our Board is currently comprised of eleven members. Those members are John Whitmire, James E. Altmeyer, Sr., Philip W. Baxter, William E. Davis, Raj K. Gupta, Patricia A. Hammick, David C. Hardesty, Jr., J. Brett Harvey, John T. Mills, William P. Powell, and Joseph T. Williams. We do not have a policy regarding directors attendance at the Annual Meeting of Shareholders; however, directors are encouraged to attend. All of the members of our Board attended the 2009 Annual Meeting of Shareholders.

Board Leadership Structure

Prior to 1998, our former Chief Executive Officer also served as Chairman. However, when Mr. Harvey joined the Corporation in January 1998, he became the Chief Executive Officer, and our former Chief Executive Officer retained his position as Chairman. In February 1999, our former Chief Executive officer resigned as Chairman and the Board determined that an independent director should assume that position. The Board reasoned that in light of the challenges facing the Corporation and the Chief Executive Officer at that time, particularly in transitioning the Corporation from a privately-held entity to a publicly traded corporation, it made sense to continue to separate the roles of Chairman and Chief Executive Officer and enable our new Chief Executive Officer to focus his energies on the management of the Corporation. Accordingly, Mr. Whitmire assumed the position of Chairman in March 1999, and given his strong performance, has retained that position ever since. Our Corporate Governance Guidelines currently reflect our policy that the positions of Chairman and Chief Executive Officer are to be held by separate persons.

Our Board is composed entirely of independent directors, other than Mr. Harvey, our Chief Executive Officer. In addition, each of our five Board committees described below in *Committees of the Board of Directors* is composed entirely of independent directors, including the chairperson to each respective committee. We believe that the number of independent directors that make up our Board, along with the independent oversight of the Board by the non-executive Chairman, benefits the Corporation, as well as our shareholders.

Board s Role in Risk Management

Our management team is responsible for the management and assessment of risk at the Corporation and communicating those risks to our Board. Through regular presentations to the Board and its applicable Committees, management identifies and discusses risks regarding the Corporation and its business.

Under our Corporate Governance Guidelines, the Board is charged with assessing major risks facing the Corporation and reviewing options for their mitigation, with the assistance of various Committees. Even when a risk has been delegated to a Committee, the full Board maintains oversight of the risks through the receipt of reports from the Committee Chairpersons to the full Board at each regularly-scheduled Board meeting.

For example, the Audit Committee assists the Board in its oversight of, among other things, the Corporation s policies, guidelines and related practices regarding risk assessment and risk management, including the risk of fraud. As part of this endeavor, the Audit Committee reviews and assesses the Corporation s major financial, legal, regulatory, environmental and similar risk exposures and the steps that management has taken to monitor and control such exposures. The Audit Committee also reviews and assesses the quality and integrity of the Corporation s public reporting, the Corporation s compliance with legal and regulatory requirements, the performance and independence of the Corporation s independent auditors, the performance of the Corporation s internal audit department, the effectiveness of the Corporation s disclosure controls and procedures, and the adequacy and effectiveness of the Corporation s risk management policies and related practices.

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Our Finance Committee is also charged to monitor and evaluate company risks. Consistent with its charter, our Finance Committee reviews the Corporation s financial plans, strategic plans, debt and investments, as well as compliance with debt covenants.

Additionally, our Health, Safety and Environmental Committee, which was formed in 2009, addresses various risks. This Committee reviews (i) any material compliance issues with health, safety and environmental laws, (ii) any material pending or threatened administrative, regulatory, or judicial proceedings regarding health, safety or environmental matters, and (iii) management s response to the foregoing legal matters.

Our Nominating and Corporate Governance Committee addresses risks associated with our management structure, by annually, among other matters, considering the qualifications and backgrounds of our directors to ensure that our Board is composed of individuals who are able to strengthen and provide appropriate oversight and insight to our executive management team in light of the Corporation s business.

Finally, our Compensation Committee reviews and comments on our succession planning and assesses whether our compensation policies and practices incentivize excessive risk-taking.

Committees of the Board of Directors

Our Board has five standing committees: Audit, Compensation, Nominating and Corporate Governance, Finance and Health, Safety and Environmental. Current charters for each committee are available on the Corporate Governance section of CONSOL Energy s website at *www.consolenergy.com*. Actions taken by our committees are reported to the full Board. On February 16, 2010, the Board determined that all members of each of the Audit, Compensation and Nominating and Corporate Governance Committees are independent under the current listing standards of the New York Stock Exchange. See *Determination of Director Independence* on page 22 for additional information regarding the Board s independence determinations of its members.

Audit Committee

Our Audit Committee, which currently consists of three directors, provides assistance to our Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, financial reporting, internal control and compliance functions of the Corporation and its subsidiaries. Our Audit Committee employs an independent registered public accounting firm to audit the financial statements of CONSOL Energy and its subsidiaries and perform other assigned duties. Further, our Audit Committee provides general oversight with respect to the accounting principles employed in financial reporting and the adequacy of CONSOL Energy s internal controls. In discharging its responsibilities, our Audit Committee may rely on the reports, findings and representations of the Corporation s auditors, legal counsel, and responsible officers. Our Board has determined that all members of the Audit Committee are financially literate within the meaning of SEC rules and under the current listing standards of the New York Stock Exchange. Our Board has also determined that Mr. Gupta qualifies as an audit committee financial expert. A copy of the audit committee s report for the 2009 fiscal year is set forth in this Proxy Statement.

Compensation Committee

Our Compensation Committee, which currently consists of four directors, establishes executive compensation policies consistent with corporate objectives and shareholder interests. Our Compensation Committee also reviews the performance of executive officers and establishes, adjusts and awards compensation, including incentive-based compensation, as more fully discussed below. In addition, our Compensation Committee generally is responsible for:

- establishing and periodically reviewing our compensation philosophy and the adequacy of compensation plans and programs for directors, executive officers and other Corporation employees;
- overseeing our compensation plans;
- reviewing and monitoring management development and succession plans and activities;

- overseeing executive employment contracts, special retirement benefits, severance, change in control arrangements or similar plans;
- reviewing and recommending to our Board the compensation of our non-employee directors for their service as directors; and
- oversight of the outside consultant engaged by the Compensation Committee.

Our Compensation Committee s charter generally permits it to delegate authority, duties and responsibilities or functions to one or more members of the Compensation Committee or to the Corporation s officers other than for matters which laws or listing standards prohibit delegation. Under our Equity Incentive Plan (the Plan), our Compensation Committee is also permitted to delegate its power and authority to our officers. In February 2009, the Compensation Committee authorized our Chief Executive Officer to grant up to 1,600,000 shares (underlying stock option or restricted stock unit awards) to our non-executive employees in compliance with the terms and conditions of such delegation, the plan and applicable law and regulation.

Our Compensation Committee periodically reviews the compensation of non-employee directors, including the Chairman of the Board, and the principles upon which their compensation is determined, and periodically reports to our Board how the non-employee directors compensation practices compare with those of other similarly situated public corporations and, if the Compensation Committee deems it appropriate, recommends changes to our director compensation practices to our Board for approval.

Outside consulting firms retained by our Compensation Committee and management also provide assistance to the Compensation Committee in making its compensation-related decisions. In 2009, our Compensation Committee directly engaged Deloitte Consulting LLP (Deloitte) to assist with an evaluation of our compensation program for executive officers and directors. The scope of our consultants work for the Compensation Committee included, among other matters:

- develop a relevant peer group of companies;
- benchmark the components of our compensation program with the peer group;
- assist our Compensation Committee with the development of performance goals related to the Long-Term Incentive Program under the Plan;
- assess our stock ownership guidelines applicable to our directors and executive officers;
- assess the overall competitiveness of our compensation program;
- assess Board compensation relative to the same peer group used to benchmark executive compensation and make recommendations based on the market analysis; and
- assist in calculating the estimated potential Internal Revenue Code Section 280G tax gross-up for named executives.

Our Compensation Committee has a charter, which is available on the Corporation s website at w*ww.consolenergy.com.* For additional information regarding the Compensation Committee s processes and procedures for the consideration and determination of executive officer compensation, see *Compensation Discussion and Analysis* on page 25.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, which currently consists of three directors, is responsible for recommending to the Board nominees for election of directors at the Annual Meeting or appointment of directors in the event of any vacancy, generally monitoring CONSOL Energy s corporate governance system and performing any other functions or duties deemed appropriate by the Board. In making director recommendations, the Nominating and Corporate Governance Committee will consider for nomination candidates whose names are submitted by shareholders. Shareholders should submit the names of candidates to the Corporate Secretary, CONSOL Energy Inc., 1000 CONSOL Energy Drive, Canonsburg, PA 15317. See *Additional Matters* on page 85 for more information on submitting director nominations.

The Nominating and Corporate Governance Committee reviews with our Board the size, function, and needs of the Board and, in doing so, takes into account that the Board as a whole should have competency in the following areas:

- industry knowledge;
- accounting and finance;
- business judgment;
- management;
- leadership;
- international markets;
- business strategy;
- crisis management;
- corporate governance; and
- risk management.

Directors must have experience in positions with a high degree of responsibility and leadership experience in the companies or institutions with which they are or have been affiliated. Directors are selected based upon contributions that they can make to CONSOL Energy. The Nominating and Corporate Governance Committee s process for identifying and evaluating director nominees is as follows:

- determines what types of backgrounds, skills, and attributes of Board members are needed to help strengthen and balance it, taking into account the competencies described above;
- at appropriate times, actively seeks individuals qualified to become members of the Board; and

evaluates and recommends to our Board the slate of nominees for directors to be elected by the shareholders at CONSOL Energy s next annual meeting of shareholders.

CONSOL Energy does not maintain a separate policy regarding the diversity of its Board members. However, the charter of the Nominating and Corporate Governance Committee provides that in recommending potential nominees to the Board, the Committee seeks members from diverse backgrounds so that the Board consists of members with a broad spectrum of experience and expertise and with a reputation for integrity. Consistent with its charter, the Nominating and Corporate Governance Committee and ultimately the Board seek nominees with distinct professional backgrounds, experience and perspectives so that the Board as a whole has the appropriate mix of skills, perspectives, personal and professional experiences and backgrounds necessary to fulfill the needs of the Corporation with respect to the current issues facing the Corporation. Recommendations include a review by the Nominating and Corporate Governance Committee of the contribution of fellow directors, as well as the qualifications of new nominees.

On January 16, 2009, our Chairman and our CEO recommended to the Board that Philip W. Baxter rejoin the Board, and this recommendation was approved by the Board on such date.

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Finance Committee

The Finance Committee, which currently consists of four directors, monitors and provides advice and counsel to our Board and management regarding our asset mix, potential mergers and acquisitions, capital structure and policies, financial position and policies, financing activities, compliance with debt covenants, dividend policies and material investments and contracts. No member of the Finance Committee may be an officer or employee of CONSOL Energy or any of our subsidiaries.

Health, Safety and Environmental Committee

The Health, Safety and Environmental Committee, which currently consists of four directors, provides oversight of the Corporation s policies and management systems with respect to health, safety and environmental matters. Our Health, Safety and Environmental Committee is generally responsible for:

- reviewing the Corporation s strategy, including objectives and policies, relative to the protection of the safety and health of employees, contractors, customers and the public, and the environment;
- reviewing (i) any material compliance issues with health, safety and environmental laws, (ii) any material pending or threatened administrative, regulatory, or judicial proceedings regarding health, safety or environmental matters, and (iii) management s response to the foregoing legal matters; and
- reviewing any significant health, safety and environmental public policy, legislative, political and social issues and trends that may materially affect the business operations, financial performance, or public image of the Corporation or the industry, and management s response to such matters.

Corporate Governance Web Page and Available Documents

We maintain a corporate governance page on our website at *www.consolenergy.com* that includes information about our corporate governance. The following documents are currently included on the website:

- CONSOL Energy Corporate Governance Guidelines;
- CONSOL Energy Code of Director Business Conduct and Ethics;
- CONSOL Energy Code of Employee Business Conduct and Ethics, which covers all employees of CONSOL Energy, including executive employees; and
- Charters of the Audit, Nominating and Corporate Governance, Compensation, Finance and Health, Safety and Environmental Committees.

We will also provide a printed copy of these documents free of charge if you contact the Investor Relations department in writing at CONSOL Energy Inc., 1000 CONSOL Energy Drive, Canonsburg, Pennsylvania 15317.

Compensation Committee Interlocks and Insider Participation

Effective April 28, 2009, the members of the Compensation Committee are Messrs. Powell, Baxter, Mills and Williams. However, prior to April 28, 2009, the members of the Compensation Committee were Messrs. Powell, Altmeyer, Mills and Ms. Hammick.

Mr. Altmeyer, a member of the Board (and former member of the CNX Gas board of directors (which we refer to as the CNX Gas Board)) has a brother who is a member of Phillips, Gardill, Kaiser & Altmeyer, PLLC, a twelve attorney law firm based in Wheeling, West Virginia. The Corporation and CNX Gas paid this law firm approximately $453,505 and $89,884, respectively, in 2009 for workmen s compensation, litigation and land-related legal services, which amounts represented approximately 2.0% and 0.8% of total amounts paid by the Corporation and CNX Gas, respectively, to all law firms retained in 2009. CONSOL Energy engaged Phillips Gardill Kaiser & Altmeyer PLLC many years prior to Mr. Altmeyer becoming a member of the Board.

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Membership and Meetings of the Board of Directors and its Committees

All of the incumbent directors attended no fewer than 92% of the sum of:

the total number of meetings held by our Board (held during the period for which he or she was a director during 2009); and

the total number of meetings held by all committees of our Board on which he or she served (during the period that he or she served).
Current committee membership and the number of meetings of the full Board and its committees are shown in the following table:

	Board of Directors	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Finance Committee	Health, Safety and Environmental Committee
John Whitmire(1)	Chair	-	-	-	-	-
James E. Altmeyer, Sr.	Member	-	-	-	Member	Chair
Philip W. Baxter	Member	Member	Member	-	-	-
William E. Davis	Member	-	-	Chair	-	Member
Raj K. Gupta	Member	Chair	-	-	-	Member
Patricia A. Hammick	Member	-	-	Member	Member	-
David C. Hardesty, Jr.	Member	-	-	-	Member	Member
J. Brett Harvey	Member	-	-	-	-	-
William P. Powell	Member	-	Chair	Member	-	-
Joseph T. Williams	Member	-	Member	-	Chair	-
John T. Mills	Member	Member	Member	-	-	-
Number of 2009 Meetings	9(2)	10	6	7	6	3

(1) Mr. Whitmire serves *ex officio,* meaning, as Chairman of the Board of CONSOL Energy, he attends and participates in meetings of the committees of the Board but is not a voting member of such committees.

(2) Of the 9 Board meetings, 5 were Regularly Scheduled and 4 were Special Meetings.
During 2009, the non-management directors held 4 executive sessions of the Board. The presiding director for these sessions was the Chairman of the Board.

Communication with the Board of Directors

Shareholders and other interested persons who wish to communicate with the Board may do so by writing to it and should address their communications to the attention of the Corporate Secretary at CONSOL Energy Inc., 1000 CONSOL Energy Drive, Canonsburg, PA 15317 or by sending an e-mail to *directors@consolenergy.com*. The Corporate Secretary will relay all such communication to the Board in its entirety or individual directors (as appropriate) at the next regularly scheduled Board meeting (or earlier as necessary). In accordance with instructions from the Board, the Corporate Secretary reviews all correspondence, organizes the communications for review by the Board and delivers communications to the full Board or individual directors, as appropriate. In the ordinary course, the Corporate Secretary does not deliver certain items that are unrelated to the Board s duties, such as spam, junk mail, mass mailings, solicitations, resumes and job inquiries. Communications that are intended specifically for the chairman, the independent directors or the non-management directors should be sent to the street address or e-mail address noted above, to the attention of the chairman. Information concerning communications with the Board also is contained on CONSOL Energy s website at *www.consolenergy.com*.

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DIRECTOR COMPENSATION TABLE - 2009

The following table sets forth the compensation of the Board for the 2009 fiscal year, and includes fees paid for service on the CONSOL and CNX Gas Boards, as applicable:

Name[(1)]	Fees Earned or Paid in Cash	Stock Awards[(2)]	Option Awards[(3)]	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
John Whitmire	$ 100,000[(4)]	$ 250,000[(5)]	-	-	-	$ 30,000[(6)]	$ 380,000
James E. Altmeyer, Sr.	$ 113,285[(7)]	$ 95,000	-	-	-	-	$ 208,285
Philip W. Baxter	$ 100,404[(8)]	$ 95,000	-	-	-	-	$ 195,404
William E. Davis	$ 90,000	$ 95,000[(10)]	-	-	-	-	$ 185,000
Raj K. Gupta	$ 128,028[(9)]	$ 95,000	-	-	-	-	$ 223,028
Patricia A. Hammick	$ 80,000	$ 95,000[(11)]	-	-	-	-	$ 175,000
David C. Hardesty, Jr.	$ 80,000	$ 95,000[(12)]	-	-	-	-	$ 175,000
John T. Mills	$ 87,500	$ 95,000[(13)]	-	-	-	-	$ 182,500
William P. Powell	$ 87,500	$ 95,000[(14)]	-	-	-	-	$ 182,500
Joseph T. Williams	$ 91,539[(15)]	$ 95,000	-	-	-	-	$ 186,539

(1) Mr. Harvey is a member of the Boards of Directors of CONSOL Energy and CNX Gas. Mr. Harvey s compensation is reported in the Summary Compensation Table and other sections of this Proxy Statement. As an employee of CONSOL Energy, he does not receive any additional compensation in connection with his service on the Boards of Directors of CONSOL Energy and CNX Gas.

(2) The values set forth in this column are based on the aggregate grant date fair value of awards computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, Compensation-Stock Compensation (FASB ASC Topic 718) (disregarding any estimate of forfeitures related to service-based vesting conditions) and relate to equity awards granted by CONSOL Energy and CNX Gas. The grant date fair value for CONSOL Energy is computed based upon the closing price of CONSOL Energy s stock on the date of grant. The values reflect the awards fair market value at the date of grant, and do not correspond to the actual value that will be recognized by the directors.

With respect to CONSOL Energy stock awards, the aggregate grant date fair value for 2009 stock awards for each director was $95,000, other than for Mr. Whitmire for whom it was $250,000. As of December 31, 2009, with respect to restricted stock units outstanding, the number held by our non-employee directors was: (i) 4,722 for Messrs. Altmeyer, Gupta and Williams; (ii) 6,500 for Mr. Baxter; (iii) 3,937 for Messrs. Davis, Hardesty, Mills, Powell and Ms. Hammick, and (iv) 8,567 for Mr. Whitmire. In addition, as of December 31, 2009: (i) Ms. Hammick, Messrs. Hardesty and Powell each had 3,562 deferred restricted stock units outstanding (ii) Mr. Williams had 2,580 deferred restricted stock units outstanding; (iii) Mr. Gupta had 2,200 deferred restricted stock units outstanding ; (iv) Mr. Mills had 1,218 deferred restricted stock units, and (v) Messrs. Whitmire and Gupta had 10,699 and 2,350 deferred stock units, respectively.

(3) No options were granted to Directors in 2009 by CONSOL or CNX Gas.

As of December 31, 2009 with respect to CONSOL Energy, the number of options held by our non-employee directors was: (i) 12,962 for Messrs. Davis and Gupta, and Ms. Hammick, (ii) 15,010 for Mr. Whitmire; (iii) 15,962 for Mr. Powell; (iv) 2,692 for Mr. Hardesty; (v) 2,962 for Mr. Williams; (vi) 8,592 for Mr. Mills, and (vii) 3,643 for Mr. Altmeyer.

As of December 31, 2009 with respect to CNX Gas, the number of CNX Gas options held by the non-employee directors was 10,173 for Mr. Baxter, 2,544 for each of Messrs. Altmeyer and Gupta, and 7,184 for Mr. Williams.

(4) Mr. Whitmire elected to defer $33,333 of his cash fees earned in 2009 under the Corporation s 1999 Directors Deferred Compensation Plan, into which he chose to hypothetically invest such amounts in the Corporation s common stock thereunder. 1,800 units, including dividend equivalent rights, were allocated to him, which shall be settled and paid in cash upon his termination from service on our Board.

(5) Mr. Whitmire elected to receive 8,507 deferred stock units in lieu of $250,000 of common stock of CONSOL Energy. Please see *Understanding Our Director Compensation Table* on page 10 for a description of deferred stock units granted under our Plan. The aggregate grant date fair value of these deferred stock units was $250,021, and was computed in accordance with FASB ASC Topic 718 (disregarding any estimate for forfeitures related to service-based vesting conditions).

(6) Mr. Whitmire is provided clerical support by CONSOL Energy at an annual cost not to exceed $30,000, which for 2009 totaled $30,000.

(7) Mr. Altmeyer s fees include $86,875 for service on CONSOL Energy s Board, which was paid by CONSOL Energy, and $26,410 for service on the CNX Gas Board, which was paid by CNX Gas.

(8) Mr. Baxter s fees include $83,578 for service on CONSOL Energy s Board, which was paid by CONSOL Energy, and $16,826 for service on the CNX Gas Board, which was paid by CNX Gas.

(9) Mr. Gupta s fees include $95,000 for service on CONSOL Energy s Board, which was paid by CONSOL Energy, and $33,028 for service on the CNX Gas Board, which was paid by CNX Gas. Mr. Gupta elected to defer $31,667 of his 2009 Board fees into the CONSOL Energy Directors Deferred Fee Plan and $26,362 of his 2009 CNX Gas Board fees into the CNX Gas Directors Deferred Fee Plan. Please see *Understanding Our Director Compensation Table* on page 10 for a description of the Directors Deferred Fee Plan and deferred stock units granted under our Plan.

(10) Mr. Davis elected to defer until termination of service 100% (or 3,233 restricted stock units) of his restricted stock unit award granted on April 28, 2009. Upon termination of service, all of the shares underlying this restricted stock unit award will be delivered to him.

(11) Ms. Hammick elected to defer until termination of service 100% (or 3,233 restricted stock units) of her restricted stock unit award granted on April 28, 2009. Upon termination of service, all of the shares underlying this restricted stock unit award will be delivered to her.

(12) Mr. Hardesty elected to defer until termination of service, 100% (or 3,233 restricted stock units) of his restricted stock unit award granted on April 28, 2009. Upon termination of service, shares underlying the restricted stock unit award will be delivered to him.

(13) Mr. Mills elected to defer until termination of service**,** 100% (or 3,233 restricted stock units) of his restricted stock unit award granted on April 28, 2009. Upon termination of service, shares underlying the restricted stock unit award will be delivered to him.

(14) Mr. Powell elected to defer until termination of service**,** 100% (or 3,233 restricted stock units) of his restricted stock unit award granted on April 28, 2009. Upon termination of service, shares underlying the restricted stock unit award will be delivered to him.

(15) Mr. Williams fees include $87,500 for service on CONSOL Energy s Board, which was paid by CONSOL Energy, and $4,039 for service on the CNX Gas Board. Mr. Williams elected to defer $14,583 of his 2009 Board fees into the CONSOL Energy Directors Deferred Fee Plan and $4,039 of his 2009 Board fees into the CNX Gas Directors Deferred Fee Plan. Please see *Understanding Our Director Compensation Table* on page 10 for a description of the Directors Deferred Fee Plan and deferred stock units granted under our Plan.

UNDERSTANDING OUR DIRECTOR COMPENSATION TABLE

Executive Summary of Director Compensatory Arrangements

We use a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on our Board. Each of our non-employee directors is entitled to receive annual fees for their service, any portion of which may be deferred at such director s election. In lieu of all or any portion of the annual retainer otherwise payable to our non-employee directors, our Board may grant deferred stock units, which carry dividend equivalent rights. The nature of each of these fees and awards are described in greater detail below.

CONSOL Energy Non-Employee Director Annual Fees and Awards

Our non-employee director compensation program is set forth in the following table:

Element of Annual Compensation	Dollar Value
Board Retainer	$ 80,000

Committee Chair Retainer (excluding Audit Committee Chair Retainer)	$	7,500
Audit Committee Chair Retainer	$	15,000
Audit Committee Member Retainer (excluding Audit Committee Chair Retainer)	$	7,500
Equity Award (restricted stock units)	$	95,000

CONSOL Energy Non-Employee Director Stock Options

Prior to October 2006, our non-employee directors received nonqualified stock options to acquire shares of the Corporation s common stock. The exercise price per share of each nonqualified stock option award granted to a director was the fair market value of the Corporation s common stock on the grant date and, accordingly, was intended to be exempt from coverage under Section 409A of the Internal Revenue Code (the Code). The options vest ratably and become exercisable in one-third increments on each anniversary of the grant date. Subject to the provisions of the particular nonqualified stock option agreement and the Plan, the holder of the option may exercise all or any part of the vested portion of the option at any time prior to the tenth anniversary of the grant date, which is the expiration date.

Upon a change in control, the unvested portion of option awards vest, and, unless otherwise provided, remain exercisable for the lesser of a one-year period or until the expiration date of the option award.

If the director ceases to be a director of the Corporation on account of death, disability or retirement at normal retirement age for directors, all unvested option awards immediately vest and become exercisable and remain exercisable until the normal expiration of the option award. If the director is terminated for any other reason other than cause, unvested option awards are forfeited and vested option awards remain exercisable for three months following the termination date. If the director is terminated for cause, all options, whether vested or not, are forfeited as of the termination date. See *CONSOL Energy Equity Incentive Plan Definitions* on page 73 for definitions of change in control, cause and disability under the Plan.

CONSOL Energy Non-Employee Director Restricted Stock Units

Each restricted stock unit received as part of an award represents the right to receive one share of common stock following the vesting date of that unit. Upon a change in control, restricted stock unit awards accelerate and vest.

Prior to February 19, 2008, restricted stock units were paid in three successive equal annual installments upon each director s completion of continued service with us over the three-year period measured from the award date (subject to any deferral election that may have been made with respect to the payment of such shares). On February 19, 2008, the Board approved changes to the vesting schedule of restricted stock units, such that an award now vests one year from the grant date or the next shareholders meeting, whichever comes first. Directors may make an elective deferral under the terms of their restricted stock units agreements, to delay distribution of restricted stock units until their separation from service. Subject to any such deferral election, restricted stock units are structured to be paid concurrent with vesting and are intended to comply with the short-term deferral exception under Section 409A of the Code.

As with the deferred stock units, a director is not entitled to shareholder rights until the director becomes the record holder of the shares following their actual issuance. Should a regular cash dividend be declared on our common stock at a time when unissued shares of common stock are subject to an award, then the number of shares subject to the award will automatically be increased by an amount determined in accordance with a pre-established formula. The additional shares resulting from this calculation will be subject to the same terms and conditions as the unissued shares of common stock to which they relate under the award.

For awards granted prior to February 19, 2008, if a director ceases to be a director on account of death, disability or retirement at normal retirement age (as defined in our Plan) for directors, all shares subject to such award will vest automatically and be delivered to the director immediately, or as soon as administratively practical thereafter (but in no event later than the 15^{th} day of the third month following that date). If the director is terminated for cause (as defined in our Plan) or ceases to provide services for any reason other than death, disability or retirement at a normal age, the director s award will be cancelled with respect to any unvested shares, and the number of restricted stock units will be reduced accordingly. The director will then cease to have any rights or entitlements to receive any shares of common stock under those cancelled units. In addition, in the event of a termination for cause or a breach of the proprietary information covenant, (i) the director will also forfeit all of his or her right, title and interest in and to any shares which have vested under the award and which are either held by him or her at that time or are otherwise subject to deferred issuance and (ii) to the extent the director sold any vested shares within the six (6) month period ending with the date of termination for cause or breach of the proprietary information covenant, the director will be required to repay to CONSOL Energy the cash proceeds received upon each such sale (which we refer to as the clawback provisions). In January 2008, the Board approved changes to the non-employee director restricted stock unit awards going forward, which include eliminating retirement as a trigger event for accelerated vesting and the clawback provisions. See *CONSOL Energy Equity Incentive Plan Definitions* on page 73 for definitions of cause and disability under our Plan.

As a condition to a director s right and entitlement to receive shares subject to an award, the director must agree to abide by the terms and conditions of the proprietary information covenant and must return Corporation materials also as described above.

CONSOL Energy Chairman Agreement with Mr. Whitmire

We entered into an agreement with Mr. Whitmire on February 22, 1999 pursuant to which he was engaged as the non-executive Chairman of our Board, subject to election by our shareholders. In order to more formally and completely document his duties and responsibilities as Chairman, as well as his compensation arrangements, a new agreement was entered into with him as of April 27, 2004. This agreement was amended and restated on April 29, 2008. Under the terms of this agreement, as amended and restated, Mr. Whitmire receives annual compensation as follows:

- $100,000, in quarterly installments; and
- restricted stock units having a fair market value of $250,000 on the grant date

The above-described compensation will be in lieu of any and all cash, equity or other compensation to which other Board members are entitled to receive in connection with their service on our Board. In addition, Mr. Whitmire is provided clerical support by us at an annual cost not to exceed $30,000 and is reimbursed for business expenses for performing his duties for the Corporation.

Mr. Whitmire s term of service as Chairman will continue until the earlier of the date on which he ceases to serve as a member of our Board for any reason, or the date on which he ceases to serve as Chairman, while remaining a member of our Board. Mr. Whitmire s service as Chairman may be terminated by either Mr. Whitmire or us, with or without cause (as defined in this agreement), on at least 90 days prior written notice to the other party or at any time by mutual consent of the parties and provided, further, that the service period will terminate immediately and automatically upon Mr. Whitmire s death or permanent disability or incapacity, as determined in the good faith judgment of our Board.

In the event that Mr. Whitmire s service as Chairman terminates during a service year, then he will thereafter receive no additional cash compensation under the agreement but he will retain his entire grant of restricted stock units for the service year in which the termination occurs. If, following such termination, he remains on our Board, he will thereafter be entitled to compensation as is provided by us to our other non-employee directors; provided that for the remainder of that service year, he will not be entitled to any additional stock, option or restricted stock unit grants by virtue of non-Chairman Board service.

CONSOL Energy Non-Employee Directors Deferred Compensation Plan (adopted 1999)

The CONSOL Energy Directors Deferred Compensation Plan was adopted on October 25, 1999. The CONSOL Energy Directors Deferred Compensation Plan permits members of our Board to defer all or a portion of any Board fees, such as the annual retainer, meeting fees or other amounts earned for services performed as a member of our Board and allows each participant s earnings under the plan to be based on the performance of specified authorized hypothetical investments that participants may periodically designate. These hypothetical investment options may include hypothetical investments in CONSOL Energy s common stock. The CONSOL Energy Directors Deferred Compensation Plan is an unfunded and unsecured liability of CONSOL Energy, and benefits will be paid from our general assets. Accordingly, participants are general unsecured creditors of the Corporation with respect to the benefits. Currently, Mr. Whitmire is the only participant in the CONSOL Energy Directors Deferred Compensation Plan.

CONSOL Energy Non-Employee Directors Deferred Fee Plan (adopted 2004)

The CONSOL Energy Directors Deferred Fee Plan was adopted on July 20, 2004 to allow non-employee directors of the Corporation to defer payment of all or a portion of their annual cash Board retainer and director meeting fees. Participation is at the election of the particular director and, upon the Corporation receiving a deferral agreement from a director, we will establish an account on behalf of such person which will be credited with the deferred fees. Previously, the account of each participant was credited, on a quarterly basis, with interest based on the interest rate in effect on the last day of the applicable quarter. On February 21, 2006, our Board approved an amendment to the CONSOL Energy Directors Deferred Fee Plan which provides that a participant s account will be adjusted by an amount equal to the amount that would have been earned (or lost) if amounts deferred under the plan had been invested in hypothetical investments designated by the participant based on a list of hypothetical investments provided by the plan administrator from time to time or, in the event that a participant fails to designate such hypothetical investments, the participant s account shall earn interest as provided in the plan. Earnings will be credited to the participant s account quarterly. The amount payable to a director participant will be paid in cash as soon as administratively practicable after the earlier of: the director s termination of service as a director or the date elected by such director which must be at least two years after the end of the plan year for which fees are deferred. The CONSOL Energy Directors Deferred Fee Plan is an unfunded and unsecured liability of the Corporation, and benefits will be paid from our general assets. Accordingly, participants are general unsecured creditors of the Corporation with respect to the benefits. Currently, Messrs. Gupta and Williams are the only participants in the Directors Deferred Fee Plan.

CONSOL Energy Non-Employee Director Deferred Stock Units

Our Board may grant deferred stock units to directors who are not employees of CONSOL Energy or any of its affiliates, referred to as eligible directors, in lieu of all or any portion of the annual cash retainer otherwise payable to the eligible directors. Under the terms of our Plan, the Board may permit a director to elect to receive deferred stock units in lieu of all or any portion of the annual retainer or meeting fees otherwise payable to an eligible director in cash, or to defer receipt of shares or cash to be paid pursuant to deferred stock units. The deferred stock units have dividend equivalent rights. Deferred stock units that have vested are paid following the earlier of: the director s separation from service; or the date elected by the director on his or her payment date election form previously filed with the Corporation. Upon a change in control, unvested deferred stock units will accelerate and vest.

A director is not entitled to shareholder rights, including voting rights and actual dividend rights, with respect to the shares subject to an award until the director becomes the record holder of the shares following their actual issuance. Should a regular cash dividend be declared on the Corporation s common stock at a time when the director holds deferred stock units, he or she will be entitled to dividend equivalent payments equal to the cash dividends declared on the shares. Dividend equivalents are converted into additional deferred stock units based on a pre-established formula. The additional deferred stock units resulting from this calculation will be subject to the same terms and conditions as the deferred stock units subject to the award.

If the director ceases to be a director on account of death, disability, or retirement at normal retirement age for directors, all unvested deferred stock units granted to a director will automatically vest and become non-forfeitable. If the director is terminated for cause or ceases to provide services for any reason other than death, disability or retirement at a normal age, all unvested deferred stock units and any rights to the underlying shares are immediately forfeited for no consideration. In addition, in the event of a termination for cause or a breach of the proprietary information covenant, the director will also forfeit all of his or her right, title and interest in and to any shares which have vested under their award. See *CONSOL Energy Equity Incentive Plan Definitions* on page 73 for definitions of cause and disability under our Plan. Deferred stock units are structured to comply with Section 409A of the Code.

CONSOL Energy Stock Ownership Guidelines for Directors

Our Board has adopted stock ownership guidelines for the directors to further align their interests with our shareholders and ensure that they maintain an appropriate financial stake in CONSOL Energy. The stock ownership guidelines provide, among other things, that directors hold CONSOL Energy common stock (not including shares issuable upon the exercise of options) equal to three times the annual Board cash retainer on or before the fifth anniversary of becoming a Board member. As of March 11, 2010, each Board member was in compliance with our stock ownership guidelines.

CNX Gas Non-Employee Director Annual Fees and Awards

In addition to compensation for their service as directors of CONSOL Energy, certain directors are also directors of CNX Gas, CONSOL Energy s 83.3% owned subsidiary, and receive compensation in their capacity as directors of CNX Gas. The CNX Gas Board amended the compensation program for non-employee directors. Changes were made in January 2009, including the elimination of the CNX Gas Board s Compensation, Finance and Nominating and Corporate Governance Committees.

Element of Annual Compensation	Dollar Value
Board Retainer (Mr. Pipski)	$ 70,000
Audit Committee Chair Retainer	$ 15,000
Audit Committee Member Retainer (excluding Audit Committee Chair)	$ 10,000
Annual Equity Award (Mr. Pipski) (restricted stock units)	$ 120,000

All cash payments are to be made quarterly in arrears.

Mr. John R. Pipski is the only director of CNX Gas who is not a director of CONSOL Energy, and consistent with the table above, he is the only director of CNX Gas who currently receives a board retainer and an award of CNX Gas restricted stock units.

CNX Gas Non-Employee Director Stock Options

The exercise price per share of each nonqualified stock option award granted to a CNX Gas director is the fair market value of CNX Gas common stock on the grant date. Options vest and become exercisable in one-third increments on each of the first three anniversaries of the grant date. Subject to the provisions of the particular nonqualified stock option agreement and CNX Gas Equity Incentive Plan, the holder of the option may exercise all or any part of the vested portion of the option at any time prior to the tenth anniversary of the grant date. CNX Gas directors no longer receive CNX Gas stock options.

CNX Gas Non-Employee Director Restricted Stock Units

CNX Gas restricted stock unit awards entitle a CNX Gas director to receive shares of CNX Gas common stock in a series of installments over their period of continued service with CNX Gas. The restricted stock unit awards (including associated dividend equivalent rights) are made annually. Effective January 16, 2009, Mr. John R. Pipski, one of the independent directors on the CNX Gas Board, is the only CNX Gas Board member who will receive restricted stock unit awards and, on March 31, 2009, the other members of the CNX Gas Board exchanged their outstanding CNX Gas restricted stock unit awards for CONSOL Energy restricted stock unit awards, with the same vesting schedule as the CNX Gas awards described below.

Beginning with the restricted stock unit grants made in 2008, those annual grants vest in their entirety on the one-year anniversary of the grant date. For grants made prior to 2008, the restricted stock units vest in 3 equal annual amounts over the 3-year period measured from the grant date. With respect to all grants, each unit represents the right to receive one share of CNX Gas common stock following the vesting date of that unit. A CNX Gas director is not entitled to shareholder rights until the CNX Gas director becomes the record holder of the shares following their actual issuance. Should a regular cash dividend be declared on CNX Gas common stock at a time when unissued shares of common stock are subject to an award, then the number of shares subject to the award will automatically be increased by an amount determined in accordance with a pre-established formula. The additional shares resulting from this calculation will be subject to the same terms and conditions as the unissued shares of common stock to which they relate under the award. Upon a change in control, the award accelerates and vests.

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CNX Gas Non-Employee Directors Deferred Fee Plan

The CNX Gas Corporation Directors Deferred Fee Plan was adopted on December 10, 2007 to allow non-employee directors of CNX Gas to defer payment of all or a portion of their annual cash fees paid in 2008 or thereafter with respect to service in 2008 or thereafter. Participation is at the election of the particular director and, upon CNX Gas receiving a deferral agreement from a director, CNX Gas establishes an account on behalf of such person which is credited with the deferred fees. A participant s account will be adjusted by an amount equal to the amount that would have been earned (or lost) if amounts deferred under the plan had been invested in hypothetical investments designated by the participant based on a list of hypothetical investments provided by the plan administrator from time to time or, in the event that a participant fails to designate such hypothetical investments, the participant s account shall earn interest as provided in the plan. These hypothetical investment options may include hypothetical investments in CNX Gas common stock. The amount payable to a director participant will be paid in cash as soon as administratively practicable after the earlier of: the director s termination of service as a director or the date elected by such director, which must be at least two years after the end of the plan year for which fees are deferred. The CNX Gas Corporation Directors Deferred Fee Plan is an unfunded and unsecured liability of CNX Gas, and benefits will be paid from its general assets. Accordingly, participants are general unsecured creditors of CNX Gas with respect to the benefits. Currently, Messrs. Gupta and Williams are the only participants in the CNX Gas Directors Deferred Fee Plan.

BENEFICIAL OWNERSHIP OF SECURITIES

The following table sets forth information with respect to beneficial ownership of the Corporation s common stock by:

- beneficial owners of more than five percent of CONSOL Energy s common stock as of December 31, 2009, based upon information filed with the SEC; and

- each director and each nominee for director, each executive officer named in the Summary Compensation Table set forth below, and all directors and executive officers of the Corporation as a group, based on information known to the Corporation as of March 11, 2010.

Amounts shown include options that are currently exercisable or that may become exercisable within 60 days and the shares underlying deferred stock units and restricted stock units which a person listed below may acquire within 60 days. Unless otherwise indicated, the named person has the sole voting and dispositive powers with respect to shares of CONSOL Energy common stock set forth opposite such person s name.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class
BlackRock, Inc.(2) 40 East 52nd Street New York, NY 10022	22,466,101	12.4%
Capital World Investors(3) 333 South Hope Street Los Angeles, CA 90071	17,556,400	9.7%
Wellington Management Company, LLP(4) 75 State Street Boston, MA 02109	17,287,984	9.5%
T. Rowe Price Associates, Inc.(5) 100 E. Pratt Street Baltimore, MD 21202	11,809,669	6.5%
The Growth Fund of America, Inc.(6) 333 South Hope Street Los Angeles, CA 90071	10,856,400	6.0%

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Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership[1]	Percent of Class
FMR LLC[7] 82 Devonshire Street Boston, MA 02109	9,222,318	5.1%
J. Brett Harvey[8][9]	1,580,421	*
William J. Lyons[8]	252,682	*
Nicholas J. DeIuliis[8]	112,877	*
P. Jerome Richey[8]	49,155	*
Robert P. King[8]	32,066	*
John Whitmire[8][10]	42,264	*
David C. Hardesty, Jr.[8]	12,279	*
Patricia A. Hammick[8]	25,559	*
Raj K. Gupta[8][10]	33,254	*
William E. Davis[8]	26,470	*
Joseph T. Williams[8]	20,338	*
James E. Altmeyer, Sr.[8][11]	26,503	*
William P. Powell[8]	27,473	*
John T. Mills[8]	28,080	*
Philip W. Baxter[12]	14,482	*
All directors and executive officers as a group (16)[8]	2,315,775	1.3%

* Indicates less than one percent (1%) ownership.

(1) As of March 11, 2010, there were 181,421,854 shares of CONSOL Energy common stock outstanding.

(2) Based on a Schedule 13G/A filed by BlackRock, Inc. on January 8, 2010, BlackRock, Inc., as a parent holding company for a number of investment management subsidiaries, is deemed to be the beneficial owner of, and have sole voting and dispositive power with respect to all 22,466,101 shares. The following subsidiaries of BlackRock, Inc. are investment advisors which hold shares of our common stock: BlackRock Advisors LLC, BlackRock Advisors (UK) Limited, BlackRock Asset Management Australia Limited, BlackRock Asset Management Japan Limited, BlackRock Capital Management, Inc., BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock Investment Management, LLC, BlackRock Investment Management (Australia) Limited, BlackRock (Luxembourg) S.A., BlackRock Fund Managers Ltd, BlackRock International Ltd, BlackRock International Ltd, BlackRock Investment Management UK Ltd and Slate Street Research & Management Co.

(3) Based on a Schedule 13G/A filed by Capital World Investors, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, with the SEC on February 11, 2010. Capital World Investors is deemed to be the beneficial owner of and has sole dispositive power with respect to 17,556,400 shares and has no sole or shared voting power with respect to such shares.

(4) Based on a Schedule 13G/A filed by Wellington Management Company, LLP, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, on February 12, 2010. Wellington Management Company, LLP is deemed to be the beneficial owner of and have shared dispositive power with respect to 17,287,984 shares and shared voting power with respect to 8,865,464 shares.

(5) Based on a Schedule 13G/A filed by T. Rowe Price Associates, Inc., an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, on February 12, 2010. T. Rowe Price Associates, Inc. is deemed to be the beneficial owner of and have sole dispositive power with respect to 11,809,669 shares and sole voting power with respect to 2,636,064 shares.

(6) Based on a Schedule 13G/A filed by The Growth Fund of America, Inc., an investment company registered under Section 8 of the Investment Company Act of 1940, on February 12, 2010. The Growth Fund of America is deemed to be the beneficial owner of and has sole voting power with respect to 10,856,400 shares and has no sole or shared dispositive power with respect to such shares.

(7) Based on a Schedule 13G filed by FMR LLC, a parent holding company, on February 16, 2010. FMR LLC is deemed to be the beneficial owner of and has sole dispositive power with respect to 9,222,318 shares and has sole voting power with respect to 1,487,249 shares.

(8) Includes shares issuable pursuant to options that are currently exercisable (or may become exercisable on or before May 10, 2010) as follows: Mr. Harvey, 1,296,706; Mr. Lyons, 181,591; Mr. DeIuliis, 18,963; Mr. Richey, 28,621; Mr. King, 17,063; Mr. Whitmire, 15,010; Ms. Hammick, 12,962; Mr. Williams, 2,962; Mr. Altmeyer, 3,643; Mr. Davis, 12,962; Mr. Powell, 15,962; Mr. Gupta, 12,962; Mr. Mills, 8,592; Mr. Hardesty, 2,692; and for all directors and executive officers as a group, 1,649,927. Also includes restricted stock units that will be vested on or before May 10, 2010, as follows: Mr. Harvey, 11,052; Mr. Lyons, 2,713; Mr. Richey, 920; Mr. Whitmire, 8,584; Ms. Hammick, 3,944; Mr. Williams, 4,730; Mr. Altmeyer, 4,730; Mr. Davis, 3,944; Mr. Powell, 3,944; Mr. Gupta, 4,730; Mr. Mills, 3,944; Mr. Hardesty, 3,944, Mr. Baxter, 5,510 and for all directors and executive officers as a group, 63,308.

(9) Includes 72,014 shares of common stock held in a GRAT. Also includes 2,000 shares of common stock held in Mr. Harvey s wife s Amended and Restated Revocable Trust, dated December 17, 2007, in which Mr. and Mrs. Harvey serve as trustees, and 47,697 shares of common stock held in Mr. Harvey s Amended and Restated Revocable Trust, dated December 17, 2007, in which Mr. and Mrs. Harvey serve as trustees.

(10) Includes 10,719 and 2,353 deferred stock units held by Messrs. Whitmire and Gupta, respectively.

(11) Includes 1,600 shares of common stock held in a trust established for the benefit of Mr. Altmeyer s spouse. Mr. Altmeyer disclaims beneficial ownership of such shares, and the inclusion of such shares shall not be an admission that the reporting person is the beneficial owner for purposes of Section 16 under the Securities Exchange Act of 1934.

Brokerage account agreements may grant security interests in securities held at the broker to secure payment and performance obligations of the brokerage account holder in the ordinary course. Shares shown in the table for the directors and executive officers may be subject to this type of security interest.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

CONSOL Energy s directors and its executive officers are required under Section 16(a) of the Securities Exchange Act of 1934 to file reports of ownership and changes in ownership of CONSOL Energy common stock with the SEC and the New York Stock Exchange. Based upon a review of filings with the SEC, written representations that no other reports were required, and on CONSOL Energy s records, CONSOL Energy believes that during 2009, all Section 16(a) filing requirements applicable to its executive officers and directors were complied with.

PROPOSAL NO. 1 - ELECTION OF DIRECTORS

The nominees for election as directors are identified as follows. Each director holds office until the next annual election of directors at the Annual Meeting and until the director s successor is elected and qualified. All nominees are current members of the Board. If any nominee should for any reason become unable to serve, the shares represented by all valid proxies will be voted for the election of such other person as the Board may designate following recommendation by the Nominating and Corporate Governance Committee, or the Board may reduce the number of directors to eliminate the vacancy.

Biographies of Directors

The following contains information concerning the nominees, including their recent employment, positions with CONSOL Energy, other directorships, and ages as of March 11, 2010.

John Whitmire

Chairman of the Board, age 69

John Whitmire has served as Chairman of the Board of CONSOL Energy since March 3, 1999. Mr. Whitmire currently serves *ex officio* on the Audit, Compensation, Finance, Nominating and Corporate Governance and Health, Safety and Environmental Committees. Mr. Whitmire is also a director of Transocean Inc. (formerly Global Santa Fe Corporation before it was merged into Transocean Inc.), which is engaged in the business of offshore drilling for oil and natural gas reserves and El Paso Corporation, which provides natural gas and related energy products. Mr. Whitmire currently serves as Chair of the Transocean Inc. executive compensation committee, and Chair of the El Paso Corporation health, safety and environmental committee.

Qualifications: Having served as Chairman of our Board for over ten years, Mr. Whitmire provides valuable insight into the Company s business, including the challenges and material risks it faces. Mr. Whitmire offers tremendous senior leadership and energy industry expertise to our

Board as well, with more than 45 years experience in

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engineering, operations and the management of exploration and production companies worldwide. In addition, as a result of his having served on a number of public company boards for the past 16 years, Mr. Whitmire contributes significant corporate governance expertise to our Board.

J. Brett Harvey

President, Chief Executive Officer and Director, age 59

J. Brett Harvey has been President and Chief Executive Officer and a director of CONSOL Energy since January 1998. He has been a director of CNX Gas since June 30, 2005, the date of its formation, and was appointed as chairman of the CNX Gas Board in January 2009. Mr. Harvey was also elected to the position of chairman and chief executive officer of CNX Gas in January 2009. Mr. Harvey is a member of the board of directors of the Bituminous Coal Operators Association and a member of the executive committee and the board of the American Coalition for Clean Coal Energy. In December 2005, Mr. Harvey was elected to the board of directors of Barrick Gold Corporation, the world s largest gold producer (Barrick). He serves on the Barrick compensation and environmental, health and safety committees. In December of 2007, Mr. Harvey was also elected to the board of directors of Allegheny Technologies Incorporated, a specialty metals producer, and serves on its nominating and corporate governance and compensation committees.

Qualifications: As Chief Executive Officer of the Company and of CNX Gas, Mr. Harvey is the most senior executive of the Company and as such provides our Board with the greatest insight into the Company s business and the challenges and material risks it faces. Mr. Harvey has more than 30 years of natural resources industry experience and is especially qualified to understand the risks and leadership challenges facing a diversified energy company. Mr. Harvey also brings substantial corporate governance expertise to our Board, which he acquired through his years of service on multiple public company boards, including Barrick Gold Corporation and Allegheny Technologies Incorporated.

James E. Altmeyer, Sr.

Director, age 71

James E. Altmeyer, Sr. has been a director of CONSOL Energy since November 2003. He was a director of CNX Gas from June 30, 2005, the date of its formation, until April 28, 2009. During his tenure on the CNX Gas Board, he served as a member of the Audit Committee and Chairman of the Compensation Committee. He currently serves as Chairman of the Health, Safety and Environmental Committee and as a member of the Finance Committee of CONSOL Energy. Mr. Altmeyer served as President and Chief Executive Officer of Altmeyer Funeral Homes, Inc. of West Virginia, Ohio, Virginia and North Carolina from 1972 until 2007, at which time he became Chairman of Altmeyer Funeral Homes, Inc. He has also been President of Altmeyer Realty, a real estate holding company, and of Martin-Steadfast Insurance Company since 1972. Since 1987, Mr. Altmeyer has served on the board of directors of WesBanco, Inc., a multi-state bank holding company. Mr. Altmeyer is also a member of the executive committee of the Wheeling Hospital Board of Directors; Vice Chairman of the Chambers Foundation and a director of the General Douglas MacArthur Foundation.

Qualifications: Mr. Altmeyer brings over 35 years business experience to our Board and more than 20 years of board experience. In addition to his service on our Board and his previous service on the board of directors of CNX Gas, Mr. Altmeyer has served as a director on the board of directors of WesBanco, Inc. for over 20 years and that of Wheeling Hospital for 30 years and as such offers significant corporate governance and financial expertise to our Board. Mr. Altmeyer graduated from the United States Military Academy at West Point in 1961 and served on active duty until October 1972. Among his numerous combat (Vietnam) awards are a Silver Star and three Bronze Stars.

Philip W. Baxter

Director, age 61

Philip W. Baxter rejoined the Board in January 2009. He currently serves as a member of the Audit and Compensation Committees. Mr. Baxter previously served as a director of CONSOL Energy (as well as Chairman of its Audit Committee and a member of its Finance Committee) from August 1999 until August 2005. Mr. Baxter also serves as a director of CNX Gas, and was the Chairman of the Board from June 30, 2005 until January 2009. With respect to the CNX Gas Board, he currently serves as a member of the Audit Committee and has also served on the Finance Committee. Mr. Baxter has been the President of Stan Johnson Company, a nationally recognized leader in commercial real estate brokerage specializing in single-tenant properties, since September 2002. He was Chief Financial Officer and Executive Vice President of the Tulsa-based energy conglomerate, Mapco Inc., until March 1998 when it merged with The Williams Company. During his 18-year career at Mapco, Mr. Baxter held a number of officer level positions including Chief Information Officer and Senior Vice President of Strategic Planning. Prior to his career at Mapco, he held a number of financial positions with Williams Energy Company, a subsidiary of The Williams Company.

Qualifications: Mr. Baxter brings over 40 years of business experience to our Board, including over 30 years of energy industry experience, accumulated principally in the areas of finance, strategic planning, mergers and acquisitions, technology, government affairs and human resources. Having served in various supervisory executive-level positions over the course of his career, Mr. Baxter has developed significant management and leadership skills and is well accustomed to interfacing with rating agencies, investors, analysts, auditors, outside advisors and governmental officials. He has served as a member of our Board and the board of directors of CNX Gas for the past 12 years, collectively, and has served on each of the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee.

William E. Davis

Director, age 67

William E. Davis joined the CONSOL Energy Board in January 2004. He currently serves as Chairman of the Nominating and Corporate Governance Committee and as a member of the Health, Safety and Environmental Committee. Since November 2007, Mr. Davis has been a director of AbitibiBowater Inc., which produces a broad range of paper and forest products marketed around the world, and serves on its nominating and governance and audit committees. Mr. Davis was a director of Abitibi Consolidated Inc, which produced newsprint and commercial printing paper and other wood products, from April 2003 to November 2007, and served on its audit and nominating and governance committees. Mr. Davis was also the chairman of the board of directors and Chief Executive Officer of Niagara Mohawk Power Corporation, an electricity and natural gas utility located in upstate New York from May 1993 to February 2002. Following the sale of Niagara Mohawk in February 2002 and until his retirement in April 2003, Mr. Davis served as chairman of National Grid USA and as an executive director of National Grid (UK), owner and operator of the electricity transmission network in England and Wales. He served as Chairman and Chief Executive Officer of the Metropolitan Development Foundation of Central New York until December 4, 2008.

Qualifications: Having served as chairman and chief executive officer of Niagara Mohawk Power Corporation, a major investor owned gas and electric utility, for nine years, and as chairman of National Grid USA and executive director of National Grid (UK), Mr. Davis provides our Board with substantial insight into the energy industry. Mr. Davis also contributes significant knowledge with respect to corporate governance matters acquired through his years of multiple board service and a unique corporate governance insight having graduated from the National Association of Corporate Directors certification course.

Raj K. Gupta

Director, age 67

Raj K. Gupta has been a director of CONSOL Energy since 2004 and a director of CNX Gas since June 30, 2005, the date of its formation. He currently serves as Chairman of the Audit Committee and a member of the Health, Safety and Environmental Committee. He is also a member of the audit committee of CNX Gas. From July 2007 to April 2009, Mr. Gupta also served as Chairman of the board of directors of Quetzal Energy Inc., a Canadian-based international oil and gas company operating in Guatemala, Central America. From 1965 until his retirement in 2000, Mr. Gupta held various management positions with Phillips Petroleum Company, an international integrated oil and gas company now part of ConocoPhillips, including Vice President of Strategic Planning, managing business development, strategic growth and globalization efforts in South America, China, the Middle East and the former Soviet Union. From 2000 to December 2004, Mr. Gupta served on the board of directors of Yukos Oil Company, Moscow, Russia, chaired its compensation committee and was a member of its audit and finance committees. From

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2000-2009, Mr. Gupta was a member of the Advisory Council of the Industrial and Manufacturing Systems Engineering Department at Kansas State University. He also serves on the board of Preng & Associates in Houston. Mr. Gupta currently works as an independent management consultant.

Qualifications: Mr. Gupta brings over 40 years of business experience in the integrated oil and gas industry including upstream and downstream businesses in the areas of strategic planning, finance, operations and technology. Through his more than ten years of collective service on the boards of CONSOL Energy, Quetzal Energy, Inc and Yukos Oil Company, Mr. Gupta has acquired a wealth of knowledge regarding the natural resources industry and the challenges and risks it faces, knowledge which he is able to share with our Board. In addition, his financial experience, and in particular his experience overseeing and assessing the performance of companies and independent public accounting firms, including (i) conduct regarding the corporate financial reporting process, and (ii) the preparation and integrity of financial information and statements, makes him an invaluable asset to our Company and our Audit Committee. Having served as a member of the Board of Directors of CONSOL Energy for the past six years and as a member of the CNX Gas board since that company s formation in 2005, Mr. Gupta is very familiar with our business and the challenges and material risks it faces.

Patricia A. Hammick

Director, age 63

Patricia A. Hammick has served on the Board since June 2001. She currently serves on the Nominating and Corporate Governance and Finance Committees. Mrs. Hammick also currently serves as lead independent director for the board of directors of Dynegy Inc., an independent power producer to which she was elected in April of 2003. Since January 2007, she has also been a director of SNC Lavalin Group, Inc. (SNC), a company engaged in engineering and construction, infrastructure ownership and management, and facilities and operations management. She serves as a member of SNC s audit and health, safety & environment committees**.** She is a member of the National Association of Corporate Directors and was an adjunct professor in graduate studies at The George Washington University from 2001 to 2003.

Qualifications: Ms. Hammick brings 34 years of progressively senior level management experience in the energy industry to our board and an abundance of knowledge in the areas of natural gas exploration and production, transmission, distribution, oil production and power generation and development, shareholder relations and merger and acquisitions management. As a member of the National Association of Corporate Directors and as a result of her more than ten years service on multiple public company boards in sectors directly relevant to the Company, Ms. Hammick offers expertise in corporate governance matters, the assessment of company exposure to risks associated with economic factors, financial matters and competitive market and regulatory compliance. She is also experienced in the identification, development and execution of risk response strategies.

David C. Hardesty, Jr.

Director, age 64

David C. Hardesty, Jr. joined the Board in October 2005. He currently serves as a member of the Health, Safety and Environmental and Finance Committees. Mr. Hardesty is President Emeritus and Professor of Law at West Virginia University (WVU). He was President of WVU from 1995 to 2007. While serving as President, he was also a member of the National Security Higher Education Advisory Board. In addition, Mr. Hardesty served as the permanent chair of WVU s affiliated research corporation, teaching hospital and the hospital s parent health care system of hospitals. He is a member of numerous professional and civic organizations. Prior to his career in academia, Mr. Hardesty was a partner in the law firm of Bowles Rice McDavid Graff & Love in Charleston, West Virginia, where he practiced in the areas of state and local taxation, corporate and banking and administrative law for 18 years. He is currently Of Counsel at this law firm. Mr. Hardesty was a State Tax Commissioner during Senator John D. Rockefeller IV s first term as governor of West Virginia (1977-1980). He also served as chairman of the National 4-H Council, a director and officer in the Big East Conference, and a member of the Bowl Championship Series Presidential Oversight Committee, as well as a founding directors of the Blanchettee Rockefeller Neurosciences Institute.

Qualifications: Mr. Hardesty brings more than 16 years of senior level executive experience to our Board. Mr. Hardesty also offers a unique and invaluable perspective into corporate governance matters, having practiced as

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an attorney in the areas of corporate law, banking and administrative law and state and local taxation for 18 years. Mr. Hardesty has developed significant leadership skills over the course of his career, having been a CEO of a major higher education institution, an agency head in state government, a law professor, and chair of a large health care system. He has also been a member of numerous civic and charitable boards and commissions, including the National Security Higher Education Advisory Board.

John T. Mills

Director, age 62

John T. Mills joined the Board in March 2006. Mr. Mills currently serves as a member of the Audit and the Compensation Committees. In January 2008, Mr. Mills became a member of the board of directors and audit, conflicts and risk management committees of Regency GP, LLC, the general partner of Regency GP, LP, the general partner of Regency Energy Partners LP, a natural gas gathering, processing and transportation master limited partnership. Mr. Mills joined the board of directors of Horizon Offshore, Inc., a marine construction company, in June 2002 and served as the chairman of the board of directors from September 2004 until December 11, 2007, when Horizon Offshore, Inc. was acquired by Cal Dive International, Inc. He currently serves on the board of directors of Cal Dive International Inc., a marine contractor providing manned diving, derrick, pipelay and pipe burial services to the offshore oil and natural gas industry, and serves on the audit, compensation and corporate governance and nominating committees. Mr. Mills was the Chief Financial Officer of Marathon Oil Corporation, an integrated energy company, from January 2002 until his retirement in December 2003.

Qualifications: As a licensed attorney with 35 years of business experience, including 16 years as an officer of Marathon Oil Corporation and USX Corporation, Mr. Mills brings significant knowledge and experience to our Board. In particular, Mr. Mills brings an in depth understanding of the evaluation of organic growth capital projects and acquisition and disposition opportunities, and the importance of maintaining a competitive capital structure and liquidity. In addition, having previously served as senior vice president, finance and administration and later the chief financial officer of Marathon Oil Corporation, Mr. Mills has developed a wealth of financial knowledge with respect to the oversight of (i) the preparation of consolidated financial statements, (ii) internal audit functions and (iii) public accountants, skills which are critical to our Company and particularly our Audit Committee.

William P. Powell

Director, age 54

William P. Powell has served on the Board since January 2004. He currently serves as Chairman of the Compensation Committee and as a member of the Nominating and Corporate Governance Committee. Since 1993, Mr. Powell has also been a director of Cytec Industries, a global specialty chemicals and materials company, where he chairs the governance committee and has served on the audit committee. Until May 2007, Mr. Powell was a managing director of Williams Street Advisors, a New York City-based merchant banking boutique. Mr. Powell resigned from William Street Advisors to establish a family office, 535 Partners LLC. Mr. Powell serves as managing partner of 535 Partners LLC.

Qualifications: With an MBA degree and over 30 years of financial, management and investment experience, Mr. Powell brings a wealth of knowledge to our Board. Having served on multiple public company boards for over 16 years, Mr. Powell also has significant expertise in corporate governance matters.

Joseph T. Williams

Director, age 72

Joseph T. Williams has been a director of CONSOL Energy since January 2004. He currently serves as Chairman of the Finance Committee and a member of the Compensation Committee. Mr. Williams also served as a director of CNX Gas from July 10, 2006 until January 2009. Mr. Williams is a retired oil and natural gas industry executive who has held positions as chairman or Chief Executive Officer or both for NASDAQ, American, and New York Stock Exchange listed companies. He has served as a member of a number of industry organizations over the course of his career and currently serves as a member of the Society of Petroleum Engineers and the Dallas Wildcat Committee.

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Qualifications: Mr. Williams brings 49 years of operational, engineering and corporate business experience to our Board. Mr. Williams has served in senior executive positions for a number of private and public companies in the oil and natural gas industry, including Chevron Corporation, Mitchell Energy and Development Corp., Lear Petroleum Corporation, PG & E Resources, Enserch Exploration, Inc., MCN Investment Corporation and DevX Energy Inc. Having served in these positions, Mr. Williams provides our Board with a broad understanding of the energy industry generally and the challenges and material risks inherent in the Company s businesses.

Resignation Policy

On September 9, 2009, the Board approved an amendment to Section 2.9 of the Bylaws to provide that, among other matters, any nominee for director who receives a greater number of votes withheld than for his or her election in an uncontested election will, following certification of the election results, promptly render his or her offer of resignation to the Chairman of the Board. The Nominating and Corporate Governance Committee of the Board will consider any such tendered resignation as it deems appropriate and within 75 days following the date on which the election occurred, make a recommendation to the Board concerning the acceptance or rejection of such resignation. The Board will take formal action on the committee s recommendation no later than 90 days following the date on which the election occurred.

Related Party Policy and Procedures

Our Audit Committee adopted a written Related Party Policy and Procedures for the review and approval or ratification of related party transactions with directors, nominees for director and executive officers. A copy of the policy is available on our website at *www.consolenergy.com*.

Under the policy, prior to entering into a related person transaction, a director, nominee or executive officer is to notify our chief financial officer and general counsel of the material facts regarding it. If our chief financial officer and general counsel determine that the proposed transaction is a related person transaction, it is presented to our Audit Committee (or if it is not practicable or desirable to wait until the next Audit Committee meeting, to the chairman of the Audit Committee) for approval. The Audit Committee will consider all relevant facts and circumstances including the terms of the transaction and terms that would be available to unrelated parties, the benefits to us, and, if it involves an independent director, any impact on independence. The Audit Committee will also inform our Nominating and Corporate Governance Committee of any related party transactions involving directors or nominees. Since the SEC s related party regulation also applies to directors and executive officers family members as well as entities in which they may be deemed to have an indirect material interest, it is possible that related person transactions could occur without a director or executive officer being aware of them and bringing them to us for approval. When we become aware of a related person transaction that has not been previously approved, the policy provides that it will be presented to our Audit Committee for ratification or other action. The policy also provides that our Audit Committee will review on an annual basis ongoing related person transactions having a remaining term of more than six months or a remaining amount in excess of $120,000. The transactions described above in *Related Party Transactions* and the transactions that were described in *Compensation Committee Interlocks and Insider Participation* on page 7 were ratified under this policy. We also require that officers and directors complete director and officer questionnaires annually and that they adhere to written codes of business conduct and ethics regarding various topics including conflicts of interest, loans from the Corporation, the receipt of gifts, service in outside organizations, political activity and corporate opportunities; officers and directors certify compliance with these codes in writing each year. With respect to CNX Gas, its audit committee s charter addresses its review, and, if appropriate, approval or ratification of transactions between it (including its subsidiaries) and related persons that are required to be reported by it under the SEC s related party regulation.

For a description of certain relationships and related transactions, see *Compensation Committee Interlocks and Insider Participation* on page 7.

Determination of Director Independence

Our Board is required under the New York Stock Exchange rules to affirmatively determine the independence of each director and to disclose this determination in the Proxy Statement for each annual meeting of shareholders of CONSOL Energy. Based on the independence standards set forth in our Corporate Governance Guidelines which

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are described below, our Board at its meeting held on February 16, 2010, determined that all non-employee directors (*i.e.*, all directors except J. Brett Harvey) had no material relationship with CONSOL Energy (either directly or indirectly, including as a partner, shareholder, or officer of an organization that has a relationship with CONSOL Energy) and are independent under our Corporate Governance Guidelines and the corporate governance rules of the New York Stock Exchange codified in Section 303A of the NYSE Listed Company Manual. The Board considered the transactions described in *Compensation Committee Interlocks and Insider Participation* on page 7 with respect to Mr. Altmeyer. Each member of the Audit Committee meets the heightened independence standards required for audit committee members under the NYSE listing standards and the SEC rules.

The Board established the following standards for determining director independence in our Corporate Governance Guidelines, which are available on the Corporate Governance section of the Corporation s website at *www.consolenergy.com.*

A director will not be deemed independent if:

(i) the director is, or has been within the previous three years, employed by CONSOL Energy, or an immediate family member is, or has been within the previous three years, an executive officer of CONSOL Energy; provided, that employment as an interim Chairman or CEO or other executive officer shall not disqualify a director from being considered independent following that employment;

(ii) the director or an immediate family member has received, during any twelve-month period within the last three years, more than $120,000 in direct compensation from CONSOL Energy, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); provided, that compensation received by a director for former service as an interim Chairman or CEO or other executive officer need not be considered in determining independence under this paragraph (ii) and provided, further, that compensation received by an immediate family member for service as an employee of CONSOL Energy (other than an executive officer) need not be considered in determining independence under this paragraph (ii);

(iii) (A) the director or an immediate family member is a current partner of the firm that is CONSOL Energy s internal auditor or external auditor (each an Audit Firm); (B) the director is a current employee of an Audit Firm; (C) the director has an immediate family member who is a current employee of an Audit Firm and who personally works on CONSOL Energy s audit; or (D) the director or an immediate family member was, within the previous three years (but is no longer), a partner or employee of an Audit Firm and personally worked on CONSOL Energy s audit within that time;

(iv) the director or an immediate family member is, or has been within the previous three years, employed as an executive officer of another company where any of CONSOL Energy s present executive officers at the same time serves or served on such company s compensation (or equivalent) committee of the board of directors; or

(v) the director is a current employee, or an immediate family member is an executive officer, of a company that has made payments to, or received payments from, CONSOL Energy for property or services in an amount which, in any of the previous three fiscal years, exceeds the greater of $1 million or 2% of such other company s consolidated gross revenues. For purposes of the foregoing, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year; and

(vi) for members of the audit committee only: other than in the capacity as a member of the audit committee, the Board, or any other committee of the Board, the director (A) does not accept, directly or indirectly, any consulting, advisory, or other compensatory fee from CONSOL Energy, provided that compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with CONSOL Energy (provided that such compensation is not contingent in any way on continued service), or (B) is not an affiliated person of CONSOL Energy.

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Immediate family members of a director are the director s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who share such person s home. When applying the look-back period referenced in clauses (i) (v) above, directors need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

Executive officer has the meaning specified for the term officer in Rule 16a-1(f) under the Securities Exchange Act of 1934.

Any related person transaction required to be disclosed under SEC Regulation S-K, Item 404, shall be considered in determining the independence of a director or nominee.

Required Vote

As more fully set forth in Section 2.9 of CONSOL Energy s Amended and Restated Bylaws, the affirmative vote of a plurality of the votes cast at the Annual Meeting shall elect directors.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR

THE ABOVE-NAMED NOMINEES FOR THE BOARD OF DIRECTORS.

EXECUTIVE COMPENSATION AND STOCK OPTION INFORMATION

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

This Compensation Discussion and Analysis section is designed to explain the material elements of compensation paid to our executive officers and to describe the manner and context in which compensation is awarded to and earned by these individuals.

The five individuals identified in the Summary Compensation Table of this Proxy Statement comprise our named executives. The five employees of CONSOL Energy are: our Chief Executive Officer (Mr. Harvey), our Chief Financial Officer (Mr. Lyons), our Chief Operating Officer (Mr. DeIuliis), our Chief Legal Officer (Mr. Richey) and our Executive Vice President Business Advancement and Support Services (Mr. King or EVP Business Advancement). Each of our named executive officer s compensation in 2009 was approved by our Compensation Committee (and the independent members of our Board in the case of our Chief Executive Officer).

As a result of a management reorganization of CONSOL Energy and CNX Gas in January 2009 (as described below), Mr. DeIuliis, the President and Chief Operating Officer of CNX Gas, became an employee of CONSOL Energy and became the Executive Vice President and Chief Operating Officer of CONSOL Energy. Although the CNX Gas Board and its compensation committee approved his 2009 compensation package in December 2008, the Compensation Committee for CONSOL Energy also reviewed and approved his 2009 compensation package in February 2009 since he is now the Chief Operating Officer of CONSOL Energy.

Our executive compensation program consists of base salary, time-based restricted stock units and at-risk compensation, both short- and long-term. The elements of our executive compensation program include base salary, annual cash incentive awards, long-term incentive awards, retirement and other post-employment programs and perquisites.

The Compensation Committee uses a variety of resources, including tally sheets, competitive market analysis, and input from independent consultants to make decisions regarding our executives compensation that are consistent with our executive compensation philosophy and objectives. The Compensation Committee considers the Corporation s business performance, financial goals, the current industry environment and various tax considerations in determining how to apply the Corporation s executive compensation philosophy to decisions regarding executive compensation.

The analysis that follows describes the material elements of CONSOL Energy s compensation programs for each of the named executives.

Elements of Our Executive Compensation Program

The Compensation Committee seeks to achieve its objectives through the following elements of our executive compensation program:

Base Salary

Short-Term Incentive Compensation

Long-Term Incentive Compensation

- Restricted Stock Units
- Stock Options
- Performance Share Units

Post-Employment Compensation

- Retirement Benefits

- Employment and Letter Agreements

- Change in Control Agreements

Perquisites

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Objectives of Our Executive Compensation Program

One of the primary objectives of our executive compensation program is to attract and retain talented individuals to manage and lead CONSOL Energy. Accordingly, our Compensation Committee is responsible for approving the compensation of our executive officers and, in the case of our Chief Executive Officer, recommending his compensation to the independent members of the Board for final approval.

We believe that the quality, skills and dedication of our named executives are critical factors affecting the short- and long-term value of CONSOL Energy. As a result, the objectives of our compensation program are as follows:

- promote the achievement by CONSOL Energy of annual and long-term performance objectives;
- provide incentives for our named executives to achieve performance goals;
- reward our named executives for the achievement of performance goals;
- align our named executives interests with the interests of CONSOL Energy and its shareholders; and
- provide compensation opportunities that will attract and retain superior executive personnel who will make significant contributions to CONSOL Energy s short- and long-term success.

Through the use of our long-term compensation program, executive officers have the opportunity to receive total compensation at the top quartile among our peer group of companies, only if absolute and/or relative performance warrant such a payout.

Role of Outside Compensation Consultant

The Compensation Committee has engaged an outside compensation consulting firm to assist it with the development of our compensation program, and this consultant works for the Compensation Committee in coordination with management.

The Compensation Committee looks to the outside compensation consultant to review the elements of our compensation program and recommend any modifications thereto, including the appropriate mix of short- and long-term incentives, based on the consultant s review of the market practices of a peer group of companies (which are recommended by the consultant after discussions with the Compensation Committee and management, and approved by the Compensation Committee). The consultant also provides ongoing input on the design of our incentive programs and the underlying performance metrics.

The Compensation Committee also uses the compensation consultant s benchmarking studies to determine the market pay practices of similarly situated executives to our named executives. The Compensation Committee s policy is to use the data prepared and presented by the outside compensation consultant as a reference point or guideline. Actual compensation may be higher or lower than the compensation for executives in similar positions at comparable companies.

In connection with the 2009 compensation program, the compensation consultant benchmarked the proposed compensation packages against (i) proxy data of fifteen similarly-sized energy industry companies (the Peer Group), and (ii) published survey data. Proposed compensation packages for total direct compensation were also compared to the trended energy industry peer group data.

The rationale for having higher or lower compensation than other executives at comparable companies is a function of that person s performance, skills, experience and specific role in the organization, as well as CONSOL Energy s overall performance. For example, with respect to each of our named executives, the compensation consultant found in February 2009, that the 2009 compensation packages recommended to the Compensation Committee were between the 44^{th} and 81^{st} percentiles of proxy data, or the 32^{nd} to 74^{th} percentiles of trended proxy data (that is proxy data that is trended forward by 5% per year to account for the fact that the proxy data available at the time reflected

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2007 compensation information). It was determined that for each of these individuals, their history with the Corporation, the depth and breadth of their experiences, their job responsibilities and CONSOL Energy s performance in 2008 warranted the recommended level of compensation. Additionally, when reviewing the ranking of CONSOL Energy s compensation packages to its peers, the Compensation Committee analyzes the size of CONSOL Energy relative to the Peer Group. In early 2009, CONSOL Energy s revenues of $4.3 billion positioned it at the 72nd percentile of the Peer Group (based on the last quarter in 2007 and first three quarters in 2008), and CONSOL Energy s market capitalization of $4.9 billion was positioned at the 52nd percentile of the Peer Group (based on data as of February 2, 2009).

2009 Peer Group

For purposes of establishing 2009 compensation, the Compensation Committee approved a Peer Group that consisted of the following 15 companies:

Allegheny Energy Inc.	Noble Energy, Inc.
Alpha Natural Resources, Inc.	Patriot Coal Corporation
Arch Coal, Inc.	Peabody Energy Corporation
Chesapeake Energy Corporation	PPL Corporation
EQT Corporation	Questar Corporation
EOG Resources, Inc.	Teco Energy, Inc.
Foundation Coal Holdings, Inc.	Vectren Corporation
Massey Energy Company	

The Peer Group was modified in 2009 to include Patriot Coal Corporation, a company that was spun off from Peabody Energy Corporation in November 2007. While it is one of the smaller companies in the Peer Group based on revenue and market capitalizations, it is an appropriate comparator company based on business focus and geographic location of its operations.

The consultant s standard methodology is to recommend that peer companies are in the same sub-industry (coal) and/or industry (energy) as CONSOL Energy and then to examine the size of companies based on revenues and market capitalization to identify the most comparable companies.

2010 Peer Group

In December 2009, our outside compensation consultant reviewed additional companies in the coal and energy industries. Based on that review, our Compensation Committee approved eliminating Foundation Coal Holdings, Inc., as it merged with Alpha Natural Resources, Inc. in July 2009. The other companies in the Peer Group remained the same as 2009.

Considerations of the Compensation Committee

The Compensation Committee relies on its own judgment in setting each executive officer s compensation and not on any rigid guidelines or strict formulas. To establish compensation for a particular executive officer, the Corporation s human resources personnel make an initial assessment and submit it to our Chief Executive Officer for review (except in the case of the Chief Executive Officer s compensation). This assessment considers relevant industry salary practices, the position s complexity and level of responsibility, its importance to us in relation to other executive positions, and the competitiveness of an executive officer s total compensation. Our Chief Executive Officer may make appropriate changes to this assessment based on his determination of such named executive s past performance. The Compensation Committee then reviews:

- our Chief Executive Officer s compensation alternatives for each named executive (other than himself);
- our Chief Executive Officer s evaluation of each named executive s performance and internal value; and

the benchmarking studies compiled by the outside compensation consultant.

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From this information, the Compensation Committee approves, in consultation with the Chief Executive Officer and the outside compensation consultant, the amount of each executive officer s annual base salary, short- and long-term incentive compensation.

To establish compensation for our Chief Executive Officer, the Compensation Committee reviews:

- the benchmarking studies and compensation alternatives compiled by the outside compensation consultant; and
- the Chief Executive Officer s self-evaluation of his performance in light of the prior year s goals and objectives, and the Board of Directors evaluation of his performance.

The Compensation Committee s current intent is to perform at least annually a strategic review of our named executives overall compensation packages to determine whether they provide competitive incentives and whether they properly compensate our executive officers relative to comparable officers in other companies with which we compete for talent. Our Compensation Committee s most recent overall compensation review occurred in February 2010. Our Chief Executive Officer, Chief Financial Officer and Chief Legal Officer typically attend all or a portion of the Compensation Committee meetings. However, the named executives are not present during that portion of the meeting in which their compensation is considered and approved.

Performance of CONSOL Energy in 2009

In 2009, CONSOL Energy had several significant achievements in a number of important areas in which we judge our performance:

- We recorded our best safety performance in the history of CONSOL Energy, with our reportable incidence rate improving by approximately 9% from 2008 (approximately 2.6 times better than the industry average).
- As a result of the weak economy, CONSOL Energy exercised coal sales and production discipline to preserve cash and stabilize the market. Despite the weak economy, coal sales revenue increased by over $300 million above our 2008 results.
- The weak economy resulted in a collapse of gas prices during 2009; however, the Company s strong hedge position preserved value and resulted in strong revenues for the year. We sold 100% of our production with zero curtailment by interstate pipelines.
- In 2009, we produced 59.4 million tons of coal and 94.4 Bcf of natural gas, resulting in approximately $540 million of total Net Income and approximately $1.2 billion of EBITDA (please refer to *EBITDA Reconciliations* on page 41 for information on the calculation of actual EBITDA for 2009). This represents an increase of 21% for Net Income and 9% for EBITDA relative to 2008.
- We acquired approximately 63,700 acres of Marcellus Shale leases and 19,000 acres of coal-bed methane leases.
- We successfully recruited talented employees within the energy industry by positioning the Company as a safe, stable, and growing workplace.

Objectives and Performance of Named Executives

2009 Performance Goals and Objectives

As mentioned above, the performance of our named executives is considered when establishing individual compensation. This means that the individual s performance is taken into account when compensating a named executive for prior performance and/or approving a targeted compensation package for the following year.

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The Compensation Committee did not separately consider each individual goal and objective identified below, nor did it assign any relative weights to these goals and objectives. For purposes of considering an individual s performance, the Compensation Committee made a subjective determination based on a review of each named executive officer s overall performance relative to such goals and objectives.

Our Corporation takes a team approach to achieving our strategic vision for CONSOL Energy. For 2009, our named executives had the following as their combined primary performance goals and objectives:

	Executives Primary Goals and Objectives for 2009
Safety	Improving safety by continuing CONSOL Energy s efforts to achieve a zero incidence rate. The Company s efforts to achieve zero accidents are not measured by the safety incidence rate (as no accidents are acceptable), but rather how and whether the Company established an effective incentive program and training program.
Productivity	Continuing to optimize production rates and offsetting rising costs through efficient deployment of CONSOL Energy s resources (such as investment in upgrading older mines with new technology). The Company s efforts to optimize production rates are not measured by the amount of coal the Company produces, but rather the efficiency by which the Company produces that coal.
Sales and Marketing	Expanding both financial margins and market share for CONSOL Energy s coal. Specific targets regarding financial margins and market share are generally not determined. Rather, the Compensation Committee in a very general manner considers, at end of the year, sales prices under the Company s sales contracts for the year and the Company s market share. However, the Company does consider costs per ton with respect to coal results and costs per Mcf with respect to gas results (see *2009 Short-Term Incentive Compensation* set forth below on page 31 for 2009 target information).
Finance	Protecting the Company s current financial position measured by CONSOL Energy s (i) Net Income and (ii) earnings before deducting net interest expense (interest expense less interest income), income taxes and depreciation, depletion and amortization (which we refer to as EBITDA).*
Organization	Continuing to analyze CONSOL Energy s corporate and management structure to identify opportunities for enhancement and to unlock value.
Business Development	Expanding core business and business support via acquisitions and joint ventures.
Environmental	Participating in greenhouse gas initiatives and developing innovative environmental mitigation measures to maintain regulatory compliance.
Recruiting	Continuing to enhance CONSOL Energy s image as an employer and becoming the employer of choice for prospective employees.
Corporate Governance	Effectuating good corporate governance by continuing to assist the Board in its oversight of CONSOL Energy and further enhancing communication between management and the Board.

* CONSOL Energy s EBITDA and Net Income targets for 2009 were $1,285,000,000 and $570,333,000, respectively. Please refer to *EBITDA Reconciliations* on page 41 for information on the calculation of the target EBITDA for 2009.

These performance measures are used in exercising negative discretion to reduce awards (when appropriate) under the Short-Term Plan and the LTIP. The Compensation Committee also considers, in part, individual performance against these goals in determining the compensation package for each named executive officer for the current year.

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The Compensation Committee, in conjunction with our Chief Executive Officer, determined that our named executives exceeded their 2009 goals and objectives.

2010 Performance Goals and Objectives

Our named executives collective goals and objectives for 2010 are substantially similar to their goals and objectives for 2009, with the following two additions:

Public Image & Branding. We will continue to enhance CONSOL Energy s corporate image and build its reputation as a leader in energy and environmental policy, as well as a community leader. These efforts are also consistent with our commitment to recruiting and enhancing the Company s image as an employer.

Regulation Risk. We will actively manage potential adverse risk associated with new governmental regulations.

The 2010 goals and objectives largely remained the same because these goals are long-term objectives which will be realized over time and which will drive CONSOL Energy s strategic success. The Compensation Committee will review in 2011, as it did in 2010 prior to approving award pay-outs for 2009 performance, whether our named executives made strides toward the achievement of these goals in the one-year period.

Mix of Total Compensation

The Compensation Committee analyzed the mix of salary, short-term incentive compensation and long-term compensation for purposes of setting 2009 compensation.

2009 TARGETED PAY MIX

Named Executive	Base Salary	Annual Incentive Compensation Awards*	Long-Term Incentive Compensation**	Total At-Risk Compensation (Short-Term Incentive Compensation,* Options and Performance Share Units**)
Chief Executive Officer	11.2%	14.6%	74.2%	77.5%
Chief Financial Officer	23.8%	16.7%	59.5%	56.3%
Chief Operating Officer	18.5%	18.5%	63.0%	60.5%
Chief Legal Officer	37.4%	22.5%	40.1%	49.2%
EVP Business Advancement	36.5%	21.9%	41.6%	49.6%

* For purposes of short-term incentive compensation awards, assumes target payout.

** For purposes of Performance Share Unit awards, assumes target payout.

Base Salary

2009 Base Salary

The objectives of base salary are to provide fixed compensation necessary to attract and retain key executives and to offset the cyclicality in our business that may impact variable pay year-to-year. Factors considered in establishing base salaries include competitiveness with external market data, internal worth and value assigned to the named executive s role and responsibilities at CONSOL Energy, and the named executive s skill and performance.

The Compensation Committee (and in the case of the Chief Executive Officer, the independent members of the Board) approved the base salaries of our named executives in February 2009 after the 2008 proxy data (containing 2007 compensation information) and survey data became available.

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In February 2009 and as a result of the management reorganization, the Compensation Committee approved annual base salary increases for each of our named executives, except the Chief Executive Officer, whose base salary was not increased, but instead, his target payout under the Short-Term Plan was increased to more closely link his cash compensation to performance. These increases occurred in large part due to the additional responsibilities that each of the named executives assumed as a part of the management reorganization. For those named executives receiving an annual base salary increase, the increases ranged from 6.0% to 15.0% from 2008.

The annual base salaries for 2009 were approved as follows:

Named Executive	Salaries for 2009
Chief Executive Officer	$ 1,000,000
Chief Financial Officer	$ 511,200
Chief Operating Officer	$ 600,000
Chief Legal Officer	$ 402,800
EVP Business Advancement	$ 368,000

Based in part on each person s 2008 performance and their additional responsibilities, it was deemed reasonable to have salaries for each of the executive officers that are positioned between the 71st and 99th percentiles of the Peer Group. Our Chief Legal Officer s salary was at the 99th percentile, but this was due in large part to the fact that relatively few Peer Group companies have a Chief Legal Officer listed in their proxy, and of those positions, our Chief Legal Officer s responsibilities are substantially broader. In general, the salary levels of our named executives are consistent with our revenue and market capitalization position relative to our Peer Group and the additional responsibilities assumed by the executive officers as a result of the management reorganization.

2010 Base Salary

In February 2010, the Compensation Committee approved annual base salary increases for each of our named executive officers, and in the case of our Chief Executive Officer, the independent members of the Board ratified the Compensation Committee s recommendation. The increases ranged from 5.5% to 10.0% from 2009. These increases were attributable, in part, to outstanding performances in 2009 and additional responsibilities assumed by certain of the named executives.

Short-Term Incentive Compensation

2009 Short-Term Incentive Compensation

In February 2009, we implemented the Short-Term Incentive Compensation Plan (which we call the Short-Term Plan) under the Executive Annual Incentive Plan to provide incentives to our employees to achieve performance goals and to reward our employees for the achievement of those goals. The Short-Term Plan is designed to deliver greater cash awards when CONSOL Energy and the employees are successful in meeting or exceeding established targets and to pay less when CONSOL Energy and/or the employee fall short of these targets. The Short-Term Plan is also designed to provide incentive compensation (measured at target) that is comparable to compensation provided by companies with which CONSOL Energy competes for executive talent.

Each of the named executives had an opportunity to earn a 2009 bonus if CONSOL Energy achieved threshold level goals for any of the following reasons: (i) total shareholder return relative to the Shareholder Return Peer Group was at or exceeded the 50th percentile, (ii) EBITDA of $642,500,000 (50% of targeted EBITDA for 2009),* or (iii) annual Net Income of $285,166,500 (50% of targeted Net Income for 2009), and in the case of (ii) and (iii), are developed from the Board-approved profit objective for the year. If any of the thresholds were achieved, each named executive had the opportunity to earn his maximum bonus which the Compensation Committee may, in its discretion, reduce through the exercise of negative discretion.

In February 2010, the Compensation Committee determined that CONSOL Energy had achieved all three of its performance goals in 2009. To summarize, the Compensation Committee determined that:

Total Shareholder Return relative to the peer companies was at the 68th percentile (more than the benchmark 50th percentile of the Total Shareholder Return Peer Group for 2009).

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Annual EBITDA (adjusted pursuant to the terms of the Short-Term Plan) for fiscal year 2009 was $1,234,068,131 (i.e., exceeding $642,500,000 (50% of the target EBITDA for 2009)).*

Annual Net Income for fiscal year 2009 was $546,915,169 (i.e., exceeding $285,166,500 (50% of the target Net Income for 2009)).

* Please refer to *EBITDA Reconciliations* on page 41 for information on the calculation of the target EBITDA, the actual EBITDA and the Short-Term Plan adjusted EBITDA for 2009.

As a result, the awards funded at maximum, and then the Compensation Committee determined to review its negative discretion guidelines. In exercising its negative discretion, the Compensation Committee may rely on a number of factors, including the following formula, to determine the amount actually paid:

Base Salary	**x**	**Opportunity Percentage**	**x**	**Annual Incentive Compensation Factor**	**=**	**Annual Award Payment**

The Opportunity Percentage referenced in the above formula is expressed as a percentage of base salary. In early 2009, the Compensation Committee determined the Opportunity Percentages for our named executives based on a review of competitive data and performance. The Compensation Committee (and in the case of the Chief Executive Officer, the independent members of the Board) approved the Opportunity Percentages as follows:

Named Executive	Opportunity Percentages for 2009	Target Payout under the Short-Term Plan*
Chief Executive Officer	130%	$ 1,300,000
Chief Financial Officer	70%	$ 357,840
Chief Operating Officer	100%	$ 600,000
Chief Legal Officer	60%	$ 241,680
EVP Business Advancement	60%	$ 220,800

* The 2009 target payout amounts for the named executives under the Short-Term Plan ranged from a 7.1% to a 25.5% increase from the 2008 target payout amounts, including an 8.3% increase from 2008 in the case of the Chief Executive Officer. The Compensation Committee increased the Chief Executive Officer s target payout under the Short-Term Plan, as opposed to his annual salary (which remained constant relative to his salary in 2008), in order to more closely link his cash compensation to performance.

The Opportunity Percentages and target payouts are benchmarked against the Peer Group and survey data (as available). This data was utilized to ensure that the recommendations were within market. As a result of this study, the Compensation Committee approved the named executives Opportunity Percentages and target payouts, with the target payouts being generally competitive between the 45^{th} and 75^{th} percentile levels of the Peer Group.

The Annual Incentive Compensation Award Factor, as referred to in the above formula, consists of the following three targets (each weighted equally):

Coal Results Target (which is based on 1/3 production, 1/3 costs and 1/3 safety)

Gas Results Target (which is based on 1/3 production, 1/3 costs and 1/3 safety)

Individual Performance Target (which includes those objectives set forth in the section above)

Each of these targets is measured independently such that if one target is not achieved, an opportunity exists for the other targets to be achieved, resulting in an annual award payment. The scores may range from 70-200% for each target, with a 100% score indicating achievement of a target and a higher score (up to 200%) indicating that the target was exceeded. If the minimum score of 70% is not reached for a target, a score of zero will be recorded for that target.

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Coal Results for 2009

In early 2010, the Compensation Committee and the independent members of the Board reviewed and evaluated the Coal Results for 2009, and determined the following scores for Coal:

Element	Original Target	Revised Target*	Actual Results	Coal Score (Based on Revised Targets)
Production	62,906,367 tons	59,345,548 tons	59,389,348	101%
Cost/Ton	$33.69	$34.91	$34.41	114