CONSOL Energy Inc
Form DEF 14A
March 23, 2009
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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):

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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:

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(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 April 28, 2009

Dear Shareholder:

You are cordially invited to attend CONSOL Energy Inc. s 2009 Annual Meeting of Shareholders on April 28, 2009, at 11:30 a.m., Eastern Time, at the Hyatt Regency Pittsburgh International Airport, Allegheny 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, 2008 accompanies these enclosures.

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,

/s/ John Whitmire

John Whitmire

Chairman of the Board

March 23, 2009

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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 APRIL 28, 2009

Notice is hereby given that the Annual Meeting of Shareholders of CONSOL Energy Inc. will be held on April 28, 2009, at 11:30 a.m., Eastern Time, at the Hyatt Regency Pittsburgh International Airport, Allegheny Room, 1111 Airport Boulevard, Pittsburgh, Pennsylvania for the following purposes:

1. To elect directors to hold office in accordance with the Third 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, 2009;

3. To consider and vote upon a proposal to amend and restate the CONSOL Energy Inc. Equity Incentive Plan to, among other matters, increase the number of shares authorized for issuance thereunder;

4. If properly presented, to consider and vote upon a proposal regarding majority voting in non-contested director elections; and

5. If properly presented, to consider and vote upon a proposal to adopt a policy for the early disclosure of shareholder proposal voting results.

By resolution of the Board of Directors, we have fixed the close of business on March 5, 2009, 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 APRIL 28, 2009:

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 23, 2009

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CONSOL Energy Inc.

CNX Center

1000 CONSOL Energy Drive

Canonsburg, PA 15317

INFORMATION ABOUT THE ANNUAL MEETING

March 23, 2009

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 April 28, 2009, at 11:30 a.m., Eastern Time, at the Hyatt Regency Pittsburgh International Airport, Allegheny 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 Third 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, 2009;
- in favor of the adoption of the Amended and Restated CONSOL Energy Inc. Equity Incentive Plan to, among other matters, increase the number of shares authorized for issuance thereunder;
- against the adoption of the shareholder proposal regarding majority voting in non-contested director elections;
- against the adoption of the shareholder proposal to adopt a policy for the early disclosure of voting results of shareholder proposals; 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 23, 2009 to holders of record, as of March 5, 2009, of CONSOL Energy common stock.

Record Date and Vote Required for Approval

The record date with respect to this solicitation is March 5, 2009. All holders of record of CONSOL Energy common stock as of the close of business on March 5, 2009 are entitled to vote at the Annual Meeting and any

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adjournment or postponement thereof. As of March 5, 2009, the Corporation had 180,637,172 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. The approval of the proposal to amend and restate the CONSOL Energy Inc. Equity Incentive Plan requires the affirmative vote of a majority of shares of common stock present in person or by proxy at the meeting and entitled to vote; provided that the total vote cast on this proposal represents over 50% in interest of all securities entitled to vote on the proposal. Except as otherwise provided by law, CONSOL Energy s Certificate of Incorporation or Third 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. 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 CONSOL Energy Equity Incentive Plan and the shareholder proposals, although they may vote their clients shares on the election of directors and the ratification of the anticipated selection of Ernst & Young LLP, an independent registered public accounting firm, to serve as the independent auditor. 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 unvoted.

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.

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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 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, 2008. 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 2008 Annual Meeting of Shareholders, except for Mr. Baxter, who was not appointed to our Board until January 16, 2009.

Committees of the Board of Directors

Our Board has four standing committees: Audit, Compensation, Nominating and Corporate Governance, and Finance. 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 17, 2009, 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 21 for additional information regarding the Board s independence determinations of its members.

Audit Committee

Our Audit Committee, which currently consists of five 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 2008 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 2008, the Compensation Committee authorized our Chief Executive Officer to grant up to 380,000 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 2008, 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.

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The compensation committee of the board of directors of CNX Gas Corporation, a publicly-traded subsidiary of CONSOL Energy (CNX Gas), separately retained in 2008 Deloitte to perform executive and director compensation services for that company. See the CNX Gas proxy statement filed on or about March 23, 2009, for a description of the scope of work performed by those firms for that company.

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 23.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, which currently consists of four 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 nominations submitted by shareholders. See *Additional Matters* on page 96 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.

Our Board also seeks members from diverse backgrounds so that it consists of members with a broad spectrum of experience and expertise and with a reputation for integrity. 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.

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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 on such date.

Finance Committee

The Finance Committee, which currently consists of five 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.

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, and Finance Committees.

We will also provide a printed copy of these documents 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

During 2008, the members of the Compensation Committee were Messrs. Powell, Altmeyer, Mills and Ms. Hammick.

Mr. Altmeyer, a member of the Board (and 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 $318,703 and $215,684, respectively, in 2008 for workmen s compensation, litigation and land-related legal services, which amounts represented approximately less than 2.0% and 0.8% of total amounts paid by the Corporation and CNX Gas respectively to all law firms retained in 2008. CONSOL Energy engaged Phillips Gardill Kaiser & Altmeyer PLLC many years prior to Mr. Altmeyer becoming a member of the Board.

Membership and Meetings of the Board of Directors and its Committees

All of the incumbent directors attended no fewer than 88% 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 2008); 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).

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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
John Whitmire[(1)]	Chair	-	-	-	-
James E. Altmeyer, Sr.	Member	Member	Member	-	-
Philip W. Baxter[(2)]	Member	Member	-	-	Member
William E. Davis	Member	Member	-	Chair	-
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 2008 Meetings	10[(3)]	10	4	3	5

(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) Mr. Baxter did not attend any of the 2008 Board or committee meetings, as he was not appointed to the Board until January 16, 2009.

(3) Of the 10 Board meetings, 5 were Regularly Scheduled and 5 were Special Meetings.

During 2008, the non-management directors held 5 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 - 2008

The following table sets forth the compensation of the Board for the 2008 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)	$166,711(5)	-	-	-	$30,000(6)	$ 296,711
James E. Altmeyer, Sr.	$173,542(7)	$190,874(8)	$26,307(9)	-	-	-	$ 390,723
Philip W. Baxter(10)	-	-	-	-	-	-	-
William E. Davis	$ 95,000	$105,870	$17,971	-	-	-	$ 218,841
Raj K. Gupta	$180,000(11)	$203,387(12)	$26,307(13)	-	-	-	$ 409,694
Patricia A. Hammick	$ 80,000	$105,870(14)	$17,971	-	-	-	$ 203,841
David C. Hardesty, Jr.	$ 80,000	$105,870(15)	$28,734	-	-	-	$ 214,604
John T. Mills	$ 87,500	$105,870(16)	$33,976	-	-	-	$ 227,346
William P. Powell	$ 87,500	$105,870(17)	$17,971	-	-	-	$ 211,341
Joseph T. Williams	$157,500(18)	$151,422(19)	$37,973(20)	-	-	-	$ 346,895

(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 compensation cost recognized in 2008 for financial statement reporting purposes and computed in accordance with FAS 123R (disregarding any estimate of forfeitures related to service-based vesting conditions) and relate to equity awards granted by CONSOL Energy and CNX Gas. The compensation cost for CONSOL Energy and CNX Gas is computed based upon the closing price of that company s stock on the date of grant. The values reflect the accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executives.

With respect to CONSOL Energy stock awards: (i) the aggregate grant date fair value for 2008 stock awards for each director was $95,000, other than for Mr. Whitmire for whom it was $250,000; (ii) each director had 2,882 restricted stock units outstanding as of December 31, 2008 other than Mr. Whitmire who had 3,179 restricted stock units outstanding as of December 31, 2008; (iii) Ms. Hammick, Messrs. Hardesty and Powell each had 1,326 deferred restricted stock units outstanding as of December 31, 2008; (iv) Mr. Williams had 675 deferred restricted stock units outstanding as of December 31, 2008; (v) Mr. Gupta had 651 deferred restricted stock units outstanding as of December 31, 2008; and (vi) Messrs. Whitmire and Gupta had 10,587 and 2,330 deferred stock units, respectively, outstanding as of December 31, 2008. The aggregate grant date fair value was computed in accordance with FAS 123R (disregarding any estimate for forfeitures related to service-based vesting conditions).

With respect to CNX Gas stock awards: (x) the aggregate grant date fair value for 2008 restricted stock unit awards was $100,000 for each of Messrs. Altmeyer, Gupta and Williams; and (y) Messrs. Altmeyer and Gupta each had 4,325 restricted stock units outstanding and Mr. Williams had 4,031 restricted stock units outstanding as of December 31, 2008. The aggregate grant date fair value was computed in accordance with FAS 123R (disregarding any estimate for forfeitures related to service-based vesting conditions).

(3) The values set forth in this column are based on the compensation cost recognized in 2008 for financial statement reporting purposes and computed in accordance with FAS 123R (disregarding any estimate of forfeitures related to service-based vesting conditions) and relate to option awards granted by CONSOL Energy and CNX Gas. The compensation cost for CONSOL Energy and CNX Gas is computed using the Black-Scholes option pricing model.

A discussion of the relevant assumptions made in the valuation of the CONSOL Energy option awards is stated in CONSOL Energy s Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (the Form 10-K) (Note 18 in the Form 10-K). The values reflect the accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executives. As of December 31, 2008 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) 19,744 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. The aggregate grant date fair value was computed in accordance with FAS 123R (disregarding any estimate for forfeitures related to service-based vesting conditions).

With respect to the CNX Gas option awards: (x) for 2008 grants: fair value of grants $15.02, risk free interest rate 4.58%, expected volatility 34.5% and expected term 4.5 years; (y) for 2007 grants: fair value of grants $9.61, risk free interest rate 4.58%, expected volatility 34.5%

and expected term 4.5 years; and (z) for 2006 grants: fair value of grants $9.83, risk free interest rate 4.65%, expected volatility 32.39% and expected term 4.5 years. As of December 31, 2008 with respect to CNX Gas, the number of CNX Gas options held by the non-employee directors was 2,544 for each of Messrs. Altmeyer and Gupta and 7,184 for Mr. Williams. The aggregate grant date fair market was computed in accordance with FAS 123R (disregarding any estimate for forfeitures related to service-based vesting conditions).

(4) Mr. Whitmire elected to defer $100,000 of his cash fees earned in 2008 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. 2,184 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 3,157 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 $250,065, and was computed in accordance with FAS 123R (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 2008 totaled $30,000.

(7) Mr. Altmeyer s fees include $87,500 for service on CONSOL Energy s Board, which was paid by CONSOL Energy, and $86,042 for service on the CNX Gas Board, which was paid by CNX Gas.

(8) Amount represents $105,870 of 2008 expense relating to CONSOL Energy stock awards and $85,004 of 2008 expense relating to CNX Gas stock awards.

(9) Amount represents $17,971 of 2008 expense relating to CONSOL Energy option awards and $8,336 of 2008 expense relating to CNX Gas option awards.

(10) Mr. Baxter joined our Board in January 2009 and thus did not earn any compensation from CONSOL Energy in 2008. He did, however, earn compensation as Chairman of the CNX Gas Board in fiscal year 2008. For a description of the amounts he earned as Chairman of the CNX Gas Board in fiscal year 2008, see the CNX Gas proxy statement filed on or about March 23, 2009.

(11) Mr. Gupta s fees include $95,000 for service on CONSOL Energy s Board, which was paid by CONSOL Energy, and $85,000 for service on the CNX Gas Board, which was paid by CNX Gas. Mr. Gupta elected to defer $95,000 of his 2008 Board fees into the CONSOL Energy Directors Deferred Fee Plan and $77,917 of his 2008 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.

(12) Amount represents $105,870 of 2008 expense relating to CONSOL Energy stock awards, $12,513 of 2008 expense relating to CONSOL Energy deferred stock units and $85,004 of 2008 expense relating to CNX Gas stock awards. Mr. Gupta elected to defer until termination of service 100% (or 1,200 restricted stock units) of his restricted stock unit award granted on April 29, 2008. Upon termination of service, shares underlying the restricted stock unit award will be delivered in successive equal installments over a 5-year period.

(13) Amount represents $17,971 of 2008 expense relating to CONSOL Energy option awards and $8,336 of 2008 expense relating to CNX Gas option awards.

(14) Ms. Hammick elected to defer until termination of service 100% (or 1,200 restricted stock units) of her restricted stock unit award granted on April 29, 2008. Upon termination of service, all of the shares underlying this restricted stock unit award will be delivered to her.

(15) Mr. Hardesty elected to defer until termination of service, 100% (or 1,200 restricted stock units) of his restricted stock unit award granted on April 29, 2008. Upon termination of service, shares underlying the restricted stock unit award will be delivered to him.

(16) Mr. Mills elected to defer until termination of service, 100% (or 1,200 restricted stock units) of his restricted stock unit award granted on April 29, 2008. Upon termination of service, shares underlying the restricted stock unit award will be delivered to him.

(17) Mr. Powell elected to defer until termination of service, 100% (or 1,200 restricted stock units) of his restricted stock unit award granted on April 29, 2008. Upon termination of service, shares underlying the restricted stock unit award will be delivered to him.

(18) Mr. Williams fees include $87,500 for service on CONSOL Energy s Board, which was paid by CONSOL Energy, and $70,000 for service on the CNX Gas Board. Mr. Williams elected to defer $29,167 of his 2008 Board fees into the CONSOL Energy Directors Deferred Fee Plan and $23,334 of his 2008 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.

(19) Mr. Williams elected to defer until termination of service, 100% (or 1,200 restricted stock units) of his restricted stock unit award granted on April 29, 2008. Upon termination of service, shares underlying the restricted stock unit award will be delivered to him. Amount represents $105,870 of 2008 expense relating to CONSOL Energy stock awards and $45,552 of 2008 expense relating to CNX Gas stock awards.

(20) Amount represents $17,971 of 2008 expense relating to CONSOL Energy option awards and $20,002 of 2008 expense relating to CNX Gas option awards.

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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 Compensation	**Dollar Value**
Annual Board Retainer	$80,000
Annual Committee Chair Retainer (excluding Audit Committee Chair Retainer)	$7,500
Annual Audit Committee Chair Retainer	$15,000
Annual Audit Committee Retainer (excluding Audit Committee Chair Retainer)	$7,500
Annual 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 will now vest 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 15th 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.

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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. The CONSOL Energy Directors Deferred Compensation Plan was amended in 2007 to ensure compliance with Section 409A of the Code. The changes include clarifying the timing of distribution events, including upon separation from service; clarifying the timing and implementation of deferral elections; and, to the extent applicable, providing that the payment benefits will be subject to a six-month delay in the event the participant is a specified employee (within the meaning of Section 409A) at the time of termination. The amendments were not intended to materially increase the benefits payable under 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.

The CONSOL Energy Directors Deferred Fee Plan was recently amended to ensure compliance with Section 409A of the Code. The changes include clarifying the timing of distribution events, including upon separation from service; clarifying the timing and implementation of deferral elections; and, to the extent applicable, providing that the payment benefits will be subject to a six-month delay in the event the participant is a specified employee (within the meaning of Section 409A) at the time of termination. The amendments were not intended to materially increase the benefits payable under the CONSOL Energy 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. Accordingly, distributions shall be made only upon a permissible distribution event, including upon separation from service, and the timing and implementation of deferral elections must occur as prescribed by 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.

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CNX Gas Non-Employee Director Annual Fees and Awards

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 Compensation	Dollar Value
Annual Board Retainer (Non-Chairman)	$70,000
Annual Board Retainer (Non-Executive Chairman)	$120,000*
Annual Committee Chair Retainer (excluding Audit Committee Chair Retainer)	$7,500*
Audit Committee Chair Retainer	$15,000
Audit Committee Member Retainer (excluding Audit Committee Chair)	$7,500
Annual Equity Award (Non-Executive Chairman) (restricted stock units)	$200,000*
Annual Equity Award (Non-Chairman) (restricted stock units)	$100,000

In connection with the management reorganization, effective January 16, 2009, the Non-Executive Chairman of the CNX Gas Board position and all CNX Gas Board committees other than its Audit Committee have been eliminated, and as such, the fees and/or equity awards denoted by an asterisk above have also been eliminated. Additionally, the other equity awards described above are scheduled to be first made in 2009 after the CNX Gas Annual Meeting of Stockholders. However, the CNX Gas Board is expected to re-evaluate its Director compensation after the CNX Gas Annual Meeting of Shareholders, and accordingly, the fees and equity awards might change.

All cash payments are to be made quarterly in arrears.

In addition, the Non-Executive Chairman in 2008 was provided clerical support by CNX Gas at an annual cost not to exceed $24,000.

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. See *CNX Gas Stock Options* on page 78 for a discussion of the effects of termination and change in control on the CNX Gas nonqualified stock options. 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. Beginning with the 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.

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, 2008, 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 5, 2009.

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
Wellington Management Company, LLP(2) 75 State Street Boston, MA 02109	15,491,813	8.55%
Capital World Investors(3) 333 South Hope Street Los Angeles, CA 90071	17,556,400	9.7%
BlackRock, Inc.(4) 40 East 52nd Street New York, NY 10022	12,290,856	6.78%
T. Rowe Price Associates, Inc.(5) 100 E. Pratt Street Baltimore, MD 21202	12,055,017	6.6%

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Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership[1]	Percent of Class
J. Brett Harvey[6][7]	1,302,763	*
William J. Lyons[6]	215,118	*
Nicholas J. DeIuliis[6]	3,999	*
P. Jerome Richey[6]	31,700	*
Robert P. King[6]	20,829	*
Robert F. Pusateri[6][8]	20,580	*
John Whitmire[6][9]	33,548	*
David C. Hardesty, Jr.[6]	8,305	*
Patricia A. Hammick[6]	21,585	*
Raj K. Gupta[6][9]	25,114	*
William E. Davis[6]	22,490	*
Joseph T. Williams[6]	12,495	*
James E. Altmeyer, Sr.[6][10]	18,394	*
William P. Powell[6]	23,499	*
John T. Mills[6]	24,120	*
Philip W. Baxter[11]	-	*
All directors and executive officers as a group (16)[6]	1,784,539	*

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

(1) As of March 5, 2009, there were 180,637,172 shares of CONSOL Energy common stock outstanding.

(2) Based on a Schedule 13G/A filed by Wellington Management Company, LLP on February 17, 2009. Wellington Management Company, LLP is deemed to be the beneficial owner of, and have shared dispositive power with respect to 15,491,813 shares and shared voting power with respect to 9,885,643 shares.

(3) Based on a Schedule 13G/A filed with the SEC on February 13, 2009**.** The filing was made by Capital World Investors, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, and the Growth Fund of America, Inc., an investment company registered under Section 8 of the Investment Company Act of 1940. 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, as a result of its acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940, including The Growth Fund of America, Inc., which has no sole or shared dispositive power with respect to its shares, but has sole voting power with respect to 10,856,400 shares.

(4) Based on a Schedule 13G/A filed by BlackRock, Inc. on February 10, 2009**.** BlackRock, Inc., as a parent holding company for a number of investment management subsidiaries, is deemed to be the beneficial owner of, and have shared voting and dispositive power with respect to all 12,290,856 shares. The following subsidiaries of BlackRock, Inc. are investment advisors which hold shares of our common stock: BlackRock Advisors LLC, BlackRock Asset Management U.K. Limited, BlackRock Capital Management, Inc., BlackRock Financial Management, Inc., BlackRock Investment Management, LLC, BlackRock Investment Management (Australia) Limited, BlackRock (Channel Islands) Ltd, BlackRock Japan Co. Ltd, BlackRock Investment Management UK Ltd and State Street Research & Management Co.

(5) Based on a Schedule 13G/A filed by T. Rowe Price Associates, Inc. on February 12, 2009. T. Rowe Price Associates, Inc., an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is deemed to be the beneficial owner of, and have sole dispositive power with respect to

12,055,017 shares. T. Rowe Price Associates, Inc. is deemed to have sole voting power with respect to 2,740,091 of the shares.

(6) Includes shares issuable pursuant to options that are currently exercisable (or may become exercisable on or before May 5, 2009) as follows: Mr. Harvey, 1,093,628; Mr. Lyons, 161,569; Mr. DeIuliis, 2,940; Mr. Richey, 17,793; Mr. King, 10,432; Mr. Pusateri, 10,394; Mr. Whitmire, 19,744; 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, 1,389,237. Also includes restricted stock units that will be vested on or before May 5, 2009, as follows: Mr. Harvey, 22,457; Mr. Lyons, 4,806; Mr. DeIuliis, 1,050;

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Mr. Richey, 2,610; Mr. Pusateri, 1,512; Mr. Whitmire, 3,179; Ms. Hammick, 2,207; Mr. Williams, 2,207; Mr. Altmeyer, 2,207; Mr. Davis, 2,207; Mr. Powell, 2,207; Mr. Gupta, 2,207; Mr. Mills, 2,207; Mr. Hardesty, 2,207, and for all directors and executive officers as a group, 53,270.

(7) Includes 2,000 shares of common stock owned by Mr. Harvey s spouse. Mr. Harvey 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.

(8) Includes 1,700 shares of common stock owned by Mr. Pusateri s spouse. Mr. Pusateri 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.

(9) Includes 10,625 and 2,337 deferred stock units held by Messrs. Whitmire and Gupta, respectively.

(10) 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.

(11) Mr. Baxter joined our Board in January 2009 and received an initial equity grant of 994 restricted stock units.

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 2008, all Section 16(a) filing requirements applicable to its executive officers and directors were complied with, except that J. Brett Harvey filed an amended Form 4 on March 31, 2008, to correct the total number of restricted stock units and shares subject to an option granted to Mr. Harvey on February 19, 2008, which were, due to an administrative error, incorrectly reported on a Form 4 filed on February 21, 2008.

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. The following contains information concerning the nominees, including their recent employment, positions with CONSOL Energy, other directorships, and age as of March 20, 2009.

Biographies of Directors

John Whitmire

Chairman of the Board, age 68

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 and Nominating and Corporate Governance 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 executive compensation committee of Transocean Inc., Chair of the health, safety and environmental committee of El Paso Corporation, and is a member of the audit committee of El Paso Corporation as well.

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J. Brett Harvey

President, Chief Executive Officer and Director, age 58

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.

James E. Altmeyer, Sr.

Director, age 70

James E. Altmeyer, Sr. has been a director of CONSOL Energy since November 2003 and a director of CNX Gas since June 30, 2005, the date of its formation. He currently serves as a member of the Audit and Compensation Committees of CONSOL Energy. He also serves as a member of the audit committee of CNX Gas. Mr. Altmeyer served as President and Chief Executive Officer of Altmeyer Funeral Homes, Inc. of West Virginia, Ohio, and Virginia 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, and currently serves on its audit committee. Mr. Altmeyer also serves as a member of the executive committee of the board of directors of Wheeling Hospital; President of the American Legion Home Corporation; Vice Chairman of the Chambers Foundation and as a member of the board of directors of the General Douglas MacArthur Foundation.

Philip W. Baxter

Director, age 60

Philip W. Baxter rejoined the Board in January 2009. He currently serves as a member of the Audit and Finance Committees of the Board. Mr. Baxter served as the Chairman of the board of directors of CNX Gas from June 30, 2005, the date of its formation, until January 2009, and continues to serve as a director of CNX Gas. Mr. Baxter served as Chairman of the Audit Committee and as a member of the Finance Committee of CONSOL Energy and served as a Director of CONSOL Energy from August 1999 until August 2, 2005. 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. Mr. Baxter 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.

William E. Davis

Director, age 66

William E. Davis joined the Board in January 2004. He currently serves as Chairman of the Nominating and Corporate Governance Committee and as a member of the Audit 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 compensation committees. Mr. Davis was a director of Abitibi Consolidated Inc, which produced newsprint, 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.

Raj K. Gupta

Director, age 66

Raj K. Gupta has been a director of CONSOL Energy since February 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 as a member of the Finance Committee. He also serves as a member of the audit committee of CNX Gas. Since July 2007, Mr. Gupta has 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. Mr. Gupta currently works as an independent management consultant. 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. Since 2000, Mr. Gupta has been a member of the Advisory Council of the Industrial, Manufacturing and Systems Engineering at Kansas State University. He also serves on the advisory board of Preng & Associates in Houston.

Patricia A. Hammick

Director, age 62

Patricia A. Hammick has served on the Board since June 2001. She currently serves on the Nominating and Corporate Governance and Compensation 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.

David C. Hardesty, Jr.

Director, age 63

David C. Hardesty, Jr. joined the Board in October 2005. He currently serves as a member of the Nominating and Corporate Governance 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 also serves on the board 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, and is currently Of Counsel at this law firm. Mr. Hardesty was also 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.

John T. Mills

Director, age 61

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 served as the chairman of the board of directors of Horizon Offshore, Inc., a marine construction company, from September 2004 until December 11, 2007, when it 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.

William P. Powell

Director, age 53

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 Finance 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.

Joseph T. Williams

Director, age 71

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 Nominating and Corporate Governance 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 is currently a member of a number of industry organizations, including the Society of Petroleum Engineers and the 25 Year Club of the Petroleum Industry.

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 6 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 6.

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 are described below, our Board at its meeting held on February 17, 2009, 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 6 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

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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.

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 Third 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.

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 which 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 five individuals identified in the Summary Compensation Table of this Proxy Statement comprise our named executives. In 2008, four of our named executives were employees of CONSOL Energy, and one was an employee of CONSOL Energy s publicly-traded subsidiary CNX Gas. The four employees of CONSOL Energy included our Chief Executive Officer (Mr. Harvey), our Chief Financial Officer (Mr. Lyons), our former President Coal Group (Mr. Lilly, who has since retired) and our Chief Legal Officer (Mr. Richey), and their compensation in 2008 was determined by our Compensation Committee (and the independent members of our Board in the case of our Chief Executive Officer). The CNX Gas employee was its Chief Executive Officer (Mr. DeIuliis) and his compensation for 2008 was determined in December 2008 by the CNX Gas Board and its former compensation committee.

As a result of a management reorganization of CONSOL Energy and CNX Gas in January 2009 (as described immediately below), Mr. DeIuliis, now President and Chief Operating Officer of CNX Gas, became an employee of CONSOL Energy and assumed the title of 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.

The analysis that follows describes the material elements of CONSOL Energy s compensation programs for the four named executives who were CONSOL Energy employees during 2008 (except with respect to an equity award granted to Mr. DeIuliis, who was an employee of CNX Gas in 2008). For information regarding the executive compensation arrangements for our Chief Operating Officer for 2008, please refer to the CNX Gas proxy statement filed in March 2009.

Management Reorganization

On January 16, 2009, our Board and the CNX Gas Board implemented a reorganization of the management structure of the two companies. In this proxy statement, we will refer to this reorganization as the management reorganization. The changes effected by this management reorganization are as follows:

- J. Brett Harvey, President and Chief Executive Officer of CONSOL Energy, was appointed to the additional position of Chairman and Chief Executive Officer of CNX Gas.

- Nicholas J. DeIuliis, President and Chief Executive Officer of CNX Gas, was appointed Executive Vice President and Chief Operating Officer for CONSOL Energy. He also will serve as President and Chief Operating Officer of CNX Gas.

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William J. Lyons, Executive Vice President and Chief Financial Officer of CONSOL Energy and Chief Financial Officer of CNX Gas, is now also an Executive Vice President of CNX Gas.

P. Jerome Richey, Senior Vice President and General Counsel of CONSOL Energy, was appointed Executive Vice President Corporate Affairs and Chief Legal Officer CONSOL Energy and CNX Gas and also will serve as Secretary for CONSOL Energy and CNX Gas.

Robert P. King was appointed Executive Vice President Business Advancement and Support Services for CONSOL Energy and CNX Gas.

Robert F. Pusateri was appointed Executive Vice President Energy Sales and Transportation Services, for both CONSOL Energy and CNX Gas.

Effective January 16, 2009, these persons became the executive officers of CONSOL Energy and CNX Gas.

The goal of the management reorganization is to improve performance and profitability of both CONSOL Energy and CNX Gas, as well as to increase efficiency and reduce costs across all business areas by creating a more unified organizational structure that will have functional, operational, and financial responsibility for all coal, gas and related assets, while still recognizing the status of CNX Gas as a separate public company.

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
- Options
- Performance Share Units

Post-Employment Compensation

- Retirement Benefits
- Employment and Letter Agreements
- Change in Control Agreements

Perquisites

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;

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- 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 relative performance warrant such a payout.

Role of Outside Compensation Consultants

The Compensation Committee has engaged outside compensation consulting firms to assist it with the development of our compensation program, and these consultants, engaged by the Compensation Committee, work for the Compensation Committee in coordination with management.

The Compensation Committee looks to the outside compensation consultants 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 consultants 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 consultants also provide ongoing input on the design of our incentive programs and the underlying performance metrics.

The Compensation Committee also uses the compensation consultants 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 consultants as a reference point or guideline. Actual compensation may be higher or lower than the compensation for executives in similar positions at comparable companies.

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 2008, the 2008 compensation packages recommended by the Compensation Committee were between the median and 86th percentile of proxy data. 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 2007 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. For example, at the end of 2007, CONSOL Energy s revenues of $3.7 billion positioned itself at the 74th percentile of the Peer Group and CONSOL Energy s market capitalization of $10.5 billion was positioned at the 63rd percentile of the Peer Group.

2008 Peer Group

For purposes of establishing 2008 compensation, the Compensation Committee approved a Peer Group that consisted of the following 14 companies (the Peer Group):

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

The Peer Group was modified in 2008 to better reflect CONSOL Energy s size and business operations. The compensation consultant explained that the Peer Group should be increased in size to ensure there are sufficient

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matches for each position and to minimize the potential impact of one or two outliers which could bias the data. Additionally, 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. Applying this methodology, the consultant suggested adding five companies to the Peer Group (Chesapeake Energy Corporation, EOG Resources, Inc., Noble Energy, Inc., PPL Corporation and Questar Corporation). The consultant continued to include Foundation Coal and Alpha Natural Resources in the proposed peer group due to their focus on coal (even though they did not meet the revenue and market capitalization parameters). Finally, Barrick Gold Corporation (for industry reasons) and Apache Corp. (for size considerations) were eliminated from the Peer Group for 2008.

In connection with the 2008 compensation program, the compensation consultant also used data of S&P 500 companies (excluding financial services companies) and proxy data from fifteen similarly-sized general industry companies to supplement its findings and provide the Compensation Committee with a general industry perspective on competitive pay levels. This data was used as a reference point only and was not directly used for benchmarking purposes.

2009 Peer Group

In December 2008, our outside compensation consultants reviewed additional companies in the coal and energy industries. Based on that review, the consultants recommended, and our Compensation Committee approved, adding Patriot Coal Corporation to the Peer Group for purposes of establishing 2009 compensation levels. Patriot Coal Corporation is a coal 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 capitalization, it is an appropriate comparator company based on business focus and the geographic location of its operations.

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 recommendations 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.

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, bonus and long-term incentive compensation.

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

- the benchmarking studies and compensation recommendation 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 Director s 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 adequate incentives and whether they

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properly compensate our executive officers relative to comparable officers in other companies with which we compete for executives. Our Compensation Committee s most recent overall compensation review occurred in early 2009. 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 2008

In 2008, CONSOL Energy achieved certain milestones in a number of critical areas in which we judge our performance:

- We recorded our best safety performance in the history of the Corporation, with our reportable incidence rate improving by 19% in 2008 (2.7 times better than the industry average).

- Our total revenue and net cash from operations were the highest in the 145-year history of the Company, and our net income was higher than any year but 2005 when we sold a portion of CNX Gas to the public.

- Our average realized prices for coal and gas were the highest since we became a publicly-owned company in 1999.

- We completed several strategic acquisitions.

- We successfully recruited employees in a tight market for talent by positioning the Company as safe, stable, and growing.

- Our share price reached a record high $119.10 prior to the unprecedented economic events during the fall of 2008.

Objectives and Performance of Named Executives

2008 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 compensation package for the following year. This section is intended to explain the considerations used with respect to our named executives performance.

Our Corporation takes a team approach to achieving our strategic vision for CONSOL Energy. For 2008, our named executives had the following as their combined primary performance goals and objectives:

	Executives Primary Goals and Objectives for 2008
Safety	Improving safety by continuing CONSOL Energy s efforts to achieve a zero incidence rate (e.g., establishing an effective incentive and training program)
Productivity	Continuing to optimize production rates and offsetting rising costs through efficient deployment of CONSOL Energy s resources (e.g., investment in upgrading older mines with new technology)
Sales and Marketing	Expanding both financial margins and market share for CONSOL Energy s coal

Finance	Maintaining and protecting current financial margins 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)*

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Executives Primary Goals and Objectives for 2008

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 target for 2008 constitutes confidential information. At the time in which the EBITDA target was established, the Compensation Committee believed that it was a challenging, but achievable target that would be met based upon CONSOL Energy s prior performance, business plan and objectives. The EBITDA target used by the Compensation Committee represented a significant improvement from the prior year s target and was based on an annual profit objective that was approved by our Finance Committee and then by the full Board. Additionally, the Chairman of the Finance Committee does not serve on the Compensation Committee, thereby providing further separation between the process for establishing our profit objective and the process for establishing executive compensation. Additionally, the Chairman of the Compensation Committee serves on the Finance Committee and as part of that Committee, oversees the development of our profit objective.

The Compensation Committee, in conjunction with our Chief Executive Officer, determined that our named executives exceeded their 2008 goals and objectives.

2009 Performance Goals and Objectives

Our named executives collective goals and objectives for 2009 are substantially similar to their goals and objectives for 2008. The 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 2010, as it did in 2009 prior to approving 2008 award pay-outs, whether our named executives made measurable 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 2008 compensation.

2008 PAY MIX

Named Executive	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	12%	14%	74%	76%
Chief Financial Officer	24%	16%	60%	56%
President Coal Group (retired 1/31/09)	23%	16%	61%	57%
Chief Legal Officer	38%	21%	40%	48%

* For purposes of short-term incentive compensation awards, assumes target payout.
** For purposes of Performance Share Unit awards, assumes target payout.
Salary, Annual Incentive and Long-Term Incentive do not add to 100% due to rounding.

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Base Salary

2008 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 2008 after the 2007 proxy data (containing 2006 compensation information) and survey data became available.

In January 2008, 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 for the reasons described below). For those named executives receiving an annual base salary increase, the increases ranged from 2% to 9% from 2007.

The annual base salaries were approved as follows:

Named Executive	Salaries for 2008
Chief Executive Officer	$ 1,000,000
Chief Financial Officer	$ 480,000
President Coal Group (retired 1/31/09)	$ 600,000
Chief Legal Officer	$ 380,000

Based in part on each person s 2007 performance, it was deemed reasonable to have salaries for each of the executive officers that are aligned at or above the 75th percentile of the Peer Group. This is consistent with our revenue and market capitalization position relative to our Peer Group at the end of 2007.

2009 Base Salary

In February 2009, the Compensation Committee approved annual base salary increases for each of our named executive officers, except the Chief Executive Officer (whose base salary was not increased for the reasons described below). For our new Chief Operating Officer, the Chief Financial Officer and the Chief Legal Officer, the increases ranged from 6.0 to 7.1% from 2008. These increases were attributable, in part, to the additional responsibilities assumed by the named executives as a result of the management reorganization.

Short-Term Incentive Compensation

2008 Short-Term Incentive Compensation

We implemented the Short-Term Incentive Compensation Plan (which we call the Short-Term 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 achieving 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.

In February 2008, the Compensation Committee approved design changes to the short-term incentive compensation awards in order to qualify the 2008 awards thereunder as performance-based compensation under Section 162(m) of the Code (as described below). With respect to the 2008 cash incentive awards, the Compensation Committee granted such awards as performance-based compensation under the Equity Incentive Plan (subject to a maximum annual award for each executive of $2,000,000). Each of the named executives had an opportunity to earn a 2008

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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 (50th percentile), (ii) EBITDA, or (iii) annual net income. 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 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 2008, the Compensation Committee determined the Opportunity Percentages for our named executives after the 2007 proxy data (containing 2006 compensation information) and survey data became available. 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 2008	Target Payout under the Short-Term Plan*
Chief Executive Officer	120%	$ 1,200,000
Chief Financial Officer	65%	$ 312,000
President Coal Group (retired 1/31/09)	70%	$ 420,000
Chief Legal Officer	55%	$ 209,000

* The 2008 target payout amounts for the named executives under the Short-Term Plan ranged from a 2% to 9% increase from the 2007 target payout amounts, except in the case of the Chief Executive Officer, whose target payout amount increased by 20% from 2007. The Compensation Committee increased the Chief Executive Officer s target payout, as opposed to his annual salary (which remained constant relative to his salary in 2007) in order to link more of 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 recommendations were within market. As a result of this study, the Compensation Committee approved the named executives (other than himself) Opportunity Percentages and target payouts as proposed by the Chief Executive Officer and noted that the target payouts were generally competitive between median and 75th percentile levels of the Peer Group.

The Annual Incentive Compensation Award Factor, as referred to in the above formula, consists of two targets (each weighted equally). One target consists of individual performance (which includes those objectives set forth in the section above), and the other target consists of CONSOL Energy performance (which is a function of whether CONSOL Energy achieved its profit objective). Each of these targets is measured independently such that if one target is not achieved, an opportunity exists for the other target 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.

The CONSOL Energy performance target for 2008 was CONSOL Energy s profit objective net income, while the minimum threshold score was equal to 80% of the financial target and the maximum score was equal to 120% of the financial target. The profit objective net income number is derived directly from the Board-approved plan for the year and is deemed confidential information. When this net income target was established, the Compensation Committee believed that it was a challenging, but achievable net income target based upon CONSOL Energy s prior performance and its business plan and objectives.

In early 2009, the Compensation Committee and the independent members of the Board reviewed and evaluated the Chief Executive Officer s self-assessment in light of his stated goals and objectives and agreed to an individual

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performance score of 185. In the case of our Chief Financial Officer and Chief Legal Officer, their individual performance targets were based on the target goals referenced above. In January 2009, our Chief Executive Officer reviewed and discussed with the Compensation Committee his assessment of their performances in 2008 relative to the goals. Our Compensation Committee concurred with our Chief Executive Officer s assessment of executive performance and approved performance scores for our Chief Financial Officer and Chief Legal Officer that were at or within the following range: 160 to 180.

Consequently, the ultimate payouts under the 2008 short-term incentive awards were as follows:

Named Executive	Short-Term Incentive Plan Payout for 2008 Performance	
Chief Executive Officer	$	1,832,400
Chief Financial Officer	$	550,000
President Coal Group (retired 1/31/09)		*
Chief Legal Officer	$	350,000

* Our former President Coal Group retired on January 31, 2009 and was not eligible for a payout for 2008 performance under the Short-Term Incentive Plan.

Section 162(m)

With some exceptions, Section 162(m) of the federal income tax laws limits CONSOL Energy s deduction for compensation in excess of $1 million paid to certain covered employees (generally our Chief Executive Officer and the four next highest-paid executive officers). Compensation paid to covered employees is not subject to the deduction limitation if it is considered qualified performance-based compensation within the meaning of Section 162(m) of the Code.

For 2008, the Compensation Committee decided to administer the short-term incentive compensation awards under the Equity Incentive Plan in order to comply with Section 162(m) and obtained shareholder approval for a new Executive Annual Incentive Plan at the 2008 annual meeting of shareholders for annual grants of cash bonus awards thereafter. As part of the Corporation s long-term incentive compensation program, the Corporation maintains the performance share unit and option programs which are also intended to be in compliance with Section 162(m).

2009 Short-Term Incentive Compensation

In February 2009, the Compensation Committee approved the 2009 Short-Term Plan target payouts which, if earned, would be paid to the Company s officers and other employees in the first quarter of 2010. The target payouts were approved under the new shareholder-approved CONSOL Energy Inc. Executive Annual Incentive Plan so that awards to be granted thereunder to covered employees would comply with Section 162(m) of the Code. In consultation with the outside compensation consultant and management, the Compensation Committee determined to retain the design of the Short-Term Plan and approved target payouts with substantially similar terms and conditions to the 2008 Short-Term Plan target payouts.

The Compensation Committee maintained Opportunity Percentages for the Chief Financial Officer and the Chief Legal Officer, but increased our Chief Executive Officer s Opportunity Percentage from 120% to 130%. This increase was determined simultaneously with the decision to maintain the base salary for our Chief Executive Officer in 2009 at $1,000,000.

Long-Term Incentive Compensation

Mix of Long-Term Incentive Compensation

The Compensation Committee believes that combined grants of stock options, restricted stock units and performance share units provide a balance for our named executives between risk and potential reward consistent

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with the market trends of our peers. In February 2008, the Compensation Committee determined that target long-term incentive expected value would be derived 1/3 from stock options, 1/3 from restricted stock units and 1/3 from performance share units (assuming target performance is achieved). This allocation was based primarily on a desire to balance risk and retention. It was further determined by the Compensation Committee that this general mix, for officer awards, provided rewards for stock price appreciation and financial performance over the short and long-term.

For the Chief Executive Officer, the Compensation Committee recommended, and the independent members of the Board approved, altering the long-term incentive mix for him in order to provide compensation that is more performance oriented, and the Compensation Committee decreased the emphasis on time-based restricted stock units. Accordingly, his target long-term incentive expected value in 2008 was derived 42% from stock options, 42% from performance share units and 16% from restricted stock units. The rationale for this mix was to link our Chief Executive Officer s compensation more to performance-related equity (as opposed to time-based restricted stock units). The number of units and options to be received is based on the closing market price of CONSOL Energy s common stock on the grant date and the Black-Scholes value, respectively.

2008 Long-Term Incentive Compensation

In February 2008, the Compensation Committee reviewed the matters described above for purposes of establishing each executive s target long-term incentive value. The Compensation Committee, in coordination with our Chief Executive Officer, approved maintaining the same mix of restricted stock units, options and performance share units to be granted to our named executives, other than the Chief Executive Officer. As discussed above, the Compensation Committee decided in 2008 to place more emphasis on the long-term performance component of our named executives 2008 total direct compensation to incentivize our key management members to achieve our longer-term performance objectives and strategic plan.

In light of these objectives, the Compensation Committee approved an increase from 2007 in the long-term incentive opportunity for each of our Chief Executive Officer, our Chief Financial Officer, our former President Coal Group, and our Chief Legal Officer of 29.98%, 22.20%, 18.21% and 20.12%, respectively. As a result, the Compensation Committee approved the following equity awards (in the dollar amounts shown below):

Named Executive	Stock Options	Restricted Stock Units	Performance Share Units (Target)	Total
Chief Executive Officer	$ 2,600,000	$ 1,000,000	$ 2,600,000	$ 6,200,000
Chief Financial Officer	$ 400,000	$ 400,000	$ 400,000	$ 1,200,000
President Coal Group (retired 1/31/09)	$ 533,333	$ 533,333	$ 533,333	$ 1,600,000*
Chief Legal Officer	$ 133,333	$ 133,333	$ 133,333	$ 400,000*

* Numbers for stock options, restricted stock units and performance share units may not add to total due to rounding.

These increased long-term incentive opportunities are positioned between the median and 75th percentile of the peer group.

Additional information regarding each of the equity grants and their terms and conditions is more fully described in *Understanding Our Summary Compensation and Grants of Plan-Based Awards Tables* on page 44.

2009 Long-Term Incentive Compensation

In February 2009, the Compensation Committee, in coordination with our Chief Executive Officer, approved maintaining the same mix of restricted stock units, options and performance share units to be granted to our named executives, other than the Chief Executive Officer. Consistent with its decisions in 2008, the Compensation Committee decided to place more emphasis on the long-term performance component of our named executives 2009 total direct compensation to incentivize our key management members to achieve our longer-term performance objectives consistent with our strategic plan. Accordingly, the Compensation Committee approved an increase from 2008 in the long-term incentive opportunity of each of our Chief Executive Officer, Chief Financial Officer and Chief Legal Officer of approximately 6.5%, 6.3% and 7.9%, respectively.

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The Compensation Committee maintained the same equally weighted mix of long-term equity awards for the named executives. The independent members of the Board approved stock options, restricted stock units and performance share units comprising approximately 45%, 15% and 40% for the Chief Executive Officer s long-term incentive compensation.

As a result of the management reorganization, our new Chief Operating Officer will participate in the CONSOL Energy long-term incentive compensation program. In February 2009, the Compensation Committee approved equity awards for Mr. DeIuliis. As with the other CONSOL Energy named executives, the award has three components restricted stock units, stock options and performance share units. The mix is evenly weighted among the three components, and the award replaces the long-term award made by the CNX Gas Compensation Committee in December 2008.

Options and Restricted Stock Units

The Compensation Committee has the authority to administer the Equity Incentive Plan and make annual awards of non-qualified options to purchase our common stock and restricted stock units (along with associated dividend equivalent rights, which accrue and are ultimately paid in stock only if the underlying units vest) to our named executives. The Compensation Committee believes that our stock option and restricted stock unit awards promote the achievement by CONSOL Energy of short and long-term performance objectives, while aligning our named executives interests with CONSOL Energy s shareholders.

The stock option and restricted stock unit awards vest ratably over a three-year period to enhance our retention objectives. The stock option and restricted stock unit awards also provide that, upon a change in control, the unvested portion of the awards will vest. In the event of a potential change in control transaction, this provision will motivate executives to take actions that are in the best interests of CONSOL Energy and its shareholders and reduce the distraction regarding the impact of such a transaction on the personal situation of the executives.

Additionally, our award agreements contain confidentiality provisions, two-year non-competition and two-year non-solicitation provisions, which protect our business by, for example, causing a forfeiture of awards if a named executive violates these covenants. See *CONSOL Energy Stock Options* on page 71 and *CONSOL Energy Restricted Stock Units* on page 72 for a more detailed description of the restrictive covenants in option and restricted stock unit awards and the effects of employment termination.

The Compensation Committee has determined that it should grant equity awards at the beginning of the year that follows the year in which performance occurred, and therefore, such awards will be granted (when and as appropriate) at the first regularly scheduled Compensation Committee and Board meetings in which comprehensive compensation packages are approved. By doing so, equity awards will be granted closer in time to a review of each named executive s year-end performance.

2008 Long-Term Incentive Program (LTIP)

In 2008, the Compensation Committee retained outside compensation consultants to assist it in designing an LTIP that would address the Compensation Committee s objectives. In connection with developing the LTIP, the outside compensation consultants provided the Compensation Committee with general energy sector compensation data from published compensation surveys and proxy data of the Peer Group. The data reflected the use of different long-term incentive programs and the pay magnitude in terms of both target opportunity and actual payouts.

In February 2008, the Compensation Committee (and the independent members of the Board with respect to the Chief Executive Officer) approved performance unit awards for each of our named executive officers. For the performance period of January 1, 2008 through December 31, 2010, the program provides that each named executive s maximum award will be eligible for potential vesting if a threshold level of performance is achieved for any one of three performance goals: (i) total shareholder return relative to CONSOL Energy s peers (50th percentile), (ii) cumulative EBITDA for the period, or (iii) cumulative net income for the period. If any of these goals is achieved, the maximum awards will be subject to Compensation Committee discretion to reduce the awards by exercising negative discretion, which negative discretion may include considerations of CONSOL Energy s

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performance relative to total shareholder return to its peers during the period and EBITDA performance. The incorporation of negative discretion will provide flexibility to reduce an award, after taking into account each executive s performance and the performance of CONSOL Energy.

The target information for our total shareholder return performance metric is as follows:

OUTCOME RELATIVE TO TOTAL SHAREHOLDER RETURN PEER GROUP

Level of Performance	Percentage Ranking in TSR	Percent of Performance Units Earned
Below Threshold	Below 25th percentile	0%
Threshold	25th percentile	12.5%
Target	50th percentile	50%
Outstanding	75th percentile	100%

The target information for our EBITDA performance metric is as follows:

EBITDA

Level of Performance	Absolute EBITDA	Percent of Performance Units Earned
Below Threshold	*	0%
Threshold (80% of Target)	*	25%
Target	*	50%
Outstanding (120% of Target)	*	100%

* The Compensation Committee determined that the EBITDA and net income target numbers constitute confidential information. When EBITDA and net income goals were established, the Compensation Committee believed that they were challenging, yet achievable target levels based upon a review of CONSOL Energy s performance in the prior three-year period and its business goals and objectives for the performance period covering 2008-2010. The cumulative EBITDA target for 2008-2010 represented a significant improvement over the cumulative EBITDA target for 2007-2009 as used in the 2007 LTIP.

The performance share unit award agreements include a change in control provision, which provides that in the event of a change in control of CONSOL Energy, the units will accelerate and vest at target. In the event of a potential change in control transaction, this provision will motivate executives to take actions that are in the best interests of CONSOL Energy and its shareholders and reduce the distraction regarding the impact of such a transaction on the personal situation of the executives.

The Shareholder Return Peer Group (as referenced above) is comprised of the following 29 companies:

Alliance Resource Partners, L.P.	International Coal Group, Inc.
Alpha Natural Resources, Inc.	James River Coal Company
Anadarko Petroleum Corporation	Massey Energy Company
Apache Corp.	Newfield Exploration Company
Arch Coal, Inc.	Nexen Inc.
Cabot Oil & Gas Corporation	Noble Energy, Inc.
Callon Petroleum Company	Peabody Energy Corporation
Chesapeake Energy Corporation	Penn Virginia Corporation
Cimarex Energy Co.	Pioneer Natural Resources Company
Comstock Resources, Inc.	Rio Tinto Group (GBR) ADR
Denbury Resources Inc.	St. Mary Land & Exploration Company
Devon Energy Corporation	Stone Energy Corporation

Encana Corporation	Ultra Petroleum Corporation
EOG Resources, Inc.	Westmoreland Coal Company
Foundation Coal Holdings, Inc.	

For purposes of measuring total shareholder return, the Compensation Committee selected the above group of 29 energy companies in which we compete for capital in the market. How well CONSOL Energy performs in that competition is measured by our respective total shareholder return. The Compensation Committee further believes that these companies are similar to CONSOL Energy from an investor s perspective. Unlike the 14-company Peer Group used to benchmark pay levels, this peer group was not adjusted based on company size, and represents a broader mix of energy companies.

2009 Long-Term Incentive Program

In February 2009, the Compensation Committee (and the independent members of the Board with respect to the Chief Executive Officer) approved new performance unit awards for each of our named executives. The program is structured substantially similar to the 2008 Long-Term Incentive Program and covers the performance period of January 1, 2009 through December 31, 2011.

Exchange Offer

On January 16, 2009 the boards of CONSOL Energy and CNX Gas decided to consolidate the management teams of the companies, as discussed above under *Management Reorganization*. Among other matters, our Chief Executive Officer became the Chief Executive Officer of CNX Gas, while the former Chief Executive Officer of CNX Gas became our and CNX Gas Chief Operating Officer, and our other executive officers became the executive officers of CNX Gas. Prior to this management reorganization, CNX Gas had adopted three long-term performance share award programs for its executives and management, or as we call them, PSUs : the 2007 PSUs, the 2008 PSUs and the 2009 PSUs. None of our executive officers have any PSUs other than our Chief Operating Officer who received them prior to the management reorganization in his capacity as the then Chief Executive Officer of CNX Gas.

Due to the management reorganization, no awards were made nor will be made relative to the CNX Gas 2009 PSUs, as these were cancelled by the CNX Gas board. With respect to the outstanding 2007 PSUs and 2008 PSUs, due to our executives becoming the executive officers of CNX Gas and the CNX Gas Chief Executive Officer becoming our Chief Operating Officer and former CNX Gas employees assuming responsibilities at CONSOL Energy, we decided that we should treat those awards as though they had ended effective on the date of the management reorganization. Thus, we computed the value of those awards assuming that the end date for measurement purposes was January 16, 2009 (the date of the management reorganization). Although earned 2007 PSUs and 2008 PSUs were to be settled in cash following the end date, we desired not to pay them out in cash, but rather to use CONSOL Energy restricted stock units (CONSOL RSUs) to incentivize (i) performance for both companies, (ii) former CNX Gas employees who assumed responsibilities with CONSOL Energy to stay with CONSOL Energy, and (iii) other employees who remained at CNX Gas to continue employment, all through the original measurement date.

To achieve these goals, we took the value of the CNX Gas PSUs and determined what an equivalent value at January 16, 2009 would be for CONSOL RSUs. In order to effectuate this, on March 13, 2009, CONSOL Energy filed a registration statement on Form S-4 relating to the registration of CONSOL Energy RSUs and the common stock underlying those RSUs, to be issued to the holders of the 2007 PSUs and 2008 PSUs. Since the PSUs are governed by existing award agreements, we intend to accomplish this by requesting the holders of the PSUs to surrender them to CNX Gas in exchange for CONSOL Energy issuing CONSOL RSUs on substantially similar terms (including but not limited to vesting periods and forfeiture terms). This proxy statement does not constitute an offer of CONSOL RSUs or the underlying CONSOL Energy common stock to the holders of the 2007 PSUs or the 2008 PSUs; any such offer will only be made pursuant to a prospectus.

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Stock Ownership Guidelines for Executives

The stock ownership guidelines provide that all employees designated as officers for purposes of the policy should own shares of the Corporation s stock, the value of which is a multiple of that person s base salary. Shares issuable upon the exercise of options or settlement of performance share units held by an individual are not counted for purposes of determining whether an individual has satisfied the ownership guideline requirement. For the named executives, the stock ownership guidelines are as follows:

Named Executive	Multiple of Base Salary
Chief Executive Officer	5
Chief Financial Officer	3
Chief Operating Officer	3
President Coal Group (retired 1/31/09)	3
Chief Legal Officer	2

Our stock ownership guidelines were implemented by the Compensation Committee in order to further align our named executives interest with shareholders and to comply with best practices. The Compensation Committee believes that long-term stock ownership by our named executives further ensures that their interests are aligned with those of other shareholders. CONSOL Energy reviews compliance with the stock ownership guidelines annually. As of early 2009, Messrs. Harvey, Lyons, Lilly and Richey had satisfied their stock ownership guidelines. Mr. DeIuliis, our newest employee to CONSOL Energy, has approximately five years to comply with the stock ownership guidelines.

Post Employment Benefits

Retirement Benefits

In 2005 and 2006, the Compensation Committee studied CONSOL Energy s retirement plans with the assistance of the outside compensation consultants. These plans included the Employee Retirement Plan (which we call the Pension Plan) and the Retirement Restoration Plan (which we call the Restoration Plan). The Compensation Committee reviewed a market study prepared by an outside compensation consultant which surveyed 86 pension plans of energy and mining industry companies to determine market practices with retirement benefit plans and to develop an overall retirement benefit program which was consistent with such market practices. The Compe