

CONSOL Energy Inc
Form 11-K
June 25, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 31, 2008;

OR

.. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from

CONSOL Energy Inc. Commission file number: 001-14901

CNX Gas Corporation Commission file number: 001-32723

A. Full title of the plan and the address of the plan, if different from that of issuer named below:

CONSOL Energy Inc. Investment Plan for Salaried Employees

B. Names of issuers of the securities held pursuant to the plan and the address of their principal executive office:

**CONSOL Energy Inc.
CNX Center
1000 CONSOL Energy Drive
Canonsburg, PA 15317**

**CNX Gas Corporation
CNX Center
1000 CONSOL Energy Drive
Canonsburg, PA 15317**

Registrant's telephone number including area code: 724-485-4000

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CONSOL Energy Inc.

Investment Plan for

Salaried Employees

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December 31, 2008 and 2007

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| <u>Supplemental Schedule</u> | |
| <u>Schedule H, Part IV line 4(i) Schedule of Assets Held for Investment Purposes at End of Year</u> | 20-31 |
| Note: Other Schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act (ERISA) of 1974 have been omitted because they are not applicable. | |
| <u>Signatures</u> | 32 |
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees, Investment Plan Committee, Audit Committee, and Participants of

CONSOL Energy Inc. Investment Plan for Salaried Employees

We have audited the accompanying statements of net assets available for benefits of CONSOL Energy Inc. Investment Plan for Salaried Employees (the Plan) as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2008 and 2007, and the changes in net assets available for benefits for the year ended December 31, 2008 in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Assets Held for Investment Purposes at End of Year as of December 31, 2008, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic 2008 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ McCRORY & McDOWELL LLC
Pittsburgh, Pennsylvania
June 25, 2009

Table of Contents**CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES****Statements of Net Assets Available for Benefits**

| <i>(in thousands of dollars)</i> | December 31 | |
|--|--------------------|---------------------|
| | 2008 | 2007 |
| ASSETS | | |
| <u>Investments at Fair Value</u> | | |
| Stable Value Fund | \$ 565,138 | \$ 626,693 |
| Interests in Registered Investment Companies | 132,240 | 250,803 |
| Common/Collective Trusts | 33,948 | 43,471 |
| E.I. DuPont de Nemours & Company Common Stock | 27,051 | 59,553 |
| CONSOL Stock Fund | 99,289 | 139,877 |
| CNX Stock Fund | 23,829 | 20,846 |
| Daimler Chrysler AG Common Stock | 33 | 91 |
| Participant Loans | 11,815 | 11,029 |
| | 893,343 | 1,152,363 |
| <u>Receivables</u> | | |
| Due from Broker for Securities Sold | 106 | 1,995 |
| Accrued Interest and Dividends | 0 | 68 |
| | 106 | 2,063 |
| <u>Cash</u> | 162 | 1,082 |
| <u>Net Assets Reflecting All Investments at Fair Value</u> | 893,611 | 1,155,508 |
| <u>Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contracts</u> | 9,357 | (8,317) |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 902,968 | \$ 1,147,191 |

The accompanying notes are an integral part of these financial statements.

Table of Contents**CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES****Statement of Changes in Net Assets Available for Benefits**

| <i>(in thousands of dollars)</i> | For the Year Ended December 31, 2008 |
|---|---|
| <u>Additions, Less Loss on Investments:</u> | |
| <u>Contributions:</u> | |
| Participants Contributions | \$ 35,122 |
| Participants Rollovers | 16,352 |
| Employer | 20,588 |
| Merged Plan | 167 |
| | 72,229 |
| <u>Loss on Investments:</u> | |
| Interest and Dividends | 10,526 |
| Net Depreciation in Fair Value of Investments | (204,897) |
| | (194,371) |
| <u>Total Additions, Less Loss on Investments</u> | (122,142) |
| <u>Deductions from Net Assets Attributed to:</u> | |
| Benefits Paid to Participants | 122,003 |
| Administrative Expense | 78 |
| <u>Total Deductions</u> | 122,081 |
| <u>Net Deductions</u> | (244,223) |
| <u>Net Assets Available for Benefits</u> | |
| Beginning of Year | 1,147,191 |
| END OF YEAR | \$ 902,968 |

The accompanying notes are an integral part of these financial statements.

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CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

Notes to Financial Statements

December 31, 2008 and 2007

1. DESCRIPTION OF PLAN

The following brief description of the CONSOL Energy Inc. Investment Plan for Salaried Employees (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General The Plan is a defined-contribution plan established in 1953. Salaried, operations and maintenance, production and maintenance, and warehouse and maintenance employees of CONSOL Energy Inc. and participating employers (CONSOL Energy or the Company) are eligible to participate in the Plan on the first day of the first full pay period following the start of regular full-time employment. In addition, casual employees are eligible to participate in the Plan upon completion of 1,000 or more hours of service within a 12 consecutive month period, commencing on the employee's employment date or reemployment date. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan offers CONSOL Energy common stock (CONSOL Stock Fund) and CNX Gas Corporation common stock (CNX Stock Fund) as investment options. The CONSOL Stock Fund and CNX Stock Fund investment options are an Employee Stock Ownership Plan (ESOP), whereby participants in the Plan are given the opportunity to elect to receive cash for dividends declared on CONSOL Energy and CNX Gas Corporation stock. If a participant does not make an election, the dividends will be reinvested in the respective stock fund.

Auto Enrollment Newly eligible regular full-time employees as defined in the Plan document will automatically become members of the Plan beginning with the first payroll deduction following forty-five days of employment.

Contributions During the year 2008 participants could, with certain restrictions, contribute a maximum of 44% of eligible compensation to the Plan. Newly eligible employees automatically become members of the Plan (as defined by the Plan) and contribute at the rate of 6% of eligible compensation (4% for employees of Fairmont Supply Company), unless the participant elects not to contribute. A member of the Plan may also designate from 1% to 85% (not to exceed \$10,000) of any quarterly or annual incentive compensation payment as a supplemental contribution. Contributions may be made with before-tax or after-tax dollars.

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CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

Notes to Financial Statements

December 31, 2008 and 2007

1. DESCRIPTION OF PLAN (Continued)

CONSOL Energy and certain participating employers match these contributions (excluding deferrals of incentive compensation payments), dollar for dollar, up to 6% of eligible compensation (as defined by the Plan). Contributions made by employees of Fairmont Supply Company, one of the participating employers qualified as a separate line of business, are matched fifty cents on every dollar up to 12% of eligible compensation. Matching contributions for certain participants of the Plan are considered non-forfeitable, safe-harbor contributions within the meaning of that term under the final Internal Revenue Code 401(k) and 401(m) regulations.

In addition, certain eligible employees of Fairmont Supply Company receive qualified non-elective contributions equal to \$1,500 per year. Certain eligible employees of CNX Gas Corporation also receive qualified non-elective contributions equal to 3% of eligible compensation. The Company may also make discretionary contributions to the Plan ranging from 1% to 4% of eligible compensation for eligible employees who are employed on December 31 and hired prior to September 30 of a given Plan year. There were no discretionary contributions made by the Company for the years ending December 31, 2008 and 2007. Total contributions credited to a participant's account (employee and employer) may not exceed \$46,000 and \$45,000 for the years 2008 and 2007, respectively.

Effective January 1, 2008, the CONSOL Energy Inc. Investment Plan Committee resolved to merge the participants and assets of the Tri-River Fleeting Harbor Service 401(k) Plan into the Plan. Assets totaling approximately \$167,000 were transferred into the Plan on April 3, 2008, and are included in the merged plan line within the statement of changes in net assets available for benefits. The assets transferred into the Plan became 100% vested in accordance with the vesting schedule of the Plan.

Participant Accounts Each participant's account is credited with the participant's contributions and allocations of the Company's contributions and plan investment earnings and is charged with an allocation of administrative expenses and plan investment losses. Allocations are based on participant earnings or account balances, as defined. Forfeited balances of terminated participants' nonvested accounts are either used to reduce future Company contributions or to reduce the reasonable expenses of the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

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CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

Notes to Financial Statements

December 31, 2008 and 2007

1. DESCRIPTION OF PLAN (Continued)

Investment Options Upon enrollment in the Plan, a participant may direct employee and employer contributions in any of the funds included in the supplemental schedule of assets (held at end of year), which is attached to these financial statements, except for E.I. DuPont de Nemours & Company Common Stock (DuPont), Daimler Chrysler AG Common Stock and Fidelity Investments Low Price Stock Fund. These options are no longer available to Plan participants.

Vesting Plan participants who terminated employment prior to January 1, 2006 were vested in their share of the Company's matching contributions upon completion of three cumulative years of service. Effective January 1, 2006, active plan participants are immediately vested in their share of the Company's matching contributions. Participants are always 100% vested in their deposits and in the earnings on both their deposits and the Company's contributions.

Participant Loans Participants may borrow up to one-half of their nonforfeitable account balances subject to certain minimum and maximum loan limitations. Such loans are repayable over periods of 12 to 60 months (120 months maximum if for the purchase of a principal residence) and bear an interest rate equal to the average rate charged by selected major banks for secured personal loans. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits Participants who retire from active service may elect to defer withdrawals until April 1 of the calendar year following the year in which the participant attains age 70^{1/2}. They may also elect an option to have their account distributed over a period of not less than two years or more than a period which would pay the account balance during the employee's actuarial life in either a fixed or variable amount. Before-tax deposits may be withdrawn only in the event of an employee's retirement, death, termination, attainment of age 59^{1/2} or defined hardship. At December 31, 2008 and 2007 approximately \$234,000 and \$1,126,000 was payable to withdrawing participants, respectively.

Forfeitures Forfeited balances, including terminated participants' nonvested accounts, are used to either reduce the cash payment of employer matching contributions or the reasonable expenses of the administration of the Plan. There were no material unallocated forfeited balances as of December 31, 2008 and 2007.

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CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

Notes to Financial Statements

December 31, 2008 and 2007

1. DESCRIPTION OF PLAN (Continued)

Plan Termination Although it has not expressed any intent to do so, CONSOL Energy has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

New Accounting Pronouncements Effective January 1, 2008, the Plan adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 157 (SFAS 157), *Fair Value Measurements*, for its financial assets and liabilities. SFAS 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurement. Although the adoption of SFAS 157 did not materially impact the Plan's financial statements, the Plan is now required to provide additional disclosures as part of its financial statements (see Note 3).

In May 2008, the Financial Accounting Standards Board issued SFAS No. 162 (SFAS 162), *The Hierarchy of Generally Accepted Accounting Principles*. SFAS 162 identifies a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles for nongovernmental entities (the Hierarchy). The Hierarchy within SFAS 162 is consistent with that previously defined in the American Institute of Certified Public Accountants Statement on Auditing Standards No. 69, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. The adoption of SFAS 162 did not have a material effect on the Plan's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

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CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

Notes to Financial Statements

December 31, 2008 and 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. There are no events known to us which are probable of occurring which would limit the ability of these contracts to transact at contract value with issuers, or would limit the ability of these contracts to transact at contract value with participants. Additionally, there are no reserves against contract value for credit risk of the contract issuer or otherwise. As required by the FSP, the statements of net assets available for benefits presents the fair value of the fully benefit-responsive investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Investment Valuation and Income Recognition The Plan's investments are stated at fair value (see Note 3).

Purchases and sales of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Gains and losses on the sale of DuPont, CONSOL Energy and CNX Gas Corporation common stock are based on the average cost of the securities sold.

Payment of Benefits Benefits are recorded when paid.

Administrative Expenses Certain administrative expenses of the Plan, such as trustee fees, accounting and legal fees are provided to the Plan by CONSOL Energy without cost. Other administrative expenses are borne by the Plan.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

Notes to Financial Statements

December 31, 2008 and 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties The Plan provides for various investment options. These investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that changes in the near or long term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

3. FAIR VALUE MEASUREMENTS

On January 1, 2008, the Plan adopted SFAS 157 for all financial assets and liabilities disclosed at fair value in the financial statements on a recurring basis. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. SFAS 157 describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. An active market for the asset or liability is a market in which the transaction for the asset or liability occurs with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted market prices in markets that are not active or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3: Unobservable inputs for the asset or liability. These inputs reflect the Plan's assumptions about the assumption a market participant would use in pricing the asset or liability.

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CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

Notes to Financial Statements

December 31, 2008 and 2007

3. FAIR VALUE MEASUREMENTS (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Stable Value Fund The Stable Value Fund is comprised of guaranteed investment contracts (GIC) and synthetic GICs (SYN), all of which are held with multiple insurance companies. These fully benefit-responsive contracts are valued at fair value on the statements of net assets available for benefits and are credited with actual earnings on the underlying investments and charges for participant withdrawals and administrative expenses. GIC contracts are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. SYN contracts are comprised of two components, an underlying asset and a wrapper contract. Fair value of SYN contracts are calculated based on the market values of the underlying securities. At December 31, 2008, the fair value of the wrapper contracts are valued at the net present value of all future fees that will be paid to the contract issuer. At December 31, 2007, the fair value of the wrapper contracts was zero because there was substantially no difference between cost and replacement value. Wrapper contracts generally change the investment characteristics of underlying securities (such as corporate debt or U.S. government securities) to those of GIC contracts. The wrapper contracts provide that benefit-responsive securities may be withdrawn at contract or face value. Benefit-responsive distributions are generally defined as a withdrawal due to a participant's retirement, disability, or death, or participant-directed transfers, in accordance with the terms of the Plan (see Note 4).

Interests in Registered Investment Companies The shares of registered investment companies are valued at quoted market prices in an exchange and active market, which represent the net asset values of shares held by the Plan at year end.

Common/Collective Trusts Common/collective trusts are valued at the net asset values per unit as determined by the collective trusts as of the valuation date, which approximates fair value.

Table of Contents**CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES****Notes to Financial Statements****December 31, 2008 and 2007****3. FAIR VALUE MEASUREMENTS (Continued)**

Common Stocks and Common Stock Funds E.I. DuPont de Nemours and Company Common Stock, CONSOL Stock Fund, CNX Stock Fund, and Daimler Chrysler AG Common Stock are all stated at fair value as quoted on a recognized securities exchange and are valued at the last reported sales price on the last business day of the Plan year.

Participant Loans Participant loans are valued at their amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's financial assets at fair value as of December 31, 2008:

| <i>(in thousands of dollars)</i> | Assets at Fair Value as of December 31, 2008 | | | |
|-----------------------------------|---|-------------------|------------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Stable Value Fund | \$ 64,643 | \$ 500,399 | \$ 96 | \$ 565,138 |
| Registered Investment Companies | 132,240 | 0 | 0 | 132,240 |
| Common/Collective Trusts | 0 | 33,948 | 0 | 33,948 |
| Common Stock: | | | | |
| E.I. DuPont de Nemours & Company | 27,051 | 0 | 0 | 27,051 |
| CONSOL Stock Fund | 99,289 | 0 | 0 | 99,289 |
| CNX Stock Fund | 23,829 | 0 | 0 | 23,829 |
| Daimler Chrysler AG | 33 | 0 | 0 | 33 |
| Participant Loans | 0 | 0 | 11,815 | 11,815 |
| Total Assets at Fair Value | \$ 347,085 | \$ 534,347 | \$ 11,911 | \$ 893,343 |

Table of Contents**CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES****Notes to Financial Statements****December 31, 2008 and 2007****3. FAIR VALUE MEASUREMENTS (Continued)**

The table below sets forth a summary of changes in fair value of the Plan's Level 3 assets for the year ended December 31, 2008:

| <i>(in thousands of dollars)</i> | Level 3 Assets | |
|---|--------------------------------------|-------------------|
| | For the Year Ended December 31, 2008 | |
| | Stable Value Fund | Participant Loans |
| Balance, Beginning of Year | \$ 97 | \$ 11,029 |
| Unrealized Gains Relating to Instruments Still Held at the Reporting Date | 2 | 0 |
| Purchases, Sales, Issuances and Settlements - Net | (3) | 786 |
| Balance, End of Year | \$ 96 | \$ 11,815 |

4. INVESTMENTS

The following presents individual investments that represent 5% or more of the Plan's net assets available for benefits at December 31:

| <i>(in thousands of dollars)</i> | 2008 | 2007 |
|---|--------------|-----------|
| E.I. DuPont de Nemours & Company Common Stock | \$ 27,051 ** | \$ 59,553 |
| CONSOL Stock Fund | 99,289 | 139,877 |
| *PIMCO Low Duration Fund | 46,441 | 78,708 |
| *GEM Trust Short Duration | 82,902 | 45,323 ** |
| *GEM Trust Risk-Controlled 2 | 65,461 | 65,966 |
| *GEM Trust Opportunistic 1 | 54,639 | 64,010 |
| *GEM Trust Opportunistic 2 | 69,817 | 69,648 |
| *GEM Trust Opportunistic 3 | 56,142 | 67,687 |
| *Merrill Lynch Premier Fund | 0 ** | 72,667 |

* These investments are included in the Stable Value Fund.

** For comparative purposes only. Amount does not exceed 5% of net assets available for benefits.

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During 2008 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by approximately \$(204,897,000) as follows:

| <i>(in thousands of dollars)</i> | Net Appreciation (Depreciation) in Fair Value During Year |
|----------------------------------|--|
| Stable Value Fund | \$ 29,667 |
| Registered Investment Companies | (88,469) |
| Common Stock: | |
| E.I. DuPont de Nemours & Company | (22,487) |
| CONSOL Stock Fund | (100,688) |
| CNX Stock Fund | (4,450) |
| Daimler Chrysler AG | (54) |
| Common/Collective Trusts | (18,416) |
| | \$ (204,897) |

The Stable Value Fund is a separate account held by the Plan. The investment contracts are entered into based on an evaluation of the credit risk of the contract issuers and/or third party guarantors. Collateral is generally not provided. The Stable Value Fund includes traditional GIC contracts as well as SYN contracts. A SYN contract provides for a guaranteed return on principal over a specified period of time through the use of underlying assets and a benefit responsive wrapper contract issued by a third party. Included in the contract value of SYN contracts is approximately \$25,800,000 and \$(7,700,000) at December 31, 2008 and 2007, respectively, attributable to wrapper contract providers representing the amounts by which the value of contracts are greater (less) than the value of the underlying assets.

Table of Contents**CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES****Notes to Financial Statements****December 31, 2008 and 2007****4. INVESTMENTS (Continued)**

The following reflects the adjustment between the underlying securities and the insurance contract values in the Stable Value Fund:

| <i>(in thousands of dollars)</i> | December 31 | |
|--|--------------------|-------------------|
| | 2008 | 2007 |
| Investments at Fair Value | \$ 551,406 | \$ 626,693 |
| Wrapper Contracts (at Fair Value) | 13,732 | 0 |
| | 565,138 | 626,693 |
| Adjustment from Fair Value to Contract Value | 9,357 | (8,317) |
| Investments at Contract Value | \$ 574,495 | \$ 618,376 |

The composition of assets of the Stable Value Fund at contract value as of December 31, 2008 and 2007 are as follows:

| <i>(in thousands of dollars)</i> | 2008 | 2007 |
|----------------------------------|-------------------|-------------------|
| Insurance Wrapper Contracts | \$ 489,486 | \$ 468,861 |
| Guaranteed Investment Contracts | 76,748 | 76,848 |
| Short-term Investments | 8,261 | 72,667 |
| | \$ 574,495 | \$ 618,376 |

Table of Contents**CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES****Notes to Financial Statements****December 31, 2008 and 2007****4. INVESTMENTS (Continued)**

SYN contracts within the Stable Value Fund are comprised of the following:

| <i>(in thousands of dollars)</i> | Credit Rating | December 31 | |
|--|------------------|-------------------|-------------------|
| | | 2008 | 2007 |
| Insurance Wrapper Contracts (at Contract Value): | | | |
| Royal Bank of Canada | AAA | \$ 17,758 | \$ 17,500 |
| AIG Life Insurance Company | AAA | 26,781 | 24,545 |
| ING Life Insurance & Annuity Co. | AAA | 26,781 | 24,545 |
| JPMorgan Chase Bank | AAA | 26,781 | 24,545 |
| Monumental Life Insurance Co. | AAA | 26,780 | 24,545 |
| State Street Bank & Trust | AAA | 26,780 | 24,545 |
| AIG Life Insurance Company | AA | 67,565 | 65,727 |
| ING Life Insurance & Annuity Co. | AA | 67,565 | 65,727 |
| JPMorgan Chase Bank | AA | 67,565 | 65,727 |
| Monumental Life Insurance Co. | AA | 67,565 | 65,727 |
| State Street Bank & Trust | AA | 67,565 | 65,728 |
| Total Insurance Wrapper Contracts (at Contract Value) | | \$ 489,486 | \$ 468,861 |

The composition of changes in net assets of the Stable Value Fund for the year ended December 31, 2008 is as follows:

| | |
|--|----------|
| <i>(in thousands of dollars)</i> | |
| Employer Contributions | \$ 6,934 |
| Participant Contributions and Rollovers | 26,947 |
| Merged Plan | 20 |
| Total Contributions | 33,901 |
| Interest and Dividend Income | 455 |
| Net Realized/Unrealized Appreciation in Investment Value | 29,667 |
| Benefits Paid to Participants | (90,328) |
| Administrative Expense | (17) |
| Net Loan Activity | (511) |
| Net Interfund Transfers | (17,048) |
| Decrease in Net Assets Available for Benefits | (43,881) |
| Net Assets Available for Benefits | |
| Beginning of Year | 618,376 |

End of Year

\$ 574,495

Table of Contents**CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES****Notes to Financial Statements****December 31, 2008 and 2007****4. INVESTMENTS (Continued)**

The aggregate crediting rates for all contracts as of December 31, 2008 and 2007 were 4.76% and 5.38%, respectively. The crediting rates for SYN contracts are reset annually and are based on the market value of the underlying portfolio of assets backing these contracts. Inputs used to determine the crediting rate include each contract's portfolio market value, current yield-to-maturity, duration (i.e., weighted average life), and market value relative to contract value. If future crediting rates increase or decrease, the adjustment from fair value to contract value would change in the same direction. The average yield of the Stable Value Fund was approximately 4.98% and 5.41% in 2008 and 2007, respectively.

Participants investing in the Stable Value Fund or Common/Collective Trusts are assigned units at the time of investment based on the net asset value per unit.

5. TAX STATUS

The Plan obtained its latest determination letter on September 17, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2008 and 2007 to Form 5500:

| <i>(in thousands of dollars)</i> | 2008 | 2007 |
|--|-------------------|---------------------|
| Net Assets Available for Benefits per the Financial Statements | \$ 902,968 | \$ 1,147,191 |
| Amounts Allocated to Withdrawing Participants | (234) | (1,126) |
| Net Assets Available for Benefits per the Form 5500 | \$ 902,734 | \$ 1,146,065 |

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CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

Notes to Financial Statements

December 31, 2008 and 2007

6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (Continued)

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2008, to Form 5500:

(in thousands of dollars)

| | |
|---|-------------------|
| Benefits Paid to Participants per the Financial Statements | \$ 122,003 |
| Amounts Allocated to Withdrawing Participants at December 31, 2008 | 234 |
| <u>Less:</u> Amounts Allocated to Withdrawing Participants at December 31, 2007 | (1,126) |
| Benefits Paid to Participants per Form 5500 | \$ 121,111 |

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 2008 and 2007, but not yet paid as of that date.

7. TRANSACTIONS WITH PARTIES-IN-INTEREST

Plan investments include two collective investment funds managed by Merrill Lynch. Merrill Lynch is the trustee as defined by the Plan and, therefore, these transactions qualify as those conducted with a party-in-interest to the Plan.

One of the investment vehicles available to employees, the CONSOL Stock Fund, contains stock of CONSOL Energy. The Plan held 3,474,072 shares and 1,955,778 shares of CONSOL Energy's common stock at December 31, 2008 and 2007, respectively. The CNX Stock Fund, another investment vehicle available to employees, contains stock of CNX Gas Corporation. The Plan held 872,859 shares and 652,464 shares of CNX Gas Corporation's common stock at December 31, 2008 and 2007, respectively.

8. SUBSEQUENT EVENTS

The Plan was formally amended as of January 1, 2009 to reflect the following changes:

Effective January 1, 2009, the Plan's contribution limit will increase from 44% to 75% of eligible compensation. Additionally, the contribution limit for deferrals of any quarterly or annual incentive compensation payment will decrease from 85% to 75% of any such payment (not to exceed \$10,000).

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CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

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8. SUBSEQUENT EVENTS (Continued)

Effective January 1, 2009, the CONSOL Energy Inc. Investment Plan Committee resolved to merge the participants and assets of the AMVEST Corporation Profit Sharing/401(k) Plan, AMVEST Minerals Company 401(k) Retirement Plan, AMVEST Retiree Medical Savings Plan, Southern West Virginia Resources, L.L.C. 401(k) Profit Sharing Plan & Trust, and effective January 31, 2009, certain participants and assets of the Rochester & Pittsburgh Coal Company 401(k) Savings and Retirement Plan into the Plan. Net assets from these plans were transferred into the Plan in January 2009 and May 2009 and totaled approximately \$36,900,000. The net assets transferred into the Plan became 100% vested in accordance with the vesting schedule of the Plan.

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CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

SUPPLEMENTAL SCHEDULE

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| | | (c) Description of Investment Including | | |
|---|--|--|---------------------------------------|-----------------------------|
| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | (d) Cost and Number of Shares/Units** | (e) Current Value (in 000s) |
| Common Stock | | | | |
| * | Consol Stock Fund | | 3,474,072 | \$ 99,289 |
| * | CNX Stock Fund | | 872,859 | 23,829 |
| | E.I. DuPont de Nemours & Company | | 1,069,224 | 27,051 |
| | Daimler Chrysler AG | | 852 | 33 |
| Total Common Stock | | | | 150,202 |
| Interests in Registered Investment Companies | | | | |
| | Alliance Bernstein | International Fund | 22,757 | 236 |
| | Columbia | Acorn Fund | 319,777 | 5,663 |
| | Fidelity Investments | Low Priced Stock Fund | 297,247 | 6,872 |
| | PIMCO | Total Return Fund | 2,325,268 | 23,578 |
| | Davis New York | Venture Fund | 882,756 | 21,054 |
| | American Funds | Europacific Growth Fund | 434,866 | 12,154 |
| | Hotchkis and Wiley | Mid Cap Value Fund | 555,594 | 6,412 |
| | Alger | Mid Cap Growth Fund | 1,349,002 | 10,630 |
| | BlackRock | Basic Value Fund | 705,214 | 12,729 |
| | Legg Mason | Large Cap Growth Fund | 682,464 | 11,213 |
| | Vanguard | Bond Market Index Fund | 697,671 | 7,102 |
| | Vanguard | International Stock Fund | 1,352,808 | 14,597 |
| Total Interests in Registered Investment Companies | | | | 132,240 |
| Stable Value Fund | | | | |
| | Hartford Life Insurance Company | GIC, 4.80%, 08/02/2010 | 7,011,052 | 7,011 |
| | Hartford Life Insurance Company | GIC, 4.60%, 06/01/2011 | 6,891,655 | 6,892 |
| | Metropolitan Life Insurance Co. | GIC, 5.50%, 02/01/2014 | 5,171,568 | 5,171 |
| | Metropolitan Life Insurance Co. | GIC, 5.83%, 12/01/2013 | 5,159,280 | 5,159 |
| | Metropolitan Life Insurance Co. | GIC, 4.50%, 05/02/2011 | 10,800,080 | 10,800 |
| | New York Life Insurance Co. | GIC, 4.40%, 12/02/2010 | 11,234,929 | 11,235 |
| | Principal Life Insurance Co. | GIC, 4.95%, 11/02/2012 | 4,419,585 | 4,420 |
| | Principal Life Insurance Co. | GIC, 5.20%, 01/01/2014 | 5,153,700 | 5,154 |
| | Prudential Retirement Ins. & Annuity Co. | GIC, 5.68%, 12/01/2013 | 10,567,213 | 10,567 |
| | Prudential Retirement Ins. & Annuity Co. | GIC, 4.62%, 12/02/2013 | 10,339,134 | 10,339 |
| * | Merrill Lynch Government Fund | Money Market Fund, 0.80% | 8,261,158 | 8,261 |

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|-----|---|---|---|--------------------------------|
| | <i>Royal Bank of Canada:</i> | | | |
| | Royal Bank of Canada | Synthetic GIC 4.92%, opened | 17,758,227 | |
| | <i>Underlying Security Description:</i> | | | |
| | FHR 2927 ED | 4% 15 Jan 2035 | 5,402,708 | 5,372 |
| | FMAN 2004-1 1 4.45 | 4.45% 25 Aug 2012 | 1,353,999 | 1,388 |
| | FHR 2945 CA | 5% 15 Jul 2033 | 838,255 | 844 |
| | FHRR R004 AL | 5.125% 15 Dec 2013 | 2,419,688 | 2,478 |
| | FNR 2005-46 CB | 5% 25 Dec 2022 | 1,453,131 | 1,493 |
| | FNR 2006-22 CA | 4.5% 25 Mar 2020 | 1,565,900 | 1,594 |
| | FHRR R005 AB | 5.5% 15 Dec 2018 | 3,274,594 | 3,373 |
| | FHR 3245 AG | 5.5% 15 Nov 2016 | 1,487,425 | 1,510 |
| | Royal Bank of Canada | Synthetic Wrapper Agreement | | (294) |
| | <i>Perpetual Window Global Wrap:</i> | | | |
| | AIG Life Insurance Company | Synthetic GIC 2.95%, opened | 26,780,639 | |
| | ING Life Insurance & Annuity Co. | Synthetic GIC 2.95%, opened | 26,780,639 | |
| | JPMorgan Chase Bank | Synthetic GIC 2.95%, opened | 26,780,639 | |
| | Monumental Life Insurance Co. | Synthetic GIC 2.95%, opened | 26,780,639 | |
| * | State Street Bank & Trust | Synthetic GIC 2.95%, opened | 26,780,639 | |
| | <i>Underlying Security Description:</i> | | | |
| | PIMCO Low Duration Fund | Mutual Fund | 4,930,056 | 46,441 |
| | GEM Trust Short Duration | 7,475,794.9579 units of participation | | 82,902 |
| | Various Insurance Companies | Synthetic Wrapper Agreements | | 4,560 |
| | <i>Total Return Tier Global Wrap:</i> | | | |
| | AIG Life Insurance Company | Synthetic GIC 5.53%, opened | 67,564,813 | |
| | ING Life Insurance & Annuity Co. | Synthetic GIC 5.53%, opened | 67,564,813 | |
| | JPMorgan Chase Bank | Synthetic GIC 5.53%, opened | 67,564,813 | |
| | Monumental Life Insurance Co. | Synthetic GIC 5.53%, opened | 67,564,813 | |
| * | State Street Bank & Trust | Synthetic GIC 5.53%, opened | 67,564,813 | |
| | <i>Underlying Security Description:</i> | | | |
| | GEM Trust Risk-Controlled 2 | 5,711,795.0652 units of participation | | 65,461 |
| | GEM Trust Opportunistic 1 | 5,149,472.9691 units of participation | | 54,639 |
| | GEM Trust Opportunistic 2 | 5,836,645.7822 units of participation | | 69,817 |
| | GEM Trust Opportunistic 3 | 5,382,215.7614 units of participation | | 56,142 |
| | Federal Home Ln Mtg Corp | 6% 17 Dec 2027 | 250,000 | 251 |

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|------------|---|--|-----------------------|--------------------------|
| (a) | Similar Party | Collateral, Par or Maturity Value | Number of | (in 000s) |
| | | | Shares/Units** | |
| | Federal Home Loan Mtg Corp | 5.875% 21 Mar 2011 | 40,000 | 42 |
| | Tennessee Valley Auth | 6.25% 15 Dec 2017 | 55,000 | 67 |
| | Financing Corp | 8.6% 26 Sep 2019 | 403,000 | 585 |
| | Government Tr Ctf's | 0% 15 May 2011 | 2,380,000 | 2,299 |
| | Federal Farm Cr Bks | 4.85% 29 Jul 2020 | 400,000 | 440 |
| | Federal Home Ln Mtg Corp | 5.5% 23 Aug 2017 | 400,000 | 471 |
| | Fannie Mae | 5.375% 12 Jun 2017 | 575,000 | 670 |
| | Federal Natl Mtg Assn | 5.5% 15 Mar 2011 | 530,000 | 575 |
| | Financing Corp | 9.65% 02 Nov 2018 | 450,000 | 685 |
| | Federal Natl Mtg Assn | 4.625% 01 May 2013 | 42,000 | 43 |
| | Financing Corp | 10.35% 03 Aug 2018 | 25,000 | 39 |
| | Federal Home Ln Mtg Corp | 4.125% 27 Sep 2013 | 300,000 | 323 |
| | Federal Home Ln Bks | 4.625% 09 Mar 2018 | 25,000 | 27 |
| | Federal Natl Mtg Assn | 4.75% 19 Nov 2012 | 1,000,000 | 1,103 |
| | Federal Natl Mtg Assn | 5.125% 02 Jan 2014 | 51,000 | 52 |
| | Federal Natl Mtg Assn | 6.25% 01 Feb 2011 | 67,000 | 71 |
| | Federal Home Loan Bank | 4.875% 27 Nov 2013 | 200,000 | 221 |
| | Federal Natl Mtg Assn | 0% 09 Oct 2019 | 21,000 | 11 |
| | Federal Home Ln Mtg Corp | 8.25% 01 Jun 2016 | 19,000 | 23 |
| | Federal Natl Mtg Assn | 5.25% 01 Aug 2012 | 24,000 | 25 |
| | Financing Corp | 9.4% 08 Feb 2018 | 80,000 | 118 |
| | Autopista Del Maipo Sociedad | 7.373% 15 Jun 2022 | 410,000 | 407 |
| | Continental Airls Pass Thru Tr | 8.048% 01 Nov 2020 | 82,600 | 66 |
| | Long Beach Mtg Ln Tr | 1.555% 25 Nov 2036 | 170,000 | 65 |
| | Small Business Admin Partn Ctf | 4.12% 10 Mar 2014 | 82,948 | 81 |
| | US Dollar | CASH | (33,701) | (34) |
| | | 1.03% 31 Dec 2030 SHORT TERM | | |
| * | State Street Bank & Trust | INVESTMENT FUND | 2,705,297 | 2,705 |
| | Federal Natl Mtg Assn | 7.6625% 25 Dec 2038 | 708,566 | 771 |
| | First Horizon Mtg Tr | 5.363% 25 Aug 2035 | 539,333 | 335 |
| | Federal Home Ln Mtg Pc Gtd | 8% 25 Apr 2024 | 316,947 | 336 |
| | Federal Natl Mtg Assn Remic | 9.99% 25 Sep 2017 | 8,509 | 9 |
| * | Merrill Lynch Mtg Invs Tr | 1.705% 25 Jul 2037 | 130,000 | 2 |
| | Federal Natl Mtg Assn Remic | 8.5% 25 Sep 2021 | 40,853 | 44 |

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|-----|---|---|---|--------------------------------|
| | Keycorp Mtn Book Entry | 6.5% 14 May 2013 | 38,000 | 35 |
| | Comcast Corp New | 5.7% 15 May 2018 | 19,000 | 18 |
| | General Elec Cap Corp Mtn | 5.625% 01 May 2018 | 77,000 | 77 |
| | Cit Group Inc Reorganized As | 7.625% 30 Nov 2012 | 35,000 | 29 |
| | Kroger Co | 4.95% 15 Jan 2015 | 70,000 | 65 |
| | Morgan Stanley Group Inc | 5.3% 01 Mar 2013 | 60,000 | 54 |
| | AT+T Broadband Corp | 8.375% 15 Mar 2013 | 50,000 | 50 |
| | Colgate Palmolive Co Mtn | 5.98% 25 Apr 2012 | 25,000 | 27 |
| | Deere John Cap Corp | 7% 15 Mar 2012 | 40,000 | 42 |
| | Marathon Oil Corp | 6.8% 15 Mar 2032 | 25,000 | 20 |
| | Ford Mtr Cr Co | 7.25% 25 Oct 2011 | 105,000 | 77 |
| | Norfolk Southn Corp | 6.2% 15 Apr 2009 | 44,000 | 44 |
| | Continental Airls Pass Thru Tr | 7.256% 15 Mar 2020 | 44,954 | 35 |
| * | Merrill Lynch + Co Inc | 5.45% 05 Feb 2013 | 40,000 | 38 |
| * | Merrill Lynch + Co Inc | 6.4% 28 Aug 2017 | 29,000 | 29 |
| | Private Expt Fdg Corp | 5.45% 15 Sep 2017 | 250,000 | 290 |
| | Continental Airls | 5.983% 19 Apr 2022 | 55,000 | 37 |
| | Kimberly Clark Corp | 4.875% 15 Aug 2015 | 18,000 | 18 |
| | Goldman Sachs Group Inc | 5.125% 15 Jan 2015 | 45,000 | 41 |
| | Northwest Airls Pass Thru Trs | 6.841% 01 Apr 2011 | 50,000 | 41 |
| | Morgan Stanley Group Inc | 8% 15 Jun 2010 | 60,000 | 60 |
| | Penney J C Inc | 7.625% 01 Mar 2097 | 45,000 | 33 |
| | Nationsbank Corp | 7.8% 15 Sep 2016 | 89,000 | 89 |
| | TRW Inc | 7.125% 01 Jun 2009 | 73,000 | 74 |
| | Time Warner Inc | 9.125% 15 Jan 2013 | 90,000 | 92 |
| | Commonwealth Edison Co | 7.5% 01 Jul 2013 | 105,000 | 109 |
| | Landesbank Baden Wurttembe | 7.625% 01 Feb 2023 | 106,000 | 144 |
| | Duke Cap Corp | 6.75% 15 Jul 2018 | 121,000 | 113 |
| | CNA Finl Corp | 7.25% 15 Nov 2023 | 285,000 | 173 |
| | Brunswick Corp | 7.375% 01 Sep 2023 | 140,000 | 47 |
| | AT+T Inc | 6.7% 15 Nov 2013 | 50,000 | 53 |
| | Verizon Communications Inc | 8.75% 01 Nov 2018 | 60,000 | 71 |
| | 3M Co | 4.375% 15 Aug 2013 | 60,000 | 61 |
| | Travelers Cos Inc | 5.8% 15 May 2018 | 38,000 | 36 |

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|------------|---|--|-----------------------|--------------------------|
| (a) | Similar Party | Collateral, Par or Maturity Value | Number of | (in 000s) |
| | | | Shares/Units** | |
| * | Merrill Lynch + Co Inc | 6.875% 25 Apr 2018 | 45,000 | 44 |
| | Citigroup Inc | 0% 11 Apr 2018 | 79,000 | 77 |
| | Bear Stearns Cos Inc | 6.4% 02 Oct 2017 | 45,000 | 47 |
| | Cit Group Inc Reorganized | 5.65% 13 Feb 2017 | 25,000 | 17 |
| | Bellsouth Corp | 5.2% 15 Dec 2016 | 17,000 | 17 |
| | Danske Bk A/S | 5.914% 29 Dec 2049 | 17,000 | 9 |
| | Landesbank Baden Wurttemberg | 5.05% 30 Dec 2015 | 200,000 | 216 |
| | Credit Suisse First Boston USA | 6.125% 15 Nov 2011 | 16,000 | 16 |
| | Goldman Sachs Group Inc | 6.875% 15 Jan 2011 | 15,000 | 15 |
| | Burlington Northn Santa Fe | 7.125% 15 Dec 2010 | 200,000 | 205 |
| | British Sky Broadcasting Group | 6.875% 23 Feb 2009 | 60,000 | 60 |
| | Murphy Oil Corp | 7.05% 01 May 2029 | 320,000 | 296 |
| | Sun Microsystems Inc | 7.65% 15 Aug 2009 | 100,000 | 98 |
| | Time Warner Entmt Co LP | 8.875% 01 Oct 2012 | 100,000 | 100 |
| | Metlife Inc | 6.817% 15 Aug 2018 | 35,000 | 33 |
| | Pacific Life Global Fdg | 5.15% 15 Apr 2013 | 30,000 | 29 |
| | Oracle Corp | 5.75% 15 Apr 2018 | 20,000 | 21 |
| | Bear Stearns Cos Inc Med Term | 6.95% 10 Aug 2012 | 25,000 | 26 |
| | Hartford Finl Svcs Group Inc | 5.375% 15 Mar 2017 | 15,000 | 11 |
| | Time Warner Inc New | 2.915% 13 Nov 2009 | 10,000 | 10 |
| | Ppl Energy Supply LLC | 6.2% 15 May 2016 | 37,000 | 30 |
| | Boston Scientific Corp | 6.25% 15 Nov 2015 | 80,000 | 67 |
| | Bellsouth Corp | 4.2% 15 Sep 2009 | 15,000 | 15 |
| | Schering Plough Corp | 5.3% 01 Dec 2013 | 90,000 | 89 |
| | McDonalds Corp | 4.125% 01 Jun 2013 | 35,000 | 34 |
| | Coors Brewing Co | 6.375% 15 May 2012 | 1,000 | 1 |
| | Kraft Foods Inc | 6.25% 01 Jun 2012 | 15,000 | 15 |
| | NStar | 8% 15 Feb 2010 | 120,000 | 125 |
| | Becton Dickinson + Co | 7% 01 Aug 2027 | 103,000 | 110 |
| | Commercial Cr Group Inc | 6.625% 01 Jun 2015 | 34,000 | 34 |
| | Goldman Sachs Group Inc | 7.35% 01 Oct 2009 | 120,000 | 121 |
| | British Sky Broadcasting Group | 8.2% 15 Jul 2009 | 95,000 | 95 |
| | American Airls Pass Thru Tr | 7.024% 15 Apr 2011 | 25,000 | 24 |
| | AES Eastn Energy LP | 9% 02 Jan 2017 | 83,502 | 74 |

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|------------|---|--|-----------------------|--------------------------|
| (a) | Similar Party | Collateral, Par or Maturity Value | Number of | (in 000s) |
| | | | Shares/Units** | |
| | Equitable Res Inc | 7.75% 15 Jul 2026 | 130,000 | 140 |
| | Union Elec Co | 6.7% 01 Feb 2019 | 19,000 | 18 |
| | Colgate Palmolive Co Mtn | 4.2% 15 May 2013 | 6,000 | 6 |
| | Citigroup Inc | 6.125% 15 May 2018 | 38,000 | 38 |
| | Valspar Corp | 6.05% 01 May 2017 | 20,000 | 17 |
| | Colgate Palmolive Co Mtn | 5.2% 07 Nov 2016 | 65,000 | 68 |
| | CSX Corp | 6% 01 Oct 2036 | 35,000 | 28 |
| | Toyota Mtr Cr Corp | 5.45% 18 May 2011 | 58,000 | 59 |
| | Fisher Scientific Intl Inc | 6.125% 01 Jul 2015 | 85,000 | 75 |
| | Comcast Corp New | 5.85% 15 Nov 2015 | 70,000 | 67 |
| | Westlb AG New York Brh | 4.796% 15 Jul 2015 | 48,000 | 53 |
| | DBS Bk Ltd Singapore | 5% 15 Nov 2019 | 90,000 | 70 |
| | Allstate Corp | 5% 15 Aug 2014 | 70,000 | 66 |
| | Citigroup Inc | 5.125% 05 May 2014 | 15,000 | 14 |
| | Capital One Bk | 5.75% 15 Sep 2010 | 10,000 | 10 |
| | Massachusetts Mut Life Ins Co | 5.625% 15 May 2033 | 70,000 | 62 |
| | Univision Communications Inc | 7.85% 15 Jul 2011 | 60,000 | 32 |
| | New Vy Generation 1 | 7.299% 15 Mar 2019 | 79,223 | 96 |
| | Continental Airls Pass Thru Tr | 6.94% 15 Oct 2013 | 41,081 | 34 |
| | Eastman Chem Co | 7.25% 15 Jan 2024 | 155,000 | 129 |
| | Pacificorp | 6.71% 15 Jan 2026 | 400,000 | 395 |
| | Comcast Corp New | 6.3% 15 Nov 2017 | 23,000 | 23 |
| | Owens Corning New | 6.5% 01 Dec 2016 | 80,000 | 58 |
| | Florida Pwr + Lt Co | 6.2% 01 Jun 2036 | 25,000 | 27 |
| | Gannett Co Inc | 5.75% 01 Jun 2011 | 56,000 | 41 |
| | Bayerische Landesbank | 3.2% 15 Apr 2009 | 250,000 | 252 |
| | Comerica Inc | 4.8% 01 May 2015 | 80,000 | 59 |
| | Hanson Australia Fdg Ltd | 5.25% 15 Mar 2013 | 58,000 | 20 |
| | Comcast Cable Communications | 7.125% 15 Jun 2013 | 5,000 | 5 |
| | Southwest Gas Corp | 8.375% 15 Feb 2011 | 110,000 | 111 |
| | Ford Mtr Cr Co | 7.375% 01 Feb 2011 | 35,000 | 27 |
| | BBV Intl Fin Ltd | 7% 01 Dec 2025 | 112,000 | 159 |
| | International Business Machs | 7.125% 01 Dec 2096 | 40,000 | 41 |
| | Tyson Foods Inc | 7% 01 May 2018 | 86,000 | 56 |

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|------------|---|--|-----------------------|--------------------------|
| (a) | Similar Party | Collateral, Par or Maturity Value | Number of | (in 000s) |
| | | | Shares/Units** | |
| * | Merrill Lynch + Co Inc | 6.05% 15 Aug 2012 | 20,000 | 20 |
| | Time Warner Inc New | 5.5% 15 Nov 2011 | 25,000 | 24 |
| | Principal Life Income Fund Tr | 5.15% 30 Sep 2011 | 42,000 | 41 |
| | JPMorgan Chase + Co | 4.5% 15 Jan 2012 | 120,000 | 119 |
| | Hutchison Whampoa Intl | 6.25% 24 Jan 2014 | 100,000 | 97 |
| | Liberty Media Corp New | 5.7% 15 May 2013 | 70,000 | 46 |
| | Commonwealth Edison Co | 6.15% 15 Mar 2012 | 30,000 | 30 |
| | General Mtrs Accep Corp | 7% 01 Feb 2012 | 105,000 | 83 |
| | Vodafone Airtouch Plc | 7.75% 15 Feb 2010 | 42,000 | 43 |
| | Bank Of America | 7.8% 15 Feb 2010 | 300,000 | 313 |
| | PNC Fdg Corp | 7.5% 01 Nov 2009 | 40,000 | 41 |
| | US West Cap Fdg Inc | 6.875% 15 Jul 2028 | 236,000 | 142 |
| | Duke Energy Carolinas LLC | 7% 15 Nov 2018 | 25,000 | 26 |
| | Wachovia Corp | 5.5% 01 May 2013 | 51,000 | 51 |
| | Ppl Energy Supply LLC | 5.7% 15 Oct 2015 | 125,000 | 102 |
| | Goldman Sachs Group Inc | 5.7% 01 Sep 2012 | 29,000 | 27 |
| | Sprint Cap Corp | 8.75% 15 Mar 2032 | 65,000 | 44 |
| | Jackson Natl Life Global Fdg | 6.125% 30 May 2012 | 26,000 | 25 |
| | Allstate Corp | 6.125% 15 Feb 2012 | 45,000 | 45 |
| | Qwest Cap Fdg Inc | 7% 03 Aug 2009 | 100,000 | 98 |
| | Bellsouth Corp | 6% 15 Oct 2011 | 95,000 | 98 |
| | General Mtrs Accep Corp | 6.875% 15 Sep 2011 | 130,000 | 105 |
| | Applied Matls Inc | 7.125% 15 Oct 2017 | 432,000 | 390 |
| | Lockheed Martin Corp | 7.75% 01 May 2026 | 65,000 | 76 |
| | Procter + Gamble Co | 8% 26 Oct 2029 | 69,000 | 96 |
| | Ameritech Capital Funding Co | 6.25% 18 May 2009 | 137,000 | 139 |
| | 90 Day Eurodollar Futures CME | 14 Jun 2010 | 2,750,000 | 0 |
| | 90 Day Eurodollar Futures CME | 13 Mar 2013 | (250,000) | 0 |
| | 90 Day Eurodollar Futures CME | 17 Dec 2012 | (250,000) | 0 |
| | 90 Day Eurodollar Futures CME | 18 Jun 2012 | (500,000) | 0 |
| | 90 Day Eurodollar Futures CME | 14 Mar 2011 | 500,000 | 0 |
| | 10 Yr Interest Rate Swap Future | 16 Mar 2009 | (300,000) | 0 |
| | 90 Day Eurodollar Futures CME | 13 Sep 2010 | 1,500,000 | 0 |
| | 90 Day Eurodollar Futures CME | 15 Mar 2010 | 1,000,000 | 0 |

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| (a) | Similar Party | Collateral, Par or Maturity Value | Number of | (in 000s) |
| | | | Shares/Units** | |
| | 90 Day Eurodollar Futures CME | 14 Dec 2009 | 1,250,000 | 0 |
| | 90 Day Eurodollar Futures CME | 16 Mar 2009 | 2,000,000 | 0 |
| | 10 Yr US Treasury Note Futures | 20 Mar 2009 | 4,100,000 | 0 |
| | 2 Yr US Treasury Note Futures | 31 Mar 2009 | 2,400,000 | 0 |
| | 90 Day Eurodollar Futures CME | 17 Sep 2012 | (250,000) | 0 |
| | 90 Day Eurodollar Futures CME | 19 Dec 2011 | (500,000) | 0 |
| | 90 Day Eurodollar Futures CME | 13 Dec 2010 | 500,000 | 0 |
| | 5 Yr US Treasury Note Futures | 31 Mar 2009 | 1,600,000 | 0 |
| | 90 Day Eurodollar Futures CME | 13 Jun 2011 | 500,000 | 0 |
| | 10 Yr US Treasury Note Futures | 20 Mar 2009 | (300,000) | 0 |
| | 5 Yr US Treasury Note Futures | 31 Mar 2009 | (14,100,000) | 0 |
| | 30 Yr US Treasury Bond Futures | 20 Mar 2009 | (4,100,000) | 0 |
| | 90 Day Eurodollar Futures CME | 19 Sep 2011 | (1,000,000) | 0 |
| | 90 Day Eurodollar Futures CME | 14 Sep 2009 | 1,500,000 | 0 |
| | 90 Day Eurodollar Futures CME | 15 Jun 2009 | 1,750,000 | 0 |
| | Fed Hm Ln Pc Pool A82608 | 5% 01 Jul 2038 | 767,324 | 783 |
| | FNMA Pool 987086 | 6.5% 01 Aug 2038 | 195,867 | 204 |
| | Fed Hm Ln Pc Pool A78810 | 5% 01 Jun 2038 | 1,782,314 | 1,819 |
| | GNMA Pool 658869 | 6.5% 15 Aug 2037 | 170,834 | 178 |
| | FNMA Pool 887010 | 6.5% 01 Jun 2036 | 312,192 | 325 |
| | FNMA Pool 906868 | 5.5% 01 Dec 2036 | 117,436 | 121 |
| | GNMA Pool 782011 | 5% 15 Dec 2035 | 299,759 | 308 |
| | FNMA Pool 851336 | 5.5% 01 Feb 2036 | 390,260 | 401 |
| | Financing Corp Cpn Fico Strips | 0.01% 06 Jun 2018 | 180,000 | 126 |
| | Financing Corp Princ Fico Strp | 0% 30 Nov 2017 | 100,000 | 72 |
| | FNMA Pool 306974 | 7.5% 01 Jun 2025 | 3,027 | 3 |
| | FNMA Pool 533373 | 6.5% 01 Mar 2030 | 23,478 | 25 |
| | FNMA Pool 323347 | 7% 01 Sep 2028 | 45,567 | 48 |
| | Fed Hm Ln Pc Pool A73950 | 4.5% 01 Feb 2038 | 96,423 | 98 |
| | Fed Hm Ln Pc Pool A82132 | 5% 01 Sep 2038 | 499,063 | 509 |
| | Fed Hm Ln Pc Pool A71925 | 5% 01 Jan 2038 | 494,374 | 505 |
| | FNMA Pool 906693 | 5.5% 01 Dec 2036 | 67,373 | 69 |
| | Fed Hm Ln Pc Pool A53740 | 5.5% 01 Nov 2036 | 29,327 | 30 |
| | GNMA Pool 609289 | 5.5% 15 Dec 2034 | 34,320 | 36 |

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| | GNMA II Pool 002348 | 6% 20 Nov 2011 | 12,512 | 13 |
| | Fed Hm Ln Pc Pool A13973 | 5.5% 01 Oct 2033 | 14,156 | 15 |
| | GNMA Pool 780975 | 6% 15 Feb 2029 | 2,779 | 3 |
| | FNMA Pool 991920 | 5% 01 Nov 2038 | 25,086 | 26 |
| | Fed Hm Ln Pc Pool A80713 | 5% 01 Aug 2038 | 51,904 | 53 |
| | FNMA Pool 964694 | 5% 01 Aug 2038 | 229,350 | 235 |
| | Fed Hm Ln Pc Pool A71061 | 5% 01 Jan 2038 | 24,763 | 25 |
| | Fed Hm Ln Pc Pool A53192 | 5% 01 Oct 2036 | 66,522 | 68 |
| | FNMA Pool 865808 | 5% 01 Mar 2036 | 445,452 | 456 |
| | FNMA Pool 865752 | 5.5% 01 Jan 2036 | 117,339 | 121 |
| | FNMA Pool 833345 | 5.5% 01 Aug 2035 | 97,527 | 100 |
| | GNMA Pool 583078 | 5.5% 15 Feb 2035 | 273,250 | 283 |
| | GNMA Pool 422131 | 6.5% 15 Apr 2026 | 17,262 | 18 |
| | FNMA Pool 318107 | 7% 01 Aug 2025 | 631 | 1 |
| | Fed Hm Ln Pc Pool D28599 | 7.5% 01 Dec 2022 | 8,017 | 8 |
| | GNMA Pool 424276 | 6.5% 15 Mar 2026 | 23,098 | 24 |
| | FNMA Pool 986138 | 5% 01 Nov 2038 | 757,484 | 775 |
| | FNMA Pool 984052 | 5% 01 Jun 2038 | 216,158 | 221 |
| | FNMA Pool 975593 | 5% 01 Jun 2038 | 518,002 | 530 |
| | Fed Hm Ln Pc Pool A76197 | 4.5% 01 Apr 2038 | 637,522 | 646 |
| | Fed Hm Ln Pc Pool A74216 | 4.5% 01 Mar 2038 | 873,071 | 885 |
| | FNMA Pool 967427 | 6.5% 01 Nov 2037 | 769,538 | 801 |
| | Fed Hm Ln Pc Pool A72776 | 5% 01 Feb 2038 | 472,176 | 482 |
| | GNMA Pool 660623 | 6.5% 15 Sep 2036 | 326,109 | 340 |
| | FNMA Pool 905690 | 5.5% 01 Dec 2036 | 67,709 | 70 |
| | FNMA Pool 886858 | 6% 01 Sep 2036 | 250,090 | 258 |
| | GNMA Pool 431373 | 6.5% 15 Sep 2026 | 10,127 | 11 |
| | FHLMC TBA Jan 30 Gold Single | 5% 01 Dec 2099 | (3,400,000) | (3,469) |
| | GNMA Pool 296513 | 10% 15 Dec 2020 | 19,148 | 22 |
| | Fed Hm Ln Pc Pool C80253 | 9% 01 Jan 2025 | 13,137 | 14 |
| | Fed Hm Ln Pc Pool A78754 | 5% 01 Jun 2038 | 6,975,160 | 7,120 |
| | Fed Hm Ln Pc Pool A73518 | 5% 01 Mar 2038 | 863,453 | 881 |
| | Fed Hm Ln Pc Pool A69852 | 5.5% 01 Dec 2037 | 39,928 | 41 |
| | Fed Hm Ln Pc Pool G03239 | 5% 01 Jul 2036 | 475,724 | 486 |

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| | | | Shares/Units** | |
| | Fed Hm Ln Pc Pool A61640 | 6% 01 Mar 2037 | 356,094 | 367 |
| | Fed Hm Ln Pc Pool A55421 | 5.5% 01 Dec 2036 | 101,672 | 104 |
| | FNMA Pool 256298 | 5% 01 May 2036 | 147,458 | 151 |
| | FNMA Pool 256232 | 5.5% 01 May 2036 | 432,235 | 444 |
| | FNMA Pool 414547 | 7% 01 Feb 2028 | 9,979 | 11 |
| | GNMA Pool 419569 | 6.5% 15 Feb 2026 | 6,092 | 6 |
| | GNMA Pool 412583 | 6.5% 15 Apr 2026 | 6,405 | 7 |
| | Fed Hm Ln Pc Pool A79796 | 5% 01 Jul 2038 | 498,691 | 509 |
| | FNMA Pool 988662 | 6.5% 01 Sep 2038 | 98,525 | 103 |
| | FNMA Pool 982346 | 6.5% 01 Sep 2038 | 27,843 | 29 |
| | FNMA Pool 975116 | 5% 01 May 2038 | 251,158 | 257 |
| | FNMA Pool 961820 | 5% 01 Mar 2038 | 143,221 | 146 |
| | Fed Hm Ln Pc Pool A69827 | 5% 01 Dec 2037 | 125,639 | 128 |
| | Fed Hm Ln Pc Pool G02384 | 6% 01 Nov 2036 | 3,880,435 | 4,002 |
| | Fed Hm Ln Pc Pool A56530 | 5% 01 Jan 2037 | 180,773 | 185 |
| | Fed Hm Ln Pc Pool G02405 | 5.5% 01 Mar 2036 | 19,258 | 20 |
| | FNMA Pool 902791 | 5.5% 01 Dec 2036 | 167,605 | 172 |
| | GNMA Pool 421856 | 6.5% 15 Apr 2026 | 3,502 | 4 |
| | Fed Hm Ln Pc Pool G08273 | 5.5% 01 Jun 2038 | 3,936,615 | 4,034 |
| | FNMA Pool 933520 | 5% 01 Jan 2038 | 959,766 | 982 |
| | Fed Hm Ln Pc Pool A64976 | 5.5% 01 Aug 2037 | 73,577 | 75 |
| | Fed Hm Ln Pc Pool G03054 | 5% 01 Jun 2037 | 31,358 | 32 |
| | FNMA Pool 936255 | 6.5% 01 Apr 2037 | 457,716 | 476 |
| | GNMA Pool 373712 | 6.5% 15 Apr 2026 | 1,691 | 2 |
| | GNMA Pool 288117 | 10% 15 Mar 2020 | 7,424 | 9 |
| | GNMA Pool 373607 | 6.5% 15 Mar 2026 | 1,524 | 2 |
| | GNMA Pool 412234 | 6.5% 15 May 2026 | 10,453 | 11 |
| | GNMA Pool 426119 | 8% 15 Jun 2026 | 18,367 | 20 |
| | FNMA Pool 988406 | 6.5% 01 Sep 2038 | 977,510 | 1,017 |
| | Fed Hm Ln Pc Pool A76334 | 4.5% 01 Apr 2038 | 30,506 | 31 |
| | Fed Hm Ln Pc Pool A78453 | 5% 01 Jul 2038 | 2,115,172 | 2,159 |
| | Fed Hm Ln Pc Pool A77388 | 5% 01 May 2038 | 1,485,742 | 1,517 |
| | FNMA Pool 949004 | 6.5% 01 Aug 2037 | 494,240 | 505 |
| | GNMA Pool 608519 | 6.5% 15 Oct 2037 | 655,904 | 684 |

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| | | | Shares/Units** | |
| | GNMA Pool 377590 | 8% 15 Aug 2025 | 47,351 | 51 |
| | GNMA Pool 413641 | 6.5% 15 Apr 2026 | 60,200 | 63 |
| | GNMA Pool 457932 | 6% 15 Dec 2028 | 34,391 | 36 |
| | Erste Europ.PF and B | 4% 29 May 2009 | 400,000 | 393 |
| | Inter Amer Dev Bk | 0.5% 17 Apr 2023 | 400,000 | 267 |
| | Intl Bank Recon+Dv | 3.25% 24 Feb 2009 | 50,000 | 50 |
| | I.B.R.D. World Bank | 5.5% 25 Nov 2013 | 181,000 | 207 |
| | United States Treas Nts | 1.375% 15 Jul 2018 | 200,932 | 189 |
| | United States Treas Nts | 4.25% 15 Nov 2017 | 125,000 | 146 |
| | United States Treas Bds | 1.75% 15 Jan 2028 | 232,677 | 215 |
| | United States Treas Bds | 2% 15 Jan 2026 | 109,153 | 103 |
| | United States Tres Sc Strp Int | 0% 15 Feb 2019 | 1,304,000 | 962 |
| | United States Treas | 1.625% 15 Jan 2018 | 155,118 | 147 |
| | United States Treas Nts | 1.875% 15 Jul 2013 | 176,936 | 166 |
| | United States Tres Sc Strp Int | 0.01% 15 May 2020 | 3,245,000 | 2,245 |
| | United States Tres Sc Strp Int | 0% 15 Aug 2017 | 1,035,000 | 817 |
| | United States Tres Sc Strp Int | 0% 15 Nov 2027 | 400,000 | 220 |
| | US Treasury Nts | 2.375% 15 Jan 2017 | 53,714 | 53 |
| | Quebec Prov CDA | 4.6% 26 May 2015 | 50,000 | 52 |
| | Royal Bank Of Scotland Grp Plc | 4.7% 03 Jul 2018 | 61,000 | 43 |
| | BGB Finance(Ire) | 7.125% 27 Feb 2012 | 700,000 | 789 |
| | Aust + Nz Bank Grp | 3.75% 05 Jan 2009 | 80,000 | 80 |
| | Sumitomo Mitsui Bk Corp | 8% 15 Jun 2012 | 58,000 | 66 |
| | Deutsche Bk AG London | 6% 01 Sep 2017 | 18,000 | 19 |
| | New Brunswick Prov CDA | 5.2% 21 Feb 2017 | 20,000 | 22 |
| | Florence Italy | 6.14% 15 Apr 2014 | 20,900 | 24 |
| | British Telecommunications Plc | 8.625% 15 Dec 2010 | 82,000 | 84 |
| | Diageo Cap Plc | 5.5% 30 Sep 2016 | 42,000 | 41 |
| | Norsk Hydro A S | 7.15% 15 Nov 2025 | 125,000 | 138 |
| | Ontario Hydro | 7.45% 31 Mar 2013 | 120,000 | 148 |
| | Inter Amer Dev Bk | 8.5% 15 Mar 2011 | 80,000 | 91 |
| | Intl Bk For Recon + Dev | 0% 15 Feb 2015 | 21,000 | 17 |
| | British Sky Broadcasting Group | 9.5% 15 Nov 2018 | 35,000 | 36 |
| | Hydro Quebec | 8.4% 15 Jan 2022 | 120,000 | 166 |

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| | Intl Bk For Recon + Dev | 0% 15 Feb 2016 | 573,000 | 452 |
| | Empresa Nacional De Electricid | 8.625% 01 Aug 2015 | 50,000 | 54 |
| | Various Receivables | | | 4,119 |
| | Various Insurance Companies | Synthetic Wrapper Agreements | | 21,563 |
| Total Stable Value Fund | | | | 574,495 |
| Common/Collective Trusts | | | | |
| * | Merrill Lynch | Extended Market Index Trust | 706,668 | 4,586 |
| * | Merrill Lynch | Equity Index Trust | 404,049 | 29,362 |
| | | | | 33,948 |
| * | Participant Loans | 4.00% to 9.25% | | 11,815 |
| | | | | \$ 902,700 |

* Indicates parties-in-interest.

** Cost information is not required for participant-directed investments and, therefore is not included.

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Signatures

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the plan administrator of the CONSOL Energy Inc. Investment Plan for Salaried Employees has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE CONSOL ENERGY INC. INVESTMENT PLAN FOR SALARIED EMPLOYEES

Date: June 25, 2009

By: /s/ William J. Lyons
William J. Lyons
Plan Administrator