

CONSOL ENERGY INC
Form 425
March 06, 2008
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Filed by CONSOL Energy Inc.

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12 and

Rule 14d-2(b) of the Securities Exchange Act of 1934

Subject Company: CNX Gas Corporation

Commission File No. 001-32723

IMPORTANT INFORMATION: In connection with the proposed exchange offer to the stockholders of CNX Gas Corporation, CONSOL Energy filed a Registration Statement on Form S-4 containing an exchange offer preliminary prospectus and related materials with the Securities and Exchange Commission. A copy of the Registration Statement filed with the Securities and Exchange Commission is attached hereto. INVESTORS AND SECURITY HOLDERS OF CNX GAS CORPORATION ARE URGED TO READ THE EXCHANGE OFFER PRELIMINARY PROSPECTUS AND THE OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE OFFER, CNX Gas AND CONSOL Energy. Investors and security holders may obtain a free copy of the exchange offer preliminary prospectus and other relevant materials (when they become available) and other documents filed by CONSOL Energy with the Commission at the Commission's web site, www.sec.gov. Copies of the exchange offer preliminary prospectus and other relevant documents (when they become available) may also be obtained without charge from CONSOL Energy. Requests to CONSOL Energy should be made in writing to Thomas F. Hoffman, Senior Vice President - External Affairs, CONSOL Energy Inc., 1800 Washington Road, Pittsburgh, PA 15241, or by email at tomhoffman@consolenergy.com.

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As filed with the Securities and Exchange Commission on February 28, 2008

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CONSOL Energy Inc.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

1221
*(Primary Standard Industrial
Classification Code Number)*

51-0337383
*(I. R. S. Employer
Identification No.)*

P. Jerome Richey

Senior Vice President, General Counsel and Secretary

CONSOL Energy Inc.

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CONSOL Plaza

1800 Washington Road

Pittsburgh, PA 15241-1421

(412) 831-4000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Lewis U. Davis, Jr.

Jeremiah G. Garvey

Buchanan Ingersoll & Rooney PC

One Oxford Centre, 20th Floor

301 Grant Street

Pittsburgh, PA 15219

(412) 562-8800

David A. Katz

Wachtell, Lipton, Rosen & Katz

51 West 52nd Street

New York, NY 10019

(212) 403-1000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective and upon consummation of the transactions described herein.

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

CALCULATION OF REGISTRATION FEE

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Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$0.01 par value per share (including associated preferred stock purchase rights)	12,924,775(1)	N/A	\$1,049,170,505.36(2)	\$41,232.40(3)

- (1) Represents (a) 150,916,698 outstanding shares of common stock, par value \$0.01 per share of CNX Gas Corporation on January 31, 2008 less 123,268,667 shares beneficially owned by CONSOL Energy Inc. plus an additional 690,522 shares of CNX Gas Corporation common stock reserved for issuance upon exercise of outstanding exercisable stock options and performance share units on January 31, 2008, multiplied by (b) the exchange ratio of 0.4425. Information as to the number of outstanding shares and stock options of CNX Gas Corporation has been obtained from CNX Gas Corporation.
- (2) Reflects the product of (a) \$35.92, the market price of the common stock of CNX Gas Corporation computed in accordance with Rule 457(c) and 457(f) under the Securities Act, based upon the average of the high and low sale prices of CNX Gas Corporation's common stock as quoted on the New York Stock Exchange on February 22, 2008 and (b) 29,208,533, the maximum number of shares to be acquired pursuant to the offer. The proposed maximum aggregate offering price is estimated solely to determine the registration fee.
- (3) 0.00003930 of the Proposed Maximum Aggregate Offering Price pursuant to Section 6(b) of the Securities Act.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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THE INFORMATION IN THIS PROSPECTUS MAY CHANGE. WE MAY NOT COMPLETE THIS OFFER AND ISSUE SHARES OF OUR COMMON STOCK UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION TO WHICH THIS PROSPECTUS RELATES IS EFFECTIVE. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL SHARES OF OUR COMMON STOCK, AND WE ARE NOT SOLICITING OFFERS TO BUY OUR SHARES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

Preliminary Prospectus Subject to Change and Completion, As Filed on February 28, 2008.

OFFER BY CONSOL Energy Inc.

TO EXCHANGE

0.4425 OF A SHARE OF COMMON STOCK

(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)

OF

CONSOL Energy Inc.

FOR

EACH OUTSTANDING SHARE OF COMMON STOCK

OF

CNX Gas Corporation

THIS OFFER, AND YOUR RIGHT TO WITHDRAW SHARES OF CNX GAS COMMON STOCK YOU TENDER INTO THIS OFFER, WILL EXPIRE AT MIDNIGHT, NEW YORK CITY TIME, ON _____, _____, 2008, UNLESS WE EXTEND THIS OFFER.

We are offering to exchange 0.4425 of a share of CONSOL Energy Inc., or CONSOL, common stock (including the associated preferred stock purchase rights) for each outstanding share of CNX Gas Corporation, or CNX Gas, common stock, on the terms and conditions contained in this prospectus and in the related letter of transmittal.

CONSOL currently beneficially owns approximately 81.7% of the outstanding shares of CNX Gas common stock. This offer is conditioned on the tender of a majority of the shares owned by stockholders other than CONSOL, its subsidiaries, its directors and officers and CNX Gas directors and officers and a sufficient number of the outstanding shares such that, giving effect to the offer, we own at least 90% of the outstanding shares of CNX Gas common stock.

Our obligation to exchange shares of CONSOL common stock for shares of CNX Gas common stock is also subject to other conditions described in this prospectus under "The Offer" "Conditions of the Offer" beginning on page 61. We do not intend to have a subsequent offering period.

If we successfully complete this offer, we will own more than 90% of the outstanding common stock of CNX Gas and we would then effect a "short form" merger of one of our wholly owned subsidiaries with CNX Gas. Under Delaware law, this short form merger would be effected without the approval of CNX Gas' board of directors or the remaining holders of CNX Gas' common stock. We intend to effect the merger as soon as practicable after we complete this offer, unless we are prevented from doing so by a court or other legal requirement. Each share of CNX Gas common stock that we do not own or acquire in this offer would be converted in the merger into the right to receive 0.4425 of a share of CONSOL common stock (including the associated preferred stock purchase rights), unless the holder of the shares of CNX Gas common stock properly perfects appraisal rights under Delaware law. After we complete the merger, CNX Gas will be our wholly owned subsidiary.

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CONSOL's common stock is listed on the New York Stock Exchange and trades under the symbol CNX. CNX Gas common stock is listed on the New York Stock Exchange and trades under the symbol CXG.

SEE RISK FACTORS BEGINNING ON PAGE 15 FOR A DISCUSSION OF ISSUES THAT YOU SHOULD CONSIDER IN DETERMINING WHETHER TO TENDER YOUR SHARES INTO THIS OFFER.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY WITH RESPECT TO THIS OFFER.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE CONSOL COMMON STOCK TO BE ISSUED IN THIS OFFER AND THE SUBSEQUENT MERGER OR DETERMINED IF THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is _____, 2008 and it will be distributed on or about _____, 2008.

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CONSOL Energy Inc. was organized as a Delaware corporation in 1991. The principal executive office of CONSOL Energy Inc. is located at CONSOL Plaza, 1800 Washington Road, Pittsburgh, Pennsylvania, 15241, and the telephone number at that address is (412) 831-4000. Our website is located at www.consolenergy.com. The information on our website is not part of this prospectus.

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Neither CONSOL Energy Inc. nor any of its respective representatives are making any representation to you regarding the legality of an investment by you in CONSOL common stock under applicable laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of an investment in our common stock.

In making an investment decision, you must rely on your own examination of our business and the terms of the exchange offer, including the merits and risks involved. No person has been authorized to give any information or any representation concerning us, the exchange offer or the exchange shares (other than as contained in this prospectus and the accompanying letter of transmittal), and, if given or made, that other information or representation should not be relied upon as having been authorized by us. Neither CONSOL Energy Inc. nor any of its respective representatives are making an offer to sell these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

As permitted under the rules of the Securities and Exchange Commission (SEC), this prospectus incorporates important business and financial information about CONSOL and CNX Gas that is contained in documents filed with the SEC but that is not included in or delivered with this prospectus. You may obtain copies of these documents, without charge, from the website maintained by the SEC at www.sec.gov, as well as other sources. See *Where You Can Find More Information* beginning on page 93.

You may also obtain copies of these documents, without charge, upon written or oral request to our information agent, MacKenzie Partners, Inc., toll-free at (800) 322-2885 or collect at (212) 929-5500. To obtain timely delivery of copies of these documents, you should request them no later than five business days prior to the expiration of this offer. Unless this offer is extended, the latest you should request copies of these documents is _____, 2008.

Except as otherwise specifically noted, we, our, us and similar words and/or CONSOL or CONSOL Energy in this prospectus refer to CONSOL Energy Inc. In addition, we refer to CNX Gas Corporation as CNX Gas. All references to shares of CONSOL common stock also refer to the associated preferred stock purchase rights.

In *Questions and Answers About the Offer* below and in the *Summary* beginning on page 6, we highlight selected information from this prospectus but we have not included all of the information that may be important to you. To better understand the offer and the subsequent merger and for a more complete description of their legal terms, you should read carefully this entire prospectus, including the annexes, as well as the documents we have incorporated by reference into this prospectus. See *Where You Can Find More Information* beginning on page 93.

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QUESTIONS AND ANSWERS ABOUT THE OFFER

Q. Why are we making the offer?

A. We currently beneficially own 123,268,667 outstanding shares of CNX Gas common stock, representing approximately 81.7% of all of the outstanding shares of CNX Gas common stock. We are making the offer for the purpose of acquiring all of the remaining outstanding shares of CNX Gas common stock.

Q. What will I receive in exchange for the shares of CNX Gas common stock that I tender into the offer?

A. If we successfully complete the offer, you will receive 0.4425 of a share of CONSOL common stock in exchange for each share of CNX Gas common stock that you validly tender into the offer. We will not issue fractional shares of CONSOL common stock. Instead, any CNX Gas stockholder entitled to receive a fractional share of CONSOL common stock will receive cash in an amount equal to the fraction, multiplied by the closing price of a share of CONSOL common stock on the New York Stock Exchange on the last trading day before the time that the offer expires. See *The Offer* Cash Instead of Fractional Shares of CONSOL Common Stock on page 52.

Q. How do I participate in the offer?

A. To tender your shares, you should do the following:

If you hold shares in your own name, complete and sign the enclosed letter of transmittal and return it with your share certificates to National City Bank, the exchange agent for the offer, at the appropriate address specified on the back cover page of this prospectus before the expiration date of the offer.

If you hold your shares in street name through a broker or other nominee, instruct your nominee to tender your shares before the expiration date.

If you are unable to tender your shares before the expiration date of the offer, you may comply with the guaranteed delivery procedures set forth in *The Offer* Procedure for Tendering Shares Guaranteed Delivery beginning on page 54. For more information on the timing of the offer, extensions of the offer period and your rights to withdraw your shares from the offer before the expiration date, please refer to *The Offer* beginning on page 50.

Q. Can I tender shares of CNX Gas common stock I hold through the CONSOL Energy Inc. Investment Plan for Salaried Employees?

A. Yes. Participants in the CONSOL Energy Inc. Investment Plan for Salaries Employees (the *Investment Plan*) are eligible to tender shares of CNX Gas common stock they hold that have been issued to their accounts under the Investment Plan. In order to tender their shares, participants in the Investment Plan must comply with separate instructions and procedures provided by Merrill Lynch Trust Company FSB (Federal Savings Bank) of America, the servicing agent for the Investment Plan.

Q. What are the potential benefits of this offer to CNX Gas stockholders?

A. We believe that this offer should be attractive to CNX Gas stockholders for the reasons described elsewhere in this prospectus as well as for the following reasons:

based on the closing prices of shares of CONSOL s and CNX Gas common stock on January 28, 2008, the day prior to our announcement of this offer, the exchange ratio represented a 12% premium over the price of shares of CNX Gas common stock;

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if we successfully complete the offer, you will hold shares in a larger combined company:

which we believe will have greater access to capital to pursue strategic growth opportunities than would CNX Gas on a stand-alone basis;

which we believe will have a more liquid market for its shares than CNX Gas on a stand-alone basis;

as a result of your exchange of shares of CNX Gas common stock for shares of CONSOL common stock, you will become entitled to receive dividends from CONSOL, which we currently expect to continue to pay at our current annual rate of \$0.40 per share. See Comparative Per Share Market Price and Dividend Information CONSOL on page 48. The declaration and payment of dividends by CONSOL is subject to the discretion of CONSOL's board of directors, and no assurance can be given that CONSOL will pay dividends in the future. CNX Gas does not currently pay a dividend with respect to its shares and has stated that it plans to retain all future earnings for the development of its business; and

you will have the opportunity to continue to participate in CNX Gas' growth through your ownership of shares of CONSOL common stock. Moreover, we expect that CONSOL will be better positioned than CNX Gas on a stand-alone basis to develop and exploit CNX Gas' assets.

Q. What are some of the other factors I should consider in deciding whether to tender my shares of CNX Gas common stock?

A. In addition to the factors described elsewhere in this prospectus, you should consider the following:

The exchange ratio reflects a value per share of CNX Gas common stock above the closing price of CNX Gas common stock on January 19, 2006, its first day of public trading, of \$21.78 and above the highest trading price at which shares of CNX Gas common stock have traded prior to announcement of the offer, \$33.20, which was reached on November 6, 2007; and

as a stockholder of CONSOL, your interest in the performance and prospects of CNX Gas will be only indirect and in proportion to your share ownership in CONSOL. You therefore may not realize the same financial benefits of any future appreciation in the value of CNX Gas that you may realize if the offer and merger were not completed and you were to remain a CNX Gas stockholder.

We describe various factors CNX Gas stockholders should consider in deciding whether to tender their shares under Risk Factors beginning on page 15 and Additional Factors for Consideration by CNX Gas Stockholders beginning on page 46.

Q. If I decide not to tender, how will this affect the offer and my shares of CNX Gas common stock?

A. We will not acquire any shares of CNX Gas common stock in the offer unless a majority of the shares owned by stockholders other than CONSOL, its subsidiaries, its directors and executive officers and CNX Gas' directors and executive officers are tendered and a sufficient number of the outstanding shares such that, giving effect to the offer, we own at least 90% of the outstanding shares of CNX Gas common stock. As of January 31, 2008, according to CNX Gas' SEC filings, there were 150,916,698 shares of CNX Gas common stock outstanding. Accordingly, for us to acquire any shares of CNX Gas common stock, stockholders of CNX Gas (other than CONSOL and its subsidiaries, its directors and executive officers and CNX Gas' directors and executive officers) must have tendered into the offer, and not have properly withdrawn, as of the expiration of the offer, at least 13,740,750 shares of common stock. Your failure to tender your shares of CNX Gas common stock will reduce the likelihood that we will receive tenders of a sufficient number of shares of common stock to be able to complete the offer.

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If you do not tender your shares of CNX Gas common stock and we nonetheless successfully complete the offer, as permitted under Delaware law, we would then effect a short form merger with CNX Gas without the approval of CNX Gas board of directors or the remaining holders of CNX Gas common stock. We intend to effect such a merger as soon as practicable after we complete the offer. Each share of CNX Gas common stock that we do not own or acquire in the offer would be converted in the merger into the right to receive 0.4425 of a share of CONSOL common stock, and cash instead of fractional shares, unless you properly perfect your appraisal rights under Delaware law. See The Offer Purpose of the Offer; the Merger Appraisal Rights beginning on page 59.

If we do not successfully complete the offer, your shares of CNX Gas common stock will remain outstanding and we expect that CNX Gas will remain a majority owned subsidiary of CONSOL. See Certain Effects of the Offer Conduct of CNX Gas if the Offer is Not Completed beginning on page 69.

Q. How long will it take to complete the offer and the subsequent short form merger?

A. We hope to complete the offer promptly after its expiration at midnight, New York City time, on _____, 2008. However, we may extend the offer if the conditions to the offer have not been satisfied as of the offer's scheduled expiration or if we are required to extend the offer pursuant to the SEC's tender offer rules. We intend to complete the merger as soon as practicable after the successful completion of the offer, unless a court or other legal requirement prevents us from doing so.

Q. Will CNX Gas board of directors make a recommendation concerning the offer?

A. We do not know whether the CNX Gas board will make a recommendation. Under SEC rules, CNX Gas will be required to make a recommendation or state that it is neutral or is unable to take a position with respect to the offer, and file with the SEC a solicitation/recommendation statement on Schedule 14D-9 describing its position, if any, and related matters, no later than ten business days from the date of the distribution of this prospectus. CNX Gas is also required to send to you a copy of its Schedule 14D-9 which you should review carefully upon its receipt. In evaluating this offer, you should be aware that CONSOL elects the entire board of directors of CNX Gas, and 5 of 8 members of the CNX Gas board are CONSOL directors and/or executive officers and the 6th member, the Chief Executive Officer of CNX Gas, has been and is a participant in various CONSOL compensation plans. For additional information on interests that CNX Gas board members and executive officers may have in the offer and subsequent merger, see Interests of Certain Persons in the Offer and Subsequent Merger beginning on page 76.

Q. Has CONSOL negotiated, or sought the approval of, the terms of this offer or the merger with CNX Gas?

A. No. We have not negotiated the terms of this offer or the subsequent merger with CNX Gas, its board of directors or any special committee of its board and we do not intend to do so. Moreover, we have not requested that CNX Gas, its board of directors or any special committee of its board approve this offer. Our offer is not conditioned upon the receipt of any approval by the CNX Gas board of directors or any special committee of its board.

Q. Has the CNX Gas board of directors formed a special committee of independent directors to evaluate CONSOL's offer?

A. Yes, CNX Gas has formed a special committee consisting of directors Philip W. Baxter and John R. Pipski.

Q. What percentage of CONSOL common stock will current CNX Gas stockholders own after the successful completion of the offer and subsequent merger?

A. We anticipate that the completion of the offer and subsequent merger will result in the exchange of the outstanding shares of CNX Gas common stock that we do not currently own into approximately 6.3% of the

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shares of CONSOL common stock outstanding at the conclusion of the transactions, without regard to stock options and restricted stock units, and 6.6% on a fully diluted basis. In general, this assumes that:

up to 12,234,253 shares of CONSOL common stock would be issued in the offer and the subsequent merger (or, if all CNX Gas exercisable stock options vest and are exercised and all performance share units are earned and vest at specified levels (See *Interests of Certain Persons in the Offer and Subsequent Merger* *Effect of Change in Control* *Treatment of Options, Restricted Stock Units and Performance Share Units* beginning on page 83), up to a maximum of 12,924,775 shares of CONSOL common stock would be issued);

182,502,996 shares of CONSOL common stock are outstanding before giving effect to the completion of the offer and the subsequent merger; and

no CNX Gas stockholders exercise or perfect appraisal rights.

The holders of CONSOL common stock are entitled to one vote for each share they hold. The former stockholders of CNX Gas, who would receive CONSOL common stock will, therefore, hold approximately 6.3% of the outstanding voting power of CONSOL immediately following the offer and the subsequent merger, without regard to stock options and restricted stock units, and 6.6% of the voting power on a fully diluted basis.

Q. What are the most significant conditions to the offer?

A. The offer is conditioned upon, among other things, satisfaction of the minimum tender condition. In particular, there must be validly tendered, and not properly withdrawn prior to the expiration of the offer, at least a majority of the shares owned by stockholders other than CONSOL, its subsidiaries, its directors and executive officers and CNX Gas directors and executive officers and a sufficient number of the outstanding shares such that, giving effect to the offer, we own at least 90% of the outstanding shares of CNX Gas common stock. In addition, the following conditions must also be met:

the registration statement, of which this prospectus is a part, having been declared effective by the SEC;

the shares of CONSOL common stock to be issued in the offer and the subsequent merger having been approved for listing on the New York Stock Exchange;

the absence of any event that would be expected to have an adverse effect on CNX Gas such that, regardless of the circumstances, in our good faith judgment, it would be inadvisable to proceed with the offer; and

the absence of legal impediments to the offer or the subsequent merger.

The minimum condition, the registration statement effectiveness condition and the listing condition will not be waived in this offer. These conditions and other conditions to the offer are discussed in this prospectus under *The Offer* *Conditions of the Offer* beginning on page 61.

Q. What are the U.S. federal income tax consequences in connection with the CONSOL common stock that I receive?

A. The offer and the merger are intended to qualify as a reorganization for U.S. federal income tax purposes under which you would generally not recognize gain or loss upon the receipt of shares of CONSOL common stock in exchange for your shares of CNX Gas common stock, other than any gain or loss recognized on the receipt of cash instead of fractional shares. However, there is no condition to the offer relating to the tax-free

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treatment of the offer and the merger. See **The Offer** **Material U.S. Federal Income Tax Consequences** beginning on page 55. The tax consequences to you will depend on the facts and circumstances of your own situation. Please consult your tax advisor for a full understanding of the tax consequences to you.

Q. Do the statements on the cover page regarding this prospectus being subject to change and the registration statement filed with the SEC not yet being effective mean that the offer has not commenced?

A. No. As permitted under SEC rules, we intend to commence the offer when we distribute the prospectus which does not require the registration statement, of which this prospectus is a part, having been declared effective by the SEC. We cannot, however, complete the offer and accept for exchange any shares of CNX Gas common stock tendered in the offer until the registration statement is declared effective by the SEC and the other conditions to our offer have been satisfied or, where permissible, waived. The offer has not yet been commenced.

Q. Are CONSOL's business, prospects and financial condition relevant to my decision to tender my shares in the offer?

A. Yes. Shares of CNX Gas common stock accepted in the offer will be exchanged for shares of CONSOL common stock and therefore you should consider CONSOL's business, prospects and financial condition before you decide whether to tender your shares in the offer. In considering our business, prospects and financial condition, you should review the documents incorporated by reference in this prospectus because they contain detailed business, financial and other information about us. See **Where You Can Find More Information** beginning on page 93.

Q. Whom can I call with questions about the offer?

A. You can contact our information agent for the offer:

Information Agent: MacKenzie Partners, Inc. toll-free at (800) 322-2885 or collect at (212) 929-5500.

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SUMMARY

*This summary highlights selected information from this document and does not contain all of the information that is important to you. To better understand the offer and the short-form merger and for a more complete description of the legal terms of the offer and the merger, you should read carefully this entire document and the documents to which you have been referred. See *Where You Can Find More Information* beginning on page 93.*

Introduction

We are proposing to acquire all of the outstanding shares of CNX Gas common stock that we do not already own. We currently beneficially own 123,268,667 shares of CNX Gas common stock, representing approximately 81.7% of the outstanding shares of CNX Gas common stock.

We are offering to exchange 0.4425 of a share of CONSOL common stock for each outstanding share of CNX Gas common stock, upon the terms and conditions set forth in this prospectus and the related letter of transmittal. We will not acquire any shares of CNX Gas in the offer unless a majority of the shares owned by stockholders other than CONSOL, its subsidiaries, its directors and executive officers and CNX Gas directors and executive officers are validly tendered and not properly withdrawn and a sufficient number of the outstanding shares such that, giving effect to the offer, we own at least 90% of the outstanding shares of CNX Gas common stock. As of January 31, 2008, there were 150,916,698 shares of CNX Gas common stock outstanding. Accordingly, for us to acquire any shares of CNX Gas common stock, stockholders of CNX Gas (other than CONSOL, its subsidiaries, its directors and executive officers and CNX Gas directors and executive officers) must, based on this information as to CNX Gas outstanding shares, have tendered into the offer, and not properly withdrawn, as of the expiration of the offer, at least 13,740,750 shares of CNX Gas common stock. These share numbers would change as a result of changes in CNX Gas share capitalization, such as through the exercise of outstanding stock options or other equity rights. There are also other conditions to the offer that are described under *The Offer* *Conditions of the Offer* beginning on page 61.

If we successfully complete the offer, we would then beneficially own at least 90% of the outstanding shares of CNX Gas common stock and be permitted under Delaware law to effect a short form merger of one of our wholly owned subsidiaries with CNX Gas without the approval of CNX Gas board or remaining stockholders. We intend to effect a short form merger of one of our wholly owned subsidiaries with CNX Gas as soon as practicable after we complete the offer. Each outstanding share of CNX Gas common stock we do not own or acquire in the offer would be converted in the merger into the right to receive 0.4425 of a share of CONSOL common stock and cash instead of fractional shares, the same consideration per share of CNX Gas common stock you would have received if you had tendered your shares into the offer, unless you properly perfect your appraisal rights under Delaware law. See *The Offer* *Purpose of the Offer; the Merger* *Appraisal Rights* beginning on page 59. After completion of the merger, CNX Gas will be a wholly owned subsidiary of CONSOL.

Information About CONSOL and CNX Gas

CONSOL Energy Inc.

CONSOL Plaza

1800 Washington Road

Pittsburgh, PA 15241-1421

(412) 831-4000

CONSOL Energy Inc., a high-Btu bituminous coal and coal bed methane company, is a member of the Standard & Poor's 500 Equity Index and has annual revenues of \$3.8 billion. It has 17 bituminous coal mining complexes in six states and reports proven and probable coal reserves of 4.5 billion tons. CONSOL Energy was

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named one of America's most admired companies in 2005 by Fortune magazine. It received the U.S. Department of the Interior's Office of Surface Mining National Award for Excellence in Surface Mining for the company's innovative reclamation practices in 2002, 2003 and 2004. Also in 2003, the company was listed in Information Week magazine's Information Week 500 list for its information technology operations. In 2002, the company received a U.S. Environmental Protection Agency Climate Protection Award. Additional information about the company can be found at its web site: www.consolenergy.com. The information on our website is not part of this prospectus.

CNX Gas Corporation

5 Penn Center West, Suite 401

Pittsburgh, PA 15276-0102

(412) 200-6700

CNX GAS CORPORATION is an independent natural gas exploration, development, production and gathering company operating in the Appalachian and Illinois basins of the United States.

Exchange of Shares of CNX Gas Common Stock

Upon the terms and subject to the conditions of the offer, promptly after the expiration of the offer we will accept shares of CNX Gas common stock which are validly tendered and not properly withdrawn in exchange for shares of CONSOL common stock. We are offering to exchange 0.4425 of a share of CONSOL common stock for each outstanding share of CNX Gas common stock.

Timing of the Offer

We are commencing the offer on _____, 2008, the date of the distribution of this prospectus. Our offer is scheduled to expire at midnight, New York City time, on _____, 2008, unless we extend the period of the offer. All references to the expiration of the offer mean the time of expiration, as extended. For more information, see the discussion under "Extension, Termination and Amendment" below.

Extension, Termination and Amendment

We expressly reserve the right, in our sole discretion, to extend, on one or more occasions, the period of time during which the offer remains open, and we can do so by giving oral or written notice of extension to National City Bank, the depositary and exchange agent for the offer. If we decide to extend the offer, we will make an announcement to that effect no later than the opening of trading on the New York Stock Exchange on the business day immediately following the previously scheduled expiration. We are not giving any assurance that we will exercise our right to extend the offer. During any extension, all shares of CNX Gas common stock previously tendered and not withdrawn will remain deposited with the exchange agent and depositary, subject to your right to withdraw your shares of CNX Gas common stock as described under "The Offer Procedure for Tendering Shares Withdrawal Rights" beginning on page 53. We do not intend to have a subsequent offering period.

We reserve the right, in our sole discretion, to delay, on one or more occasions, our acceptance for exchange of shares of CNX Gas common stock pursuant to our offer. We also reserve the right to terminate our offer and not accept for exchange any shares of CNX Gas common stock, upon the failure of any of the conditions of the offer to be satisfied or, where permissible, waived, or otherwise to amend the offer in any respect (except as described below), by giving oral or written notice of delay, termination or amendment to the exchange agent and depositary and by making a public announcement.

We will follow any extension, delay, termination or amendment, as promptly as practicable, with a public announcement. Subject to applicable law, including Rules 14d-4(c) and 14d-6(d) under the Securities Exchange Act of 1934, as amended (or the Exchange Act), which require that any material change in the information

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published, sent or given to the stockholders in connection with the offer be promptly sent to stockholders in a manner reasonably designed to inform stockholders of the change, and without limiting the manner in which we may choose to make any public announcement, we assume no obligation to publish, advertise or otherwise communicate any public announcement other than by making a release to PR Newswire.

Delivery of CONSOL Common Stock

We will accept for exchange shares of CNX Gas common stock validly tendered and not properly withdrawn promptly after the expiration of the offer and will exchange CONSOL common stock and cash instead of fractional shares for the tendered shares of CNX Gas common stock as soon as practicable afterwards. In all cases, exchange of shares of CNX Gas common stock tendered and accepted for exchange pursuant to the offer will be made only if the exchange agent and depository timely receives (1) certificates for those shares of CNX Gas common stock, or a timely confirmation of a book-entry transfer of those shares of CNX Gas common stock in the exchange agent and depository's account at The Depository Trust Company, or DTC, and a properly completed and duly executed letter of transmittal, or a manually signed copy, and any other required documents; or (2) a timely confirmation of a book-entry transfer of those shares of CNX Gas common stock in the exchange agent and depository's account at DTC, together with an agent's message as described under "The Offer Procedure for Tendering Shares" beginning on page 52.

Withdrawal Rights

You may withdraw any shares of CNX Gas common stock you previously tendered into the offer at any time before the expiration of the offer. See "The Offer Procedure for Tendering Shares Withdrawal Rights" beginning on page 53.

Cash Instead of Fractional Shares of CONSOL Common Stock

We will not issue any fraction of a share of CONSOL common stock pursuant to the offer or the merger. Instead, each tendering stockholder who would otherwise be entitled to a fraction of a share of CONSOL common stock, after combining all fractional shares to which the stockholder would otherwise be entitled, will receive cash in an amount equal to the product obtained by multiplying (1) the fraction of a share of CONSOL common stock to which the holder would otherwise be entitled by (2) the closing price of CONSOL common stock as reported on the New York Stock Exchange on the last trading day before the time that the offer expires.

Procedure For Tendering Shares

For you to validly tender shares of CNX Gas common stock into our offer, you must do one of the following:

Deliver certificates for your shares, a properly completed and duly executed letter of transmittal or a copy thereof that has been manually signed, along with any other required documents, to the exchange agent and depository at one of its addresses set forth on the back cover of this prospectus prior to the expiration of the offer;

Arrange for a book-entry transfer of your shares to be made to the exchange agent and depository's account at DTC and receipt by the exchange agent and depository of a confirmation of this transfer prior to the expiration of the offer, and the delivery of a properly completed and duly executed letter of transmittal or a copy thereof that has been manually signed, and any other required documents to the exchange agent and depository at one of its addresses set forth on the back cover of this prospectus prior to the expiration of the offer;

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Arrange for a book-entry transfer of your shares to the exchange agent and depository's account at DTC and receipt by the exchange agent and depository of confirmation of this transfer, including an agent's message, prior to the expiration of the offer; or

Comply with the guaranteed delivery procedures described under The Offer Procedure for Tendering Shares Guaranteed Delivery beginning on page 54.

Material U.S. Federal Income Tax Consequences

The offer and the merger are intended to qualify as a reorganization for U.S. federal income tax purposes under which you would generally not recognize gain or loss upon the receipt of shares of CONSOL common stock in exchange for your shares of CNX Gas common stock, other than any gain or loss recognized on the receipt of cash instead of fractional shares. However, there is no condition to the offer relating to the tax-free treatment of the offer and the merger. See The Offer Material U.S. Federal Income Tax Consequences beginning on page 55. The tax consequences to you will depend on the facts and circumstances of your own situation. Please consult your tax adviser for a full understanding of the tax consequences to you.

Regulatory Approvals

We are not aware of any license or regulatory permit material to the business of CNX Gas and its subsidiaries, on a consolidated basis, that may be materially adversely affected by our acquisition of CNX Gas common stock, or any filing or approval that would be required for our acquisition of CNX Gas common stock. We intend to make all required filings under the Securities Act of 1933, as amended (or the Securities Act) and the Exchange Act, as well as any required filings or applications with the New York Stock Exchange. We are unaware of any requirement for the filing of information with, or the obtaining of the approval of, governmental authorities in any non-U.S. jurisdiction that is applicable to the offer or the merger.

Appraisal Rights

Under Delaware law, you will not have any appraisal rights in connection with the offer. However, appraisal rights are available in connection with the subsequent short form merger. For a detailed discussion of these appraisal rights, see The Offer Purpose of the Offer; the Merger Appraisal Rights beginning on page 59.

Accounting Treatment

Our acquisition of the common stock will be accounted for under the purchase method of accounting in accordance with generally accepted accounting principles in the United States. See Certain Effects of the Offer Accounting Treatment on page 74.

Comparison of Rights of Stockholders of CNX Gas and Stockholders of CONSOL

If we successfully complete the offer, holders of CNX Gas common stock will become CONSOL stockholders, and their rights as stockholders will be governed by CONSOL's restated certificate of incorporation and third amended and restated bylaws. There are differences between the certificates of incorporation and by-laws of CNX Gas and CONSOL. Since CNX Gas and CONSOL are both Delaware corporations, the rights of CNX Gas stockholders will continue to be governed by Delaware law after the completion of the offer and the subsequent merger. For a summary of material differences between the rights of holders of CNX Gas common stock and holders of CONSOL common stock, see Comparison of Rights of Holders of CNX Gas Common Stock and Holders of CONSOL Common Stock beginning on page 84.

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Recent Developments

CONSOL

CONSOL announced on January 30, 2008 that its board of directors declared a quarterly dividend of \$0.10 per share payable on February 22, 2008 to holders of record of CONSOL common stock on February 7, 2008. The Audit Committee of the board of directors of CONSOL decided on February 19, 2008 to replace PricewaterhouseCoopers LLP with Ernst & Young LLP as its independent registered public accounting firm effective immediately.

CNX Gas

On February 20, 2008, CNX Gas announced that its Senior Vice President and Chief Financial Officer, Mark D. Gibbons, left CNX Gas following the completion of year-end reports and the subsequent filing of CNX Gas 10-K. At present, no successor has been named and William J. Lyons, a current director of CNX Gas and Chief Financial Officer of CONSOL, will perform the function of principal financial officer and principal accounting officer of CNX Gas on an interim basis. The Audit Committee of the board of directors of CNX Gas decided on February 25, 2008 to replace PricewaterhouseCoopers LLP with Ernst & Young LLP as its independent registered public accounting firm effective immediately.

Selected Historical Financial Data of CONSOL and CNX Gas

We are providing the following selected financial information to assist you in analyzing the financial aspects of the offer and the subsequent merger. We derived the financial information presented for CONSOL and for CNX Gas for, and as of the end of, each of the years ended December 31, 2007, 2006, 2005, 2004 and 2003 from CONSOL's and CNX Gas' respective Annual Reports on Form 10-K for each of those years.

You should read the financial information with respect to CONSOL and CNX Gas in conjunction with the historical consolidated financial statements and related notes contained in the annual, quarterly and other reports filed by CONSOL and CNX Gas with the SEC, which we have incorporated by reference into this prospectus. See *Where You Can Find More Information* beginning on page 93.

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CONSOL Selected Historical Consolidated Financial Data

(In thousands, except per share data)

	Year Ended December 31,				
	2007	2006	2005	2004	2003
Revenue and Other Income:					
Sales Outside and Related Party	\$3,324,346				