PREPARED

2015 ANNUAL REPORT

ALLIANCE RESOURCE PARTNERS, L.P. / ALLIANCE HOLDINGS GP, L.P.

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FELLOW UNITHOLDERS

Once again, the dedicated men and women of Alliance have delivered on their commitment to excellence, producing and selling record volumes of coal in 2015. Despite weak power demand, persistently low natural gas prices, ongoing regulatory pressures and an oversupplied coal market, their efforts led Alliance to remain profitable and generate strong cash flow in a difficult year.

How? We were prepared. Through strategic planning, effective execution and hard work, with a focus on efficient and low-cost operations. By staying true to the values and operational mindset that delivered 14 consecutive years of record performance, we were able to put ourselves in a position of strength and adjust to the market slump through strategic decisions.

As a result, we've remained solid. Distributable Cash Flow came in at a record $561.6 million and our distribution coverage ratio for the full year was a robust 1.6 times.[1]

That position of strength allowed us to take advantage of several opportunities, including the acquisition of the remaining equity interest in White Oak Resources LLC ("White Oak"). ARLP now owns 100 percent of the equity interests in White Oak, and has full ownership and control of Mine No. 1 and related assets. Other transactions completed in the first quarter of 2015 included the acquisition of coal supply agreements, coal reserves, mining equipment and other assets that will help solidify our position as a low-cost producer over the next decade.

While these strategic investments were designed to produce long-term results, reduced coal sales prices and customer deferrals of approximately 1.8 million tons in the short term drove revenues down 1.2% to $2.27 billion.

Bottom line: the current downturn across the commodity space has decimated many companies – especially in the energy sector and coal in particular. We have been proactive, responding to market realities and making hard decisions. Right-sizing production. Reducing costs. Optimizing capital. Maintaining unitholder distributions. We believe these decisions have created a sustainable platform that will serve Alliance well as the markets recover.

For the past year, oil, gas and coal have been oversupplied, leading to depressed commodity prices. We view these low commodity prices as unsustainable in the long term and, moving into 2016, we are starting to see meaningful supply discipline in the market. Natural gas rig counts declined by 60% in the past year and coal production in our operating regions dropped 24%. This gives us confidence moving forward that prices will increase and return to more profitable levels by the end of 2017.

Keep in mind, that through all of this turmoil, Alliance has remained profitable, generated solid cash flow and maintained a conservative financial structure. Alliance entered this downturn as an industry leader and, with our exceptional people and strategically located, low-cost operations, we expect to emerge even stronger.

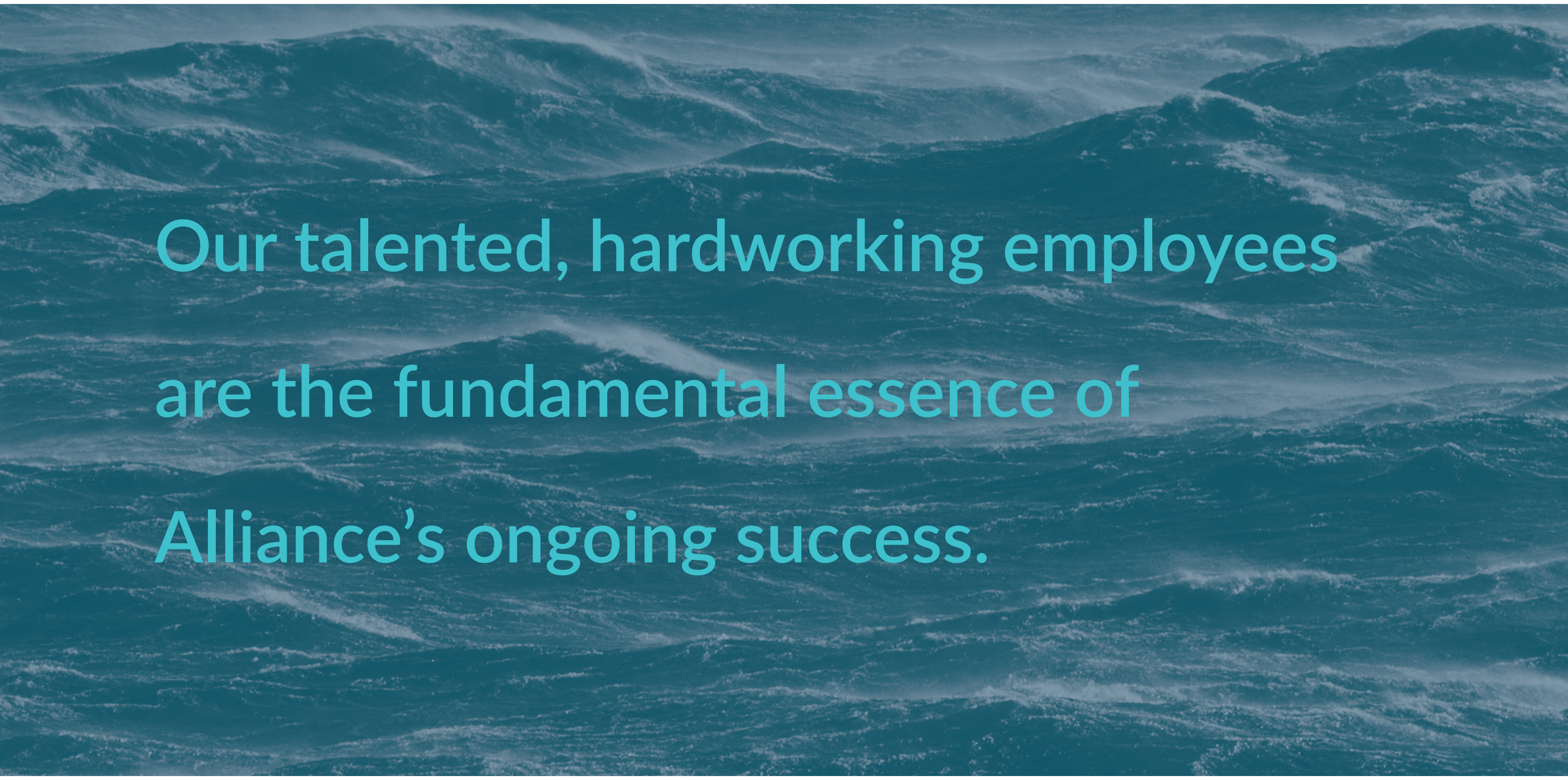
We have always taken the long view, and we are confident that Alliance is positioned to succeed for years to come.

Joseph W. Craft III

President, Chief Executive Officer, and Director of ARLP and AHGP, and Chairman of the Board of AHGP

APRIL 15, 2016

1. Please see the inside back cover for definitions of non-GAAP measures and GAAP to non-GAAP reconciliation information.



Our talented, hardworking employees are the fundamental essence of Alliance's ongoing success.

Market conditions always impact the bottom line. For 2015, in addition to lower coal sales prices and weak coal demand due to tepid power demand, low natural gas prices, elevated utility stockpiles and mild weather, our financial performance was affected by several significant items.

First, ARLP booked $100.1 million of non-cash asset impairments related to the idling of our Onton mine, lower coal sales pricing available to our MC Mining mine, and the surrender of leases that were no longer strategic to our operations. In addition, prior to closing the White Oak acquisition last July, losses passed through to ARLP in 2015 related to our equity investment in White Oak increased $31.8 million to $48.5 million, compared to 2014. Upon completion of the business combination accounting for the acquisition, we also recorded a $22.5 million non-cash net gain in the fourth quarter, primarily to reflect the value of ARLP's agreements negotiated as part of the initial transaction structure with White Oak.

Excluding the impact of these non-cash items, ARLP's adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) for 2015 was $747.2 million, down 7.0% from 2014.[1] Reflecting these excluded items, adjusted net income declined 22.8% to $383.8 million at ARLP and at AHGP by 13.9% to $244.7 million.[2]

On a per ton basis, total average coal sales price realizations in 2015 fell 3.5% year-over-year to $53.62. Due to effective production optimization and cost reduction efforts, however, costs per ton sold in 2015 improved by 1.7% compared to 2014. A look at ARLP's balance sheet shows we exited 2015 with total liquidity at a healthy $442.5 million and a conservative leverage ratio of 1.2x total debt to EBITDA.

1, 2. Please see the inside back cover for definitions of non-GAAP measures and GAAP to non-GAAP reconciliation information.

We've said it before: to achieve success, you must plan for it carefully and work for it tirelessly. And, when challenges arise, the validity of your plan is tested. As we saw in 2015, our strategy proved itself sound and Alliance met the challenge. And, it's a strategy we remain committed to:

—

SAFETY FIRST We have a long history of providing our miners with safety training and technology that is second to none. During 2015, our operations posted results that were 60% below the industry average for lost time incidents. This achievement is even more remarkable considering that the Mine Safety and Health Administration declared 2015 the safest year ever in the history of the mining industry.

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STRONG CUSTOMER RELATIONSHIPS Longstanding relationships with our customers keep our product moving and our company profitable. We work hard to protect those relationships, and that served us well throughout 2015.

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LOW-COST OPERATIONS We have always been good stewards of our financial resources, employing efficient methods to deliver cost-effective results. Being well-versed in this discipline was beneficial when additional cost-cutting measures were needed this past year.

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HIGH-RETURN DEVELOPMENT PROJECTS Building long-term value is essential to building success. Though development may have slowed for now, industry-leading returns are still high on our priority list.

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DISCIPLINED ACQUISITIONS We've always worked hard to make sure we take advantage of growth opportunities that fit, and equally hard to make sure we pass on those that don't. This strategy was key to our entering the downturn from a position of strength. Again, we were prepared.

Faced with weak power demand, persistently low natural gas prices, ongoing regulatory pressures and an oversupplied coal market, we were able to achieve these results relying on ARLP's long-term sales agreements and our ability to reduce operating expenses and capital expenditures.

The benefit of being prepared is that Alliance is positioned to rationally adjust to changing conditions. Carefully considered, proactive steps have allowed us to address uncertainty with confidence.

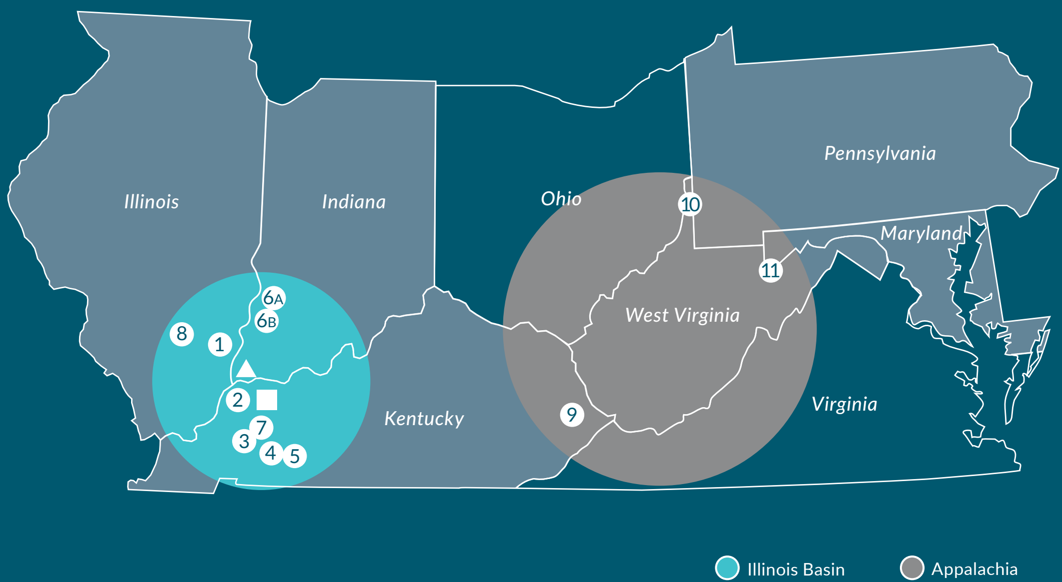
In response to the current marketplace and in preparation for future conditions, ***we optimized operations*** by shifting production to our lowest-cost mines and reducing unit shifts and production days to bring our production volumes more in line with our contracted coal sales. As part of these optimization efforts, we idled our Onton and Gibson North mines in 2015, and depleted our Elk Creek mine at Hopkins County Coal in the first quarter of 2016.

What other steps did we take? ***We lowered operating expenses,*** moving 2015 Segment Adjusted EBITDA Expense per ton more in line with 2014 levels. ***We reduced 2015 capital expenditures*** $39 million from initial expectations. ***We also stabilized unitholder distributions, enhanced liquidity*** and took other important steps to solidify our position.

We believe that our strong balance sheet provides ARLP with strategic advantages in a difficult market and should provide us the financial flexibility to take advantage of opportunities that develop as we execute our strategy.

In a difficult market, these are the right moves, no question about it.[1]

1. The Motley Fool, *"Five Things Alliance Resource Partners' Management Wants You To Know."*



CURRENT MINING OPERATIONS

1. Pattiki Complex
2. River View Complex
3. Dotiki Complex
4. Warrior Complex
5. Hopkins Complex *
6. Gibson Complex
   - A. Gibson North Mine **
   - B. Gibson South Mine
7. Sebree Complex **
8. Hamilton Complex
9. MC Mining Complex
10. Tunnel Ridge Complex
11. Metiki Complex

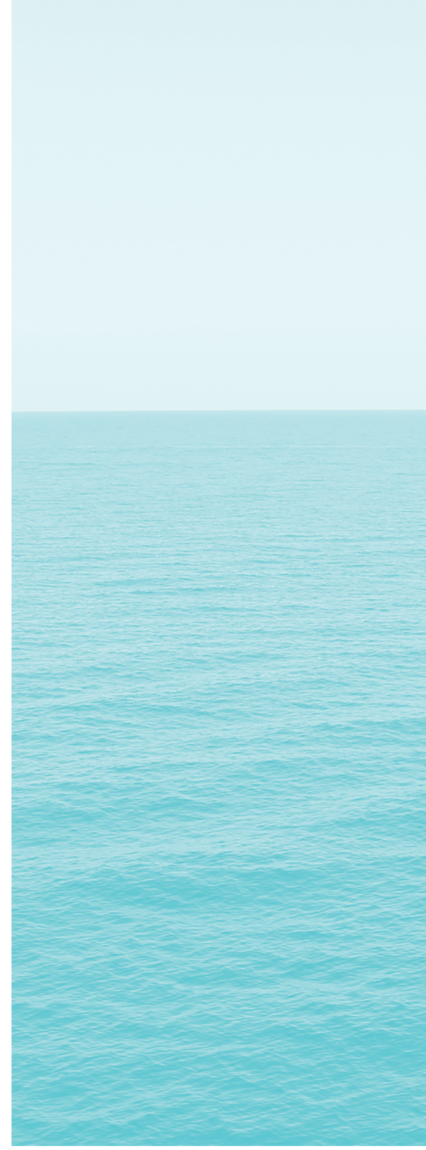
TRANSFER TERMINAL

▲ Mount Vernon Transfer Terminal
Operates a coal loading terminal in Indiana on the Ohio River

MINE DEVELOPMENT PROJECTS

■ Henderson/Union County Reserves

* Production depleted in the first quarter of 2016.
** Production is currently idled.



PERSPECTIVE

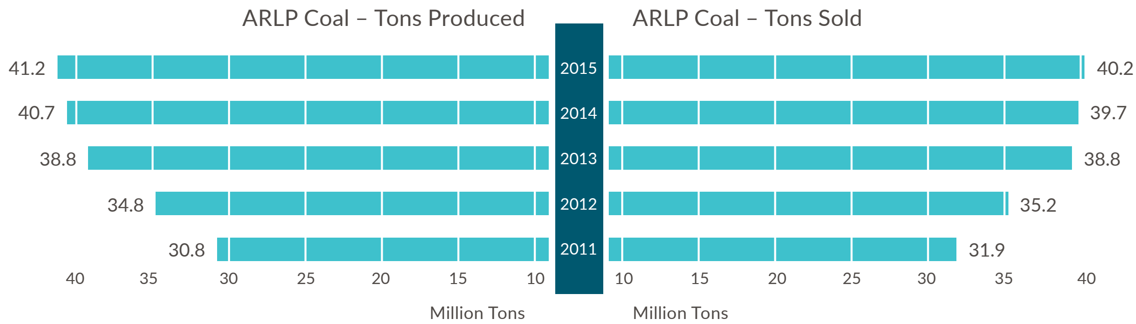
Coal critics cannot argue with these facts: The United States is home to the largest estimated recoverable reserves of coal in the world. Our country has enough estimated recoverable reserves of coal to last more than 200 years based on current production levels.[1] Of the coal consumed in the United States, about 93% is used for generating electricity.[2] In 2015, coal was responsible for nearly 1.4 billion MWh of electricity per day, more than any other fuel.[3]

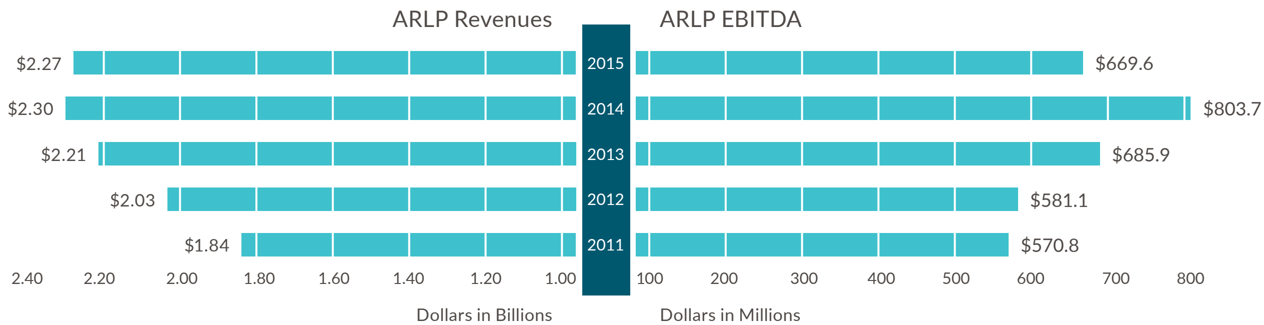
It's a fact: coal is still in play. And according to the International Energy Agency, worldwide coal consumption is projected to increase each year through 2020.[4] Even if future growth is less than previously predicted, there will still be a demand for coal for many years to come. Alliance is prepared to supply that coal.

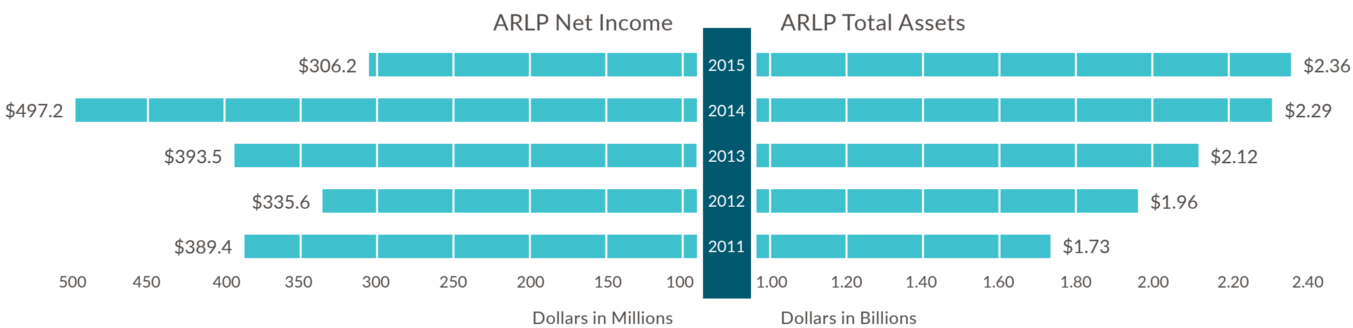
We've positioned ourselves as a preferred supplier with a reliable performance history and a strong balance sheet. We offer multiple transport options including direct rail, direct barge and truck. We can supply a wide range of coal specifications including a range of BTU heat content products, coal with low-, mid- and high-sulfur content and coal with low or high-chlorine content. All this, plus our ability to provide contract flexibility with respect to the quality mix, volume and sourcing, make Alliance an attractive option for a wide variety of customers. And since we are producing less than capacity, when the coal market starts to recover, we will be able to take advantage of the situation quickly with our highly desirable Illinois Basin and Northern Appalachian coal.

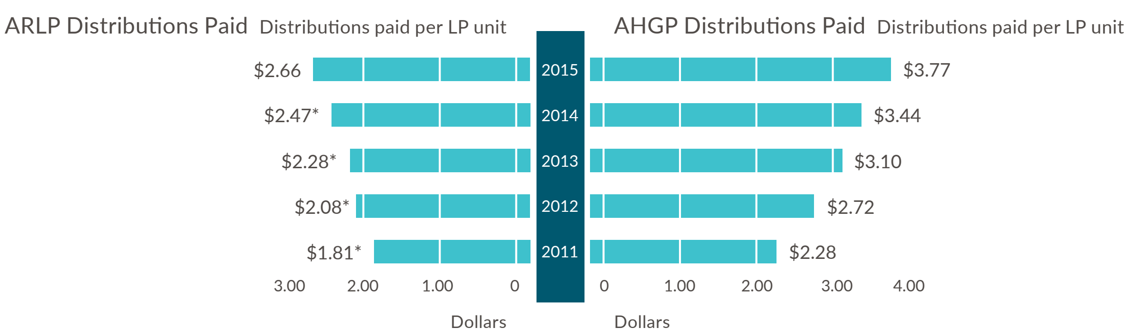
Looking ahead, we continue to believe that ARLP can successfully navigate the current market and that we are well positioned to grow production and cash flows as the market comes back into balance.

1, 2. U.S. Energy Information Administration, *"What is the role of coal in the United States?"* January 19, 2016
3. Reuters, *"Coal remains top U.S. power source in 2015, gas a close second,"* February 26, 2016
4. International Energy Agency, *"Coal Medium-Term Market Report 2015,"* December 18, 2015









Amounts rounded to the nearest penny. *Adjusted for 2:1 Unit Split.

Reconciliation of GAAP "net income" to non-GAAP "Adjusted net income"

(in thousands)	Year Ended December 31 2015	2014	2013	2012	2011
Net income	$ 306,171	$ 497,213	$ 393,490	$ 335,571	$ 389,353
Asset impairment charge	100,130	-	-	19,031	-
Acquisition gain, net	(22,548)	-	-	-	-
Adjusted net income	$ 383,753	$ 497,213	$ 393,490	$ 354,602	$ 389,353

Reconciliation of GAAP "net income" to non-GAAP "EBITDA", "Adjusted EBITDA" and "Distributable Cash Flow"

(in thousands)	Year Ended December 31 2015	2014	2013	2012	2011
Net Income	$ 306,171	$ 497,213	$ 393,490	$ 335,571	$ 389,353
Depreciation, depletion and amortization	333,713	274,566	264,911	218,122	160,335
Interest expense, gross	30,389	32,746	35,074	36,891	36,376
Capitalized interest	(695)	(833)	(8,992)	(8,436)	(14,797)
Income tax expense (benefit)	21	-	1,396	(1,082)	(431)
EBITDA	669,599	803,692	685,879	581,066	570,836
Asset impairment charge	100,130	-	-	19,031	-
Acquisition gain, net	(22,548)	-	-	-	-
Adjusted EBITDA	747,181	803,692	685,879	600,097	570,836
Equity in loss of affiliates, net	49,046	16,648	24,441	14,650	3,404
Interest expense, gross	(30,389)	(32,746)	(35,074)	(36,891)	(36,376)
Income tax (expense) benefit	(21)	-	(1,396)	1,082	431
Estimated maintenance capital expenditures [1]	(204,243)	(240,419)	(221,058)	(191,400)	(144,539)
Distributable Cash Flow	$ 561,574	$ 574,175	$ 452,792	$ 387,538	$ 393,756
Distributions paid to partners	$ 346,799	$ 317,626	$ 288,439	$ 257,923	$ 217,860
Distribution Coverage Ratio	1.62	1.72	1.57	1.50	1.81

1, Our maintenance capital expenditures, as defined under the terms of our partnership agreement, are those capital expenditures required to maintain, over the long-term, the operating capacity of our capital assets. We estimate maintenance capital expenditures on an annual basis based upon a five-year planning horizon.

Reconciliation of GAAP "Operating Expenses" to non-GAAP "Segment Adjusted EBITDA Expense per ton"

(in thousands, except per ton data)	Year Ended December 31 2015	2014	2013	2012	2011
Operating expense	$ 1,377,053	$ 1,383,360	$ 1,398,763	$ 1,303,291	$ 1,131,750
Outside coal purchases	327	14	2,030	38,607	54,280
Other income	(955)	(1,566)	(1,891)	(3,115)	(983)
Segment Adjusted EBITDA Expense	$ 1,376,425	$ 1,381,808	$ 1,398,902	$ 1,338,783	$ 1,185,047
Divided by tons sold	40,247	39,731	38,835	35,170	31,925
Segment Adjusted EBITDA Expense per ton	$ 34.20	$ 34.78	$ 36.02	$ 38.07	$ 37.12

General Information

The following information applies to Alliance Resource Partners, L.P. (ARLP) and Alliance Holdings GP, L.P. (AHGP) unless specified otherwise.

Partnership Offices

1717 South Boulder Avenue, Suite 400
Tulsa, OK 74119
(918) 295-7600

Partnership Mailing Address

P.O. Box 22027
Tulsa, OK 74121-2027

Contact

Brian L. Cantrell
Senior Vice President and
Chief Financial Officer
(918) 295-7674
brian.cantrell@arlp.com

Business Structure

Publicly traded master limited partnership.

Common Unit Trading

Common units are traded on the NASDAQ Global Select Market.

NASDAQ Ticker Symbols

Alliance Resource Partners, L.P. (ARLP)
Alliance Holdings GP, L.P. (AHGP)

Common Units Outstanding at 02/26/2016

ARLP 74,375,025 common units
AHGP 59,863,000 common units

Independent Auditors

Ernst & Young LLP
1700 One Williams Center
Tulsa, OK 74172

Unitholder Information

Cash Distributions

The partnerships expect to make quarterly distributions to unitholders of record on the applicable record dates according to the following schedules:

Alliance Resource Partners, L.P.

Within 45 days after the end of each March, June, September and December.

Alliance Holdings GP, L.P.

Within 50 days after the end of each March, June, September and December.

Partnership Tax Details

Unitholders are partners in the partnership and receive quarterly cash distributions. Cash distributions generally are not taxable as long as the individual unitholder's tax basis remains above zero.

A partnership generally is not subject to federal or state income tax. The annual income, gains, losses, deductions or credits of the partnership flow through to the unitholders, who are required to report their allocated share of these amounts on their individual tax returns, as though the unitholder had incurred these items directly.

Schedule K-1

Unitholders of record receive Schedule K-1 packages that summarize their allocated share of the partnership's reportable tax items for the fiscal year. It is important to note that cash distributions received should not be reported as taxable income. Only the amounts provided on the Schedule K-1 should be entered on each unitholder's tax return.

Schedule K-1 information also is available on our web sites. Please visit www.arlp.com and www.ahgp.com.

Unitholders should refer questions regarding their Schedule K-1 as follows:

By Mail

K-1 Support
P.O. Box 799060
Dallas, TX 75379-9060

By Phone/Fax

Alliance Resource Partners, L.P.
Phone (800) 485-6875 Fax (866) 554-3842

Alliance Holdings GP, L.P.
Phone (866) 867-4060 Fax (866) 554-3842

Transfer Agent and Registrar

Direct requests regarding transfer of units, lost certificates, lost distribution checks or address changes to:

American Stock Transfer and Trust Company
Attn: Shareholder Services
59 Maiden Lane – Plaza Level
New York, NY 10038
(800) 937-5449

Investor Information and Form 10-K

For more information or free copies of the 2015 Form 10-K, please contact the appropriate e-mail address or phone number listed below. Form 10-K also may be downloaded from the Partnerships' Web sites.

Alliance Resource Partners, L.P.

E-mail: investorrelations@arlp.com
Phone: (918) 295-7674
Web site: **www.arlp.com**

Alliance Holdings GP, L.P.

E-mail: investorrelations@ahgp.com
Phone: (918) 295-1415
Web site: **www.ahgp.com**

Executive Officers & Directors
ARLP ≈ AHGP ≈

Joseph W. Craft III ≈≈
President, Chief Executive Officer, and Director of ARLP and AHGP, and Chairman of the Board of AHGP

Brian L. Cantrell ≈≈
Senior Vice President and Chief Financial Officer

R. Eberley Davis ≈≈
Senior Vice President, General Counsel and Secretary

Robert G. Sachse ≈
Executive Vice President

Charles R. Wesley ≈
Executive Vice President and Director

Thomas M. Wynne ≈
Senior Vice President and Chief Operating Officer

Nick Carter ≈
Director, member of the Audit, Compensation and Conflicts Committees for ARLP

John P. Neafsey ≈
Director, Chairman of the Board of Directors, Chairman of the Conflicts Committee, and member of the Compensation Committee

John H. Robinson ≈
Director, Chairman of the Compensation Committee, and member of the Audit and Conflicts Committees

Wilson M. Torrence ≈≈
Director, Chairman of the Audit Committee for ARLP and AHGP and member of the ARLP Compensation Committee

Thomas M. Davidson, Sr. ≈
Director, Chairman of the Conflicts Committee and member of the Audit Committee

Robert J. Druten ≈
Director and member of the Audit and Conflicts Committees

ALLIANCE RESOURCE PARTNERS, L.P.

ALLIANCE HOLDINGS GP, L.P.

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