

NEWTON ENERGY TO CUT MORE COAL JOBS



Newton Energy is a name that some of you may have heard, but unless you deal with a lot of companies in the world of energy then you are not going to know about it all. If you are not familiar with the company then here is a look at how they have chosen to [describe themselves](#), “**Newton Energy (TSX-V, NTN)** is a junior oil and gas exploration company. Newton's main focus is the exploration and development of its existing licenses and the growth of the Corporation's E&P portfolio through License Round applications, farm-ins and acquisitions. The Corporation wishes to extend its portfolio into other areas of the onshore UK and into Europe and North/West Africa where a more diverse range of exploration, appraisal and re-development opportunities exist.” The company is getting ready to cut back on 116 miners in Boone County according to information that was recently release by workers at the county commission. The loss of this many jobs in a single location is enough to qualify as a mass layoff under the current federal guidelines. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the federal government [defines](#) the term, “The **Mass Layoff Statistics (MLS)** program collects reports on mass layoff actions that result in workers being separated from their jobs. Monthly mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days.” The only good news is that under the current law a mass layoff action means that this company will have to give it workers a fair amount of time, several weeks, before they can be put off of the payroll and onto the unemployment rolls. The company recently put out some information about its fiscal status that may shed some light on why the company is resorting to layoffs. For those of you who are interested here is [a look at those numbers](#), “Cash and cash equivalents as at March 31, 2012 include short-term deposits of \$960,840 (December 31, 2011 \$1,461,265) bearing interest at 1.25% per year (December 31, 2011 equivalent rate 1.20% per year)... During the period, the Board of Directors of the Corporation approved the issuance of 460,000 options at an exercise price of \$0.10 to directors, officers and consultants. These options were granted for a period of five years and vested on the issue date. The estimated fair value, \$0.043 a share was calculated for the options using the Black-Scholes model based on the following assumptions: risk-free interest rate of 3%, expected life of 5 years, no annual dividends, expected volatility of 75% and a forfeiture rate of 20%. During the period 50,000 options issued on April 23, 2010 were vested and the estimated fair value of \$0.033 a share was calculated for the options using the same assumptions as above.”