

KFX INC  
Form 8-K  
December 20, 2002

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): December 18, 2002**

**KFX INC.**

(Exact name of Registrant as specified in its charter)

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

**0-23634**  
Commission File Number

**84-1079971**  
IRS Employer  
Identification Number

**3300 East 1st Avenue, Suite 290**  
**Denver, Colorado, USA**  
(Address of principal executive offices)

**80206**  
(Zip Code)

**(303) 293-2992**  
(Registrant's telephone number, including area code)

**not applicable**  
(Former name or former address, if changed since last report)

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ITEM 5. OTHER EVENTS

As described in its press release dated December 19, 2002, KFx Inc. ( KFx or the Company ) entered into an agreement to terminate a put option, which was applicable to approximately 6.76 million shares of KFx common stock. This put option was granted to a group of individual investors who purchased the common stock in a series of private transactions during the first three quarters of 2002. As a result of this termination agreement, KFx is no longer obligated to repurchase the common stock from the individual investors. In the absence of this termination agreement, the put option would have expired on December 23, 2002. The termination of the put option will allow KFx to reclassify this common stock from redeemable common stock to stockholders' equity on the company's balance sheet.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

<u>Number</u>	<u>Description</u>
99.1	Press Release, dated December 19, 2002

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: December 20, 2002

KFx Inc.  
(Registrant)

By:

/s/ Patrick S. Flaherty

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Patrick S. Flaherty  
Chief Financial Officer

EXHIBIT INDEX

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