

Peabody Receives Court Approval For Disclosure Statement As Well As Plan Support, Private Placement And Backstop Commitment Agreements

ST. LOUIS, Jan. 26, 2017 /PRNewswire/ -- Peabody Energy today announced that the U.S. Bankruptcy Court for the Eastern District of Missouri has approved the company's disclosure statement, enabling the company to solicit its creditors to vote on the proposed plan of reorganization. Peabody also received court approval for its plan support agreement, private placement agreement and backstop commitment agreement.

With today's court approval, Peabody will begin soliciting votes for its plan of reorganization ahead of a voting deadline of March 3, 2017 at 5 p.m. CST and a hearing to consider confirmation of the plan on March 16, 2017 at 10 a.m. CDT.

The approval of the plan support agreement and related agreements reflect a broad consensus for the company's Chapter 11 plan among key representatives of its largest creditor constituencies, paving the way towards confirmation of the plan of reorganization. In addition, the new equity investments contemplated by the plan (represented by the fully backstopped \$750 million rights offering and \$750 million private placement of mandatorily convertible preferred stock) and committed exit debt financing are expected to provide the funding for Peabody's exit from Chapter 11.

"Today's court approval of our disclosure statement is another important step forward, allowing our creditors to vote on our plan of reorganization and bringing Peabody ever closer to emergence," said Peabody Energy President and Chief Executive Officer Glenn Kellow. "We are encouraged by the broad support to date, and look forward to continuing to build momentum. We believe the plan maximizes the value of the enterprise and paves the way for a sustainable future for Peabody."

Peabody will begin the process of soliciting votes for the Plan from eligible stakeholders immediately. The court has set a voting deadline of March 3, 2017 at 5 p.m. CST for eligible stakeholders. The plan is subject to confirmation by the bankruptcy court. This release is not intended as a solicitation for a vote on the plan.

Peabody Energy is the world's largest private-sector coal company and a Fortune 500 company. The company serves metallurgical and thermal coal customers in 25 countries on six continents. For further information, visit PeabodyEnergy.com.

Certain statements included in this release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements that relate to the intent, beliefs, plans or expectations of Peabody Energy or its management at the time of this Current Report, as well as any estimates or projections for the outcome of events that have not yet occurred at the time of this Current Report. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements include expressions such as "believe," "anticipate," "expect," "estimate," "intend," "may," "plan," "predict," "will" and similar terms and expressions. All forward-looking statements made by Peabody Energy are predictions and not guarantees of future performance and are subject to various risks, uncertainties and factors relating to Peabody Energy's operations and business environment, and the progress of its Chapter 11 Cases, all of which are difficult to predict and many of which are beyond Peabody Energy's control. These risks, uncertainties and factors could cause Peabody Energy's actual results to differ materially from those matters expressed in or implied by these forward-looking statements. Such factors include, but are not limited to: those described under the "Risk Factors" section and elsewhere in Peabody Energy's most recently filed Annual Report on Form 10-K and subsequent filings with the SEC, including its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016, which are available on Peabody Energy's website at www.peabodyenergy.com and on the SEC's website at www.sec.gov, such as unfavorable economic, financial and business conditions, as well as risks and uncertainties relating to the Chapter 11 Cases, including, but not limited to: Peabody Energy's ability to obtain Bankruptcy Court approval with respect to the Plan, the Disclosure Statement, the Plan Support Agreement, the Backstop Commitment Agreement, motions or other requests made to the Bankruptcy Court in the Chapter 11 Cases, including maintaining strategic control as debtor-in-possession; Peabody Energy's ability to confirm and consummate the Plan; the effects of the Chapter 11 Cases on Peabody Energy's operations, including customer, supplier, banking, insurance and other relationships and agreements, and relationships with third parties, regulatory authorities and employees; Bankruptcy Court rulings in the Chapter 11 Cases, as well as the outcome of

all other pending litigation and the outcome of the Chapter 11 Cases in general; Peabody Energy's ability to confirm and consummate the Plan; the effects of the Chapter 11 Cases on Peabody Energy's operations, including customer, supplier, banking, insurance and other relationships and agreements, and relationships with third parties, regulatory authorities and employees; Bankruptcy Court rulings in the Chapter 11 Cases, as well as the outcome of all other pending litigation and the outcome of the Chapter 11 Cases in general; the length of time that Peabody Energy will operate under Chapter 11 protection and the continued availability of operating capital during the pendency of the proceedings; the risks associated with third-party motions in the Chapter 11 Cases, which may interfere with Peabody Energy's ability to confirm and consummate the Plan and restructuring generally; increased advisory costs to execute the Plan and increased administrative and legal costs related to the Chapter 11 Cases and other litigation and the inherent risks involved in a bankruptcy process; the impact of the New York Stock Exchange's delisting of Peabody Energy's common stock on the liquidity and market price of Peabody Energy's common stock and on Peabody Energy's ability to access the public capital markets; the likelihood that Peabody Energy's common stock will be cancelled and extinguished upon confirmation of the proposed Plan with no payments made to the holders of Peabody Energy's common stock; the volatility of the trading price of Peabody Energy's common stock and the absence of correlation between any increases in the trading price and its expectation that the common stock will be cancelled and extinguished upon confirmation of the proposed Plan with no payments made to the holders of Peabody Energy's common stock; Peabody Energy's ability to continue as a going concern in the long-term, including Peabody Energy's ability to confirm the Plan that restructures Peabody Energy's debt obligations to address Peabody Energy's liquidity issues and allow emergence from the Chapter 11 Cases; Peabody Energy's ability to maintain adequate debtor-in-possession financing or use cash collateral; the potential adverse effects of the Chapter 11 Cases on Peabody Energy's liquidity, results of operations, or business prospects; the cost, availability and access to capital and financial markets, including the ability to secure new financing upon and after emerging from the Chapter 11 Cases; the risk that the Chapter 11 Cases will disrupt or impede Peabody Energy's international operations, including the Australian operations; and other risks and uncertainties. Forward-looking statements made by Peabody Energy in this Current Report, or elsewhere, speak only as of the date on which the statements were made. New risks and uncertainties arise from time to time, and it is not possible for Peabody Energy to predict all of these events or how they may affect it or its anticipated results. Peabody Energy does not undertake any obligation to publicly update any forward-looking statements except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that the events referenced by any forward-looking statements made in this Current Report may not occur and should not place undue reliance on any forward-looking statements. The Plan provides that Peabody Energy equity securities will be canceled and extinguished upon confirmation of the Plan by the Bankruptcy Court, and that the holders thereof would not be entitled to receive, and would not receive or retain, any property or interest in property on account of such equity interests. The Plan also sets forth the proposed recoveries for Peabody Energy's other securities. Trading prices for Peabody Energy's equity or other securities may bear little or no relationship during the pendency of the Chapter 11 Cases to the actual recovery, if any, by the holders thereof at the conclusion of the Chapter 11 Cases. In the event of cancellation of Peabody Energy equity securities, as contemplated by the Plan, amounts invested by the holders of such securities would not be recoverable and such securities would have no value. Accordingly, Peabody Energy urges caution with respect to existing and future investments in its equity or other securities.

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SOURCE Peabody Energy

Additional assets available online:  [Photos \(1\)](#)