

Peabody To Retain 2 Million Ton Per Year Metropolitan Hard Coking Coal Mine In New South Wales Australia

ST. LOUIS, April 17, 2017 /PRNewswire/ -- Peabody (NYSE: BTU) announced today that it will retain the Metropolitan metallurgical coal mine and its associated 16.67 percent interest in Port Kembla Coal Terminal in the company's portfolio, after proposed purchaser South32 terminated the purchase contract after it was unable to obtain clearance from the Australian Competition and Consumer Commission (ACCC) within the timeframe required under the contract.

"We are surprised that South32 and the ACCC reached an impasse, given both the physical synergies and the global nature of the metallurgical coal markets," said Peabody President and Chief Executive Officer Glenn Kellow. "On the other hand, we see continuing opportunities given Metropolitan's quality coking coals and port location, and our objective will be to operate the mine while maximizing returns in the international marketplace."

Metropolitan Mine, which exports coal from Port Kembla in New South Wales, sold 2 million tons of hard coking coal in 2016 and has approximately 26 million tons of proven and probable reserves at Dec. 31, 2016. The mine employs approximately 250 employees and contractors.

As a result of South32 not completing the acquisition of the mine, Peabody will retain the previously negotiated deposit. The termination of the transaction has no effect on operations, and Metropolitan intends to fully resume shipments following scheduled completion of a longwall move to a new coal panel at the end of May.

Peabody intends to update its 2017 targets including Metropolitan Mine in its upcoming first quarter 2017 earnings release. The company intends to continue to pursue its financial priorities of reducing debt, investing for high returns and returning cash to shareholders over time.

Peabody is the world's largest private-sector coal company and a Fortune 500 company. The company is also a leading voice in advocating for sustainable mining, energy access and clean coal technologies. Peabody serves metallurgical and thermal coal customers in more than 25 countries on five continents. For further information, visit PeabodyEnergy.com.

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Certain statements included in this release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. The Company uses words such as "anticipate," "believe," "expect," "may," "forecast," "project," "should," "estimate," "plan," "outlook," "target," "likely," "will," "to be" or other similar words to identify forward-looking statements. These forward-looking statements are made as of the date the release was filed and are based on numerous assumptions that the Company believes are reasonable, but these assumptions are open to a wide range of uncertainties and business risks that may cause actual results to differ materially from expectations. These factors are difficult to accurately predict and may be beyond the Company's control. Such factors include, but are not limited to those described in the Company's most recently filed Annual Report on Form 10-K and Exhibit 99.2 of the Company's Current Report on Form 8-K filed on April 11, 2017. Factors that could affect the Company's results or an investment in its securities include but are not limited to: competition in the energy market and supply and demand for the Company's products, including the impact of alternative energy sources, such as natural gas and renewables; global steel demand and the downstream impact on metallurgical coal prices, and lower demand for the Company's products by electric power generators; customer procurement practices and contract duration; the impact of weather and natural disasters on demand, production and transportation; reductions and/or deferrals of purchases by major customers and the Company's ability to renew sales contracts; credit and performance risks associated with customers, suppliers, contract miners, co-shippers, and trading, bank and other financial counterparties; geologic, equipment, permitting, site access, operational risks and new technologies related to mining; transportation availability, performance and costs; availability, timing of delivery and costs of key supplies, capital equipment or commodities such as diesel fuel, steel, explosives and tires; impact of take-or-pay arrangements for rail and port commitments for the delivery of coal; successful implementation of business strategies, including, without limitation, the actions the Company is implementing to improve its organization; negotiation of labor contracts, employee relations and workforce availability, including, without limitation, attracting and retaining key personnel; changes in postretirement benefit and pension obligations and their related funding requirements; replacement and development of coal reserves; effects of changes in interest rates and currency exchange rates (primarily the Australian dollar); effects of acquisitions or divestitures, including the ability to successfully

consummate planned divestitures; economic strength and political stability of countries in which the Company has operations or serves customers; legislation, regulations and court decisions or other government actions, including, but not limited to, new environmental and mine safety requirements, changes in income tax regulations, sales-related royalties, or other regulatory taxes and changes in derivative laws and regulations; the Company's ability to obtain and renew permits necessary for the Company's operations; the Company's ability to appropriately secure its requirements for reclamation, federal and state workers' compensation, federal coal leases and other obligations related to the Company's operations, including its ability to utilize self-bonding and/or successfully access the commercial surety bond market; litigation or other dispute resolution, including, but not limited to, claims not yet asserted; terrorist attacks or security threats, including, but not limited to, cybersecurity breaches; impacts of pandemic illnesses; the lack of an established market for certain of the Company's securities, including the Company's Series A Convertible Preferred Stock, and potential dilution of its common stock due to future issuances of equity securities; price volatility in the Company's securities; short-sales in the Company's common stock; any conflicts of interest between the Company's significant shareholders and other holders of its capital stock; the Company's ability to generate sufficient cash to service all of its indebtedness; the Company's debt instruments and capital structure place certain limits on its ability to pay dividends and repurchase common stock; the Company's ability to comply with financial and other restrictive covenants in various agreements, including its debt instruments; and other risks detailed in the Company's reports filed with the SEC. The Company does not undertake to update its forward-looking statements except as required by law.

SOURCE Peabody
