

Peabody Launches Process To Refinance Existing Term Loan And Revolving Credit Facilities; Provides Update On Financial Performance

ST. LOUIS, Sept. 5, 2019 /PRNewswire/ -- Peabody (NYSE: BTU) announced today that it has launched a process to refinance its term loan and revolver with larger facilities to accommodate the pending PRB/Colorado joint venture with Arch Coal, increase financial flexibility, extend debt maturities and increase pre-payable debt as part of the company's previously announced comprehensive refinancing initiative. The company remains committed to its previously stated liquidity and gross debt targets.

A portion of the net proceeds from the refinancing initiative may be used to finance Peabody's pending tender offer for its outstanding 6.000% senior secured notes due 2022 and 6.375% senior secured notes due 2025. There can be no assurance that Peabody will be successful in the refinancing initiative, which is subject to market conditions and other customary factors.

In relation to the refinancing activities, Peabody also today confirmed full-year 2019 guidance targets disclosed on July 31, 2019, while citing several external factors that are expected to affect third quarter 2019 results and positioning within the full-year targeted ranges.

For the full year of 2019, recent trends suggest capital expenditures and seaborne coal volumes are expected to come at the lower end of the targeted annual range, with metallurgical coal costs now expected at the higher end of the annual range.

The company now expects third quarter results to be materially lower than second quarter performance. Factors affecting performance include: 1) A significant delay in resuming and then ramping up production at the independently operated Middlesbrough joint venture mine in Queensland following a highwall failure and fatality in late June, which is expected to lead to third quarter earnings for Peabody's share of the joint venture \$30 million to \$35 million lower than second quarter earnings.

Middlesbrough restarted operations in August in a new area of the mine, with shipments resuming recently; 2) Reduced pricing on seaborne met and thermal coal, with seaborne prices lower than second quarter average prices; and 3) Demand-driven deferrals on seaborne thermal and met coal shipments, with third quarter met coal volumes now expected to be modestly below second quarter levels.

Peabody now targets fourth quarter 2019 seaborne volumes and costs substantially better than expected third quarter performance.

This announcement is not an offer to purchase or sell, a solicitation of an offer to purchase or sell or a solicitation of consents with respect to any securities. The tender offers for the company's outstanding senior secured notes are being made solely by the Offer to Purchase and Consent Solicitation Statement dated August 28, 2019. The tender offers are not being made to holders of notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

Peabody (NYSE: BTU) is the leading global pure-play coal company and a member of the Fortune 500, serving power and steel customers in more than 25 countries on six continents. The company offers significant scale, high-quality assets, and diversity in geography and products. Peabody is guided by seven core values: safety, customer focus, leadership, people, excellence, integrity and sustainability.

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Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the securities laws. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words or variation of words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "targets," "guidance," "would," "will," "should," "goal," "could" or "may" or other similar expressions. Forward-looking statements provide management's current expectations or predictions of future conditions, events or results. All statements that address guidance, targets, operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. They may include estimates of revenues, income, earnings per share, cost savings, capital expenditures, dividends, share repurchases,

liquidity, capital structure, market share, volumes, industry volume, or other financial items, descriptions of management's plans or objectives for future operations, or descriptions of assumptions underlying any of the above. All forward-looking statements speak only as of the date they are made and reflect the company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the company disclaims any obligation to publicly update or revise any forward-looking statement, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive and regulatory factors, many of which are beyond the company's control, that are described in our Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2018, as well as additional factors we may describe from time to time in other filings with the SEC. You may get such filings for free at our website at www.peabodyenergy.com. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

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