

Peabody Announces Offer To Purchase Up To \$13.281 Million In Aggregate Accreted Value Of Its 8.500% Senior Secured Notes Due 2024

ST. LOUIS, July 7, 2021 [/PRNewswire/](#) -- Peabody (NYSE: BTU) today announced its offer to purchase (the "*Offer*") for cash up to \$13.281 million (the "*Available Repurchase Amount*") in aggregate accreted value of its 8.500% Senior Secured Notes due 2024 (the "*2024 Notes*") at a purchase price equal to 73.840% of the accreted value of the 2024 Notes to be repurchased, plus accrued and unpaid interest as set forth in the Indenture (as defined below), to, but excluding, the settlement date, on the terms and subject to the conditions set forth in the Offer to Purchase, dated July 7, 2021 (the "*Offer to Purchase*"). The Offer is being made to satisfy the requirements of the Indenture.

The Offer will expire at 5:00 p.m., New York City time, on August 6, 2021, unless extended or earlier terminated by Peabody (the "*Expiration Time*"). Subject to the Available Repurchase Amount, for each \$1,000 accreted value of 2024 Notes validly tendered (and not validly withdrawn) prior to the Expiration Time and accepted by Peabody, holders of 2024 Notes will receive \$738.40 in cash (the "*Offer Price*"), plus accrued and unpaid interest as set forth in the Indenture, to, but excluding, the settlement date. Tendered 2024 Notes may be validly withdrawn at any time prior to the Expiration Time, unless extended or earlier terminated by Peabody. The settlement date is currently expected to be the second business day following the Expiration Time. Concurrently, Peabody is making a debt repurchase offer (the "*Concurrent LC Agreement Offer*") under the Credit Agreement, dated as of January 29, 2021, among Peabody, the lenders party thereto from time to time and JPMorgan Chase Bank, N.A., as Administrative Agent (the "*LC Agreement*").

If the aggregate accreted value of the 2024 Notes tendered in the Offer and the aggregate principal and commitment amounts of Priority Lien Debt (as defined in the LC Agreement) under the LC Agreement tendered in the Concurrent LC Agreement Offer collectively exceed the Available Repurchase Amount of \$13.281 million, Peabody will select the Notes, subject to the applicable procedures of the Depository Trust Company, to be purchased on a pro rata basis with such adjustments as needed so that no 2024 Notes in an unauthorized denomination are purchased in part based on the aggregate accreted value of the 2024 Notes tendered.

For example, if \$15 million aggregate accreted value of Notes are tendered in the Offer and \$10 million in aggregate principal and commitment amounts of Priority Lien Debt incurred under the LC Agreement are tendered in the Concurrent LC Agreement Offer, Peabody would purchase \$7,968,600 aggregate accreted value of Notes in the Offer, with such Notes to be purchased on a pro rata basis in accordance with the procedures set forth in the preceding paragraph. Under this example, Peabody also would purchase \$5,312,400 of Priority Lien Debt under the LC Agreement pursuant to the Concurrent LC Agreement Offer.

The 2024 Notes are governed by an indenture, dated as of January 29, 2021, by and among Peabody, the guarantors party thereto (the "*Guarantors*") and Wilmington Trust, National Association, as trustee (the "*Trustee*") (as amended and restated by the First Supplemental Indenture, dated as of February 3, 2021, among Peabody, the Guarantors and the Trustee, and as further amended, supplemented, restated or otherwise modified to the date hereof, the "*Indenture*"). Under the terms of the Indenture, within 30 days of June 30, 2021, the end of Peabody's second fiscal quarter (such fiscal quarter, the "*Debt Repurchase Quarterly Period*"), Peabody is obligated to offer to purchase for cash an aggregate accreted value of up to the Available Repurchase Amount of its outstanding 2024 Notes at the price described above. The Offer is intended to satisfy this requirement.

The Available Repurchase Amount for the Offer is equal to 25% of \$53.127 million, which is the total aggregate principal and commitment amounts of Priority Lien Debt (as defined in the Indenture) repurchased by Peabody pursuant to open-market repurchases during the Debt Repurchase Quarterly Period. In addition, the Offer Price of \$738.40 represents the price per \$1,000 accreted value of Notes that is the weighted-average repurchase price for all Priority Lien Debt repurchased by Peabody during the Debt Repurchase Quarterly Period.

None of Peabody, its board of directors (or any committee thereof), Wilmington Trust, National Association, the depository for the Offer, or the Trustee or their respective affiliates is making any recommendation as to whether or not holders should tender all or any portion of their 2024 Notes in the Offer.

This announcement is not an offer to purchase or sell, or a solicitation of an offer to purchase or sell any securities. The Offer is being made solely by the Offer to Purchase. The Offer is not being made to holders of 2024 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 a leading coal producer, providing essential products to fuel baseload electricity for emerging and developed countries and create the steel needed to build foundational infrastructure. Our commitment to sustainability underpins our activities today and helps to shape our strategy for the future. For further information, visit [PeabodyEnergy.com](https://www.peabodyenergy.com).

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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," "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 operating performance, events, or developments that Peabody expects will occur in the future are forward-looking statements. They may also include estimates of sales targets, cost savings, capital expenditures, other expense items, actions relating to strategic initiatives, demand for the company's products, liquidity, capital structure, market share, industry volume, other financial items, descriptions of management's plans or objectives for future operations and descriptions of assumptions underlying any of the above. All forward-looking statements speak only as of the date they are made and reflect Peabody's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, Peabody 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 Peabody's control, including the ongoing impact of the COVID-19 pandemic and factors that are described in Peabody's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2020 and Peabody's Quarterly Report on Form 10-Q for the three months ended March 31, 2021, and other factors that Peabody may describe from time to time in other filings with the SEC. You may get such filings for free at Peabody's 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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