

# Patriot Coal Enters Into Agreement To Sell Certain Assets To Virginia Conservation Legacy Fund

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## Agreement Clears Way for Expeditious Emergence from Chapter 11

SCOTT DEPOT, Aug. 17, 2015 - [Patriot Coal Corp.](#) ("Patriot" or "the Company") (OTC Pink: PATCA), a producer and marketer of coal in the eastern United States, today announced that it will file with the Bankruptcy Court an asset purchase agreement with ERP Compliant Fuels, LLC ("ERP"), an affiliate of Virginia Conservation Legacy Fund, Inc. ("VCLF"), which provides for the acquisition of substantially all of Patriot's assets and liabilities not included in the previously announced sale agreement with Blackhawk Mining, LLC ("Blackhawk"). The contemplated transaction with VCLF/ERP would be consummated pursuant to a chapter 11 plan and is subject to bankruptcy court approval of the sale, confirmation of a chapter 11 plan, and other customary conditions. Patriot's mining operations and customer shipments will continue in the ordinary course during the sale process. With this transaction, Patriot expects to complete the sale process and emerge from chapter 11 as expeditiously as possible.

Under the terms of the agreement, VCLF/ERP would acquire, among other assets and liabilities, the Federal Mining Complex in northern West Virginia, the Corridor G Mining Complex in southern West Virginia and other mining permits for purposes of land reclamation and water quality improvement. VCLF/ERP is assuming liabilities in excess of \$400 million in connection with Patriot's workers' compensation, state black lung and environmental obligations. In addition, VCLF/ERP would assume or replace surety bonds supporting reclamation and related liabilities associated with the purchased assets.

Bob Bennett, President and Chief Executive Officer of Patriot, said, "We are pleased to have reached this agreement to sell substantially all of Patriot's remaining assets and liabilities to VCLF, which enables us to take another important step forward in Patriot's chapter 11 process. In VCLF, we have found an experienced partner who will responsibly manage our remaining assets consistent with the highest environmental standards, and we believe this proposed transaction is in the best interest of Patriot and its stakeholders."

Bennett continued, "We are making progress in our sale process with Blackhawk and continue to expect that a substantial majority of Patriot employees at our mining operations will be offered employment with Blackhawk or VCLF when the transactions are completed. With VCLF and Blackhawk, Patriot has now entered into agreements to sell effectively the entirety of the Company, and we will move expeditiously to close both transactions so that we can successfully emerge from bankruptcy within the coming months. I want to thank Patriot's suppliers and customers for their continued support, and I would especially like to thank our employees for their tremendous dedication and professionalism during this process. As always, we remain committed to operating safely and serving our customers throughout the sale process."

Tom Clarke, CEO of VCLF, said, "This agreement is a landmark achievement for VCLF, allowing us to increase Appalachian employment through the reclamation and reforestation of thousands of acres of land. Continued mining at Federal will allow us to launch our "compliant fuel" program which bundles reforestation carbon credits with coal sales, effectively reducing carbon emissions, as required under the new emission standards. We expect to maintain employment in West Virginia at the current 683 employee level and expand employment through our investment of up to \$176 million in land reclamation, reforestation and water quality improvement."

Patriot will file a motion with the Bankruptcy Court to authorize proposed bid protections, and as with the Blackhawk agreement, the VCLF transaction will be subject to higher and better bids. Patriot expects to close the VCLF sale concurrently with the Blackhawk transaction.

Court filings and other information related to the proposed transactions with VCLF and Blackhawk and the reorganization proceedings are available at a website administered by the Company's claims agent, Prime Clerk, at <https://cases.primeclerk.com/patriotcoal>.

Centerview Partners is serving as financial advisor and Kirkland & Ellis LLP is serving as legal advisor to Patriot. Personnel from Alvarez & Marsal are serving as restructuring officers for Patriot.

## About Patriot Coal

[Patriot Coal Corp.](#) is a producer and marketer of coal in the eastern United States, with 8 active mining complexes in Northern and Central Appalachia. Patriot mines, processes and sells bituminous metallurgical, thermal, and stoker coal to domestic and international electricity generators, metallurgical coal customers and industrial users, and controls approximately 1.4 billion tons of proven and probable coal reserves.

## About the Virginia Conservation Legacy Fund

Virginia Conservation Legacy Fund, Inc. ("VCLF") is a nonprofit organization seeking sustainable approaches and public awareness about natural resource use. VCLF controls over 30,000 acres of conservation land, including the Natural Bridge of Virginia. VCLF works closely with the coal industry to promote best management practices in land reclamation, reforestation, and water quality improvement. VCLF provides "environmental management services" to 459 coal mining and water quality permits in 5 states. VCLF affiliate ERP Compliant Fuels, LLC seeks to promote the sale of coal which is bundled with carbon credits from the reforestation of Appalachian lands. VCLF is supported by The Plains, Virginia based Green-Trees which has reforested over 100,000 acres (36 million trees) in the Mississippi Alluvial Delta generating over 12 million tons of carbon dioxide emission offsets.

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