

ST. LOUIS, Jan. 15, 2017 /PRNewswire/ -- Attempts by parties to appoint an equity committee have generated media reports based on inaccuracies and speculation raised by those parties. This statement is intended to address questions regarding steps leading up to Chapter 11, the request for an equity committee and the plan around employee emergence grants:

- From the start, Peabody's new management team has relentlessly worked to maximize the value of the enterprise across operational, corporate, financial and portfolio dimensions. As detailed in the company's disclosures and court filings, multiple avenues were pursued in light of the long period of impact from brutal industry conditions.
- Following the Chapter 11 filing, Peabody filed its business plan in August 2016, per the terms of its DIP credit agreement, and updated it for recent market events in December 2016, following improved near-term industry fundamentals. The company will be filing the latest financial projections as part of the disclosure statement.

Reflecting that business plan, the company filed a plan of reorganization in December that represented broad consensus among stakeholders, and that consensus has grown in recent weeks. The plan of reorganization provides for only partial recoveries for unsecured claims, which by law means that shareholders will not receive a recovery.

Peabody has been consistent and transparent for many months in communicating that, as with most Chapter 11 processes, current equity holders are unlikely to receive any value and their shares are likely to be cancelled. Certain parties sought equity committee formation in late 2016, and the U.S. Trustee declined the request. The matter will now properly be heard by the U.S. bankruptcy court.

- The plan of reorganization also proposes an employee incentive program that includes a one-time award enabling every Peabody employee to own a piece of the new company over time. Like the rest of the plan, it is subject to a creditors' vote and court approval. Including such a program in a plan is not unusual, nor is the amount (only a fraction of which would apply to grants at emergence). What is unusual, though, is that the company proposes granting every employee a certain amount of restricted stock or equivalent.

The company recognizes that any Chapter 11 process is challenging for a number of stakeholders. While objections are a natural part of the process, Peabody has advanced a plan of reorganization that it believes maximizes the value of the enterprise. We have been pleased by the broad consensus already obtained and the growing momentum as we work toward ultimate emergence.

Contact:  
Vic Svec  
314.342.7768

To view the original version on PR Newswire,  
visit:<http://www.prnewswire.com/news-releases/statement-by-peabody-energy-300391167.html>

SOURCE Peabody Energy