

Peabody



Wilpinjong Extension Project PAC Briefing

11 April 2017

THE NEW
BTU

Agenda

1. Peabody and Wilpinjong overview
2. Response to PAC Review recommendations
 - Biodiversity and offsets
 - Rehabilitation and final landform
 - Water quality
 - Heritage
 - Noise and Blasting
 - Social impacts and Wollar Village
3. Closing remarks

About Peabody Energy

Peabody Energy is the world's largest private-sector coal company

- Peabody globally has a leading position in United States' Powder River Basin and Illinois Basin and an Australian metallurgical and thermal coal platform to capture higher growth Asian markets. We serve customers in some 25 countries on six continents.
- In 2016 the company:
 - Set a new record for safety, Peabody's incident rate has decreased 35% over the past 5 years
 - Sold 169.5 million tonnes of coal through sales, trading and brokerage activities
 - Delivered revenues totalling \$US4.7 billion
 - 5.08 billion tonnes of proven and probable reserves
 - Had a global workforce of approximately 6,700
 - Rehabilitated 2,369 hectares of mined lands and planted approximately 752,000 trees



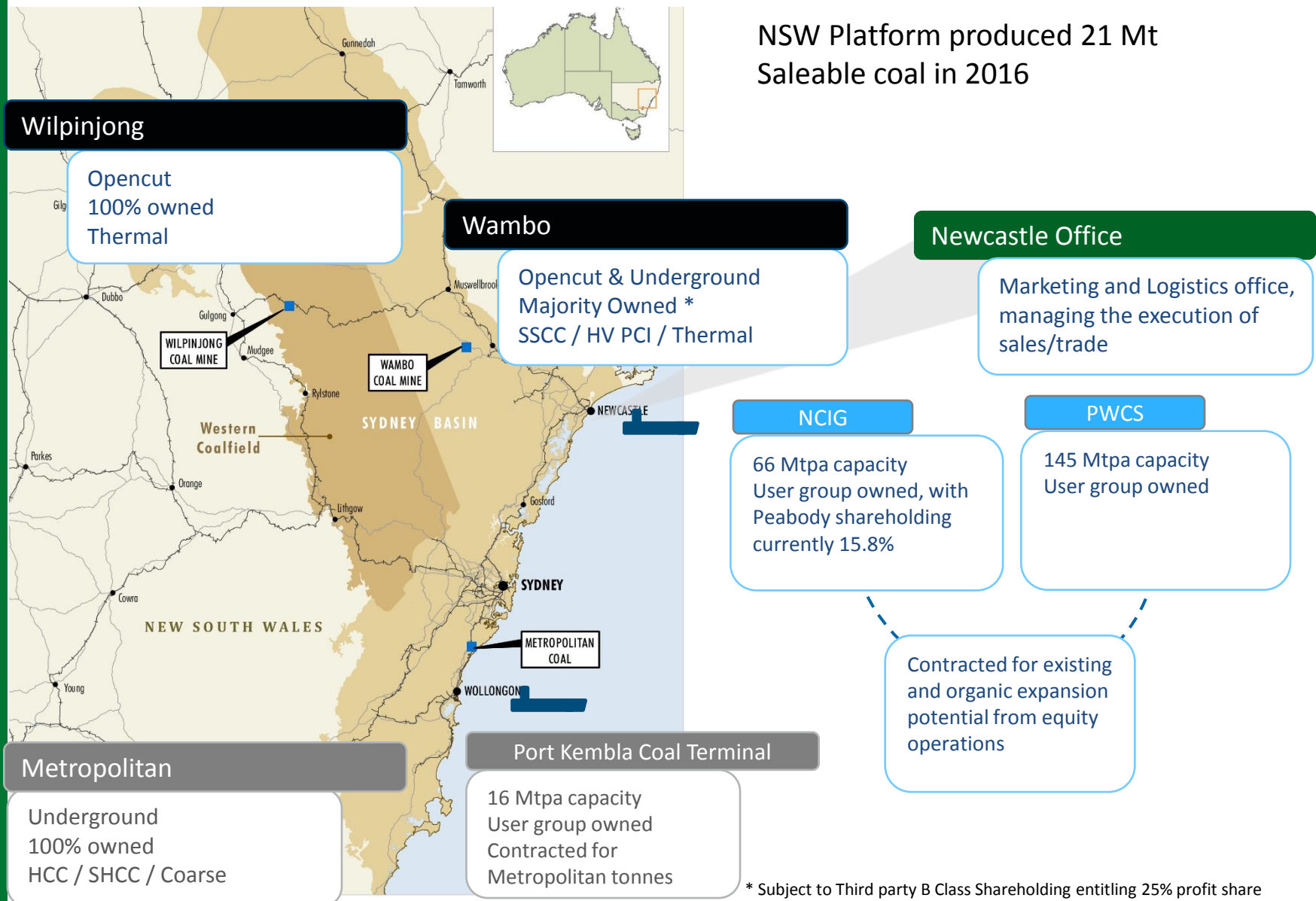
Moorvale CHPP, Qld

Chapter 11 Protection Emergence

Peabody Emerges From Chapter 11 Protection, Lists On New York Stock Exchange

- Peabody has emerged from Chapter 11 protection with a transformed capital structure, including new equity and began trading on 4 April on the New York Stock Exchange under the ticker symbol BTU.
- "We believe that 'The New BTU' is well positioned to create substantial value for shareholders and other stakeholders over time," said Peabody President and Chief Executive Officer Glenn Kellow. "Peabody is the only global pure-play coal investment, and we have the scale, quality of assets and people, and diversity of geography and products to be highly competitive. We also have taken significant steps to create a capital structure to succeed through all cycles. Our financial focus will now be on reducing debt, targeting high-return investments and returning cash to shareholders over time."
- In the past year, Peabody has reduced debt by more than \$5 billion from levels prior to Chapter 11 filing at March 2016. In addition, Peabody achieved record safety this past year; protected jobs; served global customers; reduced costs and built cash and liquidity; strengthened the Australia platform; accelerated coal mine restoration; provided third-party bonding assurances; and was recognized globally for sustainability.

Peabody Energy NSW Portfolio Overview



Wilpinjong Overview

Product	<ul style="list-style-type: none"> Thermal coal 5610-6360 GAR, 10.0% moisture, 14.0-22.0% ash
Ownership	<ul style="list-style-type: none"> 100% owned and operated by Peabody
Location	<ul style="list-style-type: none"> Western coalfields of New South Wales, 40 kilometres northeast of Mudgee
Overview	<ul style="list-style-type: none"> Open cut mine utilizing dozer, excavators and trucks Workforce of up to 550 mainly residing in Mudgee and surrounds Important provider of low cost thermal coal to support NSW electricity supply (AGL)
Reserves (Mt)	<ul style="list-style-type: none"> Total reserves 154 Mt
Major equipment	<ul style="list-style-type: none"> Excavators – 1 Liebherr 9400 and four 9350; Trucks – 19 CAT 789
Transportation	<ul style="list-style-type: none"> Railed to either Newcastle Coal Infrastructure Group (NCIG) or Port Waratah Coal Services (PWCS) at Newcastle; rail coal domestically
Geology	<ul style="list-style-type: none"> Mining Ulan and Moolarben seams with seam thickness of 0.5 to 12 metres at depths of 5 to 40 metres
Coal processing	<ul style="list-style-type: none"> 1,250 tph heavy media wash plant 9.2 Mtpa annual feed capacity Domestic quality coal is bypassed

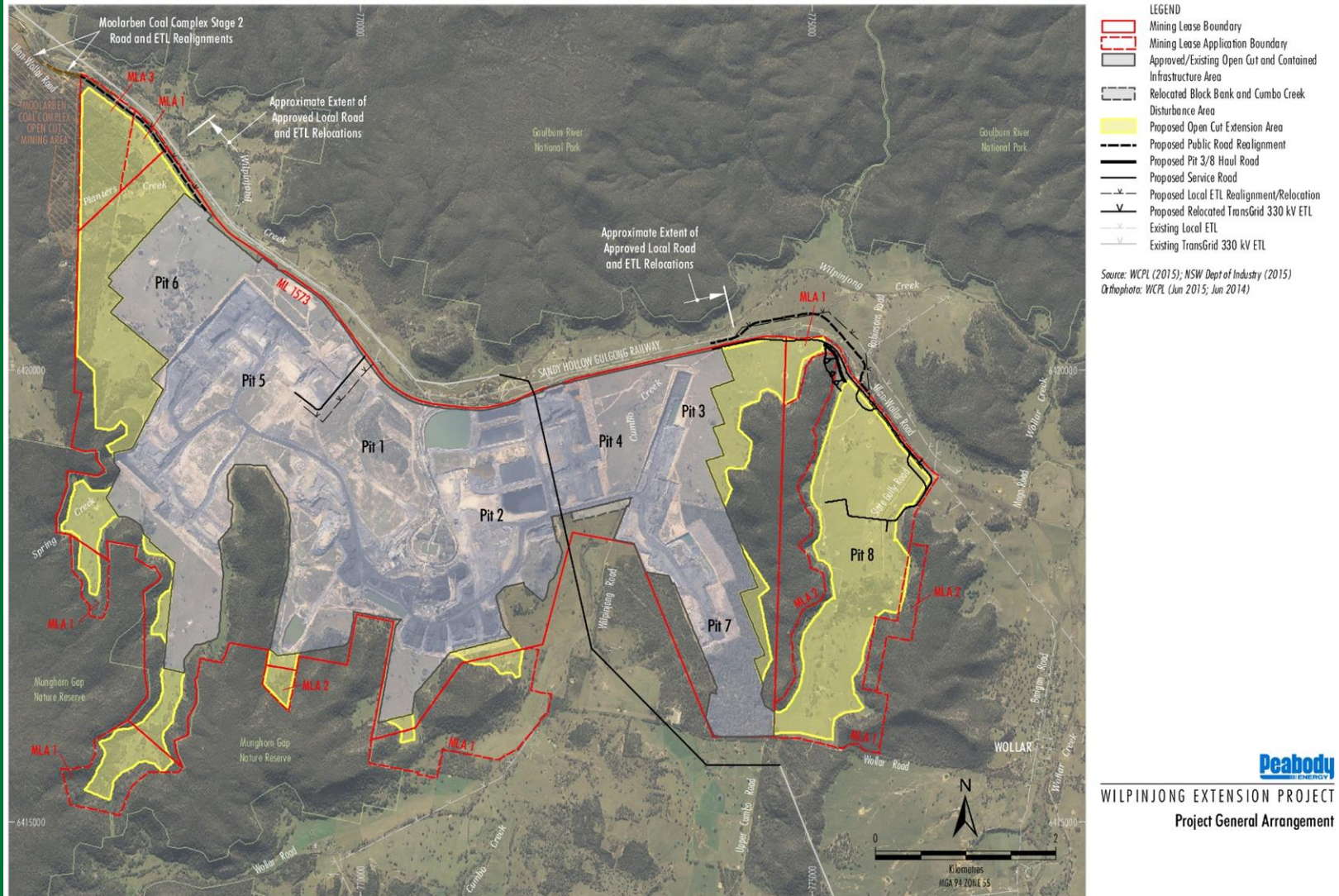


Residential workforce of ~ 550



Truck, Excavator and Dozer mining

Wilpinjong Extension Project



Project Highlights

The Project would include:

- Approximately 800 ha of open cut extensions
- Mine life extension by 7 years (from 2026 to 2033)
- Continued employment of 550 people - peak of 625 (operations)
- Continued production of approximately 16 Mtpa of ROM coal
- Continued railing of product (average of 6 and a maximum of 10 train departures/day)
- Continued use of the CHPP and general mine infrastructure
- Relocation of a section of the TransGrid Wollar to Wellington 330 kV ETL
- Local infrastructure relocations
(e.g. realignment of Ulan-Wollar Road and associated rail level crossings, relocation of local ETLs and services)

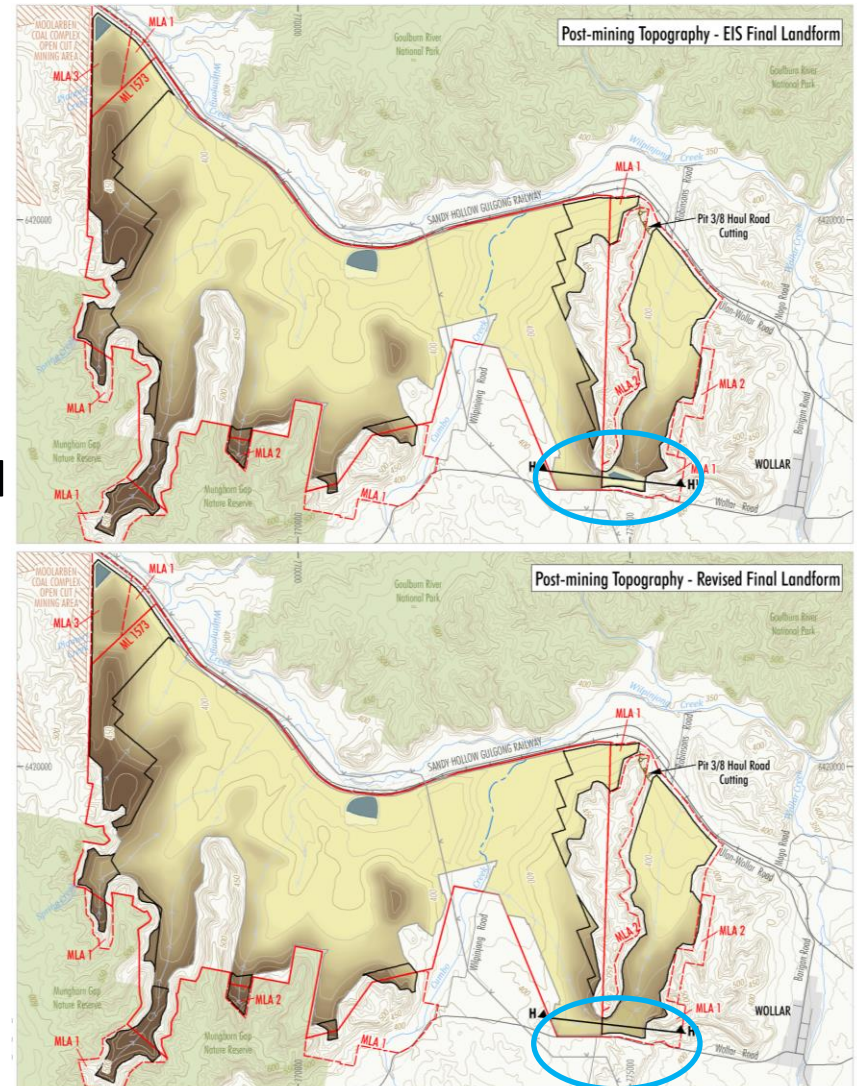
PAC Review Recommendations Addressed

Biodiversity and Offsets

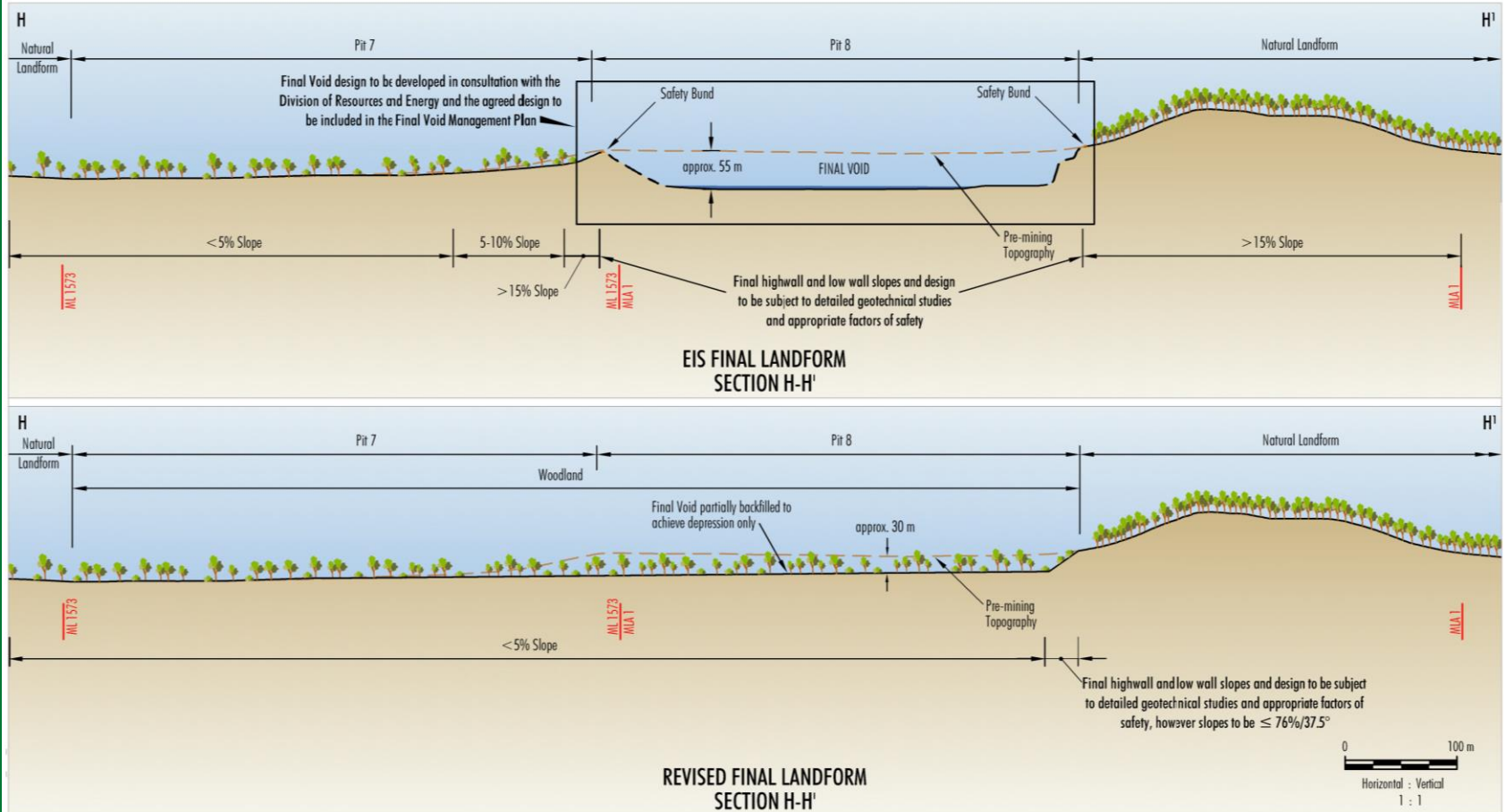
- Hosted site inspection by DoEE - methodology concern addressed
- Further commitments regarding management of operational lighting in vicinity of the adit
- WCPL accepts the recommended Consent Conditions addressed towards the PAC recommendations on:
 - Management of proximity of mining to the MGNR
 - Management of lighting and blasting impacts at the adit – Eastern Bentwing bat
 - Biodiversity offset credit requirements and associated review mechanisms
 - Targeting establishment of Regent Honeyeater habitat

Rehabilitation and Final Landform

- Pit 8 void elevated topographic location provided specific opportunity – void removed
- No additional final voids as part of the development
- Key features of revised Pit 8 final landform:
 - Free draining through backfilled Pit 7
 - Reduced final slopes



Rehabilitation and Final Landform



Rehabilitation and Final Landform

- Pit 2 and Pit 6 final voids reassessed
 - Pit 2 void is main water storage for the mine site
 - Potential to rationalise Pit 6 void with PAC-approved Moolarben Open Cut 4 void
- WCPL accepts the recommended Consent Conditions addressed towards the PAC recommendation on final voids

Water Quality

- Sensitivity analysis carried out to address revised sediment dam sizing - outcome was no material change to water balance
- Provided further supporting information (e.g. diagrams and tables) to DPE to address PAC recommendations on water resources
- WCPL accepts the recommended Consent Conditions addressed towards the PAC recommendations on water quality
 - e.g. Water Management Plan incorporating IESC recommendations

Heritage

- Extensive consultation with the Aboriginal community was undertaken through the WEP EIS process
- Mitigation measures would be implemented under an ACHMP - in consultation with the Aboriginal community
- WCPL accepts the recommended Consent Conditions addressed towards the PAC recommendations on heritage

Noise and Blasting

- ID 102 – now added to acquisition list
- Day Design Pty Ltd concerns addressed in detailed review response
- WCPL accepts the recommended Consent Conditions addressed towards the PAC recommendations on noise and blasting
- Additional land acquisitions have occurred



Social Impacts and Wollar Village

- WCPL accepts the requirement for a Social Impact Management Plan
- WCPL will continue to encourage employee community involvement



Wollar Village – Looking East from Catholic Church

Rural Fire Service – community involvement example

Kains Flat fire – Peabody assistance

- Updated 'Community Services Leave' policy to support employees providing volunteer assistance
- Provided WCPL fire truck / grader / water cart and manning - days and nights
- Supplied a hired dozer including operator, fuel, transport etc.
- Supplied; meat, water, drinks, bread and supplies and catering support at Wollar shed
- Released RFS trained employees plus others (37 persons in total) to support both RFS fire truck and ground co-ordination
- Provided mapping and additional radios
- Supported Fire Control in Mudgee

Rural Fire Service - community involvement example

Kains Flat fire

- WCPL employees – fire response



Rural Fire Service - community involvement example

Kains Flat fire

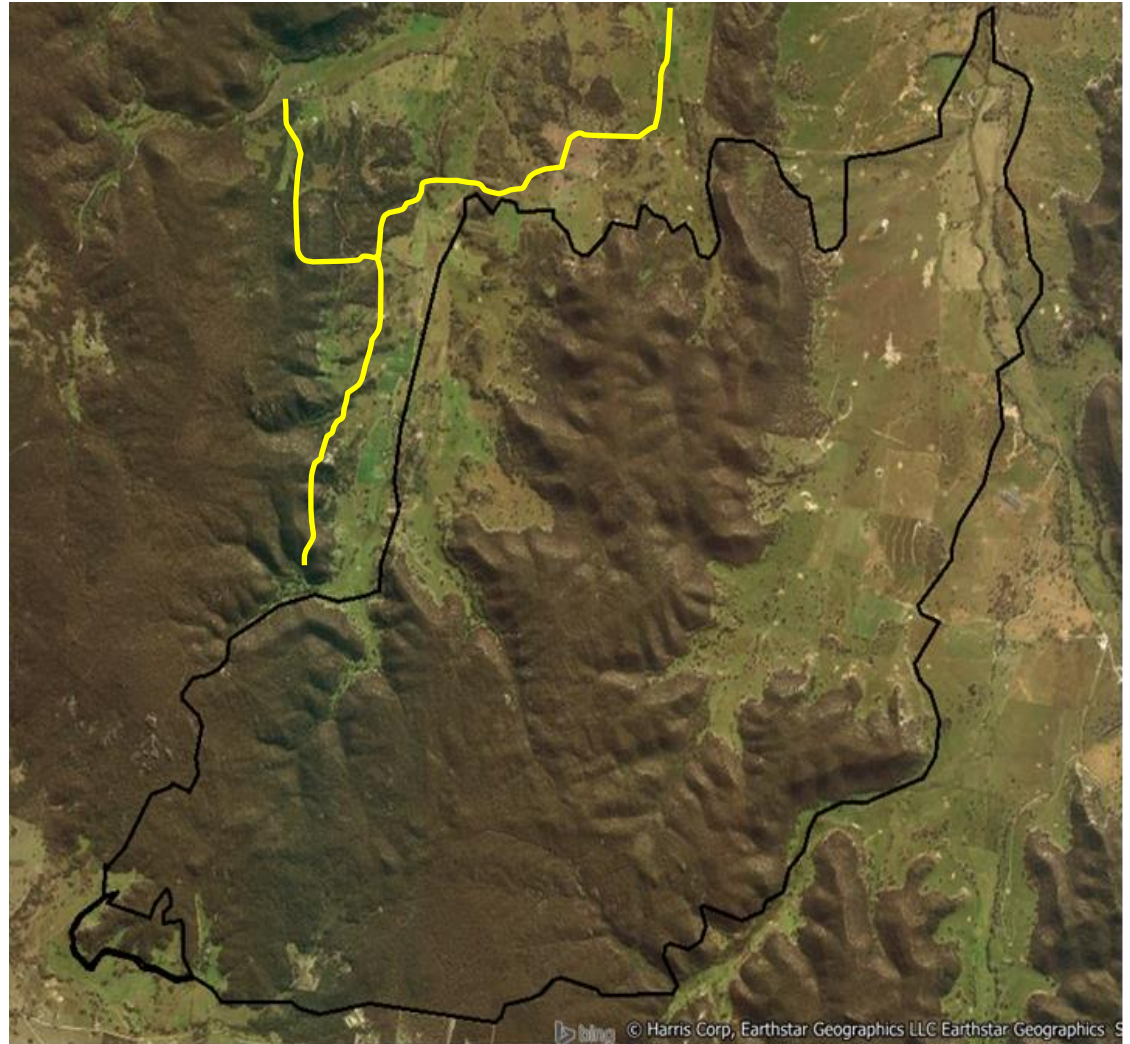
- WCPL employees / equipment – fire response



Rural Fire Service - community involvement example

Kains Flat fire burn area

- Total ~7,000 ha
- Peabody Pastoral land ~2,500 ha
- Active for ~5 days, under control after 2-3 days



Social Impacts and Wollar Village

- Buildings and structures
 - Demolitions (Council approvals)
 - Maintenance
 - Tenancy status
- Community services
 - Postal
 - Ablutions
 - RFS
- Transport and infrastructure
- Amenity
- Cemeteries
- School and water supply
- Sports grounds/Community Hall

Wilpinjong Extension Project

Extension of existing operations will provide ongoing benefits

- Ongoing employment of existing workforce, expanded to 625 at peak
- Extends the life of the operation and associated positive flow on effects to 2033
- Maximises continued use of existing infrastructure and facilities
- \$190 million royalties to the State of NSW
- Provides access to additional export coal
- Significant biodiversity conservation outcomes
- Continuation of community investment and contributions
- Ongoing engagement of local businesses

Closing Remarks