Peabody And Arch Announce Intent To Continue Pursuit Of Highly Synergistic Joint Venture To Create Value For Customers And Shareholders

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ST. LOUIS, Feb. 26, 2020 - Emphasizing that the case for combining assets has only grown stronger in recent months, Peabody (NYSE: BTU) and Arch Coal (NYSE: ARCH) today announced that they intend to continue to pursue creation of a joint venture to strengthen coal's competitiveness with other energy sources and create substantial value for multiple stakeholders. The announcement follows a negative split decision by the U.S. Federal Trade Commission (FTC) that advances the process to the legal system.

"The proposed joint venture offers a clear and compelling path to strengthen both our and our customers' ability to compete in today's marketplace with electricity produced from coal," said Peabody President and Chief Executive Officer Glenn Kellow. "We have provided tremendous amounts of evidence to the FTC during an extensive review, fully demonstrating that coal, including Southern Powder River Basin coal, faces intense competition from natural gas and other alternate fuels. We believe that the commission has reached an incorrect decision that should be rapidly remedied within the court system to allow customers and others to benefit from the combination."

"We view the need for this combination as self-evident," said John W. Eaves, Arch's Chief Executive Officer. "The proposed joint venture promises to enhance the cost-competitiveness of our thermal operations, enable us to serve the evolving needs of domestic power generators well into the future, and protect the value of our thermal assets for our shareholders. In short, it will create a stable, durable supply platform for our thermal customers even as we continue our organizational pivot towards global metallurgical markets."

Peabody and Arch intend to litigate the FTC's decision within the U.S. federal court system over the coming months. Both companies believe the FTC has incorrectly defined the market, and fails to reflect the true competitive nature of the current U.S. energy landscape.

The transaction was announced in June 2019 and would combine the companies' Powder River Basin and Colorado assets. Ownership of the joint venture would be structured with Peabody owning 66.5 percent and Arch owning 33.5 percent. If consummated, the joint venture is expected to realize annual synergies of $120 million over an initial 10-year period, which would benefit all stakeholders, including customers, local communities, employees, investors and multiple others.

The transaction includes seven of the companies' mines, including Peabody's North Antelope Rochelle Mine (NARM) and Arch's Black Thunder Mine, which share a property line of more than seven miles. Additional assets include the Caballo, Rawhide and Coal Creek mines in Wyoming along with the West Elk and Twentymile mines in Colorado.

Peabody 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. For further information, visit www.PeabodyEnergy.com.

U.S.-based Arch Coal Inc. is a top coal producer for the global steel and power generation industries. Arch operates a streamlined portfolio of large-scale, low-cost mining complexes that produce high-quality metallurgical coals in Appalachia and low-emitting thermal coals in the Powder River Basin and other strategic supply regions. For more information, visit www.ArchCoal.com.

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Peabody 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 or Arch expect or anticipate will occur in the future are forward-looking statements. They may include estimates of value accretion, joint venture synergies, closing of the joint venture, revenues, income, earnings per share, cost savings, capital expenditures, dividends, share repurchases, liquidity, capital structure, market share, 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 Peabody's and Arch's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, each Peabody and Arch disclaim 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 Peabody's and Arch's control, including (i) risks that the proposed joint venture may not be completed, including as a result of a failure to obtain required regulatory approvals, (ii) risks that the anticipated synergies from the proposed joint venture may not be fully realized, including as a result of actions necessary to obtain regulatory approvals, (iii) other factors that are described in Peabody's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2019, (iv) other factors that are described in Arch's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2019 and (v) other factors that Peabody or Arch 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 and Arch's website at www.archcoal.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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