Peabody Energy Corporation
PIC AU Holdings, LLC

Disclosure under Treasury Regulations Section 1.1273-2(f)(9)(i)

This disclosure is with respect to the following exchanges, which occurred on January 29, 2021:

- Peabody Energy Corporation ("*Peabody*") issued 8.50% senior secured notes due 2024, with CUSIP numbers 704551 AB6 (144A) and U70493 AJ7 (Reg S) (the "*New Peabody Notes*"), in exchange for certain of Peabody's outstanding notes; and
- PIC AU Holdings, LLC (the "*Main Issuer*") and PIC AU Holdings Corporation, as co-issuers, issued 10.00% senior secured notes due 2024, with CUSIP numbers 69291B AA6 (144A) and U7190B AA5 (Reg S) (the "*Co-Issuer Notes*"), in exchange for certain of Peabody's outstanding notes.

Pursuant to Treasury Regulations Section 1.1273-2(f)(9)(i), Peabody has determined that the New Peabody Notes, and the Main Issuer has determined that the Co-Issuer Notes, are "traded on an established securities market" within the meaning of Treasury Regulations Section 1.1273-2(f)(9). Furthermore, Peabody and the Main Issuer have determined the fair market values of such notes are as follows:

Notes	Fair Market Value
New Peabody Notes	78.89%
Co-Issuer Notes	91.51%

In light of the fair market values above, Peabody has determined that the New Peabody Notes, and the Main Issuer has determined that the Co-Issuer Notes, were issued with more than de minimis original issue discount, and Peabody and the Main Issuer have reported the notes to the IRS as "debt instruments having original issue discount" within the meaning of Section 1272(a)(1) of the Internal Revenue Code of 1986, as amended (but not as "contingent payment debt instruments" within the meaning of Treasury Regulations Section 1.1275-4(a)(1)).

Neither Peabody nor the Main Issuer provides tax advice to their investors. All investors are urged to consult their own tax advisors regarding the particular consequences of the exchanges above, including the applicability and effect of all U.S. federal, state, and local and non-U.S. tax laws.