CUSTOMER FOCUS

We provide customers with quality products and excellent service.

Our Customer Commitment

Our role as the world's largest private-sector coal company is both a profound responsibility and an immense privilege. Peabody takes great pride in mining, and in 2016 we traded and shipped 187 million tons of coal, serving metallurgical and thermal coal customers in more than 25 countries on five continents. Our work is grounded in an ongoing customer commitment that dates back more than a century.

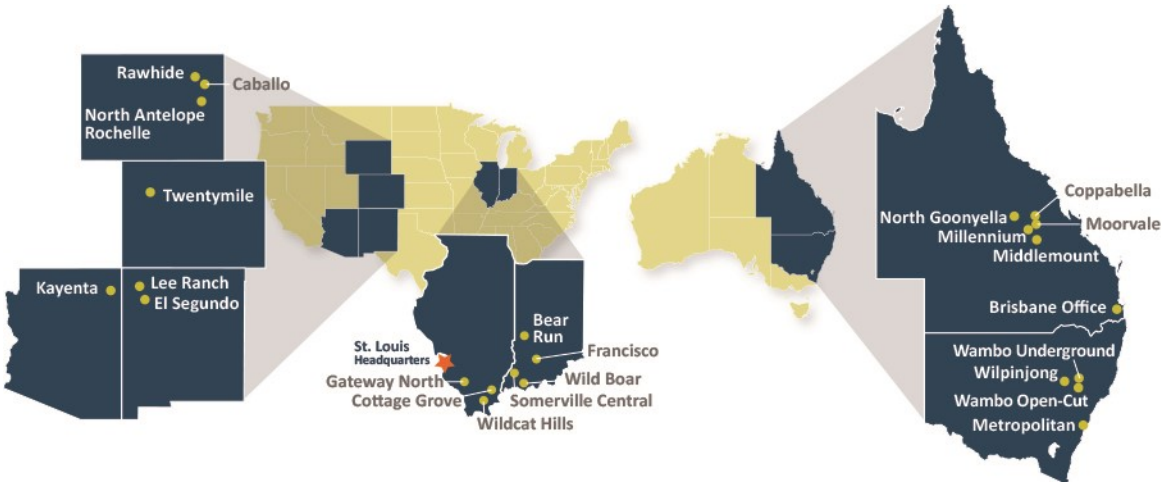
Committed to Coal, Committed to Customers

From the 19th century Industrial Age through today's Information Age and beyond, coal continues to power society's progress and fuel the future.

As populations from South America to Asia move to cities in pursuit of improved quality of life, a new global middle class emerges, creating urban lifestyles that are often far more energy intensive and that involve apartments, appliances and automobiles that require steel to construct and electricity to operate. Metallurgical coal is an essential ingredient in steel production, and thermal coal, an affordable and reliable fuel, provides critical energy to our customers and in turn families, businesses and communities.

Peabody is uniquely advantaged to serve our customers from around the globe with a portfolio centered upon three core regions; Australia, the Powder River Basin in Wyoming and the Illinois Basin. Peabody shipped approximately 18 million tons of coal in 2016 from our U.S. Midwest mines in Illinois and Indiana to electricity generators and industrial customers throughout the region. The company's Powder River Basin operations provided approximately 113 million tons of coal in 2016 for customers in the U.S. In Australia, across Queensland and New South Wales, Peabody's operations achieved total 2016 sales of nearly 35 million tons,[1] primarily to steel producers in Europe, South America, Asia and Australia, as well as to electricity generators in Australia and Asia.

Peabody is a Leading Coal Producer with Significant Product and Geographic Diversity



[1] *The term "ton" refers to short or net tons, equal to 2,000 pounds (907.18 kilograms).*

Exceeding Customer Expectations

We pride ourselves on building and maintaining trusted and respected partnerships with our customers around the world. Peabody continues to take a long-term approach by entering agreements with various steel mills and power utilities.

Providing and delivering the right quality of coal to meet customer requirements is a primary goal. Through Peabody's pioneering of technical advances in mining, a conveyor and blending system developed at North Antelope Rochelle Mine (NARM) in Wyoming is unique among all surface mines. Each unit train at NARM is loaded with approximately 16,000 tons of coal, which is blended with great precision and efficiency to meet exacting specifications for every single customer. During 2016, 93 million tons of coal were produced and shipped out of NARM.

North Antelope Rochelle Mine is the world's largest coal mine and has shipped over 2 billion tons of coal.

Continuous improvement and leading practices extend across Peabody's platform, and at Caballo Mine in Wyoming, batch blending from the silos to the trains is fully optimized to meet or exceed contract specifications for Peabody's customers. The silos and top-off batch system at the operation can hold over 47,000 tons of coal. Train cars are first loaded from the silos with between 105 and 115 tons of coal, and each then moves to the top-off batch system, where cars are filled to 120 tons, ensuring each load is maximized.

Peabody Supplies Coal to World's Largest Post-Combustion Carbon Capture Project

Creating energy from the production of energy. That's the win-win plan for the Petra Nova carbon capture and storage project at the W.A. Parish Generating Station near Houston, Texas. The power generation facility is one of the largest in the U.S. and a customer of Peabody. The billion-dollar Petra Nova project, which is a joint venture between NRG Energy and JX Nippon Oil & Gas Exploration, Japan's largest oil producer, applies carbon capture technology to an existing coal-fired power plant and came on line in 2016.

The project was selected as part of the U.S. Department of Energy's Clean Coal Power Initiative Program. The facility captures more than 90 percent of the CO_2 from a 240 megawatt slipstream of flue gas for use and ultimate sequestration of 1.6 million tons annually. The CO_2 is transported via underground pipeline and used for enhanced oil recovery at the West Ranch oil field in Texas. During the plant's first several years, it is estimated that oil production at the field will increase from around 300 barrels per day to 15,000 barrels per day, using captured CO_2. It is estimated 60 million barrels of oil could be recovered over the life of the project.

Quality Coal for Quality of Life

Peabody is proud to deliver one of the world's most abundant and affordable sources of energy that is essential for powering the 21st century's amazing modern marvels and economic growth. In 2016, coal was responsible for more than 30 percent of the electricity generated in the U.S. and over 40 percent globally.[2]

Coal provides an inexpensive and clean source of energy. In the U.S., states that generate less than 5 percent of their electricity from coal pay 60 percent more in electricity rates than states that predominantly (>50 percent) use coal for electricity.[3] In addition, since 1970 the U.S. coal-fueled electric generating fleet invested over $120 billion[4] to achieve a 92 percent reduction in emissions per kilowatt-hour of sulfur dioxide, nitrogen oxides and particulate matter.[5]

Through it all, Peabody maintains a keen focus on our customers and the affordable, reliable electricity that coal provides families and businesses across the globe, which guides our work with the greatest sense of purpose. Our objective is to provide exceptional service to meet the essential energy needs of a global community that is more wired, more networked and more reliant on power than ever.

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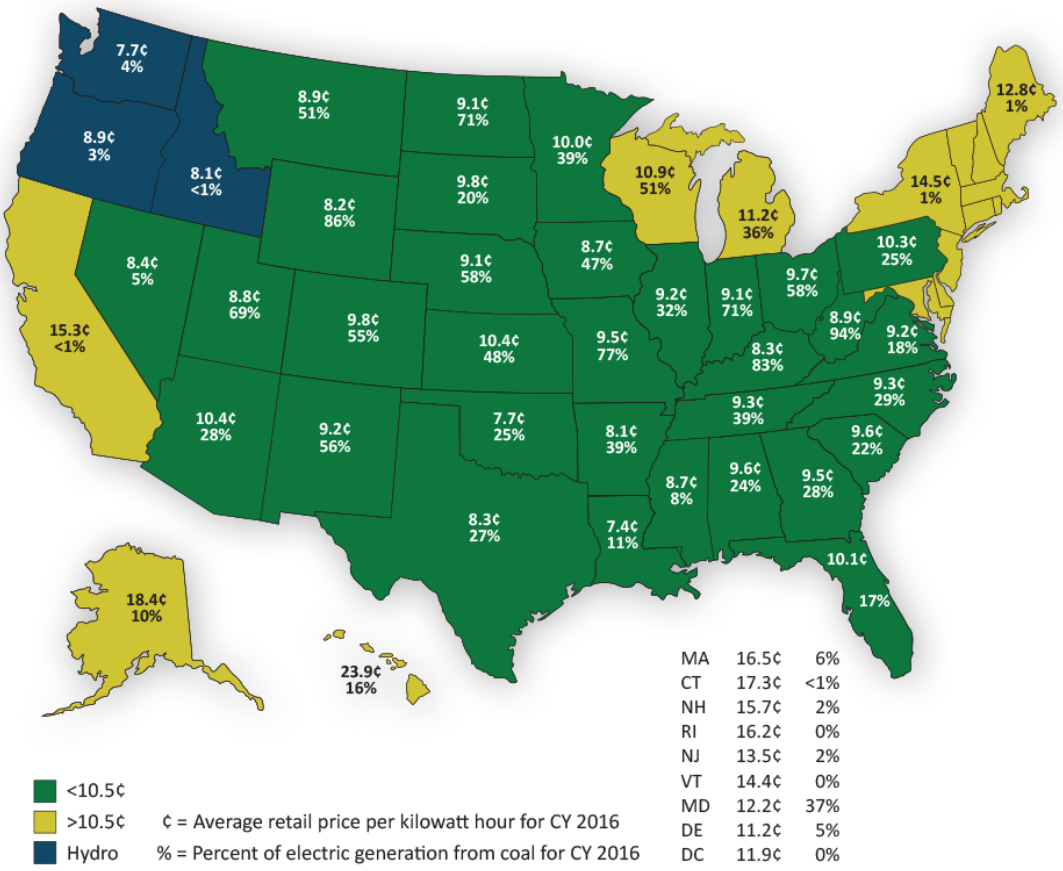
[2] U.S. Energy Information Administration, Electric Power Monthly, February 2017; International Energy Agency, World Energy Outlook. 2016.

[3] U.S. Energy Information Administration, Electric Power Monthly, February 2017.

[4] Energy Ventures Analysis, Capital Investments in Emission Control Retrofits in the U.S. Coal-Fired Generating Fleet Through the Years, January 2016.

[5] U.S. Environmental Protection Agency, National Air Pollutant Emission Trends and Air Market Database.

Coal-Fueled Generation Provides Low-Cost Electricity in America



On average, states that utilize coal for a significant portion (>50 percent) of their electricity generation enjoy lower rates than coastal states that use minimal amounts of coal.

Source: U.S. Energy Information Administration, Electric Power Monthly, February 2017.