

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

## Part I Reporting Issuer

1 Issuer's name <b>Peabody Energy Corporation</b>		2 Issuer's employer identification number (EIN) <b>13-4004153</b>	
3 Name of contact for additional information <b>Vic Svec, SVP - Global Investor Relations</b>	4 Telephone No. of contact <b>+1-314-342-7900</b>	5 Email address of contact <b>IR@PeabodyEnergy.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>701 Market Street, Suite 760</b>		7 City, town, or post office, state, and Zip code of contact <b>St. Louis, MO 63101</b>	
8 Date of action <b>April 3, 2017</b>		9 Classification and description <b>Common stock and certain equity rights</b>	
10 CUSIP number <b>See Attached</b>	11 Serial number(s)	12 Ticker symbol <b>See Attached</b>	13 Account number(s)

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

- 14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **See Attached.**
- 15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **See Attached.**
- 16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **See Attached.**

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► \_\_\_\_\_

**354(a), 356, 358, 368(a)(1)(E), 1001**

**18** Can any resulting loss be recognized? ► See attached.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► See attached.

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

*R. F. Bruer*

Date ►

*05/12/2017*

Print your name ►

*Robert F. Bruer*

Title ►

*VP - Tax Planning & Compliance*

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if  
self-employed PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

PEABODY ENERGY CORPORATION

EIN: 13-4004153

ATTACHMENT TO IRS FORM 8937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

**Disclaimer:** The information in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account the specific circumstances that may apply to particular categories of shareholders or noteholders. Each holder is urged to consult its own tax advisor regarding the particular consequences of the transactions described herein, including the impact on tax basis resulting therefrom.

**PART I**

**Items 10 and 12**

Description	CUSIP	Ticker Symbol
Unrestricted Common Stock	704551 100	BTU
Restricted Common Stock	704551 308	N/A

**PART II**

**Item 14**

On April 13, 2016, Peabody Energy Corporation (the "Company") and a majority of its wholly owned domestic subsidiaries filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. The Second Amended Joint Plan of Reorganization of Debtors and Debtors in Possession as revised March 15, 2017 (the "Plan") was confirmed by the United States Bankruptcy Court for the Eastern District of Missouri on March 17, 2017. The Plan became effective on April 3, 2017 (the "Effective Date").

Pursuant to the Plan and as more particularly described therein:

- Holders of Allowed Second Lien Notes Claims received (a) Reorganized PEC Common Stock, (b) certain equity rights and (c) cash; and
- Holders of Allowed Unsecured Senior Notes Claims received (a)(i) cash and (ii) certain liquidating trust units plus (b) either (i) additional cash or (ii)(x) Reorganized PEC Common Stock and (y)certain equity rights.

For more information regarding the transactions under the Plan, please see the Plan and the Second Amended Disclosure Statement With Respect to Second Amended Joint Plan of Reorganization of Debtors and Debtors in Possession (the "Disclosure Statement"), each

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available at <http://www.kccllc.net/peabody>. Capitalized terms not defined herein have the meanings ascribed to them in the Plan or, if not defined in the Plan, the Disclosure Statement.

**Item 15**

Description of the securities exchanged pursuant to the Plan:

Description	CUSIP	Name
10.00% senior secured notes due 2022 (144A)	704549 AQ 7	"Second Lien Notes"
10.00% senior secured notes due 2022 (REGS)	U70493 AE 8	
6.00% senior unsecured notes due 2018	704549 AK 0	"2018 Senior Notes"
6.00% senior unsecured notes due 2018 (144A)	704549 AJ 3	
6.00% senior unsecured notes due 2018 (REGS)	U70493 AB 4	
6.50% senior unsecured notes due 2020	704549 AH 7	"2020 Senior Notes"
6.25% senior unsecured notes due 2021	704549 AM 6	"2021 Senior Notes"
6.25% senior unsecured notes due 2021 (144A)	704549 AL 8	
6.25% senior unsecured notes due 2021 (REGS)	U70493 AC 2	
7.875% senior unsecured notes due 2026	704549 AF 1	"2026 Senior Notes"

**Exchange of Second Lien Notes**

Assuming the Second Lien Notes are considered "securities" for U.S. federal income tax purposes, the exchange of Second Lien Notes pursuant to the Plan would be treated as part of a "reorganization" for U.S. federal income tax purposes. Accordingly, a holder generally will recognize gain (but not loss) on the exchange in an amount equal to the lesser of (a) the amount of gain realized by the holder on the exchange (if any) and (b) the aggregate fair market value of any cash and other property not constituting "securities" for U.S. federal income tax purposes received in the exchange (such amounts, "boot"). A holder's aggregate tax basis in the Reorganized PEC Common Stock and certain equity rights received in the exchange (but not to the extent received in satisfaction of accrued interest) will be equal to such holder's adjusted basis in the Second Lien Notes surrendered in the exchange, decreased by the amount of boot received in the exchange and increased by the amount of gain recognized from the exchange. The holder's aggregate tax basis will be allocated to the Reorganized PEC Common Stock and certain equity rights received in the exchange in proportion to their respective fair market values.



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Exchange of 2018 Senior Notes, 2020 Senior Notes, 2021 Senior Notes or 2026 Senior Notes

An exchange of 2020 Senior Notes, 2021 Senior Notes or 2026 Senior Notes or, assuming the 2018 Senior Notes are “securities” for U.S. federal income tax purposes, the 2018 Senior Notes pursuant to the Plan will be treated as part of a “reorganization” for U.S. federal income tax purposes. Accordingly, a holder generally will recognize gain (but not loss) in an amount equal to the lesser of (a) the amount of gain realized on the exchange (if any) and (b) the aggregate fair market value of any boot received in the exchange. A holder’s aggregate tax basis in the Reorganized PEC Common Stock and certain equity rights received in the exchange (but not to the extent received in satisfaction of accrued interest) will be equal to such holder’s adjusted basis in the 2018 Senior Notes, 2020 Senior Notes, 2021 Senior Notes or 2026 Senior Notes, as applicable, surrendered in the exchange, decreased by the amount of boot received in the exchange and increased by the amount of gain recognized from the exchange. The holder’s aggregate tax basis will be allocated to the Reorganized PEC Common Stock and certain equity rights received in the exchange in proportion to their respective fair market values on the Effective Date.

**Item 16**

As described in Item 15, a holder’s aggregate tax basis in the Reorganized PEC Common Stock and certain equity rights received in the exchange (but not to the extent received in satisfaction of accrued interest) will be equal to such holder’s adjusted basis in the applicable notes surrendered in the exchange, decreased by the aggregate fair market value of any boot received in the exchange and increased by the amount of gain recognized on the exchange. A holder’s aggregate tax basis will be allocated to the Reorganized PEC Common Stock and certain equity rights in proportion to their respective fair market values on the Effective Date. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how to determine the fair market value of the Reorganized PEC Common Stock or certain equity rights for purposes of any allocation. Reasonable methods to determine the fair market value may include using the opening, closing or average trading price on the first day of trading, if any, after the Effective Date. The Company cannot tell holders their basis or the fair market value of the Reorganized PEC Common Stock or certain equity rights or give advice to holders. Holders should consult their tax advisors to determine which measure of fair market value to use.

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**Item 18**

Assuming an exchange under the Plan constitutes a “reorganization” for U.S. federal income tax purposes, holders participating in such exchange cannot recognize loss realized in the exchange.

**Item 19**

The transactions described herein occurred on the Effective Date, which was April 3, 2017. Therefore, for calendar year taxpayers, the reportable tax year would be 2017.

The information contained in this attachment does not constitute tax advice. Holders are urged to read the Plan and the Disclosure Statement and to consult their own tax advisor regarding the particular tax consequences to them of participating in the transactions described herein.