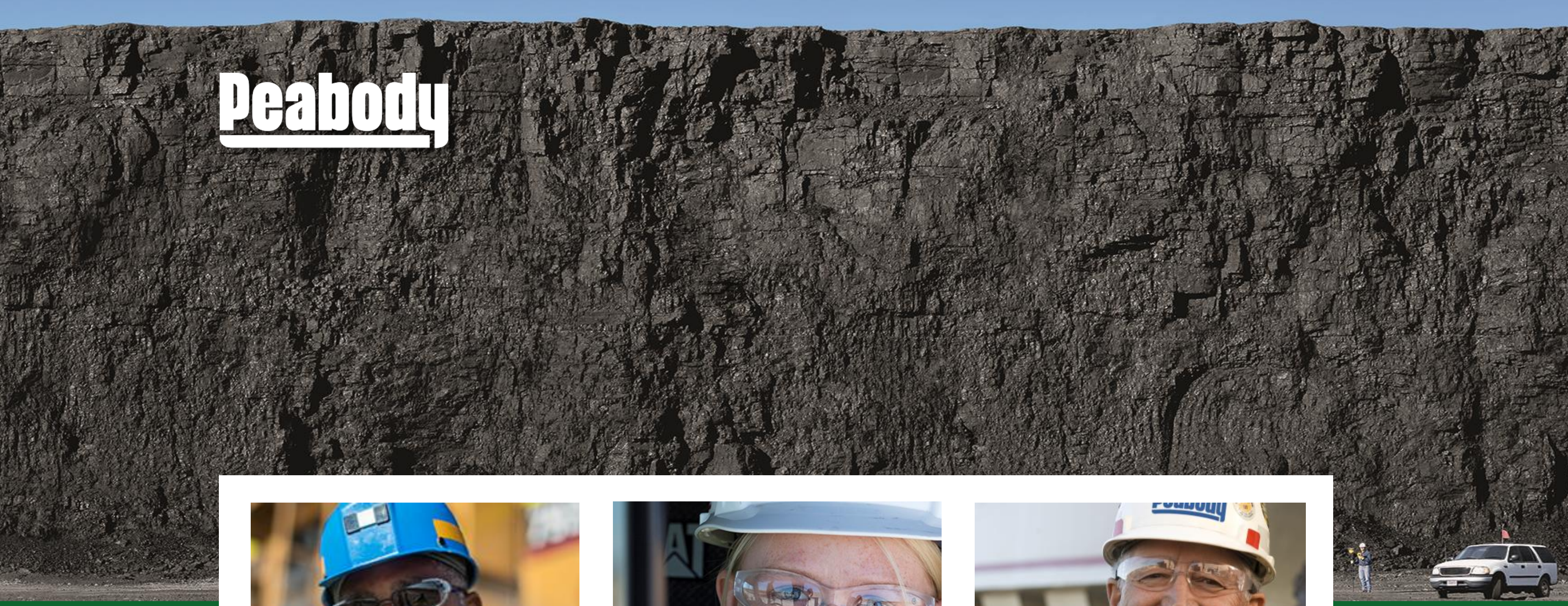

Peabody

Quarterly Investor Update

THE NEW BTU

Glenn Kellow – President and Chief Executive Officer
Amy Schwetz – EVP and Chief Financial Officer
Vic Svec – SVP Global Investor and Corporate Relations

August 1, 2017

Statement on Forward-Looking Information

Certain statements included in this release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. The Company uses words such as "anticipate," "believe," "expect," "may," "forecast," "project," "should," "estimate," "plan," "outlook," "target," "likely," "will," "to be" or other similar words to identify forward-looking statements. These forward-looking statements are made as of the date the release was issued and are based on numerous assumptions that the Company believes are reasonable, but these assumptions are open to a wide range of uncertainties and business risks that may cause actual results to differ materially from expectations. These factors are difficult to accurately predict and may be beyond the Company's control. Such factors include, but are not limited to those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on March 22, 2017, in Exhibit 99.2 to the Company's Current Report on Form 8-K filed with the SEC on April 11, 2017, and in the Company's Annual Report on Form 10-K/A (Amendment No.1) for the year ended December 31, 2016 filed with the SEC on July 10, 2017, as well as other filings the Company may make from time to time with the SEC. Factors that could affect the Company's results or an investment in its securities include but are not limited to: competition in the energy market and supply and demand for the Company's products, including the impact of alternative energy sources, such as natural gas and renewables; global steel demand and its downstream impact on metallurgical coal prices, and lower demand for the Company's products by electric power generators; customer procurement practices and contract duration; the impact of weather and natural disasters on demand, production and transportation; reductions and/or deferrals of purchases by major customers and the Company's ability to renew sales contracts; credit and performance risks associated with customers, suppliers, contract miners, co-shippers, and trading, bank and other financial counterparties; geologic, equipment, permitting, site access, operational risks and new technologies related to mining; transportation availability, performance and costs; availability, timing of delivery and costs of key supplies, capital equipment or commodities such as diesel fuel, steel, explosives and tires; impact of take-or-pay arrangements for rail and port commitments for the delivery of coal; successful implementation of business strategies, including, without limitation, the actions we are implementing to improve the Company's organization and respond to current conditions; negotiation of labor contracts, employee relations and workforce availability, including, without limitation, attracting and retaining key personnel; changes in post-retirement benefit and pension obligations and their related funding requirements; replacement and development of coal reserves; uncertainties in estimating the Company's coal reserves; effects of changes in interest rates and currency exchange rates (primarily the Australian dollar); the Company's ability to successfully consummate acquisitions or divestitures, and the resulting effects thereof; economic strength and political stability of countries in which we have operations or serve customers; legislation, regulations and court decisions or other government actions, including, but not limited to, new environmental and mine safety requirements, changes in income tax regulations, sales-related royalties, or other regulatory taxes and changes in derivative laws and regulations; the Company's ability to obtain and renew permits necessary for the Company's operations; the Company's ability to appropriately secure the Company's requirements for reclamation, federal and state workers' compensation, federal coal leases and other obligations related to the Company's operations, including the Company's ability to utilize self-bonding and/or successfully access the commercial surety bond market; litigation or other dispute resolution, including, but not limited to, claims not yet asserted; terrorist attacks or security threats, including, but not limited to, cybersecurity breaches; impacts of pandemic illnesses; any lack of an established market for certain of the Company's securities, including the Company's preferred stock, and potential dilution of the Company's common stock; price volatility in the Company's securities; short-sales in the Company's securities; any conflicts of interest between the Company's significant shareholders and other holders of the Company's capital stock; the Company's ability to generate sufficient cash to service all of the Company's indebtedness; the Company's debt instruments and capital structure placing certain limits on the Company's ability to pay dividends and repurchase capital stock; the Company's ability to comply with financial and other restrictive covenants in various agreements, including the Company's debt instruments; and other risks detailed in the Company's reports filed with the SEC. The Company does not undertake to update its forward-looking statements except as required by law.

Peabody Quarterly Investor Update: Key Takeaways from Q2 2017

1. *Diversified portfolio delivers strong, balanced contributions from Australia and U.S.*
2. *Australian thermal segment achieves record results*
3. *Repaid $150 million of debt in July; Targeting $500 million of total deleveraging over 18 months*
4. *$500 million share repurchase program authorized*
5. *Largely maintaining full-year 2017 targets; Strategic planning results in multi-year extension of Moorvale metallurgical mine*
6. *Post-emergence tax planning provides ~$4 billion of U.S. NOLs*
7. *Reminder: Fresh start reporting adopted April 1*

Note: The share repurchase program is subject to limitations in Peabody's debt documents, as they may be amended from time to time.

Second Quarter Performance Highlights: Results Reflect Fresh-Start Reporting

Revenues

- $1.26 billion; increases 21% over Q2 2016

Income from Continuing Operations, Net of Income Taxes

- $101.4 million (not comparable to prior periods)
- DD&A now includes sales contract amortization

Net Loss Attributable to Common Stockholders

- $20.2 million (not comparable to prior periods)
- Non-cash impact of $115.1 million due to acceleration of paid-in-kind dividends related to 39% of preferred stock converting to common during quarter

Adjusted EBITDA

- $317.8 million increases $245.2 million from Q2 2016

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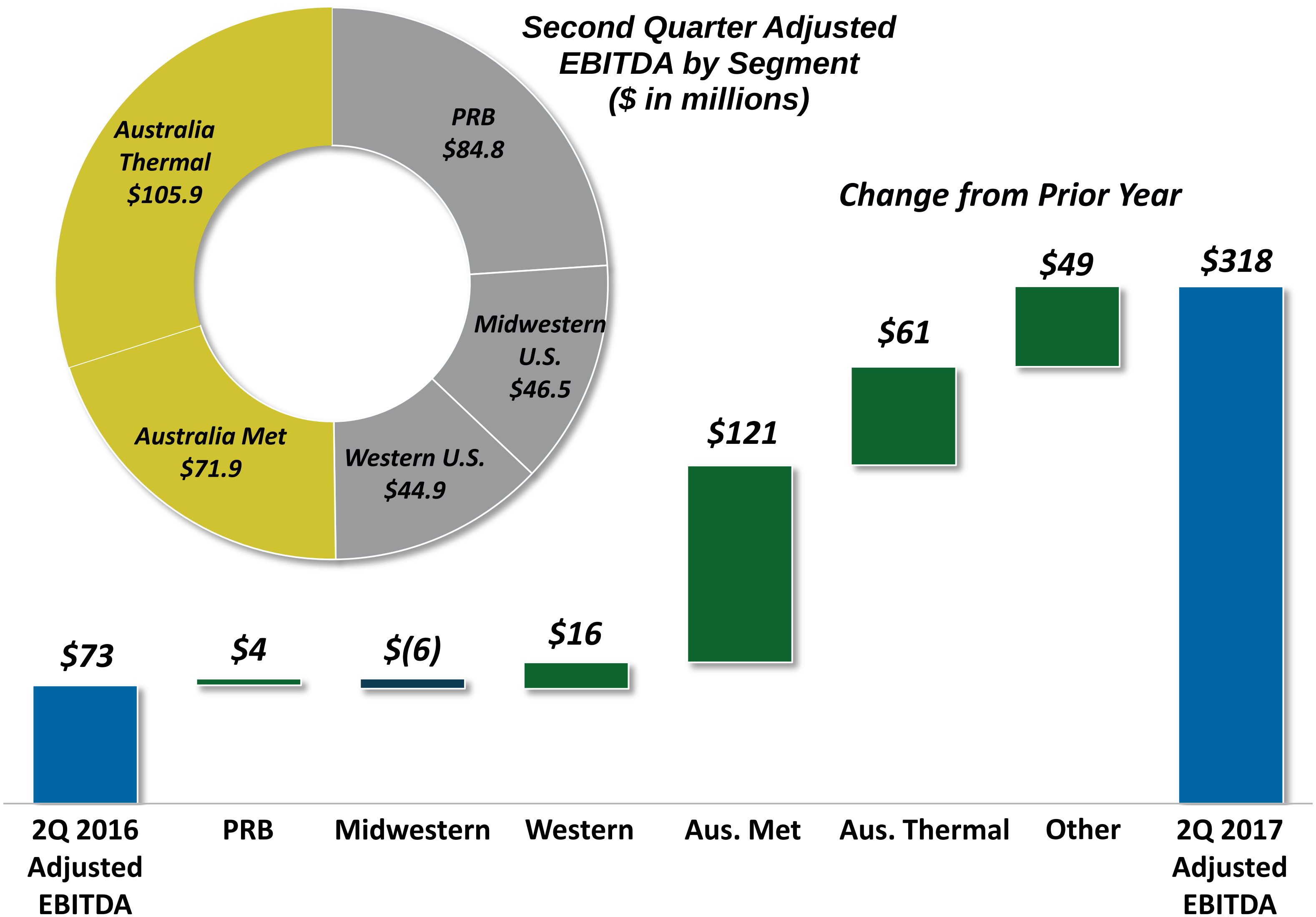
Q2 Adjusted EBITDA Sharply Higher Than Prior Year on Australian Increases



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Note: Adjusted EBITDA is a non-GAAP metric. Refer to the reconciliation to the nearest non-GAAP measures in the appendix; "Other" includes changes in trading and brokerage; SG&A; other operating costs, net; restructuring charges and hedging results.

Cash and Cash Equivalents Total $1.096 Billion; Operating Cash Flows of $91 Million

A/R & Inventory Balance Increase
~$150 million

Chapter 11 Exit Costs/Settlements
~$180 million

Return of Cash Collateral
$113 million

- Working capital build largely related to Cyclone Debbie
- Chapter 11 payments leave ~$175 million of payments remaining for 2017
- Freed cash collateral supporting letters of credit and contract with domestic Australian customer

Financial Approach: Generate Cash, Reduce Debt, Invest Wisely, Return Cash to Shareholders

Liquidity

- Targeting $800 million
- Current liquidity primarily in cash and cash equivalents
- Considering revolver over time to reduce required cash needs

Debt

- Committed to sustainable capital structure across cycles
- Major focus is deleveraging
- Targeting $1.2 billion to $1.4 billion

Deleveraging

- Voluntarily repaid $150 million in July
- Targeting $500 million of debt reduction over 18 months; $300 million in total expected by year end
- Multiple benefits, including potential to release cash collateral

Capital Returns

- $500 million share repurchase program authorized
- Ongoing evaluation of sustainable dividend to commence in 2018
- May pursue means to obtain increased flexibility for shareholder returns

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Note: The share repurchase program is subject to limitations in Peabody's debt documents and may be amended from time to time.

Industry Fundamentals: U.S. Coal Consumption Increases YTD on Higher Natural Gas Prices

+6%	-14%	+19%	-17%
Coal Generation	***Natural Gas Generation***	***PRB Generation Demand***	***PRB Utility Stockpiles***

- As anticipated, coal plants are running harder in 2017 as higher capacity utilization more than offsets ~10 GW of coal plant retirements
- At the same time, gas generation is down sharply year over year, and utility stockpiles of coal are trending down
- U.S. coal demand projected to rise 30 to 40 million tons in 2017 on higher gas prices in first half of 2016

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Source: Industry data. Data compared with same period in 2016.

Strong Seaborne Metallurgical and Thermal Coal Demand Led by China in Second Quarter

Seaborne Thermal Coal

- Chinese thermal demand up 16 million tonnes through June
- Policy initiatives in place to support Chinese domestic producers
- India demand down 14 million tonnes through June
- Spot pricing remains robust at ~$84 per tonne

Seaborne Metallurgical Coal

- Chinese met imports increase 9 million tonnes through June
- Global steel demand up 5% YTD
- Met coal prices rebound after earlier retreats following post-Debbie supply surge

Second Quarter Coal Settlements

- Benchmark price for hard coking coal set at ~$194 per tonne
  - Index-based pricing mechanism
- Benchmark low-vol PCI settled at $135 per tonne
  - Up ~85% from 2Q 2016
- Annual thermal coal settlement for JFY set at $85 per tonne
  - Up 37% from 2016 settlement

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Source: Industry data and Peabody Global Analytics. YTD information represents January 1, 2017 through June 30, 2017. Data compared to the same period in 2016.

Peabody Near-Term Priorities

1. *Increasing Australian thermal coal shipments versus Q2*
2. *Anticipating higher met coal volumes and lower costs than Q2*
3. *Executing on deleveraging and shareholder return initiatives*
4. *Delivering on guidance targets, which remain largely unchanged*

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Appendix: Full-Year 2017 Targets

Sales Volumes (Short Tons)	
PRB	117 - 120 million
ILB	18 - 19 million
Western	13 - 14 million
Total U.S.	148 - 153 million
Aus. Metallurgical[1]	11 - 12 million
Aus. Export Thermal[2]	13 - 14 million
Aus. Domestic Thermal	~7 million
Total Australia	31 - 33 million

U.S. Operations - Revenues Per Ton	
PRB	$12.40 - $12.90
ILB	$41.75 - $43.75
Total U.S.	$18.50 - $18.90

U.S. Operations - Costs Per Ton	
PRB	$9.50 - $10.00
ILB	$31.25 - $33.25
Total U.S.	$14.00 - $14.40

Australia Operations - Costs per Ton (USD)[3]	
Metallurgical	$85 - $95
Thermal	$31 - $35
Total Australia	$51 - $54

Capital Expenditures	$165 - $195 million
Quarterly SG&A Expense	$32 - $35 million
Quarterly Interest Expense	$39 - $41 million

Q3 - Q4 2017 Cost Sensitivities[4]	
$0.05 Decrease in A$ FX Rate[5]	+~$50 - $55 million
$0.05 Increase in A$ FX Rate[5]	-~$25 - $30 million
Fuel (+/- $10/barrel)	+/- ~$16 million

Priced Position	
PRB Average Price/Ton	$12.62
ILB Average Price/Ton	$42.54
Australia Export Thermal	~10 million tons
Australia Export Thermal Average Price/Ton	$67.20

Essentially all of Peabody's expected 2017 U.S. sales volume is priced as of June 30, 2017; ~60% - 65% of 2018 volumes are priced and 70% - 75% contracted (on a 2017 projected volume basis); approximately 25% of 2019 volumes are priced (on a 2017 projected volume basis).

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Appendix: Full-Year 2017 Targets

[1] Metallurgical coal sales volumes may range from ~50%-60% PCI and ~40%-50% coking coal (including semi-hard and semi-soft coking coals). Approximately 45%-55% of seaborne metallurgical sales may be executed on a spot basis, with the remainder priced under quarterly contracts. The company also has exposure to approximately 2 million tons of metallurgical coal related to the Middlemount Mine, a 50/50 joint venture accounted for in (Income) Loss from Equity Affiliates.

Peabody's North Goonyella and Coppabella mines typically receive the premium LV HCC index quoted price and set the premium LV PCI benchmark, respectively, with the remainder of products sold at discounts to these values based on coal qualities and properties. On a weighted-average basis across all metallurgical products, Peabody typically realizes approximately 85%-90% of the PLV HCC index quoted price for its coking products, and 90%-95% of the LV PCI benchmark price for its PCI products.

In 2Q 2017, the ratio of the LV PCI benchmark price to the PLV HCC benchmark price was ~70%. As a reminder, the Q2 PLV HCC benchmark was the average of the three monthly indices for March, April and May, and we expect this to remain the pricing mechanism in Q3 2017.

[2] A portion of Peabody's seaborne thermal coal products sell at or above the Newcastle index, with the remainder sold at discounts relative to the Newcastle index based on coal qualities and properties. On a weighted-average basis across all seaborne thermal products, Peabody typically realizes approximately 90%-95% of the Newcastle index price.

[3] Assumes 3Q – 4Q 2017 average A$ FX rate of $0.75. A $0.02 increase in the 3Q – 4Q average A$ FX rate will increase USD cost per ton by ~$1 per ton.

[4] Sensitivities reflect approximate impacts of changes in variables on financial performance. When realized, actual impacts may differ significantly.

[5] As of August 1, 2017, Peabody had purchased average rate call options in aggregate notional amount of approximately AUD $0.9 billion to manage market price volatility associated with the Australian dollar with strike price levels between $0.77 and $0.78 and settlement dates through December 2017. Sensitivities provided are relative to an assumed average A$ FX exchange rate of $0.75 for remainder of 2017.

Note 1: Peabody classifies its Australian Metallurgical or Thermal Mining segments based on the primary customer base and reserve type. A small portion of the coal mined by the Australian Metallurgical Mining segment is of a thermal grade and vice versa. Peabody may market some of its metallurgical coal products as a thermal product from time to time depending on industry conditions. Per ton metrics presented are non-GAAP measures. Due to the volatility and variability of certain items needed to reconcile these measures to their nearest GAAP measure, no reconciliation can be provided without unreasonable cost or effort. Guidance does not reflect the impact of fresh-start reporting.

Note 2: A sensitivity to changes in seaborne pricing should consider Peabody's estimated split of PCI and coking coal products, the ratio of LV PCI to PLV HCC benchmark prices, the weighted average discounts across all products to the applicable PLV HCC or LV PCI benchmark or Newcastle index prices, in addition to impacts on sales-related costs in Australia, and applicable conversions between short tons and metric tonnes as necessary.

Note 3: Peabody would have approximately 137.3 million shares of common stock issued, assuming full conversion of Peabody's preferred stock (including make-whole shares issuable upon conversion of the preferred stock). The fully converted shares issued value excludes approximately 3.5 million shares underlying unvested equity awards under Peabody's long-term incentive plan. As of July 25, holders of approximately 39% of preferred stock issued at emergence had converted their shares into common stock.

Appendix: Reconciliation of Non-GAAP Measures

	2017		2016	2017		2016
	Successor	Predecessor	Predecessor	Successor	Predecessor	Predecessor
	April 2 through June 30	April 1	Quarter Ended June 30	April 2 through June 30	January 1 through April 1	Six Months Ended June 30
	(In Millions)					
Tons Sold						
Powder River Basin Mining Operations	28.5	-	22.4	28.5	31.0	47.0
Midwestern U.S. Mining Operations	4.6	-	4.4	4.6	4.5	8.9
Western U.S. Mining Operations	3.2	-	2.8	3.2	3.4	5.7
Total U.S. Mining Operations	36.3	-	29.6	36.3	38.9	61.6
Australian Metallurgical Mining Operations	2.0	-	3.6	2.0	2.2	6.9
Australian Thermal Mining Operations	4.6	-	5.2	4.6	4.6	10.4
Total Australian Mining Operations	6.6	-	8.8	6.6	6.8	17.3
Trading and Brokerage Operations	0.7	-	1.4	0.7	0.4	3.4
Total	43.6	-	39.8	43.6	46.1	82.3
Revenue Summary						
Powder River Basin Mining Operations	$ 365.4	$ -	$ 306.6	$ 365.4	$ 394.3	$ 642.6
Midwestern U.S. Mining Operations	194.9	-	189.0	194.9	193.2	388.6
Western U.S. Mining Operations	125.4	-	112.1	125.4	149.7	224.6
Total U.S. Mining Operations	685.7	-	607.7	685.7	737.2	1,255.8
Australian Metallurgical Mining Operations	287.8	-	245.2	287.8	328.9	450.3
Australian Thermal Mining Operations	239.2	-	186.8	239.2	224.8	363.5
Total Australian Mining Operations	527.0	-	432.0	527.0	553.7	813.8
Trading and Brokerage Operations	5.2	-	17.5	5.2	15.0	13.8
Other	40.4	-	(17.0)	40.4	20.3	(16.0)
Total	$ 1,258.3	$ -	$ 1,040.2	$ 1,258.3	$ 1,326.2	$ 2,067.4

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Appendix: Reconciliation of Non-GAAP Measures

	2017		2016	2017		2016
	Successor	Predecessor	Predecessor	Successor	Predecessor	Predecessor
	April 2 through June 30	April 1	Quarter Ended June 30	April 2 through June 30	January 1 through April 1	Six Months Ended June 30
	(In Millions)					
Reconciliation of Non-GAAP Financial Measures						
Income (Loss) from Continuing Operations, Net of Income Taxes	$ 101.4	$ (319.8)	$ (223.2)	$ 101.4	$ (195.5)	$ (390.9)
Depreciation, Depletion and Amortization	148.3	-	115.9	148.3	119.9	227.7
Asset Retirement Obligation Expenses	11.0	-	11.5	11.0	14.6	24.6
Selling and Administrative Expenses Related to Debt Restructuring	-	-	7.2	-	-	21.5
Change in Deferred Tax Asset Valuation Allowance Related to Equity Affiliates	(4.3)	-	(1.4)	(4.3)	(5.2)	-
Asset Impairment	-	-	-	-	30.5	17.2
Interest Expense	41.4	-	59.0	41.4	32.9	185.2
Interest Income	(1.5)	-	(1.3)	(1.5)	(2.7)	(2.7)
Reorganization Items, Net	-	585.8	95.4	-	627.2	95.4
Break Fees Related to Terminated Asset Sales	(28.0)	-	-	(28.0)	-	-
Realized Losses on Non-Coal Trading Derivative Contracts	-	-	25.0	-	-	-
Unrealized (Gains) Losses on Economic Hedges	(9.4)	-	22.1	(9.4)	(16.6)	27.2
Unrealized Gains on Non-Coal Trading Derivative Contracts	(3.2)	-	-	(3.2)	-	-
Coal Inventory Revaluation	67.3	-	-	67.3	-	-
Take-or-Pay Contract-Based Intangible Recognition	(9.9)	-	-	(9.9)	-	-
Income Tax Provision (Benefit)	4.7	(266.0)	(37.6)	4.7	(263.8)	(97.4)
Adjusted EBITDA [(1)]	$ 317.8	$ -	$ 72.6	$ 317.8	$ 341.3	$ 107.8
Adjusted EBITDA [(1)]						
Powder River Basin Mining Operations	$ 84.8	$ -	$ 80.6	$ 84.8	$ 91.7	$ 154.4
Midwestern U.S. Mining Operations	46.5	-	52.7	46.5	50.0	113.3
Western U.S. Mining Operations	44.9	-	28.8	44.9	50.0	48.9
Total U.S. Mining Operations	176.2	-	162.1	176.2	191.7	316.6
Australian Metallurgical Mining Operations	71.9	-	(49.2)	71.9	109.6	(86.5)
Australian Thermal Mining Operations	105.9	-	45.4	105.9	75.6	88.3
Total Australian Mining Operations	177.8	-	(3.8)	177.8	185.2	1.8
Trading and Brokerage Operations	(5.1)	-	(18.2)	(5.1)	8.8	(31.9)
Selling and Administrative Expenses	(34.4)	-	(27.0)	(34.4)	(37.2)	(61.0)
Other Operating Costs, Net	3.7	-	2.0	3.7	20.4	(20.2)
Restructuring Charges	-	-	(3.1)	-	-	(15.2)
Gain on UMWA VEBA Settlement	-	-	-	-	-	68.1
Corporate Hedging Results	(0.4)	-	(39.4)	(0.4)	(27.6)	(150.4)
Adjusted EBITDA [(1)]	$ 317.8	$ -	$ 72.6	$ 317.8	$ 341.3	$ 107.8

(1) Adjusted EBITDA is a non-GAAP measure defined as income (loss) from continuing operations before deducting net interest expense, income taxes, asset retirement obligation expenses, depreciation, depletion and amortization and reorganization items, net. Adjusted EBITDA is also adjusted for the discrete items that management excluded in analyzing the segments' operating performance as displayed in the reconciliation. Adjusted EBITDA is not intended to serve as an alternative to U.S. GAAP measures of performance and may not be comparable to similarly-titled measures presented by other companies.

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