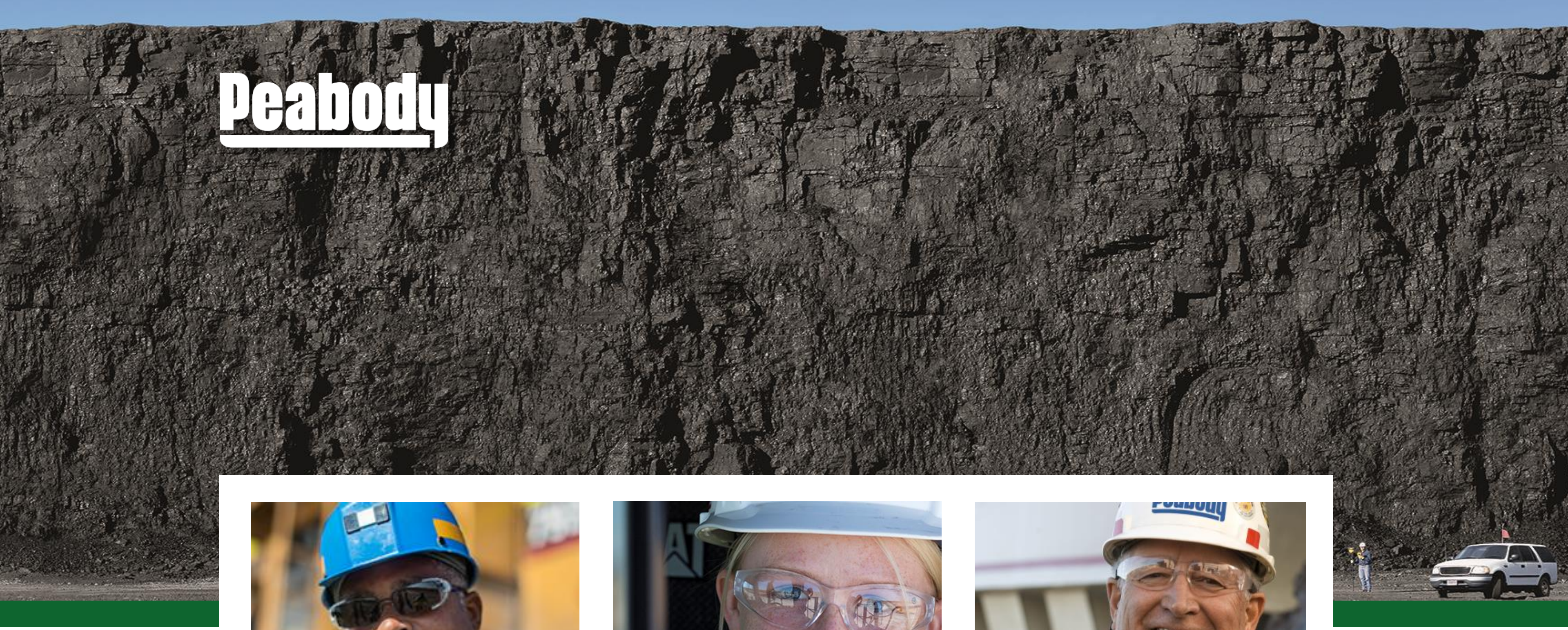

Quarterly Investor Update

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

May 4, 2017

THE NEW BTU

What We'll Cover…

- Introduction / Forward-Looking Information
- Key Takeaways
- Quarterly Financial Highlights
- Industry Fundamentals
- Priorities and Targets
- Questions

Statement on Forward-Looking Information

Certain statements included in this presentation 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 filed 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 most recently filed Annual Report on Form 10-K and Exhibit 99.2 of the Company's Current Report on Form 8-K filed on April 11, 2017. 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 the 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 the Company is implementing to improve its organization; negotiation of labor contracts, employee relations and workforce availability, including, without limitation, attracting and retaining key personnel; changes in postretirement benefit and pension obligations and their related funding requirements; replacement and development of coal reserves; effects of changes in interest rates and currency exchange rates (primarily the Australian dollar); effects of acquisitions or divestitures, including the ability to successfully consummate planned divestitures; economic strength and political stability of countries in which the Company has operations or serves 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 its requirements for reclamation, federal and state workers' compensation, federal coal leases and other obligations related to the Company's operations, including its 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; the lack of an established market for certain of the Company's securities, including the Company's Series A Convertible Preferred Stock, and potential dilution of its common stock due to future issuances of equity securities; price volatility in the Company's securities; short-sales in the Company's common stock; any conflicts of interest between the Company's significant shareholders and other holders of its capital stock; the Company's ability to generate sufficient cash to service all of its indebtedness; the Company's debt instruments and capital structure place certain limits on its ability to pay dividends and repurchase common stock; the Company's ability to comply with financial and other restrictive covenants in various agreements, including its 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.

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. A reconciliation of income (loss) from continuing operations, net of income taxes to Adjusted EBITDA is included in the appendix of this document. 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.

Adjusted EBITDAR is a non-GAAP measure defined as Adjusted EBITDA further adjusted to exclude the impact of certain employee compensation programs related to the Chapter 11 Cases, restructuring charges, the voluntary employee beneficiary association (VEBA) settlement with the United Mine Workers of America (UMWA) and corporate hedging. A reconciliation of income (loss) from continuing operations, net of income taxes to Adjusted EBITDAR is included In the appendix of this document. Adjusted EBITDAR 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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Peabody Quarterly Investor Update: Five Key Takeaways from Q1 2017

1. Year-over-year performance sharply improved on U.S. volumes, Australian pricing that drove higher revenues, earnings, cash flows
2. Quarter marked by significant rise in PRB shipments, major contribution by Australian met and thermal segments
3. Positive results somewhat muted by temporary Australia met coal issues from Cyclone Debbie, geology and operations
4. For full-year 2017 targets, we are maintaining revenues per ton (which we provide only for U.S.), all costs-per-ton and U.S. volumes, and increasing met coal volumes given retention of the Metropolitan Mine
5. Reminder: First quarter results do not incorporate significant changes related to fresh start accounting associated with April 3 Chapter 11 emergence; fresh start will take effect in second quarter reporting and results to prior periods may not be comparable

First Quarter 2017 Earnings Highlights

- Revenues increase 29% to $1.33 billion
  - 26% increase in PRB shipments
  - Significant revenue per ton increase for Australian met and thermal coal
- Net income attributable to common shareholders totals $122.1 million compared to $(165.1) million in prior year; Best in nearly 5 years
  - Reflects significantly better operational results and lower interest expense, partially offset by reduced tax benefits from improved profitability as well as a non-recurring refund in the prior year
- Adjusted EBITDAR rises to $390.0 million
  - Represents a $304.9 million increase over first quarter 2016

	1Q 2017	1Q 2016
U.S. Mining EBITDA	**$191.7**	**$154.5**
Australian Mining EBITDA	**$185.2**	**$5.6**
Trading and Brokerage EBITDA	**$25.4**	**$(18.8)**
SG&A	**$(32.7)**	**$(34.0)**
Other	**$20.4**	**$(22.2)**
Adjusted EBITDAR	**$390.0**	**$85.1**

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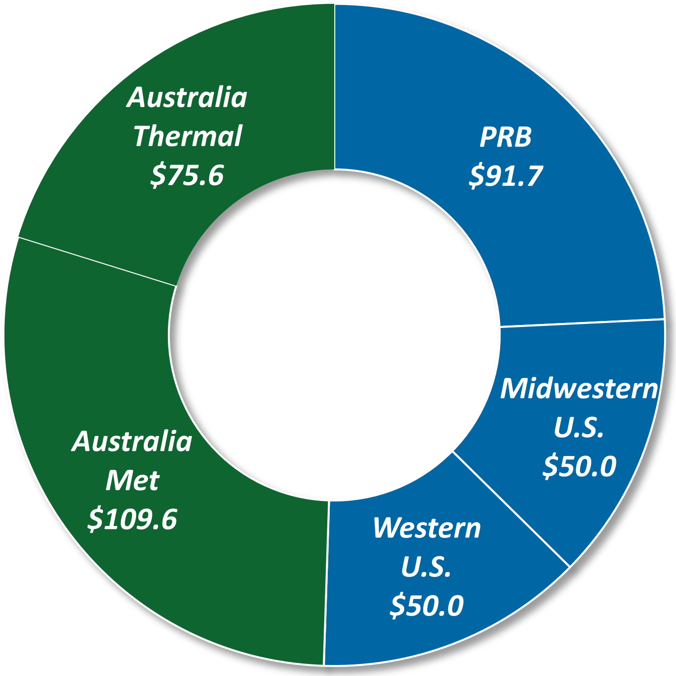
Note : Adjusted EBITDAR is a non-GAAP measure. Refer to the reconciliation to the nearest GAAP metric in the appendix. SG&A excludes the impact of certain debt restructuring charges and employee compensation programs related to the Chapter 11 case.

First Quarter Operating Margins Reflect Improvements in Australian Segments

1Q 2017	EBITDA Margin
Powder River Basin	**23%**
Midwestern U.S.	**26%**
Western U.S.	**33%**
Australian Thermal	**34%**
Australian Met	**33%**

- Operating margins average 30% in first quarter; Led by sharp rise in Australian thermal and met coal pricing
  - Temporary geology and operating issues lead to results not up to full potential

First Quarter EBITDA by Segment ($ in millions)



Note: EBITDA margin reflects non-GAAP metric and is equal to segment Adjusted EBITDA divided by segment revenue. Segment average unweighted across five segments. Western U.S. gross margin includes $13 million benefit on customer settlement. Refer to the reconciliation to the nearest GAAP metric in the appendix.

Operational Results: U.S. Mining Segments

Powder River Basin Mining

- Volumes increase 26% over the prior year on sharp increase in customer demand; Drives 24% increase in Adjusted EBITDA
- Revenues per ton decline 7% from contracts signed in a lower-gas-price environment

Midwestern U.S. Mining

- Margins per ton and Adjusted EBITDA ease on lower realized coal pricing, increased fuel costs

Western U.S. Mining

- Volumes increase 17% on greater output at customer plants including NGS
- Revenues per ton increase 16% due to settlement with Southwest U.S. coal customer
- Costs per ton decline 6% on favorable mining ratios at Southwest mines
- Margins per ton and Adjusted EBITDA rise significantly as a result of longwall move and development work at Twentymile Mine in Q1 2016

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Note : Adjusted EBITDA, Revenue per Ton, Cost per Ton and Margin per Ton are Non-GAAP measures. Revenue per Ton and Margin per Ton are equal to Revenues by segment and Adjusted EBITDA by segment, respectively, divided by segment Tons Sold. Please refer to the appendix for a reconciliation of non-GAAP financial measures. All comparisons are to first quarter of 2016 unless otherwise noted.

Operational Results: Australian Mining Segments

Australian Metallurgical Mining

- **Volumes decline 33% reflecting Burton Mine moving to care and maintenance; Cyclone Debbie, temporary geology and operating issues**
- **Revenues per ton rises 139% on higher spot and contract pricing**
- **Costs per ton rise 35% on impacts of Cyclone Debbie, higher royalties, temporary geologic and operational issues at PCI mines**
- **Adjusted EBITDA increases $146.9 million from prior year to $109.6 million**

Australian Thermal Mining

- **Revenues per ton and Adjusted EBITDA rise significantly on improved pricing for export volumes**
- **Costs per ton rise 26% on volume mix, higher fuel costs and increased royalties**
- **Adjusted EBITDA rises 76% from prior year to $75.6 million**

- Australia met coal revenue per ton:
  - 50% coking coal; 50% LV PCI
  - 55%, 33% and 12% sold at contract/ spot/ Q4 2017 carryover, respectively
- Q1 industry seaborne met coal prices ($/Tonne)
  - HQ HCC contract: $285; spot avg.: $169
  - LV PCI contract: $180; spot avg.: $110

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Note : Adjusted EBITDA, Revenue per Ton, Cost per Ton and Margin per Ton are Non-GAAP measures. Revenue per Ton and Margin per Ton are equal to Revenues by segment and Adjusted EBITDA by segment, respectively, divided by segment Tons Sold. Please refer to the appendix for a reconciliation of non-GAAP financial measures. All comparisons are to first quarter of 2016 unless otherwise noted.

Unrestricted Cash Position Builds to $1.068 billion

- Cash from operations totals $238 million after making ~$150 million of collateral and restructuring payments in the quarter
  - Compares with outflows of $439 million in prior year
- Capex totals $33 million largely related to sustaining capital
- Unrestricted cash and cash equivalents totals $1.068 billion
- Cash position excludes:
  - Current restricted cash: $81 million plus $1 billion in restricted bond proceeds
  - Collateral for U.S. and Australia reclamation of $594 million in Investments and Other Assets

Cash Relative to Emergence Targets

- Cash ~$50 to $100 million favorable to emergence targets
  - Originally contemplated $200 million from Metropolitan Mine sale that did not occur
  - More than offset by Middlemount contribution; sale of DTA; improved working capital; lower collateral outlays
- Chapter 11 payments for remainder of 2017 include ~$275 to $325 million
  - Professional fees, claims, other settlements

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2017 Targets

Most Volume/Price/Cost Targets Maintained; Australia Met Coal Volumes Increased

Sales Volumes (short tons)	
PRB	115 – 120 million
ILB	18 – 20 million
Total U.S.	145 – 155 million
Australia Metallurgical[1]	11 – 12 million
Australia Export Thermal[2]	13 – 14 million
Australia Domestic Thermal	~8 million
Total Australia	32 – 34 million
Trading and Brokerage	3 – 7 million
Total Tons Sold	180 – 196 million
U.S. Operations – Revenues Per Ton	
PRB	\$12.40 – \$12.90
ILB	\$41.75 – \$43.75
Total U.S.	\$18.90 – \$19.30
U.S. Operations – Costs Per Ton	
PRB	\$9.75 – \$10.25
ILB	\$31.25 – \$33.25
Total U.S.	\$14.50 – \$15.00

Australia Operations – Costs Per Ton (USD)[3]	
Metallurgical	\$85 – \$95
Thermal	\$31 – \$35
Total Australia	\$51 – \$54
Capital Expenditures	\$165 – \$195 million
Q2 - Q4 2017 Cost Sensitivities[4]	
\$0.05 Decrease in A\$ FX Rate[5]	+~\$70 – \$75 million
\$0.05 Increase in A\$ FX Rate[5]	- ~\$30 – \$35 million
Fuel (+/- \$10/barrel)	+/- ~\$24 million
Priced Position	
PRB Tons	~115 million tons
PRB Average Price/Ton	\$12.67
ILB Tons	~19 million tons
ILB Average Price/Ton	\$42.39

Essentially all of Peabody's expected 2017 U.S. production is priced as of March 31, 2017; 52% of 2018 volumes are priced and 67% contracted (on a 2017 projected volume basis).

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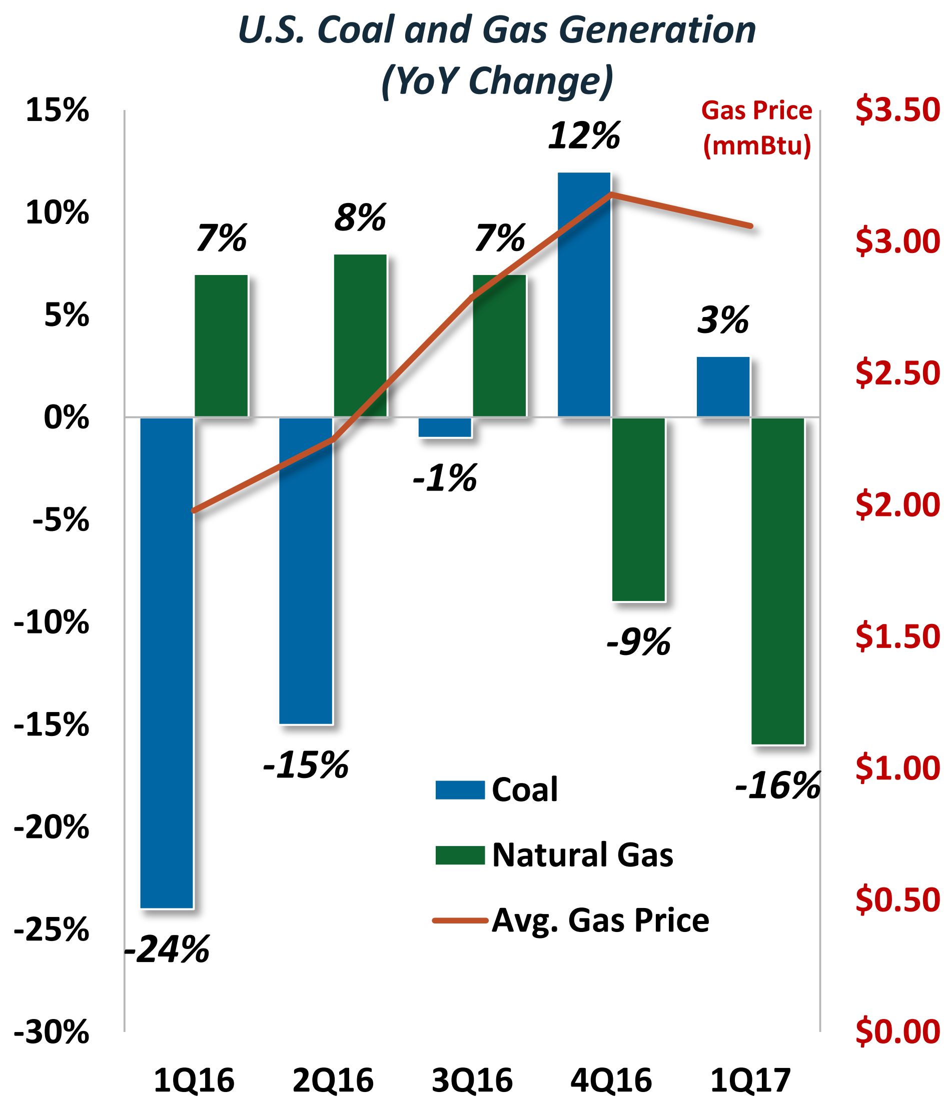
Industry: U.S. Coal Shipments Rise in Q1 2017

- Coal consumption increases 3% in first quarter on higher natural gas prices
  - Demand still lower than expected on mild winter
- Natural gas use declines 16% nationally, ~30% in coal-heavy regions
  - First quarter gas prices up 35% above prior year
- Higher coal shipments lower draw in utility stockpiles
  - Approximately 61 days burn for U.S. in March
- Peabody now projects 2017 U.S. coal demand to rise 30 to 40 million tons compared to 2016 levels



Source: Industry data .

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Industry: Seaborne Met, Thermal Pricing Strong in Q1

Seaborne Metallurgical

- Solid demand in first quarter on 6% increase in global steel production
  - China imports rise 6 million tons on improved GDP and strong steel consumption
  - India imports rise 4% compared to 2016
- Supply disruptions due to Cyclone Debbie result in sharp rise in spot prices
  - Second quarter benchmark negotiations deferred
- Goonyella rail line carrier advises that, across industry, ~20 million tons to be impacted through June 30

Seaborne Thermal

- Strong demand led by sharp growth in imports in China
  - China imports increase 29% in the first quarter over prior year
  - China thermal generation rises 7% through March
- India imports down 22% compared to 2016 on increased domestic supply; elevated stockpiles
- Annual thermal coal settlement deferred due to Cyclone Debbie
  - At quarter end, prompt Newcastle thermal coal prices ~58% above prior year levels

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Source: Industry data and Peabody Global Analytics.

Actions on Policy Front Favorable to Coal Mining and Use

- Pro-growth, tax and regulatory initiatives at macro level
- Administration has taken steps to review or reverse onerous regulations:
  - Repeal of so-called “Stream Protection Rule”
  - Office of Natural Resources Revenue proposes to rescind Coal Valuation Rule
  - EPA files notice of intent to review, rescind or revise “Waters of the U.S” act
  - Review of Clean Power Plan and favorable D.C. circuit ruling
  - Issuance of Energy Independence executive order
  - DOI issues secretarial order ending coal leasing moratorium
  - DOE orders study on threats to reliable baseload power due to premature retirement of coal plants

Peabody Second Quarter Priorities

- Work with customers and value-chain suppliers to quickly build met coal shipments in Queensland
- Resuming full shipments at the Metropolitan hard coking coal mine in New South Wales following expected completion of an extended longwall move in late May
- Continue to export thermal coal shipments at strong capacity levels given high Asian demand
  - Peabody's Australian thermal coal logistics chain unaffected by Cyclone Debbie
  - Company achieves milestone for Wilpinjong Extension Project
- Complete annual review process to optimize mine plans in more favorable short-term pricing environment
- Continue to manage company's cash position and formalize the creation of dividend and capital allocation policies, including debt reduction targets

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Questions?

Reconciliation of Non-GAAP Measures

	Quarter Ended	
	Mar. 2017	Mar. 2016
Tons Sold (In Millions)		
Powder River Basin Mining Operations	31.0	24.6
Midwestern U.S. Mining Operations	4.5	4.5
Western U.S. Mining Operations	3.4	2.9
Total U.S. Mining Operations	38.9	32.0
Australian Metallurgical Mining Operations	2.2	3.3
Australian Thermal Mining Operations	4.6	5.2
Total Australian Mining Operations	6.8	8.5
Trading and Brokerage Operations	0.4	2.0
Total	46.1	42.5
Revenue Summary (In Millions)		
Powder River Basin Mining Operations	$ 394.3	$ 336.0
Midwestern U.S. Mining Operations	193.2	199.6
Western U.S. Mining Operations	149.7	112.5
Total U.S. Mining Operations	737.2	648.1
Australian Metallurgical Mining Operations	328.9	205.1
Australian Thermal Mining Operations	224.8	176.7
Total Australian Mining Operations	553.7	381.8
Trading and Brokerage Operations	31.6	(8.8)
Other	3.7	6.1
Total	$ 1,326.2	$ 1,027.2

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Reconciliation of Non-GAAP Measures

Reconciliation of Non-GAAP Financial Measures		
Income (Loss) from Continuing Operations, Net of Income Taxes	$ 131.0	$ (161.7)
Depreciation, Depletion and Amortization	119.9	111.8
Asset Retirement Obligation Expenses	14.6	13.1
Selling and Administrative Expenses Related to Debt Restructuring	-	14.3
Asset Impairment	30.5	17.2
Change in Deferred Tax Asset Valuation Allowance Related to Equity Affiliates	(5.2)	1.4
Amortization of Basis Difference Related to Equity Affiliates	-	-
Interest Income	(2.7)	(1.4)
Interest Expense	32.9	126.2
Loss on Debt Extinguishment	-	-
Reorganization Items, Net	41.4	-
Unrealized Gains on Non-Coal Trading Derivative Contracts	-	(25.0)
Income Tax Benefit	(4.5)	(65.8)
Adjusted EBITDA (1)	357.9	30.1
Selling and Administrative Expenses for Employee Compensation Programs Related to Chapter 11 Cases	4.5	-
Restructuring Charges	-	12.1
Gain on UMWA VEBA Settlement	-	(68.1)
Corporate Hedging Results	27.6	111.0
Adjusted EBITDAR (2)	$ 390.0	$ 85.1

Adjusted EBITDA (1) (In Millions)		
Powder River Basin Mining Operations	$ 91.7	$ 73.8
Midwestern U.S. Mining Operations	50.0	60.6
Western U.S. Mining Operations	50.0	20.1
Total U.S. Mining Operations	191.7	154.5
Australian Metallurgical Mining Operations	109.6	(37.3)
Australian Thermal Mining Operations	75.6	42.9
Total Australian Mining Operations	185.2	5.6
Trading and Brokerage Operations	25.4	(18.8)
Selling and Administrative Expenses	(37.2)	(34.0)
Corporate Hedging Results	(27.6)	(111.0)
Restructuring Charges	-	(12.1)
Gain on UMWA VEBA Settlement	-	68.1
Other Operating Costs, Net	20.4	(22.2)
Adjusted EBITDA (1)	$ 357.9	$ 30.1

(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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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 have the ability to set the premium HCC benchmark and premium LV PCI benchmark, respectively, with the remainder of products sold at discounts based on coal qualities and properties. On a weighted-average basis across all metallurgical products, Peabody typically realizes approximately 85%-90% of the premium HCC benchmark price for its coking products, and 90%-95% of the premium LV PCI benchmark price for its PCI products.

In Q1 2017, the ratio of the premium LV PCI benchmark price to the premium HCC benchmark price was ~63%.

[2] Approximately ~60% of seaborne thermal sales are executed on a spot basis, with the remainder sold under longer-term contracts. 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 realizes approximately 90%-95% of the Newcastle index price.

[3] Assumes 2Q – 4Q 2017 average 2017 A$ FX rate of $0.75.

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

[5] As of May 4, 2017, Peabody had purchased call options in aggregate notional amount of approximately AUD $1.3 billion to manage market price volatility associated with the Australian dollar at an average strike price of ~$0.77 and settlement dates through December 2017. Sensitivities provided are relative to an assumed average A$ 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 accounting.

Note 2: A sensitivity to changes in seaborne pricing should consider Peabody's estimated split of PCI and coking coal products, the ratio of premium LV PCI to premium HCC benchmark prices, the weighted average discounts across all products to the applicable premium HCC or premium 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) and full exercise of all warrants issued in connection with the company's emergence from Chapter 11. The fully converted shares issued value excludes shares underlying unvested equity awards under Peabody's long-term incentive plan. As of April 26, holders of approximately 36% of preferred stock issued at emergence had converted their shares into common stock.

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