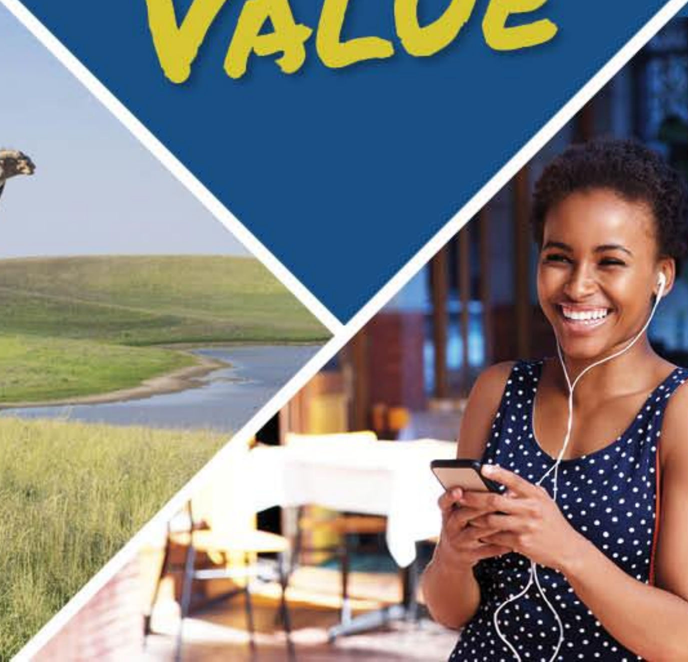
Investor Presentation

December 2018

Delivering **Results**

Generating **Value**



Peabody

Statement on Forward-Looking Information

This presentation contains forward-looking statements within the meaning of the securities laws. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words or variation of words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "targets," "would," "will," "should," "goal," "could" or "may" or other similar expressions. Forward-looking statements provide management's current expectations or predictions of future conditions, events or results. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. They may include estimates of revenues, income, earnings per share, cost savings, capital expenditures, dividends, share repurchases, liquidity, capital structure, market share, industry volume, or other financial items, descriptions of management's plans or objectives for future operations, or descriptions of assumptions underlying any of the above. All forward-looking statements speak only as of the date they are made and reflect the company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the company disclaims any obligation to publicly update or revise any forward-looking statement, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive and regulatory factors, many of which are beyond the company's control, that are described in our Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2017, as well as additional factors we may describe from time to time in other filings with the SEC. You may get such filings for free at our website at www.peabodyenergy.com. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

Peabody Offers Compelling Investment Opportunity: Key Points

1. Peabody's scale, assets and diversity position the company for best success
2. Current seaborne thermal conditions are strong; Peabody has a major thermal platform delivering excellent margins
3. Current seaborne met supply/demand fundamentals are tight; Peabody taking steps to upgrade our met coal business
4. Peabody's U.S. platform continues to consistently deliver margins that surpass peers
5. We are generating substantial cash, maintaining financial strength, investing wisely and returning cash to shareholders
6. Peabody takes pride in ESG practices and the components of what we call "Coal Done Right"

ONE: Peabody's Scale, Assets and Diversity Position the Company for Best Success

North Antelope Rochelle Mine

BTU Offers Compelling Investment Opportunity

Investment Thesis

We're the leading global pure-play coal company, serving power and steel customers in more than 25 countries on 6 continents… We have significant scale, high-quality assets and diversity in geography and products

Financial Approach

1. *Generate Cash*
2. *Maintain Financial Strength*
3. *Invest Wisely*
4. *Return Cash to Shareholders*

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Peabody's Significant Scale Offers Numerous Benefits

- High reserve-to-production ratio allows for optimized mine planning, solid cost structure and expansion optionality
- Benefits customers by providing flexible production and sourcing, "alternative brand name" for supplier diversification
- Enables sharing of skills, knowledge, equipment, contracts and best practices
- Scalable SG&A and shared trading, administrative and technical services
- Improves access to financial markets

'The Peabody Way'

192

Million tons of coal sales

5.2

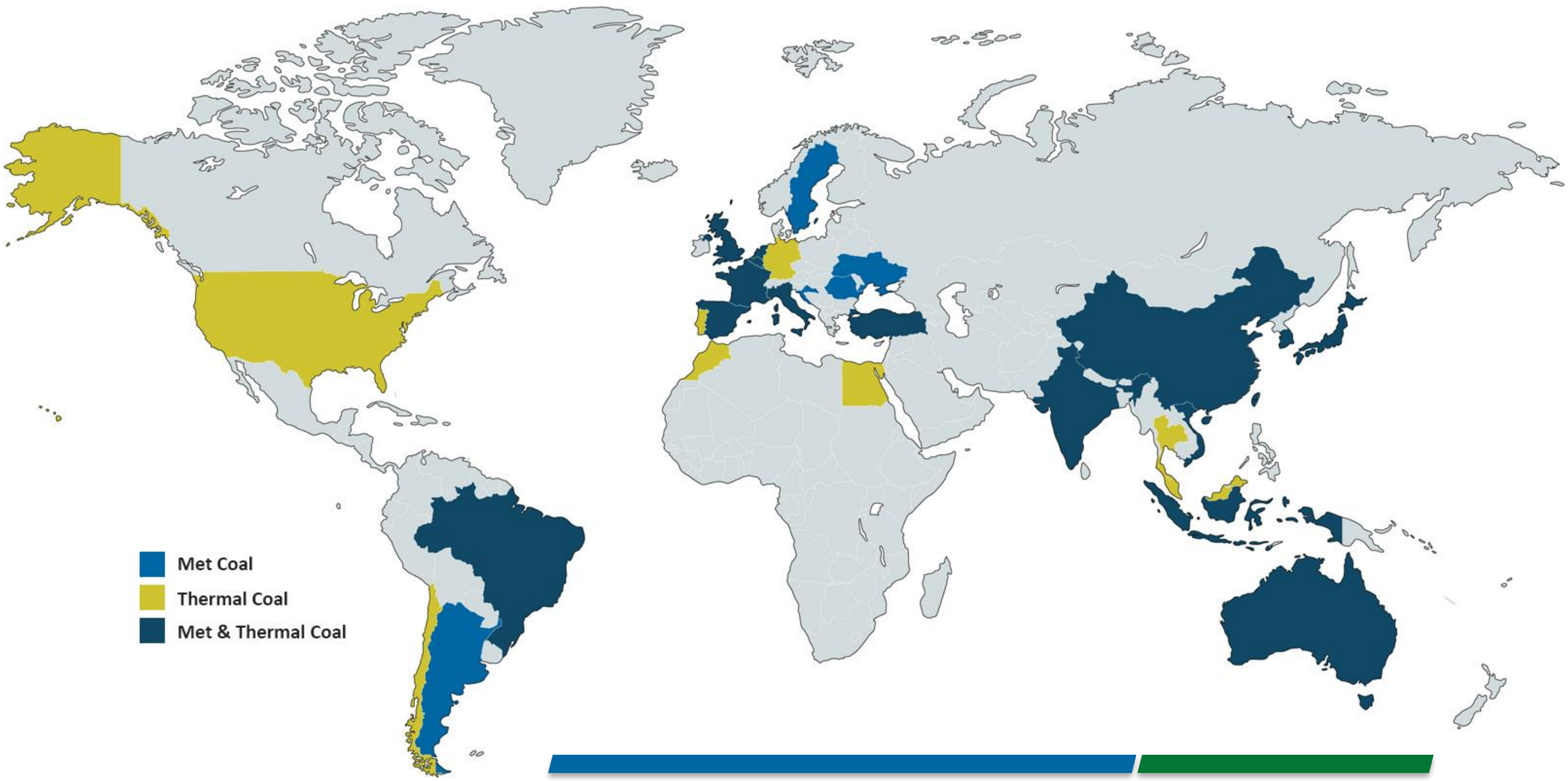
Billion tons of proven and probable reserves

23

Operations in 8 states and 2 flagship countries

Note: Coal sales and proven and probable reserves as of Dec. 31, 2017.

Company Offers Extensive Scale and Diversity of Geography, Customers and Products

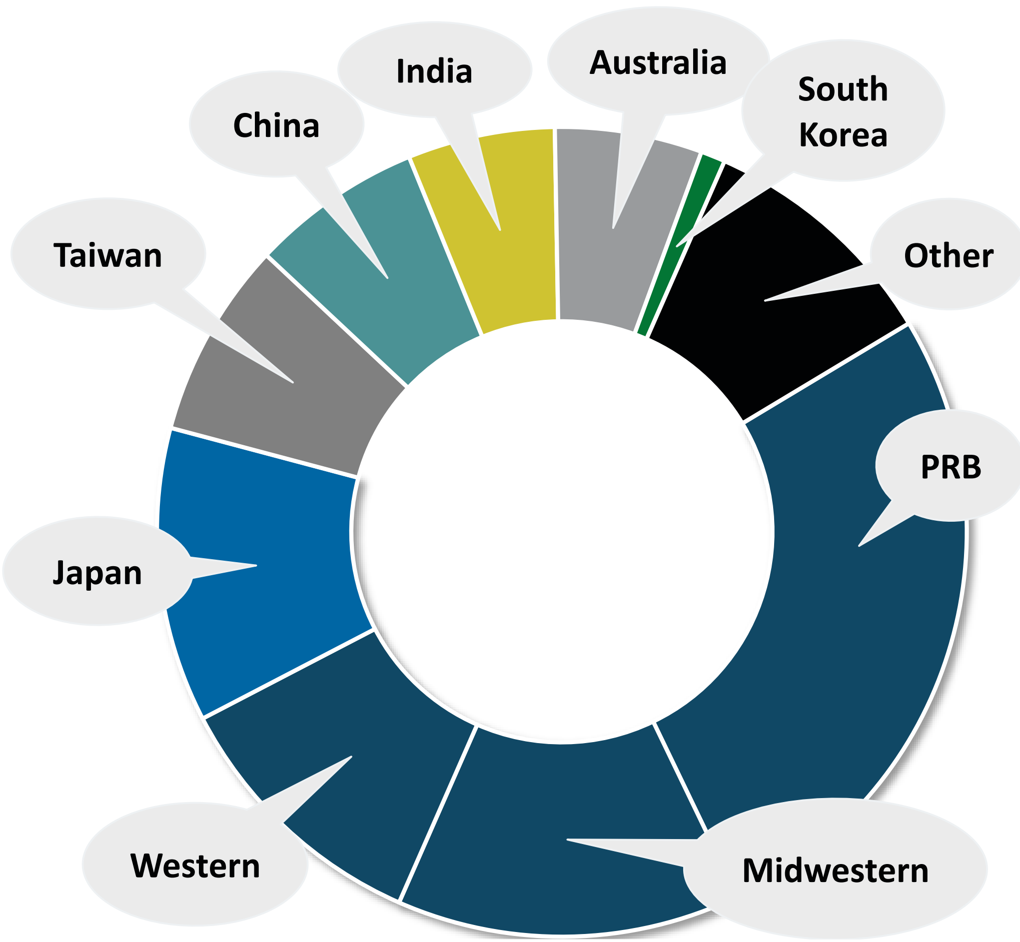


Serving more than 25 countries on 6 continents

Note: Highlighted countries represent customers served in at least one year between 2015 – 2017.

Diversity Offers Significant Competitive Advantage

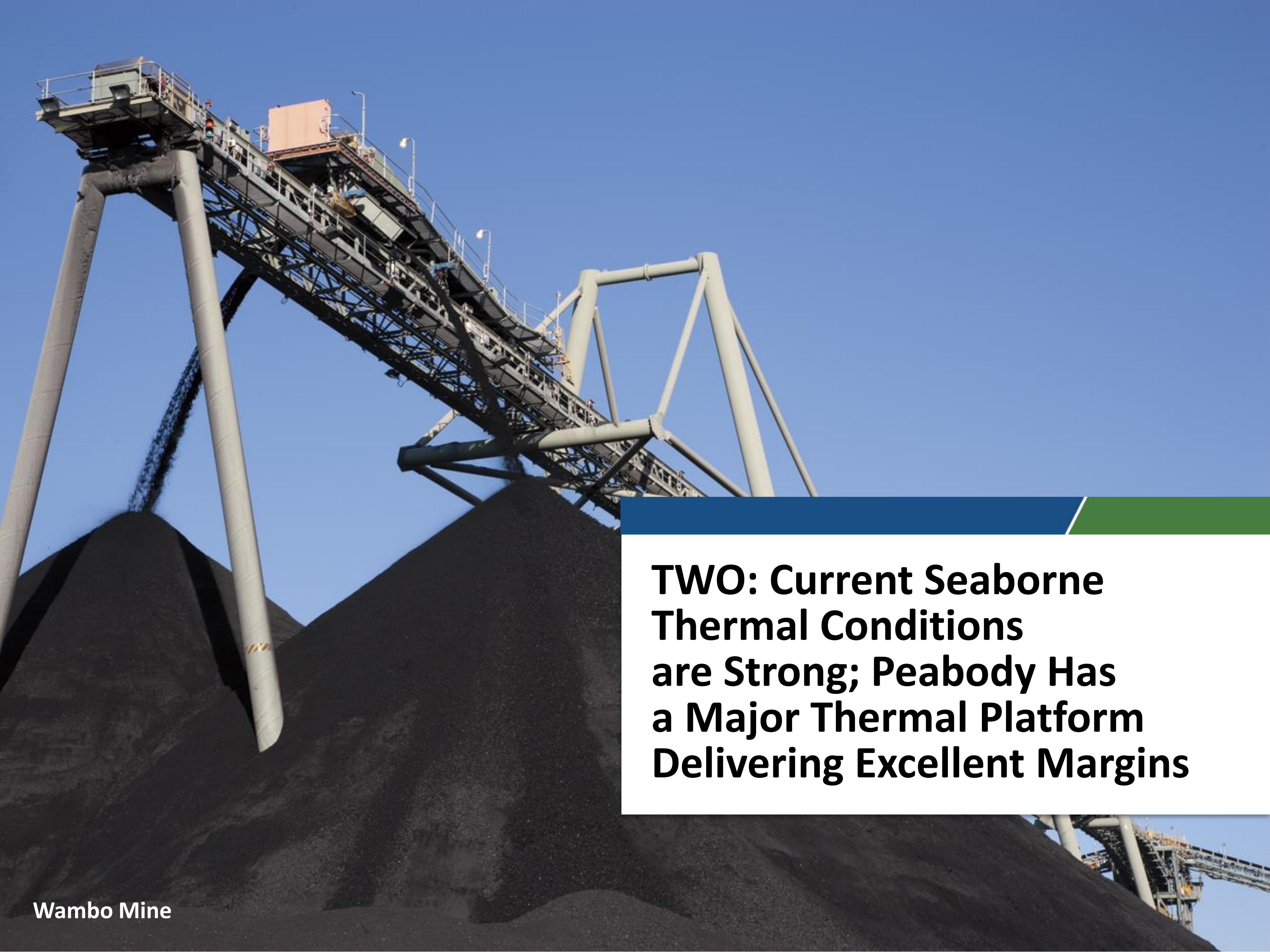
Percentage of Total Revenue from Customer Geographic Region in 2017



- Large number of revenue streams
- Multi-regional exposure limits operating, logistics and demand risks
- Increased risk-adjusted returns; non-correlative demand drivers
- Movements in currency and economic fundamentals
- Regulatory, political diversification

Peabody

Note: The company attributes revenue to individual regions based on the location of the physical delivery of the coal. Revenue percentage for FY 2017.

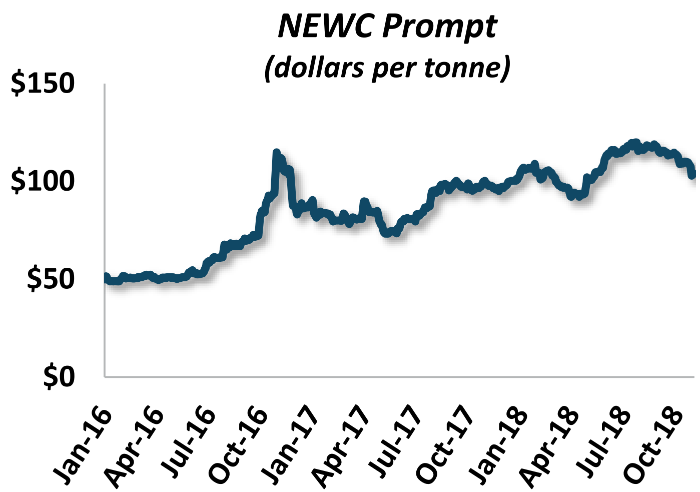


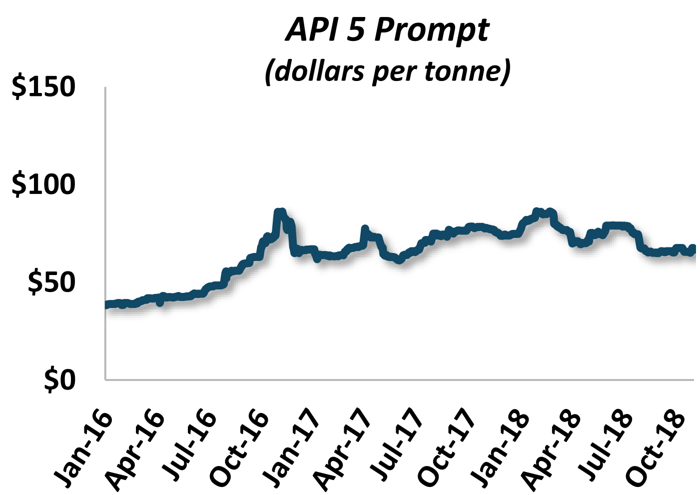
TWO: Current Seaborne Thermal Conditions are Strong; Peabody Has a Major Thermal Platform Delivering Excellent Margins

Wambo Mine

Industry: Coal Remains Major Part of Global Energy Mix; Fuels 37% of Global Electricity

- Seaborne thermal coal pricing supported by strong demand
  - Chinese thermal imports rise 27 million tonnes through September on continued rise in generation
  - India seaborne demand up 20 million tonnes, despite 8% increase in domestic production
  - ASEAN imports up 9% as new coal-fueled generation came online
- IHS Markit predicts total global coal generation capacity to increase 15% by 2030
  - While ROW coal-fueled capacity expected to decline 125 GW from 2017 – 2030, Asia capacity to rise 439 GW





Source: Industry reports and Peabody Global Analytics. Electricity generation from IEA World Energy Outlook 2017.

Peabody Seaborne Coal Platform Earning Substantial Margins With Tier One Assets

1 Australia positioned to serve both developed and higher-growth Asia-Pacific demand centers

2 Seaborne thermal coal strengthens and diversifies Peabody's portfolio

3 Australian mines offer thermal coal products to multiple countries

4 Tier-one thermal segment with quality assets; 48% margins in Q3 2018

5 Export volumes of 11.5 to 12.5 million TPY garnering 85% to 95% of NEWC benchmark

6 Thermal coal proven/probable reserves total more than 275 million tons

Peabody

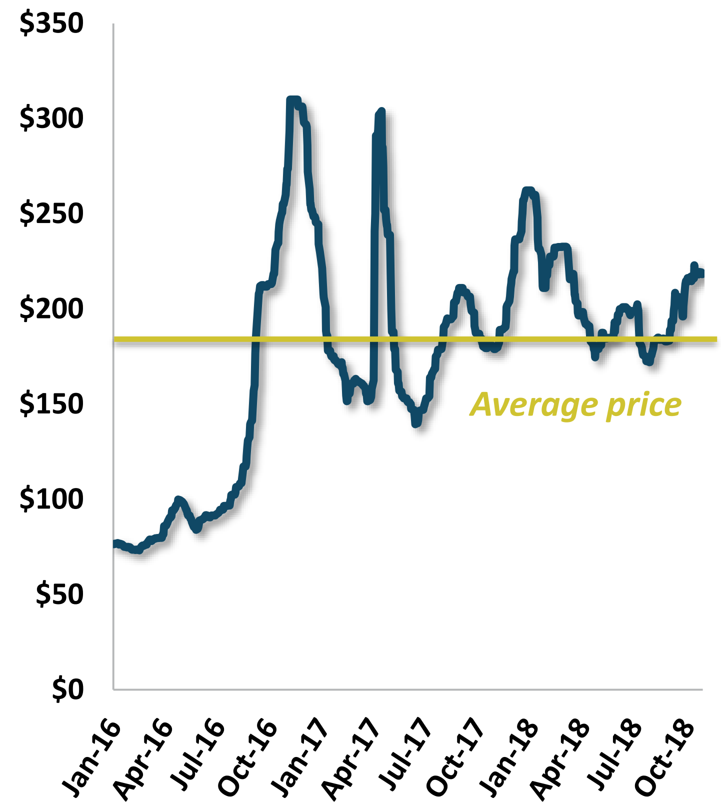
Note: Metallurgical coal volumes include the expected Shoal Creek acquisition in the fourth quarter of 2018. Proven and probable reserves as of Dec. 31, 2017.

THREE: Current Seaborne Met Supply/Demand Fundamentals are Tight; Peabody Taking Steps to Upgrade Met Coal Business

Industry: Metallurgical Coal Enables Continued Growth in Steel Production; 74% of World's Steel is Produced Using Coal

- Seaborne met conditions remain robust on strong demand and tight supply
- Strength in global steel production; up 5% through September
- India met coal imports rise 10% through September; More than offset 2 million tonne decline from China
  - China imports down due to larger reliance on domestic supply
- Australian exports increase 2 million tonnes through September (2017 period impacted by Cyclone Debbie)
- Vast majority of seaborne met supply growth expected to come from Australia

Spot HCC Pricing
(dollars per tonne)



Source: Industry reports and Peabody Global Analytics.

Peabody Taking Steps to Upgrade Met Coal Business

1. Australia met mines positioned to serve higher-growth Asia-Pacific demand centers
2. Seaborne met coal strengthens and diversifies Peabody's portfolio
3. Australian met coal mines offer quality export met coal products to multiple countries
4. Shoal Creek acquisition represents 2+ MTPY of high-vol A seaborne met coal
5. With Shoal Creek, Peabody proven/probable met coal reserves total ~300 million tons
6. Reserve position and lease development areas offer long-term optionality

Note: Proven and probable reserves as of Dec. 31, 2017.

Peabody Completes Accretive Shoal Creek Acquisition; Transaction Meets Strict Investment Filters

- Purchase includes mine, prep plant and logistical assets
- Excludes legacy liabilities other than reclamation
- New labor agreement excludes prior multi-employer pension liabilities; Replaced with 401(k) program
- Offers tangible synergies; No increase to federal cash tax outlays given Peabody's significant NOL position

Shoal Creek Mine offers significant competitive advantages with location directly on Black Warrior River in Central Alabama.

REPRESENTS HIGHLY ATTRACTIVE VALUATION

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Transaction Provides Upgrade to Seaborne Met Coal Portfolio; Adds ~2 Million Tons+ Per Year of Seaborne Hard Coking Coal

Shoal Creek Mine produced 2.1 million tons of hard coking coal in 2017 for steel mills in Asia and Europe. Mine represents Peabody's 8th underground mine and 5th longwall operation.

- Proven and probable reserves total 58 million tons
  - Current mine plan accessing 17 million tons with minimal capital investment
  - Relatively low cap-ex to develop additional reserves
- Product typically prices at or near high-vol A index
- Produced 2 million tons through nine months 2018
  - Net income of $162 million
  - Adjusted EBITDA of $163 million

Note: Net income and Adjusted EBITDA YTD through September 30, 2018. Adjusted EBITDA is a non-GAAP metric. Refer to the reconciliation to the nearest GAAP measure in the appendix.

North Goonyella: Update on Incident Management

- Transitioning to assessment and planning phase; Comes before re-ventilation, re-entry and any potential restart of operations
- Multiple scenarios being evaluated:
  - Accessing developed next panel (10 North)
  - Moving to southern panels (GM South) where development
    was in early stages

North Goonyella Prep Plant

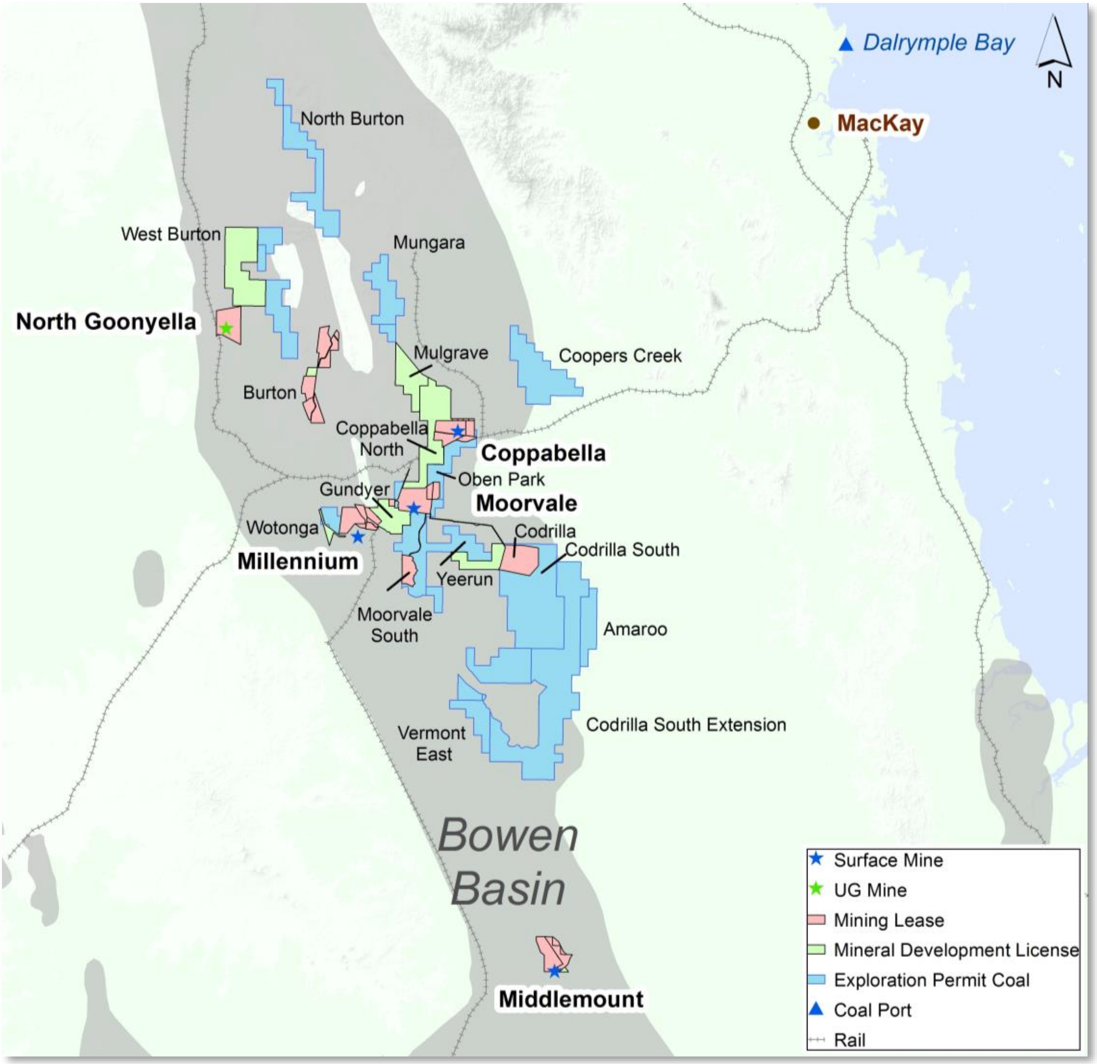
Peabody

Middlemount Joint Venture Offers Economic Exposure to ~2 Million Met Tons Annually

- Peabody owns 50% equity interest in Middlemount
- Share of operations delivered 2.1 million tons in 2017
  - Mix of semi-hard coking coal, LV PCI
  - Port capacity through Abbot Point, future capacity secured at DBCT
- Earned YTD 2018 Adjusted EBITDA of $42 million, reflecting Peabody's share of Middlemount's net income
  - Peabody collected ~$80 million of loan and other cash repayments in 2018
- Over 10 years of reserves at current production profile

Note: Adjusted EBITDA is a non-GAAP metric. YTD Adjusted EBITDA is through Sept. 30, 2018. Refer to the reconciliation to the nearest GAAP measure in the appendix. All metrics reflect Peabody's 50% ownership share in Middlemount.

Potential Opportunities for Metallurgical Development and Organic Growth in Bowen Basin Over Time



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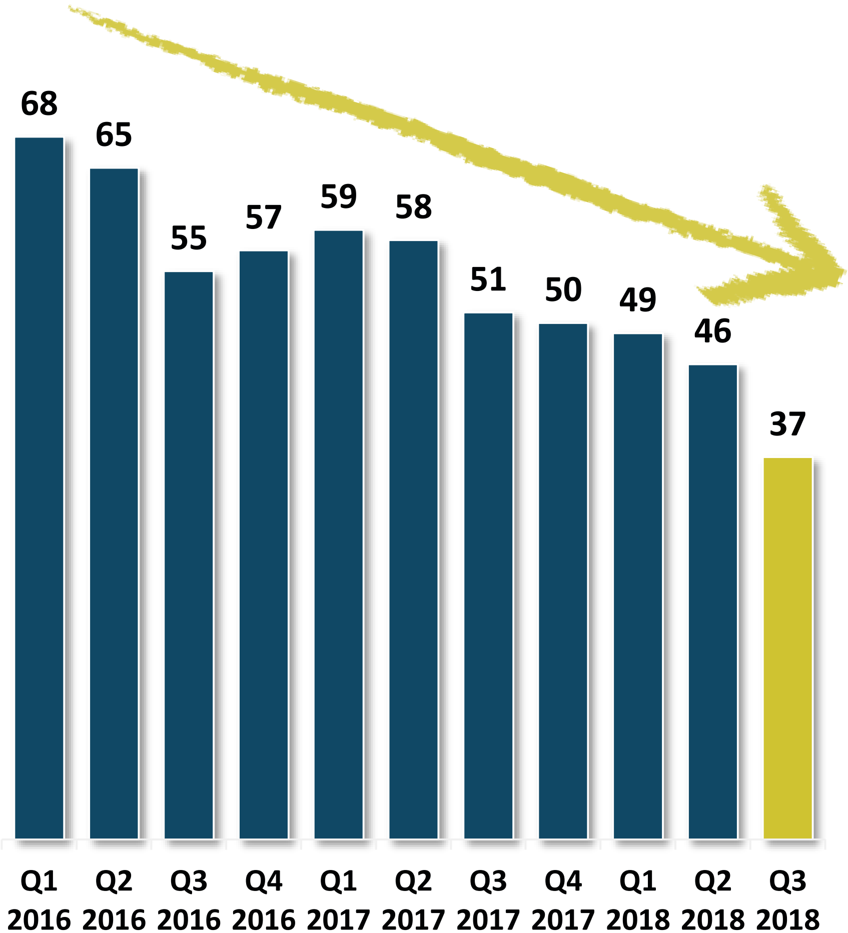
FOUR: Peabody's U.S. Platform Continues to Consistently Deliver Margins that Surpass Peers

North Antelope Rochelle Mine

U.S. Coal Stockpiles Reach Lowest Levels Since 2005 as Decline in Domestic Use Overcome by Lower Production, Export Rise

U.S. Utility Coal Stockpiles
(Max Days Burn)



- Total load up 4% through September; Coal demand down 5%, primarily due to plant retirements and increased gas and renewable generation
- Overall coal production declines 2% through first nine months of 2018
- Total thermal coal exports up 51% through August
  - ILB exports up 82%
- Stockpiles reach lowest levels since 2005
  - SPRB stockpiles at 37 max days burn, down 12 days from 2017 levels

Source: Industry reports and Peabody Global Analytics. U.S. utility coal stockpiles as of Sept. 30, 2018.

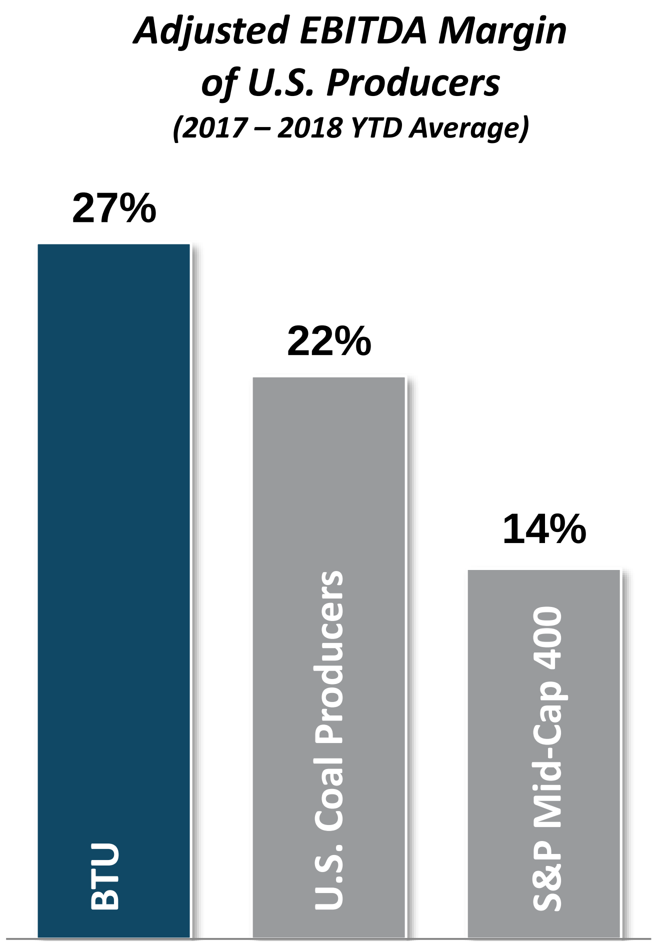
U.S. Operations:
Multiple Benefits for Peabody

1. Strategically positioned in best U.S. regions serving broad customer base
2. Strong cash generator offering meaningful returns
3. Operates regions as complexes, sharing resources for best value
4. PRB operations routinely deliver margins above other producers
5. Contracting strategy provides long-term revenue visibility
6. Substantial reserve position in the U.S. representing ~30 years of implied production

Peabody

Note: Implied production based on 2017 U.S. proven and probable reserves divided by 2017 U.S. production.

Adjusted EBITDA Margins Superior To Other Coal Competitors, S&P Mid-Cap 400



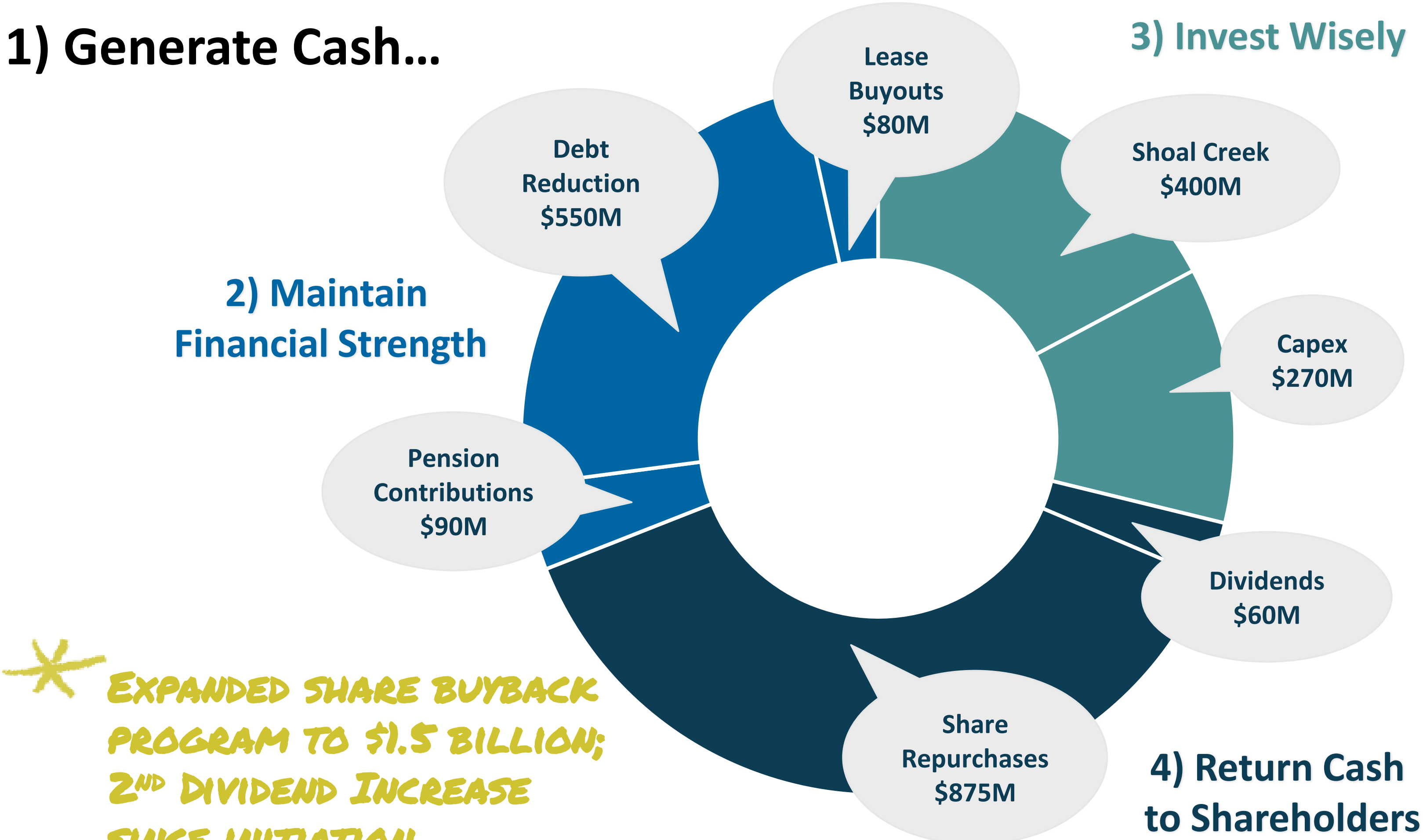
- Diversified platform with access to higher growth demand centers leads to ~23% higher total Adjusted EBITDA margins than other U.S. coal producers
  - Strong operational contributions
  - Manageable SG&A
- BTU Adjusted EBITDA margins 93% better than S&P Mid-Cap 400 average

Source: Most-recent public company reports as of Nov. 5, 2018. Other U.S. producers include ARCH, CLD, CEIX, CNTE, HNRG, METC and HCC. Adjusted EBITDA margin is a non-GAAP measure and may not be calculated identically by all companies. Please refer to the appendix for information on this non-GAAP measure.

FIVE: We are Generating Substantial Cash, Maintaining Financial Strength, Investing Wisely and Returning Cash to Shareholders

Rawhide Mine

Substantial Cash Generation Allows Company to Implement Holistic Capital Allocation Since April 2017

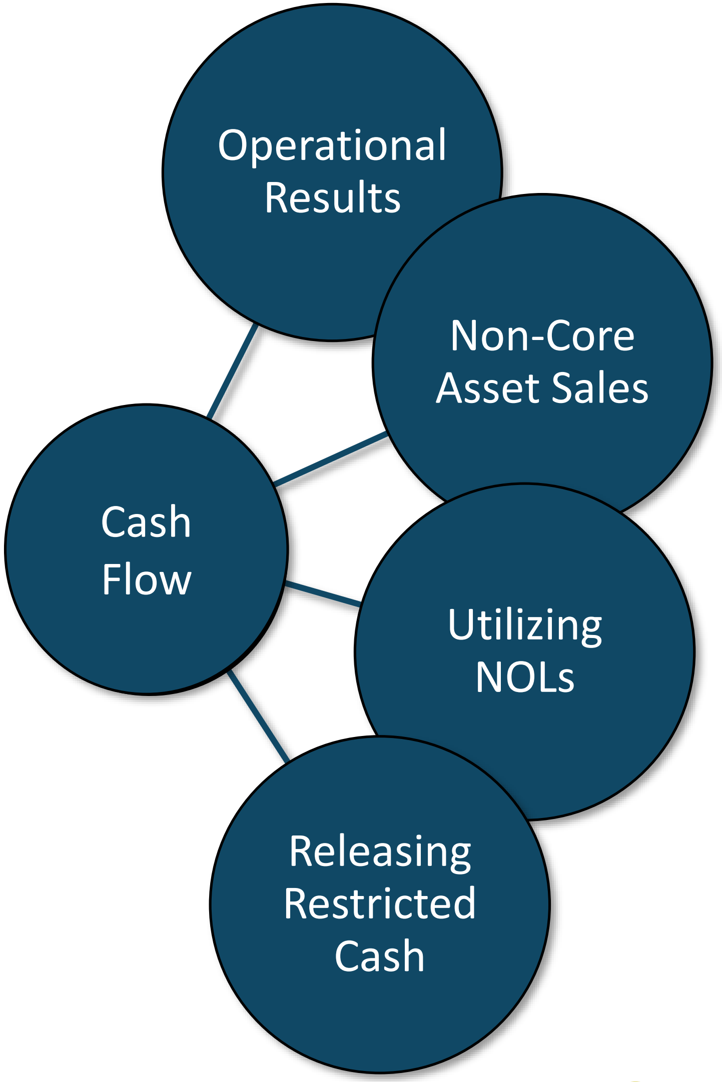


Expanded share buyback program to $1.5 billion; 2ND Dividend Increase since initiation

Note: Stats from April 2, 2017 through Sept. 30, 2018. Dividends include quarterly dividend payable on Nov. 21, 2018. Capex excludes lease buyouts, shown in Maintain Financial Strength. Shoal Creek purchase price of $400 million, subject to customary working capital adjustments upon expected closing in the fourth quarter.

Generate Cash – First Component of Financial Approach

- Operational results paramount to strong cash generation
- Non-core asset sales provide incremental cash flows
- Substantial global NOL positions significantly limit future cash taxes for extended time
  - ~$3.7 billion U.S. NOLs; ~70% unlimited by Section 382
  - ~A$3.8 billion Australian NOLs
  - $105 million cash tax refunds in 2018
  - $85 million AMT credits refunded in 2019 and beyond
- Released all remaining restricted cash during first half of 2018



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Maintain Financial Strength – Now Within Targeted Debt Range

Debt & Liquidity ($ in millions)	Sept. 2018 Balance
Unrestricted Cash & Cash Equivalents	$1,371
Revolver Availability	$246
ARS Availability	$78
Total Liquidity	**$1,695**
Total Funded Debt	$1,376
Net Debt	**$5**

Other Liabilities ($ in millions)	Dec. 2017 Balance	2017 Cash
OPEB	$783	$42
ARO	$691	$27
Pension	$98	$30

- $800 million liquidity target
- Potential to increase available revolver liquidity over time, reducing required cash balance
- Total debt now at the higher end of long-term debt target; Manageable maturity profile

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Note: FY 2017 expense amounts include predecessor and successor results. Liability balances include current and non-current balances. 2018 pension cash expense $62 million through Sept. 30, 2018.

Invest Wisely – Peabody Applies Strict Investment Filters

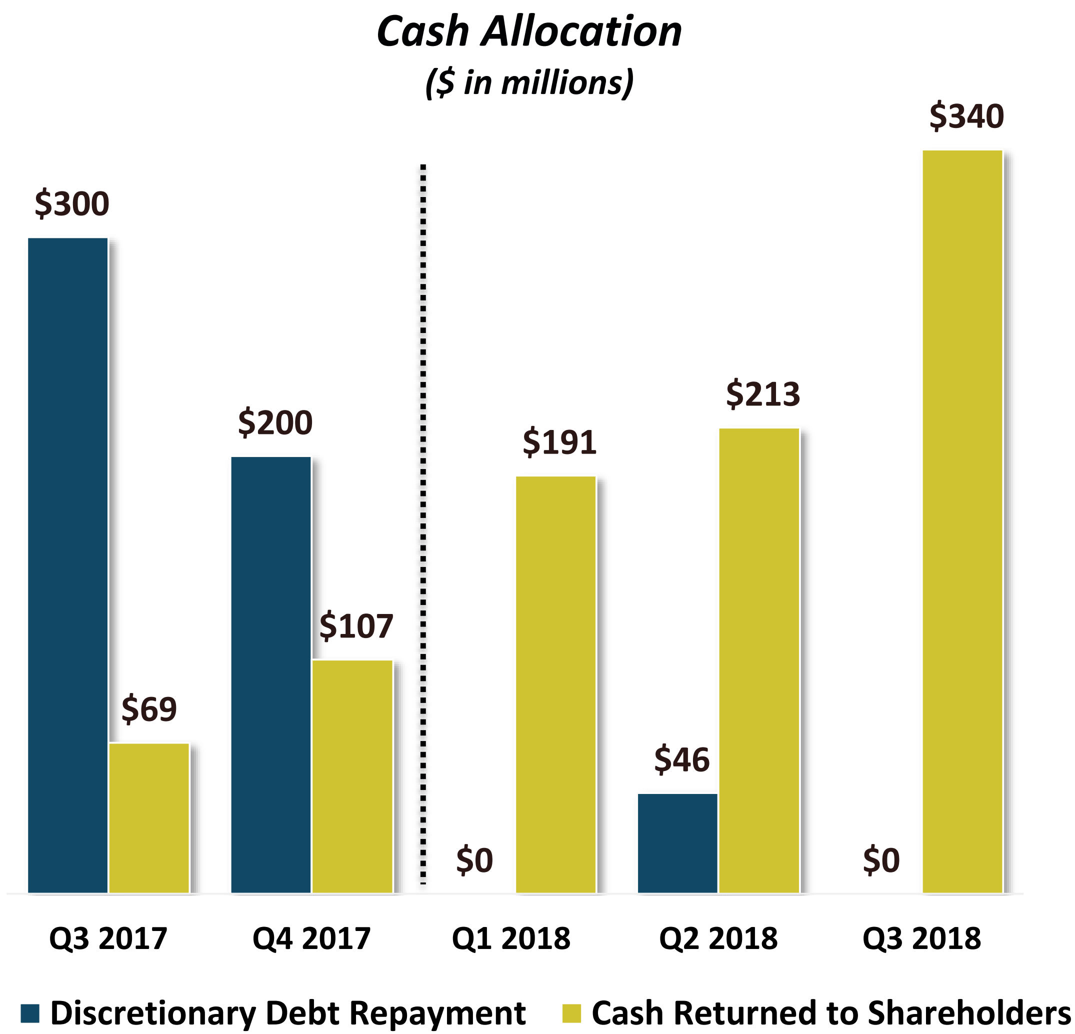
- Particular emphasis on level and timing of returns
- Earned 21% ROIC in 2017, well above WACC of ~10%
- Shoal Creek acquisition is strategic investment that passes strict filters
- During past 18 months, ~80% of investment in the platform has been dedicated to seaborne products

INVESTMENT FILTERS

- Maintain financial strength
- Fit within strategic focus areas: PRB, ILB, seaborne met/thermal
- Provide expected returns above WACC
- Offer reasonable payback period
- Bring tangible synergies
- Create value for shareholders

Note: ROIC of 21% reflects Peabody's ROIC post-emergence (2Q – 4Q 2017); ROIC equals Adjusted Net Operating Profit After Tax divided by Average Invested Capital Base.

Return Cash to Shareholders –
Share Repurchases, Dividends Accelerated



- Total share repurchases up to ~$875 million
  - $325 million share bought back in Q3
- 22.8 million shares repurchased thus far
  - Represent 17% of shares outstanding since initiation of buyback program
- Dividend per share increases 13% since inception of program
  - Repurchases allow for consistent dividend cash outflows

Note: Percent of shares repurchased based on 137.3 million shares outstanding on a fully converted basis as of relisting (approximately 114.5 million shares outstanding as of Sept. 30, 2018).

SIX: Peabody Takes Pride in ESG Practices and Components of What We Call “Coal Done Right”

North Antelope Rochelle Mine

Governance: Board of Directors Represents Broad Experience, Skills and Expertise

- **Robert Malone** – Executive Chairman, President and CEO of First Sonora Bancshares, Inc., and Chairman, President and CEO of First National Bank of Sonora, Texas; Former Chairman of the Board and President of BP America Inc.
- **Nicholas Chirekos** – Former Managing Director, North America Head of Mining, J.P. Morgan Securities Inc.
- **Stephen Gorman** – CEO of Air Methods Corporation; Former President and CEO of Borden Dairy Company; Former COO of Delta Air Lines, Inc.
- **Glenn Kellow** – President and CEO of Peabody; Chairman of World Coal Association and Vice Chairman of International Energy Agency's Coal Industry Advisory Board
- **Joe Laymon** – Former Vice President of Human Resources and Corporate Services for Chevron Corp.
- **Teresa Madden** – Former Executive Vice President and CFO of Xcel Energy, Inc.
- **Kenneth Moore** – President of KWM Advisors, Inc.; Former Managing Director of First Reserve Corporation
- **Michael Sutherlin** – Former President, CEO and Director of Joy Global Inc.
- **Shaun Usmar** – CEO of Triple Flag Mining Finance Ltd.; Former Senior Executive Vice President and CFO of Barrick Gold

* 8 OF 9 DIRECTORS INDEPENDENT

Peabody

Governance: Executive Leadership Team

- **Glenn Kellow** –
  President and CEO
- **Verona Dorch** –
  EVP, Chief Legal Officer, Government Affairs and Corporate Secretary
- **Charles Meintjes** –
  EVP Corporate Services and Chief Commercial Officer
- **Paul Richard** –
  SVP and Chief Human Resources Officer
- **George J. Schuller Jr.** –
  President Australia
- **Amy Schwetz** –
  EVP and CFO
- **Kemal Williamson** –
  President Americas

From Left: Paul Richard , Verona Dorch , Kemal Williamson,
Amy Schwetz, Glenn Kellow, George J. Schuller Jr., Charles Meintjes

Peabody

Support for Highly Responsible Coal Mining and Use

SUSTAINABLE

Strong attention to operational excellence by committing to safe workplaces, maximizing resource recovery, improving environmental performance and restoring mined lands

ESSENTIAL

Initiatives to promote expanded access to reliable, low-cost electricity through partnerships, policy and engagement with key stakeholders

ADVANCED

Support for greater deployment of advanced coal technologies and carbon capture, utilization and storage technologies to further reduce emissions

'COAL DONE RIGHT'

Peabody

Peabody ESG Principles Embodied in Holistic Approach and Highlighted in 2017 CSR Report

Environmental

- Commitment to sustainable mining practices
- Restored 1.4 acres for every acre disturbed
- Sponsor of Global Clean Coal Awards; Advocate for HELE/CCUS
- Recycled/reused about 72% of total waste
- Report 6 water/waste indicators in reference to GRI framework
- Earned 100 honors since 2000 for reclamation activities

Social

- Provided $10.6 billion in direct/indirect economic benefits
- Safety performance continues to outperform industry averages
- Support majority of U.N. Sustainable Development Goals
- Signatory to CEO Action for Diversity & Inclusion® pledge
- Named Employer of Year for sector by Corporate LiveWire
- Award-winning Corporate and Social Responsibility Report

Governance

- CEO and Chairman separate and 8 of 9 directors independent
- Strong focus on good governance, strategy and management
- Emergence grants to all employees to align with shareholders
- Management compensation based on safety, free cash flow per share, EBITDA, ROIC, TSR, environmental performance
- 2016, 2017 best global responsible mining company – CFI

Peabody

Note: Peabody's 2017 Corporate and Social Responsibility Report is available on PeabodyEnergy.com.

Appendix

Peabody

2018 Guidance Targets

Sales Volumes (Short Tons in millions)	
PRB[1]	115 – 120
ILB	18.5 – 19.5
Western	14 – 15
Total U.S.	147.5 – 154.5
Aus. Metallurgical[2]	11.0 – 12.0
Aus. Export Thermal[3]	11.5 – 12.5
Aus. Domestic Thermal	7.0 – 8.0
Total Australia	29.5 – 32.5

U.S. Operations - Revenue per Ton	
Total U.S.	$17.75 – $18.50

U.S. Operations - Costs Per Ton	
PRB	$9.25 – $9.75
ILB	$33.50 – $35.50
Total U.S.	$14.00 – $14.75

Australia Operations - Costs per Ton (USD)[4]	
Metallurgical	~$100
Thermal	$32 – $36

Capital Expenditures	$275 – $325 million
Quarterly SG&A Expense	~$40 million
Interest Expense[5]	~$150 million

Cost Sensitivities[6]	
$0.05 Decrease in A$ FX Rate[7]	+ ~$30 million
$0.05 Increase in A$ FX Rate[7]	- ~$30 million
Fuel (+/- $10/barrel)	+/- ~$8 million

2018 Priced Position (Avg. Price per Short Ton)	
PRB	$11.81
ILB	~$42
4Q Australia Export Thermal Volumes	~$83

Peabody's 2018 U.S. volumes are fully priced

~65% and ~75% of Peabody's 2019 U.S. volumes are priced and committed, respectively, based on the mid-point of 2018 volume guidance

~2.4 million short tons of Australia export thermal coal are priced for the fourth quarter of 2018

2019 Priced Position (Avg. Price per Short Ton)	
Australia Export Thermal	~$79

~3.3 million short tons of Australia export thermal coal priced for 2019

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2018 Guidance Targets

[1] For full-year 2018, Peabody is targeting the higher end of its range for PRB coal sales volumes.

[2] Metallurgical coal sales volumes may range from ~55%-65% PCI and ~35%-45% coking coal (including semi-hard and semi-soft coking coals). Approximately 30% of seaborne coking sales may be priced on a spot basis, with the remainder linked to an index. Approximately 30% of seaborne PCI sales may be priced on a spot basis, with the remainder linked to the quarterly LV PCI benchmark. 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. In 4Q 2018, metallurgical sales will consist of ~70% PCI and ~30% coking coal. For full-year 2018, Peabody is targeting the lower end of its range for its metallurgical coal sales volumes.

The North Goonyella Mine receives the PHCC index quoted price and the Coppabella Mine typically sets the LV PCI benchmark, 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 PHCC index quoted price for its coking products, and 85%-90% of the LV PCI benchmark price for its PCI products. Peabody expects to realize approximately 70%-80% of the PHCC index quoted price for its coking products in 4Q 2018.

[3] 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 expects to realize approximately 85%-95% of the Newcastle index price. For full-year 2018, Peabody is targeting the lower end of its range for its seaborne thermal coal sales volumes.

[4] Assumes 2018 average A$ FX rate of $0.75. Cost ranges include sales-related cost, which will fluctuate based on realized prices.

[5] Interest expense includes ~$3M in fees associated with amendments of debt agreements and $4M non-cash expense associated with certain contractual arrangements.

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

[7] As of October 30, 2018, Peabody had outstanding average rate call options to manage market price volatility associated with the Australian dollar in aggregate notional amount of approximately AUD $0.5 billion with strike price levels ranging from $0.79 to $0.82 and settlement dates through December 31, 2018, and AUD $0.5 billion aggregate notional amount with average strike price levels ranging from $0.76 to $0.79 and settlement dates from January, 1, 2019 through June 30, 2019. Sensitivities provided are relative to an assumed average A$ FX exchange rate of $0.73 for the remainder of 2018.

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.

Note 2: A sensitivity to changes in seaborne pricing should consider Peabody's estimated split of PCI and coking coal products, the ratio of PLV PCI benchmark to PLV HCC index quoted price, the weighted average discounts across all products to the applicable PLV HCC index quoted price or PLV 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: As of September 30, 2018, Peabody had approximately 114.5 million shares of common stock outstanding. On a fully diluted basis, Peabody has approximately 116.2 million shares of common stock.

Historical Seaborne Pricing ($/Tonne)

Time Period	HCC – Settlement	HCC – Spot	LV PCI – Settlement	LV PCI – Spot	NEWC – Spot	API 5 - Prompt
Q3 2018	$188	$189	$150	$128	$117	$69
Q2 2018	~$197	$190	$155	$140	$104	$75
Q1 2018	$237	$228	$156.50	$149	$103	$82
Q4 2017	$192	$205	$127	$126	$98	$76
Q3 2017	$170	$189	$115/$127	$117	$93	$74
Q2 2017	$194	$190	$135	$124	$80	$67
Q1 2017	$285	$169	$180	$110	$82	$65
Q4 2016	$200	$266	$133	$159	$94	$73
Q3 2016	$93	$135	$75	$88	$66	$55
Q2 2016	$84	$91	$73	$72	$52	$43

Source: HCC and LV PCI spot prices per Platts; NEWC spot price per ICE Futures; Settlement prices per IHS Markit benchmark history.

Reconciliation of Non-GAAP Measures

	Successor		Successor		Predecessor	Combined
	Quarter Ended		Nine Months Ended	Apr. 2 through	Jan. 1 through	Nine Months Ended
	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017	Apr. 1, 2017	Sept. 30, 2017
Tons Sold (In Millions)						
Powder River Basin Mining Operations	31.7	33.7	90.3	62.2	31.0	93.2
Midwestern U.S. Mining Operations	4.9	4.9	14.3	9.5	4.5	14.0
Western U.S. Mining Operations	4.0	4.0	11.2	7.2	3.4	10.6
Total U.S. Mining Operations	40.6	42.6	115.8	78.9	38.9	117.8
Australian Metallurgical Mining Operations	2.8	3.5	8.7	5.5	2.2	7.7
Australian Thermal Mining Operations	4.8	5.2	13.6	9.8	4.6	14.4
Total Australian Mining Operations	7.6	8.7	22.3	15.3	6.8	22.1
Trading and Brokerage Operations	0.9	0.7	2.4	1.4	0.4	1.8
Total	49.1	52.0	140.5	95.6	46.1	141.7
Revenue Summary (In Millions)						
Powder River Basin Mining Operations	$ 373.7	$ 420.9	$ 1,084.5	$ 786.3	$ 394.3	$ 1,180.6
Midwestern U.S. Mining Operations	208.5	207.7	607.7	402.6	193.2	595.8
Western U.S. Mining Operations	156.1	155.7	439.4	281.1	149.7	430.8
Total U.S. Mining Operations	738.3	784.3	2,131.6	1,470.0	737.2	2,207.2
Australian Metallurgical Mining Operations	370.3	415.9	1,254.0	703.7	328.9	1,032.6
Australian Thermal Mining Operations	305.1	265.8	773.9	505.0	224.8	729.8
Total Australian Mining Operations	675.4	681.7	2,027.9	1,208.7	553.7	1,762.4
Trading and Brokerage Operations	22.6	19.4	52.7	24.6	15.0	39.6
Corporate and Other	(23.7)	(8.2)	(27.5)	32.2	20.3	52.5
Total	$ 1,412.6	$ 1,477.2	$ 4,184.7	$ 2,735.5	$ 1,326.2	$ 4,061.7

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Reconciliation of Non-GAAP Measures

	Successor		Successor		Predecessor	Combined
	Quarter Ended		Nine Months Ended	Apr. 2 through	Jan. 1 through	Nine Months Ended
Reconciliation of Non-GAAP Financial Measures (In Millions)	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017	Apr. 1, 2017	Sept. 30, 2017
Income (Loss) from Continuing Operations, Net of Income Taxes	$ 83.9	$ 233.7	$ 412.2	$ 335.1	$ (195.5)	$ 139.6
Depreciation, Depletion and Amortization	169.6	194.5	503.1	342.8	119.9	462.7
Asset Retirement Obligation Expenses	12.4	11.3	37.9	22.3	14.6	36.9
Asset Impairment	-	-	-	-	30.5	30.5
Provision for North Goonyella Equipment Loss	49.3	-	49.3	-	-	-
Changes in Deferred Tax Asset Valuation Allowance and Amortization of Basis Difference Related to Equity Affiliates	(6.1)	(3.4)	(22.1)	(7.7)	(5.2)	(12.9)
Interest Expense	38.2	42.4	112.8	83.8	32.9	116.7
Loss on Early Debt Extinguishment	-	12.9	2.0	12.9	-	12.9
Interest Income	(10.1)	(2.0)	(24.3)	(3.5)	(2.7)	(6.2)
Reorganization Items, Net	-	-	(12.8)	-	627.2	627.2
Break Fees Related to Terminated Asset Sales	-	-	-	(28.0)	-	(28.0)
Unrealized Losses (Gains) on Economic Hedges	26.8	10.8	36.3	1.4	(16.6)	(15.2)
Unrealized (Gains) Losses on Non-Coal Trading Derivative Contracts	(0.3)	1.7	1.4	(1.5)	-	(1.5)
Coal Inventory Revaluation	-	-	-	67.3	-	67.3
Take-or-Pay Contract-Based Intangible Recognition	(5.4)	(6.5)	(21.5)	(16.4)	-	(16.4)
Income Tax Provision (Benefit)	13.8	(84.1)	31.3	(79.4)	(263.8)	(343.2)
Adjusted EBITDA (1)	$ 372.1	$ 411.3	$ 1,105.6	$ 729.1	$ 341.3	$ 1,070.4
Operating Costs and Expenses	$ 1,047.9	$ 1,039.1	$ 3,051.6	$ 1,967.0	$ 950.2	$ 2,917.2
Break Fees Related to Terminated Asset Sales	-	-	-	28.0	-	28.0
Unrealized Gains (Losses) on Non-Coal Trading Derivative Contracts	0.3	(1.7)	(1.4)	1.5	-	1.5
Coal Inventory Revaluation	-	-	-	(67.3)	-	(67.3)
Take-or-Pay Contract-Based Intangible Recognition	5.4	6.5	21.5	16.4	-	16.4
Net Periodic Benefit Costs, Excluding Service Cost	4.5	6.6	13.6	13.2	14.4	27.6
Total Reporting Segment Costs (2)	$ 1,058.1	$ 1,050.5	$ 3,085.3	$ 1,958.8	$ 964.6	$ 2,923.4
Net Cash Provided By (Used In) Operating Activities	$ 345.4	$ 248.0	$ 1,260.8	$ 313.7	$ (813.0)	$ (499.3)
Net Cash (Used In) Provided By Investing Activities	(47.5)	(16.4)	(65.5)	(34.9)	15.1	(19.8)
Free Cash Flow (3)	$ 297.9	$ 231.6	$ 1,195.3	$ 278.8	$ (797.9)	$ (519.1)

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Note: Refer to definitions of Adjusted EBITDA, Total Reporting Segment Costs and Free Cash Flow on following slide.

Reconciliation of Non-GAAP Measures: Definitions

(1) Adjusted EBITDA is 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 each of our segment's operating performance as displayed in the reconciliation above. Adjusted EBITDA is used by management as the primary metric to measure each of our segment's operating performance.

(2) Total Reporting Segment Costs is defined as operating costs and expenses adjusted for the discrete items that management excluded in analyzing each of our segment's operating performance as displayed in the reconciliation above. Total Reporting Segment Costs is used by management as a metric to measure each of our segment's operating performance.

(3) Free Cash Flow is defined as net cash provided by (used in) operating activities less net cash (used in) provided by investing activities and excludes cash outflows related to business combinations. Free Cash Flow is used by management as a measure of our financial performance and our ability to generate excess cash flow from our business operations.

Reconciliation of Non-GAAP Measures

	Successor		Successor		Predecessor	Combined
	Quarter Ended		Nine Months Ended	Apr. 2 through	Jan. 1 through	Nine Months Ended
	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017	Apr. 1, 2017	Sept. 30, 2017
Adjusted EBITDA [1] (In Millions)						
Powder River Basin Mining Operations	$ 88.2	$ 112.7	$ 224.7	$ 197.5	$ 91.7	$ 289.2
Midwestern U.S. Mining Operations	38.7	49.5	111.9	96.0	50.0	146.0
Western U.S. Mining Operations	28.5	34.5	94.4	79.4	50.0	129.4
Total U.S. Mining Operations	155.4	196.7	431.0	372.9	191.7	564.6
Australian Metallurgical Mining Operations	90.7	143.1	415.6	215.0	109.6	324.6
Australian Thermal Mining Operations	145.3	97.8	314.5	203.7	75.6	279.3
Total Australian Mining Operations	236.0	240.9	730.1	418.7	185.2	603.9
Trading and Brokerage	(2.4)	2.7	1.9	(2.4)	8.8	6.4
Resource Management Results [2]	21.3	0.4	42.8	1.6	2.9	4.5
Selling and Administrative Expenses	(38.6)	(33.7)	(119.7)	(68.4)	(36.3)	(104.7)
Acquisition Costs Related to Shoal Creek	(2.5)	-	(2.5)	-	-	-
Other Operating Costs, Net [3]	4.7	(3.0)	28.5	(0.2)	16.6	16.4
Corporate Hedging Results	(1.8)	7.3	(6.5)	6.9	(27.6)	(20.7)
Adjusted EBITDA [1]	$ 372.1	$ 411.3	$ 1,105.6	$ 729.1	$ 341.3	$ 1,070.4
Total Reporting Segment Costs [1] Summary (In Millions)						
Powder River Basin Mining Operations	$ 285.5	$ 308.2	$ 859.8	$ 588.8	$ 302.6	$ 891.4
Midwestern U.S. Mining Operations	169.8	158.2	495.8	306.6	143.2	449.8
Western U.S. Mining Operations	127.6	121.2	345.0	201.7	99.7	301.4
Total U.S. Mining Operations	582.9	587.6	1,700.6	1,097.1	545.5	1,642.6
Australian Metallurgical Mining Operations	279.6	272.8	838.4	488.7	219.3	708.0
Australian Thermal Mining Operations	159.8	168.0	459.4	301.3	149.2	450.5
Total Australian Mining Operations	439.4	440.8	1,297.8	790.0	368.5	1,158.5
Trading and Brokerage Operations	25.0	16.7	50.8	27.0	6.2	33.2
Corporate and Other	10.8	5.4	36.1	44.7	44.4	89.1
Total Reporting Segment Costs [1]	$ 1,058.1	$ 1,050.5	$ 3,085.3	$ 1,958.8	$ 964.6	$ 2,923.4

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Note: Refer to footnote explanations on the following slide.

Reconciliation of Non-GAAP Measures: Definitions

(1) Adjusted EBITDA and Total Reporting Segment Costs are non-GAAP financial measures. Refer to the "Reconciliation of Non-GAAP Financial Measures" section in this document for definitions and reconciliations to the most comparable measures under U.S. GAAP.

(2) Includes gains (losses) on certain surplus coal reserve and surface land sales, property management costs and revenues, the Q3 2018 gain of $20.5 million on the sale of surplus coal resources associated with the Millennium Mine and the Q1 2018 gain of $20.6 million on the sale of certain surplus land assets in Queensland's Bowen Basin.

(3) Includes income from equity affiliates (before the impact of related changes in deferred tax asset valuation allowance and amortization of basis difference), costs associated with post-mining activities, certain coal royalty expenses, minimum charges on certain transportation-related contracts, the Q1 2018 gain of $7.1 million recognized on the sale of our interest in the Red Mountain Joint Venture and the Q1 2017 gain of $19.7 million recognized on the sale of Dominion Terminal Associates.

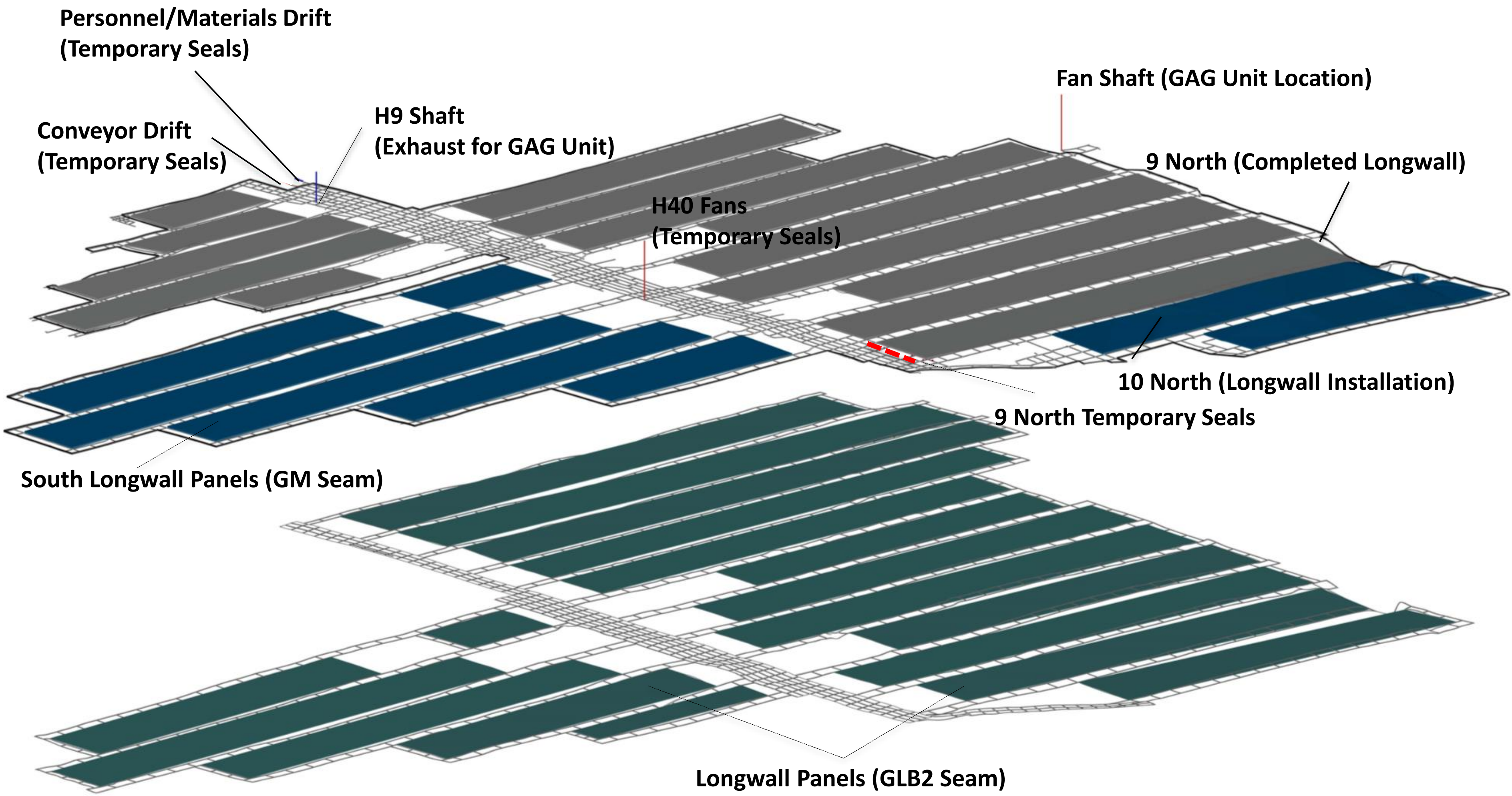
Reconciliation of Non-GAAP Measures (Unaudited)

Reconciliation of Non-GAAP Financial Measures (In Millions)	Shoal Creek Year Ended Dec. 31, 2017	 Nine Months Ended Sept. 30, 2018
Net Income	$160.8	$162.1
Depreciation, Depletion and Amortization	0.8	1.1
Asset Retirement Obligation Expenses	0.2	0.1
Adjusted EBITDA (1)	$161.8	$163.3

(1) Adjusted EBITDA is defined by Peabody 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 not intended to serve as an alternative to GAAP measures of performance and may not be comparable to similarly-titled measures presented by other companies.

Note: The amounts presented above for the year ended December 31, 2017 were derived from the audited combined carve-out financial statements of Shoal Creek (a division of Drummond Company, Inc.), and the amounts presented above for the nine months ended September 30, 2018 were derived from the unaudited carve-out financial statements of Shoal Creek. These items may not be comparable to similar Peabody line items given a difference in structure, cost basis and other elements of the Shoal Creek carve-out financials and may not be indicative of the results that may be expected in future periods.

Update on North Goonyella Progress



Note: Mine map not to scale. For illustration purposes only.

North Goonyella Financial Considerations

- $49.3 million charge for estimated equipment loss, including 78 shields and equipment sealed in completed 9 North panel area
- Remaining book value of North Goonyella following charge is $284 million
- In Q4, estimated $20 to $25 million in containment, monitoring and planning costs, along with approximately $15 to $20 million in costs to keep in idle status
- Company has notified carriers of claim; Coverage limit of $125 million above deductible of $50 million
- North Goonyella coal typically sells near benchmark for high-quality hard coking coal; FY 2018 costs projected at approximately $110 per short ton prior to incident
- Peabody has declared force majeure with customers for shipments covering upcoming months