Report of Organizational Actions Affecting Basis of Securities

**Part I: Reporting Issuer**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1</td>
<td>Issuer's name</td>
</tr>
<tr>
<td>2</td>
<td>Issuer's employer identification number (EIN)</td>
</tr>
<tr>
<td>3</td>
<td>Name of contact for additional information</td>
</tr>
<tr>
<td>4</td>
<td>Telephone No. of contact</td>
</tr>
<tr>
<td>5</td>
<td>Email address of contact</td>
</tr>
<tr>
<td>6</td>
<td>Number and street (or P.O. box if mail is not delivered to street address) of contact</td>
</tr>
<tr>
<td>7</td>
<td>City, town, or post office, state, and ZIP code of contact</td>
</tr>
<tr>
<td>8</td>
<td>Date of action</td>
</tr>
<tr>
<td>9</td>
<td>Classification and description</td>
</tr>
<tr>
<td>10</td>
<td>CUSIP number</td>
</tr>
<tr>
<td>11</td>
<td>Serial number(s)</td>
</tr>
<tr>
<td>12</td>
<td>Ticker symbol</td>
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<td>13</td>
<td>Account number(s)</td>
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</tbody>
</table>

**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 ▶ [Signature]

Date ▶ 09/25/2018

Print your name ▶ Robert F. Bruer

Preparer's signature

Title ▶ VP - Tax

Check ☐ if self-employed

PTIN

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.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054
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 holders of the Notes (as defined below). 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

Item 10

<table>
<thead>
<tr>
<th>Description</th>
<th>CUSIP</th>
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</thead>
<tbody>
<tr>
<td>6.375% Senior Secured Notes due 2025</td>
<td>70457L ABO</td>
</tr>
</tbody>
</table>

PART II

Item 14

On July 30, 2018, Peabody Energy Corporation (the “Company”) solicited consents (the “Consent Solicitation”) from each holder of the Company’s 6.375% Senior Secured Notes due 2025 (the “Notes”) to make certain amendments (the “Proposed Amendments”) to the indenture governing the Notes (the “Indenture”). The Consent Solicitation expired on August 10, 2018, with consents received in respect of 99.41% of the outstanding principal amount of the Notes. On August 13, 2018 (the “Consent Payment Date”), Holders of the Notes that consented to the Proposed Amendments received $30 cash for every $1,000 principal amount of Notes held by such consenting holder (the “Consent Fee”).

Item 15

For U.S. federal income tax purposes, the payment of the Consent Fee to consenting holders resulted in a “significant modification” of the Notes held by such consenting holders. As a result, consenting holders are deemed to have exchanged their Notes for deemed newly issued Notes (the “New Notes”). Assuming both the Notes and the New Notes are “securities” for U.S. federal income tax purposes, the deemed exchange of Notes for New Notes would be treated as part of a “recapitalization” for U.S. federal income tax purposes.

A consenting U.S. holder of Notes generally would not recognize any loss, but would recognize gain on the exchange equal to the lesser of (a) the amount of the Consent Fee received by such
holder and (b) the “realized gain” on the exchange. The “realized gain” would equal the excess, if any, of (i) the issue price of the New Notes at the time of the deemed exchange plus the amount of the Consent Fee received (except to the extent attributable to accrued but unpaid interest on such Holder’s Notes) over (ii) the holder’s adjusted tax basis in its Notes.

A consenting U.S. holder generally would have the same adjusted tax basis in its New Notes as such holder had in its Notes, increased by any gain recognized on the deemed exchange and reduced by the Consent Fee received (except to the extent such Consent Fee is attributable to accrued but unpaid interest on such Holder’s Notes).

Item 16

As described in Item 15, a consenting U.S. holder generally would have the same adjusted tax basis in the New Notes as such holder had in its Notes, increased by any gain recognized on the deemed exchange and reduced by the Consent Fee received (except to the extent such Consent Fee is attributable to accrued but unpaid interest on such Holder’s Notes).

As described in Item 15, the gain realized on the deemed exchange depends in part on the issue price of the New Notes. The Company has determined that the New Notes are traded on an established market. Further, the Company has determined that the issue price of the New Notes on the Consent Payment Date is $1,035.00 per $1000 principal amount of New Notes. The Company has determined that this issue price equals the fair market value of the New Notes, and includes accrued but unpaid interest as of the issuance date. This determination and statement of issue price is intended to meet the requirements of Treasury Regulations section 1.1273-2(f)(9).

Item 18

Assuming the deemed exchange constitutes a “recapitalization” for U.S. federal income tax purposes, consenting holders cannot recognize loss realized on the deemed exchange.

Item 19

The deemed exchange occurred on August 13, 2018. Therefore, for calendar year taxpayers, the reportable tax year would be 2018.

The holding period for the New Notes generally would include the holding period for the Notes held prior to the deemed exchange.
The information contained in this attachment does not constitute tax advice. Holders are urged to consult their own tax advisors regarding the particular tax consequences to them of the Consent Solicitation and deemed exchange of Notes for New Notes.