

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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: **Chapter 11**  
: **Case No. 12-12900 (SCC)**  
: **(Jointly Administered)**  
: **Debtors.**  
: **(Jointly Administered)**  
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**STIPULATION, AGREEMENT, AND ORDER BETWEEN  
PATRIOT COAL SALES LLC AND VITOL INC.**

This Stipulation, Agreement, and Order (this “**Stipulation**”) is entered into between Patriot Coal Sales LLC (“**Patriot**”) and Vitol Inc. (“**Vitol**”) (each a “**Party**” and together the “**Parties**”).

**RECITALS:**

1. On July 9, 2012 (the “**Commencement Date**”), Patriot and certain of its affiliates (collectively, the “**Debtors**”) each commenced with this Court a voluntary case under chapter 11 of title 11, United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

3. On the Commencement Date, Vitol and Patriot were parties to that certain Master Coal Purchase and Sale Agreement entered into September 8, 2011, (the “**Agreement**”), pursuant to which Patriot sells coal to Vitol.

4. Vitol and Patriot have had numerous discussions regarding the nature and terms of the Agreement. As a result of those discussions, the Parties have agreed as follows.

**AGREEMENT:**

5. Upon the effective date following entry of this Stipulation by the Court, pursuant to section 365 of the Bankruptcy Code, the Parties amend and assume the Agreement (the “**Amended Agreement**”), to allow the parties to continue their existing relationship upon modified terms. The material amendments to the Agreement referred to in this paragraph are as follows:<sup>1</sup>

- Revisions to certain economic terms;
- Elimination of the filing of Patriot’s current chapter 11 case as an event of default;
- Addition of certain events of default relating to conversion or dismissal of Patriot’s chapter 11 case, appointment of a chapter 11 trustee or an examiner with expanded powers, and certain other actions taken by Patriot or a third party during the chapter 11 case;
- Addition of certain acknowledgments regarding waiver of the automatic stay; and
- Release granted by the Debtors and their bankruptcy estates to Vitol for any alleged liabilities, claims or causes of action relating to the Agreement (except as expressly provided for in the Amended Agreement).

6. No cure amount is owed by either Party to the other Party with respect to the Agreement.

7. Patriot is authorized to amend the Agreement with Vitol, subject to Court approval.

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<sup>1</sup> This summary is for summary purposes only. In the event of any conflict between this summary and the Amended Agreement, the terms of the Amended Agreement shall govern.

8. The Parties will execute, deliver, implement and fully perform any and all obligations, instruments, documents and papers and take any and all actions that may be reasonably necessary or appropriate to implement the Amended Agreement and perform all obligations contemplated thereunder, including, without limitation, the payment of any fees, charges and expenses required thereby.

9. Pursuant to sections 105 and 362(d)(1) of the Bankruptcy Code, the automatic stay of section 362 of the Bankruptcy Code, to the extent applicable, is hereby modified to enable the Parties to amend the Agreement.

10. Pursuant to sections 105 and 362(d)(1) of the Bankruptcy Code, the automatic stay of section 362 of the Bankruptcy Code, to the extent applicable, is hereby modified to enable Vitol and Patriot to exercise any and all of their respective contractual rights under the Amended Agreement, including, without limitation, all rights and remedies provided for in the Amended Agreement that are related to future events of default and similar events, without requesting further relief from the automatic stay, and neither Party nor any other party in interest may enforce the automatic stay against Vitol or Patriot with respect to these rights.

11. Each Party's right to liquidate, terminate or accelerate the Amended Agreement and its rights to net and setoff against amounts due it, all in accordance with the Amended Agreement, shall not be stayed, avoided or otherwise limited at any time during the pendency of Patriot's chapter 11 case by any provision of the Bankruptcy Code, including, without limitation, section 362(a) or Chapter 5 thereof.

12. No obligation, payment, release, transfer or grant of security or other property by Patriot to Vitol under, pursuant to, and consistent with the Amended Agreement

shall be stayed, restrained, voidable or recoverable under Chapter 5 of the Bankruptcy Code or applicable state law.

13. Patriot's liabilities and any amounts due and owing from Patriot pursuant to the Amended Agreement constitute administrative expenses under section 503(b) of the Bankruptcy Code, and are entitled to priority pursuant to section 507(a)(2) of the Bankruptcy Code.

14. This Stipulation may not be modified other than by a signed writing executed by the Parties hereto subject to further order of the Court.

15. Each person who executes this Stipulation on behalf of a Party hereto represents that he or she is duly authorized to execute this Stipulation on behalf of such Party.

16. This Stipulation shall be governed by, and construed and enforced in accordance with the laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

17. The Parties hereby irrevocably and unconditionally agree that the Court shall retain exclusive jurisdiction to interpret, implement and enforce the provisions of this Stipulation. Should the Court abstain from exercising its jurisdiction or be found not to have jurisdiction over a matter relating to this Stipulation or the Amended Agreement, such matter shall be adjudicated in accordance with the Amended Agreement.

18. This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Evidence of execution of this Stipulation may be exchanged by fax or by electronic transmission of a scanned copy of the signature pages or by exchange of an originally signed document, each of which shall be as fully binding on the party as a signed original.

Dated: New York, New York  
July 24, 2012

By: /s/ Amelia T.R. Starr By: /s/ Edward L. Ripley

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*Attorneys for Vitol Inc.*

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Debtors and Debtors in Possession*

**IT IS SO-ORDERED:**  
August 2, 2012  
New York, New York

*/s/ Shelley C. Chapman*  
HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE