UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re **PATRIOT COAL CORPORATION, *et al.*,** **Debtors.**	**Chapter 11** **Case No. 12-51502-659** **(Jointly Administered)**

THIRD SUPPLEMENTAL DECLARATION IN SUPPORT OF EMPLOYMENT AND RETENTION OF ERNST & YOUNG LLP

I, Michael W. Hickenbotham, under penalty of perjury, declare as follows:

1. I am a partner of Ernst & Young LLP ("**EY LLP**"). I provide this third supplemental declaration (the "**Third Supplemental Declaration**") on behalf of EY LLP in support of the Third Supplemental Application (the "**Third Supplemental Application**")[1] of Patriot Coal Corporation ("**Patriot**") and certain of its above-captioned affiliates (collective, the "**Debtors**"), to expand the scope of their retention and employment of EY LLP, *nunc pro tunc* to August 14, 2013, pursuant to section 327(a) and 328(a) of title 11 of the United States Code (the "**Bankruptcy Code**"), rule 2014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and rule 2014 of the Local Rules of the United States Bankruptcy Court for the Eastern District of Missouri (the "**Local Rules**"), to provide certain additional audit services (the "**Union Retirement Plan Audit Services**"), pursuant to the terms and conditions set forth in the additional engagement agreement dated August 14, 2013 between EY LLP and

[1] Capitalized terms used herein as defined terms and not otherwise defined shall have those meanings ascribed to them in the Supplemental Application.

Patriot, a copy of which is attached hereto as Attachment 1 (the "**Additional Engagement Letter**").

2. The facts set forth in this Third Supplemental Declaration are based upon my personal knowledge, information and belief, and upon client matter records kept in the ordinary course of business that were reviewed by me or other employees of EY LLP under my supervision and direction.

Scope of Retirement Plan Audit Services

3. EY LLP has agreed to provide the Union Retirement Plan Audit Services during this chapter 11 case, subject to approval of the Court of the Third Supplemental Application and the terms and conditions of the Additional Engagement Letter. Subject to the detailed description in the Additional Engagement Letter, the Retirement Plan Audit Services consist of the following:

- Auditing and reporting on the financial statements and supplemental schedules of the Patriot Coal Corporation 401(k) Union Savings Plan (the "**Plan**") for the years ended December 31, 2011 and December 31, 2012, which are to be included in the Plan's Form 5500 filing with the Employee Benefits Security Administration of the Department of Labor (the "**Plan Audit Services**"); and
- Any special audit-related projects that are integral to and necessary for the performance of the Plan Audit Services, such as research and/or consultation on special Plan business or financial issues (i.e., plan amendments, plan suspensions, etc.) (the "**Special Plan Audit-Related Services**").

Professional Compensation

4. Pursuant to the terms and conditions of the Additional Engagement Letter, the Debtors have agreed to pay EY LLP a fixed fee (the "**Fee**") of $35,000 for the Plan Audit Services.

5. In addition, as described in the Additional Engagement Letter, fees for any Special Plan Audit-Related Services will be billed on an hourly basis, separately from, and in addition to, the Fee described above. The fees for any Special Plan Audit-Related Services will be based on the hours incurred and hourly rates for each member assigned to the engagement based on the following rates, which are the same rates as were previously approved with respect to the 2012 audit services set forth in the Prior Applications:

Title	Rate Per Hour
National Partner/Principal	$600
Partner/Principal/Executive Director	$525
Senior Manager	$430
Manager	$375
Senior	$275
Staff	$190

6. In addition to the fees set forth above, the Debtors and EY LLP have agreed that the Debtors shall reimburse EY LLP for any direct expenses incurred in connection with EY LLP's retention in these chapter 11 cases and the performance of the Retirement Plan Audit Services. EY LLP's direct expenses shall include, but not be limited to, reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other

expenses (including any fees or reasonable expenses of EY LLP's legal counsel) specifically related to this engagement.

{Signature Page Follows}

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 29, 2013

/s/ Michael W. Hickenbotham
Michael W. Hickenbotham

Attachment 1

Additional Engagement Letter

EY
The Plaza in Clayton
190 Carondelet Plaza
Suite 1300
St. Louis, MO
63105

Tel: +1 314 290 1000
ey.com

Patriot Coal Corporation
12312 Olive Boulevard, Suite 400
St. Louis, Missouri 63141
Attn: Mr. John E. Lushefski
Senior Vice President & Chief Financial Officer

August 14, 2013

Mr. Lushefski,

1. This agreement (together with all attachments hereto, the "Agreement") confirms the engagement of Ernst & Young LLP ("we" or "EY") by Patriot Coal Corporation (the "Plan Sponsor") to audit and report on the financial statements and supplemental schedules of the Patriot Coal Corporation 401(k) Union Savings Plan (the "Plan") for the year ended December 31, 2011 and 2012, which are to be included in the Plan's Form 5500 filing with the Employee Benefits Security Administration of the Department of Labor (the "DOL") subsequent to the Plan Sponsor filing a petition under Chapter 11 ("Chapter 11") of the United States Bankruptcy Code (the "Bankruptcy Code") on or about July 9, 2012 with the United States Bankruptcy Court for the Southern District of New York.[1] All of the services described in this paragraph are referred to collectively as the "Services" or the "engagement." References to "management" herein shall be deemed to be references to management of the Plan Sponsor, acting for the Plan Sponsor in its capacity as such. Our performance of Services is contingent upon the Bankruptcy Court's approval of our retention in accordance with the terms and conditions that are set forth in this Agreement. This Agreement shall be effective as of the date set forth above.

Audit responsibilities and limitations

2. We will conduct the engagement to audit the financial statements in accordance with auditing standards generally accepted in the United States, as established by the American Institute of Certified Public Accountants ("AICPA"), except that, as permitted by Regulation 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and as instructed by you, we will not perform any auditing procedures with respect to the certified investment information, other than comparing that information with the related information included in the financial statements and supplemental schedules. We have been informed that a certification from an entity that meets the

1 The Plan Sponsor's Chapter 11 case has since been transferred to the United States Bankruptcy Court for the Eastern District of Missouri (the "Bankruptcy Court")

requirements of Regulation 2520.103-8 will be provided to us. Because of the significance of the information that we will not audit, we will not express an opinion on the financial statements and supplemental schedules. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the certified investment information, will be audited by us in accordance with AICPA auditing standards generally accepted in the United States and will be subjected to tests of your accounting records and other procedures as we consider necessary to enable us to express an opinion as to whether they are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Should conditions not now anticipated preclude us from completing the engagement and issuing a report, we will advise the Audit Committee, management and the Bankruptcy Court promptly and take such action as we deem appropriate.

3. AICPA auditing standards require that we obtain reasonable rather than absolute assurance that the financial statements are free of material misstatement whether caused by error or fraud. As management is aware, there are inherent limitations in the audit process, including, for example, selective testing and the possibility that collusion or forgery may preclude the detection of material error, fraud, or illegal acts, including prohibited transactions with parties in interest and other violations of the DOL's Rules and Regulations under ERISA. Accordingly, because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States, as established by the AICPA. Also, our engagement is not designed to detect error or fraud that is immaterial to the financial statements.

4. As a part of our engagement to audit the financial statements of the Plan, we will perform certain procedures, as required by AICPA auditing standards, directed at considering the Plan's compliance with applicable Internal Revenue Code (the "IRC") requirements for tax-exempt status, including reading the Plan's latest tax determination letter from the Internal Revenue Service ("IRS"). As we conduct our engagement, we may become aware of the possibility that events affecting the Plan's tax status may have occurred. Similarly, we may become aware of the possibility that events affecting the Plan's compliance with the requirements of ERISA may have occurred. We will inform you of any instances of tax or ERISA noncompliance that come to our attention during the course of our engagement. You should recognize, however, that the engagement is not designed to nor is it intended to verify the Plan's overall compliance with applicable provisions of the IRC or ERISA, including but not limited to the Plan Sponsor's deduction limits, and, accordingly, we assume no responsibility for failure to detect instances of noncompliance with applicable provisions of the IRC or ERISA.

5. As part of our engagement to audit the financial statements of the Plan, we will consider, solely for the purpose of planning the engagement and determining the nature, timing, and extent of our

procedures, the Plan's internal control, except for the investment information which is excluded as described in paragraph 2. This consideration will not be sufficient to enable us to provide assurance on internal control or to identify all significant deficiencies and material weaknesses.

6. In accordance with AICPA auditing standards, we will communicate certain matters related to the conduct and results of the engagement to audit the Plan to the Audit Committee.

7. If we determine that there is evidence that fraud or possible illegal acts may have occurred, we will bring such matters to the attention of the appropriate level of management. If we become aware of fraud involving senior management or fraud (whether committed by senior management or other employees) that causes a material misstatement of the financial statements, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee and appropriate members of management are adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. We also will inform the Audit Committee and appropriate members of management of significant corrected misstatements and uncorrected misstatements other than those that are clearly trivial noted during our procedures.

8. We will communicate in writing to management and to the Audit Committee all significant deficiencies and material weaknesses identified during our engagement, including those that were remediated. We also will communicate any significant deficiencies and material weaknesses communicated to management and to the Audit Committee in previous engagements that have not yet been remediated.

9. We also may communicate other opportunities we observe for economies in or improved controls over the Plan's operations.

Management's responsibilities and representations

10. The financial statements (including disclosures) and supplemental schedules are the responsibility of management. Management also is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, for properly recording transactions in the accounting records, for safeguarding assets, and for the overall fair presentation of the financial statements, in conformity with U.S. generally accepted accounting principles, and the preparation and fair presentation of the supplemental schedules. Management also is responsible for the identification of, and for the Plan's compliance with, the laws and regulations applicable to its activities.

11. Management is responsible for the preparation of the supplemental schedules in accordance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. For any document

that contains the supplemental schedules and indicates that we have issued a report on the supplemental schedules, management will include our report on such supplemental schedules. The supplemental schedules will be presented with the audited financial statements. Management will make appropriate representations to us regarding these matters.

12. Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to us in its representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement to audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

13. Management is responsible for apprising us of all allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), and providing us full access to these allegations and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Plan. If management limits the information otherwise available to us under this paragraph (based on management's claims of attorney/client privilege, work product doctrine, or otherwise), management will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of our engagement and may prevent us from opining on the Plan's financial statements; alter the form of report we may issue on such financial statements; or otherwise affect our ability to continue as the Plan's independent auditors. We will disclose any such withholding of information to the Audit Committee.

14. Management is responsible for providing us access to: all information of which management is aware that is relevant to the Services, such as records, documentation and other matters to complete the Services on a timely basis; additional information that we may request from management for purposes of the audit; and unrestricted access to persons within the Plan Sponsor from whom we determine it necessary to obtain audit evidence. Management's failure to do so may cause us to delay our report, modify our procedures, or even terminate the Services.

15. As required by AICPA auditing standards, we will make specific inquiries of management about the representations contained in the financial statements and supplemental schedules. AICPA auditing standards also require that, at the conclusion of the engagement, we obtain representation letters from certain members of management about these matters and to represent that

management has fulfilled its responsibilities as set out in this Agreement, including that all material transactions have been recorded in the accounting records and are reflected in the financial statements. The responses to those inquiries, the written representations, and the results of our procedures comprise evidence on which we will rely in reporting on the financial statements and supplemental schedules.

16. Management is responsible for informing EY about any related party transactions, including transactions with parties in interest, as defined in ERISA section 3(14) and the regulations thereunder, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties. We will assess whether all identified prohibited party-in-interest transactions are included in the supplemental schedule of nonexempt transactions.

17. Management shall make appropriate inquiries to determine whether the Plan or the Plan Sponsor has a capital lease, material cooperative arrangement, or other business relationship with EY or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm") other than one pursuant to which an EY Firm performs professional services.

18. Management shall discuss any independence matters with EY that, in management's judgment, could bear upon EY's independence.

19. The Plan Sponsor shall be responsible for its personnel's compliance with the Plan Sponsor's obligations under this Agreement.

Fees and billings

20. Our fixed fee to audit the 2011 and 2012 financial statements of the Plan and supplemental schedules will be $35,000 (the "Fee") which Fee has been based on the time we expect to spend in providing these services. Our fees shall be paid directly by the Plan Sponsor or from assets of the Plan. Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs, imposed in respect of the Services, all of which the Plan or the Plan Sponsor shall pay (other than taxes imposed on our income generally).

21. In addition, the Plan Sponsor or the Plan shall reimburse us for direct expenses incurred in connection with the performance of the Services. Direct expenses include reasonable and customary out-of-pocket expenses such as travel, meals, accommodations and other expenses specifically related to this engagement. EY may receive rebates in connection with certain purchases, which are used to reduce charges that EY would otherwise pass on to its clients.

22. We will submit our invoices as the work progresses, and we will request payment of our fees and expenses, in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Rules for the United States Bankruptcy Court for the Eastern District of Missouri ("Local Rules") and any relevant administrative orders. Payment of the invoice will be made upon receipt, or as quickly as the Bankruptcy Code, the Bankruptcy Rules, Local Rules and any relevant administrative orders allow. We acknowledge that payment of our fees and expenses hereunder is subject to (i) the jurisdiction and approval of the Bankruptcy Court under Sections 330 and 331 of the Bankruptcy Code, any order of the Bankruptcy Court approving the retention of us and the U.S. Trustee Guidelines, (ii) any applicable fee and expense guidelines and/or orders and (iii) any requirements governing interim and final fee applications.

23. Our fee and estimated schedule of performance is based upon, among other things, our preliminary review of the Plan's records and the representations management has made to us and are dependent upon management providing a reasonable level of assistance Should our assumptions with respect to these matters be incorrect or should the condition of records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimates are based, we may bill such additional commitments separately from, and in addition to, the Fee, which amounts will be based on the hours incurred and hourly rates for each member assigned to the engagement based on the rate table below, subject to Bankruptcy Court approval.

24. In addition to the Fee, fees for any special audit-related projects that are integral to and necessary for the performance of the Services, such as research and/or consultation on special Plan business or financial issues (i.e. plan amendments, plan suspension, etc.), or services required due to the bankruptcy process such as employment or fee application-related services, will be billed separately from, and in addition to, the fees referred to above, and such services that are not integral to and necessary for the performance of the Services may be the subject of separate written agreements. The fees for any such special audit-related projects will be based on the hours incurred and hourly rates for each member assigned to the engagement based on the following rates:

Title	Rate Per Hour
National Partner/Principal	$ 600
Partner/Principal/Executive Director	$ 525
Senior Manager	$ 430
Manager	$ 375
Senior	$ 275
Staff	$ 190

25. If we are requested or authorized by management or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Plan, the Plan Sponsor will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests, provided however, that in no event shall the Plan Sponsor be required to pay fees and expenses for more than one law firm for EY in connection with any such proceeding.

Other matters

26. The financial statements of the Plan are required to be filed with the Form 5500. AICPA auditing standards require that we read the Plan's Form 5500 prior to its filing. The purpose of this procedure is to consider whether such information, or the manner of its presentation in the Form 5500, is materially inconsistent with the information, or the manner of its presentation, appearing in the financial statements and supplemental schedules. These procedures are not sufficient nor are they intended to determine that the Form 5500 is completely and accurately prepared. Accordingly, you understand and agree that we do not assume any responsibility for the completeness and/or accuracy of the Form 5500 as part of the Services. In the event that our report is issued prior to our having read the Plan's Form 5500, you agree not to attach our report to the financial statements included with the Form 5500 filing until we have read the completed Form 5500.

27. From time to time, and depending on the circumstances, subject to approval of the Bankruptcy Court and with the prior approval by the Plan Sponsor (1) we may subcontract portions of the Services to other EY Firms (listed at www.ey.com), who may deal with the Plan Sponsor or its affiliates directly, although EY alone will remain responsible to you for the Services, and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY Firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the Services. In addition, subject to approval of the Bankruptcy Court, third-party service providers may perform services for EY or another EY Firm in connection with the Services. Unless prohibited by applicable law, we may provide Plan information to other EY Firms and their personnel, as well as third-party service providers acting on our or their behalf, who may collect, use, transfer, store or otherwise process (collectively, "Process") it in various jurisdictions in which they operate to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, to provide financial accounting and other administrative support services, or for quality and risk management purposes. We shall be responsible to you for maintaining the confidentiality of Plan information, regardless of where or by whom such information is Processed on our behalf. Either EY or the Plan Sponsor may use electronic media to correspond or transmit information relating

to the Services, and such use will not, in itself, constitute a breach of any confidentiality obligations.

28. We may be requested to make certain workpapers available to the DOL pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to the DOL. We will label all workpapers as confidential and maintain control over their duplication.

29. The Plan Sponsor shall not, during the term of this Agreement and for 12 months following its termination for any reason, without the prior written consent of EY, solicit for employment or a position on its Plan Sponsor's Board of Directors, or hire or appoint to the Plan Sponsor's Board of Directors any current or former partner, principal, or professional employee of EY, any affiliate thereof, or other EY Firm or any of their respective affiliates, if any such professional either: (i) performed any audit, review, attest, or related service for or relating to the Plan or Plan Sponsor at any time (a) during the then current fiscal year of the Plan up to and including the date of the report for that year, or (b) in the 12 months ended on the report date for the immediately preceding fiscal year; or (ii) influences EY's operations or financial policies or has any capital balances or any other continuing financial arrangement with EY.

30. EY shall remain fully responsible for the Services and for all of its other responsibilities, covenants and obligations under this Agreement, notwithstanding that we may subcontract portions of the Services to other EY Firms or that other EY Firms may participate in the provision of the Services. The Plan Sponsor may not, on behalf of the Plan or otherwise, make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm and EY shall not contest its responsibility for the Services on the basis that any of them were performed by another EY Firm. The Plan Sponsor shall make any claim or bring proceedings only against EY. This paragraph is intended to benefit the other EY Firms, which shall be entitled to enforce it. Each EY Firm is a separate legal entity.

31. If we Process Plan information that can be linked to specific individuals ("Personal Data"), we will Process it in accordance with paragraph 27 of this Agreement, as well as applicable law and professional regulations, including, where applicable, the European Union Safe Harbor program of the US Department of Commerce, in which EY participates. We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements. If any Plan information is protected health information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information. The Plan Sponsor warrants that it has the authority to provide the Personal Data to EY in

connection with the performance of the Services and that the Personal Data provided to us has been Processed in accordance with applicable law.

32. In order to provide the Services, we may need to access Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law ("Restricted Personal Data"). In the event that we need access to such information, you will consult with us on appropriate measures (consistent with professional standards applicable to us) to protect the Restricted Personal Data, such as deleting or masking unnecessary information before it is made available to us, encrypting any data transferred to us, or making the data available for on-site review at a Plan Sponsor site. You will provide us with copies of any Restricted Personal Data only in accordance with mutually agreed protective measures.

33. The Agreement sets forth the entire understanding of the parties with regard to the subject matter hereof, and supersedes and cancels any prior communications, understandings and agreement between the parties with regard to the subject matter hereof, provided that any services provided under a pre-petition engagement letter shall be governed by such prepetition engagement letter. The Agreement cannot be modified or changed nor can any of its provisions be waived, except in writing signed by all parties. Any Schedule or Annex hereto is incorporated by reference into this Agreement and such Agreement, Schedules or Annexes shall constitute a single, unitary and integrated agreement.

34. By your signature below, you confirm that the Plan Sponsor, through its Board of Directors, has expressly authorized you to enter into this Agreement on behalf of, and to bind, the Plan Sponsor with respect to the engagement to audit the Plan. In addition, you confirm that management agrees to, acknowledges, and understands its responsibilities as outlined in “Management’s responsibilities and representations.” Either EY or the Plan Sponsor may execute this Agreement (and any supplements or modifications hereto) by electronic means, and each of EY and the Plan Sponsor may sign a different copy of the same document.

35. EY retains ownership in the workpapers compiled in connection with the performance of the Services.

36. EY agrees that it may not assign this Agreement or any portion of its duties hereunder without the prior written consent of the Plan Sponsor, where such consent may be withheld in the Plan Sponsor’s discretion.

37. Michael Hickenbotham will be the Audit Coordinating Partner responsible for the provision of our services. Sarah Miller, Engagement Partner, and Diane Cody, Senior Manager, will work

closely with management in performing all required Services. If one or more of these individuals ceases to provide services to the Plan Sponsor pursuant to this Agreement, EY will so advise the Plan Sponsor and, if that professional is replaced, provide the Plan Sponsor with the name of that professional's replacement. Other partners and staff, not identified herein, may be utilized as required to conduct our work in an efficient manner.

38. Any controversy or claim with respect to, in connection with, arising out of, or in any way related to this Agreement or the services provided hereunder (including any such matter involving any parent, subsidiary, affiliate, successor in interest or agent of the Plan Sponsor or its subsidiaries or of EY) shall be brought in the Bankruptcy Court or the applicable district court (if such district court withdraws the reference) and the parties to this Agreement, and any and all successors and assigns thereof, consent to the jurisdiction and venue of such court as the sole and exclusive forum (unless such court does not have jurisdiction and venue of such claims or controversies) for the resolution of such claims, causes of action or lawsuits. The parties to this Agreement, and any and all successors and assigns thereof, hereby waive trial by jury, such waiver being informed and freely made. If the Bankruptcy Court, or the district court upon withdrawal of the reference, does not have or retain jurisdiction over the foregoing claims or controversies, the parties to this Agreement and any and all successors and assigns thereof, agree to submit first to nonbinding mediation; and, if mediation is not successful, then to binding arbitration, in accordance with the dispute resolution procedures as set forth in the attachment to this Agreement, which is incorporated herein by reference. Judgment on any arbitration award may be entered in any court having proper jurisdiction. The foregoing is binding upon Plan Sponsor, EY and any all successors and assigns thereof.

39. If any portion of this Agreement is held to be void, invalid, or otherwise unenforceable, in whole or part, the remaining portions of this Agreement shall remain in effect. This Agreement applies to all Services (as defined in paragraph 1), including any such services performed or begun before the date of this Agreement.

40. To the extent that EY agrees to perform Services for a subsequent fiscal year and subject to approval of the Bankruptcy Court, the terms and conditions set forth in this Agreement shall apply to the performance of such Services, except as specifically modified, amended or supplemented in writing by the parties. Changes in the scope of the Services, and estimated fees for such services in subsequent fiscal years will be communicated in supplemental agreements. This Agreement may be terminated at any time by the Plan Sponsor or EY but in any event this Agreement will expire upon the effective date of the Plan Sponsor's confirmed plan of reorganization, or liquidation of the Plan Sponsor's assets, under Chapter 11 or 7 of the Bankruptcy Code, or otherwise. Upon any termination of the Services or this Agreement, the Plan or Plan Sponsor shall pay EY for all work-in-progress, Services already performed and expenses incurred by us up to

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and including the effective date of such termination. The provisions of this Agreement that give either of us rights or obligations beyond its termination including, without limitation, paragraph 38 shall continue indefinitely following the termination of this Agreement and shall survive completion of the Plan Sponsor's bankruptcy whether through a confirmed plan of reorganization under Chapter 11, liquidation of the Plan Sponsor's assets under Chapter 7 of t he Bankruptcy Code, or otherwise.

41. By agreement to the provision of the Services, we are not providing a guarantee to you that our performance of those services pursuant to the terms and conditions set forth in this Agreement will guarantee your successful reorganization under Chapter 11.

EY appreciates the opportunity to be of assistance to the Plan and Plan Sponsor. If this Agreement accurately reflects the terms on which the Plan Sponsor has agreed to engage EY, please sign below on behalf of the Plan Sponsor and return it to Michael Hickenbotham, 190 Carondelet Plaza, Suite 1300, St. Louis, Missouri, 63105.

Yours very truly,

Ernst & Young LLP

Agreed and accepted by:

Patriot Coal Corporation

By: _____

John E. Lushefski
Senior Vice President & Chief Financial Officer

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Dispute resolution procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR") shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of any Ernst & Young audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator's assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration ("Rules") as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures

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and has confirmed in writing that he or she is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director, or substantial equity owner of any Ernst & Young audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction. In deciding the dispute, the arbitration panel shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, and shall have no power to decide the dispute in any manner not consistent with such limitations period.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.