

**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)**

**Re: Docket No. 4798, 4834, 4928**

**Hearing Date:**

**November 6, 2013 at 10:00 a.m. (CDT)**

**STATEMENT OF THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS IN SUPPORT OF APPROVAL OF THE DISCLOSURE STATEMENT**

The Official Committee of Unsecured Creditors (the "Committee"), by and through its undersigned counsel, hereby files this statement in support of the approval of the Disclosure Statement for Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, ECF No. 4870. In furtherance of such support, attached hereto as Exhibit A, is the letter (the "Committee Letter") from the Committee proposed to be included in the Solicitation Packages (as defined in the Debtors' Motion seeking approval of, *inter alia*, the disclosure statement, ECF No. 4798 (the "Solicitation Motion")) to be distributed on behalf of the Debtors' estates in support of Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, ECF No. 4927. The Committee requests that the Court approve and authorize the inclusion of the Committee Letter in the Solicitation Packages, as provided for more fully in the Solicitation Motion.

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Dated: November 5, 2013

Respectfully submitted,

CARMODY MACDONALD P.C.

/s/ Gregory D. Willard

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*Counsel for the Official Committee of Unsecured  
Creditors*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing *Statement of the Official Committee of Unsecured Creditors in Support of the Disclosure Statement* was filed on November 5, 2013 using the Court's CM/ECF system, which sent a copy to all parties receiving electronic notices in this case.

/s/ Gregory D. Willard  
Gregory D. Willard

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF  
PATRIOT COAL CORPORATION AND ITS SUBSIDIARIES (“PATRIOT”)

November [ ], 2013

TO: UNSECURED CREDITORS ENTITLED TO VOTE (Classes: 1C, 2C-100C, 1D, 2D-101D, 1E, 2E-101E and 1F)

FROM: THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS (the “Creditors’ Committee”)<sup>1</sup>

The Creditors’ Committee recommends that you vote to **ACCEPT** the Chapter 11 Plan which accompanies this letter (the “Plan”)<sup>2</sup> by:

- 1) checking the box on your official ballot that says:  **ACCEPT the PLAN;** and
- 2) sending the ballot to the “Solicitation Agent”, GCG, Inc. (“GCG”) or your voting nominee (e.g., bank, broker, dealer or other agent), as applicable, pursuant to instructions in the ballot and accompanying Disclosure Statement (the “Disclosure Statement”).

To fund Patriot’s emergence from chapter 11, the Plan raises \$250 million in new investment under “rights offerings” and offers certain unsecured creditors the right to participate in the Rights Offerings or a small cash distribution.

Specifically, the Plan offers holders of Allowed Senior Notes Claims, Allowed Convertible Notes Claims and Allowed General Unsecured Claims that qualify as “Certified Eligible Holders” the right to buy (i) 15% Senior Secured Second Lien Notes (the “Rights Offering Notes”); and (ii) warrants exercisable for new shares of common stock of the reorganized Patriot (the “Rights Offering Warrants”) in amounts specified below. A creditor can be a “Certified Eligible Holder” if it is (a) an “Accredited Investor” or a “Qualified Institutional Buyer” under the securities laws (see the Disclosure Statement for further explanation); and (b) returns an Eligibility Certificate to GCG by 5:00 p.m. (CT) on November 27, 2013.<sup>3</sup> A holder of an Allowed general unsecured Claim must hold a claim greater than \$500,000 to participate in the Rights Offerings.

Certain deadlines and a summary of procedures for participating in the Rights Offerings are set forth in Exhibit A to this letter.

If a creditor cannot or does not wish to participate in the Rights Offerings, the creditor will receive only a small cash distribution under the Plan, summarized below. Alternatively, a creditor who cannot or does not wish to participate in the Rights Offerings can sell its claim to someone who is prepared to pay for the right to participate as set forth in Exhibit A under TRANSFERABILITY OF RIGHTS.

The Plan allocates value to all unsecured creditors based on an economic compromise that groups Patriot Coal Corporation and its 100 affiliated Debtors into 3 different “Debtor Groups” and enhances recoveries for creditors with claims against Debtors with relatively greater assets and/or lower liabilities. Schedule 2 to the Disclosure Statement lists each of the Debtor Groups.

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<sup>1</sup> The five current members of the Creditors’ Committee are: (1) Wilmington Trust Company, as Indenture Trustee, (2) U.S. Bank National Association, as Indenture Trustee, (3) the United Mine Workers of America, (4) the United Mine Workers of America 1974 Pension Plan and Trust and (5) American Electric Power.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

<sup>3</sup> Please send Eligibility Certificates to Patriot Coal Corporation, *et al.*, c/o GCG, Inc., P.O. Box 9898, Dublin, Ohio 43017-5798.

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Patriot estimates that unsecured creditors may expect to receive the following:<sup>4</sup>

Class	Type of Unsecured Claim	Treatment and Estimated Recovery
1C, 2C- 100C	Senior Notes Parent Claims and Senior Notes Guarantee Claims	<p><b><u>Each Certified Eligible Holder of Allowed Senior Notes Claim</u></b> will receive:</p> <p>(1) its Pro Rata Share of 55.38% of the Rights Offering Notes and Warrants convertible into 52.61% of Reorganized Patriot's new common stock<sup>5</sup>; <b><i>plus</i></b></p> <p>(2) its Ratable Share of 3% of Reorganized Patriot's new common stock.<sup>5</sup></p> <p><b><u>Patriot's Projected Recovery for Certified Eligible Holders: up to 11.71% (high-end of Patriot's estimated value range; value actually received may be higher or lower)</u></b></p> <p><b><u>Each Non-Certified Eligible Senior Note Holder:</u></b> will receive up to 10% of their allowed claim in cash (up to \$5 million in total for all such Holders).</p>
1D	Convertible Notes Claims	<p><b><u>Each Certified Eligible Holder of Allowed Convertible Notes</u></b> will receive:</p> <p>(1) its Pro Rata Share of 4.62% of the Rights Offering Notes and Warrants convertible into 4.39% of Reorganized Patriot's new common stock<sup>56</sup>; <b><i>plus</i></b></p> <p>(2) its Ratable Share of 0.25% of Reorganized Patriot's new common stock<sup>56</sup>.</p> <p><b><u>Patriot's Projected Recovery for Certified Eligible Holders: up to 1.93% (high end of Patriot's estimated value range; value actually received may be higher or lower.)</u></b></p> <p><b><u>Each Non-Certified Eligible Holder:</u></b> will receive its Ratable Share of the convenience class consideration of \$3 million in the aggregate at the recoveries projected below for Convenience Class Claims.</p>
1E, 2D- 101D	General Unsecured Claims	<p><b><u>Each Certified Eligible Holder of Allowed General Unsecured Claims</u></b> will receive:</p> <p>(1) its Pro Rata Share of 4.62% of the Rights Offering Notes and Warrants convertible into 4.39% of Reorganized Patriot's new common stock<sup>56</sup>; <b><i>plus</i></b></p> <p>(2) its Ratable Share of 0.25% of Reorganized Patriot's new common stock<sup>56</sup>.</p> <p><b><u>Patriot's Projected Recoveries:</u></b></p> <p><u>Group 1 Debtor General Unsecured Claims:</u> 0% to 1.93%</p> <p><u>Group 2 Debtor General Unsecured Claims:</u> 0% to 3.87%</p> <p><u>Group 3 Debtor General Unsecured Claims:</u> 0% to 5.80%</p> <p><b><u>Each Non-Certified Eligible Holder:</u></b> will receive its Ratable Share of the convenience class consideration of \$3 million in the aggregate at the recoveries projected below for Convenience Class Claims.</p>
1F, 2E- 101E	Convenience Class Claims	<p>Allowed general unsecured creditors with (i) claims under and including \$500,000; (ii) greater than \$500,000 that elect to be reduced to \$500,000; or (iii) non-Certified Eligible Holders of Convertible Notes Claims and General Unsecured Claims shall receive their Ratable Share of the convenience class consideration of \$3 million in the aggregate.</p> <p><b><u>Patriot's Projected Recoveries:</u></b></p> <p><u>Convertible Notes Claims:</u> 0.38% to 2.12% (Patriot's best estimate: 0.57%)</p>

<sup>4</sup> The ranges of recoveries for (i) Certified Eligible Holders and (ii) for holders of Allowed Claims receiving Convenience Class Consideration listed herein are based on Patriot's estimates of such holder's recovery based on certain assumptions described within the Disclosure Statement.

<sup>5</sup> Does not give effect to (i) the \$12.5 million Backstop Fee paid to the Backstop Parties in the form of additional Rights Offering Notes and additional Rights Offering Warrants and (ii) common stock issued in connection with management incentive packages.

<sup>6</sup> Convertible Notes Claims and General Unsecured Claims are allocated in the aggregate 4.62% of the Rights Offering Notes and Rights Offering Warrants (warrants convertible into 4.39% of Reorganized Patriot's new common stock) and 0.25% of Reorganized Patriot's new common stock.

<u>Group 1 Debtor Claims:</u> 0.38% to 2.92% (Patriot's best estimate: 0.57%)
<u>Group 2 Debtor Claims:</u> 0.76% to 4.25% (Patriot's best estimate 1.15%)
<u>Group 3 Debtor Claims:</u> 1.14% to 6.37% (Patriot's best estimate 1.72%)

The Disclosure Statement also contains information, record dates and deadlines that pertain to your ability to vote on the Plan. Such dates include, but are not limited to, the below.

Important Dates Related to Your Ability to Vote on the Plan	
<b>Voting Record Date</b>	You can only vote claims you held on <b>October 30, 2013</b> at 5:00 p.m. (CT).
<b>Voting Deadline</b>	You must deliver your ballots to Patriot's Solicitation Agent, GCG, <b>no later than December [10], 2013 at 4:00 p.m. (CT)</b> .
<b>Confirmation Objection Deadline</b>	<b>December [10], 2013</b> at 4:00 p.m. (CT) is the <b>objection deadline</b> for objections to confirmation of the Plan.
<b>Confirmation Hearing</b>	<b>December [17], 2013</b> at 9:00 a.m. (CT)

Please read the Disclosure Statement for all the facts and assumptions behind the predictions and projections cited above, and for information relating to Patriot and to its chapter 11 case. The Disclosure Statement contains a more detailed summary of expected recoveries and a detailed description of each class of unsecured creditors

Each recovery projection in this letter is taken from the Disclosure Statement and qualified by all of the information in the Disclosure Statement. **Recoveries actually received by creditors participating in the Rights Offerings may be higher or lower than predicted by Patriot, depending on the value of the consideration (Rights Offering Notes, Rights Offering Warrants and new common stock) offered to participating creditors. Any creditor deciding whether to participate in the Rights Offerings should make its own determination as to the inherent value of the Rights Offering Notes, Rights Offering Warrants and new common stock.**

The Plan is the product of intense negotiations between the Creditors' Committee, Patriot, the Plan's financial sponsor and other key creditor groups and effectuates global settlements with Peabody Energy Corporation, the United Mine Workers of America and Arch Coal, Inc.

**The Creditors' Committee believes that failure to confirm the Plan will lead to liquidation of Patriot and its subsidiaries, providing no recoveries to unsecured creditors.**

Accordingly, the Creditors' Committee urges each holder of a claim in Classes 1C, 2C-100C, 1D, 2D-101D, 1E, 2E-101E and 1F to accept the Plan and return your ballot indicating your **ACCEPTANCE** in accordance with the voting instructions described in the Disclosure Statement and ballot. Notwithstanding our recommendation, each creditor must make its own independent determination as to whether the Plan is acceptable to that creditor and should consult with its own legal and/or financial advisors(s).

If you have questions, please contact us at the Creditors' Committee's website, <http://dm.epiq11.com/PC2/Project>.

Very truly yours,

The Official Committee of Unsecured Creditors of  
Patriot Coal Corporation, *et. al.*

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EXHIBIT A**Important Information Related Participating in the Rights Offerings**

- Each holder of an Allowed Senior Notes Claim, Allowed Convertible Notes Claim or Allowed general unsecured Claim greater than \$500,000<sup>7</sup> on **November 6, 2013** (the “Rights Offerings Record Date”) will receive an Eligibility Certificate from Patriot. A certificate may also be obtained from [www.patriotcaseinformation.com](http://www.patriotcaseinformation.com).
- Each holder wishing to participate in the Rights Offerings (being either a creditor as of November 6 or its transferee) must certify its claim amount and status as a qualified institutional buyer or an accredited investor in an Eligibility Certificate and deliver the certificate so as to actually be received by the subscription agent, GCG, by **5:00 p.m. (CT) on November 27, 2013**.
- Each eligible holder that returns a completed Eligibility Certificate by November 27, 2013 will receive a “Subscription Form”.
- An eligible holder **MUST** return a completed and executed subscription form to the subscription agent (as well as any other required documentation) and pay the requisite subscription price by **December 10, 2013 at 5:00 p.m. (CT)**.

**TRANSFERABILITY OF RIGHTS:** Holders of allowed unsecured claims may be able to sell their claims and any associated rights up to December 10, 2013 – subject to certain restrictions, summarized below:

**Important Dates and Information Relating to Ability to Sell/Transfer Claims and Related Rights**

<b>From November 6 to November 27, 2013</b>	Holders of allowed general unsecured claims may transfer their claim to any person prior to 5:00 p.m. (CT) on November 27, 2013, however, only transferees that complete and return their Eligibility Certificates by 5:00 p.m. (CT) on November 27, 2013 will be able to subscribe for rights associated with said transferred claim. In addition, a “Certification Period Transfer Notice” must accompany the transferee’s eligibility certificate.
<b>From November 27 to December 10, 2013</b>	After November 27, 2013 and until December 10, 2013, only a Certified Eligible Holder may transfer its claim and the corresponding rights to other Certified Eligible Holders. In addition, a “Post-Certification Period Transfer Notice” must accompany the transferee’s subscription form.

<sup>7</sup> Any description or summary of the Rights Offerings Procedures herein is qualified in all respects by reference to the Rights Offerings Procedures.