Principal Terms – Exit Term Loan Credit Agreement

PATRIOT COAL

Borrower:	Patriot Coal Corporation (the "Borrower")
Facility:	$250 million Senior Secured 1st Lien / 2nd Out Term Loan (the "Term Loan")
Guarantors:	Substantially all existing and future direct and indirect domestic restricted subsidiaries of the Borrower; provided that any such subsidiary that guarantees the obligations under the L/C Facility and/or the ABL Facility shall also be a guarantor under the Term Loan
Admin Agent:	Barclays Bank PLC
Use of proceeds:	Make distributions to creditors in accordance with the Plan, repay DIP term loan, pay related fees and expenses and provide for the working capital needs and general corporate requirements of the Borrower and its subsidiaries.
Maturity:	Five (5) years after the Closing Date
Amortization:	1% per annum
Collateral:	■ First priority liens (on a pari passu but second out basis with the L/C Facility) on fixed assets of the Loan Parties other than ABL Priority Collateral, with certain exceptions ("L/C and Term Loan Priority Collateral") ■ Second priority liens (on a pari passu but second out basis with the L/C Facility) on current assets, with certain exceptions (the "ABL Priority Collateral")
Pricing:	■ L+8.00% ■ OID 98.0%
Call Protection:	Premium for optional payments, and prepayments with proceeds of asset sales and incurrence of non-permitted debt: 102% in year 1, 101% in year 2, and Par thereafter
Mandatory Prepayments:	■ Excess Cash Flow: Prepayment of 50% of Excess Cash Flow if the Consolidated First Lien Net Leverage Ratio (outlined below) is greater than or equal to 2.50:1.00 (subject to minimum liquidity of $25 million). No Excess Cash Flow prepayment shall be required if the Consolidated First Lien Net Leverage Ratio is less than 2.50:1.00 ■ 100% of net cash proceeds received from incurrence of certain indebtedness ■ 100% of net cash proceeds from certain sales or dispositions of L/C and Term Loan Priority Collateral (with reinvestment rights, exceptions, etc. to be agreed) ■ Mandatory prepayments shall be applied first to repay any outstanding L/C borrowings under the L/C Facility; amounts remaining thereafter shall be divided in a manner to be agreed to cash collateralize exposure under outstanding letters of credit under the L/C Facility and to prepay the Term Loan
Financial Covenant:	Maximum Consolidated First Lien Net Leverage Ratio (to include first lien funded debt only and net of unrestricted cash) of 3.0x
Covenants:	Affirmative and negative covenants which are usual and customary for these types of facilities (to be applicable to the Borrower and its restricted subsidiaries, which shall be subject to exceptions and qualifications to be agreed)

Principal Terms – Exit L/C Credit Agreement

Borrower:	Patriot Coal Corporation (the "Borrower")
Facility:	Approximately $201 million 1st Lien / 1st Out Letter of Credit Facility (the "L/C Facility")
Guarantors:	Substantially all existing and future direct and indirect domestic restricted subsidiaries of the Borrower; provided that any such subsidiary that guarantees the obligations under the Term Loan and/or the ABL Facility shall also be a guarantor under the L/C Facility
Admin Agent:	Barclays Bank PLC
L/C Issuers:	Bank of America, N.A., PNC Bank, National Association and Fifth Third Bank, each in its capacity as an issuer of the Existing Letters of Credit
Maturity:	Five (5) years after the Closing Date
Collateral:	■ First priority liens (on a pari passu but first out basis with the Term Loan) on L/C and Term Loan Priority Collateral ■ Second priority liens (on a pari passu but first out basis with the Term Loan) on ABL Priority Collateral
Pricing:	See table below

Pricing:

Year	Undrawn principal amount of any outstanding Existing Letters of Credit (to the extent not cash collateralized)	Undrawn principal amount of any outstanding Existing Letters of Credit (to the extent cash collateralized)	L/C Borrowings
1-3	5.25%	0.25%	L + 7.00%
4	6.00%	0.25%	L + 7.50%
5	6.50%	0.25%	L + 8.00%

Mandatory Prepayments:

- Excess Cash Flow: Prepayment of 50% of Excess Cash Flow if the Consolidated First Lien Net Leverage Ratio is greater than or equal to 2.50:1.00 (subject to minimum liquidity of $25 million). No Excess Cash Flow prepayment shall be required if the Consolidated First Lien Net Leverage Ratio is less than 2.50:1.00
- 100% of net cash proceeds received from incurrence of certain indebtedness
- 100% of net cash proceeds from certain sales or dispositions of L/C and Term Loan Priority Collateral (with reinvestment rights, exceptions, etc. to be agreed)
- Mandatory prepayments shall be applied first to repay any outstanding L/C borrowings under the L/C Facility; amounts remaining thereafter shall be divided in a manner to be agreed to cash collateralize exposure under outstanding letters of credit under the L/C Facility and to prepay the Term Loan

Financial Covenant:	Same as the Term Loan
Covenants:	Same as the Term Loan

Principal Terms – Exit ABL Credit Agreement

Borrowers:	Patriot Coal Corporation (the "Company") and certain of its subsidiaries to be determined (collectively, the "Borrowers")
Facility:	Up to $125 million senior secured asset-based revolving credit facility (the "ABL Facility"), subject to a borrowing base, including a $75 million letter of credit sublimit, a $10 million swingline sublimit and an accordion on terms and in an amount to be agreed
Administrative Agent:	Deutsche Bank AG New York Branch
Pricing:	▪ Pricing grid based on average historical excess availability: Initially Euro+250 bps subject to a grid ranging from Euro+ 225 to 275 bps ▪ Unused line fee based on utilization as a percentage of the commitment: 37.5 bps or 50.0 bps
Maturity:	The earlier of (i) five (5) years after the Closing Date and (ii) 91 days prior to the maturity of any of the L/C Facility and the Term Loan (to the extent not refinanced), pre-payable at any time at par
Collateral:	▪ First priority liens on all the ABL Priority Collateral ▪ Second priority liens on all the L/C and Term Loan Priority Collateral
Borrowing Base:	The ABL Facility will be subject to a borrowing base consisting of: ▪ 100% of Qualified Cash (defined to mean cash and cash equivalents of the Borrowers subject at all times to the control of, and a first priority perfected security interest in favor of, the Administrative Agent), subject to a cap to be agreed, plus ▪ 85% of eligible billed and unbilled accounts receivable, plus ▪ the lesser of (x) 85% of the appraised net orderly liquidation value of eligible inventory (to be defined) (including saleable coal and raw coal), or (y) 80% of the value of eligible inventory that constitutes saleable coal and 40% of the value of eligible inventory that constitutes raw coal, minus ▪ reserves Until the completion of a field exam and appraisal (due within 60 days post close), the borrowing base will be based on 85% of the existing eligible billed and unbilled accounts receivable, plus 50% of the net book value of eligible inventory that constitutes saleable coal, plus 25% of the net book value of eligible inventory that constitutes raw coal, minus reserves
Cash Dominion:	Springing cash dominion any time an event of default is continuing or excess availability is less than the greater of (x) 12.5% of the commitment, and (y) $20 million for five consecutive business days
Reporting:	Monthly borrowing base certificates springing to weekly upon the occurrence of a cash dominion trigger
Field Exams and Appraisals:	One appraisal and one field exam per annum at the cost of the Borrowers with a second appraisal and field exam at the cost of the Borrowers permitted in the 12 month period following any date excess availability is less than 20% of the commitment. Unlimited at the cost of the Borrowers during a specified event of default
Covenants:	Affirmative and negative covenants which are usual and customary for these types of facilities (to be applicable to the Company and its restricted subsidiaries which shall be subject to exceptions and qualifications to be agreed)
Financial Covenant:	Springing minimum fixed charge coverage ratio covenant of 1.00:1.00 triggered anytime excess availability is less than the greater of (x) 10% of the lower of the borrowing base or the commitment, and (y) $15 million