

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**ORDER APPROVING PATRIOT'S ASSUMPTION
AND EXECUTION OF CERTAIN AGREEMENTS WITH PEABODY**

Upon the motion (the "**Motion**")² of Patriot Coal Corporation ("**Patriot**") and its subsidiaries, that are debtors and debtors in possession (collectively, the "**Debtors**"), pursuant to sections 363(b) and 365(a) of the Bankruptcy Code, seeking approval of the Agreement, including approval of (a) the assumption of the Assumed Agreements, (b) the Coal Supply Agreement, which will replace and supersede the Prior Agreements, and (c) the Cure Payment, as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Motion having

¹ The Debtors are the entities listed on Schedule 1 attached to the Motion. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors' chapter 11 petitions.

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Motion.

been provided in accordance with the Case Management Order, and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion [and having held a hearing with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”)]; and the Court having determined that the legal and factual bases set forth in the Motion [and at the Hearing] establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that, pursuant to sections 363(b) and 365(a) of the Bankruptcy Code, the relief requested in the Motion is hereby granted to the extent set forth herein; and it is further

ORDERED that the Agreement between certain of the Debtors and Peabody is hereby approved; and it is further

ORDERED that the assumption by the Debtors of the Assumed Agreements and the execution by Patriot Coal Sales LLC of the Coal Supply Agreement, on the terms and subject to the conditions set forth in the Motion, is hereby approved; and it is further

ORDERED that payment of the Cure Payment is hereby approved; and it is further

ORDERED that each Debtor’s estate or Peabody entity (respectively) shall only be obligated under this Order to the extent that such applicable Debtor or Peabody entity (respectively) was a party to (i) the Assumed Agreements prior to the petition date or (ii) the Coal Supply Agreement after the petition date and nothing in this Order and/or the

assumptions and/or the transactions contemplated hereby shall obligate any Debtor's estate for such Debtor or any Peabody entity (respectively) that was not an existing party to the Assumed Agreements or is not a party to the Coal Supply Agreement, as applicable; and it is further

ORDERED that the failure to specifically describe or include any particular provision of the Agreement, the Assumed Agreements, the Prior Agreements or the Coal Supply Agreement in the Motion or this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Debtors are authorized to assume the Assumed Agreements and enter into the Coal Supply Agreement in their entirety; and it is further

ORDERED that, without limiting the relief granted by the Order, neither the entry of this Order nor any statement contained in the Agreement is intended to be, and none should be construed as, a waiver or compromise of any rights and defenses and the parties in interest, including the Parties, expressly reserve: (i) any rights, claims or defenses that any party in interest, including any Party, has or may have under the Agreement, the Assumed Agreements, the Coal Supply Agreement or the Prior Agreements; (ii) any rights, claims or defenses that any party in interest, including any Party, has or may have in connection with the above captioned chapter 11 case, including but not limited to any Bankruptcy Code Chapter 5 causes of action or related claims and any defenses thereto; and (iii) any rights, claims or defenses that any party in interest, including any Party, may have with respect to or under any other contracts or agreements between Peabody and/or any of its insiders and/or

affiliates and any of the Debtors, including, but not limited to, the Separation Agreement, Plan of Reorganization and Distribution, dated October 22, 2007; and it is further

ORDERED that, upon payment of the Cure Payment pursuant to the terms of the Agreement and the Assumed Agreements, there shall be no defaults that preclude assumption under the Assumed Agreements, and the Debtors shall have been deemed to have satisfied all of their obligations under section 365(b)(1) of the Bankruptcy Code with respect to the Assumed Agreements; and it is further

ORDERED that, upon payment of the Cure Payment pursuant to the terms of the Agreement, the Motion, and this Order, the relief granted to Peabody pursuant to this Order shall constitute adequate assurance for all purposes under the Bankruptcy Code for the goods and services to be provided to Peabody by the Debtors pursuant to the Assumed Agreements, and Peabody shall neither be entitled to additional or different assurance thereunder, nor shall Peabody rely on any provision of the Assumed Agreements or the Coal Supply Agreement, except as otherwise provided in the Agreement or the Coal Supply Agreement, to terminate or seek to terminate the Assumed Agreements or the Coal Supply Agreement based on the financial condition of any of the Debtors at any time during the pendency of these chapter 11 cases or upon the Debtors' emergence from chapter 11 protection; and it is further

ORDERED that, notwithstanding the possible applicability of any Bankruptcy Rule that might otherwise delay the effectiveness of this order, including, but not limited to, Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that this Court retains jurisdiction to hear and determine all matters arising from or related to the implementation and/or interpretation of this Order.

Dated: September 11, 2012
New York, New York

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