

Bowie Announces Partnership To Acquire Major Peabody Assets

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This transaction will:

- Increase annual production to 25 million tons
- Triple Bowie's reserves to more than 500 million tons and expand reserve life to over 20 years
- Expand Bowie's unique platform of operating low-cost mines in its Western Bituminous niche – successfully competing with natural gas
- Generate strong and stable cash flows through long-term contracts (up to 15 years) with neighboring utilities

Bowie Resource Partners, LLC ("BRP"), based in Louisville, Kentucky, entered into a definitive agreement to purchase the El Segundo and Lee Ranch mining complexes in New Mexico and the Twentymile mining complex in Colorado from Peabody Energy Corporation ("Peabody") for \$358 million (USD) in cash plus the assumption of certain liabilities, creating the largest bituminous coal producer in the western United States.

The acquisition will nearly double the size of BRP's production output to 25 million tons per year, generating top line revenues of \$1 billion annually. BRP will operate 5 mining complexes in Colorado, New Mexico and Utah, employing over 1,700 people. These acquisitions will further enhance BRP's growing business platform. The combined company will continue to focus heavily on safety and operations excellence.

"These acquisitions fit the vision and model that were the genesis of BRP, as we continue to buck the industry trend with long term contractual partnerships with our customers and secure margins in our niche," said John Siegel, Executive Chairman of BRP. "The El Segundo and Twentymile mining complexes have exemplary safety and productivity records, long-term relationships with domestic customers and superior reserve quality that combine to render this an accretive and synergistic acquisition for us that will create economies of scale and lower cost," Siegel added.

As part of this transaction, a US private equity fund ("the Partner") will invest \$112 million of common equity and \$201 million of preferred equity to facilitate the acquisition and buyout of Galena U.S. Holdings, Inc., BRP's existing partner.

A portion of the proceeds from the Partner's investment will be used to purchase the BRP ownership interest currently held by Galena U.S. Holdings, Inc., an affiliate of Trafigura Beheer BV ("Trafigura"). Trafigura will remain the exclusive export marketing agent for BRP's production. "While Galena has been a great partner, we will continue to utilize Trafigura's vast expertise to meet the needs of power generation customers around the world," Siegel said.

El Segundo and Twentymile

The El Segundo and Twentymile mining complexes are located in northwestern New Mexico and northern Colorado, respectively. These two assets currently produce approximately 12 million tons of high BTU, low sulfur coal with a reserve base that allows for long mine lives with considerable extension and development opportunities.

These mining complexes will build upon BRP's strong, long-term contract portfolio in the Western Bituminous region. Production at these mines is fully committed for the next several years and, like BRP, also supported by other contracts that run into the next decade. After the transaction, the workforces of El Segundo and Twentymile are all expected to remain in place and become employees of BRP.

BRP

BRP has three underground coal mines in Utah's Uinta Basin with a productive capacity of 12.6 million tons per year. The majority of BRP's current coal sales are to domestic customers, pursuant to long-term, high volume coal supply agreements with fixed pricing. As part of BRP's domestic sales portfolio, BRP has multi-year coal supply agreements with PacifiCorp and Intermountain Power Agency, two investment-grade regional utilities that operate power plants located in close proximity to BRP's mines. These multi-year supply agreements have minimum volume guarantees, with durations ranging from 2020 to 2029.

Transaction Details

The sale of El Segundo and Twentymile has been by approved by the Peabody Board of Directors and is expected to be completed in the first quarter of 2016. The transaction is subject to usual closing conditions and regulatory approvals. The Partner will provide equity financing for the transaction through an investment in BRP.

Citi acted as financial advisor to BRP in the Partner Transaction while Deutsche Bank acted as financial advisor to BRP on the acquisition of the Peabody assets. Holland & Hart LLP and Vinson & Elkins LLP acted as legal counsel to BRP.

Affiliate Companies**Trafigura**

Trafigura is one of the world's leading international commodity traders, specializing in the oil, minerals and metals markets, with 65 offices in 36 countries in six continents including Houston, Texas and Stamford, Connecticut in the US. Primary trading businesses are the supply and transport of crude oil, petroleum products, renewable energies, coal, refined metals, ferrous and non-ferrous ores and concentrates.

Trafigura is the world's second largest privately owned non-ferrous and oil trading company. Founded in 1993, the company is owned by its founding shareholders and senior management. Further information available at www.trafigura.com.

SOURCE Bowie Resource Partners, LLC