

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

**Case No. 12-51502-659
(Jointly Administered)
#4986, #4987**

**ORDER PURSUANT TO 11 U.S.C. §§ 363, 365 AND 105(a) AUTHORIZING
ENTRY INTO AN AGREEMENT WITH ALLIANCE TO ASSIGN CERTAIN
LEASE INTERESTS AND SELL PROPERTY FREE AND CLEAR**

Upon the motion dated November 12, 2013 (the “**Motion**”)² of Patriot Coal Corporation and its subsidiaries that are Debtors and Debtors In Possession in these cases, pursuant to Sections 363, 365 and 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of an order authorizing entry into the Alliance Transaction, 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. § 1334; and consideration of the Motion and requested relief being a core proceeding that the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion having been given as set forth in the Motion; and the record of the hearing on November 19, 2013 in consideration of the same (the “**Hearing**”); and the Court having found and determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for

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 used herein shall have the meaning ascribed to it in the Motion.

the relief granted herein; and that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Motion is GRANTED; and it is further

ORDERED that proper, timely, adequate, and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and no other or further notice of the Motion or the entry of this Order shall be required; and it is further

ORDERED that the Debtors' entry into and consummation of the Alliance Transaction is hereby approved pursuant to Sections 363 and 365 of the Bankruptcy Code; and it is further

ORDERED that, pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code, upon the consummation of the Alliance Transaction, the Alliance Transaction Property shall be deemed to be transferred to Alliance, free and clear of any and all liens, claims and interests of all persons with any interest in, to and with respect to the Alliance Transaction Property, whether arising prior to, during or subsequent to these chapter 11 cases or imposed by agreement, understanding, law, equity or otherwise; and it is further

ORDERED that the Debtors are authorized to assign the Assigned Lease Interests identified on Schedule A and Schedule B to the Motion pursuant to Section 365 of the Bankruptcy Code, subject to any lessor consents required by the applicable leases governing the Assigned Lease Interests; and it is further

ORDERED that the Debtors are authorized to execute, deliver, implement, and fully perform any and all obligations, instruments, documents, and papers and to take any and all actions reasonably necessary or appropriate to consummate, complete, execute, and implement

the Alliance Transaction and the relief granted in this Order, in accordance with the terms and conditions thereof; and it is further

ORDERED that the transactions contemplated by the Alliance Transaction, including without limitation the transfer of Alliance Transaction Property to Alliance free and clear of all liens, claims and interests, are undertaken by Alliance in good faith, as that term is used in Section 363(m) of the Bankruptcy Code, and that neither the Debtors nor Alliance has engaged in any conduct that would cause or permit any transactions contemplated by the Alliance Transaction, including the transfer of the Alliance Transaction Property, to be avoidable under Section 363(n) of the Bankruptcy Code, and that the consideration being provided by Alliance in exchange for the sale and transfer of the Alliance Transaction Property to Alliance constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act, and under the laws of the United States, any state, territory or possession thereof, and the District of Columbia. Alliance is a purchaser in good faith of the Alliance Transaction Property and shall be entitled to all of the protections afforded by Section 363(m) of the Bankruptcy Code; and it is further

ORDERED that nothing in this Order or the Alliance Term Sheet releases, nullifies, or enjoins the enforcement of any environmental liability to a governmental unit that any entity would be subject to as the owner or operator of property after the date of entry of this Order; and it is further

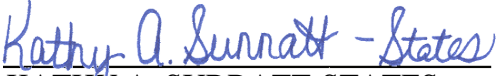
ORDERED that nothing in this Order or the Alliance Term Sheet authorizes the transfer or assignment to Alliance of any governmental (i) license, (ii) permit, (iii) registration, (iv) authorization or (v) approval without Alliance's compliance with all applicable legal requirements under non-bankruptcy law governing such transfers or assignments; and it is further

ORDERED that after the consummation of the Alliance Transaction, Alliance is hereby, and shall be, authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the transfer of the Alliance Transaction Property free and clear of all liens, claims and interests except as provided in this Order; and it is further

ORDERED that, except as expressly permitted or otherwise specifically provided for in this Order, the Alliance Term Sheet or the definitive documentation for the Alliance Transaction, Alliance shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Alliance Transaction Property prior to the consummation of the Alliance Transaction; and it is further

ORDERED that this Court retains jurisdiction to enforce and implement the terms and provisions of the Alliance Transaction, including, but not limited to: (i) compel delivery of the Alliance Transaction Property to Alliance; (ii) compel delivery of the purchase price or performance of other obligations owed to the Debtors; (iii) resolve any disputes arising under or related to the Alliance Transaction except as otherwise provided therein; (iv) interpret, implement, and enforce the provisions of this Order; and (vii) protect Alliance against any interests in the Alliance Transaction Property of any kind or nature whatsoever; it is further

ORDERED that notwithstanding the possible application of the 14-day stay provided in Bankruptcy Rule 6004(h) or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry. Motion to Expedite Hearing is Granted.


KATHY A. SURRATT-STATES
Chief United States Bankruptcy Judge

DATED: November 25, 2013
St. Louis, Missouri
jjh

Order prepared by:

Marshall S. Huebner

Elliot Moskowitz

Brian M. Resnick

Michelle M. McGreal

DAVIS POLK & WARDWELL LLP

450 Lexington Avenue

New York, New York 10017