



The Case for Coal and Carbon Capture

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Peabody



DELIVERING
RESULTS
GENERATING
VALUE



Key Themes for Discussion

- Coal continues to fuel the global economy
- Affordable, reliable energy from coal supports economic goals
- Deployment of advanced technologies offers proven success
- Public policy decisions must support technology adoption



Peabody: The Leading Global Pure-Play Coal Company

- U.S. headquartered, NYSE-listed and member of Fortune 500
- Company offers significant scale, high-quality assets and diversity in geography and products
- Sold 187 million tons of coal to customers globally in 2018
- Core portfolios include:
 - Seaborne thermal
 - Seaborne metallurgical
 - U.S. thermal

23 operations

in U.S. and Australia

\$5.6 billion

2018 Revenues

4.9 billion

Tons Proven/Probable Reserves

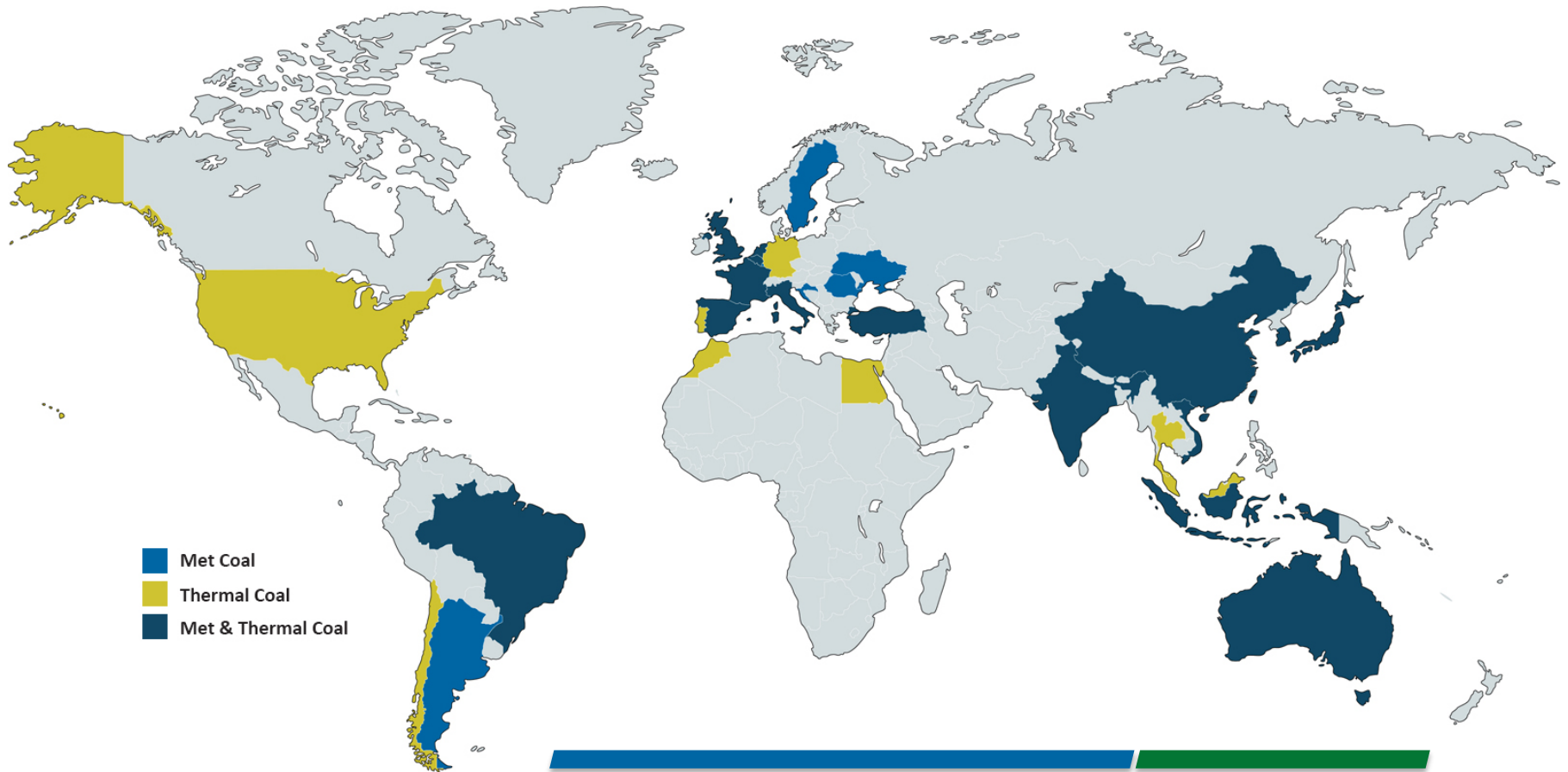
7,600

Employees Globally

25+ countries

Served by Peabody

Peabody Offers Extensive Diversity of Geography, Customers and Products



Serving more than 25 countries on 6 continents

Coal Use Extends Well Beyond Electricity Generation

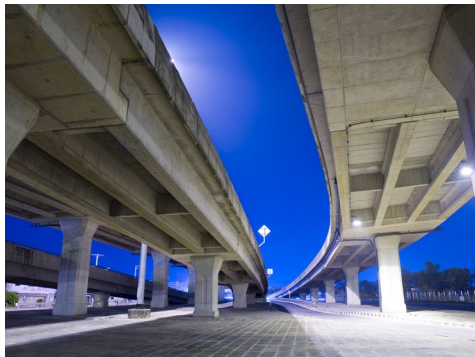
**Original
Steel
Making**

**1 billion
tonnes
annually**



**Energy
for
Cement**

**70% of the
energy for
production**



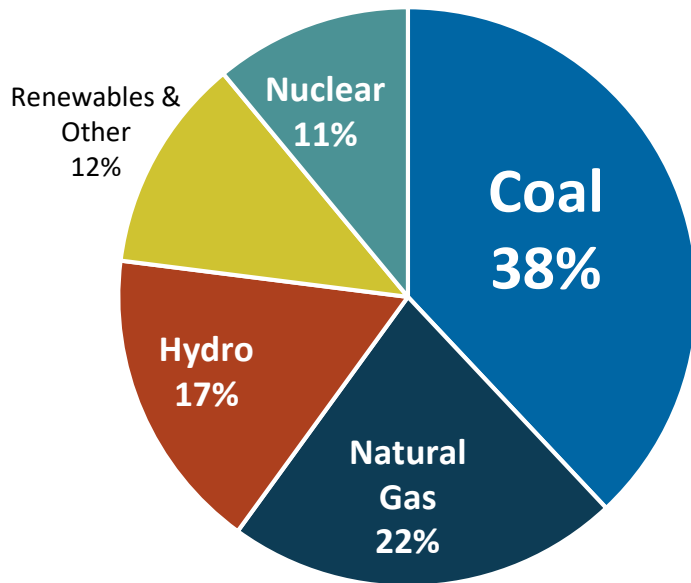
**Wind
Turbine
Production**

**200
tonnes
per turbine**

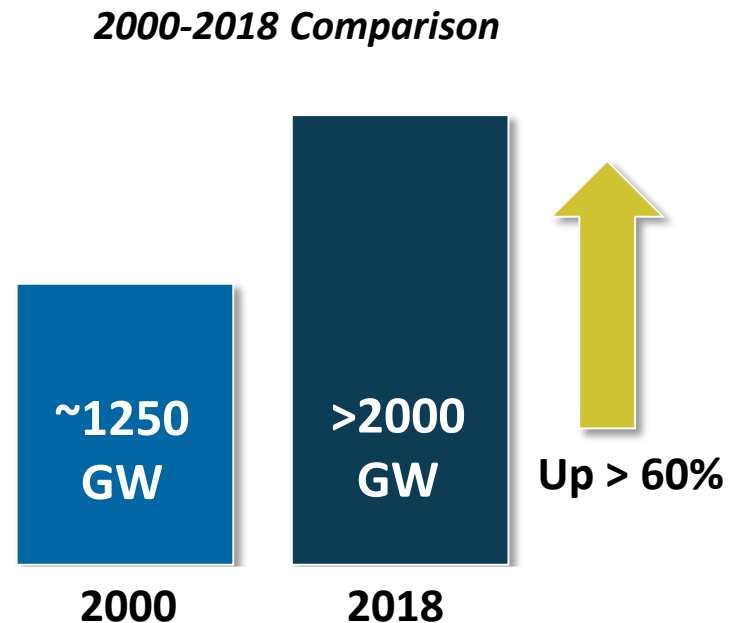


Coal Fuels the Global Economy

World Consumes 8 Billion Tons Per Year



2018 Global Electricity Generation Share



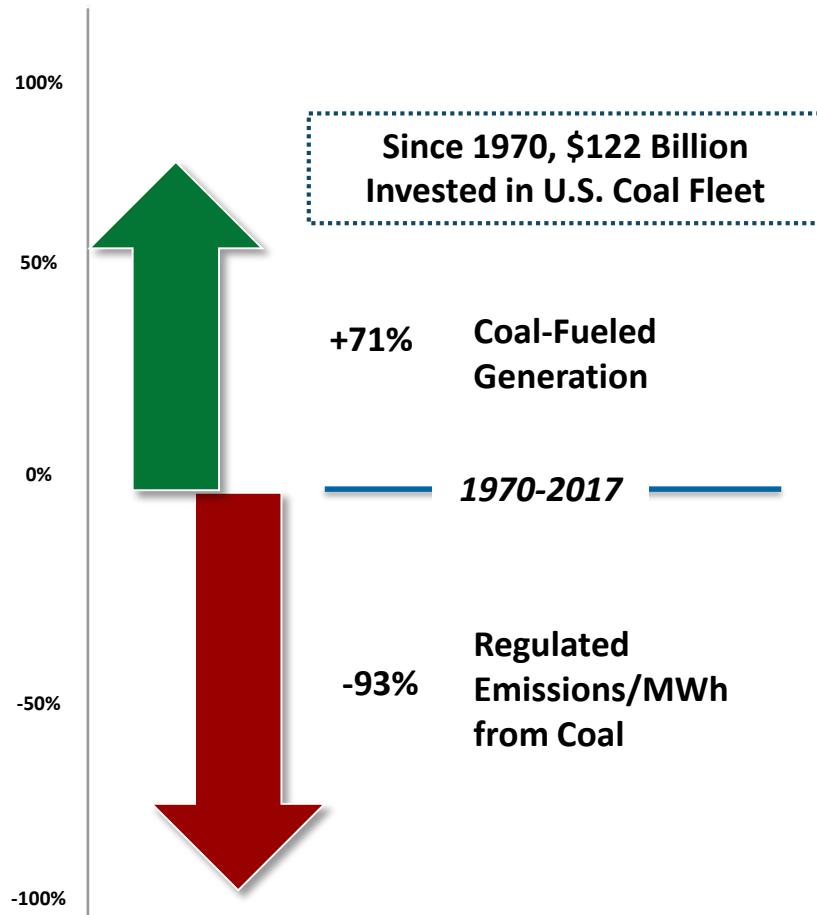
Global coal capacity exceeds 2,000 GW for first time ever

Global coal generation up more than 60% since 2000

Global capacity is roughly 8x the size of the U.S. fleet

~300 GW of new coal-fueled generating plants currently under construction in Asia

Improved Emissions from Advanced Coal Technologies Offer Path to the Future



- Nearly 1,000 GW of HELE plants in use or under construction; most being built in Asia
- HELE technologies result in smaller environmental footprint achieving as much as a 25% reduction in CO₂ emissions
- Raising efficiency of coal-fueled plants to 40% reduces global emissions by 2 gigatonnes

Path Forward is Focused on Technology

Peabody Supports Advanced Coal Initiatives

- Consortium for Clean Coal Utilization
 - ✓ Founding member of research center at Washington University
- Coal21 Fund
 - ✓ Founding member of initiative in Australia
- National Carbon Capture Center
 - ✓ Technology-neutral carbon capture test center

*WORLD'S LARGEST
CARBON CAPTURE
PROJECT OF ITS KIND*



Petra Nova Project near Houston, Texas / Joint Partnership NRG and JX Nippon Oil & Gas Exploration

- Captures CO₂ for enhanced oil recovery using post-combustion technology
- Received \$190 million U.S. Department of Energy grant
- Capacity for 1.4 million metric tons CO₂ capture annually

Public Policy Has Potential to Drive Technology Adoption

- 45Q Tax Credit for CCUS
 - \$35/metric ton CO₂ for beneficial use, including EOR
 - \$50/metric ton CO₂ saline aquifer storage
 - 12-year window
 - Construction prior to 2024
 - Transferable
- Other potential public policy options
 - 48A
 - USE IT
 - PAB, MLPs, etc.





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