

Stephen E. Hessler (admitted *pro hac vice*)
Patrick Evans (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
KUTAK ROCK LLP
Bank of America Center
1111 East Main Street, Suite 800
Richmond, Virginia 23219-3500
Telephone: (804) 644-1700
Facsimile: (804) 783-6192

- and -

James H.M. Sprayregen, P.C.
Ross M. Kwasteniet (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

*Counsel for the Debtors and
Debtors in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)
) Chapter 11
)
PATRIOT COAL CORPORATION, *et al.*,) Case No. 15-32450 (KLP)
)
Debtors.) (Jointly Administered)
)

**DEBTORS' MONTHLY OPERATING
REPORT FOR THE PERIOD ENDING OCTOBER 26, 2015**

DEBTORS' ADDRESS: 63 Corporate Centre Drive
Scott Depot, West Virginia 25560

DEBTORS' ATTORNEYS: Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
KUTAK ROCK LLP
Bank of America Center
1111 East Main Street, Suite 800
Richmond, Virginia 23219-3500
Telephone: (804) 644-1700
Facsimile: (804) 783-6192

- and -

Stephen E. Hessler (admitted *pro hac vice*)
Patrick Evans (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

- and -

James H.M. Sprayregen, P.C.
Ross M. Kwasteniet (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

REPORT PREPARER: Patriot Coal Corporation, *et al.*

GENERAL NOTES:

This Monthly Operating Report has been prepared solely for the purpose of complying with the monthly reporting requirements applicable in these chapter 11 cases and is in a format acceptable to the Office of the United States Trustee for the Eastern District of Virginia. The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is preliminary and unaudited, and is not prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States. In addition, the financial statements and supplemental information contained herein represent condensed combined information.

The unaudited consolidated financial statements have been derived from the books and records of the Debtors. This information, however, has not been subject to certain procedures that would typically be applied to financial information in accordance with GAAP, and upon application of such procedures the financial information could be subject to material change.

The financial information contained herein is presented on a preliminary and unaudited basis and remains subject to future adjustment.

The results of operations contained herein are not necessarily indicative of results which may be expected for any other period or for the full year and may not necessarily reflect the consolidated results of operations and financial position of the Debtors in the future.

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies, under penalty of perjury, that the information contained herein is complete, accurate and truthful to the best of my knowledge.

DATE: November 30, 2015



Eugene I. Davis
Liquidating Trustee

Case Name: Patriot Coal Corporation, et al.
Case Number: 15-32450 (Jointly Administered)
Judge: Honorable Keith L. Phillips

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

MONTHLY OPERATING REPORT
MONTH ENDING: October 2015

In accordance with Title 28, Section 1746, of the United States Code, I declare under penalty of perjury that I have examined the following monthly operating report and the accompanying attachments and, to the best of my knowledge, these documents are true, correct and complete.

Responsible Party:



Eugene I. Davis
Liquidating Trustee

November 30, 2015

Date

Table of Contents

<u>Description</u>	<u>Page Number</u>
Cash Receipts & Disbursements (By Debtor Entity)	3
Bank Account Reconciliations	4
Payments to Insiders	5
Payments to Professionals	6
Post-Petition Status of Secured Notes, Leases Payable & Adequate Protection Payments	7
Debtors' Questionnaire	8
Notes	9
<u>Appendix A</u>	
Balance Sheet (Consolidated)	
Statement of Operations (Consolidated)	
Accounts Receivable Aging	
Aging of Post-Petition Taxes & Payables	
Status of Post-Petition Taxes	

Cash Receipts & Disbursements (By Debtor Entity)

Case No.	Debtor Entity	Cash Receipts	Cash Disbursements
15-32448	Emerald Processing, L.L.C.	\$ -	\$ 1,505,286
15-32449	Kanawha Eagle Coal, LLC	11,455	3,926,018
15-32450	Patriot Coal Corporation	31,215,929	28,513,528
15-32451	Patriot Ventures LLC	-	-
15-32452	Highland Mining Company, LLC	57,846	62,055
15-32453	Pine Ridge Coal Company, LLC	6,989	56,254
15-32454	Remington LLC	-	1,054,765
15-32455	Apogee Coal Company, LLC	136,846	1,113,906
15-32456	Rhino Eastern JV Holding Company LLC	-	-
15-32457	Hillside Mining Company, LLC	-	783,919
15-32458	Rivers Edge Mining, Inc.	-	844
15-32459	Robin Land Company, LLC	117,066	1,567,020
15-32460	Appalachia Mine Services, LLC	5,200	280,701
15-32461	Hobet Mining, LLC	80,031	5,460,027
15-32462	Speed Mining LLC	7,885	1,367,544
15-32463	Thunderhill Coal LLC	-	100
15-32464	Jupiter Holdings LLC	-	133,283
15-32465	Wildcat Energy LLC	-	483,205
15-32466	Wildcat, LLC	-	245,049
15-32467	Will Scarlet Properties LLC	-	6,535
15-32468	Kanawha River Ventures III, LLC	-	28,907
15-32469	Black Stallion Coal Company, LLC	-	121,354
15-32470	Little Creek LLC	-	39,781
15-32471	Brody Mining, LLC	-	85,359
15-32472	WWMV JV Holding Company LLC	-	-
15-32473	Midland Trail Energy LLC	3,000	2,163,865
15-32474	Catenary Coal Company, LLC	138,878	2,847,364
15-32475	Midwest Coal Resources II, LLC	-	-
15-32476	Central States Coal Reserves of KY, LLC	100	3,160
15-32478	Mountain View Coal Company, LLC	1,150	10,818
15-32479	Colony Bay Coal Company	-	4,870
15-32480	Corydon Resources LLC	-	-
15-32481	Panther LLC	5,571	4,500,346
15-32482	Dodge Hill Mining Company, LLC	7,128	848
15-32483	Patriot Coal Company, L.P.	-	464
15-32484	Eastern Associated Coal, LLC	160,699	15,470,815
15-32485	Patriot Coal Holdings I LLC	1,103,005	1,115,187
15-32486	Patriot Coal Holdings II LLC	-	-
15-32487	Coyote Coal Company LLC	-	2,136,388
15-32489	Eastern Royalty, LLC	-	187,739
15-32490	Patriot Coal Sales LLC	73,503,394	4,075,150
15-32492	Patriot Coal Services LLC	259,037	2,126,405
15-32493	Gateway Eagle Coal Company, LLC	-	785,718
15-32495	Patriot Leasing Company LLC	-	1,069,275
15-32497	Grand Eagle Mining, LLC	-	90,020
15-32498	Patriot Midwest Holdings, LLC	-	-
15-32499	Heritage Coal Company LLC	1,409,673	937,318
15-32500	Patriot Reserve Holdings, LLC	-	42,463
Total Debtors ^{[2], [3]}		\$ 108,230,880	\$ 84,403,653

Bank Account Reconciliations

Account Holder	Bank Name	Account Description	Last Digits of Account Number	Ending Bank Balance ^[4]
Master Concentration Account	Patriot Coal Corporation	Bank of America	x7867	\$ 14,815,276
Restricted Concentration Account	Patriot Coal Corporation	PNC Bank	x0808	\$ -
Collection Account	Patriot Coal Corporation	Bank of America	x1665	\$ -
Payroll Account	Patriot Coal Corporation	PNC Bank	x0736	\$ 1,999,440
O&M Account	Patriot Coal Corporation	PNC Bank	x0744	\$ 2,003,828
Working Fund Account	Apogee Coal Company, LLC	Logan Bank & Trust Company	x013	\$ -
Working Fund Account	Appalachia Mine Services, LLC	Premier Bank	x9760	\$ -
Working Fund Account	Catenary Coal Company, LLC	City National Bank	x6124	\$ -
Working Fund Account	Eastern Associated Coal, LLC	Premier Bank	x2203	\$ -
Working Fund Account	Eastern Associated Coal, LLC	Clear Mountain Bank	x3650	\$ -
Working Fund Account	Hobet Mining, LLC	United Bank	x5973	\$ -
Working Fund Account	Kanawha Eagle Coal, LLC	Whitesville State Bank	x9116	\$ -
Working Fund Account	Midland Trail Energy LLC	City National Bank	x7457	\$ -
Working Fund Account	Panther LLC	City National Bank	x7007	\$ (51)
Working Fund Account	Robin Land Company, LLC	Huntington National Bank	x0884	\$ -
Working Fund Account	Patriot Coal Corporation	Old National Bank	x5798	\$ -
Working Fund Account	Patriot Coal Corporation	United Bank	x9778	\$ 150
DoL Escrow Account	Patriot Coal Corporation	Federal Reserve Bank of Philadelphia	x10	\$ 15,000,000
EPA Trust Account	Heritage Coal Company LLC	Old National Trust Bank	x4012	\$ 50,615
Performance Escrow Account	Patriot Coal Corporation	Branch Banking & Trust	x0285	\$ 1,020,719
Dormant Account	Patriot Coal Corporation	The Private Bank and Trust ^[5]	x0847	\$ -
Dormant Account	Patriot Coal Corporation	The Private Bank and Trust ^[5]	x9577	\$ -
Dormant Account	Patriot Coal Corp	Deutsche Bank	x685	\$ -
Dormant Account	Patriot Coal Corp	Deutsche Bank	x956	\$ -
Dormant Account (Securities Account)	Patriot Coal Corporation	Bank of America Merrill Lynch	x1-8 QBR	\$ 28,909
DIP Financing	Patriot Coal Corporation	Signature Bank	x8100	\$ -
Professional Fee Deposit	Patriot Coal Corporation	Signature Bank ^[7]	x8089	\$ 16,080,314
Utility Assurance Deposit	Patriot Coal Corporation	Signature Bank ^[6]	x8143	\$ -
Asset Sale Blocked Account 1	Patriot Coal Corporation	Signature Bank ^[7]	x8119	\$ (30)
Asset Sale Blocked Account 2	Patriot Coal Corporation	Signature Bank ^[7]	x8097	\$ (30)

Payments to Insiders

Name	Title / Capacity	Type of Payment	Amount Paid ^[9]	Total Paid to Date
Management Team	N/A	Payroll & Expense Reimbursement	\$ 4,080,824	\$ 5,133,427
Bernlohr, Timothy ^[8]	Director	Quarterly Director Fees & Expense Reimbursement	\$ 123	\$ 62,623
Cremens, Charles ^[8]	Director	Quarterly Director Fees & Expense Reimbursement	\$ -	\$ 62,500
Davis, Eugene ^[8]	Director	Quarterly Director Fees & Expense Reimbursement	\$ -	\$ 100,000
Smith, Daniel ^[8]	Director	Quarterly Director Fees & Expense Reimbursement	\$ -	\$ 50,000
Total Payments To Insiders			\$ 4,080,946	\$ 5,408,550

Payments To Professionals

Name	Role / Capacity	Date of Court Order Authorizing Payment	Amount Approved	Amount Paid ⁽⁹⁾	Total Paid to Date	Total Incurred & Unpaid
Kirkland & Ellis LLP	Debtors' Counsel	N/A	\$ -	\$ -	\$ 5,040,479	\$ 4,999,738
Kutak Rock LLP	Debtors' Local Counsel	N/A	\$ -	\$ -	\$ 339,372	\$ 18,385
Centerview Partners LLC	Debtors' Investment Banker	N/A	\$ -	\$ -	\$ 800,640	\$ -
Alvarez & Marsal North America, LLC	Chief Restructuring Officer & Additional Personnel	N/A	\$ -	\$ 1,747,162	\$ 3,724,078	\$ -
Prime Clerk LLC	Debtors' Notice, Claims, and Solicitation Agent	N/A	\$ -	\$ 144,100	\$ 743,222	\$ 3,312
Skadden, Arps, Slate & Flom	Counsel for LC Facility Agent	N/A	\$ -	\$ 1,097,777	\$ 3,295,636	\$ -
FTI Consulting, Inc.	Financial Advisor to the Prepetition LC	N/A	\$ -	\$ 604,696	\$ 1,933,133	\$ 1,646,601
Cortland Capital Market Services	Admin Agent Term Loan	N/A	\$ -	\$ -	\$ 1,500	\$ -
Alson and Bird	Legal Counsel for Collateral Agent	N/A	\$ -	\$ 17,771	\$ 61,608	\$ -
Brown Rudnick	Counsel for Term Loan Agent	N/A	\$ -	\$ 368,895	\$ 1,396,677	\$ 406,500
William Mullen	Local Legal Counsel for Prepetition Term Loan Admin Agent	N/A	\$ -	\$ 24,926	\$ 75,697	\$ 19,122
Joele Frank Wilkinson Brimmer Katcher	Communications	N/A	\$ -	\$ 31,045	\$ 84,284	\$ -
Cantor Fitzgerald Securities	Admin Agent DIP Facility	N/A	\$ -	\$ -	\$ 76,200	\$ -
Shipman & Goodwin	Legal Counsel for DIP Agent	N/A	\$ -	\$ -	\$ 15,000	\$ -
Simpson Thatcher	Legal Counsel for ABL Facility Agent	N/A	\$ -	\$ -	\$ 1,447,187	\$ -
Lyons, Benenson & Company	Debtors' Compensation Consultants	N/A	\$ -	\$ -	\$ 95,593	\$ -
Peter Solomon	Financial Advisor to the Prepetition Term Loan	N/A	\$ -	\$ 185,870	\$ 185,870	\$ -
KPMG, LLP	Accounting Services for ABL Facility Agent	N/A	\$ -	\$ -	\$ -	\$ -
McGuireWoods	Legal Counsel for DIP Facility Lenders	N/A	\$ -	\$ 246,130	\$ 489,369	\$ -
Kramer Levin Naftalis & Frankel	Legal Counsel for DIP Facility Lenders	N/A	\$ -	\$ 417,035	\$ 1,935,549	\$ -
Morrison & Forester	UCC Counsel	N/A	\$ -	\$ 1,023,673	\$ 1,803,353	\$ 556,407
Jefferies & Company	UCC Financial Advisor	N/A	\$ -	\$ 196,242	\$ 364,281	\$ -
Tavener & Beran, PLC	UCC Local Counsel	N/A	\$ -	\$ 77,939	\$ 156,001	\$ 60,741
Blackacre	UCC Consultants	N/A	\$ -	\$ 9,900	\$ 9,900	\$ -
Cowen Crowley Addis LLC	Legal Counsel for 1113 Committee	N/A	\$ -	\$ 87,011	\$ 87,011	\$ 114,385
Schnader Harrison Segal & Lewis LLP	Legal Counsel for 1113 Committee	N/A	\$ -	\$ -	\$ -	\$ 15,920
Hunton & Williams	Local Legal Counsel for Barclays and DB	N/A	\$ -	\$ 20,628	\$ 67,432	\$ -
United States Trustee	Quarterly Trustee Fee	N/A	\$ -	\$ 355,775	\$ 620,275	\$ -
Total Payments To Professionals			\$ -	\$ 6,656,574	\$ 24,849,347	\$ 7,841,112

**Post-Petition Status Of Secured Notes, Leases Payable
And Adequate Protection Payments**

Name of Creditor	Description	Scheduled Monthly Payment Due	Amount Paid During Month	Total Unpaid Post-Petition
Deutsche Bank	ABL LC Issuance and Fronting Fees	\$ -	\$ 140,761	\$ -
Arch Coal	LC Fees ^[10]	\$ 50,258	\$ -	\$ 50,258
Total Payments ^[9]			\$ 140,761	\$ 50,258

Debtor Questionnaire

	Yes	No
Have any assets been sold or transferred outside the normal course of business this reporting period?		X
Have any funds been disbursed from any account other than a debtor in possession account?		X ^[4]
Are any Post-Petition receivables (accounts, notes, or loans) due from related parties?		X
Have any payments been made on pre-petition liabilities this reporting period?	X ^[12]	
Have any post-petition loans been received by the Debtor from any party?	X ^[13]	
Are any post petition payroll taxes past due?		X ^[11]
Are any post petition State or Federal income taxes past due?		X ^[11]
Are any post petition real estate taxes past due?		X ^[11]
Are any other post petition taxes past due?		X ^[11]
Are any amounts owed to post-petition creditors delinquent?		X
Have any pre-petition taxes been paid during this reporting period?	X ^{[12],[14]}	
Are any wage payments past due?		X

Are workers compensation, general liability or other necessary insurance coverages in effect?	X ^[15]	
Are all premium payments paid current?	X ^[15]	
Please itemize policies below	X ^[15]	

Insurance Installment Payments			
Type of Policy	Carrier	Period Covered	Payment Amount & Frequency
Premium Financing Agreements ^[16]	AFCO Credit Corporation	n/a	\$623,292
Premium Financing Agreements ^[16]	First Insurance Funding Corp.	n/a	\$566,744

Notes

- [1] The accompanying condensed consolidated financial statements of the Debtors have been prepared solely for the purpose of complying with the monthly reporting requirements for the U.S. Bankruptcy Court of the Eastern District of Virginia Richmond Division (referred to herein as the "Monthly Operating Report") and is in a format that the Debtors believe is acceptable to the United States Trustee. The Monthly Operating Report is limited in scope, covers a limited time period and the schedules contained herein were not audited or reviewed by independent accountants nor are they intended to reconcile to any financial statements otherwise prepared or distributed by the Debtors or any of the Debtors' affiliates. Furthermore, because the Debtors' accounting systems, policies, and practices were developed with a view to producing consolidated financial reporting, rather than by legal entity, it is possible that not all assets or liabilities have been recorded at the correct legal entity of either the Debtor or a non-Debtor affiliate. Specifically, but not exclusively, the assets and liabilities, as well as the results of operations of EACC Camps, Inc. (non-debtor affiliate), Tecumseh Coal Corporation (joint venture interest and non-debtor affiliate) and Squaw Creek Coal Company (joint venture interest and non-debtor affiliate) are included in the Debtors' condensed consolidated financial statements due to the manner in which its transactions have been integrated in the Debtors' accounting systems. The Debtors reserve all rights to supplement or amend any schedules contained in this Monthly Operating Report.

The information presented herein is unaudited, subject to further review and potential adjustments, and may not have been subject to all procedures that would typically be applied to financial information presented in accordance with Generally Accepted Accounting Principles in the United States of America ("US GAAP"), including, but not limited to, accruals, tax provision, and other recurring adjustments considered necessary by management to fairly state the financial position and results of operations for the interim period(s) presented. Furthermore, the Monthly Operating Report does not contain all disclosures that would be required for presentation in accordance with US GAAP and there can be no assurance that, from the perspective of an investor or potential investor, the Monthly Operating Report is complete. As part of their restructuring efforts, the Debtors are reviewing their assets and liabilities on an ongoing basis, including without limitation with respect to intercompany claims and obligations, and nothing contained in this Monthly Operating Report shall constitute a waiver of any of the Debtors' rights with respect to such assets, liabilities, claims and obligations that may exist.

Consequently, certain prepetition liabilities have been reclassified as liabilities subject to compromise. Liabilities subject to compromise currently include debt obligations, amounts due to third parties for goods and services received prior to May 12, 2015, (the date of the voluntary bankruptcy petition) and certain known potential settlement claim amounts. It may also include estimates for litigation and contingent claims and claims created by the Debtors' rejection of executory contracts and unexpired leases. The Debtors continue to analyze and reconcile these amounts, and, therefore, the amounts reflected herein are current estimates and subject to change as additional analysis and decisions are completed.

The Debtors caution readers not to place undue reliance upon the information contained in this Monthly Operating Report. The results herein are not necessarily indicative of results which may be expected from any other period or for the full year and may not necessarily reflect the combined results and financial position of the Debtors in the future.

- [2] Represents operating, non-operating and restructuring disbursements (including intercompany funding activity by and among Debtors and/or non-debtor affiliate accounts) for the post-petition period of October 1, 2015 to October 26, 2015. Represents receipts (net) for the period of October 1, 2015 to October 31, 2015. Receipt and disbursement activity exclude borrowings and related fees under the DIP Facility pursuant to the Final Order (A) Authorizing The Debtors To Obtain Post-petition Financing, (B) Authorizing Use Of Cash Collateral, (C) Granting Liens And Superpriority Claims, (D) Granting Adequate Protection, (E) Modifying The Automatic Stay And (G) Granting Related Relief [Docket No. 230] entered on June 4, 2015.
- [3] Includes any cash receipts and disbursements of EACC Camps, Inc. (a non-debtor affiliate), Tecumseh Coal Corporation (joint venture interest and non-debtor affiliate) and Squaw Creek Coal Company (joint venture interest and non-debtor affiliate) due to the manner in which its transactions have been integrated in the Debtors' accounting system.

- [4] As part of the Debtors monthly close process, all bank accounts are reconciled to the applicable bank statements. The Debtors were authorized to use these accounts on a post petition basis pursuant to the Order (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System, (B) Honor Certain Prepetition Obligations related thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions and (II) Granting Related Relief [Docket No. 53] entered on May 13, 2015. Represents ending bank balance as of October 31, 2015.
- [5] Dormant interest-bearing depository accounts that are not used by the Debtors in the ordinary course of operation of the Cash Management System; Account closed on or about May 15, 2015.
- [6] Pursuant to the Final Order (I) Determining Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Services, (III) Establishing Procedures for Determining Adequate Assurance of Payment, and (IV) Granting Related Relief [Docket No. 249] entered on June 5, 2015, the Debtors have deposited \$1,372,000 into a segregated account for the benefit of utility providers (the "Adequate Assurance Deposit"). Pursuant to the Adequate Assurance Procedures, the Debtors have been able to resolve Adequate Assurance Requests by mutual agreement(s) with a Utility Company thereby reducing the Adequate Assurance Deposit.
- [7] Pursuant to the Final Order Authorizing (A) Authorizing The Debtors To Obtain Post-petition Financing, (B) Authorizing Use Of Cash Collateral, (C) Granting Liens And Superpriority Claims, (D) Granting Adequate Protection, (E) Modifying The Automatic Stay, (F) Scheduling A Final Hearing, And (G) Granting Related Relief [Docket No. 230] entered on June 4, 2015.
- [8] Pursuant to the Final Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, Reimbursable Expenses and Director Obligations, (B) Continue an Ordinary Course Incentive Program for Non-Insiders and (C) Continue Employee Benefits Programs, (II) Allowing Employees and Retirees to Proceed With Outstanding Workers' Compensation Claims and (III) Granting Related Relief [Document No. 243] entered on June 4, 2015, the Debtors were authorized to pay Director Compensation as it comes due in the ordinary course of business.
- [9] Represents activity during the post-petition period of October 1, 2015 to October 26, 2015.
- [10] The \$50,258 was paid November 4, 2015. Arch Coal's surety has required them to post collateral related to the bonds that they are providing to Magnum. Arch Coal has posted the collateral in the form of a letter of credit. Per Section 2(d) of the Surety Agreement dated November 27, 2012 between Arch Coal, Magnum Coal Company, and Patriot Coal Corporation, it states that "Magnum shall, within 45 days following receipt of an invoice from Arch, reimburse and otherwise indemnify Arch and its subsidiaries for any premiums or other reasonable and customary out of pocket costs and/or expenses related to the Bonds or otherwise incurred in connection with the replacement thereof, incurred by Arch or its subsidiaries".
- [11] Certain of the Debtors assert they are entitled to a refund from the West Virginia Department of Tax. All tax obligations are current.
- [12] Pursuant to the relief requested under "First Day Motions" and their respective interim and final orders, certain payments have been made on pre-petition obligations including, but not limited to: (i) employee related obligations; (ii) customer obligations; (iii) sales & use, franchise, property and other taxes and fees; and (iv) certain trade claimants.
- [13] Pursuant to the Final Order Authorizing (A) Authorizing The Debtors To Obtain Post-petition Financing, (B) Authorizing Use Of Cash Collateral, (C) Granting Liens And Superpriority Claims, (D) Granting Adequate Protection, (E) Modifying The Automatic Stay, (F) Scheduling A Final Hearing, And (G) Granting Related Relief [Docket No. 230] entered on June 4, 2015, the Debtors have secured \$100 million post-petition debtor-in-possession financing.
- [14] Pursuant to the Final Order (I) Authorizing the Debtors to Pay Certain Prepetition Taxes and Fees and (II) Granting Related Relief [Docket No. 242] entered on June 4, 2015, the Debtors were authorized to make payments on certain pre-petition taxes.

- [15] Pursuant to the Final Order (I) Authorizing Debtors to Continue and Renew Their Liability, Property Casualty and Other Insurance Programs and Honor All Obligations in Respect Thereof and (II) Granting Related Relief [Docket No. 240] entered on June 4, 2015, the Debtors were authorized to maintain their Insurance Programs and pay Insurance Obligations without interruption and in accordance with the same practices and procedures as were in effect prior to the commencement of the Debtors' chapter 11 cases. A listing of the Debtors' insurance policies was attached as Exhibit C to Docket No. 13.
- [16] During the post-petition period of October 1, 2015 to October 26, 2015, the Debtors disbursed amounts related to the monthly Premium Financing Agreements. Background information pertaining to the Debtors' Insurance Programs was included in the Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue and Renew Their Liability, Property, Casualty, and Other Insurance Programs and Honor All Obligations in Respect Thereof and (B) Continue and Renew Their Prepetition Insurance Premium Financing Agreements and (II) Granting Related Relief [Docket No. 13].
- [17] Represents accounts receivable (net). Inclusive of accruals for bad debt, amounts considered uncollectible and other receivables, including, but not limited to: (i) tax claim receivables; (ii) insurance claim receivables; (iii) health care rebate receivables; and (iv) other miscellaneous receivables. Represents ending balance as of October 31, 2015.
- [18] Reflects post-petition trade related payables excluding payables related to goods and services received not invoiced. Represents ending balance as of October 31, 2015.
- [19] Represents activity from October 1, 2015 to October 31, 2015.

Appendix A

(Remainder of Page Intentionally Blank)

PATRIOT COAL CORPORATION
(DEBTOR-IN-POSSESSION)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
October 31, 2015

ASSETS	(Dollars in thousands)
Current assets	
Cash and cash equivalents	\$ 18,856
Restricted cash	29,375
Accounts receivable and other	38,512
Prepaid expenses and other current assets	7,898
Total current assets	94,641
Deferred income taxes	3,233
Investments and other assets	3,522
Total assets	\$ 101,396
 LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	
Current liabilities	
Accounts payable and accrued expenses	\$ 76,800
Deferred income taxes	3,232
Total current liabilities	80,032
Other noncurrent liabilities	155
Total liabilities	80,187
Stockholders' equity (deficit)	
Common stock (\$0.00001 par value)	—
Additional paid-in capital	136,164
Retained deficit	(61,037)
Accumulated other comprehensive loss	(53,918)
Total stockholders' equity (deficit)	21,209
Total liabilities and stockholders' equity (deficit)	\$ 101,396

PATRIOT COAL CORPORATION
(DEBTOR-IN-POSSESSION)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	October 31, 2015	
	MTD	YTD
	(Dollars in thousands)	
Revenues		
Sales	\$ 48,136	\$ 810,664
Other revenues	285	5,335
Total revenues	48,421	815,999
Costs and expenses		
Operating costs and expenses	65,880	860,739
Depreciation, depletion and amortization	19	133,601
Asset retirement obligation expense	2,035	27,293
Sales contract amortization	445	6,713
Selling and administrative expenses	3,493	30,300
Net loss (gain) on disposal or exchange of assets	384,315	387,242
Loss (income) from equity affiliates	(24)	(71)
Operating loss	(407,742)	(629,818)
Interest expense	1,890	41,335
Debtor-in-possession financing fees	5,090	5,699
Interest income	—	(71)
Loss before reorganization items and income taxes	(414,722)	(676,781)
Reorganization items, net	(773,426)	(749,892)
Loss before income taxes	358,704	73,111
Income tax provision (benefit)	—	—
Net loss from continuing operations	358,704	73,111
Income (loss) from discontinued operations, net of tax	(100)	3,049
Net loss	\$ 358,604	\$ 76,160

Accounts Receivable Aging

Accounts Receivable	Amount
0-30 Days	\$ 23,832,586
31-60 Days	(4,629)
61-90 Days	(3,940)
91+ Days	1,962,202
Other Non-Trade & Misc. Receivables	15,663,611
Accounts Receivable (Gross)	\$ 41,449,830
Reserve for Bad Debt	(2,937,531)
Amount Considered Uncollectible	-
Accounts Receivable (Net) ^[17]	\$ 38,512,299

Aging of Post-Petition Taxes & Payables

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
Federal	\$ 1,092,616	\$ -	\$ -	\$ -	\$ 1,092,616
State and Local	12,249,461	-	-	-	12,249,461
Other	-	-	-	-	-
Total Taxes Payable ^[11]	\$ 13,342,076	\$ -	\$ -	\$ -	\$ 13,342,076
Accounts Payable ^[18]	7,189,613	-	-	-	7,189,613
Total	\$ 20,531,690	\$ -	\$ -	\$ -	\$ 20,531,690

Status of Post-Petition Taxes

Federal	Beginning Tax	Amount Withheld and/or Accrued ^[19]	Amount Paid ^[19]	Ending Tax
Withholding	\$ 297,217	\$ 3,862,835	\$ 3,820,053	\$ 339,999
FICA-Employee	169,720	1,187,144	1,135,811	221,053
FICA-Employer	308,429	1,000,281	1,087,837	220,873
Unemployment	-	-	-	-
Excise	387,029	450,207	642,403	194,833
Income	-	-	-	-
Other (Office of Surface Mining)	575,800	115,859	575,800	115,859
Total Federal Taxes	\$ 1,738,194	\$ 6,616,326	\$ 7,261,904	\$ 1,092,616
State and Local				
Withholding	\$ 107,411	\$ 1,010,630	\$ 993,427	\$ 124,614
Sales / Use	65,788	(27,176)	15,407	23,205
Excise	-	-	-	-
Unemployment	-	-	-	-
Real Property	4,591,081	736,137	1,344,557	3,982,661
Personal Property	5,206,899	770,730	217,996	5,759,633
Income/Franchise	30,037	40,260	36,000	34,297
Other (Sev & Addtl Sev)	4,141,170	2,325,050	4,141,170	2,325,050
Total State and Local	\$ 14,142,386	\$ 4,855,631	\$ 6,748,557	\$ 12,249,461
Total Taxes ^[11]	\$ 15,880,580	\$ 11,471,958	\$ 14,010,461	\$ 13,342,076