



Patriot Guide to

Retiree Life Insurance Benefits

January 2009

This document is a Summary Plan Description (SPD) for the Basic Life Insurance Plan for eligible retired salaried employees and eligible retired non-represented hourly employees of Patriot Coal Corporation ("Company" and "Plan Administrator") and certain designated affiliates and subsidiaries in effect January 1, 2009, in accordance with the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and U.S. Department of Labor Regulations. A complete list of participating employers may be obtained upon written request to the Plan Administrator, and may be examined at the principal office of the Plan Administrator and other worksites. This document supersedes any SPDs previously issued to you.

This SPD is intended to summarize the plan in easy-to-read terms and should be retained as part of your important records, but be advised that it is a summary only, and cannot cover every detail of the plan. If there is a conflict between this SPD and the insurance contract, the terms of the insurance contract will be followed.

The Company intends to maintain this plan for eligible retirees, but reserves the right to change or terminate the plan at any time. This document is not a guarantee of benefits or an employment contract of any kind.

If an retiree speaks a language other than English, he or she may contact the local human resources office to request help with translating or interpreting the contents of this SPD.

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Retiree Life Insurance Benefits Overview

The Company offers life insurance coverage for you upon retirement. Life insurance coverage provides your designated beneficiary with benefits in the event of your death. The Plan, insured and administered by Unum Life Insurance Company of America (Unum) is a Basic term life insurance benefit for you.

Eligibility and Enrollment

This plan is available to certain retirees of Patriot Coal Corporation and certain designated subsidiaries and affiliates of Patriot Coal Corporation. If you were classified by a participating employer as a salaried full-time employee working 35 or more hours per week, or a part-time employee working a regular schedule of 20 or more hours per week year round, you are eligible to participate in this plan. Temporary, non-represented hourly and seasonal employees as well as employees covered by a collective bargaining agreement are not eligible.

You must meet the following requirements on your last day of employment with the Company.

- You are at least age 55
- You have five or more years of service (ten years for employees who retired prior to July 1, 2007) as determined by the Company in accordance with its usual practices and procedures
- You are eligible for the Medical Premium Reimbursement (MPR) allowance

The company where you work is a determining factor in establishing eligibility for the Retirement Benefit Plan. Patriot Coal Corporation and its designated affiliates and subsidiaries as of November 1, 2007 are the only companies where the employees are eligible for the Plan.

Your Retiree Coverage

Basic Life Insurance

When you retire, your life insurance will be a reduced amount of the coverage you had as an active employee.

- Your basic life insurance is equal to 25% of your base annual salary on your last date of employment
- At age 70, your basic life insurance will further decrease to \$10,000 or 25%, whichever is less

The Cost of Basic Coverage

The Company pays the full cost of this coverage.

Portable Life Insurance Coverage Option

If you elected Optional life insurance coverage as an active employee, you have the option to continue your group coverage with group insurance rates. If you are eligible, you may choose portable insurance coverage up to the amount of Basic and Optional life insurance you had while covered under the plan. You must apply for portable coverage and pay the first premium within 31 days of the date your group coverage ended. You may increase your coverage amount (up to the plan's maximum) if you furnish EOI.

The portability option is available only if you are not sick or injured when you apply for the option. Sick or injured means a sickness or injury that has a material affect on life expectancy.

The insurance company will notify you of changes to your premiums for portable life insurance. Your premium will change based upon your age and changes to the insurance company's rates for portability coverage.

Coverage under the portability option ends when the earliest of the following occurs:

- The insurance company no longer offers the portability provision under this plan
- The required premiums are not paid when due

If you are not eligible for portable coverage, or portable coverage ends, then you may qualify for conversion coverage, as described in the following section.

Contact your Benefits Department at 1-800-633-9005 for more information on the portability option.

Converting to an Individual Life Policy

If you are not eligible for portable coverage, or if your portable coverage ends, you may buy individual coverage up to the amount of Basic and Optional coverage you had before it ended. You will not need to provide EOI.

You must apply for the individual policy and pay the first premium within 31 days of the date your coverage ended.

Converted life insurance is an individual, whole-life level premium plan then in use by Unum. These rates are significantly higher than group rates.

If this plan is changed or ended, you can convert your coverage subject to the conditions described in the policy issued by Unum.

If you die within the 31-day period after your coverage ends but before your individual policy is issued, your benefit will be paid to your beneficiary.

Contact your local HR representative for information on the conversion option.

Naming Your Beneficiary

You should name a beneficiary on your enrollment form. You may change your beneficiary at any time by submitting a written request to your Benefits Department.

The change will be implemented when the written request is received by your Benefits Department. It will be effective as of the date you signed the request, regardless of whether you are alive at the time we receive it. However, any benefits that have been paid before we receive the change request will remain the property of the person who received them, and will not be paid to the new beneficiary.

Payment of Benefits

Full payment of your coverage amount will be made to your beneficiary (or beneficiaries) upon your death. This payment will be in one lump sum unless your beneficiary chooses another payment option that may be offered by the plan, as explained under "Retained Asset Account".

If you do not designate a beneficiary, or if your beneficiary dies before receiving your benefit payment, your benefit will be paid to your estate. However, instead of making payments to your estate, the insurance company may, at its option, pay the benefit in the following order:

- To your spouse
- If you have no living spouse, to your children in equal shares
- If you have no living children, to your parents in equal shares
- If you have no living parents, to your brothers and sisters in equal shares
- If you have no living brothers and sisters, to your estate

The insurance company may also pay a portion of your benefit to anyone who it determines had assumed primary responsibility for your support or who incurred expenses for your last sickness and death.

If you die, your beneficiary should contact the Benefits Department to file a claim. Your beneficiary must provide a certified copy of the death certificate.

If one of your covered dependents dies, payment will be made to you in one lump sum. If you are not living at the time of your dependent's death, the payment will be made to your estate.

Retained Asset Account

An account called a "retained asset account" is automatically established for each beneficiary receiving a lump-sum benefit payment of \$10,000 or more. The payment received by the beneficiary will be placed in this account. Beneficiaries receiving less than \$10,000 will receive a single payment by check.

The beneficiary may withdraw the entire amount of the account at once, or only a portion at a time (minimum of \$250), leaving the balance to accumulate interest. The beneficiary will also receive information about other ways to receive payment if he or she wishes.

Assignment of Benefits

If you wish, you may also "assign" your Optional life insurance benefits to any individual as a gift. This is different from designating a beneficiary. The person who is "assigned" benefits then legally owns the insurance policy - you no longer have the right to change beneficiaries - and the benefit is taxed differently. Assignment is usually done for tax purposes. You may want to consult a tax adviser if you wish to learn more about this option.

A copy of the assignment request must be filed with the Benefits Department and approved by the insurance company.

Special Benefit for Terminal Illness

If you become terminally ill, you may choose to receive a portion of your Basic life insurance in advance of your death. This benefit is also available to your covered dependents.

"Terminal illness" means a medical condition that can be expected to result in death within 12 months.

This special benefit is subject to the following conditions:

- You must be diagnosed by a physician as having a terminal illness. The insurance company may require a second opinion and examination
- You may receive this benefit only once in your lifetime. You must continue to pay premiums on the full original amount of your life insurance
- You may not receive this benefit if you've previously made an assignment of benefits or irrevocable beneficiary designation, unless the assignee or beneficiary agrees in writing in a form acceptable to the insurance company
- This accelerated benefit does not apply if you are required by law to use such benefits to meet the claims of creditors or as a condition of receiving a government entitlement or benefit

When Coverage Ends

Coverage for you and your dependents (if applicable) will end on the date the earliest of the following occurs:

- The plan is terminated
- You die

Notwithstanding the above, the Plan Administrator may, in its sole discretion, cause the participation of you or your dependents to terminate if you or your dependents provide false information or make misrepresentations in

connection with a claim for benefits; permit a non-participant to use a membership or other identification card for the purpose of wrongfully obtaining benefits; or obtain or attempt to obtain benefits by means of false, misleading or fraudulent information, acts or omissions.

Claims Procedures

If a claim is based on death, written notice and proof of claim must be sent to Unum no later than 90 days after the date of death. If it is not possible to give proof within this time limit, it must be given as soon as reasonably possible. The claim form is available from your local HR representative. If you or your authorized representative do not receive the form within 15 days of your request, send Unum written proof of claim without waiting for the form.

Information Needed as Proof of your Claim

Proof of claim, provided at your or your authorized representative's expense, must show the cause of death. Also a certified copy of the death certificate must be provided.

In some cases, you will be required to give Unum authorization to obtain additional medical and non-medical information as part of your proof of claim. Unum will deny your claim if the appropriate information is not submitted.

Unum May Request an Autopsy

In the case of death, Unum will have the right and opportunity to request an autopsy where not forbidden by law.

Payments

If your or your dependent's life claim is at least \$10,000, Unum will make available to the beneficiary a retained asset account (the Unum Security Account). Payment for the life claim may be accessed by writing a draft in a single sum or drafts in smaller sums. The funds for the draft or drafts are fully guaranteed by Unum.

If the life claim is less than \$10,000, Unum will pay it in one lump sum to you or your beneficiary.

Also, you or your beneficiary may request the life claim to be paid according to one of Unum's other settlement options. This request must be in writing in order to be paid under Unum's other settlement options.

If you do not survive your spouse, and dependent life coverage is continued, then your surviving spouse's death claim will be paid to your surviving spouse's beneficiary. All other benefits will be paid to you.

If Unum Overpays Your Claim

Unum has the right to recover any overpayments due to:

- fraud; or
- any error Unum makes in processing a claim

You must reimburse Unum in full. Unum will determine the method by which the repayment is to be made. Unum will not recover more money than the amount paid to you.

If Your Claim is Denied

In the event that your claim is denied, either in full or in part, Unum will notify you in writing within 90 days after your claim was filed. Under special circumstances, Unum is allowed an additional period of not more than 90 days (180 days in total) within which to notify you of its decision. If such an extension is required, you will receive a written notice from Unum indicating the reason for the delay and the date you may expect a final decision. Unum's notice of denial shall include:

- the specific reason or reasons for the denial with reference to those Plan provisions on which the denial is based;
- a description of any additional material or information necessary to complete the claim and why that material or information is necessary; and
- a description of the Plan's procedures and applicable time limits for appealing the determination, including a

statement of your right to bring a lawsuit under Section 502(a) of ERISA following an adverse determination from Unum on appeal

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Appeal Procedures

If you or your authorized representative appeal a denied claim, it must be submitted within 90 days after you receive Unum's notice of denial. If you do not file an appeal within this 90-day period, you will lose the right to appeal the determination. You have the right to:

- submit a request for review, in writing, to Unum; and
- upon request and free of charge, reasonable access to and copies of, all relevant documents as defined by applicable U.S. Department of Labor regulations; and
- submit written comments, documents, records and other information relating to the claim to Unum.

Unum will make a full and fair review of the claim and all new information submitted whether or not presented or available at the initial determination, and may require additional documents as it deems necessary or desirable in making such a review. A final decision on the review shall be made not later than 60 days following receipt of the written request for review. If special circumstances require an extension of time for processing, you will be notified of the reasons for the extension and the date by which the Plan expects to make a decision. If an extension is required due to your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the necessary information and the date by which you need to provide it to Unum. The 60-day extension of the appeal review period will begin after you have provided that information.

The final decision on review shall be furnished in writing and shall include the reasons for the decision with reference, again, to those Plan provisions upon which the final decision is based. It will also include a statement describing your access to documents and describing your right to bring a lawsuit under Section 502(a) of ERISA if you disagree with the determination.

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Unless there are special circumstances, this administrative appeal process must be completed before you begin any legal action regarding your claim. Legal action regarding a claim can be started 60 days after proof of claim has been given and up to 3 years from the time proof of claim is required, unless otherwise provided under federal law.

Designation of Authorized Representative

You may authorize someone else to file and pursue a claim or file an appeal on your behalf. Generally, this authorization must be in writing and signed by you. Any reference in these claims procedures to "you" is intended to include your authorized representative.

Terms and Definitions

Base Annual Salary

The amount you earn each year in base salary according to the Company's records, excluding any overtime pay, bonuses, special allowances or salary for foreign service, awards from any special compensation plan or similar plans, payments under any other employee benefit plans or any other Company compensation

Beneficiary

The person you designate to receive payment of your life insurance

Company

Patriot Coal Corporation

Insurance Company

Unum Life Insurance Company of America

Plan

The Patriot Coal Corporation and its designated affiliates Welfare Benefit Plan

Spouse

Your legal partner of the opposite sex in marriage by a civil or religious ceremony, including a legally separated spouse

Plan Administration Information

Plan Name

The Patriot Coal Corporation and its designated affiliates Welfare Benefit Plan

Type of Plan

Medical, dental, vision, flexible spending accounts, employee assistance, accidental death and dismemberment, business travel accident and disability benefits are described in separate documents.

Employer Identification Number

The employer identification number assigned to the company by the Internal Revenue Service is 20-5622045

Plan Number

501

Plan Year

January 1 to December 31

Plan Sponsor

Patriot Coal Corporation

Direct correspondence to:

Benefits Department

Patriot Coal Corporation

12312 Olive Boulevard, Suite 400

St. Louis, MO 63141

Plan Administrator

Patriot Coal Corporation

12312 Olive Boulevard, Suite 400

St. Louis, Missouri 63141

(314) 275-3600

The Plan Administrator is the sole judge of the application and interpretation of this Welfare Benefit Plan and has discretionary authority to construe the provisions of the benefit plans, to resolve disputed issues of fact, and to make determinations regarding eligibility for benefits. However, the Plan Administrator has the authority to delegate this authority to service providers.

With respect to the life insurance benefits, the Plan Administrator has delegated this authority to the insurance company.

Insurance Company

Unum Life Insurance Company of America

2211 Congress Street

Portland, ME 04122

Agent for Service of Legal Process

The Plan Administrator is the agent for service of legal process.

Direct correspondence to:

Plan Administrator

Patriot Coal Corporation

12312 Olive Boulevard, Suite 400

St. Louis, MO 63141

Funding and Disbursements

Life insurance benefits are fully insured by the Insurance Company named above. The Plan Administrator is not responsible for paying claims. Disbursements are made by the insurance company in accordance with the terms of the group insurance policy. Life insurance premiums are paid by Patriot Coal Corporation out of general assets.

ERISA

Your Rights As A Plan Member

As a participant in this Plan, you have certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants are entitled to:

Receive Information about the Plan and Benefits

- Examine, free of charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the plan, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan, including insurance contracts, copies of the latest annual report (Form 5500 Series) and an updated Summary Plan Description. The Plan Administrator may charge a reasonable fee for the copies.
- Receive a summary of the plan's annual financial reports. The Plan Administrator is required by law to furnish each participant with a copy of these Summary Annual Reports.

Prudent Actions by Plan Fiduciaries

In addition to creating certain rights for you, ERISA imposes duties upon the people who are responsible for operating the employee benefit plan. The people who govern your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and solely in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you have the right to file suit in a state or federal court. If plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you sued to pay court costs and legal fees. If you lose, the court may order you to pay the costs and fees; for example, if it finds your claim is frivolous.

Assistance with Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the Employee Benefits Security Administration by telephone at 1-866-444-EBSA (3272), or by mail at Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, 200 Constitution Avenue, NW, Washington, D.C 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration, or you may visit www.dol.gov/ebsa for more resources.

Amending the Plan

This plan is adopted with the intention that it will be continued for the benefit of eligible present and future retirees of the Company and certain designated affiliates and subsidiaries. However, the Company reserves the right to terminate the plan, change required contributions or modify this plan in whole or in part at any time or for any reason, including changes in any and all of the benefits provided.

This may cause retirees to lose all or a portion of their benefits under the plan.

This means that a retiree cannot have a lifetime right to any plan benefit or to the continuation of this plan simply because this plan or a specific benefit is in existence at any time during the employee's employment. This plan will comply with all requirements of the law and will be amended, if necessary, in order to meet any such requirements.