

## NOTICE TO NOTEHOLDERS

relating to the previously disseminated

LETTER OF TRANSMITTAL AND QUESTIONNAIRE RELATING TO THIRD  
AMENDED JOINT CHAPTER 11 PLAN (THE “PLAN”) OF ARMSTRONG  
ENERGY, INC., ET AL. (CASE NO. 17-47541-659)

RELATING TO THE MERGER AGREEMENT OF  
WESTERN KENTUCKY COAL RESOURCES LLC

*Capitalized terms not defined herein have the meanings ascribed to them in the previously disseminated Letter of Transmittal. This Notice to Noteholders is qualified in its entirety by the previously disseminated Letter of Transmittal and the Merger Agreement (as defined below).*

*Noteholders must fill out the previously disseminated Letter of Transmittal and return it pursuant to the instructions therein to receive the Consideration or the Merger Consideration (as defined below).*

*For reporting under the Letter of Transmittal their holdings of Armstrong Notes, Noteholders should use February 15, 2018, which is the record date set by DTC pursuant to the notice of record date provided by the Armstrong Notes trustee, Wells Fargo, N.A. through Noteholders DTC Participant accounts, and the Medallion Stamp or notarization by the Noteholders’ DTC Participant should reflect that date.*

Reference is made to the Common LLC Units (the “**Holdco Equity**”) of WESTERN KENTUCKY COAL RESOURCES, LLC (“**Holdco**”) which you (an “**Equity Holder**”) received under the terms of the Plan on February 20, 2018, and for which the previously disseminated Letter of Transmittal provided instructions for receipt of a book-entry notation at Holdco’s transfer agent, AST.

In connection with the Merger Agreement (as described below under the section entitled “MERGER AGREEMENT”), the Holdco Equity will be converted by operation of law at the Merger Effective Time into the right to receive the Merger Consideration (each as defined below), which, as described more fully below, consists of MEC Notes and/or cash, as applicable.

The MEC Notes comprising the Merger Consideration will be entitled to the Put Right as described in the Letter of Transmittal. Interest on the MEC Notes received by Equity Holders as Merger Consideration will accrue from February 20, 2018, except to the extent that the Put Right relating to such MEC Notes is exercised, as described in the Letter of Transmittal.

Any Equity Holder that is not an Eligible Holder (as defined in the Letter of Transmittal) will be deemed to have delivered a Put Notice in respect of any MEC Notes to which it would otherwise be entitled as Merger Consideration pursuant to the terms of

the Letter and the Merger Agreement, and will receive such cash payment on the date of the Put Closing.

To the extent any Equity Holder would receive as Merger Consideration a principal amount of MEC Notes which is less than \$2,000 or a principal amount of MEC Notes which is not equal to \$2,000 plus increments of \$1,000 thereof, then such principal amount below \$2,000 or such principal amount in excess of an increment of \$1,000, as the case may be, shall be distributed to such Holder as Cash on the Effective Date in an amount equal to \$0.565 per dollar of par value with respect to such principal amount.

**The MEC Notes received as Merger Consideration are expected to constitute “restricted securities” under Rule 144 of the Securities Act and are being offered in reliance of exemptions from registration under the Securities Act.** Any MEC Notes you receive as Merger Consideration may not be resold except in accordance with a registration statement under the Securities Act or a valid exemption from registration therefrom.

The MEC Notes as Merger Consideration and any cash in lieu of MEC Notes or cash with respect to any deemed Put Exercise will be delivered pursuant to the instructions you provide or have previously provided in “Part I – Delivery Information for Issuance of MEC Notes” and “Part III – Delivery Method of Cash Consideration” in the Letter of Transmittal. **You must fill out the previously disseminated Letter of Transmittal and return it pursuant to the instructions therein to receive the Consideration or the Merger Consideration; *provided, however, that, for the avoidance of doubt, any Noteholder that has previously properly filled out and submitted the Letter of Transmittal is not required to execute a new Letter of Transmittal solely because of this Notice to Noteholders.***

The settlement date with respect to the Merger Consideration will be promptly following the Merger Effective Time and is expected to occur on or about February 23, 2018.

A copy of Letter of Transmittal can be obtained from  
<https://www.donlinrecano.com/Clients/aenergy/Static/LetterOfTransmittal>

## MERGER AGREEMENT

On February 23, 2018, HoldCo, Buyer and Western Kentucky Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of Buyer (“**Merger Sub**”), entered into that certain Agreement and Plan of Merger (the “**Merger Agreement**”) pursuant to which, among other things, at the Effective Time (as such term is defined in the Merger Agreement, the “**Merger Effective Time**”), Merger Sub merged with and into HoldCo (the “**Merger**”), with HoldCo continuing as the surviving entity of the Merger. By operation of law in connection with the Merger, and without any further action on the part of any party to the Merger Agreement or any other person, the HoldCo

Equity has been cancelled and retired and ceases to exist and has been converted into the right to receive the Merger Consideration (as such term is defined in the Merger Agreement, the “**Merger Consideration**”), as more fully described below.

At the Merger Effective Time, by operation of law and without any further action on the part of any party to the Merger Agreement or any other person:

- (a) (i) all Class A Common Units of HoldCo Equity and (ii) all HoldCo Equity that are held by Buyer or any affiliate or subsidiary thereof, in each case, were cancelled and retired and thereafter cease to exist and no payment shall be made with respect thereto;
- (b) all Class B Common Units of HoldCo Equity (other than any Class B Common Units of HoldCo equity held by Buyer or any affiliate or subsidiary thereof) were cancelled and retired and thereafter cease to exist and were converted into the right to receive a principal amount of MEC Notes on a pro rata basis based on the proportion of Class B Common Units of HoldCo Equity held by such Noteholder relative to all Class B Common Units of HoldCo (other than any such Class B Common Units held by Buyer or any affiliate or subsidiary thereof); and
- (c) all Preferred Units of HoldCo Equity (other than any Preferred Units of HoldCo equity held by Buyer or any affiliate or subsidiary thereof) were cancelled and retired and thereafter cease to exist and were converted into the right to receive a principal amount of MEC Notes equal to \$10 per Preferred Unit of HoldCo equity (subject to the immediately succeeding paragraph).

If, pursuant to the immediately preceding paragraph, any Noteholder would receive a principal amount of MEC Notes that is less than \$2,000 or a principal amount of MEC Notes which is not equal to \$2,000 plus increments of \$1,000 thereof, then such principal amount below \$2,000 or such principal amount in excess of an increment of \$1,000, as the case may be, shall be distributed to such Holder as the right to receive Cash in an amount equal to \$0.565 per dollar of par value with respect to such principal amount. As a result of the Merger, HoldCo will become, by operation of law, a wholly owned subsidiary of Buyer.

The Merger Agreement (and the consummation of the Merger) have been completed in accordance with applicable Delaware law and the amended and restated operating agreement of HoldCo, and have been approved by the board of managers of HoldCo and unitholders who own a majority of the then-current percentage in the profits of HoldCo, including a majority-in-interest of the members holding Class B Common Units of HoldCo.