

December 1, 2020

Via First Class Mail

RE: In re FM Coal, LLC, et al.,
Chapter 11 Case No. 20-02783 (TOM) (Jointly Administered)

TO ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN:

FM Coal, LLC and certain of its affiliated debtors and debtors in possession (collectively, the “Debtors”)¹ each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of Alabama (the “Court”) on October 14, 2018.

You have received this letter and the enclosed materials because you are entitled to vote on the *Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (as modified, amended, or supplemented from time to time, the “Plan”).² On December 1, 2020, the Court entered an order (the “Solicitation Procedures Order”): (a) authorizing the Debtors to solicit acceptances for the Plan, (b) approving the *Disclosure Statement for the Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (the “Disclosure Statement”) as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code, (c) approving the solicitation materials and documents to be included in the solicitation packages (the “Solicitation Package”), and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan, and for filing objections to the Plan.

YOU ARE RECEIVING THIS LETTER BECAUSE YOU ARE ENTITLED TO VOTE ON THE PLAN. THEREFORE, YOU SHOULD READ THIS LETTER CAREFULLY AND DISCUSS IT WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.

In addition to this cover letter, the enclosed materials comprise your Solicitation Package, and were approved by the Court for distribution to holders of Claims in connection with the solicitation of votes to accept the Plan. The Solicitation Package consists of the following:

- a. a copy of the Solicitation and Voting Procedures;
- b. a ballot, together with detailed voting instructions and a pre-addressed, postage prepaid return envelope;
- c. this letter;

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: FM Coal, LLC (1768); Cane Creek, LLC (3207); M. S. & R. Equipment Co., Inc. (3487); Cedar Lake Mining, Inc. (6132); Best Coal, Inc. (2487); and Xinergy of Alabama, Inc. (3009).

² Capitalized terms used but not otherwise defined herein have the meanings as set forth in the Plan.

- d. the Disclosure Statement, as approved by the Bankruptcy Court (and exhibits thereto, including the Plan);
- e. the Solicitation Procedures Order (excluding the exhibits thereto, except the Solicitation and Voting Procedures);
- f. the notice of the hearing to consider confirmation of the Plan; and
- g. any other materials the Court has approved as part of the Solicitation Package.

FM Coal, LLC (on behalf of itself and each of the other Debtors) has approved the filing of the Plan and the solicitation of votes to accept the Plan. The Debtors believe that the acceptance of the Plan is in the best interests of their estates, holders of Claims, and all other parties in interest. Moreover, the Debtors believe that any alternative other than confirmation of the Plan could result in extensive delays and increased administrative expenses, which, in turn, likely would result in smaller distributions (or no distributions) on account of Claims asserted in the chapter 11 cases.

THE DEBTORS STRONGLY URGE YOU TO PROPERLY AND TIMELY SUBMIT YOUR BALLOT CASTING A VOTE TO ACCEPT THE PLAN. BALLOTS SHOULD BE SUBMITTED IN ACCORDANCE WITH THE INSTRUCTIONS INDICATED ON YOUR BALLOT.

THE VOTING DEADLINE IS 5:00 P.M., PREVAILING CENTRAL TIME ON JANUARY 5, 2021.

The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, however, please feel free to contact Donlin, Recano & Company, Inc., the notice and claims agent retained by the Debtors in the chapter 11 cases (the “Notice and Claims Agent”), by: (a) calling the Notice and Claims Agent at (866) 627-2494 (toll free), (b) visiting the Debtors’ restructuring website at: <https://www.donlinrecano.com/Clients/fm/Index>, (c) writing to the Notice and Claims Agent at Donlin, Recano & Company, Inc., Re: FM Coal, LLC, *et al.*, P.O. Box 199043, Blythebourne Station, Brooklyn, NY 11219; or (d) emailing fminfo@donlinrecano.com and requesting paper copies of the corresponding materials previously received in electronic format. You may also obtain copies of any pleadings filed in the chapter 11 cases for a fee via PACER at: <https://ecf.alnb.uscourts.gov>. Please be advised that the Notice and Claims Agent is authorized to answer questions about, and provide additional copies of, solicitation materials, but may not advise you as to whether you should vote to accept or reject the Plan.

Sincerely,

FM Coal, LLC on its own behalf and for each of the Debtors