Execution Version

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT (this "Amendment"), dated as of December 9, 2015, is entered into by and among Coal Acquisition LLC, a Delaware limited liability company ("Buyer"), Walter Energy, Inc., a Delaware corporation (the "Company"), and the Additional Sellers (together with the Company, "Sellers" and each entity individually a "Seller"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Asset Purchase Agreement (as defined below).

RECITALS

WHEREAS, the Buyer, the Company and the Additional Sellers have previously entered into that certain Asset Purchase Agreement, dated as of November 5, 2015 (as amended, restated, supplemented or otherwise modified from time to time, the "Asset Purchase Agreement");

WHEREAS, pursuant to Section 12.6 of the Asset Purchase Agreement, the Asset Purchase Agreement may be amended by a written agreement executed by each of the Parties thereto; and

WHEREAS, the parties hereto wish to enter into this Amendment to modify and amend certain provisions of the Asset Purchase Agreement as provided herein.

NOW THEREFORE, in consideration of the foregoing, the terms, conditions and covenants contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to Section 1.1 of the Asset Purchase Agreement.

(a) The following definitions are hereby added to Section 1.1 where alphabetically appropriate:

"Canadian Borrowers" has the meaning set forth in the definition of "Credit Agreement".

"Committee Member and Indenture Trustees Fees" has the meaning set forth in the definition of "Committee Member and Indenture Trustees Fees Escrow Amount".

"Committee Member and Indenture Trustees Fees Escrow" means an escrow established pursuant to an escrow agreement in form and substance satisfactory to Buyer and Sellers which shall be funded by Buyer at Closing in an aggregate amount equal to the Committee Member and Indenture Trustees Fees Escrow Amount; provided, that such escrow agreement shall expressly provide that any funds not actually used for the Committee Member and Indenture Trustees Fees shall be remitted to Buyer on the day that is ninety (90) days after the Closing Date.

"Committee Member and Indenture Trustees Fees Escrow Amount" means the aggregate amount of reasonable, documented, accrued and unpaid fees and out-of-pocket

expenses incurred by each of the members of the UCC, the indenture trustees for the Unsecured Notes, and their retained professionals in connection with their membership on the UCC through the Closing Date (the actual amount of such fees and out-of-pocket expenses being the "Committee Member and Indenture Trustees Fees") in an amount not to exceed $1,200,000 in the aggregate.

"Equity Trust" means a trust established pursuant to a trust agreement, in form and substance satisfactory to Buyer and Sellers, which shall be funded by Buyer with the Equity Trust Amount to hold common equity of Buyer or its ultimate parent for the benefit of the equity holders of the Equity Trust; provided that such trust agreement shall provide that any funds in the Equity Trust remaining from the Equity Trust Amount shall be remitted to Buyer on the date on which the Equity Trust no longer holds any such common equity.

"Equity Trust Amount" means $200,000.

"Escrow Agent" means one or more escrow agents acceptable to Buyer and Sellers.

"Estate Retained Professional Fees" has the meaning set forth in the definition of "Estate Retained Professional Fees Escrow Amount".

"Global Settlement" has the meaning set forth in Section 10.8.

"UCC" means the Official Committee of Unsecured Creditors appointed in the Bankruptcy Case.

"Unsecured Notes" means the Company's 9.875% Senior Notes due 2020 and 8.5% Senior Notes due 2021.

(b) The following definitions are hereby amended and restated in their entirety to read as follows:

"Avoidance Action" means any claim, right or cause of action of any Seller arising under chapter 5 of the Bankruptcy Code and any analogous state law claims.

"Credit Agreement" means that certain Credit Agreement dated as of April 1, 2011, by and among the Company, as the U.S. borrower, Western Coal Corp.[1] and Walter Energy Canada Holdings, Inc., as the Canadian borrowers (the "Canadian Borrowers"), the lenders from time to time party thereto, and Morgan Stanley Senior Funding, Inc., as administrative agent, as amended, restated, amended and restated, waived, supplemented or otherwise modified from time to time prior to the date hereof.

[1] Western Coal Corp. was a Canadian Borrower at the time of entry into the Credit Agreement and related documents. In connection with a 2012 restructuring, substantially all of Western Coal Corp.'s assets were transferred to Walter Canadian Coal Partnership, and Western Coal Corp. was dissolved, with its remaining assets (including its partnership interest in Walter Canadian Coal Partnership) distributed to Walter Energy Canada Holdings, Inc.

"Estate Retained Professional Fees Escrow" means an escrow established pursuant to the Estate Retained Professional Fees Escrow Agreement.

"Estate Retained Professional Fees Escrow Agreement" means an escrow agreement reasonably acceptable to the Parties for the disbursement of the Estate Retained Professional Fees Escrow Amount; provided, that such escrow agreement shall expressly provide that any funds not actually used for the Estate Retained Professional Fees shall be remitted to Buyer on the day that is ninety (90) days after the Closing Date.

"Estate Retained Professional Fees Escrow Amount" means (x) a reasonable estimate of the aggregate amount of reasonable and documented fees and out-of-pocket expenses of, or incurred by, Professionals retained by Sellers pursuant to Section 327 of the Bankruptcy Code or retained by a statutory committee (other than the UCC, the fees of which are covered by clause (y) below) appointed in the Bankruptcy Case (subject to and limited by the Committee Monthly Cap (as defined in the Cash Collateral Orders, as modified to implement and effectuate the terms of the Global Settlement)) and the fees and expenses of the Bankruptcy Administrator (as defined in the Cash Collateral Orders), in each case, that are (i) are accrued and unpaid as of the Closing Date, or (ii) are transaction-based fees owed to PJT Partners LP provided for in an engagement letter in effect as of the Execution Date, which engagement letter has been disclosed to the Buyer prior to the Execution Date, so long as the payment of such transaction-based fees are authorized to be paid by the Bankruptcy Court either before or after the Closing; and (y) a reasonable estimate of the aggregate amount of all reasonable and documented fees and out-of-pocket expenses of, or incurred by, the UCC's retained Professionals through the Closing Date that are accrued and unpaid as of the Closing Date in an amount not to exceed $5,200,000 in the aggregate (the actual amount of the fees and out-of-pocket expenses in (x) and (y) being the "Estate Retained Professional Fees").

"Payroll Amount" means a reasonable estimate of the amount necessary to fund Accrued Payroll, Approved Retention Payments to the extent not assumed by Buyer or paid at Closing and payroll taxes related thereto, which estimate shall be provided by Sellers to Buyer no later than two (2) weeks prior to the Closing Date, which amount shall be deposited on the Closing Date in one or more escrows established pursuant to escrow agreements, dated as of the Closing Date, that are in form and substance satisfactory to Buyer and Sellers and expressly provide for any unused funds to be remitted to Buyer within ninety (90) days of the Closing Date.

"Transaction Documents" means this Agreement, the Assumption Agreement, the Bill of Sale, the Estate Retained Professional Fees Escrow Agreement, the Transition Services Agreement, the other agreements contemplated by Section 4.2 and any other agreements, instruments or documents entered into at the Closing pursuant to this Agreement.

(c) The definition of "Deferred Matters" is hereby deleted in its entirety.

2. Amendment to Section 2.1(m) of the Asset Purchase Agreement. Section 2.1(m) of the Asset Purchase Agreement is hereby amended by replacing it in its entirety with the following:

> "(m) (1) all Avoidance Actions and (2) any other causes of action belonging or available to any of the Sellers or their estates relating to the Business or the Acquired Assets (including the Actions set forth on Schedule 2.1(m)) ((1) and (2) collectively, the "Acquired Actions"); provided, that (x) all Avoidance Actions and (y) any Acquired Actions set forth in clause (2) above against the Sellers, the First Lien Lenders, the First Lien Noteholders, the Second Lien Noteholders, the Credit Agreement Agent, the Indenture Trustee, the Second Lien Trustee, and the directors, officers, managers, employees, shareholders, members and advisors of the First Lien Lenders, the First Lien Noteholders, the Second Lien Noteholders, the Credit Agreement Agent, the Indenture Trustee, the Second Lien Trustee, any of the Sellers and other Persons set forth in the Waiver will be waived effective as of the Closing Date by execution of the Waiver;"

3. Amendment to Section 2.1 of the Asset Purchase Agreement. Sections 2.1 of the Asset Purchase Agreement is hereby amended by deleting the "and" at the end of clause 2.1(y) and replacing clause 2.1(z) in its entirety with the following:

> "(z) all of the Sellers' right and interest in and right to manage the 501(c)(21) Black Lung Benefit Trust funded by the Sellers in respect of Black Lung Liability of the Sellers; and
>
> (aa) two tractors and one wheel dozer to the extent purchased by a Seller from Willow Creek Coal Partnership and Brule Coal Partnership, subsidiaries of a Canadian Borrower, (collectively the "Canadian Partnership Vendors") pursuant to a bill of sale dated December 2015 (the "Canadian Sale Agreement") on credit for approximately $1.2 million (or such other higher amount as may be agreed by the Canadian Partnership Vendors and such Seller and the Buyer), subject to the charges and security interests granted to the Canadian Partnership Vendors or one or more of their affiliates to secure payment of the purchase price, and all of the Seller's rights and obligations in respect of the Canadian Sale Agreement, including the obligation to pay the purchase price in connection therewith."

4. Amendment to Section 2.2(q) of the Asset Purchase Agreement. Section 2.2(q) of the Asset Purchase Agreement is hereby amended by replacing it in its entirety with the following:

> "(q) any intercompany receivables between one or more of the Sellers and any Debtor (as defined in the Cash Collateral Orders) (for the avoidance of doubt, any intercompany receivables owed to any Seller by the Canadian Borrowers or any of their Subsidiaries are not covered by this Section 2.2(q)); and"

5. Amendment to Section 2.3 of the Asset Purchase Agreement. Section 2.3 of the Asset Purchase Agreement is hereby amended by deleting the "and" at the end of clause 2.3(l), replacing the "." at the end of clause 2.3(m) with "; and" and adding the following clause:

"(n) all Liabilities under the Canadian Sale Agreement as provided in Section 2.1(aa)."

6. Amendment to Section 2.4(f) of the Asset Purchase Agreement. Section 2.4(f) of the Asset Purchase Agreement is hereby amended by replacing it in its entirety with the following:

"(f) other than Trade Payables and the Estate Retained Professional Fees Escrow Amount, all Liabilities for: (i) costs and expenses incurred or owed in connection with the administration of the Bankruptcy Case (including all Estate Retained Professional Fees); and (ii) all costs and expenses incurred by Sellers in connection with the negotiation, execution and consummation of the transactions contemplated under this Agreement;"

7. Amendment to Section 2.5(a)(i) of the Asset Purchase Agreement. Section 2.5(a)(i) of the Asset Purchase Agreement is hereby amended by adding the following sentence at the end of such section:

"Notwithstanding the foregoing, from and after the Determination Date until February 15, 2016, Buyer shall be permitted to designate in writing any Contracts previously designated as Assumed Contracts to be Excluded Contracts, and upon any such designation such Contracts shall be automatically deemed to be Excluded Contracts."

8. Amendment to Section 3.3 of the Asset Purchase Agreement. Section 3.3 of the Asset Purchase Agreement is hereby amended by replacing it in its entirety with the following:

3.3 Limitation on Buyer Liability.

"For the avoidance of doubt, except for amounts deposited at Closing pursuant to Section 4.2 (to the extent such amounts are required to be deposited pursuant to this Agreement) or as otherwise expressly provided in this Agreement, Buyer shall have no liability with respect to the Estate Retained Professional Fees Escrow, Estate Retained Professional Fees Escrow Amount (and any other estate professional fees), the Payroll Amount (and any trust established pursuant thereto), the Wind Down Trust, the Wind Down Trust Amount, the Walter Coke Trust, the Walter Coke Trust Amount, the Committee Member and Indenture Trustees Fees Escrow, the Committee Member and Indenture Trustees Fees Escrow Amount, the Equity Trust or the Equity Trust Amount."

9. Amendment to Section 4.2 of the Asset Purchase Agreement. Section 4.2 of the Asset Purchase Agreement is hereby amended by replacing clauses 4.2(n)-(s) in their entirety with the following:

"(n) to the applicable Escrow Agent, a cash amount equal to the Estate Retained Professional Fees Escrow Amount;

(o) to the applicable Escrow Agent, a cash amount equal to the Payroll Amount;

(p) to the applicable Trustee, a cash amount equal to the Wind Down Trust Amount;

(q) to the applicable Escrow Agent, a cash amount equal to the Committee Member and Indenture Trustees Fees Escrow Amount;

(r) to the applicable Trustee, a cash amount equal to the Equity Trust Amount; and

(s) to the applicable Trustee, a cash amount equal to the Walter Coke Trust Amount, if the Walter Coke Election or the Pre-Closing Walter Coke Election is made and, in any event, the sale of the Walter Coke Assets to a Successful Bidder or Backup Bidder for the Walter Coke Assets does not close."

10. Amendment to Section 7.8(a) of the Asset Purchase Agreement. Section 7.8(a) of the Asset Purchase Agreement is hereby amended by replacing the first sentence in its entirety with the following:

"From and after the date hereof until one (1) Business Day prior to the Bid Deadline, upon prior written notice to Sellers, Buyer shall have the right to amend Schedule 2.2(a) to designate the Walter Coke Assets to be an Excluded Asset (the "Walter Coke Election")."

11. Amendment to Article 10 of the Asset Purchase Agreement. Article 10 of the Asset Purchase Agreement is hereby amended by adding the following Section 10.8:

"10.8 Global Settlement. The Buyer shall have complied in all material respects with all obligations required to be performed by the Buyer on or prior to the Closing Date pursuant to the Global Settlement (as defined in the *Debtors' Motion for an Order Approving Global Settlement Among the Debtors, Official Committee of Unsecured Creditors, Steering Committee and Stalking Horse Purchaser Pursuant to Fed. R. Bankr. P. 9019*)."

12. Amendment to Section 11.1(b) of the Asset Purchase Agreement. Section 11.1(b) of the Asset Purchase Agreement is hereby amended by replacing clauses 11.1(b)(vi)-(viii) in their entirety with the following:

"(vi) upon the date that is fourteen (14) days prior to the Bid Deadline, unless Buyer and Sellers shall have reached agreement in their sole discretion on the Sale Order;

(vii) January 31, 2016, unless Buyer and Sellers shall have reached agreement in their sole discretion on the Transition Services Agreement; or

(viii) upon the final, non-appealable ruling or denial of the Governmental Authorizations described in Sections 9.4 and 10.4 and required to be obtained by Closing."

13. Miscellaneous.

(a) Full Force and Effect. Except as expressly modified or waived by this Amendment, all of the terms, covenants, agreements, conditions and other provisions of the Asset Purchase Agreement shall remain in full force and effect in accordance with their respective terms. As used in the Asset Purchase Agreement, the terms "this Agreement," "herein," "hereinafter," "hereto," and words of similar import shall mean and refer to, from and after the date of this Amendment, unless the context requires otherwise, the Asset Purchase Agreement as amended by this Amendment.

(b) No Waiver of Rights. Except as expressly provided herein, for the avoidance of doubt, nothing herein shall limit or otherwise modify any: (i) rights of the Buyer under the Asset Purchase Agreement, as amended hereby, or (ii) any obligations of the Sellers to the Buyer under the Asset Purchase Agreement, as amended hereby.

(c) Counterparts; Electronic Signatures. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart to this Amendment by telecopy, e-mail or other electronic means (e.g., "pdf" or "rtf") shall be effective as an original and shall constitute a representation that an original will be delivered.

(d) GOVERNING LAW. Section 12.10 of the Agreement is incorporated by reference herein, *mutatis mutandis*.

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