

**THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

	X	
In re:	:	Chapter 11
	:	
WALTER ENERGY, INC., <u>et al.</u> ,	:	Case No. 15-02741-TOM11
	:	
Debtors. ¹	:	Jointly Administered
	:	
	X	

NOTICE OF CLOSING OF NON-CORE SALE TRANSACTION

PLEASE TAKE NOTICE THAT:

On November 5, 2015 Walter Energy, Inc. (the “**Company**”) and its affiliated debtors and debtors in possession in the above-captioned bankruptcy cases (collectively with the Company, the “**Debtors**” or “**Sellers**”) filed their Motion (the “**Motion**”) for (A) an Order (I) Establishing Bidding Procedures for the Sale(s) of All, or Substantially All, of the Debtors’ Assets; (II) Approving Bid Protections; (III) Establishing Procedures Relating to the Assumption and Assignment of Executory Contracts and Unexpired Leases; (IV) Approving Form and Manner of the Sale, Cure and Other Notices; and (V) Scheduling an Auction and a Hearing to Consider the Approval of the Sale(s); (B) Order(s) (I) Approving the Sale(s) of the Debtors’ Assets Free and Clear of Claims, Liens and Encumbrances; and (II) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (C) Certain Related Relief.² [Docket No. 993].

On November 25, 2015, pursuant to the Motion, the Court entered an Order (the “**Bidding Procedures Order**”) approving auction and bidding procedures (the “**Bidding Procedures**”) in connection with the proposed Sale(s). [Docket No. 1119].

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Walter Energy, Inc. (9953); Atlantic Development and Capital, LLC (8121); Atlantic Leasco, LLC (5308); Blue Creek Coal Sales, Inc. (6986); Blue Creek Energy, Inc. (0986); J.W. Walter, Inc. (0648); Jefferson Warrior Railroad Company, Inc. (3200); Jim Walter Homes, LLC (4589); Jim Walter Resources, Inc. (1186); Maple Coal Co., LLC (6791); Sloss-Sheffield Steel & Iron Company (4884); SP Machine, Inc. (9945); Taft Coal Sales & Associates, Inc. (8731); Tuscaloosa Resources, Inc. (4869); V Manufacturing Company (9790); Walter Black Warrior Basin LLC (5973); Walter Coke, Inc. (9791); Walter Energy Holdings, LLC (1596); Walter Exploration & Production LLC (5786); Walter Home Improvement, Inc. (1633); Walter Land Company (7709); Walter Minerals, Inc. (9714); and Walter Natural Gas, LLC (1198). The location of the Debtors’ corporate headquarters is 3000 Riverchase Galleria, Suite 1700, Birmingham, Alabama 35244-2359.

² Capitalized terms used herein but not otherwise defined in this notice (the “**Notice**”) shall have the meanings ascribed to them in the Non-Core Sale Order.



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As previously noticed, the Debtors and their professionals, pursuant to the Bidding Procedures, determined that Seminole Coal Resources, LLC, ERP Compliant Coke, LLC, and ERP Environmental Fund, Inc., as purchasers (collectively, the “**Purchaser**”), submitted the highest or otherwise best bid for the Non-Core Assets. See Docket No. 1784. By order dated February 8, 2016 [Docket No. 1863] (the “**Non-Core Sale Order**”), the Court approved the Sale of the Acquired Assets to the Purchaser pursuant to the terms of the Asset Purchase Agreement by and among the Sellers and the Purchaser (the “**Seminole/ERP Agreement**”).

Pursuant to the Non-Core Sale Order and the Seminole/ERP Agreement, the Sellers and the Purchaser closed the Non-Core Sale Transaction on February 12, 2016. Attached hereto as **Exhibit A** is a copy of the Debtors’ Form 8-K Current Report filed with the Securities and Exchange Commission regarding the closing of the Non-Core Sale Transaction.

Dated: February 16, 2016
Birmingham, Alabama

BRADLEY ARANT BOULT CUMMINGS LLP

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*Counsel to the Debtors and
Debtors-in-Possession*

EXHIBIT A

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

Date of Report (Date of earliest event reported): **February 16, 2016 (February 12, 2016)**

Walter Energy, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-13711
Commission File No.

13-3429953
(I.R.S. Employer
Identification No.)

**3000 Riverchase Galleria, Suite 1700
Birmingham, Alabama 35244
(205) 745-2000**

(Address, including zip code, and telephone number, including area code, of registrant's principal
executive offices)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

As previously disclosed, on July 15, 2015, Walter Energy, Inc., a Delaware corporation (“Walter Energy” or the “Company”), and certain of the Company’s wholly owned domestic subsidiaries, filed voluntary petitions under Chapter 11 of Title 11 of the U.S. Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Alabama (the “Bankruptcy Court”). The Company’s Chapter 11 cases (the “Chapter 11 Cases”) are being administered under the caption *In re Walter Energy, Inc., et al.*, Case No. 15-02741-TOM11.

On February 12, 2016, the Company issued a press release announcing the closing of the sale of certain non-core assets to Seminole Coal Resources, LLC, ERP Compliant COKE, LLC and ERP Environmental Fund, Inc. (collectively, the “Buyers”), pursuant to the previously disclosed Asset Purchase Agreement, dated January 31, 2016, by and among the Company, together with certain of its subsidiaries, and the Buyers. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference

The information contained in this Item 7.01 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Current Report and the related exhibits contain forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements that relate to the intent, beliefs, plans or expectations of Walter Energy or its management at the time of this release, as well as any estimates or projections for the outcome of events that have not yet occurred at the time of this release. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements include expressions such as “believe,” “anticipate,” “expect,” “estimate,” “intend,” “may,” “plan,” “predict,” “will” and similar terms and expressions. All forward-looking statements made by Walter Energy are predictions and not guarantees of future performance and are subject to various risks, uncertainties and factors relating to Walter Energy’s operations and business environment, and the progress of its Chapter 11 bankruptcy proceedings, all of which are difficult to predict and many of which are beyond Walter Energy’s control, which could cause Walter Energy’s actual results to differ materially from those matters expressed in or implied by these forward-looking statements. Such factors include, but are not limited to: those described under the “Risk Factors” section and elsewhere in Walter Energy’s most recently filed Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission (“SEC”), including its Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, which are available on Walter Energy’s website at www.walterenergy.com and on the SEC’s website at www.sec.gov;

unfavorable economic, financial and business conditions; risks and uncertainties relating to the bankruptcy filing by Walter Energy, including, but not limited to, (i) Walter Energy's ability to obtain Bankruptcy Court approval with respect to motions or other requests made to the Bankruptcy Court in the Chapter 11 Cases, (ii) the ability of Walter Energy and its subsidiaries to consummate a section 363 sale, (iii) the effects of Walter Energy's bankruptcy filing on Walter Energy and on the interests of various constituents, (iv) Bankruptcy Court rulings in the Chapter 11 Cases as well the outcome of all other pending litigation and the outcome of the Chapter 11 Cases in general, (v) the length of time that Walter Energy will operate under Chapter 11 protection and the continued availability of operating capital during the pendency of the proceedings, (vi) risks associated with third party motions in the Chapter 11 Cases, which may interfere with Walter Energy's ability to confirm and consummate a section 363 sale, (vii) the potential adverse effects of the Chapter 11 Cases on Walter Energy's liquidity or results of operations, and (viii) increased advisory costs to execute a section 363 sale, and other risks and uncertainties. Forward-looking statements made by Walter Energy in this release, or elsewhere, speak only as of the date on which the statements were made. New risks and uncertainties arise from time to time, and it is impossible for Walter Energy to predict these events or how they may affect it or its anticipated results. Walter Energy does not undertake any obligation to publicly update or review any forward-looking statements except as may be required by law, whether as a result of new information, future developments or otherwise. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statements made in this release may not occur and should not place undue reliance on any forward-looking statements.

Walter Energy cautions that the trading in its securities during the pendency of the Chapter 11 Cases is highly speculative and poses substantial risks. The consummation of a section 363 sale would result in Walter Energy's outstanding common stock losing substantial value, and the holders of Walter Energy's common stock are currently contemplated not to receive any distribution or other favorable treatment within the Chapter 11 Cases. Accordingly, Walter Energy's future performance and financial results may differ materially and/or adversely from those expressed or implied in any forward-looking statements made by Walter Energy in this Current Report and the related exhibits.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Exhibit Description
99.1	Press Release, dated February 12, 2016

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 16, 2016

WALTER ENERGY, INC.

By: /s/ Earl H. Doppelt
Name: Earl H. Doppelt
Title: Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Exhibit Description
99.1	Press Release, dated February 12, 2016

**For media:**

William Stanhouse, 205-745-2664
william.stanhouse@walterenergy.com

or

Ruth Pachman, 212-521-4891

Kekst and Company

ruth.pachman@kekst.com

Walter Energy Announces Closing of Sale of Non-Core U.S. Assets to Seminole Coal Resources

BIRMINGHAM, Ala., February 12, 2016 — Walter Energy, Inc. (“Walter Energy” or the “Company”) today closed the previously-announced sale of certain U.S. non-core assets to Seminole Coal Resources, LLC, ERP Compliant Coke, LLC and ERP Environmental Fund, Inc. (“Seminole”) all affiliates of ERP Compliant Fuels, LLC (“ERP”) and Virginia Conservation Legacy Fund, Inc. (“VCLF”).

Under the terms of the agreement, Seminole has acquired Walter Energy’s assets in West Virginia, including the Gauley Eagle and Maple properties, as well as the Walter Coke facility and Taft in Alabama. As part of the acquisition, Seminole assumes certain liabilities related to the assets it is acquiring. The agreement was previously approved by the Bankruptcy Court for the Northern District of Alabama in connection with a court-approved sale process under section 363 of the Bankruptcy Code.

With the close of this sale, Walter Energy’s remaining U.S. assets consist of its core Alabama coal operations. The sale of those assets to its senior lender group was also approved by the Bankruptcy Court and is expected to close in the near future.

On July 15, 2015, Walter Energy and its U.S. subsidiaries filed for relief under chapter 11 of the U.S. Bankruptcy Code in the Bankruptcy Court for the Northern District of Alabama.

PJT Partners is serving as financial advisor and Paul, Weiss, Rifkind, Wharton & Garrison LLP and Bradley Arant Boult Cummings LLP are serving as legal advisors to Walter Energy.

About Walter Energy

Walter Energy is a leading metallurgical coal producer for the global steel industry with strategic access to steel producers in Europe, Asia and South America. The Company also produces thermal coal, anthracite, metallurgical coke and coal bed methane gas, with operations in the United States, Canada and the United Kingdom. For more information about Walter Energy, please visit www.walterenergy.com.

About ERP Compliant Fuels and the Virginia Conservation Legacy Fund

Virginia Conservation Legacy Fund, Inc. (“VCLF”) is a nonprofit organization seeking sustainable approaches and public awareness about natural resource use. VCLF controls over 30,000 acres of conservation land, including the Natural Bridge of Virginia. VCLF works closely with the coal industry to promote best management practices in

land reclamation, reforestation, and water quality improvement. VCLF provides “environmental management services” to 459 coal mining and water quality permits in 5 states. VCLF affiliate ERP Compliant Fuels, LLC seeks to promote the sale of coal, and now coke, which is bundled with carbon credits from the reforestation of Appalachian lands to reduce the rate of growth in atmospheric carbon dioxide. With the Seminole purchase, ERP will operate one coke plant and four underground mines, including three longwalls, producing over 10 million tons of thermal and metallurgical coal annually. VCLF is supported by The Plains, Virginia based Green-Trees which has reforested over 100,000 acres (36 million trees) in the Mississippi Alluvial Delta generating over 12 million tons of carbon dioxide emission offsets.

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