

Murray Energy

- **“As part of his compensation for services as Chairman of the New Board, Mr. Robert E. Murray shall receive equity in Murray NewCo in an amount to be determined by the New Board and shall continue to receive the same health benefits he currently receives from the Company.”**
- **“Ryan Murray, Robert Murray, (Jr.), and Jonathan Murray shall be employed by Murray Newco upon consummation of the transaction contemplated by the Credit Bid, subject to new employment agreements acceptable to the New Board.”**

Murray Energy DIP Financing

- **Murray has obtained Debtor In Possession (DIP) financing of \$350 million of new money to operate during bankruptcy.**
- **Most of this new money will come from the existing 1st lien investors.**
- **Murray will have an immediate draw of up to \$200 million, along with a delayed draw of \$150 million.**

How They Will Spend the DIP

Murray has budgeted \$111.4 million for professional fees.

Look at the hourly rates these same lawyers (Kirkland & Ellis) charged in the Mission bankruptcy.

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|--------------------|------------|
| • Partners | \$1,196.51 |
| • Of Counsel | \$1,208.46 |
| • Associates | \$708.45 |
| • Law Clerk | \$370.00 |
| • Paralegal | \$385.93 |
| • Junior Paralegal | \$253.54 |
| • Support Staff | \$394.04 |

How They Will Spend the DIP

- And the lenders will get their share of the pie too. For providing \$350 million of new money, money they are guaranteed to get back, the lenders will rake up about \$28.8 million in DIP fees as soon as Murray draws down the first \$200 million.
- And then at the end of the bankruptcy they get their \$350 million back, plus interest at a rate of about 13% (LIBOR plus 11%).
- That means the lenders, who are going to own this company, will have earned about 24% just on their DIP loan, for money they essentially loaned to themselves.

How They Will Spend the DIP

- Finally, they have set aside \$20 million to pay themselves and other management personnel bonuses, called “Key Employee Retention Plans.”
- Only our perverse bankruptcy system would reward the folks who ran the company into the ground with millions of dollars of bonuses.
- But that is one of the first motions the company will make in its bankruptcy.
- And nearly everyone, except the UMWA and the 1974 Pension Plan, will support it.

How They Will Spend the DIP

- The bankruptcy system is an abomination and an affront to decency. It is a disgusting, dirty, corrupt and perfectly legal way for the rich to rob the poor.
- No sane society would pay lawyers \$1,200 an hour to take health benefits away from widows and disabled coal miners.
- No sane society would pay clerks, junior paralegals and support staff \$250-\$400 per hour to try to rob hard-working coal miners who make about \$30 an hour.

The bankruptcy system, and everyone who profits from it, is morally bankrupt.