

Peabody Energy (NYSE: BTU) Announces Acquisition of Australian Coal Assets From Mirant

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Peabody Energy announced today that it has acquired the Australian coal mining subsidiary of Mirant for approximately US\$21 million (US\$16 million net of cash). The acquisition is expected to be accretive to earnings in year one.

Assets in the purchase include 680 million metric tonnes of coal resources and the Wilkie Creek Coal Mine near Macalister, Queensland. The mine is expected to initially produce 1.3 million metric tonnes per year. The coal is exported via the Port of Brisbane to fuel electricity generation in Asia.

The purchase marks a return by Peabody to Australia, where the company has operated for much of the past decade. Peabody's existing coal trading office in Newcastle will serve as sales agent for the mine's output. The Australian operations will report to Ian Craig, group executive of Peabody's Powder River Basin operations. Craig was managing director of Peabody's Australian operations prior to their sale in January 2001.

Peabody Energy is the world's largest private-sector coal company, with 2001 sales of 194 million tons of coal and \$2.7 billion in revenues. Its coal products fuel more than 9 percent of all U.S. electricity generation and more than 2 percent of worldwide electricity generation.

Certain statements in this press release are forward looking as defined in the Private Securities Litigation Reform Act of 1995. These statements involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this release. These risks include, but are not limited to: growth in coal and power markets; timing of reductions in customer coal inventories; future economic conditions; severity of weather; railroad performance; the ability to renew coal sales contracts upon expiration or renegotiation; risks of coal mining including geological conditions; the ability to successfully implement operating strategies; regulatory and court decisions; future legislation; credit and market risk associated with the company's customers; the effects of currency translation; and other risks detailed from time to time in the company's reports filed with the Securities and Exchange Commission. These factors are difficult to accurately predict and may be beyond the control of the company.

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SOURCE: Peabody Energy

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