

Peabody Energy (NYSE: BTU) Acquires 25% Interest in Arclar Company, LLC

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Peabody Energy today announced that it has purchased a 25 percent interest in Arclar Company, LLC from Franks Energy, LLC. Peabody owns 81.7 percent of Black Beauty Coal Company, which continues to own the remaining 75 percent of Arclar.

Arclar owns the Willow Lake and Cottage Grove mines in Saline County, Ill., along with more than 50 million tons of coal reserves. Willow Lake and Cottage Grove produce approximately 5 million tons of coal each year that is sold to electric generating customers including TVA and Tampa Electric.

The purchase, for approximately \$15 million, is expected to be accretive to earnings within the first year.

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.

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SOURCE: Peabody Energy

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