

Peabody Energy Responds to U.S. Supreme Court Ruling: United States Versus The Navajo Nation

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Peabody Energy believes today's U.S. Supreme Court's decision in United States versus the Navajo Nation is an important step to bring the royalty controversy to closure. Through its affiliate, Peabody Western Coal Company, Peabody and the Navajo Nation continue to work together to advance a variety of mutual business interests. The decision helps clarify the relationship of the parties as they continue in their efforts to build a better future for all concerned.

In the decision, the U.S. Supreme Court rejects the Navajo Nation's allegation that there was a breach of trust when the U.S. Department of the Interior approved the 1987 lease agreements. The U.S. Supreme Court also found there was no violation of law governing discussions regarding the proposed royalty rate as contended by the Navajo Nation.

The allegations dismissed by the U.S. Supreme Court form the basis for a separate lawsuit by the Navajo Nation against Peabody, Southern California Edison and Salt River Project in U.S. District Court for the District of Columbia. The U.S. Supreme Court decision is directly relevant to the disposition of the pending litigation and will be brought to the attention of the court in an appropriate manner.

Peabody Energy is the world's largest private-sector coal company, with 2002 sales of 198 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.

SOURCE: Peabody Energy

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