

Peabody Energy (NYSE: BTU) Earns Four Awards For Stewardship From The U.S. Department Of The Interior

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Peabody Energy affiliates have earned four major awards for community and environmental stewardship at the U.S. Department of the Interior's 26th Excellence in Surface Coal Mining Reclamation Awards ceremony conducted in Washington, D.C.

(Photo: <http://www.newscom.com/cgi-bin/prnh/20031002/CGTH025>)

The honors include the first "Gold" Good Neighbor Award for developing a host of environmental, economic and tribal initiatives on Native American lands in Arizona, and the Director's Award for outstanding results reclaiming wetlands in Indiana. Peabody has earned the Director's Award for four consecutive years. The company's Powder River Basin and Midwest operations were also recognized with national awards for developing wetlands, wildlife habitat, grazing lands, prime farmland and hardwood forest. Award recipients include:

- Southwest Operations
"Gold" Good Neighbor Award - Black Mesa and Kayenta Mines, Arizona
- Black Beauty Coal Company and United Minerals
Director's Award - Deer Ridge Mine, Indiana
- Midwest Operations
Excellence in Mining & Reclamation National Award - Squaw Creek Mine, Indiana
- Powder River Operations
Excellence in Mining & Reclamation National Award - Caballo Mine, Wyoming

Peabody's mission statement pledges to return the land to a condition that is equal to or better than before mining. In 2002, Peabody reclaimed nearly 6,000 acres of land, planted more than 500,000 trees and contributed more than \$50 million to a national fund for restoring abandoned mines. The company also has earned nearly 35 major awards in the past five years.

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.

Note: A description of the awards is attached, and images depicting each of these projects can be downloaded at www.PeabodyEnergy.com .

Peabody Energy
U.S. Department Of The Interior
Awards For Stewardship
October 2, 2003

Southwest Operations - "Gold" Good Neighbor Award

For the first time, Interior presented Good Neighbor Awards for exemplary interaction, communication and involvement with the surrounding landowners and the local community. The top Gold Award was presented to the Black Mesa and Kayenta mines, which have operated on Navajo and Hopi lands in northeastern Arizona for more than 30 years, commencing a decade before the Surface Mining Control and Reclamation Act was created.

The mines were recognized for a host of community and environmental programs that include reclaiming lands for traditional livestock grazing; restoring plants and herbs with cultural significance; providing potable water and coal for home heating;

improving the local infrastructure; supporting education through scholarships and charitable contributions and building economies through coal revenue. Peabody is one of the nation's largest private employers of native people. Mining provides a stable source of revenue for tribal governments and injects more than \$2 million into local economies each week.

Black Beauty Coal Company and United Minerals - Director's Award

Each year, Interior presents one Director's Award for outstanding achievement in a specific area of reclamation. The 2003 award was presented for creation of wetlands throughout 1,800 acres of wildlife habitat, hardwood forest and prime cropland at the Deer Ridge Mine in Warrick and Pike counties in Indiana. More than 40 wetlands were developed on 160 acres within the preserve, creating a diverse and effective wildlife habitat. The project involved teamwork and input from the Indiana Department of Natural Resources, the Indiana Division of Fish and Wildlife, the U.S. Fish and Wildlife Service, Quail Unlimited and local landowners.

Peabody operations and affiliates have earned the Director's Award for four consecutive years. Previous recognition was given for protection of sacred and historic places on reservation lands in Arizona, for developing prime farmland in Indiana and Illinois and for exemplary reforestation in Western Kentucky.

Midwest Operations - Excellence in Mining & Reclamation National Award

National awards are presented to coal mining companies for achieving the most exemplary mining and reclamation results in the country. Restoration of nearly 4,500 acres of fish and wildlife habitat, native grassland, prime farmland and forest has been recognized for a Peabody affiliate in Indiana: the Squaw Creek Mine in Warrick county, a joint venture between Peabody and Alcoa.

A unique aspect of the reclamation is more than 400 acres of warm-season native grasslands that create one of the largest prairie sites in the state. Six native grasses were planted to provide an excellent and diverse habitat for bobwhite quail and other wildlife, while enhancing the area's aesthetics. Thousands of trees were also planted and more than 30 ponds were developed.

The operations have earned several environmental awards for results with this project including an Indiana Excellence in Mining and Reclamation Award and an honorable mention from the Interstate Mining Compact Commission.

Powder River Operations - Excellence in Mining & Reclamation National Award

Efforts to improve mined land for wildlife habitat and rangeland at Peabody's Caballo Mine in the Powder River Basin have earned a national award from Interior. Establishing permanent ponds and wetlands on restored lands create a modern oasis in the middle of the prairie and are among the techniques used to enhance reclaimed lands for wildlife. Trees common to the area were planted around ponds, and an irrigation system ensures hardy, healthy trees. Special rock scoria features imitate nature and provide wildlife habitat for raptors and predators.

Last year, Peabody's Powder River operations were also honored for environmental stewardship by the Wyoming Game and Fish Department and the U.S. Forest Service.

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