Peabody Signs Memorandum of Understanding to Purchase Australian Coal Operations From RAG Coal International AG

PRNewswire-FirstCall
ST. LOUIS

Peabody Energy today announced that it has signed a memorandum of understanding with RAG Coal International AG to purchase two high-quality metallurgical coal operations in Queensland, Australia, and more than 100 million metric tonnes of coal reserves. The operations utilize both underground and surface techniques, exporting approximately 7 million tonnes per year to customers primarily in Asia.

The transaction is subject to a number of conditions, including Australian regulatory approval and the negotiation of definitive agreements. It is expected to be completed in the first half of 2004.

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.

CONTACT: Vic Svec of Peabody Energy, 314-342-7768

SOURCE: Peabody Energy

CONTACT: Vic Svec of Peabody Energy, +1-314-342-7768

Web site: http://www.peabodyenergy.com/