# Peabody Energy to Purchase Coal Assets in Venezuela and Colorado

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Peabody Energy announced today that it has signed memoranda of understanding with RAG Coal International AG to purchase coal assets in Colorado and a 25 percent interest in a coal operation in Venezuela. The purchase would include:

- The Twentymile Mine near Steamboat Springs, Colo. The highly productive longwall mine produces approximately 7.5 million tons per year of low-sulfur coal for electricity generators in the West, Southwest, Midwest and Mexico; and
- A 25 percent interest in Carbones del Guasare, S.A., a joint venture involving RAG, Anglo American plc and Carbozulia, a unit of the Venezuelan oil company PDVSA. Carbones del Guasare operates the Paso Diablo surface mine in northwestern Venezuela, which produces nearly 7 million metric tonnes per year of coal for electricity generation and steel production in Europe and North America.

The transaction is subject to a number of conditions 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
(314) 342-7768

SOURCE: Peabody Energy

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

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