

Peabody's Prairie State Energy Campus Signs Letter of Intent With Fluor for EPC Contract

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Peabody's Prairie State Energy Campus and Fluor Daniel Illinois, Inc. have signed a letter of intent for engineering, design and construction of Prairie State's power-related facilities in Southern Illinois. The \$2 billion-plus Prairie State Energy Campus is a 1,500 megawatt electric generating plant and coal mine.

Prairie State will provide clean, low-cost electricity using 21st century technologies that would make it among the cleanest major coal-fueled plants in America. It will create 450 permanent jobs and inject nearly \$100 million into the economy each year, according to a recent study.

The project has received multiple permits, including a draft air permit, and has executed a transmission agreement to interconnect with the Illinois Power system. Prairie State also has signed letters of intent with a group of Midwest electricity providers to acquire partial ownership, which will provide the group with approximately one-third of the plant's annual electricity output.

Over the next several months, Fluor will perform preliminary design engineering, and Prairie State and Fluor will negotiate terms of a contract covering engineering, procurement, construction and commissioning of the power plant.

Construction for the campus could begin as early as 2005, once Prairie State completes the permitting process and secures long-term power contracts for 80 to 90 percent of the plant's output. Vendors or job seekers may express their interest by visiting News & Info at <http://prairiestateenergycampus.com/>.

Peabody Energy is the world's largest private-sector coal company, with 2003 sales of 203 million tons and \$2.8 billion in revenues. Its coal products fuel more than 10 percent of all U.S. electricity and more than 2.5 percent of worldwide electricity.

Fluor Daniel Illinois, Inc. is a subsidiary of Fluor Corporation, one of the world's largest publicly owned engineering, procurement, construction and maintenance services organizations. Fluor had revenues of nearly \$9 billion in 2003.

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