

## **Peabody Energy Announces That Twentymile Mine to Expand Production Nearly 40 Percent Over Three Years**

PRNewswire  
ST. LOUIS

America's largest western underground coal mine is expanding to meet record customer demand for high-quality, low sulfur Western Bituminous coal.

Peabody Energy's Twentymile Coal Company is expanding its production nearly 40 percent, growing the operations to ship up to 12 million tons of high-Btu, low sulfur coal annually by 2008. The Twentymile Mine, located near Steamboat Springs in Northwest Colorado, is America's largest Western Bituminous coal mine.

"Twentymile coal travels as far as Canada, the Southeastern United States, and Mexico," said Group Executive of Colorado Operations Charles A. Burggraf. "We are experiencing record demand for this high-Btu, compliance coal, and recent rail upgrades near Denver allow us to target increasing volumes."

Twentymile is hiring 80 additional employees this year and investing capital in a new, state-of-the-art longwall mining system that will boost efficiency and productivity. The longwall will be installed during the first quarter of 2006.

Perennially one of America's largest and most productive underground operations, Twentymile last year produced a record 8.7 million tons of coal for customers in the Midwest, Southwest, Canada and Mexico. Twentymile accesses a more-than-nine-foot coal seam from a large reserve located in the Uinta Coal Basin.

With more than 400 employees, Twentymile annually injects more than \$90 million in direct economic benefits through royalties and taxes, vendor contracts, wages and benefits.

Peabody Energy is the world's largest private-sector coal company, with 2004 sales of 227 million tons and \$3.6 billion in revenues. Its coal products fuel more than 10 percent of all U.S. electricity and 3 percent of worldwide electricity.

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