

Peabody Energy (NYSE: BTU) Announces Organizational Changes

PRNewswire-FirstCall
ST. LOUIS

Peabody Energy today announced organizational changes in the management team reporting to President and Chief Executive Officer Elect Gregory H. Boyce. The changes realign the operational and technical functions and establish a new strategic planning function.

"This is the strongest management team in the industry," said Boyce. "Reorganizing the executive operating responsibilities into four positions allows Peabody to continue to achieve record results by sustaining the focus on safety, productivity, process improvement and capital efficiency initiatives, while providing developmental opportunities for the entire management team."

Reporting to President and Chief Executive Officer-Elect Gregory H. Boyce are:

- Executive Vice President and Chief Financial Officer Richard A. Navarre
- Executive Vice President of Sales, Marketing and Trading Richard M. Whiting
- Executive Vice President of Planning and Resource Development Roger B. Walcott Jr.
- Executive Vice President of Human Resources and Administration Sharon D. Fiehler
- Group Vice President of U.S. Eastern Operations Jiri Nemec
- Group Vice President of U.S. Western Operations Kemal Williamson
- Group Vice President and Managing Director of Australian Operations Ian S. Craig
- Group Vice President of Technical Services Charles A. Burggraf
- Senior Vice President of Government Relations Fredrick D. Palmer

The organizational changes are highlighted on the following pages.

Charles A. Burggraf is promoted to the new role of Group Vice President for Technical Services, responsible for engineering, environmental, safety, operations analysis, process improvement and maintenance. Previously, he was Group Executive for Colorado Operations. Reporting to Burggraf are Vice President of Safety David A. Beerbower; Vice President of Mining Decision Support & Process Improvement Richard D. Robison; and Vice President of Environmental & Engineering Services Mark R. Yingling.

Jiri Nemec is promoted to the new role of Group Vice President for U.S. Eastern Operations. Formerly Group Executive for Appalachia and Highland Operations, Nemec will have added responsibility for Peabody's Midwest operations including Black Beauty Coal Company, Bluegrass Coal Company, Arclar Coal Company, and Coulterville Coal Company. Reporting to Nemec are Group Executive for Midwest Operations Bryan A. Galli; Big Mountain Operations Manager James C. Downey Jr.; Federal Operations Manager J. Blair McGill; Wells Operations Manager Gerald R. Swanson; Rocklick Operations Manager John C. Hill; Harris Operations Manager Michael J. Phipps; Highland Operations Manager David L. Webb; Director of Highwall Mining Stuart Cox; Director of Safety Terry G. Hudson; and Group Controller E. Kent Hartsog.

Roger B. Walcott Jr. has been named Executive Vice President of Planning and Resource Development, responsible for generation development, coalbed methane development, land management and closed/suspended operations. Walcott will also oversee the company's strategic planning function. Previously, Walcott was Executive Vice President of Corporate Development. Reporting to Walcott are Corporate Senior Vice President and President of Generation Development Rick A. Bowen; Vice President of Real Estate Development Terry L. Bethel; Vice President of Natural Gas Development Collon C. Kennedy; Vice President of Resource Management James C. Sevm; Director of Land Financial Services Jeffrey D. Roberts and a to-be-named

Vice President of Strategic Planning. Yingling will continue to report to Walcott for closed/suspended operations activities.

Kemal Williamson is promoted to the new role of Group Vice President for U.S. Western Operations, having previously served as Group Executive for Powder River Basin Operations. He will have responsibility for Peabody's operations in the Powder River Basin in Wyoming, the Colorado operations, as well as the Southwest operations in Arizona and New Mexico. Reporting to Williamson are Group Executive for Southwest Operations Robert C. Hammond; North Antelope Rochelle Mine Operations Manager Daniel P. Cartwright Jr.; Rawhide Mine Operations Manager David J. Ott; Caballo Mine Operations Manager Terry G. Traylor; Director of Mining Services and Technical Support Gregory R. Dundas; Group Controller Amy G. Hetzer; Director of Safety and Employee Relations Ryan M. Tew; Director of Business Improvement Jerald R. Tystad; Twentymile Operations Manager D.L. Lobb; and Seneca Operations Manager Gregg J. Kitchen.

Continuing in their present roles and reporting to Boyce, who will become Chief Executive Officer on Jan. 1, 2006, are:

- Executive Vice President and Chief Financial Officer Richard A. Navarre, with responsibility for the business development, legal, treasury, accounting, tax, public relations, investor relations and purchasing functions;
- Executive Vice President of Sales, Marketing and Trading Richard M. Whiting, with responsibility for marketing, sales, trading, market research, contract administration and risk management functions, as well as the Venezuela operations;
- Executive Vice President of Human Resources and Administration Sharon D. Fiehler, with responsibility for the compensation and benefits, recruiting, employee and organizational development, workers' compensation, employee relations, information technology, flight and office services functions;
- Group Vice President and Managing Director of Australia Operations Ian S. Craig, with responsibility for Peabody's four mining operations in Queensland, Australia; and
- Senior Vice President of Government Relations Fredrick D. Palmer, with responsibility for state and federal government affairs.

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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