

Peabody Energy Earns Five Major Awards for Stewardship at Excellence in Surface Mining Reclamation Awards Ceremony

PRNewswire-FirstCall
ST. LOUIS

Peabody operations were honored with five major awards for community and environmental stewardship at the 2005 U.S. Department of the Interior's Excellence in Surface Coal Mining Reclamation Awards ceremony in Washington, D.C.

Peabody swept all three categories of Good Neighbor Awards for promoting sustainable practices. Honors include the Gold, Silver and Bronze Good Neighbor Awards and two National Excellence in Reclamation Awards. Recipients include:

- Powder River Basin Operations
Gold Good Neighbor Award - North Antelope Rochelle Mine, Wyoming
Environmental conservation and community education
- Southwest Operations
Silver Good Neighbor Award - Black Mesa and Kayenta Mines, Arizona
Managed grazing initiatives on Native American lands
- Midwest Operations
Bronze Good Neighbor Award - Farmersburg Mine, Indiana; part of Black Beauty Coal Company
Cooperative research and community outreach and education
- Southwest Operations
Excellence in Mining & Reclamation National Award - Black Mesa and Kayenta Mines, Arizona
Managed grazing initiatives on Native American lands
- Midwest Operations
Excellence in Mining & Reclamation National Award - Peabody Coal Company's Universal Mine, Indiana
Wetlands reclamation of a former coal refuse pond

Peabody's mission statement says, "When the mining is complete, we will leave the land in a condition equal to or better than before mining." In 2004, this commitment was marked by reclaiming nearly 4,700 acres of land, planting more than 1 million trees and investing hundreds of millions of dollars in reclamation activities, including approximately \$59 million in funding federal activities to restore abandoned mines.

"Planning for a sustainable future through community and environmental excellence is central to our mission," said Peabody's President and Chief Executive Officer Elect Gregory H. Boyce. "And we're proud to be recognized for demonstrating this commitment through nearly 20 major awards for stewardship in the past two years."

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.

Editor's note: A description of the awards is attached, and images depicting each of these projects can be downloaded at <http://www.peabodyenergy.com/>.

Use of the words "Peabody", "the company" and "our" relate to Peabody, our subsidiaries and our majority-owned affiliates.

PEABODY ENERGY
U.S. DEPARTMENT OF THE INTERIOR
2005 EXCELLENCE IN
SURFACE COAL MINING RECLAMATION AWARDS

Gold Good Neighbor Award - North Antelope Rochelle Mine, Wyoming

The North Antelope Rochelle Mine was recognized with a Gold Good Neighbor Award for promoting best practices in environmental conservation and mining education. U.S. Interior credited the mine for working with an association of land owners on the development of a collaborative ecosystem management plan in the Thunder Basin to enhance wildlife habitat across a more than 930,000-acre landscape.

Mine employees also were recognized for working with area students to restore riparian habitat as part of a broad wildlife habitat reclamation program. Employee efforts to promote mining education through Career Days and mine tours and providing outstanding voluntary community leadership were also recognized. The more than 85 million-ton-per-year North Antelope Rochelle Mine is among the nation's top three most productive surface mines. Employees have earned seven major awards in the past five years for being a "Good Neighbor," for restoration of riparian habitat and for protecting wildlife resources and habitats.

Silver Good Neighbor Award - Black Mesa and Kayenta Mines, Arizona &

National Reclamation Excellence Award - Black Mesa and Kayenta Mines, Arizona

The Black Mesa and Kayenta Mines, which operate on Navajo and Hopi lands, were honored with both a Silver Good Neighbor Award and a National Reclamation Excellence Award. Both awards recognized development of a managed grazing program that demonstrates sustainability of reclaimed lands and offers residents access to grazing lands under Peabody control. The program also provides grazing management education and the framework for a long-term management system for reclaimed and Native American lands, fostering long-term sustainability.

Livestock grazing is a traditional way of life with special cultural significance to Navajo and Hopi people. Family unity, learning and day-to-day life are centered on raising livestock, particularly sheep and goats.

Peabody's Arizona mines produce more than 12 million tons of coal annually and have been honored for sustainability and stewardship with six major awards since 1996. These include the U.S. Department of the Interior's inaugural Gold Good Neighbor Award in 1993, the U.S. Interior Director's Award for archaeologic and cultural preservation and U.S. Interior's National Excellence in Reclamation Award for restoration of cultural plants. The mines have operated on Native American lands for 35 years, with reclamation activities commencing more than a decade before the Surface Mining Control and Reclamation Act was created.

Bronze Good Neighbor Award - Farmersburg Mine, Indiana

Farmersburg Mine received a Bronze Good Neighbor Award for an extraordinary commitment to industry education and outreach activities through independent study, technology transfer with government agencies and for a history of conducting educational field days to share best practices for growing productive cropland with a variety of stakeholders.

Farmersburg Mine, the largest surface mine in Indiana, has engaged in a five-year study in cooperation with the Indiana Division of Natural Resources and Indiana Coal Council to assess techniques for soil handling that will ultimately improve crop yields. Reclaimed land at Farmersburg is some of the most productive agricultural land in the area, typically besting target crop yields by 15 percent. About 2,500 acres have been reclaimed for agricultural use, and 800 of these acres are being leased by area farmers. Farmersburg has earned numerous awards for its success in restoring prime farmland including Interior's prestigious Director's Award and Interior's National Excellence in Reclamation Award.

Excellence in Mining & Reclamation National Award - Peabody Coal Company's Universal Mine, Indiana

The former Universal Mine was recognized for innovative reclamation practices that transformed a coal refuse pond into a spectacular wetland area encompassing more than 80 acres. The significance of the area is exemplified by the presence of

various species of water and shore birds, waterfowl and amphibians that reside in the area. The approximately 20 acres of permanently inundated wetlands support panfish and provide water and food for other wildlife species such as raccoon, quail, pheasant, coyote and white tail deer.

The wetland area was created through a cooperative reclamation effort by Peabody Coal Company and the International Union of Operating Engineers. The Operating Engineers acquired portions of the reclaimed wetlands area as well as adjoining property and facilities to develop their apprentice and training program, a vocational educational program for heavy equipment operators.

Since its inception, the area also has been the focus of numerous wildlife studies conducted by faculty and students from the Indiana State University in Terre Haute. Universal Mine's collaborative and innovative approach to reclamation also was recognized in 2004 by the Indiana Department of Natural Resources for exemplary reclamation of the wetland area.

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