

Peabody's North Antelope Rochelle Mine to Install \$55 Million Dragline to Lower Costs and Improve Productivity

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Peabody Energy today announced that it is installing a \$55 million dragline at the North Antelope Rochelle Mine that will lower costs and increase productivity and capacity at the nation's premier ultra-low sulfur mine.

The dragline will be upgraded with a stronger boom, larger bucket and more hoisting power, giving it a 20 percent increase in operating capacity over similar-sized dragline units. It will be the third dragline at the North Antelope Rochelle Mine and will provide the ability for a future capacity increase if markets warrant.

Dragline systems reduce the cost of removing overburden by up to 40 to 50 percent compared with existing truck-and-shovel systems, and significantly reduce diesel fuel consumption and labor requirements. The North Antelope Rochelle Mine has the world's number-one performing dragline in its class, and the new dragline is expected to be even more productive.

Dragline assembly will begin in the fourth quarter, and the dragline will be operational in the first quarter of 2007. North Antelope Rochelle shipped more than 82 million tons of coal in 2004.

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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