Peabody Energy President and CEO Greg Boyce Highlights Superior Safety, Stewardship and Shareholder Performance at Annual Meeting

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Peabody Energy President and Chief Executive Officer Gregory H. Boyce highlighted superior safety, stewardship and shareholder performance today at Peabody's annual shareholder meeting, underscoring a year capped by the best safety performance in the company's history, coupled with a 105 percent total shareholder return. Peabody was named among the top 10 best performing large cap stocks in the world.

"The higher we set the bar for Peabody's performance, the greater we perform," said Boyce. "Coal markets remain strong. Global demand for coal continues to grow, and Peabody is well-positioned to capitalize on growth opportunities thanks to our world-class team of 8,300 employees and unparalleled reserve base."

The company achieved the best safety results in its history, reducing its accident rate 33 percent. Peabody's safety performance is now 45 percent better than the industry average. In addition, four mines and three preparation plants operated with zero reportable or lost-time accidents in 2005.

"Leadership in safety is a core value for us and a key principle of our mission. Our culture of safety first produces results and moves us closer to our vision of zero incidents of any kind," said Boyce.

Peabody's team earned nine awards for stewardship and sustainable practices this past year, including five awards from the U.S. Department of the Interior. The company swept all three Good Neighbor Awards, earning the gold, silver and bronze honors.

Looking ahead, Boyce said Peabody's team will continue to focus on four key areas: executing the basics, growing organically, expanding in high-growth global markets and participating in Btu Conversion technologies. These key areas offer the best opportunity to build long-term shareholder value for BTU.

"I believe we are in the early stages of a long period of sustainable growth and increasing cash flow generation," said Boyce. "Peabody has the best assets and strongest team to capitalize on fast-growing demand for coal around the world."

Global demand for coal is growing, led by the developing nations of China and India as they increase their per-capita energy use. Combined, China, India and the United States will account for nearly 3 billion tons of coal growth over the next two decades.

U.S. coal is abundant and represents enormous energy security, including reduced reliance on foreign oil and natural gas. A National Coal Council study with input from 54 members chaired by Boyce, concludes that investment in advanced coal technologies would create a new energy infrastructure in the United States. Greater utilization of coal would lower energy costs by one-third, create a $3 trillion gain in gross domestic product and 1.4 million new jobs by 2025.

The National Coal Council study determined that by doubling U.S. coal production to 2.4 billion tons per year, the United States has sufficient reserves to fuel:

-- 100 GW in new generation capacity
-- 4 TCF per year of coal-to-natural-gas facilities
-- 2.6 million barrels per day of coal-to-liquids

"The industry has seen significant interest in projects to turn coal into natural gas and low sulfur transportation fuels," said Boyce. "For Peabody, Btu Conversion represents enormous value creation potential, as we seek to narrow the valuation gap between coal, oil and natural gas."

"Peabody supports sustainable energy development that is good for the economy, good for the environment and good for people."

Peabody Energy is the world's largest private-sector coal company, with 2005 sales of 240 million tons of coal and $4.6 billion in revenues. Its coal products fuel approximately 10 percent of all U.S. and 3 percent of worldwide electricity.

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