

Peabody Energy (NYSE: BTU) Announces Organizational Changes

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Peabody Energy today announced organizational changes in the management team reporting to President and Chief Executive Officer Gregory H. Boyce. The reorganization allows Peabody to continue its industry-leading performance, and position the company to capture growth opportunities through international expansion, organic development and emerging Btu Conversion markets.

"Our new organization is designed to maintain a keen focus on performance as we operate in a significantly larger and more complex global energy business; ensure that we continue to build and enhance our capacity and skills to meet sustained and aggressive growth plans," said Boyce. "This reorganization further enhances our already-deep management team and provides for greater succession management."

The organizational changes are highlighted on the following pages.

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. electricity generation and 3 percent of worldwide electricity.

The use of "Peabody," "the company," and "our" relate to Peabody, its subsidiaries and majority-owned affiliates.

SENIOR EXECUTIVE TEAM

Executive Vice President and Chief Marketing Officer - Rick Whiting

- * President of COALSALES - Bryan Galli
- * President of COALTRADE - Steve Miller
- * President of COALTRADE International - Paul Demzik
- * Vice President of Commercial Services - Gregg Wickstra
- * Vice President of Market Strategies (To Be Determined - TBD)

Executive Vice President of Operations (TBD)

- * Group Vice President of Western Operations - Kemal Williamson
- * Group Vice President of Eastern Operations - Jiri Nemec
- * Managing Director of Australia Operations - Ian Craig
- * Vice President of Safety - Dave Beerbower
- * Senior Vice President of Strategic Operations (TBD)
- * Senior Vice President of Engineering and Technical Services (TBD)

Chief Financial Officer and Executive Vice President of Corporate Development - Rick Navarre

- * Senior Vice President, Controller and Chief Accounting Officer - Brent Stottlemire
- * Senior Vice President of Business and Resource Development - Chuck Ebetino
- * Senior Vice President of International Development - Tayeb Tahir
- * President of Peabody China - Mark Schroeder
- * Senior Vice President of Investor Relations and Corporate Communications - Vic Svec
- * Senior Vice President of Finance (TBD)

Executive Vice President of Strategy and Business Services - Roger Walc

- * Vice President of Real Estate Development - Terry Bethel

- * Vice President of Peabody Natural Gas - Collon Kennedy
- * Vice President of Enterprise Resource Planning - Lina Young
- * Vice President of Strategy Development - Daniel Jaouiche
- * Vice President of Procurement (TBD)
- * Director of Business Processes (TBD)

President of Generation and Btu Conversion - Rick Bowen

- * Vice President of Generation Development - Colin Kelly
- * Vice President of Generation Development - Jacob Williams
- * Vice President of Generation and Btu Development - Dianna Tickner
- * Vice President of Coal Technologies - Marty Considine
- * Director of Illinois Basin Development - Roger Dennison

Executive Vice President of Human Resources and Administration - Sharon Fiehler

- * Vice President of Compensation and Employee Services - Sara Wade
- * Vice President of Benefits - Julie Nadolny
- * Vice President of Organizational Development (TBD)
- * Vice President of Information Technologies - Gary Kalbfleisch
- * Director of Aviation Services - Jerry Riebold

Executive Vice President of Law and Chief Legal Officer (TBD)

- * Legal Department

Senior Vice President of Government Relations - Fred Palmer

- * Vice President of State Government Relations - Kelly Mader
- * Vice President of Federal Government Relations (TBD)

ADDITIONAL KEY SENIOR MANAGEMENT CHANGES

Group Executive of Powder River Basin Operations - D.L. Lobb

- * Reporting to Kemal Williamson

Group Executive of Illinois and Indiana Operations - Chuck Burggraf

- * Reporting to Jiri Nemec

Group Executive of Central Appalachian Operations - John Hill

- * Reporting to Jiri Nemec

Vice President of Capital and Performance Management - Richard Robison

- * Reporting to the Senior Vice President of Finance (TBD)

Vice President of Southwestern U.S. Sales - Bob Reilly

- * Reporting to Senior Vice President of Sales and Marketing for COALSALES Greg Vandiver

Director of Western Kentucky Operations - Dave Webb

- * Reporting to Jiri Nemec

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