Phillip V. Smith Joins Peabody Trading Subsidiary as Director of Trading for China

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Peabody Energy today announced that Phillip V. Smith has joined its international sales and trading subsidiary, COALTRADE International, as Director of Trading for China, reporting to COALTRADE International President Paul Demzik. Smith will be responsible for Peabody's coal sales, marketing, trading, brokerage and agency activities in China. He will be based in Peabody's Beijing office.

"China has the fastest growing major economy and the fastest growing coal market in the world," said Executive Vice President and Chief Marketing Officer Richard M. Whiting. "Peabody is expanding its international presence to assist in meeting China's growing energy needs and capitalize on significant long-term growth opportunities there."

China markets represent half the world's growth in raw materials and more than one-third of global coal demand. Peabody opened its Beijing office in the fall of 2005 and earlier this year signed a memorandum of understanding with Shenhua Group, China's leading coal producer, to pursue coal-related projects. The company also completed its acquisition of Excel Coal in Australia, tripling its portfolio of operations in the world's largest coal exporting nation.

Smith has more than 30 years experience in sales, marketing and trading, including 14 years with Drummond Coal, where he most recently served as Managing Director with responsibility for sales and administration in Europe. He also held trading and marketing positions with Caterpillar Inc. Smith holds a Bachelor of Science in Business Administration from the University of Missouri at Columbia.

Peabody serves more than 300 customers in 16 countries from a global portfolio of operations. Peabody currently has trading operations in the United States and Australia and is expanding its coal trading in Europe.

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.

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