Peabody President and CEO Greg Boyce Highlights Clean Energy Vision and Fifth Year of Superior Results at Annual Meeting

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Peabody Energy President and Chief Executive Officer Gregory H. Boyce highlighted a vision for clean energy solutions at the company's annual meeting today, modifying the classic "E = mc2" equation as "energy equals more clean coal." Boyce discussed the company's superior results and strategies for value creation against a backdrop of greater global use of coal for energy security, economic growth and environmental improvement.

At a time when the world's energy needs will increase 70 percent in 25 years and other fuels face significant constraints, Boyce said greater use of coal for clean electricity, natural gas and transportation fuels can solve oil and natural gas challenges. He also said that greater use of coal must be driven "by the ultimate vision of near-zero emissions and carbon capture and sequestration."

"Technology is the key to the twin challenges of energy independence and carbon concerns. We must accelerate commercial deployment of technologies that will maintain a secure, affordable energy supply to satisfy our growing energy needs and achieve the important sustainable goal of an improved environment," said Boyce.

Coal is driving the world's strongest and fastest-growing economies, and global coal use is expected to more than double in the next 25 years. America has 27 percent of the world's coal reserves, greater than any other nation, providing the solution for energy independence, Boyce said. He also outlined a practical, three-step technology path toward near-zero emissions to achieve his vision:

-- First, build out the next generation of state-of-the-art coal-fueled plants to ensure electric reliability. Most of the plants proposed are "advanced combustion" featuring efficient supercritical technologies.

-- Second, fund and build the FutureGen plant, which would commercialize IGCC technology with carbon capture and sequestration. Peabody is a founding member of the FutureGen Alliance. The final host site will be selected this year, and the plant is expected to be operational within five years. Gasification is also vital for coal-to-gas and coal-to-liquids plants.

-- Third, aggressively pursue technologies to capture carbon dioxide from existing coal plants. With the advent of these technologies, all coal plants are "carbon-capture ready."

This strong long-term outlook for coal in the world's energy future also provides the backdrop for the company's excellent performance.

BTU has achieved five consecutive years of improving financial results, with world record sales of 248 million tons, and record revenues, EBITDA, operating profit and net income. Earnings rose 45 percent in 2006. The company's share price has increased 600 percent since its May 2001 initial public offering and has increased more than 18 percent already in 2007.

The last two years have been the company's safest, and employees earned 20 awards for safety and stewardship in 2006, including U.S. Department of Labor Sentinels of Safety honors for operating the nation's safest mine.

In 2006, Peabody completed the important acquisition of Excel Coal in Australia that will triple its presence in Australia, and the company also earned significant corporate recognition: BTU was added to the S&P 500, recognized as a Forbes Platinum company and named among Fortune's most admired, earning the highest score among U.S. coal companies.

Boyce continues to see a bright future for coal and BTU. "Worldwide energy events continue to validate Peabody's growing value as the world's only global pure-play coal investment," he said. "We intend to continue to build our global presence amid strong international coal markets, execute our core strategies for growth, and narrow the valuation gap between coal, oil and gas for the benefit of our shareholders."

Peabody Energy is the world's largest private-sector coal company, with 2006 sales of 248 million tons of coal and $5.3 billion in revenues. Its coal products fuel approximately 10 percent of all U.S. electricity generation and more than 2 percent of worldwide electricity.

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