

AMP-Ohio Joins Prairie State Energy Campus Partner Group With Commitment to 300 Megawatts of the Project

PRNewswire-FirstCall
ST. LOUIS

The Prairie State Energy Campus today announced that it has entered into an agreement with American Municipal Power-Ohio (AMP-Ohio) with a commitment to 300 megawatts of the project.

"We've provided reliable, affordable electric power to our customers for more than three decades," said AMP-Ohio President and CEO Marc S. Gerken, PE. "Participating in Prairie State is core to our strategy of securing a clean, low-cost, long-term supply of electricity to serve our 121 member communities."

AMP-Ohio is a non-profit corporation serving more than 520,000 customers through member utilities in Ohio, Pennsylvania, West Virginia, Virginia and Michigan. AMP-Ohio joins an existing group of Prairie State partners serving families in Missouri, Indiana, Illinois and Kentucky.

"AMP's participation is the latest in a series of major milestones giving Prairie State momentum to start full-scale construction this fall," said Peabody Energy President of Generation and Btu Conversion Rick Bowen. "This strong interest is testament to the growing need for affordable generation from secure, home-grown energy sources."

Prairie State is a planned 1,600 megawatt supercritical electricity generating station that would be among the cleanest U.S. coal-fueled power plants. Site development is under way, and Prairie State has a \$2.9 billion engineering, procurement, construction and management contract with Bechtel Power Corporation for construction of the project's power-related facilities. Ownership of the project is essentially fully subscribed.

Prairie State will generate low-cost electricity for more than 1.7 million Midwest families, create more than 450 permanent jobs and inject nearly \$100 million in economic benefits into the regional economy each year, according to a study by Southern Illinois University at Carbondale.

The Prairie State equity partner group includes the Illinois Municipal Electric Agency (IMEA), Indiana Municipal Power Agency (IMPA), Kentucky Municipal Power Agency (KMPA), Missouri Joint Municipal Electric Utility Commission (MJMEUC), Northern Illinois Municipal Power Agency (NIMPA) and Prairie Power Inc.

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.

AMP-Ohio is the nonprofit corporation organized in Ohio in 1971 for the purpose of owning and operating electric facilities or otherwise providing for the generation, transmission and distribution of electric power and energy to its members.

Certain statements regarding Peabody Energy in this press release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. These statements involve certain risks and uncertainties that may be beyond our control and may cause our actual future results to differ materially from expectations. We do not undertake to update our forward-looking statements. Factors that could affect our results and this project include, but are not limited to: the outcome of commercial negotiations involving power purchase contracts or equity party transactions; customer performance and credit risk; supplier performance, and the availability and cost of key equipment and commodities; availability and costs of transportation; labor availability and relations; legislative and regulatory developments; the outcome of pending or future litigation; coal and power market conditions; weather patterns affecting energy demand; availability and costs of competing energy resources; interest rate fluctuation; wars and acts of terrorism or sabotage; and other risks detailed in the company's reports filed with the Securities and Exchange Commission.

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