Executives Exercise 1998 Leveraged Buyout Stock Options

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Peabody Energy announced today that certain executives are exercising options which date back to the company's 1998 leveraged buyout (LBO) and vested on Nov. 19, 2007. This is resulting in higher-than-normal management option activity, as the terms of this plan require shares to be exercised within a six-month period following vesting. Additionally, former Peabody executives who are now associated with Patriot Coal Corporation following the Oct. 31, 2007 spin-off from Peabody are exiting their BTU equity positions.

The 3.9 million LBO options featured a 9.5-year vesting period and a 10-year life. Most executives are selling through pre-established plans under approved 10b5-1 programs.

Peabody's leveraged buyout occurred in 1998. The company went public in 2001, and the share price has subsequently increased more than six-fold in six years.

Peabody Energy is the world's largest private-sector coal company. 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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