Peabody Energy Board Approves Submitting Declassified Board to Shareholder Vote

PRNewswire-FirstCall
ST. LOUIS

Peabody Energy announced today that its Board of Directors will ask shareholders to determine whether all directors will be elected on an annual basis. The vote on a phased declassified board proposal will take place at the company's annual meeting in May 2008.

The change in the company's charter, if approved by shareholders, would result in directors being elected for three-year terms in 2008 and one-year terms in 2009 and beyond. Currently, the company's directors are elected to staggered three-year terms to provide continuity in governance.

"Peabody continues to refine our governance structure to reflect best practices in governance and the desire of our shareholders," said Chairman and Chief Executive Officer Gregory H. Boyce. "We have seen growing shareholder interest in the declassified board structure and believe it appropriate that our shareholders decide on this matter."

Boyce was elected Chairman of the Board on Oct. 10, 2007.

Details regarding the proposal will be provided in Peabody's proxy statement, which will be sent to all shareholders in advance of the 2008 annual meeting.

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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