# Peabody Chairman and CEO Greg Boyce Highlights Record Results and Outstanding Outlook at Annual Shareholders Meeting

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Peabody Energy Chairman and Chief Executive Officer Gregory H. Boyce told shareholders today that the company is positioned to significantly increase its financial performance over its record 2007 results, thanks to soaring global coal demand, record coal prices and Peabody's leading position with the most seaborne coal sales of any U.S.-based coal company.

Boyce highlighted the company's 125-year track record of success at the company's annual meeting today. He discussed the company's outstanding performance and key focus areas against a backdrop of greater global coal use.

"Coal is the fastest growing fuel in the world, and it is a great time to be the world's largest coal company and the only pure-play global coal investment," said Boyce. "We provided a 64 percent total shareholder return in 2007, rank among the very best U.S. companies in long-term shareholder value, and are targeting 2008 earnings that could nearly double last year's results."

Boyce said that coal is the fuel of choice for the world's largest and strongest developing economies, and Peabody is the company best positioned to provide clean coal solutions to satisfy the world's energy needs.

He noted that the company has raised its 2008 EBITDA targets $500 million over prior targets, to $1.5 to $1.8 billion. In 2007, the company earned $955.9 million in EBITDA. 2008 earnings targets were raised to $2.20 to $3.00 per share, compared with 2007 earnings from continuing operations of $1.56 per share.

"We expect our international operations to represent nearly half of our EBITDA in 2008, which is a strong testament to our strategy in recent years to expand to serve high-growth, high-margin markets," said Boyce. "In fact, this year our Australian operations alone could earn as much as Peabody's record results in 2007."

Technological advances are making coal increasingly versatile, allowing the energy in coal to be converted into clean electricity, natural gas and transportation fuels. And coal's environmental profile continues to improve as the industry works to commercialize near-zero emissions technologies.

"Peabody is a global leader in developing clean coal solutions with carbon capture and storage, advancing clean coal projects and partnerships around the world," said Boyce. Chief among these is China's GreenGen project, a multi- phase 650 megawatt integrated gasification combined cycle technology plant that will ultimately use carbon for enhanced oil recovery."

Peabody is driving strong financial performance alongside robust global markets. In 2007, BTU achieved record sales of 238 million tons, and record revenue and EBITDA. Over the last five years, the company has delivered an 840 percent total shareholder return. And the latest Fortune 500 listing ranks BTU number 12 among all 500 companies for the best five-year total shareholder return. Peabody also was named the best company in the mining and oil production sector in Fortune Magazine's "Most Admired Companies," ranking first among peers in every category.

In 2007, Peabody completed the development of three new mines in Australia, and significantly expanded its global trading operations.

The last three years have been the company's safest, and employees earned 40 awards for safety and stewardship in 2007, including U.S. Department of Labor Sentinels of Safety honors for operating the nation's safest large surface mine. Peabody operations have received the award three of the past four years.

St. Louis Mayor Francis Slay presented a proclamation commemorating Peabody's 125- year anniversary. Anniversary proclamations were also sent from Missouri Governor Matt Blunt and the St. Louis Board of Aldermen.

Boyce said he continues to see a bright future for BTU as the company prepares for its next 125 years of success.

"Global coal inventories remain low, U.S. exports are accelerating and new coal-fueled generation is being built in 75 nations around the globe," he said. "Peabody will continue defining the future of energy through clean coal solutions for electricity generation and Btu Conversion to help people live longer, healthier and with a better quality of life."

Peabody Energy is the world's largest private-sector coal company, with 2007 sales of 238 million tons and $4.6 billion in revenues. Its coal products fuel approximately 10 percent of all U.S. electricity generation and 2 percent of worldwide electricity.

Certain statements in this press release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on numerous assumptions that the company believes are reasonable, but they are open to a wide range of uncertainties and business risks that may cause actual results to differ materially from expectations as of May 7, 2008. These factors are difficult to accurately predict and may be beyond the company's control. The company does not undertake to update its forward-looking statements. Factors that could affect the company's results include, but are not limited to: the outcome of commercial negotiations involving sales contracts or other transactions; credit and performance risk associated with customers, suppliers, trading and financial counterparties; the availability, timing of delivery and cost of key equipment and commodities; transportation availability, performance and costs including demurrage; geologic, equipment and operational risks associated with mining; our ability to replace coal reserves; labor availability and relations; the effects of mergers, acquisitions and divestitures; legislative and regulatory developments, including mercury and carbon dioxide-related limitations; the outcome of pending or future litigation; coal and power market conditions; impact of weather on demand, production and transportation; availability and costs of competing energy resources; risks associated with our Btu Conversion initiatives; worldwide economic and political conditions; global currency exchange and interest rate fluctuation; wars and acts of terrorism or sabotage; political risks, including expropriation; and other risks detailed in the company's reports filed with the Securities and Exchange Commission (SEC).

CONTACT:
Vic Svec
(314) 342-7768

First Call Analyst:
FCMN Contact:

SOURCE: Peabody Energy

CONTACT: Vic Svec of Peabody Energy, +1-314-342-7768

Web site: http://www.peabodyenergy.com/

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