Peabody Energy (NYSE: BTU) to Acquire Remaining Metallurgical Coal Ownership in Millennium Mine

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Peabody Energy announced today that it has reached agreement to acquire 15 percent of the Millennium Mine in Queensland, Australia, and intends to acquire the remaining 0.5 percent ownership in the near future.

The company currently owns 84.5 percent of the operation, and intends to purchase the remaining equity interest following regulatory approvals. The Millennium Mine was among three major Australian mines completed in 2008 as part of Peabody's expansion to serve fast-growing seaborne markets. Millennium is expected to increase production to 3 million tons per year, for export to India, Korea, Japan and other Asian markets.

"The acquisition of the remaining interest gives us even greater flexibility to pursue development opportunities and growth initiatives as we expand our Australia coal presence," said Peabody President and Chief Commercial Officer Richard A. Navarre. "Peabody is acquiring additional metallurgical coal interests at a time when both steel and coal demand is reaching new records. Peabody is the leader in seaborne coal sales among U.S.-based companies, and we expect our 10 million tons of metallurgical coal capacity to increase in coming years."

Coal has been the world's fastest-growing fuel for each of the past five years. Australia is the world's largest exporter of coal and provides approximately 60 percent of the world's seaborne metallurgical coal.

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 2 percent of worldwide electricity.

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