Peabody Energy Doubles Size of Share Repurchase Program to $1 Billion

PRNewswire-FirstCall
ST. LOUIS

Peabody Energy today announced that its board of directors has doubled the size of the company's existing share repurchase program, raising the total authorized amount to $1 billion. The company has been repurchasing shares under this program, which was first authorized in 2005.

"This expanded repurchase program reflects our ongoing commitment to deliver shareholder value," said Peabody Chairman and Chief Executive Officer Gregory H. Boyce. "We have a backdrop of record earnings, strong cash flows and ample liquidity. The fundamentals of the business are sound, and we maintain strong capacity to continue to grow the company."

The company may purchase shares from time to time at prevailing prices as permitted by securities law and other requirements. The repurchase program does not have an expiration date and may be discontinued at any time. At Sept. 30, 2008, Peabody had 270.7 million shares outstanding.

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 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 include a number of risks including those detailed in the company's reports filed with the Securities and Exchange Commission.

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/