Peabody Energy Enters Into Agreement to Create Peabody-Polo Resources Joint Venture in Mongolia

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Peabody Energy today announced that it has entered into a renegotiated agreement to create a 50-50 joint venture holding Polo Resources Limited's (AIM: PRL) Mongolian coal interests, for a cash contribution of up to $25.8 million. This option agreement supersedes the agreement announced in January 2009.

Mongolia holds substantial metallurgical and thermal coal reserves that are strategically located to serve the high-demand China and Asian markets. The creation of Peabody-Polo Resources BV marks another step as Peabody expands its Mongolian presence. The company recently named D.L. Lobb as Senior Vice President of Mongolian Operations. And the company has ongoing initiatives to assist the government in large long-term coal resource development.

The coal interests to be contributed by Polo could include up to 1 billion tonnes of potential resources, subject to exploratory drilling. A majority of the coal licenses are located in the South Gobi coal region. The venture also has more than 100 employees in Mongolia.

In line with the prior agreement, Peabody has also been granted warrants to enable the company to acquire an approximate 15 percent equity interest in Polo Resources Limited.

Peabody is the world's largest private-sector coal company. Its coal products fuel 10 percent of all U.S. electricity generation and 2 percent of worldwide electricity.

Polo is an emerging energy company focused on acquiring and developing advanced stage coal and uranium properties in Asia and Australia.

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 March 31, 2009. 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 results include those described in this press release as well as risks detailed in the company's reports filed with the Securities and Exchange Commission.

CONTACT:
Vic Svec
(314) 342-7768

First Call Analyst:
FCMN Contact: cmiller@peabodyenergy.com

SOURCE: Peabody Energy

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

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