

Peabody Energy Becomes Founding Member of Global Carbon Capture and Storage Institute

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Peabody Energy today announced an agreement with the Government of Australia to become a founding member of the Global Carbon Capture and Storage (CCS) Institute, an international initiative to accelerate commercialization of CCS technologies.

The new organization has a mandate of facilitating development of 20 integrated, industrial-scale carbon capture and storage demonstration projects worldwide by 2020. The Australian Government has committed to host the institute and provide A\$100 million annually to fund the effort.

"We are privileged to join other international organizations as a founding member of the Global CCS Institute. Coal is the world's fastest-growing fuel, with global coal use expected to grow over 60 percent by 2030. Initiatives such as these are essential to enable all of us to meet our shared goals of robust economies, sustainable energy and an improved environmental footprint," said Peabody Chairman and Chief Executive Officer Gregory H. Boyce.

"We are confident that coal with CCS will be the low-cost, low-carbon alternative and are pleased to support this initiative by the Australian Government, which will accelerate the commercialization of carbon capture and storage technology. We also congratulate Prime Minister Rudd for his leadership in this area and his determination to achieve our shared objective: greater use of clean coal with near-zero emissions."

Australian Prime Minister Kevin Rudd first proposed the institute as a means to speed the delivery of CCS demonstration projects through greater international coordination and cooperation. The institute will complement existing global CCS efforts by bringing together the world's leading carbon researchers, industry consortia and governments to coordinate a broad range of industrial-scale demonstration projects needed to commercialize technologies.

The institute will become the first global body focused on widespread global deployment of CCS by identifying and supporting necessary research, providing input to governments on regulatory frameworks, and helping develop technologies from the pilot stage to commercial-scale operations.

Technology advances are being made around the globe to capture and store carbon dioxide in oil fields, deep saline storage and beneath the ocean floor in geology that offers both ample space and permanence. Carbon dioxide has been used successfully for enhanced oil recovery for several decades, and CCS could lead to production of another 2 to 3 million barrels of oil per day in the United States alone, according to a study by the National Coal Council. Coal with CCS is also the low-cost clean energy option: Recent Carnegie Mellon research shows that coal with CCS is 15 to 50 percent less expensive than nuclear, wind or natural gas with CCS.

Peabody Energy is advancing signature projects around the world to commercialize near-zero and low-carbon emission technologies, including GreenGen in China, the COAL21 Fund in Australia and FutureGen in the United States. The company's support for the Global Carbon Capture and Storage Institute follows its \$10 million commitment to leading academic institutions to facilitate clean coal and advanced mining technologies research at Washington University in St. Louis, the University of Wyoming and the University of Arizona.

Peabody Energy is the world's largest private-sector coal company, with 2008 sales of 256 million tons and \$6.6 billion in revenues. Its coal products fuel 10 percent of all U.S. electricity generation and 2 percent of worldwide electricity.

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