Peabody Energy Establishes Asian Coal Trading Hub in Singapore

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Peabody Energy today announced it has opened an office in Singapore that will serve as the new hub for Peabody COALTRADE International activities in Southeast Asia, further expanding the company's access to high-growth seaborne coal markets.

"Singapore provides a central location to continue growing our leading coal trading and brokerage platform with prime access to the world's fastest-growing markets," said Peabody Chairman and Chief Executive Officer Gregory H. Boyce. "Our presence in Singapore will expand our sourcing and shipping capabilities to China, India, Indonesia and other key Asian markets. The expectation is that these markets will continue to expand at a 5 to 10 percent compound annual growth rate, and Peabody is best positioned to capitalize on that growth."

Pacific seaborne coal demand is very strong as Asian nations lead the world out of recession and drive sustained growth in coal consumption. China is the fastest-growing coal market in the world, and net coal imports are up nearly 150 percent in 2009. India is the fastest-growing coal importer and expects to be short by as much as 200 million tons of coal per year within five years. Australia and Indonesia are the top global coal exporters in the world and are expected to have the largest increases in exports in coming years.

Peabody's Singapore office will be headed by Phillip V. Smith, who has been named Managing Director of Asian Trading, overseeing international trading activities in Singapore and China. Smith has more than 30 years of experience in sales, marketing and trading, and previously served as Director of Trading for Peabody in China. He continues to report to President of Peabody COALTRADE International Paul T. Demzik.

Peabody serves nearly 330 customers in 21 nations on six continents. Peabody has trading offices in China, Australia, the United Kingdom, Venezuela and the United States.

Last year, Peabody nearly doubled its EBITDA contributions from global trading and brokerage activities.

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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