

Peabody Energy Becomes Founding Member of Energy Cooperation Program Between China and the United States

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Peabody Energy today became a founding member of the Energy Cooperation Program (ECP) between the United States and China, a public-private partnership with leading Fortune 500 companies that seek to develop clean energy projects in China. The ECP will work in consultation with the U.S. Department of Commerce, the U.S. Department of Energy, the U.S. Trade and Development Agency and certain key agencies of the Government of China. Peabody joined the ECP during a formal signing ceremony in Hangzhou, China, led by U.S. Secretary of Commerce Gary Locke.

"We are pleased to partner with government and business leaders in a shared vision of advancing energy solutions that strengthen economies, improve lifestyles and advance our environmental goals," said Peabody Chairman and Chief Executive Officer Gregory H. Boyce. "China leads the world in GDP growth and needs an enormous amount of energy to fuel its progress. Coal is the solution."

The ECP includes 21 founding members and comes at a pivotal time as China and the United States explore greater cooperation on clean energy and climate initiatives. The ECP will advance clean energy projects in China that could range from coal-based power generation with carbon capture and storage to smart power grid development and clean transportation, including electric cars. Peabody will participate on the ECP's Executive Committee along with The Boeing Company, Cummins, Intel Corp. and GE Corp.

China is the world's third-largest economy and the fastest-growing coal market in the world, using coal to fuel 80 percent of its electricity. China is expected to nearly double its electricity consumption by 2015. More than 700 million Chinese residents have gained access to electricity over the past several decades.

Peabody is a global leader in clean coal solutions and is advancing more than a dozen projects and partnerships around the world to achieve near-zero emissions and reduce carbon. Peabody has an expanding presence in China and is a partner in GreenGen, a near-zero emissions power project under construction in Tianjin that ultimately would use carbon capture and storage to increase oil production. GreenGen would begin phase 1 generation as early as 2011.

The company also is pursuing partnerships in China that include a large surface mine in Western China and a downstream coal conversion facility with the government of Inner Mongolia. In addition, Peabody has a joint venture that is exploring coal-related development opportunities in Mongolia's South Gobi region and has a business office in Ulaanbaatar, Mongolia. The company also has a new Asian coal trading hub in Singapore, which offers strong access to serve China and other fast-growing Asian markets.

Peabody Energy is the world's largest private-sector coal company, with 2008 sales of 255 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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