

Statement From Peabody Energy (NYSE: BTU) on Mine Safety and Health Administration (MSHA) Release

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Peabody Energy welcomes MSHA's request for an expedited hearing in line with our total commitment to safety as we advance our vision of zero incidents of any kind.

It is ironic that we routinely ask for such hearings to discuss longstanding and legitimate challenges where we believe basic differences exist. However, in this instance MSHA's response seems based more on building publicity than resolutions. We take exception to the inflammatory, unfounded and confrontational words used by MSHA in its release.

The past three years have been the safest in Peabody's history, representing a 43 percent improvement in our global safety rate. Our 2009 incident rate was half the U.S. industry average. Three of our mines achieved a flawless incident rate, and nine of our operations ranked among the 20 safest large U.S. mines. Peabody's 2010 incidence rate has continued to improve from 2009's record results.

Peabody also is taking aggressive steps to improve Willow Lake's incidence rate, including a recent one-day all-employee work stoppage to review safety practices among management, employees and MSHA representatives. Other steps include changes to improve dust control; enhancements to safety training and maintenance; and a continuous stem-to-stern review of all processes to identify improvement opportunities. Management is actively engaging MSHA, the State of Illinois, the workforce and the union local to drive progress.

MSHA's citations at Willow Lake have decreased 17 percent year to date, while significant citations have declined 26 percent from the prior year. As a normal part of our safety management process, every single citation issued by MSHA at any of our operations has been immediately addressed and resolved to MSHA's satisfaction prior to work re-commencing. This process was applied at our Willow Lake mine with respect to the items raised in the MSHA release.

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