

Peabody Energy Announces 40% Expansion of Gateway Mine in Illinois

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ST. LOUIS, Sept. 27 /[PRNewswire-FirstCall](#)/ -- The Board of Directors of Peabody Energy (NYSE: BTU) has approved the expansion of the Gateway Mine in Southern Illinois, which will extend the life of the operation by at least 16 years. Gateway has an additional 280 million tons of reserves available for expansion in favorable market conditions.

The project will advance underground operations north of the existing site and will increase annual capacity by 40 percent to 4.5 million tons within several years. Capital investments for the expansion are expected to total approximately \$175 million.

"We are expanding Gateway to serve one of the fastest-growing markets in the United States," said Gregory H. Boyce, Peabody Energy Chairman and Chief Executive Officer. "Gateway has earned a reputation as one of the safest and most productive operations in the Midwest. This expansion demonstrates the strength of our leading reserve base to capitalize on long-term growth opportunities in high-demand, low-cost regions."

Licensing and mine engineering activities are progressing, and the initiative is subject to permitting and regulatory approval. The Gateway project is among a number of strategic growth initiatives that reflect the power of Peabody's global platform and leading reserve base. In Australia, the company is expanding six mines to serve significant Asian demand growth, and in the United States, Peabody is ramping up operations at the Bear Run Mine in Indiana and increasing production at the El Segundo Mine in New Mexico, the first new coal mine developed in the state in 20 years.

Gateway has earned multiple state and national honors for safety, sustainability and good neighbor practices. Recently, the mine was recognized as the state's safest underground operation at the 2009 Illinois Mining Institute Awards of Excellence, and it is the only mine in Illinois ever to earn the Bronze "Good Neighbor" Award, one of the U.S. Department of the Interior's highest honors for community leadership.

Located in Randolph County near Coulterville, Ill., Gateway employs a workforce of more than 200 and shipped 3.2 million tons of coal to customers throughout the Midwest in 2009. The mine drives significant economic progress, annually injecting more than \$64 million in direct and implied economic benefits into the Southern Illinois economy. Gateway is among a portfolio of Midwestern U.S. operations that shipped more than 32 million tons this past year.

Peabody Energy is the world's largest private-sector coal company and a global leader in clean coal solutions. With 2009 sales of 244 million tons and \$6 billion in revenues, Peabody fuels 10 percent of U.S. power and 2 percent of worldwide electricity.

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. 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.

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SOURCE Peabody Energy
