Peabody Energy Enters Into Coal Sourcing Agreement Accessing Indonesian Coal for Export

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ST. LOUIS, Feb. 25, 2011 /PRNewswire/ -- Peabody Energy today said it has entered into an agreement with Indonesia's PT Cahaya Energi Mandiri (CEM) to source 2 million tons of coal for Asian export through Peabody COALTRADE's international trading hub in Singapore.

The contract marks the third term agreement Peabody has secured in recent months, which together account for 5.5 million tons of Indonesian coal. Coal from PT CEM will be secured over two years from a mine in East Kalimantan, and the relationship could be expanded over time.

"Peabody's leading coal trading and brokerage platform continues to expand to serve high-growth Asia-Pacific markets," said Peabody President and Chief Commercial Officer Richard A. Navarre. "We will continue to increase our coal sourcing in Indonesia, the world's largest supplier of seaborne thermal coal."

Seaborne coal demand is projected to exceed 1 billion tonnes in 2011, with the Asia Pacific region comprising the vast majority of demand growth. Peabody serves customers in more than 25 countries on six continents and has trading and business offices in Indonesia, Singapore, China, Australia, the United Kingdom and the United States.

Peabody Energy (NYSE: BTU) is the world's largest private-sector coal company and a global leader in clean coal solutions. With 2010 sales of 246 million tons and nearly $7 billion in revenues, Peabody fuels 10 percent of U.S. power and 2 percent of worldwide electricity.

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SOURCE Peabody Energy