

Peabody Energy Extends Exchange Offers for 6.00% Senior Notes Due 2018 and 6.25% Senior Notes Due 2021

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ST. LOUIS, Oct. 17, 2012 /PRNewswire/ -- Peabody Energy (NYSE: BTU) announced today that it has extended its offers to exchange up to \$1,518,821,000 aggregate principal amount of its 6.00% Senior Notes due 2018 and the guarantees thereof and \$1,339,644,000 aggregate principal amount of its 6.25% Senior Notes due 2021 and the guarantees thereof, which have been registered under the Securities Act of 1933, as amended, for any and all of its outstanding 6.00% Senior Notes due 2018 and the guarantees thereof and 6.25% Senior Notes due 2021 and the guarantees thereof, respectively, to 5:00 p.m., New York City time, on Tuesday, Oct. 23, 2012, unless further extended.

The terms and conditions of the exchange offers are set forth in the prospectus dated Sept. 18, 2012.

The exchange offers had been scheduled to expire at 11:59 p.m., New York City time, on Tuesday, Oct. 16, 2012. As of 11:59 p.m., New York City time, on Oct. 16, 2012, Peabody had been advised that \$1,515,518,000 in aggregate principal amount, or 99.78%, of outstanding unregistered 2018 Notes and \$1,338,644,000 in aggregate principal amount, or 99.93%, of outstanding unregistered 2021 Notes had been validly tendered to the exchange agent by the holders thereof.

The exchange agent for the offer is U.S. Bank National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107, Attention: Specialized Finance, Tel: 800-934-6802.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale of any securities in any jurisdiction where such an offering or sale would be unlawful.

Peabody is the world's largest private-sector coal company and a global leader in sustainable mining and clean coal solutions. The company serves metallurgical and thermal coal customers in more than 25 countries on six continents. For further information, go to PeabodyEnergy.com and CoalCanDoThat.com.

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 as of October 17, 2012. These factors are difficult to accurately predict and may be beyond Peabody's control. Peabody does not undertake to update its forward-looking statements. Factors that could affect Peabody's results include, but are not limited to: global demand for coal, including the seaborne thermal and metallurgical coal markets; price volatility, particularly in higher-margin products and in Peabody's trading and brokerage businesses; impact of alternative energy sources, including natural gas and renewables; impact of weather and natural disasters on demand, production and transportation; reductions and/or deferrals of purchases by major customers and ability to renew sales contracts; credit and performance risks associated with customers, suppliers, contract miners, co-shippers, and trading, banks and other financial counterparties; geologic, equipment, permitting and operational risks related to mining; transportation availability, performance and costs; availability, timing of delivery and costs of key supplies, capital equipment or commodities such as diesel fuel, steel, explosives and tires; integration of the acquired Macarthur Coal (Peabody Energy Australia PCI) operations; successful implementation of business strategies; negotiation of labor contracts, employee relations and workforce availability; changes in postretirement benefit and pension obligations and funding requirements; replacement and development of coal reserves; availability, access to and related cost of capital and financial markets; effects of changes in interest rates and currency exchange rates (primarily the Australian dollar); effects of acquisitions or divestitures; economic strength and political stability of countries in which Peabody has operations or serves customers; legislation, regulations and court decisions or other government actions, including new environmental and mine safety requirements; changes in income tax regulations or other regulatory taxes; litigation, including claims not yet asserted; and other risks detailed in Peabody's reports filed with the Securities and Exchange Commission.

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