

Peabody Energy Chairman and Chief Executive Officer Calls For New Policy Blueprint To Regain Australian Coal Sector Competitiveness

CANBERRA, Australia, June 27, 2013 - Peabody Energy Chairman and Chief Executive Officer Gregory H. Boyce has called on Australia's incoming government to implement comprehensive policy reform aimed at returning the nation's coal sector to international competitiveness.

Delivering the industry keynote at the Minerals Council of Australia's Minerals Week Seminar, Boyce said Australia's coal sector remained a cornerstone of the Australian economy but was at a key inflection point.

"There are decades of opportunity ahead in the Asia-Pacific region, but Australia's competitors recognize this, and all of Australia faces a steep cost if its policymakers get it wrong," said Boyce. "Australia's recent policies have put at risk two pillars of the economy: affordable electricity and the leading position of a resource sector that has delivered a decade of economic growth that made Australia the envy of the developed world."

Boyce said that no matter which party led Australia's next government, a new policy blueprint was needed to ensure that the coal sector regained competitive ground and continued to drive economic growth. He called for the establishment of a National Commission on Resource Sector Competitiveness devoted to ensuring that Australia's policy framework served the long-term national interest.

"The commission must be bipartisan, must represent both state and federal interests and must work in partnership with the private sector," said Boyce. "Its first priority should be aligning the government and industry's respective visions to formulate a 30-year strategy for the sector."

Boyce also called for the repeal of the carbon tax and urged Australia's leaders to learn from, rather than repeat, the policy mistakes of others.

"Affordable, reliable electricity benefits both households and businesses and is the backbone of economic growth," said Boyce. "Europe and the U.S. state of California serve as examples of the catastrophic effects ill-advised carbon policies have had on other developed economies."

Boyce said Australia could achieve its energy, economic and environmental goals by embracing and deploying advanced coal technologies that would make a measurable difference to the nation's emissions profile.

"Supercritical coal plants are highly efficient, and their carbon emissions rate is as much as 40 percent below the oldest plants," said Boyce. "Granting this technology the same status as renewables would be a leap in the right direction for a forward-thinking nation."

Boyce said that despite current market headwinds, the long-term fundamentals for coal remained strong and Australia's coal exports would have a critical part to play in shaping the Asia-Pacific region's future.

"Coal remains the fuel that can advance Australia's energy, economic and environmental goals, but recent policies have eroded competitiveness and jeopardized economic growth," said Boyce. "It's now up to Australia's leaders to implement the policy reforms that will ensure coal can continue to drive the economy and enhance Australia's position as a global leader in the decades ahead."

Peabody Energy 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.

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