

## **Peabody, White Energy start clean coal project**

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Peabody Energy and Australia's White Energy Co. Ltd. have agreed to develop a coal upgrading plant at a Peabody operation at Peabody's Powder River Basin site in Wyoming. Peabody also might buy up to a 15 percent interest in White Energy.

Financial terms were not disclosed.

The plant will use White Energy's patented technology to take coal with a lower heating value and increase its overall energy content by about 35 percent. The resulting coal is cleaner, with lower carbon and other emissions, the companies said.

The first phase of the project is expected to produce more than 1 million tons of upgraded coal per year, and later phases could up plant capacity to more than 20 million tons a year. The companies said late Wednesday that they have begun engineering design and permitting activities for the first phase, which are expected to take up to two years.

The new agreement also gives Peabody the first right to participate in new coal upgrading development projects that White Energy undertakes in North America and China.

"We view this technology as a way to unlock further value in our reserves in the Powder River Basin and at other locations to create new marketing opportunities for U.S. or export customers," said Richard Navarre, Peabody's president and chief commercial officer, in a statement.

White Energy Co. Ltd., based in Sydney, Australia, is the parent company of White Energy Coal North America.

St. Louis-based Peabody is the world's largest private-sector coal company. Its coal products fuel about 10 percent of all U.S. electricity generation and 2 percent of worldwide electricity. Peabody had \$6.6 billion in 2008 revenue.