


ENERGIZING THE WORLD
ONE BTU AT A TIME




Outlook for Coal Markets & Industry


International Energy Agency

April 14, 2011

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Peabody's Global Portfolio
Customers in 26 Countries on 6 Continents



Offices in 7 Countries

Trading/Business Development Offices	
Brisbane	St. Louis
Newcastle	Beijing
London	Singapore
Ulaanbaatar	Jakarta



Mining Operations Position Sales			
Reserves			
Powder River Basin	#1	141	2,872
Midwest	#1	30	3,650
Southwest	#1	16	1,076
Colorado	#1	7	230
Australia	#5	27	1,185

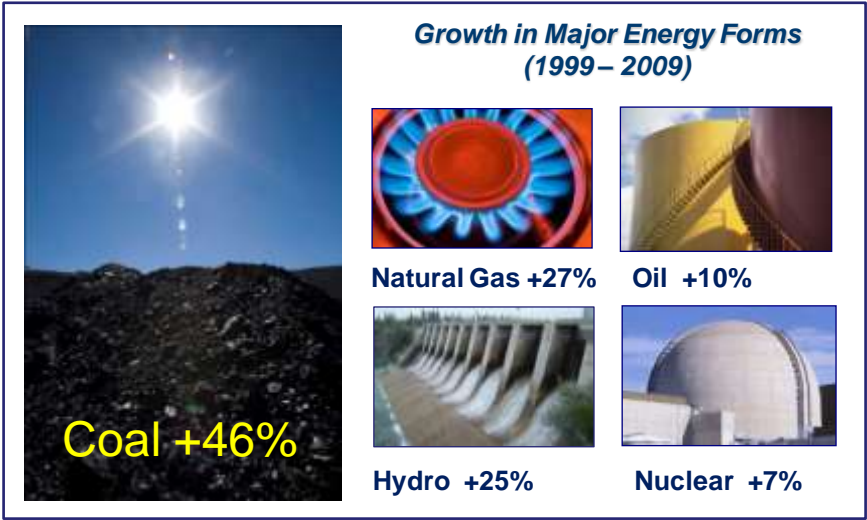
Tons in millions. 2010 sales volumes for consolidated results and proven and probable reserves.

2

Coal: Entering the Early Stages of a Long-Term Supercycle



Coal: The World's Fastest Growing Fuel for the Past Decade

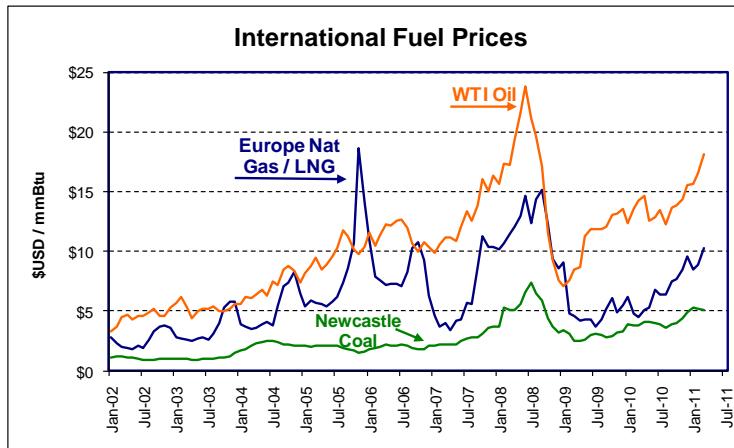


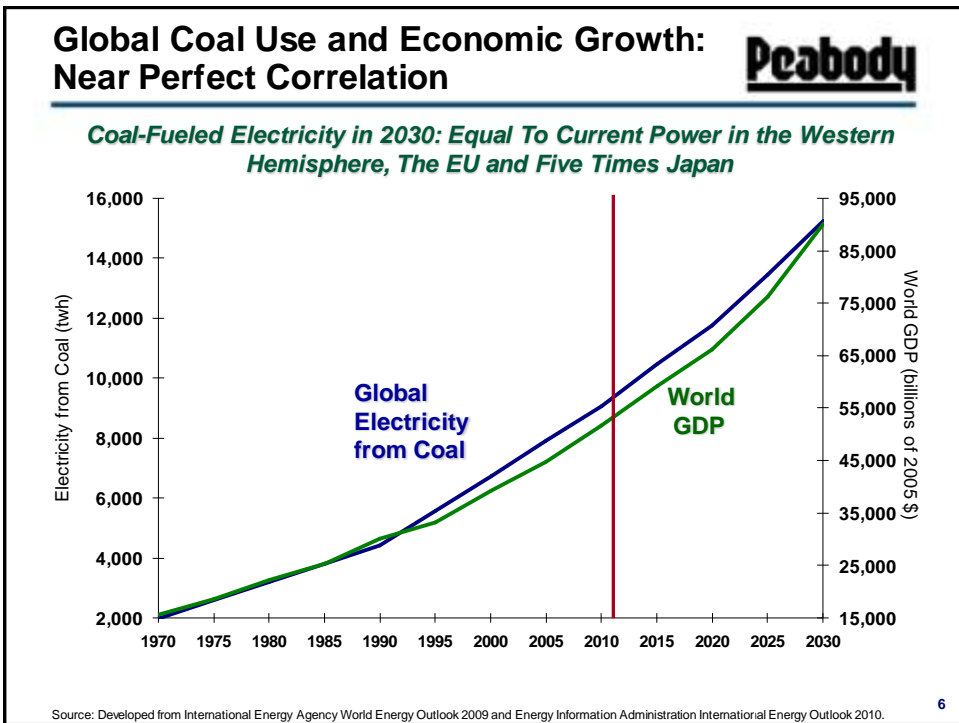
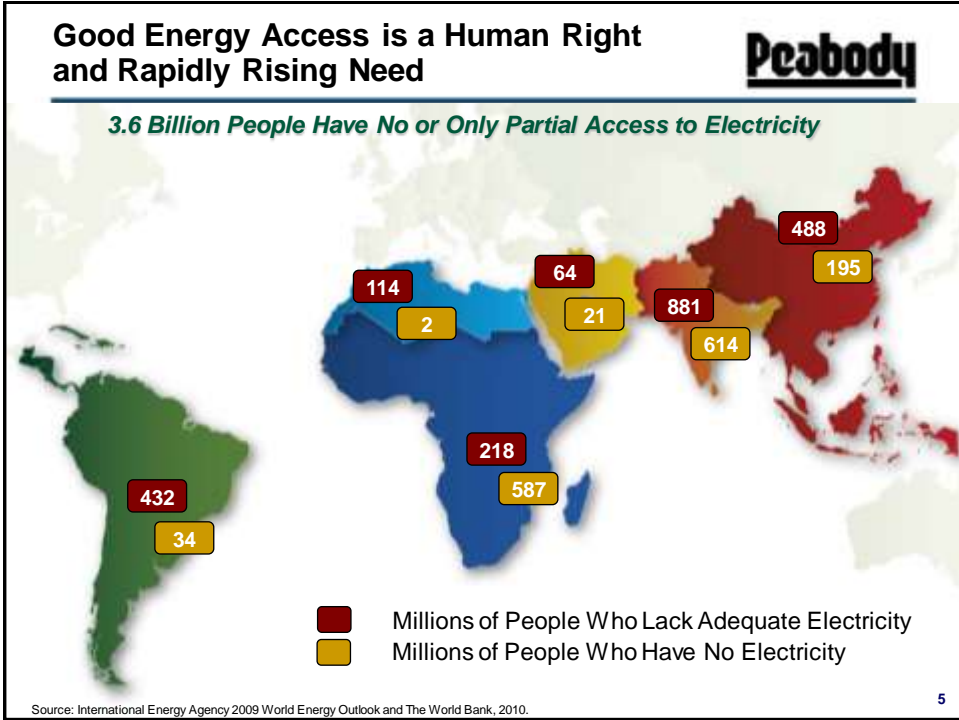
Source: BP Statistical Review of World Energy, June 2010.

Coal is the Affordable, Stable Fuel



Natural Gas 50% More and Oil Three Times the Cost of Coal in 2010

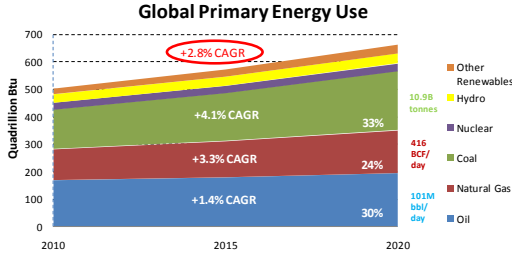




Coal Grows to Largest Primary Energy Source by 2020

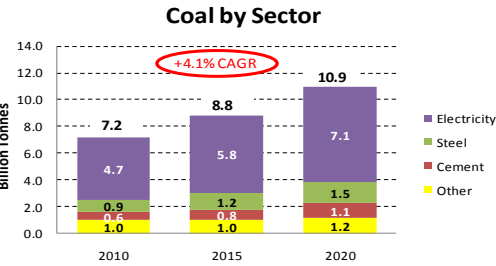


Coal and Natural Gas Account for the Majority of Growth in Primary Energy



Total Global Primary Energy

- Total energy growth 2.8% (historical 10 year CAGR 2.4%)
- Coal is the dominant share of primary energy at 33% by 2020
- Coal is the fastest growing at 4.1% due to total electricity growth of 3.8%



Coal

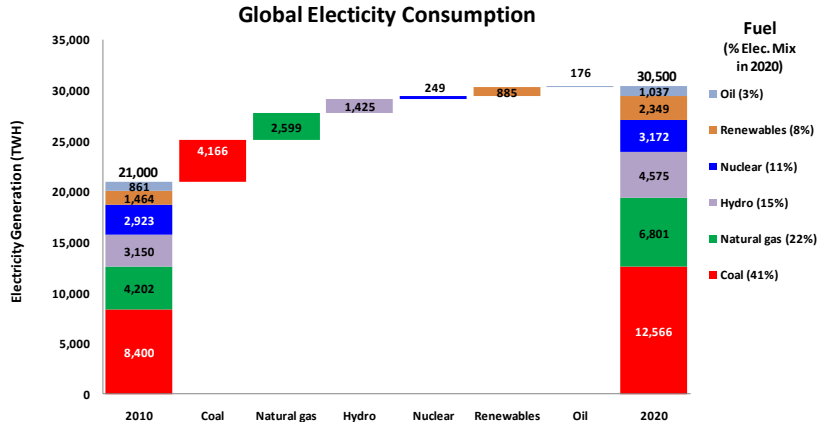
- Fastest growing primary energy source at 4.1%
- ~65% of coal use related to electricity
- ~15% of coal use for making steel: growing at 4.8%
- ~10% of coal use for making cement; growing at 6.2%

Source: IEA World Energy Outlook 2010, EIA International Energy Outlook 2010, British Petroleum Energy Outlook 2030 (Jan 2011), Peabody Global Energy Analytics

Electricity Demand Increases ~50% by 2020 Fueled by Coal



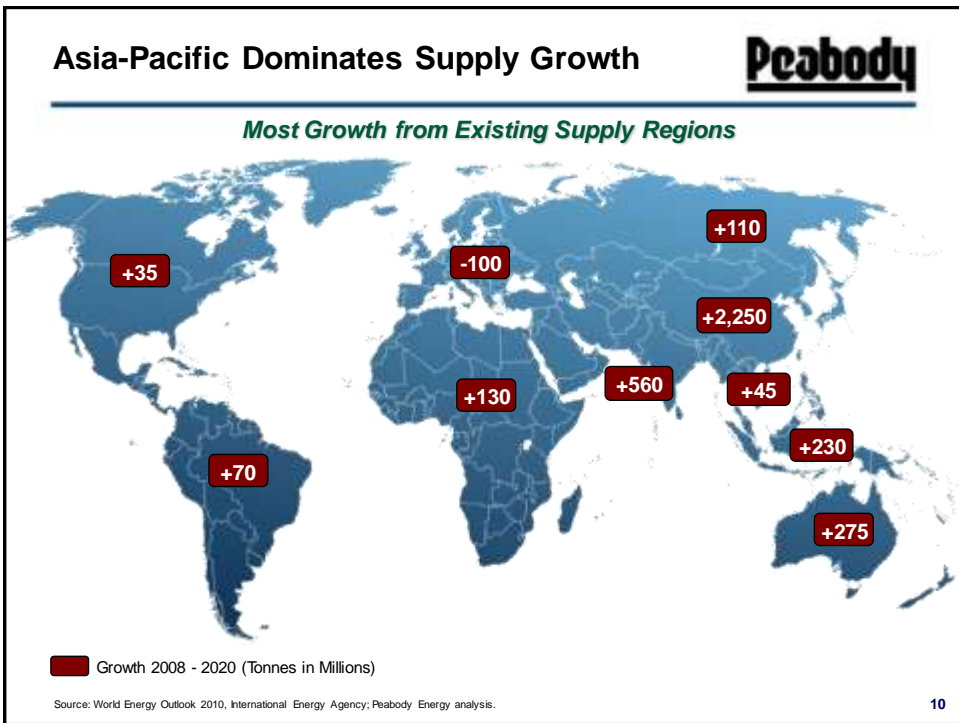
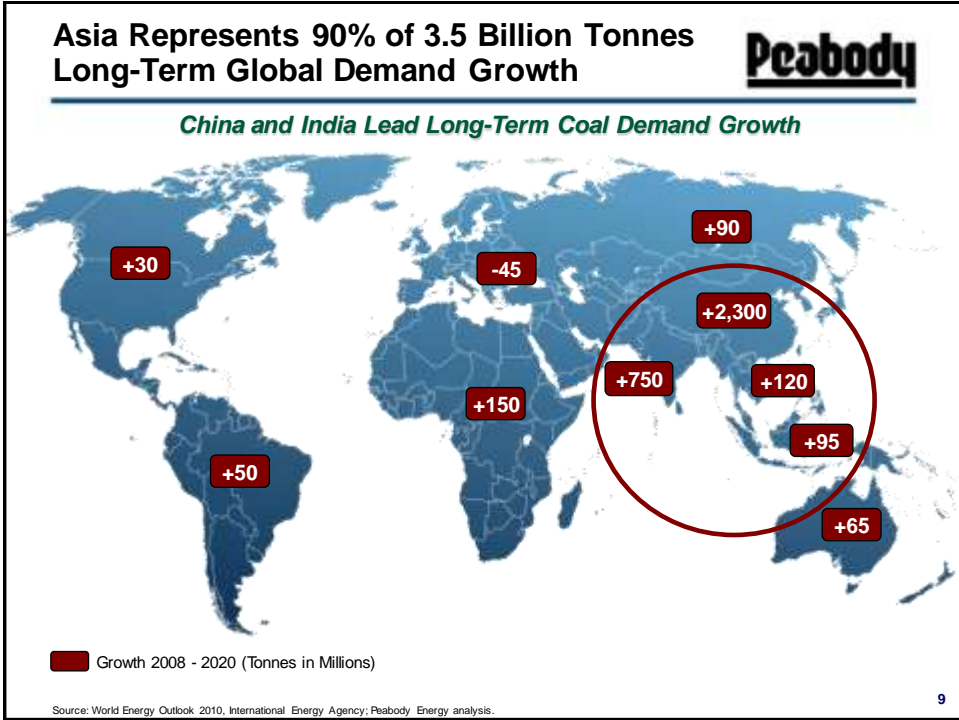
Developing World Electricity Growth Will Drive Higher Coal Demand; ~40% of Electricity Mix in 2020



Fuel (% Elec. Mix in 2020)

- Oil (3%)
- Renewables (8%)
- Nuclear (11%)
- Hydro (15%)
- Natural gas (22%)
- Coal (41%)

Source: IEA World Energy Outlook 2010, EIA International Energy Outlook 2010, British Petroleum Energy Outlook 2030 (Jan 2011), Peabody Global Energy Analytics



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