Peabody Energy Announces Joint Venture With Glencore To Expand Mine Life And Lower Costs At Wambo Open-Cut Mine

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ST. LOUIS, Nov. 24, 2014 /PRNewswire/ -- Peabody Energy (NYSE: BTU) today announced an agreement to establish a joint venture between Peabody's Wambo Open-Cut Mine and Glencore's United Mine in New South Wales, Australia. The joint venture is expected to deliver significant synergies by improving productivity, lowering costs and extending mine life.

The 50-50 joint venture will combine Wambo's Open-Cut mining operations with United's adjacent reserves in the Hunter Valley. Glencore will manage the combined mining operations utilizing Wambo Open-Cut Mine's existing infrastructure, and Peabody will continue to operate coal washing and loading facilities. The project is anticipated to commence in 2017, subject to regulatory permitting. Peabody's North Wambo Underground operations are not affected.

"Peabody continues to take positive steps to further reduce costs, improve our competitive position and create value," said Peabody Energy President and Chief Operating Officer Glenn Kellow. "This combined operation is expected to deliver substantial synergies to both parties while providing ongoing local employment opportunities and economic contributions."

Peabody's share of the combined operation's output is expected to remain consistent with Wambo Open-Cut Mine's historical volumes of approximately 3 million tons per year.

Peabody Energy is the world's largest private-sector coal company and a global leader in sustainable mining, energy access 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 AdvancedEnergyForLife.com.

Certain statements in this press release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. The company uses words such as "anticipate," "believe," "expect," "may," "forecast," "project," "should," "estimate," "plan," "outlook," "target" or other similar words to identify forward-looking statements. 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 Nov. 24, 2014. These factors are difficult to accurately predict and may be beyond the company's control. The company does not undertake to update its forward-looking statements. Factors that could affect the company's results include, but are not limited to: global supply and demand for coal, including the seaborne thermal and metallurgical coal markets; price volatility and customer procurement practices, particularly in international seaborne products and in the company's trading and brokerage businesses; impact of alternative energy sources, including natural gas and renewables; global steel demand and the downstream impact on metallurgical coal prices; 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, site access, operational risks and new technologies 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; impact of take-or-pay agreements for rail and port commitments for the delivery of coal; successful implementation of business strategies; negotiation of labor contracts, employee relations and workforce availability; changes in postretirement benefit and pension obligations and their related funding requirements; replacement and development of coal reserves; availability, access to and related cost of capital and financial markets; ability to appropriately secure our obligations for land reclamation, federal and state workers' compensation, federal coal leases and other obligations related to our operations; 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 the company has operations or serves customers; legislation, regulations and court decisions or other government actions, including, but not limited to, new environmental and mine safety requirements; changes in income tax regulations, sales-related royalties, or other regulatory *taxes and changes in derivative laws and regulations; litigation, including claims not yet asserted; and other risks detailed in the company's reports filed with the Securities and Exchange Commission (SEC).*

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