

PEABODY ENERGY CORP  
Form 4  
January 07, 2008

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**CRAIG IAN S**

(Last) (First) (Middle)  
**701 MARKET STREET**  
  
(Street)

**ST. LOUIS, MO 63101**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**PEABODY ENERGY CORP [BTU]**

3. Date of Earliest Transaction (Month/Day/Year)  
**01/03/2008**

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Managing Dir - Australian Ops.**

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	01/03/2008		M <sup>(1)</sup>	4,068 A \$ 17.8541	32,790	D	
Common Stock	01/03/2008		M <sup>(1)</sup>	5,295 A \$ 39.8143	38,085	D	
Common Stock	01/03/2008		M <sup>(1)</sup>	9,458 A \$ 34.9553	47,543	D	
Common Stock	01/03/2008		S <sup>(2)</sup>	29,182 D \$ 60.964 <sub>(3)</sub>	18,361	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 17.8541	01/03/2008		M <sup>(1)</sup>	4,068	01/03/2008 01/03/2015	Common Stock	4,068
Employee Stock Option (right to buy)	\$ 39.8143	01/03/2008		M <sup>(1)</sup>	5,295	01/03/2008 01/03/2016	Common Stock	5,295
Employee Stock Option (right to buy)	\$ 34.9553	01/03/2008		M <sup>(1)</sup>	9,458	01/03/2008 01/03/2017	Common Stock	9,458

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CRAIG IAN S 701 MARKET STREET ST. LOUIS, MO 63101			Managing Dir - Australian Ops.	

## Signatures

Ian S. Craig By: Kenneth L. Wagner  
Attorney-in-Fact

01/07/2008

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This option exercise was effected pursuant to a pre-existing Rule 10b5-1 trading plan adopted by the reporting person.
- (2) This sale was effected pursuant to a pre-existing Rule 10b5-1 trading plan adopted by the reporting person.
- (3) Represents the average price received for the shares. The shares were sold in a number of individual trades and prices as reflected in Exhibit 99 hereto.
- (4) Not applicable.
- (5) Does not include employee stock options with different expiration dates and exercise prices.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.