

PEABODY ENERGY CORP  
Form 4  
November 21, 2007

**FORM 4**

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

OMB APPROVAL

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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)  
**11/19/2007**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ 10% Owner  
\_\_\_\_\_ 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 or Price		
Common Stock <sup>(1)</sup>	11/19/2007		M <sup>(2)</sup>		32,966 A \$ 3.3001	61,688	D
Common Stock	11/19/2007		S <sup>(2)</sup>		7.49 D \$ 52.01	61,680.51	D
Common Stock	11/19/2007		S <sup>(2)</sup>		4.99 D \$ 52	61,675.52	D
Common Stock	11/19/2007		S <sup>(2)</sup>		4.99 D \$ 51.99	61,670.52	D
Common Stock	11/19/2007		S <sup>(2)</sup>		64.91 D \$ 51.98	61,605.61	D

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Common Stock	11/19/2007	<u>S(2)</u>	24.97	D	\$ 51.97	61,580.64	D
Common Stock	11/19/2007	<u>S(2)</u>	74.9	D	\$ 51.96	61,505.74	D
Common Stock	11/19/2007	<u>S(2)</u>	49.93	D	\$ 51.95	61,455.81	D
Common Stock	11/19/2007	<u>S(2)</u>	24.97	D	\$ 51.94	61,430.84	D
Common Stock	11/19/2007	<u>S(2)</u>	19.97	D	\$ 51.935	61,410.87	D
Common Stock	11/19/2007	<u>S(2)</u>	49.93	D	\$ 51.93	61,360.94	D
Common Stock	11/19/2007	<u>S(2)</u>	119.84	D	\$ 51.92	61,241.1	D
Common Stock	11/19/2007	<u>S(2)</u>	87.38	D	\$ 51.91	61,153.71	D
Common Stock	11/19/2007	<u>S(2)</u>	134.82	D	\$ 51.9	61,018.9	D
Common Stock	11/19/2007	<u>S(2)</u>	44.94	D	\$ 51.89	60,973.96	D
Common Stock	11/19/2007	<u>S(2)</u>	14.98	D	\$ 51.88	60,958.98	D
Common Stock	11/19/2007	<u>S(2)</u>	29.96	D	\$ 51.87	60,929.02	D
Common Stock	11/19/2007	<u>S(2)</u>	1,994.98	D	\$ 51.85	58,934.03	D
Common Stock	11/19/2007	<u>S(2)</u>	24.97	D	\$ 51.84	58,909.07	D
Common Stock	11/19/2007	<u>S(2)</u>	24.97	D	\$ 51.83	58,884.1	D
Common Stock	11/19/2007	<u>S(2)</u>	4.99	D	\$ 51.825	58,879.11	D
Common Stock	11/19/2007	<u>S(2)</u>	128.18	D	\$ 51.82	58,750.93	D
Common Stock	11/19/2007	<u>S(2)</u>	1,907.75	D	\$ 51.8145	56,843.18	D
Common Stock	11/19/2007	<u>S(2)</u>	73.6	D	\$ 51.81	56,769.58	D
Common Stock	11/19/2007	<u>S(2)</u>	1,723.14	D	\$ 51.8	55,046.43	D
	11/19/2007	<u>S(2)</u>	164.78	D	\$ 51.795	54,881.66	D

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Common Stock							
Common Stock	11/19/2007	S <sup>(2)</sup>	39.95	D	\$ 51.77	54,841.71	D
Common Stock	11/19/2007	S <sup>(2)</sup>	29.96	D	\$ 51.75	54,811.75	D
Common Stock	11/19/2007	S <sup>(2)</sup>	34.95	D	\$ 51.71	54,776.8	D
Common Stock	11/19/2007	S <sup>(2)</sup>	74.9	D	\$ 51.7	54,701.9	D

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

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(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 Acquired (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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy) <sup>(1)</sup>	\$ 3.3001	11/19/2007		M <sup>(2)</sup>	32,966	11/19/2007	05/19/2008	Common Stock	32,966

## 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: Bryan L. Sutter,  
Attorney-in-Fact

11/21/2007

\_\_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).

On October 31, 2007, Peabody Energy Corporation distributed, as a pro rata stock dividend, all of the shares of its wholly-owned subsidiary, Patriot Coal Corporation, to holders of record of Peabody Energy common stock as of the close of business on October 22, 2007 (the "spin-off"). Effective upon completion of the spin-off, the Compensation Committee of the board of directors of Peabody

- (1) Energy adjusted outstanding equity awards under existing stock plans, including outstanding stock options, to preserve the pre-spin-off intrinsic value of such awards. Accordingly, the number of shares of common stock underlying each option was increased by multiplying the number prior to the spin-off by 1.082524 and the exercise price was decreased by multiplying the exercise price prior to the spin-off by 0.923767.
- (2) This exercise/sale was effected pursuant to a pre-existing Rule 10b5-1 trading plan adopted by the reporting person.
- (3) Not applicable.
- (4) Does not include an additional 211,220 options with different expiration dates and exercise prices.

### Remarks:

1 of 4 Form 4s - Additional transactions from November 19, 2007 are reported on separate Form 4s.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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