

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 ⁽¹⁾ | 4,068 A \$ 17.8541 | 32,790 | D | |
| Common Stock | 01/03/2008 | | M ⁽¹⁾ | 5,295 A \$ 39.8143 | 38,085 | D | |
| Common Stock | 01/03/2008 | | M ⁽¹⁾ | 9,458 A \$ 34.9553 | 47,543 | D | |
| Common Stock | 01/03/2008 | | S ⁽²⁾ | 29,182 D \$ 60.964 ₍₃₎ | 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 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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option (right to buy) | \$ 17.8541 | 01/03/2008 | | M ⁽¹⁾ | 4,068 | 01/03/2008 01/03/2015 | Common Stock | 4,068 |
| Employee Stock Option (right to buy) | \$ 39.8143 | 01/03/2008 | | M ⁽¹⁾ | 5,295 | 01/03/2008 01/03/2016 | Common Stock | 5,295 |
| Employee Stock Option (right to buy) | \$ 34.9553 | 01/03/2008 | | M ⁽¹⁾ | 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.