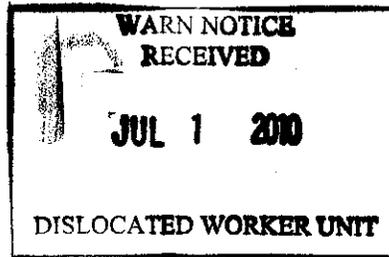


CERTIFIED MAIL
RETURN RECEIPT REQUESTED



TRADE ACT PROGRAMS

JUL 01 2010

RECEIVED

June 29, 2010

Ms. Jennifer Long
Indiana Department of Workforce Development
10 North Senate Avenue
Indianapolis, IN 46204

Re: Notice Pursuant to Federal Worker Adjustment and Retraining Notification Act

Dear Ms. Long:

This letter constitutes notice pursuant to the Federal Worker Adjustment and Retraining Notification Act ("WARN"), 29 U.S.C. § 2101 *et seq.*, and related Department of Labor Regulations that there will be a plant closing and resulting layoff at Farmersburg Surface Mine, located at 5526 East French Drive, Pimento, Indiana 47866. The entire surface mine operations will close. We expect the primary business operations of the mine will close on August 31, 2010. We expect this action to be permanent and to commence during the period between August 30, 2010, and September 13, 2010. However, these dates are subject to and may change depending on business circumstances.

This notice is intended to comply with Peabody Midwest Management Services, LLC's ("Peabody") notice obligations, if any, under WARN. The giving of this notice, however, shall not constitute an acknowledgment by Peabody of any obligations under WARN in the event the effects of the plant closing or resulting layoffs are such that WARN requirements do not apply.

The job titles and number of affected employees are set forth on the attached chart. It is anticipated that the majority of these employees will be offered employment at another affiliated mine. None of the affected employees have "bumping rights" and the affected employees are not represented by any labor organization or other representative. Affected employees have been given a description of their benefits. While we believe we have provided all information covered by the applicable regulations, as required by Section 639.7(f) of the WARN Act regulations, we will maintain all other information on the layoffs which will be available on request. If you have any questions, please contact Tom Peck, Operations Superintendent, at (812) 495-6617.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene Koch".

Gene Koch
Vice President

Count of Personnel No.	P.Subarea Text
Position Name	Salaried
Engineer	1
Manager Engineering	1
Manager Warehouse	1
Supervisor II Drill & Shooting	1
Supv Maintenance Surface	1
Supv Pit	2
Supv Reclamation	1
Supv Warehouse	1
Operations Superintendent - Surface	1
Grand Total	10