

CRAIG IAN S  
Form 3  
January 31, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â CRAIG IAN S		(Month/Day/Year)	PEABODY ENERGY CORP [BTU]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
		01/23/2006		
701 MARKET STREET			(Check all applicable)	
(Street)			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below) Grp. VP - Australian Ops.	
ST. LOUIS,Â MOÂ 63101			6. Individual or Joint/Group Filing(Check Applicable Line)	
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	5,135 <sup>(1)</sup>	D	Â

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of	

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				Shares		(I) (Instr. 5)	
Employee Stock Option (right to buy)	11/19/2007	05/19/2008	Common Stock	15,226	\$ 7.145	D	Â
Employee Stock Option (right to buy)	07/01/2010	01/01/2011	Common Stock	36,396	\$ 7.145	D	Â
Employee Stock Option (right to buy)	01/02/2006	01/02/2013	Common Stock	3,916	\$ 14.595	D	Â
Employee Stock Option (right to buy)	01/02/2006 <sup>(2)</sup>	01/02/2014	Common Stock	5,612	\$ 20.975	D	Â
Employee Stock Option (right to buy)	01/03/2006 <sup>(3)</sup>	01/03/2015	Common Stock	5,636	\$ 38.655	D	Â
Employee Stock Option (right to buy)	01/03/2009	01/03/2016	Common Stock	7,566	\$ 86.2	D	Â
Employee Stock Option (right to buy)	01/03/2007 <sup>(4)</sup>	01/03/2016	Common Stock	7,337	\$ 86.2	D	Â
Employee Stock Option (right to buy)	01/01/2010 <sup>(5)</sup>	07/01/2010	Common Stock	33,720	\$ 7.145	D	Â
Deferred Compensation Plan ? Common Stock Fund Units	Â <sup>(6)</sup>	Â <sup>(6)</sup>	Common Stock	26,379 <sup>(7)</sup>	\$ <sup>(6)</sup> <sup>(7)</sup>	D	Â

## Reporting Owners

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

## Signatures

Ian S. Craig By: Bryan L. Sutter,  
Attorney-in-Fact

01/31/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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) Includes 1,135 shares acquired under the Company's Employee Stock Purchase Plan.
- (2) Of the 5,612 options, 2,805 vested on January 2, 2006 and 2,807 vest on January 2, 2007.
- (3) Of the 5,636 options, 1,879 vested on January 3, 2006, 1,878 vest on January 3, 2007 and 1,879 vest on January 3, 2008.
- (4) Of the 7,337 options, 2,446 vest on January 3, 2007, 2,445 vest on January 3, 2008 and 2,446 vest on January 3, 2009.
- (5) Of the 33,720 options, 5,750 vest on January 1, 2010 and 27,970 vest on January 1, 2010.

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(6) The units represent compensation deferred under the Peabody Energy Corporation Deferred Compensation Plan (the "Plan") which are allocated to the Peabody Energy Corporation Common Stock Fund investment alternative and are to be settled in cash upon the reporting person's following termination of employment or retirement, subject to early withdrawal in certain specified events.

(7) Because the Peabody Energy Corporation Common Stock Fund investment alternative of the Plan is accounted by the plan administrator using unit accounting, the number of shares varies based on the closing price of Peabody Energy Corporation Common Stock on the applicable measurement date. Information reflects share value on January 27, 2006.

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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