

CRAIG IAN S  
Form 4  
February 02, 2006

**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)  
01/31/2006

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)  
Grp. VP - 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |  |
| Common Stock                    | 01/31/2006                           |  | M                              | 3,916 A   | \$ 14.595   | 9,051 <sup>(1)</sup>                                     | D  |
| Common Stock                    | 01/31/2006                           |  | M                              | 2,805 A   | \$ 20.975   | 11,856 <sup>(1)</sup>                                    | D  |
| Common Stock                    | 01/31/2006                           |  | M                              | 1,879 A   | \$ 38.655   | 13,735 <sup>(1)</sup>                                    | D  |
| Common Stock                    | 01/31/2006                           |  | S                              | 8,600 D   | \$ 96.85  | 5,135 <sup>(1)</sup>                                     | 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) | Amount or Number of Shares |  |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                      |  |
| Employee Stock Option (right to buy)       | \$ 14.595  | 01/31/2006                           |  | M                              | 3,916   | 01/02/2006 01/02/2013                                    | Common Stock  | 3,916                      |  |
| Employee Stock Option (right to buy)       | \$ 20.975  | 01/31/2006                           |  | M                              | 2,805   | 01/02/2006 01/02/2014                                    | Common Stock  | 2,805                      |  |
| Employee Stock Option (right to buy)       | \$ 38.655  | 01/31/2006                           |  | M                              | 1,879   | 01/03/2006 01/03/2015                                    | Common Stock  | 1,879                      |  |

## Reporting Owners

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

## Signatures

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

02/02/2006

\_\_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) Includes 1,135 shares acquired under the Company's Employee Stock Purchase Plan.
- (2) The numbers reported in this column 9 of Table II do not include an additional 100,245 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.