

PEABODY ENERGY CORP  
Form 4  
March 17, 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 \*  
ENGELHARDT IRL F

(Last) (First) (Middle)  
701 MARKET STREET  
(Street)  
ST. LOUIS, MO 63101-1826

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
PEABODY ENERGY CORP [BTU]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/15/2006

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)

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)
Common Stock	03/15/2006		M	V Amount (A) or (D) Price 45,132 A \$ 3.5725	587,368 <sup>(1)</sup>	D <sup>(2)</sup>	
Common Stock	03/15/2006		M	54,868 A \$ 7	642,236	D <sup>(2)</sup>	
Common Stock	03/15/2006		S <sup>(3)</sup>	400 D \$ 47.01	641,836	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006		S <sup>(3)</sup>	600 D \$ 47	641,236	I <sup>(2)</sup>	By Family Trust
Common	03/15/2006		S <sup>(3)</sup>	500 D \$ 46.96	640,736	I <sup>(2)</sup>	By

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Stock								Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	500	D	\$ 46.95	640,236	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	6,000	D	\$ 46.9	634,236	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	100	D	\$ 46.86	634,136	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	700	D	\$ 46.85	633,436	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	100	D	\$ 46.84	633,336	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	900	D	\$ 46.83	632,436	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	500	D	\$ 46.82	631,936	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	3,800	D	\$ 46.8	628,136	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	600	D	\$ 46.79	627,536	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	800	D	\$ 46.78	626,736	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	2,100	D	\$ 46.77	624,636	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	700	D	\$ 46.76	623,936	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	31,900	D	\$ 46.75	592,036	<u>I<sup>(2)</sup></u>	By Family Trust
Common Stock	03/15/2006	<u>S<sup>(3)</sup></u>	3,900	D	\$ 46.72	588,136	<u>I<sup>(2)</sup></u>	By Family Trust

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Common Stock	03/15/2006	S <sup>(3)</sup>	400	D	\$ 46.71	587,736	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006	S <sup>(3)</sup>	10,600	D	\$ 46.7	577,136	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006	S <sup>(3)</sup>	500	D	\$ 46.68	576,636	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006	S <sup>(3)</sup>	1,400	D	\$ 46.67	575,236	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006	S <sup>(3)</sup>	300	D	\$ 46.66	574,936	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006	S <sup>(3)</sup>	6,500	D	\$ 46.65	568,436	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006	S <sup>(3)</sup>	400	D	\$ 46.64	568,036	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006	S <sup>(3)</sup>	100	D	\$ 46.62	567,936	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006	S <sup>(3)</sup>	3,000	D	\$ 46.61	564,936	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006	S <sup>(3)</sup>	3,000	D	\$ 46.6	561,936	I <sup>(2)</sup>	By Family Trust
Common Stock	03/15/2006	S <sup>(3)</sup>	1,500	D	\$ 46.59	560,436	I <sup>(2)</sup>	By Family Trust

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy) <sup>(4)</sup>	\$ 3.5725	03/15/2006			M		45,132		05/22/2001	01/01/2011	Common Stock	45,132
Employee Stock Option (right to buy) <sup>(4)</sup>	\$ 7	03/15/2006			M		54,868		05/21/2002 <sup>(7)</sup>	05/21/2011	Common Stock	54,868

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ENGELHARDT IRL F 701 MARKET STREET ST. LOUIS, MO 63101-1826		X		

**Signatures**

/s/ Irl F. Engelhardt By: Jeffery L. Klinger,  
Attorney-in-Fact 03/17/2006  
 \_\_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) Amounts have been adjusted to reflect the 2-for-1 stock split effected by the Company in February 2006.
- (2) Pursuant to the Rule 10b5-1 trading plan referred to in footnote 3, upon exercise of the options the shares are immediately transferred to a family trust.
- (3) This sale was effected pursuant to a pre-existing Rule 10b5-1 trading plan adopted by the reporting person.
- (4) The number of outstanding stock options and corresponding exercise prices have been adjusted to reflect the 2-for-1 stock split effected by the Company in February 2006.
- (5) Not applicable.
- (6) Does not include an additional 1,858,636 options with different expiration dates and exercise prices.
- (7) Of the 54,868 options exercised, 51,786 were exercisable on May 21, 2001 and 3,082 were exercisable on May 21, 2003.

**Remarks:**

1 of 2 Form 4s - Additional transactions from March 15, 2006 are reported in a separate Form 4.

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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