

Thank you. I am honored to be among members of this Congress who are creating solutions to advance the human condition.

I began with a video because the face of energy poverty is stark and all too human. Today, I call on all of us to leave the comfort of our offices and living rooms and enter the villages of Sub Saharan Africa... Asia... and elsewhere... where families seek electricity for the most basic needs: clean water, warmth, light.

I submit that the greatest crisis we confront in the 21st Century is not an environmental crisis predicted by computer models... but a human crisis fully within our power to solve. For too long, too many have been focused on the wrong end game.

So I begin with this challenge: when you leave this Congress, carry with you the commitment that you will do all you can to endeavor to eliminate global energy poverty and energy inequality by 2050.


For every person or agency who has voiced a 2050 greenhouse gas goal... we need 10 people and policy bodies working toward the goal of broad energy access to reduce global poverty.

Study after study – and pure common sense – tell us that access to electricity helps people live longer and better. Yet each year, we lose more than 1.5 million people to the effects of energy poverty. We can no longer turn our heads from these brutal statistics.

So we as a world need to reset our priorities.

- Eliminating energy poverty MUST be job one.
- The goal: Electricity access for all by 2050.
- We also must advance all energy forms for long-term access. Coal is the only baseload fuel with the scale, abundance, reliability and cost profile to make this goal a reality.
- Using more coal... more cleanly... requires deployment of advanced coal technologies on a path to near-zero emissions.

There is no sustainability with energy poverty... with energy inequality... or with lack of adequate energy access. So as we debate the right energy mix for long-term stability, I will share with you The Peabody Plan to advance our shared energy, economic and environmental goals.



**Equal Energy Access:
The Power of Coal**

Are We Setting the Right Global Priorities?

- Eliminating Energy Poverty Must Be Priority Number One
- The Goal: Electricity Access for All By 2050
- Coal is the Only Fuel that Can Meet the World's Rising Energy Demand
- Technology Deployment is Vital to Meet our Environmental Goals

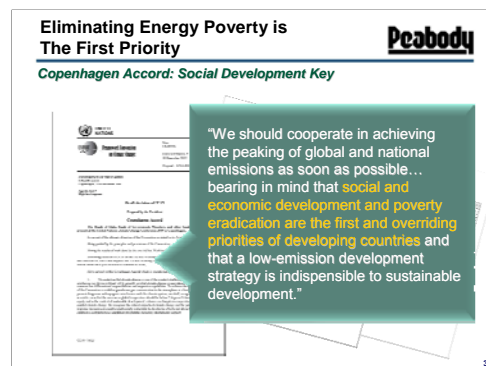
Introducing The Peabody Plan

The background of the slide features a collage of images including a power plant, a wind turbine, and a person working in a field.

Simply put, we must put people first. This is the first value.

World leaders noted this at the Copenhagen summit last fall. They reached the right conclusion... agreeing that social and economic development and poverty eradication are the first and overriding priorities of developing countries.

I would observe that social and economic development is also the task of leaders in so-called developed nations. Poverty and economic stagnation sting equally regardless of the color of one's flag.



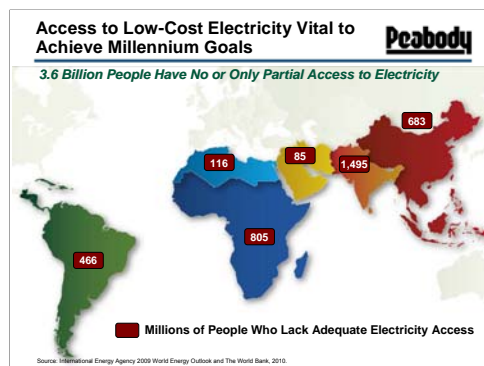
Here's the enormity of our problem:

There are 3.6 billion people in the world who lack adequate energy access... more than half the global population. Another 2 billion will require power as the world population grows over the next 20 years.

Yet the International Energy Agency estimates that only 200 million more will gain electricity access in that time.

So electricity was called the number one invention of the 20th Century... yet we are on a path to have 5 to 6 billion people lacking good access to power in two decades.

I say that this is flatly unacceptable.



I am amazed by the number of goals that are carved out around reducing carbon, but with no mention of universal energy access.

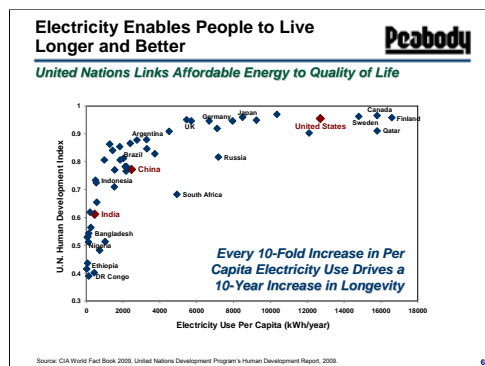
The goal is clear: Global energy access by 2050.

This is a greater priority with a far greater return for humanity.



There is a profound correlation between electrification and improvement in the UN Human Development Index.

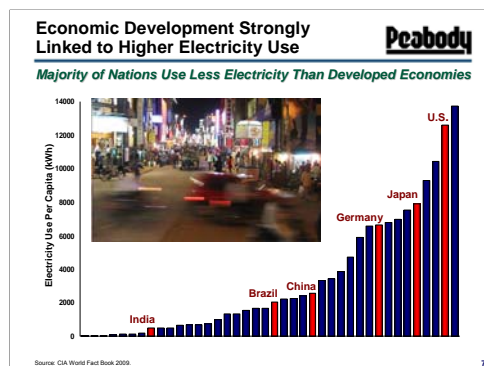
Every 10-fold increase in electricity is linked to a stunning 10-year increase in lifespans.



Electricity use drives economic development. But as we look at the global mix, there is a long cycle ahead:

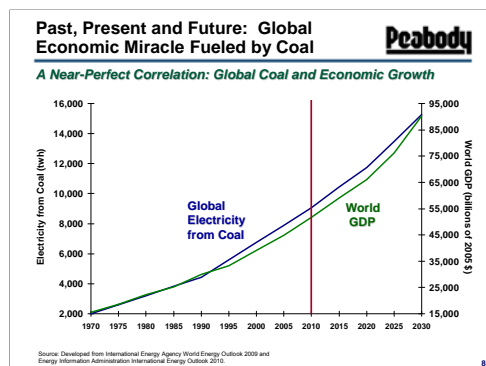
The vast majority of nations use far less per capita electricity than developed countries such as the United States, Japan and Germany.

As India, Brazil and China move up the curve, they may use even more electricity per capita than today's developed nations, given their heavy manufacturing bases that developed nations increasingly outsource.



Lifespans increase as electricity access grows. And economies increase as coal-fueled power grows.

This is the global economic miracle that is powered by coal... past, present and future. A rapid rise in the world's use of coal-fueled electricity mirrors the global rise in GDP. From 1970 to 2010, coal use increased 353%.




When we talk about alleviating global energy poverty, there could be no greater example than China, which offers an unrivaled model for the enormous strength of coal to empower people and economies.

China uses coal to power 80 percent of its electricity and has created energy access to hundreds of millions of citizens in recent decades. As coal-fueled power has soared 475% since 1990... GDP has risen 375%.

China a Case Study for the Power of Coal to Propel Economies **Peabody**

- Coal-fueled power soars 475% since 1990
- GDP rises 375% since 1990
- China produces:
 - 50% of world's steel
 - 50% of world's cement
 - 28% of world's aluminum



"Coal has underpinned China's massive and unprecedented growth in output, fueling an economic miracle..." – IEA

Source: Clemente and Considine, Pennsylvania State, Coal's Contribution to China is a Model for the Developing World.

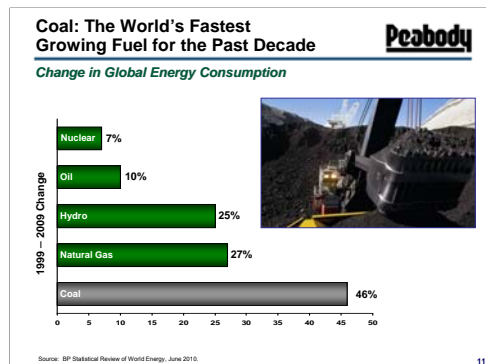
So electricity is life. Electricity is economic growth.
And coal is electricity.

Coal is the only sustainable fuel with the muscle to
shoulder the primary energy needs of the world's rising
populations and economies.



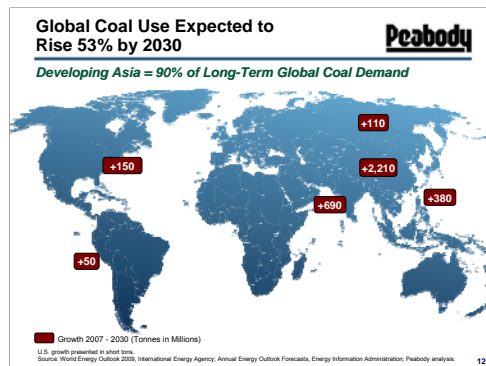
We have heard of all energy forms big and small, traditional and exotic, in the past decade. But what you may not have heard is through it all, coal has been the fastest-growing fuel for the past decade.

Global coal use expanded nearly 50% in the decade, speaking to the enormous appetite by the world's best economies.



The world has trillions of tons of coal, which make up 60 percent of our global energy resources... And we... will... use... them... all. Reserves are large and diverse, spanning nations on every major continent.

About 90 percent of coal's 3 billion tons of demand growth by 2030 will come from emerging Asia. Coal-fueled generation is expected to grow 2.5 times in China and 3.5 times in India by 2030.



No other energy resource comes close to the power of coal. Replacing coal with alternatives is unrealistic: It would take:

1,800 times more solar than we have today... and yet-to-be invented storage technology for when the sun doesn't shine;

2.5 million wind turbines... and constant wind;


1,150 nuclear plants;

70 tcf... three times the production of Russia; or

2,250 large hydro plants.

All of these sources are important, yet they cannot come close to matching the scale of coal.

One example: Peabody alone has seven coal mines that each power more electricity than the U.S. solar and wind industries combined.

Zero Out Coal? No Energy Alternative Can Come Close 

To Replace Coal's Contribution, The World Would Need...

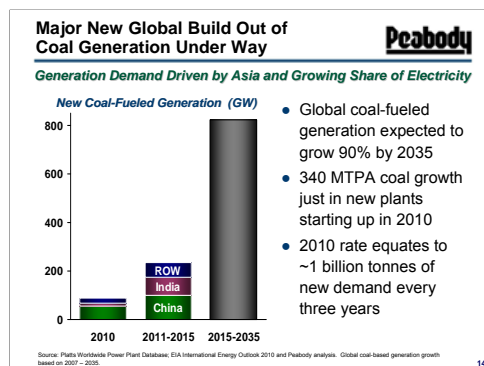
- SOLAR***
1,800 x Current Solar Generation
- WIND***
2.5 Million Wind Turbines
- NUCLEAR**
1,150 Nuclear Plants
- NATURAL GAS**
70 tcf = 3X Russia's Production
- HYDRO**
2,250 Dams

*Requires backup baseload generation for cloudy and calm periods.
Source: International Energy Agency, World Energy Outlook 2009.

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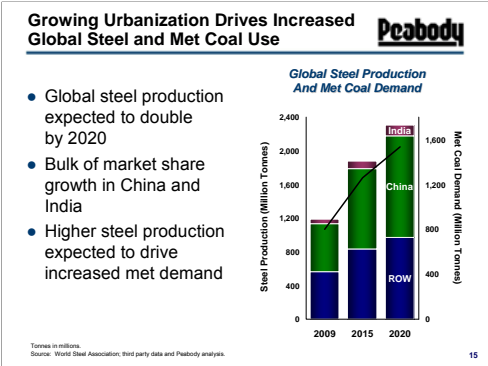
A major new build out of coal generation is under way globally. Global coal fueled generation will nearly double by 2035. China, India, and the rest of Asia make up more than 85% of the major global build out of new generation.

If you project this growth out, you can see global demand growing by more than 1 billion tonnes every three years.



Urbanization is also driving major growth in global steel use... and therefore metallurgical coal.

To put this in perspective, China is expected to build the equivalent of 50,000 skyscrapers by 2028... the equivalent of 10 New Yorks.



And so I close my thesis on why coal is needed, by pointing out several statistics that show that coal powers the strongest economies.

China uses coal to fuel approximately 80 percent of its electricity. Government forecasts suggest that China's GDP will climb 380 percent by 2030... for a projected \$33 trillion GDP.

And look at India: More than 70 percent of its electricity comes from coal. India's GDP growth is 290 percent as its economy reaches a forecast \$11 trillion GDP.

The World's Strongest Economies Are Fueled by Coal **Peabody**

	<i>China</i>	<i>India</i>	<i>United States</i>
Electricity from Coal	80%	71%	50%
Projected GDP Increase through 2030	380%	290%	95%
Projected GDP in 2030 <i>(Dollars in Trillions)</i>	\$33	\$11	\$25


Source: Energy Information Administration International Energy Outlook 2010.

We have reviewed the first priority... eliminating energy poverty and providing equal electricity access.

The world also, rightly, wants continual environmental improvement.

Here again, I bring your attention to the wisdom from Copenhagen, calling for a 'low-emissions development strategy that is indispensable to sustainable development.'

Copenhagen: Low-Emission Development is Indispensable **Peabody**



"We should cooperate in achieving the peaking of global and national emissions as soon as possible... bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries and that a low-emission development strategy is indispensable to sustainable development."

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I believe that technology deployment is essential to meet our environmental goals. This is the GreenGen low-carbon coal project in China... which I will discuss more in a moment.



I believe there are several key benchmarks on the path to near-zero emissions.

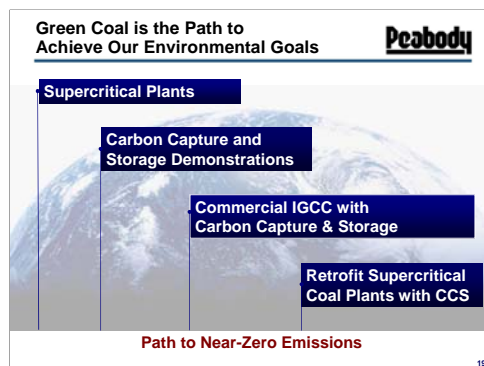
First, build advanced coal plants – supercritical and ultrasupercritical. Improved efficiencies drive CO2 emissions that are 15 percent below the average of existing plants... and more than 40% below the oldest plants being replaced.

Second, demonstrate carbon capture and storage. We know the technology works: Statoil’s Sleipner project in the North Sea, for example, has been storing 1 million tons of CO2 annually for 15 years.

After we demonstrate these technologies, we can deploy commercial-scale CCS.

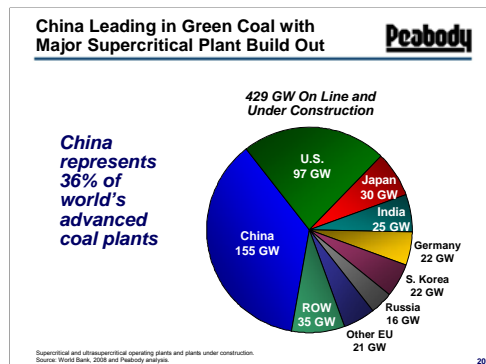
CCS is also essential for natural gas, which will require technology to meet any serious greenhouse gas goals.

And finally: we can retrofit supercritical coal plants with CCS technologies to improve CO2 further, just as we’ve done successfully for many other emissions.



There are some 429 gigawatts of supercritical and ultrasupercritical power plants in operation or under construction around the world.

China leads this effort, representing 36 percent of the world's advanced coal fleet.




There is enormous energy, environmental and economic upside to replacing older coal plants with today's advanced coal.

The world has approximately 1,000 gigawatts of traditional coal-fueled plants. Replacing these with supercritical plants would drive major global reindustrialization and enormous reductions in carbon dioxide immediately without waiting for CCS. But all these plants would be CCS ready when the technology is commercially deployable.

For instance, we would realize \$4.3 trillion in economic benefits... And 21 million new construction jobs... just during the four-year construction cycle, according to a study by Management Information Services in Washington D.C.

And we'd avoid CO₂ emissions that equate to removing more than the entire passenger car fleet in the United States.

Global Supercritical Program Would Drive Major Reindustrialization 

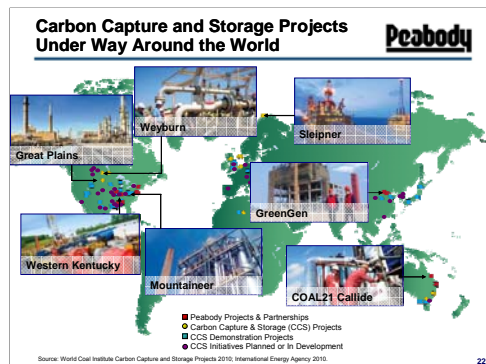
- The world has ~1,000 GW of traditional coal-fueled plants
- Replacing these with supercritical plants would create major economic stimulus, energy security and environmental benefit in 4 years:
 - \$4.3 trillion in economic benefit
 - 21 million jobs created
 - 1.5 billion tonnes of CO₂ avoided; equivalent to 325 million cars

Source: International Energy Agency, "Coal-Fired Power Generation: Replacement/Retooling Older Plants," 2008; Management Information Services and Peabody analysis.

Beyond advanced coal plants, the next phase of development is in carbon capture, storage and use technologies.

CCS is being advanced all over the world. A recent analysis by the International Energy Agency found that significant progress has been made since 2008 and that CCS is advancing toward commercialization. As many as 80 large-scale integrated projects are at various stages of development around the world.

IEA cites strong CCS momentum and calls for continued cooperation.





As China leads the world in coal use, China is also leading a green coal revolution. The GreenGen power plant and carbon research facility will be one of the world's largest coal-fueled power projects that will be virtually emissions free.

Peabody is the only non-Chinese equity partner in the project.

I've visited the construction site a number of times, and can tell you that GreenGen is advancing rapidly. Phase 1 is expected on line as quickly as next summer.

We need a global fleet of GreenGens as the world increases its use of coal as the green energy alternative.

Presidents Jintao and Obama
Cite CCS as 21st Century Coal



- Peabody only non-Chinese partner in GreenGen
- Multi-phase power project with carbon capture
- Among world's largest near-zero emissions projects
- First 250 MW unit on line in 2011

GreenGen Power Project and Carbon Research Center
Tianjin, China

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Peabody alone is advancing more than a dozen green coal projects and partnerships in the United States, China and Australia.

These include projects that target gasification, methanation, oxyfuel combustion and post-combustion technologies.

**Peabody is a Global Leader
In Clean Coal Solutions**



*Consortium for Clean Coal Utilization in
Saint Louis, Missouri*

- Australia COAL21 Fund
- Global Carbon Capture and Storage Institute
- Consortium for Clean Coal Utilization
- U.S. Department of Energy National Carbon Capture Center
- Coal-to-gas: ConocoPhillips and GreatPoint Energy
- Calera Corp. equity participant; "CO₂ to cement"

CONSORTIUM FOR CLEAN COAL UTILIZATION



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So, to summarize the enormity of our task:

The challenge... is to alleviate energy poverty and inequality.

The goal... is electricity access for all by 2050.

And the Plan... which is predicated on the basic premise of unlocking the world's coal resources to advance energy security, generate economic stimulus and create environmental solutions... what we call the Three Es.

In Summary	Peabody
<ul style="list-style-type: none">● The Challenge Alleviate Energy Poverty and Inequality● The Goal Electricity Access for All by 2050● The Plan...	
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The Peabody Plan calls for four action items:

Number one: Work to eliminate energy poverty and propel global economies by ensuring that at least half of new generation is fueled by coal... the dominant global baseload source of power;

Number two: Replace the 1,000 GW of traditional coal plants with advanced coal technologies. Supercritical and ultrasupercritical plants are more efficient, and the stimulus this would provide would add trillions of dollars of benefit, millions of jobs and significant emissions reductions.

Number three: Develop at least 100 major CCS projects around the world that capture, store or use carbon dioxide from coal-based plants within the next ten years, which complements the IEA's goal of deploying more than 2,000 projects by mid-century.

Number four: Deploy significant coal-to-gas, coal-to-chemicals and coal-to-liquids projects around the world over the next 10 years. Such plants are in heavy development in China, and doing so elsewhere would reduce risky reliance on scarce oil and volatile natural gas.

And finally, commercialize and deploy next generation clean coal technologies to achieve near-zero emissions.

Peabody's plan would go far to eliminate energy poverty and energy inequality, and ensure full global access to electricity by 2050.

Energy is life... and let us put people first by putting energy first... for the people of the world.

Thank you for your attention today.

