

PEABODY ENERGY CORP
 Form 4
 October 06, 2008

FORM 4

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

OMB APPROVAL

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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 *
TOUHILL BLANCHE M

(Last) (First) (Middle)

C/O PEABODY ENERGY CORPORATION, 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)
10/02/2008

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	10/02/2008		M		4,331 A \$ 6.0391	15,275	D
Common Stock	10/02/2008		M		7,773 A \$ 6.4317	23,048	D
Common Stock	10/02/2008		M		7,595 A \$ 6.5841	30,643	D
Common Stock	10/02/2008		M		4,525 A \$ 11.0528	35,168	D
Common Stock	10/02/2008		M		2,274 A \$ 21.9948	37,442	D

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Common Stock 10/02/2008 M 932 A \$ 34.9553 38,374 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	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 6.0391	10/02/2008		M	4,331	<u>(1)</u> 12/06/2011	Common Stock	4,331	
Employee Stock Option (right to buy)	\$ 6.4317	10/02/2008		M	7,773	<u>(4)</u> 05/03/2012	Common Stock	7,773	
Employee Stock Option (right to buy)	\$ 6.5841	10/02/2008		M	7,595	<u>(5)</u> 05/06/2013	Common Stock	7,595	
Employee Stock Option (right to buy)	\$ 11.0528	10/02/2008		M	4,525	<u>(6)</u> 05/06/2014	Common Stock	4,525	
Employee Stock Option (right to buy)	\$ 21.9948	10/02/2008		M	2,274	<u>(7)</u> 05/06/2015	Common Stock	2,274	

buy)

Employee

Stock

Option	\$ 34.9553	10/02/2008	M	932	01/03/2008	01/03/2017	Common Stock	932
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(right to
buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TOUHILL BLANCHE M C/O PEABODY ENERGY CORPORATION 701 MARKET STREET ST. LOUIS, MO 63101	X			

Signatures

Blanche M. Touhill By Kenneth L. Wagner,
Attorney-in-Fact

10/06/2008

__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) The options vested in three equal annual installments beginning on December 6, 2002.
- (2) Not applicable.
- (3) Does not include employee stock options with different expiration dates and exercise prices.
- (4) The options vested in three equal annual installments beginning on May 3, 2003.
- (5) The options vested in three equal annual installments beginning on May 6, 2004.
- (6) The options vested in three equal annual installments beginning on May 6, 2005.
- (7) The options vested in three equal annual installments beginning on May 6, 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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