

PEABODY ENERGY CORP  
 Form 4  
 March 26, 2007

**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)  
 03/22/2007

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)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/22/2007		M		50	A	\$ 20.2625	446,286	I (1)	By Family Trust
Common Stock	03/22/2007		M		37,014	A	\$ 20.2625	483,300	I (1)	By Family Trust
Common Stock	03/22/2007		S(2)		86,964	D	\$ 40	396,336	I (1)	By Family Trust
Common Stock	03/22/2007		S(2)		100	D	\$ 40.02	396,236	I (1)	By Family Trust

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Common Stock	33,289 <sup>(3)</sup>	D	
Common Stock	19,519	I	By 401(k)
Common Stock	4,400	I	By Spouse

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

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**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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 20.2625	03/22/2007		M	50	01/25/2006 01/25/2015	Common Stock 50
Employee Stock Option (right to buy)	\$ 20.2625	03/22/2007		M	37,014	01/25/2007 01/25/2015	Common Stock 37,014

## 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

Irl F. Engelhardt By: Joseph W. Bean,  
Attorney-in-Fact

03/26/2007

\_\_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) Pursuant to the Rule 10b5-1 trading plan referred to in footnote 2, upon exercise of the options the shares are immediately transferred to a family trust.
- (2) This sale was effected pursuant to a pre-existing Rule 10b5-1 trading plan adopted by the reporting person.
- (3) Includes 6,249 shares acquired pursuant to the Company's Employee Stock Purchase Plan.
- (4) Not applicable.
- (5) The numbers reported in this column 9 of Table II do not include an additional 1,246,272 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.

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