

JAMES WILLIAM E  
Form 4  
December 10, 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 \*  
JAMES WILLIAM E

(Last) (First) (Middle)

C/O ROCKPORT CAPITAL PARTNERS, LLC, 160 FEDERAL STREET, 18TH FLOOR

(Street)

BOSTON, MA 02110-1776

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

PEABODY ENERGY CORP [BTU]

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

12/06/2007

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |  |
| Common Stock                    | 12/06/2007                           |  | M <sup>(1)</sup>               | 20,000 A \$ 3.3001  | 21,861  | D  |  |
| Common Stock                    | 12/06/2007                           |  | S <sup>(1)</sup>               | 20,000 D \$ 58.014  | 1,861   | D  |  |
| Common Stock                    |                                      |  |                                |   | 7,520   | I  | By Trust                                   |

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

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SEC 1474 (9-02)

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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) | Amount or Number of Share |                           |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---------------------------|---------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                     | Amount or Number of Share |
| Employee Stock Option (right to buy)       | \$ 3.3001  | 12/06/2007                           |  | M <sup>(1)</sup>               | 20,000  | 11/19/2007   | 05/19/2008  | Common Stock              | 20,000                    |

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

JAMES WILLIAM E  
C/O ROCKPORT CAPITAL PARTNERS, LLC  
160 FEDERAL STREET, 18TH FLOOR  
BOSTON, MA 02110-1776

X

## Signatures

William E. James By: Kenneth L. Wagner  
Attorney-in-Fact

12/10/2007

\_\_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) This exercise/sale was effected pursuant to a pre-existing Rule 10b5-1 trading plan adopted by the reporting person.

(2) Not applicable.

(3) Does not include an additional 31,745 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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