

ACKNOWLEDGEMENT AND ASSENT

The International Union, United Mine Workers of America ("UMWA") and Peabody Holding Company, LLC ("PHC") agree as follows:

A. The UMWA acknowledges that PHC has provided it with the following information:

1. All the shares of Peabody Coal Company, LLC ("PCC"), a signatory to a "me too" labor contract ("PCC Labor Contract") that incorporates by reference Article XX of the National Bituminous Coal Wage Agreement of 2007 ("2007 NBCWA"), will be transferred, directly or indirectly, to an ultimate parent entity, Patriot Coal Corporation ("Patriot"), that will not be related to, or affiliated with, PHC upon the completion of the spin-off of Patriot.
2. At the completion of the spin-off of Patriot, PHC will enter into an agreement ("NBCWA Liability Assumption Agreement") with PCC and/or Patriot pursuant to which PHC will agree to be primarily obligated to pay for benefits of retirees of PCC and such retirees' eligible dependents under the terms of an employee welfare plan maintained by PCC pursuant to Article XX of the PCC Labor Contract ("PCC Individual Employer Plan") or any PCC successor labor agreement, *provided* that such retirees had vested in a right to receive retiree health benefits under the PCC Individual Employer Plan as of December 31, 2006 (e.g. those who are disabled, or age 55, or who have 20 or more years of service), and that, as of December 31, 2006, such retirees were retired from coal mining employment with PCC within the meaning of the UMWA 1974 Pension Plan, and did not thereafter return to employment with any company signatory to a labor agreement with the UMWA which contains Article XX benefits under such circumstances whereby PCC would cease to be responsible for their retiree health benefits as provided under the Individual Employer Plan in effect at such date if such return to employment was with an employer other than PCC.

3. Although PHC will agree initially that Patriot or a Patriot subsidiary shall administer the PCC Individual Employer Plan and assure the delivery of benefits, the agreement will provide that, at PHC's sole discretion, PHC may elect to undertake, directly or through a contractor, the administration and delivery of benefits under the PCC Individual Employer Plan.

4. PHC and PCC will further agree that PHC's assumption of liability for retiree healthcare as described above and/or PHC's election to directly administer the PCC Individual Employer Plan, including the delivery of benefits, does not create any third party beneficiary rights in any other person, individual, or entity, including but not limited to the UMWA and its members, retirees, and their eligible dependents except as expressly provided in B.2.c. below.

B. In recognition of the benefits to UMWA retirees and their eligible dependents from an agreement between PHC and PCC through which PHC would undertake the assumption of liabilities as described above, the UMWA:

1. Assents to the entry of such an agreement between PHC and PCC (and/or Patriot) as set forth in this document in connection with the spin-off of Patriot; and
2. Agrees that the entry of the NBCWA Liability Assumption Agreement will not:
 - a. make PHC a party to any collective bargaining agreement with the UMWA;
 - b. create a labor law relationship between PHC and the UMWA; or

c. create any right of action by the UMWA or its members or retirees against PHC for benefits under any provision of the PCC Labor Contract or any other labor agreement, including but not limited to Article XX of the 2007 NBCWA except that the UMWA and its members shall have the right to file a lawsuit against PHC in a court with jurisdiction over the parties for any benefits PHC has agreed to pay under the NBCWA Liability Assumption Agreement, or as otherwise provided under the Individual Employer Plan.

C. PCC acknowledges that nothing in this Acknowledgement and Assent is intended to be, or is evidence of, the UMWA's waiver of any right it may have to pursue a claim or action against PCC in the event that a PCC retiree or eligible dependent is not provided benefits that the UMWA believes the retiree is eligible to receive from the PCC Individual Employer Plan.

To memorialize this Acknowledgement and Assent, the UMWA and Peabody Holding Company, LLC each set forth its signature on the date set forth herein.

INTERNATIONAL UNION,
UNITED MINE WORKERS OF AMERICA

PEABODY HOLDING COMPANY, LLC

By: *Coal E. Roberts*

By: *J. Brent Stenberg*

Its: President

Its: Senior Vice President

Date: August 14, 2007

Date: August 13, 2007

AGREED AS TO PARAGRAPH C
PEABODY COAL COMPANY, LLC

By: *J. N. [Signature]*

Its: President

Date: August 13, 2007