Peabody to Permanently Close Indiana Mine

the Associated Press

ST. LOUIS (AP) — Peabody Energy Corp., one of the world's biggest private-sector coal companies, said Wednesday that it has ended production and will permanently close one of its mines in Indiana, citing continued soft market conditions.

The St. Louis-based company said it's working with the mine's 230 employees to possibly place them at other Peabody operations. The Vincennes, Ind., mine produced 1.2 million tons of coal in 2011.

Peabody said it expects to incur a one-time, non-cash charge of about $75 million after tax for the quarter ending Sept. 30, mainly related to a write down in the value of the mine's assets.

Like other coal companies, Peabody has struggled this year as utilities switched to cheap natural gas from coal to generate electricity. Natural gas prices are the lowest in years because of huge supplies from booming production. And the mild winter across much of the nation didn't put much of a dent in the gas surplus.

In July, Peabody reported a drop in second-quarter profit, cut its 2012 production outlook and forecast lower-than-expected earnings for the third quarter.

Peabody on Wednesday, backed its third-quarter adjusted profit prediction of 20 cents to 45 cents per share, saying that the mine's closing won't affect its earnings from continuing operations. Analysts, on average, expect a profit of 36 cents per share, according to FactSet. Analyst estimates typically exclude one-time charges and gains.

Peabody shares fell 49 cents, or 2.3percent, to $20.41 just after the market open.

Source URL (retrieved on *09/18/2014 - 9:28pm*):
http://www.chem.info/news/2012/09/peabody-permanently-close-indiana-mine