



GreatPoint Energy Announces Coal Supply Partnership with Peabody Energy and Enters Into Agreement to Build Natural Gas Manufacturing Facilities in Powder River Basin

Peabody Energy Makes Investment in the Company

Cambridge, MA, January 25, 2008 – GreatPoint Energy, Inc., the leading developer of catalytic gasification technology to convert coal, petroleum coke and biomass into clean natural gas while enabling the capture and sequestration of CO₂, today announced a strategic relationship with Peabody Energy (NYSE: BTU). Peabody will provide coal supplies for use in GreatPoint Energy’s proprietary bluegas™ process. As part of the agreement, Peabody will be a preferred coal supplier to GreatPoint Energy and the parties expect to jointly develop coal to natural gas manufacturing facilities at or near the Peabody mines, with a focus on the Powder River Basin area.

GreatPoint Energy also announced that Peabody Energy has made an undisclosed investment in the Company. GreatPoint Energy will use the funds to develop its technology at commercial scale. As part of the investment, Peabody will assume an observer role on GreatPoint Energy’s Board of Directors.

“We are extremely excited to have this strategic relationship with Peabody, the world’s largest private-sector coal company, and look forward to working closely with them to develop bluegas projects,” said Daniel Goldman, executive vice president and CFO of GreatPoint Energy.

“Using GreatPoint Energy’s technology to turn coal into natural gas, while capturing carbon, will provide a clean coal-based alternative to expensive natural gas imports, using Peabody’s industry-best reserve position,” said Rick A. Bowen, Peabody president of generation and btu conversion. “Peabody is advancing technology-based solutions around the world for greater use of coal to build energy security, drive economic growth and create environmental solutions.”

GreatPoint Energy plans to construct bluegas facilities in locations where the carbon dioxide it captures can be locally sequestered, and then transport its bluegas product by existing natural gas pipelines to natural gas markets across the country. Natural gas is the cleanest of all commercial fuels, provides roughly 25 percent of all U.S. energy needs, and consists primarily of hydrogen. Over the past five years, the price of natural gas in America has risen significantly as domestic resources are depleted and the nation becomes increasingly dependent on foreign imports. As part of its proprietary process, GreatPoint Energy removes and captures the mercury, sulfur, carbon dioxide and other pollutants from the feedstock, to produce a pure stream of methane. Bluegas is as clean as natural gas and can be used directly in place of natural gas for all applications, including power generation, residential and commercial heating, and production of chemicals.

About Peabody Energy

Peabody Energy is the world's largest private-sector coal company. Its coal products fuel approximately 10 percent of all U.S. electricity generation and more than two percent of worldwide electricity.

About GreatPoint Energy

GreatPoint Energy, Inc. is the leading developer of catalytic gasification technology to convert coal, petroleum coke and biomass into natural gas. Utilizing its proprietary conversion and carbon capture technology, GreatPoint Energy produces ultra-clean natural gas from widely abundant domestic feedstocks. Bluegas™, GreatPoint Energy's natural gas product, meets all environmental requirements and can be transported throughout North America by existing pipeline infrastructure, delivering an effective alternative to exploration and production as well as imported liquefied natural gas. GreatPoint Energy was founded by Andrew Perlman, Avi Goldberg and Aaron Mandell; entrepreneurs who have been building successful technology companies for the past decade. The company has raised more than \$137 million of capital and includes as its investors: venture capital firms, including Kleiner Perkins Caufield & Byers, Draper Fisher Jurvetson, Advanced Technology Ventures and Khosla Ventures; financial investors such as Sustainable Development Investments, unit of Citi Alternative Investments (a division of Citi); and strategic investors Suncor Energy, Inc., The Dow Chemical Company, The AES Corporation and Peabody Energy. The company is headquartered in Chicago, IL and is constructing a pilot and R&D facility in Somerset, MA. For additional information, please visit www.greatpointenergy.com.

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