

## Arch Coal Receives Court Approval of "First Day" Motions to Support Business

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### **Obtains interim approval of \$275 million in debtor-in-possession (DIP) financing Mining operations and customer shipments to continue in the ordinary course**

ST. LOUIS, Jan. 12, 2016 /PRNewswire/ -- Arch Coal, Inc. ("Arch" or the "company") (NYSE: ACI) today announced that the company has received approval from the United States Bankruptcy Court for the Eastern District of Missouri for all of its First Day motions related to its Chapter 11 restructuring. Collectively, the First Day orders issued by the Court on either an interim or final basis will help Arch continue operating its business in the ordinary course as it implements the agreements it reached with the majority of the lenders under its \$1.9 billion first lien financing facility to significantly restructure the company's debt load.



"These approvals represent a positive step forward in our financial restructuring process," said John W. Eaves, Arch's chairman and CEO. "With these approvals, Arch will continue normal operations as we implement a comprehensive financial restructuring that will further enhance Arch's position as a large-scale, low-cost operator. We will continue providing our customers exceptional service as we move through this process, and we will continue to operate safely, responsibly and efficiently."

The Court granted Arch interim approval of a \$275 million debtor-in-possession (DIP) financing it expects to receive from members of the ad hoc group of lenders that hold more than 65% of the company's first lien debt. The Court also granted interim approval for the company to continue its \$200 million trade accounts receivable securitization facility, which is subject to customary conditions and supports Arch's letters of credit program. In addition, the company had more than \$600 million in cash and short-term investments as of January 11, 2016. Together, with cash generated from ongoing operations, the company's new financing and existing liquidity will be used to support the business during the restructuring process.

The company also received approval to, among other things, pay employee wages, salaries, benefits and certain other employee obligations, as well as use existing cash management systems. The company also received approval to take certain other actions to help ensure that Arch's mining operations and customer shipments continue in the ordinary course. Arch intends to meet its obligations in the ordinary course and expects its mining operations and customer shipments to continue uninterrupted throughout the reorganization process.

As previously announced, on January 11, 2016, Arch reached an agreement with a majority of the lenders under its \$1.9 billion first lien financing facility that will eliminate more than \$4.5 billion in debt from Arch's balance sheet. To facilitate

this financial restructuring, Arch and substantially all of its wholly-owned domestic subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Missouri.

Additional information is available on Arch's website at [www.archcoal.com/restructuring](http://www.archcoal.com/restructuring) or by calling Arch's Restructuring Hotline, toll-free in the U.S., at 1-844-242-7478. (For calls originating outside the U.S., please dial 1-929-477-8086). In addition, court filings and other documents related to the reorganization proceedings are available on a separate website administered by Arch's claims and noticing agent, Prime Clerk, at <https://cases.primeclerk.com/archcoal>.

Davis Polk & Wardwell LLP is serving as legal advisor to Arch Coal, and PJT Partners is serving as financial advisor.

U.S.-based Arch Coal, Inc. is one of the world's top coal producers for the global steel and power generation industries, serving customers on five continents. Its network of mining complexes is the most diversified in the United States, spanning every major coal basin in the nation. The company controls more than 5 billion tons of high-quality metallurgical and thermal coal reserves, with access to all major railroads, inland waterways and a growing number of seaborne trade channels. For more information, visit [www.archcoal.com](http://www.archcoal.com).

### **Forward-Looking Statements**

This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from changes in the demand for our coal by the domestic electric generation industry; from legislation and regulations relating to the Clean Air Act and other environmental initiatives; from operational, geological, permit, labor and weather-related factors; from fluctuations in the amount of cash we generate from operations; from potential demands for additional collateral for self-bonding; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. For a description of some of the risks and uncertainties that may affect our future results, you should see the risk factors described from time to time in the reports we file with the Securities and Exchange Commission.

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