

## **Arch Explores Sale of Three Small Operations in Central Appalachia**

March 2, 1999 12:31 PM ET

St. Louis, Missouri – March 2, 1999 - Arch Coal, Inc. (NYSE:ACI) announced today that it would explore the potential sale of three of its smaller mining operations in Central Appalachia. The three operations are the Lone Mountain and Pardee complexes on the Kentucky/Virginia border and Coal-Mac's operations in eastern Kentucky. Coal Mac's mines in West Virginia are not included as part of the potential sale. Together, these three operations produced a total of approximately 5.3 million tons of coal in 1998, the vast majority of which was low-sulfur or compliance quality. These operations collectively contributed approximately 9.7% and 1% of the company's total revenues and operating profits respectively, during 1998.

"During the past two years, we have assembled some of the finest assets in the coal industry," said Steven F. Leer, Arch Coal's president and chief executive officer. "Now we are turning our attention to paying down debt quickly and aggressively. The sale of less strategic operations could contribute significantly to this effort."

Leer noted that the sale of these three operations was in no way assured. "All three operations have skilled workforces, state-of-the-art infrastructure and equipment, and high quality reserves," Leer said. "We will only sell them if we are convinced that doing so will lead to greater value creation for our shareholders. The proceeds from any sale will be primarily utilized to reduce debt."

Arch Coal is the nation's second largest coal producer, with subsidiary operations in West Virginia, Kentucky, Virginia, Illinois, Wyoming, Colorado and Utah. Through these operations, Arch Coal provides the fuel for approximately 6% of the electricity generated in the United States.