

## **Arch Coal Completes Sale of 1.9 Million Units of Natural Resource Partners L.P.**

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St. Louis - October 17, 2002 - Arch Coal, Inc. (NYSE:ACI) announced today that it had completed the sale of 1.9 million units of Natural Resource Partners L.P. (NYSE:NRP) at a price of \$20 per unit. Net proceeds to the company, after the underwriting discount and expenses, totaled \$33.6 million. The proceeds were immediately applied to reduce the company's outstanding indebtedness.

"We believe that the formation of Natural Resource Partners and our initial sale of NRP units represent a very effective way to create value for Arch's shareholders," said Steven F. Leer, Arch Coal's president and chief executive officer. "We have long believed that the coal reserves that we owned in fee were undervalued on our balance sheet. The formation of NRP created a vehicle that has allowed us to monetize the value of a portion of these assets for debt reduction purposes, while establishing a market value for the remainder."

Arch Coal contributed 454 million tons of coal reserves, or approximately 13% of its total reserve holdings, to Natural Resource Partners.

The formation of Natural Resource Partners is expected to be accretive to earnings, beginning immediately. With the sale now completed, Arch holds 34.1% of the NRP units and 42.25% of the general partnership. "By retaining a significant stake in Natural Resource Partners, we are enabling Arch's shareholders to participate in the new company's future prospects for performance and growth," Leer said.

Natural Resource Partners was formed by the WPP Group, the largest owners of coal reserves in the United States other than the U.S. government, and Arch Coal, Inc. (NYSE:ACI), the second largest U.S. coal producer. The WPP Group, which is privately owned, consists of Western Pocahontas Properties Limited Partnership, Great Northern Properties Limited Partnership and New Gauley Coal Corporation.

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

NRP engages principally in the business of owning and managing coal properties in the three major coal-producing regions of the United States. NRP controls approximately 1.15 billion tons of proven and probable reserves in eight states.

**Forward-Looking Statements:** Statements in this press release which are not statements of historical fact are forward-looking statements within the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on information currently available to, and expectations and assumptions deemed reasonable by, the company. Because these forward-looking statements are subject to various risks and uncertainties, actual results may differ materially from those projected in the statements. These expectations, assumptions and uncertainties include: the company's expectation of continued growth in the demand for electricity; belief that legislation and regulations relating to the Clean Air Act and the relatively higher costs of competing fuels will increase demand for its compliance and low-sulfur coal; expectation of continued improved market conditions for the price of coal; expectation that the company will continue to have adequate liquidity from its cash flow from operations, together with available borrowings under its credit facilities, to finance the company's working capital needs; a variety of operational, geologic, permitting, labor and weather related factors; and the other risks and uncertainties which are described from time to time in the company's reports filed with the Securities and Exchange Commission.