UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **February 14, 2019 (February 14, 2019)**

Arch Coal, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**1-13105**	**43-0921172**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

CityPlace One
One CityPlace Drive, Suite 300
St. Louis, Missouri 63141
(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code: **(314) 994-2700**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (Section 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Section 240.12b-2 of this chapter).

Emerging growth company o

If an emerging growth company, indicated by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Item 2.02 Results of Operations and Financial Condition.

On February 14, 2019, Arch Coal, Inc. (the "Company") issued a press release containing its fourth quarter 2018 financial results. A copy of the press release is attached hereto as exhibit 99.1.

The information contained in this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information in this Item 2.02, including Exhibit 99.1, shall not be incorporated into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure.

On February 14, 2019, the Company issued a press release announcing the development of a coking coal mine in Barbour County, West Virginia. A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Beginning on or about February 14, 2019, and at other times thereafter, members of the senior management team of the Company will use the attached slides in various investor presentations. The slides are attached as Exhibit 99.3 hereto and incorporated by reference.

The information set forth in this Item 7.01, including Exhibits 99.2 and 99.3, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information in this Item 7.01, including Exhibits 99.2 and 99.3 shall not be incorporated into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are attached hereto and filed herewith.

Exhibit No.	Description
99.1	Press release dated February 14, 2019, containing the Company's fourth quarter 2018 financial results.
99.2	Press release dated February 14, 2019, announcing development of a coking coal mine in West Virginia.
99.3	Arch Coal, Inc. presentation slides regarding Leer South mine.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 14, 2019	Arch Coal, Inc.
	By: /s/ Robert G. Jones Robert G. Jones Senior Vice President — Law, General Counsel and Secretary

Exhibit 99.1

News from
Arch Coal, Inc.

FOR FURTHER INFORMATION:

Investor Relations
314/994-2897

FOR IMMEDIATE RELEASE

Arch Coal, Inc. Reports Fourth Quarter 2018 Results

Ships record coking coal volumes and achieves metallurgical segment gross margin of $98 million or $46.69 per ton
Returns $96 million to shareholders through share repurchases and dividends
Announces plans to develop a second world-class longwall mine on Leer reserves
Increases recurring quarterly dividend by 12.5 percent

ST. LOUIS, February 14, 2019 — Arch Coal, Inc. (NYSE: ARCH) today reported net income of $86.1 million, or $4.44 per diluted share, in the fourth quarter of 2018, compared with net income of $81.3 million, or $3.64 per diluted share, in the prior-year period. The company earned adjusted earnings before interest, taxes, depreciation, depletion, amortization, accretion on asset retirement obligations, and non-operating expenses ("adjusted EBITDA") (1) of $122.6 million in the fourth quarter of 2018, which includes a $13.0 million non-cash mark-to-market gain associated with the company's coal-hedging activities. This compares to $97.8 million of adjusted EBITDA recorded in the fourth quarter of 2017. Revenues totaled $651.0 million for the three months ended December 31, 2018, representing a 16 percent increase from the prior-year quarter.

For the full year, Arch recorded net income of $312.6 million, or $15.15 per fully diluted share, compared to $238.5 million, or $9.84 per fully diluted share, in 2017. Adjusted EBITDA totaled $437.8 million, including a $9.1 million non-cash mark-to-market charge associated with the company's coal-hedging activities, compared to $419.7 million in adjusted EBITDA in 2017.

"Arch capped off 2018 with yet another outstanding quarterly performance," said John W. Eaves, Arch's chief executive officer. "Once again, we delivered substantial levels of free cash flow as we capitalized on continued strength in global coking coal markets and resurgent demand for Powder River Basin coal. At the same time, we returned $96 million to shareholders under our capital return program, and today announced the commencement of a transformational mine development project that we believe sets the stage for even greater value creation in the future. As we progress through 2019, we are exceptionally well-positioned to meet the modest, ongoing

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(1) *Adjusted EBITDA is defined and reconciled in the "Reconciliation of Non-GAAP measures" in this release.*

capital needs of the business; drive robust, continued progress on our capital return program; and fund the 2019 development work on the exciting, new Leer South mine."

Leer South will be similar to Arch's Leer mine in virtually every respect, and is expected to produce three million tons of High-Vol A coking coal annually from the same 200-million-ton reserve base as Leer. "With the addition of Leer South, Arch will greatly enhance its portfolio of world-class coking coal assets, and cement our position as the premier global producer of High-Vol A coking coal," Eaves said. Arch currently anticipates the total capital needs of Leer South to be between $360 million and $390 million, of which $90 million is expected to be spent in 2019.

Arch concurrently issued a separate news release and presentation — available on the company's website at archcoal.com — with additional details and commentary on the Leer South project.

Capital Allocation Progress

During the fourth quarter, Arch repurchased 1 million shares of common stock, representing 4 percent of the shares outstanding in May 2017 when the capital return program was launched, at a total investment of $88.7 million. Since the program's inception, Arch has invested a total of $584 million to buy back 7.2 million shares of stock, representing 29 percent of the initial shares outstanding. To date, Arch's board of directors has authorized the expenditure of up to $750 million for share buybacks, leaving $166 million remaining under the current authorization.

"The repurchase of nearly 29 percent of our shares outstanding in a period of just seven quarters underscores the substantial, durable and ongoing cash-generating potential of our portfolio of top-tier assets," said John T. Drexler, Arch's chief financial officer. "With $428 million of cash and $498 million of total liquidity at year-end, coupled with our anticipation for strong cash flow generation in 2019, we expect to have the capability to continue to buy back shares at comparable rates to 2018 should we deem that prudent, even as we use internally generated cash to fund the 2019 development work on Leer South."

Along with the buybacks, Arch returned an additional $7.3 million to shareholders through its recurring quarterly dividend, bringing total dividend payments since May 2017 to $56 million. All told, Arch has now returned approximately $640 million to shareholders via share buybacks and dividends over the course of the past seven quarters.

Looking ahead, the board has approved a 12.5 percent increase in the recurring quarterly dividend, bringing the quarterly cash dividend payment to $0.45 per share. Since launching the capital return program in May 2017, Arch has now increased the quarterly dividend rate twice, by a total of nearly 30 percent.

"Given our continued strong cash generation and positive long-term outlook for the business, we view this as an appropriate time to further reward our shareholders with an increase in the quarterly dividend," Drexler said.

The next quarterly cash dividend payment of $0.45 per common share is scheduled to be paid on

March 15, 2019 to stockholders of record at the close of business on March 5, 2019.

Future dividend declarations and share repurchases will be subject to ongoing board review and authorization and will be based on a number of factors, including business and market conditions, Arch's future financial performance, and other capital priorities.

Liquidity Update

"We are continuing to increase liquidity — which approached $500 million at year-end 2018 — and further strengthen our already strong balance sheet in order to support both our capital return program and our exciting, new Leer South development," Drexler said.

In keeping with this effort, Arch successfully amended its inventory-only, asset-based lending facility during the fourth quarter, increasing the size of the facility from $40 million to $50 million. This increase — when combined with the actions taken in the third quarter to increase availability on the company's accounts receivable securitization facility — resulted in $65 million of unused borrowing capacity at year-end 2018. Including Arch's cash balance of $428 million, total liquidity at year-end was $498 million. Additionally, in January 2019, Arch successfully replaced a $60 million letter of credit related to self-insurance obligations with surety bonds, freeing up an additional $60 million of borrowing capacity.

"While we are focused on maintaining a significant percentage of cash as part of our total liquidity strategy, these achievements should free up availability in our borrowing facilities of $80 million to $120 million," Drexler said. "This capacity can be used to support our ongoing capital requirements and the 2019 development work at Leer South, while still enabling us to return capital to shareholders at a comparable rate to 2017 and 2018 should we opt to do so."

In addition, during the course of 2019, Arch expects to convert to cash a significant percentage of the $52 million tax benefit recognized in 2018. As previously noted, Arch expects to have no cash taxes for the next 10 years or more.

Operational Results

"Arch turned in another strong operating performance in the fourth quarter, led by record coking coal shipments, strong pricing and near-record margins in our Metallurgical segment," said Paul A. Lang, Arch's president and chief operating officer. "In addition, our Powder River Basin operations delivered another strong shipping quarter, as our Black Thunder mine capitalized on a rebound in spot market activity and increased train availability stemming from lingering, weather-related challenges elsewhere in the basin."

	Metallurgical 4Q18		3Q18		4Q17	
Tons sold (in millions)		**2.1**		**1.9**		**1.8**
Coking		*1.9*		*1.7*		*1.5*
Thermal		*0.2*		*0.2*		*0.3*
Coal sales per ton sold	**$**	**121.53**	**$**	**104.75**	**$**	**90.82**
Coking	*$*	*130.49*	*$*	*114.89*	*$*	*101.76*
Thermal	*$*	*37.83*	*$*	*35.35*	*$*	*25.92*
Cash cost per ton sold	$	74.84	$	62.54	$	59.50
Cash margin per ton	**$**	**46.69**	**$**	**42.21**	**$**	**31.32**

Coal sales per ton sold and cash cost per ton sold are defined and reconciled under "Reconciliation of non-GAAP measures."
Mining complexes included in this segment are Beckley, Leer, Mountain Laurel and Sentinel.

"We shipped a company-record 1.9 million tons of coking coal during the fourth quarter and achieved a robust average margin of $46.69 per ton in the Metallurgical segment, which was up 11 percent versus the already-strong average margin achieved in the previous quarter," Lang said. "Segment costs were up markedly due primarily to higher maintenance costs related to the accelerated timing of several repair projects, but those accelerated expenditures should deliver a corresponding benefit in 2019. In addition, we had a longwall move at Leer and encountered some thinner-than-expected coal at the Sentinel mine during the quarter, but progressed out of the affected area in late January."

Looking ahead, Lang indicated that Arch's average Metallurgical coal cost for full-year 2019 should be in the $61 to $66 per ton range, as the anticipated progression into thicker coal at the Leer mine more than offsets inflationary pressures on costs for supplies and materials. Lang indicated that coking coal sales volumes are projected to be between 6.6 million and 7.0 million tons during 2019, with first quarter volumes being significantly lower than ratable due to longwall moves at both the Leer and Mountain Laurel mines, accelerated shipments in the fourth quarter of 2018, and the impact of the seasonal closure of Great Lakes shipping channels on North American shipments. As a result, first quarter 2019 per-ton coking coal costs are likely to be comparable to those reported in the fourth quarter of 2018, and then to come into line with guidance as the year progresses.

	Powder River Basin 4Q18		3Q18		4Q17	
Tons sold (in millions)		19.5		21.5		19.5
Coal sales per ton sold	$	11.88	$	12.02	$	12.32
Cash cost per ton sold	$	10.66	$	9.76	$	10.78
Cash margin per ton	**$**	**1.22**	**$**	**2.26**	**$**	**1.54**

Coal sales per ton sold and cash cost per ton sold are defined and reconciled under "Reconciliation of non-GAAP measures."
Mining complexes included in this segment are Black Thunder and Coal Creek.

In the Powder River Basin, sales volumes totaled 19.5 million tons, which was significantly higher than anticipated due to continued, strong spot sales and healthy overall shipment levels associated with the persistent impact of heavy rains elsewhere in the basin during the year's second half. The realized price per ton declined modestly in the fourth quarter, while costs were in line with annual guidance.

Also during the quarter, Arch finalized a previously announced revision to the mining and reclamation plan at its Black Thunder mine that resulted in a $96 million reduction, on a discounted basis, in the company's asset retirement obligation (ARO), and corresponding asset, on its balance sheet. The revised plan provides for accelerated mine reclamation during the ordinary mining process, and is not expected to increase operating costs.

Looking ahead, Arch expects to produce 70 million to 80 million tons of coal at its Black Thunder mine in 2019 as it intensifies its focus on the higher-quality segment of the Powder River Basin market, which continues to attract a premium over the 8400 Btu segment well in excess of historical averages. Correspondingly, Arch plans to operate its Coal Creek mine at a much-reduced level in 2019 given the continued weak pricing for 8400 Btu coal.

	Other Thermal		
	4Q18	3Q18	4Q17
Tons sold (in millions)	2.3	2.5	2.3
Coal sales per ton sold	$ 34.89	$ 36.96	$ 35.43
Cash cost per ton sold	$ 28.76	$ 27.68	$ 24.88
Cash margin per ton	**$ 6.13**	**$ 9.28**	**$ 10.55**

Coal sales per ton sold and cash cost per ton sold are defined and reconciled under "Reconciliation of non-GAAP measures."
Mining complexes included in this segment are Coal-Mac, Viper and West Elk.

In the Other Thermal segment, sales volumes declined 8 percent versus the previous quarter due in part to a longwall move at the West Elk mine in the fourth quarter. In addition, average realizations declined 6 percent due to a smaller percentage of high-quality Coal-Mac coal in the overall sales mix. Cash costs increased modestly as well — again due principally to mix issues. Export business represented nearly 50 percent of Other Thermal volumes shipped during the fourth quarter, as Arch continued to take advantage of the strong international market conditions that prevailed for much of the year. Lower shipment levels at West Elk in the first quarter of 2019 are expected to result in compressed margins in the Other Thermal segment during the first quarter of 2019.

Key Market Developments

Despite concerns about global economic conditions, Arch believes that global coking coal markets remain in healthy balance — underpinned by the ongoing strength of global steel demand, cost inflation in key coking coal supply regions, and overall supply tightness associated with years of under-investment in new coking coal and logistics capacity.

While coking coal prices retraced in December and early January — as they have numerous times during the current upcycle — they appear to be stabilizing once again in the face of renewed buying activity and a new spate of supply disruptions.

In China, the government has resumed an intensive program of safety checks and is taking steps to restrict production at small, inefficient coal mines following several, tragic incidents at Chinese coking coal mines. In Australia, the largest supplier to the seaborne coking coal market by far, exports continue to lag pre-cyclone levels due in part to a fragile logistics chain, extensive and ongoing port maintenance, and continuing mine disruptions.

Meanwhile, Indian hot metal production continues to expand at a rapid pace, increasing approximately 40 percent over the past five years to more than 70 million tons. As a result, Arch expects India to supplant China and Japan as the world's largest importer of seaborne coking coal in the near future.

Looking ahead, Arch expects coking coal markets to remain strong throughout 2019. At the same time, Arch believes that rising production costs are shifting the longer term clearing price for coking coal higher.

In thermal markets, U.S. demand has strengthened in recent months due to rapidly normalizing stockpile levels at power generators and cold winter weather in recent weeks. That demand pull has spurred stronger shipment levels while inducing higher levels of both spot and term business.

During the fourth quarter, Arch placed 1.3 million tons of coking coal for delivery in 2019 — primarily at market-based pricing — bringing total commitments for the year to 5.8 million tons.

On the thermal side, Arch committed another 17 million tons of Powder River Basin coal for delivery in 2019, bringing total annual commitments to 58.4 million tons, comprised of 56.6 million tons at a fixed average price of $12.13 per ton and 1.8 million tons at market-based pricing. Buying activity has continued at a brisk pace, with Arch having placed significant additional, incremental volumes since 2019 began.

"We continued to augment and strengthen our committed book of sales during the fourth quarter, and believe we are in an exceptionally strong position entering 2019," Lang said. "At year-end 2018, we had placed 85 percent of our coking coal business with a strong and increasingly diverse global customer base. In addition, including the business transacted to date in 2019, we have locked in both volume and price on nearly 85 percent of our projected thermal output."

Outlook

"We are excited about Arch's exceptional, long-term prospects for value creation and growth," Eaves said. "In 2019, we expect to put our strong, internally generated free cash flow and ample liquidity to work in driving robust, ongoing progress on our capital return program, while simultaneously funding the highly promising Leer South growth project. We fully expect Leer South to deliver exceptional returns and a rapid payback, and to replicate the great success of our world-class Leer mine. With Leer South, Arch will enhance its already enviable position on the U.S. cost curve, strengthen its coking coal profit margins in any market environment, and cement its position as the leading supplier of High-Vol A coking coal globally."

	2019			
	Tons			$ per ton
Sales Volume *(in millions of tons)*				
Coking	6.6	-	7.0	
Thermal	80.0	-	85.0	
Total	86.6		92.0	
Metallurgical *(in millions of tons)*				
Committed, Priced Coking North American*			0.7	$119.45
Committed, Unpriced Coking North American			1.0	
Committed, Priced Coking Seaborne			0.2	$115.37
Committed, Unpriced Coking Seaborne			3.9	
Total Committed Coking			5.8	
Committed, Priced Thermal Byproduct			0.8	$32.64
Committed, Unpriced Thermal Byproduct			—	
Total Committed Thermal Byproduct			0.8	
Average Metallurgical Cash Cost				$61.0 - $66.0
Powder River Basin *(in millions of tons)*				
Committed, Priced			56.6	$12.13
Committed, Unpriced			1.8	
Total Committed			58.4	
Average Cash Cost				$10.70 - $11.00
Other Thermal *(in millions of tons)*				
Committed, Priced			6.5	$40.53
Committed, Unpriced			1.2	
Total Committed			7.7	
Average Cash Cost				$29.00 - $33.00
Corporate *(in $ millions)*				
D,D&A	$115.0	-	$120.0	
ARO Accretion	$19.0	-	$21.0	
S,G&A - cash	$74.0	-	$78.0	
S,G&A - non-cash	$18.0	-	$20.0	
Net Interest Expense	$10.0	-	$15.0	
Capital Expenditures	$170.0	-	$190.0	
Tax Provision (%)	Approximately 0%			

A conference call regarding Arch Coal's fourth quarter and full year 2018 financial results will be webcast live today at 10 a.m. Eastern time. The conference call can be accessed via the “investor” section of the Arch Coal website (http://investor.archcoal.com).

U.S.-based Arch Coal, Inc. is a top coal producer for the global steel and power generation industries. Arch operates a streamlined portfolio of large-scale, low-cost mining complexes that produce high-quality metallurgical coals in Appalachia and low-emitting thermal coals in the Powder River Basin and other strategic supply regions. For more information, visit 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 and steel industries; from legislation and regulations relating to the Clean Air Act and other environmental initiatives; from operational, geological, permit, labor and weather-related factors, from the Tax Cuts and Jobs Act and other tax reforms; from the effects of foreign and domestic trade policies, actions or disputes; from fluctuations in the amount of cash we generate from operations, which could impact, among other things, our ability to pay dividends or repurchase shares in accordance with our announced capital allocation plan 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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Arch Coal, Inc. and Subsidiaries
Condensed Consolidated Income Statements
(In thousands, except per share data)

	Three Months Ended December 31, 2018 (Unaudited)	Three Months Ended December 31, 2017 (Unaudited)	Twelve Months Ended December 31, 2018 (Unaudited)	Twelve Months Ended December 31, 2017
Revenues	$ 650,963	$ 560,244	$ 2,451,787	$ 2,324,623
Costs, expenses and other operating				
Cost of sales	514,005	450,699	1,925,202	1,839,993
Depreciation, depletion and amortization	27,536	27,928	119,563	122,464
Accretion on asset retirement obligations	6,993	7,383	27,970	30,209
Amortization of sales contracts, net	1,567	11,082	11,107	53,985
Change in fair value of coal derivatives and coal trading activities, net	(13,024)	4,477	9,118	7,222
Selling, general and administrative expenses	26,687	23,444	100,300	87,952
Gain on sale of Lone Mountain Processing, Inc.	—	277	—	(21,297)
Other operating (income) expense, net	709	(16,163)	(20,611)	(30,241)
	564,473	509,127	2,172,649	2,090,287
Income from operations	86,490	51,117	279,138	234,336
Interest expense, net				
Interest expense	(4,847)	(5,505)	(20,471)	(26,905)
Interest and investment income	2,156	560	6,782	2,649
	(2,691)	(4,945)	(13,689)	(24,256)
Income before nonoperating expenses	83,799	46,172	265,449	210,080
Nonoperating expenses				
Non-service related pension and postretirement benefit costs	(996)	(166)	(3,202)	(1,940)
Net loss resulting from early retirement of debt and debt restructuring	—	—	(485)	(2,547)
Reorganization items, net	(60)	494	(1,661)	(2,398)
	(1,056)	328	(5,348)	(6,885)
Income before income taxes	82,743	46,500	260,101	203,195
Benefit from income taxes	(3,351)	(34,771)	(52,476)	(35,255)
Net income	$ 86,094	$ 81,271	$ 312,577	$ 238,450
Net income per common share				
Basic EPS	$ 4.69	$ 3.75	$ 15.90	$ 10.05
Diluted EPS	$ 4.44	$ 3.64	$ 15.15	$ 9.84
Weighted average shares outstanding				
Basic weighted average shares outstanding	18,344	21,653	19,663	23,725
Diluted weighted average shares outstanding	19,396	22,333	20,629	24,240
Dividends declared per common share	$ 0.40	$ 0.35	$ 1.60	$ 1.05
Adjusted EBITDA (A) (Unaudited)	$ 122,586	$ 97,787	$ 437,778	$ 419,697

(A) Adjusted EBITDA is defined and reconciled under "Reconciliation of Non-GAAP Measures" later in this release.

Arch Coal, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands)

	December 31, 2018 (Unaudited)	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	$ 264,937	$ 273,387
Short-term investments	162,797	155,846
Trade accounts receivable	200,904	172,604
Other receivables	48,926	29,771
Inventories	125,470	128,960
Other current assets	75,749	70,426
Total current assets	878,783	830,994
Property, plant and equipment, net	834,828	955,948
Other assets		
Equity investments	104,676	106,107
Other noncurrent assets	68,773	86,583
Total other assets	173,449	192,690
Total assets	$ 1,887,060	$ 1,979,632
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 128,024	$ 134,137
Accrued expenses and other current liabilities	183,514	184,161
Current maturities of debt	17,797	15,783
Total current liabilities	329,335	334,081
Long-term debt	300,186	310,134
Asset retirement obligations	230,304	308,855
Accrued pension benefits	16,147	14,036
Accrued postretirement benefits other than pension	83,163	102,369
Accrued workers' compensation	174,303	184,835
Other noncurrent liabilities	48,801	59,457
Total liabilities	1,182,239	1,313,767
Stockholders' equity		
Common Stock	250	250
Paid-in capital	717,492	700,125
Retained earnings	527,666	247,232
Treasury stock, at cost	(583,883)	(302,109)
Accumulated other comprehensive income	43,296	20,367
Total stockholders' equity	704,821	665,865
Total liabilities and stockholders' equity	$ 1,887,060	$ 1,979,632

Arch Coal, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands)

	Twelve Months Ended December 31, 2018 (Unaudited)	2017
Operating activities		
Net income	$ 312,577	$ 238,450
Adjustments to reconcile to cash provided by operating activities:		
Depreciation, depletion and amortization	119,563	122,464
Accretion on asset retirement obligations	27,970	30,209
Amortization of sales contracts, net	11,107	53,985
Prepaid royalties expensed	134	2,905
Deferred income taxes	18,701	(21,965)
Employee stock-based compensation expense	17,519	10,437
Gains on disposals and divestitures	(625)	(24,327)
Net loss resulting from early retirement of debt and debt restructuring	485	2,547
Amortization relating to financing activities	4,179	3,736
Changes in:		
Receivables	(22,903)	8,370
Inventories	3,490	(19,626)
Accounts payable, accrued expenses and other current liabilities	(14,208)	17,173
Income taxes, net	(46,970)	(6,834)
Other	(13,056)	(21,050)
Cash provided by operating activities	417,963	396,474
Investing activities		
Capital expenditures	(95,272)	(59,205)
Minimum royalty payments	(584)	(5,296)
Proceeds from disposals and divestitures	1,083	12,920
Purchases of short term investments	(143,328)	(258,948)
Proceeds from sales of short term investments	136,630	190,064
Investments in and advances to affiliates, net	(2,481)	(10,173)
Cash used in investing activities	(103,952)	(130,638)
Financing activities		
Proceeds from issuance of term loan due 2024	—	298,500
Payments to extinguish term loan due 2021	—	(325,684)
Payments on term loan due 2024	(3,000)	(2,250)
Net payments on other debt	(6,077)	(694)
Debt financing costs	(1,257)	(10,149)
Net loss resulting from early retirement of debt and debt restructuring	(50)	(2,360)
Dividends paid	(31,269)	(24,369)
Purchases of treasury stock	(280,871)	(301,512)
Other	(152)	(138)
Cash used in financing activities	(322,676)	(368,656)
Decrease in cash and cash equivalents, including restricted cash	(8,665)	(102,820)
Cash and cash equivalents, including restricted cash, beginning of period	273,602	376,422
Cash and cash equivalents, including restricted cash, end of period	$ 264,937	$ 273,602
Cash and cash equivalents, including restricted cash, end of period		
Cash and cash equivalents	$ 264,937	$ 273,387
Restricted cash	—	215
	$ 264,937	$ 273,602

Arch Coal, Inc. and Subsidiaries
Schedule of Consolidated Debt
(In thousands)

	December 31, 2018 (Unaudited)	December 31, 2017
Term loan due 2024 ($294.8 million face value)	$ 293,626	$ 296,435
Other	30,449	36,514
Debt issuance costs	(6,092)	(7,032)
	317,983	325,917
Less: current maturities of debt	17,797	15,783
Long-term debt	$ 300,186	$ 310,134
Calculation of net debt		
Total debt (excluding debt issuance costs)	$ 324,075	$ 332,949
Less liquid assets:		
Cash and cash equivalents	264,937	273,387
Short term investments	162,797	155,846
	427,734	429,233
Net debt	$ (103,659)	$ (96,284)

Arch Coal, Inc. and Subsidiaries
Operational Performance
(In millions, except per ton data)

	Three Months Ended December 31, 2018 (Unaudited)				Three Months Ended September 30, 2018 (Unaudited)				Three Months Ended December 31, 2017 (Unaudited)			
Powder River Basin												
Tons Sold		19.5				21.5				19.5		
Segment Sales	$	231.9	$	11.88	$	258.3	$	12.02	$	239.9	$	12.32
Segment Cash Cost of Sales		208.1		10.66		209.8		9.76		209.9		10.78
Segment Cash Margin		23.8		1.22		48.5		2.26		30.0		1.54
Metallurgical												
Tons Sold		2.1				1.9				1.8		
Segment Sales	$	253.8	$	121.53	$	198.5	$	104.75	$	164.1	$	90.82
Segment Cash Cost of Sales		156.3		74.84		118.5		62.54		107.5		59.50
Segment Cash Margin		97.4		46.69		80.0		42.21		56.6		31.32
Other Thermal												
Tons Sold		2.3				2.5				2.3		
Segment Sales	$	81.6	$	34.89	$	94.1	$	36.96	$	80.1	$	35.43
Segment Cash Cost of Sales		67.3		28.76		70.5		27.68		56.3		24.88
Segment Cash Margin		14.3		6.13		23.6		9.28		23.9		10.55
Total Segment Cash Margin	$	135.6			$	152.1			$	110.4		
Selling, general and administrative expenses		(26.7)				(22.9)				(24.4)		
Other		13.7				(4.3)				11.8		
Adjusted EBITDA	$	122.6			$	124.9			$	97.8		

Arch Coal, Inc. and Subsidiaries
Reconciliation of NON-GAAP Measures
(In millions, except per ton data)

Included in the accompanying release, we have disclosed certain non-GAAP measures as defined by Regulation G.
The following reconciles these items to the most directly comparable GAAP measure.

Non-GAAP Segment coal sales per ton sold

Non-GAAP Segment coal sales per ton sold is calculated as segment coal sales revenues divided by segment tons sold. Segment coal sales revenues are adjusted for transportation costs, and may be adjusted for other items that, due to generally accepted accounting principles, are classified in “other income” on the consolidated income statements, but relate to price protection on the sale of coal. Segment coal sales per ton sold is not a measure of financial performance in accordance with generally accepted accounting principles. We believe segment coal sales per ton sold provides useful information to investors as it better reflects our revenue for the quality of coal sold and our operating results by including all income from coal sales. The adjustments made to arrive at these measures are significant in understanding and assessing our financial condition. Therefore, segment coal sales revenues should not be considered in isolation, nor as an alternative to coal sales revenues under generally accepted accounting principles.

Quarter ended December 31, 2018 (In thousands)	**Powder River Basin**	**Metallurgical**	**Other Thermal**	**Idle and Other**	**Consolidated**
GAAP Revenues in the consolidated income statements	$ 236,014	$ 302,915	$ 106,887	$ 5,146	$ 650,962
Less: Adjustments to reconcile to Non-GAAP Segment coal sales revenue					
Coal risk management derivative settlements classified in “other income”	—	—	3,516	—	3,516
Coal sales revenues from idled or otherwise disposed operations not included in segments	—	—	—	5,146	5,146
Transportation costs	4,142	49,077	21,732	—	74,951
Non-GAAP Segment coal sales revenues	$ 231,872	$ 253,838	$ 81,639	$ —	$ 567,349
Tons sold	19,521	2,089	2,340		
Coal sales per ton sold	$ 11.88	$ 121.53	$ 34.89		

Quarter ended September 30, 2018 (In thousands)	**Powder River Basin**	**Metallurgical**	**Other Thermal**	**Idle and Other**	**Consolidated**
GAAP Revenues in the consolidated income statements	$ 261,927	$ 236,328	$ 130,663	$ 4,262	$ 633,180
Less: Adjustments to reconcile to Non-GAAP Segment coal sales revenue					
Coal risk management derivative settlements classified in “other income”	—	—	2,522	—	2,522
Coal sales revenues from idled or otherwise disposed operations not included in segments	—	—	—	4,262	4,262
Transportation costs	3,592	37,857	34,031	—	75,480
Non-GAAP Segment coal sales revenues	$ 258,335	$ 198,471	$ 94,110	$ —	$ 550,916
Tons sold	21,486	1,895	2,546		
Coal sales per ton sold	$ 12.02	$ 104.75	$ 36.96		

Quarter ended December 31, 2017 (In thousands)	**Powder River Basin**	**Metallurgical**	**Other Thermal**	**Idle and Other**	**Consolidated**
GAAP Revenues in the consolidated income statements	$ 244,191	$ 195,661	$ 109,100	$ 11,292	$ 560,244
Less: Adjustments to reconcile to Non-GAAP Segment coal sales revenue					
Coal risk management derivative settlements classified in “other income”	—	—	182	—	182
Coal sales revenues from idled or otherwise disposed operations not included in segments	—	—	—	11,292	11,292
Transportation costs	4,306	31,545	28,771	—	64,622
Non-GAAP Segment coal sales revenues	$ 239,885	$ 164,116	$ 80,147	$ —	$ 484,148
Tons sold	19,473	1,807	2,262		
Coal sales per ton sold	$ 12.32	$ 90.82	$ 35.43		

Arch Coal, Inc. and Subsidiaries
Reconciliation of NON-GAAP Measures
(In millions, except per ton data)

Non-GAAP Segment cash cost per ton sold

Non-GAAP Segment cash cost per ton sold is calculated as segment cash cost of coal sales divided by segment tons sold. Segment cash cost of coal sales is adjusted for transportation costs, and may be adjusted for other items that, due to generally accepted accounting principles, are classified in "other income" on the consolidated income statements, but relate directly to the costs incurred to produce coal. Segment cash cost per ton sold is not a measure of financial performance in accordance with generally accepted accounting principles. We believe segment cash cost per ton sold better reflects our controllable costs and our operating results by including all costs incurred to produce coal. The adjustments made to arrive at these measures are significant in understanding and assessing our financial condition. Therefore, segment cash cost of coal sales should not be considered in isolation, nor as an alternative to cost of sales under generally accepted accounting principles.

Quarter ended December 31, 2018 (In thousands)	**Powder River Basin**	**Metallurgical**	**Other Thermal**	**Idle and Other**	**Consolidated**
GAAP Cost of sales in the consolidated income statements	$ 212,434	$ 205,390	$ 89,040	$ 7,141	$ 514,005
Less: Adjustments to reconcile to Non-GAAP Segment cash cost of coal sales					
Diesel fuel risk management derivative settlements classified in "other income"	120	—	—	—	120
Transportation costs	4,142	49,077	21,732	—	74,951
Cost of coal sales from idled or otherwise disposed operations not included in segments	—	—	—	4,746	4,746
Other (operating overhead, certain actuarial, etc.)	—	—	—	2,395	2,395
Non-GAAP Segment cash cost of coal sales	$ 208,172	$ 156,313	$ 67,308	$ —	$ 431,793
Tons sold	19,521	2,089	2,340		
Cash cost per ton sold	$ 10.66	$ 74.84	$ 28.76		

Quarter ended September 30, 2018 (In thousands)	**Powder River Basin**	**Metallurgical**	**Other Thermal**	**Idle and Other**	**Consolidated**
GAAP Cost of sales in the consolidated income statements	$ 214,921	$ 156,353	$ 104,516	$ 6,239	$ 482,029
Less: Adjustments to reconcile to Non-GAAP Segment cash cost of coal sales					
Diesel fuel risk management derivative settlements classified in "other income"	1,528	—	—	—	1,528
Transportation costs	3,592	37,857	34,031	—	75,480
Cost of coal sales from idled or otherwise disposed operations not included in segments	—	—	—	3,174	3,174
Other (operating overhead, certain actuarial, etc.)	—	—	—	3,065	3,065
Non-GAAP Segment cash cost of coal sales	$ 209,801	$ 118,496	$ 70,485	$ —	$ 398,782
Tons sold	21,486	1,895	2,546		
Cash cost per ton sold	$ 9.76	$ 62.54	$ 27.68		

Quarter ended December 31, 2017 (In thousands)	**Powder River Basin**	**Metallurgical**	**Other Thermal**	**Idle and Other**	**Consolidated**
GAAP Cost of sales in the consolidated income statements	$ 214,006	$ 139,059	$ 85,038	$ 13,119	$ 451,222
Less: Adjustments to reconcile to Non-GAAP Segment cash cost of coal sales					
Diesel fuel risk management derivative settlements classified in "other income"	(229)	—	—	—	(229)
Transportation costs	4,306	31,545	28,771	—	64,622
Cost of coal sales from idled or otherwise disposed operations not included in segments	—	—	—	11,405	11,405
Other (operating overhead, certain actuarial, etc.)	—	—	—	1,714	1,714
Non-GAAP Segment cash cost of coal sales	$ 209,929	$ 107,514	$ 56,267	$ —	$ 373,710
Tons sold	19,473	1,807	2,262		
Cash cost per ton sold	$ 10.78	$ 59.50	$ 24.88		

Arch Coal, Inc. and Subsidiaries
Reconciliation of Non-GAAP Measures
(In thousands, except per share data)

Adjusted EBITDA

Adjusted EBITDA is defined as net income attributable to the Company before the effect of net interest expense, income taxes, depreciation, depletion and amortization, accretion on asset retirement obligations, amortization of sales contracts and nonoperating expenses. Adjusted EBITDA may also be adjusted for items that may not reflect the trend of future results by excluding transactions that are not indicative of the Company's core operating performance.

Adjusted EBITDA is not a measure of financial performance in accordance with generally accepted accounting principles, and items excluded from Adjusted EBITDA are significant in understanding and assessing our financial condition. Therefore, Adjusted EBITDA should not be considered in isolation, nor as an alternative to net income, income from operations, cash flows from operations or as a measure of our profitability, liquidity or performance under generally accepted accounting principles. The Company uses adjusted EBITDA to measure the operating performance of its segments and allocate resources to the segments. Furthermore, analogous measures are used by industry analysts and investors to evaluate our operating performance. Investors should be aware that our presentation of Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. The table below shows how we calculate Adjusted EBITDA.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
	(Unaudited)			
Net income	$ 86,094	$ 81,271	$ 312,577	$ 238,450
Benefit from income taxes	(3,351)	(34,771)	(52,476)	(35,255)
Interest expense, net	2,691	4,945	13,689	24,256
Depreciation, depletion and amortization	27,536	27,928	119,563	122,464
Accretion on asset retirement obligations	6,993	7,383	27,970	30,209
Amortization of sales contracts, net	1,567	11,082	11,107	53,985
Gain on sale of Lone Mountain Processing, Inc.	—	277	—	(21,297)
Non-service related pension and postretirement benefit costs	996	166	3,202	1,940
Net loss resulting from early retirement of debt and debt restructuring	—	—	485	2,547
Reorganization items, net	60	(494)	1,661	2,398
Adjusted EBITDA	$ 122,586	$ 97,787	$ 437,778	$ 419,697

Exhibit 99.2

News from
Arch Coal, Inc.

FOR FURTHER INFORMATION:

Investor Relations
314/994-2897

FOR IMMEDIATE RELEASE

Arch Coal Commences Development Work on a New, World-Class
Coking Coal Mine in Northern West Virginia
Expected to be among largest, lowest-cost, highest-margin U.S. coking coal mines
Projected to be nearly identical to Arch's premier Leer longwall mine
Will produce premium, High-Vol A coking coal for sale to global steel producers

ST. LOUIS, February 14, 2019 — Arch Coal, Inc. (NYSE:ARCH) announced today that it has commenced development of a new, world-class longwall mine in Barbour County, West Virginia, that will produce an estimated three million tons of premium, High-Vol A coking coal annually for sale into an undersupplied global marketplace.

The new mine, Leer South, will be similar in virtually every respect to Arch's existing Leer longwall mine, and will operate in the same 200-million-ton reserve base as the Leer operation. The Leer mine is widely regarded as one of the lowest-cost, highest-quality and highest-margin coking coal mines in the U.S. coking coal industry.

"We are excited about this new project, which we view as transformational for Arch Coal and its shareholders," said John W. Eaves, Arch's chief executive officer. "With the addition of Leer South, Arch will greatly enhance its portfolio of world-class coking coal assets, and cement our position as the premier global producer of High-Vol A coking coal. We believe there is significant, unfulfilled global demand for High-Vol A coking coal generally, and our Leer brand specifically, and are already engaged in discussions with leading steel producers around the world that are eager to secure additional volumes of our Leer-brand products."

The company plans to sell the output from the Leer South complex principally into the 300-million-metric-ton-per-year seaborne coking coal market. Steel market consultants expect solid demand growth for seaborne coking coal over the next 10 years, driven by substantial steel sector growth in India and other rapidly emerging Asian economies. At the same time, we believe that global coking coal markets remain under-supplied following years of under-investment, with few large-scale projects — particularly in high-quality coking coal reserves — contemplated in coming years. Premium High-Vol A coals, such as those produced at the Leer complex, face a particularly tight supply outlook. With average seaborne coking coal demand growth projected at 1.5 percent per year, and assuming a modest annual depletion rate of 2 percent at existing mines, seaborne coking coal markets will require the installation of 10 million tons of new mine capacity annually, or a total of more than 75 million tons between now and 2025.

“We believe that Leer South’s projected position in the first quartile of the U.S. coking coal cost curve — coupled with its extremely high product quality — will enable us to achieve highly attractive margins, an excellent return on investment, and a rapid payback across a range of potential market environments,” Eaves said.

With their high fluidity and superior plasticity, High-Vol A coking coals can facilitate the inclusion of a wide range of coking coals and even petcokes in a steel mill’s coke blend, while reducing coking times and delivering a stronger and more homogeneous finished coke product. Leer-brand coking coal has the significant, added advantage of high coke strength after reaction, or CSR, which results in an even stronger finished coke product. Arch estimates that the global supply of High-Vol A or equivalent coals totals less than 25 million tons per annum.

Arch expects to invest approximately $360 million to $390 million over the next three years to develop the mine, with the longwall scheduled to start up in late 2021.

“Given our outlook for continued strong cash generation, along with other steps we have taken to increase liquidity, we expect to fund 2019 expenditures for the new development with internally generated cash and cash on hand,” Eaves said. “Even with the projected increase in our 2019 capital spending budget, which includes approximately $90 million related to the Leer South project, we expect to have the capability to continue our share buyback program at similar levels to 2018 should we opt to do so.”

Given the company’s exceptionally strong balance sheet, minimal debt level and overall net cash position, and subject to then-current coal market conditions, Arch may consider a variety of alternatives after 2019, including debt financing or utilization of existing borrowing capacity should those options be deemed advantageous.

In addition to its plans for Leer South, Arch announced that it would be transitioning its Mountain Laurel operation from longwall to room-and-pillar mining at the beginning of 2020, and moving the Mountain Laurel longwall equipment to Leer South at that time.

“We view this transition as beneficial in multiple ways,” said Paul A. Lang, Arch’s president and chief operating officer. “First, Mountain Laurel’s still-extensive reserve base is increasingly well-suited to room-and-pillar mining, which is expected to deliver greater operational flexibility, higher product quality and a modestly lower cost structure. Second, the redeployment of the longwall equipment to Leer South will lower the capital requirements for the new project by around $35 million and further enhance our expected return on investment. Third, we see great value in expanding further our high-margin High-Vol A production while maintaining a value-creating position in High-Vol B markets via a reconfigured Mountain Laurel operation.”

As indicated previously, Arch expects Leer South’s product quality, selling price and cost structure to be comparable to those of the existing Leer mine. Given that fact and based on current market conditions, Leer South would expect to capture a cash margin of around $90 per ton on seaborne coking coal shipments, and to fully recover its capital investment in roughly 18 months upon achieving full production rates.

Following the transition to room-and-pillar mining, Mountain Laurel expects to produce approximately 1.3 million tons of High-Vol B coking coal annually. While that is roughly 20 percent lower than the mine's 2018 output, Arch expects Mountain Laurel's per-ton costs to decline modestly and its product quality to improve following the transition. The transition will not result in the layoff of any of Mountain Laurel's outstanding workforce, as they will be repositioned in the new room-and-pillar mine plan.

In addition to the redeployment of existing longwall equipment from Mountain Laurel, Arch has further reduced Leer South's projected capital needs via plans to expand and utilize the preparation plant and select other facilities at the company's Sentinel Mine, which is also located in Barbour County. When fully operational, Leer South will employ nearly 600 highly skilled and highly trained employees.

"We view today's announcement as a tremendously positive development for Arch Coal, surrounding communities, and the state of West Virginia as a whole," Lang said. "The new Leer South operation will provide exceptional career opportunities for nearly 600 West Virginians directly, and many times that number indirectly, and be a cornerstone of the regional economy for decades to come. Just as importantly, Arch is committed to ensuring that Leer South achieves the same exemplary, industry-leading standards of mine safety and environmental stewardship for which Arch has long been known."

Arch expects to produce between 6.6 and 7.0 million tons of coking coal in 2019 — of which nearly 60 percent will be High-Vol A quality — and to maintain a similar level of production through 2021. In 2022, Arch's total coking coal production is expected to approach 9 million tons annually, with 75 percent of that total expected to be High-Vol A coal. With the start-up of the Leer South longwall, Arch expects the average, per-ton operating cost for its coking coal portfolio to decline meaningfully, which will drive higher margins in all market environments.

Concurrent with this release, Arch distributed a slide presentation on the Leer South project that can be found in the "investor" section of archcoal.com.

U.S.-based Arch Coal, Inc. is a top coal producer for the global steel and power generation industries. Arch operates a streamlined portfolio of large-scale, low-cost mining complexes that produce high-quality metallurgical coals in Appalachia and low-emitting thermal coals in the Powder River Basin and other strategic supply regions. For more information, visit 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 and steel industries; from legislation and regulations relating to the Clean Air Act and other environmental initiatives; from operational, geological, permit, labor and weather-related factors, from the Tax Cuts and Jobs Act and other tax reforms; from the effects of foreign and domestic trade policies, actions or disputes; from fluctuations in the amount of cash we generate from operations, which could impact, among other things, our ability to pay dividends or repurchase shares in accordance with our announced capital allocation plan 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.

# # #

Exhibit 99.3


ArchCoal
Leer South:
Arch's next world-class
High-Vol A longwall mine
February 14, 2019

Forward-looking information

This presentation contains “forward-looking statements” – that is, statements related to future, not past, events. Forward-looking statements address our expected future business and financial performance including our financial projections and often contain words such as “believes”, “could”, “should”, “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain and depend upon important estimates and assumptions concerning our financial and operating results, including with respect to our coal pricing expectations, many of which are subject to change. No representations or warranties are made by us as to the accuracy of any such forward-looking statements. The inclusion of this information should not be regarded as an indication that we consider it to be necessarily predictive of actual future results. The information contained herein reflect numerous estimates and assumptions with respect to coal market conditions, general economic conditions, weather conditions, natural gas prices, competition in our industry, production capacity, availability of surety bonds, and matters other matters specific to our business, all of which are difficult to predict and many of which are beyond our control. Uncertainties arise from changes in the demand for and pricing of 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 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. There is significant risk that our current estimates and assumptions may not be accurate and that our actual results will vary significantly from our anticipated results. Readers are cautioned not to rely on the forward-looking statements contained herein. 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.

This presentation includes certain non-GAAP financial measures, including, Free Cash Flow, Adjusted EBITDA, Adjusted EBITDA and cash costs per ton. These non-GAAP financial measures are not measures of financial performance in accordance with generally accepted accounting principles and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income from operations, cash flows from operations, earnings per fully-diluted share or other measures of profitability, liquidity or performance under generally accepted accounting principles. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. A reconciliation of these financial measures to the most comparable measures presented in accordance with generally accepted accounting principles has been included at the end of this presentation.

Leer South promises to drive significant new value for Arch's shareholders

Project

- Expected to be among the largest, lowest-cost and highest-margin U.S. coking coal mines
- Projected to be nearly identical in virtually every respect to Arch's flagship Leer longwall mine
- Cements Arch's position as the premier global producer of High-Vol A coal, with an incremental 3 million tons per annum
- Based on current market conditions, would capture a cash margin of around $90 per ton on seaborne coking shipments
- Will augment Arch's already advantageous product quality mix and further lower its cost structure
- Could fully recover its $360 million to $390 million capital investment in 18 months at current market conditions

Market

- Can help satisfy projected need for ~ 76 million tons of new coking coal productive capacity by 2025, based on 1.5 percent annual seaborne demand growth and 2 percent annual depletion rate
- Will principally serve the 300-million-metric-ton-per-year seaborne coking coal markets
- Will help satisfy growing, global need for high-quality coking coals in the face of reserve degradation and depletion in all major supply regions

Capital Priorities

- 2019 Leer South capital requirements can be funded with internally generated cash without limiting Arch's proven and highly successful capital return program, given current projections
- Arch remains committed to continuing its capital return program, which has returned $640 million to shareholders since inception, while maintaining ample liquidity and an industry-leading balance sheet
- Growth of high-margin tons from Leer South and a robust capital return program will allow Arch to generate long-term, sustainable returns for its shareholders

ArchCoal

Project Overview

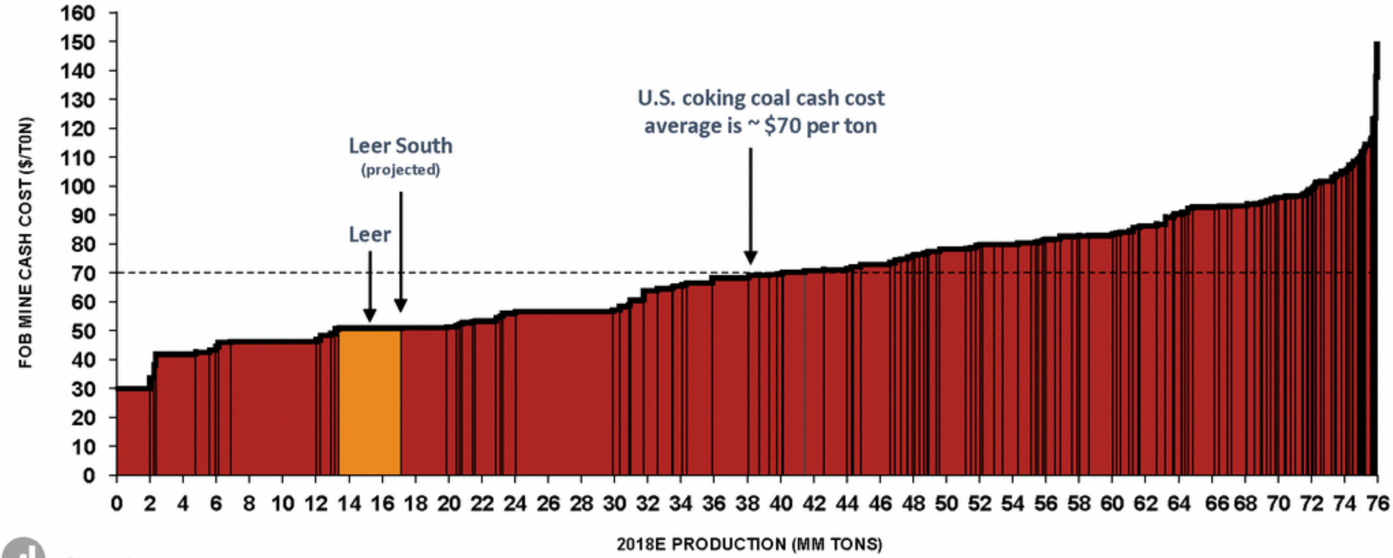
Leer South will be nearly identical to Arch's world-class Leer mine

	Leer	Leer South
Mine life	10 Years	20 Years
Mining technique	Longwall	Longwall
Seam	Lower Kittanning	Lower Kittanning
Seam thickness	~ 62 inches[1]	~ 65 inches
Average panel length	~ 6,700 feet	~ 9,000 feet
Annual met output	3 million tons	3 million tons
Product quality	High-Vol A	High-Vol A
Projected cash cost	Low-$50s	Low-$50s
Export facilities	Baltimore / DTA	Baltimore / DTA

[1] Reflects Leer mine's average seam thickness to date; starting in 2020 and thereafter, the average seam thickness at Leer will expand to more than 72 inches
Note: Excluding the reserves in the mine plans for Leer, Sentinel and Leer South, Arch will still have ~ 150 million tons of undeveloped reserves in the Tygart Valley reserve block.

Leer South is projected to join the Leer mine at the very low end of the U.S. cost curve – a competitive advantage amplified still further by its high-quality, High-Vol A output

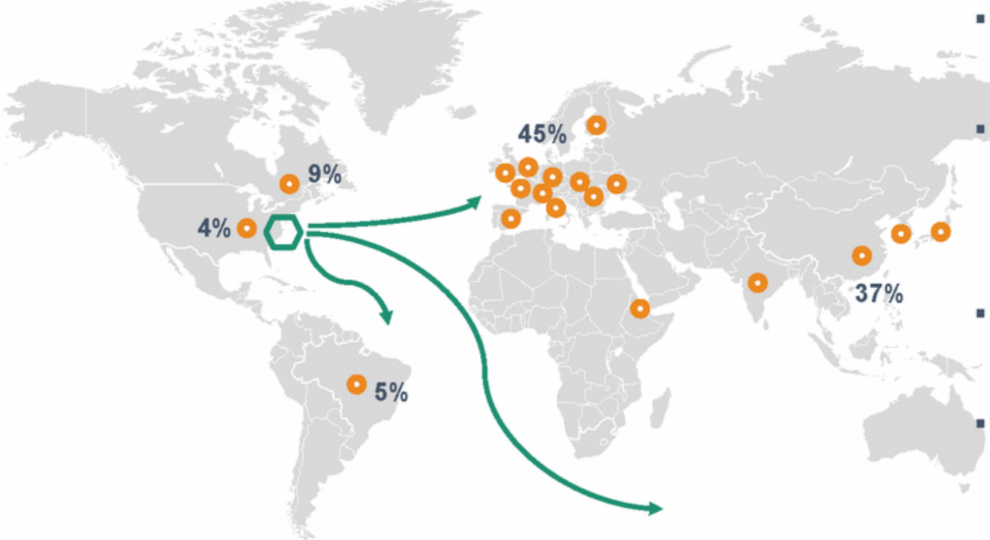
COAL PRODUCTION FROM IDENTIFIED MET MINES IN THE U.S.



Source: Internal

Arch has identified significant, unsatisfied demand for Leer-brand products across its geographically diverse customer and potential customer base

2018 LEER SHIPMENTS BY DEMAND REGION



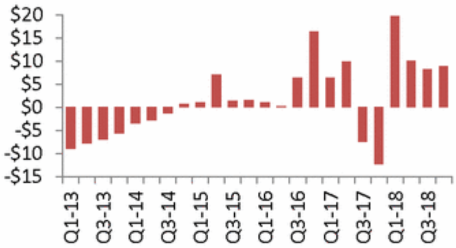
- Arch plans to capitalize on strong, global demand for Leer-brand High-Vol A coals
- High-Vol A and equivalent coals total less than 25 million tons per annum globally; provide unique advantages in coke blends; and earn an expanding premium in the marketplace
- Arch currently rationalizes Leer-brand shipments to its existing, geographically diverse customer base
- Leer South will facilitate still greater penetration in global seaborne markets

Map reflects Arch's 2018 coking coal shipments YTD from the Leer mine, as well as Leer's historical global customer base

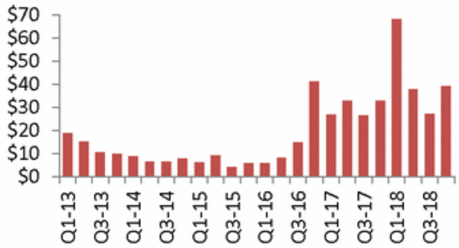
Coal Market Overview

U.S. High-Vol A coal is earning an expanding premium in the marketplace

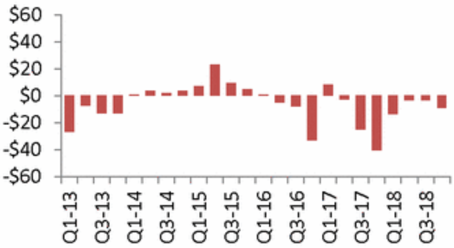
SPREAD BETWEEN U.S. HVA AND U.S. LV
(QUARTERLY AVERAGE, IN $ PER TON)



SPREAD BETWEEN U.S. HVA AND U.S. HVB
(QUARTERLY AVERAGE, IN $ PER TON)



SPREAD BETWEEN U.S. HVA AND PREMIUM HCC
(QUARTERLY AVERAGE, IN $ PER TON)



U.S. High-Vol A versus U.S. Low-Vol

- U.S. High-Vol A has traded at a premium to U.S. Low-Vol in 14 of the past 24 quarters, including each of the last four, and achieved an average premium of nearly $12 per metric ton in 2018

U.S. High-Vol A versus U.S. High-Vol B

- The premium that U.S. High-Vol A has achieved relative to U.S. High-Vol B has increased markedly in recent years, averaging nearly $43 per metric ton in 2018 versus just $6 per ton in 2015

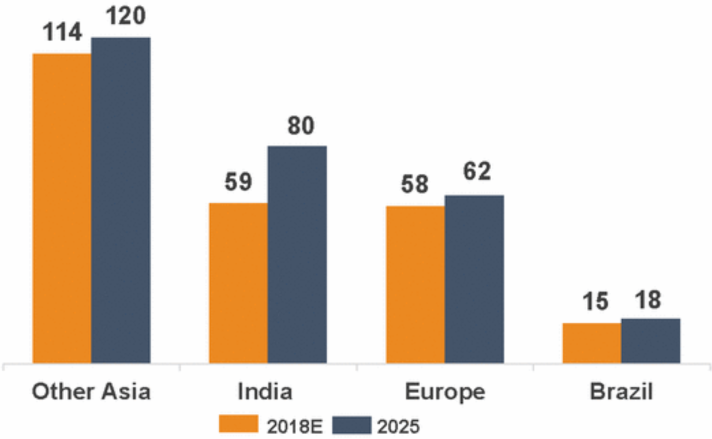
U.S. High-Vol A versus Australian Premium Hard Coking Coal

- U.S. High-Vol A has earned a premium over Australian Premium Hard Coking Coal in 11 of the past 24 quarters, with the Aussie product achieving a modest, $6 per metric ton higher price on average over that timeframe

Source: Platts, Internal

Solid demand growth is forecast for key coking coal import regions, and an increasing number of global steel mills are looking to add High-Vol A coals to their coke blends

GLOBAL METALLURGICAL COAL IMPORTS
(MILLION METRIC TONS)

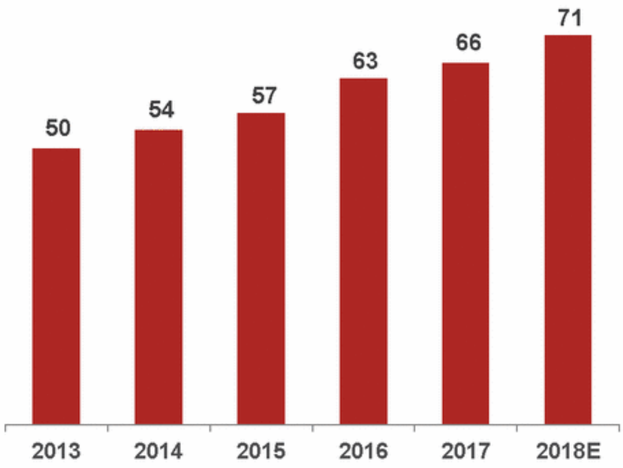


Source: Consensus based on CRU, Wood Mackenzie, and internal forecasts

- India and Other Asia represent a significant opportunity for the seaborne market – both directly and as a sink for Australian output
- India has doubled its steel production in the past 10 years and is on track to become the world's largest importer of coking coal in the near future
- European coking coal demand will be driven by continuing pressures on indigenous metallurgical coal reserves and production, as well as modest demand growth
- We expect Chinese imports to remain sizeable but stable as declining blast furnace and BOF production is counter-balanced by coking coal cost pressures and quality degradation

India is on track to become the world's largest importer of coking coal in the near future

INDIAN HOT METAL PRODUCTION
(IN MILLIONS OF METRIC TONS)

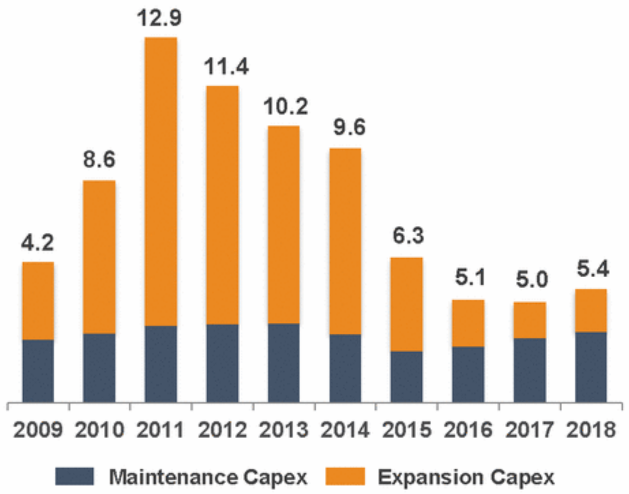


Source: CRU, IHS, Wood Mackenzie

- Indian steel output is up ~ 40 percent in the past five years
- Indian steel producers plan to add 42 million tons of hot metal capacity by 2023 – increasing installed base by 50 percent
- The Indian government is targeting 300 million tons of steel mill capacity by 2030
- Tata expects steel production to reach 150 million tons by 2025, which could boost coking coal requirements by 30 million tons or more
- Given poor quality of indigenous coals, nearly all of that total will need to be imported

Capital spending at Australian coking coal mines remains muted

INVESTMENT IN AUSTRALIAN COKING COAL MINES
(IN BILLIONS OF DOLLARS)

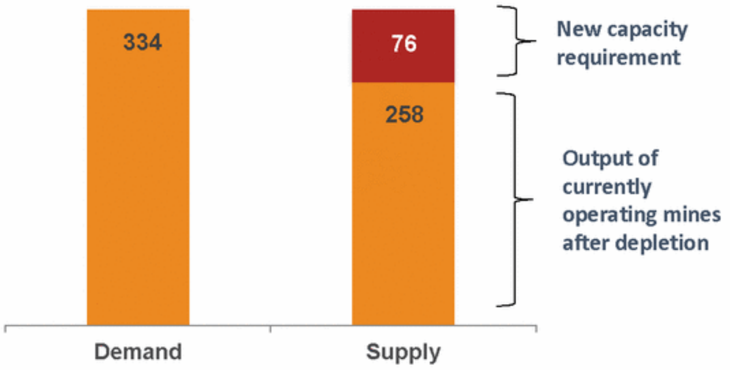


Source: Wood Mackenzie

- Australian producers supplied roughly 60 percent of all coking coal in the seaborne market in 2018
- Australian expansion capex fell from a peak of $8.5 billion in 2011 to an average of $1.2 billion annually over the past three years
- Based on current expansion plans, that trend appears likely to extend into 2019

Industry consultants project that 76 million tons of global coking coal capacity must be added by 2025 to meet growing seaborne demand

PROJECTED 2025 SEABORNE COKING COAL SUPPLY AND DEMAND
(IN MILLIONS OF METRIC TONS)



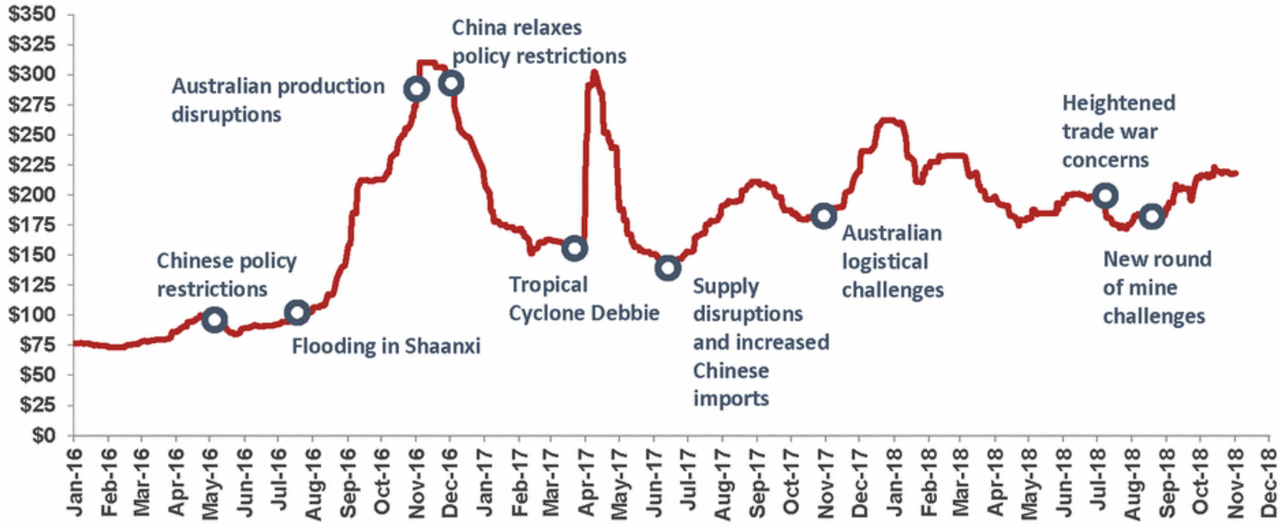
Source: Wood Mackenzie, CRU, and internal forecasts

- The consensus estimate is for 1.5 percent annual seaborne demand growth through 2025 – increasing from 300 million metric tons currently to 334 million tons in 2025
- Wood Mackenzie projects that depletion will reduce annual output by 2 percent per year, or 42 million tons by 2025
- That leaves a gap of 76 million tons that must be filled with mine expansions and new capacity by 2025
- Australian producers are unlikely to fill the gap given subdued pipeline of development projects and ongoing logistics issues
- Likewise, North America is a mature asset base with few quality development projects

Ongoing volatility in coking coal prices suggests a well-balanced market with limited potential for near-term to intermediate-term supply response

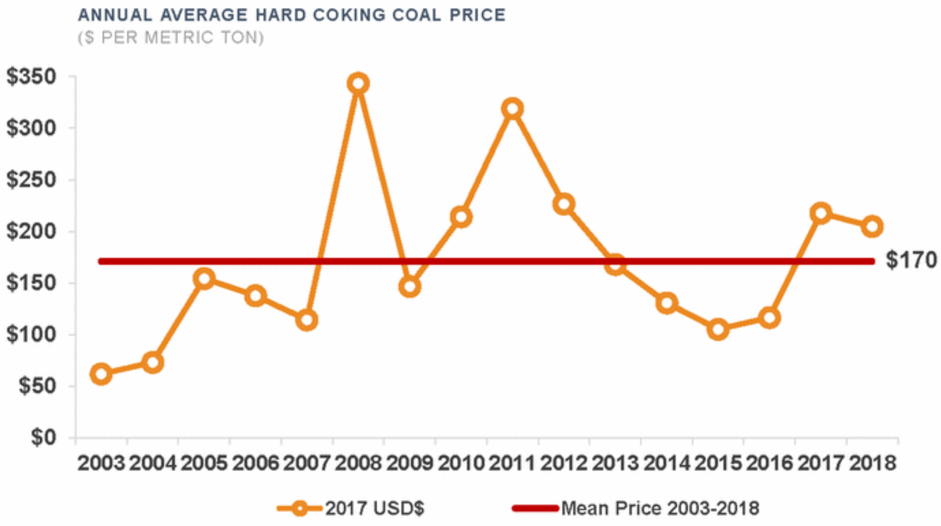
HISTORICAL HARD COKING COAL BENCHMARK PRICES

($ PER METRIC TON)



Source: Platts and Arch

Global hard coking coal prices have averaged ~ $170 per metric ton over the past 16 years – and the global cost curve is shifting up and to the right



- The average price of coking coal FOB the vessel in Queensland, Australia has averaged ~ $170 per metric ton on an inflation-adjusted basis since China entered the market 16 years ago
- We expect volatility to continue, but with an upward bias as mining costs increase over time due to reserve degradation and depletion

Source: Bloomberg, Public Information, BLS, Internal

ArchCoal

Capital Allocation Priorities

Arch continuously evaluates which avenues provide the best risk-adjusted returns

EBITDA

- Capex - Interest Expense - Taxes

=

Projected Free Cash

Capital Returns

Recurring Dividends

- Currently a 2% yield
- Allows for broadest participation in equity
- Set at a level viewed as sustainable throughout market cycle

9% of FCF in 2018

Share Buybacks

- Proven value creation to date
- Attractive mechanism while stock is deemed a good value
- Both systematic and opportunistic

80% of FCF in 2018

Special Dividends

- More systematic "buyback" approach favored at present

Growth Capital

Organic Growth

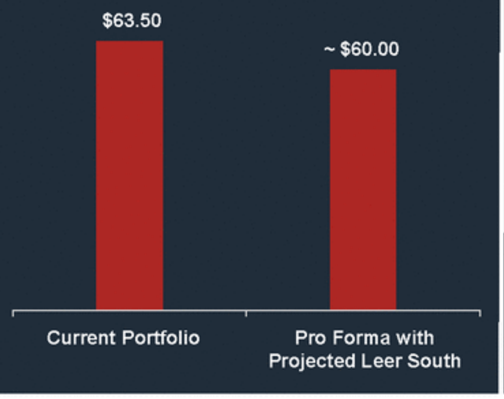
- Leer South is a world-class growth opportunity with a compelling payback profile
- With ~ 150 million tons of undeveloped reserves post Leer South, Tygart reserve base will continue to provide a compelling, long-term growth story

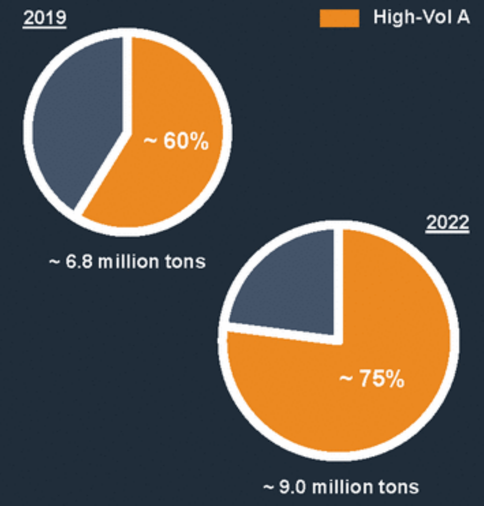
M&A

- Limited availability to "average up" existing coking coal portfolio
- "Diamonds in rough" few and far between
- Prospects screened against organic opportunities

Leer South will lower the average cost, increase the average quality, and expand the average operating margin of Arch's coking coal portfolio

PROJECTED 2019 COKING COAL COSTS
(IN DOLLARS PER TON, AT THE MIDPOINT OF GUIDANCE)





PROJECTED PAYBACK FOR LEER SOUTH AT VARIOUS MARKET PRICES

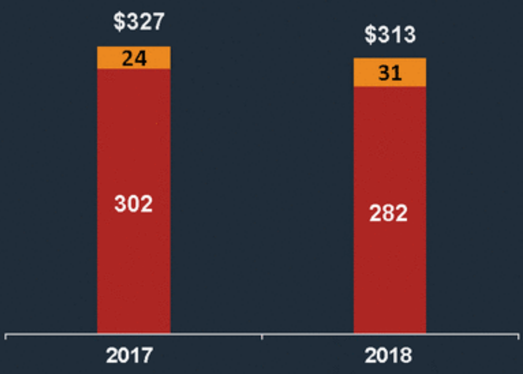
Price*	Payback
$225	15 months
$200	18 months
$175	24 months
$150	30 months
$125	48 months

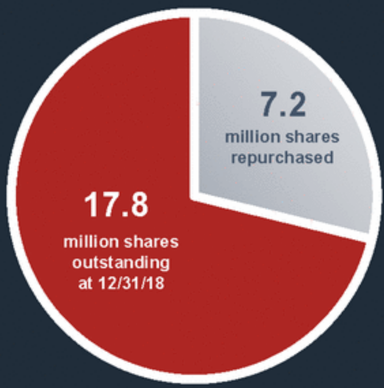
* High-Vol A price per metric ton, FOB vessel, U.S. East Coast

Source: Internal

Arch has returned $640 million of capital to shareholders since May 2017

CAPITAL RETURNED TO SHAREHOLDERS VIA SHARE BUYBACKS AND DIVIDENDS (IN MILLIONS)





Arch has bought back 29% of its total shares outstanding since May 2017

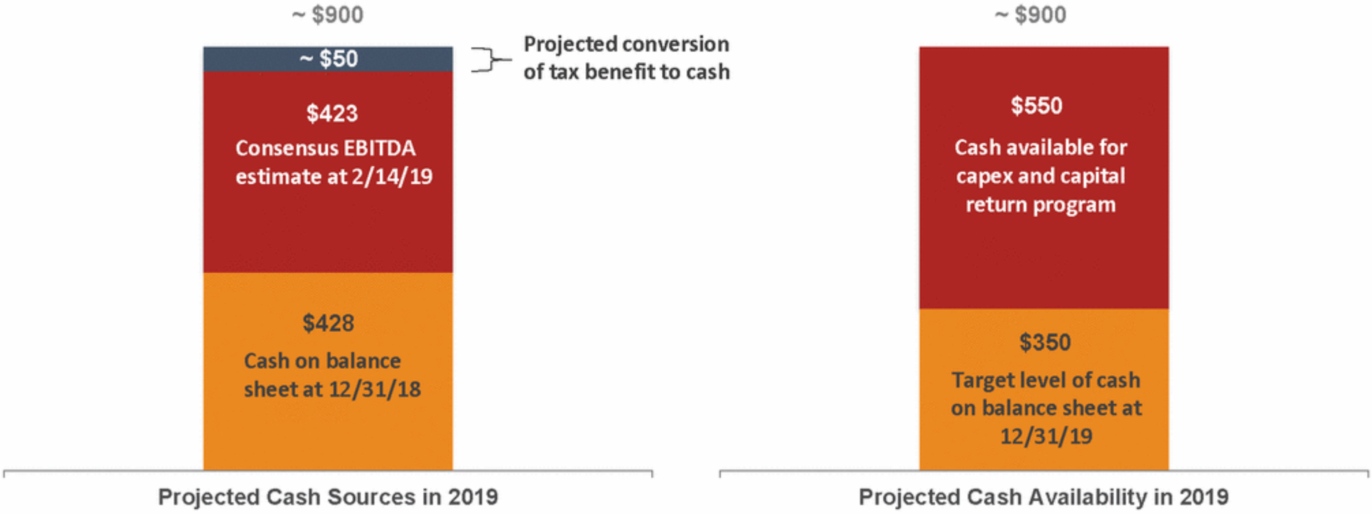
$640 million

returned to shareholders since capital return program's inception in May 2017

Source: Internal

Based on current estimates, Arch would have around $550 million of capital available to fund its capex needs and capital return program in 2019

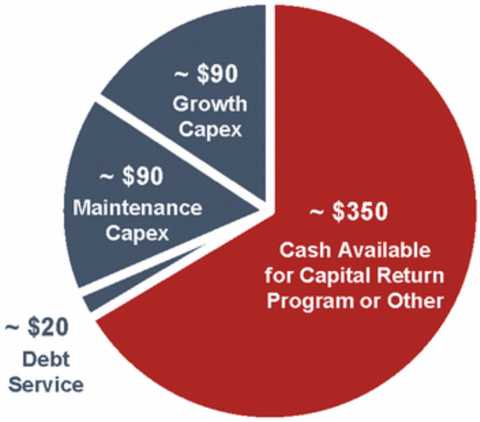
PROJECTED SOURCES OF CASH AND CASH AVAILABILITY IN 2019
(IN MILLIONS)



Source: IR Insight (analyst estimates) and internal projections

Based on current estimates and projected needs, Arch would have $350 million of available cash to fund its capital return program, should it opt to do so

PROJECTED 2019 CASH AVAILABILITY AND POTENTIAL USES
(IN MILLIONS)



~ $550 million
Total projected cash available for capex and capital return program

- Even with the Leer South capex, Arch would have $350 million of discretionary cash availability in 2019 based on current analyst expectations and projected capex needs
- Arch returned an average of $320 million of cash to shareholders in 2017 and 2018 under its capital return program
- Arch is projected to be in an excellent position to match or exceed that level in 2019 should it opt to do so

Leer South promises to drive significant new value for Arch's shareholders

Project

- Expected to be among the largest, lowest-cost and highest-margin U.S. coking coal mines
- Projected to be nearly identical in virtually every respect to Arch's flagship Leer longwall mine
- Cements Arch's position as the premier global producer of High-Vol A coal, with an incremental 3 million tons per annum
- Based on current market conditions, would capture a cash margin of around $90 per ton on seaborne coking shipments
- Will augment Arch's already advantageous product quality mix and further lower its cost structure
- Could fully recover its $360 million to $390 million capital investment in 18 months at current market conditions

Market

- Can help satisfy projected need for ~ 76 million tons of new coking coal productive capacity by 2025, based on 1.5 percent annual seaborne demand growth and 2 percent annual depletion rate
- Will principally serve the 300-million-metric-ton-per-year seaborne coking coal markets
- Will help satisfy growing, global need for high-quality coking coals in the face of reserve degradation and depletion in all major supply regions

Capital Priorities

- 2019 Leer South capital requirements can be funded with internally generated cash without limiting Arch's proven and highly successful capital return program, given current projections
- Arch remains committed to continuing its capital return program, which has returned $640 million to shareholders since inception, while maintaining ample liquidity and an industry-leading balance sheet
- Growth of high-margin tons from Leer South and a robust capital return program will allow Arch to generate long-term, sustainable returns for its shareholders

ArchCoal

Leer South: Arch's next world-class High-Vol A longwall mine

February 14, 2019