
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE TO

**Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934
(Amendment No. 3)**

Arch Coal, Inc.

(Name of Subject Company (Issuer) and Filing Person (Offeror))

**5% Perpetual Cumulative Convertible Preferred Stock
(Liquidation Preference \$50.00 Per Share)
(Title of Class of Securities)**

039380 20 9
(CUSIP Number of Class of Securities)

**Robert G. Jones
Vice President — Law, General Counsel and Secretary
Arch Coal, Inc.
One CityPlace Drive, Suite 300
St. Louis, Missouri 61341
(314) 994-2700**

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications on Behalf of Filing Persons)

with a copy to:

**Ronald D. West
Kirkpatrick & Lockhart Nicholson Graham LLP
Henry W. Oliver Building
535 Smithfield Street
Pittsburgh, Pennsylvania 15222-2312
(412) 355-6500**

CALCULATION OF FILING FEE:

Transaction Valuation(1)	Amount of Filing Fee
\$10,062,246	\$1,076.66

(1) Estimated solely for the purpose of calculating the registration fee based on the product of (i) \$75.15, which is the average of high and low prices per share of Arch Coal, Inc.'s Common Stock, \$.01 par value, as reported on the New York Stock Exchange on November 29, 2005, and (ii) 134,522 shares of Arch Coal, Inc.'s Common Stock, which represents the maximum number of shares of Arch Coal, Inc.'s Common Stock that may be issued as the premium pursuant to the conversion offer upon the conversion of up to 2,874,926 of Arch Coal's 5% Perpetual Cumulative Convertible Preferred Stock (Liquidation Preference \$50.00 Per Share) validly tendered and accepted for conversion in the conversion offer.]

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$1,076.66
Form or Registration No.: Schedule TO
Filing Party: Arch Coal, Inc.
Date Filed: December 1, 2005

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate box(es) below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

This Amendment No. 3 (this “Amendment No. 3”) to the Tender Offer Statement on Schedule TO filed with the Securities and Exchange Commission (the “SEC”) on December 1, 2005 (the “Schedule TO”), as amended by Amendment No. 1 to the Schedule TO (“Amendment No. 1”) filed with the SEC on December 5, 2005 and Amendment No. 2 to the Schedule TO (“Amendment No. 2”), relates to an offer by Arch Coal, Inc., a Delaware corporation (the “Company”), to deliver a premium, payable in shares of the Company’s Common Stock, \$.01 par value (“Common Stock”), for each share of the Company’s 5% Perpetual Cumulative Convertible Preferred Stock (Liquidation Preference \$50.00 Per Share) (“Preferred Stock”) validly tendered and accepted for conversion (the “Conversion Offer”) pursuant to the terms and subject to the conditions described in the conversion offer prospectus, dated November 30, 2005 (the “Offering Circular”), the Offering Circular Supplement, dated December 5, 2005 (the “First Offering Circular Supplement”), the Second Offering Circular Supplement, dated December 13, 2005 (the “Second Offering Circular Supplement”), the Third Offering Circular Supplement, dated December 16, 2005 and the accompanying letter of transmittal. The Offering Circular, the First Offering Circular Supplement, the Second Offering Circular Supplement, the Third Offering Circular Supplement and the accompanying letter of transmittal are exhibits (a)(1)(A), (a)(1)(B), (a)(1)(C), (a)(1)(D) and (a)(1)(E), respectively, hereto.

The information set forth in the Offering Circular, the First Offering Circular Supplement, the Second Offering Circular Supplement, the Third Offering Circular Supplement and the accompanying letter of transmittal is hereby expressly incorporated herein by reference in response to all items required by Schedule TO. This Amendment No. 2 amends Items 4, 10, 11 and 12 of the Schedule TO. In addition, to the extent that this Amendment No. 3 contains information not contained in the Offering Circular, the information herein amends the Offering Circular.

Item 4. Terms of the Transaction.

(a) The information set forth under the captions “Summary — The Conversion Offer,” “Questions and Answers about the Conversion Offer,” “The Conversion Offer,” “Comparison of Rights of Holders of Our Preferred Stock and Holders of Our Common Stock,” “Description of Capital Stock” and “Material United States Federal Income Tax Consequences” in the Offering Circular, as well as the information set forth in the First Offering Circular Supplement, the Second Offering Circular Supplement, the Third Offering Circular Supplement and the related letter of transmittal is incorporated herein by reference.

(b) No shares of Preferred Stock are owned by any officer, director or affiliate of the Company, and therefore no such persons will participate in the Conversion Offer.

Item 10. Financial Statements.

(a) The information set forth under the captions “Where You Can Find More Information” and “Selected Consolidated Financial and Operating Data” in the Offering Circular and the information set forth in the Third Offering Circular Supplement is incorporated herein by reference. The information set forth under (i) Item 8, Financial Statements and Supplementary

Data, in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and (ii) Item 1, Financial Statements, in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2005 is incorporated herein by reference and can also be accessed electronically on the Securities and Exchange Commission's website at <http://www.sec.gov>.

(b) Not applicable.

Item 11. Additional Information.

(a) To the Company's knowledge, there are no governmental or federal or state regulatory approvals required for the consummation of the Conversion Offer, other than with applicable securities laws.

(b) The information set forth in the Offering Circular, the First Offering Circular Supplement, the Second Offering Circular Supplement, the Third Offering Circular Supplement and the accompanying letter of transmittal is incorporated herein by reference.

Item 12. Exhibits.

The following are attached as exhibits to this Schedule TO:

- (a)(1)(A) Offering Circular, dated November 30, 2005 (incorporated herein by reference to Exhibit (a)(1)(A) to the Schedule TO).
- (a)(1)(B) Offering Circular Supplement, dated December 5, 2005 (incorporated herein by reference to Exhibit (a)(1)(B) to Amendment No. 1 to the Schedule TO).
- (a)(1)(C) Second Offering Circular Supplement, dated December 13, 2005 (incorporated by reference to Exhibit (a)(1)(C) to Amendment No. 2 to the Schedule TO).
- (a)(1)(D) Third Offering Circular Supplement, dated December 16, 2005.
- (a)(1)(E) Form of Letter of Transmittal (incorporated herein by reference to Exhibit (a)(1)(B) to the Schedule TO).
- (a)(1)(F) Form of Letter to DTC Participants.
- (a)(1)(G) Form of Letter to Clients for use by brokers, dealers, commercial banks, trust companies and other nominees.
- (a)(2) Not applicable.
- (a)(3) Not applicable.
- (a)(4) Not applicable.
- (a)(5)(1) Press Release, dated December 1, 2005 (incorporated herein by reference to Exhibit (a)(5) to the Schedule TO).
- (a)(5)(2) Press Release, dated December 16, 2005 (incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by the Company on December 16, 2005).
- (b) Not applicable.
- (d) Form of Rights Agreement, dated March 3, 2000 (incorporated herein by reference to Exhibit 1 to the Company's Registration Statement on Form 8-A filed on March 9, 2000).

(g) Not applicable.
(h) Not applicable.

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Arch Coal, Inc.

By: /s/ Robert J. Messey

Name: Robert J. Messey

Title: Senior Vice President and Chief Financial Officer

Dated: December 16, 2005

THIRD OFFERING CIRCULAR SUPPLEMENT



Arch Coal, Inc.

**Offer to Pay a Premium Upon the Conversion
of up to an Aggregate of 2,874,926 Shares of Its
5% Perpetual Cumulative Convertible Preferred Stock
(Liquidation Preference \$50.00 Per Share) to Common Stock
CUSIP No. 039380 20 9
ISIN No. US0393802097**

This third offering circular supplement relates to the offer by Arch Coal, Inc., a Delaware corporation (the "Company"), to pay a premium to holders of any and all of its outstanding 5% Perpetual Cumulative Convertible Preferred Stock (Liquidation Preference \$50.00 Per Share) ("Preferred Stock") who elect to convert their shares of Preferred Stock to the Company's Common Stock, \$.01 par value ("Common Stock"), in accordance with the terms of the Preferred Stock and upon the terms and subject to the conditions set forth in the Company's offering circular, dated November 30, 2005 (the "Offering Circular"), the offering circular supplement, dated December 5, 2005 (the "First Offering Circular Supplement"), the offering circular supplement, dated December 13, 2005 (the "Second Offering Circular Supplement") and in the accompanying letter of transmittal. This third offering circular supplement further updates the Offering Circular, the First Offering Circular Supplement, the Second Offering Circular Supplement and should be read in conjunction with the Offering Circular, the First Offering Circular Supplement and the Second Offering Circular Supplement.

The Company has determined to change the formula set forth in the First Offering Circular for calculating the number of shares that will be paid as a premium in the conversion offer for each share of Preferred Stock validly tendered and accepted for conversion and to extend the conversion offer. As changed, the premium offered in the conversion offer is an amount of shares of our Common Stock valued at \$3.50, as determined by dividing (i) \$3.50 by (ii) the volume-weighted average of the reported sales prices on the New York Stock Exchange of our Common Stock during the 10 trading days ending at the close of the second trading day prior to the expiration of the conversion offer (including any extension), per share of Preferred Stock validly tendered and accepted for conversion. As extended, the conversion offer will expire at 12:00 midnight, New York City time, on December 30, 2005, unless extended or earlier terminated. Other than this change to the formula used to determine the number of shares of Common Stock that you will receive as a premium if you participate in the conversion offer and the extension of the conversion offer, the terms and conditions set forth in the Offering Circular, the First Offering Circular Supplement and the Second Offering Circular Supplement remain in effect. As indicated in the Second Offering Circular Supplement, holders of Preferred Stock who wish to request an estimate of the number of shares of Common Stock that would constitute the premium paid in the conversion offer, per share of Preferred Stock validly tendered and accepted for conversion, assuming that the conversion offer expired at midnight on the date prior to the date of inquiry, may request such information from American Stock Transfer & Trust Company, the information agent with respect to the conversion offer, toll-free at (877) 248-6417.

In addition to the Company's financial information contained or incorporated by reference in the Offering Circular, the Company is providing the following additional financial information. The Company's book value per common share as of September 30, 2005 was \$18.09. In addition, below is the Company's income per common share from continuing operations, basic and diluted, and ratio of earnings to combined fixed charges and preference dividends for the periods indicated.

	Years Ended December 31,					Nine Months Ended September 30, 2005
	2000	2001	2002	2003	2004	
Basic earnings (loss) per common share from continuing operations	\$ (0.33)	\$ (0.15)	\$ (0.05)	\$ 0.19	\$ 1.91	\$ 0.37
Diluted earnings (loss) per common share from continuing operations	\$ (0.33)	\$ (0.15)	\$ (0.05)	\$ 0.19	\$ 1.78	\$ 0.37
Ratio of earnings to combined fixed charges and preference dividends(1)	—	1.04x	—	—	2.54x	1.33x

- (1) Ratio of earnings to combined fixed charges and preference dividends is computed on a total enterprise basis including our consolidated subsidiaries, plus our share of significant affiliates accounted for on the equity method that are 50% or greater owned or whose indebtedness has been directly or indirectly guaranteed by us. Earnings consist of income (loss) from continuing operations before income taxes and are adjusted to include fixed charges (excluding capitalized interest). Fixed charges consist of interest incurred on indebtedness, the portion of operating lease rentals deemed representative of the interest factor and the amortization of debt expense. Preference dividends are the amount of pre-tax earnings required to pay dividends on our outstanding preferred stock and Arch Western Resources, LLC's preferred membership interest. In 2000, 2002 and 2003, combined fixed charges and preference dividends exceeded earnings by \$16.7 million, \$22.3 million and \$2.9 million, respectively.

With respect to the information set forth under the caption "Interests of Directors and Officers" in the Offering Circular, we amend and restate such information in its entirety as set forth below:

Our directors, executive officers, principal stockholders and affiliates do not own any Preferred Stock and will not be tendering Preferred Stock for conversion pursuant to the conversion offer. Neither we nor any of our subsidiaries, nor any of our officers or directors, nor any affiliates of any of the foregoing, have engaged in any transaction in Preferred Stock during the 60 business days prior to November 30, 2005.

Enclosed is a new letter of transmittal for your Preferred Stock. If you have not already returned a completed letter of transmittal with respect to your Preferred Stock, please complete the enclosed letter of transmittal. If you have already returned a completed letter of transmittal, you do not need to return the enclosed letter of transmittal unless you wish to change the information set forth in the letter of transmittal that you have already returned. This new letter of transmittal, when received, will supersede your earlier letter of transmittal. In any event, you may validly withdraw shares of Preferred Stock that you have already tendered or that you may tender at any time prior to the expiration date of the conversion offer. In addition, if not previously returned, you may withdraw any shares of Preferred Stock that you tender that are not accepted by us for conversion before January 30, 2006, which is 40 business days from the commencement of the conversion offer. For a withdrawal of shares of Preferred Stock to be effective, you must comply with the appropriate procedures of DTC's ATOP system prior to the expiration date or, if not accepted by us before January 30, 2006, the 40th business day after the commencement of the conversion offer. Any notice of withdrawal must identify the shares of Preferred Stock to be withdrawn, including the name and number of the account at DTC to be credited and otherwise comply with the procedures of DTC.

If you have questions regarding the procedures for tendering in the conversion offer or require assistance in tendering your shares of Preferred Stock, please contact American Stock Transfer & Trust Company, the information agent for the conversion offer, toll-free at (877) 248-6417 or (718) 921-8317. You may also contact the information agent toll-free at (877) 248-6417 to receive an estimate of the number of shares of Common Stock that would constitute the premium paid in the conversion offer per share of Preferred Stock validly tendered and accepted for conversion, assuming that the conversion offer expired on the date of inquiry. If you would like additional copies of this offering circular supplement, the Offering Circular or any supplement thereto, our annual, quarterly and current reports, proxy statement and other information that we incorporate by reference in the Offering Circular, please contact either the information agent at either telephone number set forth above or Investor Relations at Arch Coal at (314) 994-2700. Holders of Preferred Stock may also contact their brokers, dealers, commercial banks, trust companies or other nominees through which they hold their Preferred Stock with questions and requests for assistance.

The date of this third offering circular supplement is December 16, 2005.

ARCH COAL, INC.

LETTER TO THE DEPOSITORY TRUST COMPANY PARTICIPANTS

**Offer to Pay a Premium Upon the Conversion
of up to an Aggregate of 2,874,926 Shares of Its
5% Perpetual Cumulative Convertible Preferred Stock
(Liquidation Preference \$50.00 Per Share)**

CUSIP No. 039380 20 9

ISIN No. US0393802097

**Pursuant to the Offering Circular dated November 30, 2005
and the Offering Circular Supplement dated December 5, 2005**

**THE CONVERSION OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME,
ON DECEMBER 30, 2005 (THE "EXPIRATION DATE"), UNLESS THE CONVERSION
OFFER IS EXTENDED OR EARLIER TERMINATED.**

SHARES OF 5% PERPETUAL CUMULATIVE CONVERTIBLE PREFERRED STOCK (LIQUIDATION PREFERENCE \$50.00 PER SHARE) ("PREFERRED STOCK") TENDERED IN THE CONVERSION OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DATE (AS IT MAY BE EXTENDED). IN ADDITION, YOU MAY WITHDRAW ANY TENDERED SHARES OF PREFERRED STOCK AFTER JANUARY 30, 2006, IF WE HAVE NOT ACCEPTED THEM FOR CONVERSION.

To Depository Trust Company Participants:

We are enclosing herewith the documents listed below relating to the offer by Arch Coal, Inc., a Delaware corporation (the "*Company*"), to pay a premium to holders of any and all of the outstanding Preferred Stock who elect to convert their shares of Preferred Stock to the Company's Common Stock, \$.01 par value ("*Common Stock*"), in accordance with the terms of the Preferred Stock and upon the terms and subject to the conditions set forth in the Company's Offering Circular, dated November 30, 2005 (the "*Offering Circular*"), in the Company's Offering Circular Supplement, dated December 5, 2005, the Company's Second Offering Circular Supplement, dated December 13, 2005, the Company's Third Offering Circular, dated December 16, 2005 (collectively, the "*Offering Circular Supplements*"), and in the accompanying letter of transmittal (the "*Letter of Transmittal*"). The premium offered in this conversion offer is an amount of shares of our Common Stock valued at \$3.50, as determined by dividing (i) \$3.50 by (ii) the volume-weighted average of the reported sales prices on the New York Stock Exchange of our Common Stock during the 10 trading days ending at the close of the second trading day prior to the expiration of this conversion offer (including any extension), per share of Preferred Stock validly tendered and accepted for conversion. Holders who validly tender shares of Preferred Stock for conversion will receive the premium in addition to the number of shares of Common Stock issuable upon conversion pursuant to the conversion terms of the Preferred Stock. As of the date of the Offering Circular, the conversion ratio for the Preferred Stock was 2.3985 shares of our Common Stock for each share of Preferred Stock validly converted. On November 29, 2005, 2,874,926 shares of our Preferred Stock were outstanding. Certain terms used but not defined herein have the meanings ascribed to them in the Offering Circular.

The Company is requesting that you contact your clients for whom you hold shares of our Preferred Stock through your account with The Depository Trust Company ("*DTC*") regarding the Conversion Offer. For

your information and for forwarding to your clients for whom you hold shares of our Preferred Stock through your DTC account, enclosed herewith are copies of the following documents:

1. Offering Circular and Offering Circular Supplements;
2. Letter of Transmittal (together with accompanying Substitute Form W-9 and related Guidelines); and
3. Letter that may be sent to your clients for whose accounts you hold shares of Preferred Stock through your DTC account, which contains a form that may be sent from your clients to you with such clients' instruction with regard to the Conversion Offer.

We urge you to contact your clients promptly. Please note that the Conversion Offer will expire on the Expiration Date, unless extended or earlier terminated. The Conversion Offer is subject to certain conditions. Please see the section of the Offering Circular entitled "The Conversion Offer — Conditions to the Conversion Offer."

To participate in the Conversion Offer, a duly executed and properly completed Letter of Transmittal (or facsimile thereof or agent's message in lieu thereof), with any required signature guarantees and any other required documents, should be sent to the conversion agent, and the book-entry transfer procedures should be complied with, all in accordance with the instructions set forth in the Letter of Transmittal and the Offering Circular.

The Company will not pay any fee, commission or expense to any broker or dealer or to any other persons (other than the dealer manager, the exchange agent and the information agent) in connection with the solicitation of tenders of shares of Preferred Stock pursuant to the Conversion Offer.

Additional copies of the enclosed materials may be obtained from the conversion agent by calling American Stock Transfer & Trust Company at (877) 248-6417.

Very truly yours,

ARCH COAL, INC.

NOTHING HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF THE COMPANY OR THE CONVERSION AGENT, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENTS ON BEHALF OF EITHER OF THEM WITH RESPECT TO THE CONVERSION OFFER, EXCEPT FOR STATEMENTS EXPRESSLY MADE IN THE OFFERING CIRCULAR OR THE ACCOMPANYING LETTER OF TRANSMITTAL.

ARCH COAL, INC.

LETTER TO CLIENTS

**Offer To Pay a Premium Upon The Conversion
of up to an Aggregate of 2,874,926 Shares of Its
5% Perpetual Cumulative Convertible Preferred Stock
(Liquidation Preference \$50.00 Per Share)**

CUSIP No. 039380 20 9

ISIN No. US0393802097

**Pursuant to the Offering Circular dated November 30, 2005,
the Offering Circular Supplement dated December 5, 2005,
the Second Offering Circular Supplement dated December 13, 2005
and the Third Offering Circular Supplement dated December 16, 2005**

**THE CONVERSION OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME,
ON DECEMBER 30, 2005 (THE "EXPIRATION DATE"), UNLESS THE CONVERSION
OFFER IS EXTENDED OR EARLIER TERMINATED.**

SHARES OF 5% PERPETUAL CUMULATIVE CONVERTIBLE PREFERRED STOCK (LIQUIDATION PREFERENCE \$50.00 PER SHARE) ("PREFERRED STOCK") TENDERED IN THE CONVERSION OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DATE (AS IT MAY BE EXTENDED). IN ADDITION, YOU MAY WITHDRAW ANY TENDERED SHARES OF PREFERRED STOCK AFTER JANUARY 30, 2006, IF WE HAVE NOT ACCEPTED THEM FOR CONVERSION.

To Our Clients:

We are enclosing herewith an Offering Circular, dated November 30, 2005 (the "*Offering Circular*"), and an Offering Circular Supplement, dated December 5, 2005, a Second Offering Circular Supplement, dated December 13, 2005 and a Third Offering Circular Supplement dated December 16, 2005 (collectively, the "*Offering Circular Supplements*"), of Arch Coal, Inc., a Delaware corporation (the "*Company*"), and a letter of transmittal (the "*Letter of Transmittal*") relating to the offer by the Company to pay a premium to holders of any and all of the outstanding Preferred Stock who elect to convert their shares of Preferred Stock to the Company's Common Stock, \$.01 par value ("*Common Stock*"), in accordance with the terms of the Preferred Stock and upon the terms and subject to the conditions set forth in the Offering Circular, the Offering Circular Supplements and the accompanying Letter of Transmittal. The premium offered in this conversion offer is an amount of shares of the Company's Common Stock valued at \$3.50, as determined by dividing (i) \$3.50 by (ii) the volume-weighted average of the reported sales prices on the New York Stock Exchange of the Company's Common Stock during the 10 trading days ending at the close of the second trading day prior to the expiration of this conversion offer (including any extension), per share of Preferred Stock validly tendered and accepted for conversion. Holders who validly tender shares of Preferred Stock for conversion will receive the premium in addition to the number of shares of Common Stock issuable upon conversion pursuant to the conversion terms of the Preferred Stock. As of the date of the Offering Circular, the conversion ratio for the Preferred Stock was 2.3985 shares of the Company's Common Stock for each share of Preferred Stock validly converted. On November 29, 2005, 2,874,926 shares of the Company's Preferred Stock were outstanding. Certain terms used but not defined herein have the meanings ascribed to them in the Offering Circular.

The Conversion Offer is subject to certain conditions. See the section of the Offering Circular entitled "The Conversion Offer — Conditions to the Conversion Offer."

We are the holder of your shares of Preferred Stock through our account with the Depository Trust Company ("*DTC*"). A tender of such shares of Preferred Stock can be made only by us as a DTC participant

and pursuant to your instructions. The enclosed Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender shares of Preferred Stock held by us for your account.

We request instructions as to whether you wish to tender any or all of the shares of Preferred Stock held by us through our DTC account pursuant to the terms and conditions set forth in the Offering Circular, the Offering Circular Supplements and the Letter of Transmittal.

We urge you to read the Offering Circular, including the documents incorporated by reference therein, the Offering Circular Supplements and the Letter of Transmittal carefully before instructing us to tender your shares of Preferred Stock. You may use the attached form to give your instructions.

PLEASE RETURN YOUR INSTRUCTIONS TO US IN THE ENCLOSED ENVELOPE OR CONTACT YOUR REPRESENTATIVE WITH INSTRUCTIONS TO PERMIT US TO TENDER YOUR SHARES OF PREFERRED STOCK PRIOR TO THE EXPIRATION DATE.

INSTRUCTIONS TO THE DEPOSITORY TRUST COMPANY PARTICIPANT

To the Participant of The Depository Trust Company:

The undersigned hereby acknowledges receipt of the Offering Circular, dated November 30, 2005 (the "Offering Circular"), and the Offering Circular Supplement, dated December 5, 2005 the Second Offering Circular Supplement, dated December 13, 2005, and the Third Offering Circular Supplement, dated December 16, 2005 (collectively, the "Offering Circular Supplements"), of Arch Coal, Inc., a Delaware corporation (the "Company"), and the Letter of Transmittal, which together set forth the terms and conditions of the offer (the "Conversion Offer") by the Company to pay a premium to holders of any and all of the Company's outstanding 5% Perpetual Cumulative Convertible Preferred Stock (Liquidation Preference \$50.00 Per Share) ("Preferred Stock") who elect to convert their shares of Preferred Stock to shares of the Company's Common Stock, \$0.01 par value ("Common Stock"), in accordance with the terms of the Preferred Stock and upon the terms and subject to the conditions set forth in the Offering Circular, the Offering Circular Supplements and in the Letter of Transmittal. Certain terms used but not defined herein have the meanings ascribed to them in the Offering Circular.

This will instruct you as to the action to be taken by you, for the account of the undersigned, relating to the Conversion Offer.

The number of shares of Preferred Stock held by you through your account with The Depository Trust Company ("DTC") for the account of the undersigned is (fill in amount): shares of Preferred Stock.

With respect to the Conversion Offer, the undersigned hereby instructs you (check appropriate box):

- o To tender the following shares of Preferred Stock held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offering Circular, the Offering Circular Supplements and the Letter of Transmittal (insert number of shares of Preferred Stock to be tendered, if any): shares of Preferred Stock.*

The number of shares of the Company's Common Stock that the undersigned will beneficially own immediately prior to the conversion of the tendered shares of Preferred Stock, *excluding* shares to be issued upon conversion of shares of Preferred stock in the Conversion Offer is (insert number of shares of Common Stock): shares of Common Stock.

The number of shares of the Company's Common Stock that the undersigned will beneficially own immediately prior to the conversion of the tendered shares of Preferred Stock, *excluding* shares to be issued upon conversion of shares of Preferred stock in the Conversion Offer is (insert number of shares of Common Stock): shares of Common Stock.

The number of shares of Preferred Stock beneficially owned by the undersigned that are held by Participants *other than you*, which the undersigned is tendering for conversion (insert number of shares of Preferred Stock): shares of Preferred Stock.

- o Not to tender any shares of Preferred Stock held by you for the account of the undersigned.

The undersigned represents that either (i) upon the conversion of the shares of Preferred Stock tendered pursuant to the Conversion Offer, the undersigned will not beneficially own in excess of 9.9% of the aggregate number of shares of the Company's Common Stock outstanding immediately after giving effect to such conversion or (ii) these instructions set forth (a) the number of shares of Common Stock that the undersigned will beneficially own at the time of the conversion of the tendered shares of Preferred Stock, excluding shares issued upon conversion of shares of Preferred Stock in the Conversion Offer, (b) the number of shares of Preferred Stock the Participant is instructed to tender hereby, and (c) the number of shares of Preferred Stock being tendered through other Participants, and that the undersigned is requesting that the Company does not accept for conversion any shares of Preferred Stock to the extent that upon conversion of such shares of Preferred Stock the undersigned's beneficial ownership of the Company's Common Stock will exceed 9.9% of the aggregate number of shares of the Company's Common Stock outstanding following the Conversion Offer.

* Unless otherwise indicated, the entire number of shares of Preferred Stock indicated above as held by the Participant for the account of the undersigned will be tendered.

SIGN HERE

Name(s) of beneficial owner(s):

Signature(s):

Name(s):

(Please Print)

Address(es):

Telephone Number(s):

Taxpayer Identification or
Social Security Number(s):

Date:

MEMORANDUM

December 16, 2005

This Memorandum, together with Amendment No. 3 (“Amendment No. 3”) to the Schedule TO-I filed with the Securities and Exchange Commission (the “Commission”) on December 1, 2005 (as amended, the “Schedule TO”) by Arch Coal, Inc. (the “Company”), sets forth the responses of the Company to comments of the Staff of the Commission (the “Staff”) communicated by letter dated December 16, 2005 with respect to the Schedule TO.

In connection with responding to the Staff’s comments, the Company hereby acknowledges that:

- The Company is responsible for the adequacy and accuracy of the disclosure in the filings;
- Staff comments or changes to disclosures in response to Staff comments in the filings reviewed by the Staff do not foreclose the Commission from taking any action with respect to the filing; and
- The Company may not assert Staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Offering Circular

COMMENT NO. 1:

We note your response to our previous comment 5. Rule 13e-4(d)(1) requires the offer document to specify the consideration being offered. As you note, Rule 13e-4(f)(1)(ii) and Rule 14e-1(b) require that an offer be open for ten days following a change in the consideration being offered. While we have determined that the formula pricing mechanisms in certain circumstances are not inconsistent with these requirements, it does not appear that the pricing mechanisms proposed in this offer, which provides for a five day averaging period, is consistent with the standards set forth in our previous guidance.

RESPONSE:

In accordance with the Staff’s comment, we have revised the formula pricing mechanism to include a ten-day averaging period, rather than a five-day averaging period.

Selected Consolidated Financial and Operating Data, page 26

COMMENT NO. 2:

We note your response to comment 10 and we reissue the comment. Where you incorporate by reference financial statements found in other documents filed with the SEC, we require you to include in the document disseminated to investors the summary financial

statements required by Item 1010(c) of Regulation M-A. See Q&A 7 in Section I.H.7 of the Division of Corporation Finance's Manual of Publicly Available Telephone Interpretations (July 2001). Please revise to include the requested disclosure in the Offering Circular.

RESPONSE:

In accordance with the Staff's comment, we have included the information set forth in Items 1010(c)(2), (4) and (5) of Regulation M-A.

Interest of Directors and Officers, page 57

COMMENT NO. 3:

We reissue comment 1 with respect to the disclosure in this section.

RESPONSE:

In accordance with the Staff's comment, we have revised disclosure.