

## **Arch Coal, Inc. Provides Update on West Elk Mine and Additional Guidance on Earnings For Remainder of 2001**

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St. Louis - September 6, 2001 - Arch Coal, Inc. (NYSE:ACI) announced today that it continues to make progress in its efforts to combat high levels of methane that are impeding production at its West Elk mine in Colorado.

"Through an intensive degasification program that includes both surface and in-mine drilling, we have significantly improved methane reduction efforts at the mine," said Kenneth G. Woodring, Arch Coal's executive vice president of mining operations. "As a result, productivity levels have doubled in recent weeks."

In the second quarter, the mine produced an average of 240,000 tons per month, or approximately 40% of expected production levels. In recent weeks, production levels increased to a rate of approximately 80% of expected production levels.

"We are encouraged by the improvements we have achieved in the mine's operating performance," Woodring said. "We are taking steps to improve our degasification program still further, while working with the regulatory authorities to ensure that we can continue a focused drilling program from the surface. Based on our recent progress, we currently expect to achieve positive cash flow and break-even financial results at the mine sometime during the fourth quarter."

As previously disclosed, during the year's second half Arch Coal expects to achieve roughly break-even results. On a quarterly basis, the company expects a loss of between \$.15 and \$.25 per share in the third quarter, which is expected to be offset by a comparable level of profit in the fourth quarter. Results for the third quarter, which is traditionally the company's weakest earnings period due to the timing of miners' vacations and corresponding large-scale equipment maintenance, will be adversely affected by a loss at West Elk and the previously disclosed continuation of higher costs at the Samples mine in southern West Virginia.

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

### Forward-Looking Statements:

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