

Arch Coal, Inc. to Offer Shares of Preferred Stock

January 23, 2003 2:36 PM ET

St. Louis -Jan 23 2003- Arch Coal, Inc. (NYSE: ACI) announced today that it will offer publicly 3,000,000 shares of Perpetual Cumulative Convertible Preferred Stock (liquidation preference \$50.00 per share). The company also will grant the underwriters an over-allotment option to purchase up to an additional 450,000 shares. The preferred stock will be issued under Arch Coal's universal shelf registration statement. Merrill Lynch & Co. is serving as bookrunning manager for the offering and JP Morgan is acting as co-lead manager.

Proceeds from the offering will be used to reduce indebtedness under Arch Coal's \$350 million revolving credit facility, to repay lines of credit, and for working capital and general corporate purposes.

Copies of the prospectus relating to the public offering may be obtained from Merrill Lynch & Co., Prospectus Department, 250 Vesey Street, New York, NY 10281.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sales of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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.