

## **Arch Coal, Inc. Completes Preferred Stock Offering**

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St. Louis - February 3, 2003 - Arch Coal, Inc. (NYSE: ACI) announced that it has completed the sale of 2,875,000 shares of its 5% Perpetual Cumulative Convertible Preferred Stock, which includes the underwriters' full over-allotment option of 375,000 shares, at a price of \$50.00 per share. The net proceeds from the offering, estimated at approximately \$139.1 million, are being 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.

As previously announced, dividends on the preferred stock will be cumulative and will be payable quarterly at the annual rate of 5% of the liquidation preference. Each share of the preferred stock will be initially convertible, under certain conditions, into 2.3985 shares of the company's common stock.

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.