

Arch Coal Decides Not to Sell Lone Mountain or Pardee Mining Complexes

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St. Louis, Missouri – October 11, 1999 - Arch Coal, Inc. (NYSE:ACI) announced today that it has decided not to sell two mining operations in Central Appalachia that were being considered for possible disposition. The company is still reviewing the potential sale of its Coal-Mac operation in eastern Kentucky.

"When we announced that we planned to explore the sale of these operations, we made it clear that we would only proceed if we received bids that we believed created substantial value for our shareholders," said Steven F. Leer, Arch Coal's president and chief executive officer. "While there was strong interest in both Lone Mountain and Pardee, we did not receive any offers that satisfied this objective. We are confident that the management teams at these two operations can create more value for our shareholders by continuing to run them than by selling them at the prices offered."

Leer said that Lone Mountain and Pardee, which are located on the Kentucky/Virginia border, had been considered for sale largely because of their small size relative to Arch's other eastern mines and because of Arch's aggressive debt reduction goals. However, Leer again reiterated that both Lone Mountain and Pardee are efficient operations with good potential for the future. "Lone Mountain and Pardee have skilled work forces, state-of-the-art infrastructure and equipment, and high-quality coal," he said. "We believe these operations will continue to make a positive contribution to cash flow and earnings in the future."

Leer added that the bids for these operations were affected by the very weak conditions currently prevailing in the eastern coal market and some of the recent rail transportation problems that have occurred in the east.

"Aggressive debt reduction remains a top priority," Leer said. "We are pleased with the progress we have already made in reducing our debt. In the first two quarters of 1999, our strong cash flow allowed us to exceed our debt reduction target. Through June 30, 1999, we have paid down more than \$100 million in debt, while at the same time purchasing several pieces of equipment which were previously under lease for approximately \$14 million and buying back approximately \$15 million in Arch common stock."

Lone Mountain and Pardee are expected to produce approximately 4 million tons of predominantly compliance coal in 1999. (Compliance coal meets the most stringent requirements of the Clean Air Act without the use of scrubbing technology.) Arch expects to make a decision on whether to sell the Coal-Mac operations in eastern Kentucky by the end of 1999.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including Arch Coal's expectations with respect to value creation relating to its Lone Mountain, Pardee and Coal-Mac operations. Although Arch Coal, Inc. believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from expectations include, but are not limited to, changes in local or national economic conditions; changes in mining rates and costs for a variety of operational, geologic, permitting, labor and weather-related reasons, including equipment availability; and other risks detailed from time to time in the company's reports filed with the Securities and Exchange Commission, including quarterly reports on Form 10-Q, reports on Form 8-K, and annual reports on Form 10-K.

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