

Arch Coal Announces Payout Under Stock-Based Incentive Compensation Plan

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ST. LOUIS (March 8, 2005) - Arch Coal, Inc. (NYSE:ACI) announced today that its board of directors has approved a payout under the company's existing stock-based incentive compensation plan for members of the senior management team. The payout was triggered when Arch common stock achieved an average closing price of \$40 or more during a period of 20 consecutive trading days. As a result of the payout, Arch will incur a charge of \$9.9 million, or approximately \$0.16 per share, during its first quarter ending March 31, 2005.

Arch's stock price has increased by more than 300% since the beginning of 2000 and has outperformed the S&P 500 in each of the past five years.

St. Louis-based Arch Coal is the nation's second largest coal producer and mines low-sulfur coal exclusively. Through its subsidiary operations in West Virginia, Kentucky, Virginia, Wyoming, Colorado and Utah, Arch provides the fuel for approximately 7% of the electricity generated in the United States.