

## Arch Coal Completes Acquisition of Triton Coal Company

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St. Louis (August 20, 2004) - Arch Coal, Inc. (NYSE:ACI) today announced that it has completed the acquisition of Triton Coal Company for a purchase price of \$364 million. The transaction was consummated following the recent decision by the U.S. District Court for the District of Columbia denying the Federal Trade Commission's request for a preliminary injunction to block the deal, and the refusal by the Circuit Court of Appeals for the District of Columbia to issue a stay pending appeal.

"We remain as enthusiastic as ever about the transaction, and we look forward to beginning the integration of the Black Thunder and North Rochelle mines immediately," said Steven F. Leer, Arch Coal's president and chief executive officer.

Located in the Powder River Basin of Wyoming, North Rochelle is the larger of two mines formerly operated by Triton. "We have always viewed North Rochelle as the principal source of value creation for Arch in this transaction," Leer said. "By integrating the North Rochelle mine and our existing Black Thunder operation, we are creating what we believe will be the premier mine in the nation's fastest growing coal supply region."

The integration of the two mines - which share a 5.5-mile property line - creates tremendous opportunities for cost savings and synergies. Arch expects the combination to create operating synergies of between \$15 million and \$20 million beginning in 2005, with that number climbing in subsequent years as future mine development for the integrated properties is optimized.

"The addition of North Rochelle enhances our ability to serve our utility and industrial customers with the broadest range of super-compliance, compliance and low-sulfur coal products, as well as the widest array of transportation options," Leer said. "Consequently, we expect this acquisition to further strengthen Arch's standing as a preferred supplier of many of the nation's largest power generators."

North Rochelle's reserve base totaled an estimated 226 million tons at Dec. 31, 2003. In 2003, North Rochelle produced an estimated 23.9 million tons of coal with an estimated sulfur content of 0.5 pounds of SO<sub>2</sub> per million Btu's. North Rochelle is the newest mine in the Powder River Basin, having ramped up to full production less than five years ago. As a result, North Rochelle's modern rail loadout facility and other infrastructure, as well as its large equipment fleet, greatly add to the value of the transaction. In 2003, North Rochelle generated earnings before interest, taxes, depreciation and amortization of approximately \$41.6 million.

"We view North Rochelle as an excellent strategic fit with our existing operations, and we look forward to working with the dedicated and professional Triton workforce to achieve a quick and efficient integration," Leer said.

Following the consummation of the transaction, Arch completed a previously disclosed agreement to sell the smaller of Triton's two mines, Buckskin, to Kiewit Mining Acquisition Company. The net sales price for this second transaction was \$72.9 million, reflecting the originally negotiated sales price less certain previously disclosed adjustments related to the timing of the deal's completion. Arch used the proceeds as part of the financing for the acquisition of North Rochelle.

In total, Arch financed the acquisition with \$242 million in cash, including the proceeds from the Buckskin sale; \$22 million in borrowings under its existing revolving credit facility; and a new \$100 million term loan at its Arch Western Resources subsidiary.

Leer also reconfirmed Arch's previous earnings guidance of approximately 15 cents to 25 cents for the third quarter, excluding any acquisition-related costs. "We fully expect the addition of North Rochelle to be accretive to earnings beginning with the first quarter of 2005," Leer said. "We will provide more details about the acquisition's expected impact on our financial performance once we have reviewed developments at the mine since the transaction was first announced." Leer indicated that Arch would provide additional commentary about the acquisition in its third quarter earnings release.

Arch plans to host a conference call to discuss the closing of the acquisition beginning at 2 p.m. Eastern on Monday, August 23. The call will be webcast live at [www.archcoal.com](http://www.archcoal.com).

Arch Coal, Inc. is the nation's second largest coal producer and mines clean-burning, low-sulfur coal exclusively. Arch produces more than 135 million tons of coal annually through its subsidiary operations in West Virginia, Kentucky, Virginia, Wyoming, Colorado and Utah. Through these operations, Arch provides the fuel for approximately 7% 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 currently 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; expected synergies resulting from the acquisition; 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 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.