

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **February 26, 2013 (February 26, 2013)**

**Arch Coal, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**1-13105**  
(Commission File Number)

**43-0921172**  
(I.R.S. Employer Identification No.)

**CityPlace One  
One CityPlace Drive, Suite 300  
St. Louis, Missouri 63141**  
(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code: **(314) 994-2700**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

On February 26, 2013, John T. Drexler, Senior Vice President and Chief Financial Officer of Arch Coal, Inc. (the "Company"), will deliver a presentation at the BMO Global Metals and Mining Conference. The slides from the presentation are attached as Exhibit 99.1 hereto and are hereby incorporated by reference.

The information contained in Item 7.01 and the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act") or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

The following exhibits are attached hereto and filed herewith.

| Exhibit No. | Description  |
|-------------|--|
| 99.1        | Slides from the BMO Global Metals and Mining Conference. |

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 26, 2013

Arch Coal, Inc.

By: /s/ Robert G. Jones  
Robert G. Jones  
Senior Vice President — Law, General Counsel and Secretary

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### Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u>                                       |
|--------------------|--|
| 99.1               | Slides from the BMO Global Metals and Mining Conference. |

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Powering the Working World.

# BMO Global Metals and Mining Conference

**John Drexler**

Senior Vice President and CFO, Arch Coal, Inc.

Florida | February 26, 2013



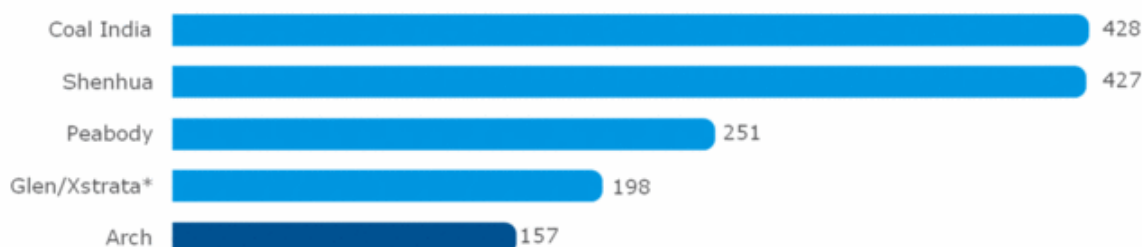
## Forward-Looking Information

This presentation contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from changes in the demand for our coal by the domestic electric generation industry; from legislation and regulations relating to the Clean Air Act and other environmental initiatives; from operational, geological, permit, labor and weather-related factors; from fluctuations in the amount of cash we generate from operations; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. For a description of some of the risks and uncertainties that may affect our future results, you should see the risk factors described from time to time in the reports we file with the Securities and Exchange Commission.

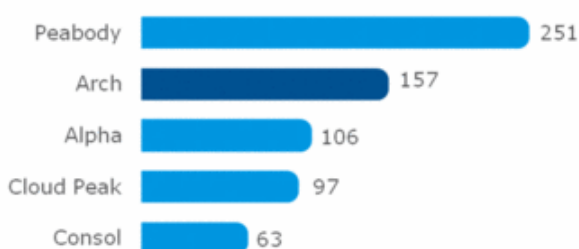
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## Arch is one of the largest coal producers and marketers in the world

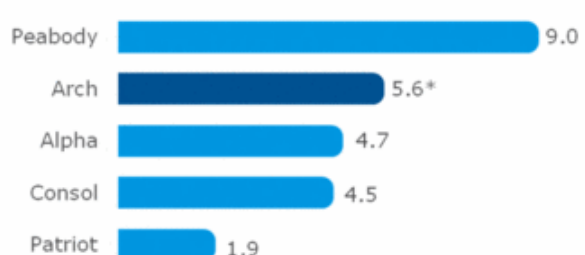
### Global Coal Producers (2011, in millions of tons)



### U.S. Coal Producers (2011, in millions of tons)



### U.S. Reserve Holders (2011, in billions of tons)



# Outlook for Coal Markets

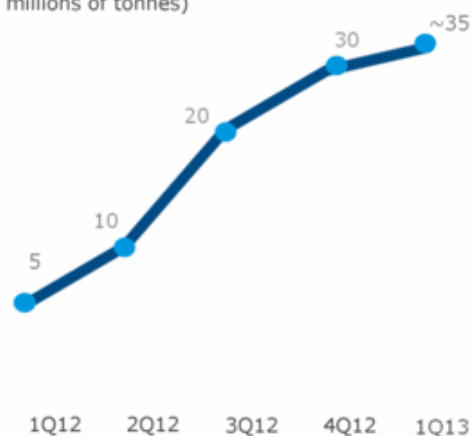
## The fall-off in global met coal prices is spurring a significant supply rationalization

Recent earnings announcements suggest that leading global metallurgical producers are suffering operating losses at current prices.

**Benchmark Hard Coking Coal Price**  
(in US \$/metric tonne)



**Cumulative Announced Supply Reductions in 2012**  
(in millions of tonnes)

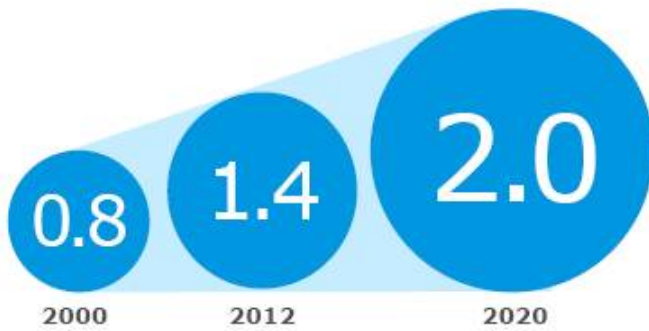




# We see the value in metallurgical coal markets – based on projected growth in global steel consumption

## World Steel Production

(in billions of tonnes of crude steel)



World steel consumption is projected to increase more than 35 percent from expected 2012 level of 1.4 billion tonnes

## Global Metallurgical Coal Use

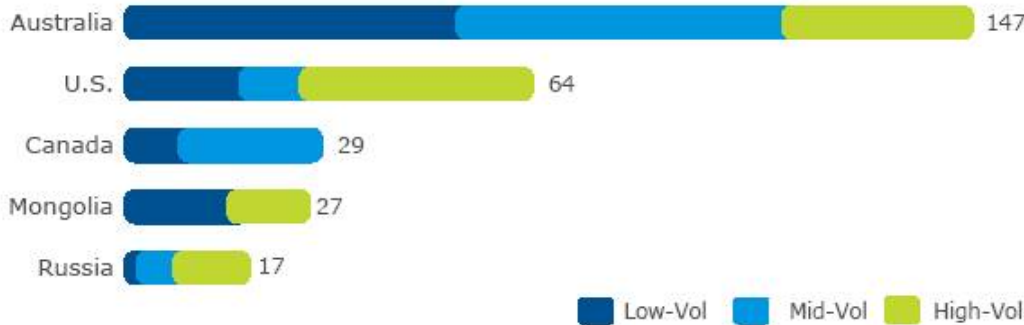
(in billions of tonnes of coal)



Demand for met coal will be driven by increased utilization at existing steel plants and the projected build-out of new steel capacity

# The U.S. already plays a sizable and increasingly essential role in global metallurgical markets

**2012 Metallurgical Export Coal Supply**  
(in millions of tonnes)



- The U.S. is already an essential source of seaborne metallurgical coal — second only to Australia
- U.S. output of low-vol and mid-vol coals is comparable to Canada

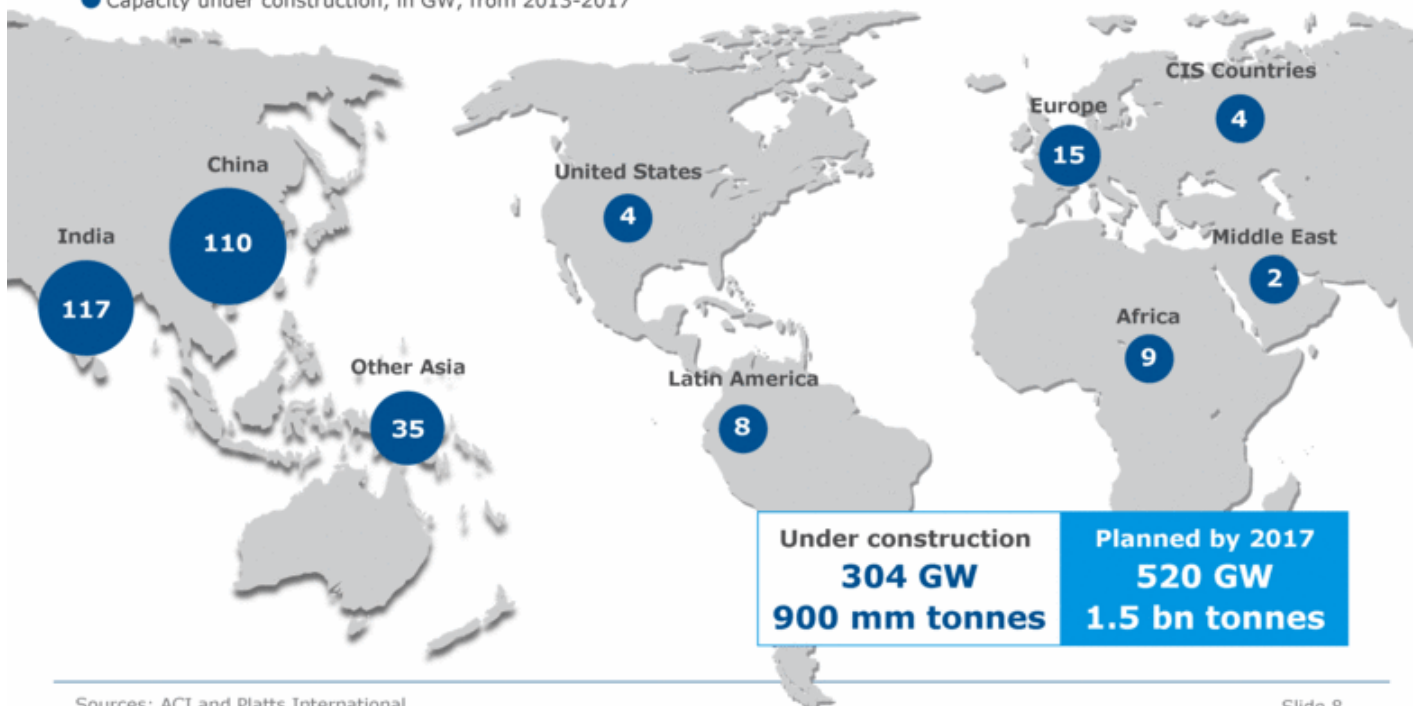
Sources: Wood-Mac, T. Parker Host and ACI

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# Nations around the world are building coal plants to fuel electricity needs

**New Coal-Fueled Generation Coming Online by 2017**

● Capacity under construction, in GW, from 2013-2017

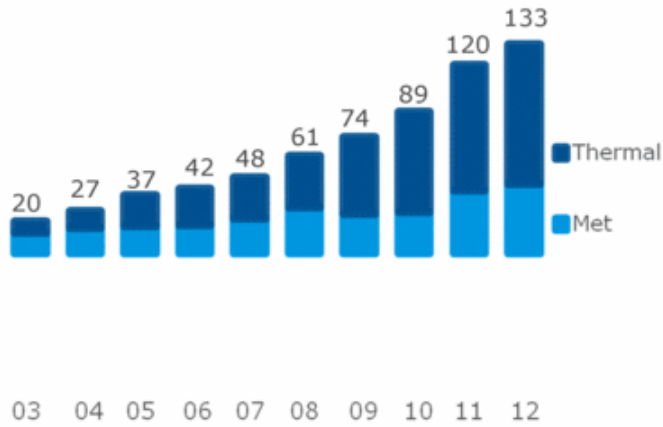


Sources: ACI and Platts International

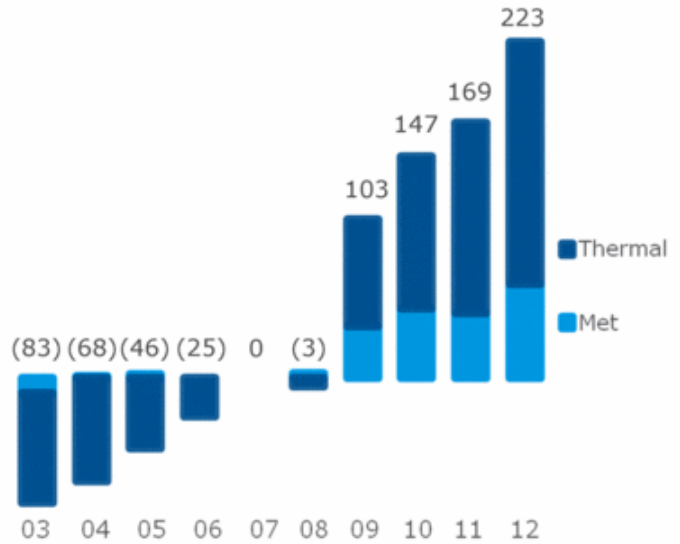
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# The trend in seaborne markets is unmistakable ... with little reason to believe it will change soon

**India net imports**  
(in millions of tonnes)



**China net imports**  
(in millions of tonnes)



Sources: ACI, McCloskey and India Coal Market Watch Data



## China and India aren't the only places growing ... other parts of Asia are turning to coal as well



- Countries like South Korea continue to operate and build coal generation fleets designed for sub-bituminous coal
- Coal imports into South Korea have grown from 98 million tons five years ago to 141 million tons in 2012
- The Powder River Basin, with its consistent quality and expansive reserve base, will play a larger role in the Pacific Rim in the future
  - Sailing time from the West Coast to South Korea is similar to the route from Indonesia

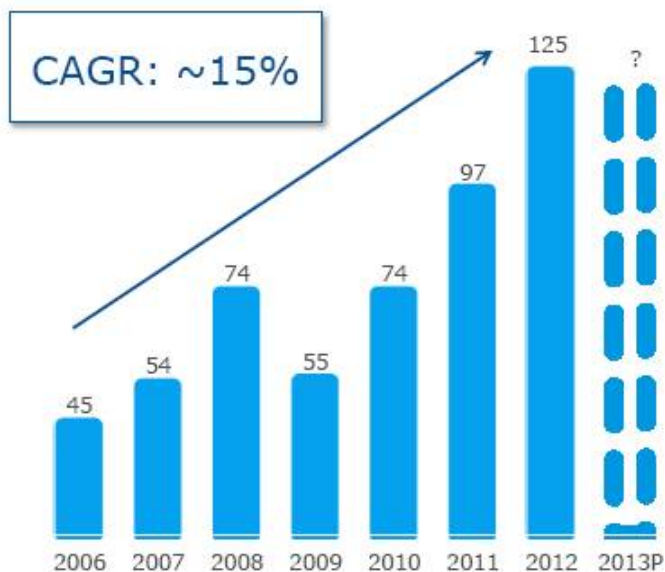
Source: Google Earth

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## U.S. exports appear to be on a long-term upward trend

- We expect U.S. export growth to continue, and even accelerate, as the decade progresses
- Total U.S. export capacity could reach 245 million tons by 2017

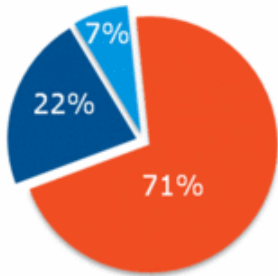
U.S. Coal Exports  
(in millions of tons)



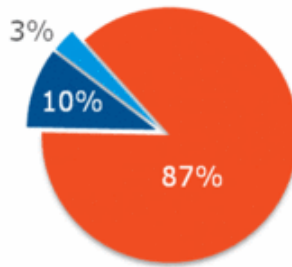
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# Arch expects 30% of U.S. coal-fueled units to retire, but the impact on consumption won't be as great

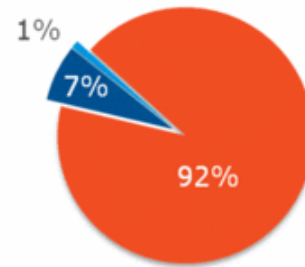
Number of units



Installed capacity



Coal consumption in 2011



■ Likely to Continue    
 ■ Likely to Retire    
 ■ Retired

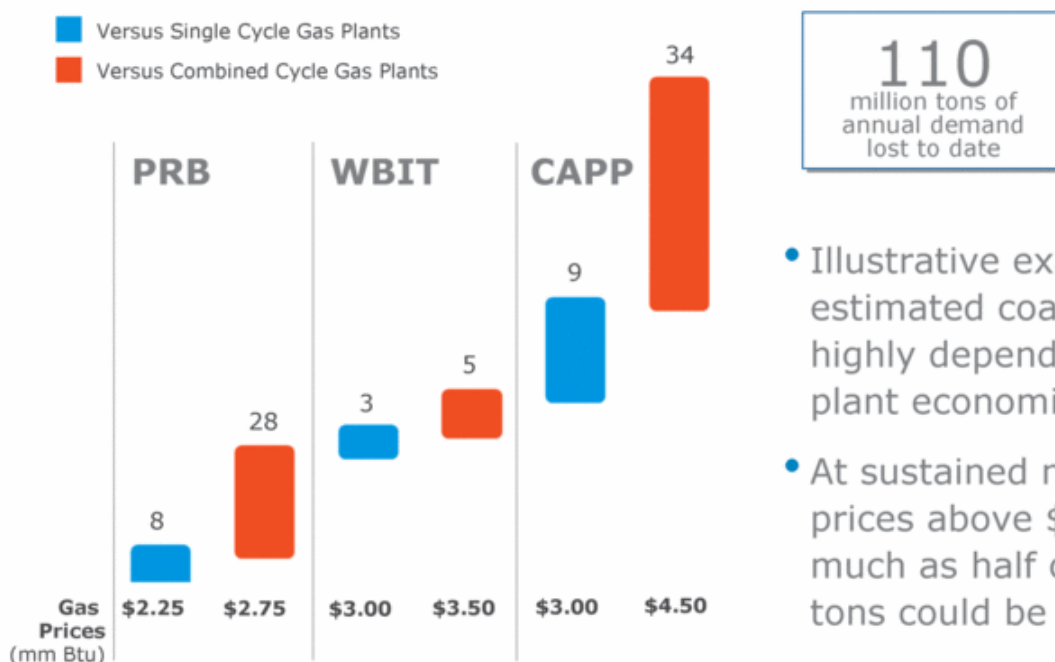
Source: Ventyx, ACI

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# Even at today's still-weak natural gas prices, many coal plants have moved back into the money

**Cumulative loss to natural gas since 2008**  
(in millions of tons)

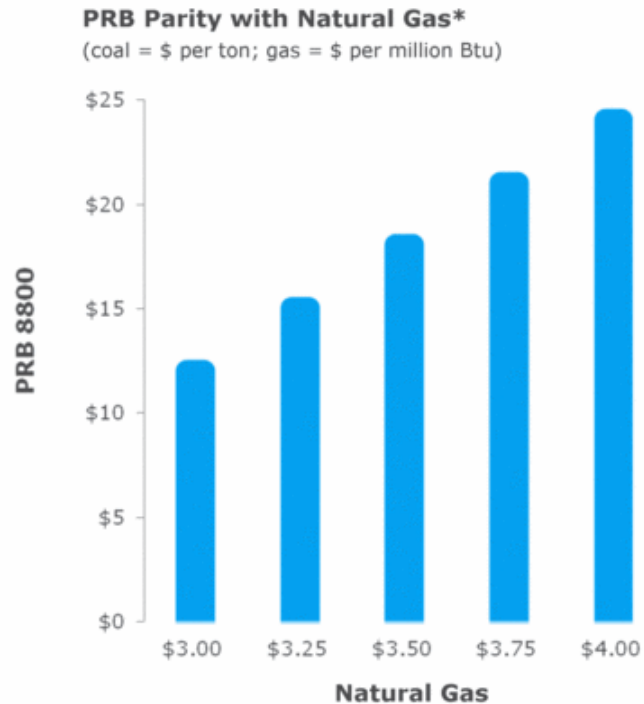
■ Versus Single Cycle Gas Plants  
■ Versus Combined Cycle Gas Plants



- Illustrative example of estimated coal burn loss, and highly dependent on individual plant economics
- At sustained natural gas prices above \$3/mm Btu, as much as half of coal's lost tons could be regained

## Powder River Basin coal has a compelling story when compared to natural gas

- PRB is the most cost competitive fossil fuel source in the U.S.
- Opportunity for PRB prices to increase even in a low-priced natural gas environment
- As weather normalizes and regional supply patterns shift, we expect better supply/demand balance to return



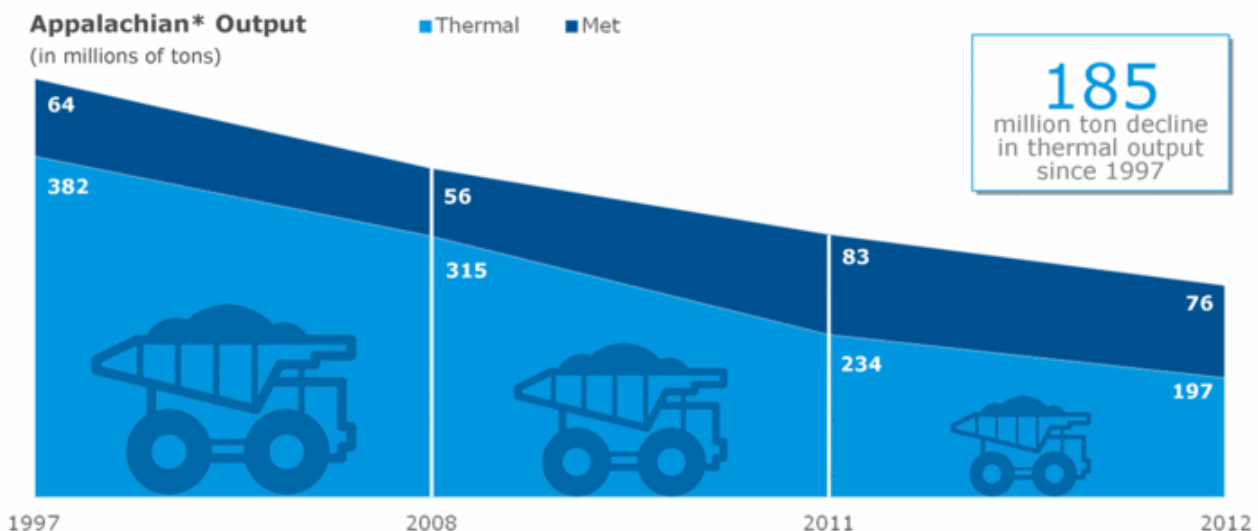
Sources: ACI, EIA, Ventyx

\*Assumes transportation charge of \$20 to \$25 per ton; incremental VOM non-fuel costs; and appropriate heat rate differentials for NGCC plants and coal plants.

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## Supply constraints will bring balance to coal markets

Appalachian thermal coal is in long-term secular decline. Arch expects thermal output in the region to fall further in 2013.



Sources: EIA and ACI

\*Includes Northern and Central Appalachia

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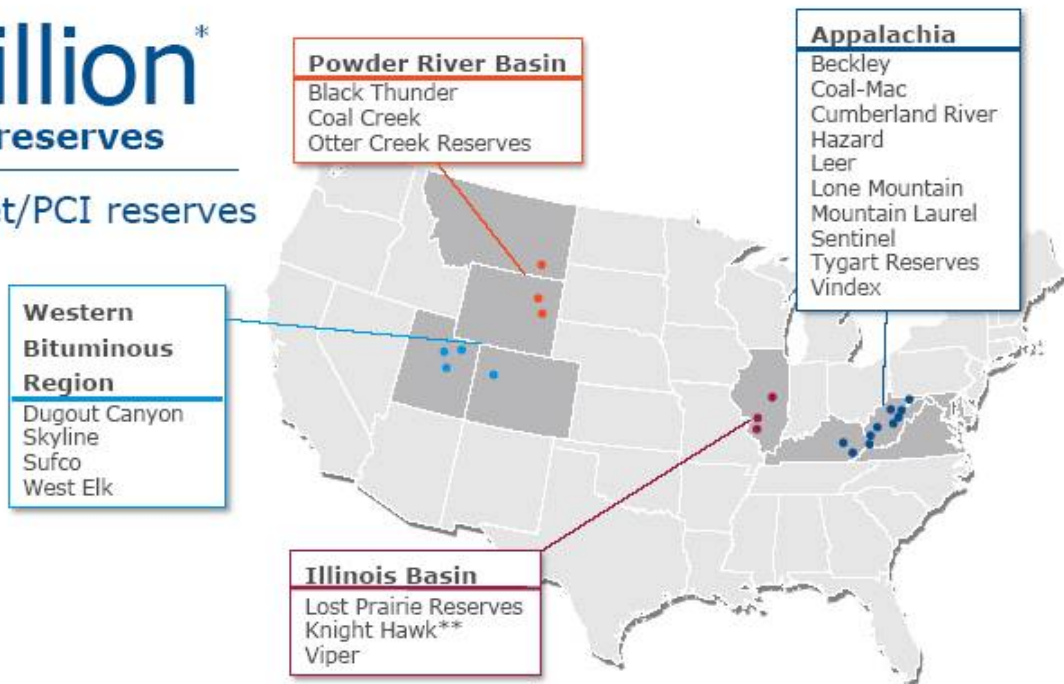




Arch is the most diversified U.S. coal producer, and the No. 2 reserve holder in the nation

**5.6 Billion\***  
tons of total reserves

414 million met/PCI reserves



\*Pro forma reserves at 12/31/2011

\*\*49% equity interest

Arch maintains an industry-leading position in safety and environmental compliance

**Lost-Time Safety Incident Rate**  
(per 200,000 employee-hours worked)



**ACI Environmental Compliance**  
(SMCRA violations based on state reports)



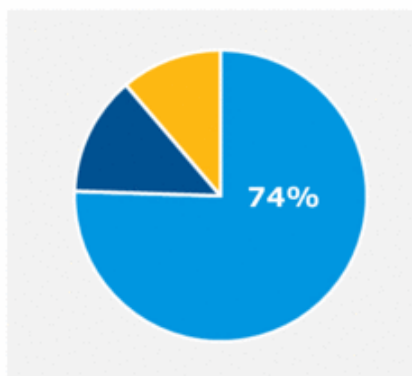
- Arch's average safety performance is four times better than the U.S. coal industry average
  - Deep commitment to a behavior-based process drives continuous improvements in workplace safety and environmental care across all sites



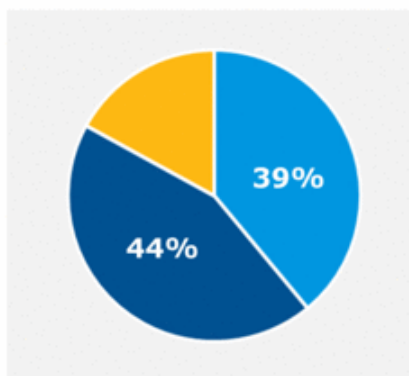
## Arch has a balanced and diversified mine portfolio

While Arch’s sales volumes are weighted toward low-cost Powder River Basin coal, the company’s revenue stream is diversified between eastern (increasingly metallurgical) and western regions — and cash margins are well balanced among all core operating regions.

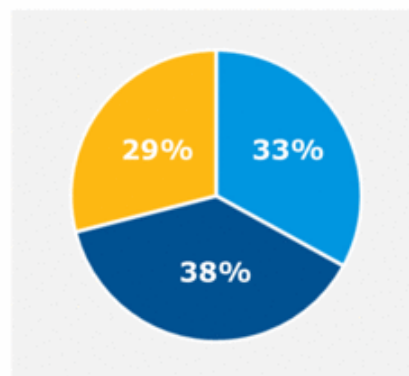
**Sales Volumes**  
(2012, in percent)



**Revenues**  
(2012, in percent)



**Cash Margins**  
(2012, in percent)

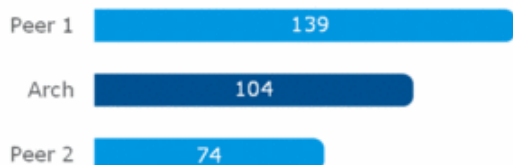


■ Powder River Basin ■ Appalachia ■ Western Bituminous & other thermal

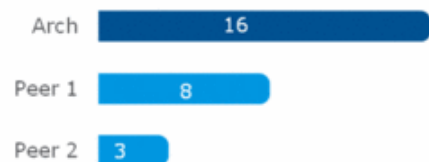
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## Arch has a leading, low-cost western thermal portfolio with meaningful available capacity

**Southern Powder River Basin**  
(2012 production, in millions of tons)



**Western Bituminous Region**  
(2012 production, in millions of tons)

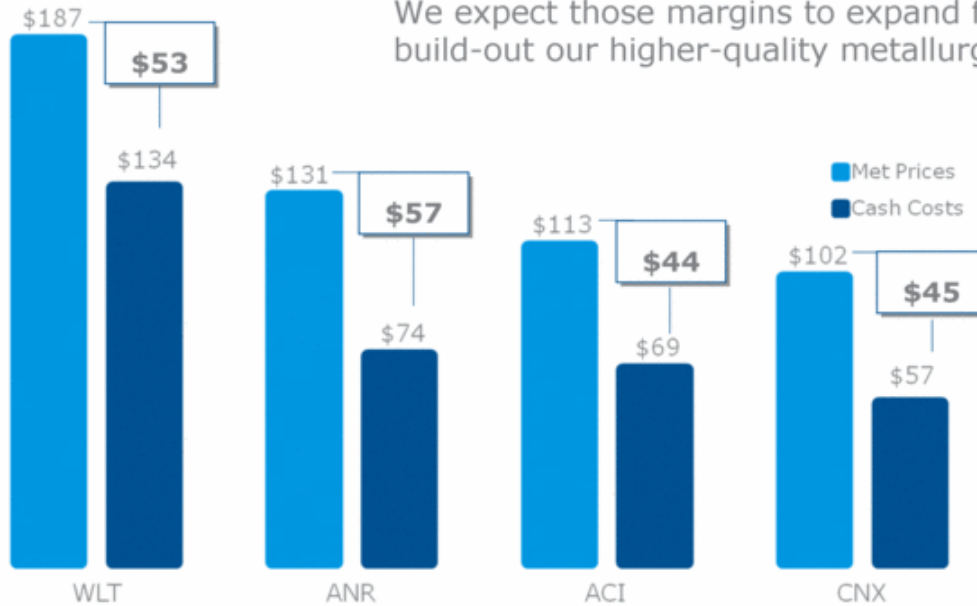


- Arch has a strong position in the PRB, the nation’s largest coal supply basin
  - High-Btu, low-sulfur product
  - Available, excess capacity to bring back as demand returns
  - Expect PRB to expand domestically
  - Pursuing export growth off West Coast
- Arch is the leading producer in the Western Bituminous Region
  - Supply to remain constrained in region
  - Targeting exports via Gulf/West Coast

## Arch's Appalachian portfolio is low in cost — and increasingly levered to higher-margin met markets

**Appalachian Cash Margins**  
(2012 reported prices and costs, \$/ton)

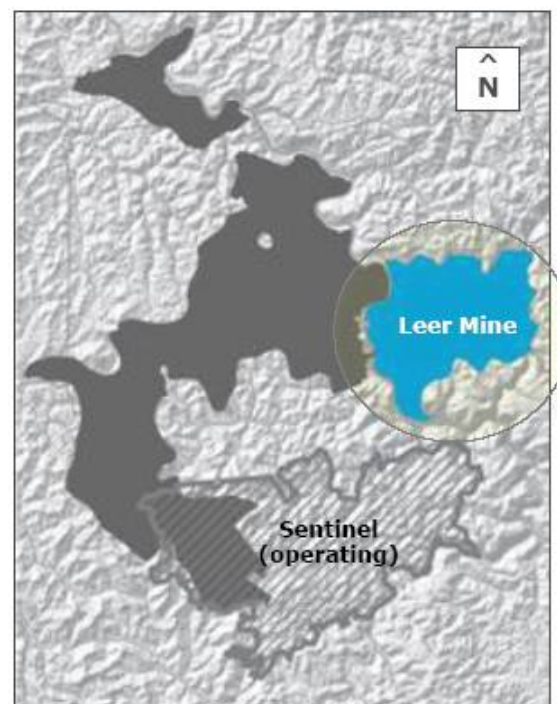
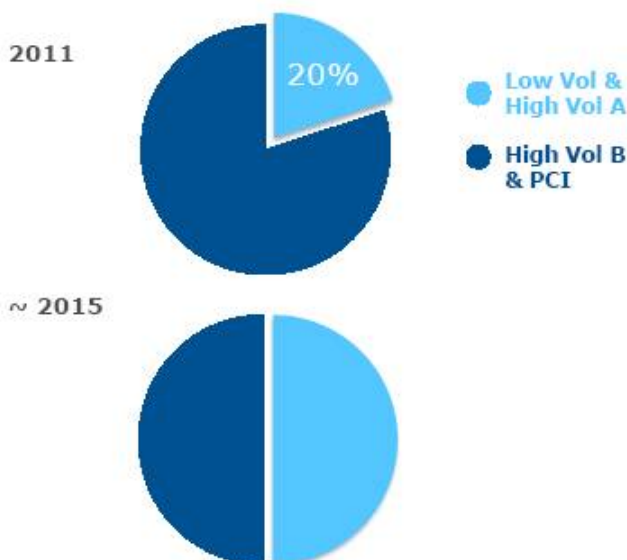
Arch earned strong cash margins on its metallurgical volumes in 2012 even while selling lower-quality coal. We expect those margins to expand further as we build-out our higher-quality metallurgical platform.



Sources: Peer earnings and SEC filings, ACI

## Arch's metallurgical coal platform is expanding and shifting towards higher-quality coking coals

**Metallurgical Coal Production Mix**



## Arch's platform in the Illinois Basin provides future opportunities

**722 Million**  
tons of reserves

### Illinois Basin



- Viper Mine is low-cost and highly competitive
- Arch owns a 49% equity stake in Knight Hawk, which sold over 4 million tons in 2012
- Arch has built a large portfolio of low-chlorine assets in the basin
- All required permits received for the Lost Prairie Reserves, setting the stage for potential development in the future

Sources: ACI, Ventyx

\*49% equity interest

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## Arch expects to play a larger role in the expanding seaborne coal trade

- Seaborne coal trade
- Arch's export volumes



Sources: Wood Mackenzie, ACI

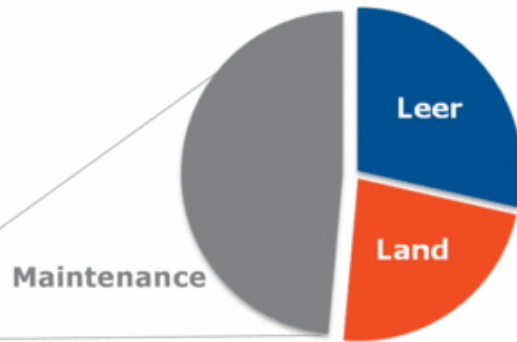
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# Arch follows a disciplined capital allocation strategy that is scalable based on market conditions

**Capital Expenditures**  
(in millions)



**2013P Spending By Category**  
(based on midpoint of 2013 guidance\*)

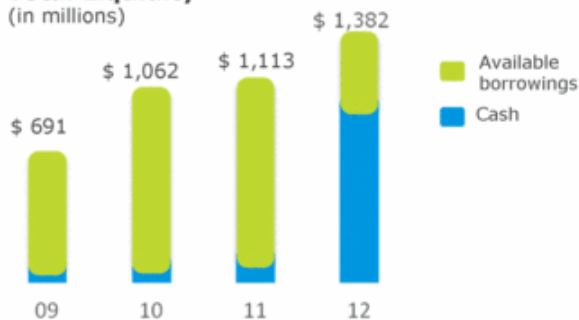


\*As given on 2/5/13



## Arch has fortified its cash position to weather current market downturn

**Total Liquidity**  
(in millions)



**2012 Debt Maturity Profile**  
(in millions)



- Arch’s strategy now favors holding cash versus maintaining higher borrowing capacity
- Relaxed financial maintenance covenants until late 2015
  - Only a minimum liquidity and senior secured leverage ratio, net of cash, remain in interim
- No debt maturities until 2016

\*2016 bonds are callable in August 2013

## Arch is well-positioned to benefit as coal markets improve

Current downturn is primarily cyclical, and Arch’s diversified operations, competitive cost structure and enhanced liquidity position will allow it to emerge as an even stronger player

### Flexible Capital Structure

#### Current Focus

- Manage capital
- Control costs
- Rationalize supply
- Continue met development
- Maximize value of asset base

#### As Cycle Turns

- Reduce leverage
- Invest in the business via organic and strategic growth
- Return capital to stakeholders
- Maximize value of asset base





Powering the Working World.

# BMO Global Metals and Mining Conference

**John Drexler**

Senior Vice President and CFO, Arch Coal, Inc.

Florida | February 26, 2013

