

## **Arch Coal, Inc. Announces Expectations for First Quarter Results and Receipt of \$52 Million Related to Buyout of an Above-Market Contract**

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St. Louis/ April 8, 2003 – Arch Coal, Inc. (NYSE:ACI) announced today that it expects to report for its first quarter ended March 31, 2003 a net loss of \$.27 per share before an estimated \$.07 per share non-cash charge related to the cumulative effect of an accounting change resulting from the implementation of FAS 143 governing the retirement of asset obligations.

“During the first quarter, coal demand remained depressed as power generators continued to pull coal from stockpiles rather than purchase spot volumes,” said Steven F. Leer, Arch Coal’s president and CEO. “In response, Arch cut production still further at both its eastern and western operations. Despite the adverse impact of this strategy on our near-term financial performance, we continue to believe that it is imprudent and unwise to sell our uncommitted tons into the current spot market, at prices that fail to provide an adequate return on investment.”

During the first quarter, Arch produced 1.5 million fewer tons in the west and 1.2 million fewer tons in the east when compared to the first quarter of 2002, when production was already constrained.

Leer indicated that market fundamentals provide reason for optimism in the year’s second half. “Electricity demand increased an estimated 4% in 2002, according to Edison Electric Institute; U.S. coal production fell by an estimated 35 million tons during the year; and utility stockpiles were nearly 20% lower at the end of March compared to 12 months earlier. Eventually, power generators will need to re-enter the market, and that should provide an impetus for improving coal demand and pricing.”

Arch also announced that it had agreed to terms with a large customer seeking to buy out of the remaining term of an above-market contract. The buyout will result in the receipt of approximately \$52 million in cash during the second quarter. Arch will record a deferred gain of approximately \$15 million, which will be recognized ratably through 2012.

Arch will release its first quarter earnings announcement before market on Monday, April 21. A conference call will be conducted at 11 a.m. EDT on that same day. The webcast will be accessible via the “investor” section of the Arch Coal Web site at [www.archcoal.com](http://www.archcoal.com). Following the live event, replays of the webcast will be available on the site for approximately three weeks.

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.

**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; 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 continued 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.