

Canyon Fuel Provides Update on Dugout Canyon Mine

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Wellington, Utah, July 9, 2010 -- Arch Coal's Canyon Fuel Company subsidiary today provided an update on the status of its Dugout Canyon underground mine (Dugout) in Carbon County, Utah, where production has been temporarily idled since June 22, 2010. On that date, Dugout experienced an ignition event at the longwall that resulted in the evacuation of all underground employees at the mine.

The company is working closely and cooperatively with the Mine Safety and Health Administration (MSHA), with the goal of resuming operations at Dugout as soon as possible. With MSHA's approval, Dugout personnel have re-entered the mine to install a remote monitoring system that will help determine whether any combustion activity is occurring.

"Our monitoring to date suggests that atmospheric readings are consistent with pre-event levels and show no signs of active combustion," said Paul Lang, Arch's senior vice president of operations. "Nevertheless, for added precaution, we plan to temporarily seal the active longwall panel in order to render the atmosphere behind the seals inert. We currently anticipate that the longwall will be idled for at least the next 30 days."

As a result, the company now expects Dugout to be out of production for a lengthier duration than anticipated, and consequently has advised customers that shipments are likely to be adversely impacted.

"While we remain focused on resuming normal operations at the earliest possible date, our first priority is to ensure the safety of our workforce," said Gene DiClaudio, president of Arch Western Bituminous Group. In the interim, the Dugout employees not involved in the current monitoring efforts have been offered the opportunity to be temporarily reassigned to other subsidiary operations in Utah and Colorado.

Dugout Canyon mine and its 275 employees produced approximately 200,000 tons of low-sulfur bituminous coal per month in the first quarter of 2010, which equates to about 2 percent of Arch's total production.

St. Louis-based Arch Coal is the second largest U.S. coal producer. Through its national network of mines, Arch supplies cleaner-burning, low-sulfur coal to fuel roughly 8 percent of the nation's electricity. The company also ships coal to domestic and international steel manufacturers as well as international power producers.