

Arch Coal Completes Public Stock Offering

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St. Louis - May 9, 2001 - Arch Coal, Inc. (NYSE:ACI) announced today that it has completed a public stock offering of 8,500,000 shares of its common stock at a price of \$33 per share. The net proceeds of the offering, which totaled \$266.3 million after the underwriter's discount and expenses, were applied to reduce the company's outstanding indebtedness.

"We view this offering as a very positive development for the company and its stockholders," said Steven F. Leer, Arch Coal's president and chief executive officer. "Through this offering and a previous equity offering in February, Arch Coal has significantly strengthened its balance sheet and increased its financial flexibility. The company's debt-to-total capitalization ratio, which was 84% when the year began, has declined to approximately 58%. With this change in our capital structure, the company is in a much stronger position to capitalize on opportunities provided by the changing U.S. coal industry."

In a related development, Moody's announced last week that it had raised its corporate credit rating on Arch Coal, as well as its ratings on the company's bank facilities, from Ba2 to Ba1. Moody's attributed the upgrade to "sharply higher coal prices" and the "deleveraging" made possible by Arch's recent stock offerings.

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 provides the fuel for approximately 6% of the electricity generated in the United States.