

Arch Coal to Invest \$190 Million To Open New Mountain Laurel Mining Complex in West Virginia

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CHARLESTON, W.Va. (September 23, 2004) - Arch Coal's (NYSE:ACI) Executive Vice President of Mining Operations Kenneth G. Woodring and President of Eastern Operations Bennett K. Hatfield, along with West Virginia's Governor Bob Wise, announced today that Arch Coal will invest roughly \$190 million over the next four years to open a new underground coal mine in southern West Virginia.

"It is with great pleasure that I stand here today to formally announce our plans to open what we believe will be one of the premier deep mines in the eastern coalfields - the new Mountaineer II mine at the Mountain Laurel complex in Logan County," remarked Woodring at a luncheon earlier today.

"That is a very significant investment for our company - and a clear indication of how important we view West Virginia to our future," said Woodring.

According to Arch Coal, more than 375 highly skilled and well paying positions will be needed to support the new mine. Additionally, the two-year construction phase will require approximately 250 contractors.

"We have the energy resources right here in our State, and I'm pleased that Arch Coal has made the choice to invest in West Virginia," said Governor Wise. "Arch Coal's investment in this new underground mine in Logan County will have significant long-term economic benefits."

The company said that all major permits have been issued, and that initial development is underway. Initial production is expected to begin at Mountaineer II in 2006, with the full longwall production to begin in roughly three years, in mid-2007.

Mountain Laurel's underground reserves total 107 million tons, with 55 million tons dedicated to the Mountaineer II mine. At full rate, Mountaineer II expects to produce 5 million tons per year. Its clean-burning, low-sulfur reserves will be available for sale as high-quality steam or metallurgical coal.

The opening of Mountaineer II coincides with the depletion of reserves at Mingo Logan's Mountaineer mine. Mountaineer expects to cease its longwall operation in early 2007. It will continue as a continuous miner operation at a lower production rate for several years.

St. Louis-based Arch Coal 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.