

Arch Coal Expects First Quarter Earnings to Exceed Analyst Expectations; Encounters Challenges Following West Elk Longwall Move

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St. Louis - March 28, 2001 - Arch Coal, Inc. (NYSE:ACI) announced today that it expects its earnings for the first quarter ended March 31, 2001, to exceed the consensus estimate of 4 cents per share. The company currently expects first quarter net income of between 10 cents and 15 cents per share. The company's first quarter results are expected to benefit from high profit margins on a small volume of coal sold in the spot market and income tax benefits related to depletion.

"As previously announced, we entered the year with nearly all of our expected production for 2001 already committed," said Steven F. Leer, Arch Coal's president and chief executive officer. "However, we have realized exceptionally strong profit margins on the small volume of coal that was open to market-based pricing. In addition, nearly all of our mines are operating at high levels of productivity and the overall market continues to strengthen."

Leer indicated that, for the full year, the company expects approximately 2 million tons of its 2001 production to benefit from market-based pricing.

The one company mine that has struggled in recent weeks is the West Elk mine in Colorado, which has encountered startup difficulties following the relocation of the longwall mining system to a new reserve area in late February. "The normal challenges of starting up the longwall in a new reserve area have been exacerbated by higher-than-expected methane levels," Leer said. "These are regular mining problems which we can manage effectively. However, this situation may require additional remedial procedures to completely return the mine to normal levels of production in the near future."

The West Elk mine was idle for roughly six months in 2000 due to a fire that occurred in the western section of the mine. In February 2001, West Elk completed mining the last longwall panel in the western section and moved its longwall mining system to a new reserve area on the mine's east side. West Elk will complete efforts to permanently seal the entire west side of the mine in the next few 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: This press release includes forward-looking statements within the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. These statements may generally be identified by the use of words such as "estimate," "expect," "anticipate," "believe," "intend," "plan," "continue," "may," "should," "shall," "optimistic" or "can." These forward-looking statements are based on expectations or assumptions, some or all of which may be incorrect and which are also subject to various risks and uncertainties that could cause actual results to differ materially from those projected. 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 will increase demand for its 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 and meet its debt reduction goals; various risks and uncertainties inherent in the coal mining industry such as geological conditions and the impact of current and future environmental legislation and the other risks and uncertainties which are described in greater detail in the Company's annual report on Form 10-K, quarterly reports on Form 10-Q and other public filings with the Securities and Exchange Commission.