

Arch Coal Suspends Permitting Efforts for Otter Creek Reserves

March 10, 2016 12:00 PM ET

Emphasizes focus on core assets

ST. LOUIS, March 10, 2016 – Arch Coal, Inc. today announced that it is suspending efforts to secure a mining permit for the Otter Creek coal reserves near Ashland in southeastern Montana, due to capital constraints, near-term weakness in coal markets and an extended and uncertain permitting outlook.

Arch secured lease rights to approximately 8,300 acres of state-owned minerals in the Otter Creek area in 2010. Since that time, Arch has engaged state regulators through the permitting process in order to obtain the approval to mine. That process has taken longer than anticipated, and further deterioration in coal markets has led to the decision to suspend the permitting effort.

The Powder River Basin remains an important coal supply region for domestic and international power generators. However, given current conditions, Arch can no longer devote the time, capital and resources required to develop a coal mine on the Otter Creek reserve block. Arch remains committed to navigating a challenging market environment, executing upon its prudent capital allocation strategy and preserving liquidity. This step will allow Arch to further intensify its focus on operating safe, responsible and low-cost mines.

U.S.-based Arch Coal, Inc. is one of the world's top coal producers for the global steel and power generation industries, reliably serving customers worldwide. Its network of large-scale, low-cost mining complexes is the most diversified in the United States, spanning every major coal basin in the nation. For more information, visit www.archcoal.com.

Forward-Looking Statements: This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from changes in the demand for our coal by the domestic electric generation industry; from legislation and regulations relating to the Clean Air Act and other environmental initiatives; from operational, geological, permit, labor and weather-related factors; from fluctuations in the amount of cash we generate from operations; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. For a description of some of the risks and uncertainties that may affect our future results, you should see the risk factors described from time to time in the reports we file with the Securities and Exchange Commission.