

Arch Coal's Senior Vice President of Strategy and Public Policy Testifies at DOI Listening Session in Denver

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ST. LOUIS, August 18, 2015 – Deck Slone, Arch Coal's senior vice president of strategy and public policy, today testified at a Department of Interior (DOI) listening session in Golden, Colorado, on potential reforms to the federal coal program.

In his remarks, Slone commended the department for the performance of the program to date and urged it to act with caution when considering reform.

"As the Government Accountability Office and the Department of Interior's Inspector General have made clear, the federal coal program is working, and it's working well," Slone said. "In the past decade alone, the program has generated roughly \$12 billion in revenues for the American people – revenues that have been put to work to build schools and fix roads and provide a wide range of critical services."

In the Powder River Basin, where Arch produces 95% of its federal coal, the company pays royalties, taxes and fees totaling nearly 40% of the selling price of its product.

"It is self-evident that a program that returns nearly 40% of all revenues to the public is creating remarkable value for taxpayers," Slone stated. But that's beside the point for those who are arguing for "reform," he added.

"What critics of the program really mean, when they say that current payments aren't enough, is that current payments aren't enough to put the industry out of business," he continued. "That's the real goal – to make sure the coal stays in the ground. They don't want a higher return for taxpayers, they want no return."

"The fact that they attempt to mask this objective with a thinly veiled 'fair share' allegation is reckless and misleading, and we question why the department would take it seriously," he continued.

Slone went on to say that the federal royalty component in isolation – consisting of the upfront as well as per-ton payments – currently exceeds 20% of the selling price. "That's more than twice the very highest rate we pay on private lands – and, on average, it's three to four times higher. Clearly, the government is not only getting a fair return, it's getting an exceptional return."

Not only would higher royalty rates put an essential governmental revenue source at risk, it would also put further economic strain on American families, Slone said.

"Nationwide, families earning less than \$50,000 per year spend around 17% of their take-home pay on energy," Slone said. "Those families will not be well-served by a so-called reform effort that is really just a highly regressive energy tax in disguise."

"An increase in the royalty rate will likely ensure a decline in high-paying mine jobs, increased electricity rates and a decrease in government revenue. Simply put, these are outcomes that many communities and taxpayers can't afford. Should the DOI decide to take action, we strongly encourage the department to take steps, to improve the return to the American public by making coal on public lands more competitive, not less."

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.