

Arch Coal Announces Reductions at Dugout Canyon Mine

WELLINGTON, Utah, Nov. 3, 2011 /PRNewswire/ -- The Canyon Fuel subsidiary of Arch Coal, Inc. (NYSE: ACI) today announced that it would be scaling back production at the Dugout Canyon mine near Wellington, Utah, in response to continuing weakness in coal demand in the region. In keeping with this market-driven decision, Canyon Fuel eliminated a total of 114 jobs at the mine, and plans to suspend longwall operations at the end of the current panel, currently planned for the first half of 2012.

"We regret the need to take this difficult action," said Paul A. Lang, executive vice president of operations. "We want to thank the hardworking employees at Dugout Canyon for their dedication and their strong commitment to running a safe and productive operation. We hope to retain most, if not all, of these valued members of the Canyon Fuel team – and plan to offer positions to the affected employees at operations within Arch's national network of mines."

"Although we are reducing production at Dugout Canyon at this time, we believe there may be additional opportunities for Utah coal in the future – both here at home and in the global marketplace," said Lang. "The next potential longwall panel at Dugout Canyon has been developed and any decision on future production will be based on what market conditions allow."

Arch reiterated that it has committed and priced 17.8 million tons of coal sales for 2011 from its Western Bituminous operations, which include Dugout Canyon, Sufco, Skyline, Arch of Wyoming and West Elk. Coal sales from Dugout Canyon totaled 2.3 million tons in 2010. Arch does not disclose production targets by individual mine.

The company will provide affected employees with 60 days of wages and benefits in addition to a severance package. Relocation assistance also is available to Dugout employees who fill open company positions in other states.

U.S.-based Arch Coal is a top five global coal producer and marketer, with 179 million tons of coal sold pro forma in 2010. Arch is the most diversified American coal company, with mining complexes across every major U.S. coal supply basin. Its core business is supplying cleaner-burning, low-sulfur thermal and metallurgical coal to power generators and steel manufacturers on four continents. In 2010, Arch set new company records in safety performance, environmental compliance and revenue generation.

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.

SOURCE Arch Coal, Inc.

For further information: Media, Kim Link, +1-314-994-2936, or Investors, Deck Slone, +1-314-994-2717 or Jennifer Beatty, +1-314-994-2781

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