

WARN Notices Issued at Dal-Tex Mine

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St. Louis, MO - October 30, 1998 - Arch Coal, Inc. (NYSE:ACI) announced today that its Hobet Mining, Inc. subsidiary was today issuing Worker Adjustment and Retraining Notifications ("WARN Notices") to employees at its Dal-Tex Mine in Logan County, W.Va. Under the WARN Act, a company must provide workers with at least 60 days advance notification before layoffs can occur.

"This action has been necessitated by the failure of state and federal agencies to issue new permits in a timely manner," said Steven F. Leer, Arch Coal's president and chief executive officer. "Our inability to secure those permits has reached a critical stage. We have tried to keep the mine open by mining in increasingly unproductive areas for several months now, which has resulted in losses of approximately \$1 million a month. We cannot continue to incur those losses indefinitely."

Leer pointed out that Hobet Mining had begun the permitting process at Dal-Tex approximately 19 months ago. Although Hobet has worked quickly to respond to all questions and concerns raised during the process, the company has yet to obtain the permits necessary to continue mining from the West Virginia Department of Environmental Protection, the U.S. Environmental Protection Agency or the U.S. Army Corps of Engineers.

"The failure of these agencies to act quickly is likely to cause serious economic hardship to the workers at our Dal-Tex mine and the communities around that operation," Leer said. "We believe there is no justification for the permitting delays. The Dal-Tex operation has been operating in an environmentally responsible manner, using mining techniques that have been employed in southern West Virginia for more than 25 years. Our commitment to protecting the land and returning it to a natural and productive state is an integral part of our operating philosophy."

If the permits are not issued in the very near future, phase layoffs are likely before the end of the year. The Dal-Tex mine employs approximately 387 people, 299 of which are represented by the United Mine Workers of America. Last year, the Dal-Tex complex produced approximately 5.9 million tons of low-sulfur coal.

"The management at Dal-Tex will continue to work diligently to avoid layoffs," Leer added. "Unfortunately, that grows more difficult with each passing day, and will soon become impossible if the permits continue to be delayed."

Arch Coal is the nation's second largest coal producer, with subsidiary operations in West Virginia, Kentucky, Virginia, Illinois, Wyoming, Colorado and Utah. More than 2,500 people are employed at Arch Coal's mining operations in West Virginia, where the company produced over 30 million tons of clean-burning, low-sulfur coal last year.