

## Arch Coal Sells Hazard Thermal Mining Complex to Blackhawk

March 5, 2014 7:30 AM ET

### *Transaction Aligned with Arch's Strategy to Divest Non-Strategic Assets*

ST. LOUIS, March 5, 2014 -- Arch Coal, Inc. (NYSE:ACI) ("Arch") today announced that it has sold its Hazard ("Hazard") subsidiary to Blackhawk Mining, LLC ("Blackhawk") for \$26.3 million in cash, prior to post-closing adjustments. This sale includes the Hazard thermal coal mining complex and related infrastructure as well as approximately 38 million tons of thermal coal reserves in eastern Kentucky. As part of the sale, Arch has divested \$15.6 million of reclamation liabilities to Blackhawk, and expects to be released from \$43.8 million of reclamation surety bonding. In addition, Arch has the potential to receive future royalty payments of up to \$35.0 million in aggregate over the next five years resulting from its retention of select coal reserves at Hazard.

"The sale of our Hazard subsidiary demonstrates that we are continuing to streamline our mining portfolio and monetize assets that are not essential to our future growth plans," said John W. Eaves, Arch's president and CEO. "This transaction allows us to further sharpen our focus on strategic assets that have the highest return potential, such as our growing Appalachian metallurgical coal franchise and our low-cost Western thermal coal platform. At the same time, the proceeds from the sale further strengthen our already substantial cash and liquidity position."

Hazard's complex includes four active surface mines: East-Mac & Nellie, Rowdy Gap, Bearville and Thunder Ridge, as well as the Teton preparation plant and Kentucky River Loading facility. In 2013, Hazard sold 1.7 million tons of thermal coal and generated \$4.8 million in earnings before interest, taxes, depreciation and amortization ("EBITDA").

"I would like to thank the Hazard employees for their substantial efforts to reduce costs in this difficult market environment and -- even more importantly -- for achieving an extraordinary safety performance," said Eaves. "In particular, the employees of Hazard's surface operations and its Kentucky River Loading facility accomplished a perfect safety rate in 2013. Blackhawk is fortunate to gain such an experienced and dedicated workforce."

Arch and its subsidiaries retain 12 major mining complexes and more than 5 billion tons of high-quality thermal and coking coal reserves across the United States.

#### About Arch Coal

U.S.-based Arch Coal, Inc. is one of the world's top coal producers for the global steel and power generation industries, serving customers in 25 countries on five continents. Its network of mining complexes is the most diversified in the United States, spanning every major coal basin in the nation. The company controls more than 5 billion tons of high-quality metallurgical and thermal coal reserves, with access to all major railroads, inland waterways and a growing number of seaborne trade channels. For more information, visit [www.archcoal.com](http://www.archcoal.com).

#### About Blackhawk

Kentucky-based Blackhawk Mining, LLC, was formed in 2010. The company owns and operates four underground and five surface mines as well as two processing and loading facilities in Kentucky. Deutsche Bank served as advisor to Blackhawk in this transaction.

*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.*