

Arch Coal Prices Public Offering of Common Stock

May 3, 2001 10:00 PM ET

St. Louis - May 3, 2001 - Arch Coal, Inc. (NYSE:ACI) today announced the pricing, at \$33.00 per share, of a public offering of 8,500,000 shares of its common stock, par value \$.01 per share. The company has also granted the underwriters an option to purchase up to an additional 1,275,000 shares at the same price for a period of up to 30 days to cover over-allotments. The stock will be issued under the company's universal shelf registration statement that was filed on April 11, 2001. Merrill Lynch & Co. is serving as lead underwriter for the offering in which Bear, Stearns & Co., Inc., JPMorgan, Lehman Brothers and Morgan Stanley Dean Witter are acting as co-managers.

The net proceeds to the company, after the underwriting discount and expenses, is estimated to be \$266.3 million if the over-allotment option is not exercised and \$306.3 million if it is fully exercised. The proceeds will be used to repay indebtedness.

Copies of the prospectus relating to the underwritten public offering may be obtained from Merrill Lynch & Co., Inc., World Financial Center, North Tower - Prospectus Department, New York, NY 10281.

Arch Coal is the nation's second largest coal producer with subsidiary operations in West Virginia, Kentucky, Virginia, Wyoming, Colorado and Utah. Through these operations, Arch Coal provides the fuel for approximately 6% of the electricity generated in the United States.