

Arch Coal Purchases Blue Creek Reserves in West Virginia

November 19, 2003 11:36 AM ET

ST. LOUIS (Nov. 19, 2003) - Arch Coal, Inc. (NYSE: ACI) today announced that it has acquired a 49-million-ton reserve block from Appalachian Coal Holdings for a purchase price of \$17.6 million. Known as the Blue Creek property, the reserve block was previously owned by a subsidiary of Pittston Coal Company.

"We view the Blue Creek reserves as an excellent complement to our existing holdings in Central Appalachia," said John W. Eaves, Arch Coal's executive vice president and chief operating officer. "These are high-quality, low-cost underground reserves located contiguous to the Campbells Creek operation in Kanawha County, W.Va. We would expect the existing Campbells Creek operation to transition into the new reserve area sometime during 2006."

Campbells Creek produces approximately 1.1 million tons of low-sulfur coal annually. It is operated by Catenary Coal Company, a wholly owned subsidiary of Arch Coal, Inc.

It is expected that Blue Creek will be permitted as an underground, continuous miner operation with annual production of between 1.0-1.5 million tons of low-sulfur coal.

Arch Coal is the nation's second largest coal producer and mines low-sulfur coal exclusively. Through its subsidiary operations in West Virginia, Kentucky, Virginia, Wyoming, Colorado and Utah, Arch provides the fuel for approximately 6 percent of the electricity generated in the United States. Arch Coal maintains its corporate headquarters in St. Louis, Mo.