Arch Coal’s Leer Mine

A State-of-the-Art Metallurgical Mine in Northern Appalachia
Our Vision:

To create superior customer and shareholder value as the safest, lowest-cost and most environmentally responsible supplier of coal-based energy in the world.
Arch’s foundation was built upon three core values

| Safety          | • Goal is to operate world’s safest coal mines  
|                 | • Best safety record among major coal peers  
|                 | • Unrelenting focus on continuous improvement  
|                 | • Safe mines are productive and profitable  |
| Stewardship     | • Leading position in environmental compliance  
|                 | • Award-winning stewardship practices  
|                 | • Good corporate citizen in our communities  
|                 | • Supplier of clean coal technologies  |
| Shareholder Value | • Diversified U.S. coal producer  
|                 | • Low-cost position in core operating regions  
|                 | • Significant liquidity to manage through current market challenges  
|                 | • Well positioned to excel as coal markets recover  |
Arch maintains an industry-leading position in safety and environmental compliance

- Arch’s average safety performance is four times better than the U.S. coal industry average (0.66 vs 2.65 – per 200,000 employee-hours worked)
  - Deep commitment to a behavior-based process drives continuous improvements in workplace safety and environmental care across all sites
- The U.S. coal mining industry has achieved enormous improvements in worker safety, logging fewer injuries than agriculture, manufacturing and construction

Sources: ACI, MSHA, BLS, State environmental agencies
Arch is the most diversified U.S. coal producer, and the No. 2 reserve holder in the nation.

Arch serves customers in more than 20 countries. Our power generation business serves 159 power plants in 36 states as well as coal-based power plants on five continents, while our international coking coal platform serves steel facilities around the world.

<table>
<thead>
<tr>
<th>Region</th>
<th>Type</th>
<th>Reserves (million tons)</th>
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<tr>
<td>Powder River Basin</td>
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<td>Appalachia</td>
<td>Bituminous Thermal</td>
<td>430 Met/PCI</td>
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<td>590*</td>
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Arch has 11 mining complexes across all major coal basins

**Powder River Basin**
- Black Thunder
- Coal Creek
- Otter Creek Reserves

**Appalachia**
- Beckley
- Coal-Mac
- Leer
- Lone Mountain
- Mountain Laurel
- Sentinel
- Tygart Reserves
- Vindex

**Bituminous Thermal**
- West Elk
- Viper
- Knight Hawk**
- Lost Prairie Reserves
- Macoupin Reserves
- Carbon Basin Reserves

*49% equity interest*
Arch’s mines represent roughly 13 percent of the annual U.S. coal supply.
Arch’s large and modern mines utilize cutting-edge equipment and technologies
Northern and Central Appalachia Arch Mine Locations

Appalachia:

1. Beckley
2. Coal-Mac
3. Leer
4. Lone Mountain
5. Mountain Laurel
6. Sentinel
7. Vindex
Leer Complex Overview

- 3.0 to 3.5 million ton per year longwall mine in the Lower Kittanning seam
- 44 million ton recoverable reserve base – owned in fee
- High Vol “A” metallurgical coal with an average thickness of 5 to 6 feet.
- 15-year mine life
- CSX rail access
- Mine area covers approximately 6,000 acres
- 467 employees
Tygart Reserve (Lower Kittanning Seam)

- Leer Mine: 44 million tons
- Portion of total Tygart Reserve of approximately 160 million tons
Leer Complex Location Map
Leer Complex Safety Performance

Total Incident Rate

- 2012: 1.51
- 2013: 1.37
- 2014 YTD: 1.10

- S.H.I.E.L.D Process
- Mine Rescue Teams
Leer Mining Complex
Environmental Performance

• Leer joins other Arch mines in consistently winning awards for environmental stewardship
• Leer averaging one NOV per year
• 2013 West Virginia DEP’s Greenlands Award Recipient for best overall performance by a Coal Operator
• 2014 - Zero NOVs and zero water quality exceedances
Leer Mining Complex Milestones

- 2005    Began Mine Permitting Process
- 2010-2012  Site and Facilities Construction
- Nov 2011    Initial Mine Development
- Feb 2013    Initial Longwall Development
- Dec 2013    Longwall Operational
- Aug 2014    Began mining on the 2nd LW Panel
Preparation Plant Aerial View
The technology advantage

• Leer Preparation Plant is a state-of-the-art 1,400 TPH heavy media cyclone plant

• New technologies maximize coal recovery with a resulting 98% organic efficiency

• Reflux classifiers use a hydraulic separation process in the fine coal circuit to reduce ash and remove pyritic sulfur

• Two-state column flotation cells used in the ultra-fine coal circuit for more efficient met coal recovery
Leer Mining Complex Rail Loadout
Leer Mine – Annual Financial Impact

• 467 employees
• Creates about 1,600 indirect jobs
• Purchases over $50 million in parts and supplies; $10.5 million in equipment leases
• Pays $5.4 million in utility bills
Taxes paid by Leer Mine in 2014

- Severance tax for State of WV - $12.5 million
- Personal property taxes - $2.8 million
- Real estate taxes - $200,000
- Total tax liability - $18 million
Leer’s role in Arch Coal’s future

• Leer is company’s biggest new investment
• It will provide significant new metallurgical production in our Eastern operations
• High quality, High-Vol “A” product very desirable in marketplace
• Arch’s ability to participate in seaborne markets will expand over time
• Leer further demonstrates how responsible, safety-conscious, environmentally compliant coal mining plays a vital role in tomorrow’s energy mix