1. **What did Arch Coal announce?**
   - Arch has reached an agreement with the majority of its senior lenders on a restructuring of the company’s balance sheet.
   - To facilitate this financial restructuring, the company filed voluntary petitions for relief under Chapter 11 in the United States Bankruptcy Court for the Eastern District of Missouri.
   - A Chapter 11 reorganization is an in-court legal process designed to help companies continue to operate and do business while they implement plans to restructure their finances. Through this court-supervised process, we expect to reduce Arch’s long-term debt by more than $4.5 billion.
   - Our mining operations and customer shipments are expected to continue in the ordinary course throughout the court-supervised process.
   - We have sufficient liquidity to continue normal mining operations and to meet our obligations in the ordinary course. This includes funding employee wages and benefits, paying vendors and suppliers for all “post-petition” goods and services, and providing customers the same high-quality products and outstanding service they have come to expect from Arch.
   - Arch had more than $600 million in cash and short-term investments as of January 11, 2016, and we expect to receive $275 million of debtor-in-possession (DIP) financing from certain of our senior lenders.
   - We firmly believe this is the best course of action for the long-term success of our company.

2. **Why did Arch file for bankruptcy protection?**
   - Through the hard work and commitment of our employees, we have implemented various proactive measures over the past several years to adapt to the unprecedented challenges in the coal markets and shifts in the regulatory landscape.
   - Thanks to these actions, Arch is one of the strongest competitors in the U.S. coal industry. While we generated strong cash margins across our operating regions in the first nine months of 2015 – a claim few competitors can make – our level of debt remains a challenge.
   - We have therefore reached an agreement with our senior lenders on the terms of a financial restructuring that will significantly reduce our debt. To facilitate this financial restructuring, the company filed voluntary petitions for relief under Chapter 11 in the United States Bankruptcy Court for the Eastern District of Missouri.
   - Through this process, we expect to reduce Arch’s debt by more than $4.5 billion and emerge a more financially secure company.
   - Having carefully reviewed the options available, we determined that this court-supervised process is the best way to strengthen our financial foundation and position us to be a strong competitor in this evolving marketplace.

3. **How will the restructuring process affect day-to-day operations?**
   - It is important to remember that this is a financial restructuring of our balance sheet. Our mining operations and customer shipments will continue in an uninterrupted manner throughout this process.
   - Your support and cooperation will allow us to meet our customer commitments seamlessly and help ensure a successful outcome.
   - The court-supervised process we are beginning today will allow us to continue to operate and to pay our employees, suppliers, lessors and vendors, and to provide superior service to our customers, while we strengthen our position as a leading miner and marketer of coal.
4. **Do you have sufficient liquidity to meet your business obligations?**
   - We have sufficient liquidity to continue normal mining operations and to meet our obligations in
     the ordinary course. This includes funding employee wages and benefits, paying vendors and
     suppliers for all “post-petition” goods and services, and providing customers the same high-
     quality products and outstanding service they have come to expect from Arch.
   - Arch had more than $600 million in cash and short-term investments as of January 11, 2016, and
     we expect to receive $275 million of DIP financing from certain of our senior lenders.

5. **Will coal lessors be paid royalties and wheelage for coal mined and sold or transported on or after the January 11, 2016 filing date?**
   - Arch intends to pay lessors in full and on time for all coal mined and sold or transported on or
     after the date the company filed for reorganization under Chapter 11, January 11, 2016.
   - Under the Bankruptcy Code, coal lessors, among other vendors and suppliers, are automatically
     granted certain protection, known as an administrative priority claim, to help ensure payment for
     any post-petition coal mined and sold or transported by Arch.

6. **Will coal lessors be paid royalties and wheelage for coal mined and sold or transported prior to the filing date of January 11, 2016?**
   - Although the company’s mining operations and customer shipments are continuing in the
     ordinary course, the Bankruptcy Code mandates that unpaid debts accrued during the pre-filing
     period generally cannot be paid.
   - Prepetition accrued and unpaid amounts must be satisfied in connection with any formal
     “assumption” of lease agreements as part of the Chapter 11 process. If a coal lessor’s lease is
     “assumed” in the course of the Chapter 11 proceedings, Arch will pay the lessor all valid
     outstanding amounts at the conclusion and on the terms contained in the lease agreement or
     otherwise acceptable to the lessor.
   - Any claims for unpaid prepetition royalties and/or wheelage will be addressed as part of the
     Chapter 11 reorganization process. If you believe you have a prepetition claim for royalties or
     wheelage, and if Arch ultimately elects not to assume your coal lease agreement, you must file a
     proof of claim on a timely basis with Prime Clerk, Arch’s claims agent. You will receive timely
     notice of Arch’s decision regarding whether to assume your lease agreement during Arch’s
     Chapter 11 proceedings, and you will receive information at a later time regarding how to submit
     a proof of claim.

7. **How do I file a proof of claim?**
   - Arch’s claims agent, Prime Clerk, will be providing the appropriate forms once a deadline for
     filing claims has been set. Proof of claim forms and other information about the claims process
     will be available at the following website: [https://cases.primeclerk.com/archcoal](https://cases.primeclerk.com/archcoal).

8. **How can I obtain more information?**
   - It is our objective to keep you informed throughout this restructuring process.
   - If you have additional questions, please do not hesitate to contact your Arch Coal representative.
   - A special section of our website has been developed, [www.archcoal.com/restructuring](http://www.archcoal.com/restructuring), to provide you with regular updates as well as a link to the website of our claims agent.
   - Our claims agent’s website, at [http://cases.primeclerk.com/archcoal](http://cases.primeclerk.com/archcoal), will have more information regarding our Chapter 11 case.
   - We’ve also established a toll-free information hotline at 1-844-242-7478 to address specific
     questions and concerns.
9. **When will Arch emerge from Chapter 11?**
   - It typically takes a company between 12 and 18 months to complete the Chapter 11 process. While there are many factors that are out of our control, it is our intent to move through this court-supervised process as quickly and efficiently as possible.
   - We firmly believe that this course of action will better position Arch for the future.
   - We believe in the long-term success of Arch Coal, and we fully intend to emerge from this process a stronger and more competitive energy company.