January 11, 2016

Dear Valued Business Partner,

As you know, we are in the midst of an exceptionally challenging time in U.S. and global coal markets. In response, we have taken steps to enhance the efficiency of our operations and focus on high-return opportunities. Your support during this time has allowed us to run safe, responsible and competitive operations and to continue to supply our customers with coal to produce essential power and steel, and for that we thank you.

Today, we are announcing the next step in our efforts to further position Arch for long-term success. We have reached an agreement with the majority of our senior lenders on the terms of a financial restructuring of our balance sheet that is expected to reduce our long-term debt by more than $4.5 billion. To facilitate this financial restructuring, we have elected to file for reorganization under Chapter 11 of the Bankruptcy Code. We are confident that this court-supervised process is the best way to solidify and enhance our financial position.

Arch continues to be one of the strongest competitors in the industry – supported by our large-scale and low-cost operations. Our agreement with the majority of our senior lenders and the court-supervised process we are beginning today will allow us to continue to operate in the ordinary course. We fully expect to continue to pay our employees, meet our obligations to our suppliers and vendors, provide superior service to our customers and strengthen our position as a leading miner and marketer of coal.

Here are some key points to keep in mind as we move forward:

- **We intend to pay suppliers and vendors in full for goods and services provided on or after the filing date.** We had more than $600 million in cash and short-term investments as of January 11, 2016, and we expect to receive $275 million in new financing from certain of our senior lenders. We intend to meet our post-filing obligations in the ordinary course.

- **Arch has been a reliable partner.** We value the important relationship we have developed with your organization and we will continue to work closely with you throughout this process and into the future.

- **Arch is open for business.** Our mining operations and customer shipments will continue in an uninterrupted manner. Your cooperation and continued supply of goods and services will allow us to meet our customer commitments seamlessly and help ensure a successful outcome.

- **We intend to move through this process as quickly as possible.** We believe we are well-positioned for a quick and successful restructuring in Chapter 11, and we intend to emerge a stronger and more competitive company.
It is our objective to keep you informed throughout this restructuring process. If you have additional questions, please don’t hesitate to contact your Arch Coal representative. A special section of our website, [www.archcoal.com/restructuring](http://www.archcoal.com/restructuring), has been developed to provide you with regular updates, and our claims agent, Prime Clerk, has also set up a website at [https://cases.primeclerk.com/archcoal](https://cases.primeclerk.com/archcoal) that includes court documents and other information. We’ve also established a toll-free hotline at 1-844-242-7478 to address specific questions and concerns.

We greatly appreciate your support, and look forward to continuing our partnership well into the future.

Sincerely,

John W. Eaves
Chairman and Chief Executive Officer