

# FTC clears Arch purchase of Jacobs Ranch

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From staff and wire reports  
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ST. LOUIS -- Arch Coal Inc. cleared a major hurdle this week toward its pending acquisition of Rio Tinto Energy America's Jacobs Ranch mine in Wyoming's Powder River Basin.

On Friday, Arch announced that it has received antitrust clearance from the U.S. Federal Trade Commission -- a vote of confidence that merging the adjacent Jacobs Ranch and Black Thunder surface mines won't lead to collusion or a monopoly on southern Powder River Basin coal.

"We are very pleased to be moving one step closer to completing the acquisition of Jacobs Ranch," said Steven F. Leer, Arch's chairman and chief executive officer. "We are now working swiftly to finalize our due diligence on the transaction and to meet all necessary conditions required for closing."

Arch expects the transaction to close within the next six weeks.

The acquisition would create a mega-mine with a capacity of more than 130 million tons of annual production -- 12 percent of total U.S. coal production.

Jacobs Ranch produced 42.1 million tons of coal in 2008 with about 632 employees. The mine had been up for sale for more than a year, along with Rio Tinto Energy America's other Powder River Basin mines, Antelope and Cordero-Rojo.

Arch's 2005 acquisition of Triton Coal Co. and its North Rochelle mine next to Black Thunder sparked a legal battle in which the FTC and a coalition of six Midwestern states alleged possible price collusion among southern Powder River Basin coal producers.

The deal eventually went forward with Arch agreeing to sell part of the North Rochelle property to Peabody Energy.

St. Louis-based Arch Coal is one of the largest U.S. coal producers, with revenues of \$3.0 billion in 2008.