



PHONE: (740) 338-3100
FAX: (740) 338-3405
www.murrayenergycorp.com

FOR IMMEDIATE RELEASE

January 24, 2018

CONTACT:
media@coalsource.com

Murray Energy Corporation's Murray Kentucky Energy, Inc. Announces Agreement to Acquire a Majority Interest in a New Company that will Hold Certain Assets Previously Owned by Armstrong Energy, Inc.

Murray Energy Corporation ("Murray Energy") announced today that its unrestricted subsidiary, Murray Kentucky Energy, Inc., ("Murray Kentucky"), has entered into a legally binding Transaction Agreement ("Agreement") with Armstrong Energy, Inc. ("Armstrong Energy") and certain of its senior secured noteholders to acquire a fifty-one percent (51%) ownership interest in a new company that will own certain assets formerly held by Armstrong Energy. The secured noteholders of Armstrong Energy will hold a forty-nine percent (49%) ownership interest in the new company.

"We are pleased that we were able to reach an agreement with Armstrong Energy and its secured noteholders in order to ensure that these mines continue to operate after the bankruptcy process," said Mr. Robert E. Murray, Chairman, President and Chief Executive Officer of Murray Energy. "After this transaction is completed, Murray Kentucky and the lenders of Armstrong Energy will jointly own five (5) mines that are strategically important in the Illinois Basin. These operations will complement our existing mines in the Illinois Basin," Mr. Murray continued.

The transaction remains subject to approval by the United States Bankruptcy Court for the Eastern District of Missouri, which is administering Armstrong Energy's chapter 11 bankruptcy case. The transaction would be implemented as part of Armstrong Energy's proposed plan of reorganization, which has the support of the Company's secured noteholders and its Official Committee of Unsecured Creditors.

The new company will be a producer of low-chlorine, high-sulfur thermal coal, with five (5) mines in the Illinois Basin, including three (3) surface mines and two (2) operating underground mines. As of June 30, 2017, Armstrong Energy controlled over 445 million tons of proven and probable coal reserves in Western Kentucky. The new company will also own and operate the three (3) existing coal processing plants and river dock coal handling and rail loadout facilities. Murray Kentucky will manage these mines, along with the coal preparation and shipment facilities, after this transaction has closed.

Murray Energy Press Release

January 24, 2018

Page 2

“This transaction will provide needed stability to the coal industry in Western Kentucky,” Mr. Murray stated. “It will also provide operational consistency to our domestic customers and greater opportunity for coal sales into the international export markets. This is a very important transaction for our employees, the employees of Armstrong who will join us, and our lenders and customers,” concluded Mr. Murray.

Murray Energy and Murray Kentucky are being advised by legal counsel Schulte Roth & Zabel LLP, in connection with this acquisition.

Further inquiries should be directed to media@coalsource.com.

For further information contact:

Murray Energy Corporation
media@coalsource.com
Gary M. Broadbent
Senior Corporate Counsel and
Director of Investor and Media Relations
(740) 338-3100
www.murrayenergycorp.com