

[Cloud Peak Energy Inc.](#) (NYSE:CLD), one of the largest U.S. coal producers and the only pure-play Powder River Basin (&ldquo;PRB&rdquo;) coal company, today announced second quarter 2015 shipments and updated its annual Adjusted EBITDA guidance. Results for the second quarter and first six months of 2015 are expected to be announced on July 29, 2015. Conference call details are set forth below.

Second quarter 2015 shipments from the Company&rsquo;s three mines were 16.0 million tons compared to 20.6 million tons in the second quarter of 2014. For the full year 2015, the Company now expects shipments to be between 74 and 78 million tons.

Additionally, in connection with the preparation and review of Cloud Peak Energy&rsquo;s financial statements for the second quarter of 2015, the Company determined it will incur a non-cash goodwill impairment charge of approximately \$33.4 million for the Company&rsquo;s 8400 Btu Cordero Rojo Mine, representing a full write down of the Cordero Rojo Mine's goodwill as of June 30, 2015 due to the weak market outlook for 8400 Btu coal. The non-cash goodwill impairment charge is excluded from the Company's EBITDA calculation for the purpose of determining compliance with covenants in its credit facility. Cloud Peak Energy will provide additional detail regarding the goodwill impairment charge in its second quarter 2015 financial results on July 29, 2015.

Based upon preliminary data, the Company currently expects the net loss for the second quarter of 2015 to be between \$51 million and \$54 million and Adjusted EBITDA<sup>(1)</sup> to be between \$10 million and \$12 million. As a result, the Company is lowering the upper end of its full year Adjusted EBITDA guidance range by \$10 million, so that full year 2015 Adjusted EBITDA is now expected to be between \$110 million and \$140 million.

Second quarter shipments from the Company&rsquo;s three mines were reduced due to low seasonal demand from our utility customers and rail service interruptions due to flooding. Colin Marshall, President and Chief Executive Officer, commented, &ldquo;While the second quarter shipments were lower than we forecast, we are now in the position where we expect to be able to run at higher shipment rates for the rest of the year allowing us to leave the bottom of our Adjusted EBITDA guidance range unchanged.&rdquo;

This release is based on the Company&rsquo;s current preliminary estimates of its results for the quarter ended June 30, 2015. Actual results are subject to revision based upon the finalization of the Company&rsquo;s quarterly financial closing procedures and the completion of the Company&rsquo;s full interim financial statements.

#### Conference Call Details

A conference call with management is scheduled at 5:00 p.m. ET on July 29, 2015 to review the results and current business conditions. The call will be webcast live over the Internet from our website at [www.cloudpeakenergy.com](http://www.cloudpeakenergy.com) under &ldquo;Investor Relations.&rdquo; Participants should follow the instructions provided on the website for downloading and installing the audio applications necessary to join the webcast. Interested individuals can also access the live conference call via telephone at (855) 793-3260 (domestic) or (631) 485-4929 (international) and entering pass code 80828747.

Following the live webcast, a replay will be available at the same URL on our website for seven days. A telephonic replay will also be available approximately two hours after the call and can be accessed by dialing (855) 859-2056 (domestic) or (404) 537-3406 (international) and entering pass code 80828747. The telephonic replay will be available for seven days.

#### About Cloud Peak Energy®

[Cloud Peak Energy Inc.](#) (NYSE:CLD) is headquartered in Wyoming and is one of the largest U.S. coal producers and the only pure-play Powder River Basin coal company. As one of the safest coal producers in the nation, Cloud Peak Energy mines low sulfur, subbituminous coal and provides logistics supply services. The Company owns and operates three surface coal mines in the PRB, the lowest cost major coal producing region in the nation. The Antelope and Cordero Rojo mines are located in Wyoming and the Spring Creek Mine is located in Montana. In 2014, Cloud Peak Energy shipped approximately 86 million tons from its three mines to customers located throughout the U.S. and around the world. Cloud Peak Energy also owns rights to substantial undeveloped coal and complimentary surface assets in the Northern PRB, further building the Company&rsquo;s long-term position to serve Asian export and domestic customers. With approximately 1,600 total employees, the Company is widely recognized for its exemplary performance in its safety and environmental programs. Cloud Peak Energy is a sustainable fuel supplier for approximately four percent of the nation&rsquo;s electricity.

#### Cautionary Note Regarding Forward-Looking Statements

This release contains &ldquo;forward-looking statements&rdquo; within the meaning of the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are not statements of historical facts and often contain words such as &ldquo;may,&rdquo; &ldquo;will,&rdquo; &ldquo;expect,&rdquo; &ldquo;believe,&rdquo; &ldquo;anticipate,&rdquo; &ldquo;plan,&rdquo; &ldquo;estimate,&rdquo; &ldquo;seek,&rdquo; &ldquo;could,&rdquo; &ldquo;should,&rdquo; &ldquo;intend,&rdquo; &ldquo;potential,&rdquo; or words of similar meaning.

Forward-looking statements are based on management's current expectations, beliefs, assumptions and estimates regarding our company, industry, economic conditions, government regulations, energy policies and other factors. Forward-looking statements may include, for example: (1) our outlook for 2015 and future periods for our company, the PRB and the industry in general, and our operational, financial and export guidance; (2) expected development of future export terminal capacity, increased future access to existing or new capacity and our ability to manage our exposure to currently committed capacity to address depressed prices; (3) anticipated demand by domestic and Asian utilities for PRB coal, including the impact of regulatory developments and uncertainties and climate change concerns; (4) the impact of competition from other domestic and international coal producers, natural gas supplies and other alternative sources of energy used to generate electricity; (5) coal stockpile and natural gas storage levels and the impacts on future demand and pricing; (6) our plans to replenish and/or increase our coal tons and extend our mine lives; (7) business development and growth initiatives; (8) operational plans for our mines; (9) our cost management efforts; (10) industry estimates of the U.S. Energy Information Administration and other third party sources; (11) our estimates of the quality and quantity of economic coal associated with our development projects, the potential development of our Youngs Creek and other Northern PRB assets, and our potential exercise of options for Crow Tribal coal; (12) our future liquidity; (13) anticipated improvements in rail performance; (14) anticipated benefits of recent depressed oil prices; and (15) other statements regarding our plans, strategies, prospects and expectations concerning our business, operating results, financial condition and other matters that do not relate strictly to historical facts. These statements are subject to significant risks, uncertainties, and assumptions that are difficult to predict and could cause actual results to differ materially and adversely from those expressed or implied in the forward-looking statements. Factors that could adversely affect our future results include, for example, (a) future economic and weather conditions that impact electricity demand, demand for thermal coal, available coal supplies and transportation logistics infrastructure; (b) existing and future coal-fired power plant capacity and utilization, demand for our coal by the domestic electric generation industry, Asian export demand, terminal capacity and the prices we receive for our coal and our logistics services; (c) reductions or deferrals of purchases by major customers and our ability to renew sales contracts on favorable terms; (d) competition from other coal producers, natural gas producers and other sources of energy, domestically and internationally, including the effects of governmental energy and tax policies, regulations and currency exchange rates which may favor international coal suppliers and other sources of energy; (e) environmental, health, safety, endangered species (including the potential listing of the greater sage-grouse as a threatened or endangered species) or other legislation, regulations, executive orders, treaties, court decisions or government actions, or related third-party legal challenges or changes in interpretations, including new requirements or uncertainties affecting the use, demand or price for coal or imposing additional costs, liabilities or restrictions on our mining operations, the utility industry or the logistics, transportation and terminal industries; (f) public perceptions, third-party legal challenges or governmental regulations, executive orders or other actions and energy policies relating to concerns about climate change, air and water quality or other environmental considerations, including emissions restrictions (for example, EPA carbon regulations for power plants under the Clean Air Act) and governmental subsidies or mandates that make natural gas, wind, solar or other alternative fuel sources more cost-effective and competitive with coal; (g) operational, geological, equipment, permit, labor, weather-related and other risks inherent in surface coal mining; (h) our ability to efficiently and safely conduct our mining operations; (i) transportation and export terminal availability, performance and costs; (j) availability, timing of delivery and costs of key supplies, capital equipment or commodities such as diesel fuel, steel, explosives and tires; (k) our ability to acquire future coal tons through the federal LBA process and necessary surface rights and permits in a timely and cost-effective manner and the impact of third-party legal challenges; (l) access to capital and credit markets and availability and costs of credit, surety bonds, letters of credit, and insurance; (m) litigation and other contingent liabilities; (n) proposed Pacific Northwest export terminals are not developed in a timely manner or at all, or are developed at a smaller capacity than planned, or we are unable to enter into definitive throughput agreements for potential future capacity at proposed terminals, including the Gateway Pacific Terminal and Millennium Bulk Terminal; (o) future development and operating costs for our development projects significantly exceed our expectations; (p) the failure of carbon capture technology to be developed and adopted by utilities; and (q) other risk factors described from time to time in the reports and registration statements we file with the Securities and Exchange Commission, including those in Item 1A - Risk Factors in our most recent Form 10-K and any updates thereto in our Forms 10-Q and Forms 8-K. There may be other risks and uncertainties that are not currently known to us or that we currently believe are not material. We make forward-looking statements based on currently available information, and we assume no obligation to, and expressly disclaim any obligation to, update or revise publicly any forward-looking statements made in this release, whether as a result of new information, future events or otherwise, except as required by law.

#### Non-GAAP Financial Measure

This release includes the non-GAAP financial measure of Adjusted EBITDA (on a consolidated basis). Adjusted EBITDA is intended to provide additional information only and does not have any standard meaning prescribed by generally accepted accounting principles in the U.S. ("GAAP").

EBITDA represents net income (loss) before: (1) interest income (expense) net, (2) income tax provision, (3) depreciation and depletion, and (4) amortization. Adjusted EBITDA represents EBITDA as further adjusted for accretion, which represents non-cash increases in asset retirement obligation liabilities resulting from the passage of time, and specifically identified items that management believes do not directly reflect our core operations. For the periods presented herein, the specifically identified items are: (1) adjustments to exclude the updates to the tax agreement liability, including tax impacts of the 2009 IPO and 2010 Secondary Offering and the termination of the Tax Receivable Agreement in August 2014, (2) adjustments for derivative financial instruments, excluding fair value mark-to-market gains or losses and including cash amounts received or paid, and (3) adjustments to exclude goodwill impairment charges, and (4) adjustments to exclude the gain from the sale of our 50% non-operating interest in the Decker Mine in September 2014. We enter into certain derivative financial instruments such as put options that require the payment of premiums at contract inception. The reduction in the premium value over time is reflected in the mark-to-market gains or losses. Our calculation of Adjusted EBITDA does not include premiums paid for derivative financial instruments; either at contract inception, as these payments pertain to future settlement periods, or in the period of contract settlement, as the payment occurred in a preceding period. Because of the inherent uncertainty related to the items identified above, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measures or a

reconciliation to any forecasted GAAP measures.

Adjusted EBITDA is an additional tool intended to assist our management in comparing our performance on a consistent basis for purposes of business decision making by removing the impact of certain items that management believes do not directly reflect our core operations. Adjusted EBITDA is a metric intended to assist management in evaluating operating performance, comparing performance across periods, planning and forecasting future business operations and helping determine levels of operating and capital investments. Period-to-period comparisons of Adjusted EBITDA are intended to help our management identify and assess additional trends potentially impacting our Company that may not be shown solely by period-to-period comparisons of net income (loss). Our chief operating decision maker uses Adjusted EBITDA as a measure of segment performance. Consolidated Adjusted EBITDA is also used as part of our incentive compensation program for our executive officers and others.

We believe Adjusted EBITDA is also useful to investors, analysts and other external users of our consolidated financial statements in evaluating our operating performance from period to period and comparing our performance to similar operating results of other relevant companies. Adjusted EBITDA allows investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and depletion, amortization and accretion and other specifically identified items that are not considered to directly reflect our core operations.

Our management recognizes that using Adjusted EBITDA as a performance measure has inherent limitations as compared to net income (loss), EPS, or other GAAP financial measures, as this non-GAAP measure excludes certain items, including items that are recurring in nature, which may be meaningful to investors. Adjusted EBITDA should not be considered in isolation and does not purport to be an alternative to net income (loss), EPS or other GAAP financial measures as a measure of our operating performance. Because not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Moreover, our presentation of Adjusted EBITDA is different than EBITDA as defined in our debt financing agreements.

The following table reconciles estimated second quarter 2015 Adjusted EBITDA to estimated results as reported under GAAP (in millions):

	Three Months Ended June 30, 2015 (Unaudited)		Six Months Ended June 30, 2015 (Unaudited)	
Net loss	\$ (51.0 )	\$ (54.0 )	\$ (55.0 )	\$ (58.0 )
Interest expense, net	12.0	13.0	24.5	25.5
Income tax expense	(9.0 )	(10.0 )	(9.0 )	(10.5 )
Depreciation, depletion and amortization	19.0	21.5	44.0	47.0
Accretion	3.0	4.0	6.0	7.0
Derivative financial instruments	3.0	4.5	6.0	7.5
Goodwill impairment	33.0	33.0	33.0	33.0
Adjusted EBITDA	\$ 10.0	\$ 12.0	\$ 49.5	\$ 51.5

(1) Non-GAAP financial measure. See definition and reconciliation below in this release and the attached tables.

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