

July 2018



CLOUD PEAK ENERGY INC.
CLOUD PEAK ENERGY RESOURCES LLC

CODE OF CONDUCT

Table of Contents

A Message from the Chief Executive Officer	4
About Our Code of Conduct	5
Cloud Peak Energy Values	5
Application of Our Code of Conduct	6
Compliance	6
Waivers	6
Amendments	6
Reporting Violations of Law and the Code	6
Compliance Hotline	7
Violations	7
Posting Requirement	7
Environment	8
The Workplace	8
Health and Safety	8
Employment	9
Drug and Alcohol Impairment	9
Workplace Security	9
Workplace Violence	9
Business Integrity	10
Conflicts of Interest	10
Corporate Opportunities	11
Competition and Antitrust Issues	11
Gifts, Meals, Entertainment, Travel and Other Payments	11
Fair Business Practices	12
Compliance with Laws, Rules and Regulations	12
Insider Trading	12
Political Contributions and Involvement	13
Company Assets and Information Management	13
Internal Controls and Company Records	13
Employee Use of Company Property	14
Confidential Information	14
Intellectual Property	15
Data Privacy	15
Retention of Documents and Records	16
Media and Investor Relations	16
Communicating with Media and Investors	16
Transparency	16

This Code of Conduct has been adopted by the Board of Directors of Cloud Peak Energy Inc. and applies to Cloud Peak Energy Inc., Cloud Peak Energy Resources LLC and each of their subsidiaries, which are collectively referred to as the “Company” or “Cloud Peak Energy.” Although it is not intended to cover every situation or circumstance that may arise, it is designed to provide basic principles and guidelines to assist directors, officers and employees in complying with the legal and ethical requirements governing the Company’s business conduct. This Code of Conduct covers a wide range of business practices and procedures but does not cover every issue that may arise. As such, it should not be viewed as a list of “do’s and don’ts,” but instead as a standard of good behavior for all directors, officers and employees.

The Company reserves the right to add to, modify or rescind this Code or any portion of it at any time. This Code governs in the event of any conflict or inconsistency between this Code and any other materials distributed by the Company. If a law is more restrictive than our Code or other Company policy, you must comply with the law.

THIS CODE OF CONDUCT IS NOT A CONTRACT OF EMPLOYMENT AND DOES NOT CREATE ANY CONTRACTUAL RIGHTS. It also does not fully reflect all Company policies. These guidelines and policies may vary and the Company may change them in its sole discretion, without notice.

A Message from the Chief Executive Officer

Dear Colleague,

Cloud Peak Energy's business success largely depends on our reputation for acting responsibly and fulfilling our commitment to work ethically and safely.

Actions speak louder than words. The behavior of each and every one of us will influence how well we perform and how the world views our Company. This Code of Conduct is our conscience. Our conduct will bring about a success that we can all be proud to share – and one that everyone notices.

By working according to our core values, we will help sustain our long term business success by encouraging more effective relationships with our stakeholders and ensuring that we remain a safe and ethical member of our communities.

Please take time to read and understand this Code and use it as a continual reference in your work.

Cloud Peak Energy's long-term business success depends on what you do.

Colin Marshall
Chief Executive Officer
Cloud Peak Energy Inc.

About Our Code of Conduct

Our Code of Conduct is our Company-wide code of business conduct. The principles and standards contained in this Code reaffirm our commitment to working ethically and safely and following all the laws that apply to us.

Our Code of Conduct helps us to meet our strong commitment to ethical business practices and safety in the workplace. It applies to everything we do, from our communications with the public to the safety of our employees and the environment, and defines how we treat each other and our stakeholders. It helps us apply our Core Values to the work we do each and every day.

Corporate governance and responsibility is taken very seriously at Cloud Peak Energy, so it is important that you read, understand and closely follow this Code of Conduct. This Code identifies resources available to all of us to help identify and resolve ethical issues we may encounter at work. Your manager and the General Counsel are also available to you to answer questions you may have.

Our fundamental policy is to conduct our business with honesty and integrity in accordance with the highest legal and ethical standards. The Company and its directors, officers and employees must comply with all applicable legal requirements and must comply with the spirit as well as the letter of this Code, and must not attempt to achieve indirectly, through the use of agents or intermediaries, what is prohibited directly by this Code. This Code provides guidance for specific situations that may arise. However, each director, officer and employee has the responsibility to exercise good judgment so as to act in a manner that will reflect favorably upon the Company and the individual.

When confronted with a business decision that has ethical considerations, there are several questions we should ask ourselves:

- Are my actions consistent with the Code of Conduct and other Cloud Peak Energy policies?
- Is it legal?
- Are there any direct or indirect negative consequences of my actions for Cloud Peak Energy?
- What would my family, friends and neighbors think of my actions?
- Would I want my actions reported on the front page of the local newspaper?

If you do not feel comfortable with any of your answers to these questions, then the best response is not to take that particular action. If you are unsure of what to do, you should refer to the appropriate section of this Code. If that does not help, you can speak with your supervisor or other contacts referenced in the Code of Conduct.

Cloud Peak Energy Values

Cloud Peak Energy's values are the underlying principles of our behaviors that guide the way we do business. We will hold each other accountable to not deviate from these values in all our business dealings.

Safety – The safety of everyone involved in our business will never be compromised.

Caring – We care about the impact of our actions on people and the environment both inside and outside the company.

Honesty – We are honest and transparent in all interactions with each other and those outside the company.

Courage – We will be courageous in all our dealings and will hold ourselves accountable for our actions and not avoid difficult issues.

Respect – We will show respect to all those involved in every interaction and work to engage all our employees in the business.

Application of Our Code of Conduct

Compliance

Each director must become familiar with and agree to comply with this Code. In addition, each officer and other employee must become familiar with and agree to comply with this Code as a condition of such person's employment. Directors, officers and employees will be provided with a copy of the Code at the time their directorship or employment commences, as applicable. Each new director, officer and employee should read the Code carefully and ask questions of their supervisor or the General Counsel. Directors, officers and employees will also be required to complete periodic training regarding the Code pursuant to our ethics and compliance program.

Likewise, we require some of our stakeholders to comply with the Code of Conduct in their dealing with or on behalf of the Company. We can help them be aware of the contents of Code of Conduct either by referring them to the version available on Cloud Peak Energy's website at www.cloudpeakenergy.com or, in the absence of internet access, providing them with a paper copy.

Waivers

Compliance with the Code is expected at all times – waivers must be obtained for non-compliance.

Our Code of Conduct applies to the directors, officers and employees of Cloud Peak Energy. Any waiver of the provisions of the Code of Conduct for directors and executive officers must be made by either the Board of Directors or the Audit Committee and must be promptly disclosed to Cloud Peak Energy's shareholders in accordance with applicable rules and regulations. Any waiver for non-executive officers and employees must be made by our General Counsel.

Amendments

Any material amendment to this Code shall be made only by the Board. If a material amendment to this Code is made, appropriate disclosure thereof will be made to the Company's shareholders as required and in accordance with applicable rules and regulations.

Reporting Violations of Law and the Code

Each of us has a responsibility to act with the highest degree of integrity when acting on behalf of Cloud Peak Energy.

We are all expected to comply with the standards of conduct contained in the Code of Conduct. This includes reporting any violations of applicable law and this Code. The Company understands that reporting potential violations or problems, especially one involving your co-worker, can sometimes be uncomfortable. The first person you should talk to about your questions or concerns is your supervisor. If your supervisor does not answer your question or address your concern, or if the problem involves your supervisor, you can report your concerns to another member of management, or to Cloud Peak Energy's General Counsel, who has primary responsibility over the content of the Code of Conduct and can also answer any questions related to the meaning or application of this Code. Directors, officers and employees are expected to cooperate in internal investigations of misconduct.

Members of management and other supervisors are expected to assist the Company in creating a culture of compliance in which employees understand their responsibilities and feel comfortable raising concerns without fear of retaliation. Members of management and other supervisors who receive reports regarding concerns or potential problems should consult with the General Counsel and Human Resources personnel.

For the avoidance of doubt, nothing in this Code is to be interpreted or applied in any way that prohibits, restricts or interferes with a director's or employee's (a) exercise of rights provided under, or participation in, "whistleblower" programs of the U.S. Securities and Exchange Commission or any other applicable regulatory agency or governmental entity (each, a "Government Body"), or (b) good faith reporting of possible violations of applicable law to any Government Body, including cooperating with a Government Body in any governmental investigation regarding possible violations of applicable law.

Compliance Hotline

NO DISCIPLINARY OR OTHER RETALIATORY ACTION WILL BE TAKEN AGAINST ANYONE FOR REPORTING A SUSPECTED VIOLATION OF LAW, POLICIES OR THIS CODE IN GOOD FAITH.

If your issue is not or cannot be resolved by reporting it to your supervisor or the General Counsel, you also have access to our Compliance Hotline, a confidential, free telephone line that employees, contractors and others may use to communicate to Cloud Peak Energy's senior management their good faith concerns regarding questionable accounting; internal accounting controls; auditing matters; violations of the Code or other Cloud Peak Energy policies; or violations of applicable laws, rules or regulations.

The Compliance Hotline is available 24 hours a day, seven days a week.

Information on our Compliance Hotline, including the telephone number, is available at each operating site and is listed on our website at www.cloudpeakenergy.com.

All information obtained through the above mentioned reporting channels will, to the extent possible, be received in confidence and will be followed up. Where permitted, reports may be made on an anonymous basis. No action will be taken against anyone for reporting, in good faith, a suspected violation of the law or Cloud Peak Energy policies, or for cooperating in a Company investigation into a reported violation.

Violations

Compliance with this Code is essential.

Violations of the Code of Conduct may result in disciplinary action, including dismissal of any officer or other employee where warranted. In addition, Cloud Peak Energy may disclose information about potential violations of legal requirements to appropriate law enforcement authorities and other governmental agencies.

Posting Requirement

The Company shall post this Code on the Company's website as required by applicable rules and regulations. In addition, the Company shall disclose in its annual proxy statement that a copy of this Code is available in print to any shareholder who requests it as well as on the Company's website and provide the website address.

Environment

Excellence in environmental performance is important to our business success.

Coal mining contributes to development by providing an economic fuel source necessary for modern society. We recognize that extracting and processing coal resources must be conducted in ways that minimize impacts to the environment, local communities, and employees. We implement programs and business strategies to minimize our operational footprint to allow us to meet the needs of the present without compromising the ability of future generations to meet their own needs. Excellence in environmental performance is essential to our business success.

Wherever possible, Cloud Peak Energy prevents, or otherwise minimizes, mitigates and remediates, effects its mining operations might have on the environment. Cloud Peak Energy also assists customers in finding better ways to use coal so all of its benefits are delivered. The Company regularly audits, reviews and reports on environmental initiatives to help ensure they are implemented and are effective.

It is the responsibility of all employees to conduct operations in a way that protects the quality of the water, air and land in the surrounding environment. Compliance with all environmental laws and regulations is the foundation on which our environmental performance is built.

Directors, officers and employees should be aware that environmental laws may provide for significant civil and criminal penalties against individuals and/or the Company for failure to comply with applicable requirements. Accordingly, each director, officer and employee must comply with all applicable environmental laws, rules and regulations.

The Workplace

Health and Safety

Health and safety should never be compromised. Our goal is zero injuries.

Everyone's behavior contributes to an injury-free workplace. Full and consistent implementation of Cloud Peak Energy's safety standards, systems and procedures is required wherever we operate.

Cloud Peak Energy is building a sustainable safety culture that requires visible leadership, ongoing education and training and a high level of participation by everyone in the workplace. We concentrate on hazard identification, risk analysis and risk management.

We recognize that healthy and productive employees are essential to our success and we are committed to preventing new cases of occupational illness and injury. We have a target of achieving a significant reduction in new cases each year through the identification, evaluation and control of workplace exposures and the implementation of health and wellness programs. We have a set of core occupational health standards addressing both physical and mental health issues, which are implemented through education, training, systems and procedures. We also support disease prevention and management projects that contribute to the sustainable development of communities.

Directors, officers and employees should be aware that health and safety laws may provide for significant civil and criminal penalties against individuals and/or the Company for the failure to comply with applicable requirements. Accordingly, each director, officer and employee must comply with all applicable safety and health laws, rules and regulations, including occupational safety and health standards.

Employment

We respect the rights and dignity of our employees and those of our business partners.

In our interactions with employees, including those of our business partners, we are firmly committed to the principles of non-discrimination and equal employment opportunity. Respect is central to a harmonious workplace, where the rights of employees are upheld and where their dignity is affirmed, free of intimidation, discrimination or coercion of any kind.

Therefore, we:

- do not permit discrimination on the basis of race, gender, national origin, religion, age, sexual orientation, or on the basis of any personal characteristic protected by law, while retaining the right of the Company to make exceptions to favor local employment where local laws provide;
- value diversity with respect to a wide range of cultures and races and treat genders equally;
- do not approve of the use of inappropriate language in the workplace, including profanity, swearing, vulgarity or verbal abuse; and
- do not allow coercion or intimidation in the workplace.

Sexual or workplace harassment will not be tolerated at Cloud Peak Energy. Sexual harassment may include unwanted sexual advances, sexual jokes, subtle or overt pressure for sexual favors, sexual innuendoes and offensive propositions. Workplace harassment includes threats, intimidation, bullying and subjecting individuals to ridicule or exclusion.

Drug and Alcohol Impairment

We shall not possess or consume illegal drugs, or be impaired by alcohol or drugs while working on Cloud Peak Energy business or premises.

For the safety, well-being and productivity of all our employees, it is essential that we make the best decisions. We also need to keep sharp to be competitive in today's business environment. Therefore, we want our judgment to be clear and unimpaired by drugs and alcohol at all times. Employees should report to work in a condition allowing them to perform their duties free from the influence of drugs, alcohol or other controlled substances. The use of illegal drugs in the workplace will not be tolerated.

Workplace Security

We are committed to ensuring the safety and security of our employees and visitors as well as the protection of our assets.

To maintain safety and security, we require site inductions for employees and visitors at all of our locations. Cloud Peak Energy representatives and security staff are permitted to direct the search of people, vehicles or property which are on Cloud Peak Energy premises, for good reason and in accordance with local laws. All employees as well as suppliers, consultants, contractors and others are expected to cooperate by allowing a search of their persons and property on Company premises.

Workplace Violence

We are committed to providing a workplace that is safe, secure, and free from acts of violence or threats of violence.

To maintain safety and security, the Company has established a strict policy that prohibits actual or threatened violence against co-workers, visitors, or any other persons who are either on our premises or have contact with employees in the course of their duties. This policy applies to all employees equally,

including managers, supervisors, and non-supervisory personnel. Security and safety in the workplace is every employee's responsibility.

Every threat of violence is serious and must be treated as such. Prohibited behavior may include such acts as:

- making a verbal threat, orally or in writing, explicitly or implicitly, to harm another employee or destroy Company property;
- attempting to intimidate or harass other employees;
- throwing objects at other employees with the intent to inflict bodily harm;
- making menacing gestures in an effort to upset, frighten, terrorize or otherwise antagonize other employees;
- expressing and maintaining grudges against co-workers or supervisors that are out of proportion with what a "reasonable person" might express;
- displaying a persistent and intense or obsessive romantic or physical interest that is unwanted and unwelcome (e.g., harassing, stalking);
- bringing or threatening to bring a weapon to work or displaying a firearm; and
- exhibiting behavior that a reasonable person would consider to be a possible danger to the exhibitor or to others.

Business Integrity

Conflicts of Interest

Our personal activities and interests should not conflict with our responsibilities to Cloud Peak Energy. Even the appearance of a conflict of interest should be avoided.

A conflict of interest occurs when your private interest interferes in any way or even appears to interfere with the interests of the Company. A conflict situation can arise when you take actions or have interests that may make it difficult to perform your work objectively and effectively. Conflicts of interest can arise when a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

No director, officer or employee, regardless of level, is permitted to engage in any business or conduct or enter into any agreement or arrangement that would give rise to actual or potential conflicts of interest. Directors, officers and employees should not permit themselves to be placed in a position that might give rise to the appearance that a conflict of interest has arisen. If you think that you could be in a conflict of interest situation, you should immediately disclose all relevant details to your manager.

Conflicts of interest may involve, among other things:

- outside work or employment;
- an outside business relationship with, or interest in, a supplier, customer or competitor;
- a business relationship on behalf of Cloud Peak Energy with any person who is a relative or a personal friend, or with any company controlled by such a person;
- a position where you have influence or control over the job evaluation or compensation of any person who is a relative or romantic partner;
- personal use or sharing of Cloud Peak Energy confidential information for profit or advantage, such as buying or selling, or advising others to buy or sell Cloud Peak Energy property, products or raw materials on the basis of this information;
- an acceptance of personal benefits, other than modest gifts, meals, entertainment or travel in accordance with the applicable provisions of this Code, from a person or organization dealing, or expecting to deal, with Cloud Peak Energy in any type of business transaction; and
- competition with the Company in the acquisition or disposition of rights or property.

By exercising common sense and good judgment you can usually avoid any perception of a conflict of interest. If you are a director or executive officer, you should promptly disclose any potential conflict of interest to the General Counsel or the Audit Committee. Everyone else should disclose the potential conflict to your applicable immediate supervisor, or if you are not comfortable with reporting to your supervisor, then to another supervisor or General Counsel.

Corporate Opportunities

Directors, officers, and employees owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises.

Directors, officers and employees are prohibited from taking for themselves personally opportunities that are (1) potential transactions or matters that may be an investment or business opportunity or prospective economic or competitive advantage in which the Company could reasonably have an interest or expectancy, or (2) discovered through the use of corporate property, information or their position with the Company. In addition, directors, officers and employees are prohibited from using corporate property, information or position for personal gain and competing with the Company directly or indirectly. Directors, officers and employees of the Company owe a primary duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Competition and Antitrust Issues

Cloud Peak Energy is committed to the principles of free and fair competition.

We believe in competing vigorously and effectively to promote our best interests and the best interests of our employees and other stakeholders. Antitrust and unfair competition laws are there to preserve the free enterprise system by promoting healthy competition. We will always act accordingly within the boundaries of these laws. You should make every effort to deal fairly with our customers, suppliers, competitors and fellow employees.

Contacts and communications with competitors, including at trade association meetings or in non-work settings, can be tricky. You should be very careful and realize that discussions with competitors that deal with prices or price-related terms, territories, or that propose to restrict coal output or sales to certain customers is strictly prohibited.

In addition, you should consult with the General Counsel before you do any of the following:

- disclose or exchange pricing or other sensitive information to competitors;
- in our joint ventures, discuss sensitive information that is not specifically related to the joint venture where our partner is a competitor or potential competitor;
- discuss sensitive information during trade or industry association meetings; or
- participate in benchmarking exercises.

There are other situations not specifically addressed here that should also be avoided because they restrict competition. If you are asked to engage in any prohibited conduct or conduct which you think may be prohibited, you should consult immediately with the General Counsel.

Gifts, Meals, Entertainment, Travel and Other Payments

Payments and gifts, meals, entertainment or travel provided to others as inducement for action are prohibited by this Code. Similarly, gifts, meals, entertainment and travel received as a reward or encouragement for preferential treatment are not permitted.

No payments or gifts from the Company's funds or assets shall be made to or for the benefit of a representative of any governmental entity, labor union or any current or prospective customer or supplier for the purpose of improperly obtaining a desired action or any sale, purchase, contract or other commercial benefit. This prohibition applies to direct or indirect payments made through third parties and

employees and is also intended to prevent bribes, kickbacks or any other form of payoff. Similarly, directors, officers and employees of the Company should not accept payments or gifts unless it is accordance with applicable Company policies, including this Code.

There are times when giving or receiving modest gifts, meals, entertainment or travel is okay. For example, a business meal can provide a relaxed way of exchanging information. However, offering or receiving gifts, meals, entertainment or travel designed to influence the recipient's judgment or for preferential treatment is strictly prohibited under the Code. You should always err on the side of caution if you are ever concerned about the appropriateness of a gift, meal, entertainment or travel expense.

Further, no director or executive officer may seek or accept from the Company credit, an extension of credit or the arrangement of an extension of credit in the form of a personal loan.

Fair Business Practices

We should always carry out our business fairly.

We should always try to be clear, concise and fair in our dealings with customers, suppliers, competitors and fellow employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other practice involving unfair dealing. Certain actions should be avoided, including:

- defaming or lying about a competitor's business or products;
- causing a customer or supplier to inappropriately terminate a contract with someone else; and
- obtaining competitive information by inappropriate means.

Kickbacks or gifts, as set out above, are also inappropriate actions to take in business dealings. If you are asked to engage in any conduct that is or may appear to be prohibited, you should immediately disclose the circumstances to your immediate supervisor and the General Counsel.

Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation upon which the Company's ethical standards are built.

All directors, officers and employees must respect and obey the laws of the cities, states and countries in which the Company operates. Although you may not know every law that is applicable to the Company, it is important that you know enough to ask questions and seek advice from supervisors, managers, lawyers or other appropriate personnel if you have any doubt regarding the legality of an action taken, or not taken, on behalf of the Company.

Insider Trading

When in possession of inside information, we must not trade in the Company's securities (e.g. shares, bonds, etc.) or disclose such information to family, friends or any other person who may trade in the Company's securities while aware of that information.

Purchasing or selling, whether directly or indirectly, the Company's securities while in possession of inside information is both unethical and illegal. Directors, officers and employees also are prohibited by law from disclosing inside information to others who might use the information to directly or indirectly place trades in the Company's securities. Directors, officers and employees also shall not recommend the purchase or sale of the Company's securities.

Inside information means information which is material and not publicly available. In general, information is considered material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. Both positive and negative information may be material.

Inside information may include, for example, information about: corporate earnings, dividends, issues of securities, significant acquisitions or disposals, joint ventures, changes in control, significant corporate events (including corporate crises, such as cyber breaches or attacks), significant capital projects, important contracts, production figures and sales details, significant developments in litigation or regulatory proceedings and changes in management.

In addition to this general policy against insider trading, Cloud Peak Energy has adopted an Insider Trading Policy which further lays out the rules directors, officers and employees must comply with before being able to trade in the Company's securities.

Political Contributions and Involvement

Political contributions made by Cloud Peak Energy are done in strict compliance with the laws.

The Company encourages political activity and our employees' participation in politics when it is appropriate. If you are not authorized to engage in political or lobbying activities on behalf of Cloud Peak Energy, you are strictly prohibited from conducting political and lobbying activities on behalf of the Company, whether on Company time, through the use of Company property or equipment or otherwise. This means that if you make any personal statements of a political nature on social media or otherwise, you should be clear that your statements are not made on behalf of or representative of Cloud Peak Energy.

Cloud Peak Energy supports a political action committee (PAC). Contributions to the PAC are governed by the rules of the PAC and by the laws under which the PAC was formed. If you would like to contribute to the PAC, you may do so on a voluntary basis. Any contributions made by Cloud Peak Energy are made in strict compliance with applicable laws and are monitored by appropriate internal personnel.

The Company may from time to time take stands on issues of public policy, particularly those that directly affect our business. For example, Cloud Peak Energy communicates views to governments and others on matters affecting its business interests and those of its shareholders, employees and others involved in its activities. By furthering public dialogue, we believe we can contribute to the development of sound legislation and regulation that is relevant and appropriate to our business interests. In such cases, we may elect to express our views publicly and spend Company funds to ensure our position is broadly disseminated. We may also decide to provide financial support to groups that advocate positions consistent with our own.

Company Assets and Information Management

Internal Controls and Company Records

All Company records must give a true and accurate portrayal of our business.

All employees are responsible for maintaining the integrity and accuracy of our financial and other corporate records. This includes ensuring proper use of Company funds, property and time. Financial transactions must accurately reflect actual transactions and comply with generally accepted accounting principles (GAAP).

The Company maintains a system of internal control over financial reporting which includes risk analysis and review of our financial, operational and compliance controls. We follow appropriate accounting and reporting policies, apply them consistently and use reasonable and careful judgment.

If you have concerns about the Company's records or accounting procedures, you should report those concerns to your immediate supervisor or the General Counsel, use the Company's compliance hotline or report your concerns pursuant to the Company's Accounting Complaints Policy.

Employee Use of Company Property

Cloud Peak Energy property and financial resources are for the sole use of the Company. We must protect the Company's assets and ensure their efficient use.

The responsible use of Company assets and resources can impact our financial success and reputation. Theft, carelessness and waste have a direct impact on the Company's profitability and, as such, all Company assets should be used for legitimate business purposes. Generally, we may not take, use or sell Company assets for non-Company purposes unless specifically authorized to do so. Any suspected incident of fraud or theft should be reported immediately for investigation.

Occasional personal use of certain Company equipment (such as personal telephone calls, facsimiles, e-mails and internet access) is permissible if the frequency and cost is not excessive and does not interfere with your ability to perform your job or otherwise conflict with Company business or other policies.

When we talk about "electronic resources" we mean items such as email, instant messenger, telephone, fax and voicemail, internet and network access, databases, two way radios, and closed circuit televisions. Just as we have an obligation to use Company assets responsibly, we must also use electronic resources responsibly and appropriately. Some examples of inappropriate use include:

- any use that relates to material which is offensive, sexually explicit, defamatory, discriminatory, abusive, harassing or violent;
- knowingly causing any material (including software) to be used, copied or distributed in breach of confidentiality or copyright obligations;
- internet gambling;
- engaging or assisting in unlawful activities;
- engaging in activities for the purposes of private profit;
- engaging in unauthorized not-for-profit activities;
- deleting or attempting to destroy electronic records which are, or reasonably likely to be, required in evidence in a legal proceeding or regulatory investigation; and
- intentionally introducing a computer virus.

Cloud Peak Energy reserves the right to monitor and block the use of the internet, email and other electronic resources at any time to the extent permitted by law. We can also retain anything that may constitute a business record (such as electronic documents and email) for as long as necessary and after the departure of the employee who produced the business record.

An individual's password must be kept secure at all times and must not be shared with others.

Directors, officers and employees are also responsible for complying with the Cloud Peak Energy Disclosure Policy.

Confidential Information

We should take necessary steps to protect confidential information.

Directors, officers and employees shall maintain the confidentiality of information entrusted to them by the Company or its customers or suppliers, except when disclosure is authorized or legally mandated. The obligation to preserve confidential information continues even after employment or agency with the Company ends. Any documents, papers, records, or other tangible items that contain trade secrets or proprietary information are the Company's property.

"Confidential information" includes all non-public information that might be of use to competitors or harmful to Cloud Peak Energy or its customers if disclosed, such as technical information about products or processes, vendor lists or purchase prices, cost, pricing, marketing or service strategies, non-public financial reports and information related to asset sales, mergers and acquisitions. This sometimes

includes confidential information that a third party has given to us under an arrangement whereby we agree to not to disclose that information. Confidential information also includes written material provided and information discussed at all meetings of the Board or any committee thereof and all information that is learned about the Company's suppliers and customers that is not in the public domain.

Confidential information, whether ours or someone else's, should be protected to prevent inappropriate or unauthorized disclosures. Ways in which we can safeguard confidential information include:

- being careful about where we discuss Cloud Peak Energy confidential information;
- taking precautions to store the confidential information in an appropriate place and manner;
- not disclosing or using any of it for personal profit or advantage; and
- entering into confidentiality agreements with persons outside the Company before discussing what is confidential.

If you are approached to discuss confidential information with someone outside the Company, you should contact the General Counsel to ensure the proper procedures are put in place to protect the disclosure. Directors, officers and employees are also responsible for complying with Cloud Peak Energy's Disclosure Policy.

Intellectual Property

Cloud Peak Energy protects its intellectual property and respects the intellectual property rights of others.

Intellectual property includes patents, copyrights, trademarks and trade secrets. The owners of intellectual property have rights granted to them under the law. Unauthorized use or distribution of this information violates Company policy, and it could also be illegal and result in civil or criminal penalties. Our trademarks and other forms of intellectual property are among the Company's most valuable assets, and in order to protect them, we should all:

- become familiar with all internal policies and procedures relating to intellectual property and brand use;
- be aware of potential infringement of our intellectual property rights (e.g., unauthorized use) by employees, customers, suppliers and competitors; and
- not allow our customers, suppliers or business partners to use the Cloud Peak Energy name or brand without appropriate approval.

We also respect the intellectual property rights of others, such as our suppliers and customers. This is particularly important to remember before we copy or distribute written or electronic materials.

Data Privacy

Cloud Peak Energy regards the lawful and correct treatment of personal data as critically important.

"Personal data" is all information relating to any identifiable individual. We must protect the personal data of our current and former shareholders, directors, employees, suppliers, customers and any associated family or next of kin information collected for business purposes.

In accordance with the requirements of applicable privacy and data protection laws, personal data is subject to controls to prevent unauthorized or unlawful processing, accidental loss, destruction or damage.

Retention of Documents and Records

It is Cloud Peak Energy's policy to cooperate with all governmental investigative authorities.

Each director, officer and employee shall retain any record, document or tangible object of the Company that is known to be the subject of an investigation or litigation. It is a violation of this Code for any director, officer or employee to knowingly alter, destroy, mutilate, conceal, cover up, falsify or make a false entry in any record, document or tangible object with the intent to impede, obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any governmental department or agency or any bankruptcy, or in relation to or contemplation of any such matter or case.

Media and Investor Relations

Communicating with Media and Investors

We communicate with the media and investors in an accurate and consistent manner.

Communicating with the media, investors and analysts is the sole responsibility of Cloud Peak Energy spokespersons. If you are approached by the media, or an investor or analyst, you should immediately refer them to Communications & External Relations and/or Investor Relations as appropriate. Please also refer to the Cloud Peak Energy Disclosure Policy.

If you are a Cloud Peak Energy spokesperson, you are expected to demonstrate high standards of integrity and transparency while dealing with the media and investors, while also refraining from unauthorized or selective disclosure of proprietary or non-public information. Regardless of whether you are a spokesperson, it is important that you do not present your personal views as being those of Cloud Peak Energy.

Transparency

We are committed, in principle and in practice, to maximum transparency consistent with good governance and commercial confidentiality.

For public and non-confidential information, we are committed to transparency in our disclosures. We issue financial and operational information on our business as required by law and consistent with industry practice in a manner which avoids selective disclosure. We provide required information to the relevant agencies that oversee our business. We disseminate the appropriate information through the media as well as directly through our website. On an annual basis, we also seek to voluntarily provide additional information on our environmental stewardship, community contributions and other Company activities that demonstrate our values and public benefit of our Company and industry.

* * *

This document states a policy of Cloud Peak Energy and is not intended to be regarded as the rendering of legal advice.