CLOUD PEAK ENERGY INC.

CODE OF ETHICS FOR

PRINCIPAL EXECUTIVE AND SENIOR FINANCIAL OFFICERS

July 2011

Statement of Policy

Cloud Peak Energy Inc. ("Cloud Peak" or the "Company") is committed to financial integrity and to full and accurate financial disclosure in compliance with applicable accounting policies, laws and regulations. This *Code of Ethics for Principal Executive and Senior Financial Officers* (this "Senior Officer Code of Ethics" or this "Code") sets out specific principles to guide the Company's principal executive officer, principal financial officer and the principal accounting officer or the Controller (collectively, "Senior Officers") in the performance of their duties.

This Senior Officer Code of Ethics supplements the principles in the Company's *Code of Conduct*. Senior Officers are bound by the requirements of both documents.

Principles

In performing their duties, Senior Officers must:

1. act ethically with honesty and integrity, avoiding actual or apparent conflicts of interest between personal and professional relationships;

2. provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;

3. comply with applicable governmental laws, rules and regulations;

4. act in good faith, responsibly, with due care, competence and diligence, without misrepresenting or omitting material facts or allowing independent judgment to be compromised;

5. respect the confidentiality of information acquired in the course of the performance of responsibilities except when authorized or otherwise legally obligated to disclose, which information must not be used for personal advantage;

6. share knowledge and maintain skills that are important and relevant to the performance of their work;

7. cooperate with internal and external auditors;

8. proactively promote honest and ethical behavior among subordinates, peers and consultants;

9. accept accountability for adherence to this Senior Officer Code of Ethics; and

10. use corporate assets and resources in a responsible manner.

III. Waivers

Any waiver of the provisions of this Senior Officer Code of Ethics may be made only by the Board of Directors or an authorized Board committee and must be promptly disclosed to the Company's stockholders in accordance with applicable rules and regulations. Any Senior Officer seeking a waiver should be prepared to disclose all pertinent facts and circumstances, respond to inquiries for additional information, explain why the waiver is necessary, appropriate, or in the best interest of the Company, and be willing to comply with any procedures that may be required to protect the Company in connection with a waiver.

IV. Compliance Procedures

Enforcement of sound ethical standards is the responsibility of every officer and employee of the Company. Senior Officers must promptly report to the Company's General Counsel or the Audit Committee of the Board any violation of securities and anti-fraud laws or any violation of this Code. If the situation so requires, the reporting person may report anonymously.

The Company does not permit retaliation of any kind for good faith reports of ethical violations. Any complaint of retaliation, discharge or other adverse employment action for acting as a "whistleblower" by providing information concerning any alleged violations of law or this Code will be investigated and followed up in accordance with Company policy. Persons that knowingly make a report that is false or that willfully disregard its truth or accuracy, or engage in any other bad faith use of the reporting system, will be deemed to be in violation of this Code.

Senior Officers will be advised of their status as such by the Chief Financial Officer and must acknowledge and certify annually that they will carry out their responsibilities in accordance with this Code.

V. Violations

Each person is accountable for his or her compliance with this Senior Officer Code of Ethics. Violations of this Code may result in disciplinary action against the violator, including dismissal from employment when deemed appropriate. Each case will be judged by the Company's General Counsel and the Audit Committee of the Board on its own merits considering the duties of the person and the significance of the circumstances involved.

VI. Amendment

Any amendment to this Senior Officer Code of Ethics may be made only by the Board of Directors or an authorized Board committee and must be promptly disclosed to the Company's stockholders in accordance with applicable rules and regulations.

VII. Posting Requirement

The Company shall post this Senior Officer Code of Ethics 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 on the Company's website and in print to any stockholder who requests a copy.

Certification

I, [Name], [Title], certify that I have read and understand the *Code of Ethics for Principal Executive and Senior Financial Officers* (the "Code") of Cloud Peak Energy Inc. (the "Company"). I agree that I will carry out my responsibilities in accordance with the Code and that I will adhere to the policies and procedures set forth in the Code and the principles and spirit of the Code. I understand and agree that, if I am an employee of the Company or one of its subsidiaries or other affiliates, my failure to comply in all respects with the Company's policies, including the Code and the Company's other ethics policies, is a basis for termination for cause of my employment with the Company and any subsidiary or other affiliate to which my employment now relates or may in the future relate.

In addition, I agree to promptly submit a written report to the Company's General Counsel or the Audit Committee of the Company's Board of Directors describing any circumstances in which:

1. I have reasonable basis for belief that a violation of the Code by any person has occurred;

2. I have or may have engaged in any activity that violates the policies and procedures or the spirit of the Code; and

3. I am contemplating an activity which is likely to be in violation of the policies and procedures or the principles and spirit of the Code.

I am unaware of any violations or suspected violations of the Code, except as described below or on the attached sheet of paper. (If no exceptions are noted, please check the space provided below.)

_____ No exceptions

I am aware that this signed Certification will be filed with my personal records in the Company's Human Resources Department.

_____ _____

Signature Date