



**The Coal Institute
2016 Summer Trade Seminar**

July 18, 2016

Forward Looking Statements

This presentation contains “forward-looking statements.” Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects” and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements we make throughout this presentation regarding recent acquisitions and their anticipated effects on us.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. We therefore caution you against relying on any of these forward-looking statements. They are statements neither of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include political, economic, business, competitive, market, weather and regulatory conditions and the following:

- Our ability to manage Westmoreland Resource Partners, LP (“WMLP”);
- Our efforts to effectively integrate recently acquired operations (including Canadian and Ohio operations) with our existing business and our ability to manage our expanded operations following the acquisition;
- Our ability to realize growth opportunities and cost synergies as a result of the addition of operations and across our existing operations;
- Our substantial level of indebtedness;
- The ability of our hedging arrangement with respect to our Roanoke Valley Power Facility (“ROVA”) to generate free cash flow due to the fully hedged position through March 2019;
- Changes in our post-retirement medical benefit and pension obligations and the impact of the recently enacted healthcare legislation on our employee health benefit costs;
- Inaccuracies in our estimates of our coal reserves;
- Our potential inability to expand or continue current coal operations due to limitations in obtaining bonding capacity for new mining permits, or increases in our mining costs as a result of increased bonding expenses;
- The effect of prolonged maintenance or unplanned outages at our operations or those of our major power generating customers;
- The inability to control costs, recognize favorable tax credits or receive adequate train traffic at our open market mine operations;
- Competition within our industry and with producers of competing energy sources;
- Existing and future laws including legislation, regulations and court judgments or orders affecting both our coal mining operations and our customers’ coal usage, governmental policies and taxes, including those aimed at reducing emissions of elements such as mercury, sulfur dioxides, nitrogen oxides, particulate matter or greenhouse gases;
- The effect of the Environmental Protection Agency’s and Canadian and provincial governments’ inquiries and regulations on the operations of the power plants to which we provide coal; and
- Other factors that are described under the heading “Risk Factors” in our reports filed with the Securities and Exchange Commission, including our Annual Reports on Form 10-K and our Quarterly Reports on Form 10-Q.

Unless otherwise specified, the forward-looking statements in this presentation speak as of the date of this presentation. Factors or events that could cause our actual results to differ may emerge from time-to-time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future developments or otherwise, except as may be required by law.

Reserve engineering is a process of estimating underground accumulations of coal that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by our reserve engineers. In addition, the results of mining, testing and production activities may justify revision of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development of reserves. Accordingly, reserve estimates may differ from the quantities of coal that are ultimately recovered.

Safety Moment

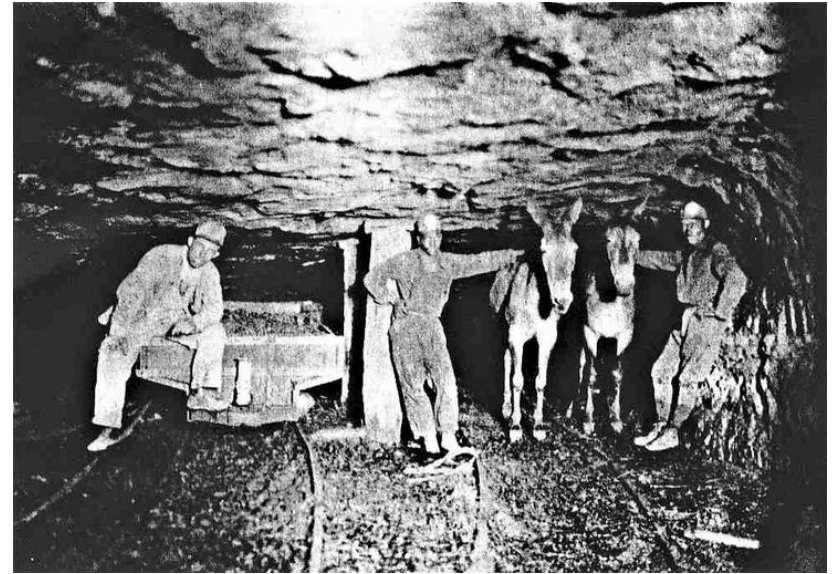
Preventative Measures

- In 2015, over 1 million people visited an Emergency Room with a hand or finger injury
- Wear the right size and proper gloves
- Always cut away from yourself
- 110,000 resulted in lost time
- Remove jewelry
- 70% of these people were not wearing gloves
- Remove gloves when working around rotating equipment
- Of 30% wearing gloves, often they were the wrong type and/or size
- Visual demonstration



The Oldest Independent Coal Company in America

Mining since 1854





Westmoreland's History

Ancient History: Westmoreland Version 1.0



1854

Founded in Westmoreland County, PA

Outgrowth of the completion of the Pennsylvania Railroad

1856

Company specialized in gas coal, supplying 22 gas companies

1865

A founding member was William Larimer who built the first house in Denver and has Larimer County, CO named after him

1871

William Palmer was hired to test Westmoreland's coal in locomotives and became Secretary. He later moved to Colorado and founded Colorado Springs

More Ancient History

- 1875** Had 800 employees to mine 400,000 tons of coal annually
- 1900s** Westmoreland shipped gas coals to Cuba, Argentina, Brazil and Italy
- 1920s** Began purchasing lands in West Virginia and rode out the Great Depression
- 1957** Last year of production in Westmoreland County, PA
- 1964** Big Stone Gap mines in VA were acquired through merger
- 1970** Acquired 30% interest in the Absaloka Mine, which grew to 60% by 1980
- 1980** Was the 13th largest U.S. coal producer at 12.7 million tons a year



Why not Power? Westmoreland Version 2.0

- 1985** Created Westmoreland Energy Inc. to build cogeneration plants.
- 1986** Westmoreland Energy had garnered commitments for three projects
- 1994** Interest in eight cogeneration projects, but was attempting to sell.
Today we own two coal fired units at Roanoke Valley Energy Facility (ROVA), in North Carolina



Heading West: Westmoreland Version 3.0

1995 Headquarters is moved to Colorado Springs from its long time home of Philadelphia

1996 The company had sold its mines in West Virginia, Virginia and Kentucky

At that time the **Absaloka Mine** was its only mine, in addition to participation in cogeneration facilities

Westmoreland filed for bankruptcy

Motions were withdrawn in 1998

No forgiveness for any liabilities including the heritage liabilities





Substantially expanded coal business by acquiring coal operations of Montana Power Company and Knife River Corporation

Rosebud Mine: Mine-mouth mine providing coal via conveyor to captive plant

2001

Beulah Mine: Provides coal via conveyor to neighboring plant and via train to nearby facility

Savage Mine: Provides coal via truck to neighboring plant and industrial customer

Jewett Mine: Provides coal via conveyor to neighboring plant



Turnaround required - high debt, high heritage costs, bloated overhead

At one point, less than two weeks of cash available in the bank
Major efforts undertaken to fix the balance sheet, cut costs and increase EBITDA

2007

Overhead reduction of 60 people

Perks removed

- airplane
- country club membership
- fancy management retreats
- extravagant BOD events and meetings

Prescription drug savings achieved with the UMWA

Positive contract renewals and termination of unprofitable contracts

Kept a low profile with no IR efforts or growth through the end of 2010

Coal Industry Feast

2009 “**Alpha Natural** to buy Foundation Coal for approximately \$2.0 Billion” – Marketwatch

2011 “**Arch Coal** to Acquire ICG in \$3.4 Billion Deal” - NYTimes.com

“**Alpha Natural** Agrees to Buy Massey Energy for \$7.1 Billion in Cash, Stock” – Bloomberg

“**Peabody** pursues \$5 billion acquisition of Australian mining giant” – St. Louis Business Journal



Recent Years: Westmoreland Version 4.0



- 2012** Acquired the **Kemmerer Mine** from Chevron Mining with a highly successful integration
- 2014** Acquired **Canadian Assets** from Sherritt International to become the largest operator of mobile draglines in the coal industry
- Debt Refinancing to Dramatically Lower Interest
- 2015** Acquired **Oxford Resources, LP** and entered into MLP space, providing future competitive advantage and diversification

Hurricane Hits the Industry Hard



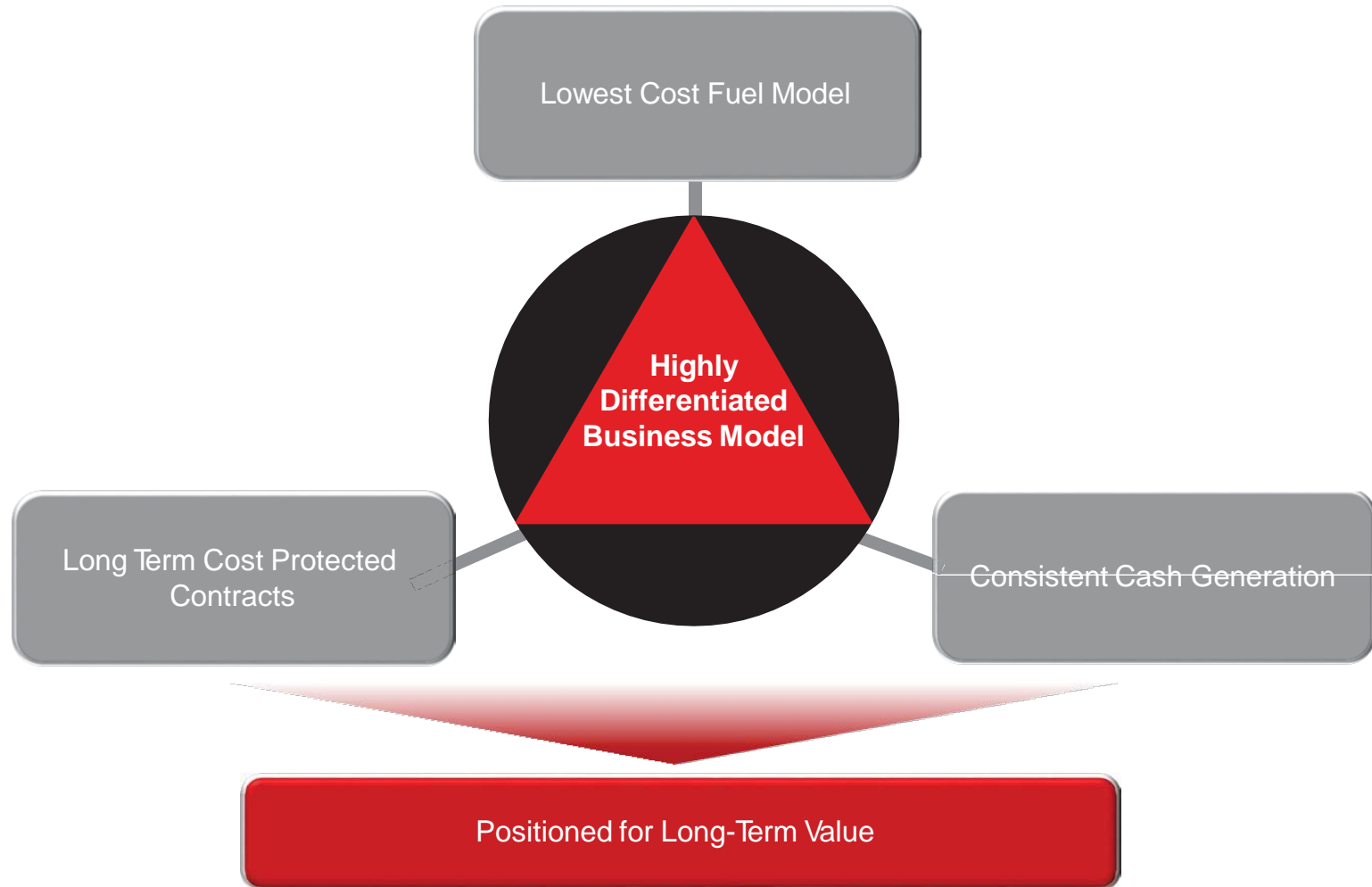
Stock Prices of Major Coal Companies

Company	Feb 2011	July 2016
Peabody Energy	\$69.35	-
Arch Coal	\$35.99	-
Alpha Natural Resources	\$60.05	-
Cloud Peak Energy	\$21.66	\$2.75
Walter Energy	\$130.80	-
Westmoreland Coal Company	\$12.82	\$10.28

Westmoreland Today



The Westmoreland Difference



Diversified North American Coal Leader

Summary

- Formed in 1854, the oldest independent coal company in the United States
- Operations include:
 - 18 surface mine operations in U.S. and Canada
 - A long-wall mine in New Mexico
 - An underground mine in Ohio
 - Char and activated carbon production facilities
 - Two-unit ROVA coal-fired power plant
- Owns general partner and majority interest in WMLP
- Award-winning safety and environmental performance

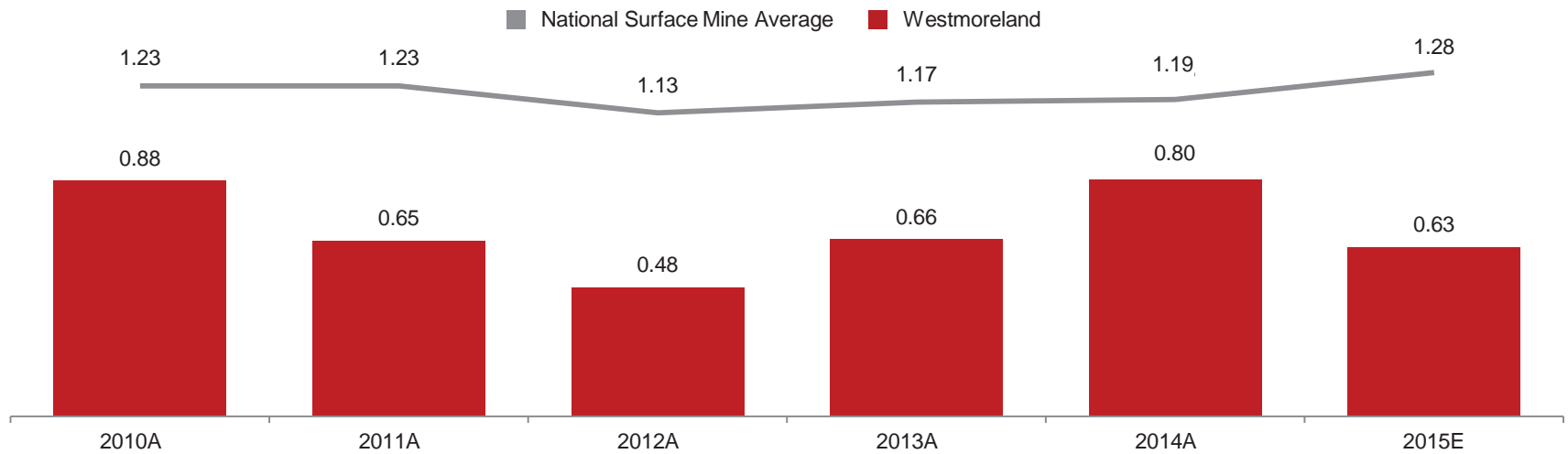
Two Public Companies

	WESTMORELAND COAL COMPANY	WESTMORELAND RESOURCE PARTNERS
Ticker	NASDAQ: WLB	NYSE: WMLP
Share / Unit Price (US\$)	\$10.28	\$5.86
Basic Shares / Units (mm)	18.5	5.7
Market Cap (US\$ mm)	\$191	\$33
Credit Rating	B3, B	n.a.



Industry Leading Safety

Lost Time Incident Rate

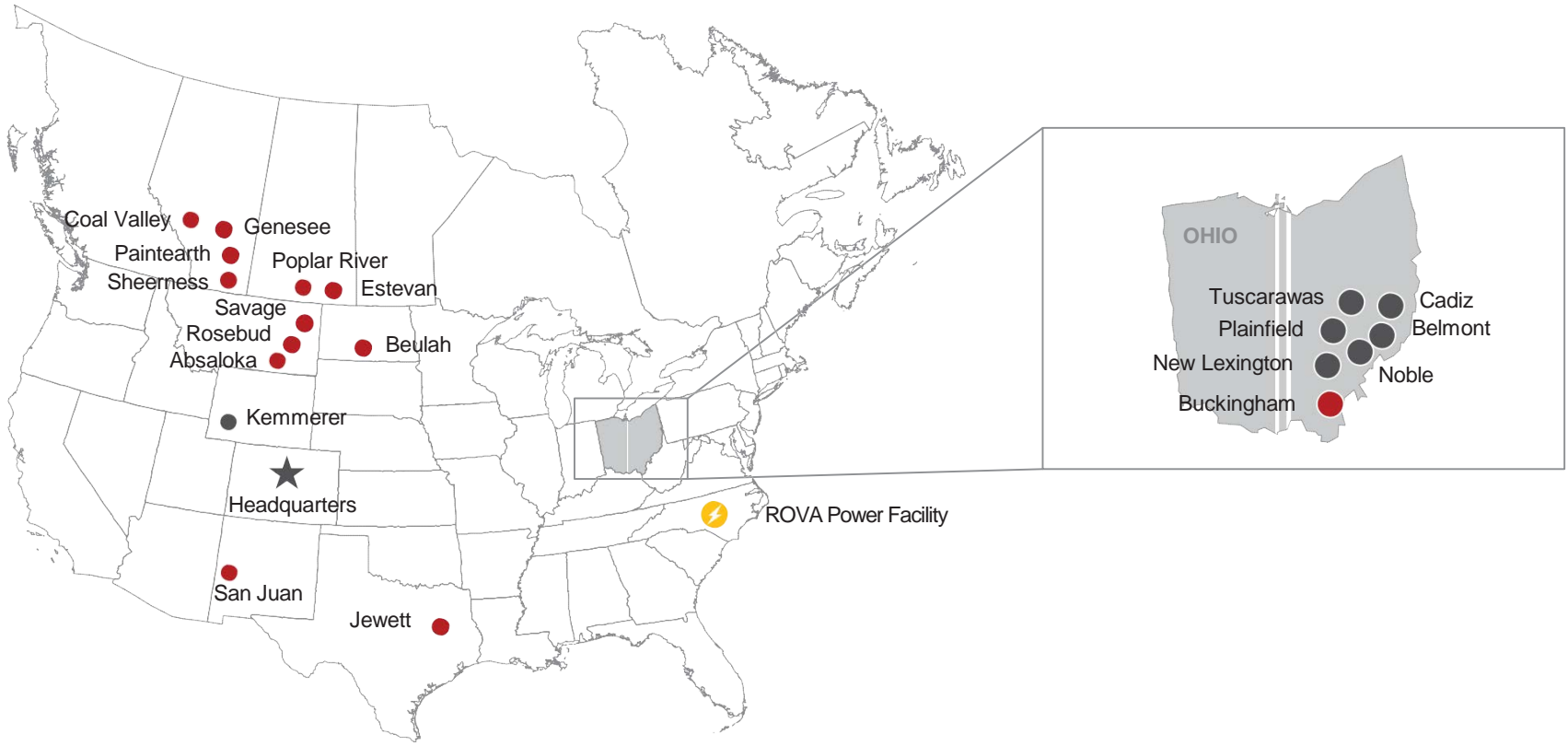


The Westmoreland Difference

The Westmoreland Model

Positioned to Drive Shareholder Value

Portfolio of Mine Mouth and Transportation Advantaged Operations



Legend

- Westmoreland Coal
- Westmoreland Resource Partners, LP
- ⚡ Power

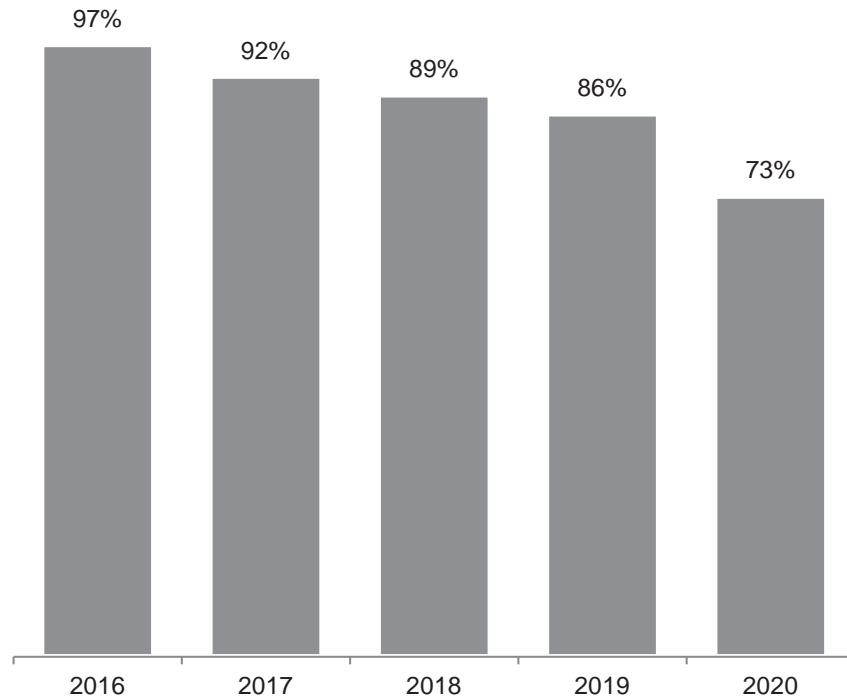
The Westmoreland Difference

The Westmoreland Model

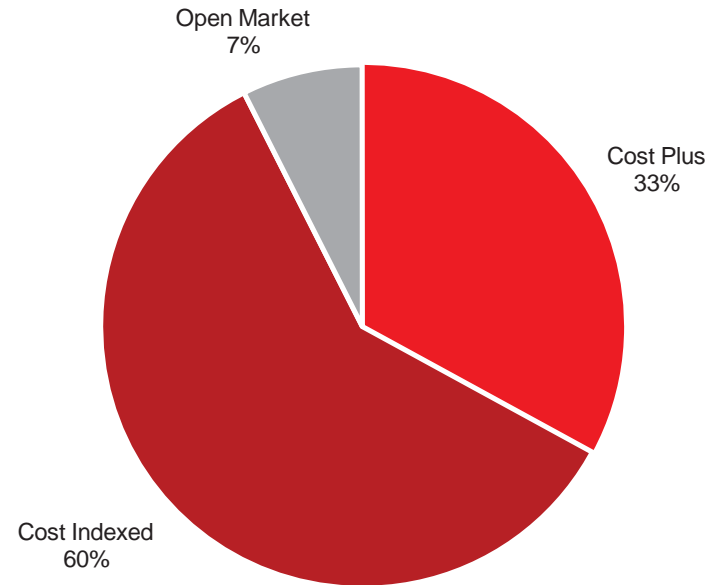
Positioned to Drive Shareholder Value

Long-Term Protected Contracts Strengthen Business Model

Contracted Position Adds Strength To Forecast (% Contracted)



Minimal Exposure To Coal Pricing Volatility

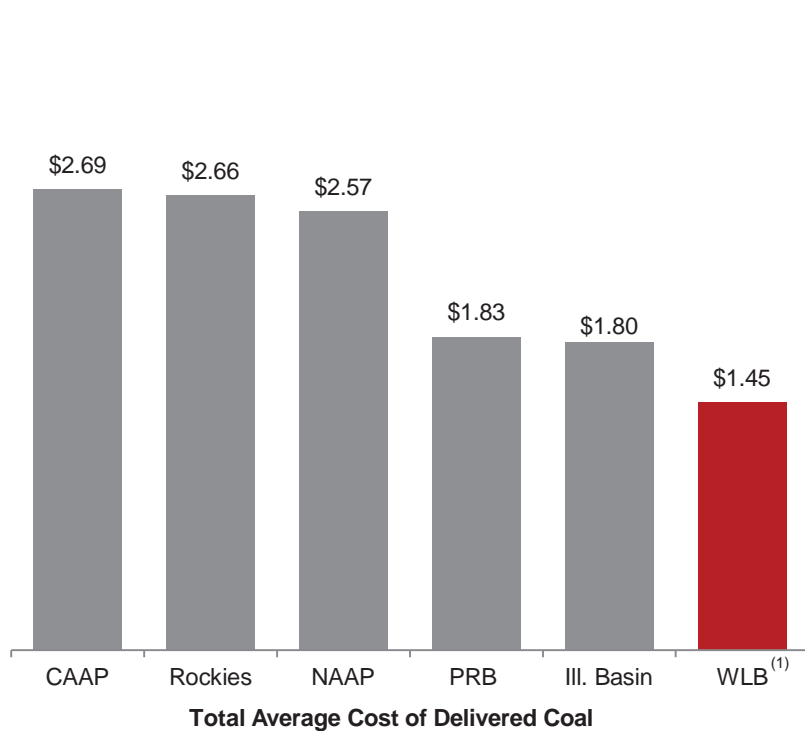


Weighted average remaining contract length of ~12 years

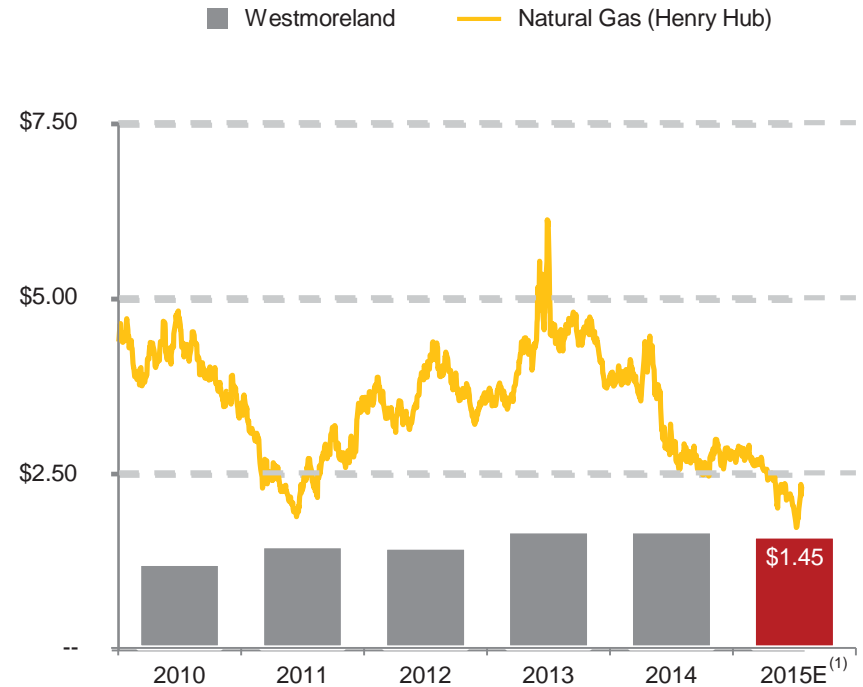


Westmoreland Customers Purchase Fuel Well Below the Competition

Comparison vs. Other Coal Regions (\$/MBtu)

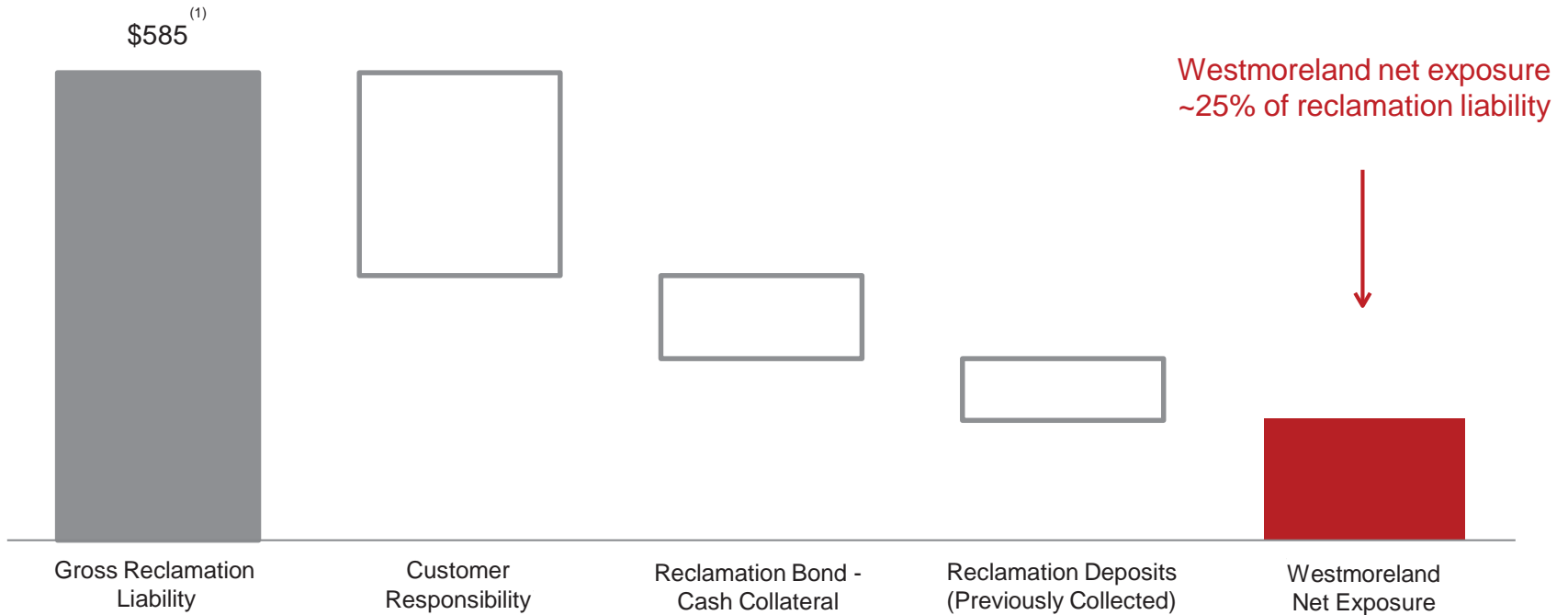


Comparison vs. Natural Gas (\$/MBtu)



Minimal risk of displacement from other coal basins or natural gas

Unique Approach to Reclamation Minimizes Exposure to Westmoreland



No self bonding risk – all surety bonds secured by cash collateral

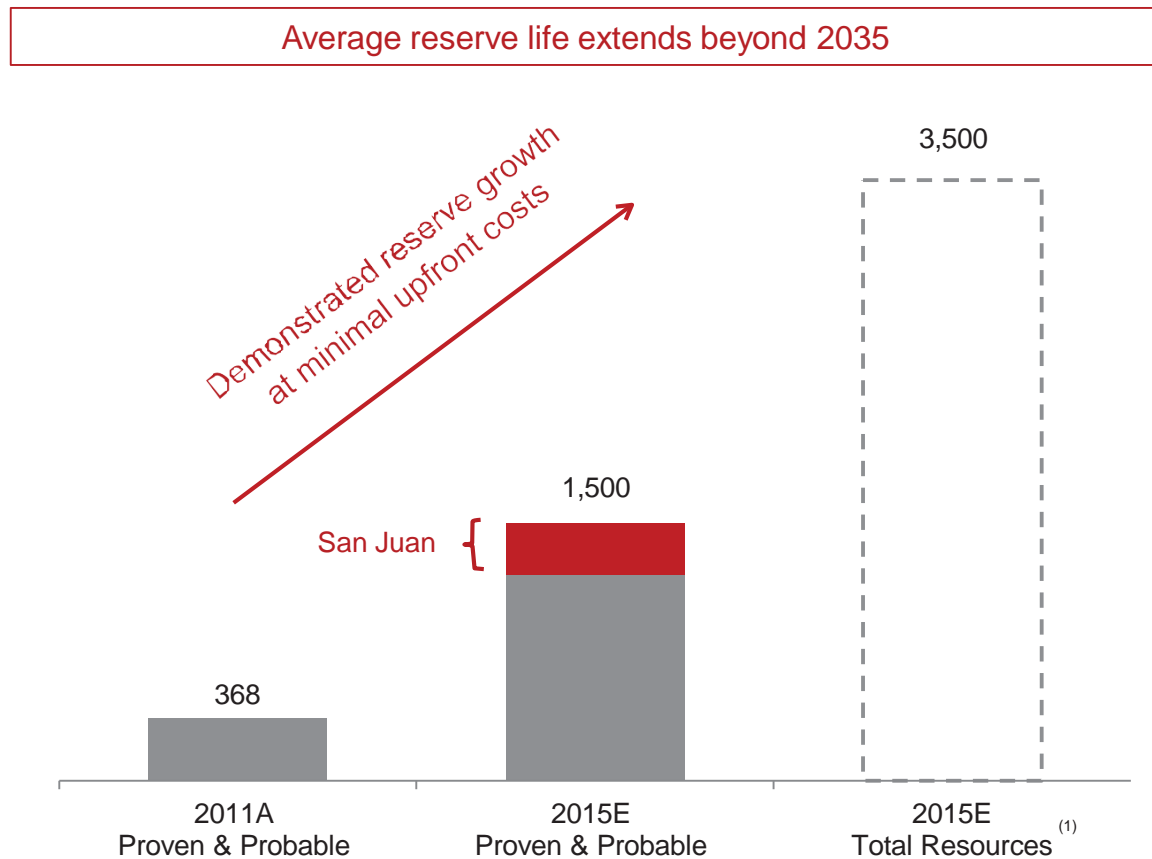
The Westmoreland Difference

The Westmoreland Model

Positioned to Drive Shareholder Value

Solid Reserve Base

Coal Reserves and Resources in millions of tons



Recently announced moratorium on federal leases has minimal impact on Westmoreland

The Westmoreland Difference

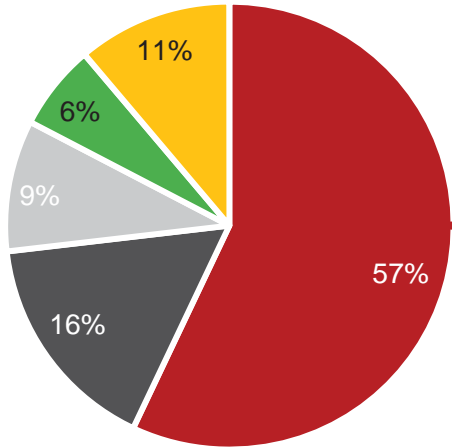
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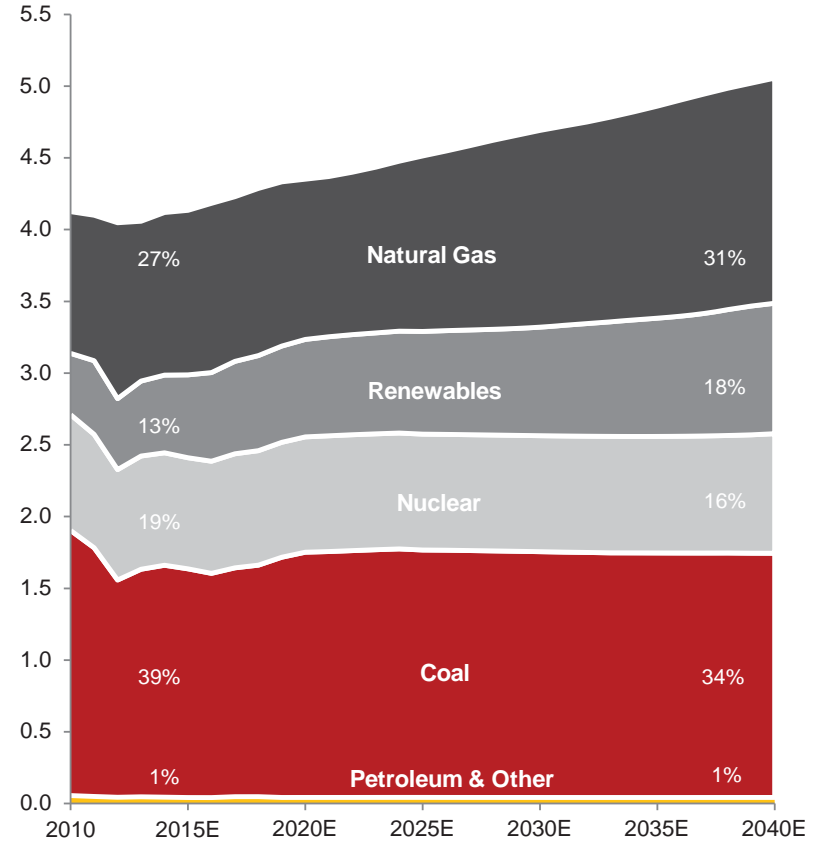
Coal is the Primary Fuel in the Markets Served

Power Generation by Fuel Type In Markets Served⁽¹⁾

Coal Natural Gas Nuclear Hydroelectric Other



Power Generation by Fuel In The United States (trillion kWh)



Source: U.S. Energy Information Administration, Annual Energy Outlook 2015

Low energy prices delaying investment in new power generation

The Westmoreland Difference

The Westmoreland Model

Positioned to Drive Shareholder Value

Proven Record of Successful Acquisition

Integration

- 2016 focus on integrating San Juan acquisition
- Strong historical record for enhancing productivity of acquired assets
- Consistent cost reduction through implementation of the Westmoreland business model
- Proven record for reducing net leverage post acquisitions
- Consistent history of improving safety performance



Performance Improvements Following Acquisitions

Kemmerer		Canadian Operations		Ohio Operations	
Productivity	● 18%	Dragline Productivity	● 17%	Underground Productivity	● 8%
Mining Cost per Ton	(5%)	Mining Cost per Ton	(14%)	Mining Cost per Ton	(5%)
Mine Citations	(51%)	Capex per Ton	(22%)	Yield (% Recovery)	● 10%
Labor Grievances	(74%)	G&A Costs	(34%)	G&A Costs	(28%)
Reportable Incidents	(55%)	Inventory Reduction	(7%)	Reportable Incidents	(44%)

Implementation of Westmoreland's operating philosophy drives significant improvement

The Westmoreland Difference

The Westmoreland Model

Positioned to Drive Shareholder Value

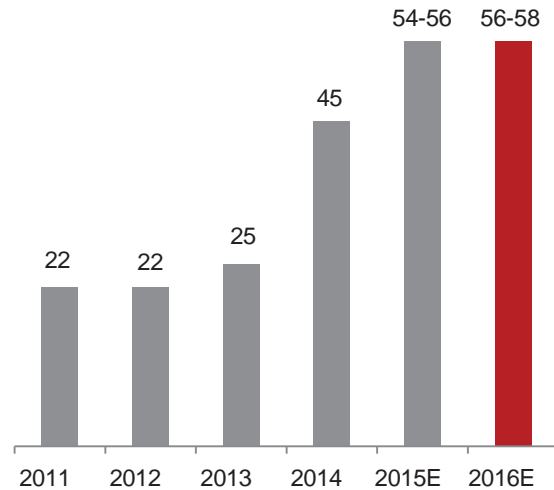
Largest Dragline Operator in the Coal Industry

- (29) large walking draglines in operation
- Tradition of Employee Pride – employees take great pride in their machines
- Diligent application of best mining practices
- State of the Art Upgrades/Technology
 - Joy stick controls, Operator's chair
 - DCS electronics
 - Pegasys production monitors
 - Boom and structural repairs



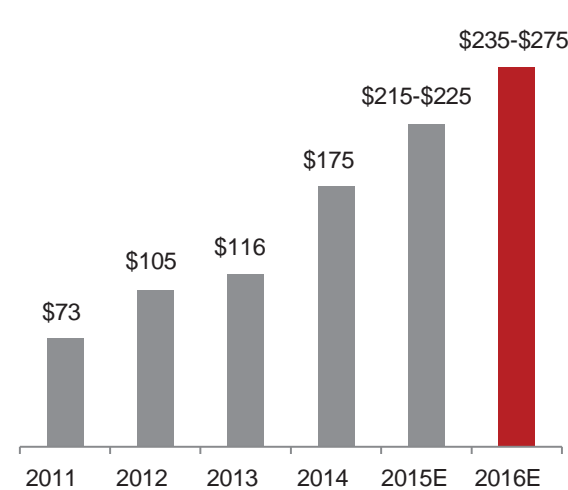
Delivering Value Through Consistent Financial Results

Tons Sold (Mst)



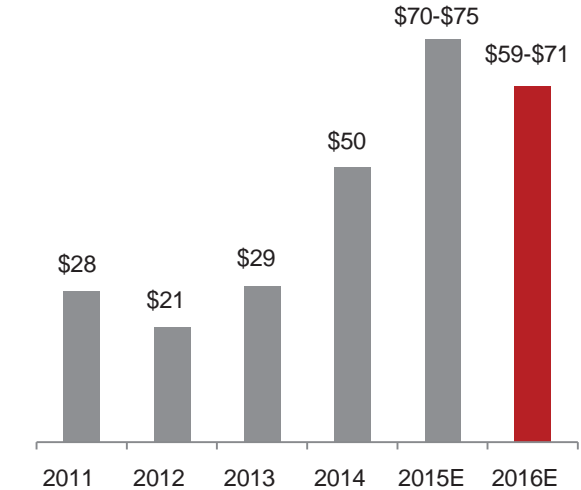
**Record tonnage in 2015;
forecasting new record in 2016**

Adjusted EBITDA (US\$ mm)

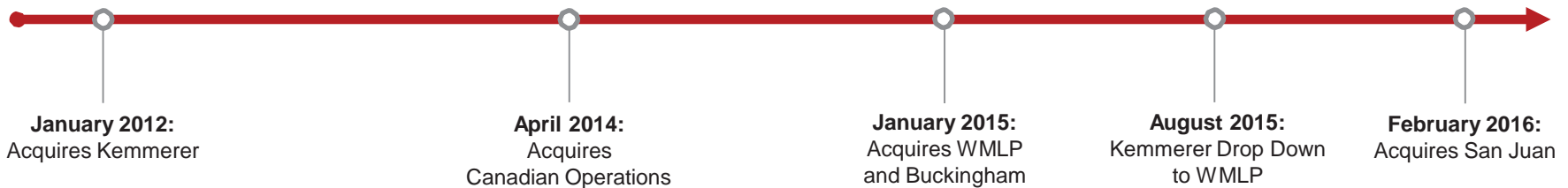


**Adjusted EBITDA bolstered by lean SG&A
structure**

Capex (US\$ mm)



**Superior maintenance practices enable
capex discipline**



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As an Industry we must innovate



