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

Prevent Injuries

Preventive Measures

- In 2015, over 1 million people visited an Emergency Room with a hand or finger injury
- 110,000 resulted in lost time
- 70% of these people were not wearing gloves
- Of 30% wearing gloves, often they were the wrong type and/or size
- Visual demonstration

Preventative Measures

- Wear the right size and proper gloves
- Always cut away from yourself
- Remove jewelry
- Remove gloves when working around rotating equipment
Westmoreland Coal Company

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>&quot;<strong>Alpha Natural</strong> to buy Foundation Coal for approximately $2.0 Billion&quot; – Marketwatch</td>
</tr>
<tr>
<td>2011</td>
<td>&quot;<strong>Arch Coal</strong> to Acquire ICG in $3.4 Billion Deal&quot; - NYTimes.com</td>
</tr>
<tr>
<td></td>
<td>&quot;<strong>Alpha Natural</strong> Agrees to Buy Massey Energy for $7.1 Billion in Cash, Stock” – Bloomberg</td>
</tr>
<tr>
<td></td>
<td>&quot;<strong>Peabody</strong> pursues $5 billion acquisition of Australian mining giant” – St. Louis Business Journal</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Company</th>
<th>Feb 2011</th>
<th>July 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peabody Energy</td>
<td>$69.35</td>
<td>-</td>
</tr>
<tr>
<td>Arch Coal</td>
<td>$35.99</td>
<td>-</td>
</tr>
<tr>
<td>Alpha Natural Resources</td>
<td>$60.05</td>
<td>-</td>
</tr>
<tr>
<td>Cloud Peak Energy</td>
<td>$21.66</td>
<td>$2.75</td>
</tr>
<tr>
<td>Walter Energy</td>
<td>$130.80</td>
<td>-</td>
</tr>
<tr>
<td>Westmoreland Coal Company</td>
<td>$12.82</td>
<td>$10.28</td>
</tr>
</tbody>
</table>
Westmoreland Today
The Westmoreland Difference

Highly Differentiated Business Model

- Lowest Cost Fuel Model
- Long Term Cost Protected Contracts
- Consistent Cash Generation

Positioned for Long-Term Value
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

<table>
<thead>
<tr>
<th>WESTMORELAND COAL COMPANY</th>
<th>WESTMORELAND RESOURCE PARTNERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticker</td>
<td>NASDAQ: WLB</td>
</tr>
<tr>
<td>Share / Unit Price (US$)</td>
<td>$10.28</td>
</tr>
<tr>
<td>Basic Shares / Units (mm)</td>
<td>18.5</td>
</tr>
<tr>
<td>Market Cap (US$ mm)</td>
<td>$191</td>
</tr>
<tr>
<td>Credit Rating</td>
<td>B3, B</td>
</tr>
</tbody>
</table>
Industry Leading Safety

Lost Time Incident Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>National Surface Mine Average</th>
<th>Westmoreland</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010A</td>
<td>1.23</td>
<td>0.88</td>
</tr>
<tr>
<td>2011A</td>
<td>1.23</td>
<td>0.65</td>
</tr>
<tr>
<td>2012A</td>
<td>1.13</td>
<td>0.48</td>
</tr>
<tr>
<td>2013A</td>
<td>1.17</td>
<td>0.66</td>
</tr>
<tr>
<td>2014A</td>
<td>1.19</td>
<td>0.80</td>
</tr>
<tr>
<td>2015E</td>
<td>1.28</td>
<td>0.63</td>
</tr>
</tbody>
</table>

Sentinels of Safety Award
- Colstrip Mine 2011
- Paintearth Mine 2012
- Genesee Mine 2013
- Jewett Mine 2014

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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Contracted Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>97%</td>
</tr>
<tr>
<td>2017</td>
<td>92%</td>
</tr>
<tr>
<td>2018</td>
<td>89%</td>
</tr>
<tr>
<td>2019</td>
<td>86%</td>
</tr>
<tr>
<td>2020</td>
<td>73%</td>
</tr>
</tbody>
</table>

Minimal Exposure To Coal Pricing Volatility

- Open Market: 7%
- Cost Plus: 33%
- Cost Indexed: 60%

Weighted average remaining contract length of ~12 years

The Westmoreland Difference

- Positioned to Drive Shareholder Value

The Westmoreland Model
Westmoreland Customers Purchase Fuel Well Below the Competition

Comparison vs. Other Coal Regions ($/MBtu)

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Average Cost of Delivered Coal</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAAP</td>
<td>$2.69</td>
</tr>
<tr>
<td>Rockies</td>
<td>$2.66</td>
</tr>
<tr>
<td>NAAP</td>
<td>$2.57</td>
</tr>
<tr>
<td>PRB</td>
<td>$1.83</td>
</tr>
<tr>
<td>Ill. Basin</td>
<td>$1.80</td>
</tr>
<tr>
<td>WLB</td>
<td>$1.45</td>
</tr>
</tbody>
</table>

Comparison vs. Natural Gas ($/MBtu)

- **Westmoreland**
- **Natural Gas (Henry Hub)**

Minimal risk of displacement from other coal basins or natural gas
Unique Approach to Reclamation Minimizes Exposure to Westmoreland

- Gross Reclamation Liability
- Customer Responsibility
- Reclamation Bond - Cash Collateral
- Reclamation Deposits (Previously Collected)
- Westmoreland Net Exposure

Westmoreland net exposure ~25% of reclamation liability

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

The Westmoreland Difference

The Westmoreland Model

Positioned to Drive Shareholder Value
Recently announced moratorium on federal leases has minimal impact on Westmoreland

Coal Reserves and Resources in millions of tons

Average reserve life extends beyond 2035

San Juan

368

2011A Proven & Probable

1,500

2015E Proven & Probable

3,500

2015E Total Resources

3,500

Recently announced moratorium on federal leases has minimal impact on Westmoreland
Coal is the Primary Fuel in the Markets Served

Low energy prices delaying investment in new power generation

The Westmoreland Difference
The Westmoreland Model
Positioned to Drive Shareholder Value
Underground Productivity

Implementation of Westmoreland’s operating philosophy drives significant improvement

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

<table>
<thead>
<tr>
<th>Kemmerer</th>
<th>Canadian Operations</th>
<th>Ohio Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productivity</td>
<td>Dragline Productivity</td>
<td>Underground Productivity</td>
</tr>
<tr>
<td>Mining Cost per Ton</td>
<td>• 18% (14%)</td>
<td>Mining Cost per Ton</td>
</tr>
<tr>
<td>Mine Citations</td>
<td>(5%) (22%)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Labor Grievances</td>
<td>(51%) (34%)</td>
<td>(74%) (28%)</td>
</tr>
<tr>
<td>Reportable Incidents</td>
<td>(74%) (55%)</td>
<td>(55%) (7%)</td>
</tr>
</tbody>
</table>

Implementation of Westmoreland’s operating philosophy drives significant improvement
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

<table>
<thead>
<tr>
<th>Tons Sold (Mst)</th>
<th>Adjusted EBITDA (US$ mm)</th>
<th>Capex (US$ mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>$73</td>
<td>$28</td>
</tr>
<tr>
<td>22</td>
<td>$105</td>
<td>$21</td>
</tr>
<tr>
<td>25</td>
<td>$116</td>
<td>$29</td>
</tr>
<tr>
<td>45</td>
<td>$175</td>
<td>$50</td>
</tr>
<tr>
<td>54-56</td>
<td>$215-$225</td>
<td>$70-$75</td>
</tr>
<tr>
<td>56-58</td>
<td>$235-$275</td>
<td>$59-$71</td>
</tr>
</tbody>
</table>

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

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

**Superior maintenance practices enable capex discipline**

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**January 2012:** Acquires Kemmerer  
**April 2014:** Acquires Canadian Operations  
**January 2015:** Acquires WMLP and Buckingham  
**August 2015:** Kemmerer Drop Down to WMLP  
**February 2016:** Acquires San Juan

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**The Westmoreland Difference**  
**The Westmoreland Model**  
**Positioned to Drive Shareholder Value**
Closing Thought

As an Industry we must innovate