

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name <u>Westmoreland Coal Company</u>		2 Issuer's employer identification number (EIN) <u>23-1128670</u>	
3 Name of contact for additional information <u>Russell Werner</u>	4 Telephone No. of contact <u>855-922-6463</u>	5 Email address of contact <u>rwerner@westmoreland.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>9540 S. Maroon Circle #200</u>		7 City, town, or post office, state, and Zip code of contact <u>Englewood, CO 80112</u>	
8 Date of action <u>See Part II, #14</u>		9 Classification and description <u>Preferred Stock</u>	
10 CUSIP number <u>960878304</u>	11 Serial number(s)	12 Ticker symbol <u>WLBZ</u>	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶
The Company declared dividends on December 6, 2013, payable on January 1, 2014 to holders of record as of December 20, 2013 on its Preferred Stock.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶
The cash dividends declared are to be treated as dividend distributions for federal income tax purposes.
The amount per preferred share is \$2.125.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ N/A

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC Section 301(c)(1)

18 Can any resulting loss be recognized? ▶
The tax treatment of the distribution needs to be determined by each shareholder in consultation with his/her tax advisor.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 1-15-14

Print your name ▶ Russell Werner Title ▶ Corporate Controller

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN	
	Tamara Rash		1/15/14		P00798670	
	Firm's name ▶	Experis US, Inc. formerly Experis Finance US LLC			Firm's EIN ▶	39-1929719
	Firm's address ▶	1125 Seventeenth Street, Denver, CO 80202			Phone no.	303-256-3150