



News Release

Westmoreland Coal Company
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Westmoreland Announces Commencement of Exchange Offer for 10.75% Senior Secured Notes due 2018

Colorado Springs, CO – August 2, 2011 – Westmoreland Coal Company (Nasdaq GM: WLB) today announced that it has commenced a registered exchange offer to exchange any and all of its \$150,000,000 aggregate principal amount of 10.75% Senior Secured Notes due 2018 that were issued in a private placement (the “Original Notes”) for an equal principal amount of its 10.75% Senior Secured Notes due 2018 that have been registered under the Securities Act of 1933, as amended (the “Exchange Notes”).

The exchange offer is being made to satisfy Westmoreland’s obligations under a registration rights agreement entered into on February 4, 2011 in connection with the issuance of the Original Notes, and does not represent a new financing transaction. The Company will not receive any further proceeds from the exchange offer.

The terms of the Exchange Notes are substantially identical to the terms of the Original Notes, except that certain transfer restrictions, registration rights and additional interest provisions do not apply to the Exchange Notes. Original Notes that are not exchanged in the exchange offer will continue to be subject to the existing transfer restrictions, and the Company will generally have no further obligation to provide for the registration of those notes under the Securities Act of 1933, as amended.

The exchange offer will expire at 5:00 p.m., New York City time, on August 29, 2011, unless extended by the Company. Tenders of Original Notes must be validly made at or prior to the expiration time and may be withdrawn at any time prior to the expiration time.

The terms of the exchange offer are set forth in a prospectus dated July 29, 2011 and the related letter of transmittal. Requests for assistance or for copies of documents related to the exchange offer, including the prospectus and the letter of transmittal, should be directed to the exchange agent, Wells Fargo Bank, National Association, Corporate Trust Operations at 800-334-5128.

This press release is not an offer to buy or sell or the solicitation of an offer to buy or sell any of the securities described herein, nor shall there be any offer, solicitation or sale of such securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. A registration statement on Form S-4 relating to the exchange offer was declared effective by the Securities and Exchange Commission on July 28, 2011. The exchange offer is being made only pursuant to the exchange offer documents that are being distributed to holders of the Original Notes, including the prospectus dated July 29, 2011 and the related letter of transmittal.

Westmoreland Coal Company is the oldest independent coal company in the United States. The Company's coal operations include coal mining in the Powder River Basin in Montana and lignite mining operations in Montana, North Dakota and Texas. Its power operations include ownership of the two-unit ROVA coal-fired power plant in North Carolina. For more information, visit www.westmoreland.com.

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