



WESTMORELAND COAL COMPANY
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NEWS RELEASE

Westmoreland To Redeem Series A Preferred Stock

Englewood, Colorado – December 30, 2014 – Westmoreland Coal Company (NasdaqGM:WLB, “Westmoreland”) announced today that its Board of Directors has called for redemption all of Westmoreland’s outstanding Series A Convertible Exchangeable Preferred Stock, which is traded publicly on NASDAQ in the form of Depositary Shares (NASDAQ:WLBPZ). Official notice will be sent to all holders on or about January 5, 2015 with a redemption date of February 4, 2015 (the “Redemption Date”). Each holder of Depositary Shares will be entitled to \$25.00 per Depositary Share, plus accrued interest, on the Redemption Date. The Series A Preferred Stock, and underlying Depositary Shares, will cease to be outstanding and all rights with respect to such stock will cease and terminate (including, but not limited to, the right to receive dividends from and after the Redemption Date) as of February 4, 2015.

Since the original issuance of the Preferred Stock, holders of a majority of the shares have elected to convert their shares into shares of Westmoreland's common stock. Given the low number of remaining shares of Preferred Stock, Westmoreland determined that it is appropriate to eliminate this class of stock. Westmoreland will then have common stock as its only class of outstanding equity securities.

In lieu of redemption, at any time prior to 5:00 p.m. (EDT) on February 3, 2015, holders of the Depositary Shares may convert any or all of their shares of Depositary Shares into shares of common stock. The holders electing to convert their Depositary Shares will receive 1.708 shares of common stock for each Depositary Share, together with the cash payable with respect to fractional shares. Given the financial benefits of conversion, Westmoreland anticipates that a significant percentage of the remaining holders will elect to convert their shares into Common Stock prior to the Redemption Date. Assuming the market price of the common stock on the date of conversion is \$33.00 per share (the closing price on December 26, 2014), each converting Depositary Share would receive shares of common stock with a market value of \$56.36 rather than a redemption payment of \$25.00.

Cautionary Note Regarding Forward-Looking Statements

This release 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. These statements involve known and unknown risks, which may cause actual results to differ materially from results expressed or implied by the forward-looking statements. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. These forward-looking statements and other information are based on our beliefs as well as assumptions made by us using information currently available. Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. We are making investors aware that such forward-looking statements, because they relate to future events, are by their very nature subject to many important factors that could cause actual results to differ materially from those contemplated. Such factors include, but are not limited to, the risks that are

described under the heading “Risk Factors” in Westmoreland’s Annual Report on Form 10-K for the year ended December 31, 2013 and other filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this press release. Westmoreland undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

About Westmoreland Coal Company

Westmoreland Coal Company is the oldest independent coal company in the United States. Westmoreland’s coal operations include sub-bituminous and lignite coal mining in the Western United States and Canada, a char production facility, and a 50% interest in an activated carbon plant. 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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