



WESTMORELAND COAL COMPANY
9540 South Maroon Circle, Suite 200
Englewood, Colorado 80112
(855) 922-6463 Telephone

NEWS RELEASE

Westmoreland Announces 2015 Guidance

Englewood, Colorado – February 11, 2015 – Westmoreland Coal Company (NasdaqGM: WLB, “Westmoreland”) today announced guidance on key financial metrics for 2015. The guidance represents the consolidated projections of Westmoreland Coal Company and Westmoreland Resource Partners, LP (NYSE: WMLP), as detailed in the table contained herein. The consolidated 2015 projections are based on the below key assumptions and guidance ranges.

- Production is projected to be between 56.0 and 60.0 million tons
- Consolidated 2015 Adjusted EBITDA is projected to be between \$235.0 and \$270.0 million
- Consolidated capital expenditures are projected to be between \$74.0 and \$92.0 million
 - Included in our guidance is \$7.5 million of capital expenditures in Canada related to the expansion of the activated carbon facility, which is currently projected to come online in 2017.
- Distributable Cash Flow of WMLP is estimated to be between \$6.1 and \$6.6 million. As previously announced, WMLP intends to resume quarterly distributions of \$0.20 per unit beginning in April 2015, or \$5.0 million annually. Based on its 77% current ownership, Westmoreland expects to receive approximately \$3.9 million of WMLP’s distributions.

“We see customer demand across our entire business being at historical levels in 2015. Our low cost mine mouth model allows us to deliver coal to our customers at prices significantly below natural gas equivalents, even at today’s gas prices,” noted Keith E. Alessi, Westmoreland’s Chief Executive Officer. “Furthermore, the regulated power markets that most of our Canadian customers operate in provide additional protection as they are assured dispatch under purchase power arrangements. The predictable nature of our business model enables us to project positive cash flow generation.”

“2014 was a busy year for Westmoreland. We successfully integrated the Canadian acquisition and realized significant savings,” noted Mr. Alessi. “Unfortunately, these improvements were offset by year-on-year decreases in the value of the Canadian dollar and PJM power prices. We have reduced production levels and costs at the Coal Valley export mine that should allow us to mitigate the effects of a weak export market. ROVA also largely benefitted in early 2014 from the impact severe winter weather conditions had on power prices.”

Discussing the 2015 guidance, Mr. Alessi noted that “the 2015 guidance we are providing reflects a CDN\$:US\$ exchange rate of \$0.80, current Newcastle coal pricing of US \$65.00/metric ton, and average 2015 PJM power prices of approximately \$45.00 per MW. Included in our guidance is \$7.5 million of capital expenditures in Canada related to the expansion of the activated carbon facility, which is currently projected to come online in 2017. We have historically adjusted capital expenditures during the year, as needed, to reflect changes in business conditions and we will continue to do so this year.”

“We closed on the Oxford transaction on the last day of 2014 and we have begun integration of that operation with a focus on cost controls, efficiencies and distributable cash flow. Our 2015 guidance reflects the current business configuration. As we have discussed previously, we anticipate beginning a drop down strategy from WLB to WMLP during 2015. The impact of any drop downs that will occur during 2015 is not reflected in our current guidance. I would anticipate a drop down in the second or third quarter and we will adjust guidance accordingly at such time.”

“We will continue to remain focused on our core competency of safe, stable, low cost production,” said Mr. Alessi. “I look forward to discussing this guidance further on our 2014 earnings release and investor call on February 27, 2015.”

Guidance Summary, <i>in millions</i>	WLB		WMLP		Total	
	Low	High	Low	High	Low	High
Tons	52.5	56.0	3.5	4.0	56.0	60.0
Adjusted EBITDA	\$200.0	\$230.0	\$35.0	\$40.0	\$235.0	\$270.0
Capital Expenditures	\$66.0	\$82.0	\$8.0	\$10.0	\$74.0	\$92.0
<i>Per ton</i>	<i>\$1.26</i>	<i>\$1.46</i>	<i>\$2.29</i>	<i>\$2.50</i>	<i>\$1.32</i>	<i>\$1.53</i>
Cash Reclamation spend			\$4.5	\$7.0		
Cash Interest			\$16.4	\$16.4		
Distributable Cash Flow			\$6.1	\$6.6		
Pro Forma Distributions			\$5.0	\$5.0		
Pro Forma Cash Flow after Distribution			\$1.1	\$1.6		
Pro Forma Coverage Ratio			1.22	1.32		

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 surface coal mining in the Western United States and Canada, an underground bituminous coal mine in Ohio, a char production facility, and a 50% interest in an activated carbon plant. Westmoreland also owns the general partner of and a majority interest in Westmoreland Resource Partners, LP, formerly Oxford Resource Partners, LP, a publicly-traded coal master limited partnership. Its power operations include ownership of the two-unit ROVA coal-fired power plant in North Carolina. For more information, visit www.westmoreland.com.

Cautionary Note Regarding Forward-Looking Statements

This release may contain "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 Westmoreland's current expectations and beliefs concerning future developments and their potential effect on the company. These forward-looking statements and other information are based on Westmoreland's beliefs as well as assumptions made by it using information currently available. Such statements reflect Westmoreland's 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. Westmoreland is 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.

###

Westmoreland Contact: Kevin Paprzycki (855) 922-6463