

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).<br><br><b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 24pt;"><b>2009</b></div> |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                            |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                           | <b>This Form is Open to Public Inspection</b>                                                              |

|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                                                            |                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b>                                                                                                                                                                                                                                             | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                    |
| <b>1a</b> Name of plan<br><u>WESTMORELAND COAL COMPANY AND SUBSIDIARIES EMPLOYEES' SAVINGS PLAN</u>                                                                                                                                                        | <b>1b</b> Three-digit plan number (PN) ▶ <u>001</u><br><b>1c</b> Effective date of plan<br><u>10/01/1957</u>                                                                                      |
| <b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br><u>WESTMORELAND COAL COMPANY</u><br><br><u>2ND FLOOR, 2 NORTH CASCADE AVENUE</u><br><u>COLORADO SPRINGS, CO 80903</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>23-1128670</u><br><b>2c</b> Sponsor's telephone number<br><u>719-442-2600</u><br><b>2d</b> Business code (see instructions)<br><u>212110</u> |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |                                                          |                   |                                                              |
|------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | <u>Filed with authorized/valid electronic signature.</u> | <u>08/10/2010</u> | <u>CYNTHIA BULLA</u>                                         |
|                  | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of DFE</b>                                  | Date              | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)  
v.092307.1

|                                                                                                                                                                                             |                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>WESTMORELAND COAL COMPANY<br><br>2ND FLOOR, 2 NORTH CASCADE AVENUE<br>COLORADO SPRINGS, CO 80903 | <b>3b</b> Administrator's EIN<br>23-1128670<br><br><b>3c</b> Administrator's telephone number<br>719-442-2600 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                       |                                   |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----|
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |     |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                               | <b>5</b>                          | 675 |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                |                                   |     |
| <b>a</b> Active participants.....                                                                                                                                                                                     | <b>6a</b>                         | 664 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                    | <b>6b</b>                         | 0   |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                     | <b>6c</b>                         | 88  |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                              | <b>6d</b>                         | 752 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                             | <b>6e</b>                         | 0   |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                               | <b>6f</b>                         | 752 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                        | <b>6g</b>                         | 716 |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                            | <b>6h</b>                         | 6   |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                  | <b>7</b>                          |     |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
 2E 2F 2H 2J 2K 3I 2T

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

|                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input checked="" type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input checked="" type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)  
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)  
 (2) ☐ **I** (Financial Information – Small Plan)  
 (3) ☒ 1 **A** (Insurance Information)  
 (4) ☒ **C** (Service Provider Information)  
 (5) ☒ **D** (DFE/Participating Plan Information)  
 (6) ☐ **G** (Financial Transaction Schedules)

|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2009</b><br><br><b>This Form is Open to Public Inspection</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                             |                                                             |     |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009  |                                                             |     |
| <b>A</b> Name of plan<br>WESTMORELAND COAL COMPANY AND SUBSIDIARIES EMPLOYEES' SAVINGS PLAN | <b>B</b> Three-digit plan number (PN) ▶                     | 001 |
|                                                                                             |                                                             |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500.<br>WESTMORELAND COAL COMPANY | <b>D</b> Employer Identification Number (EIN)<br>23-1128670 |     |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**1** Coverage Information:

(a) Name of insurance carrier  
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

| (b) EIN    | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year |            |
|------------|---------------|---------------------------------------|-----------------------------------------------------------------------------|-------------------------|------------|
|            |               |                                       |                                                                             | (f) From                | (g) To     |
| 06-1050034 | 93629         | 38631-001                             | 752                                                                         | 01/01/2009              | 12/31/2009 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

|                                      |                               |
|--------------------------------------|-------------------------------|
| (a) Total amount of commissions paid | (b) Total amount of fees paid |
| 0                                    | 10781                         |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

|                                                                                                  |
|--------------------------------------------------------------------------------------------------|
| (a) Name and address of the agent, broker, or other person to whom commissions or fees were paid |
| NRP FINANCIAL, INC. 209 NORTH MAIN STREET<br>BRYAN, OH 43506                                     |

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |                             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-----------------------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose                 |                       |
|                                               | 10781                           | SERVICES TO INSURER OR PLAN | 4                     |

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

**Part II Investment and Annuity Contract Information**

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

|                                                                                                        |          |          |
|--------------------------------------------------------------------------------------------------------|----------|----------|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> | 6621469  |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> | 20047220 |

**6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier .....                                                                                                                                                                        | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year .....                                                                                                                                                  | <b>6c</b> |  |
| <b>d</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity  
(3) ☐ other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee  
(3) ☐ guaranteed investment (4) ☒ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

|                                                        |           |         |
|--------------------------------------------------------|-----------|---------|
| <b>b</b> Balance at the end of the previous year ..... | <b>7b</b> | 5658705 |
|--------------------------------------------------------|-----------|---------|

|                                                                       |              |         |  |
|-----------------------------------------------------------------------|--------------|---------|--|
| <b>c</b> Additions: (1) Contributions deposited during the year ..... | <b>7c(1)</b> | 800436  |  |
| (2) Dividends and credits .....                                       | <b>7c(2)</b> |         |  |
| (3) Interest credited during the year .....                           | <b>7c(3)</b> | 190848  |  |
| (4) Transferred from separate account .....                           | <b>7c(4)</b> | 1604285 |  |
| (5) Other (specify below) .....                                       | <b>7c(5)</b> | 582304  |  |

▶ **LOAN REPAYS, FORFS**

|                           |              |         |
|---------------------------|--------------|---------|
| (6) Total additions ..... | <b>7c(6)</b> | 3177873 |
|---------------------------|--------------|---------|

|                                                                               |           |         |
|-------------------------------------------------------------------------------|-----------|---------|
| <b>d</b> Total of balance and additions (add <b>b</b> and <b>c(6)</b> ) ..... | <b>7d</b> | 8836578 |
|-------------------------------------------------------------------------------|-----------|---------|

**e** Deductions:

|                                                                                 |              |         |  |
|---------------------------------------------------------------------------------|--------------|---------|--|
| (1) Disbursed from fund to pay benefits or purchase annuities during year ..... | <b>7e(1)</b> | 575151  |  |
| (2) Administration charge made by carrier .....                                 | <b>7e(2)</b> | 1426    |  |
| (3) Transferred to separate account .....                                       | <b>7e(3)</b> | 1216219 |  |
| (4) Other (specify below) .....                                                 | <b>7e(4)</b> | 422313  |  |

▶ **LOAN INITIATIONS, FORFS**

|                            |              |         |
|----------------------------|--------------|---------|
| (5) Total deductions ..... | <b>7e(5)</b> | 2215109 |
|----------------------------|--------------|---------|

|                                                                                             |           |         |
|---------------------------------------------------------------------------------------------|-----------|---------|
| <b>f</b> Balance at the end of the current year (subtract <b>e(5)</b> from <b>d</b> ) ..... | <b>7f</b> | 6621469 |
|---------------------------------------------------------------------------------------------|-----------|---------|

**Part III Welfare Benefit Contract Information**

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)     
**b** ☐ Dental     
**c** ☐ Vision     
**d** ☐ Life insurance  
**e** ☐ Temporary disability (accident and sickness)     
**f** ☐ Long-term disability     
**g** ☐ Supplemental unemployment     
**h** ☐ Prescription drug  
**i** ☐ Stop loss (large deductible)     
**j** ☐ HMO contract     
**k** ☐ PPO contract     
**l** ☐ Indemnity contract  
**m** ☐ Other (specify) ▶

**9** Experience-rated contracts:

|                                                                                                                                                   |                 |                 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|--|
| <b>a</b> Premiums: (1) Amount received.....                                                                                                       | <b>9a(1)</b>    |                 |  |
| (2) Increase (decrease) in amount due but unpaid.....                                                                                             | <b>9a(2)</b>    |                 |  |
| (3) Increase (decrease) in unearned premium reserve.....                                                                                          | <b>9a(3)</b>    |                 |  |
| (4) Earned ((1) + (2) - (3)).....                                                                                                                 |                 | <b>9a(4)</b>    |  |
| <b>b</b> Benefit charges (1) Claims paid.....                                                                                                     | <b>9b(1)</b>    |                 |  |
| (2) Increase (decrease) in claim reserves.....                                                                                                    | <b>9b(2)</b>    |                 |  |
| (3) Incurred claims (add (1) and (2)).....                                                                                                        |                 | <b>9b(3)</b>    |  |
| (4) Claims charged.....                                                                                                                           |                 | <b>9b(4)</b>    |  |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                     |                 |                 |  |
| (A) Commissions.....                                                                                                                              | <b>9c(1)(A)</b> |                 |  |
| (B) Administrative service or other fees.....                                                                                                     | <b>9c(1)(B)</b> |                 |  |
| (C) Other specific acquisition costs.....                                                                                                         | <b>9c(1)(C)</b> |                 |  |
| (D) Other expenses.....                                                                                                                           | <b>9c(1)(D)</b> |                 |  |
| (E) Taxes.....                                                                                                                                    | <b>9c(1)(E)</b> |                 |  |
| (F) Charges for risks or other contingencies.....                                                                                                 | <b>9c(1)(F)</b> |                 |  |
| (G) Other retention charges.....                                                                                                                  | <b>9c(1)(G)</b> |                 |  |
| (H) Total retention.....                                                                                                                          |                 | <b>9c(1)(H)</b> |  |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)..... |                 | <b>9c(2)</b>    |  |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....                                |                 | <b>9d(1)</b>    |  |
| (2) Claim reserves.....                                                                                                                           |                 | <b>9d(2)</b>    |  |
| (3) Other reserves.....                                                                                                                           |                 | <b>9d(3)</b>    |  |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....                                                 |                 | <b>9e</b>       |  |

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                 |            |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                            | <b>10a</b> |  |
| <b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount. .... | <b>10b</b> |  |
| Specify nature of costs ▶                                                                                                                                                                                                       |            |  |

**Part IV Provision of Information**

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ..... ☐ Yes ☐ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2009</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |
| For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009                                                                                                                                |                                                                                                                                                                                                                        |                                                |
| <b>A</b> Name of plan<br>WESTMORELAND COAL COMPANY AND SUBSIDIARIES EMPLOYEES' SAVINGS PLAN                                                                                                                               | <b>B</b> Three-digit plan number (PN) ▶                                                                                                                                                                                | 001                                            |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>WESTMORELAND COAL COMPANY                                                                                                                                | <b>D</b> Employer Identification Number (EIN)<br>23-1128670                                                                                                                                                            |                                                |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| PRUDENTIAL RETIREMENT INSURANCE AND                                                                               |
| 06-1050034                                                                                                        |

|                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation |
|------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 13 15 37 50 64                | NONE                                                                                                     | 12214                                                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

**(a)** Enter name and EIN or address (see instructions)

NRP FINANCIAL

20-5468980

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 27                            | NONE                                                                                                     | 6441                                                                          | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

**(a)** Enter name and EIN or address (see instructions)

PRUDENTIAL INVESTMENT MANAGEMENT SE

13-4122960

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 63                            | NONE                                                                                                     | 0                                                                             | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

**(a)** Enter name and EIN or address (see instructions)

THE PRUDENTIAL INSURANCE COMPANY OF

22-1211670

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 60                               | NONE                                                                                                                 | 0                                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                     | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                               | 0                                                                                                                                                                                                        | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                             |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| PRUDENTIAL INVESTMENT MANAGEMENT SE                                 | 63                                                                                                                                                                 | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| AMERICAN FUNDS DISTRIBUTORS INC<br><br>95-2769620                   | 50.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009<br>AMER:EUROPACIFIC GROW R3                                                 |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| PRUDENTIAL RETIREMENT INSURANCE AND                                 | 15 60 64                                                                                                                                                           | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| JANUS SERVICES LLC<br><br>43-1804048                                | 25.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 4/30/2009 JANUS ADVISOR BALANCED FD                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| THE PRUDENTIAL INSURANCE COMPANY OF                                 | 15 60 64                                                                                                                                                           | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| AMERICAN FUNDS SERVICE CO<br><br>95-2566717                         | 15.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009<br>AMER:EUROPACIFIC GROW R3                                                 |                                           |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| THE PRUDENTIAL INSURANCE COMPANY OF                                 | 15 60 64                                                                                                                                                           | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| DREYFUS TRANSFER INC<br><br>13-5673135                              | 10.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009 DREY INTNL STOCK INDEX                                                      |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| THE PRUDENTIAL INSURANCE COMPANY OF                                 | 15 60 64                                                                                                                                                           | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| DREYFUS TRANSFER INC<br><br>13-5673135                              | 10.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009 DREY SMA CAP STK INDEX                                                      |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| THE PRUDENTIAL INSURANCE COMPANY OF                                 | 15 60 64                                                                                                                                                           | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| DREYFUS TRANSFER INC<br><br>13-5673135                              | 5.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009 DREYFUS MID CAP INDEX FD                                                     |                                           |

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|--------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------|
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2009</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

|                                                                                                          |                                                                            |            |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>WESTMORELAND COAL COMPANY AND SUBSIDIARIES EMPLOYEES' SAVINGS PLAN</u>       | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>001</u> |
|                                                                                                          |                                                                            |            |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>WESTMORELAND COAL COMPANY</u> | <b>D</b> Employer Identification Number (EIN)<br><br><u>23-1128670</u>     |            |

|               |                                                                                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                     |                               |                                                                                                                                                       |  |
|-------------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>DRYDEN S&amp;P 500 INDEX FUND</u> |                               |                                                                                                                                                       |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u> |                               |                                                                                                                                                       |  |
| <b>c</b> EIN-PN <u>06-1050034-123</u>                                               | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>2125491</u></span> |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>CORE BOND ENHAN INDEX</u>         |                               |                                                                                                                                                       |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u> |                               |                                                                                                                                                       |  |
| <b>c</b> EIN-PN <u>06-1050034-036</u>                                               | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>126974</u></span>  |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>LC GR/TURNER INV PARTNERS</u>     |                               |                                                                                                                                                       |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u> |                               |                                                                                                                                                       |  |
| <b>c</b> EIN-PN <u>06-1050034-141</u>                                               | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>2351748</u></span> |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>LCV/BARROW HANLEY FUND</u>        |                               |                                                                                                                                                       |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u> |                               |                                                                                                                                                       |  |
| <b>c</b> EIN-PN <u>06-1050034-312</u>                                               | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>2077839</u></span> |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>MC GR/GOLDMAN SACHS FUND</u>      |                               |                                                                                                                                                       |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u> |                               |                                                                                                                                                       |  |
| <b>c</b> EIN-PN <u>06-1050034-409</u>                                               | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>456751</u></span>  |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>CORE PLUS BOND/PIMCO</u>          |                               |                                                                                                                                                       |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u> |                               |                                                                                                                                                       |  |
| <b>c</b> EIN-PN <u>06-1050034-299</u>                                               | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>864569</u></span>  |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP GROWTH/TIMESSQ</u>      |                               |                                                                                                                                                       |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u> |                               |                                                                                                                                                       |  |
| <b>c</b> EIN-PN <u>06-1050034-132</u>                                               | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>1695991</u></span> |  |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: **SM CAP VAL/MUNDER CAP FD**  
**b** Name of sponsor of entity listed in (a): **PRUDENTIAL RETIREMENT INS.**

|                                       |                               |                                                                                                                    |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <b>06-1050034-410</b> | <b>d</b> Entity code <b>P</b> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <b>1216728</b> |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: **MID CAP VALUE/CRM FUND**  
**b** Name of sponsor of entity listed in (a): **PRUDENTIAL RETIREMENT INS.**

|                                       |                               |                                                                                                                   |
|---------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <b>06-1050034-440</b> | <b>d</b> Entity code <b>P</b> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <b>541412</b> |
|---------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: **SA/JANUS BALANCED STRAT**  
**b** Name of sponsor of entity listed in (a): **PRUDENTIAL RETIREMENT INS.**

|                                       |                               |                                                                                                                    |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <b>06-1050034-180</b> | <b>d</b> Entity code <b>P</b> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <b>3067009</b> |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: **LIFETIME AGGRESSIVE**  
**b** Name of sponsor of entity listed in (a): **PRUDENTIAL RETIREMENT INS.**

|                                       |                               |                                                                                                                    |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <b>06-1050034-166</b> | <b>d</b> Entity code <b>P</b> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <b>1423676</b> |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: **LIFETIME GROWTH FD**  
**b** Name of sponsor of entity listed in (a): **PRUDENTIAL RETIREMENT INS.**

|                                       |                               |                                                                                                                    |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <b>06-1050034-167</b> | <b>d</b> Entity code <b>P</b> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <b>1142692</b> |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: **LIFETIME BALANCED FD**  
**b** Name of sponsor of entity listed in (a): **PRUDENTIAL RETIREMENT INS.**

|                                       |                               |                                                                                                                    |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <b>06-1050034-168</b> | <b>d</b> Entity code <b>P</b> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <b>1961322</b> |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: **LIFETIME CONSERVATIVE**  
**b** Name of sponsor of entity listed in (a): **PRUDENTIAL RETIREMENT INS.**

|                                       |                               |                                                                                                                   |
|---------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <b>06-1050034-169</b> | <b>d</b> Entity code <b>P</b> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <b>844005</b> |
|---------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: **LIFETIME INCOME&EQUITY**  
**b** Name of sponsor of entity listed in (a): **PRUDENTIAL RETIREMENT INS.**

|                                       |                               |                                                                                                                   |
|---------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <b>06-1050034-170</b> | <b>d</b> Entity code <b>P</b> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <b>151013</b> |
|---------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:  
**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:  
**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2009</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                        |            |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------|
| For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u> |                                                                        |            |
| <b>A</b> Name of plan<br><u>WESTMORELAND COAL COMPANY AND SUBSIDIARIES EMPLOYEES' SAVINGS PLAN</u>       | <b>B</b> Three-digit plan number (PN) <b>►</b>                         | <u>001</u> |
|                                                                                                          |                                                                        |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>WESTMORELAND COAL COMPANY</u>        | <b>D</b> Employer Identification Number (EIN)<br><br><u>23-1128670</u> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets                                                                                            |                 | (a) Beginning of Year | (b) End of Year |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    | <u>112334</u>         | <u>771018</u>   |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    | <u>1227326</u>        | <u>1426899</u>  |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   | <u>15645475</u>       | <u>20047220</u> |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   |                       | <u>1500768</u>  |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   | <u>5658705</u>        | <u>6621469</u>  |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 4560103               | 5055564         |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 27203943              | 35422938        |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 27203943 | 35422938 |
|-----------------------------------------------------------|-----------|----------|----------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income****a Contributions:**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 2322745    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 3556216    |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 72198      |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 5951159   |

**b Earnings on investments:****(1) Interest:**

|                                                                                                      |                 |        |        |
|------------------------------------------------------------------------------------------------------|-----------------|--------|--------|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> |        |        |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> |        |        |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> |        |        |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |        |        |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> | 89482  |        |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> | 191063 |        |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |        | 280545 |

|                                                                                           |                 |       |       |
|-------------------------------------------------------------------------------------------|-----------------|-------|-------|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> |       |       |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> |       |       |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> | 21425 |       |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |       | 21425 |

|                 |              |  |  |
|-----------------|--------------|--|--|
| (3) Rents ..... | <b>2b(3)</b> |  |  |
|-----------------|--------------|--|--|

|                                                                                           |                 |         |         |
|-------------------------------------------------------------------------------------------|-----------------|---------|---------|
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> | 1054283 |         |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> | 1485752 |         |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |         | -431469 |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> | -238414    |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | -238414   |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            | 4264513   |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            | 163861    |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            | 7803      |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 10019423  |

**Expenses**

|                                                                                            |              |         |         |
|--------------------------------------------------------------------------------------------|--------------|---------|---------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 1779295 |         |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |         |         |
| (3) Other .....                                                                            | <b>2e(3)</b> |         |         |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |         | 1779295 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |         |         |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |         |         |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |         |         |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |         |         |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |         |         |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |         |         |
| (4) Other .....                                                                            | <b>2i(4)</b> | 21133   |         |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |         | 21133   |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |         | 1800428 |

**Net Income and Reconciliation**

|                                                                               |              |  |         |
|-------------------------------------------------------------------------------|--------------|--|---------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 8218995 |
| <b>l</b> Transfers of assets:                                                 |              |  |         |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |         |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |         |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: EKS&H

(2) EIN: 84-0869721

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |          |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |          |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 10000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        |     | X  |          |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>2009</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

|                                                                                                    |                                                                    |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>WESTMORELAND COAL COMPANY AND SUBSIDIARIES EMPLOYEES' SAVINGS PLAN</u> | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>WESTMORELAND COAL COMPANY</u>  | <b>D</b> Employer Identification Number (EIN)<br><u>23-1128670</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>22-1211670</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> |          |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                         |                                                                                                                         |                             |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                     | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                    |                                                                                                                         |                             |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____                        | If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                             | <b>6a</b>                                                                                                               |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                              | <b>6b</b>                                                                                                               |                             |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                         | <b>6c</b>                                                                                                               |                             |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                           |                                                                                                                         |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                      | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                               |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Financial Statements  
and  
Independent Auditors' Report  
For the Years Ended December 31, 2009 and 2008**

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

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**SUPPLEMENTAL SCHEDULES**

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## INDEPENDENT AUDITORS' REPORT

Retirement Committee  
Westmoreland Coal Company and Subsidiaries Employees' Savings Plan  
Colorado Springs, Colorado

We have audited the accompanying statements of net assets available for distribution to participants of Westmoreland Coal Company and Subsidiaries Employees' Savings Plan (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for distribution to participants for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for distribution to participants of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for distribution to participants for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule, Schedule H, Line 4 – Schedule of Assets (Held at End of Year), is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Ehrhardt Keefe Steiner & Hottman PC*

Ehrhardt Keefe Steiner & Hottman PC

June 25, 2010  
Denver, Colorado

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Statements of Net Assets Available for Benefits**

|                                   | December 31,         |                      |
|-----------------------------------|----------------------|----------------------|
|                                   | <u>2009</u>          | <u>2008</u>          |
| Investments at fair value         |                      |                      |
| Westmoreland Common Stock Fund    |                      |                      |
| Westmoreland Common Stock         | \$ 4,771,039         | \$ 4,203,982         |
| Westmoreland Preferred Stock Fund |                      |                      |
| Westmoreland Preferred Stock      | 284,525              | 356,121              |
| Pooled separate accounts          | 21,547,988           | 15,645,475           |
| Participant loans                 | 1,426,899            | 1,227,326            |
| Guaranteed income fund            | <u>6,621,469</u>     | <u>5,658,705</u>     |
| Total investments                 | <u>34,651,920</u>    | <u>27,091,609</u>    |
| Company contribution receivable   | <u>771,018</u>       | <u>112,334</u>       |
| Net assets available for benefits | <u>\$ 35,422,938</u> | <u>\$ 27,203,943</u> |

See accompanying Notes to Financial Statements.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Statement of Changes in Net Assets Available for Benefits**  
**Year Ended December 31, 2009**

|                                                                                     |                      |
|-------------------------------------------------------------------------------------|----------------------|
| Contributions                                                                       |                      |
| Company contributions                                                               | \$ 2,322,745         |
| Employee contributions                                                              | 3,556,216            |
| Employee rollover contributions                                                     | <u>72,198</u>        |
| Total contributions                                                                 | <u>5,951,159</u>     |
| Investment income                                                                   |                      |
| Interest and dividends                                                              | 301,970              |
| Net appreciation of investments, including realized and unrealized gains and losses | <u>3,758,491</u>     |
| Total investment income                                                             | <u>4,060,461</u>     |
| Deductions from net assets attributed to:                                           |                      |
| Distributions to participants                                                       | (1,779,295)          |
| Administrative expenses                                                             | <u>(13,330)</u>      |
| Total deductions                                                                    | <u>(1,792,625)</u>   |
| Increase in net assets available for benefits                                       | 8,218,995            |
| Net assets available for benefits:                                                  |                      |
| Beginning of year                                                                   | <u>27,203,943</u>    |
| End of year                                                                         | <u>\$ 35,422,938</u> |

See accompanying Notes to Financial Statements.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies**

**a. Basis of Financial Statement Presentation**

The Westmoreland Coal Company and Subsidiaries Employees' Savings Plan, or the Plan, established October 1, 1957 (as amended), is a defined contribution plan and is sponsored by Westmoreland Coal Company, or Westmoreland, and its subsidiaries (the "Company" or "Employer").

The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those net assets.

As described in guidance issued by the Financial Accounting Standards Board, or FASB, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by this guidance, the statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value, if necessary. The statement of changes in net assets available for benefits is prepared on a contract value basis.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions in net assets available for benefits during the reporting period. Actual results could differ significantly from those estimates.

**b. Financial Condition of Plan Sponsor**

Westmoreland's independent registered public accounting firm included a statement in its opinion on Westmoreland's separate December 31, 2009, consolidated financial statements that there are matters that raise substantial doubt about Westmoreland's ability to continue as a going concern. Westmoreland, as the Plan sponsor, has an obligation under the Plan to match future employee contributions, as further discussed in Note 2b, in Westmoreland Common Stock. The impact of this uncertainty on the Plan and its participants cannot be currently determined and the accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies (continued)**

**c. Investments**

Westmoreland Common and Preferred Stocks are recorded at quoted market values.

Participant loans are valued at cost, which approximates fair value.

Pooled separate accounts, including the Janus Adviser Balanced Fund, S&P 500 Index Fund, Large Cap Value/Barrow Hanley Fund, Large Cap Growth/Turner Investment Fund, Mid Cap Value/CRM Fund, Mid Cap Growth/Goldman Sachs Fund, Small Cap Growth/Times Square Fund, Small Cap Value/Munder Capital Fund, Europacific Growth Fund, Drefus Mid Cap Index Fund, Drefus International Stock Index Fund, Drefus Small Cap Index Fund, Core Plus Bond/PIMCO Fund, Core Bond Enhanced Index Fund, and Prudential Retirement Insurance and Annuity Company Lifetime Funds, are recorded at fair value based on quoted market prices of the securities underlying the accounts.

The Plan has entered into a benefit-responsive investment contract with Prudential Retirement Insurance and Annuity Company (Prudential). Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the Plan by Prudential. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 1a, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract.

As of December 31, 2009 and 2008, the contract value and fair value of the investment in the Guaranteed Income Fund was equal, and amounted to \$6,621,469 and \$5,658,705, respectively. The average yield and the average crediting yield rate of the Guaranteed Income Fund were both 2.85% and 3.60% for the years ended December 31, 2009 and 2008, respectively. The minimum crediting interest rate under the contract is 1.5%. Generally, there are not any events that could limit the ability of the Plan to transact at contract value. In addition, there are not any events that allow the issuer to terminate the contract and which require the Plan sponsor to settle at an amount different from contract value.

The Company is restricted by certain debt covenants from paying dividends on its common stock. Payment of common stock dividends is not permitted until preferred stock dividend arrearages, discussed below, are satisfied.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies (continued)**

**c. Investments (continued)**

The Company's quarterly preferred stock dividends of \$0.53 per depositary share accumulate if not paid in full. The cumulative unpaid preferred stock dividends relating to the shares held by the Plan at December 31, 2009 and 2008, totaled \$426,075 and \$422,822, respectively. These amounts include the dividends accumulated on January 1, 2010 and 2009, respectively. Effective April 15, 2009, Westmoreland Coal Preferred Stock Fund is no longer offered as an active investment within the Westmoreland Coal Company and Subsidiaries Employees' Savings Plan.

Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Net realized and unrealized gains and losses are reflected in the accompanying statement of changes in net assets available for benefits as net appreciation (depreciation) of investments and are determined as the difference between fair value at the beginning of the year (or date purchased during the year) and selling price or year-end fair value. Changes in market values after the Plan year-end are not reflected in the accompanying financial statements.

**d. Distributions to Participants**

Distributions to participants are recorded when paid.

**e. Subsequent Events**

The Plan has evaluated all events subsequent from the date of the financial statements and through June 25, 2010, the date the financial statements were available for issuance, and determined that there were no subsequent events requiring disclosure.

**2. Description of Plan**

The following summary of the Plan provides general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**a. General**

The Plan is administered by a retirement benefits committee, which is appointed by the chairman and CEO of the Company. Prudential, the trustee, has full responsibility for the control and management of the assets of the Plan. Substantially all trustee fees, administrative costs, and investment fees of the Plan are paid by the Company; however, costs of administrative expenses directly attributable to participant accounts are paid by participants.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**2. Description of Plan (continued)**

**a. General (continued)**

All active, full-time employees not subject to collective bargaining agreements, unless specifically negotiated, are eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

**b. Contributions**

In 2009 and 2008, participants were able to contribute between 1% and 100% of their base compensation. Effective January 1, 2010, participants may contribute between 1% and 75% of their base compensation. The participant's maximum pre-tax contribution is limited by the Internal Revenue Code to \$16,500 and \$15,500 the calendar years 2009 and 2008, respectively. Catch-up contributions are permitted for those eligible employees over the age of 50 years and are limited to \$5,500 and \$5,000 in calendar years 2009 and 2008, respectively.

Effective May 1, 2001, the Plan was amended so that employee contributions are automatically made unless the employee opts out. Under the Plan beginning May 1, 2007, employees' deferrals automatically escalate 1% annually not to exceed 6%.

Effective through June 30, 2009, the Company matched employee contributions under the Plan in Westmoreland Common Stock for each employee hired before July 1, 2006 as follows:

***Westmoreland Coal Company, Dakota Westmoreland Corporation (DWC) and Westmoreland Resources, Inc (WRI)*** – 50% of employee contributions up to 6% of base compensation.

***Texas Westmoreland Coal Co. (TWCC) (formerly Northwestern Resources)*** – Less than 5 years of service, 70% of employee contributions up to 2% of base compensation – 5 to 9 years of service, 70% of employee contributions up to 4% of base compensation – 10+ years of service, 70% of employee contributions up to 6% of base compensation.

***Western Energy Company (WECO) and Westmoreland Savage Corporation (Savage)*** – 100% of employee contributions up to 4% of base compensation.

Employees hired on, or after July 1, 2006, who work 1,000 or more hours per year are matched by the Company at 50% of the first 6% of compensation the employee contributes. The matching contribution is made in Westmoreland Common Stock and employees become vested in the matching contribution over a two-year period. Employees hired on or after July 1, 2006, also received monthly special contributions paid by the Company in Westmoreland Common Stock equal to 1.5% of their gross pay. Employees are immediately 100% vested in the special contribution. The special contribution was made without regard to any contributions the employees made to the Plan. Subsequent to the Plan amendment effective July 1, 2009 mentioned below, this 1.5% special contribution ceased.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**2. Description of Plan (continued)**

**b. Contributions (continued)**

Effective July 1, 2009, the Company matches all non-bargained employees' contributions 100% up to a maximum of 6% of their base compensation. In addition, the Company makes a yearly 2% special employer contribution to employees that had at least 15 years of service as of December 31, 2009 and also have at least 1,000 hours of service per year and are active employees on December 31 of the Plan year for which the contribution is made. Contributions will be made after the end of the Plan year to which the contributions apply, but only through the Plan year ending December 31, 2018. All contributions are still made in Westmoreland Common Stock.

DWC Hourly Union plan remained at 50% up to a maximum of 6% of base compensation, and the Savage Hourly Union plan remained at 100% up to a maximum of 4% of base compensation.

**c. Participant Accounts**

Each participant's account is credited with the participant's contribution and allocations of the Company's contribution and Plan earnings (losses). Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**d. Distributions**

On termination of service due to death, disability, or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or in annual installments over a five-, ten-, or fifteen-year period. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

**e. Vesting**

Vesting of the Company's matching contribution for participants hired is based on years of continuous service. A participant is 50% vested after one year and 100% vested after two years.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**3. Participant Loans**

Participants may request loans from the Plan, which may only be taken from participant contribution account balances. No loan may be granted in an amount less than \$1,000. The maximum loan may not exceed 50% of the fair value of the participant's account balance to a maximum of \$50,000 and may be further limited by other provisions of the Internal Revenue Code. The loans are generally repayable over a maximum period of five years, and the interest rate is equal to a reasonable interest rate commensurate with current interest rates charged for loans made under similar circumstances. Loans for a primary residence may be repaid over a period of up to 15 years. Principal repaid and interest paid are credited to the participant's account. A participant may have up to two loans outstanding at any one time. The interest rates on loans outstanding at December 31, 2009, range from 4.25% to 9.50% and mature at various dates through 2017.

**4. Fair Value Accounting**

The FASB issued guidance that establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following tables set forth by level, within the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2009 and December 31, 2008.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**4. Fair Value Accounting (continued)**

The following assets are measured at fair value on a recurring basis at December 31, 2009:

| Description                  | Level 1             | Level 2              | Level 3             | Total                |
|------------------------------|---------------------|----------------------|---------------------|----------------------|
| Westmoreland Common Stock    | \$ 4,771,039        | \$ -                 | \$ -                | \$ 4,771,039         |
| Westmoreland Preferred Stock | 284,525             | -                    | -                   | 284,525              |
| Guaranteed income fund       | -                   | 6,621,469            | -                   | 6,621,469            |
| Pooled separate accounts     | -                   | 21,547,988           | -                   | 21,547,988           |
| Participant loans            | -                   | -                    | 1,426,899           | 1,426,899            |
| Total                        | <u>\$ 5,055,564</u> | <u>\$ 28,169,457</u> | <u>\$ 1,426,899</u> | <u>\$ 34,651,920</u> |

The following assets are measured at fair value on a recurring basis at December 31, 2008:

| Description                  | Level 1             | Level 2              | Level 3             | Total                |
|------------------------------|---------------------|----------------------|---------------------|----------------------|
| Westmoreland Common Stock    | \$ 4,203,982        | \$ -                 | \$ -                | \$ 4,203,982         |
| Westmoreland Preferred Stock | 356,121             | -                    | -                   | 356,121              |
| Guaranteed income fund       | -                   | 5,658,705            | -                   | 5,658,705            |
| Pooled separate accounts     | -                   | 15,645,475           | -                   | 15,645,475           |
| Participant loans            | -                   | -                    | 1,227,326           | 1,227,326            |
| Total                        | <u>\$ 4,560,103</u> | <u>\$ 21,304,180</u> | <u>\$ 1,227,326</u> | <u>\$ 27,091,609</u> |

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended December 31, 2009:

|                                                  | Participant Loans   |
|--------------------------------------------------|---------------------|
| Beginning balance                                | \$ 1,227,326        |
| Purchases, issuance and settlements of new loans | <u>199,573</u>      |
| Ending balance                                   | <u>\$ 1,426,899</u> |

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**5. Income Taxes**

The Plan obtained its latest determination letter dated June 30, 2004, from the Internal Revenue Service, which stated that the Plan qualifies under the applicable provisions of the Internal Revenue Code and, therefore, is exempt from federal income taxes. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

**6. Plan Termination**

Although the Company has not expressed any intent to terminate the Plan, it may do so at any time. In the event of Plan termination, participants would become 100% vested in their accounts.

**7. Investments**

Investments representing 5% or more of net assets available for benefits as of December 31, 2009 and 2008 are as follows:

|                                         | 2009         | 2008         |
|-----------------------------------------|--------------|--------------|
| Guaranteed Income Fund                  | \$ 6,621,469 | \$ 5,658,705 |
| Westmoreland Common Stock               | \$ 4,771,039 | \$ 4,203,982 |
| Janus Adviser Balanced Fund             | \$ 3,067,009 | \$ 2,387,327 |
| Large Cap Growth/Turner Investment Fund | \$ 2,351,748 | \$ 1,511,071 |
| S&P 500 Index Fund                      | \$ 2,125,491 | \$ 1,399,035 |
| Large Cap Value/Barrow Hanley Fund      | \$ 2,077,839 | \$ 1,570,391 |
| Lifetime Balanced Fund                  | \$ 1,961,322 | \$ 1,616,958 |

Net appreciation of investments, including realized and unrealized gains and losses for the year ended December 31, 2009 is as follows:

|                                              | 2009                |
|----------------------------------------------|---------------------|
| Westmoreland Common Stock                    | \$ (591,331)        |
| Westmoreland Preferred Stock                 | (78,553)            |
| Pooled Separate Accounts                     | <u>4,428,375</u>    |
| Net appreciation in the value of investments | <u>\$ 3,758,491</u> |

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**7. Investments (continued)**

Prior to April 1, 2001, participants could direct their contributions (both employer and employee contributions) to invest in any combination of available investments. However, effective April 1, 2001, employer matching contributions are only made in Westmoreland Common Stock. Effective July 30, 2004, participants may redirect employer-matching contributions to other investment options when the participant becomes 100% vested in employer matching contributions. Effective April 15, 2009, Westmoreland Preferred Stock is no longer offered as an active investment option.

**Westmoreland Common Stock** – Westmoreland Coal Company Common Stock is issued at the prevailing price on the open market. The Westmoreland Common Stock Fund held 535,470 and 378,737 shares of Westmoreland Common Stock at December 31, 2009 and 2008, respectively. The market value of the stock on these dates was \$8.91 and \$11.10 per share, respectively.

**Westmoreland Preferred Stock** – This fund provided the participant the option to invest in Westmoreland Coal Company Preferred Stock, which offered a cumulative dividend that is preferential to common stock. Any cash dividends paid are used to purchase additional shares of Westmoreland Preferred Stock. The Westmoreland Preferred Stock Fund held 15,851 and 15,730 shares of Westmoreland Preferred Stock at December 31, 2009 and 2008, respectively. The market value of the stock on these dates was \$17.95 and \$22.64 per share, respectively.

**8. Non-Participant-Directed Investments**

Changes in non-participant-directed investments for the year ended December 31, 2009 are as follows:

|                                                                                     | Westmoreland<br>Common Stock<br>Fund |
|-------------------------------------------------------------------------------------|--------------------------------------|
| Net assets available for benefits at December 31, 2008                              | <u>\$ 4,203,982</u>                  |
| Additions (deductions) to net assets attributed to:                                 |                                      |
| Company contributions                                                               | 1,664,061                            |
| Employee contributions                                                              | 199,743                              |
| Investment income (loss):                                                           |                                      |
| Interest and dividends                                                              | 7,642                                |
| Net depreciation of investments, including realized and unrealized gains and losses | (591,331)                            |
| Distributions to participants                                                       | (188,776)                            |
| Administrative expenses                                                             | (16,351)                             |
| Participant directed common/preferred stock transfers                               | <u>(507,931)</u>                     |
| Increase in net assets available for benefits                                       | <u>567,057</u>                       |
| Net assets available for benefits at December 31, 2009                              | <u>\$ 4,771,039</u>                  |

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**8. Non-Participant-Directed Investments (continued)**

Activity in participant directed funds and the Westmoreland Preferred Stock Fund is participant directed. Activity in the Westmoreland Common Stock Fund includes both participant and non-participant directed investments. A distinction between participant and non-participant directed assets is not maintained; therefore, the presentation above for the Westmoreland Common Stock Fund has been reported as non-participant directed.

**9. Forfeitures**

Forfeitures due to a participant's withdrawal prior to full vesting of employer contributions may be applied to employer contributions or used to offset administrative expenses. Forfeitures used to offset administrative expenses in 2009 were \$15,670. As of December 31, 2009 and 2008, forfeited nonvested accounts totaled \$28,331 and \$11,964, respectively.

**10. Risks and Uncertainties**

The Plan provides for various investment options in pooled separate accounts, stock funds, and a guaranteed income fund. Investment securities, in general, are exposed to various risks, such as significant world events, interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect amounts presented in the statements of net assets available for benefits.

Additionally, some investments held by the Plan are invested in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than those securities of comparable U.S. companies.

The Plan provides the participants the ability to invest in various pooled separate accounts which may, in turn, invest in securities with contractual cash flows, such as asset backed securities, foreign investments, collateralized mortgage obligations, and commercial mortgage backed securities, including securities backed by subprime mortgage loans. The value, liquidity, and related income of those securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

The Plan has a concentration of investments in Westmoreland equity securities. A change in the value of Westmoreland equity securities could cause the value of the Plan's net assets available for benefits to change due to this concentration.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**11. Related Party Transactions**

The Plan invests in certain pooled separate accounts and a guaranteed income fund managed by Prudential, the Plan's trustee; therefore, these transactions qualify as party-in-interest transactions. In addition, the Plan has significant investments in the Company's common and preferred stock, which qualify as party-in-interest transactions.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Schedule H, Line 4i - Schedule of Assets (Held At End Of Year)**

EIN: 23-1128670

Plan #766782

December 31, 2009

| Identity of issuer, borrower, or other similar party                                   | Fair Value           |
|----------------------------------------------------------------------------------------|----------------------|
| Equity securities:                                                                     |                      |
| * Westmoreland Preferred Stock, 15,851 shares                                          | \$ 284,525           |
| * Westmoreland Common Stock, 535,470 shares, cost basis \$7,162,425                    | <u>4,771,039</u>     |
|                                                                                        | <u>5,055,564</u>     |
| Guaranteed income fund:                                                                |                      |
| Prudential Retirement Insurance and Annuity Company:                                   |                      |
| * Guaranteed Income Fund                                                               | <u>6,621,469</u>     |
| Pooled separate accounts:                                                              |                      |
| * Prudential Retirement Insurance and Annuity Company:                                 |                      |
| Lifetime Income and Equity Fund                                                        | 151,013              |
| Lifetime Growth Fund                                                                   | 1,142,692            |
| Lifetime Conservative Fund                                                             | 844,005              |
| Lifetime Balanced Fund                                                                 | 1,961,322            |
| Lifetime Aggressive Fund                                                               | 1,423,676            |
| * S&P 500 Index Fund                                                                   | 2,125,491            |
| * Large Cap Value/Barrow Hanley Fund                                                   | 2,077,839            |
| * Large Cap Growth/Turner Investment Fund                                              | 2,351,748            |
| * Mid Cap Value/CRM Fund                                                               | 541,412              |
| * Mid Cap Growth/Goldman Sachs Fund                                                    | 456,751              |
| * Small Cap Growth/Times Square Fund                                                   | 1,695,991            |
| * Small Cap Value/Munder Capital Fund                                                  | 1,216,728            |
| * Janus Adviser Balanced Fund                                                          | 3,067,009            |
| * Core Plus Bond/PIMCO Fund                                                            | 864,569              |
| * Core Bond Enhanced Index Fund                                                        | 126,974              |
| * Europacific Growth Fund                                                              | 1,443,017            |
| * Drefus Mid Cap Index Fund                                                            | 36,741               |
| * Drefus International Stock Index Fund                                                | 12,181               |
| * Drefus Small Cap Index Fund                                                          | <u>8,829</u>         |
|                                                                                        | 21,547,988           |
| Participant loans (interest rates ranging from 4.25% to 9.50%, various maturity dates) | <u>1,426,899</u>     |
| Total investments                                                                      | <u>\$ 34,651,920</u> |

\* Denotes party-in-interest

Note: Information on cost of investments is excluded for participant-directed investments.

RUN DATE: 01/23/10  
CYCLE: 1003YED  
PLAN NBR: 766782

PLAN NAME: WESTMORELAND COAL COMPANY INC

PLAN SPONSOR EIN: 231128670

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES FOR PLAN YEAR 2009

| IDENTITY OF ISSUE, BORROWER,<br>LESSOR, OR SIMILAR PARTY | DESCRIPTION OF INVESTMENT<br>INCLUDING MATURITY DATE,<br>RATE OF INTEREST, COLLATERAL,<br>PAR OR MATURITY VALUE | COST      | CURRENT<br>VALUE |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------|------------------|
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | GUARANTEED INCOME FUND                                                                                          | 6,621,469 | 6,621,469        |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | LC GR/TURNER INV PARTNERS                                                                                       | 2,443,779 | 2,351,748        |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | LCV/BARROW HANLEY FUND                                                                                          | 2,202,964 | 2,077,839        |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | MC GR/GOLDMAN SACHS FUND                                                                                        | 393,505   | 456,751          |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | CORE PLUS BOND/PIMCO                                                                                            | 771,924   | 864,569          |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | SMALL CAP GROWTH/TIMESSQ                                                                                        | 1,489,649 | 1,695,991        |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | SM CAP VAL/MUNDER CAP FD                                                                                        | 1,525,214 | 1,216,728        |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | MID CAP VALUE/CRM FUND                                                                                          | 556,425   | 541,412          |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | SA/JANUS BALANCED STRAT                                                                                         | 2,545,394 | 3,067,009        |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | LIFETIME AGGRESSIVE                                                                                             | 1,408,911 | 1,423,675        |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | LIFETIME GROWTH FD                                                                                              | 1,123,374 | 1,142,692        |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | LIFETIME BALANCED FD                                                                                            | 1,893,212 | 1,961,322        |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | LIFETIME CONSERVATIVE                                                                                           | 796,288   | 844,005          |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | LIFETIME INCOME&EQUITY                                                                                          | 140,892   | 151,013          |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | DRYDEN S&P 500 INDEX FUND                                                                                       | 2,184,881 | 2,125,491        |
| PRUDENTIAL RETIREMENT INSURANCE<br>AND ANNUITY COMPANY   | CORE BOND ENHAN INDEX                                                                                           | 123,929   | 126,974          |
| PRUDENTIAL MUTUAL FUNDS                                  | AMER:EUROPACIFIC GROW R3                                                                                        | 1,297,930 | 1,443,017        |
| PRUDENTIAL MUTUAL FUNDS                                  | DREY INTNL STOCK INDEX                                                                                          | 12,261    | 12,181           |
| PRUDENTIAL MUTUAL FUNDS                                  | DREY SMA CAP STK INDEX                                                                                          | 8,141     | 8,829            |
| PRUDENTIAL MUTUAL FUNDS                                  | DREYFUS MID CAP INDEX FD                                                                                        | 33,337    | 36,741           |
| WESTMORELAND COAL COM                                    | WESTMORELAND COAL COM                                                                                           | 7,160,547 | 4,771,039        |
| WESTMORELAND COAL PREF                                   | WESTMORELAND COAL PREF                                                                                          | 591,744   | 284,525          |
| PARTICIPANT LOANS                                        | 4.25% - 9.50%                                                                                                   | 0         | 1,426,899        |

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Financial Statements  
and  
Independent Auditors' Report  
For the Years Ended December 31, 2009 and 2008**



**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

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**SUPPLEMENTAL SCHEDULES**

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## INDEPENDENT AUDITORS' REPORT

Retirement Committee  
Westmoreland Coal Company and Subsidiaries Employees' Savings Plan  
Colorado Springs, Colorado

We have audited the accompanying statements of net assets available for distribution to participants of Westmoreland Coal Company and Subsidiaries Employees' Savings Plan (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for distribution to participants for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for distribution to participants of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for distribution to participants for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule, Schedule H, Line 4 – Schedule of Assets (Held at End of Year), is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Ehrhardt Keefe Steiner + Hottman PC*

Ehrhardt Keefe Steiner & Hottman PC

June 25, 2010  
Denver, Colorado

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Statements of Net Assets Available for Benefits**

|                                   | December 31,         |                      |
|-----------------------------------|----------------------|----------------------|
|                                   | <u>2009</u>          | <u>2008</u>          |
| Investments at fair value         |                      |                      |
| Westmoreland Common Stock Fund    |                      |                      |
| Westmoreland Common Stock         | \$ 4,771,039         | \$ 4,203,982         |
| Westmoreland Preferred Stock Fund |                      |                      |
| Westmoreland Preferred Stock      | 284,525              | 356,121              |
| Pooled separate accounts          | 21,547,988           | 15,645,475           |
| Participant loans                 | 1,426,899            | 1,227,326            |
| Guaranteed income fund            | <u>6,621,469</u>     | <u>5,658,705</u>     |
| Total investments                 | <u>34,651,920</u>    | <u>27,091,609</u>    |
| Company contribution receivable   | <u>771,018</u>       | <u>112,334</u>       |
| Net assets available for benefits | <u>\$ 35,422,938</u> | <u>\$ 27,203,943</u> |

See accompanying Notes to Financial Statements.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Statement of Changes in Net Assets Available for Benefits**  
**Year Ended December 31, 2009**

|                                                                                     |                      |
|-------------------------------------------------------------------------------------|----------------------|
| Contributions                                                                       |                      |
| Company contributions                                                               | \$ 2,322,745         |
| Employee contributions                                                              | 3,556,216            |
| Employee rollover contributions                                                     | <u>72,198</u>        |
| Total contributions                                                                 | <u>5,951,159</u>     |
| Investment income                                                                   |                      |
| Interest and dividends                                                              | 301,970              |
| Net appreciation of investments, including realized and unrealized gains and losses | <u>3,758,491</u>     |
| Total investment income                                                             | <u>4,060,461</u>     |
| Deductions from net assets attributed to:                                           |                      |
| Distributions to participants                                                       | (1,779,295)          |
| Administrative expenses                                                             | <u>(13,330)</u>      |
| Total deductions                                                                    | <u>(1,792,625)</u>   |
| Increase in net assets available for benefits                                       | 8,218,995            |
| Net assets available for benefits:                                                  |                      |
| Beginning of year                                                                   | <u>27,203,943</u>    |
| End of year                                                                         | <u>\$ 35,422,938</u> |

See accompanying Notes to Financial Statements.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies**

**a. Basis of Financial Statement Presentation**

The Westmoreland Coal Company and Subsidiaries Employees' Savings Plan, or the Plan, established October 1, 1957 (as amended), is a defined contribution plan and is sponsored by Westmoreland Coal Company, or Westmoreland, and its subsidiaries (the "Company" or "Employer").

The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those net assets.

As described in guidance issued by the Financial Accounting Standards Board, or FASB, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by this guidance, the statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value, if necessary. The statement of changes in net assets available for benefits is prepared on a contract value basis.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions in net assets available for benefits during the reporting period. Actual results could differ significantly from those estimates.

**b. Financial Condition of Plan Sponsor**

Westmoreland's independent registered public accounting firm included a statement in its opinion on Westmoreland's separate December 31, 2009, consolidated financial statements that there are matters that raise substantial doubt about Westmoreland's ability to continue as a going concern. Westmoreland, as the Plan sponsor, has an obligation under the Plan to match future employee contributions, as further discussed in Note 2b, in Westmoreland Common Stock. The impact of this uncertainty on the Plan and its participants cannot be currently determined and the accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies (continued)**

**c. Investments**

Westmoreland Common and Preferred Stocks are recorded at quoted market values.

Participant loans are valued at cost, which approximates fair value.

Pooled separate accounts, including the Janus Adviser Balanced Fund, S&P 500 Index Fund, Large Cap Value/Barrow Hanley Fund, Large Cap Growth/Turner Investment Fund, Mid Cap Value/CRM Fund, Mid Cap Growth/Goldman Sachs Fund, Small Cap Growth/Times Square Fund, Small Cap Value/Munder Capital Fund, Europacific Growth Fund, Drefus Mid Cap Index Fund, Drefus International Stock Index Fund, Drefus Small Cap Index Fund, Core Plus Bond/PIMCO Fund, Core Bond Enhanced Index Fund, and Prudential Retirement Insurance and Annuity Company Lifetime Funds, are recorded at fair value based on quoted market prices of the securities underlying the accounts.

The Plan has entered into a benefit-responsive investment contract with Prudential Retirement Insurance and Annuity Company (Prudential). Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the Plan by Prudential. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 1a, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract.

As of December 31, 2009 and 2008, the contract value and fair value of the investment in the Guaranteed Income Fund was equal, and amounted to \$6,621,469 and \$5,658,705, respectively. The average yield and the average crediting yield rate of the Guaranteed Income Fund were both 2.85% and 3.60% for the years ended December 31, 2009 and 2008, respectively. The minimum crediting interest rate under the contract is 1.5%. Generally, there are not any events that could limit the ability of the Plan to transact at contract value. In addition, there are not any events that allow the issuer to terminate the contract and which require the Plan sponsor to settle at an amount different from contract value.

The Company is restricted by certain debt covenants from paying dividends on its common stock. Payment of common stock dividends is not permitted until preferred stock dividend arrearages, discussed below, are satisfied.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies (continued)**

**c. Investments (continued)**

The Company's quarterly preferred stock dividends of \$0.53 per depositary share accumulate if not paid in full. The cumulative unpaid preferred stock dividends relating to the shares held by the Plan at December 31, 2009 and 2008, totaled \$426,075 and \$422,822, respectively. These amounts include the dividends accumulated on January 1, 2010 and 2009, respectively. Effective April 15, 2009, Westmoreland Coal Preferred Stock Fund is no longer offered as an active investment within the Westmoreland Coal Company and Subsidiaries Employees' Savings Plan.

Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Net realized and unrealized gains and losses are reflected in the accompanying statement of changes in net assets available for benefits as net appreciation (depreciation) of investments and are determined as the difference between fair value at the beginning of the year (or date purchased during the year) and selling price or year-end fair value. Changes in market values after the Plan year-end are not reflected in the accompanying financial statements.

**d. Distributions to Participants**

Distributions to participants are recorded when paid.

**e. Subsequent Events**

The Plan has evaluated all events subsequent from the date of the financial statements and through June 25, 2010, the date the financial statements were available for issuance, and determined that there were no subsequent events requiring disclosure.

**2. Description of Plan**

The following summary of the Plan provides general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**a. General**

The Plan is administered by a retirement benefits committee, which is appointed by the chairman and CEO of the Company. Prudential, the trustee, has full responsibility for the control and management of the assets of the Plan. Substantially all trustee fees, administrative costs, and investment fees of the Plan are paid by the Company; however, costs of administrative expenses directly attributable to participant accounts are paid by participants.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**2. Description of Plan (continued)**

**a. General (continued)**

All active, full-time employees not subject to collective bargaining agreements, unless specifically negotiated, are eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

**b. Contributions**

In 2009 and 2008, participants were able to contribute between 1% and 100% of their base compensation. Effective January 1, 2010, participants may contribute between 1% and 75% of their base compensation. The participant's maximum pre-tax contribution is limited by the Internal Revenue Code to \$16,500 and \$15,500 the calendar years 2009 and 2008, respectively. Catch-up contributions are permitted for those eligible employees over the age of 50 years and are limited to \$5,500 and \$5,000 in calendar years 2009 and 2008, respectively.

Effective May 1, 2001, the Plan was amended so that employee contributions are automatically made unless the employee opts out. Under the Plan beginning May 1, 2007, employees' deferrals automatically escalate 1% annually not to exceed 6%.

Effective through June 30, 2009, the Company matched employee contributions under the Plan in Westmoreland Common Stock for each employee hired before July 1, 2006 as follows:

***Westmoreland Coal Company, Dakota Westmoreland Corporation (DWC) and Westmoreland Resources, Inc (WRI)*** – 50% of employee contributions up to 6% of base compensation.

***Texas Westmoreland Coal Co. (TWCC) (formerly Northwestern Resources)*** – Less than 5 years of service, 70% of employee contributions up to 2% of base compensation – 5 to 9 years of service, 70% of employee contributions up to 4% of base compensation – 10+ years of service, 70% of employee contributions up to 6% of base compensation.

***Western Energy Company (WECO) and Westmoreland Savage Corporation (Savage)*** – 100% of employee contributions up to 4% of base compensation.

Employees hired on, or after July 1, 2006, who work 1,000 or more hours per year are matched by the Company at 50% of the first 6% of compensation the employee contributes. The matching contribution is made in Westmoreland Common Stock and employees become vested in the matching contribution over a two-year period. Employees hired on or after July 1, 2006, also received monthly special contributions paid by the Company in Westmoreland Common Stock equal to 1.5% of their gross pay. Employees are immediately 100% vested in the special contribution. The special contribution was made without regard to any contributions the employees made to the Plan. Subsequent to the Plan amendment effective July 1, 2009 mentioned below, this 1.5% special contribution ceased.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
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**Notes to Financial Statements**

**2. Description of Plan (continued)**

**b. Contributions (continued)**

Effective July 1, 2009, the Company matches all non-bargained employees' contributions 100% up to a maximum of 6% of their base compensation. In addition, the Company makes a yearly 2% special employer contribution to employees that had at least 15 years of service as of December 31, 2009 and also have at least 1,000 hours of service per year and are active employees on December 31 of the Plan year for which the contribution is made. Contributions will be made after the end of the Plan year to which the contributions apply, but only through the Plan year ending December 31, 2018. All contributions are still made in Westmoreland Common Stock.

DWC Hourly Union plan remained at 50% up to a maximum of 6% of base compensation, and the Savage Hourly Union plan remained at 100% up to a maximum of 4% of base compensation.

**c. Participant Accounts**

Each participant's account is credited with the participant's contribution and allocations of the Company's contribution and Plan earnings (losses). Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**d. Distributions**

On termination of service due to death, disability, or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or in annual installments over a five-, ten-, or fifteen-year period. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

**e. Vesting**

Vesting of the Company's matching contribution for participants hired is based on years of continuous service. A participant is 50% vested after one year and 100% vested after two years.

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**Notes to Financial Statements**

**3. Participant Loans**

Participants may request loans from the Plan, which may only be taken from participant contribution account balances. No loan may be granted in an amount less than \$1,000. The maximum loan may not exceed 50% of the fair value of the participant's account balance to a maximum of \$50,000 and may be further limited by other provisions of the Internal Revenue Code. The loans are generally repayable over a maximum period of five years, and the interest rate is equal to a reasonable interest rate commensurate with current interest rates charged for loans made under similar circumstances. Loans for a primary residence may be repaid over a period of up to 15 years. Principal repaid and interest paid are credited to the participant's account. A participant may have up to two loans outstanding at any one time. The interest rates on loans outstanding at December 31, 2009, range from 4.25% to 9.50% and mature at various dates through 2017.

**4. Fair Value Accounting**

The FASB issued guidance that establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following tables set forth by level, within the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2009 and December 31, 2008.

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**Notes to Financial Statements**

**4. Fair Value Accounting (continued)**

The following assets are measured at fair value on a recurring basis at December 31, 2009:

| Description                  | Level 1             | Level 2              | Level 3             | Total                |
|------------------------------|---------------------|----------------------|---------------------|----------------------|
| Westmoreland Common Stock    | \$ 4,771,039        | \$ -                 | \$ -                | \$ 4,771,039         |
| Westmoreland Preferred Stock | 284,525             | -                    | -                   | 284,525              |
| Guaranteed income fund       | -                   | 6,621,469            | -                   | 6,621,469            |
| Pooled separate accounts     | -                   | 21,547,988           | -                   | 21,547,988           |
| Participant loans            | -                   | -                    | 1,426,899           | 1,426,899            |
| Total                        | <u>\$ 5,055,564</u> | <u>\$ 28,169,457</u> | <u>\$ 1,426,899</u> | <u>\$ 34,651,920</u> |

The following assets are measured at fair value on a recurring basis at December 31, 2008:

| Description                  | Level 1             | Level 2              | Level 3             | Total                |
|------------------------------|---------------------|----------------------|---------------------|----------------------|
| Westmoreland Common Stock    | \$ 4,203,982        | \$ -                 | \$ -                | \$ 4,203,982         |
| Westmoreland Preferred Stock | 356,121             | -                    | -                   | 356,121              |
| Guaranteed income fund       | -                   | 5,658,705            | -                   | 5,658,705            |
| Pooled separate accounts     | -                   | 15,645,475           | -                   | 15,645,475           |
| Participant loans            | -                   | -                    | 1,227,326           | 1,227,326            |
| Total                        | <u>\$ 4,560,103</u> | <u>\$ 21,304,180</u> | <u>\$ 1,227,326</u> | <u>\$ 27,091,609</u> |

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended December 31, 2009:

|                                                  | Participant Loans   |
|--------------------------------------------------|---------------------|
| Beginning balance                                | \$ 1,227,326        |
| Purchases, issuance and settlements of new loans | <u>199,573</u>      |
| Ending balance                                   | <u>\$ 1,426,899</u> |

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
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**Notes to Financial Statements**

**5. Income Taxes**

The Plan obtained its latest determination letter dated June 30, 2004, from the Internal Revenue Service, which stated that the Plan qualifies under the applicable provisions of the Internal Revenue Code and, therefore, is exempt from federal income taxes. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

**6. Plan Termination**

Although the Company has not expressed any intent to terminate the Plan, it may do so at any time. In the event of Plan termination, participants would become 100% vested in their accounts.

**7. Investments**

Investments representing 5% or more of net assets available for benefits as of December 31, 2009 and 2008 are as follows:

|                                         | 2009         | 2008         |
|-----------------------------------------|--------------|--------------|
| Guaranteed Income Fund                  | \$ 6,621,469 | \$ 5,658,705 |
| Westmoreland Common Stock               | \$ 4,771,039 | \$ 4,203,982 |
| Janus Adviser Balanced Fund             | \$ 3,067,009 | \$ 2,387,327 |
| Large Cap Growth/Turner Investment Fund | \$ 2,351,748 | \$ 1,511,071 |
| S&P 500 Index Fund                      | \$ 2,125,491 | \$ 1,399,035 |
| Large Cap Value/Barrow Hanley Fund      | \$ 2,077,839 | \$ 1,570,391 |
| Lifetime Balanced Fund                  | \$ 1,961,322 | \$ 1,616,958 |

Net appreciation of investments, including realized and unrealized gains and losses for the year ended December 31, 2009 is as follows:

|                                              | 2009                |
|----------------------------------------------|---------------------|
| Westmoreland Common Stock                    | \$ (591,331)        |
| Westmoreland Preferred Stock                 | (78,553)            |
| Pooled Separate Accounts                     | <u>4,428,375</u>    |
| Net appreciation in the value of investments | <u>\$ 3,758,491</u> |

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
**EMPLOYEES' SAVINGS PLAN**

**Notes to Financial Statements**

**7. Investments (continued)**

Prior to April 1, 2001, participants could direct their contributions (both employer and employee contributions) to invest in any combination of available investments. However, effective April 1, 2001, employer matching contributions are only made in Westmoreland Common Stock. Effective July 30, 2004, participants may redirect employer-matching contributions to other investment options when the participant becomes 100% vested in employer matching contributions. Effective April 15, 2009, Westmoreland Preferred Stock is no longer offered as an active investment option.

**Westmoreland Common Stock** – Westmoreland Coal Company Common Stock is issued at the prevailing price on the open market. The Westmoreland Common Stock Fund held 535,470 and 378,737 shares of Westmoreland Common Stock at December 31, 2009 and 2008, respectively. The market value of the stock on these dates was \$8.91 and \$11.10 per share, respectively.

**Westmoreland Preferred Stock** – This fund provided the participant the option to invest in Westmoreland Coal Company Preferred Stock, which offered a cumulative dividend that is preferential to common stock. Any cash dividends paid are used to purchase additional shares of Westmoreland Preferred Stock. The Westmoreland Preferred Stock Fund held 15,851 and 15,730 shares of Westmoreland Preferred Stock at December 31, 2009 and 2008, respectively. The market value of the stock on these dates was \$17.95 and \$22.64 per share, respectively.

**8. Non-Participant-Directed Investments**

Changes in non-participant-directed investments for the year ended December 31, 2009 are as follows:

|                                                                                     | Westmoreland<br>Common Stock<br>Fund |
|-------------------------------------------------------------------------------------|--------------------------------------|
| Net assets available for benefits at December 31, 2008                              | \$ 4,203,982                         |
| Additions (deductions) to net assets attributed to:                                 |                                      |
| Company contributions                                                               | 1,664,061                            |
| Employee contributions                                                              | 199,743                              |
| Investment income (loss):                                                           |                                      |
| Interest and dividends                                                              | 7,642                                |
| Net depreciation of investments, including realized and unrealized gains and losses | (591,331)                            |
| Distributions to participants                                                       | (188,776)                            |
| Administrative expenses                                                             | (16,351)                             |
| Participant directed common/preferred stock transfers                               | (507,931)                            |
| Increase in net assets available for benefits                                       | 567,057                              |
| Net assets available for benefits at December 31, 2009                              | \$ 4,771,039                         |

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES**  
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**Notes to Financial Statements**

**8. Non-Participant-Directed Investments (continued)**

Activity in participant directed funds and the Westmoreland Preferred Stock Fund is participant directed. Activity in the Westmoreland Common Stock Fund includes both participant and non-participant directed investments. A distinction between participant and non-participant directed assets is not maintained; therefore, the presentation above for the Westmoreland Common Stock Fund has been reported as non-participant directed.

**9. Forfeitures**

Forfeitures due to a participant's withdrawal prior to full vesting of employer contributions may be applied to employer contributions or used to offset administrative expenses. Forfeitures used to offset administrative expenses in 2009 were \$15,670. As of December 31, 2009 and 2008, forfeited nonvested accounts totaled \$28,331 and \$11,964, respectively.

**10. Risks and Uncertainties**

The Plan provides for various investment options in pooled separate accounts, stock funds, and a guaranteed income fund. Investment securities, in general, are exposed to various risks, such as significant world events, interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect amounts presented in the statements of net assets available for benefits.

Additionally, some investments held by the Plan are invested in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than those securities of comparable U.S. companies.

The Plan provides the participants the ability to invest in various pooled separate accounts which may, in turn, invest in securities with contractual cash flows, such as asset backed securities, foreign investments, collateralized mortgage obligations, and commercial mortgage backed securities, including securities backed by subprime mortgage loans. The value, liquidity, and related income of those securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

The Plan has a concentration of investments in Westmoreland equity securities. A change in the value of Westmoreland equity securities could cause the value of the Plan's net assets available for benefits to change due to this concentration.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
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**Notes to Financial Statements**

**11. Related Party Transactions**

The Plan invests in certain pooled separate accounts and a guaranteed income fund managed by Prudential, the Plan's trustee; therefore, these transactions qualify as party-in-interest transactions. In addition, the Plan has significant investments in the Company's common and preferred stock, which qualify as party-in-interest transactions.

**WESTMORELAND COAL COMPANY AND SUBSIDIARIES  
EMPLOYEES' SAVINGS PLAN**

**Schedule H, Line 4i - Schedule of Assets (Held At End Of Year)**

EIN: 23-1128670

Plan #766782

December 31, 2009

| Identity of issuer, borrower, or other similar party                                   | Fair Value           |
|----------------------------------------------------------------------------------------|----------------------|
| Equity securities:                                                                     |                      |
| * Westmoreland Preferred Stock, 15,851 shares                                          | \$ 284,525           |
| * Westmoreland Common Stock, 535,470 shares, cost basis \$7,162,425                    | <u>4,771,039</u>     |
|                                                                                        | <u>5,055,564</u>     |
| Guaranteed income fund:                                                                |                      |
| Prudential Retirement Insurance and Annuity Company:                                   |                      |
| * Guaranteed Income Fund                                                               | <u>6,621,469</u>     |
| Pooled separate accounts:                                                              |                      |
| * Prudential Retirement Insurance and Annuity Company:                                 |                      |
| Lifetime Income and Equity Fund                                                        | 151,013              |
| Lifetime Growth Fund                                                                   | 1,142,692            |
| Lifetime Conservative Fund                                                             | 844,005              |
| Lifetime Balanced Fund                                                                 | 1,961,322            |
| Lifetime Aggressive Fund                                                               | 1,423,676            |
| * S&P 500 Index Fund                                                                   | 2,125,491            |
| * Large Cap Value/Barrow Hanley Fund                                                   | 2,077,839            |
| * Large Cap Growth/Turner Investment Fund                                              | 2,351,748            |
| * Mid Cap Value/CRM Fund                                                               | 541,412              |
| * Mid Cap Growth/Goldman Sachs Fund                                                    | 456,751              |
| * Small Cap Growth/Times Square Fund                                                   | 1,695,991            |
| * Small Cap Value/Munder Capital Fund                                                  | 1,216,728            |
| * Janus Adviser Balanced Fund                                                          | 3,067,009            |
| * Core Plus Bond/PIMCO Fund                                                            | 864,569              |
| * Core Bond Enhanced Index Fund                                                        | 126,974              |
| * Europacific Growth Fund                                                              | 1,443,017            |
| * Drefus Mid Cap Index Fund                                                            | 36,741               |
| * Drefus International Stock Index Fund                                                | 12,181               |
| * Drefus Small Cap Index Fund                                                          | <u>8,829</u>         |
|                                                                                        | 21,547,988           |
| Participant loans (interest rates ranging from 4.25% to 9.50%, various maturity dates) | <u>1,426,899</u>     |
| Total investments                                                                      | <u>\$ 34,651,920</u> |

\* Denotes party-in-interest

Note: Information on cost of investments is excluded for participant-directed investments.