

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>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).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
--	--	---

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

Part II	Basic Plan Information—enter all requested information
1a	Name of plan WESTMORELAND RETIREMENT PLAN
1b	Three-digit plan number (PN) ▶ 006
1c	Effective date of plan 05/01/2001
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) WESTMORELAND COAL COMPANY 2 N CASCADE AVE FL 2 COLORADO SPRINGS, CO 80903-5669
2b	Employer Identification Number (EIN) 23-1128670
2c	Sponsor's telephone number 719-442-2600
2d	Business code (see instructions) 212110

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.

SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2010	MARY HAUCK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

WESTMORELAND COAL COMPANY

2 N CASCADE AVE FL 2
COLORADO SPRINGS, CO 80903-5669**3b** Administrator's EIN

23-1128670

3c Administrator's telephone number

719-442-2600

4 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:**a** Sponsor's name**4b** EIN**4c** PN**5** Total number of participants at the beginning of the plan year**5**

738

6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a**, **6b**, **6c**, and **6d**).**a** Active participants.....**6a**

479

b Retired or separated participants receiving benefits.....**6b**

86

c Other retired or separated participants entitled to future benefits.....**6c**

200

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

765

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

5

f Total. Add lines **6d** and **6e**.....**6f**

770

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g****h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

17

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)**7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1G 3H 1I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)(1) ☒

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☒

Trust

(4) ☐

General assets of the sponsor

9b Plan benefit arrangement (check all that apply)(1) ☒

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☒

Trust

(4) ☐

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) ☒**A** (Insurance Information)(4) ☒**C** (Service Provider Information)(5) ☒**D** (DFE/Participating Plan Information)(6) ☐**G** (Financial Transaction Schedules)

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

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan WESTMORELAND RETIREMENT PLAN	B Three-digit plan number (PN) ▶	006
C Plan sponsor's name as shown on line 2a of Form 5500. WESTMORELAND COAL COMPANY	D Employer Identification Number (EIN) 23-1128670	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	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	017368	770	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
8379	0

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 CHAD LARSEN 4600 S ULSTER STREET DENVER, CO 80237

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
8379			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) 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) 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) 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) 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) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) 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.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	31373094

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

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d 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. Specify nature of costs ▶	6d	

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 ▶

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	
d Total of balance and additions (add b and c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	
f Balance at the end of the current year (subtract e(5) from d)	7f	

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:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
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.	10b	

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. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
--	--	---

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

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>WESTMORELAND RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>006</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>WESTMORELAND COAL COMPANY</u>	D Employer Identification Number (EIN) <u>23-1128670</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>	
2 Assets:	
a Market value	2a <u>34611316</u>
b Actuarial value	2b <u>38072448</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>76</u> <u>10864627</u>
b For terminated vested participants	3b <u>180</u> <u>6092626</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>704149</u>
(2) Vested benefits	3c(2) <u>22934518</u>
(3) Total active	3c(3) <u>482</u> <u>23638667</u>
d Total	3d <u>738</u> <u>40595920</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>8.05</u> %
6 Target normal cost	6 <u>2098634</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	
Signature of actuary	Date
<u>ROGER BEILES</u>	<u>08-03627</u>
Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON</u>	<u>414-836-1000</u>
Firm name	Telephone number (including area code)
<u>525 MARKET STREET, SUITE 2900</u> <u>SAN FRANCISCO, CA 94105-2708</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1721386	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	1721386	0
10	Interest on item 9 using prior year's actual return of <u>-25.27</u> %	-434994	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		1091235
b	Interest on (a) using prior year's effective rate of <u>6.15</u> %		67111
c	Total available at beginning of current plan year to add to prefunding balance		1158346
d	Portion of (c) to be added to prefunding balance.....		1157730
12	Reduction in balances due to elections or deemed elections.....	1286392	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	1157730

Part III Funding percentages			
14	Funding target attainment percentage.....	14	90.93 %
15	Adjusted funding target attainment percentage.....	15	90.93 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	88.37 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/14/2009	540652				
01/13/2010	690840				
09/14/2010	6000000				
Totals ►			18(b)	7231492	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	6426133
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of Quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th 0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 3
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	2098634
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	1245447	283719
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	2382353
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	1157730
36 Additional cash requirement (item 34 minus item 35).....	36	1224623
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	6426133
38 Interest-adjusted excess contributions for current year (see instructions).....	38	4043780
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

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

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

<div>A</div> Name of plan WESTMORELAND RETIREMENT PLAN	<div>B</div> Three-digit plan number (PN) ▶ 006
<div>C</div> Plan sponsor's name as shown on line 2a of Form 5500 WESTMORELAND COAL COMPANY	<div>D</div> Employer Identification Number (EIN) 23-1128670

Part I

Service Provider Information (see instructions)

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)	Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INS & ANNUITY	
06-1050034	

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

(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

(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

(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

(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

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 INS & ANNUITY

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	12269	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

NRP FINANCIAL

20-5468980

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	NONE	9913	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WELLS FARGO

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	39810	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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 (see instructions)	(c) Enter amount of indirect compensation

(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.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(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.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(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.

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)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

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

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

A Name of plan <u>WESTMORELAND RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>006</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>WESTMORELAND COAL COMPANY</u>	D Employer Identification Number (EIN) <u>23-1128670</u>	

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

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>CORE BOND ENHANCED INDEX/PIM</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-036</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>11520457</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>DRYDEN S&P 500 INDEX</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-123</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>12101197</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INTL BLD/PICTET ASSET MGMT</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-534</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1882100</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP VALUE/SYSTEMATIC</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-647</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>766713</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID GROWTH/FRONTIER CAPITAL</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-559</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>768058</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRUDENTIAL SHORT-TERM</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-041</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>688676</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP GRW/COLUMBUS</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-650</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1739841</u>

a Name of MTIA, CCT, PSA, or 103-12 IE: **SMALL CAP VALUE/TS&W**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-256	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1906052
--------------------------------	------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e 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):

c EIN-PN	d Entity code	e 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):

c EIN-PN	d Entity code	e 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):

c EIN-PN	d Entity code	e 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):

c EIN-PN	d Entity code	e 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):

c EIN-PN	d Entity code	e 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):

c EIN-PN	d Entity code	e 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):

c EIN-PN	d Entity code	e 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):

c EIN-PN	d Entity code	e 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
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
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
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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information 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). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan WESTMORELAND RETIREMENT PLAN	B Three-digit plan number (PN) ►	006
C Plan sponsor's name as shown on line 2a of Form 5500 WESTMORELAND COAL COMPANY	D Employer Identification Number (EIN) 23-1128670	

Part I	Asset and Liability Statement
---------------	--------------------------------------

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
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		6690840
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	59052	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	787982	2924353
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	62125	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	2481383	
(5) Partnership/joint venture interests	1c(5)	4243840	1341311
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		31373094
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	23386939	1674601
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		0
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		2445795
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	31021321	46449994

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	6528	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	6528	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	31014793	46449994
---	----	----------	----------

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: (A) Employers	2a(1)(A)	10711071	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		10711071

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2645	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)	2635	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		5280

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	12197	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		12197

(3) Rents	2b(3)		
-----------------	-------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	3228535	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	4012831	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-784296

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	741857	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		741857
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		5468031
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		481268
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		16635408

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1106699	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1106699
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	93508	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		93508
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1200207

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		15435201
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

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: STOCKMAN KAST RYAN AND COMPANY, LLP

(2) EIN: 84-1509584

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
a 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 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	
c 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	
d 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	
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g 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		1341311
h 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	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j 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		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n 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.			

- 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)

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information 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). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

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

A Name of plan <u>WESTMORELAND RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>006</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WESTMORELAND COAL COMPANY</u>	D Employer Identification Number (EIN) <u>23-1128670</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 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): EIN(s): <u>22-1211670</u> <u>94-1347393</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>0</u>

Part II	Funding Information (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)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 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.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c 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).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 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?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 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.....	☐ Increase	☒ Decrease	☐ Both	☐ No
--	-----------------------------------	--	-------------------------------	-----------------------------

Part IV	ESOPs (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.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
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.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2009
v.092308.1

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:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 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:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

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

a Enter the number of employers who withdrew during the preceding plan year	16a	
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	16b	

- 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): _____

INDEPENDENT AUDITORS' REPORT

Westmoreland Coal Company Pension Committee
Westmoreland Retirement Plan

We were engaged to audit the statements of net assets available for benefits of the Westmoreland Retirement Plan (the Plan) as of December 31, 2009 and 2008 and the related statements of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of January 1, 2009 and the related statement of changes in accumulated plan benefits for the year then ended, and the supplemental schedules as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Wells Fargo Bank, NA, the custodian of the Plan from January 1, 2008 through April 17, 2009, and Prudential Retirement Insurance and Annuity Company, the custodian of the Plan from April 18, 2009 through December 31, 2009, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the custodians as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan administrator by the custodians is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to express, and do not express, an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The accompanying financial statements have been prepared assuming that the Plan will continue as a going concern. As discussion in Note 2 to the financial statements, Westmoreland Coal Company, the Plan Sponsor, disclosed in its Annual Report as of December 31, 2009 that it has suffered recurring losses from operations, has a working capital deficit, a net capital deficiency, and expects to violate certain debt covenants in 2010. These conditions raise substantial doubt about the Plan Sponsor's ability to continue as a going concern, which in turn raises substantial doubt about the ability of the Plan to continue as a going concern. Management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Stockman Kast Ryan + Co., LLP

Colorado Springs, Colorado
October 5, 2010

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Line 25 – Change in Method

- The actuarial value of assets was changed from market value to a 24-month smoothing of gains and losses.
- Assumed plan-related expenses of \$91,604 were added to the target normal cost.
- The valuation software used to produce the actuarial information submitted on this schedule has been refined to reflect evolving understanding of PPA requirements, and such modifications may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Line 19—Discounted Employer Contributions

Date Made	Contribution Amount	Plan Year Begin	Applicable Effective Interest Rate	Discounting Period	Discounted Contribution Amount
04/14/2009	\$ 540,652	01/01/2009	8.05%	0.2822	\$ 528,967
01/13/2010	\$ 690,840	01/01/2009	8.05%	1.0329	637,741
09/14/2010	\$ 6,000,000	01/01/2009	8.05%	1.7014	<u>5,259,425</u>
					\$ 6,426,133

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Actuarial Assumptions and Methods

Economic Assumptions

Funding interest rate basis:

- ▶ Applicable month
- ▶ Yield curve basis
- ▶ Transition from current liability rates

Contributions

October 2008

Full yield curve

No

Funding interest rates:

- ▶ First segment rate 8.81%
- ▶ Second segment rate 8.22%
- ▶ Third segment rate 7.50%
- ▶ Effective interest rate 8.05%

Annual rates of increase

- ▶ Salaries 4.00 to 7.50%*
- ▶ Future Social Security wage bases 0.00%
- ▶ Statutory limits on compensation and benefits 4.00%

* Varies by age.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Demographic Assumptions

Mortality for contributions:

► Healthy

Separate rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2024 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2016 using Scale AA).

Termination

Sample rates:

<i>Age</i>	<i>Age</i>	<i>Age</i>
25	40	55
13.0%	4.4%	3.0%

Disability

No disabilities were assumed.

Retirement

Rates varying by age.

<i>Age</i>	<i>Rate (all plans except Western Energy)</i>	<i>Rate (Western Energy)</i>
50	0%	3%
55	5%	5%
62	30%	30%
65	40%	40%
70	100%	100%

Benefit commencement date:

Texas Westmoreland

► Mortality

Surviving spouse benefits commence as of the first of the month following the death of the active participant or the date the participant would have attained age 55 and shall continue until the first day of the month following the spouse’s death.

► Termination

If less than 15 years service, the later of age 65 or age at termination. If 15 or more years of service, the later of age 55 or age at termination.

► Disability

No disability was assumed.

► Retirement

Upon termination of employment.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Western Energy

- ▶ Mortality Surviving spouse benefits commence as of the first of the month following the death of the active participant.
- ▶ Termination The later of age 62 or termination of employment.
- ▶ Retirement Upon termination of employment.

Corporate

- ▶ Mortality Surviving spouse benefits commence at the date the participant would have attained age 65, or if participant was retirement eligible, immediately.
- ▶ Termination If less than 10 years service, the later of age 65 or age at termination. If 10 or more years of service, the later of age 62 or age at termination.
- ▶ Disability Payable immediately.
- ▶ Retirement Upon termination of employment.

Beulah and Savage Salaried

- ▶ Mortality Surviving spouse benefits commence as of the first of the month following the death of the active participant, or the date the participant would have attained age 55, and shall continue until the first day of the month following the spouse's death.
- ▶ Termination The later of age 62 or termination of employment.
- ▶ Retirement Upon termination of employment.

Form of payment

- ▶ Corporate 66 2/3 % joint and survivor annuity for married, life for single.
- ▶ Non-Corporate 75 % joint and survivor annuity for married, life for single.

Transfers

Benefit for transfers calculated under the benefit formula of the most recent employment location for all years of pension service.

Cash Balance Accounts

Cash balance accounts for Western Energy active members were estimated by Towers Watson.

Percent married

80% of males; 80% of females.

Spouse age

Wife three years younger than husband.

Covered pay

Rate of pay as of the valuation date.

Administrative expense

Assumed to be equal to prior year expenses.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Special at-risk assumptions

For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year.

Methods

Valuation date

First day of plan year.

Funding target and target normal cost

Present value of accrued benefits.

Actuarial value of assets

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of fair value, including contributions receivable.

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a bias to produce an actuarial value of assets that is below the market value of asset

Funding Policy

The company's funding policy is to contribute an amount at least equal to the minimum required contribution under ERISA. Westmoreland Coal Company may increase its contribution above the minimum, if appropriate to its tax and cash position and the plan's funded status.

Benefits Not Valued

Benefit amounts for transfers calculated under the benefit formula of the most recent employment location only (using all years of pension service). Towers Watson has reviewed the plan provisions with Westmoreland Coal and, based on that review, is not aware of any significant benefits required to be valued that were not.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Cost Allocation Between Locations All components are allocated to each location on the basis of the ratio of each location's pension cost to the pension cost for the entire plan.

Change in Assumptions and Methods Since Prior Valuation

The assumed form of payment for married participants was changed from a life annuity to a 66 2/3% joint and survivor annuity for Corporate and a 75% joint and survivor annuity for non-Corporate.

The assumed Termination commencement age was updated from 65 to 62 for Corporate participants with ten years of service, and from age 50 to age 62 for Western Energy.

The funding interest rate was changed from the segment interest rates as of January 2008 "without transition" to the full corporate bond yield curve as of October 2008, as provided under the Pension Protection Act of 2006 (PPA).

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

The actuarial value of assets was changed from market value to a 24-month smoothing of gains and losses.

Assumed plan-related expenses of \$91,604 were added to the target normal cost.

Data Sources

Towers Watson used asset and participant data supplied by Westmoreland Coal Company. Westmoreland Coal furnished the dates and amounts of the 2008 contributions that will be paid in 2009, and accrued pension cost as of December 31, 2008. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by the Towers Watson actuaries when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, line 22 — Description of Weighted Average Retirement Age

The plan has four different benefit provisions which apply to four different groups of participants. For each active participant, an expected retirement age was calculated, weighted in proportion to the probability that the individual would remain an active participant to each age and then retire at that age. The plan's weighted average retirement age of 62 for non-Western Energy Company participants and 61 for Western Energy Company participants is the arithmetic average of the expected retirement ages on January 1, 2009.

**Non-Western Energy Company
Plan Participants**

Age	Rate of Retirement
55-59	5%
60-61	8%
62	30%
63-64	20%
65-69	40%
70	100%

**Western Energy Company
Plan Participants**

Age	Rate of Retirement
50-54	3%
55-59	5%
60-61	8%
62	30%
63-64	20%
65-69	40%
70	100%

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Line 26 - Schedule of Active Participant Data

Age Last Birthday		Years of Credited Service									
		Under 1	1 - 4	5 - 9	10 - 14	15- 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & up
Under 25	Number	2	3	0	0	0	0	0	0	0	0
25 - 29	Number	5	7	2	0	0	0	0	0	0	0
30 - 34	Number	7	14	5	0	0	0	0	0	0	0
35 - 39	Number	6	7	11	3	2	4	0	0	0	0
40 - 44	Number	6	8	12	7	9	19	1	0	0	0
45 - 49	Number	6	8	2	8	10	42	6	0	0	0
50 - 54	Number	10	13	11	9	8	48	8	6	0	0
55 - 59	Number	5	4	11	1	8	42	8	5	2	0
60 - 64	Number	2	2	6	2	2	29	3	3	2	0
65 - 69	Number	0	1	1	0	0	6	1	0	0	0
70 & up	Number	0	0	0	0	0	1	0	0	0	0

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Plan Provisions – Texas Westmoreland Coal Company

Covered Employees	All former employees of Northwestern Resources Company and all Texas Westmoreland employees hired before July 1, 2006.
Participation Date	First of the month coinciding with or next following the date of completion of 1,000 hours in a 12-month period.
Definitions	
Vesting service	Years and months of service as a covered employee.
Pension service	Years and months of service as a covered employee.
Eligible Earnings	Base pay, commissions and the straight time portion of any overtime pay for the year. Bonuses, premium portion of overtime pay, and any special pay are excluded.
Average monthly earnings	The average of the highest three consecutive calendar years of eligible earnings during the last ten years of service.
Integration Level	The average of the taxable wage bases in effect for each calendar year in the 35-year period ending with the last day of the calendar year in which the Social Security retirement age is reached.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.
Monthly pension benefit	One twelfth of the sum of .95% of average monthly earnings up to the Social Security integration level, plus 1.5% of average earnings in excess of the social security integration level, times credited service not to exceed 35 years.
Monthly pre-retirement spouse benefit	50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election form and reduced for payment as early as the participant's 55 th birthday.
Eligibility for Benefits	
Normal retirement	Retirement on NRD.
Early retirement	Retirement before NRD and on or after both attaining age 55 and completing fifteen years of vesting service.
Postponed retirement	Retirement after NRD.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Deferred vested	Termination for reasons other than death or retirement after completing five years of vesting service.
Preretirement spouse benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced 3.0% per year from age 65 to age 62 and further reduced by 6.67% from age 62 to retirement age. However, if the participant is age 60 or older with 30 or more years of service, the benefit is reduced by 6.67% from age 62 to retirement age.
Postponed retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date. If the participant has 15 or more years of service at termination, the benefit is payable at age 55, and reduced in the same manner as the early retirement benefit. If the participant has less than 15 years of service at termination, the benefit is payable at age 65.
Death with preretirement spouse benefits	50% of monthly pension benefit determined as of date of death, reduced for 50% Joint and Survivor payment form and early retirement and is payable at the Participants earliest retirement date.

Other Plan Provisions

Forms of payment	<p>Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, a 75% joint and survivor annuity or (for married participants), a life annuity.</p> <p>If a joint and survivor annuity is elected, and the joint annuitant predeceases the participant, the annuity is restored to the amount that would have been paid payable had the participant elected a life annuity. There is no adjustment to the joint and survivor benefit to account for this feature.</p>
------------------	---

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Actuarial Equivalence

- ▶ Interest Rate 6% per year
- ▶ Mortality Table Unisex (50% male/50% female) 1983 Group Annuity Mortality Table

Maximum on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions. Towers Watson is not aware of any future plan changes which are required to be reflected.

Significant Events There have been no significant events during the year.

Changes in Benefits Valued Since Prior Year There have been no changes in benefits valued since the prior year.

Benefits Not Valued Towers Watson is not aware of any significant benefits required to be valued that were not.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Plan Provisions – Western Energy Company

Covered Employees	All Western Energy employees.
Grandfathered Employees	Former participants in the Montana Power Company Pension Plan who would have been eligible to retire before January 1, 2003. These employees will receive the greater of the benefits determined under the Texas Westmoreland Formula as defined in the prior section or the Cash Balance benefits defined in this section. If the participant retires before January 1, 2003, this option expires after January 1, 2003.
Basic Credit	Contribution made by the Company each year. Amount is equal to the participant's basic credit percentage times Eligible Earnings.
Additional Credit	Contribution made by the Company each year. Amount is equal to the participant's additional credit percentage times eligible earnings in excess of one-half of the Social Security Wage Base (SSWB).

Basic and additional credits	Total Points	Company Contributions	
	<i>Attained age + completed years of vesting service at the beginning of the calendar year</i>	<i>Basic credit (Percent of Eligible Earnings)</i>	<i>Additional Credit (Percent of Eligible Earnings in excess of ½ of the SSWB)</i>
	Less than 32	3.0%	1.5%
	32 – 39	4.0%	2.0%
	40 – 44	5.0%	2.5%
	45 – 49	6.0%	3.0%
	50 – 54	7.0%	3.5%
	55 – 59	8.0%	4.0%
	60 – 64	9.0%	4.5%
	65 – 69	10.0%	5.0%
	70 – 74	11.0%	5.5%
	75+	12.0%	6.0%

Basic and additional credits cease once participant has 35 years of vesting service.

Interest Credit	A fixed interest contribution of 6% made by the Company to the participant's account each year. It is based on the account balance at the beginning of the year. After termination, interest will continue until benefit commencement.
-----------------	--

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Benefit The monthly benefit payable at Normal Retirement Date (or any other date) is the actuarial equivalent of the cash balance lump sum.

Actuarial equivalent Used to convert cash balance to a monthly benefit.

conversion factors Sample rates as follows:

<i>Age Benefit Begins</i>	<i>Conversion Factor</i>
50	166.20
55	155.64
60	142.80
65	127.80

Retirement Pension

Eligibility Age 50 and 5 years of service.

Benefit Cash balance with interest credits at termination, converted to a monthly benefit based on the actuarial equivalent conversion factors defined in the plan.

Deferred Vested Pension

Eligibility 5 years of service.

Benefit Cash balance with interest credits until benefit commencement date, converted to a monthly benefit based on the actuarial equivalent conversion factors defined in the plan.

Pre-Retirement Survivor

Benefit

Eligibility Death while an active employee.

Benefit 50% of the cash balance at time of death divided by an annuity conversion factor that is based on the spouse's age at the time spousal benefits begin. The surviving spouse may elect to begin receiving benefits on the first of the month following the participant's date of death. Alternatively, the spouse can elect to receive 50% of the participant's account balance as a lump sum payment, payable at the time of the participant's death.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Other Plan Provisions

Forms of payment Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity or a 75% joint and survivor annuity.

Actuarial Equivalence

- ▶ **Interest Rate** 6% per year
- ▶ **Mortality Table** Unisex (50% male/50% female) 1983 Group Annuity Mortality Table

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions. Towers Watson is not aware of any future plan changes which are required to be reflected.

Significant Events There have been no significant events during the year.

Changes in Benefits

Valued Since Prior Year There have been no changes in benefits valued since the prior year.

Benefits Not Valued Towers Watson is not aware of any significant benefits required to be valued that were not.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

**Plan Provisions – Westmoreland Coal Company (Corporate)
Retirement Plan and All Participants Hired After June 30, 2006**

Effective Date	December 1, 1997 as a result of a termination/re-establishment.
Covered Employees	Any employee of Westmoreland Coal Company and its successors not covered by a collective bargaining agreement and hired before July 1, 2006. Any employee of a participating employer, not covered by a collective bargaining agreement, hired after June 30, 2006.
Participation Date	First of the month following employment for those hired before July 1, 2006. One-year wait for those hired after June 30, 2006.
Definitions	
Vesting service	One year for each 1,000-hour calendar year of employment by Westmoreland Coal Company.
Pension service	One year for each 1,000-hour calendar year of employment as an active participant. Fractional credit based on completed months is given for incomplete calendar years for which actual service, if annualized, is greater than or equal to 1,000 hours.
Pensionable pay	Base earnings plus straight time portion of overtime (excluding premium portion of overtime, bonuses, shift differential, and expense allowances).
Average earnings	The average of the highest 60 consecutive calendar months of pensionable pay during the ten-year period ending on the earlier of the participant's termination date or retirement date.
Covered compensation	Average of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the participant attains Social Security normal retirement age.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.
Monthly pension benefit:	
▶ For those hired before July 1, 2006	<p>The monthly pension is greater of (1) or (2) less (3).</p> <p>(1) One-twelfth of 1.2% of average annual earnings plus one-twelfth of 0.5% of such compensation in excess of covered compensation, multiplied by pensionable service (max of 30 years).</p> <p>(2) \$30 multiplied by credited service.</p>

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

	(3) The benefit, if any, provided to the participant under the Westmoreland Coal Company and affiliated Companies Employees' Retirement Plan.
► For those hired after June 30, 2006	The monthly pension equals one-twelfth of 0.5% of average annual earnings multiplied by pensionable service not to exceed 30 years.
Monthly preretirement spouse benefit	100% of the monthly pension benefit as of the date of death, reduced for the 100% joint and survivor election and reduced for payment as early as the participant's 55 th birthday.
Monthly disability benefit	Same as monthly pension benefit, based on service and average compensation at date of disability.
Eligibility for Benefits	
Normal retirement	Retirement on NRD.
Early retirement	Retirement before NRD and on or after attaining age 55 and completing ten years of pension service.
Postponed retirement	Retirement after NRD.
Deferred vested	Termination for reasons other than death or retirement after completing five years of vesting service.
Preretirement spouse benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.
Disability	Total and permanent disability after 10 years of service.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.																								
Early retirement	Monthly pension benefit determined as of early retirement date, reduced for each year of payment before age 65 if the employee has less than 20 years of pension service at retirement. The benefit is reduced from age 62 if the employee has pension service greater than or equal to 20 years at retirement. The reductions are as follows: <table><tr><th><i>Number of Years Benefit Commencement Date Precedes Normal Retirement Date</i></th><th><i>Reduction Factor</i></th></tr><tr><td>0</td><td>1.00</td></tr><tr><td>1</td><td>0.94</td></tr><tr><td>2</td><td>0.87</td></tr><tr><td>3</td><td>0.81</td></tr><tr><td>4</td><td>0.75</td></tr><tr><td>5</td><td>0.70</td></tr><tr><td>6</td><td>0.65</td></tr><tr><td>7</td><td>0.61</td></tr><tr><td>8</td><td>0.57</td></tr><tr><td>9</td><td>0.535</td></tr><tr><td>10</td><td>0.50</td></tr></table>	<i>Number of Years Benefit Commencement Date Precedes Normal Retirement Date</i>	<i>Reduction Factor</i>	0	1.00	1	0.94	2	0.87	3	0.81	4	0.75	5	0.70	6	0.65	7	0.61	8	0.57	9	0.535	10	0.50
<i>Number of Years Benefit Commencement Date Precedes Normal Retirement Date</i>	<i>Reduction Factor</i>																								
0	1.00																								
1	0.94																								
2	0.87																								
3	0.81																								
4	0.75																								
5	0.70																								
6	0.65																								
7	0.61																								
8	0.57																								
9	0.535																								
10	0.50																								
Postponed retirement	Monthly pension benefit determined as of actual retirement date.																								
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date, reduced in the same manner as early retirement benefits, based on service at termination.																								
Death with preretirement spouse benefits	Monthly preretirement spouse benefit is payable. The benefit is reduced as though the participant had elected a 100% joint and survivor annuity, then reduced to reflect early commencement of benefits.																								
Disability	Disability benefit is payable immediately, with no reductions.																								

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Other Plan Provisions

Forms of payment Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 100% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, 50% joint and survivor annuity, 66 2/3% joint and survivor annuity, and a ten-year certain and life annuity.

Actuarial Equivalence

- ▶ **Interest Rate** 7% per year
- ▶ **Mortality Table** UP-1984 Table with a 3 year setback in age for contingent annuitants and beneficiaries

Maximum on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions. Towers Watson is not aware of any future plan changes which are required to be reflected.

Significant Events There have been no significant events during the year.

Changes in Benefits Valued Since Prior Year There have been no changes in benefits valued since the prior year.

Benefits Not Valued Towers Watson is not aware of any significant benefits required to be valued that were not.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Plan Provisions – Beulah and Savage Mines Salaried Employees

Covered Employees	All salaried employees of Beulah and Savage mines not covered by a collective bargaining agreement and hired before July 1, 2006.
Participation Date	Age 21 and 1 year of service.
Definitions:	
Vesting service	One year for each 1,000-hour calendar year of employment.
Pension service	One year for each 1,000 hour calendar year of employment.
Pensionable pay	Base compensation excluding bonuses, commissions, overtime pay, travel expenses, and any other non-regular compensation.
Average monthly earnings	The average of the highest 60 months out of the last 120 months that immediately precede the earlier of retirement or termination.
Integration level	\$1,400 multiplied by a fraction, the numerator of which is the social security taxable wage base in effect for the plan year of termination, and the denominator of which is \$48,000.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.
Monthly pension benefit	The sum of 1.2% of average monthly earnings up to the integration level, plus 1.6% of average earnings in excess of the integration level, times pension service with a maximum of 35 years.
Monthly preretirement spouse benefit	50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election form.
Eligibility for Benefits	
Normal retirement	Retirement on NRD.
Early retirement	Retirement before NRD and on or after attaining age 55.
Postponed retirement	Retirement after NRD.
Deferred vested	Termination for reasons other than death or retirement after completing five years of vesting service.
Preretirement spouse benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced 3.0% for each year of payment before age 62. However, if a participant terminates on or after attaining age 60 and completing at least 30 years of vesting service, there is no reduction.
Postponed retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date, reduced 3% for each year of payment before age 62.
Death with preretirement spouse benefits	50% of monthly pension benefit determined as of date of death, reduced for 50% Joint and Survivor payment form payable at the Participants earliest retirement date.

Other Plan Provisions

Forms of payment	Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, 75% joint and survivor annuity, 66 2/3% joint and survivor annuity, 50% joint and survivor annuity, and a ten-year certain and life annuity.
Actuarial Equivalence	
▶ Interest Rate	6% per year
▶ Mortality Table	1971 Group Annuity Mortality Table (male rates) with ages set back three years for all participants and joint or contingent annuitants.
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions. Towers Watson is not aware of any future plan changes which are required to be reflected.

Significant Events There have been no significant events during the year.

Changes in Benefits There have been no changes in benefits valued since the prior year.
Valued Since Prior Year

Benefits Not Valued Towers Watson is not aware of any significant benefits required to be valued that were not.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, line 24- Change in Actuarial Assumptions

- The assumed form of payment for married participants was changed from a life annuity to a 66 2/3% joint and survivor annuity for Corporate and a 75% joint and survivor annuity for non-Corporate.
- The assumed commencement age for terminated vested participants was updated from age 65 to 62 for Corporate participants with ten years of service, and from age 50 to age 62 for Western Energy.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Line 32 – Schedule of Amortization Bases

Type of Installment	Present Value of Future Installments	Valuation Date Established	Number of Years Remaining	Amortization Installment
2008 Shortfall	\$ 2,865,595	1/1/2008	6	\$ 571,212
2009 Shortfall	\$(1,620,148)	1/1/2009	7	\$ (287,493)
Total Shortfall Amortization Installments				\$ 283,719

WESTMORELAND RETIREMENT PLAN

EIN NO. 23-1128670, PLAN NO. 006

SCHEDULE H, LINE 4i — SCHEDULE OF ASSETS HELD AT END OF YEAR DECEMBER 31, 2009

Identity of issue, borrower, lessor or similar party and description of investments	Cost	Current Value
POOLED SEPARATE ACCOUNTS:		
* Dryden S&P 500 Index Fund	\$ 9,449,705	\$ 12,101,197
* Core Bond Enhanced Index/PIM Fund	11,277,210	11,520,457
* Small Cap Value/TS&W Fund	1,564,738	1,906,051
* International Bld/Pictet Asset Management Fund	1,319,199	1,882,100
* Small Cap Grw/Columbus Fund	1,295,518	1,739,841
* Mid Growth/Frontier Capital Fund	776,093	768,058
* Mid Cap Value/Systematic Fund	775,983	766,714
* Prudential Short-Term Fund	688,670	688,676
Total	27,147,116	31,373,094
REGISTERED INVESTMENT COMPANY:		
American Europacific Growth Fund	2,047,209	1,674,601
LIMITED PARTNERSHIPS AND LIMITED LIABILITY COMPANIES:		
Siguler Guff Distressed Opportunities Fund, LLC	843,699	949,003
OCM Real Estate Opportunities Fund III LP	43,485	392,308
Total	887,184	1,341,311
COMMON STOCKS:		
* Westmoreland Coal Company common stock	2,223,450	2,445,795
CASH AND CASH EQUIVALENTS:		
Common Sense Partners cash in transit	2,765,863	2,765,863
* Prudential Brokerage	158,490	158,490
Total	2,924,353	2,924,353
Total investments	\$ 35,229,312	\$ 39,759,154

* Represents a party-in-interest

WESTMORELAND RETIREMENT PLAN

EIN NO. 23-1128670, PLAN NO. 006

SCHEDULE H, LINE 4j — SCHEDULE OF REPORTABLE TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2009

Identity of Party Involved	Description of Asset	Number of Purchases	Purchase Price	Number of Sales	Sales Price	Cost of Asset	Net Gain (Loss)
Single Transactions							
Wells Fargo	Wells Fargo Advantage Cash Investment Money	1	\$ 5,620,302	1	\$ 23,599,123	\$ 23,599,123	
	Market Fund	1	17,049,612	1	2,372,803	2,372,803	
		1	2,360,900				
Goldman Sachs	Goldman Sachs Large Cap Value I Fund			1	2,341,317	3,769,542	(1,428,225)
MFS	MFS Research Bond Fund			1	2,711,661	3,078,041	(366,379)
MFS	MFS Value Fund			1	2,463,037	3,644,013	(1,180,976)
Mainstay	Mainstay Large Cap Growth I Fund			1	2,457,625	3,510,000	(1,052,375)
Metropolitan West	Metropolitan West Total Return Bond Fund			1	3,313,227	3,502,534	(189,307)
Wells Fargo	Wells Fargo Advantage Total Return Bond Fund			1	3,426,632	3,373,395	53,237
Wells Fargo	Wells Fargo Advantage Cap Growth Fund			1	2,193,669	3,444,979	(1,251,310)
Prudential	Dryden S&P 500 Index Fund	1	11,947,086				
Prudential	Small Cap Value / TS&W Fund	1	1,558,316				
Prudential	Core Bond Enhanced Index / PIM Fund	1	9,090,174				
Prudential	Core Bond Enhanced Index / PIM Fund	1	1,939,000				
Common Sense Partners II, LP	Common Sense Partners II, LP			1	2,765,863	2,060,000	705,863
Series of Transactions							
Wells Fargo	Wells Fargo Advantage Cash Investment Money						
	Market Fund	43	26,126,086	28	26,913,706	26,913,706	
Goldman Sachs	Goldman Sachs Large Cap Value I Fund	1	125,000	1	2,341,317	3,769,542	(1,428,225)
MFS	MFS Research Bond Fund	3	37,254	1	2,711,661	3,078,041	(366,379)
MFS	MFS Value Fund	2	136,839	1	2,463,037	3,644,013	(1,180,976)
Mainstay	Mainstay Large Cap Growth I Fund	1	125,000	1	2,457,625	3,510,000	(1,052,375)
Metropolitan West	Metropolitan West Total Return Bond Fund	3	55,390	1	3,313,227	3,502,534	(189,307)
Wells Fargo	Wells Fargo Advantage Total Return Bond Fund	4	55,269	1	3,426,632	3,373,395	53,237
Wells Fargo	Wells Fargo Advantage Cap Growth Fund	1	125,000	1	2,193,669	3,444,979	(1,251,310)
Prudential	Dryden S&P 500 Index Fund	4	12,148,926	3	3,491,000	2,699,221	791,779
Prudential	Small Cap Value / TS&W Fund	4	1,564,738				
Prudential	Core Bond Enhanced Index / PIM Fund	5	11,277,210				
Prudential	Prudential Short-Term Fund	11	1,511,782	26	823,130	823,112	18

WESTMORELAND RETIREMENT PLAN

Financial Statements

For the Years Ended December 31, 2009 and 2008,

Supplemental Schedules

For the Year Ended December 31, 2009

And

Independent Auditors' Report

WESTMORELAND RETIREMENT PLAN

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	2 - 6
Statements of Net Assets Available for Benefits, December 31, 2009 and 2008.....	2
Statements of Changes in Net Assets Available for Benefits, for the Years Ended December 31, 2009 and 2008	3
Statement of Accumulated Plan Benefits, January 1, 2009.....	4
Statement of Changes in Accumulated Plan Benefits, for the Year Ended January 1, 2009	5
Notes to Financial Statements.....	6
SUPPLEMENTAL SCHEDULES	18 - 19
Schedule H, Line 4i — Schedule of Assets Held At End of Year, December 31, 2009	18
Schedule H, Line 4j — Schedule of Reportable Transactions, for the Year Ended December 31, 2009	19

INDEPENDENT AUDITORS' REPORT

Westmoreland Coal Company Pension Committee
Westmoreland Retirement Plan

We were engaged to audit the statements of net assets available for benefits of the Westmoreland Retirement Plan (the Plan) as of December 31, 2009 and 2008 and the related statements of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of January 1, 2009 and the related statement of changes in accumulated plan benefits for the year then ended, and the supplemental schedules as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Wells Fargo Bank, NA, the custodian of the Plan from January 1, 2008 through April 17, 2009, and Prudential Retirement Insurance and Annuity Company, the custodian of the Plan from April 18, 2009 through December 31, 2009, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the custodians as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan administrator by the custodians is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to express, and do not express, an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The accompanying financial statements have been prepared assuming that the Plan will continue as a going concern. As discussion in Note 2 to the financial statements, Westmoreland Coal Company, the Plan Sponsor, disclosed in its Annual Report as of December 31, 2009 that it has suffered recurring losses from operations, has a working capital deficit, a net capital deficiency, and expects to violate certain debt covenants in 2010. These conditions raise substantial doubt about the Plan Sponsor's ability to continue as a going concern, which in turn raises substantial doubt about the ability of the Plan to continue as a going concern. Management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Stockman Kast Ryan + Co., LLP

Colorado Springs, Colorado
October 5, 2010

WESTMORELAND RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
Investments, at fair value:		
Pooled separate accounts	\$ 31,373,094	\$ -
Cash and cash equivalents	2,924,353	787,982
Westmoreland Coal Company common stock	2,445,795	-
Registered investment companies	1,674,601	23,386,939
Limited partnerships and limited liability companies	1,341,311	4,243,840
Common stocks	-	2,481,383
Corporate debt	-	62,125
Total investments	<u>39,759,154</u>	<u>30,962,269</u>
Receivables:		
Employer contributions	6,690,840	-
Accrued interest and dividend income	<u>-</u>	<u>59,052</u>
Total receivables	<u>6,690,840</u>	<u>59,052</u>
TOTAL ASSETS	46,449,994	31,021,321
LIABILITIES		
Accrued liabilities	<u>-</u>	<u>6,528</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u><u>46,449,994</u></u>	\$ <u><u>31,014,793</u></u>

See notes to financial statements.

WESTMORELAND RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
ADDITIONS TO NET ASSETS		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ 5,294,716	\$ (11,435,032)
Interest and dividend income	629,621	820,918
	<u>5,924,337</u>	<u>(10,614,114)</u>
Net investment income (loss)		
Employer contributions:		
Cash	4,703,031	3,665,306
Westmoreland Coal Company common stock	6,008,040	-
	<u>10,711,071</u>	<u>3,665,306</u>
Total employer contributions		
	<u>16,635,408</u>	<u>(6,948,808)</u>
Total additions to net assets (net of investment loss)		
DEDUCTIONS FROM NET ASSETS		
Benefits paid to participants	1,106,699	903,244
Administrative expenses	93,508	88,263
	<u>1,200,207</u>	<u>991,507</u>
Total deductions from net assets		
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	15,435,201	(7,940,315)
NET ASSETS AVAILABLE FOR BENEFITS, Beginning of year	<u>31,014,793</u>	<u>38,955,108</u>
NET ASSETS AVAILABLE FOR BENEFITS, End of year	\$ <u><u>46,449,994</u></u>	\$ <u><u>31,014,793</u></u>

See notes to financial statements.

WESTMORELAND RETIREMENT PLAN

STATEMENT OF ACCUMULATED PLAN BENEFITS JANUARY 1, 2009

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

VESTED BENEFITS

Active participants	\$ 26,696,001
Retired participants and beneficiaries	<u>10,680,021</u>

Total vested benefits	37,376,022
-----------------------	------------

NON-VESTED BENEFITS	<u>935,095</u>
---------------------	----------------

TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	<u>\$ 38,311,117</u>
---	----------------------

See notes to financial statements.

WESTMORELAND RETIREMENT PLAN

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS FOR THE YEAR ENDED JANUARY 1, 2009

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS, Beginning of year	\$ 33,983,599
Increase (decrease) during the year attributable to:	
Interest due to decrease in the discount period	2,851,001
Benefits accumulated	2,096,112
Changes in actuarial assumptions	283,649
Benefits paid	(903,244)
Net increase	4,327,518
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS, End of year	\$ 38,311,117

See notes to financial statements.

WESTMORELAND RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN

The following brief description of the Westmoreland Retirement Plan (the Plan) is provided for general information purposes only. Participants should refer to the Summary Plan Description or plan document for more complete information.

General — The Plan is a defined benefit plan covering all eligible employees of Texas Westmoreland Coal Company (formerly Northwestern Resources Company), Western Energy Company, Westmoreland Mining, LLC, Westmoreland Coal Company, Dakota Westmoreland Corporation, and Westmoreland Savage Corporation (collectively, the Company) provided they are not covered by a collective bargaining agreement that does not specifically provide for coverage under the Plan or they are not leased employees. The Plan resulted from the merger of the Westmoreland Coal Company Retirement Plan (Westmoreland Coal Plan), the Northwestern Resources and Western Energy Pension Plan (Northwestern Plan) and the Beulah & Savage Salaried Employees' Pension Plan (Beulah & Savage Plan). On November 30, 2002, the assets of the Westmoreland Coal Plan and the Northwestern Plan were merged into the Beulah & Savage Plan. During 2003, the Plan's name was changed to the Westmoreland Retirement Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

On July 1, 2009, the Plan was frozen and, as a result, future benefits will no longer accrue under this Plan.

Participation — Participation under the Plan is as follows for employees hired prior to July 1, 2006:

Westmoreland Coal Participants – Employees who were participating in the prior Westmoreland Retirement Plan on November 30, 2002 are participants in this Plan. Any other employee became a participant on the first day of the month following the employee's employment commencement date.

Beulah & Savage Participants – Employees who were participating in the Beulah & Savage Salaried Plan on November 30, 2002 are participants in this Plan. Any other employee became a participant upon attaining 21 years of age and 1 year of service that included 1,000 or more hours of service.

Texas Westmoreland Coal Participants – Employees who were participating in the Montana Power Plan on April 30, 2001 are participants in this Plan. Employees became participants in the Plan on the first day of the month following the date they completed one year of service in which they worked 1,000 or more hours.

Western Energy Participants – Employees who were participating in the Montana Power Plan on April 30, 2001 are participants in this Plan. Any other employee became a participant on the first day of the first pay period beginning in the month following the completion of 90 days of service within 12 months of commencement of employment.

The Compensation and Benefits Committee of Westmoreland Coal Company approved the following change to participation for employees of all of the above employers hired on or after July 1, 2006: Employees became participants on the first day of the month following their date of hire.

WESTMORELAND RETIREMENT PLAN

Pension Benefits — Pension benefits under the Plan are as follows for the employees hired prior to July 1, 2006 (the Plan was frozen effective July 1, 2009):

Westmoreland Coal Participants – Employees with five or more years of vesting service are entitled to monthly pension benefits beginning at normal retirement age (65) equal to the greater of (1) or (2), less (3) as defined below.

1. 1.2% of average compensation, as defined, plus .5% of average compensation in excess of covered compensation, as defined, multiplied by the number of years of service (maximum of 30 years).
2. \$30 multiplied by the number of years of service.
3. The benefit, if any, provided to the participant under the Westmoreland Coal Company and Affiliated Companies Employees' Retirement Plan.

The Plan permits early retirement at age 55 with at least ten years of vesting service. If the employee is between ages 62 and 65 and has 20 or more years of vesting service, there are no reductions in benefits for early retirement. The Plan permits deferred vested pension payments for employees whose employment is terminated for reasons other than death, retirement, or disability on or after the completion of five years of vesting service.

Married employees will receive their benefits in the form of a reduced joint and 100% survivor annuity unless an alternate method has been selected and properly approved. Unmarried employees will receive their benefits in the form of a life annuity. Various alternative methods are available to employees with appropriate consent.

Beulah & Savage Participants – Employees with five or more years of vesting service are entitled to monthly pension benefits beginning at normal retirement age (65) equal to the greater of the Accrued Monthly Pension defined below or the amount of the accrued monthly pension as determined under the Knife River Plan as in effect on April 30, 2001. The Accrued Monthly Pension is equal to the participant's years of service (maximum of 35) multiplied by the sum of 1.2% of average monthly compensation, as defined, plus 1.6% of average monthly compensation in excess of the social security integration level. The Plan permits early retirement at age 55 with at least 5 years of vesting service. The Plan permits deferred vested pension payments for employees whose employment is terminated for reasons other than death, retirement, or disability on or after the completion of five years of vesting service.

Married employees will receive their benefits in the form of a reduced joint and 50% survivor annuity unless an alternate method has been selected and properly approved. Unmarried employees will receive their benefits in the form of a life annuity. Various alternative methods are available to employees with appropriate consent.

Texas Westmoreland Coal Participants – Employees are entitled to monthly pension benefits beginning at the normal retirement age of 65 equal to 0.95% of average compensation up to the social security integration level, plus 1-1/2% of the part of such compensation in excess of the social security integration level, multiplied by the number of years of service (maximum of 35). The Plan permits early retirement at age 55 with at least 15 years of vesting service. The Plan permits deferred vested pension payments for employees whose employment is terminated for reasons other than death, retirement, or disability on or after the completion of five years of vesting service.

WESTMORELAND RETIREMENT PLAN

Married employees will receive their benefits in the form of a reduced joint and 50% survivor annuity unless an alternate method has been selected and properly approved. Unmarried employees will receive their benefits in the form of a life annuity. Various alternative methods are available to employees with appropriate consent.

Western Energy Participants – Employees of the Company will receive a monthly benefit equal to the participant's account balance divided by an actuarial equivalent life annuity factor. The account balance contains contributions made by the Company each year which are calculated by multiplying a participant's basic credit percentage, as defined, by eligible earnings; an additional Company contribution calculated by multiplying the additional credit percentage, as defined, by the amount of eligible earnings that are in excess of $\frac{1}{2}$ of the social security wage base; and annual interest which is equal to 6% of the account balance at the beginning of the year. Former participants in the Montana Power Company Pension Plan who would have been eligible to retire before January 1, 2003 receive the greater of the benefits determined under the Northwestern Resources Plan as defined in the prior section or the benefits defined in this section.

The Plan permits early retirement at age 50 with at least 5 years of vesting service. In the event of early retirement, the monthly benefit will be the participant's account balance divided by an actuarial equivalent life annuity factor. The Plan permits deferred vested pension payments for employees whose employment is terminated for reasons other than death, retirement, or disability on or after the completion of five years of vesting service.

Married employees will receive their benefits in the form of a reduced joint and 50% survivor annuity unless an alternate method has been selected and properly approved. Unmarried employees will receive their benefits in the form of a life annuity. Various alternative methods are available to employees with appropriate consent.

Effective July 1, 2009, pension benefits were as follows for employees of all of the above employers hired on or after July 1, 2006:

Employees with five or more years of vesting service were entitled to monthly benefits equal to .75% of final average pay, as defined, multiplied by the number of years of service.

Death and Disability Benefits — Death and disability benefits under the Plan are as follows:

Westmoreland Coal Participants – If an active employee dies prior to retirement and has rendered five years of service, a monthly pension equal to the survivor's annuity is paid to the employee's spouse beginning at the time the employee would have been age 55. If an employee dies after retirement, the benefit provided by the form of payment elected at retirement is paid to the employee's spouse. If an employee becomes totally disabled before retirement, the employee is eligible for monthly benefits beginning immediately equal to the amount computed in accordance with the pension benefits section above without reduction for early retirement.

Beulah & Savage Participants – If an active employee dies prior to retirement and has rendered five years of service, a monthly pension equal to the survivor's annuity is paid to the employee's spouse beginning the month following the employee's death. If an employee dies after retirement, the benefit provided by the form of payment elected at retirement is paid to the employee's spouse. If an employee becomes totally disabled prior to retirement and has rendered at least 5 years of service, the employee continues to receive credit for years of service until early retirement age at which time benefits commence as computed under the pension benefits section above. Participants receive an unreduced pension at age 62 with 30 years of experience and age 60 with 30 years of experience.

WESTMORELAND RETIREMENT PLAN

Texas Westmoreland Coal Participants – If an active employee dies prior to retirement and has rendered five years of service, a monthly pension equal to ½ of the survivor's annuity is paid to the employee's spouse beginning at the time the employee would have been age 55. If an employee dies after retirement, the benefit provided by the form of payment elected at retirement is paid to the employee's beneficiary. If an employee becomes disabled prior to retirement and has rendered at least 4 years of service, the employee is eligible for a deferred benefit as described in pension benefits section above.

Western Energy Participants – If an active employee dies prior to retirement and has rendered five years of service, a monthly pension equal to 50% of the employee's account balance divided by an actuarial equivalent life annuity factor is paid to a married employee's spouse or an unmarried employee's designated beneficiary beginning the month following the employee's death. If an employee dies after retirement, the benefit provided by the form of payment elected at retirement is paid to the employee's beneficiary. If an employee becomes totally disabled prior to retirement and has rendered at least 5 years of service the employee receives the employer contributions and interest credits to the account until benefits commence and is eligible for benefits upon completion of the requirements described in the pension benefits section above.

Administrative Expenses — During the years ended December 31, 2009 and 2008, the Company paid certain administrative expenses of the Plan.

Subsequent Events — The Company has evaluated subsequent events for recognition or disclosure through October 5, 2010, the date the financial statements were available for issuance.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements were prepared on the accrual basis of accounting.

Basis of Presentation — Westmoreland Coal Company (the Plan Sponsor) has suffered recurring losses from operations, has a working capital deficit, a net capital deficiency, and expects to violate certain debt covenants in 2010. These factors raise substantial doubt about the Company's ability to continue as a going concern. As a result of a decrease in the Plan Sponsor's heritage health benefit costs, ability to access funds from a subsidiary's revolving line of credit and an increase in a subsidiary's term debt, the Plan Sponsor anticipates that its cash from operations and available borrowing capacity will be sufficient to meet its cash requirements for the foreseeable future, although by a small margin.

During 2009 and 2010, the Plan Sponsor has contributed cash and stock of approximately \$10,700,000 to the Plan. However, the financial difficulties of the Plan Sponsor raise substantial doubt about the ability of the Plan to continue as a going concern. The Plan's financial statements do not include any adjustments to the financial statements that may be necessary should the Plan be unable to continue as a going concern.

Valuation of Investments and Income Recognition — Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. See Note 3 for information on fair value measurements.

WESTMORELAND RETIREMENT PLAN

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Employer Contributions Receivable — Employer contributions made subsequent to year-end to meet contractual or legal requirements existing as of year-end are recorded as employer contributions receivable and contributions revenue. The Company is required by loan covenants to ensure by September 15 of each year that the value of its plan assets are at least 90% of the actuarially-determined pension liability calculated as of year-end. Subsequent to December 31, 2009, contributions of stock and cash totaling \$6,690,840 were made to the Plan to comply with this loan covenant. Such contributions were attributed to the year ended December 31, 2009, and have been recorded as contributions receivable and contributions revenue in the accompanying financial statements for the year ended December 31, 2009.

Benefit Payments — Benefits paid to participants are recorded upon distribution.

Use of Estimates — Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Actuarial Present Value of Accumulated Plan Benefits — Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances — retirement, death, disability, and termination of employment — are included, to the extent they are deemed attributable to employee service rendered through the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation as of January 1, 2009 are as follows:

- a. Funding interest rate – 7.7%
- b. Discount rate for benefit obligations – 6.1%
- c. Mortality basis – RP-2000 Combined Mortality Tables projected to 2015 (male and female).
- d. Retirement age – rates vary by age as follows:

Age	Rate (Western Energy)	Rate (Other employers)
50	3 %	0 %
55	5 %	5 %
62	30 %	30 %
65	40 %	40 %
70	100 %	100 %

WESTMORELAND RETIREMENT PLAN

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors would most likely be applied in determining the actuarial present value of accumulated plan benefits.

The following changes in actuarial assumptions were made from the January 1, 2008 valuation to the January 1, 2009 valuation:

- The funding interest rate was changed from the segment interest rates as of January 2008 “without transition” to the full corporate yield curve from October 2008 provided under the Pension Protection Act of 2006 (7.7%).
- The discount rate for benefit obligations was changed from 6.3% to 6.1% as of January 1, 2009 and 6.3% as of July 1, 2009.
- The actuarial value of assets was changed from market value to a 24-month smoothing of gains and losses.
- The assumed termination commencement age was updated from age 65 to age 62 for corporate participants with ten year service, and from age 50 to age 62 for Western Energy.
- The mortality table used to calculate the Plan’s funding target and target normal cost was updated to include one additional year of projected mortality improvements.
- The assumed form of payment form married participants was changed from a life annuity to a 66% joint and survivor annuity for corporate and a 75% joint and survivor annuity for non-corporate.

3. INVESTMENTS

The Plan’s investments at December 31, 2009 and 2008 are as follows (investments that represent 5% or more of the Plan’s net assets at December 31, 2009 and 2008 are identified separately):

	2009	2008
Investments at quoted market prices in active markets:		
Registered investment companies:		
Wells Fargo Advantage Total Return Bond Fund	\$ -	\$ 3,309,742
Metropolitan West Funds Total Return Bond Fund	-	3,271,837
MFS Research Bond Fund	-	2,643,878
MFS Value Fund	-	2,492,599
Goldman Sachs Large Cap Value Fund	-	2,327,252
Mainstay Large Cap Growth I Fund	-	2,227,706
Wells Fargo Advantage Capital Growth Fund	-	2,027,777
Other registered investment companies	1,674,601	5,086,148
Cash and cash equivalents:		
Common Sense Partners cash in transit	2,765,863	
Other cash and cash equivalents	158,490	787,982
Westmoreland Coal Company common stock	2,445,795	-
Common stocks	-	2,481,383
Corporate debt	-	62,125
Total investments at quoted market prices	<u>7,044,749</u>	<u>26,718,429</u>

WESTMORELAND RETIREMENT PLAN

	2009	2008
Investments valued using observable market data:		
Pooled separate accounts:		
Dryden S&P 500 Index Fund	12,101,197	-
Core Bond Enhanced Index/PIM Fund	11,520,457	-
Other pooled separate accounts	<u>7,751,440</u>	<u>-</u>
Total investments valued using observable market data	<u>31,373,094</u>	<u>-</u>
Investments at estimated fair value:		
Limited partnerships and limited liability companies:		
Common Sense Partners II LP	-	2,979,872
Other limited partnerships and limited liability companies	<u>1,341,311</u>	<u>1,263,968</u>
Total investments at estimated fair value	<u>1,341,311</u>	<u>4,243,840</u>
Total	<u>\$ 39,759,154</u>	<u>\$ 30,962,269</u>

During 2009 and 2008, the Plan's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) in value by \$5,294,716 and \$(11,435,032), respectively, as follows:

	2009	2008
Investments at quoted market prices:		
Pooled separate accounts	\$ 5,017,776	\$ -
Registered investment companies	319,379	(9,396,243)
Westmoreland Coal Company common stock	181,545	-
Corporate debt	36,007	(25,125)
Common stocks	<u>(146,740)</u>	<u>(1,611,158)</u>
Total	5,407,967	(11,032,526)
Limited partnerships and limited liability companies, at estimated fair value	<u>(113,251)</u>	<u>(402,506)</u>
Total	<u>\$ 5,294,716</u>	<u>\$ (11,435,032)</u>

The Plan is subject to the provisions of accounting guidance, which establishes a framework for measuring fair value. That framework provides 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;

WESTMORELAND RETIREMENT PLAN

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Pooled Separate Accounts: Valued based on the quoted market prices of the securities underlying the investments.

Registered investment companies: Valued at the net asset value of shares held by the plan at year-end based on quoted prices in active markets.

Westmoreland Coal Company common stock, common stocks, corporate debt and cash and cash equivalents: Valued at the closing price reported on the active market on which the individual investments are traded.

Limited partnerships and limited liability companies: Valued by the respective partnership or company manager using market and income approaches. The market approach consists of using comparable market transactions or values. The income approach consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and other risk factors. The inputs considered in the valuations include original transaction prices, recent transactions in the same or similar instruments, changes in financial ratios or cash flows, discounted cash flow valuations, and general economic and market conditions.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

WESTMORELAND RETIREMENT PLAN

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2009:				
Pooled separate accounts	\$ 31,373,094	\$ -	\$ 31,373,094	\$ -
Cash and cash equivalents	2,924,353	2,924,353	-	-
Westmoreland Coal Company common stock	2,445,795	2,445,795	-	-
Registered investment companies	1,674,601	1,674,601	-	-
Limited partnerships and limited liability companies	1,341,311	-	-	1,341,311
Total	<u>\$ 39,759,154</u>	<u>\$ 7,044,749</u>	<u>\$ 31,373,094</u>	<u>\$ 1,341,311</u>
2008:				
Registered investment companies	\$ 23,386,939	\$ 23,386,939	\$ -	\$ -
Limited partnerships and limited liability companies	4,243,840	-	-	4,243,840
Common stock	2,481,383	2,481,383	-	-
Cash and cash equivalents	787,982	787,982	-	-
Corporate debt	62,125	62,125	-	-
Total	<u>\$ 30,962,269</u>	<u>\$ 26,718,429</u>	<u>\$ -</u>	<u>\$ 4,243,840</u>

The following tables set forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2009 and 2008:

Limited partnerships and limited liability companies, January 1, 2008	\$ 4,795,614
Unrealized losses	(416,607)
Purchases, sales, issuances, and settlements, net	<u>(135,167)</u>
Limited partnerships and limited liability companies, December 31, 2008	4,243,840
Realized gains	705,863
Unrealized losses	(819,114)
Purchases, sales, issuances, and settlements, net	<u>(2,789,278)</u>
Limited partnerships and limited liability companies, December 31, 2009	<u>\$ 1,341,311</u>

Unrealized losses on Level 3 investments during the years ended December 31, 2009 and 2008 attributable to investments held by the Plan as of year-end totaled \$(416,607) and \$(819,114), respectively. All realized and unrealized gains and losses are included in net appreciation (depreciation) in fair value of investments in the statement of changes in net assets available for benefits.

The estimated fair value of the Plan's investment in the Siguler Guff Distressed Opportunities Fund, LLC (the LLC) is \$949,003 as of December 31, 2009. The LLC invests in pooled investment vehicles managed by investment managers and direct investments. Portfolio investments typically include securities of private companies undergoing financial distress, operating difficulties and significant restructuring. The Plan has no right to demand return of its capital contributions other than upon dissolution of the LLC. The Plan has no unfunded commitments related to this investment.

WESTMORELAND RETIREMENT PLAN

The estimated fair value of this Plan's investment in the OCM Real Estate Opportunities Fund III, LP (the LP) is \$392,308 as of December 31, 2009. The LP invests primarily in real estate properties, single-property mortgages, securities of real estate companies and corporate debt secured by real estate. Up to 50% of net assets may be invested in property outside the U.S. and Canada. The Plan may not demand return of its capital contributions other than upon dissolution of the LP. The Plan has no unfunded commitments related to this investment.

4. FUNDING POLICY

The funding policy of the Company is to make annual contributions to the Plan in an amount equal to or greater than the minimum contribution necessary to meet the funding requirements of ERISA. Also, the Company is required by loan covenants to ensure by September 15 of each year that the value of its plan assets are at least 90% of the actuarially-determined pension liability as of the prior year-end.

The Company's contributions, including those recognized as employer contributions receivable, for 2009 and 2008 exceeded the minimum funding requirements of ERISA and were in compliance with its loan covenants.

5. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under the plan provisions in effect at any time during the five years preceding the Plan's termination.
- b. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to the applicable limitations.
- c. All other vested benefits (that is, vested benefits not insured by the PBGC).
- d. All non-vested benefits.

Benefits under the Plan are insured by the PBGC if the Plan is terminated. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions; however, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations. The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before plan termination, the whole amount of the Plan's vested benefit or the benefit increase may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefits that the PBGC guarantees. This ceiling is periodically adjusted.

WESTMORELAND RETIREMENT PLAN

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan's sponsor and the level of benefits guaranteed by the PBGC.

6. INFORMATION PREPARED AND CERTIFIED BY THE CUSTODIANS

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the asset custodians have certified the following data included in the accompanying financial statements and supplemental schedules is complete and accurate:

- Investments
- Investment income (loss)
- Schedule of assets held at end of year

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

7. TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated November 17, 2003, that the Plan is designated in accordance with applicable sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Service.

8. RELATED PARTY TRANSACTIONS

Westmoreland Coal Company contributed 372,000 shares of its common stock in the amount of \$3,013,200 to the Plan during the year ended December 31, 2009. The Plan sold 97,500 shares of the Westmoreland Coal company common stock during the year ended December 31, 2009 for \$748,950 realizing a loss of \$40,800. As of December 31, 2009, the Plan holds 274,500 shares of Westmoreland Coal Company common stock with a fair value of \$2,445,795. During 2010, 325,000 shares of Westmoreland Coal Company common stock were contributed to the Plan at fair value as of the dates of contribution of \$3,399,000. Of this amount, \$2,994,840 was attributed to the year ended December 31, 2009 and have been included in employer contributions receivable as of December 31, 2009.

The Plan holds certain investments in pooled separate accounts and a brokerage account of Prudential Retirement Insurance and Annuity Company, who is also the custodian of the investments. The Plan also held certain investments in registered investment companies and common stock of Wells Fargo Bank, NA, who was the custodian of the investments in 2008 and through April 17, 2009.

WESTMORELAND RETIREMENT PLAN

9. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Also market quotations are not readily available for certain of the Plan's investments, including limited partnerships and limited liability companies. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

The actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to investment returns and employee demographics, which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

WESTMORELAND RETIREMENT PLAN
SUPPLEMENTAL SCHEDULES

WESTMORELAND RETIREMENT PLAN

EIN NO. 23-1128670, PLAN NO. 006

**SCHEDULE H, LINE 4i — SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2009**

Identity of issue, borrower, lessor or similar party and description of investments	Cost	Current Value
POOLED SEPARATE ACCOUNTS:		
* Dryden S&P 500 Index Fund	\$ 9,449,705	\$ 12,101,197
* Core Bond Enhanced Index/PIM Fund	11,277,210	11,520,457
* Small Cap Value/TS&W Fund	1,564,738	1,906,051
* International Bld/Pictet Asset Management Fund	1,319,199	1,882,100
* Small Cap Grw/Columbus Fund	1,295,518	1,739,841
* Mid Growth/Frontier Capital Fund	776,093	768,058
* Mid Cap Value/Systematic Fund	775,983	766,714
* Prudential Short-Term Fund	688,670	688,676
Total	27,147,116	31,373,094
REGISTERED INVESTMENT COMPANY:		
American Europacific Growth Fund	2,047,209	1,674,601
LIMITED PARTNERSHIPS AND LIMITED LIABILITY COMPANIES:		
Siguler Guff Distressed Opportunities Fund, LLC	843,699	949,003
OCM Real Estate Opportunities Fund III LP	43,485	392,308
Total	887,184	1,341,311
COMMON STOCKS:		
* Westmoreland Coal Company common stock	2,223,450	2,445,795
CASH AND CASH EQUIVALENTS:		
Common Sense Partners cash in transit	2,765,863	2,765,863
* Prudential Brokerage	158,490	158,490
Total	2,924,353	2,924,353
Total investments	\$ 35,229,312	\$ 39,759,154

* Represents a party-in-interest

WESTMORELAND RETIREMENT PLAN

EIN NO. 23-1128670, PLAN NO. 006

SCHEDULE H, LINE 4j — SCHEDULE OF REPORTABLE TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2009

Identity of Party Involved	Description of Asset	Number of Purchases	Purchase Price	Number of Sales	Sales Price	Cost of Asset	Net Gain (Loss)
Single Transactions							
Wells Fargo	Wells Fargo Advantage Cash Investment Money	1	\$ 5,620,302	1	\$ 23,599,123	\$ 23,599,123	
	Market Fund	1	17,049,612	1	2,372,803	2,372,803	
		1	2,360,900				
Goldman Sachs	Goldman Sachs Large Cap Value I Fund			1	2,341,317	3,769,542	(1,428,225)
MFS	MFS Research Bond Fund			1	2,711,661	3,078,041	(366,379)
MFS	MFS Value Fund			1	2,463,037	3,644,013	(1,180,976)
Mainstay	Mainstay Large Cap Growth I Fund			1	2,457,625	3,510,000	(1,052,375)
Metropolitan West	Metropolitan West Total Return Bond Fund			1	3,313,227	3,502,534	(189,307)
Wells Fargo	Wells Fargo Advantage Total Return Bond Fund			1	3,426,632	3,373,395	53,237
Wells Fargo	Wells Fargo Advantage Cap Growth Fund			1	2,193,669	3,444,979	(1,251,310)
Prudential	Dryden S&P 500 Index Fund	1	11,947,086				
Prudential	Small Cap Value / TS&W Fund	1	1,558,316				
Prudential	Core Bond Enhanced Index / PIM Fund	1	9,090,174				
Prudential	Core Bond Enhanced Index / PIM Fund	1	1,939,000				
Common Sense Partners II, LP	Common Sense Partners II, LP			1	2,765,863	2,060,000	705,863
Series of Transactions							
Wells Fargo	Wells Fargo Advantage Cash Investment Money						
	Market Fund	43	26,126,086	28	26,913,706	26,913,706	
Goldman Sachs	Goldman Sachs Large Cap Value I Fund	1	125,000	1	2,341,317	3,769,542	(1,428,225)
MFS	MFS Research Bond Fund	3	37,254	1	2,711,661	3,078,041	(366,379)
MFS	MFS Value Fund	2	136,839	1	2,463,037	3,644,013	(1,180,976)
Mainstay	Mainstay Large Cap Growth I Fund	1	125,000	1	2,457,625	3,510,000	(1,052,375)
Metropolitan West	Metropolitan West Total Return Bond Fund	3	55,390	1	3,313,227	3,502,534	(189,307)
Wells Fargo	Wells Fargo Advantage Total Return Bond Fund	4	55,269	1	3,426,632	3,373,395	53,237
Wells Fargo	Wells Fargo Advantage Cap Growth Fund	1	125,000	1	2,193,669	3,444,979	(1,251,310)
Prudential	Dryden S&P 500 Index Fund	4	12,148,926	3	3,491,000	2,699,221	791,779
Prudential	Small Cap Value / TS&W Fund	4	1,564,738				
Prudential	Core Bond Enhanced Index / PIM Fund	5	11,277,210				
Prudential	Prudential Short-Term Fund	11	1,511,782	26	823,130	823,112	18

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**

For calendar plan year 2009 or fiscal plan year beginning and ending

Round off amounts to nearest dollar.

Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan

WESTMORELAND RETIREMENT PLAN

B Three-digit
plan number (PN)

006

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

WESTMORELAND COAL COMPANY

D Employer Identification Number (EIN)

23-1128670

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2009**2** Assets:

	2a	
a Market value.....		34,611,316
b Actuarial value.....		38,072,448

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 76	10,864,627
b For terminated vested participants.....	3b 180	6,092,626
c For active participants:		
(1) Non-vested benefits.....	3c(1)	704,149
(2) Vested benefits.....	3c(2)	22,934,518
(3) Total active.....	3c(3) 482	23,638,667
d Total.....	3d 738	40,595,920

4 If the plan is at-risk, check the box and complete items (a) and (b) ☐

	4a	4b
a Funding target disregarding prescribed at-risk assumptions.....		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....		

5 Effective interest rate..... **5** 8.05 %**6** Target normal cost..... **6** 2,098,634**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE***RB*

Signature of actuary

Roger Beiles

Type or print name of actuary

Towers Watson

525 Market Street, Suite 2900 ^{Firm name}

San Francisco

CA 94105-2708

Address of the firm

9/29/2010

Date

08-03627

Most recent enrollment number

(415) 836-1000

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2009

v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1,721,386	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	1,721,386	0
10 Interest on item 9 using prior year's actual return of <u>(25.27)</u> %	(434,994)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		1,091,235
b Interest on (a) using prior year's effective rate of <u>6.15</u> %		67,111
c Total available at beginning of current plan year to add to prefunding balance		1,158,346
d Portion of (c) to be added to prefunding balance		1,157,730
12 Reduction in balances due to elections or deemed elections	1,286,392	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	1,157,730

Part III Funding percentages

14 Funding target attainment percentage	14	90.93 %
15 Adjusted funding target attainment percentage	15	90.93 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	88.37 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/14/2009	540,652				
01/13/2010	690,840				
09/14/2010	6,000,000				
Totals ▶			18(b)	7,231,492	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	6,426,133

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 3
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	2,098,634
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	1,245,447	283,719
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	2,382,353
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	1,157,730
36 Additional cash requirement (item 34 minus item 35)	36	1,224,623
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37	6,426,133
38 Interest-adjusted excess contributions for current year (see instructions)	38	4,043,780
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Line 19—Discounted Employer Contributions

Date Made	Contribution Amount	Plan Year Begin	Applicable Effective Interest Rate	Discounting Period	Discounted Contribution Amount
04/14/2009	\$ 540,652	01/01/2009	8.05%	0.2822	\$ 528,967
01/13/2010	\$ 690,840	01/01/2009	8.05%	1.0329	637,741
09/14/2010	\$ 6,000,000	01/01/2009	8.05%	1.7014	<u>5,259,425</u>
					\$ 6,426,133

Westmoreland Retirement Plan, September 2010

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, line 22 — Description of Weighted Average Retirement Age

The plan has four different benefit provisions which apply to four different groups of participants. For each active participant, an expected retirement age was calculated, weighted in proportion to the probability that the individual would remain an active participant to each age and then retire at that age. The plan's weighted average retirement age of 62 for non-Western Energy Company participants and 61 for Western Energy Company participants is the arithmetic average of the expected retirement ages on January 1, 2009.

**Non-Western Energy Company
Plan Participants**

Age	Rate of Retirement
55-59	5%
60-61	8%
62	30%
63-64	20%
65-69	40%
70	100%

**Western Energy Company
Plan Participants**

Age	Rate of Retirement
50-54	3%
55-59	5%
60-61	8%
62	30%
63-64	20%
65-69	40%
70	100%

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, line 24- Change in Actuarial Assumptions

- The assumed form of payment for married participants was changed from a life annuity to a 66 2/3% joint and survivor annuity for Corporate and a 75% joint and survivor annuity for non-Corporate.
- The assumed commencement age for terminated vested participants was updated from age 65 to 62 for Corporate participants with ten years of service, and from age 50 to age 62 for Western Energy.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Line 25 – Change in Method

- The actuarial value of assets was changed from market value to a 24-month smoothing of gains and losses.
- Assumed plan-related expenses of \$91,604 were added to the target normal cost.
- The valuation software used to produce the actuarial information submitted on this schedule has been refined to reflect evolving understanding of PPA requirements, and such modifications may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Line 26 - Schedule of Active Participant Data

Age Last Birthday	Under 1	Years of Credited Service										30 - 34	35 - 39	40 & up
		1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29							
Under 25	2	3	0	0	0	0	0	0	0	0	0	0	0	
25 - 29	5	7	2	0	0	0	0	0	0	0	0	0	0	
30 - 34	7	14	5	0	0	0	0	0	0	0	0	0	0	
35 - 39	6	7	11	3	2	4	0	0	0	0	0	0	0	
40 - 44	6	8	12	7	9	19	1	0	0	0	0	0	0	
45 - 49	6	8	2	8	10	42	6	0	0	0	0	0	0	
50 - 54	10	13	11	9	8	48	8	6	0	0	0	0	0	
55 - 59	5	4	11	1	8	42	8	5	2	0	0	0	0	
60 - 64	2	2	6	2	2	29	3	3	2	0	0	0	0	
65 - 69	0	1	1	0	0	6	1	0	0	0	0	0	0	
70 & up	0	0	0	0	0	1	0	0	0	0	0	0	0	

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Line 32 – Schedule of Amortization Bases

Type of Installment	Present Value of Future Installments	Valuation Date Established	Number of Years Remaining	Amortization Installment
2008 Shortfall	\$ 2,865,595	1/1/2008	6	\$ 571,212
2009 Shortfall	\$(1,620,148)	1/1/2009	7	\$ (287,493)
Total Shortfall Amortization Installments				\$ 283,719

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Actuarial Assumptions and Methods

Economic Assumptions

Contributions

Funding interest rate basis:

▶ Applicable month	October 2008
▶ Yield curve basis	Full yield curve
▶ Transition from current liability rates	No

Funding interest rates:

▶ First segment rate	8.81%
▶ Second segment rate	8.22%
▶ Third segment rate	7.50%
▶ Effective interest rate	8.05%

Annual rates of increase

▶ Salaries	4.00 to 7.50%*
▶ Future Social Security wage bases	0.00%
▶ Statutory limits on compensation and benefits	4.00%

* Varies by age.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Demographic Assumptions

Mortality for contributions:

- Healthy

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2024 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2016 using Scale AA).

Termination

Sample rates:

<i>Age</i>	<i>Age</i>	<i>Age</i>
25	40	55
13.0%	4.4%	3.0%

Disability

No disabilities were assumed.

Retirement

Rates varying by age.

<i>Age</i>	<i>Rate (all plans except Western Energy)</i>	<i>Rate (Western Energy)</i>
50	0%	3%
55	5%	5%
62	30%	30%
65	40%	40%
70	100%	100%

Benefit commencement date:

Texas Westmoreland

- Mortality
- Termination
- Disability
- Retirement

Surviving spouse benefits commence as of the first of the month following the death of the active participant or the date the participant would have attained age 55 and shall continue until the first day of the month following the spouse's death.

If less than 15 years service, the later of age 65 or age at termination. If 15 or more years of service, the later of age 55 or age at termination.

No disability was assumed.

Upon termination of employment.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Western Energy

- ▶ Mortality Surviving spouse benefits commence as of the first of the month following the death of the active participant.
- ▶ Termination The later of age 62 or termination of employment.
- ▶ Retirement Upon termination of employment.

Corporate

- ▶ Mortality Surviving spouse benefits commence at the date the participant would have attained age 65, or if participant was retirement eligible, immediately.
- ▶ Termination If less than 10 years service, the later of age 65 or age at termination. If 10 or more years of service, the later of age 62 or age at termination.
- ▶ Disability Payable immediately.
- ▶ Retirement Upon termination of employment.

Beulah and Savage Salaried

- ▶ Mortality Surviving spouse benefits commence as of the first of the month following the death of the active participant, or the date the participant would have attained age 55, and shall continue until the first day of the month following the spouse's death.
- ▶ Termination The later of age 62 or termination of employment.
- ▶ Retirement Upon termination of employment.

Form of payment

- ▶ Corporate 66 2/3 % joint and survivor annuity for married, life for single.
- ▶ Non-Corporate 75 % joint and survivor annuity for married, life for single.

Transfers

Benefit for transfers calculated under the benefit formula of the most recent employment location for all years of pension service.

Cash Balance Accounts

Cash balance accounts for Western Energy active members were estimated by Towers Watson.

Percent married

80% of males; 80% of females.

Spouse age

Wife three years younger than husband.

Covered pay

Rate of pay as of the valuation date.

Administrative expense

Assumed to be equal to prior year expenses.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Special at-risk assumptions

For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year.

Methods

Valuation date

First day of plan year.

Funding target and target normal cost

Present value of accrued benefits.

Actuarial value of assets

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of fair value, including contributions receivable.

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a bias to produce an actuarial value of assets that is below the market value of asset

Funding Policy

The company's funding policy is to contribute an amount at least equal to the minimum required contribution under ERISA. Westmoreland Coal Company may increase its contribution above the minimum, if appropriate to its tax and cash position and the plan's funded status.

Benefits Not Valued

Benefit amounts for transfers calculated under the benefit formula of the most recent employment location only (using all years of pension service). Towers Watson has reviewed the plan provisions with Westmoreland Coal and, based on that review, is not aware of any significant benefits required to be valued that were not.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Cost Allocation Between Locations

All components are allocated to each location on the basis of the ratio of each location's pension cost to the pension cost for the entire plan.

Change in Assumptions and Methods Since Prior Valuation

The assumed form of payment for married participants was changed from a life annuity to a 66 2/3% joint and survivor annuity for Corporate and a 75% joint and survivor annuity for non-Corporate.

The assumed Termination commencement age was updated from 65 to 62 for Corporate participants with ten years of service, and from age 50 to age 62 for Western Energy.

The funding interest rate was changed from the segment interest rates as of January 2008 "without transition" to the full corporate bond yield curve as of October 2008, as provided under the Pension Protection Act of 2006 (PPA).

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

The actuarial value of assets was changed from market value to a 24-month smoothing of gains and losses.

Assumed plan-related expenses of \$91,604 were added to the target normal cost.

Data Sources

Towers Watson used asset and participant data supplied by Westmoreland Coal Company. Westmoreland Coal furnished the dates and amounts of the 2008 contributions that will be paid in 2009, and accrued pension cost as of December 31, 2008. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by the Towers Watson actuaries when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Plan Provisions – Texas Westmoreland Coal Company

Covered Employees	All former employees of Northwestern Resources Company and all Texas Westmoreland employees hired before July 1, 2006.
Participation Date	First of the month coinciding with or next following the date of completion of 1,000 hours in a 12-month period.
Definitions	
Vesting service	Years and months of service as a covered employee.
Pension service	Years and months of service as a covered employee.
Eligible Earnings	Base pay, commissions and the straight time portion of any overtime pay for the year. Bonuses, premium portion of overtime pay, and any special pay are excluded.
Average monthly earnings	The average of the highest three consecutive calendar years of eligible earnings during the last ten years of service.
Integration Level	The average of the taxable wage bases in effect for each calendar year in the 35-year period ending with the last day of the calendar year in which the Social Security retirement age is reached.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.
Monthly pension benefit	One twelfth of the sum of .95% of average monthly earnings up to the Social Security integration level, plus 1.5% of average earnings in excess of the social security integration level, times credited service not to exceed 35 years.
Monthly pre-retirement spouse benefit	50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election form and reduced for payment as early as the participant's 55 th birthday.
Eligibility for Benefits	
Normal retirement	Retirement on NRD.
Early retirement	Retirement before NRD and on or after both attaining age 55 and completing fifteen years of vesting service.
Postponed retirement	Retirement after NRD.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Deferred vested	Termination for reasons other than death or retirement after completing five years of vesting service.
Preretirement spouse benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced 3.0% per year from age 65 to age 62 and further reduced by 6.67% from age 62 to retirement age. However, if the participant is age 60 or older with 30 or more years of service, the benefit is reduced by 6.67% from age 62 to retirement age.
Postponed retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date. If the participant has 15 or more years of service at termination, the benefit is payable at age 55, and reduced in the same manner as the early retirement benefit. If the participant has less than 15 years of service at termination, the benefit is payable at age 65.
Death with preretirement spouse benefits	50% of monthly pension benefit determined as of date of death, reduced for 50% Joint and Survivor payment form and early retirement and is payable at the Participants earliest retirement date.

Other Plan Provisions

Forms of payment	<p>Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, a 75% joint and survivor annuity or (for married participants), a life annuity.</p> <p>If a joint and survivor annuity is elected, and the joint annuitant predeceases the participant, the annuity is restored to the amount that would have been paid payable had the participant elected a life annuity. There is no adjustment to the joint and survivor benefit to account for this feature.</p>
------------------	---

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Actuarial Equivalence

- ▶ Interest Rate 6% per year
- ▶ Mortality Table Unisex (50% male/50% female) 1983 Group Annuity Mortality Table

Maximum on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions. Towers Watson is not aware of any future plan changes which are required to be reflected.

Significant Events There have been no significant events during the year.

Changes in Benefits Valued Since Prior Year There have been no changes in benefits valued since the prior year.

Benefits Not Valued Towers Watson is not aware of any significant benefits required to be valued that were not.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Plan Provisions – Western Energy Company

Covered Employees	All Western Energy employees.
Grandfathered Employees	Former participants in the Montana Power Company Pension Plan who would have been eligible to retire before January 1, 2003. These employees will receive the greater of the benefits determined under the Texas Westmoreland Formula as defined in the prior section or the Cash Balance benefits defined in this section. If the participant retires before January 1, 2003, this option expires after January 1, 2003.
Basic Credit	Contribution made by the Company each year. Amount is equal to the participant's basic credit percentage times Eligible Earnings.
Additional Credit	Contribution made by the Company each year. Amount is equal to the participant's additional credit percentage times eligible earnings in excess of one-half of the Social Security Wage Base (SSWB).

Basic and additional credits	Total Points	Company Contributions	
	<i>Attained age + completed years of vesting service at the beginning of the calendar year</i>	<i>Basic credit (Percent of Eligible Earnings)</i>	<i>Additional Credit (Percent of Eligible Earnings in excess of 1/2 of the SSWB)</i>
	Less than 32	3.0%	1.5%
	32 – 39	4.0%	2.0%
	40 – 44	5.0%	2.5%
	45 – 49	6.0%	3.0%
	50 – 54	7.0%	3.5%
	55 – 59	8.0%	4.0%
	60 – 64	9.0%	4.5%
	65 – 69	10.0%	5.0%
	70 – 74	11.0%	5.5%
	75+	12.0%	6.0%

Basic and additional credits cease once participant has 35 years of vesting service.

Interest Credit	A fixed interest contribution of 6% made by the Company to the participant's account each year. It is based on the account balance at the beginning of the year. After termination, interest will continue until benefit commencement.
-----------------	--

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

Benefit The monthly benefit payable at Normal Retirement Date (or any other date) is the actuarial equivalent of the cash balance lump sum.

Actuarial equivalent conversion factors Used to convert cash balance to a monthly benefit.

Sample rates as follows:

<i>Age Benefit Begins</i>	<i>Conversion Factor</i>
50	166.20
55	155.64
60	142.80
65	127.80

Retirement Pension

Eligibility Age 50 and 5 years of service.

Benefit Cash balance with interest credits at termination, converted to a monthly benefit based on the actuarial equivalent conversion factors defined in the plan.

Deferred Vested Pension

Eligibility 5 years of service.

Benefit Cash balance with interest credits until benefit commencement date, converted to a monthly benefit based on the actuarial equivalent conversion factors defined in the plan.

Pre-Retirement Survivor Benefit

Eligibility Death while an active employee.

Benefit 50% of the cash balance at time of death divided by an annuity conversion factor that is based on the spouse's age at the time spousal benefits begin. The surviving spouse may elect to begin receiving benefits on the first of the month following the participant's date of death. Alternatively, the spouse can elect to receive 50% of the participant's account balance as a lump sum payment, payable at the time of the participant's death.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Other Plan Provisions

Forms of payment

Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity or a 75% joint and survivor annuity.

Actuarial Equivalence

- ▶ Interest Rate 6% per year
- ▶ Mortality Table Unisex (50% male/50% female) 1983 Group Annuity Mortality Table

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions. Towers Watson is not aware of any future plan changes which are required to be reflected.

Significant Events

There have been no significant events during the year.

Changes in Benefits

Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Benefits Not Valued

Towers Watson is not aware of any significant benefits required to be valued that were not.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

**Plan Provisions – Westmoreland Coal Company (Corporate)
Retirement Plan and All Participants Hired After June 30, 2006**

Effective Date	December 1, 1997 as a result of a termination/re-establishment.
Covered Employees	Any employee of Westmoreland Coal Company and its successors not covered by a collective bargaining agreement and hired before July 1, 2006. Any employee of a participating employer, not covered by a collective bargaining agreement, hired after June 30, 2006.
Participation Date	First of the month following employment for those hired before July 1, 2006. One-year wait for those hired after June 30, 2006.
Definitions	
Vesting service	One year for each 1,000-hour calendar year of employment by Westmoreland Coal Company.
Pension service	One year for each 1,000-hour calendar year of employment as an active participant. Fractional credit based on completed months is given for incomplete calendar years for which actual service, if annualized, is greater than or equal to 1,000 hours.
Pensionable pay	Base earnings plus straight time portion of overtime (excluding premium portion of overtime, bonuses, shift differential, and expense allowances).
Average earnings	The average of the highest 60 consecutive calendar months of pensionable pay during the ten-year period ending on the earlier of the participant's termination date or retirement date.
Covered compensation	Average of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the participant attains Social Security normal retirement age.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.
Monthly pension benefit:	
▶ For those hired before July 1, 2006	The monthly pension is greater of (1) or (2) less (3). (1) One-twelfth of 1.2% of average annual earnings plus one-twelfth of 0.5% of such compensation in excess of covered compensation, multiplied by pensionable service (max of 30 years). (2) \$30 multiplied by credited service.

WESTMORELAND COAL COMPANY

Westmoreland Retirement Plan

EIN/PN: 23-1128670/006

Attachment to 2009 Form 5500

Schedule SB, Part V—Summary of Plan Provisions

(3) The benefit, if any, provided to the participant under the Westmoreland Coal Company and affiliated Companies Employees' Retirement Plan.

- For those hired after June 30, 2006

The monthly pension equals one-twelfth of 0.5% of average annual earnings multiplied by pensionable service not to exceed 30 years.

Monthly preretirement spouse benefit

100% of the monthly pension benefit as of the date of death, reduced for the 100% joint and survivor election and reduced for payment as early as the participant's 55th birthday.

Monthly disability benefit

Same as monthly pension benefit, based on service and average compensation at date of disability.

Eligibility for Benefits

Normal retirement

Retirement on NRD.

Early retirement

Retirement before NRD and on or after attaining age 55 and completing ten years of pension service.

Postponed retirement

Retirement after NRD.

Deferred vested

Termination for reasons other than death or retirement after completing five years of vesting service.

Preretirement spouse benefit

Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Disability

Total and permanent disability after 10 years of service.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced for each year of payment before age 65 if the employee has less than 20 years of pension service at retirement. The benefit is reduced from age 62 if the employee has pension service greater than or equal to 20 years at retirement.

The reductions are as follows:

<i>Number of Years Benefit Commencement Date Precedes Normal Retirement Date</i>	<i>Reduction Factor</i>
0	1.00
1	0.94
2	0.87
3	0.81
4	0.75
5	0.70
6	0.65
7	0.61
8	0.57
9	0.535
10	0.50

Postponed retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date, reduced in the same manner as early retirement benefits, based on service at termination.
Death with preretirement spouse benefits	Monthly preretirement spouse benefit is payable. The benefit is reduced as though the participant had elected a 100% joint and survivor annuity, then reduced to reflect early commencement of benefits.
Disability	Disability benefit is payable immediately, with no reductions.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Other Plan Provisions

Forms of payment

Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 100% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, 50% joint and survivor annuity, 66 2/3% joint and survivor annuity, and a ten-year certain and life annuity.

Actuarial Equivalence

- ▶ Interest Rate
- ▶ Mortality Table

7% per year

UP-1984 Table with a 3 year setback in age for contingent annuitants and beneficiaries

Maximum on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions. Towers Watson is not aware of any future plan changes which are required to be reflected.

Significant Events

There have been no significant events during the year.

**Changes in Benefits
Valued Since Prior Year**

There have been no changes in benefits valued since the prior year.

Benefits Not Valued

Towers Watson is not aware of any significant benefits required to be valued that were not.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Plan Provisions – Beulah and Savage Mines Salaried Employees

Covered Employees	All salaried employees of Beulah and Savage mines not covered by a collective bargaining agreement and hired before July 1, 2006.
Participation Date	Age 21 and 1 year of service.
Definitions:	
Vesting service	One year for each 1,000-hour calendar year of employment.
Pension service	One year for each 1,000 hour calendar year of employment.
Pensionable pay	Base compensation excluding bonuses, commissions, overtime pay, travel expenses, and any other non-regular compensation.
Average monthly earnings	The average of the highest 60 months out of the last 120 months that immediately precede the earlier of retirement or termination.
Integration level	\$1,400 multiplied by a fraction, the numerator of which is the social security taxable wage base in effect for the plan year of termination, and the denominator of which is \$48,000.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.
Monthly pension benefit	The sum of 1.2% of average monthly earnings up to the integration level, plus 1.6% of average earnings in excess of the integration level, times pension service with a maximum of 35 years.
Monthly preretirement spouse benefit	50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election form.

Eligibility for Benefits

Normal retirement	Retirement on NRD.
Early retirement	Retirement before NRD and on or after attaining age 55.
Postponed retirement	Retirement after NRD.
Deferred vested	Termination for reasons other than death or retirement after completing five years of vesting service.
Preretirement spouse benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced 3.0% for each year of payment before age 62. However, if a participant terminates on or after attaining age 60 and completing at least 30 years of vesting service, there is no reduction.
Postponed retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date, reduced 3% for each year of payment before age 62.
Death with preretirement spouse benefits	50% of monthly pension benefit determined as of date of death, reduced for 50% Joint and Survivor payment form payable at the Participants earliest retirement date.

Other Plan Provisions

Forms of payment	Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, 75% joint and survivor annuity, 66 2/3% joint and survivor annuity, 50% joint and survivor annuity, and a ten-year certain and life annuity.
Actuarial Equivalence	
▶ Interest Rate	6% per year
▶ Mortality Table	1971 Group Annuity Mortality Table (male rates) with ages set back three years for all participants and joint or contingent annuitants.
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

WESTMORELAND COAL COMPANY
Westmoreland Retirement Plan
EIN/PN: 23-1128670/006
Attachment to 2009 Form 5500
Schedule SB, Part V—Summary of Plan Provisions

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions. Towers Watson is not aware of any future plan changes which are required to be reflected.

Significant Events There have been no significant events during the year.

Changes in Benefits There have been no changes in benefits valued since the prior year.
Valued Since Prior Year

Benefits Not Valued Towers Watson is not aware of any significant benefits required to be valued that were not.