UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
WESTMORELAND COAL COMPANY, *et al.*,[1]	)	Case No. 18-35672 (DRJ)
Debtors.	)	(Jointly Administered)

GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY, AND DISCLAIMERS REGARDING THE DEBTORS' SCHEDULES OF ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS

Westmoreland Coal Company and the other above-captioned debtors and debtors-in-possession (collectively, the "Debtors") have filed their respective Schedules of Assets and Liabilities (the "Schedules") and Statements of Financial Affairs (the "Statements") in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). The Debtors, with the assistance of their legal and financial advisors, prepared the Schedules and Statements in accordance with section 521 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and rule 1007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

These *Global Notes and Statement of Limitations, Methodology, and Disclaimers Regarding the Debtors' Schedules and Statements of Financial Affairs* (the "Global Notes") are incorporated by reference in, and comprise an integral part of, each Debtor's respective Schedules and Statements, and should be referred to and considered in connection with any review of the Schedules and Statements.

Gary Kohn has signed each set of the Schedules and Statements. Mr. Kohn serves as the Chief Financial Officer for Westmoreland Coal Company and he is an authorized signatory for each of the Debtors in these chapter 11 cases. In reviewing and signing the Schedules and Statements, Mr. Kohn has necessarily relied upon the efforts, statements, advice, and representations of personnel of the Debtors and their legal and financial advisors. Mr. Kohn has not (and could not have) personally verified the accuracy of each such statement and representation, including statements and representations concerning amounts owed to creditors.

[1] Due to the large number of debtors in these chapter 11 cases, for which joint administration has been granted, a complete list of the debtors and the last four digits of their tax identification, registration, or like numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent in these chapter 11 cases at www.donlinrecano.com/westmoreland. Westmoreland Coal Company's service address for the purposes of these chapter 11 cases is 9540 South Maroon Circle, Suite 300, Englewood, Colorado 80112.

In preparing the Schedules and Statements, the Debtors relied on financial data derived from their books and records that was available at the time of such preparation. Although the Debtors have made every reasonable effort to ensure the accuracy and completeness of the Schedules and Statements, subsequent information or discovery may result in material changes to the Schedules and Statements. As a result, inadvertent errors or omissions may exist. For the avoidance of doubt, the Debtors reserve their rights to amend and supplement the Schedules and Statements as may be necessary or appropriate.

The Debtors, and their agents, attorneys, and financial advisors do not guarantee or warrant the accuracy or completeness of the data that is provided herein, and shall not be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors, or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating, or delivering the information contained herein. While commercially reasonable efforts have been made to provide accurate and complete information herein, inadvertent errors or omissions may exist. The Debtors and their agents, attorneys, and financial advisors expressly do not undertake any obligation to update, modify, revise, or re-categorize the information provided herein, or to notify any third party should the information be updated, modified, revised, or re-categorized, except as required by applicable law. In no event shall the Debtors, or their agents, attorneys, and financial advisors, be liable to any third party for any direct, indirect, incidental, consequential, or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against the Debtors or damages to business reputation, lost business, or lost profits), whether foreseeable or not and however caused, even if the Debtors or their agents, attorneys, or financial advisors are advised of the possibility of such damages.

Global Notes and Overview of Methodology

1. **Description of Cases.** On October 9, 2018, (the "Petition Date"), each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their property as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On the Petition Date, an *Order Directing Joint Administration of Chapter 11 Cases* [Docket No. 71] was entered directing joint administration of these chapter 11 cases. Notwithstanding the joint administration of the Debtors' cases for procedural purposes, each Debtor has filed its own Schedules and Statements. On October 18, 2018, the United States Trustee appointed an official committee of unsecured creditors in the Debtors' bankruptcy cases [Docket No. 206]. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases. The information provided herein, except as otherwise noted, is reported as of the the Petition Date of each respective Debtor, as appropriate.

2. **Global Notes Control.** These Global Notes pertain to and comprise an integral part of each of the Schedules and Statements and should be referenced in connection with any review thereof. In the event that the Schedules and Statements conflict with these Global Notes, these Global Notes shall control.

3. **Reservations and Limitations.** Reasonable efforts have been made to prepare and file complete and accurate Schedules and Statements; however, as noted above, inadvertent errors or omissions may exist. The Debtors reserve all rights to amend and supplement the

Schedules and Statements as may be necessary or appropriate. Nothing contained in the Schedules and Statements constitutes a waiver of any of the Debtors' rights or an admission of any kind with respect to these chapter 11 cases, including, but not limited to, any rights or claims of the Debtors against any third party or issues involving substantive consolidation, equitable subordination, or defenses or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable bankruptcy or non-bankruptcy laws to recover assets or avoid transfers. Any specific reservation of rights contained elsewhere in the Global Notes does not limit in any respect the general reservation of rights contained in this paragraph.

(a) **No Admission.** Nothing contained in the Schedules and Statements is intended or should be construed as an admission or stipulation of the validity of any claim against the Debtors, any assertion made therein or herein, or a waiver of the Debtors' rights to dispute any claim or assert any cause of action or defense against any party.

(b) **Recharacterization.** Notwithstanding that the Debtors have made reasonable efforts to correctly characterize, classify, categorize, or designate certain claims, assets, executory contracts, unexpired leases, and other items reported in the Schedules and Statements, the Debtors nonetheless may have improperly characterized, classified, categorized, or designated certain items. The Debtors reserve all rights to recharacterize, reclassify, recategorize, or redesignate items reported in the Schedules and Statements at a later time as is necessary and appropriate.

(c) **Classifications.** Listing (i) a claim on Schedule D as "secured," (ii) a claim on Schedule E/F as "priority" or "unsecured," or (iii) a contract on Schedule G as "executory" or "unexpired" does not constitute an admission by the Debtors of the legal rights of the claimant or contract counterparty, or a waiver of the Debtors' rights to recharacterize or reclassify such claim or contract.

(d) **Claims Description.** Any failure to designate a claim on the Debtors' Schedules and Statements as "disputed," "contingent," or "unliquidated" does not constitute an admission by the Debtors that such amount is not "disputed," "contingent," or "unliquidated." Each Debtor reserves all rights to dispute, or assert offsets or defenses to, any claim reflected on its respective Schedules and Statements on any grounds, including, without limitation, liability or classification, or to otherwise subsequently designate such claims as "disputed," "contingent," or "unliquidated" or object to the extent, validity, enforceability, priority, or avoidability of any claim. Moreover, listing a claim does not constitute an admission of liability by the Debtors against which the claim is listed or by any of the Debtors. The Debtors reserve all rights to amend their Schedules and Statements as necessary and appropriate, including, but not limited to, with respect to claim description and designation.

(e) **Estimates and Assumptions.** The preparation of the Schedules and Statements required the Debtors to make reasonable estimates and assumptions with respect to

the reported amounts of assets and liabilities, the amount of contingent assets and contingent liabilities on the date of the Schedules and Statements, and the reported amounts of revenues and expenses during the applicable reporting periods. Actual results could differ from such estimates.

(f) **Causes of Action.** Despite reasonable efforts, the Debtors may not have identified all current and potential causes of action the Debtors may have against third parties in their respective Schedules and Statements, including, without limitation, avoidance actions arising under chapter 5 of the Bankruptcy Code and actions under other relevant bankruptcy and non-bankruptcy laws to recover assets. The Debtors reserve all rights with respect to any causes of action, and nothing in these Global Notes or the Schedules and Statements should be construed as a waiver of any such causes of action.

(g) **Intellectual Property Rights.** Exclusion of certain intellectual property should not be construed as an admission that such intellectual property rights have been abandoned, have been terminated or otherwise expired by their terms, or have been assigned or otherwise transferred pursuant to a sale, acquisition, or other transaction. Conversely, inclusion of certain intellectual property rights should not be construed as an admission that such intellectual property rights have not been abandoned, have not been terminated or otherwise expired by their terms, or have not been assigned or otherwise transferred pursuant to a sale, acquisition, or other transaction.

(h) **Insiders.** In the circumstance where the Schedules and Statements require information regarding "insiders," the Debtors have included information with respect to certain individuals who served as officers and directors, as the case may be, during the relevant time periods. Such individuals may no longer serve in such capacities. The listing of a party as an insider for purposes of the Schedules and Statements is not intended to be, nor should it be, construed an admission of any fact, right, claim, or defense, and all such rights, claims, and defenses are hereby expressly reserved. Information regarding the individuals listed as insiders in the Schedules and Statements has been included for informational purposes only and such information may not be used for the purposes of determining control of the Debtors, the extent to which any individual exercised management responsibilities or functions, corporate decision-making authority over the Debtors, or whether such individual could successfully argue that he or she is not an insider under applicable law, including the Bankruptcy Code and federal securities laws, or with respect to any theories of liability or any other purpose.

4. **Methodology.**

(a) **Confidential Information.** There may be instances in the Schedules and Statements where the Debtors deemed it necessary and appropriate to redact from the public record information such as names, addresses, or amounts. Typically, the Debtors have used this approach because of a confidentiality agreement between

the Debtors and a third party, for the protection of sensitive commercial information, or for the privacy of an individual.

(b) **Umbrella or Master Agreements.** Contracts and leases listed in the Schedules and Statements may be umbrella or master agreements that cover relationships with some or all of the Debtors. Where relevant, such agreements have been listed in the Schedules and Statements only of the Debtor entity that signed the original umbrella or master agreement. Other Debtors, however, may be liable together with such Debtor on account of such agreements and the Debtors reserve all rights to amend the Schedules and Statements to reflect changes regarding the liability of the Debtors with respect to such agreements, if appropriate.

(c) **Executory Contracts.** Although the Debtors have made diligent attempts to attribute an executory contract to its rightful Debtor, in certain instances, the Debtors may have inadvertently failed to do so due to the complexity and size of the Debtors' businesses. Accordingly, the Debtors reserve all of its rights with respect to the named parties of any and all executory contracts, including the right to amend Schedule G.

(d) **Duplication.** Certain of the Debtors' assets, liabilities, and prepetition payments may properly be disclosed in multiple parts of the Statements and Schedules. To the extent these disclosures would be duplicative, the Debtors have determined to only list such assets, liabilities and prepetition payments once.

(e) **Net Book Value.** In certain instances, current market valuations for individual items of property and other assets are neither maintained by, nor readily available to the Debtors. Accordingly, unless otherwise indicated, the Debtors' Schedules and Statements reflect net book values. Market values may vary, at some times materially, from net book values. The Debtors believe that it would be an inefficient use of estate assets for the Debtors to obtain the current market values of their property. Accordingly, the Debtors have indicated in the Schedules and Statements that the market values of certain assets and liabilities are undetermined. Assets that have been fully depreciated or that were expensed for accounting purposes either do not appear in these Schedules and Statements, or are listed with a zero-dollar value, as such assets have no net book value. The omission of an asset from the Schedules and Statements does not constitute a representation regarding the ownership of such asset, and any such omission does not constitute a waiver of any rights of the Debtors with respect to such asset.

(f) **Undetermined Amounts.** The description of an amount as "unknown," "TBD," or "undetermined" is not intended to reflect upon the materiality of such amount.

(g) **Unliquidated Amounts.** Amounts that could not be fairly quantified by the Debtors are scheduled as "unliquidated."

(h) **Totals.** All totals that are included in the Schedules and Statements represent totals of all known amounts. To the extent there are unknown or undetermined amounts, the actual total may be different from the listed total.

(i) **Inventories; Property and Equipment.** Inventories consist of materials and supplies and coal inventory. These inventories are valued at the lower of cost or market. Coal inventory costs include labor, supplies, equipment, operating overhead, and transportation costs incurred prior to the transfer of title to customers. Property, plant, equipment and mine development are recorded at cost or at fair value at the date of acquisition in the case of acquired businesses, and are presented net of accumulated depreciation and amortization. Property, plant, and equipment are aggregated in the Debtors' books and records and cannot be segregated easily into the categories required by the Schedules and Statements. All inventories, as well as all property and equipment, are presented without consideration of any statutory or consensual liens.

(j) **Coal Reserves.** As of December 31, 2017, the Debtors control an estimated 438 million tons of proven and probable coal reserves located in Montana, North Dakota, Texas, Ohio, and New Mexico. The Debtors have not analyzed the current market value of their owned or leased coal reserves. Except where otherwise noted, the Debtors have reported the book value of all owned pieces of real property, including coal reserves, in Schedule A/B. Certain unexpired coal reserve leases of the Debtors as of the Petition Date that may constitute executory contracts or unexpired leases within the meaning of Bankruptcy Code section 365 are also included in Schedule G, and to the extent that there was an amount outstanding under a coal reserve lease, such as royalties payable, as of the Petition Date, the amount owed to the lessor of the coal reserves has been listed on Schedule E/F.

(k) **Allocation of Liabilities.** The Debtors allocated liabilities between the prepetition and postpetition periods based on the information and research conducted in connection with the preparation of the Schedules and Statements. As additional information becomes available and further research is conducted, the allocation of liabilities between the prepetition and postpetition periods may change.

(l) **Paid Claims.** The Debtors have authority to pay certain outstanding prepetition payables pursuant to Court order—as such, outstanding liabilities may have been reduced by any Court-approved postpetition payments made on prepetition payables. Where and to the extent these liabilities have been satisfied, they are not listed in the Schedules and Statements. To the extent the Debtors later pay any amount of the claims listed in the Schedules and Statements pursuant to any orders entered by the Court, the Debtors reserve all rights to amend or supplement the Schedules and Statements or to take other action, such as filing claims objections, as is necessary and appropriate to avoid overpayment or duplicate payments for liabilities. Nothing contained herein should be deemed to alter the rights of any party in interest to contest a payment made pursuant to an order of the Court where such order preserves the right to contest.

(m) **Intercompany Claims.** As described in the *Debtors' Emergency Motion for Entry of Interim and Final Orders Authorizing the Debtors to (I) Continue to Operate Their Cash Management System, (II) Honor Certain Prepetition Obligations Related Thereto, (III) Maintain Existing Business Forms, and (IV) Continue to Perform Intercompany Transactions* [Docket No. 16] (the "Cash Management Motion"), the Debtors maintain business relationships with each Debtor and non-Debtor entity, conducting transactions from time to time that result in intercompany receivables and payables and/or are on account of capital contributions, equity investments, or distributions on account of equity investments. Prepetition receivables and payables among the Debtors in these chapter 11 cases and their non-Debtor affiliates are reported on Schedule A/B and Schedule E/F, respectively, per the Debtors' books and records. The listing of any amounts with respect to such receivables and payables is not, and should not be construed as, an admission of the characterization of such balances as debt, equity, or otherwise. For the avoidance of doubt, the Debtors reserve all rights, claims, and defenses in connection with any and all intercompany receivables and payables, including with respect to the characterization of intercompany claims, loans, and notes.

(n) **Guarantees and Other Secondary Liability Claims.** The Debtors have exercised reasonable efforts to locate and identify guarantees of their executory contracts, unexpired leases, secured financings, and other such agreements. Where guarantees have been identified, they have been included in the relevant Schedules E/F, G and H for the affected Debtor. The Debtors may have inadvertently omitted guarantees embedded in their contractual agreements and may identify additional guarantees as they continue to review their books and records and contractual agreements. The Debtors reserve their rights, but is not required, to amend the Schedules and Statements if additional guarantees are identified.

(o) **Excluded Assets and Liabilities.** The Debtors have potentially excluded the following categories of assets and liabilities from the Schedules and Statements, including, without limitation, certain employee benefit accruals, tax accruals, accrued accounts payable, goodwill and investments in the subsidiaries. Other immaterial assets and liabilities may also have been excluded.

(p) **Liens.** The inventories, property and equipment listed in the Schedules and Statements are presented without consideration of any liens.

(q) **Currency.** Unless otherwise indicated, all amounts are reflected in U.S. dollars.

(r) **Setoffs.** The Debtors routinely incur setoffs and net payments in the ordinary course of business. Such setoffs and nettings may occur due to a variety of transactions or disputes including, but not limited to, intercompany transactions, counterparty settlements, pricing discrepancies, credits, rebates, returns, refunds, and negotiations and/or disputes between the Debtors and their customers and/or suppliers. These normal, ordinary course setoffs and nettings are common to the industry. Due to the voluminous nature of setoffs and nettings, it would be unduly

burdensome and costly for the Debtors to list each such transaction. Therefore, although such setoffs and other similar rights may have been accounted for when scheduling certain amounts, these ordinary course setoffs are not independently accounted for, and as such, are or may be excluded from the Debtors' Schedules and Statements. In addition, some amounts listed in the Schedules and Statements may have been affected by setoffs or nettings by third parties of which the Debtors are not yet aware and/or of which the Debtors have approved to effectuate in the claims process of their chapter 11 cases. The Debtors reserve all rights to challenge any setoff and/or recoupment rights that may be asserted.

5. **Specific Schedules Disclosures.**

Schedules Summary. Except as otherwise noted, the asset totals represent amounts as of September 30, 2018 and liability information provided herein represents the Debtors' liabilities as of the Petition Date.

For financial reporting purposes, the Debtors and certain of their non-Debtor affiliates ordinarily prepare consolidated financial statements. Unlike the consolidated financial statements, the Schedules reflect the assets and liabilities of each Debtor on a nonconsolidated basis. Accordingly, the totals listed in the Schedules will likely differ, at times materially, from the consolidated financial reports prepared by the Debtors for financial reporting purposes or otherwise.

The Schedules do not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of each Debtor. Certain write-downs, impairments, and other accounting adjustments may not be reflected in the Schedules. Additionally, the Schedules contain unaudited information that is subject to further review and potential adjustment, and reflect the Debtors' reasonable best efforts to report the assets and liabilities of each Debtor on an unconsolidated basis. Moreover, given, among other things, the uncertainty surrounding the collection and ownership of certain assets and the valuation and nature of certain liabilities, to the extent that a Debtor shows more assets than liabilities, this is not an admission that the Debtor was solvent as of the Petition Date or at any time before the Petition Date. Likewise, to the extent a Debtor shows more liabilities than assets, this is not an admission that the Debtor was insolvent as of the Petition Date or at any time before the Petition Date.

(a) **Schedule A/B, Parts 1 and 2 – Cash and Cash Equivalents; Deposits and Prepayments.** Details with respect to the Debtors' cash management system and bank accounts are provided in the Debtors' Cash Management Motion and the interim order of the Court granting the Cash Management Motion [Docket No. 83].

Additionally, the Court, pursuant to the *Final Order (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Services, and (III) Approving the Debtors' Proposed Procedures for Resolving Additional Assurance Requests* [Docket No. 176], has authorized the Debtors to provide adequate assurance deposit, in the aggregate amount of $729,000. Such deposits are not listed on Schedule A/B, Part 2, which has been prepared as of the

Petition Date. Bank account balances listed in Part 1 represent the balance as of October 8, 2018.

(b) **Schedule A/B, Part 4 – Investments; Non-Publicly Traded Stock and Interests in Incorporated and Unincorporated Businesses, including any Interest in an LLC, Partnership, or Joint Venture.** Ownership interests in subsidiaries, partnerships, and joint ventures have been listed in Schedule A/B, Part 4, as undetermined amounts on account of the fact that the fair market value of such ownership is dependent on numerous variables and factors, and may differ significantly from their net book value.

(c) **Schedule A/B, Part 7 – Office Furniture, Fixtures, and Equipment; and Collectibles.** Dollar amounts are presented net of accumulated depreciation and other adjustments. Due to the volume, the individual fixed asset schedules have not been included in Part 7. However, those fixed asset schedules are available upon request.

(d) **Schedule A/B, Part 8 – Machinery, equipment, & vehicles.** Dollar amounts are presented net of accumulated depreciation and other adjustments. Due to the volume, the individual fixed asset schedules have not been included in Part 8. However, those fixed asset schedules are available upon request.

(e) **Schedule A/B, Part 9 – Real Property.** For those Debtors that own real property, such owned real estate is reported at book value, net of accumulated depreciation. The Debtors may have listed certain assets as real property when such assets are in fact personal property, or the Debtors may have listed certain assets as personal property when such assets are in fact real property. Buildings and land improvements are listed on Schedule A/B, Part 9, independent of whether the real property to which the building or land improvement is connected is Debtor-owned property. The Debtors reserve all of their rights to re-categorize and/or re-characterize such asset holdings to the extent the Debtors determine that such holdings were improperly listed.

Coal property indicates coal that is yet to be mined and exists unprocessed on or below the earth's surface in its natural state. Due to the interwoven nature of yet to be mined coal and real property, the Debtors have included coal property on Schedule A/B, Part 9. The Debtors take no position as to whether coal property should be considered real property for the purposes of Schedule A/B, Part 9. Additionally, due to the continuous flux in value of mined versus unmined coal property and the numerous tracts of coal and real property owned by the Debtors, the Debtors do not, as a matter of course, assign a separate net book value to each piece of coal and real property. Therefore, the net book property values are listed in summary fashion on Schedule A/B, Part 9.

(f) **Schedule A/B, Part 11 – All Other Assets.** Dollar amounts are presented net of impairments and other adjustments.

Other Contingent and Unliquidated Claims or Causes of Action of Every Nature, including Counterclaims of the Debtors and Rights to Setoff Claims. In the ordinary course of their businesses, the Debtors may have accrued, or may subsequently accrue, certain rights to counter-claims, cross-claims, setoffs, credits, rebates, or refunds with their customers and suppliers, or potential warranty claims against their suppliers. Additionally, certain of the Debtors may be party to pending litigation in which such Debtor has asserted, or may assert, claims as a plaintiff or counter-claims and/or cross-claims as a defendant. Because such claims are unknown to the Debtors and not quantifiable as of the Petition Date, they are not listed on Schedule A/B, Part 11.

Interests in Insurance Policies or Annuities. A list of Debtors' insurance policies and related information is available in the *Debtors' Emergency Motion for Entry of Interim and Final Orders Authorizing the Debtors to (I) Continue Insurance Policies Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto, (II) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (III) Honor the Terms of the Premium Financing Agreement and Pay Premiums Thereunder, and (IV) Enter into New Premium Financing Agreements in the Ordinary Course of Business* [Docket No. 7] (the "Insurance Motion") and the interim order of the Court granting the Insurance Motion [Docket No. 74]. The Debtors believe that there is little or no cash value to the vast majority of such insurance policies. Such policies have all been included on Schedule A/B, Part 11, with values listed as "undetermined."

Intercompany receivables reflect the balance as of October 8, 2018.

(g) **Schedule D – Creditors Who Have Claims Secured by Property.** Except as otherwise agreed pursuant to a stipulation or order entered by the Court, the Debtors reserve their rights to dispute or challenge the validity, perfection, or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D. Moreover, although the Debtors have scheduled claims of various creditors as secured claims, the Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument related to such creditor's claim.

The descriptions provided in Schedule D are intended only to be a summary. Reference to the applicable agreements and other related relevant documents is necessary for a complete description of the collateral and the nature, extent, and priority of any liens. In certain instances, some of the Debtors may be a co-obligor, co-mortgagor, or guarantor with respect to scheduled claims of other Debtors, and no claim set forth on Schedule D of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities.

The Debtors have not included on Schedule D parties that may believe such claims are secured through setoff rights or inchoate statutory lien rights. Although there

are multiple parties that hold a portion of the debt included in the secured facilities, only the administrative agents have been listed for purposes of Schedule D.

As of May 21, 2018, the Debtors Westmoreland Coal Company and Westmoreland San Juan Holdings, Inc., and non-Debtor Prairie Mines & Royalty ULC were borrowers under a bridge loan facility (the "Bridge Loan Facility") secured by a first-lien security interest in substantially all of the Debtors' U.S. and Canadian assets. As of the Petition Date, $90 million in principal amount was outstanding thereunder.

Westmoreland Coal Company and certain of its affiliates and subsidiaries (the "WLB Debtors") have since entered into a senior secured debtor-in-possession term credit facility in the maximum amount of $110 million (the "DIP Facility"). The DIP Facility provides the WLB Debtors with $20 million in incremental liquidity and refinances the $90 million in obligations outstanding under the Bridge Loan Facility.

Additionally, as of the Petition Date, Debtor Westmoreland Coal Company was the borrower under a secured term loan facility (the "WLB Term Loan Facility"), under which approximately $320 million in principal amount was outstanding. Furthermore, Debtor Westmoreland Coal Company issued $350 million aggregate principal amount of 8.75% senior secured notes due 2022 (the "WLB Senior Secured Notes"). As of the Petition Date, $350 million in principal amount of WLB Senior Secured Notes was outstanding.

As of the Petition Date, Westmoreland Resource Partners, LP's and certain of its affiliates' (the "MLP Debtors") funded debt was comprised of approximately $326.8 million in aggregate debt obligations.

Pursuant to the MLP Loan Documents (as defined in MLP Debtors' Cash Collateral Motion [Docket No. 18]), the MLP Debtors were initially obligors with respect to a $175.0 million term loan facility. On August 1, 2015, the MLP Debtors exercised their option to incur an additional $120.0 million in term loan indebtedness pursuant to the MLP Credit Agreement (as defined in MLP Debtors' Cash Collateral Motion [Docket No. 18]). The MLP Credit Agreement matures on December 31, 2018. The obligations under the MLP Loan Documents, and the guarantees of those obligations, subject to permitted liens, are secured by a first-priority lien on substantially all of the assets of the MLP Guarantors. The MLP Guarantors are: Harrison Resources, LLC; Oxford Mining Company-Kentucky, LLC; Daron Coal Company, LLC; Oxford Conesville, LLC; and Westmoreland Kemmerer, LLC.

Schedule E/F – Creditors Who Have Unsecured Claims.

Part 1 - Creditors with Priority Unsecured Claims. Pursuant to the *Interim Order Authorizing the Payment of Prepetition Taxes and Fees* [Docket No. 75] (the "Interim Taxes Order"), the Debtors have been granted the authority to pay, in their discretion, certain tax liabilities that accrued prepetition. Accordingly, any

unsecured priority claims based upon prepetition tax accruals that have been paid pursuant to the Interim Taxes Order are not listed in Schedule E.

Furthermore, pursuant to the *Interim Order Authorizing the Debtors to (I) Pay Prepetition Wages, Salaries, other Compensation, and Reimbursable Expenses and (II) Continue Employee Benefits Programs* [Docket No. 76] (the "Interim Wages Motion"), the Debtors have been granted authority to pay certain prepetition obligations, including to pay employee wages and other employee benefits, in the ordinary course of business. The Debtors believe that any non-insider employee claims for prepetition amounts related to ongoing payroll and benefits, whether allowable as a priority or nonpriority claim, have been or will be satisfied, and such satisfied amounts are not listed in Schedule E.

The listing of a claim on Schedule E/F, Part 1, does not constitute an admission by the Debtors that such claim or any portion thereof is entitled to priority status.

Part 2 - Creditors with Nonpriority Unsecured Claims. The liabilities identified in Schedule E/F, Part 2, are derived from the Debtors' books and records. The Debtors made a reasonable attempt to set forth their unsecured obligations, although the actual amount of claims against the Debtors may vary from those liabilities represented on Schedule E/F, Part 2. The listed liabilities, which have been listed on a gross accounts payable basis, may not reflect the correct amount of any unsecured creditor's allowed claims or the correct amount of all unsecured claims.

Schedule E/F, Part 2, contains information regarding certain compensation-related claims of insiders of the Debtors, with such claims being listed as "contingent," "unliquidated," and/or "disputed." In scheduling such claims, the Debtors make no representation or assertion as to the validity of such claims, and the Debtors reserve all rights, claims, and defenses in connection therewith.

Schedule E/F, Part 2, contains information regarding threatened or pending litigation involving the Debtors. The amounts for these potential claims are listed as "undetermined" and are marked as contingent, unliquidated, and disputed in the Schedules and Statements.

Schedule E/F, Part 2, reflects certain prepetition amounts owing to counterparties to executory contracts and unexpired leases. Such prepetition amounts, however, may be paid in connection with the assumption or assumption and assignment of an executory contract or unexpired lease. In addition, Schedule E/F, Part 2, does not include claims that may arise in connection with the rejection of any executory contracts and unexpired leases, if any, that may be or have been rejected.

In the ordinary course of business, the Debtors have retained certain customer prepayments and advances. Given the volume of such prepayments and advances and their confidential nature, the Debtors have not listed such prepayments and advances on Schedule E/F, Part 2. A more thorough description of the Debtors'

customer relationships is set forth in the *Debtors' Emergency Motion for Entry of Interim and Final Orders Authorizing the Debtors to (I) Honor Prepetition Obligations to Customers in the Ordinary Course of Business and (II) Continue, Renew, Replace, Implement, or Terminate Customer Programs* [Docket No. 12].

In many cases, the claims listed on Schedule E/F, Part 2, arose, accrued, or were incurred on various dates or on a date or dates that are unknown to the Debtors or are subject to dispute. Where the determination of the date on which a claim arose, accrued, or was incurred would be unduly burdensome and costly to the Debtors' estates, the Debtors have not listed a specific date or dates for such claim.

As of the time of filing of the Schedules and Statements, the Debtors have not received all invoices for payables, expenses, and other liabilities that may have accrued prior to the Petition Date. Accordingly, the information contained in Schedules D and E/F may be incomplete. The Debtors reserve their rights, but undertakes no obligations, to amend Schedules D and E/F if, or when, the Debtors receive such invoices.

(h) **Schedule G – Executory Contracts and Unexpired Leases.** While reasonable efforts have been made to ensure the accuracy of Schedule G, inadvertent errors or omissions may have occurred. Additionally, in certain instances, executory contracts and unexpired leases may be omitted due to their confidential nature, but can be made available to the U.S. Trustee on a confidential basis. Additionally, relationships between the Debtors and their customers are often governed by a master services agreement, under which customers also place work and purchase orders, which may be considered executory contracts. Disclosure of all of these purchase and work orders, however, is impracticable and unduly burdensome. Accordingly, to the extent the Debtors have determined to disclose non-confidential master services agreements in Schedule G, purchase and work orders placed thereunder may have been omitted.

Listing a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease or that such contract or agreement was in effect on the Petition Date or is valid or enforceable. Expired contracts and leases may have also been inadvertently included. The Debtors hereby reserve all of their rights to dispute the validity, status, or enforceability of any contracts, agreements, or leases set forth in Schedule G and to amend or supplement such Schedule as necessary. Certain of the leases and contracts listed on Schedule G may contain renewal options, guarantees of payment, indemnifications, options to purchase, rights of first refusal and other miscellaneous rights. Such rights, powers, duties and obligations are not set forth separately on Schedule G. In addition, the Debtors may have entered into various other types of agreements in the ordinary course of their business, such as supplemental agreements and letter agreement, which documents may not be set forth in Schedule G. The Debtors reserve the right to dispute the effectiveness of any such contract listed on Schedule G or to amend Schedule G at any time to remove any contract.

The Debtors have reserved all rights to dispute or challenge the characterization of any transaction or any document or instrument related to a creditor's claim.

In some cases, the same supplier or provider may appear multiple times in Schedule G. Multiple listings, if any, reflect distinct agreements between the applicable Debtor and such supplier or provider.

Omission of a contract or agreement from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or unexpired lease. The Debtors' rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission. Certain Debtors are guarantors and parties to guaranty agreements regarding the Debtors' prepetition credit facility. The guaranty obligations arising under these agreements are reflected on Schedules D and F only.

(i) **Schedule H – Co-Debtors.** For purposes of Schedule H, agents and trustees under the prepetition credit facilities and senior notes, retiree benefit plans, multi-employer pension plans, the Pension Benefit Guaranty Corporation and other counterparties that are subject to a guaranty are listed as co-Debtors on Schedule H. The Debtors have not listed any litigation-related co-Debtors on Schedule H. Instead, all such listings can be found on the Debtors' Schedules E/F.

6. **Specific Statements Disclosures.**

(a) **Statements, Part 1, Question 2 – Non-Business Revenue.** The Debtors record a non-material amount of certain transactions as other income in their financial records. Such transactions have been included in the response to Statements, Part 1, Question 2. These transactions are not related to the sale of coal but are related to the sale of surplus equipment, interest income and other sundry items.

(b) **Statements, Part 2, Question 3 – Payments and Transfers to Certain Creditors within 90 Days.** The dates set forth in the "Dates" column relate to one of the following: (a) the date of a wire transfer; (b) the date of an "ACH" payment; or (c) the check date. Disbursements are made by Westmoreland Coal Company or its affiliates, and recorded to the proper entity with the liability through intercompany journal entries. For the purpose of this schedule, payments are recorded on the Debtor's Statements, Part 2, Question 3, based on the Debtor's bank account owned. In addition to the payments disclosed in response to this Question, the Debtors periodically replenish "petty cash" working accounts held locally by some entities. Disbursements from these working accounts, held by various Debtors, to third party payees are included in this Question but the intercompany replenishment transactions are not. Payments to the Debtors' bankruptcy professionals, insiders, intercompany transactions, wage garnishments and donations are not included the payments to creditors. Payments to the aforementioned parties are provided as follows: bankruptcy professionals (Question 11), Insiders (Question 4), Intercompany (Question 4), Donations (Question 9) and wage garnishments (excluded).

(c) **Statements, Part 2, Question 4 – Payments and Transfers to Insiders.** For a discussion of setoffs incurred by the Debtors, refer to paragraph 3(h) of these Global Notes. To the extent: (i) a person qualified as an "insider" in the year prior to the Petition Date, but later resigned their insider status or (ii) did not begin the year as an insider, but later became and insider, the Debtors have only listed those payments made while such person was defined as an insider in Statements, Part 2, Question 4. Business travel arrangements, including flights and hotels, for certain of the Debtors' directors and officers have been paid for by Westmoreland Coal Company's corporate credit card. Such payments are not listed in the response to Question 4 on the Statements. Payments to Terry Bachynski, a director of the Debtors, have been made by the non-debtor entity Prairie Mines & Royalty ULC for the benefit of Westmoreland Coal Company. Due to the volume, intercompany payments and transfers have been summarized by monthly totals.

(d) **Statements, Part 4, Question 9 – Certain Gifts & Charitable Contributions.** In the spring of 2017, the Debtors provided hotel stays to certain accounting employees and their spouses as a reward. The Debtors believe that the hotel awards were potentially over the $1,000 threshold for Statements Part 4. The Debtors believe that it would be an inefficient use of resources and difficult to locate the awards that were in excess of such threshold. Accordingly, the Debtors have not included these hotel awards in the Statements, Part 4.

(e) **Statements, Part 6, Question 11 – Payments Related to Bankruptcy.** The payments provided in Question 11 are reported at the specific Debtor who made the payment. Specifically, payments were made by Westmoreland Coal Company, Oxford Mining Company, LLC and Texas Westmoreland Coal Company. The Debtors believe that it would be an inefficient use of the assets of the estates to allocate these payments on a Debtor-by-Debtor basis.

(f) **Statements, Part 12, Questions 22-24 – Details About Environmental Information.** The Debtors historically have operated over a substantial period of time in several locations across Colorado, Kentucky, Montana, New Mexico, North Carolina, North Dakota, Ohio, Pennsylvania, Texas, Virginia, Wyoming, and Alberta and Saskatchewan in Canada. At some locations, the Debtors no longer have any active operations and may no longer have relevant records, or the records may no longer be complete or reasonably accessible or reviewable. In some cases, statutory document retention periods have passed. Further, some individuals who once possessed responsive information are no longer employed by the Debtors. For all these reasons, it may not be possible to identify and supply the requested information for all of the requested information that is responsive to Statements Part 12, Questions 22-24. The Debtors have provided responsive information for matters and issues that have arisen within the last three years, including matters and issues that the Debtors consider to have been resolved. This timeframe is consistent with requirements in state and federal coal mining regulations to include environmental violations from the previous three-year period in Surface Mining Control and Reclamation Act coal mining permit applications, revisions and renewals. This response does not include sites or proceedings related to non-

environmental laws, such as occupational safety and health laws or transportation laws. This response is also limited to identifying circumstances in which governmental agencies have alleged in writing that particular operations of the Debtors are in violation of environmental laws and proceedings that have resulted from alleged violations of environmental laws. This response also does not cover: (i) periodic information requests, investigations or inspections from governmental units concerning compliance with environmental laws; or (ii) routine reports and submissions concerning permitted discharges resulting from routine operations where such reports and submissions were made in compliance with regulatory requirements, such as monthly discharge monitoring reports.

(g) **Statements, Part 13, Question 26 – Books, Records, and Financial Statements.** The Debtors provide certain parties, such as banks, auditors, potential investors, vendors, and financial advisors, with financial statements that may not be part of a public filing. The Debtors do not maintain complete lists or other records tracking such disclosures. Therefore, the Debtors have not provided full lists of these parties in their Responses to Statement, Part 13, Question 26.

(h) **Statements, Part 13, Question 30 – Payments, Distributions, or Withdrawals Credited or Given to Insiders.** Distributions by the Debtors to their respective directors and officers are listed on the attachment to Question 4. Certain directors and executive officers of the Debtors are also directors and executive officers of certain Debtor and non-Debtor affiliates. To the extent payments to such individuals are not listed in the response to Question 4 on the Statements for such Debtor affiliates, they did not receive payment for their services as directors or executive officers of these entities. Certain of the Debtors' directors and executive officers received distributions net of tax withholdings in the year preceding the Petition Date. The amounts listed under Question 4 reflect the gross amounts paid to such directors and executive officers, rather than the net amounts after deducting for tax withholdings.

* * * * *

Fill in this information to identify the case:

Debtor name Westmoreland Power, Inc.

United States Bankruptcy Court for the: Southern District of Texas, Houston Division

Case number (If known): 18-35701 (DRJ)

☐ Check if this is an amended filing

Official Form 207

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy 04/16

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income

1. **Gross revenue from business**

☒ None

Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year				Sources of revenue Check all that apply	Gross revenue (before deductions and exclusions)
From the beginning of the fiscal year to filing date:	From ____ MM / DD / YYYY	to	Filing date	☐ Operating a business ☐ Other ____	$____
For prior year:	From ____ MM / DD / YYYY	to	____ MM / DD / YYYY	☐ Operating a business ☐ Other ____	$____
For the year before that:	From ____ MM / DD / YYYY	to	____ MM / DD / YYYY	☐ Operating a business ☐ Other ____	$____

2. **Non-business revenue**

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

☒ None

				Description of sources of revenue	Gross revenue from each source (before deductions and exclusions)
From the beginning of the fiscal year to filing date:	From ____ MM / DD / YYYY	to	Filing date	____	$____
For prior year:	From ____ MM / DD / YYYY	to	____ MM / DD / YYYY	____	$____
For the year before that:	From ____ MM / DD / YYYY	to	____ MM / DD / YYYY	____	$____

Debtor Westmoreland Power, Inc. (Name) Case number (if known) 18-35701 (DRJ)

Part 2: List Certain Transfers Made Before Filing for Bankruptcy

3. Certain payments or transfers to creditors within 90 days before filing this case

List payments or transfers—including expense reimbursements—to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than $6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

☒ None

	Creditor's name and address	Dates	Total amount or value	Reasons for payment or transfer *Check all that apply*
3.1.	Creditor's name Street City State ZIP Code		$	☐ Secured debt ☐ Unsecured loan repayments ☐ Suppliers or vendors ☐ Services ☐ Other
3.2.	Creditor's name Street City State ZIP Code		$	☐ Secured debt ☐ Unsecured loan repayments ☐ Suppliers or vendors ☐ Services ☐ Other

4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than $6,425. This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

☒ None

	Insider's name and address	Dates	Total amount or value	Reasons for payment or transfer	Relationship to debtor
4.1.	Insider's name Street City State ZIP Code		$		
4.2.	Insider's name Street City State ZIP Code		$		

Debtor Westmoreland Power, Inc. (Name) Case number (if known) 18-35701 (DRJ)

5. Repossessions, foreclosures, and returns

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

☒ None

	Creditor's name and address	Description of the property	Date	Value of property
5.1.	Creditor's name Street City State ZIP Code			$
5.2.	Creditor's name Street City State ZIP Code			$

6. Setoffs

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

☒ None

Creditor's name and address	Description of the action creditor took	Date action was taken	Amount
Creditor's name Street City State ZIP Code	Last 4 digits of account number: XXXX– __ __ __ __		$

Part 3: Legal Actions or Assignments

7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

☒ None

	Case title Case number	Nature of case	Court or agency's name and address	Status of case
7.1.			Name Street City State ZIP Code	☐ Pending ☐ On appeal ☐ Concluded
7.2.	Case title Case number		Court or agency's name and address Name Street City State ZIP Code	☐ Pending ☐ On appeal ☐ Concluded

Debtor Westmoreland Power, Inc. (Name) Case number (if known) 18-35701 (DRJ)

8. Assignments and receivership

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

☒ None

Custodian's name and address	Description of the property	Value
Custodian's name Street City State ZIP Code		$

Case title	Court name and address
	Name Street City State ZIP Code

Case number	Date of order or assignment

Part 4: Certain Gifts and Charitable Contributions

9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than $1,000

☒ None

	Recipient's name and address	Description of the gifts or contributions	Dates given	Value
9.1.	Recipient's name Street City State ZIP Code **Recipient's relationship to debtor**			$
9.2.	Recipient's name Street City State ZIP Code **Recipient's relationship to debtor**			$

Part 5: Certain Losses

10. **All losses from fire, theft, or other casualty within 1 year before filing this case.**

☒ None

Description of the property lost and how the loss occurred	Amount of payments received for the loss If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received. List unpaid claims on Official Form 106A/B (*Schedule A/B: Assets – Real and Personal Property).*	Date of loss	Value of property lost
			$

Debtor Westmoreland Power, Inc. (Name) Case number (if known) 18-35701 (DRJ)

Part 6: Certain Payments or Transfers

11. Payments related to bankruptcy

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

☒ None

	Who was paid or who received the transfer?	If not money, describe any property transferred	Dates	Total amount or value
11.1.	See Global Notes Section - Statements, Part 6, Question 11.			$

Address

Street

City State ZIP Code

Email or website address

Who made the payment, if not debtor?

	Who was paid or who received the transfer?	If not money, describe any property transferred	Dates	Total amount or value
11.2.				$

Address

Street

City State ZIP Code

Email or website address

Who made the payment, if not debtor?

12. Self-settled trusts of which the debtor is a beneficiary

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device.
Do not include transfers already listed on this statement.

☒ None

Name of trust or device	Describe any property transferred	Dates transfers were made	Total amount or value
			$

Trustee

Debtor Westmoreland Power, Inc. Case number (if known) 18-35701 (DRJ)
Name

13. Transfers not already listed on this statement

List any transfers of money or other property—by sale, trade, or any other means—made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

☒ None

	Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.1.	_____	_____	_____	$_____

Address

_____
Street

_____

_____
City State ZIP Code

Relationship to debtor

_____

	Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.2.	_____	_____	_____	$_____

Address

_____
Street

_____

_____
City State ZIP Code

Relationship to debtor

_____

Part 7: Previous Locations

14. Previous addresses

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

☒ Does not apply

	Address	Dates of occupancy
14.1.	_____ Street _____ _____ City State ZIP Code	From _____ To _____
14.2.	_____ Street _____ _____ City State ZIP Code	From _____ To _____

Debtor Westmoreland Power, Inc. Case number (if known) 18-35701 (DRJ)
Name

Part 8: Health Care Bankruptcies

15. Health Care bankruptcies

Is the debtor primarily engaged in offering services and facilities for:

— diagnosing or treating injury, deformity, or disease, or

— providing any surgical, psychiatric, drug treatment, or obstetric care?

☒ No. Go to Part 9.

☐ Yes. Fill in the information below.

	Facility name and address	Nature of the business operation, including type of services the debtor provides	If debtor provides meals and housing, number of patients in debtor's care
15.1.	Facility name Street City State ZIP Code	**Location where patient records are maintained** (if different from facility address). If electronic, identify any service provider.	**How are records kept?** *Check all that apply:* ☐ Electronically ☐ Paper

	Facility name and address	Nature of the business operation, including type of services the debtor provides	If debtor provides meals and housing, number of patients in debtor's care
15.2.	Facility name Street City State ZIP Code	**Location where patient records are maintained** (if different from facility address). If electronic, identify any service provider.	**How are records kept?** *Check all that apply:* ☐ Electronically ☐ Paper

Part 9: Personally Identifiable Information

16. Does the debtor collect and retain personally identifiable information of customers?

☒ No.

☐ Yes. State the nature of the information collected and retained. _____

Does the debtor have a privacy policy about that information?

☐ No

☐ Yes

17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?

☒ No. Go to Part 10.

Yes. Does the debtor serve as plan administrator?

☐ No. Go to Part 10.

☐ Yes. Fill in below:

Name of plan	Employer identification number of the plan
_____	EIN: __ __ – __ __ __ __ __ __ __

Has the plan been terminated?

☐ No

☐ Yes

Debtor Westmoreland Power, Inc. Case number (if known) 18-35701 (DRJ)
Name

Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units

18. Closed financial accounts

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

☒ None

	Financial institution name and address	Last 4 digits of account number	Type of account	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
18.1.	Name Street City State ZIP Code	XXXX–___ ___ ___ ___	☐ Checking ☐ Savings ☐ Money market ☐ Brokerage ☐ Other_____	_____	$_____
18.2.	Name Street City State ZIP Code	XXXX–___ ___ ___ ___	☐ Checking ☐ Savings ☐ Money market ☐ Brokerage ☐ Other_____	_____	$_____

19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

☒ None

Depository institution name and address	Names of anyone with access to it	Description of the contents	Does debtor still have it?
Name Street City State ZIP Code	Address		☐ No ☐ Yes

20. Off-premises storage

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

☒ None

Facility name and address	Names of anyone with access to it	Description of the contents	Does debtor still have it?
Name Street City State ZIP Code	Address		☐ No ☐ Yes

Debtor Westmoreland Power, Inc. (Name) Case number (if known) 18-35701 (DRJ)

Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own

21. Property held for another

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

☒ None

Owner's name and address	Location of the property	Description of the property	Value
Name Street City State ZIP Code			$

Part 12: Details About Environmental Information

For the purpose of Part 12, the following definitions apply:

- *Environmental law* means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).
- *Site* means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.
- *Hazardous material* means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.

22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

☒ No
☐ Yes. Provide details below.

Case title Case number	Court or agency name and address	Nature of the case	Status of case
	Name Street City State ZIP Code		☐ Pending ☐ On appeal ☐ Concluded

23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?

☒ No
☐ Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
Name Street City State ZIP Code	Name Street City State ZIP Code		

Debtor Westmoreland Power, Inc. (Name) Case number (if known) 18-35701 (DRJ)

24. **Has the debtor notified any governmental unit of any release of hazardous material?**

☒ No

☐ Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
Name Street City State ZIP Code	Name Street City State ZIP Code		

Part 13: Details About the Debtor's Business or Connections to Any Business

25. **Other businesses in which the debtor has or has had an interest**

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

☒ None

	Business name and address	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.
25.1.	Name Street City State ZIP Code		EIN: ___ ___ – ___ ___ ___ ___ ___ ___ ___ Dates business existed From _____ To _____
25.2.	Name Street City State ZIP Code		EIN: ___ ___ – ___ ___ ___ ___ ___ ___ ___ Dates business existed From _____ To _____
25.3.	Name Street City State ZIP Code		EIN: ___ ___ – ___ ___ ___ ___ ___ ___ ___ Dates business existed From _____ To _____

Debtor Westmoreland Power, Inc. Case number (if known) 18-35701 (DRJ)
Name

26. **Books, records, and financial statements**

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

☐ None

	Name and address	Dates of service
26a.1.	See Attached Rider	From _____ To _____

	Name and address	Dates of service
26a.2.	_____ Name _____ Street _____ _____ City State ZIP Code	From _____ To _____

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

☐ None

	Name and address	Dates of service
26b.1.	ERNST & YOUNG 370 17TH STREET SUITE 3300 DENVER, CO 80202-5663	From 10/09/2016 To Present

	Name and address	Dates of service
26b.2.	_____ Name _____ Street _____ _____ City State ZIP Code	From _____ To _____

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

☐ None

	Name and address	If any books of account and records are unavailable, explain why
26c.1.	See Attached Rider	_____ _____ _____

Debtor Westmoreland Power, Inc. Case number (if known) 18-35701 (DRJ)
Name

	Name and address	If any books of account and records are unavailable, explain why
26c.2.	Name Street City State ZIP Code	

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

☐ None

	Name and address
26d.1.	See Attached Rider

	Name and address
26d.2.	Name Street City State ZIP Code

27. **Inventories**

Have any inventories of the debtor's property been taken within 2 years before filing this case?

☒ No
☐ Yes. Give the details about the two most recent inventories.

	Name of the person who supervised the taking of the inventory	Date of inventory	The dollar amount and basis (cost, market, or other basis) of each inventory
			$

	Name and address of the person who has possession of inventory records
27.1.	Name Street City State ZIP Code

Name of the person who supervised the taking of the inventory	Date of inventory	The dollar amount and basis (cost, market, or other basis) of each inventory
		$

Name and address of the person who has possession of inventory records

27.2. Name
Street
City State ZIP Code

28. **List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.**

Name	Address	Position and nature of any interest	% of interest, if any
See Attached Rider			

29. **Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?**

☒ No
☐ Yes. Identify below.

Name	Address	Position and nature of any interest	Period during which position or interest was held
			From ____ To ____
			From ____ To ____
			From ____ To ____
			From ____ To ____

30. **Payments, distributions, or withdrawals credited or given to insiders**

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

☒ No
☐ Yes. Identify below.

Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.1. Name Street City State ZIP Code **Relationship to debtor**			

Debtor Westmoreland Power, Inc. (Name) Case number (if known) 18-35701 (DRJ)

Name and address of recipient			
30.2 Name Street City State ZIP Code			
Relationship to debtor			

31. **Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?**

☐ No
☒ Yes. Identify below.

Name of the parent corporation	Employer Identification number of the parent corporation
Westmoreland Coal Company	EIN: 23-1128670

32. **Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?**

☒ No
☐ Yes. Identify below.

Name of the pension fund	Employer Identification number of the pension fund
	EIN: __ __ – __ __ __ __ __ __ __

Part 14: Signature and Declaration

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 11/8/2018
MM / DD / YYYY

✘ /s/ Gary A. Kohn
Signature of individual signing on behalf of the debtor

Printed name Gary A. Kohn

Position or relationship to debtor Authorized Signatory

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

☒ No
☐ Yes

Debtor Name: Westmoreland Power, Inc. Case Number: 18-35701 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

Part 13, Question 26a: List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

Name & Address	Dates of service From	Dates of service To
CATON, COURTNEY 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	10/08/2016	Present
DE JAGER, SHELDON 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	04/18/2017	Present
HENRY, SCOTT A. 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	11/09/2016	Present
KOHN, GARY A. 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	10/08/2016	Present
TROUP, NATHAN M. 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	10/08/2016	04/20/2018
VEENSTRA, JASON 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	10/08/2016	12/15/2016

Debtor Name: Westmoreland Power, Inc. Case Number: 18-35701 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

Part 13, Question 26c: Firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

Name and Address	If any books of account and records are unavailable explain why
CATON, COURTNEY 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	
DE JAGER, SHELDON 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	
ERNST & YOUNG 370 17TH STREET SUITE 3300 DENVER, CO 80202-5663	
HENRY, SCOTT A. 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	
KOHN, GARY A. 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	

Debtor Name: Westmoreland Power, Inc. Case Number: 18-35701 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

Part 13, Question 26d: List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

Name & Address
The Debtor is registered with the Securities and Exchange Commission (the "SEC") and files with such agency periodic financial reports on a consolidated basis. These reports also contain information about the Debtor's finances and are available publicly through the Westmoreland website. In addition, the Debtor has provided financial reports to its restructuring professionals, lenders, customers, CIBC/Private Bank, U.S. Bank National Association, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Wilmington Savings Fund Society, FSB.

Debtor Name: Westmoreland Power, Inc. Case Number: 18-35701 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

Part 13, Question 28: Debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name and Address	Position and nature of any interest	% of interest if any
GRAFTON, JENNIFER S. 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	President, Director	N/A
HAGREEN, SAMUEL N. 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	Secretary and General Counsel	N/A
HENRY, SCOTT A. 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	Treasurer and Controller	N/A
WESTMORELAND COAL COMPANY 9540 SOUTH MAROON CIRCLE SUITE 300 ENGLEWOOD, CO 80112	Shareholder	100