

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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In re:	)	
	)	Chapter 11
	)	
WESTMORELAND COAL COMPANY, <i>et al.</i> , <sup>1</sup>	)	Case No. 18-35672 (DRJ)
	)	
Debtors.	)	(Jointly Administered)

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**NOTICE OF AUCTION FOR THE SALE OF SUBSTANTIALLY ALL ASSETS OF  
WESTMORELAND COAL COMPANY AND CERTAIN DEBTOR AFFILIATES FREE  
AND CLEAR OF ANY AND ALL CLAIMS, INTERESTS, AND ENCUMBRANCES**

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**PLEASE TAKE NOTICE** that certain of the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “WLB Debtors”)<sup>2</sup> are soliciting offers for the purchase of substantially all of the WLB Debtors’ assets and assumption of certain liabilities of the WLB Debtors consistent with the bidding procedures (the “Bidding Procedures”)<sup>3</sup> approved by the United States Bankruptcy Court for the Southern District of Texas (the “Court”) by entry of an order on November 15, 2018 [Docket No. 519] (the “Bidding Procedures Order”). **All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order.** To the extent that there are any inconsistencies between this notice and the Bidding Procedures or the Bidding Procedures Order, the Bidding Procedures or the Bidding Procedures Order, as applicable, shall govern in all respects.

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<sup>1</sup> 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](http://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.

<sup>2</sup> The relief granted in the Bidding Procedures Order is solely limited to Westmoreland Coal Company and its Debtor affiliates, other than the WMLP Debtors (as defined herein) (collectively, the “WLB Debtors”). The “WMLP Debtors” means, collectively, Westmoreland Resource Partners GP, LLC, Westmoreland Resource Partners, LP, and its subsidiaries.

<sup>3</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Order or the Bidding Procedures, as applicable.

**Copies of the Bidding Procedures Order, the Bidding Procedures, or other documents related thereto are available upon request to Donlin, Recano & Company, Inc. by calling (800) 499-8519 or visiting the Debtors' restructuring website at (www.donlinrecano.com/westmoreland).**

**PLEASE TAKE FURTHER NOTICE** that the Bid Deadline is **January 15, 2019**, at **4:00 p.m. (prevailing Central Time)**, and that any person or entity who wishes to participate in the Auction must comply with the participation requirements, bid requirements, and other requirements set forth in the Bidding Procedures.

**PLEASE TAKE FURTHER NOTICE** that the WLB Debtors intend to conduct the Auction, at which time they will consider proposals submitted to the WLB Debtors and their professionals, by and pursuant to the Bidding Procedures as set forth in the Bidding Procedures Order, on **January 22, 2019**, at **10:00 am. (prevailing Eastern Time)** at Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022.

**PLEASE TAKE FURTHER NOTICE** that the WLB Debtors expect to seek approval of each Sale at the Confirmation Hearing, which is presently scheduled to commence on **February 13, 2019**, at **10:00 a.m. (prevailing Central Time)**, or as soon thereafter as counsel may be heard, before the Honorable David R. Jones in the United States Courthouse, 515 Rusk Street, Houston, Texas 77002.

**PLEASE TAKE FURTHER NOTICE** that, except as otherwise set forth in the Bidding Procedures Order with respect to objections to proposed cure amounts or the assumption and assignment of Assigned Contracts, objections, if any, to a proposed Sale **must**: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Bankruptcy Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court, so that it may be **actually received** by the following parties, prior to January 25, 2019, at 4:00 p.m. (prevailing Central Time) (the "**Sale Objection Deadline**"); *provided* that if the Auction occurs after January 22, 2019, the Sale Objection Deadline shall be automatically extended through 4:00 p.m. (prevailing Central Time) on the date that is three (3) days following the Auction.

<b>Counsel to the WLB Debtors</b>	<b>The United States Trustee</b>
<p>Kirkland &amp; Ellis LLP 601 Lexington Avenue New York, New York 10022 Attn.: Stephen E. Hessler, P.C. (stephen.hessler@kirkland.com)</p> <p>Kirkland &amp; Ellis LLP 300 North LaSalle Chicago, Illinois 60654 Attn.: Gregory F. Pesce (gregory.pesce@kirkland.com) and Timothy R. Bow (timothy.bow@kirkland.com)</p>	<p>Office of the United States Trustee for the Southern District of Texas 515 Rusk Street, Suite 3516 Houston, Texas 77002 Attn.: Stephen Statham</p>

Counsel to the Ad Hoc Group	Counsel to the Official Committee of Unsecured Creditors
<p>Kramer Levin Naftalis &amp; Frankel LLP,  1177 Avenue of the Americas,  New York, New York 10036  Attn.: Thomas Moers Mayer  (tmayer@kramerlevin.com) and  Stephen D. Zide (szide@kramerlevin.com)</p>	<p>Morrison &amp; Foerster LLP  250 West 55th Street  New York, NY 10019  Attn: Lorenzo Marinuzzi, Esq.  (lmarinuzzi@mofo.com)  Todd M. Goren, Esq.  (tgoren@mofo.com)  Jennifer L. Marines, Esq.  (jmarines@mofo.com)</p>

**CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION**

**ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO A SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO SUCH SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE SELLING DEBTORS’ ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT(S).**

**NO SUCCESSOR OR TRANSFEREE LIABILITY**

The Confirmation Order is expected to provide, among other things, that the Successful Bidder from the Sale will have no responsibility for, and the assets will be sold free and clear of, any successor liability, including the following:

To the greatest extent allowable by applicable law, the Successful Bidder shall not be deemed, as a result of any action taken in connection with the Stalking Horse Purchase Agreement (in the case where the Stalking Horse Bidder is the Successful Bidder) or a separate asset purchase agreement entered into with the Successful Bidder (if the Stalking Horse Bidder is not the Successful Bidder), the consummation of the Sale, or the transfer or operation of the assets, to (a) be a legal successor, or otherwise be deemed a successor to the WLB Debtors (other than with respect to any obligations as an assignee under the Assigned Contracts arising after the Effective Date); (b) have, de facto or otherwise, merged with or into the WLB Debtors; or (c) be an alter ego or mere continuation or substantial continuation of the WLB Debtors, in the case of each of (a), (b), and (c), including, without limitation, within the meaning of any foreign, federal, state or local revenue law, pension law, the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the WARN Act (29 U.S.C. §§ 2101 et seq.), the Federal Coal Mine Health and Safety Act of 1969, the Black Lung Benefits Act, the Comprehensive Environmental Response Compensation and Liability Act (“CERCLA”), the Fair Labor Standard Act, Title VII of the Civil Rights Act of 1964 (as amended), the Age Discrimination and Employment Act of 1967 (as amended), the Federal Rehabilitation Act of 1973 (as amended), the National Labor Relations Act (29 U.S.C. § 151, et seq.), environmental liabilities, debts, claims or obligations, any liabilities, debts or obligations of or required to be paid by the WLB Debtors for any taxes of any kind for any period, labor, employment, or other law, rule or regulation (including without limitation filing requirements under any such laws, rules or regulations), or under any products liability law or doctrine with respect to the WLB Debtors’ liability under such law, rule

or regulation or doctrine. All rights of any party to set off any claims, debts or obligations owed by or to the Successful Bidder in connection with the assets shall be extinguished on the Effective Date pursuant to the Confirmation Order. Other than as expressly set forth in the Stalking Horse Purchase Agreement (or another Successful Bidder's purchase agreement, as applicable) with respect to Assumed Liabilities, the Successful Bidder shall not have any responsibility for (a) any liability or other obligation of the WLB Debtors or related to the assets or (b) any claims (as such term is defined by section 101(5) of the Bankruptcy Code) against the WLB Debtors or any of their predecessors or affiliates. To the greatest extent allowed by applicable law, the Successful Bidder shall have no liability whatsoever with respect to the WLB Debtors' (or their predecessors' or affiliates') respective businesses or operations or any of the WLB Debtors' (or their predecessors' or affiliates') obligations based, in whole or part, directly or indirectly, on any theory of successor or vicarious liability of any kind or character, or based upon any theory of antitrust, environmental, successor or transferee liability, de facto merger or substantial continuity, labor and employment or products liability, whether known or unknown as of the Effective Date, now existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated, including liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the assets prior to the Effective Date. The Stalking Horse Bidder would not have entered into the Stalking Horse Purchase Agreement but for the foregoing protections against potential claims based upon "successor liability" theories.

**PLEASE TAKE FURTHER NOTICE** that certain governmental agencies, including but not limited to, the United States, the Railroad Commission of Texas, Ohio Department of Natural Resources, Ohio Environmental Protection Agency, and North Dakota Public Service Commission will request that substantially the following language appear in the Confirmation Order or other operative order approving the Sale (for the avoidance of doubt, all parties' rights are reserved with respect to the inclusion of such language in the Confirmation Order, including the WLB Debtors, the Stalking Horse Bidder, and any prospective bidder for the WLB Debtors' assets):

"Nothing in this Confirmation Order or the Sale Transaction Documentation releases, nullifies, precludes, or enjoins the enforcement of any police or regulatory liability to a governmental unit that any entity would be subject to as the owner or operator of property after the date of entry of this Confirmation Order; provided, however, that nothing herein shall subject the Purchaser to any liability to a governmental unit for penalties for days of violation prior to closing, response costs incurred by a governmental unit prior to closing, or any liability relating to offsite disposal that occurred prior to closing. In addition, nothing in this Confirmation Order or the Sale Transaction Documentation authorizes the transfer or assignment of any governmental license, permit, registration, authorization, or approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements under police or regulatory law."

**PLEASE TAKE FURTHER NOTICE** that the WLB Debtors reserve the right, in their reasonable business judgment and subject to the exercise of their fiduciary duties, to modify the Bidding Procedures and/or to terminate discussions with any Potential Bidders at any time, to the extent not materially inconsistent with the Bidding Procedures.

**PLEASE TAKE FURTHER NOTICE** that copies of the Bidding Procedures Motion, Bidding Procedures, and Bidding Procedures Order, as well as all related exhibits, are available: (a) free of charge upon request to Donlin, Recano & Company, Inc. (the notice and claims agent retained in these chapter 11 cases) by calling (800) 499-8519; (b) by visiting the website maintained in these chapter 11 cases at ([www.donlinrecano.com/westmoreland](http://www.donlinrecano.com/westmoreland)); or (c) for a fee via PACER by visiting (<http://www.txs.uscourts.gov>).

Houston, Texas  
Dated: November 16, 2018

*/s/ Patricia B. Tomasco*

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