

CreditRiskMonitor’s warning of Westmoreland Coal Company’s (“Westmoreland Coal”) bankruptcy risk was determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score had been warning of financial stress at Westmoreland Coal Company (OTC: WLBAQ) for more than a year.

We issued a special High Risk Report, dated September 5, 2018, as conditions continued to deteriorate and become more troubling.

The company ultimately filed for bankruptcy on October 9, 2018

Business Name	2017	2017	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Westmoreland Coal Company	1	1	1	1	1	1	1	1	1	1	1	1	1

BANKRUPT!

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

Probability of bankruptcy within 12 months			
FRISK®	From	To	
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody's, Fitch, DBRS, & Morningstar

Crowdsourced CreditRiskMonitor Usage Data

Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company's management and sales representatives to be alerted to concerns in a public company's performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation's quarterly journal article, "Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals"](#)

COMPANY REPORT DETAIL

Westmoreland Coal Company

9540 Maroon Cir Ste 300

Phone: (303) 922-6463

ENGLEWOOD, CO 80112-5730 United States

Ticker: WLBAQ

Filed for Bankruptcy on 10/9/2018

**Case #18-35672, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)
On 10/9/2018 Westmoreland Coal Company and certain of its subsidiaries, including Westmoreland Resource Partners, LP, filed voluntary Bankruptcy Petitions in the United States Bankruptcy Court for the Southern District of Texas. The Company's Canadian entities and Westmoreland Risk Management, Inc. are excluded from the Bankruptcy Filings.**

Latest Financial Statements as of 6/30/2018

Business Summary

Westmoreland Coal Company is an energy company. The Company operates through six segments: Coal-U.S., Coal-Canada, Coal-(WMLP), Power, Heritage and Corporate. The Coal-U.S. segment includes the operations of coal mines located in Montana, North Dakota, Ohio, Texas and New Mexico. The Coal-Canada segment includes the operations of coal mines located in Alberta and Saskatchewan. The Coal-WMLP segment includes the operations of Westmoreland Resource Partners, LP, a coal master limited partnership. The Power segment includes its Roanoke Valley Power Facility (ROVA) operations located in North Carolina. The Heritage segment includes the benefits it provides to former mining operation employees, as well as other administrative costs associated with providing those benefits and cost containment efforts. It produces and sells thermal coal primarily to investment grade utility customers under cost-protected contracts, as well as to industrial customers and barbeque briquettes manufacturers.

(Source: 10-K)

Employees: 2,950 (as of 12/31/2017)

Incorporated: 5/4/1910

Federal Tax Id: 231128670

Credit Score History

Score/ Index	2017			2018											
	O	N	D	J	F	M	A	M	J	J	A	S	O		
FRISK® Score*	1	1	1	1	1	1	1	1	1	1	1	1	1		
DBT Index	9	8	9	9	9	9	8	9	9	9	9	9	9		
Z™-Score	-2.46			-4.5				-4.65				-6.71	Z™		

*FRISK® Scores are month-end

Auditor Information

Last Audit: 12/31/2017

Auditors: F

Opini

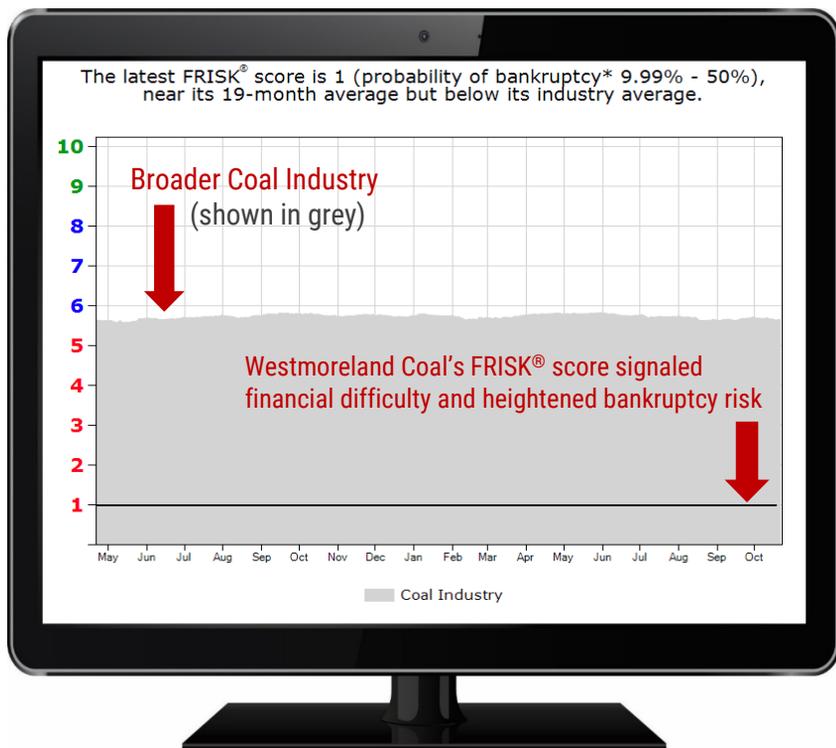
Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Watch
Moody's	C	Stable	SGL-4	OFF

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing.

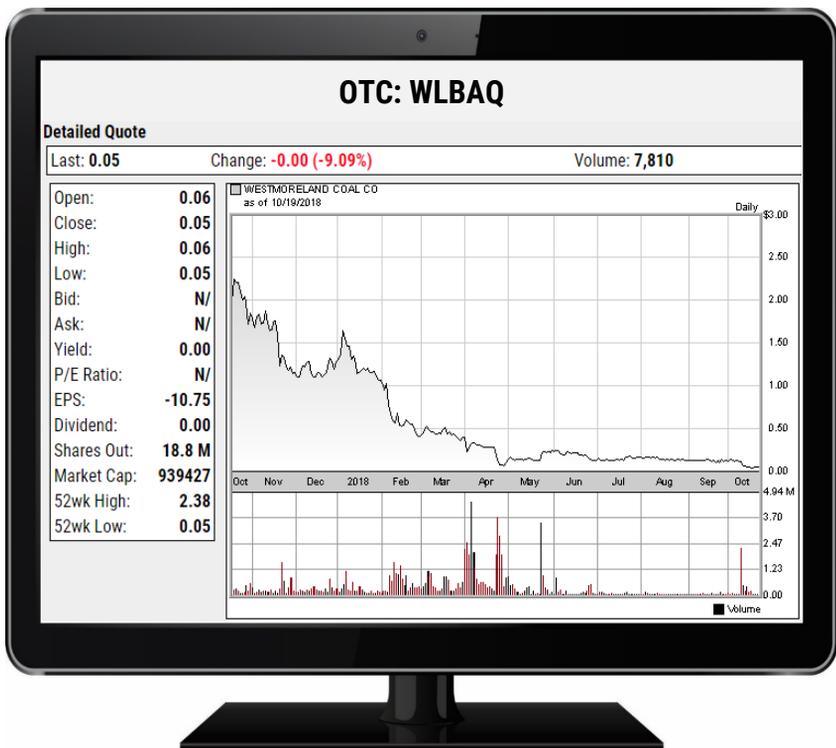
FRISK® DEEP DIVE



The FRISK® score relative to the broader Coal industry raised an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

Business Name	Country	FRISK Score
1 DTEK Energy BV	Netherlands	1
2 Westcore Energy Ltd.	Canada	1
3 Westmoreland Coal Company	United States	1
4 Adavale Resources Limited	Australia	2
5 Aus Asia Minerals Ltd	Australia	2
6 Blackgold Natural Resources Ltd	Singapore	2
7 Borneo Lumbang Energi & Metal Tbk PT	Indonesia	2
8 Columbus Energy Ltd	Canada	2
9 Dwi Guna Laksana Tbk PT	Indonesia	2
10 Eksploitasi Energi Indonesia Tbk PT	Indonesia	2
11 Energy Colliery Company Limited	Zimbabwe	2
12 ... CORPORATION INVESTMENTS LTD	South Africa	2

FRISK® Stress Index - SIC classification: Bituminous coal and lignite surface mining

Primary industry codes only Primary and secondary industry codes

Businesses From: All Businesses CLEAR

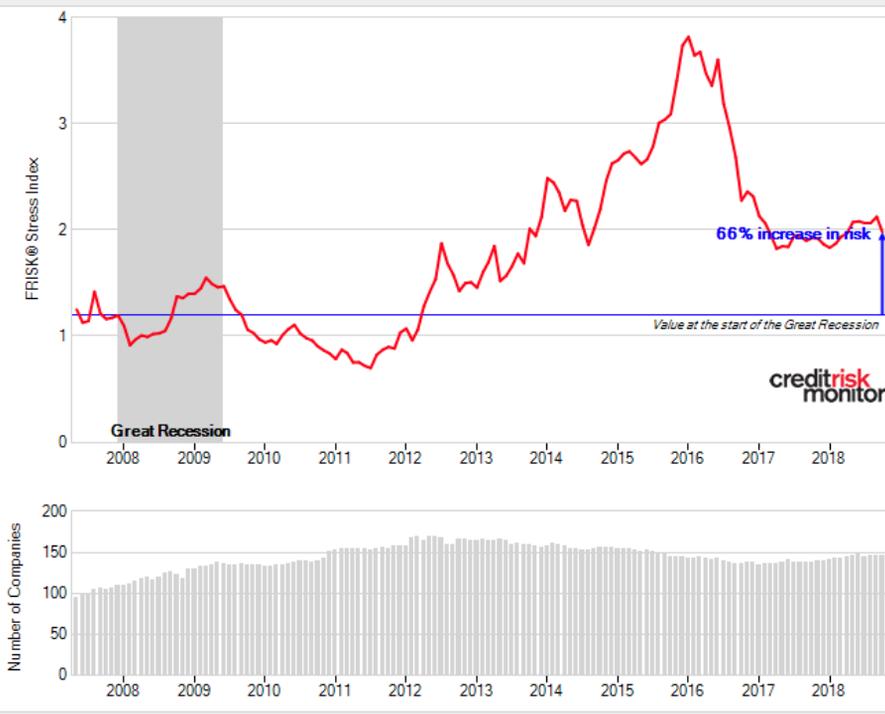
In Industry: SIC 1221: Bituminous coal and lignite surface mining

Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months 228



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 1221 (Bituminous coal and lignite surface mining) has increased 66% since 2007. Westmoreland Coal was among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Westmoreland Coal demonstrated bottom quartile ranking in key financial ratios (shown in red) vs. its industry peers.

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers.

Peer Analysis						
Quarter:		2018.2				
Group:		SIC 1221: Bituminous coal and lignite surface				
REFRESH						
[SIC: 1221] [Calendar Year/Quarter: 2018.2]						
Businesses in Peer Group: 589	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
ZScore	201	247	-6.71	-13,479.33	1.59	465.90
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	29	68	276,312	0	197	1,000,000
Gross Margin % Of Sales	132	210	17.82	-28,701.81		
Gross Margin % Of Sales -- TTM	121	218	23.34	-11,218.57		
SG&A % Of Sales	122	217	14.43	0.76		
SG&A % Of Sales -- TTM	98	226	10.88	0.21		
Operating Margin % Of Sales	190	238	-57.84	-42,901.38		
Operating Margin % Of Sales TTM	162	243	-6.03	-30,570.27		
EBITDA Margin Of Sales	66	73	-49.29	-743.12		
EBITDA Margin Of Sales -- TTM	64	80	0.49	-5,090.13		
Net Profit Margin % Of Sales	194	238	-67.34	-42,901.38		
Net Profit Margin % Of Sales - TTM	177	243	-14.67	-35,590.46	4.10	1,000.78
Pre-tax Income % Of Sales	192	238	-69.50	-42,901.38	6.09	87,466.79
Effective Tax Rate	114	251	0.37	-263.22	7.69	3,607.14
Depreciation % Of Prop/Plant/Equipment	170	210	16.31	0.00	7.87	400.00
Capital Expense % Of Prop/Plant/Equipment	43	197	3.47	0.05	9.27	6,307.34
Interest Coverage	74	84	-4.41	-977.96	3.78	3,702.90
Interest Coverage -- TTM	67	95	0.05	-342.50	3.08	2,242.20
Liquidity ratios:						
Cash Ratio	211	253	0.05	0.00	0.38	335.09
Quick Ratio	208	242	0.15	0.00	0.79	335.83
Current Ratio	222	253	0.28	0.01	1.21	337.32
Efficiency ratios:						
Accounts Receivable Turnover	117	262	7.63	-1.73	5.53	906.22
Days Sales Outstanding	127	241	47.81	-211.34	45.00	1,000.78
% of Inventory Financed by Vendors	N/A	156	N/A	0.23	15.00	
% of Inventory Financed by Vendors -- TTM	N/A	180	N/A	1.10		
Inventory Turnover	106	198	6.99	0.00		
Inventory Turnover TTM	97	201	8.30	-0.02		
Days Sales in Inventory	106	186	52.21	2.25		
Inventory to Working Capital	153	179	-0.14	-5.55		
Accounts Payable Turnover	N/A	232	N/A	0.00		
Accounts Payable Turnover -- TTM	N/A	235	N/A	-0.95		
Leverage & debt coverage:						
Total Debt to Equity Ratio	N/A	183	N/A	0.00	0.00	1,000.78
Debt to Tangible Equity Ratio	N/A	175	N/A	0.00	0.55	340.70
Total Debt to Assets Ratio	194	211	0.75	0.00	0.29	138.76
Short-Term Debt % of Total Debt	156	195	98.58	0.00	39.36	100.00
Short-Term Debt % of Working Capital	141	200	113.15	-606.01	0.04	4,698.99
Liabilities to Net Worth Ratio	N/A	214	N/A	-0.25	1.03	823.36
Total Liabilities to Equity Ratio	N/A	223	N/A	-0.25	0.99	44.27
TTM EBITDA Over Total Debt	64	85	0.01	-36.86	0.25	10.01
Net Debt Over TTM EBITDA	64	64	160.46	-2.54	1.60	160.46

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

QUARTERLY PERFORMANCE RATIOS

Net losses
in all but one
of the last five
fiscal quarters

Weak
free cash flow
generation
relative to debt

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017	3 mos 9/30/2017	3 mos 6/30/2017
Net Sales \$	\$276,312	\$295,677	\$363,796	\$358,011	\$327,314
% change	-6.55%	-18.72%	1.62%	9.38%	-5.68%
Gross Margin \$	\$49,246	\$70,518	\$104,223	\$77,999	\$54,997
% change	-30.17%	-32.34%	33.62%	41.82%	-11.28%
% of sales	17.82%	23.85%	28.65%	21.79%	16.80%
change as % of incremental sales	n/m	n/m	453.31%	74.93%	n/m
SG&A \$	\$39,868	\$35,227	\$34,158	\$31,464	\$29,328
% change	13.17%	3.13%	8.56%	7.28%	-0.81%
% of sales	14.43%	11.91%	9.39%	8.79%	8.96%
change as % of incremental sales	n/m	n/m	46.57%	6.96%	n/m
Operating margin \$	(\$159,823)	\$10,427	\$57,112	\$14,255	(\$13,042)
% change	-1,632.78%	-81.74%	300.65%	209.30%	-17,765.75%
% of sales	-57.84%	3.53%	15.70%	3.98%	-3.98%
change as % of incremental sales	n/m	n/m	740.83%	88.92%	n/m
EBITDA \$	(\$136,198)	\$32,243	\$67,286	\$43,049	\$22,102
% change	-522.41%	-52.08%	56.30%	94.77%	-28.72%
% of sales	-49.29%	10.90%	18.50%	12.02%	6.75%
change as % of incremental sales	n/m	n/m	418.96%	68.24%	n/m
EBIT \$	(\$162,594)	\$6,208	\$60,363	\$4,982	(\$17,395)
% change	-2,719.10%	-89.72%	1,111.62%	128.64%	-212.97%
% of sales	-58.84%	2.10%	16.59%	1.39%	-5.31%
change as % of incremental sales	n/m	n/m	957.32%	72.90%	n/m
Pre-tax income \$	(\$192,039)	(\$20,346)	\$29,505	(\$19,740)	(\$46,684)
% change	-843.87%	-168.96%	249.47%	57.72%	-53.12%
% of sales	-69.50%	-6.88%	8.11%	-5.51%	-14.26%
change as % of incremental sales	n/m	n/m	851.25%	87.77%	n/m
Net income (loss) \$	(\$186,067)	(\$19,589)	\$35,069	(\$19,222)	(\$46,144)
% change	-849.85%	-155.86%	282.44%	58.34%	-55.80%
% of sales	-67.34%	-6.63%	9.64%	-5.37%	-14.10%
change as % of incremental sales	n/m	n/m	938.48%	87.77%	n/m
Tax expense \$	(\$712)	(\$35)	\$34,516		
Effective tax rate	0.37%	0.17%	116.98%		
Depreciation expense \$	\$26,396	\$26,035	\$6,923		
% of sales	9.55%	8.81%	1.90%		
% of capital expenses	470.60%	422.37%	71.73%		
% of PP&E, net (annualized)	16.31%	14.32%	3.67%		
Capital expenditures \$	\$5,609	\$6,164	\$9,651		
% change	-9.00%	-36.13%	-21.29%		
% of PP&E, net (annualized)	3.47%	3.39%	5.12%		
% of working capital (annualized)	-2.47%	-2.86%	-9.19%	648.13%	175.34%
Interest coverage ratio	(4.41)	1.07	2.08	1.40	0.73
% change	-511.47%	-48.55%	48.78%	91.36%	-30.95%
Free cash flow \$	(\$36,773)	(\$15,082)	\$83,358	(\$1,261)	\$4,970
% change	-143.82%	-118.09%	6,710.47%	-125.37%	162.75%
Source:	10-Q 8/6/2018	10-Q 5/4/2018	10-K 4/2/2018	10-Q 10/31/2017	10-Q 8/6/2018

Interest coverage
ratio signaled
heightened
default risk

QUARTERLY LEVERAGE RATIOS

Negative tangible net worth suggested loanable collateral had been exhausted

Rapid increase in short-term debt was due to the possible 'event of default' of a subsidiary

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	6/30/2018	3/31/2018	12/31/2017	9/30/2017	6/30/2017
Total debt \$	\$1,086,949	\$1,043,015	\$1,048,407	\$1,071,148	\$1,075,562
% change	4.21%	-0.51%	-2.12%	-0.41%	-1.52%
Stockholders' equity \$	(\$675,696)	(\$484,450)	(\$460,280)	(\$770,895)	(\$763,516)
% change	-39.48%	-5.25%	40.29%	-0.97%	-6.05%
Tangible net worth \$	(\$675,696)	(\$484,450)	(\$460,280)	(\$770,895)	(\$763,516)
% change	-39.48%	-5.25%	40.29%	-0.97%	-6.05%
Total assets \$	\$1,457,595	\$1,636,796	\$1,663,918	\$1,434,512	\$1,459,471
% change	-10.95%	-1.63%	15.99%	-1.71%	-3.40%
Total debt to assets ratio	0.75	0.64	0.63	0.75	0.74
% change	17.03%	1.13%	-15.62%	1.32%	1.95%
Tangible assets \$	\$1,457,595	\$1,636,796	\$1,663,918	\$1,434,512	\$1,459,471
% change	-10.95%	-1.63%	15.99%	-1.71%	-3.40%
Short-term debt \$	\$1,071,533	\$985,352	\$983,427	\$49,712	\$54,494
% change	8.75%	0.20%	1,878.25%	-8.78%	-25.05%
Short-term debt % of total debt	98.58%	94.47%	93.80%	4.64%	5.07%
% change	4.35%	0.71%	1,921.16%	-8.40%	-23.90%
Short-term debt % of working capital	-113.15%	-113.03%	-115.32%	385.87%	2,420.88%
% change	-0.11%	1.98%	-129.89%	-84.06%	720.39%
Total liabilities \$	\$2,133,291	\$2,121,246	\$2,124,198	\$2,205,407	\$2,222,987
% change	0.57%	-0.14%	-3.68%	-0.79%	-0.35%
Total debt to working capital	n/a	8.09	3.90	6.22	12.17
% change	n/a	107.61%	-37.38%	-48.87%	38.17%
Source:	10-Q 8/6/2018	10-Q 5/4/2018	10-Q 5/4/2018	10-Q 10/31/2017	10-Q 8/4/2017

Inadequate working capital to meet short-term liabilities

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital drastically decreased

Meager cash, quick, & current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	6/30/2018	3/31/2018	12/31/2017	9/30/2017	6/30/2017
Current assets \$	\$376,771	\$385,567	\$392,441	\$343,041	\$345,461
% change	-2.28%	-1.75%	14.40%	-0.70%	-4.77%
% of short-term debt	35.16%	39.13%	39.91%	690.06%	633.94%
Current liabilities \$	\$1,323,743	\$1,257,307	\$1,245,209	\$330,158	\$343,210
% change	5.28%	0.97%	277.16%	-3.80%	1.51%
Working capital \$	(\$946,972)	(\$871,740)	(\$852,768)	\$12,883	\$2,251
% change	-8.63%	-2.22%	-6,719.33%	472.32%	-90.86%
% of sales (annualized)	-85.68%	-73.71%	-58.60%	0.90%	0.17%
Cash \$	\$63,187	\$78,794	\$103,247	\$44,143	\$57,620
% change	-19.81%	-23.68%	133.89%	-23.39%	-23.62%
% of short-term debt	5.90%	8.00%	10.50%	88.80%	105.74%
Cash ratio	0.05	0.06	0.08	0.13	0.17
% change	-23.92%	-24.37%	-38.00%	-20.37%	-24.74%
Quick assets \$	\$199,251	\$232,275	\$256,432	\$190,555	\$190,335
% change	-14.22%	-9.42%	34.57%	0.12%	-7.86%
% of short-term debt	18.59%	23.57%	26.08%	383.32%	349.28%
Quick ratio	0.15	0.18	0.21	0.58	0.55
% change	-18.52%	-10.30%	-64.33%	4.08%	-9.22%
Current ratio	0.28	0.31	0.32	1.04	1.01
% change	-7.21%	-2.70%	-69.66%	3.22%	-6.18%
Source:	10-Q 8/6/2018	10-Q 5/4/2018	10-Q 5/4/2018	10-Q 10/31/2017	10-Q 8/4/2017

Insufficient rates of return

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017	3 mos 9/30/2017	3 mos 6/30/2017
Return on total assets	-12.03%	-1.19%	2.26%	-1.33%	-3.11%
% change	-913.15%	-152.44%	270.41%	57.24%	-62.37%
Return on tangible assets	-12.03%	-1.19%	2.26%	-1.33%	-3.11%
% change	-913.15%	-152.44%	270.41%	57.24%	-60.89%
Source:	10-Q 8/6/2018	10-Q 5/4/2018	10-K 4/2/2018	10-Q 10/31/2017	10-Q 8/6/2018

NEWS ALERTS: A TIMELINE OF CONCERNING HEADLINES

Westmoreland Coal's President and Chief Operating Officer separated from the Company.		
10/19/2017	CRMZ News Service	WESTMORELAND COAL CO FILES (8-K) Disclosing Change in Directors or Principal Officers, Regulation FD Disclosure, Financial Statements and Exhibits
For the nine months ended 9/30/17, net loss increased 444% over the prior year's period to \$106MM.		
11/2/2017	CRMZ News Service	Westmoreland Coal Company -- updated financials available
Westmoreland Coal announced CEO leadership changes; appointed interim CEO.		
12/1/2017	CRMZ News Service	WESTMORELAND COAL CO FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits
Declining industry conditions, significant debt service requirements, results of operations, and cash flows gave rise to substantial doubt about Westmoreland Coal's ability to pay its obligations as they become due.		
4/2/2018	CRMZ News Service	Westmoreland Coal Company Receives Going Concern Opinion
Westmoreland Coal officials hired advisers to explore financial options. The advisers were to look into refinancing and other moves to address the Company's liquidity.		
4/9/2018	CRMZ News Service	Westmoreland Coal Says It Could Declare Bankruptcy
A debtor-in-possession loan was sought out by the Company.		
4/13/2018	CRMZ News Service	Westmoreland Coal Shops For \$100 Million Bankruptcy Loan
The Company's stock is delisted by Nasdaq.		
6/6/2018	CRMZ News Service	WESTMORELAND COAL Co: a Form 25-NSE has been Filed with the SEC
Westmoreland Coal failed to meet debt service obligations outlined in their original debt agreements.		
7/11/2018	CRMZ News Service	Moody's says Westmoreland's delayed interest payment will be considered limited default
Net loss for Q2 2018 increased 303% to \$186MM versus net loss of \$46MM for the same period last year; net loss for the YTD period increased 172% to \$206MM versus net loss of \$76MM over the prior year's period.		
8/8/2018	CRMZ News Service	Westmoreland Coal Company -- updated financials available
Westmoreland Coal Company filed for bankruptcy.		
10/9/2018	CRMZ News Service	Westmoreland Coal Company: Chapter 11 Petition filed on 10/9/2018

MANAGEMENT DISCUSSION AND ANALYSIS

One of the CreditRiskMonitor service's features is the ability to quickly access a Company's Management Discussion and Analysis (MD&A) history.

The MD&A represents the thoughts and opinions of management, and provides a forecast of future operations, and therefore these statements can't typically be falsified. According to the Financial Accounting Standards Board (FASB), "MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed."

Sarbanes-Oxley subjects CEOs and CFOs to jail and monetary penalties for certifying misleading or fraudulent reports

Report

Westmoreland Coal Company
 9540 Maroon Cir Ste 300
 ENGLEWOOD, CO 80112-5730 United States
 Phone: (303) 922-6463
 Ticker: WLBAQ

Filed for Bankruptcy on 10/9/2018
 Case #18-35672, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)
 On 10/9/2018 Westmoreland Coal Company and certain of its subsidiaries, including Westmoreland Resource Partners, LP, filed voluntary Bankruptcy Petitions in the United States Bankruptcy Court for the Southern District of Texas. The Company's Canadian entities and Westmoreland Risk Management, Inc. are excluded from the Bankruptcy Filings.

Management Discussion and Analysis

For the period ended 6/30/2018

Liquidity (MD&A)

Under impacts of declining industry conditions and significant debt service requirements on the Company's financial position, results of operations and cash flows gives rise to substantial doubt about our ability to pay our obligations as they come due. In consideration of these challenges, the Company has engaged advisers to assist with the evaluation of strategic alternatives, which may include seeking a restructuring, selling certain assets, amendment or refinancing of existing debt through a private restructuring or reorganization under Chapter 11 of the Bankruptcy Code. However, there can be no assurances that the Company will be able to successfully restructure its indebtedness, improve its financial position or complete any strategic transactions. As a result of these uncertainties and the likelihood of a restructuring or reorganization, management has concluded that there is substantial doubt regarding the Company's ability to continue as a going concern. As such, the accompanying consolidated financial statements (unaudited) are prepared on a going concern basis and do not include any adjustments that might result from uncertainty about our ability to continue as a going concern, other than the reclassification of certain long-term debt to current debt and the related debt issuance costs to current liabilities and current assets, respectively.

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



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