

NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF WALTER ENERGY CANADA HOLDINGS, INC. AND THE OTHER  
PETITIONERS LISTED ON SCHEDULE "A"

PETITIONERS

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**WALTER CANADA GROUP'S BOOK OF EVIDENCE**  
**(Volume 5)**

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**DLA PIPER (CANADA) LLP**  
2800 Park Place  
666 Burrard Street  
Vancouver, BC V6C 2Z7

Attention: Mary I.A. Buttery and  
H. Lance Williams

Tel: 604.687.9444  
Fax: 604.687.1612

Mary I.A. Buttery &  
H. Lance Williams  
(DLA Piper (Canada) LLP)  
- and -

Marc Wasserman,  
Patrick Riesterer & Mary Paterson  
(Osler, Hoskin & Harcourt LLP)

Counsel for the Petitioners

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT,  
S.B.C. c. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT  
OF WALTER ENERGY CANADA HOLDINGS, INC., AND THE OTHER PETITIONERS  
LISTED IN SCHEDULE "A" TO THE INITIAL ORDER

PETITIONERS

**WALTER CANADA GROUP'S BOOK OF EVIDENCE**

<b>TAB</b>	<b>Document</b>
<b>VOL I: Pleadings</b>	
1	Walter Canada Group's Statement of Uncontested Facts
2	Amended Notice of Civil Claim (1974 Plan)
3	Amended Response to Civil Claim (Walter Canada Group)
4	Amended Response to Civil Claim (United Steelworkers)
5	Response to Civil Claim (the Monitor)
6	Reply to United Steelworkers (1974 Plan)
<b>VOL II: Decisions and Walter Energy Documents Filed in this CCAA Proceeding</b>	
7	Reasons for Judgment of Madam Justice Fitzpatrick dated January 26, 2016
8	Reasons for Judgment of Madam Justice Fitzpatrick dated September 23, 2016
9	1st Affidavit of William G. Harvey dated December 4, 2015 (with selected exhibits)
9A	List of Canadian Petitioners
9C	List of U.S. Petitioners
10	1 <sup>st</sup> Affidavit of William E. Aziz dated March 22, 2016 (with exhibit)
10A	Monitor's First and Second Certificates related to Bulldozer Transaction

<b>TAB</b>	<b>Document</b>
<b>VOL III: 1974 Documents Filed in this CCAA Proceeding</b>	
11	Application Response of the 1974 Plan filed January 4, 2016
12	1 <sup>st</sup> Affidavit of Miriam Dominguez dated January 4, 2016 (with exhibits)
12A	Proof of Claim filed by 1974 Plan against Walter Resources in the US Bankruptcy Proceedings
12B	Proof of Claim filed by 1974 Plan against Walter Energy in the US Bankruptcy Proceedings
12C	US Bankruptcy Court Memorandum of Opinion and Order granting Walter US Debtors' 1113/1114 Motion dated December 28, 2015
13	Application Response of the 1974 Plan filed March 29, 2016
14	2 <sup>nd</sup> Affidavit of Miriam Dominguez dated March 29, 2016 (with selected exhibits)
14A	US Bankruptcy Court Order Approving Global Settlement Among the Debtors, Official Committee of Unsecured Creditors, Steering Committee and Stalking Horse Purchaser Pursuant to Fed. R. Bankr. P. 9019
14B	Order dated December 30, 2015, amending the 1113/114 Order
14D	Notice of Joint Motion for an Order (A) Authorizing Procedures to Implement the Global Settlement and (B) Granting Related Relief
14E	Order (A) Authorizing Procedures to Implement the Global Settlement and (B) Granting Related Relief
<b>VOL IV: Orders Granted and Documents filed in Court File No. S110653 (the Western Acquisition)</b>	
15	Order of Mr. Justice McEwan dated March 10, 2011 approving Western Acquisition Plan of Arrangement
16	1 <sup>st</sup> Affidavit of Keith Calder dated February 1, 2011 (without exhibits)
17	2 <sup>nd</sup> Affidavit of Keith Calder dated March 8, 2011 (without exhibits)
<b>VOL V: New Evidence Filed by Walter Canada Group in Adjudication of 1974 Plan Claim</b>	
18	1 <sup>st</sup> Affidavit of Linda Sherwood dated November 14, 2016, (with corporation report exhibits)
19	2 <sup>nd</sup> Affidavit of Linda Sherwood dated November 14, 2016, (with Walter Energy filings with the United States Securities and Exchange Commission exhibits)
<b>VOL VI: Expert Evidence on U.S. Law to Assist in Adjudication of 1974 Plan Claim</b>	
20	Expert Report

**TAB 18**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND  
ARRANGEMENT OF WALTER ENERGY CANADA HOLDINGS,  
INC. AND THE OTHER PETITIONERS LISTED ON SCHEDULE  
"A" TO THE INITIAL ORDER

PETITIONERS

**AFFIDAVIT**

I, Linda Sherwood, of the City of Pickering, in the Province of Ontario, AFFIRM:

1. I am a legal assistant with the law firm of Osler, Hoskin & Harcourt LLP, lawyers for the Petitioners, and, as such, have knowledge of the following matters.
2. The corporate search attached as Schedule A to this Affidavit is a BC Company Summary for Brule Coal ULC conducted by BC Registry Services and dated November 14, 2016.
3. The corporate search attached as Schedule B to this Affidavit is a General Partnership Summary for Brule Coal Partnership conducted by BC Registry Services and dated November 14, 2016.

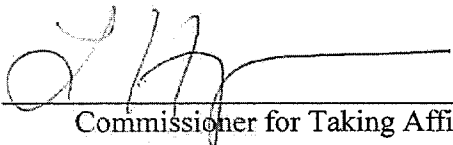
4. The corporate search attached as Schedule C to this Affidavit is a BC Company Summary for Cambrian Energybuild Holdings ULC conducted by BC Registry Services and dated November 14, 2016.

5. The corporate search attached as Schedule D to this Affidavit is a General Partnership Summary for Walter Canadian Coal Partnership conducted by BC Registry Services and dated November 14, 2016.

6. The corporate search attached as Schedule E to this Affidavit is a BC Company Summary for Wolverine Coal ULC conducted by BC Registry Services and dated November 14, 2016.

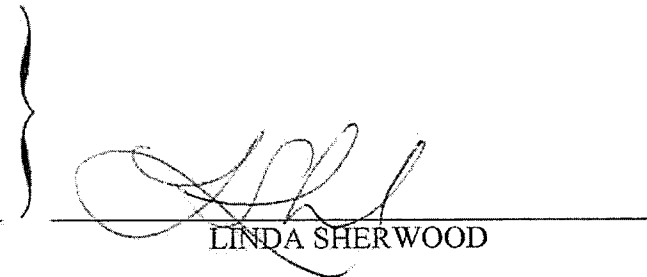
7. The corporate search attached as Schedule F to this Affidavit is a General Partnership Summary for Wolverine Coal Partnership conducted by BC Registry Services and dated November 14, 2016.

**AFFIRMED BEFORE ME** at the City of Toronto, in the Province of Ontario on November 14th, 2016.



Commissioner for Taking Affidavits

LAUREN HARPER.



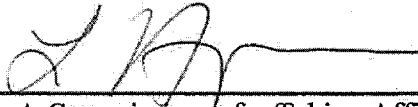
LINDA SHERWOOD

**TAB 18A**

THIS IS SCHEDULE "A" REFERRED TO IN

THE AFFIDAVIT OF LINDA SHERWOOD

SWORN BEFORE ME ON THIS 14th DAY OF NOVEMBER, 2016

A handwritten signature in black ink, appearing to read 'L Harper', written over a horizontal line.

A Commissioner for Taking Affidavits

LAUREN HARPER.





**BC Company Summary**  
For  
**BRULE COAL ULC**

**Date and Time of Search:** November 14, 2016 07:31 AM Pacific Time  
**Currency Date:** July 19, 2016

**ACTIVE**

**Incorporation Number:** BC0944333  
**Name of Company:** BRULE COAL ULC  
**Recognition Date and Time:** Incorporated on June 27, 2012 12:15 PM Pacific Time **In Liquidation:** No  
**Last Annual Report Filed:** June 27, 2016 **Receiver:** No

**REGISTERED OFFICE INFORMATION**

**Mailing Address:**  
1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA

**Delivery Address:**  
1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA

**RECORDS OFFICE INFORMATION**

**Mailing Address:**  
1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA

**Delivery Address:**  
1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA

**DIRECTOR INFORMATION**

**Last Name, First Name, Middle Name:**  
Stickel, Danny L.

**Mailing Address:**  
235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

**Delivery Address:**  
235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

**OFFICER INFORMATION AS AT June 27, 2016**

**Last Name, First Name, Middle Name:**

Kangas, Al

**Office(s) Held:** (Vice President)

**Mailing Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

**Delivery Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

---

**Last Name, First Name, Middle Name:**

Stickel, Danny L.

**Office(s) Held:** (Other Office(s))

**Mailing Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

**Delivery Address:**

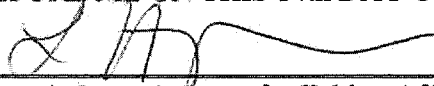
235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

---

**TAB 18B**

THIS IS SCHEDULE "B" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD

SWORN BEFORE ME ON THIS 14th DAY OF NOVEMBER, 2016



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A Commissioner for Taking Affidavits

LAUREN HARPER



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## General Partnership Summary

For

### BRULE COAL PARTNERSHIP

---

**Date and Time of Search:** November 14, 2016 07:32 AM Pacific Standard Time  
**Currency Date:** November 07, 2016

---

#### ACTIVE

**Registration Number:** FM0588499  
**Name of General Partnership:** BRULE COAL PARTNERSHIP  
**Registration Date:** July 25, 2012  
**Business Start Date:** July 25, 2012  
**Nature of Business:** The construction, operation, maintenance, closure and reclamation of mines. [NAICS-N/A]

---

#### ADDRESS INFORMATION

**Business Address:**  
200 - 235 FRONT ST  
TUMBLER RIDGE BC V0C 2W0

**Mailing Address:**  
200 - 235 FRONT ST  
TUMBLER RIDGE BC V0C 2W0

---

#### PARTNER INFORMATION

**Individual or Company Name:**  
BRULE COAL ULC

**Incorporation or Registration Number:**  
0944333

**Residential Address:**  
1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC  
CANADA V6C 3L2

---

**Individual or Company Name:**  
WALTER CANADIAN COAL PARTNERSHIP

**Incorporation or Registration Number:**  
FM0588494

**Residential Address:**  
1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC  
CANADA V6C 3L2

## **SUBMITTING PARTY INFORMATION**

**Name:**

Lawson Lundell LLP

**Mailing Address:**

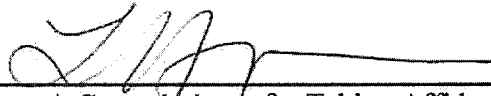
1600-925 WEST GEORGIA STREET

VANCOUVER BC

CANADA V6C 3L2

**TAB 18C**

THIS IS SCHEDULE "C" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD  
SWORN BEFORE ME ON THIS 14th DAY OF NOVEMBER, 2016

A handwritten signature in black ink, appearing to read 'LAUREN HARPER', written over a horizontal line.

A Commissioner for Taking Affidavits

LAUREN HARPER.





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## BC Company Summary

For  
**CAMBRIAN ENERGYBUILD HOLDINGS ULC**

---

**Date and Time of Search:** November 14, 2016 07:33 AM Pacific Time  
**Currency Date:** July 19, 2016

---

### ACTIVE

**Incorporation Number:** BC0944336  
**Name of Company:** CAMBRIAN ENERGYBUILD HOLDINGS ULC  
**Recognition Date and Time:** Incorporated on June 27, 2012 12:22 PM Pacific Time      **In Liquidation:** No  
**Last Annual Report Filed:** June 27, 2015      **Receiver:** No

---

### REGISTERED OFFICE INFORMATION

**Mailing Address:**  
1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA

**Delivery Address:**  
1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA

---

### RECORDS OFFICE INFORMATION

**Mailing Address:**  
1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA

**Delivery Address:**  
1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA

---

### DIRECTOR INFORMATION

**Last Name, First Name, Middle Name:**  
Stickel, Danny L.

**Mailing Address:**  
235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

**Delivery Address:**  
235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

---

### OFFICER INFORMATION AS AT June 27, 2015

**Last Name, First Name, Middle Name:**

Griffin, Michael

**Office(s) Held:** (Treasurer)

**Mailing Address:**

3000 RIVERCHASE GALLERIA, SUITE 1700  
BIRMINGHAM AL 35244  
UNITED STATES

**Delivery Address:**

3000 RIVERCHASE GALLERIA, SUITE 1700  
BIRMINGHAM AL 35244  
UNITED STATES

---

**Last Name, First Name, Middle Name:**

Hurley, Michael R.

**Office(s) Held:** (Other Office(s))

**Mailing Address:**

3000 RIVERCHASE GALLERIA, SUITE 1700  
BIRMINGHAM AL 35244  
UNITED STATES

**Delivery Address:**

3000 RIVERCHASE GALLERIA, SUITE 1700  
BIRMINGHAM AL 35244  
UNITED STATES

---

**Last Name, First Name, Middle Name:**

Kangas, Al

**Office(s) Held:** (Vice President)

**Mailing Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

**Delivery Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

---

**Last Name, First Name, Middle Name:**

Stickel, Danny L.

**Office(s) Held:** (Other Office(s))

**Mailing Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

**Delivery Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

---

**Last Name, First Name, Middle Name:**

Swinea, Calven

**Office(s) Held:** (Vice President)

**Mailing Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

**Delivery Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

---

**TAB 18D**

THIS IS SCHEDULE "D" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD  
SWORN BEFORE ME ON THIS 14th DAY OF NOVEMBER, 2016



---

A Commissioner for Taking Affidavits

LAUREN HARPER .



---

## General Partnership Summary

For

### WALTER CANADIAN COAL PARTNERSHIP

---

**Date and Time of Search:** November 14, 2016 07:26 AM Pacific Standard Time  
**Currency Date:** November 07, 2016

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#### ACTIVE

**Registration Number:** FM0588494  
**Name of General Partnership:** WALTER CANADIAN COAL PARTNERSHIP  
**Registration Date:** July 25, 2012  
**Business Start Date:** July 25, 2012  
**Nature of Business:** Acting as a shareholder, partner, limited partner or other equity holder of various entities. [NAICS-N/A]

---

#### ADDRESS INFORMATION

**Business Address:**  
200 - 235 FRONT ST  
TUMBLER RIDGE BC V0C 2W0

**Mailing Address:**  
200 - 235 FRONT ST  
TUMBLER RIDGE BC V0C 2W0

---

#### PARTNER INFORMATION

**Individual or Company Name:**  
WALTER CANADIAN COAL ULC  
**Residential Address:**  
1600 - 925 West Georgia Street  
Vancouver BC  
CANADA V6C 3L2

**Incorporation or Registration Number:**  
0944501

---

**Individual or Company Name:**  
WALTER ENERGY CANADA HOLDINGS, INC.  
**Residential Address:**  
1600 - 925 West Georgia Street  
Vancouver BC  
CANADA V6C 3L2

**Incorporation or Registration Number:**  
0905008

## **SUBMITTING PARTY INFORMATION**

**Name:**

Lawson Lundell LLP

**Mailing Address:**


1600 - 925 West Georgia Street

Vancouver BC

CANADA V6C 3L2

**TAB 18E**

THIS IS SCHEDULE "E" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD  
SWORN BEFORE ME ON THIS 14th DAY OF NOVEMBER, 2016



---

A Commissioner for Taking Affidavits

LAUREN HARPER





## BC Company Summary

For  
**WOLVERINE COAL ULC**

**Date and Time of Search:** November 14, 2016 07:27 AM Pacific Time  
**Currency Date:** July 19, 2016

### ACTIVE

**Incorporation Number:** BC0944332  
**Name of Company:** WOLVERINE COAL ULC  
**Recognition Date and Time:** Incorporated on June 27, 2012 12:09 PM Pacific Time      **In Liquidation:** No  
**Last Annual Report Filed:** June 27, 2016      **Receiver:** No

### COMPANY NAME INFORMATION

**Previous Company Name:** PERRY CREEK COAL ULC  
**Date of Company Name Change:** July 20, 2012

### REGISTERED OFFICE INFORMATION

**Mailing Address:** 1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA  
**Delivery Address:** 1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA

### RECORDS OFFICE INFORMATION

**Mailing Address:** 1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA  
**Delivery Address:** 1600 - 925 WEST GEORGIA STREET  
VANCOUVER BC V6C 3L2  
CANADA

### DIRECTOR INFORMATION

**Last Name, First Name, Middle Name:**  
Stickel, Danny L.

**Mailing Address:** 235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA  
**Delivery Address:** 235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

---

**OFFICER INFORMATION AS AT June 27, 2016**

**Last Name, First Name, Middle Name:**

Kangas, Al

**Office(s) Held:** (Vice President)

**Mailing Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

**Delivery Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

---

**Last Name, First Name, Middle Name:**

Stickel, Danny L.

**Office(s) Held:** (Other Office(s))

**Mailing Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

**Delivery Address:**

235 FRONT STREET, SUITE 200  
TUMBLER RIDGE BC V0C 2W0  
CANADA

---

**TAB 18F**

THIS IS SCHEDULE "F" REFERRED TO IN

THE AFFIDAVIT OF LINDA SHERWOOD

SWORN BEFORE ME ON THIS 14th DAY OF NOVEMBER, 2016



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A Commissioner for Taking Affidavits

LAUREN HARPER



General Partnership Summary For WOLVERINE COAL PARTNERSHIP

Date and Time of Search: November 14, 2016 07:30 AM Pacific Standard Time
Currency Date: November 07, 2016

ACTIVE

Registration Number: FM0587822
Name of General Partnership: WOLVERINE COAL PARTNERSHIP
Registration Date: July 16, 2012
Business Start Date: July 16, 2012
Nature of Business: The construction, operation, maintenance, closure and reclamation of mines. [NAICS-N/A]

ADDRESS INFORMATION

Business Address: 200 - 235 FRONT ST TUMBLER RIDGE BC V0C 2W0
Mailing Address: 200 - 235 FRONT ST TUMBLER RIDGE BC V0C 2W0

PARTNER INFORMATION

Individual or Company Name: WOLVERINE COAL ULC
Residential Address: 1600 - 925 West Georgia Street Vancouver BC CANADA V6C 3L2
Incorporation or Registration Number: 0944332

Individual or Company Name: WALTER CANADIAN COAL PARTNERSHIP
Residential Address: 1600 - 925 WEST GEORGIA STREET VANCOUVER BC CANADA V6C 3L2
Incorporation or Registration Number: FM0588494

## **SUBMITTING PARTY INFORMATION**

**Name:**

Lawson Lundell LLP

**Mailing Address:**

1600 - 925 West Georgia Street

Vancouver BC

CANADA V6C 3L2

NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

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IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND  
ARRANGEMENT OF WALTER ENERGY CANADA HOLDINGS,  
INC. AND THE OTHER PETITIONERS LISTED ON SCHEDULE  
"A" TO THE INITIAL ORDER

PETITIONERS

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**AFFIDAVIT**

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OSLER, HOSKIN & HARCOURT LLP  
Box 50, 1 First Canadian Place  
Toronto, Ontario, Canada M5X 1B8  
Mary Paterson  
LSUC#: 51572P

Tel: 416.862.4924  
Fax: 416.862.6666

Solicitors for the Petitioners

**TAB 19**



**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND  
ARRANGEMENT OF WALTER ENERGY CANADA HOLDINGS,  
INC. AND THE OTHER PETITIONERS LISTED ON SCHEDULE  
"A" TO THE INITIAL ORDER

PETITIONERS


**AFFIDAVIT**

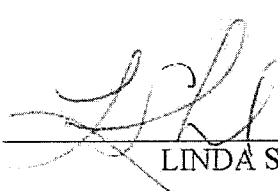
I, Linda Sherwood, of the City of Pickering, in the Province of Ontario, AFFIRM:

1. I am a legal assistant with the law firm of Osler, Hoskin & Harcourt LLP, lawyers for the Petitioners, and, as such, have knowledge of the following matters.
2. Attached as Schedule A to this Affidavit is a Form 8-K with attached press release filed by Walter Energy with the United States Securities and Exchange Commission (the "SEC") on its publicly-available Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR") on November 18, 2010.
3. Attached as Schedule B to this Affidavit is a Form 8-K with attached press release filed by Walter Energy with the SEC on EDGAR on December 2, 2010.

4. Attached as Schedule C to this Affidavit is a Form 8-K with attached presentation and press release filed by Walter Energy with the SEC on EDGAR on December 3, 2010.
5. Attached as Schedule D to this Affidavit is a Form 8-K with attached press release filed by Walter Energy with the SEC on EDGAR on January 21, 2011.
6. Attached as Schedule E to this Affidavit is a Form 8-K with attached press release filed by Walter Energy with the SEC on EDGAR on February 15, 2011.
7. Attached as Schedule F to this Affidavit is a Form 8-K with attached press release filed by Walter Energy with the SEC on EDGAR on March 2, 2011.
8. Attached as Schedule G to this Affidavit is a Form 8-K with two attached press releases filed by Walter Energy with the SEC on EDGAR on March 11, 2011.
9. Attached as Schedule H to this Affidavit is a Form 8-K with attached press release filed by Walter Energy with the SEC on EDGAR on March 28, 2011.

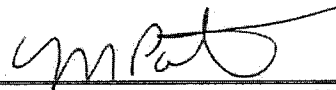
**AFFIRMED BEFORE ME** at the City of Toronto, in the Province of Ontario on November 14<sup>th</sup>, 2016.

  
\_\_\_\_\_  
Commissioner for Taking Affidavits  
Mary Paterson

  
\_\_\_\_\_  
LINDA SHERWOOD

**TAB 19A**

THIS IS SCHEDULE "A" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD  
SWORN BEFORE ME ON THIS 14 DAY OF NOVEMBER, 2016



---

A Commissioner for Taking Affidavits

**Mary Paterson**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **November 18, 2010** (November 17, 2010)

---

**Walter Energy, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation  
or organization)

**001-13711**  
Commission File No.

**13-3429953**  
(I.R.S. Employer Identification No.)

**4211 W. Boy Scout Boulevard  
Tampa, Florida 33607  
(813) 871-4811**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**N/A**

(Former Name or Former Address, if Changed from Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

On November 17, 2010, Walter Energy, Inc. (the "Company") entered into a share purchase agreement (the "Share Purchase Agreement") with Audley Capital Management Limited, Audley European Opportunities Master Fund Limited,

Audley Investment I and Audley Investment II (collectively, "Audley"), providing for the purchase by the Company and the sale by Audley of 54,547,858 common shares representing approximately 19.8 percent of the outstanding common shares of Western Coal Corp. ("Western Coal").

### **Share Purchase Agreement**

Pursuant to the Share Purchase Agreement, the Company has agreed to purchase Western Coal common shares from Audley in two installments. The Company shall acquire the first installment of 25,274,745 common shares for CAD\$11.50 in cash upon the satisfaction of the conditions to closing that purchase. Immediately upon the completion of a business combination between the Company and Western Coal or no later than April 30, 2011 (each a "Subsequent Event"), and upon satisfaction of applicable closing conditions, the Company shall acquire the second installment of 29,273,113 common shares for, the equivalent of CAD\$11.50 for each second installment share in such combination of cash and/or shares of Walter common stock based on the same methods for determining the exchange ratio and on the basis of providing the same elections in respect of the consideration (the "Form of Consideration") as is agreed upon in the definitive agreement between Walter and Western Coal providing for such business combination in respect of the consideration for the other shareholders of Western Coal, provided that if the Form of Consideration is not acceptable to Audley, each second installment share will be purchased for CAD\$11.50 in cash. If Western Coal receives a competing acquisition proposal by a third party before a Subsequent Event, the Company may elect to purchase the second installment of common shares at any time prior to April 30, 2011, on notice to Audley, in order to enable the Company to participate in the competing acquisition proposal, and Audley will receive a cash payment equal to 50% of the consideration received by the Company in excess of the purchase price for the Western Coal common shares acquired in the second installment. If, prior to April 30, 2011, the Company completes a business combination with Western Coal at a purchase price greater than CAD\$11.50 per common share, the Company shall pay to Audley the excess over CAD\$11.50 for each share purchased in the second installment. The excess payment shall be made in cash, and/or Company common shares on the same basis as received by the other holders of Western Coal common shares in such business combination.

Closings under the Share Purchase Agreement are subject to customary closing conditions, including expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and compliance with any other applicable competition laws.

Pursuant to the terms of the Share Purchase Agreement, among other things, (i) Audley is prohibited from soliciting alternative transactions with respect to its interests in Western Coal, (ii) until the occurrence of a Subsequent Event, Audley has agreed not to transfer or dispose of the Western Coal common shares to be sold to the Company or grant any proxies, powers-of-attorney or voting rights with respect to such common shares except as contemplated by the Share Purchase Agreement and (iii) until the earlier of a Subsequent Event or termination of the Share Purchase Agreement, Audley has appointed the Company as attorney-in-fact with the power to vote by proxy the common shares to be sold to the Company.

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The foregoing summary of the Share Purchase Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Share Purchase Agreement, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

### **Item 8.01 Other Events.**

#### **Press Release**

On November 18, 2010, the Company issued a press release announcing (i) the Share Purchase Agreement with Audley, (ii) that the Company had submitted a proposal to Western Coal to acquire all outstanding common shares of Western Coal at a price of CAD\$11.50 per share payable in a combination of cash and shares of common stock of the Company and (iii) that the Company and Western Coal had agreed to work exclusively with one another for a period of up to 14 days toward the negotiation of a definitive agreement to implement the proposed acquisition. A copy of the press release is attached hereto as Exhibit 99.1.

The information provided pursuant to this Item 8.01, including Exhibit 99.1 in Item 9.01, is "furnished" and shall not be deemed to be "filed" with the Securities and Exchange Commission or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filings.

### Forward-Looking Statements

This report contains, in addition to statements of historical fact, certain forward-looking statements. These forward-looking statements relate to, among other things, the Proposed Transaction and the combined company and involve risks and uncertainties. Actual results could differ from those currently anticipated due to a number of factors. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance as to the timing of the closing of any of the transactions discussed above, or whether they will close at all. Investors and security holders may obtain free copies of documents filed by the Company with the Securities and Exchange Commission at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders may obtain free copies of the documents filed with the Securities and Exchange Commission by the Company at [www.walterenergy.com](http://www.walterenergy.com). The Company does not assume any responsibility to update any forward-looking statements as a result of new information or future developments except as expressly required by law.

### No Offer or Solicitation.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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### Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Exhibit Description
10.1	Share Purchase Agreement, dated as of November 17, 2010
99.1	Press Release of Walter Energy, Inc., dated November 18, 2010

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WALTER ENERGY, INC.

Date: November 18, 2010

By: /s/ Catherine C. Bona  
Catherine C. Bona, Vice President  
interim General Counsel and Secretary

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Walter Energy, Inc.  
P.O. Box 20608  
Tampa, Florida 33622-0608  
[www.walterenergy.com](http://www.walterenergy.com)

FOR IMMEDIATE RELEASE  
November 18, 2010

## Press Release

*Investor Contact:* Mark H. Tubb  
Vice President - Investor Relations  
813.871.4027  
[mtubb@walterenergy.com](mailto:mtubb@walterenergy.com)

*Media Contacts:* Michael A. Monahan  
Director - Corporate Communications  
205.745.2628  
[mmonahan@walterenergy.com](mailto:mmonahan@walterenergy.com)

or

Jim Barron/Michael Henson  
Sard Verbinnen & Co.  
212-687-8080

### **Walter Energy Announces Acquisition Proposal and Exclusivity Agreement with Western Coal Corp.; Agrees to Acquire 19.8 Percent Stake in Western Coal Corp. from Audley Capital**

(TAMPA, Fla.) - Walter Energy (NYSE: WLT) (or "the Company"), a leading U.S. producer and exporter of premium hard coking coal for the global steel industry, announced today that it has submitted a proposal (the "Proposal") to Western Coal Corp. (TSX: WTN, AIM: WTN) to acquire the outstanding common shares of Western Coal for CAD\$11.50 per share in cash and Company stock. In connection with the Proposal, Walter Energy has entered into an exclusivity agreement with Western Coal under which they have agreed to work exclusively with each other for a period of up to 14 days toward the negotiation of definitive agreements to give effect to the Proposal. The transaction would be effected by way of a statutory plan of arrangement pursuant to the Business Corporations Act (British Columbia).

Separately, Walter Energy has agreed to purchase from affiliates of Audley Capital ("Audley") common shares representing 19.8 percent of the outstanding common shares of Western Coal for CAD\$11.50 per share, or a total consideration of approximately CAD\$630 million (USD\$615 million), subject to adjustment in certain circumstances. The total enterprise value of the proposal for Western Coal, including the purchase from Audley Capital, is CAD\$3.3 billion (USD\$3.2 billion), net of cash on the balance sheet.

"From a strategic perspective, a transaction with Western Coal would be transformational for our company," said Joe Leonard, Interim Chief Executive Officer of Walter Energy. "The combined company would be the leading, publicly-traded 'pure-play' metallurgical coal producer in the world, with unique and strategic access to steel producing markets in both the Atlantic and Pacific Basins. The transaction would meaningfully diversify both companies' operating and development portfolios and provide new business opportunities which might not be available to either company on a standalone basis. The combined company would also be well positioned to participate in further strategic growth opportunities."

On a pro forma basis, the combined company would have total coal reserves of approximately 385 million tons, based on the most recent disclosures by Walter Energy and Western Coal. Walter Energy currently produces approximately 7.0 million tons of premium metallurgical coal, with organic expansion plans expected to increase that number to up to 9.5 million tons in 2012. Western Coal expects to produce a total

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of 6.7 million tons of coal in the fiscal year ended March 2011 and has growth plans to achieve 11.0 million tons of total coal production during fiscal year ended March 2013. The increase in production and reserves would position the new entity to capitalize on the current and anticipated strength in the global metallurgical coal markets.

Under the purchase agreement with Audley, the Company will purchase approximately 54.5 million common shares of Western Coal owned by Audley, representing 19.8 percent of the total outstanding common shares of Western Coal, in two installments. Upon the satisfaction of closing conditions, Walter Energy will acquire approximately 25.3 million common shares for cash and will acquire the remainder of the stake in cash or Company stock immediately upon the acquisition of Western Coal by Walter Energy or, in any event, no later than April 30, 2011. The acquisition of Audley's shares is subject to the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act and compliance with any other applicable competition laws.

With respect to Audley, Michael T. Tokarz, Chairman of Walter Energy, added, "Audley's support, evidenced by its desire to have a continuing interest in the combined company, is a vote of confidence in our ability to create value through the proposed transaction. We also want to commend Audley for the key role they played in the development of Western Coal over the last three years."

Morgan Stanley & Co. Incorporated is acting as financial advisor and Simpson Thacher & Bartlett LLP and Osler, Hoskin & Harcourt LLP are acting as legal counsel to Walter Energy.

#### **Conference Call and Webcast**

Walter Energy Interim CEO Joe Leonard will brief investors and other interested parties this morning, Nov. 18, 2010, at 9 a.m. Eastern Standard Time, during a listen-only conference call and Webcast.

Participants dialing in by telephone should use one of the telephone numbers and the passcode below. Participants are urged to call in several minutes ahead to register their participation.

**Toll-Free Conference Call Number: 888-381-5776**  
**Alternate Conference Call Number: 1-630-395-0021**  
**Reservation Passcode: WLT**

A replay of this call will be available for up to 30 days by dialing 888-277-5024 or 203-369-3021 and using the passcode 9580.

This call will also be broadcast via the Internet on Walter Energy's Web site at [www.walterenergy.com](http://www.walterenergy.com). A replay will be archived there, as well, for a period of up to 30 days.

#### **About Walter Energy**

Walter Energy is a leading U.S. producer and exporter of premium hard coking coal for the global steel industry and also produces steam coal and industrial coal, metallurgical coke and coal bed methane gas. The Company has annual revenues of approximately \$1.2 billion and employs approximately 2,100 people. For more information about Walter Energy, please visit the Company Web site at [www.walterenergy.com](http://www.walterenergy.com).

#### **About Western Coal**

Western Coal is a producer of high quality metallurgical coal from mines in northeast British Columbia (Canada), high quality metallurgical coal and compliant thermal coal from mines located in West Virginia (USA), and high quality anthracite coal in South Wales (UK). The Company is headquartered in Vancouver, BC, Canada. It is listed on the TSX and AIM as "WTN". [www.westerncoal.com](http://www.westerncoal.com)

## **About Audley Capital**

Audley Capital advises funds of approximately \$1.5 billion with significant interests in the mining sector globally. It collaborates with management teams of portfolio companies to help facilitate value creation through financial and operational improvements.

## **Safe Harbor Statement**

Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and may involve a number of risks and uncertainties. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance that any definitive agreement will be reached with Western Coal or on what terms. There can be no assurance that the transaction will close at all. The transaction is subject to a number of closing conditions which may be outside of Walter Energy's control. Forward-looking statements include expressions such as "believe," "anticipate," "expect," "estimate," "intend," "may," "plan," "predict," "will," and similar terms and expressions. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. The following factors are among those that may cause actual results to differ materially from our forward-looking statements: the market demand for coal, coke and natural gas as well as changes in pricing and costs; the availability of raw material, labor, equipment and transportation; changes in weather and geologic conditions; changes in extraction costs, pricing and assumptions and projections concerning reserves in our mining operations; changes in customer orders; pricing actions by our competitors, customers, suppliers and contractors; changes in governmental policies and laws, including with respect to safety enhancements and environmental initiatives; availability and costs of credit, surety bonds and letters of credit; and changes in general economic conditions. Forward-looking statements made by us in this release, or elsewhere, speak only as of the date on which the statements were made. See also the "Risk Factors" in our 2009 Annual Report on Form 10-K and subsequent filings with the SEC which are currently available on our website at [www.walterenergy.com](http://www.walterenergy.com). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We have no duty to, and do not intend to, update or revise the forward-looking statements in this release, except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statement made in this press release may not occur. All data presented herein is as of the date of this release unless otherwise noted.

- WLT -

**TAB 19B**

THIS IS SCHEDULE "B" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD

SWORN BEFORE ME ON THIS      DAY OF NOVEMBER, 2016



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A Commissioner for Taking Affidavits

**Mary Paterson**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **December 2, 2010 (December 1, 2010)**

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**Walter Energy, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation  
or organization)

**001-13711**  
Commission File No.

**13-3429953**  
(I.R.S. Employer Identification No.)

**4211 W. Boy Scout Boulevard  
Tampa, Florida 33607  
(813) 871-4811**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**N/A**

(Former Name or Former Address, if Changed from Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01**

**Other Events.**

## Press Release

On December 2, 2010, Walter Energy, Inc. (the "Company") issued a press release announcing the extension of the exclusivity agreement between the Company and Western Coal Corp. ("Western Coal") entered into on November 17, 2010, under which both the Company and Western Coal have agreed to work exclusively with each other towards the negotiation of a definitive agreement to give effect to the Company's proposal to acquire the outstanding common shares of Western Coal for CAD\$11.50 per share in cash and Company stock. A copy of the press release is attached hereto as Exhibit 99.1.

The information provided pursuant to this Item 8.01, including Exhibit 99.1 in Item 9.01, is "furnished" and shall not be deemed to be "filed" with the Securities and Exchange Commission or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filings.

## Forward-Looking Statements

This report contains, in addition to statements of historical fact, certain forward-looking statements. These forward-looking statements relate to, among other things, the Proposed Transaction and the combined company and involve risks and uncertainties. Actual results could differ from those currently anticipated due to a number of factors. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance as to the timing of the closing of any of the transactions discussed above, or whether they will close at all. Investors and security holders may obtain free copies of documents filed by the Company with the Securities and Exchange Commission at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders may obtain free copies of the documents filed with the Securities and Exchange Commission by the Company at [www.walterenergy.com](http://www.walterenergy.com). The Company does not assume any responsibility to update any forward-looking statements as a result of new information or future developments except as expressly required by law.

## No Offer or Solicitation.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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## Item 9.01 Financial Statements and Exhibits.

### (d) Exhibits

Exhibit No.	Description
99.1	Press Release of Walter Energy, Inc. dated December 2, 2010

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WALTER ENERGY, INC.

Date: December 2, 2010

By: /s/ Catherine C. Bona  
Catherine C. Bona, Vice President  
interim General Counsel and Secretary

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Walter Energy, Inc.  
P.O. Box 20608  
Tampa, Florida 33622-0608

[www.walterenergy.com](http://www.walterenergy.com)

FOR IMMEDIATE RELEASE  
December 2, 2010

## Press Release

*Investor Contact:* Mark H. Tubb  
Vice President - Investor Relations  
813.871.4027  
[mtubb@walterenergy.com](mailto:mtubb@walterenergy.com)

*Media Contacts:* Michael A. Monahan  
Director - Corporate Communications  
205.745.2628  
[mmonahan@walterenergy.com](mailto:mmonahan@walterenergy.com)

or

Jim Barron/Michael Henson  
Sard Verbinen & Co.  
212-687-8080

### WALTER ENERGY AND WESTERN COAL EXTEND EXCLUSIVITY AGREEMENT

(TAMPA, Fla.) - Walter Energy (NYSE: WLT) announced today that it has extended its exclusivity agreement with Western Coal Corp. (TSX: WTN) (TSX: WTN.WT) (AIM: WTN). Under the terms of the agreement, which was announced on November 18, 2010, both companies are working exclusively with each other toward the negotiation of a definitive agreement to give effect to Walter Energy's proposal to acquire Western Coal.

Walter Energy cautions that no definitive agreement has been entered into and accordingly no assurance can be given that the negotiations between Walter and Western will lead to a transaction that is consistent with Walter's proposal or to any transaction at all.

#### **About Walter Energy**

Walter Energy is a leading U.S. producer and exporter of premium hard coking coal for the global steel industry and also produces steam coal and industrial coal, metallurgical coke and coal bed methane gas. The Company has annual revenues of approximately \$1.2 billion and employs approximately 2,100 people. For more information about Walter Energy, please visit the Company Web site at [www.walterenergy.com](http://www.walterenergy.com).

#### **Safe Harbor Statement**

Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and may involve a number of risks and uncertainties. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance that the transaction with Western Coal will close. The transaction is subject to a number of closing conditions which may be outside of Walter Energy's control. Forward-looking statements include expressions such as "believe," "anticipate," "expect," "estimate," "intend," "may," "plan," "predict," "will," and similar terms and expressions. These forward-looking statements are made based on expectations and beliefs concerning

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future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to


differ materially from those matters expressed in or implied by these forward-looking statements. The following factors are among those that may cause actual results to differ materially from our forward-looking statements: the market demand for coal, coke and natural gas as well as changes in pricing and costs; the availability of raw material, labor, equipment and transportation; changes in weather and geologic conditions; changes in extraction costs, pricing and assumptions and projections concerning reserves in our mining operations; changes in customer orders; pricing actions by our competitors, customers, suppliers and contractors; changes in governmental policies and laws, including with respect to safety enhancements and environmental initiatives; availability and costs of credit, surety bonds and letters of credit; and changes in general economic conditions. Forward- looking statements made by us in this release, or elsewhere, speak only as of the date on which the statements were made. See also the "Risk Factors" in our 2009 Annual Report on Form 10-K and subsequent filings with the SEC which are currently available on our website at [www.walterenergy.com](http://www.walterenergy.com). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We have no duty to, and do not intend to, update or revise the forward-looking statements in this release, except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statement made in this press release may not occur. All data presented herein is as of the date of this release unless otherwise noted.

WLT



**TAB 19C**

THIS IS SCHEDULE "C" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD  
SWORN BEFORE ME ON THIS 14 DAY OF NOVEMBER, 2016



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A Commissioner for Taking Affidavits

Mary Paterson

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES  
EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **December 3, 2010 (December 2, 2010)**

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**Walter Energy, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation  
or organization)

**001-13711**  
Commission File No.

**13-3429953**  
(I.R.S. Employer Identification No.)

**4211 W. Boy Scout Boulevard  
Tampa, Florida 33607  
(813) 871-4811**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**N/A**  
(Former Name or Former Address, if Changed from Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

On December 2, 2010, Walter Energy, Inc. (the “Company”) entered into an Arrangement Agreement (the “Arrangement Agreement”), by and among the Company and Western Coal Corp. (“Western Coal”), whereby the Company will acquire all of the outstanding common shares of Western Coal. The transaction will be implemented by way of a court-approved plan of arrangement under British Columbia law (the “Plan of Arrangement”).

Under the terms of the Plan of Arrangement, each common share of Western Coal will be transferred to the Company for the right to receive, at the holder’s election, CAD\$11.50 in cash, 0.114 of a share of Company common stock or some combination thereof, subject to pro-rata if the total cash elections exceed 70% of the aggregate transaction consideration to be paid or total share elections exceed 30% of the aggregate transaction consideration. The exchange ratio is based on a Company share price of US\$99.35, which is equal to the 20-day volume weighted average closing price as of December 1, 2010. The Board of Directors of the Company and Western Coal have each unanimously approved the Arrangement Agreement and Western Coal’s Board of Directors will recommend that Western Coal shareholders vote in favor of the Arrangement Agreement. The Plan of Arrangement is expected to be consummated in the second quarter of 2011.

The Company and Western Coal have made customary representations and warranties and covenants in the Arrangement Agreement, including covenants that (i) each party will use commercially reasonable efforts to cause the transaction to be consummated and (ii) Western Coal may not solicit alternative transactions.

The consummation of the transaction is subject to certain customary closing conditions including, among other things, (i) receipt of Canadian court approval and the affirmative vote of (A) at least two-thirds of the votes cast by holders of Western Coal common shares and (B) a simple majority of the votes cast by holders of Western Coal common shares, other than the Company, its directors and senior officers and any other “related parties”, “interested parties” and “joint actors”, (ii) the expiration or earlier termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the Investment Canada Act and (iii) the absence of injunctions or restraints imposed by governmental entities.

The Arrangement Agreement contains certain customary termination rights for both the Company and Walter Coal, including a termination right for either party if the transaction is not consummated by June 30, 2011. In addition, upon termination of the Arrangement Agreement under specified circumstances, including a change in the recommendation of the Western Coal board of directors, Western Coal will owe the Company a cash termination fee equal to CAD\$99 million.

Concurrently, and in connection with entering into the Arrangement Agreement, the Company entered into a debt commitment letter (the “Debt Commitment Letter”) with Morgan Stanley Funding, Inc., The Bank of Nova Scotia and Credit Agricole Corporate and Investment Bank (collectively, the “Lenders”) pursuant to which, subject to the conditions set forth therein, the Lenders are committed to providing the Company with \$2,725 million of senior secured credit facilities, the proceeds of which will be used (i) to fund the cash consideration for the transaction, (ii) to pay certain fees and expenses in connection with the transaction, (iii) to refinance all existing indebtedness of the Company and Western Coal and their respective subsidiaries and (iv) to provide for the ongoing working capital of the Company and its subsidiaries.

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The foregoing summary of the Arrangement Agreement and the Debt Commitment Letter and the transactions contemplated thereby does not purport to be complete. Additionally, the foregoing summary of the Arrangement Agreement is subject to, and qualified in its entirety by, the full text of the Arrangement Agreement, which is attached as Exhibit 2.1 and incorporated herein by reference, and the foregoing summary of the Debt Commitment Letter is subject to, and qualified in its entirety by, the full text of the Debt Commitment Letter, which is attached as Exhibit 10.1 and incorporated herein by reference.

**Item 3.02 Unregistered Sale of Equity Securities.**

As described in Item 1.01 of this report, the Company has agreed in the Arrangement Agreement that, if the Plan of Arrangement becomes effective and its acquisition of the outstanding common shares of Western Coal is thereby completed, the Company will issue to the Western Coal shareholders up to approximately nine million shares of the Company's common stock as part of the consideration in exchange for all of the outstanding Western Coal shares. If issued, such Company shares will represent approximately 14% of the total number of common shares of the Company which are now outstanding.

Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act"), exempts from the registration requirements under that Act the issuance and exchange of securities which have been approved, after a hearing upon the fairness of the terms and conditions on which all persons to whom it is proposed the securities will be issued shall have the right to appear, by any court expressly authorized by law to grant such approval. Under the Arrangement Agreement, Western Coal will submit the Plan of Arrangement to the British Columbia Supreme Court (the "Court") for interim order permitting notice to all persons to which the Company shares will potentially be issuable. Following the requisite approval by the Western Coal shareholders and a hearing at which such persons will have the right to appear, Western Coal will seek a final order from the Court as to the fairness of the Plan of Arrangement. Such final order is a condition to the consummation of the Plan of Arrangement and the issuance of the Company shares. The Company therefore anticipates that, if the Plan of Arrangement becomes effective under the terms and conditions described in the Arrangement Agreement (including the receipt of such final order from the Court), the issuance of up to approximately nine million Company shares to the Western Coal shareholders will be exempt from the registration requirements under the Securities Act pursuant to Section 3(a)(10) thereof.

#### **Item 7.01 Regulation FD Disclosure**

On December 3, 2010, representatives of the Company and Western Coal held an investor presentation which was webcast to discuss the transaction. The Company is furnishing the slide presentation, which it used at its teleconference and webcast on December 3, 2010, and which it may use from time to time in presentations related to the transaction. The slides are "furnished" pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, unless the registrant specifically incorporates them by reference in a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934. By filing this Form 8-K and furnishing this information, the registrant makes no admission as to the materiality of the information included in the slides. The registrant undertakes no duty or obligation to publicly update or revise the information included in the slides, although it may do so from time to time as the Company's management believes is warranted. Any such updating may be made through the filing of other reports or documents with the Securities and Exchange Commission, through press releases or through other public disclosure. The Company will make copies of the slides available for viewing at [www.walterenergy.com](http://www.walterenergy.com), although the Company reserves the right to discontinue that availability at any time. A copy of the investor presentation is attached hereto as Exhibit 99.1

#### **Item 8.01 Other Events.**

On December 2, 2010, the Company issued a press release announcing the execution of the Arrangement Agreement. A copy of the press release is attached hereto as Exhibit 99.2.

The information provided pursuant to this Item 8.01, including Exhibit 99.2 in Item 9.01, is "furnished" and shall not be deemed to be "filed" with the Securities and Exchange Commission or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filings.

#### **Forward-Looking Statements**

This report contains, in addition to statements of historical fact, certain forward-looking statements. These forward-looking statements relate to, among other things, the Plan of Arrangement and the combined company and involve risks and uncertainties. Actual results could differ from those currently anticipated due to a number of factors. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance as to the timing of the closing of any of the transactions discussed above, or

whether they will close at all. Investors and security holders may obtain free copies of documents filed by the Company with the Securities and Exchange Commission at the Securities and Exchange Commission's web site at www.sec.gov. In addition, investors and security holders may obtain free copies of the documents filed with the Securities and Exchange Commission by the Company at www.walterenergy.com. The Company does not assume any responsibility to update any forward-looking statements as a result of new information or future developments except as expressly required by law.

**No Offer or Solicitation.**

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.1	Arrangement Agreement, dated as of December 2, 2010, between the Company and Western Coal

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10.1	Debt Commitment Letter, dated as of December 2, 2010, from Morgan Stanley Funding, Inc., The Bank of Nova Scotia and Credit Agricole Corporate and Investment Bank
99.1	Presentation Materials dated December 3, 2010
99.2	Press Release of Walter Energy, Inc. dated December 2, 2010

**SIGNATURES**

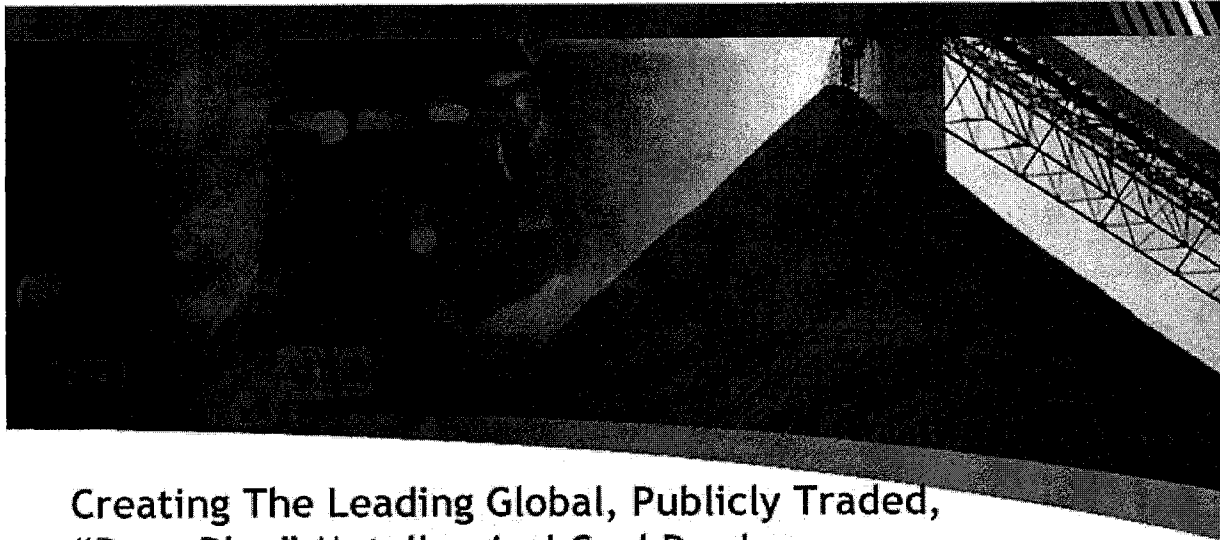
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WALTER ENERGY, INC.

Date: December 3, 2010

By: /s/ Catherine C. Bona  
Catherine C. Bona, Vice President  
interim General Counsel and Secretary

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**Creating The Leading Global, Publicly Traded,  
“Pure-Play” Metallurgical Coal Producer**

December 3, 2010

# Safe Harbor Statements

Except for historical information contained herein, the statements in this document are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and may involve a number of risks and uncertainties. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance that the transaction with Western Coal will close. The transaction is subject to a number of closing conditions which may be outside of Walter Energy's control. Forward-looking statements include expressions such as "believe," "anticipate," "expect," "estimate," "intend," "may," "plan," "predict," "will," and similar terms and expressions. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. The following factors are among those that may cause actual results to differ materially from our forward-looking statements: the market demand for coal, coke and natural gas as well as changes in pricing and costs; the availability of raw material, labor, equipment and transportation; changes in weather and geologic conditions; changes in extraction costs, pricing and assumptions and projections concerning reserves in our mining operations; changes in customer orders; pricing actions by our competitors, customers, suppliers and contractors; changes in governmental policies and laws, including with respect to safety enhancements and environmental initiatives; availability and costs of credit, surety bonds and letters of credit; and changes in general economic conditions. Forward-looking statements made by us in this document, or elsewhere, speak only as of the date on which the statements were made. See also the "Risk Factors" in our 2009 Annual Report on Form 10-K and subsequent filings with the SEC which are currently available on our website at [www.walterenergy.com](http://www.walterenergy.com). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We have no duty to, and do not intend to, update or revise the forward-looking statements in this document, except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statement made in this press document may not occur. All data presented herein is as of the date of this document unless otherwise noted.

This release may contain forward-looking statements that may involve risks and uncertainties. Such statements relate to the Company's expectations, intentions, plans and beliefs including, in particular, statements relating to a potential strategic business combination between the Company and Walter and the terms of any such transaction. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements as a result of various important factors, including, but not limited to: the Company's ability to negotiate a potential strategic business combination with Walter; the price, terms and conditions of any such transaction; the benefits of any such transaction and its impact on the Company's business; changes in commodity prices; strengths of various economies; the effects of competition and pricing pressures; the oversupply of, or lack of demand for, the Company's products; currency and interest rate fluctuations; various events which could disrupt the Company's construction schedule or operations; the Company's ability to obtain additional funding on favorable terms, if at all; and the Company's ability to anticipate and manage the foregoing factors and risks. Additionally, statements related to the quantity or magnitude of coal deposits are deemed to be forward looking statements. The reliability of such information is affected by, among other things, uncertainties involving geology of coal deposits; uncertainties of estimates of their size or composition; uncertainties of projections related to costs of production; the possibilities to delays in mining activities; changes in plans with respect to exploration, development projects or capital expenditures; and various other risks including those related to health, safety and environmental matters. Readers are referred to the documents filed by the Company on SEDAR.







Joe Leonard  
Interim Chief Executive Officer  
Walter Energy, Inc.



## Combination Rationale

<b>Industry Leader</b>	<ul style="list-style-type: none"> <li>• Creates the leading global, publicly traded, "pure-play" met coal producer</li> <li>• Targeting in excess of 20 million tons of production by 2012</li> </ul>
<b>Increased Diversification</b>	<ul style="list-style-type: none"> <li>• Adds significant geographic, end-market and operational diversification for both companies</li> </ul>
<b>Unparalleled Seaborne Market Access</b>	<ul style="list-style-type: none"> <li>• Unique ability to deliver to Pacific and Atlantic markets</li> <li>• Advantaged transportation enhances market reach and customer service</li> </ul>
<b>Strong Growth</b>	<ul style="list-style-type: none"> <li>• 96% volume increase in total coal production from 2009 - 2012</li> <li>• Production profile balanced between existing production assets and high growth assets</li> </ul>
<b>Attractive Met Coal Industry Dynamics</b>	<ul style="list-style-type: none"> <li>• Met coal demand underpinned by projected growth in world steel production by 50% over the next 10 years</li> </ul>
<b>Financially Compelling</b>	<ul style="list-style-type: none"> <li>• Strong free cash flow and industry leading margins</li> <li>• EPS accretive in first year following close of transaction</li> <li>• Rapid deleveraging creates additional growth opportunities</li> </ul>
<b>Stewardship</b>	<ul style="list-style-type: none"> <li>• Both companies have a culture of commitment to health, safety and the environment</li> </ul>



# Transaction Structure

<b>Terms</b>	<ul style="list-style-type: none"> <li>• CAD\$11.50 per share for all outstanding shares of WTN or 0.114 shares of WLT</li> <li>• WTN shareholders can elect to receive all cash or all stock, or a combination thereof, subject to pro-rata</li> <li>• Enterprise value of CAD\$3.3 billion (USD\$3.3 billion), net of cash on the balance sheet</li> </ul>
<b>Pro Forma Ownership</b>	<ul style="list-style-type: none"> <li>• 86% WLT</li> <li>• 14% WTN</li> </ul>
<b>Capital Markets Benefits</b>	<ul style="list-style-type: none"> <li>• EPS accretive to all shareholders during the first full year following close</li> <li>• Liquid stock with global investor base</li> <li>• Continued participation for WTN shareholders in growth and value creation</li> </ul>
<b>LTM Financials</b>	<ul style="list-style-type: none"> <li>• WLT Revenue of \$1,423 bn + WTN Revenue of \$679 mn = \$2.1 billion</li> <li>• WLT EBITDA* of \$577 mn + WTN EBITDA of \$191 m = \$768 million</li> </ul>
<b>Listing</b>	<ul style="list-style-type: none"> <li>• Primary: NYSE</li> <li>• Secondary: will apply for listing on TSX</li> </ul>
<b>Shareholder &amp; Regulatory Approvals</b>	<ul style="list-style-type: none"> <li>• Must receive approval of at least two-thirds of the votes cast by WTN shareholders and a simple majority of the votes cast by WTN shareholders other than WLT and other interested shareholders</li> <li>• Customary regulatory approvals include Hart-Scott-Rodino in the U.S. and Investment Canada Act in Canada and Competition Act in Canada</li> </ul>
<b>Closing</b>	<ul style="list-style-type: none"> <li>• Expected to close by second quarter 2011</li> </ul>



\*Source: Company information  
 \*EBITDA is a non-GAAP measure, GAAP reconciliation can be found in the appendix.



## Walter and Western: An Ideal Partnership



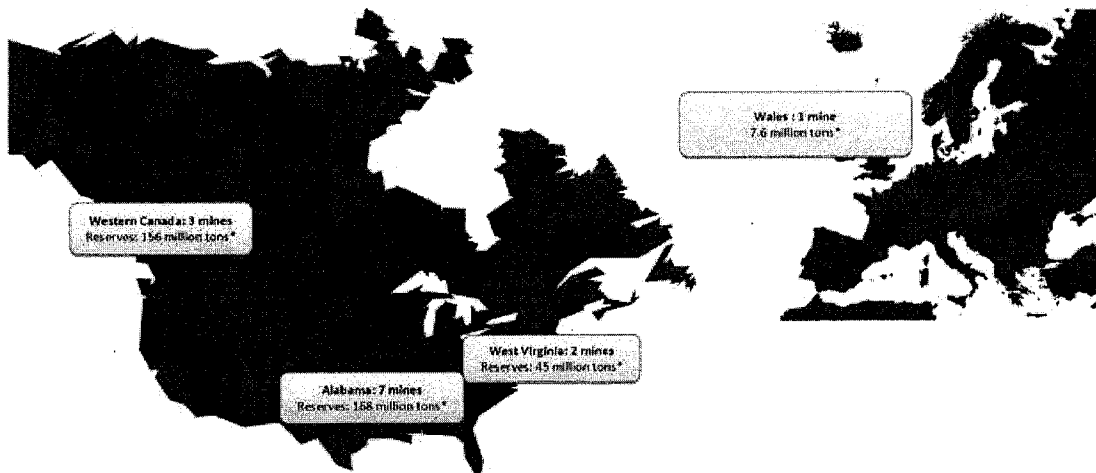
- Supplies premium met coal to growing global steel industry from mines in Alabama
- Coking coal among the highest quality globally; consistently achieves prices at or above the benchmark
- Low cost producer
- Focused on long-term customer relationships in South America and Europe
- Transportation cost advantages
- Positioned for growth



- Leading producer of met coal with mines in British Columbia, West Virginia and the United Kingdom
- Range of high quality hard coking coal, low-vol PCI, and anthracite
- Competitive delivered cost structure
- Proximity to customers in Asia, with a focus on Japan, Korea and China
- Underutilized transportation infrastructure
- Positioned for growth

# 13 Mines in 3 Countries

PR/SP/CA/ENR/MS/10/0002

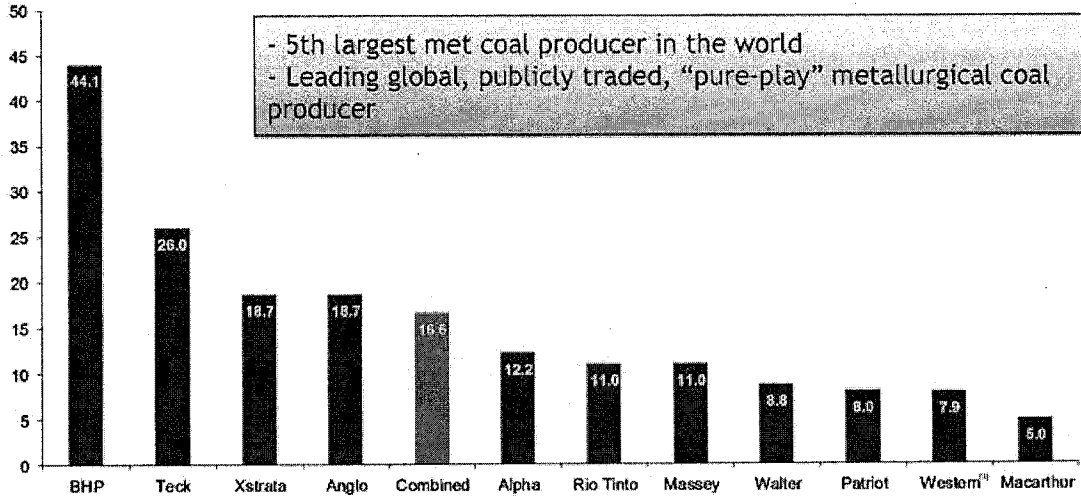


\*Reserves as of [March 31, 2010]. Reserves for WTN in Western Canada, West Virginia and Wales are run-of-mine. Reserves for WLI's mines in Alabama is recoverable. Please see page 17 of WTN's 2010 annual report for the appropriate disclosures.



# Increased Scale Creates A Global Leader

FY2011E Metallurgical Coal Production  
(Million Short Tons)



Note: (1) Western data based on fiscal year ending March 31st, 2012.  
Source: Equity Research Reports, WLT and WTN company presentations



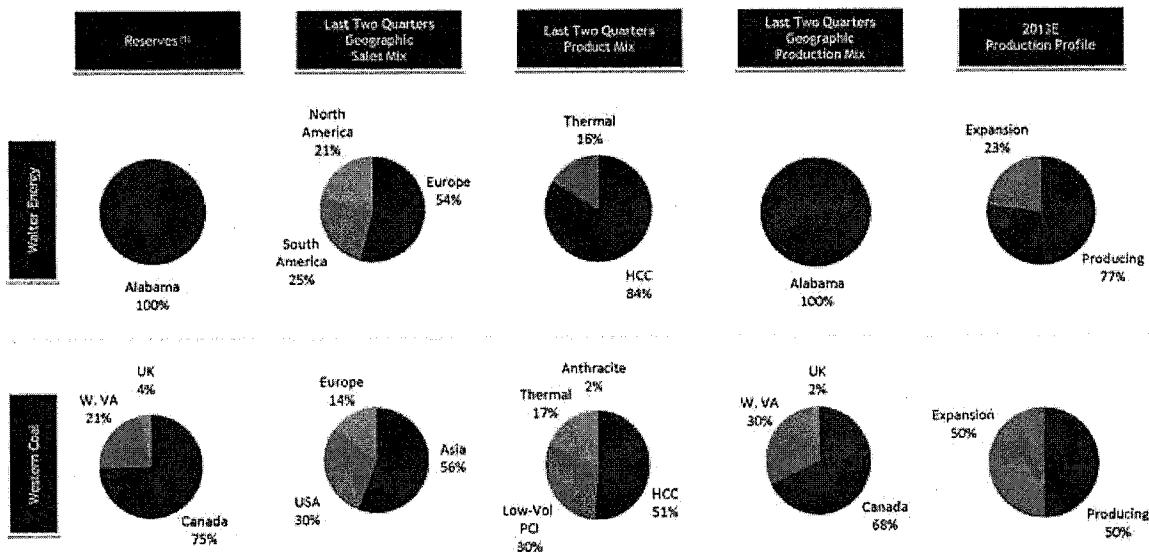


# Western Coal

Keith Calder  
President & Chief Executive Officer  
Western Coal Corp.



# Asset & Geographic Diversification

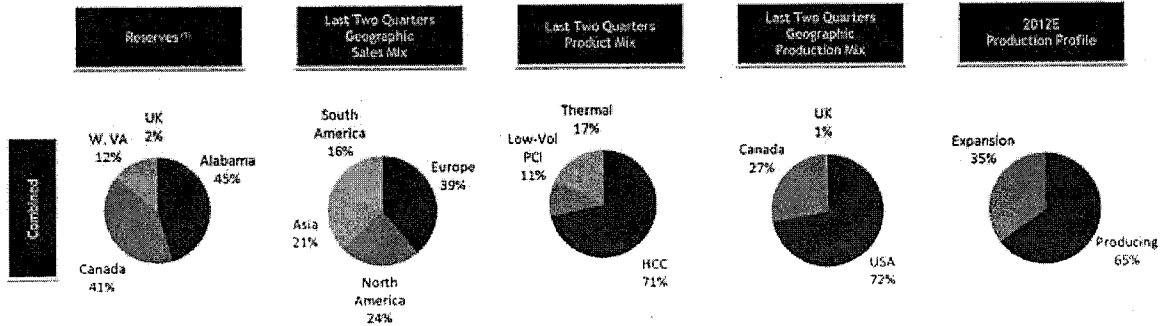


Note: (1) Based on Walter reserves of 175MM tons, and Western reserves of 141.8MM tonnes in Canada, 41.0MM tonnes in West Virginia, and of 6.9MM tonnes in the U.K.





# Asset & Geographic Diversification

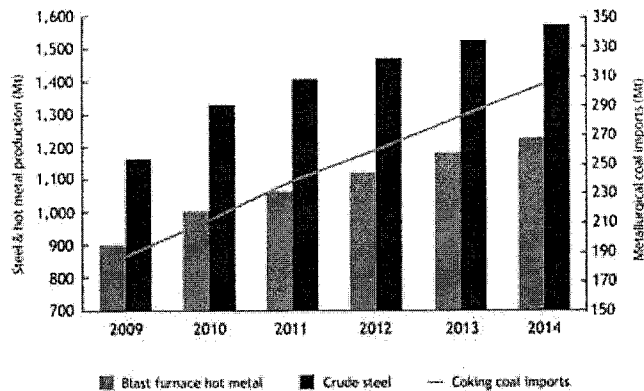


Note: (1) Based on Walter reserves of 175MM tons, and Western reserves of 141.8MM tonnes in Canada, 41.0MM tonnes in West Virginia, and of 6.9MM tonnes in the U.K.  
 Note: Walter production based on fiscal year ending December 31st. Western production based on fiscal year ending March 31st



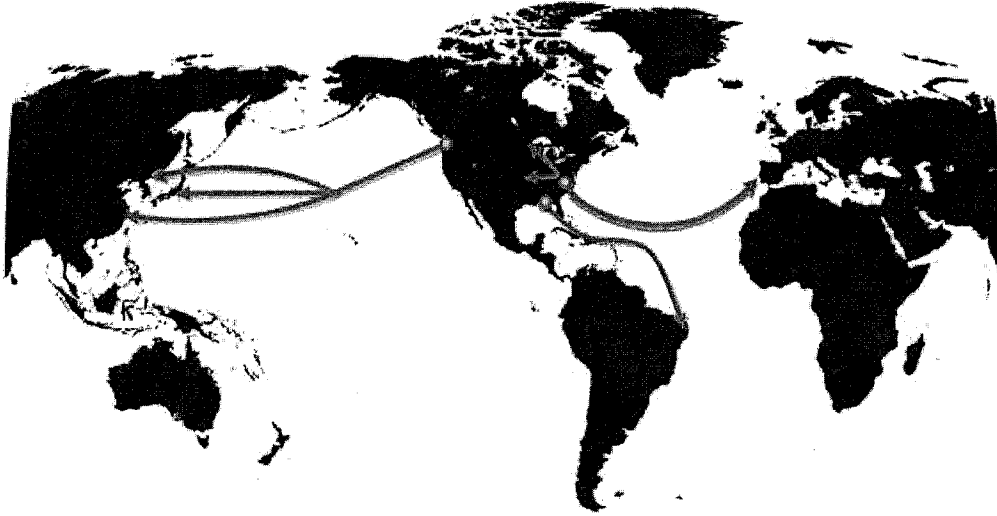
# Attractive Industry Dynamics

Global situation	Our advantage
World steel production to grow by 50% over 10	Ramping up met coal production to meet customer needs
China and Brazil have among the highest projected growth rates for steel	Our mines are ideally located to meet the needs of these customers
New supply of met coal is scarce in politically stable countries	Our production is in the most stable countries (Canada, US & UK)
Congestion at most of the world's coal ports is creating a supply bottleneck	The ports that currently serve our fastest growing mines are underutilized and has capacity for expansion



Source: Wood Mackenzie July 2010

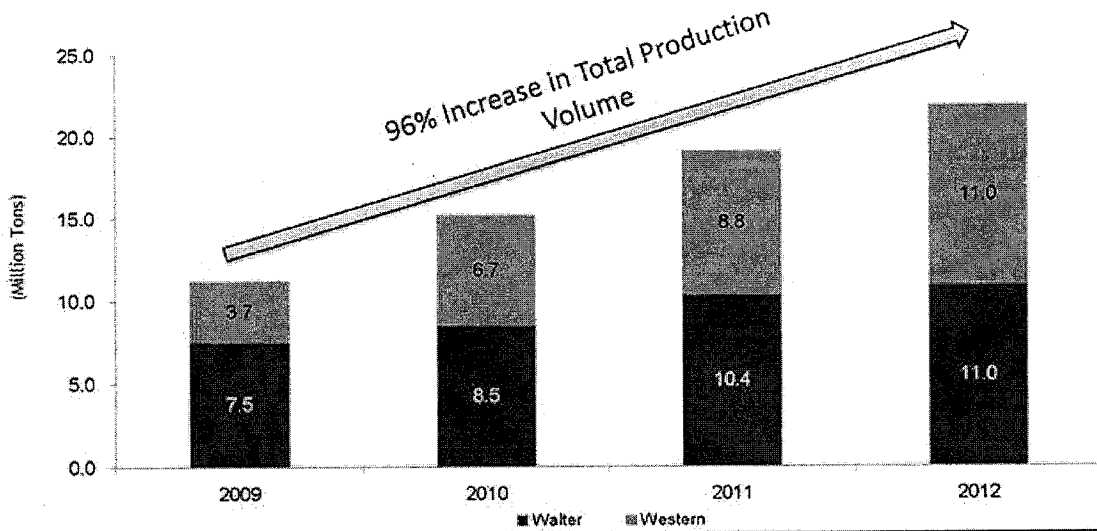
## Unconstrained Access to High Growth Global Markets



Significant scale and strength across key regions and a leading presence in multiple distribution channels



## Strong Growth Opportunities



The combined company will have a robust development profile and volume growth leading to 96% production volume increase by YE2012



Note: Walter production based on fiscal year ending December 31st. Western production based on fiscal year ending March 31st



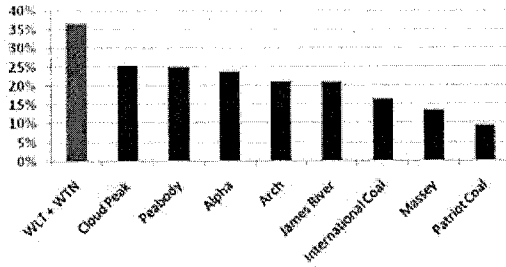


Joe Leonard  
Interim Chief Executive Officer  
Walter Energy, Inc.

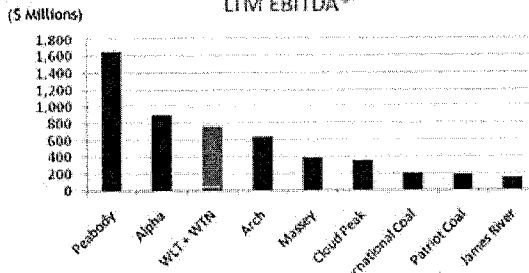


# Leading Financial Profile Among U.S. Peers

LTM EBITDA Margin\*



LTM EBITDA\*



- Robust EBITDA and cash flow
- Industry leading EBITDA margins
- Expected to be EPS accretive within the first year following close
- Rapid deleveraging and additional growth opportunities
- Committed \$2.7bn credit facility, 2.4 billion debt



\*Source: Company Information

\*EBITDA is a non-GAAP measure. GAAP reconciliation can be found in the appendix.

\*EBITDA Margin is calculated as a EBITDA/Total Revenue



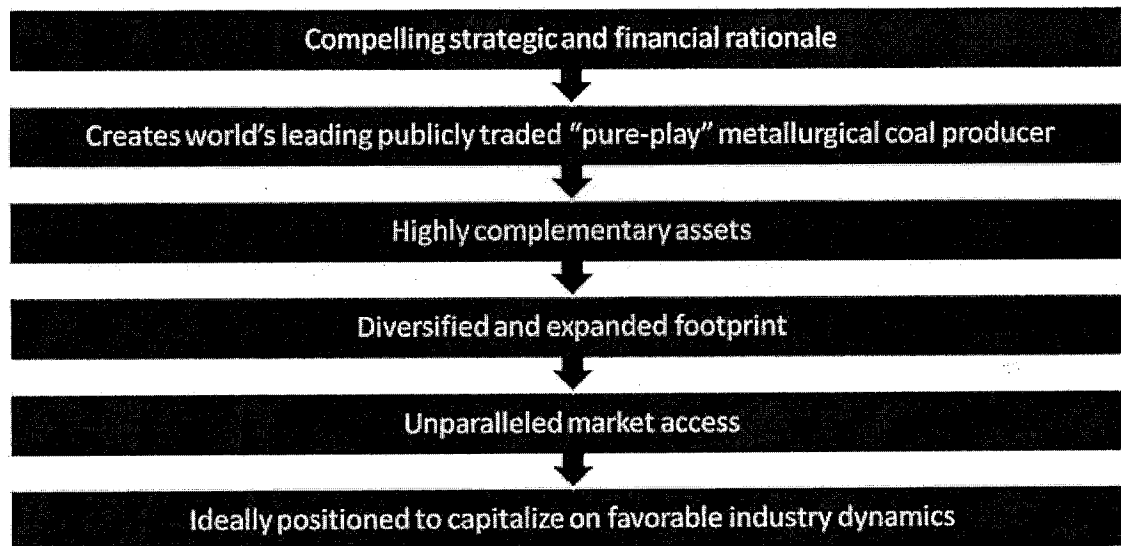
## Financing Overview

- Walter has arranged for a \$2,725 million committed credit facility with a syndicate of banks

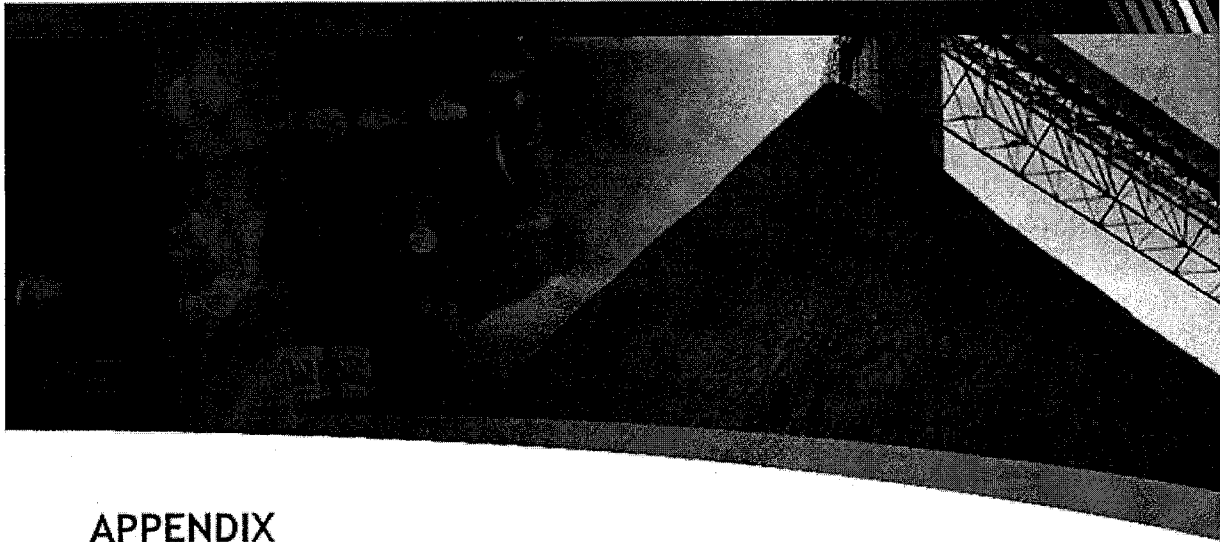
Tranche	Tranche Amount	Drawn Amount	Maturity
Revolver	\$375	\$0	5 Years
Term Loan A	\$600	\$600	5 Years
Term Loan B	\$1,750	\$1,750	7 Years

- The facility will become effective at the time of closing of the merger with Western
- Walter will use cash-on-hand to support additional cash requirements from the transaction

## Right Transaction at the Right Time







**APPENDIX**

## Walter Energy GAAP to Non-GAAP Reconciliation

USD in Millions Data TTM as of 9-30-10

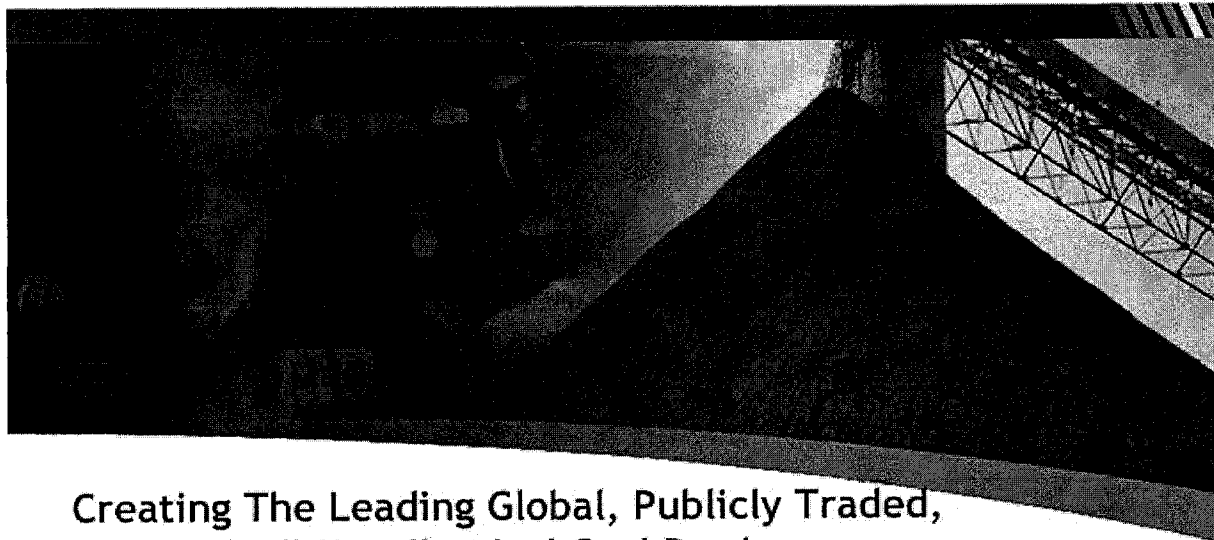
Income from continuing operations	\$ 329.1
Plus: net interest expense	17.3
Plus: income tax expense	139.8
Plus: depreciation and amortization	90.8
<b>Earnings before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>\$577.0</b>

The Company reports all financial information required in accordance with U.S. generally accepted accounting principles (GAAP). The Company believes, however, that evaluating its ongoing operating results will be enhanced if it also discloses certain non-GAAP information. This non-GAAP financial measure exclude non-cash and certain other special charges that many investors believe may obscure the user's overall understanding of the Company's current financial performance and the Company's prospects for the future. The Company believes that this non-GAAP measure provide useful information to investors because it improves the comparability of the financial results between periods and provide for greater transparency of key measures used to evaluate the Company's performance.

The Company provides EBITDA (defined as income from continuing operations plus net interest expense, income tax expense, and depreciation & amortization), which is a non-GAAP measure that the Company believes provides useful information to both management and investors by excluding certain expenses, which management believes are not indicative of the Company's core operations. This non-GAAP measure is used by the Company to evaluate its business strategies and management's performance.

Non-GAAP financial measures, when presented, are reconciled to the most closely applicable GAAP measure. Non-GAAP measures are provided as additional information and should not be considered in isolation or as a substitute for results prepared in accordance with GAAP.





## Creating The Leading Global, Publicly Traded, “Pure-Play” Metallurgical Coal Producer

December 3, 2010



FOR IMMEDIATE RELEASE  
December 3, 2010

**WALTER ENERGY AND WESTERN COAL AGREE TO CAD\$3.3 BILLION MERGER**

Transaction Creates the Leading, Publicly Traded, "Pure-Play" Metallurgical Coal Producer Globally; Combined Company will have Unique Access to Pacific and Atlantic Seaborne Markets

Agreement Based on Walter's Previously Disclosed Merger Proposal which Valued Western Coal at a 56 Percent Premium to its Pre-Announcement Price

Transaction Expected to be Accretive to Walter Energy on an Earnings Per Share Basis in the First Full Year After Closing

(TAMPA, Fla. and Vancouver, B.C.) — Walter Energy (NYSE: WLT) and Western Coal Corp. (TSX: WTN, WTN.WT and AIM: WTN) announced today that they have entered into an arrangement agreement (the "Agreement") for Walter Energy to acquire all of the outstanding common shares of Western Coal for CAD\$11.50 per share in cash or 0.114 of a Walter Energy share, or for a combination thereof, all subject to proration. The transaction represents a total enterprise value of CAD\$3.3 billion (USD\$3.3 billion), net of cash on the balance sheet for Western Coal. The Agreement follows announcements on Nov. 18, 2010 by Walter Energy and Western Coal that they had begun exclusive negotiations regarding the potential business combination.

The transaction will create the world's leading, publicly traded, "pure-play" metallurgical coal producer with total coal reserves of approximately 385 million tons(i) and a significant and growing production profile balanced between Walter Energy's current high productivity assets and Western Coal's high growth assets in Canada, the United States and the United Kingdom. The combined company expects to produce in excess of 20 million tons of coal by 2012. It will also be the only producer with cost advantaged transportation access to the high growth Asian and South American seaborne metallurgical coal markets.

"This is a transformative transaction at a time when global demand for metallurgical coal is surging," said Joe Leonard, interim chief executive officer of Walter Energy. "Western Coal has an attractive high-quality metallurgical coal asset base and has embarked on an organic growth strategy that is expected to increase production more than 60 percent by fiscal 2013. It is a unique strategic fit with Walter Energy's large scale, high-productivity mines which produce premium-quality metallurgical coal for customers in South America and Europe. Our combined production capacity and geographic footprint leaves us extremely well positioned to benefit from favorable sector dynamics driven by increased steel production in markets such as China, India and Brazil. Bottom line, this is the right transaction at the right time."

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The transaction is expected to be accretive to Walter Energy's earnings per share in the first full year following the close of the transaction, with continued strong operating cash flows derived from existing production assets and high return on investment capital expected from development projects.

Keith Calder, president and chief executive officer of Western Coal, said, "We are pleased to be combining with Walter Energy and believe this transaction offers Western Coal's shareholders immediate value as well as future upside from their ownership of approximately 14 percent of the combined company. The combined business will have substantial reserves and an experienced management team focused on safety, growth and shareholder value. With its size and financial strength, the combined business will have future growth opportunities that neither one of us would have on our own."

The agreed price of CAD\$11.50 represented a 56 percent premium to Western Coal's closing share price of CAD\$7.38 on Nov. 17, 2010, the day before Walter Energy announced it had submitted a proposal to Western Coal.

Mr. Leonard concluded, "We see tremendous opportunity for the stakeholders of both companies and we will work closely with the Canadian national and provincial authorities to give careful attention to any sensitivities, provide detail on the potential of the combined company and to describe the broad benefits of this combination."

#### **Transaction Details**

The transaction will be effected by way of a statutory plan of arrangement pursuant to the Business Corporations Act (British Columbia). Under the terms of the agreement, Western Coal shareholders will be permitted to exchange each of their Western Coal shares for, at their election, CAD\$11.50 in cash or 0.114 of a Walter Energy share (the "merger consideration"), or for some combination thereof. All elections will be subject to proration if total cash elections exceed 70 percent of the total merger consideration to be paid or total share elections exceed 30 percent of the total merger consideration.

The total amount of cash to be paid to Western Coal shareholders under the transaction is expected to be approximately CAD\$2.1 billion (USD\$2.1 billion) and the total number of shares of Walter Energy shares to be issued to Western Coal shareholders under the transaction is expected to be approximately 9 million. These amounts assume that 278.1 million Western Coal shares participate in the arrangement, being a fully diluted amount of 290.9 million shares, less the 25.3 million shares acquired under the first closing of Walter Energy's share purchase agreement announced on Nov. 18, 2010. This further assumes that the second closing under the share purchase agreement for a further purchase of 29.3 million Western Coal shares is completed for the merger consideration. Should this second purchase occur under a separate applicable cash option it would not affect the merger consideration for remaining shareholders of Western Coal. The exchange ratio to determine the number of shares to be issued to Western Coal shareholders was based on a Walter Energy share price of USD\$99.35, which is equal to the 20-day volume weighted average closing price as of Dec. 1, 2010. Walter Energy has fully committed financing for the cash portion of the consideration.

Following the completion of the transaction, Walter Energy will maintain its primary listing on the New York Stock Exchange under the symbol WLT. In connection with the transaction, Walter Energy will also apply for a listing on the Toronto Stock Exchange. Upon completion of the transaction, three directors nominated by the Western Coal board of directors will be added to the Walter Energy board of directors. The senior management team, including the CEO, will be announced prior to the transaction's closing.

The Agreement has been unanimously approved by both companies' boards of directors and is expected to be completed by the second quarter of 2011.

An independent committee of Western Coal's board of directors, as part of the process and in accordance with applicable regulatory requirements, received a formal valuation of the Western Coal shares from National Bank Financial. In addition, National Bank Financial has provided an opinion that, as of Dec. 2, 2010, the consideration under the proposed transaction is fair, from a financial point of view, to Western Coal's shareholders other than Walter Energy, Audley Capital Advisors LLP and their respective associates

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and affiliates. The board of directors of Western Coal has also received an opinion from RBC Capital Markets that, as of Dec. 2, 2010, the consideration under the transaction is fair, from a financial point of view, to Western Coal's shareholders other than Walter Energy, Audley Capital Advisors LLP and their respective associates and affiliates.

Morgan Stanley & Co. Incorporated is acting as financial advisor and Simpson Thacher & Bartlett LLP and Osler, Hoskin & Harcourt LLP are acting as legal counsel to Walter Energy.

RBC Capital Markets is acting as financial advisor to Western Coal. Goodmans LLP is acting as Western Coal's Canadian legal counsel and Paul, Weiss, Rifkind, Wharton & Garrison LLP as Western's US legal counsel. Western

Coal's UK advisors are Trowers & Hamlins LLP (legal) and Cenkos Securities plc (Nominated Advisor and Broker). National Bank Financial is acting as the independent valuator to Western Coal's independent committee.

### **Regulatory Matters and Other Closing Conditions**

Completion of the transaction is subject to customary closing conditions, including Canadian court approvals, a favorable vote of at least (i) two-thirds of the votes cast by Western Coal shareholders (including Walter Energy and Audley Capital Advisors LLP) and (ii) a majority of the votes cast by Western Coal's shareholders excluding Walter Energy and Audley Capital Advisors LLP, at a special meeting of shareholders, and the receipt of all necessary regulatory approvals. Approval by Walter Energy shareholders is not required to complete the transaction. The definitive agreement includes a customary non-solicit clause applicable to Western Coal and provides for the payment of a CAD\$99 million break-up fee if the transaction is terminated in certain circumstances.

Western Coal will call a special meeting of shareholders to approve the transaction. In connection with the special meeting, Western will mail an information circular to its shareholders providing further details of the transaction. Walter Energy beneficially owns and controls a total of 54,547,858 common shares of Western Coal, representing approximately 19.6 percent of the outstanding common shares of Western Coal. Walter Energy intends to vote these shares in favor of the transaction at the special meeting.

Western Coal's shareholders are cautioned that an arrangement where they would receive Walter Energy shares directly will result in a taxable event for Canadian shareholders and shareholders in the United States.

### **Conference Call Webcast**

Walter Energy Interim Chief Executive Officer Joe Leonard and Western Coal President and Chief Executive Officer Keith Calder will brief investors and other interested parties on Friday, Dec. 3, 2010; 11:30 a.m. Eastern Standard Time during a conference call, which will be broadcast live over the Internet. Participants dialing in by telephone should use one of the telephone numbers and the passcode below. Participants are urged to call in several minutes ahead to register their participation. Those interested in listening to the Web cast may do so by visiting either Walter Energy's Web site at [www.walterenergy.com](http://www.walterenergy.com) or Western Coal's Web site at [www.westerncoal.com](http://www.westerncoal.com). An archive will be available on both sites for up to 30 days.

What: Walter Energy and Western Coal Investor Conference Call

When: Dec. 3, 2010; 11:30 a.m. Eastern Standard Time

Where: Toll-Free Conference Call Number: 888-989-4414  
Alternate Conference Call Number: 1-630-395-0188  
Reservation Passcode: WLT

OR

[www.walterenergy.com](http://www.walterenergy.com) or [www.westerncoal.com](http://www.westerncoal.com)

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### **About Walter Energy**

Walter Energy is a leading U.S. producer and exporter of premium hard coking coal for the global steel industry and also produces steam coal and industrial coal, metallurgical coke and coal bed methane gas. The Company has annual revenues of approximately \$1.2 billion and employs approximately 2,100 people. For more information about Walter Energy, please visit the Company Web site at [www.walterenergy.com](http://www.walterenergy.com).

### **About Western Coal**

Western Coal is a producer of high quality metallurgical coal from mines in northeast British Columbia (Canada), high quality metallurgical coal and compliant thermal coal from mines located in West Virginia (USA), and high quality anthracite coal in South Wales (UK). The Company is headquartered in Vancouver, BC, Canada. It is listed on the TSX and AIM as "WTN". [www.westerncoal.com](http://www.westerncoal.com).

#### **Walter Energy Safe Harbor Statement**

Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and may involve a number of risks and uncertainties. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance that the transaction with Western Coal will close. The transaction is subject to a number of closing conditions which may be outside of Walter Energy's control. Forward-looking statements include expressions such as "believe," "anticipate," "expect," "estimate," "intend," "may," "plan," "predict," "will," and similar terms and expressions. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. The following factors are among those that may cause actual results to differ materially from our forward-looking statements: the market demand for coal, coke and natural gas as well as changes in pricing and costs; the availability of raw material, labor, equipment and transportation; changes in weather and geologic conditions; changes in extraction costs, pricing and assumptions and projections concerning reserves in our mining operations; changes in customer orders; pricing actions by our competitors, customers, suppliers and contractors; changes in governmental policies and laws, including with respect to safety enhancements and environmental initiatives; availability and costs of credit, surety bonds and letters of credit; and changes in general economic conditions. Forward-looking statements made by us in this release, or elsewhere, speak only as of the date on which the statements were made. See also the "Risk Factors" in our 2009 Annual Report on Form 10-K and subsequent filings with the SEC which are currently available on our website at [www.walterenergy.com](http://www.walterenergy.com). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We have no duty to, and do not intend to, update or revise the forward-looking statements in this release, except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statement made in this press release may not occur. All data presented herein is as of the date of this release unless otherwise noted.

#### **Western Coal's Forward-Looking Information Disclaimer**

This release may contain forward-looking statements that may involve risks and uncertainties. Such statements relate to Western Coal's expectations, intentions, plans and beliefs including, in particular, statements relating to a potential strategic business combination between Western Coal and Walter and the terms of any such transaction. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements as a result of various important factors, including, but not limited to: Western Coal's ability to complete the business combination with Walter on the price, terms and conditions described or at all; the benefits of such transaction and its impact on Western Coal's business; changes in commodity prices; strengths of various economies; the effects of competition and pricing pressures; the oversupply of, or lack of demand for, Western Coal's products; currency and interest rate fluctuations; various events which could disrupt Western Coal's construction schedule or operations; Western Coal's ability to obtain additional funding on favourable terms, if at all; and Western Coal's ability to anticipate and manage the foregoing factors and

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risks. Additionally, statements related to the quantity or magnitude of coal deposits are deemed to be forward looking statements. The reliability of such information is affected by, among other things, uncertainties involving geology of coal deposits; uncertainties of estimates of their size or composition; uncertainties of projections related to costs of production; the possibilities in delays in mining activities; changes in plans with respect to exploration, development projects or capital expenditures; and various other risks including those related to health, safety and environmental matters. Readers are referred to the documents filed by Western Coal on SEDAR.

**Walter Energy Contacts:**

Investors:

Mark H. Tubb  
Vice President - Investor Relations  
813.871.4027  
mtubb@walterenergy.com

Media:

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Director - Corporate Communications  
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OR

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Sard Verbinnen & Co.  
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bobbym@buchanan.uk.com

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(i) Expressed in short tons and based on each company's publicly disclosed reserves, which are compiled under differing technical standards.



**TAB 19D**

THIS IS SCHEDULE "D" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD  
SWORN BEFORE ME ON THIS 14 DAY OF NOVEMBER, 2016

*mpat*

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A Commissioner for Taking Affidavits

**Mary Paterson**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **January 21, 2011 (January 20, 2011)**

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**Walter Energy, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation  
or organization)

**001-13711**  
Commission File No.

**13-3429953**  
(I.R.S. Employer Identification No.)

**4211 W. Boy Scout Boulevard  
Tampa, Florida 33607  
(813) 871-4811**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**N/A**  
(Former Name or Former Address, if Changed from Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01

Other Events.

On January 20, 2011, Walter Energy, Inc. (the "Company") issued a press release announcing that the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 related to the Company's pending acquisition of Western Coal Corp. expired on Jan. 12, 2011 and that the Canadian Competition Bureau issued a "no action" letter to the Company on January 14, 2011 indicating that it does not intend to oppose the pending acquisition. The Company also announced it completed the acquisition of approximately 25.3 million common shares of Western Coal Corp., representing 9.15 percent of the outstanding common shares of Western Coal Corp., from funds advised by Audley Capital for approximately \$293.7 million (C\$290.7 million) in cash. As previously announced and pursuant to the terms of its share purchase agreement, the Company will purchase approximately 29.2 million additional common shares of Western Coal Corp. from funds advised by Audley Capital upon the earlier of the completion of the acquisition of Western Coal Corp. by the Company or April 30, 2011. A copy of the press release is attached hereto as Exhibit 99.1.

The information provided pursuant to this Item 8.01, including Exhibit 99.1 in Item 9.01, is "furnished" and shall not be deemed to be "filed" with the Securities and Exchange Commission or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filings.

**Forward-Looking Statements**

This report contains, in addition to statements of historical fact, certain forward-looking statements. These forward-looking statements relate to, among other things, the combined company and involve risks and uncertainties. Actual results could differ from those currently anticipated due to a number of factors. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance as to the timing of the closing of the transactions discussed above, or whether they will close at all. Investors and security holders may obtain free copies of documents filed by the Company with the Securities and Exchange Commission at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders may obtain free copies of the documents filed with the Securities and Exchange Commission by the Company at [www.walterenergy.com](http://www.walterenergy.com). The Company does not assume any responsibility to update any forward-looking statements as a result of new information or future developments except as expressly required by law.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated January 20, 2011

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WALTER ENERGY, INC.

Date: January 21, 2011

By: /s/ Catherine C. Bona  
 Catherine C. Bona, Vice President  
 interim General Counsel and Secretary



Walter Energy, Inc.  
P.O. Box 20608  
Tampa, Florida 33622-0608  
[www.walterenergy.com](http://www.walterenergy.com)

## Press Release

**FOR IMMEDIATE RELEASE**  
Jan. 20, 2011

*Investor Contact:* Mark H. Tubb  
Vice President - Investor Relations  
813.871.4027  
[mtubb@walterenergy.com](mailto:mtubb@walterenergy.com)

*Media Contacts:* Michael A. Monahan  
Director - Corporate Communications  
205.745.2628  
[mmonahan@walterenergy.com](mailto:mmonahan@walterenergy.com)

### **WALTER ENERGY ANNOUNCES EXPIRATION OF HART-SCOTT-RODINO WAITING PERIOD FOR ACQUISITION OF WESTERN COAL CORP.; COMPLETION OF ACQUISITION OF 9.15 PERCENT STAKE IN WESTERN COAL FROM FUNDS ADVISED BY AUDLEY CAPITAL**

(TAMPA, Fla.) — Walter Energy (NYSE: WLT) announced today that the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 related to the Company's pending acquisition of Western Coal Corp. (TSX: WTN, WTN.WT and AIM: WTN) expired on Jan. 12, 2011 and that the Canadian Competition Bureau issued a "no action" letter to Walter Energy on January 14 indicating that it does not intend to oppose Walter Energy's pending acquisition of Western Coal.

Walter Energy also said it has completed the previously announced acquisition of approximately 25.3 million common shares of Western Coal, representing 9.15 percent of the outstanding shares, from funds advised by Audley Capital for approximately \$293.7 million (C\$290.7 million) in cash. As previously announced and pursuant to the terms of its share purchase agreement, Walter Energy will purchase approximately 29.2 million additional common shares of Western Coal from funds advised by Audley Capital upon the earlier of the completion of the acquisition of Western Coal by Walter Energy or April 30, 2011.

The acquisition of Western Coal by Walter Energy remains subject to various closing conditions, including Canadian court approval, a favorable vote of at least two-thirds of the votes cast by Western Coal shareholders (including Walter Energy and funds advised by Audley Capital) and a majority of the votes cast by Western Coal's minority shareholders (excluding Walter Energy and funds advised by Audley Capital), at a special meeting of shareholders of Western Coal, and the receipt of all remaining regulatory approvals. Approval by Walter Energy shareholders is not required to complete the transaction.

#### About Walter Energy

Walter Energy is a leading U.S. producer and exporter of premium hard coking coal for the global steel industry and also produces steam coal and industrial coal, metallurgical coke and coal bed methane gas. The Company has annual revenues of approximately \$1.2 billion and employs approximately 2,100 people. For more information about Walter Energy, please visit the Company Web site at [www.walterenergy.com](http://www.walterenergy.com).

### Safe Harbor Statement

Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of

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1995 and may involve a number of risks and uncertainties. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance that the transaction with Western Coal will close. The transaction is subject to a number of closing conditions which may be outside of Walter Energy's control. Forward-looking statements include expressions such as "believe," "anticipate," "expect," "estimate," "intend," "may," "plan," "predict," "will," and similar terms and expressions. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. The following factors are among those that may cause actual results to differ materially from our forward-looking statements: the market demand for coal, coke and natural gas as well as changes in pricing and costs; the availability of raw material, labor, equipment and transportation; changes in weather and geologic conditions; changes in extraction costs, pricing and assumptions and projections concerning reserves in our mining operations; changes in customer orders; pricing actions by our competitors, customers, suppliers and contractors; changes in governmental policies and laws, including with respect to safety enhancements and environmental initiatives; availability and costs of credit, surety bonds and letters of credit; and changes in general economic conditions. Forward-looking statements made by us in this release, or elsewhere, speak only as of the date on which the statements were made. See also the "Risk Factors" in our 2009 Annual Report on Form 10-K and subsequent filings with the SEC which are currently available on our website at [www.walterenergy.com](http://www.walterenergy.com). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We have no duty to, and do not intend to, update or revise the forward-looking statements in this release, except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statement made in this press release may not occur. All data presented herein is as of the date of this release unless otherwise noted.

**TAB 19E**

THIS IS SCHEDULE "E" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD  
SWORN BEFORE ME ON THIS 14 DAY OF NOVEMBER, 2016



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A Commissioner for Taking Affidavits

Mary Paterson



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES  
EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **February 15, 2011 (February 14, 2011)**

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**Walter Energy, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation  
or organization)

**001-13711**  
Commission File No.

**13-3429953**  
(I.R.S. Employer Identification No.)

**4211 W. Boy Scout Boulevard  
Tampa, Florida 33607  
(813) 871-4811**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**N/A**  
(Former Name or Former Address, if Changed from Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
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**Item 2.02 Results of Operations and Financial Condition.**

On February 14, 2011, Walter Energy, Inc. (the "Company") issued a press release announcing the Company's fourth quarter and full-year 2010 results. A copy of the press release is attached hereto as Exhibit 99.1.

The information provided pursuant to this Item 2.02, including Exhibit 99.1 in Item 9.01, is "furnished" and shall not be deemed to be "filed" with the Securities and Exchange Commission or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filings.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

99.1 Press Release dated February 14, 2011

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WALTER ENERGY, INC.

Date: February 15, 2011

By: /s/ Catherine C. Bona  
Catherine C. Bona, Vice President  
interim General Counsel and Secretary



Walter Energy, Inc.  
P.O. Box 20608  
Tampa, Florida 33622-0608  
[www.walterenergy.com](http://www.walterenergy.com)

## Press Release

FOR IMMEDIATE RELEASE  
February 14, 2011

*Investor Contact:* Mark H. Tubb  
Vice President — Investor Relations  
813.871.4027  
[mtubb@walterenergy.com](mailto:mtubb@walterenergy.com)

*Media Contact:* Michael A. Monahan  
Director — Corporate Communications  
205.745.2628  
[mmonahan@walterenergy.com](mailto:mmonahan@walterenergy.com)

### WALTER ENERGY ANNOUNCES FOURTH QUARTER AND FULL-YEAR 2010 RESULTS

Company Reports Earnings From Continuing Operations of \$1.75 per Diluted Share for Fourth Quarter and \$7.25 per Diluted Share for Full Year 2010

\$1.6 Billion in Full-Year 2010 Revenues on Record Coking Coal Sales of 7.2 Million Tons

Fourth Quarter EBITDA Triples to \$171.5 Million; Full-Year EBITDA Climbs to Nearly \$700 Million

Acquisition of Western Coal Corp. Progressing; Closing Anticipated on April 1, 2011

(TAMPA, Fla.) — Walter Energy (NYSE: WLT), a leading U.S. producer and exporter of premium hard coking coal for the global steel industry, today announced earnings from continuing operations of \$1.75 per diluted share and EBITDA of \$171.5 million for the quarter ended Dec. 31, 2010, compared to earnings from continuing operations of \$0.62 per diluted share and EBITDA of \$55.6 million in the fourth quarter 2009.

The Company also reported full-year 2010 earnings from continuing operations of \$7.25 per diluted share and EBITDA of \$692.8 million compared to full year 2009 earnings of \$2.64 per diluted share and EBITDA of \$275.1 million.

“We generated strong fourth quarter earnings on higher coking coal sales volumes and prices,” said Walter Energy Interim Chief Executive Officer Joe Leonard. “For the full year, earnings increased by almost 175 percent over 2009, reflecting strong pricing and production growth from our organic growth initiatives. Globally, events continue to limit availability of premium coking coals and we see supply-demand imbalance continuing in our favor as global steel production improves on its record 2010 output.”

“Strategically, we continue to make excellent progress on our transformative acquisition of Western Coal, which, when completed, will make Walter Energy the leading, publicly traded ‘pure play’ coking coal producer in the world. In addition, the combination increases the size, scale and diversity of our operations, significantly enhancing the Company’s financial profile and geographic reach, particularly into Asia. We also recently completed the acquisition of a river terminal facility at the Port of Mobile to ensure unconstrained shipping capacity for our long-term coking coal production plans from our mines in Alabama, to maintain low mine-to-vessel costs and to make us less reliant on third parties,” he said.

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### **Full-Year 2010 Financial Results**

For the full year 2010, revenues were \$1.6 billion, a \$621 million increase compared to 2009's full-year results. EBITDA also increased to \$692.8 million, a \$417.7 million improvement versus the prior year. The improvement was largely due to record revenues and operating income at the underground mining segment of \$1.3 billion and \$580.7 million, respectively, on significant year-over-year coking coal pricing and volume increases.

### **Fourth Quarter 2010 Financial Results**

Revenues for the fourth quarter 2010 totaled \$400.8 million compared to \$236.3 million in the prior-year period. Operating income totaled \$144.7 million for the quarter, compared to \$36.9 million in the prior-year period. Revenue and operating income improvements were primarily due to higher coking coal pricing and volumes in the Company's underground mining operations.

Fourth quarter 2010 operating income includes \$5.9 million in costs associated with Walter Energy's impending acquisition of Western Coal and \$2.3 million in costs at Walter Coke related to long-term environmental monitoring. These charges negatively impacted earnings for the quarter by approximately \$0.10 per diluted share.

### **Underground Mining**

The underground mining segment reported revenues of \$350.9 million in the fourth quarter 2010, compared to \$179.7 million in the prior-year period. Operating income was \$144.6 million, more than triple the segment's operating income in the same period last year. Revenues and operating income were higher primarily due to significantly higher average coking coal contract pricing along with higher sales volumes versus the prior-year period. The effect of these favorable items was partially offset by higher royalty and freight costs.

Coking coal sales totaled 1.7 million tons in the fourth quarter, up 25.1 percent compared to the prior-year period, at an average selling price of \$196.47 per short ton FOB Port, a 55.3 percent increase over average selling prices of \$126.48 per ton in the same period last year.

Total coking coal production was 1.5 million tons in the quarter, almost 200,000 tons higher than in the fourth quarter 2009. The increase in production was generated from incremental tons from the Mine No. 7 East expansion and from improved recovery rates at the No. 4 Mine. Production costs for the quarter averaged \$64.68 per ton, or \$2.76 lower than in the prior-year period, primarily due to volume improvements at both mines, partially offset by higher labor and supply cost at Mine No. 7.

The natural gas business sold 3.4 billion cubic feet of gas at an average price of \$4.06 per thousand cubic feet in the fourth quarter 2010 compared to 1.4 billion cubic feet at an average price of \$4.09 per thousand cubic feet in the prior-year period. Increased production and sales for the quarter resulted from the Company's Walter Black Warrior Basin natural gas subsidiary acquired in May 2010.

### **Surface Mining**

The surface mining segment reported revenues of \$35.9 million for the fourth quarter 2010, compared to \$26.0 million in the prior-year period on increased sales volumes and pricing. Although revenues increased 37.8 percent, operating income in the fourth quarter 2010 only increased 7.0 percent due to higher depreciation, diesel and blasting costs.

Coal sales from the surface mining segment were 348,000 tons during the fourth quarter, up 6.7 percent compared to the prior-year period primarily due to incremental sales volumes from the recently opened Reid School metallurgical coal mine. Production was 406,000 tons, up 35.3 percent compared to the fourth quarter last year primarily from additional tons produced at the Reid School Mine.

## Walter Coke

Walter Coke reported revenues of \$37.9 million in the fourth quarter 2010, compared to \$37.4 million in the prior-year period. Walter Coke generated \$5.4 million in operating income in the quarter, compared to a slight loss in the prior-year period. Operating income improvements were driven primarily by price increases and improved plant efficiencies, partially offset by higher coal raw material costs and a \$2.3 million environmental charge. In addition, fourth quarter 2009 results included a \$4.5 million charge related to the closure of Walter Coke's fiber plant.

The Company sold 87,000 tons of metallurgical coke in the fourth quarter 2010 at an average price of \$381.96 per ton compared to 88,000 tons sold in the prior-year period at an average price of \$312.11 per ton. Pricing increases were primarily attributable to improved demand in the domestic automotive and steel markets.

## Corporate and Other

At Dec. 31, 2010, the Company had available liquidity of \$533.5 million, including cash of \$293.4 million and \$240.1 million available under its credit facility.

## Financial Summary & Business Outlook

Comparisons to the most recently provided business outlook are provided below, alongside Walter Energy's business outlook for the first quarter 2011:

<u>Underground Mining(1)</u>	<u>Q4-2010 E</u>	<u>Q4-2010 A</u>	<u>Q1-2011 E</u>
Coal Sales (short tons, in millions)	1.7 - 2.0	1.7	1.6 - 1.8
Average Operating Margin(2) Per Ton	\$84 - \$87	\$85	\$83 - \$87
<u>Surface Mining</u>	<u>Q4-2010 E</u>	<u>Q4-2010 A</u>	<u>Q1-2011 E</u>
Coal Sales (short tons, in thousands)	382 - 403	348	406 - 426
Average Operating Margin(2) Per Ton	\$13 - \$17	\$18	\$10 - \$14
<u>Walter Coke</u>	<u>Q4-2010 E</u>	<u>Q4-2010 A(3)</u>	<u>Q1-2011 E</u>
Coke Sales (tons, in thousands)	85 - 88	87	99 - 101
Average Operating Margin(2) Per Ton	\$44 - \$58	\$63	\$41 - \$51

*Quarter-to-quarter variability in timing, availability and pricing of shipments may result in significant shifts in income between quarters.*

- (1) Includes the coking coal operation at Jim Walter Resources; excludes the coal bed methane operations.*
- (2) Operating margin is defined as operating income (Earnings Before Interest & Taxes) from each business shown.*
- (3) Actual results include a \$2.3 million charge related to long-term environmental monitoring.*

In the fourth quarter 2010, coking coal sales volumes were at the low end of the previously issued expectations range due to a longer-than-expected longwall move in December and difficult mining conditions at both of our underground mines late in the quarter. These conditions continued into January and, along with the impact of planned first quarter 2011 longwall moves, the Company expects first quarter sales volumes to be in the range of 1.6 to 1.8 million tons.

Given the loss of production through mid-February 2011, the Company estimates that its full-year coking coal sales will be, at best, 8.5 million tons, with up to 500,000 tons of the total coming from purchased coal opportunities.

First quarter 2011 coking coal operating margins reflect an average selling price of \$215 per metric ton FOB port (\$195 per short ton FOB port), which includes a mix of carryover tons at \$209 per metric

ton as well as new contract tons for the quarter at or above the \$225 per metric ton benchmark price. The average realized selling price will also be affected by lower priced purchased coal. First quarter 2011 coking coal production costs are expected to be in line with the fourth quarter 2010 results.

In the surface mining segment, although fourth quarter 2010 shipments were lower than expected due to lighter-than-expected customer demand, the segment expects to sell between 406,000 and 426,000 tons of metallurgical, steam and industrial coal in the first quarter 2011, with all expected steam and industrial sales volumes contractually priced. Operating income in the first quarter 2011 is expected to be negatively impacted by a shift in sales mix to lower-margin coal contracts, higher cost due to unfavorable mining ratios and higher fuel prices.

At Walter Coke, first quarter sales volumes are expected to be approximately 100,000 tons. Operating margins are expected to reflect higher metallurgical coke prices, offset by higher coal raw material costs.

#### **Western Coal Acquisition Update**

Walter Energy said it continues to make very good progress on its acquisition of Western Coal Corp. Western Coal issued its Circular to its shareholders on Feb. 4, 2011 and a vote of the Western Coal shareholders is scheduled for March 8, 2011. As announced on Jan. 20, 2011, the Company acquired a 9.15 percent stake in Western Coal from funds advised by Audley Capital for \$293.7 million. The Company remains on track to close on the acquisition on April 1, 2011.

#### **Conference Call Web Cast**

Interim Chief Executive Officer Joe Leonard and members of the Company's leadership team will discuss Walter Energy's fourth quarter results, its outlook and other general business matters during a conference call and live Web cast to be held Tuesday, Feb. 15, 2011, at 10 a.m. Eastern Standard Time. To listen to the event live or in archive, visit the Company Web site at [www.walterenergy.com](http://www.walterenergy.com).

#### **About Walter Energy**

Walter Energy is a leading U.S. producer and exporter of premium hard coking coal for the global steel industry and also produces steam coal and industrial coal, metallurgical coke and coal bed methane gas. The Company has revenues of approximately \$1.6 billion and employs approximately 2,100 people. For more information about Walter Energy, please visit the Company Web site at [www.walterenergy.com](http://www.walterenergy.com).

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and laws, including with respect to safety enhancements and environmental initiatives; availability and costs of credit, surety bonds and letters of credit; and changes in general economic conditions. Forward-looking statements made by us in this release, or elsewhere, speak only as of the date on which the statements were made. See also the "Risk Factors" in our 2009 Annual Report on Form 10-K and subsequent filings with the SEC which are currently available on our website at [www.walterenergy.com](http://www.walterenergy.com). New risks and uncertainties arise from time to time, and it is impossible for us to predict these

events or how they may affect us or our anticipated results. We have no duty to, and do not intend to, update or revise the forward-looking statements in this release, except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statement made in this press release may not occur. All data presented herein is as of Dec. 31, 2010 unless otherwise noted.

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WALTER ENERGY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(\$ in thousands, except per share and share amounts)  
Unaudited

	For the three months ended December 31,	
	2010	2009
Revenues:		
Sales	\$ 396,863	\$ 234,006
Miscellaneous income	3,934	2,259
	<u>400,797</u>	<u>236,265</u>
Costs and expenses:		
Cost of sales (exclusive of depreciation and depletion)	192,421	150,287
Depreciation and depletion	26,743	18,723
Selling, general and administrative	26,519	19,084
Postretirement benefits	10,379	7,696
Restructuring and impairment charges (1)	—	3,601
	<u>256,062</u>	<u>199,391</u>
Operating income	144,735	36,874
Interest expense	(4,130)	(4,980)
Interest income	151	171
Income from continuing operations before income taxes	<u>140,756</u>	<u>32,065</u>
Income tax expense (benefit) (2)	47,108	(1,231)
Income from continuing operations	93,648	33,296
Discontinued operations (3)	(1,780)	(4,120)
Net income	<u>\$ 91,868</u>	<u>\$ 29,176</u>
Basic income per share:		
Income from continuing operations	\$ 1.77	\$ 0.63
Discontinued operations	(0.04)	(0.08)
Basic net income per share	<u>\$ 1.73</u>	<u>\$ 0.55</u>
Weighted average number of shares outstanding	<u>52,992,021</u>	<u>53,098,146</u>
Diluted income per share:		
Income from continuing operations	\$ 1.75	\$ 0.62
Discontinued operations	(0.03)	(0.08)
Diluted net income per share	<u>\$ 1.72</u>	<u>\$ 0.54</u>
Weighted average number of diluted shares outstanding	<u>53,420,985</u>	<u>53,951,917</u>

- 
- (1) The Company recorded a \$3.6 million restructuring and impairment charge in the fourth quarter 2009 related to the closure of Walter Coke's fiber plant. In addition, inventory write-downs of \$0.9 million are included in cost of sales related to this closure, for total closure costs recognized of \$4.5 million.
  - (2) In the fourth quarter 2009, the Company recognized two large, unusual tax benefits resulting in a net tax benefit on pre-tax income. The tax benefits included (1) a permanent tax benefit of \$5.9 million for non-taxable OPEB Medicare Part D subsidies and (2) a \$3.8 million net tax benefit on certain deferred tax assets relating to a change in the effective state tax rate resulting from the decision to open the Company's administrative offices in Birmingham, AL. Excluding these items, the Company's fourth quarter 2009 effective tax rate was 26.5%. This rate is lower than the effective tax rate in the fourth quarter 2010 primarily due to greater benefits from permanent percentage depletion deductions in 2009.
  - (3) Discontinued operations includes the results of our closed Homebuilding and Kodiak operations for both periods.

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WALTER ENERGY, INC. AND SUBSIDIARIES  
RESULTS BY OPERATING SEGMENT  
(\$ in thousands)  
Unaudited

	For the three months ended December 31,	
	2010	2009
<b>REVENUES:</b>		
Underground Mining		
Surface Mining	\$ 350,948	\$ 179,655
Walter Coke	35,862	26,029
Other	37,923	37,369
Consolidating eliminations of intersegment activity	846	430
	(24,782)	(7,218)
	\$ 400,797	\$ 236,265
<b>OPERATING INCOME (LOSS):</b>		
Underground Mining	\$ 144,608	\$ 41,579
Surface Mining	6,861	6,415
Walter Coke (1)	5,445	(43)
Other (2)	(12,697)	(10,869)
Consolidating eliminations of intersegment activity	518	(208)
Operating income	\$ 144,735	\$ 36,874

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- (1) The Company recorded a \$4.5 million charge in the 2009 fourth quarter related to the closure of Walter Coke's fiber plant.
  - (2) Results for 2010 include \$5.9 million in costs associated with the pending acquisition.

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WALTER ENERGY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(\$ in thousands, except per share and share amounts)  
Unaudited

For the year ended  
December 31,



	<u>2010</u>	<u>2009</u>
Revenues:		
Sales	\$ 1,570,845	\$ 955,508
Miscellaneous income	16,885	11,319
	<u>1,587,730</u>	<u>966,827</u>
Costs and expenses:		
Cost of sales (exclusive of depreciation and depletion)	766,516	586,774
Depreciation and depletion	98,702	72,939
Selling, general and administrative	86,972	70,510
Postretirement benefits	41,478	30,833
Restructuring and impairment charges (1)	—	3,601
	<u>993,668</u>	<u>764,657</u>
Operating income	594,062	202,170
Interest expense	(17,250)	(18,975)
Interest income	784	799
Income from continuing operations before income taxes	<u>577,596</u>	<u>183,994</u>
Income tax expense	188,171	42,144
Income from continuing operations	<u>389,425</u>	<u>141,850</u>
Discontinued operations (2)	(3,628)	(4,692)
Net income	<u>\$ 385,797</u>	<u>\$ 137,158</u>
Basic income per share:		
Income from continuing operations	\$ 7.32	\$ 2.67
Discontinued operations	<u>(0.07)</u>	<u>(0.09)</u>
Basic net income per share	<u>\$ 7.25</u>	<u>\$ 2.58</u>
Weighted average number of shares outstanding	<u>53,178,901</u>	<u>53,075,622</u>
Diluted income per share:		
Income from continuing operations	\$ 7.25	\$ 2.64
Discontinued operations	<u>(0.07)</u>	<u>(0.09)</u>
Diluted net income per share	<u>\$ 7.18</u>	<u>\$ 2.55</u>
Weighted average number of diluted shares outstanding	<u>53,700,181</u>	<u>53,819,396</u>

- 
- (1) The Company recorded a \$3.6 million restructuring and impairment charge in the fourth quarter 2009 related to the closure of Walter Coke's fiber plant. In addition, inventory write-downs of \$0.9 million are included in cost of sales related to this closure, for total closure costs recognized of \$4.5 million.
- (2) Discontinued operations includes the results of our closed Homebuilding and Kodiak operations for both periods, while 2009 also includes the results of our Financing segment, which was spun off in April 2009.

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WALTER ENERGY, INC. AND SUBSIDIARIES  
RESULTS BY OPERATING SEGMENT  
(\$ in thousands)  
Unaudited

For the year ended  
December 31,

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	<u>2010</u>	<u>2009</u>
REVENUES:		
Underground Mining	\$ 1,349,748	\$ 787,325
Surface Mining	133,734	99,556
Walter Coke	181,979	101,233
Other	2,996	2,469
Consolidating eliminations of intersegment activity	<u>(80,727)</u>	<u>(23,756)</u>
	<u>\$ 1,587,730</u>	<u>\$ 966,827</u>
OPERATING INCOME (LOSS):		
Underground Mining	\$ 580,650	\$ 208,189
Surface Mining	24,170	24,045
Walter Coke (1)	32,471	(1,338)
Other (2)	(40,380)	(29,086)
Consolidating eliminations of intersegment activity	<u>(2,849)</u>	<u>360</u>
Operating income	<u>\$ 594,062</u>	<u>\$ 202,170</u>

- (1) The Company recorded a \$4.5 million charge in the 2009 fourth quarter related to the closure of Walter Coke's fiber plant.
- (2) Results for 2010 include \$9.5 million of costs associated with completed and pending acquisitions.

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WALTER ENERGY, INC. AND SUBSIDIARIES  
RECONCILIATION OF EBITDA TO AMOUNTS REPORTED UNDER US GAAP  
(\$ in thousands)  
Unaudited

	For the three months ended December 31,		For the year ended December 31,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Net income	\$ 91,868	\$ 29,176	\$ 385,797	\$ 137,158
Add loss from discontinued operations	1,780	4,120	3,628	4,692
Add (less) income tax expense (benefit)	47,108	(1,231)	188,171	42,144
Add interest expense	4,130	4,980	17,250	18,975
Less interest income	(151)	(171)	(784)	(799)
Add depreciation and depletion expense	<u>26,743</u>	<u>18,723</u>	<u>98,702</u>	<u>72,939</u>
Earnings from continuing operations before interest, income taxes, and depreciation and depletion (EBITDA)				
(1)	<u>\$ 171,478</u>	<u>\$ 55,597</u>	<u>\$ 692,764</u>	<u>\$ 275,109</u>

- (1) EBITDA represents earnings from continuing operations before interest expense, interest income, income taxes, and depreciation and depletion expense. EBITDA is a financial measure which is not calculated in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and should be considered supplemental to, and not as a substitute or superior to financial measures calculated in conformity with GAAP. We believe that EBITDA is a useful measure as some investors and analysts use EBITDA to compare us against other companies and to help analyze our ability to satisfy principal and interest obligations and capital expenditure needs. EBITDA may not be comparable to similarly titled measures used by other entities.

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WALTER ENERGY, INC. AND SUBSIDIARIES  
SUPPLEMENTAL INFORMATION  
Unaudited

	For the three months ended December 31,		For the year ended December 31,	
	2010	2009	2010	2009
Operating Data:				
Underground Mining				
Tons sold by type (in thousands):				
Metallurgical coal, contracts	1,589	1,369	6,833	5,986
Purchased coal	124	—	331	98
	<u>1,713</u>	<u>1,369</u>	<u>7,164</u>	<u>6,084</u>
Average selling price per short ton	\$ 196.47	\$ 126.48	\$ 180.80	\$ 124.64
Tons sold by mine (in thousands):				
Mine No. 4	673	680	2,788	2,789
Mine No. 7	916	689	4,045	3,197
Total	<u>1,589</u>	<u>1,369</u>	<u>6,833</u>	<u>5,986</u>
Coal cost of sales (exclusive of depreciation):				
Mine No. 4 per ton	\$ 76.93	\$ 75.42	\$ 77.86	\$ 71.31
Mine No. 7 per ton	\$ 91.74	\$ 77.99	\$ 80.35	\$ 72.36
Weighted average cost of sales per ton	\$ 85.47	\$ 76.71	\$ 79.33	\$ 71.87
Purchased coal costs (in thousands)	\$ 13,526	\$ 23	\$ 33,916	\$ 4,071
Other costs (in thousands) (1)	\$ 8,619	\$ 802	\$ 16,226	\$ 12,142
Tons of coal produced (in thousands):				
Mine No. 4	689	605	2,798	2,719
Mine No. 7	855	749	3,870	3,366
Total	<u>1,544</u>	<u>1,354</u>	<u>6,668</u>	<u>6,085</u>
Coal production costs per ton: (2)				
Mine No. 4	\$ 55.35	\$ 61.35	\$ 57.79	\$ 56.77
Mine No. 7	\$ 72.19	\$ 72.36	\$ 62.08	\$ 64.64
Weighted average production costs per ton	\$ 64.68	\$ 67.44	\$ 60.28	\$ 61.12
Natural gas sales, in mmcf (in thousands)				
Natural gas average sale price per mcf	\$ 4.06	\$ 4.09	\$ 4.52	\$ 4.27
Natural gas cost of sales per mcf	\$ 2.56	\$ 2.87	\$ 2.50	\$ 2.61
Surface Mining				
Tons sold (in thousands)	348	326	1,477	1,234
Tons of coal produced (in thousands)	406	300	1,511	1,328
Average selling price per short ton	\$ 96.78	\$ 77.47	\$ 85.64	\$ 76.20
Coal production costs per ton	\$ 59.77	\$ 69.29	\$ 65.65	\$ 62.20

(1) Consists of charges (credits) not directly allocable to a specific underground mine.

(2) Coal production costs per ton are a component of inventoriable costs, including depreciation. Other costs not included in coal production costs per ton include Company-paid outbound freight, postretirement benefits, asset retirement obligation expenses, royalties, and Black Lung excise taxes.

**WALTER ENERGY, INC. AND SUBSIDIARIES**  
**SUPPLEMENTAL INFORMATION**  
Unaudited

	For the three months ended December 31,		For the year ended December 31,	
	2010	2009	2010	2009
Operating Data (continued):				
Walter Coke:				
Metallurgical coke tons sold (in thousands)	87	88	434	200
Metallurgical coke average sales price per ton	\$ 381.96	\$ 312.11	\$ 372.76	\$ 328.85
Depreciation and depletion (\$ in thousands):				
Underground Mining	\$ 21,749	\$ 15,633	\$ 81,563	\$ 59,393
Surface Mining	3,760	1,880	12,515	8,574
Walter Coke	1,038	1,148	4,092	4,566
Other	196	62	532	406
	<u>\$ 26,743</u>	<u>\$ 18,723</u>	<u>\$ 98,702</u>	<u>\$ 72,939</u>
Capital expenditures (\$ in thousands):				
Underground Mining	\$ 65,936	\$ 23,778	\$ 130,582	\$ 74,625
Surface Mining	5,629	3,490	14,320	16,210
Walter Coke	4,726	1,475	7,397	4,837
Other	955	243	5,177	626
	<u>\$ 77,246</u>	<u>\$ 28,986</u>	<u>\$ 157,476</u>	<u>\$ 96,298</u>

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**WALTER ENERGY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(\$ in thousands)  
Unaudited

	As of	
	December 31, 2010	December 31, 2009
<b>ASSETS</b>		
Cash and cash equivalents	\$ 293,410	\$ 165,279
Receivables, net	143,238	70,500
Inventories	97,631	99,278
Deferred income taxes	62,371	110,576
Prepaid expenses	28,179	22,702
Other current assets	4,798	4,363
Current assets of discontinued operations (1)	5,912	15,197
Total current assets	<u>635,539</u>	<u>487,895</u>
Property, plant and equipment, net	790,001	522,931
Deferred income taxes	149,520	178,338
Other long-term assets	82,705	70,192
<b>TOTAL ASSETS</b>	<u>\$ 1,657,765</u>	<u>\$ 1,259,356</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		

Accounts payable	\$ 70,692	\$ 44,211
Accrued expenses	52,399	39,034
Current debt	13,903	13,351
Accumulated postretirement benefits obligation	24,753	23,563
Other current liabilities	24,362	18,513
Current liabilities of discontinued operations (1)	7,738	7,310
Total current liabilities	193,847	145,982
Long-term debt	154,570	163,147
Accumulated postretirement benefits obligation	451,348	429,096
Other long-term liabilities	262,934	261,736
TOTAL LIABILITIES	1,062,699	999,961
STOCKHOLDERS' EQUITY	595,066	259,395
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,657,765	\$ 1,259,356

(1) Includes the remaining assets and liabilities of the Company's closed Homebuilding and Kodiak businesses.

WALTER ENERGY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
AND COMPREHENSIVE INCOME  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010  
(\$ in thousands)  
Unaudited

	Total	Common Stock	Capital in Excess of Par Value	Comprehensive Income	Retained Earnings	Accumulated Other Comprehensive Loss
Balance at December 31, 2009	\$ 259,395	\$ 533	\$ 374,522		\$ 50,852	\$ (166,512)
Comprehensive income:						
Net income	385,797			\$ 385,797	385,797	
Other comprehensive income, net of tax:						
Change in pension and postretirement benefit plans	(5,280)			(5,280)		(5,280)
Change in unrealized gain on hedges	(596)			(596)		(596)
Comprehensive income				<u>\$ 379,921</u>		
Purchases of stock under stock repurchase program	(65,438)	(9)	(65,429)			
Stock issued upon the exercise of stock options	17,134	8	17,126			
Dividends paid, \$0.475 per share	(25,266)				(25,266)	
Stock-based compensation	3,460	—	3,460			
Excess tax benefit from stock-based	28,875		28,875			

compensation arrangements					
Other	<u>(3,015)</u>	<u>(1)</u>	<u>(3,014)</u>		
Balance at December 31, 2010	<u>\$ 595,066</u>	<u>\$ 531</u>	<u>\$ 355,540</u>	<u>\$ 411,383</u>	<u>\$ (172,388)</u>

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WALTER ENERGY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(\$ in thousands)  
Unaudited

	<u>For the year ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 385,797	\$ 137,158
Loss (income) from discontinued operations	3,628	4,692
Income from continuing operations	<u>389,425</u>	<u>141,850</u>
Adjustments to reconcile income from continuing operations to net cash flows provided by operating activities:		
Depreciation and depletion	98,702	72,939
Decrease in deferred income taxes	83,174	29,038
Non cash restructuring and impairment charges	—	3,601
Tax benefit on the exercise of stock awards	(28,875)	—
Other	17,408	18,337
Decrease (increase) in assets, net of effect of business acquisition:		
Receivables	(65,935)	69,772
Inventories	1,966	(25,076)
Other current assets	13,155	17,624
Increase (decrease) in liabilities, net of effect of business acquisition:		
Accounts payable	23,717	(16,286)
Accrued expenses and other current liabilities	41,413	(27,831)
Cash flows provided by (used in) operating activities	<u>574,150</u>	<u>283,968</u>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(157,476)	(96,298)
Acquisition (1)	(209,964)	—
Other	(3,414)	3,270
Cash flows provided by (used in) investing activities	<u>(370,854)</u>	<u>(93,028)</u>
<b>FINANCING ACTIVITIES</b>		
Retirements of debt	(26,972)	(61,597)
Dividends paid	(25,266)	(21,190)
Cash spun off to Financing	—	(33,821)
Purchases of stock under stock repurchase program	(65,438)	(34,254)
Tax benefit on the exercise of stock awards	28,875	—
Proceeds from stock options exercised	17,134	9,888
Other	(3,015)	(6,169)
Cash flows provided by (used in) financing activities	<u>(74,682)</u>	<u>(147,143)</u>
Cash flows provided by (used in) continuing operations	<u>128,614</u>	<u>43,797</u>
<b>CASH FLOWS FROM DISCONTINUED OPERATIONS</b>		

Cash flows provided by (used in) operating activities	(6,268)	19,070
Cash flows provided by (used in) investing activities	5,066	27,379
Cash flows provided by (used in) financing activities	—	(41,385)
Cash flows provided by (used in) discontinued operations	(1,202)	5,064
Net increase (decrease) in cash and cash equivalents	<u>\$ 127,412</u>	<u>\$ 48,861</u>
Cash and cash equivalents at beginning of period	\$ 165,279	\$ 116,074
Add: Cash and cash equivalents of discontinued operations at beginning of period	1,254	1,598
Net increase (decrease) in cash and cash equivalents	127,412	48,861
Less: Cash and cash equivalents of discontinued operations at end of period	535	1,254
Cash and cash equivalents at end of period	<u>\$ 293,410</u>	<u>\$ 165,279</u>

#### SUPPLEMENTAL DISCLOSURES

##### Non-cash transactions:

Financing of one-year property insurance policy	<u>\$ 18,947</u>	<u>\$ 12,710</u>
Dividend to spin off Financing	<u>\$ —</u>	<u>\$ 437,407</u>

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- (1) On May 28, 2010, the Company acquired HighMount Exploration & Production Alabama, LLC for a cash payment of \$210.0 million. The fair value of the assets acquired and the liabilities assumed totaled \$217.6 and \$7.6 million, respectively.

**TAB 19F**



THIS IS SCHEDULE "F" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD  
SWORN BEFORE ME ON THIS 14 DAY OF NOVEMBER, 2016



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A Commissioner for Taking Affidavits

Mary Paterson

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **March 2, 2011 (March 1, 2011)**

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**Walter Energy, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation  
or organization)

**001-13711**  
Commission File No.

**13-3429953**  
(I.R.S. Employer Identification No.)

**4211 W. Boy Scout Boulevard  
Tampa, Florida 33607  
(813) 871-4811**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**N/A**

(Former Name or Former Address, if Changed from Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements with Certain Officers**

On March 1, 2011, Walter Energy, Inc. (the "Company") announced that, effective upon the consummation of transactions contemplated by the Arrangement Agreement, dated December 2, 2010 (the "Arrangement Agreement") between the Company and Western Coal Corp. ("Western"), Joseph B. Leonard will step down from his position as interim Chief Executive Officer of the Company. Mr. Leonard will continue to serve as a director on the Company's Board of Directors.

On March 1, 2011, the Company announced that, effective upon the consummation of the transactions contemplated by the Arrangement Agreement, Keith Calder will be appointed as Chief Executive Officer of the Company and serve as a director on the Company's Board of Directors. Mr. Calder, 49, has been President and Chief Executive Officer of Western Coal Corp. since December 2009. Before Western he worked for 16 years with the global mining company, Rio Tinto, most recently based in Vancouver, Canada as Managing Director of Rio Tinto's Copper Projects, from 2007 to 2009. In that position he was responsible for base metals and diamond projects with \$20 billion in capital expenditures in Canada, the US, Mongolia, Peru, and Indonesia. Also at Rio Tinto, Mr. Calder was task force lead on the company's Strategic Mine Planning improvement program from 2004 to 2007 based in London, UK. He has worked in senior positions at Rio Tinto and a number of other global mining company mines around the world, including Australia, South Africa, Spain, Portugal, Argentina and Bolivia. Mr. Calder earned his Mining Engineer degree (1985) from Michigan Technological University, Houghton, Michigan, US.

In connection with this appointment, Mr. Calder entered into a letter agreement (the "agreement") with the Company on March 2, 2011. The agreement entitles Mr. Calder to an annual base salary of \$900,000, subject to such periodic adjustments as may be approved by the Compensation and Human Resources Committee of the Company's Board of Directors. Mr. Calder will also be eligible to participate in the Company's Executive Incentive Plan and earn an annual target bonus of 110% of annual base salary, with an upside potential of 220% of annual base salary for top performance. Mr. Calder's bonus, if any, earned in respect of the 2011 fiscal year, will be pro-rated based upon the percentage of such fiscal year that has elapsed from the commencement of his employment through the last day of such fiscal year and based solely on the annual base salary actually earned in such fiscal year. Pursuant to the terms of the agreement, Mr. Calder is also eligible to participate in the Company's long-term incentive plan and will be eligible to receive annual equity grants from the Company valued at 285% of his annual base salary, based on the Black-Scholes value at the date of grant, 50% of which will be in the form of non-qualified stock options and 50% of which will be in the form of restricted stock units. Mr. Calder's annual equity grant in respect of the 2011 fiscal year, which will be made on the commencement date, will be consistent with the terms set forth above, except that it will be based on the Black-Scholes value on the date of the agreement and will be subject to adjustment as mutually agreed upon between the Company and Mr. Calder. Mr. Calder will also be eligible to participate in the Company's life and health insurance benefit plans and retirement plans, take 20 business days of vacation each year, and be reimbursed for reasonable out-of-pocket business expenses. Mr. Calder will receive no additional compensation in connection with his service as a director of the Company.

In the event of the termination of Mr. Calder's employment by the Company, other than for "cause" (as defined in the agreement) or by Mr. Calder for "good reason" (as defined in the agreement), subject to Mr. Calder entering into a release of claims within 21 days after the date

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of his separation from service from the Company and complying with the restrictive covenants described below, Mr. Calder will be entitled to the following payments and benefits: (a) for the period commencing on the day immediately following the termination date and ending on the first anniversary of the termination date, monthly pay continuation with each monthly payment equal to one-twelfth times the sum of his annual base salary and target bonus in effect on the termination date; (b) for the period commencing on the first anniversary of the termination date and ending on the second anniversary of the termination date, monthly pay continuation with each monthly payment equal to one-twelfth times his annual base salary in effect on the termination date; (c) a pro rata bonus under the Company's Executive Incentive Plan (or successor annual bonus plan) based on the portion of the year actually worked up to the time of termination and computed based on actual annual performance; and (d) continued participation in certain of the Company's welfare benefit plans until the earliest to occur of (i) the 24 month anniversary of the termination date, (ii) the last date he is eligible to

participate in the benefit under applicable law, or (iii) the date on which he becomes eligible to receive comparable benefits from a subsequent employer.

The agreement also provides that, while employed by the Company and continuing for a period of 12 months following any termination of employment, Mr. Calder will be bound by covenants not to compete and not to solicit. The agreement also contains a covenant not to disparage the Company or disclose confidential information, as well as an assignment of property rights provision. The agreement supersedes all previous agreements between the parties, with the exception of the Executive Change-in-Control Severance Agreement, discussed below.

In connection with the agreement, the Company and Mr. Calder simultaneously entered into an Executive Change-in-Control Severance Agreement dated March 2, 2011, which agreement will be effective upon the commencement of Mr. Calder's employment with the Company (the "Change-in-Control Agreement"). Pursuant to the terms of the Change-in-Control Agreement, if there is a "change in control" of the Company (as defined in the Change-in-Control Agreement) and within a 24 month period after such change in control Mr. Calder's employment is terminated by the Company without "cause" (as defined in the Change-in-Control Agreement) (other than due to death or "disability" (as defined in the Change-in-Control Agreement)) or by Mr. Calder for "good reason" (as defined in the Change-in-Control Agreement), subject to Mr. Calder entering into a release of claims within 45 days after the date of his separation from service from the Company, Mr. Calder is entitled to receive, in addition to certain accrued amounts, (i) a lump-sum amount equal to 1.5 multiplied by the sum of the following: (A) the higher of (1) his annual base salary in effect on the date of termination, or (2) his annual base salary in effect on the date of the change in control of the Company; and (B) the average of his actual annual bonus earned in respect of the three years preceding the year in which the termination occurs, (ii) a lump-sum amount equal to one-half multiplied by the sum of the following: (A) the higher of (1) his annual base salary in effect on the date of termination, or (2) his base salary in effect on the date of the change in control of the Company; and (B) the average of his actual annual bonus earned in respect of the three years preceding the year in which the termination occurs, (iii) payments or benefits under any annual bonus plan or long-term incentive plan in which he is a participant in accordance with the terms and conditions of such plans, (iv) a pro rata bonus under the Company's annual bonus plan based on the portion of the year actually worked up to the date of termination and computed based on actual annual performance, (v) continued participation in the Company's medical insurance and life insurance plans until the earlier of the 24 month anniversary of the termination date or the date on which he becomes eligible to receive substantially similar benefits from a subsequent employer, and (vi)

standard outplacement services from a nationally recognized outplacement firm of Mr. Calder's selection for a period of up to 24 months after the date of his separation from service from the Company, provided that the Company's obligation will not exceed 35% of his annual base salary in effect on the termination date. The Change-in-Control Agreement also provides that, while employed by the Company and continuing for a period of 12 months following any termination of employment, Mr. Calder will be bound by covenants not to compete and not to solicit. The Change-in-Control Agreement also contains a covenant not to disparage the Company or disclose confidential information. Notwithstanding anything in the Change-in-Control Agreement to the contrary, if any payment or benefit received or to be received by Mr. Calder in connection with a change in control of the Company or the termination of his employment with the Company (whether under the Change-in-Control Agreement or any other agreement) would be an "excess parachute payment" under Section 280G of the Internal Revenue Code such that Mr. Calder would be liable for excise taxes under Section 4999 of the Internal Revenue Code, then the cash payments provided under the Change-in-Control Agreement will first be reduced and then the non-cash payments and benefits will be reduced so that no portion of the payments and benefits under the Change-in-Control Agreement will be subject to the excise tax. However, no payments and benefits will be reduced unless the net amount of the total payments to be received by Mr. Calder as so reduced is greater than the excess of the net amount of the total payments without reduction over the amount of the excise tax to which Mr. Calder would be subject in respect of the unreduced total payments.

A copy of the agreement and the Change-in-Control Agreement entered into between the Company and Mr. Calder are filed as Exhibits 10.1 and 10.2 to this Form 8-K. The foregoing summary is qualified in its entirety by reference to such exhibits.

The Arrangement Agreement requires the Company to appoint three individuals nominated by Western's Board of Directors to the Company's Board of Directors, effective upon the consummation of the transactions contemplated by

the Arrangement Agreement, which is expected to be completed on April 1, 2011 (the "New Directors"). On March 1, 2011, the Company announced that Mr. Calder, David R. Beatty and Graham Mascall will be appointed as the New Directors at that time. The New Directors currently serve as directors for Western. The New Directors will be nominated for election by the Company's stockholders to serve on the Board of Directors at the Company's 2011 Annual Meeting.

**ITEM 8.01 OTHER EVENTS.**

On March 1, 2011, the Company issued a press release announcing the arrangements set forth in Item 5.02 hereto. A copy of the press release is attached hereto as Exhibit 99.1.

The information provided pursuant to this Item 8.01, including Exhibit 99.1 in Item 9.01, is "furnished" and shall not be deemed to be "filed" with the Securities and Exchange Commission or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filings.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

- 10.1 Letter Agreement between Walter Energy, Inc. and Keith Calder, entered into on March 2, 2011
- 10.2 Executive Change-in-Control Severance Agreement for Keith Calder, adopted on March 2, 2011
- 99.1 Press Release of Walter Energy, Inc. dated March 1, 2011

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WALTER ENERGY, INC.

Date: March 2, 2011

By: /s/ Catherine C. Bona  
Catherine C. Bona, Vice President interim General  
Counsel and Secretary



Walter Energy, Inc.  
P.O. Box 20608  
Tampa, Florida 33622-0608

[www.walterenergy.com](http://www.walterenergy.com)

## Press Release

### FOR IMMEDIATE RELEASE

March 1, 2011

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Director - Corporate Communications  
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### **WALTER ENERGY TO NAME WESTERN COAL CEO CALDER AS ITS CHIEF EXECUTIVE OFFICER; WESTERN COAL NOMINATES THREE TO SERVE ON WALTER ENERGY BOARD OF DIRECTORS**

(TAMPA, Fla.) - Walter Energy (NYSE: WLT), a leading U.S. producer and exporter of premium hard coking coal for the global steel industry, announced today that it would name Western Coal's (TSX: WTN) (TSX: WTN.WT) (AIM: WTN) Chief Executive Officer Keith Calder, 49, chief executive officer of Walter Energy, effective upon the closing of the acquisition of Western Coal by Walter Energy, which is expected to be completed April 1, 2011. Calder would succeed Walter Energy Interim CEO Joe Leonard. Leonard will continue as interim CEO through the closing and will continue to serve as a member of the Walter Energy Board of Directors.

"Keith Calder has done an outstanding job in a very short period of time delivering tremendous value to shareholders of Western Coal. Our expectation is that he will continue this track record in his new role as chief executive officer of Walter Energy," said Walter Energy Chairman Michael T. Tokarz. "Keith joins us with extensive experience in global mining operations at a transformational time for Walter Energy. Upon closing of the transaction, Walter Energy will be the leading, publicly traded, "pure play" metallurgical coal producer in the world. We are uniquely positioned for growth and to leverage our experience and our prospects to continue delivering exceptional value to our shareholders."

Calder said, "I am thrilled with this opportunity. Our combined company, with Western Coal's growth prospects and Walter Energy's premium coking coal and excellent track record of financial performance, has a very bright future ahead of it. I look forward to working with Mike, Joe and the rest of the Walter Energy Board and the combined staff in completing this important transaction."

Prior to joining Western Coal, Calder served as Managing Director of Rio Tinto's Copper Projects where he had overall responsibility for the execution of a global portfolio of open-pit and underground base metals and diamond projects with more than \$20 billion in capital expenditures. He managed a globally diverse team of more than 400 professionals and 2,000 staff and contractors as part of the strategic plan for the Copper and Diamonds Group within Rio Tinto. He joined Rio Tinto by way of the Minera Group, as the operations director for its mines in Bolivia and Argentina. Upon joining Rio Tinto, he progressed through its ranks with a series of responsibilities as operations director in Portugal (Neves Corvo), project engineer in Spain (Las Cruces), project director in South Africa (Palabora), managing director in Australia (North Parkes) and then led a task force on strategic mine planning in London. Calder holds a degree in Mining Engineering from Michigan Technical University.

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## **New Board Members Nominated**

Walter Energy also said that Western Coal has nominated Calder, David R. Beatty, O.B.E. and Graham Mascal to serve on the Walter Energy Board of Directors, effective upon the closing of the acquisition of Western Coal by Walter Energy.

Beatty joined Western Coal's Board of Directors as non-executive Chairman in 2010. He is the Professor of Strategic Management for the Rotman School of Management and the Conway Director for the Clarkson Centre for Business Ethics & Board Effectiveness at the University of Toronto. He was the former Managing Director of the Canadian Coalition for Good Governance, is Honorary Consul to Canada for the Government of Papua New Guinea, and in 1993 was awarded the Order of the British Empire (O.B.E.). In addition to his role with Western Coal, Beatty is Chairman of Inmet Mining Corporation and also serves on the Board of Directors of the Bank of Montreal and FirstService Corporation. He is a graduate in economics from the University of Toronto, Trinity College, (1965) and was a Nuffield Scholar at the University of Cambridge, Queens' College, where he obtained a M.A. (1967).

Mascal joined the Board of Western Coal Corp. in 2010. He is currently CEO of Ncondezi Coal Company Ltd, which has coal assets in Mozambique, director of Gemfields Resources plc and London Mining plc. From 2003 until April 2010, he was a Director of Caledon Resources plc which owns coal mining operations in Australia and from 2006 to 2009 he was the CEO of Lubel Coal (UK) Ltd, a privately held coal development company active in the Ukraine. Mascal also held senior executive positions with Billiton plc and Outokumpu Metals and Resources International Limited and with investment banks such as Deutsche Morgan Grenfell and Barclays Bank. He earned a Master of Engineering, Mineral Economics (1972) from McGill University, Montreal, Canada and a Mining Engineer degree (1969) from the Camborne School of Mines in Cornwall, UK.

## **About Walter Energy**

Walter Energy is a leading U.S. producer and exporter of premium hard coking coal for the global steel industry and also produces steam coal and industrial coal, metallurgical coke and coal bed methane gas. The Company has annual revenues of approximately \$1.6 billion and employs approximately 2,100 people. For more information about Walter Energy, please visit the Company Web site at [www.walterenergy.com](http://www.walterenergy.com).

## **Safe Harbor Statement**

Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and may involve a number of risks and uncertainties. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance that the transaction with Western Coal will close. The transaction is subject to a number of closing conditions which may be outside of Walter Energy's control. Forward-looking statements include expressions such as "believe," "anticipate," "expect," "estimate," "intend," "may," "plan," "predict," "will," and similar terms and expressions. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. The following factors are among those that may cause actual results to differ materially from our forward-looking statements: the market demand for coal, coke and natural gas as well as changes in pricing and costs; the availability of raw material, labor, equipment and transportation; changes in weather and geologic conditions; changes in extraction costs, pricing and assumptions and projections concerning reserves in our mining operations; changes in customer orders; pricing actions by our competitors, customers, suppliers and contractors; changes in governmental policies and laws, including with respect to safety enhancements and environmental initiatives; availability and costs of credit, surety bonds and letters of credit; and changes in general economic conditions. Forward-looking statements made by us in this release, or elsewhere, speak only as of the date on which the statements were made. See also the "Risk Factors" in our 2010 Annual Report on Form 10-K and subsequent

filings with the SEC which are currently available on our website at [www.walterenergy.com](http://www.walterenergy.com). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We have no duty to, and do not intend to, update or revise the forward-looking statements in this release, except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statement made in this press release may not occur. All data presented herein is as of the date of this release unless otherwise noted.

WLT



**TAB 19G**

THIS IS SCHEDULE "G" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD  
SWORN BEFORE ME ON THIS 14 DAY OF NOVEMBER, 2016



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A Commissioner for Taking Affidavits

**Mary Paterson**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES  
EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **March 11, 2011 (March 8, 2010)**

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**Walter Energy, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation  
or organization)

**001-13711**  
Commission File No.

**13-3429953**  
(I.R.S. Employer Identification No.)

**4211 W. Boy Scout Boulevard  
Tampa, Florida 33607  
(813) 871-4811**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**N/A**  
(Former Name or Former Address, if Changed from Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events**

On March 08, 2011, Walter Energy, Inc. (the "Company") issued a press release announcing that the shareholders of Western Coal Corp. ("Western") overwhelmingly voted in favor of the proposed plan of arrangement involving the acquisition of Western by the Company. The proposed transaction was approved by approximately 99.86% of the votes cast by all shareholders eligible to vote and approximately 99.79% of the votes cast by minority shareholders. The press release also provided preliminary results of the arrangement consideration elections and pro-ration calculations as announced by Western. A copy of the press release is incorporated by reference and attached hereto as Exhibit 99.1.

On March 10, 2011, the Company issued a press release announcing that the Supreme Court of British Columbia has issued a final order approving the proposed plan of arrangement involving the acquisition of Western by the Company. A copy of the press release is incorporated by reference and attached hereto as Exhibit 99.2.

Completion of the transaction remains conditional on the satisfaction of customary conditions, including regulatory and stock exchange approvals. Subject to the satisfaction or waiver of all conditions precedent, it is currently anticipated that the arrangement will be completed on or about April 1, 2011.

The information provided pursuant to this Item 8.01, including Exhibits 99.1 and 99.2, is "furnished" and shall not be deemed to be "filed" with the Securities and Exchange Commission or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filings.

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**Forward-Looking Statements.** This report contains, in addition to statements of historical fact, certain forward-looking statements. These forward-looking statements may involve a number of risks and uncertainties. Actual results could differ from those currently anticipated due to a number of factors. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, and could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements, including the timing to consummate the proposed transactions and the satisfaction of a condition to closing of any of the proposed transactions. See also the "Risk Factors" in our 2010 Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission available at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We do not intend to, update or revise the forward-looking statements except as may be required by law.

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**Item 9.01 Financial Statements and Exhibits**

- (d) Exhibits
- 99.1 Press Release dated March 8, 2011
- 99.2 Press Release dated March 10, 2011

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WALTER ENERGY, INC.

Date: March 11, 2011

By: /s/ Catherine C. Bona

Catherine C. Bona, Vice President  
interim General Counsel and Secretary



*Press release*

## **Western Coal Shareholders Overwhelmingly Approve Plan of Arrangement with Walter Energy**

### **Western Announces Preliminary Results of Arrangement Consideration Elections**

Vancouver, BC, March 8, 2011 - **Western Coal Corp.** (TSX: WTN, WTN.WT and AIM: WTN) (the "Company" or "Western") and **Walter Energy, Inc.** (NYSE: WLT) ("Walter") announced today that Western's shareholders have overwhelmingly voted in favour of the proposed acquisition of Western by Walter. The proposed transaction was approved by approximately 99.86% of the votes cast by all shareholders eligible to vote and approximately 99.79% of the votes cast by "minority" shareholders (shareholders other than Walter and funds managed by Audley Capital Management Limited).

Completion of the arrangement remains conditional on approval by the Supreme Court of British Columbia and satisfaction of other customary conditions, including regulatory and stock exchange approvals. Subject to the satisfaction or waiver of all conditions precedent, it is currently anticipated that the arrangement will be completed on or about April 1, 2011.

#### ***Preliminary Results of Arrangement Consideration Elections***

Under the terms of the arrangement, Walter will indirectly acquire each outstanding Western common share not already owned by it in exchange for either CDN\$11.50 in cash (the "Cash Consideration") or 0.114 of a Walter common share (the "Share Consideration"), subject to pro-rata as described in Western's management proxy circular dated February 2, 2011 (the "Circular").

As of today, there are 259,813,094 Western common shares that are eligible to participate in the arrangement. This number includes 5,051,000 common shares to be issued immediately prior to completion of the arrangement pursuant to the conditional exercise of Western options and excludes 72,122,826 Western common shares held by subsidiaries of Western as well as 25,274,745 Western common shares owned by Walter.

Registered Western shareholders (other than "Restricted Shareholders", as defined in the Circular) were entitled to elect the form of consideration they wished to receive in exchange for their Western common shares by submitting a valid election prior to 5:00 p.m. (Eastern Time) on March 3, 2011. Restricted Shareholders (as defined in the Circular) and shareholders who did not validly submit an election prior to the election deadline are deemed to have elected the Cash Consideration in respect of 70% of their Western common shares and the Share Consideration in respect of 30% of their Western common shares.

Based on valid elections received prior to the election deadline and deemed elections, as of today Western shareholders (including the holders of Western options who have exercised their options conditional upon completion of the arrangement) have elected to receive:

- the Share Consideration in respect of 233,957,510 Western common shares; and
- the Cash Consideration in respect of 25,855,584 Western common shares.

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Based on the 259,813,094 Western common shares that are eligible to participate in the arrangement as of today, the maximum number of Western common shares that can be exchanged for the Share Consideration is 77,943,928. Since the

aggregate elections for Share Consideration exceed this amount, all elections (including deemed elections) will be subject to pro-ration in the manner described in the Circular. As of today, and based on the numbers referenced above, this would result in the number of Western common shares that each shareholder exchanges for the Share Consideration being reduced by approximately 66%. Any Western shares not exchanged for the Share Consideration as a result of this pro-ration Western will instead be exchanged for the Cash Consideration.

The final pro-ration calculations will depend on the number of Western common shares that actually participate in the arrangement and will not be known until the arrangement has been completed. Western will announce the final pro-ration calculations, which are not expected to vary materially from the pro-ration calculations described above, upon completion of the arrangement.

#### **About Western Coal**

*Western Coal is a producer of high quality metallurgical coal from three mines in northeast British Columbia (Canada), high quality metallurgical coal and compliant thermal coal from four mines located in West Virginia (USA), and high quality anthracite and metallurgical coal in South Wales (UK). The Company is headquartered in Vancouver, BC, Canada, and trades on the AIM and TSX stock exchanges under the symbol "WTN". More information can be found at [www.westerncoal.com](http://www.westerncoal.com).*

#### **About Walter Energy**

*Walter Energy is a leading U.S. producer and exporter of premium hard coking coal for the global steel industry and also produces steam coal and industrial coal, metallurgical coke and coal bed methane gas. Walter Energy has annual revenues of approximately \$1.6 billion and employs approximately 2,100 people. For more information about Walter Energy, please visit the company website at [www.walterenergy.com](http://www.walterenergy.com).*

#### **Forward-Looking Information Disclaimer**

*This release may contain forward-looking statements that may involve risks and uncertainties. Such statements relate to the Company's expectations, intentions, plans and beliefs. As a result, actual future events or results could differ materially from those suggested by the forward-looking statements. Readers are referred to the documents filed by the Company on SEDAR. Such risk factors include, but are not limited to changes in commodity prices; strengths of various economies; the effects of competition and pricing pressures; the oversupply of, or lack of demand for, the Company's products; currency and interest rate fluctuations; various events which could disrupt the Company's construction schedule or operations; the Company's ability to obtain additional funding on favourable terms, if at all; and the Company's ability to anticipate and manage the foregoing factors and risks. Additionally, statements related to the quantity or magnitude of coal deposits are deemed to be forward-looking statements. The reliability of such information is affected by, among other things, uncertainties involving geology of coal deposits; uncertainties of estimates of their size or composition; uncertainties of projections related to costs of production; the possibilities in delays in mining activities; changes in plans with respect to exploration, development projects or capital expenditures; and various other risks including those related to health, safety and environmental matters.*

#### **Safe Harbor Statement**

*Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and may involve a number of risks and uncertainties. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance that the transaction with Western Coal will close. The transaction is subject to a number of closing conditions which may be outside of Walter Energy's control. Forward-looking statements include expressions such as "believe," "anticipate," "expect," "estimate," "intend," "may," "plan," "predict," "will," and similar terms and expressions. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. The following factors are among those that may cause actual results to differ materially from our forward-looking statements: the market demand for coal,*

coke and natural gas as well as changes in pricing and costs; the availability of raw material, labor, equipment and transportation; changes in weather and geologic conditions; changes in extraction costs, pricing and assumptions and projections concerning reserves in our mining operations; changes in customer orders; pricing actions by our competitors, customers, suppliers and contractors; changes in governmental policies and laws, including with respect to safety enhancements and environmental initiatives; availability and costs of credit, surety bonds and letters of credit; and changes in general economic conditions. Forward-looking statements made by us in this release, or elsewhere, speak only as of the date on which the statements were made. See also the "Risk Factors" in our 2010 Annual Report on Form 10-K and subsequent filings with the SEC which are currently available on our website at [www.walterenergy.com](http://www.walterenergy.com). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We have no duty to, and do not intend to, update or revise the forward-looking statements in this release, except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statement made in this press release may not occur. All data presented herein is as of the date of this release unless otherwise noted.

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*Press release*

**Western Coal and Walter Energy Receive  
Court Approval in Connection with Proposed Arrangement**

Vancouver, BC, March 10, 2011 - **Western Coal Corp.** (TSX: WTN, WTN.WT and AIM: WTN) (the "Company" or "Western") and **Walter Energy, Inc.** (NYSE: WLT) ("Walter") are pleased to announce that the Supreme Court of British Columbia has issued a final order approving the proposed plan of arrangement involving the acquisition of Western by Walter.

Completion of the arrangement remains conditional on satisfaction of other customary conditions, including receipt of approval under the Investment Canada Act. The Investment Canada review process is proceeding as anticipated and is expected to be completed prior to the anticipated closing date of April 1, 2011.

***About Western Coal***

*Western Coal is a producer of high quality metallurgical coal from three mines in northeast British Columbia (Canada), high quality metallurgical coal and compliant thermal coal from four mines located in West Virginia (USA), and high quality anthracite and metallurgical coal in South Wales (UK). The Company is headquartered in Vancouver, BC, Canada, and trades on the AIM and TSX stock exchanges under the symbol "WTN". More information can be found at [www.westerncoal.com](http://www.westerncoal.com).*

***About Walter Energy***

*Walter Energy is a leading U.S. producer and exporter of premium hard coking coal for the global steel industry and also produces steam coal and industrial coal, metallurgical coke and coal bed methane gas. Walter Energy has annual revenues of approximately \$1.6 billion and employs approximately 2,100 people. For more information about Walter Energy, please visit the company website at [www.walterenergy.com](http://www.walterenergy.com).*

***Western Coal's Forward-Looking Information Disclaimer***

*This release may contain forward-looking statements that may involve risks and uncertainties. Such statements relate to the Company's expectations, intentions, plans and beliefs. As a result, actual future events or results could differ materially from those suggested by the forward-looking statements. Readers are referred to the documents filed by the Company on SEDAR. Such risk factors include, but are not limited to changes in commodity prices; strengths of various economies; the effects of competition and pricing pressures; the oversupply of, or lack of demand for, the Company's products; currency and interest rate fluctuations; various events which could disrupt the Company's construction schedule or operations; the Company's ability to obtain additional funding on favourable terms, if at all; and the Company's ability to anticipate and manage the foregoing factors and risks. Additionally, statements related to the quantity or magnitude of coal deposits are deemed to be forward-looking statements. The reliability of such information is affected by, among other things, uncertainties involving geology of coal deposits; uncertainties of estimates of their size or composition; uncertainties of projections related to costs of production; the possibilities in delays in mining activities; changes in plans with respect to exploration, development projects or capital expenditures; and various other risks including those related to health, safety and environmental matters.*

***Walter Energy Safe Harbor Statement***

*Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and may involve a number of risks and uncertainties. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance that the transaction with Western Coal will close. The*

transaction is subject to a number of closing conditions which may be outside of Walter Energy's control. Forward-looking statements include expressions such as "believe," "anticipate," "expect," "estimate," "intend," "may," "plan," "predict," "will," and similar terms and expressions. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all

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of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. The following factors are among those that may cause actual results to differ materially from our forward-looking statements: the market demand for coal, coke and natural gas as well as changes in pricing and costs; the availability of raw material, labor, equipment and transportation; changes in weather and geologic conditions; changes in extraction costs, pricing and assumptions and projections concerning reserves in our mining operations; changes in customer orders; pricing actions by our competitors, customers, suppliers and contractors; changes in governmental policies and laws, including with respect to safety enhancements and environmental initiatives; availability and costs of credit, surety bonds and letters of credit; and changes in general economic conditions. Forward-looking statements made by us in this release, or elsewhere, speak only as of the date on which the statements were made. See also the "Risk Factors" in our 2010 Annual Report on Form 10-K and subsequent filings with the SEC which are currently available on our website at [www.walterenergy.com](http://www.walterenergy.com). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We have no duty to, and do not intend to, update or revise the forward-looking statements in this release, except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statement made in this press release may not occur. All data presented herein is as of the date of this release unless otherwise noted.

**Walter Energy Contacts:**

Investors:

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**Western Coal Contacts:**

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**TAB 19H**

THIS IS SCHEDULE "H" REFERRED TO IN  
THE AFFIDAVIT OF LINDA SHERWOOD  
SWORN BEFORE ME ON THIS 14 DAY OF NOVEMBER, 2016



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A Commissioner for Taking Affidavits

Mary Paterson

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES  
EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **March 28, 2011 (March 24, 2010)**

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**Walter Energy, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation  
or organization)

**001-13711**  
Commission File No.

**13-3429953**  
(I.R.S. Employer Identification No.)

**4211 W. Boy Scout Boulevard  
Tampa, Florida 33607  
(813) 871-4811**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**N/A**  
(Former Name or Former Address, if Changed from Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events**

On March 24, 2011, Walter Energy, Inc. (the "Company") issued a press release announcing that the Minister of Industry, under the Investment Canada Act, has approved the proposed acquisition of Western Coal Corp. by the Company upon determination that the transaction is of net benefit to Canada. A copy of the press release is incorporated by reference and attached hereto as Exhibit 99.1.

Completion of the transaction remains conditional on the satisfaction of customary conditions, including stock exchange approvals. Subject to the satisfaction or waiver of all conditions precedent, it is currently anticipated that the arrangement will be completed on or about April 1, 2011.

The information provided pursuant to this Item 8.01, including Exhibit 99.1 is "furnished" and shall not be deemed to be "filed" with the Securities and Exchange Commission or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filings.

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**Forward-Looking Statements.** This report contains, in addition to statements of historical fact, certain forward-looking statements. These forward-looking statements may involve a number of risks and uncertainties. Actual results could differ from those currently anticipated due to a number of factors. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, and could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements, including the timing to consummate the proposed transactions and the satisfaction of a condition to closing of any of the proposed transactions. See also the "Risk Factors" in our 2010 Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission available at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We do not intend to, update or revise the forward-looking statements except as may be required by law.

**Item 9.01 Financial Statements and Exhibits**

- (d) Exhibits
- 99.1 Press Release dated March 24, 2011

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WALTER ENERGY, INC.

Date: March 28, 2011

By: /s/ Catherine C. Bona  
Catherine C. Bona, Vice President  
interim General Counsel and Secretary



*Press release*

**Western Coal and Walter Energy Receive Investment Canada Act  
Approval in Connection with Proposed Arrangement**

Vancouver, BC, March 24, 2011 - **Western Coal Corp.** (TSX: WTN, WTN.WT and AIM: WTN) ("Western") and **Walter Energy, Inc.** (NYSE: WLT) ("Walter") are pleased to announce that the Minister of Industry, under the Investment Canada Act, has approved the proposed acquisition of Western by Walter upon determination that the transaction is of net benefit to Canada. Completion of the arrangement remains conditional on satisfaction of other customary conditions. Subject to the satisfaction or waiver of all conditions precedent, it is currently anticipated that the arrangement will be completed on or about April 1, 2011.

**About Western Coal**

*Western Coal is a producer of high quality metallurgical coal from three mines in northeast British Columbia (Canada), high quality metallurgical coal and compliant thermal coal from four mines located in West Virginia (USA), and high quality anthracite and metallurgical coal in South Wales (UK). The Company is headquartered in Vancouver, BC, Canada, and trades on the AIM and TSX stock exchanges under the symbol "WTN". More information can be found at [www.westerncoal.com](http://www.westerncoal.com).*

**About Walter Energy**

*Walter Energy is a leading U.S. producer and exporter of premium hard coking coal for the global steel industry and also produces steam coal and industrial coal, metallurgical coke and coal bed methane gas. Walter Energy has annual revenues of approximately \$1.6 billion and employs approximately 2,100 people. For more information about Walter Energy, please visit the company website at [www.walterenergy.com](http://www.walterenergy.com).*

**Western Coal's Forward-Looking Information Disclaimer**

*This release may contain forward-looking statements that may involve risks and uncertainties. Such statements relate to the Company's expectations, intentions, plans and beliefs. As a result, actual future events or results could differ materially from those suggested by the forward-looking statements. Readers are referred to the documents filed by the Company on SEDAR. Such risk factors include, but are not limited to changes in commodity prices; strengths of various economies; the effects of competition and pricing pressures; the oversupply of, or lack of demand for, the Company's products; currency and interest rate fluctuations; various events which could disrupt the Company's construction schedule or operations; the Company's ability to obtain additional funding on favourable terms, if at all; and the Company's ability to anticipate and manage the foregoing factors and risks. Additionally, statements related to the quantity or magnitude of coal deposits are deemed to be forward-looking statements. The reliability of such information is affected by, among other things, uncertainties involving geology of coal deposits; uncertainties of estimates of their size or composition; uncertainties of projections related to costs of production; the possibilities in delays in mining activities; changes in plans with respect to exploration, development projects or capital expenditures; and various other risks including those related to health, safety and environmental matters.*

**Walter Energy Safe Harbor Statement**

*Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and may involve a number of risks and uncertainties. Forward-looking statements are based on information available to management at the time, and they involve judgments and estimates. There can be no assurance that the transaction with Western Coal will close. The transaction is subject to a number of closing conditions which may be outside of Walter Energy's control. Forward-looking statements include expressions such as "believe," "anticipate," "expect," "estimate," "intend," "may," "plan," "predict," "will," and similar terms and expressions. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to various risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that*

could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. The following factors are

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*among those that may cause actual results to differ materially from our forward-looking statements: the market demand for coal, coke and natural gas as well as changes in pricing and costs; the availability of raw material, labor, equipment and transportation; changes in weather and geologic conditions; changes in extraction costs, pricing and assumptions and projections concerning reserves in our mining operations; changes in customer orders; pricing actions by our competitors, customers, suppliers and contractors; changes in governmental policies and laws, including with respect to safety enhancements and environmental initiatives; availability and costs of credit, surety bonds and letters of credit; and changes in general economic conditions. Forward-looking statements made by us in this release, or elsewhere, speak only as of the date on which the statements were made. See also the "Risk Factors" in our 2010 Annual Report on Form 10-K and subsequent filings with the SEC which are currently available on our website at [www.walterenergy.com](http://www.walterenergy.com). New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us or our anticipated results. We have no duty to, and do not intend to, update or revise the forward-looking statements in this release, except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that any forward-looking statement made in this press release may not occur. All data presented herein is as of the date of this release unless otherwise noted.*

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NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND  
ARRANGEMENT OF WALTER ENERGY CANADA HOLDINGS,  
INC. AND THE OTHER PETITIONERS LISTED ON SCHEDULE  
"A" TO THE INITIAL ORDER

PETITIONERS

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**AFFIDAVIT**

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Mary Paterson  
LSUC#: 51572P

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Solicitors for the Petitioners