



WESTERN ENERGY SERVICES CORP. CONFIRMS ITS OFFER; HIGHLIGHTS THE KEY BENEFITS TO SAVANNA SHAREHOLDERS; AND ASKS FOR SAVANNA SHAREHOLDERS' SUPPORT

FOR IMMEDIATE RELEASE: March 21, 2017

CALGARY, ALBERTA - Western Energy Services Corp. ("Western") (TSX: WRG) confirms its proposed arrangement (the "Arrangement") with Savanna Energy Services Corp. ("Savanna") providing for the issuance of 0.85 of a Western common share plus the payment of \$0.21 of cash for each Savanna common share held. Based on Western's closing price of \$2.25, the offer price per Savanna share is \$2.12 which is 9.1% higher than the hostile proposal (the "Competing Bid") from Total Energy Services Inc. (the "Competing Bidder").

The proposed arrangement between Savanna and Western **is better** for Savanna shareholders in the following ways:

- MOST IMPORTANTLY, WESTERN'S OFFER IS **HIGHER** THAN THE COMPETING BID;
- Western knows the contract drilling and oilfield well servicing businesses in **great depth**, while the Competing Bidder receives 94% of its revenues from other lines of business. Western's senior management team has over 200 years of combined experience in contract drilling and oilfield well servicing, both domestically and internationally. Western's management team is also **seasoned at integrating companies**;
- Western has a **clear strategy** for integrating and growing the combined businesses, as it is already strong in drilling, well servicing and oilfield rentals. The end result is expected to be **higher cash flow per share** for all shareholders and an expected **\$20 million per year in synergies**, from both operating and administrative cost savings and through the ability to achieve better scale in purchasing;
- Western is offering a **fairer deal** than the Competing Bidder. In Western's offer, the **percentage** of shares to be held by Savanna shareholders **aligns well** with Savanna's relative cash flow contribution. In the Competing Bidder's proposal, Savanna shareholders would own significantly less shares than are representative of Savanna's cash flow contribution to that combined company;
- Western's offer involves **very limited business integration risk**. In addition to its greater experience, the friendly deal Western has offered is more conducive to buy-in and support of the Savanna employees;
- The combination of Western and Savanna will be better than Savanna's alternatives. There are **considerable benefits to size, scale and diversification**. The combined company would be the **second largest drilling contractor and second largest service rig operator in Canada**, and would have key US operations in the growing Permian, Bakken and Marcellus regions of the US. The resulting customer base will be much broader, with limited customer overlap; and
- Western's offer is fully-financed and has been received positively by a key credit rating agency. The combined company would have no debt maturities before 2019. Debt market support is confirmed by

Western's Senior Unsecured Notes trading very near to par. The combination of Western and Savanna would be on a very firm footing.

Western has been one of the most active drilling contractors in Canada through the first quarter of 2017 and its board of directors and management sincerely hope for the support of all Savanna shareholders in completing this transaction. We see this as an opportunity to create value for both Western and Savanna shareholders in a way that is both friendly and effective. The information circular and related documents will be mailed to shareholders in early April with a targeted closing date in mid-May.

About Western Energy Services Corp.

Western is an oilfield service company which provides contract drilling services in Canada through its division Horizon Drilling and in the United States through its wholly owned subsidiary Stoneham Drilling Corporation. In Canada, Western also provides well servicing through its division Eagle Well Servicing and provides oilfield rental services through its division Aero Rental Services.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the shares in any jurisdiction. The shares offered will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to a United States person, absent registration, or an applicable exemption therefrom. This news release does not represent a solicitation for proxies for any shareholder meeting. Proxies will only be solicited at the time of and in connection with management information circulars and proxy statements to be filed by each of Savanna and Western for the shareholder meetings to approve the proposed Arrangement.

Forward-Looking Statements and Information

This press release contains certain statements or disclosures relating to Western that are based on the expectations of Western as well as assumptions made by and information currently available to Western which may constitute forward-looking information under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Western anticipates or expects may, or will occur in the future (in whole or part) should be considered forward-looking information. In some cases forward-looking information can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro forma", "prospective" or other comparable terminology.

In particular, forward-looking information in this press release includes, but is not limited to, information about the potential arrangement between Western and Savanna pursuant to the arrangement agreement dated March 8, 2017, as amended on March 14, 2017 (the "Arrangement Agreement") between Western and Savanna (the "Transaction"), including without limitation: (a) the anticipated timing for the distribution of proxy materials and the closing of the Transaction; and (b) the anticipated impact of the Transaction on Western, and the anticipated operational and strategic benefits of the Transaction, including in particular, the achievement of operating synergies and cost savings, any improvement of competitive position, the attraction and retention of personnel, and the pro forma size of Western and size and scope of its operations.

The forward-looking information provided in this press release is based upon a number of material factors and assumptions including without limitation: (a) that the Transaction will be completed in the timelines and on the terms currently anticipated; (b) that all necessary Toronto Stock Exchange ("TSX"), Court and regulatory approvals will be obtained on the timelines and in the manner currently anticipated; (c) that all necessary Western and Savanna shareholder approvals will be obtained; and (d) general assumptions respecting the business and operations of both Western and Savanna, including that each business will continue to operate in a manner consistent with past practice and pursuant to certain industry and market conditions. In particular, the statement that the combined company will have a higher cash flow per share is based on the assumptions that

there will not be any additional material share issuances by Western or Savanna aside from those related to the Arrangement, that the business activity level of the combined company will be consistent with Western's and Savanna's current expectations, and that pricing for the companies' services will continue to be consistent with existing levels. The statement that Western expects \$20 million per year in synergies is based on the assumption that the Company will be able to execute on and complete their current plans with respect to realizing efficiencies with the combined companies and that other costs of the business do not increase as a result of the Arrangement or for any other factor.

Forward-looking information is subject to a number of risks and other factors that could cause actual results and events to vary materially from that anticipated by such forward-looking information. In particular, the completion of the Transaction is subject to a number of risks including, without limitation: (a) TSX, Court and regulatory approvals may not be obtained in the timelines or on the terms currently anticipated or at all; (b) Western and/or Savanna shareholder approval may not be obtained; (c) the Transaction is subject to a number of closing conditions and no assurance can be given that all such conditions will be met or will be met in the timelines required by the Arrangement Agreement; and (d) the business, operational and/or financial performance or achievements of Western or Savanna may be materially different from that currently anticipated. In particular, the synergies and benefits anticipated in respect of the Transaction are based on the current business, operational and financial position of each of Western and Savanna, which are subject to a number of risks and uncertainties. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive. Additional information on these and other risk factors that could affect Western's operations and financial results are included in Western's annual information form which may be accessed through the SEDAR website at www.sedar.com. The forward-looking statements and information contained in this press release are made as of the date hereof and Western does not undertake any obligation to update publicly or revise any forward-looking statements and information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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