



Western Energy Services Corp. Announces Approval of Normal Course Issuer Bid and 2020 Capital Budget

FOR IMMEDIATE RELEASE: January 10, 2020

CALGARY, ALBERTA - Western Energy Services Corp. (the "**Company**" or "**Western**") (TSX: WRG) is pleased to announce that it plans to commence the previously announced share repurchase program by way of normal course issuer bid (the "**Bid**").

The Company announces that its notice of intention to make a normal course issuer bid has been accepted by the Toronto Stock Exchange (the "**TSX**"). The Company's Board of Directors (the "**Board**") and management believe that the purchase by the Company of its outstanding common shares pursuant to the Bid constitutes an attractive and appropriate investment of corporate funds. The Company's Board and management further believe that market prices of the common shares do not properly reflect the underlying value of the Company's assets and business. The primary purposes of the Bid are to provide extra liquidity to shareholders of Western who wish to dispose of their common shares, and to enhance the potential future value of the common shares which remain outstanding.

Pursuant to the Bid, Western intends to purchase for cancellation up to 5,200,000 common shares in the capital of Western, which is approximately 9.9% of Western's public float as at January 6, 2020. As of January 6, 2020, Western had approximately 92.5 million issued and outstanding common shares, with a public float of approximately 52.4 million common shares, after excluding common shares held by insiders and principal securityholders. Pursuant to the rules of the TSX, the maximum number of common shares that the Company may purchase in any one day is 25,092 common shares or 25% of the Company's average daily trading volume of 100,372 common shares on the TSX. Western may also make one block purchase per calendar week which exceeds the daily purchase restriction. Any common shares purchased pursuant to the Bid will be cancelled by the Company.

The Bid will commence on January 14, 2020 and will terminate on the earlier of: (i) January 13, 2021; and (ii) the date on which the maximum number of common shares are purchased pursuant to the Bid. Purchases of common shares under the Bid will be effected through the facilities of the TSX and any other markets and available trading systems at the market price at the time of purchase.

Peters & Co. Limited ("**Peters**") has been appointed as the broker firm responsible for making purchases of common shares under the Bid on behalf of Western pursuant to an automatic purchase plan agreement dated January 10, 2020 between Western and Peters (the "**APPA**"). The APPA permits Peters to purchase common shares under the Bid during internal blackout periods when the Company would not be permitted to trade in its shares, including regularly scheduled quarterly blackout periods. Such purchases would be pursued at the sole discretion of Peters based on parameters established by Western prior to any blackout period in accordance with TSX rules, applicable securities laws and the terms of the agreement between Peters and Western.

2020 Capital Budget

Western is pleased to announce its preliminary 2020 capital expenditure budget of approximately \$8 million. The 2020 capital expenditure budget is expected to be comprised of approximately \$7 million of maintenance capital and \$1 million of expansion capital.

Maintenance capital of \$7 million includes \$5 million in the contract drilling segment and \$2 million in the production services segment. Maintenance capital spending is directly related to the activity of Western's equipment.

Expansion capital of \$1 million will be driven by specific customer requirements. Western remains committed to ensuring that funds will only be allocated to projects where capital can generate appropriate returns.

Western's capital budget is underpinned by an expectation of a similar level of activity in 2020 as compared to 2019. Given a number of macro factors impacting the oil and gas industry in Western Canada, including the ongoing production curtailments in Alberta and access to market issues from the delays of the construction of pipeline projects, the outlook for 2020 continues to be uncertain. Western will continuously monitor the activity of its fleet and will adjust the planned 2020 capital budget as appropriate.

About Western

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

Forward-Looking Statements and Information

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "will", "outlook" and similar expressions are intended to identify forward-looking statements and information. More particularly and without limitation, this press release contains forward-looking statements and information relating to Western's plans to purchase common shares under the Bid; Western's planned capital expenditures for 2020, including expected composition thereof; Western's capital allocation and budget strategy; levels of activity in 2020; and information regarding economic conditions in the Western Canadian oil and gas industry.

These forward-looking statements and information are based on certain key expectations and assumptions made by Western, including market conditions being appropriate to repurchase shares, the availability of any contractual consents necessary to carry out the Bid; the availability of cash resources to proceed with the Bid as planned; and that Western's level of activity in 2020 will be similar to 2019. Although Western believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Western cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with general economic conditions, the demand for Western's services, volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally, currency exchange rate risk, potential changes in cost structures in Western's industry, compliance with covenants and/or repayment obligations under Western's credit facilities, changes in legislation, dependence on, and concentration of, major customers, and the creditworthiness of and performance by Western's counterparties and customers.

Readers are cautioned that the foregoing list of risks and uncertainties is not exhaustive. Additional information on these and other risk factors that could affect Western's operations or financial results

are included in Western's annual information form and may be accessed under Western's SEDAR profile 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 or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

For more information, please contact: Alex R.N. MacAusland, President and CEO, or Jeffrey K. Bowers, Senior VP Finance and CFO at 403.984.5916.