



NEWS RELEASE

WESTERN ENERGY SERVICES CORP. ANNOUNCES EXTENSION OF PAYMENT DUE DATE FOR SECOND LIEN CREDIT FACILITY

FOR IMMEDIATE RELEASE: June 30, 2020

CALGARY, ALBERTA - Western Energy Services Corp. ("**Western**") (TSX: WRG) announces that it and Alberta Investment Management Corporation, the lender under its second lien credit facility, have agreed to amend the second lien facility credit agreement to provide that the payment of interest and a portion of principal that Western would have been required to pay on July 2, 2020 will now be due on September 1, 2020.

Western has the financial resources available from existing cash on hand and availability under its senior secured credit facility to make the required payment, which would have been approximately \$8.2 million, on the original due date. However, Western is currently in discussions with its lenders and other parties with respect to potential further refinancing transactions to provide long-term financial stability through the current challenging industry environment arising from lower oil and natural gas prices, reduced exploration activity in the North American energy industry and business disruptions resulting from the COVID-19 pandemic. The payment extension is intended to provide Western with additional flexibility to allow it to avoid drawing this amount on its senior credit facility while it explores these potential opportunities.

There is no certainty as to whether Western will be successful in negotiating or completing new refinancing transactions prior to the extended payment deadline or at all. If no such alternative transactions are completed and no further payment extension under the second lien facility is available by September 1, 2020, then Western would plan to make the payment on such date using financial resources that it expects to have available at that time.

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 in the United States.

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 information and

statements contained herein that are not clearly historical in nature constitute forward-looking information, and words and phrases such as "may", "will", "should", "could", "expect", "intend", "anticipate", "believe", "estimate", "plan", "potential", "continue", "looking to", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In particular, forward-looking information in this press release includes statements relating to potential refinancing transactions that Western may seek to pursue and Western's plans to finance the payment of amounts due under its second lien credit facility when due on September 1, 2020. Such statements reflect Western's current views and intentions with respect to future events, based on information available to Western. In particular, these statements are based on assumptions as to the willingness of Western's lenders and other parties to negotiate new financing arrangements, the continuation of current industry conditions affecting Western's performance and financial condition, and the continued availability of Western's senior secured credit facility to finance the second lien payment requirements when due on September 1, 2020.

Although Western believes that the expectations and assumptions on which such forward-looking statements and information are based on 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 risks include (i) the potential further deterioration of industry conditions that could negatively affect Western's performance and financial conditions, (ii) Western's lenders or other parties becoming unwilling to negotiate potential refinancing transactions, and (iii) Western's inability to meet its obligations under its credit facilities such that further financing is not available, as well as other risk factors are discussed under the heading "Risk Factors" in Western's annual information form for the year ended December 31, 2019 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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