WESTERN ENERGY SERVICES CORP. ANNOUNCES DEBT RESTRUCTURING TRANSACTION

Resulting in reduced debt, extension of maturity of credit facilities and new capital

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FOR IMMEDIATE RELEASE: March 22, 2022

CALGARY, ALBERTA - Western Energy Services Corp. (the "**Company**" or "**Western**") (TSX: WRG) announces that, following an extensive review process by its board of directors (the "**Board**"), it has entered into agreements to effect a comprehensive recapitalization to restructure a portion of its outstanding debt and raise new capital (collectively, the "**Restructuring Transaction**"). The Restructuring Transaction will provide the Company with an improved capital structure and extends the pending maturities of the Company's secured credit facilities. The Restructuring Transaction includes the following:

- The Company has entered into a debt restructuring agreement (the "**Debt Restructuring Agreement**") with Alberta Investment Management Corporation ("**AIMCo**"), the lender under its second lien term loan facility (the "**Second Lien Facility**"), the principal amount of which is approximately $218.5 million, including interest originally due on January 4, 2022 that was paid "in kind" by being added to the outstanding principal amount. Under the Debt Restructuring Agreement, subject to the completion of the other components of the Restructuring Transaction described below and the satisfaction of certain other conditions, the Company will convert $100 million of the principal amount outstanding under the Second Lien Facility into common shares of the Company ("**Common Shares**") at a conversion price of $0.05 per share, subject to adjustment as described below (the "**Debt Exchange**"). On completion of the Debt Exchange, the Second Lien Facility will be amended to, among other things, extend its maturity date from January 31, 2023 to the fourth anniversary of the closing date of the Debt Exchange.

- The Company has entered into a commitment letter with certain of the lenders under its senior secured credit facilities (the "**Senior Facilities**") under which the lenders have agreed to consent to the Debt Exchange and the amendments to the Second Lien Facility, and to amend the terms of the Senior Facilities to, among other things, reduce the amount available under the Senior Facilities from $60 million to $45 million and extend the maturity date of the Senior Facilities from July 1, 2022 to the third anniversary of the Debt Exchange.

- As a condition to the completion of the Debt Exchange, the Company will conduct a rights offering of Common Shares to eligible shareholders to raise proceeds of $31.5 million (the "**Rights Offering**"). The subscription price for each right will be determined based on the market price of the Common Shares at the commencement of the Rights Offering using the formula described in more detail below (the "**Subscription Price**"). G2S2 Capital Inc. ("**G2S2**"), G2S2's subsidiary Armco Alberta Inc. ("**Armco**"), Ronald P. Mathison and Matco Investments Ltd. ("**Matco**"), currently the Company's largest shareholders, have entered into a standby purchase agreement (the "**Standby Purchase Agreement**") with the Company wherein they have agreed to exercise in full their basic subscription privilege and, in the case of each of Armco and Matco (collectively, the "**Standby Purchasers**"), subscribe for any shares not subscribed for by other eligible shareholders under the Rights Offering (the "**Standby Commitment**"), either directly or through an affiliate. The proceeds of the Rights Offering will be applied to reduce the principal amount outstanding under the Second Lien Facility by $10 million, with the remaining $21.5 million being applied to fund maintenance and growth capital for the Company and for general corporate purposes.

Further details regarding the terms of the transaction agreements in respect of the Restructuring Transaction are provided below.

"This transaction is the outcome of extensive efforts by Western, working in collaboration with its key stakeholders and under the oversight of a special committee of independent members of our Board, to improve the Company’s financial condition and capital structure in order to address our significant existing debt burden," said Alex MacAusland, Chief Executive Officer and President of Western. "Our debt has proven to be challenging in light of the extended downturn experienced by energy service providers, in addition to the impacts of the COVID-19 pandemic over the last two years. Addressing our current liquidity issues will provide Western with the opportunity to build value in the anticipated recovery in our industry. We are pleased with the support for the proposed transaction from our lenders, significant shareholders, Board and management, and in particular that AIMCo is prepared to continue to support the Company’s business by converting a substantial portion of its debt position to equity, while the proposed rights offering will provide existing shareholders with the opportunity to participate in the recapitalization."

Upon completion of the Restructuring Transaction, the Company expects that the principal amount under the Second Lien Facility will be reduced to approximately $108.5 million, with annual interest payments reduced from approximately $15.0 million to approximately $9.0 million. The Company expects, assuming there will be no significant changes in its business from that conducted currently, that it will be able to fund future interest payments through cash generated from its operations. Taking this into account, and considering the anticipated receipt of the $21.5 million balance of the proceeds from the Rights Offering and the extension of the maturity of the Senior Facilities and Second Lien Facility by three years and four years, respectively, from the closing date of the Debt Exchange, the Company expects that it will have a sustainable capital structure following the completion of the Restructuring Transaction.

Given the very large number of Common Shares to be issued pursuant to the Debt Exchange and the Rights Offering, the Company anticipates that it will seek approval at its next annual general meeting, expected to be held in June 2022, for a consolidation of its Common Shares. Whether the Company proceeds with a consolidation, and the consolidation ratio, will be determined in advance of the annual general meeting.

Board and Special Committee Review and Fairness Opinion

The Restructuring Transaction followed a detailed review process under which management of the Company and the Board carefully considered all available options to address the pending maturities of the Senior Facilities and the Second Lien Facility, as well as the potential for events of default under such facilities prior to their maturities, all with a view to providing for a viable capital structure to allow Western to continue its business and to preserve value for its shareholders.

AIMCo has no representatives on the Board. George Armoyan, a director of the Company, is a principal shareholder and officer of G2S2 and Armco. Ronald Mathison, the Chair of the Board, is a principal shareholder and officer of Matco and Lorne Gartner, a director of the Company, has a commercial relationship with Matco through mutual investments. The Board formed a special committee of directors who are fully independent of any relationship with AIMCo, Matco, G2S2 or Armco (the "**Special Committee**") to assist in this review and consideration. The Special Committee took an active role in reviewing and overseeing the negotiation of the terms of the Debt Exchange and the Rights Offering, as well as other aspects of the Restructuring Transaction. The Special Committee engaged Osler, Hoskin & Harcourt LLP as independent counsel, and engaged ATB Capital Markets Inc. ("**ATB Capital Markets**") as financial advisor to advise the Special Committee and assist it with the review and consideration of the Restructuring Transaction and whether any other alternatives were available to address the Company's debt situation and preserve value for shareholders. The Special Committee and the Board, having examined the possibility of other financing alternatives and alternative transactions, are of the view that, given the Company's significant debt position and the pending maturities of the Senior Facilities and the Second Lien Facility, together with a continued challenging environment in the energy services industry, the Restructuring Transaction is the best option available to the Company which preserves value for shareholders.

ATB Capital Markets has provided an opinion (the "**Fairness Opinion**") to the Special Committee that the Restructuring Transaction, including the Debt Exchange, is fair, from a financial point of view, to the Company. The Fairness Opinion is subject to the assumptions made and the limitations and qualifications included in the written opinion of ATB Capital Markets.

Based upon, among other things, (a) ATB Capital Markets' fairness opinion and advice from the Special Committee's and the Company's legal advisors, (b) the Special Committee's careful consideration of the terms of the Restructuring Transaction and the impact on the Company of a failure to proceed with the Restructuring Transaction, (c) the fact that the Restructuring Transaction provides the Company with a more stable capital structure to continue to operate viably as a going concern, (d) consideration of whether there were any potential financing or other alternatives to address the Company's maturing debt, and (e) the fact that the Rights Offering will provide all eligible shareholders with the right, but not the obligation, to participate in the restructuring by subscribing for Common Shares on a *pro rata* basis at a significant discount to the conversion price of the Debt Exchange with AIMCo, the Special Committee has determined that the Restructuring Transaction is fair and reasonable to the Company, is in the best interests of the Company and its current shareholders other than AIMCo and the Standby Purchasers, and, accordingly, has unanimously recommended to the Board that the Restructuring Transaction be approved.

Based on the recommendation of the Special Committee and the factors considered by the Special Committee, the Board unanimously approved the transactions constituting the Restructuring Transaction, with Messrs. Armoyan and Mathison abstaining with respect to the Standby Purchase Agreement.

Details Regarding the Restructuring Transaction

Debt Exchange and Amendments to the Second Lien Facility

Pursuant to the Debt Restructuring Agreement, immediately following the completion of the Rights Offering and the Standby Commitment, Western and AIMCo will complete the Debt Exchange involving the conversion of $100 million principal amount of the loan provided under the Second Lien Facility into Common Shares at a conversion price of $0.05 per Common Share, subject to adjustment as described below. The Debt Exchange will be completed pursuant to an exemption from prospectus requirements. AIMCo currently holds approximately 19.18% of the Common Shares and will not be participating in the Rights Offering. In addition, $10 million of the proceeds from the Rights Offering will be paid to AIMCo to further reduce the principal amount outstanding under the Second Lien Facility.

The conversion price will be reduced below $0.05 if the Subscription Price under the Rights Offering is less than $0.016. In that case, the conversion price will be calculated as $0.05 multiplied by a fraction, the numerator of which is the Subscription Price and the denominator of which is $0.016. For example, if the Subscription Price in the Rights Offering is determined to be $0.015 per share as described below under "*Rights Offering and Standby Commitment*", the conversion price in the Debt Exchange would be $0.05 x ($0.015/$0.016) = $0.046875 per share.

Assuming that the conversion price is $0.05 per share and the Rights Offering Subscription Price is $0.016 per share, approximately 2,000,000,000 Common Shares will be issuable to AIMCo in connection with the Debt Exchange and AIMCo will hold approximately 49.69% of the outstanding Common Shares following completion of the Restructuring Transaction. The aggregate number of Common Shares to be issued under the Restructuring Transaction is subject to adjustment as described below. See "*Rights Offering and Standby Purchase Agreement*" and "*Number of Shares Issuable*" below for further information on the Subscription Price for the Rights Offering and the issuance of Common Shares in connection with the Restructuring Transaction.

AIMCo and the Company have agreed that, upon completion of the Debt Exchange and the repayment of $10 million of the principal amount of the Second Lien Facility from the proceeds of the Rights Offering, the Second Lien Facility will be amended to provide for an extension of the maturity of the remaining principal amount of the Second Lien Facility from January 31, 2023 to a date that is four years from the closing date of the Debt Exchange; and an increase in the interest rate from 7.25% to 8.5%.

A term sheet setting forth the proposed terms and conditions of the amended Second Lien Facility is included as a schedule to the Debt Restructuring Agreement. Completion of the amendments to the Second Lien Facility will be subject to settlement of a definitive form of amended and restated credit agreement between the Company and AIMCo having the terms and conditions set forth in such term sheet.

Completion of the Debt Exchange is subject to a number of conditions, including the completion of the Rights Offering and the Standby Commitment, receipt of approval of the Debt Exchange and other components of the Restructuring Transaction by the Toronto Stock Exchange ("**TSX**"), there being no material adverse change to the Company, and other customary closing conditions.

In connection with entering into the Debt Restructuring Agreement, the Company satisfied the $7.8 million amount of interest under the Second Lien Facility that was due on January 4, 2022 (which due date was initially extended to February 28, 2022 and then further extended to March 21, 2022, as previously disclosed by the Company) by exercising its right to pay such interest "in kind" by increasing the principal amount outstanding under the Second Lien Facility.

Amendment to Senior Facilities

The Company has also entered into a commitment letter with HSBC Bank Canada and ATB Financial, two of the lenders under the Senior Facilities, to provide for amendments to the Senior Facilities to take effect upon completion of the Debt Exchange. At the time the amendments become effective, the third lender in the syndicate for the Senior Facilities, will cease to be a member of the Company's bank lending syndicate. The amendments to the Senior Facilities will include:

- an extension of the maturity of the Senior Facilities from July 1, 2022, to a date that is three years following the closing date of the Debt Exchange;

- a reduction in the amount available under the syndicated revolving facility of the Senior Facilities from $50 million to $35 million, with no change to the amount of the $10 million operating facility; and

- revisions to certain financial covenants, including: (i) a reduction of the debt to capitalization ratio from 0.6:1 or less to 0.5:1 or less, (ii) a new requirement for trailing twelve months EBITDA of

$19.3 million in the first quarter of 2022 and $16.4 million in each of the second and third quarters of 2022, in each case, if the Senior Facilities are drawn above $25 million during such fiscal quarter or the net book value of property, plant and equipment is less than $250 million for the prior fiscal quarter, (iii) a new debt service coverage ratio of 1.1:1 at the end of the fourth quarter of 2022 and 1.15:1 at the end of each fiscal quarter thereafter, in each case, if the Senior Facilities are drawn above $25 million during such fiscal quarter or the net book value of property, plant and equipment is less than $250 million for the prior fiscal quarter, and (iv) removal of the current ratio, minimum liquidity requirement and senior debt to capitalization ratio. In addition, payment of interest on the Second Lien Facility from the use of the proceeds of the Senior Facilities will be allowed.

A term sheet setting forth the proposed terms of the amended Senior Facilities is included as a schedule to the commitment letter and the Debt Restructuring Agreement. Completion of the amendments to the Senior Facilities will be subject to settlement of a definitive form of credit agreement between the Company and the continuing lenders having the terms set forth in such term sheet.

Rights Offering and Standby Purchase Agreement

As a condition to the completion of the Debt Exchange, the Company is required to conduct the Rights Offering to offer Common Shares to its existing shareholders to raise proceeds of $31.5 million. The Rights Offering will be conducted in accordance with applicable securities laws and the rules and procedures of the TSX. The Subscription Price at which each Common Share is issuable upon the exercise of rights issued pursuant to the Rights Offering ("**Rights**") will be determined as set out in the Debt Restructuring Agreement as being: the lesser of (i) $0.016, (ii) the volume-weighted average trading price of the Common Shares on the fifth trading day following public announcement of the Restructuring Transaction less a 25% discount, rounded to three decimal places, and (iii) the "market price" of the Common Shares determined in accordance with National Instrument 41-101 as of the last trading day immediately prior to filing the final prospectus, rounded to three decimal places, less $0.001. For example, if the volume-weighted average trading price for the five days following the announcement of the Restructuring Transaction is $0.02 per share, the Subscription Price in the Rights Offering would be a 25% discount to that price, or $0.015 per share. As noted above, in respect of the Debt Exchange, if the Subscription Price is less than $0.016, then the conversion price in the debt exchange would be reduced proportionally, such that the conversion price in the Debt Exchange would be $0.05 x ($0.015/$0.016) = $0.046875 per share.

Assuming that the Subscription Price is $0.016 per share, approximately 1,968,750,000 Common Shares will be issuable to shareholders under the Rights Offering. The aggregate number of Common Shares to be issued under the Restructuring Transaction is subject to adjustment as described below. See "*Number of Shares Issuable*" below for further information.

Western, the Standby Purchasers, G2S2 and Ronald Mathison have entered into the Standby Purchase Agreement pursuant to which the Standby Purchasers have provided the Standby Commitment to purchase at the Subscription Price any Common Shares issuable upon exercise of Rights that are not otherwise subscribed for by holders of Rights. The Standby Purchasers are not entitled to receive any fee or reimbursement of expenses in connection with the Standby Commitment.

G2S2 currently holds approximately 25% of the outstanding Common Shares and Matco, together with its controlling shareholder Ronald Mathison, holds approximately 19.93% of the Common Shares. Armco and Matco have committed to subscribe, directly or through an affiliate, for 55.6% and 44.4%, respectively, of any unsubscribed Common Shares under the Rights Offering. The Rights Offering, and the Standby Purchasers' ability and obligation to participate in the Rights Offering, including in respect of the Standby Commitment, is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX, which has been notified of the

Rights Offering and the Debt Exchange. AIMCo has agreed under the Debt Restructuring Agreement that it will not exercise its basic subscription privilege under, or otherwise participate in, the Rights Offering.

The Company plans to file a preliminary short form prospectus with respect to the Rights Offering with the securities regulatory authorities in all of the provinces of Canada. The Rights Offering will commence following settlement of all comments of such securities regulatory authorities and the TSX and filing of the final short form prospectus. Further detailed information regarding the Rights Offering, including the Subscription Price, will be included in the final prospectus to be mailed to all eligible shareholders of the Company. The Rights are expected to be listed for trading on the TSX and will be exercisable for not less than 21 days following the date of mailing to shareholders of the final prospectus.

The Company expects that the Chief Executive Officer and Chief Financial Officer will exercise all or a portion of their respective basic subscription privilege under the Rights Offering. In connection therewith, the Company has agreed to provide a loan to each of them which would match the amount of funds contributed personally by each of them, to a maximum amount equal to half of each of their pro rata share in the Rights Offering. The loans will be payable five years after their effective date, will bear interest at a variable rate which is higher than the lowest marginal borrowing rate available to the Company under its indebtedness, and will be payable monthly. The loans will be secured by a lien on all of the Common Shares subscribed for by each of them under the Rights Offering, including shares purchased with the respective officer's own funds. The Company will fund the amount of the loan from the Company's cash on hand.

It is anticipated that the Rights Offering will be completed in late April or in May 2022, with completion of the Debt Exchange and related transactions to occur concurrently with completion of the Rights Offering and the Standby Commitment.

Number of Shares Issuable

The determination of the Subscription Price is subject to the formula described above under the heading "*Rights Offering and Standby Purchase Agreement*". In the event the Subscription Price is less than $0.016 per share, the number of shares issuable under the Rights Offering will increase. In addition, the conversion price of the Debt Exchange will be adjusted downward in accordance with the formula described above, and additional Common Shares will be issuable under the Debt Exchange. The following is an illustrative example:

Subscription Price	**$0.016**	**$0.015**	**$0.01**
Debt Conversion Price(1)	$0.05	$0.046875	$0.03125
Maximum Shares Issuable on Debt Exchange	2,000,000,000	2,133,333,333	3,200,000,000
Maximum Shares Issuable on Rights Offering	1,968,750,000	2,100,000,000	3,150,000,000
Total Number of Shares Issuable for Debt Restructuring	**3,968,750,000**	**4,233,333,333**	**6,350,000,000**

Note:

(1) Pursuant to the terms of the Debt Restructuring Agreement, in the event the Subscription Price is less than $0.016 per share, the conversion price will be reduced in accordance with the formula described above under the heading *"Debt Exchange and Amendments to the Second Lien Facility"*.

Investor Rights Agreement and Registration Rights Agreement

The Debt Restructuring Agreement provides that as a condition precedent to completion of the Debt Exchange, the Board will appoint two persons designated by AIMCo to be directors of the Company, and that the Company and AIMCo will enter into an investor rights agreement (the "**Investor Rights Agreement**"). Under the Investor Rights Agreement, AIMCo will be granted the right to appoint two nominees for election as directors of the Company for so long as AIMCo's shareholding percentage of the Company's Common Shares is 30% or greater. The form of Investor Rights Agreement provides that each of G2S2, Ronald Mathison and Matco (and any affiliate holding Common Shares) will agree to not vote any of the Common Shares they respectively hold (a) against the election of an AIMCo nominee to serve as a director, or (b) in favour of any proposal or resolution to remove any AIMCo nominee as a director. During the term of the Investor Rights Agreement, if AIMCo elects not to designate one or more directors or its nominees are not elected to the Board, AIMCo will be entitled to board observer rights in lieu thereof. Neither of the Standby Purchasers will be granted any nomination rights under the Investor Rights Agreement.

It is also a condition precedent to completion of the Debt Exchange that the Company and AIMCo enter into a registration rights agreement (the "**Registration Rights Agreement**") pursuant to which AIMCo will be granted the right to cause the Company to file a prospectus to facilitate the sale of its Common Shares in a public offering, or to allow it to participate in a public offering of Common Shares by the Company, in each case subject to certain customary restrictions and limitations. The Registration Rights Agreement will terminate when AIMCo and its permitted transferees beneficially own, in the aggregate, less than 10% of the then outstanding Common Shares. Neither of the Standby Purchasers will be granted any registration rights under the Registration Rights Agreement.

Shareholder Approval and Regulatory Considerations

Under the rules of the TSX, the issuance of Common Shares to AIMCo in the Debt Exchange requires the approval of a majority of shareholders of the Corporation, excluding shares held by AIMCo, which is the interested party in respect of the Debt Exchange. Specifically, as the Debt Exchange would (a) result in the issuance of shares at a discount to the market price exceeding the maximum discount under section 607(e) of the TSX Company Manual, (b) include consideration to an insider of the Company exceeding 10% of the market capitalization of the Corporation and materially affect control of the Company, and (c) involve the issuance of more than 25% of the number of outstanding Common Shares by way of a private placement at less than the market price, the Debt Exchange requires shareholder approval under sections 607(e), 604(a) and 607(g) of the TSX Company Manual, respectively. Shareholders representing a majority of such Common Shares have executed a written consent approving the Debt Exchange and have otherwise agreed to vote their Common Shares in a manner to approve the Restructuring Transaction to the extent required. These shareholders include G2S2, Matco, Ronald Mathison and all of the other directors and senior executive officers of Western. The TSX has advised the Company that it will be permitted to rely on that written consent of shareholders as evidence of the required majority shareholder approval in accordance with section 604(d) of the TSX Company Manual, and accordingly that it will not be required to hold a formal special shareholder meeting to seek approval of the Debt Exchange.

Under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") of certain Canadian securities regulators, the Debt Exchange constitutes a "related party transaction" because AIMCo holds more than 10% of the outstanding Common Shares of the Company. The Company intends to rely upon the exemption from the requirement to prepare a formal valuation in connection with the Debt Exchange pursuant to the exemption contained in section 5.5(g) of MI 61-101 related to the financial hardship of the Company. In connection with satisfying the criteria of that exemption, the Special Committee of independent directors of the Board, consisting of Messrs. John Rooney and Donald Copeland, have determined unanimously that the Company is in serious financial difficulty, the Debt Exchange is designed to improve the financial position of the Company, and the terms of the Debt Exchange are reasonable in the circumstances of the Company. The Board has also made these determinations. On the same basis, the Company intends to rely on the exemption in section 5.7(e) of MI 61-101 from the requirement to obtain minority shareholder approval.

In addition, as each of G2S2 and Matco (in Matco's case, together with Ronald Mathison) beneficially own and have control over more Common Shares than AIMCo, are not interested parties in respect of the Debt Exchange, are at arm's length to AIMCo and support the transaction, the Debt Exchange is exempt from the formal valuation and minority approval requirements under sections 5.5(e) and 5.7(c), respectively, of MI 61-101.

Further, to the extent that the Standby Purchase Agreement constitutes a related party transaction with respect to G2S2, Matco and Ronald Mathison, each as an insider of the Company, the provisions in Part 5 of MI 61-101 would not apply to the Standby Commitment provided thereunder in accordance with section 5.1(k) of MI 61-101. The proposed loans to the executive officers also constitute related party transactions under MI 61-101 in respect of the Company. Each of G2S2 and Matco (in Matco's case, together with Ronald Mathison) beneficially own and have control over more Common Shares than each of the executive officers, are not interested parties in respect of such loans, are at arm's length to the executive officers and support the loan transaction. Accordingly, the loans to the executive officers are also exempt from the formal valuation and minority approval requirements under sections 5.5(e) and 5.7(c), respectively, of MI 61-101.

The Debt Restructuring Agreement (which includes the proposed form of the Investor Rights Agreement and the Registration Rights Agreement, as well as the term sheets for the amendments to the Second Lien Facility and the Senior Facilities) and the Standby Purchase Agreement in respect of the Rights Offering (in each case subject to redactions for certain confidential and/or commercially sensitive information contained in such agreements) will be filed on SEDAR under Western's profile (www.sedar.com).

This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities of the Company in any province, state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such province, state or jurisdiction. The securities referred to herein have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws and may not be offered or sold in the United States absent registration under the U.S. Securities Act and all applicable state securities laws or in compliance with an applicable exemption therefrom.

Advisors

Blake, Cassels & Graydon LLP is acting as counsel to Western in respect of the Restructuring Transactions, and Osler, Hoskin & Harcourt LLP is acting as counsel to the Special Committee. ATB Capital Markets Inc. is acting as financial advisor to the Special Committee.

Torys LLP is acting as legal counsel to AIMCo in respect of the Restructuring Transaction, and Stifel FirstEnergy is acting as financial advisor to AIMCo.

About Western

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

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 information or statements. More particularly and without limitation, this press release contains forward-looking statements and information regarding the Restructuring Transaction, including expectations regarding completion of the debt refinancing, the Debt Exchange and Rights Offering on the terms set forth herein; the final terms of the amendments to the Second Lien Facility and amendments to the Senior Facilities; the Company's ability to meet and reduce its debt obligations and fund ongoing operations; the listing of the Rights on the TSX and conduct of the Rights Offering; the determination of the conversion price for the Debt Exchange and Subscription Price for the Rights Offering; the size of the Rights Offering; the intended use of proceeds of the Rights Offering; the participation of certain security holders in the Rights Offering, including the Standby Purchasers, G2S2, Ronald Mathison and AIMCo; the pro forma security holdings of certain shareholders of the Company following the Restructuring Transaction; the expected closing date; the closing conditions of the Restructuring Transaction; the terms of the Investor Rights Agreement and Registration Rights Agreement; the Company's future interest payments; the likelihood of a future share consolidation; and the composition of the Company's Board following completion of the Restructuring Transaction.

These forward-looking statements and information are based on certain key expectations and assumptions made by Western in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances. 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 relating to the Company's need for significant additional future capital and the Company's ability to raise additional funding; risks relating to the influence of significant shareholders of the Company over the Company's business operations and share price; risks associated with the potential further deterioration of industry conditions that could negatively affect Western's performance and financial condition; the risk that any of the conditions set forth in the agreements providing for the Debt Restructuring are not satisfied on a timely basis, including receipt of TSX approval on satisfactory conditions, or other termination events under such agreements occur; and Western's inability to meet its obligations under its credit facilities such that further financing is not available.

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 through the SEDAR website (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.