



**WESTERN ENERGY SERVICES CORP. ANNOUNCES THAT IT HAS FILED AND OBTAINED A RECEIPT FOR A FINAL PROSPECTUS FOR ITS RIGHTS OFFERING**

**FOR IMMEDIATE RELEASE: April 12, 2022**

**CALGARY, ALBERTA** - Western Energy Services Corp. (the "**Company**" or "**Western**") (TSX: WRG) announces that it has filed with the securities regulatory authorities in all the provinces of Canada and obtained a receipt for a final short form prospectus (the "**Final Prospectus**") with respect to the previously announced rights offering to its shareholders to raise \$31.5 million (the "**Rights Offering**"). The Company has also concurrently filed an amendment to its registration statement on Form F-7/A with the United States Securities and Exchange Commission in the United States relating to the Rights Offering.

Pursuant to the Rights Offering, all eligible shareholders of Western (subject to applicable law) will receive one right (a "**Right**") for every common share (a "**Common Share**") held by the shareholder as of 5:00 p.m. (Toronto time) on April 19, 2022 (the "**Record Date**"). Each Right will entitle an eligible holder to purchase 21.4488803374 Common Shares (the "**Basic Subscription Privilege**") at the subscription price of \$0.016 per share until 5:00 p.m. (Toronto time) on May 13, 2022 (the "**Expiry Date**"). The Rights Offering includes an additional subscription privilege entitling holders of Rights who have fully exercised their Rights to subscribe for additional Common Shares, if available, that are not otherwise subscribed for under the Rights Offering. Where the exercise of Rights would otherwise entitle a holder of Rights to receive fractional Common Shares, the holder's entitlement will be reduced to the next lowest whole number of Common Shares.

The Rights will be listed on April 18, 2022, under the symbol "WRG.RT" and will cease trading at 12:00 p.m. (Toronto time) on the Expiry Date.

Under the Rights Offering, any Rights that would otherwise be distributed by the Company to shareholders who are not resident in the provinces of Canada or the United States, will instead be delivered to the subscription agent appointed by the Company, who will hold such Rights as agent for the benefit of all such ineligible holders. Further information regarding the treatment of Rights issued to shareholders resident in ineligible jurisdictions is included in the Final Prospectus.

The Rights Offering is being conducted in connection with the Company's debt restructuring agreement with Alberta Investment Management Corporation. ("**AIMCo**"), the lender under its second lien term loan facility (the "**Restructuring Transaction**"), as disclosed in the Company's press release dated March 22, 2022, which will include the conversion of \$100 million of the principal amount outstanding under the second lien facility into Common Shares at an issue price of \$0.05 per Common Share. G2S2 Capital Inc. ("**G2S2**"), G2S2's subsidiary Armco Alberta Inc. ("**Armco**"), Ronald P. Mathison and Matco Investments Ltd. ("**Matco**") have entered into a standby purchase agreement with the Company wherein G2S2, Matco, and Mr. Mathison have agreed to exercise in full their Basic Subscription Privilege and, in the case of each of G2S2, Armco and Matco (collectively, the "**Standby Purchasers**"), will purchase any shares not subscribed for by other eligible shareholders under the Rights Offering, either directly or through an affiliate. AIMCo has agreed that it will not exercise the Rights issued to it in the Rights Offering.

It is expected that the closing date of the Rights Offering and Restructuring Transaction will be two business days following the Expiry Date. The Rights Offering and the Debt Restructuring Agreement

are subject to a number of conditions, including completion of the purchase commitments by the Standby Purchasers to the extent required.

Subject to applicable law, a certificate representing the Rights issued, together with the Final Prospectus will be distributed to all eligible registered shareholders who hold Common Shares on the Record Date, along with instructions explaining the number of Common Shares that can be purchased for those Rights, how to subscribe for the purchase of Common Shares pursuant to those Rights or instruct such shareholder's broker to subscribe for the purchase of Common Shares on the shareholder's behalf, and how to sell Rights in the market or otherwise transfer them to another party.

Further, more detailed information regarding the Rights Offering and the Restructuring Transaction is included in the Final Prospectus which is filed on SEDAR under Western's profile at [www.sedar.com](http://www.sedar.com) and the Form F-7/A registration statement (File No. 333-264003) which is filed with the United States Securities and Exchange Commission on EDGAR at [www.sec.gov](http://www.sec.gov).

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.

### **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; the terms of the Rights Offering; the conduct of 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 timing for the Rights Offering; the anticipated closing date of the Rights Offering and Restructuring Transaction; and the conditions of the Restructuring Transaction and the Rights Offering.

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 influence of significant shareholders of the Company over the Company's business operations and share price; the risk that any of the conditions set forth in the agreements providing for the Restructuring Transaction 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](http://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.