NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

WESTERN ENERGY SERVICES CORP. RELEASES SECOND QUARTER 2011 FINANCIAL AND OPERATING RESULTS

FOR IMMEDIATE RELEASE: August 11, 2011

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX Venture: WRG) is pleased to release its second quarter 2011 financial and operating results prepared under International Financial Reporting Standards ("IFRS"). Effective January 1, 2011, Western began reporting its financial results under IFRS. Prior year comparative amounts have been changed to reflect results as if Western had always prepared its financial results using IFRS. Additional information relating to the Company, including the Company's financial statements and management's discussion and analysis as at and for the three and six months ended June 30, 2011 will be available on SEDAR at **www.sedar.com**.

Highlights:

- Revenue in the second quarter of 2011 totalled $32.4 million, a $19.0 million increase (142%) over the prior year;
- EBITDA totalled $8.0 million (25% of revenue) in the second quarter of 2011, a $5.0 million increase (162%) over the prior year as a result of our consolidation efforts in the contract drilling segment where our average rig count increased to 28 rigs in the quarter from 11 in the prior year;
- Utilization in the contract drilling segment averaged 40% in the second quarter of 2011 as compared to an industry average of 24%;
- The number of jobs completed in the production services segment in the second quarter 2011 decreased by 49% to 277 as compared to the same period in the prior year, reflecting wet weather and forest fire conditions in certain parts of the western Canadian sedimentary basin;
- On June 8, 2011, Western increased its syndicated revolving credit facility to a $150 million committed three year extendible revolving credit facility;
- On June 10, 2011, Western acquired all of the issued and outstanding units of Stoneham Drilling Trust ("Stoneham") in exchange for a combination of cash and common shares of Western. The total transaction value is approximately $225.8 million, including the assumption of approximately $34.3 million in debt. A portion of the consideration included the issuance of approximately 196.1 million shares of Western (9.8 million common shares post 20:1 share consolidation) at an ascribed value of $0.39 per Western share ($7.80 per share post 20:1 share consolidation) with the remaining $115.0 million of consideration paid in cash. Stoneham's assets include twelve telescopic double drilling rigs, seven triple drilling rigs, four top drives, a ten acre yard facility, and various ancillary equipment. The acquisition of Stoneham increased Western's contract drilling fleet to 43;
- As a result of strong customer demand, Western's capital budget has been increased to approximately $100 million, including the construction of 4 fit for purpose telescopic Efficient Long Reach ("ELR") double drilling rigs, one of which is expected to be completed in the third quarter and another in the fourth quarter of 2011, with the remaining two expected to be delivered in the first quarter of 2012. Long term take-or-pay contracts for all 4 rig builds were signed prior to commencing construction;
- During the second quarter, Western commenced construction of five next generation well service rigs, the first of which are expected to begin operations in the fourth quarter of 2011. This moves Western towards its stated objective of entering the well servicing industry in Canada.

Selected Financial Information

(stated in thousands of Canadian dollars, except share and per share amounts)

Financial Highlights	**Three months ended June 30, 2011**	**Three months ended June 30, 2010**	**Six months ended June 30, 2011**	**Six months ended June 30, 2010**
Revenue	32,412	13,396	87,797	17,715
EBITDA(1)	8,015	3,057	28,732	3,607
Cash flow from operating activities	21,027	3,985	30,641	3,785
Capital expenditures	14,743	3,871	29,764	3,930
Net income (loss) from continuing operations	4,290	(215)	15,806	11,317 (2)
-basic net income (loss) per share	0.08	(0.01)	0.35	0.63
-diluted net income (loss) per share	0.08	(0.01)	0.34	0.57
Net (loss) income	4,193	(283)	15,537	10,816 (2)
-basic net income (loss) per share	0.08	(0.01)	0.35	0.60
-diluted net income (loss) per share	0.08	(0.01)	0.33	0.54
Weighted average number of shares				
-basic	51,010,095	26,377,458	44,541,870	18,073,780
-diluted	53,028,369	26,377,458	46,533,545	19,892,157
Outstanding common shares as at period end	58,533,287	26,377,458	58,533,287	26,377,458

(1) See financial measures reconciliations.

(2) Includes an $11.1 million non-recurring gain on acquisitions.

(stated in thousands of Canadian dollars, except operational amounts)

Operating Highlights	Three months ended June 30, 2011	Three months ended June 30, 2011	Six months ended June 30, 2011	Six months ended June 30, 2010	
Contract Drilling					
Contract drilling rig fleet:					
-Average	28	11	26	11	(1)
-End of period	43	11	43	11	
Drilling revenue per operation day	29,207	24,278	28,713	24,383	
Drilling rig utilization rate(2)	40%	46%	60%	46%	(1)
CAODC industry average utilization rate(2)	24%	20%	46%	26%	(1)
Production Services					
Jobs completed	277	548	1,392	1,326	
Average revenue per job completed	7,480	4,093	5,290	3,599	

Financial Position at	June 30, 2011	December 31, 2010	June 30, 2010
Working capital	23,384	13,154	9,467
Property and equipment	432,980	194,739	96,053
Total assets	543,117	264,106	115,327
Long term debt	116,186	46,061	4,127

(1) Calculated from the date of acquisition of the Contract Drilling segment (March 18, 2010).

(2) Utilization rate calculated on a spud to rig release basis.

Outlook

Western has a drilling rig fleet of 43 rigs, with an additional 4 rigs currently under construction. Currently, Western is the sixth largest drilling contractor in Canada with a fleet of 38 drilling rigs. As a result of the acquisition of Stoneham on June 10, 2011, Western has re-entered the United States market with the intention of building a strong presence initially in the Williston basin of North Dakota. Currently, Western has 5 drilling rigs deployed in the United States.

Western's drilling rig fleet is specifically suited for the current market which is moving towards drilling wells of increased complexity. In total, approximately 91% of Western's fleet are Efficient Long Reach ("ELR") rigs with depth ratings greater than 3,000 meters and all of Western's rigs are capable of drilling horizontal wells. Currently, approximately 50% of Western's fleet is under long term take-or-pay contracts, which provide a base level of revenue. These contracts typically generate 250 utilization days per year in Canada, as the annual spring breakup restricts activity during the second quarter, while in the United States these contracts typically generate 365 utilization days per year.

As a result of strong customer demand, Western's capital budget has been increased to approximately $100 million, including the construction of 4 fit for purpose telescopic ELR double drilling rigs, one of which is expected to be completed in the third quarter and another in the fourth quarter of 2011, with the remaining two expected to be delivered in the first quarter of 2012. Long term take-or-pay contracts for all 4 rig builds were signed prior to commencing construction. Western believes that with continued strong pricing environments for oil and natural gas liquids, additional rig build opportunities will be available. Additionally, during the second quarter, Western commenced construction of five next generation well service rigs, the first of which is expected to begin operations early in the fourth quarter of 2011 and the remainder are expected to commence operations later in the fourth quarter of 2011 or during the first quarter of 2012. This moves Western towards its stated objective of entering the well servicing industry in Canada.

Drilling activity in Canada and the United States has been substantially higher in 2011 as compared to the last number of years. Furthermore, the Company's utilization rates have consistently been above industry average, including during the second quarter of 2011 when wet weather and forest fires hindered operations in western Canada, due to our modern rig fleet, strong customer base and solid reputation. Western believes that customers targeting oil and liquids-rich natural gas wells will continue to drive demand and lead to high levels of utilization. Additionally, strong commodity market conditions have provided some of our customers with improved cash flow allowing them to increase their drilling programs. The increased demand for drilling rig services in the market has led to improved day rates, which are expected to hold through the winter of 2012.

Currently the industry is experiencing a shortage of qualified people; however Western's fleet is fully crewed with qualified personnel. We believe our modern fleet and corporate culture will provide a distinct advantage in attracting qualified individuals. Western has a proven track record for delivering high quality equipment and well trained, highly skilled crews to its customers who rely on the Company to drill increasingly complex long reach horizontal wells. As such, Western is well positioned for future growth.

Financial Measures Reconciliations

Western uses the terms EBITDA and Operating Earnings in this press release which do not have any standardized meaning as prescribed by IFRS. These measures may not be comparable to similar measures presented by other reporting issuers.

EBITDA

Management believes that in addition to net income (loss) from continuing operations, earnings from continuing operations before interest and finance costs, taxes, depreciation, other non-cash items and one-time gains and losses ("EBITDA") as derived from information reported in the condensed consolidated statements of operations and comprehensive income (loss) is a useful supplemental measure as it provides an indication of the results generated by Western's principal business activities prior to consideration of how those activities are financed, the impact of foreign exchange, how the results are taxed, how funds are invested, how non-cash charges and one-time gains or losses affect results.

Operating Earnings

Management believes that in addition to net income (loss) from continuing operations, operating earnings is a useful supplemental measure as it provides an indication of the results generated by the Company's principal operating segments similar to EBITDA but also factors in the depreciation expense charged in the period.

The following table provides a reconciliation of net income (loss) from continuing operations under IFRS as disclosed in the condensed consolidated statements of operations and comprehensive income (loss) to EBITDA and Operating Earnings.

(stated in thousands of Canadian dollars)	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
EBITDA	**8,015**	**3,057**	**28,732**	**3,607**
Depreciation – operating	3,100	1,725	8,025	2,144
Depreciation – administrative	96	37	160	43
Operating earnings	**4,819**	**1,295**	**20,547**	**1,420**
Stock based compensation – operating	82	31	143	34
Stock based compensation – administrative	193	131	335	144
Finance costs	509	219	1,071	310
Other items	2,279	31	1,342	138
Gain on business acquisitions	-	529	-	(11,094)
Income taxes	(2,534)	569	1,850	571
Net income (loss) from continuing operations	**4,290**	**(215)**	**15,806**	**11,317**

2011 Second Quarter Results Conference Call and Webcast

Western has scheduled a conference call and webcast to begin promptly at 12:00 p.m. MST (2:00 p.m. EST) on August 11, 2011.

The conference call dial-in number is 1-888-231-8191.

A live webcast of the conference call will be accessible on Western's website at www.wesc.ca by selecting "*Investor Relations*", then "*Webcasts*". Shortly after the live webcast, an archived version will be available for approximately 30 days.

An archived recording of the conference call will also be available approximately one hour after the completion of the call until August 25, 2011 by dialling 1-855-859-2056 or 1-416-849-0833, passcode 87727550.

Dale E. Tremblay
Chief Executive Officer
403.984.5929
dtremblay@wesc.ca

Alex MacAusland
President and COO
403.984.5932
amacausland@wesc.ca

Jeffrey K. Bowers
VP Finance and CFO
403.984.5933
jbowers@wesc.ca