



WESTERN ENERGY SERVICES CORP. UNDERLINES OFFER PREMIUM AND LOOKS TO "CUT THROUGH THE NOISE" AROUND ITS AGREEMENT WITH SAVANNA ENERGY SERVICES CORP.

FOR IMMEDIATE RELEASE: March 16, 2017

CALGARY, ALBERTA - Western Energy Services Corp. ("Western") (TSX: WRG), wishes to address five additional matters concerning its recently announced proposed plan of arrangement ("Arrangement") with Savanna Energy Services Corp. ("Savanna") (TSX: SVY). This new communication strives to "cut through the noise" being generated by an increasingly petulant, competing hostile bidder, Total Energy Services Inc. ("Total") and emphasize the significant premium in the Western offer, which will be of benefit to both Western and Savanna shareholders through the successful completion of the Arrangement.

As in prior communications, these comments also address certain subjects that have either been reported in the media or have been otherwise publicly-discussed by that competing hostile bidder.

1. Where Do Matters Stand Now?

Savanna's shareholders still have two competing business combination proposals to consider, one being the Arrangement negotiated co-operatively between Western and Savanna; and the other being the very acrimonious hostile bid by Total. Using share prices on March 16, 2017, the market value of the Western offer to Savanna's shareholders is **\$2.19** per Savanna share, while the market value of the Total offer is **\$1.92** per share. While Total has recently published yet another windy press release that tries to say that \$1.92 is better than \$2.19, the facts are that the value of the **Western offer is now 14.1% higher** than the Total offer.

2. Western Has Materially Increased Its Offer

Western's initial offer to Savanna, at the end of Savanna's process, was already the best offer on the table. That offer was fully accepted by Savanna, as previously disclosed and represented consideration that Savanna's board, on the advice of its financial advisors considered to be fair to Savanna shareholders. However, after fluctuations among the share prices of all three companies following announcement, Western determined that it was prepared to increase the consideration payable in the Arrangement to create a larger margin of difference, so that anyone with a calculator could readily see that the Western offer price is demonstrably higher.

It has been publicly-disclosed that Total had entered into conditional, soft lock-Up Agreements with each of: Franklin Bissett Investment Management ("**Franklin Bissett**"); Invesco Canada Ltd. ("**Invesco**"); and Foyston, Gordon & Payne Inc. ("**Foyston**"). The terms of those agreements allow Franklin Bissett, Invesco and Foyston to tender to a superior offer, which is normal for fiduciaries of investors' money. However, the lock-up agreements allow Total time to respond to a superior alternative transaction proposal. Accordingly, Franklin Bissett, Invesco and Foyston may have needed time in advance of the expiry of Total's offer to avoid being compelled to tender their Savanna shares to Total's inferior offer. These factors led to Western's decision to increase the consideration payable on the prompt timeline it followed.

The potential for actual acceptance of the Total offer by Franklin Bissett, Invesco and Foyston runs the risk, of course, of depriving all Savanna shareholders of the higher value in the Western offer, because

these shareholders' cumulative holdings (43.5 % of Savanna shares) will be so highly influential in the outcome. Western continues to be most willing to engage with Franklin Bissett, Invesco and Foyston in relation to any further information needed in respect of the Western offer.

3. "Where's the Beef?"

By now, it should be abundantly clear that Total neither wishes to increase its offer to Savanna to a higher price, nor to cede the opportunity to Western. Total's strategy, instead, has been to argue, criticize, threaten and fight about nearly everything. If Total were to succeed in its bid, it is, of course, very difficult to see such an approach and such overall conduct being conducive to actually managing and operating Savanna's complex businesses.

In both an old restaurant advertisement and a prior U.S. political campaign, the question that was asked was "Where's the Beef?" Despite Total's various references to a purported willingness to pay more to acquire Savanna, including in Schedule "A" to its prior Notice of Variation, Western is the one which has actually put the highest offer amount on the table. Perhaps it is time for Total to put away its thesaurus and take out its chequebook, if it wishes to continue in the auction; or else withdraw in favor of the Western offer if it does not wish to increase its low offer, which Savanna has rejected.

4. Western Still Knows More About the Drilling and Well Servicing Businesses; and Honey Still Works Better than Vinegar

In addition to the better economics of the Western offer, Western remains the far better strategic fit for Savanna and has vastly more experience in, and commitment to, the contract drilling and well servicing businesses, than does Total. Total only derives a meagre 6% of its revenues from these lines of business. If Total were to be successful, it would then need to figure out how to manage the Savanna businesses properly, after having criticized and threatened litigation against the very people who are needed to work very hard to create continuity and to generate future results.

What can Total be thinking in acting this way?

5. Putting the "Break Fee" Question to Bed; and "If You Can't Stand the Heat, Stay Out of the Kitchen"

Total has used up an enormous amount of air time grumbling about the "break fee". As previously discussed, similar arrangements are present in almost every non-hostile acquisition deal ever done.

While there have been various other misstatements and mischaracterizations in Total's disclosure and press releases, Western is deliberately opting to stay with the important points and to emphasize the key issues of strategy, expertise, fit and the overall value of its offer to Savanna shareholders.

Western looks forward to continuing to communicate its perspective on the exceptional proposed business combination of Western and Savanna.

About Western Energy Services Corp.

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

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the shares in any jurisdiction. The shares offered will not be and have not been registered under the United States Securities Act

of 1933 and may not be offered or sold in the United States or to a United States person, absent registration, or an applicable exemption therefrom.

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 such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Western anticipates or expects may, or will occur in the future (in whole or part) should be considered forward-looking information. In some cases forward-looking information can be identified by terms such as “forecast”, “future”, “may”, “will”, “expect”, “anticipate”, “believe”, “potential”, “enable”, “plan”, “continue”, “contemplate”, “pro forma”, “prospective” or other comparable terminology.

In particular, forward-looking information in this press release includes, but is not limited to, information about the potential Arrangement between Western and Savanna, including without limitation, the anticipated closing of the Arrangement, the anticipated impact of the Arrangement on Western and Savanna, the anticipated operational and strategic benefits of the Arrangement, the impact of the Total offer on Savanna and the impact of the acceptance of the Total offer by Franklin Bissett, Invesco and Foyston on the shareholders of Savanna.

The forward-looking information provided in this press release is based upon a number of material factors and assumptions including without limitation: (a) that all necessary Toronto Stock Exchange (“TSX”), court and regulatory approvals will be obtained on the timelines and in the manner currently anticipated; (b) that all necessary Western and Savanna shareholder approvals will be obtained; and (c) general assumptions respecting the business and operations of both Western and Savanna, including that each business will continue to operate in a manner consistent with past practice and pursuant to certain industry and market conditions.

Forward-looking information is subject to a number of risks and other factors that could cause actual results and events to vary materially from that anticipated by such forward-looking information. In particular, the completion of the Arrangement is subject to a number of risks including, without limitation: (a) TSX, court and regulatory approvals may not be obtained in the timelines or on the terms currently anticipated or at all; (b) Western and/or Savanna shareholder approvals may not be obtained; (c) the Arrangement is subject to a number of closing conditions and no assurance can be given that all such conditions will be met or will be met in the timelines required by the arrangement agreement; and (d) the business, operational and/or financial performance or achievements of Western or Savanna may be materially different from that currently anticipated. In particular, the synergies and benefits anticipated in respect of the Arrangement are based on the current business, operational and financial position of each of Western and Savanna, which are subject to a number of risks and uncertainties. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive. Additional information on these and other risk factors that could affect Western’s operations and financial results are included in Western’s annual information form 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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