



# Investor Presentation

# Disclaimer

## **FORWARD-LOOKING INFORMATION**

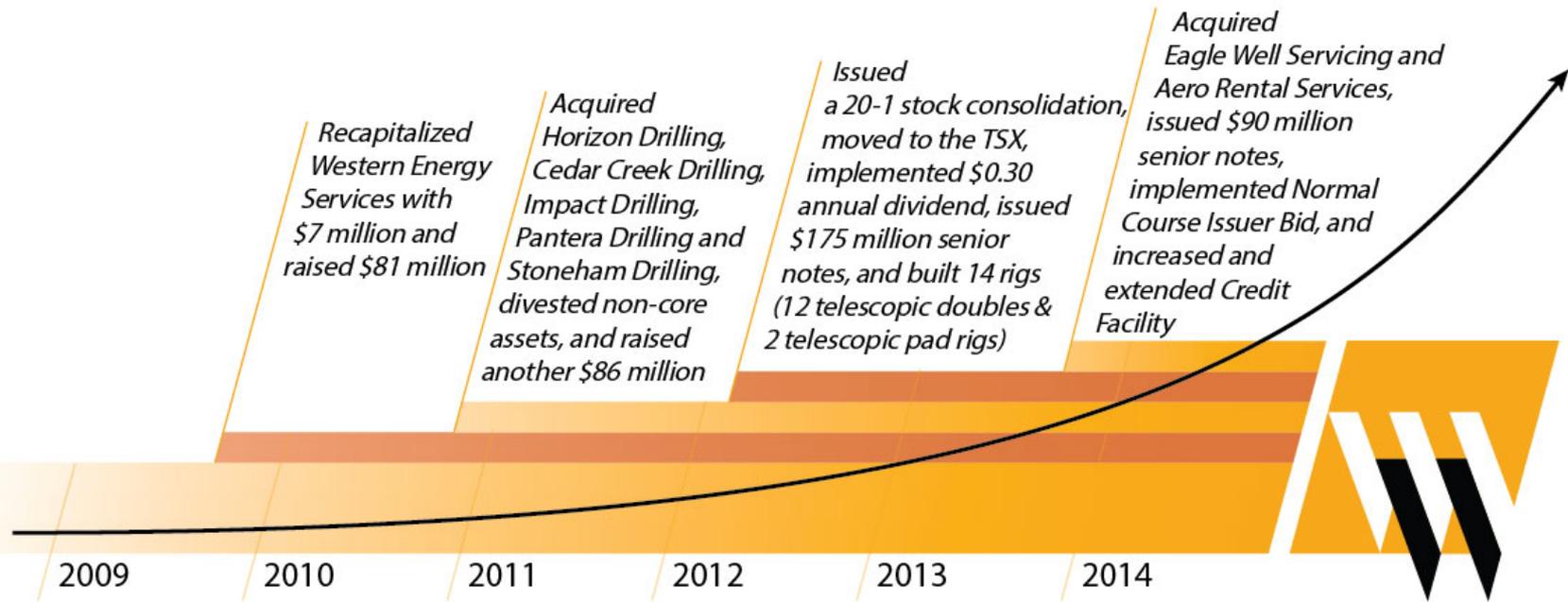
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# Western's Strategic Growth



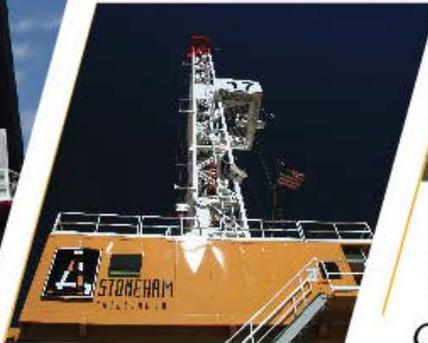
Market Capitalization  
**\$560 Million**  
April 6, 2015

# Western Today



**49**

*Canadian Based  
Drilling Rigs  
(plus 3 rigs under  
construction)*



**5**

*U.S. Based  
Drilling Rigs*



**65**

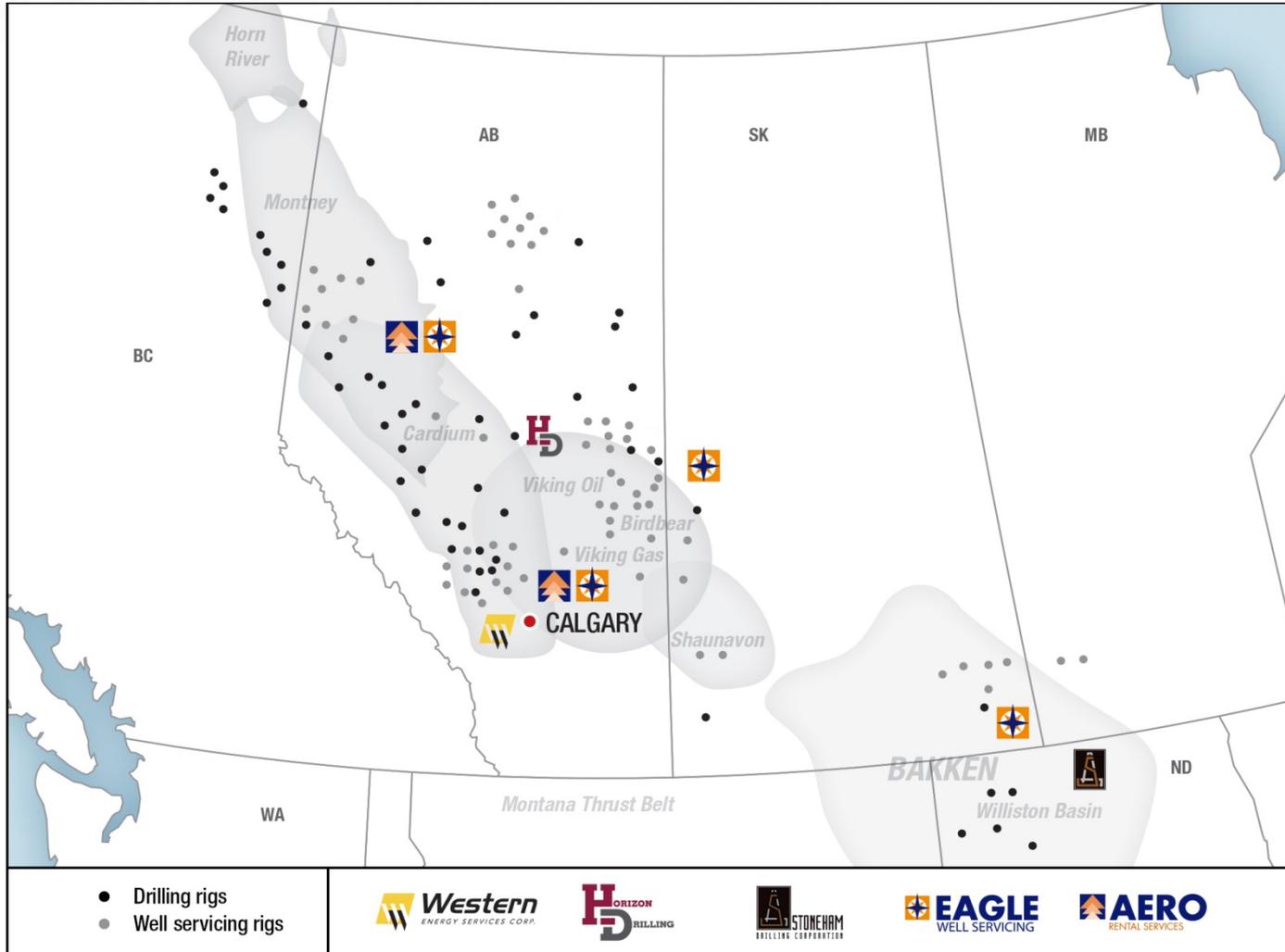
*Canadian Based  
Well Servicing Rigs  
(plus 1 rig under  
construction)*



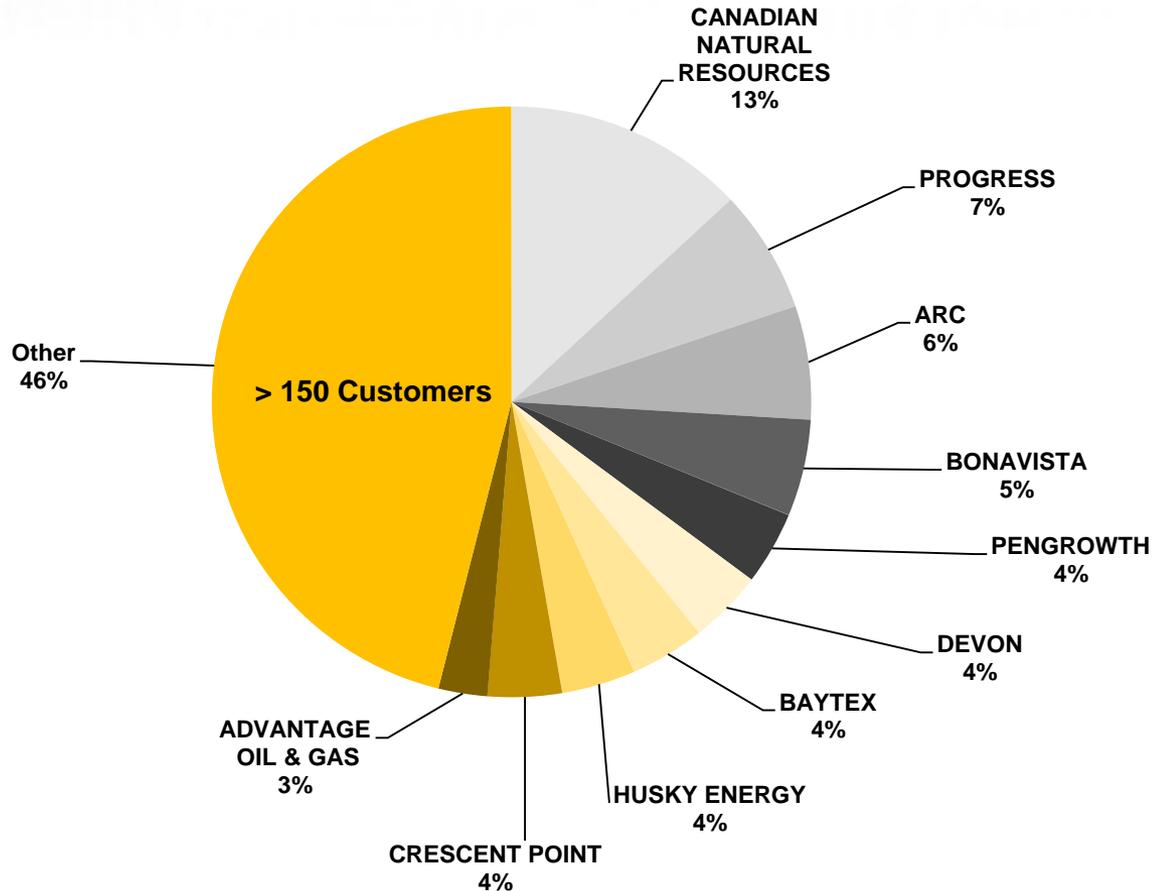
**2**

*Canadian Rental  
Equipment Locations*

# Geographic Diversity Drives Strong Customer Base



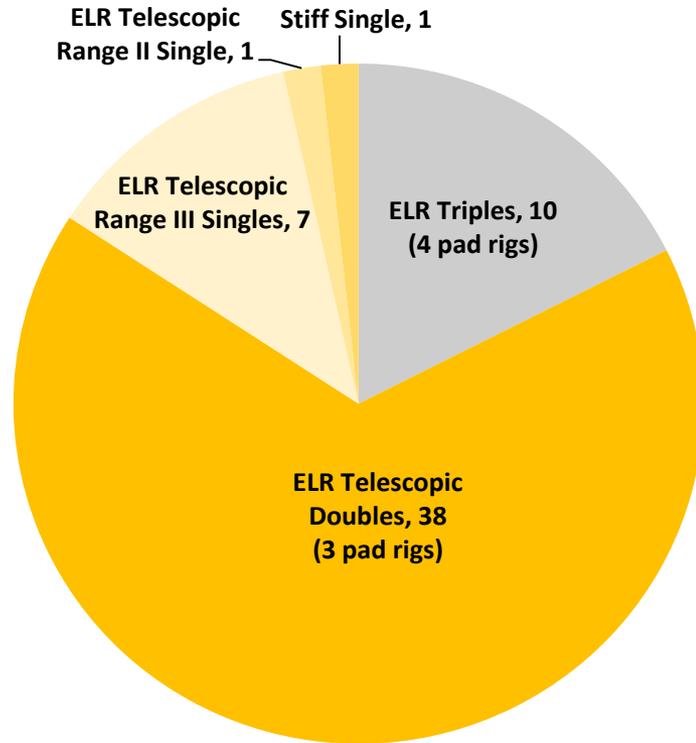
# High Quality Customer Base



Consolidated year-to-date revenue as at December 31, 2014

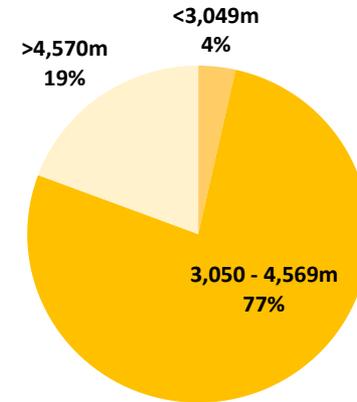
# Western's Drilling Rig Fleet

## Western's Drilling Rigs\*

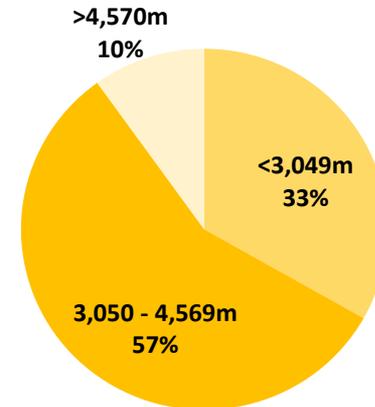


\* Includes 3 rigs under construction

## Western's Fleet by Depth Capacity\*



## Industry by Depth Capacity\*\*



\*\*Source: IHS March 31, 2015 – Canada Only

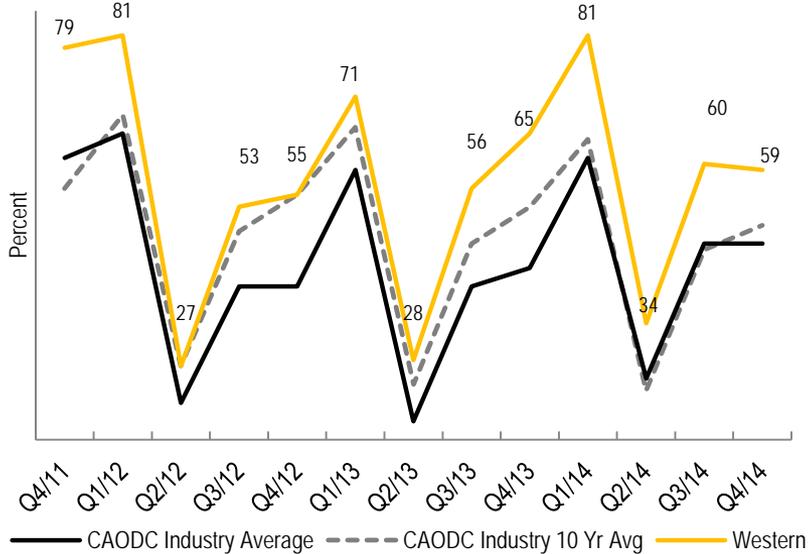
# Western's Competitive Advantage

- Modern efficient fleet
  - Small footprint and efficient moves
  - Rig-up and drill efficiently
  - Average age ~7 years
  - Automated pipe handling and hydraulic BOP handling
  - Two 5,000 m ELR telescopic doubles under construction
- Pad drilling capability
  - Commissioned first two ELR convertible pad rigs
  - Completed four pad rig conversions
  - One additional 6,000m AC ELR triple pad rigs under construction
- 100% of fleet have top drives available at customer request
- 6<sup>th</sup> largest drilling rig fleet in Canada

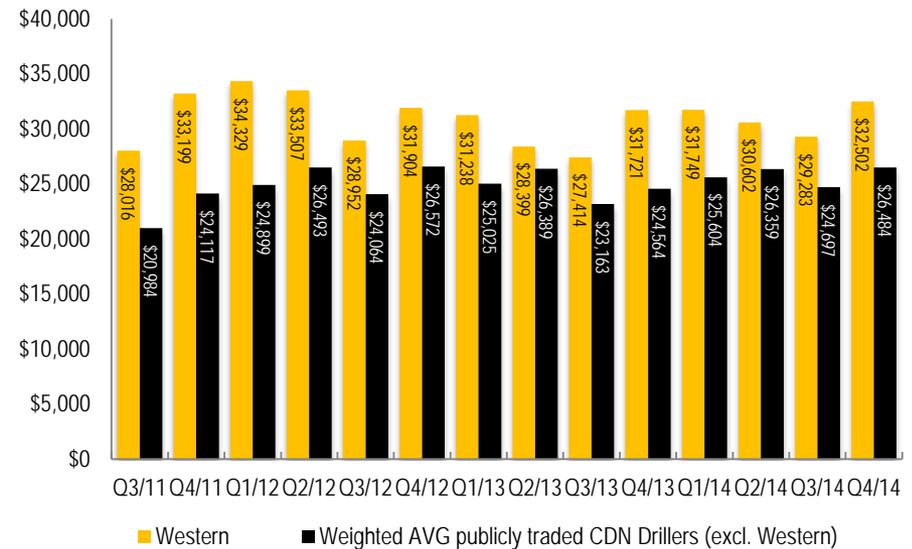
# Premium Drilling Utilization and Day Rates

- Western's premium drilling rig fleet has consistently realized above average utilization and industry leading day rates in Canada

Canadian Drilling Utilization Rates <sup>(1)</sup>



Canadian Drilling Day Rates <sup>(2) (3)</sup>  
(Total revenue per operating day)



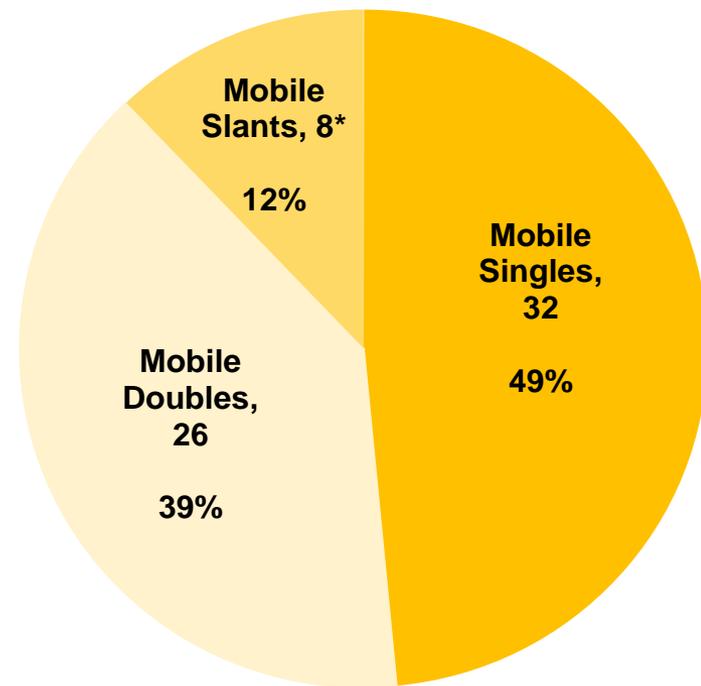
(1) Source: Industry Research, CAODC estimates at January 8, 2014

(2) Source: Industry Research, Company Disclosure and RBC Capital Markets estimates at December 31, 2014

(3) Includes Third Party Charges

# Western's Well Servicing Fleet

- One of the newest fleets in Canada
  - Average age of the fleet ~5 years
  - 7th largest well servicing fleet in Canada
  - For Q4 2014 Eagle had the 3<sup>rd</sup> highest operating hours amongst CAODC members
- Constructing 8<sup>th</sup> Slant Rig
- Operation Centres:
  - Red Deer, Alberta
  - Grande Prairie, Alberta
  - Lloydminster, Saskatchewan
  - Estevan, Saskatchewan

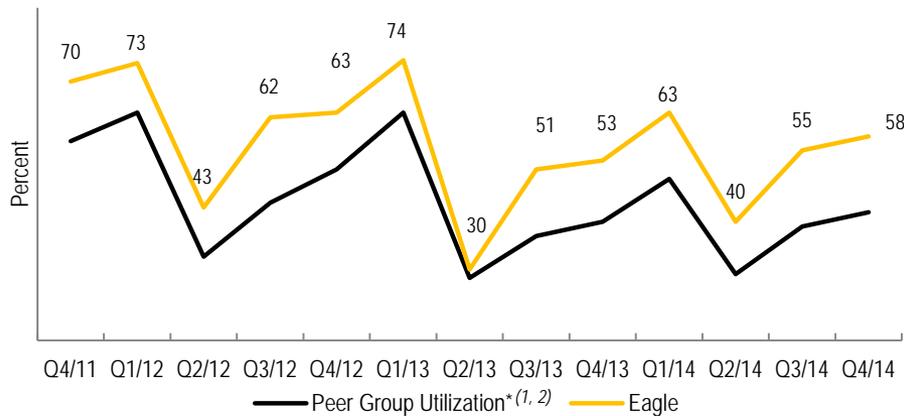


\* Includes 1 slant rig under construction

# Premium Service Rig Utilization

- Quality equipment and strong employee base drives higher utilization
- Eagle hourly rates are competitive but moderately lower than industry due to geographic rig mix

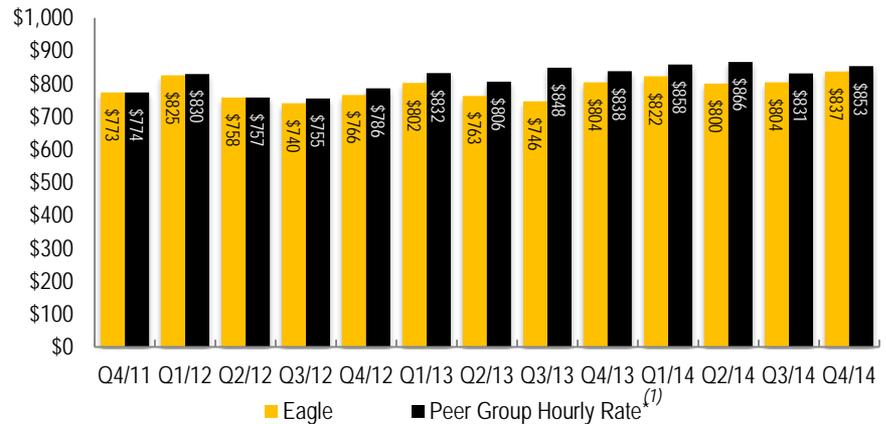
## Canadian Well Servicing Rig Utilization Rates



Source: Industry Research, Company Disclosure as at December 31, 2014

- Peer group includes Precision Drilling, Savanna Energy Services, Essential Energy Services, Ensign Energy Services and CWC Well Services.
- Based on full utilization of 10 hours per day

## Canadian Well Servicing Rig Hourly Rates <sup>(1) (2)</sup>



Source: Raymond James Industry Research, Company Disclosure as at September 30, 2014

- Peer group includes Precision Drilling, Savanna Energy Services, Essential Energy Services and CWC Well Services.
- Peer group hourly rates may include other non service rig specific services

# Quality Oilfield Rental Equipment

- Broad range of surface rental equipment for:
  - Frac Services
  - Well Completion
  - Coil Tubing Services
  - Drilling
- Larger customer base that includes Exploration & Production and oilfield service companies
- Replacement cost of assets – approximately \$40 million
- Quality equipment with new assets being deployed to meet current demand
- Increased customer demand from unconventional resource plays
- Evolving business providing opportunities to deploy long life assets for our customers

# Operating Highlights

| Operating Highlights                            | Fourth Quarter |        |          | Year Ended December 31 |        |          |
|---|----------------|--------|----------|------------------------|--------|----------|
|   | 2014           | 2013   | % Change | 2014                   | 2013   | % Change |
| <b>Contract drilling</b>                        |                |        |          |                        |        |          |
| <i><b>Canadian Operations</b></i>               |                |        |          |                        |        |          |
| Rig fleet (end of period)                       | 49             | 47     | 4%       | 49                     | 47     | 4%       |
| Operating Revenue per revenue day (CDN\$)       | 27,104         | 26,060 | 4%       | 26,178                 | 24,829 | 5%       |
| Drilling rig utilization rate per revenue day   | 65%            | 72%    | (10%)    | 64%                    | 61%    | 5%       |
| Drilling rig utilization rate per operating day | 59%            | 65%    | (9%)     | 58%                    | 55%    | 5%       |
| CAODC industry average utilization rate         | 45%            | 43%    | 5%       | 44%                    | 40%    | 10%      |
| <i><b>United States Operations</b></i>          |                |        |          |                        |        |          |
| Rig fleet (end of period)                       | 5              | 5      | -        | 5                      | 5      | -        |
| Operating Revenue per revenue day (US\$)        | 28,309         | 23,457 | 21%      | 26,124                 | 22,507 | 16%      |
| Drilling rig utilization rate per revenue day   | 95%            | 99%    | (4%)     | 94%                    | 81%    | 16%      |
| Drilling rig utilization rate per operating day | 85%            | 87%    | (2%)     | 83%                    | 67%    | 24%      |
| <b>Well Servicing</b>                           |                |        |          |                        |        |          |
| Rig fleet (end of period)                       | 65             | 65     | -        | 65                     | 65     | -        |
| Operating Revenue per service hour (CDN\$)      | 837            | 804    | 4%       | 817                    | 766    | 7%       |
| Well servicing rig utilization rate             | 58%            | 53%    | 9%       | 54%                    | 45%    | 20%      |

# Corporate Overview

|  |                  |
|--|------------------|
| Common shares                                      |                  |
| Basic  | 75 Million       |
| Diluted  | 80 Million       |
| Current share price (as at April 6, 2015)          | \$7.00           |
| 52 Week Range                                      | \$4.88 – \$11.70 |
| Market capitalization (f.d.) (as at April 6, 2015) | \$560 Million    |
| Net debt   | \$203 Million    |
| Enterprise value (f.d.)                            | \$763 Million    |
| Working capital (excl. current-portion of LTD)     | \$79 Million     |
| Capital assets (NBV)                               | \$827 Million    |
| Book value per share (f.d.)                        | \$7.51           |
| Net tangible assets per share (f.d.)               | \$6.61           |

# Financial Highlights

| Financial Highlights (Thousands CDN\$)      | Fourth Quarter |         |          | Year Ended December 31 |         |          | Year Ended December 31 |         |        |
|---|----------------|---------|----------|------------------------|---------|----------|------------------------|---------|--------|
|   | 2014           | 2013    | % Change | 2014                   | 2013    | % Change | 2012                   | 2011    | 2010   |
| Operating Revenue                           | 129,181        | 119,831 | 8%       | 474,120                | 353,124 | 34%      | 282,856                | 237,428 | 52,285 |
| Gross Margin                                | 57,826         | 52,980  | 9%       | 207,231                | 147,559 | 40%      | 131,063                | 114,837 | 22,902 |
| Gross Margin as a % of Operating Revenue    | 45%            | 44%     | 2%       | 44%                    | 42%     | 5%       | 46%                    | 48%     | 44%    |
| Adjusted EBITDA                             | 50,419         | 43,543  | 16%      | 176,777                | 117,423 | 51%      | 108,931                | 99,324  | 16,504 |
| Adjusted EBITDA as a % of Operating Revenue | 39%            | 36%     | 8%       | 37%                    | 33%     | 12%      | 39%                    | 42%     | 32%    |
| Net Income (Loss)                           | (8,164)        | 15,797  | (152%)   | 36,450                 | 35,246  | 3%       | 45,178                 | 64,746  | 26,590 |
| per share (basic)                           | (0.11)         | 0.22    | (150%)   | 0.49                   | 0.51    | (4%)     | 0.77                   | 1.25    | 1.17   |
| Dividends per share                         | 0.075          | 0.075   | -        | 0.30                   | 0.30    | -        | 0.15                   | -       | -      |
| Capital expenditures                        | 31,071         | 27,529  | 13%      | 108,604                | 95,234  | 14%      | 127,231                | 88,869  | 21,282 |

# Balance Sheet Overview

| <b>Consolidated Balance Sheet ('000s)</b> | <b>December 31, 2014</b> | <b>December 31, 2013</b> |
|---|--------------------------|--------------------------|
| Cash and other current assets             | \$ 158,823               | \$ 113,484               |
| Property and equipment                    | 827,306                  | 783,225                  |
| Goodwill and other                        | 70,989                   | 90,083                   |
| <b>Total assets</b>                       | <b>\$ 1,057,118</b>      | <b>\$ 986,792</b>        |
| Current liabilities                       | \$ 80,487                | \$ 62,868                |
| Long term debt and other                  | 265,984                  | 264,834                  |
| Deferred taxes                            | 109,444                  | 95,665                   |
| <b>Total</b>                              | <b>455,915</b>           | <b>423,367</b>           |
| Shareholders' equity                      | 601,203                  | 563,425                  |
| <b>Total liabilities and equity</b>       | <b>\$ 1,057,118</b>      | <b>\$ 986,792</b>        |

## **Credit Facility Covenants**

|  | <b>Covenant</b>  |
|--|------------------|
| Bank Debt (excluding Senior Notes) to EBITDA Ratio | 2.5 to 1 or less |
| Debt to Capitalization Ratio                       | 60% or less      |
| EBITDA to Interest Expense Ratio                   | 2.0 to 1 or more |

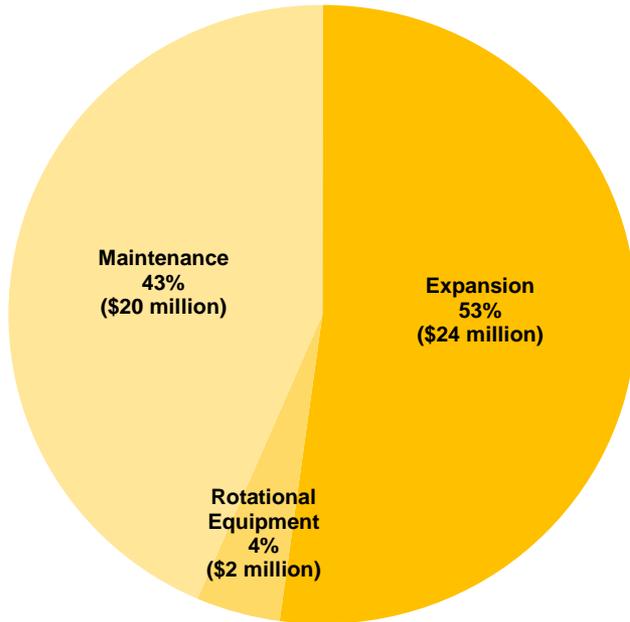
## **Credit Ratings**

|                   |    |
|-------------------|----|
| Standard & Poor's | B+ |
| Moody's           | B1 |

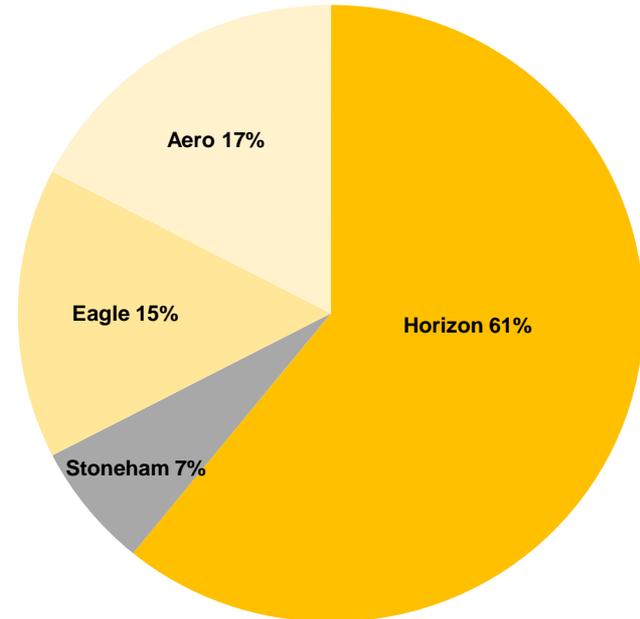
- \$265 million High Yield 7 $\frac{7}{8}$ % Coupon Bonds due January 2019
- \$175 million unutilized revolver

# 2015 Budgeted Capital Expenditures \$46 Million

## Consolidated Capital Spending – Expansion vs. Maintenance & Rotational Equipment



## Consolidated Capital Spending by Entity

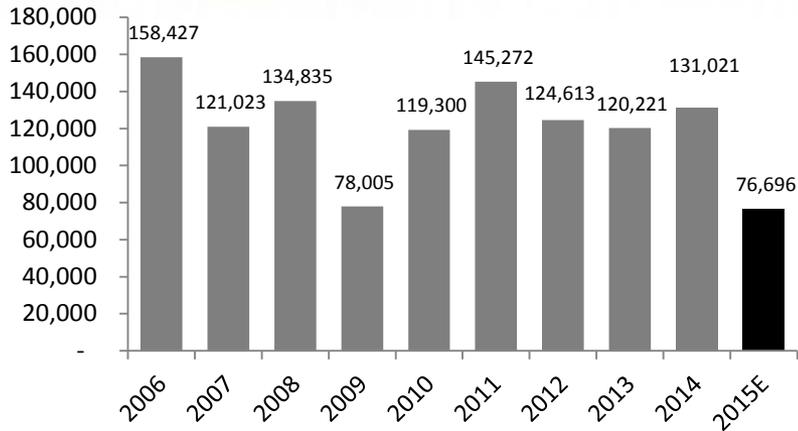


# Strategic Initiatives

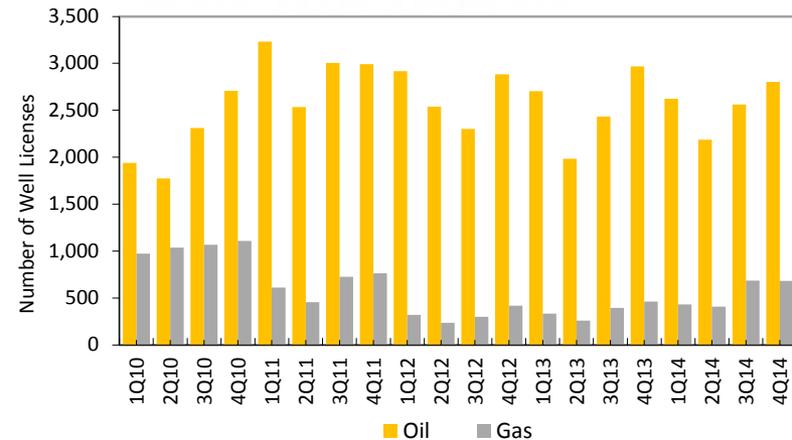
- Stay financially flexible with a well structured balance sheet
- Remain focused on cost control
- Continue to offer a quarterly dividend
- Respond to strategic initiatives across all divisions
- Ensure safe and efficient operations remain at the forefront of every element of the business
- Continue to focus on enhancing and fine tuning existing business lines for optimum performance



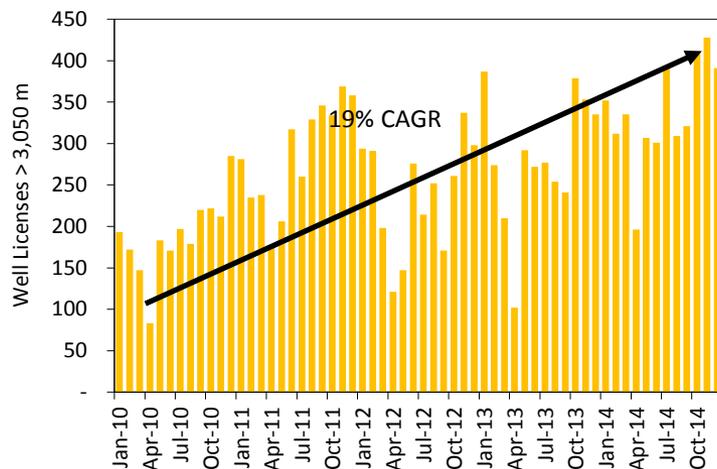
## Canadian Wells – Operating Days (1)



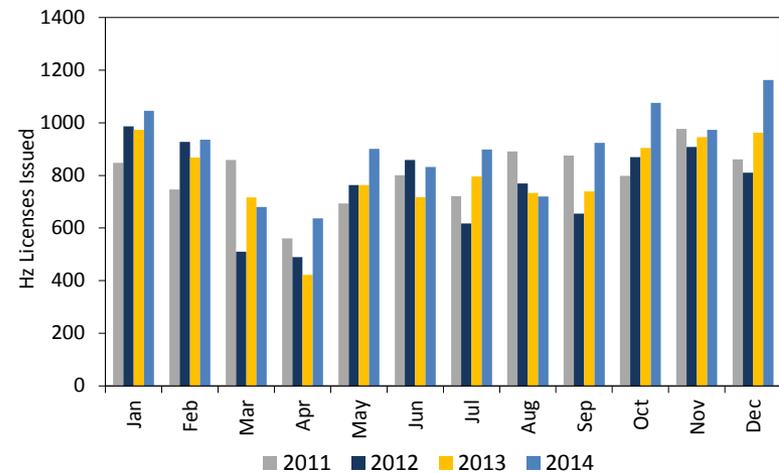
## Well Licenses by Objective (2)



## WCSB Well Licenses > 3,050m (2)



## Horizontal Well Licenses (2)



(1) Source: CAODC, 2015 Forecast as at January 22, 2015

(2) Source: Nickle's Energy as at December 31, 2014

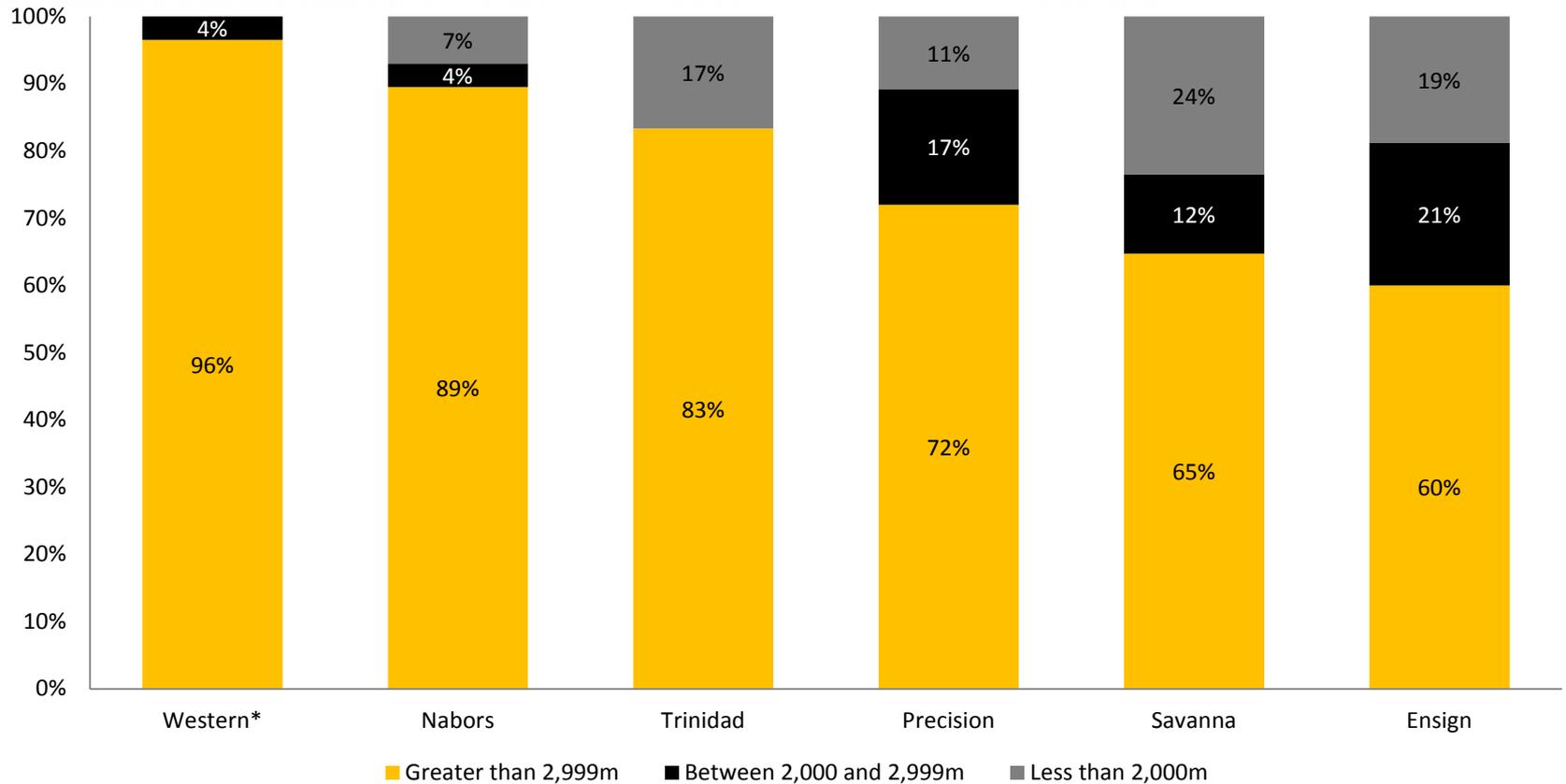
# Western's Drilling Rig Depth Capacity

| Depth (m)        | WCSB # of Rigs* | % of Fleet | WESC**    | % of Fleet |
|------------------|-----------------|------------|-----------|------------|
| < 760            | 22              | 3%         | -         | -          |
| 760 to 1,524     | 75              | 10%        | -         | -          |
| 1525 to 2,279    | 50              | 7%         | 2         | 4%         |
| 2,280 to 3,049   | 119             | 16%        | -         | -          |
|                  | <b>266</b>      | <b>35%</b> | <b>2</b>  | <b>4%</b>  |
| 3,050 to 3,799   | 248             | 33%        | 23        | 40%        |
| 3,800 to 4,569   | 170             | 22%        | 21        | 37%        |
| 4,570 to 6,099   | 59              | 8%         | 11        | 19%        |
| 6,100 and deeper | 14              | 2%         |           |            |
|                  | <b>491</b>      | <b>65%</b> | <b>55</b> | <b>96%</b> |
| Total            | 757             | 100%       | 57        | 100%       |

\* Source: IHS March 31, 2015

\*\* Includes 3 rigs under construction

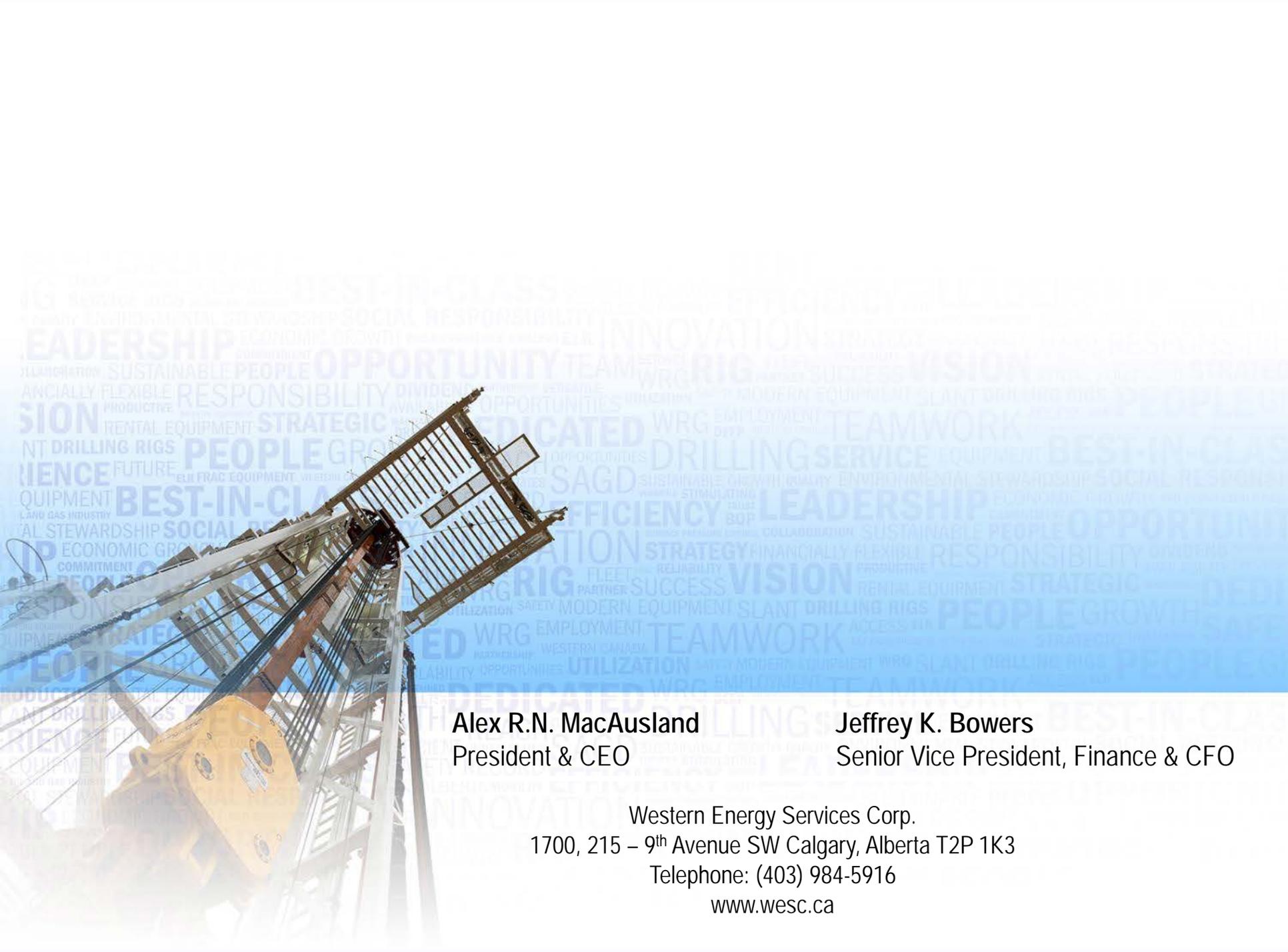
# Leading Deep Driller in Canada



Source: IHS, Industry Research as at March 31, 2015 (based on companies of Western's size or greater)

\* Western includes 3 rigs under construction





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