



Investor Presentation

September 2015

Disclaimer

FORWARD-LOOKING INFORMATION

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Forward-looking information contained in this presentation includes, among other things, the 2015 Budgeted Capital Expenditures, market trends, utilization and customer demand, and statements relating to future dividends. Completing those anticipated expenditures and the payment of future dividends assumes that Western's cash flow will be sufficient and is subject to known and unknown risks, uncertainties and other factors that could influence Western's actual results and cause actual results to differ materially from those stated, anticipated or implied in the forward-looking information. As such, readers are cautioned not to place undue reliance on the forward-looking information, as no assurance can be provided as to future results, levels of activity or achievements. The risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in more detail in Western's Annual Information Form and other documents available at www.sedar.com. and include risks associated with the oil and gas industry and demand for drilling rigs and oil and gas services.

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Company Snapshot



Contract Drilling

- Fleet of 57 drilling rigs
 - 52 based in Canada
 - 5 based in the United States



Well Servicing

- Fleet of 66 Canadian based service rigs



Oilfield Equipment Rental

- Rental location in Red Deer to service central and southern Alberta
- Rental location in Grande Prairie to service north eastern BC

Western Energy Services (WRG)

Share Price ¹	\$5.05
52-week high/low	\$10.52 / \$3.03
Shares outstanding ²	79 million
Market capitalization	\$399 million
Enterprise value	\$580 million

Yield Metrics

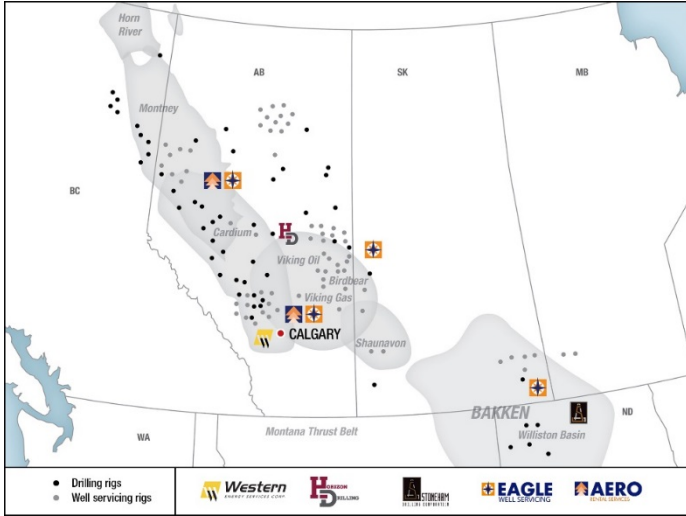
Quarterly dividend	\$0.075/share
Annualized dividend	\$0.30/share
Dividend yield ¹	5.9%
TTM payout ratio ³	16.2%

1) As of September 9, 2015

2) Fully diluted

3) TTM payout ratio = dividend / cash generated from operating activities

Business Highlights



123 total rigs



Seven pad drilling rigs in fleet



Modern Efficient Long Reach (ELR™) fleet



SAGD customized service rig packages



Eight slant service rigs



Assets managed and serviced by pressure control specialists

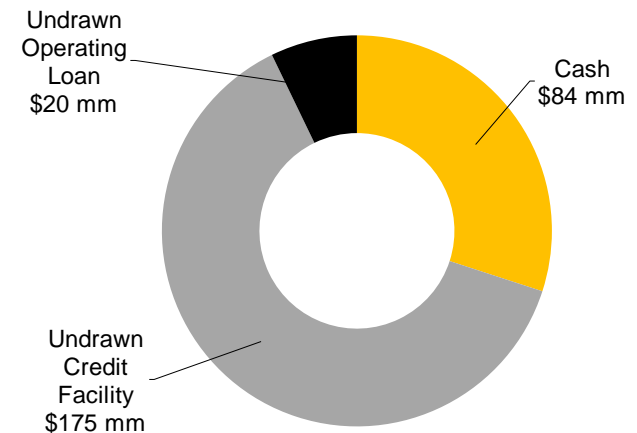


Innovative product designs

Conservative Financial Position

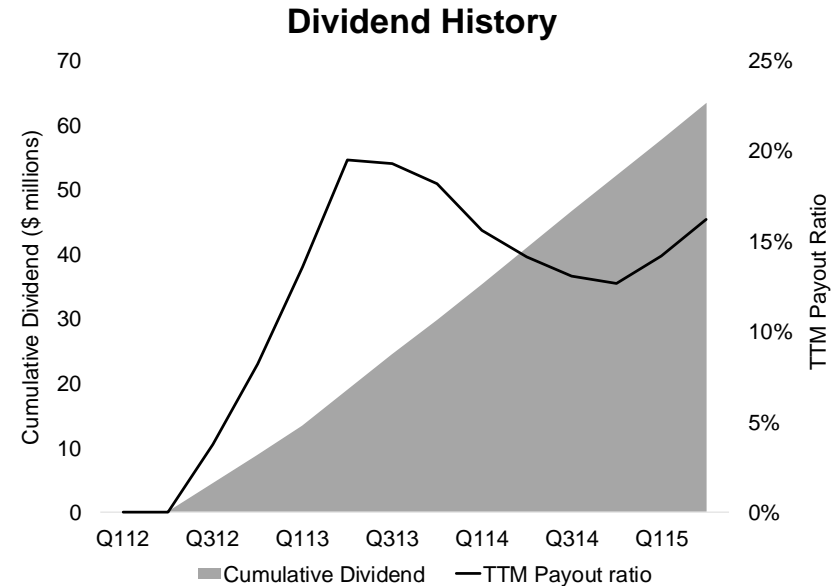
- Cash balance
 - \$80 million of working capital (as at June 30, 2015)
- Net Debt to EBITDA of 1.1 for FY 2014
 - Net Debt to trailing 12 month adjusted EBITDA 1.3 to 1 (as at June 30, 2015)
 - Onside with all covenants
 - No scheduled long-term debt repayments until January 2019
- Revolving and Operating Facilities currently undrawn
 - Extendible revolving credit facility of \$175 million
 - Operating demand revolving loan of \$20 million
 - \$279 million of total liquidity (as at June 30, 2015)

Total Liquidity of \$279 million



Returning Cash to Shareholders

- Consistent quarterly dividend of \$0.075/share
 - Annualized yield of 5.9% (as of September 9, 2015)
 - Over \$63 million in dividends declared since dividend policy was implemented in Q3 2012
- Ongoing share repurchase plan
 - Purchase of up to 5.55 million shares approved under the NCIB
 - More than \$6.3 million (1.2 million shares) repurchased since implementation of Normal Course Issuer Bid in December, 2014
 - Shares outstanding at lowest level since Q1 2014

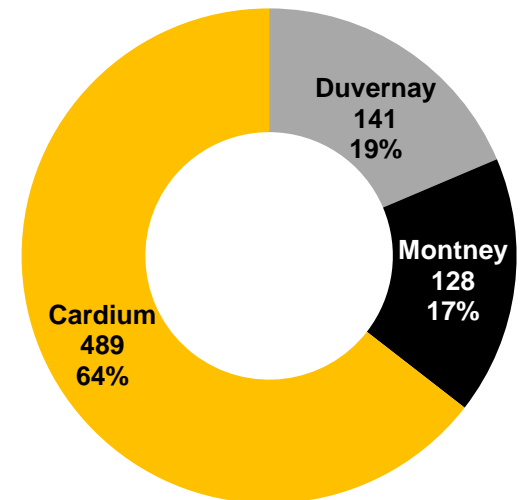


Note: $TTM\ Payout = TTM\ dividend / TTM\ Cash\ generated\ from\ operating\ activities$

Market Trends

- Unconventional resource plays continue to be focus for Canada and United States
- Deeper and higher capacity drilling rigs are currently most in demand
- Customers continue to focus on drilling efficiencies, capacity, rig features and safety record of contractors
- Drilling rig market in Canada consists of three classes:
 - Cardium class rigs
 - Montney class rigs, which have a larger hookload
 - Duvernay class rigs, which have the largest hookload
- Market for Cardium class rigs is most competitive

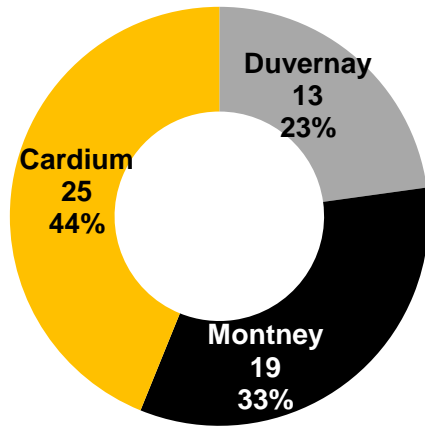
Canadian Industry Drilling Rigs by Class



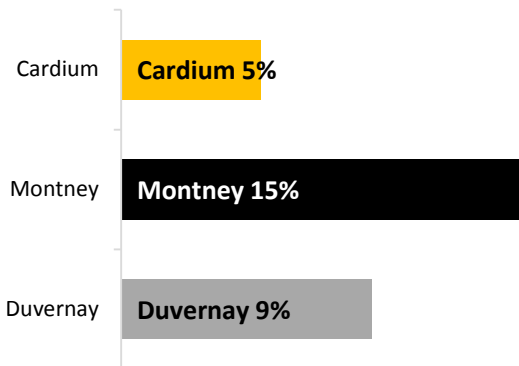
Source: Public Disclosure, CAODC and IHS Reports as of May 31, 2015

Montney and Duvernay Focused Fleet

Western's Rig Fleet by Class

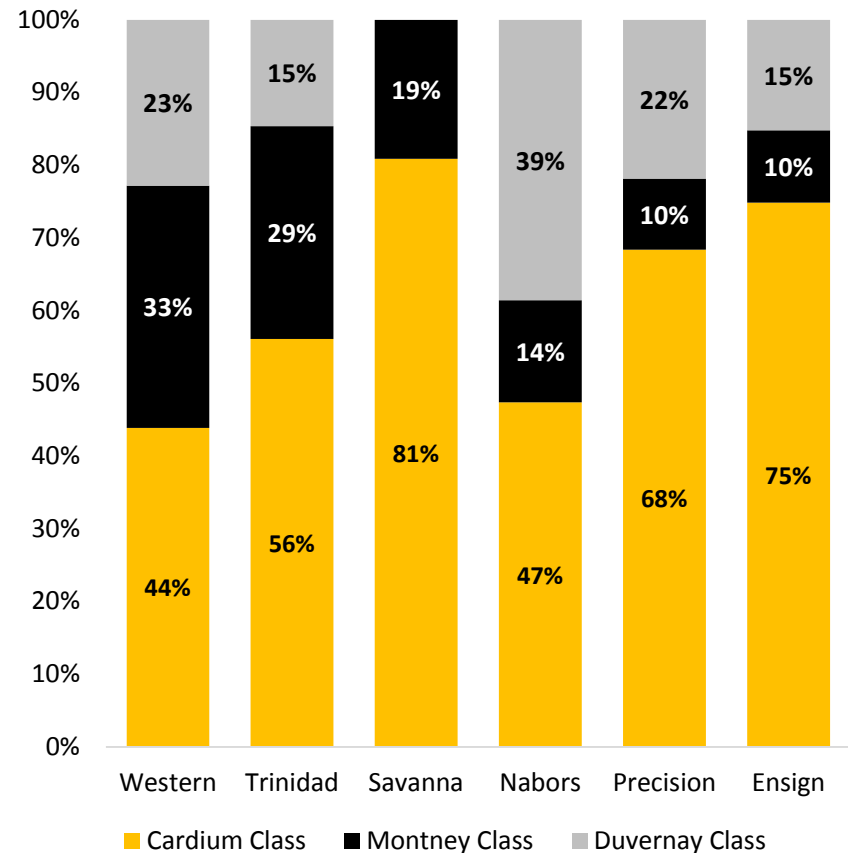


Western's % of Industry



Source: Public Disclosure, CAODC and IHS Reports as of May 31, 2015

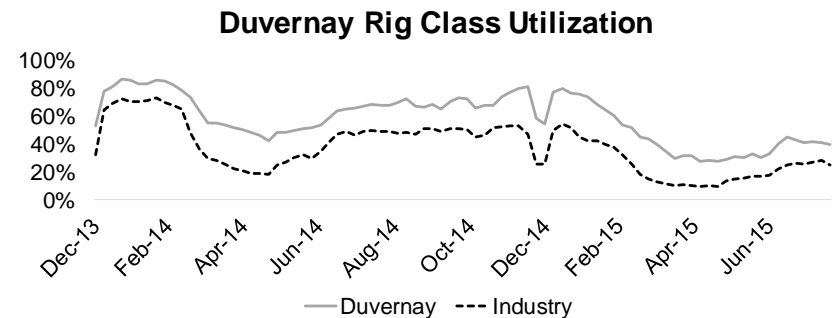
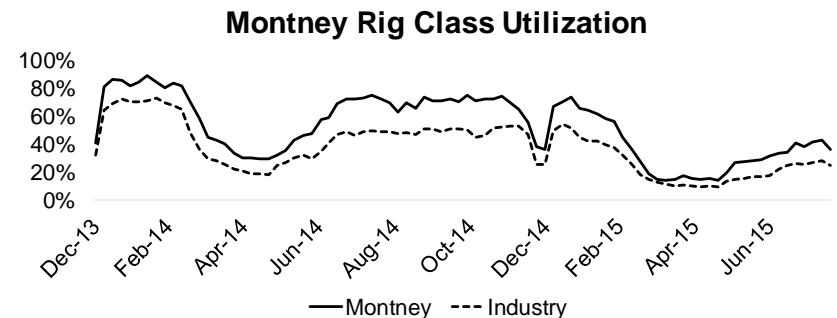
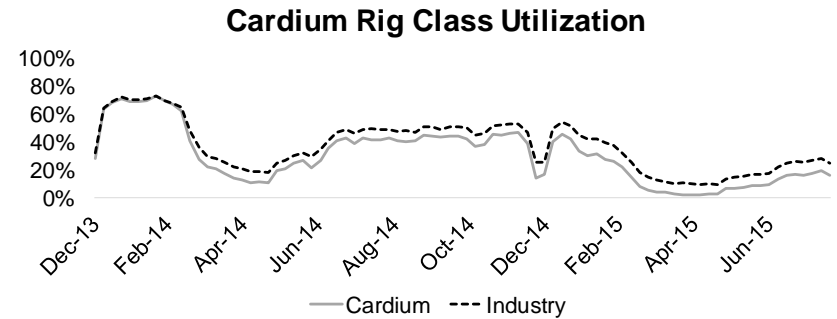
Industry Rig Fleet by Classification



Source: Industry Research of known rig stats as at May 31, 2015 (based on companies of Western's size or greater)

Superior Utilization for Montney and Duvernay Class Rigs

- Montney class and Duvernay class rigs are the most sought after in Canada
 - These rig classes continue to generate above industry average utilization
 - ~1,500 bps Montney premium¹
 - ~2,100 bps Duvernay premium¹
 - Western has the highest percentage of Montney and Duvernay class rigs
- The average age of Western's fleet is 7 years
 - Average age of Western's Montney and Duvernay class rigs is under 5 years



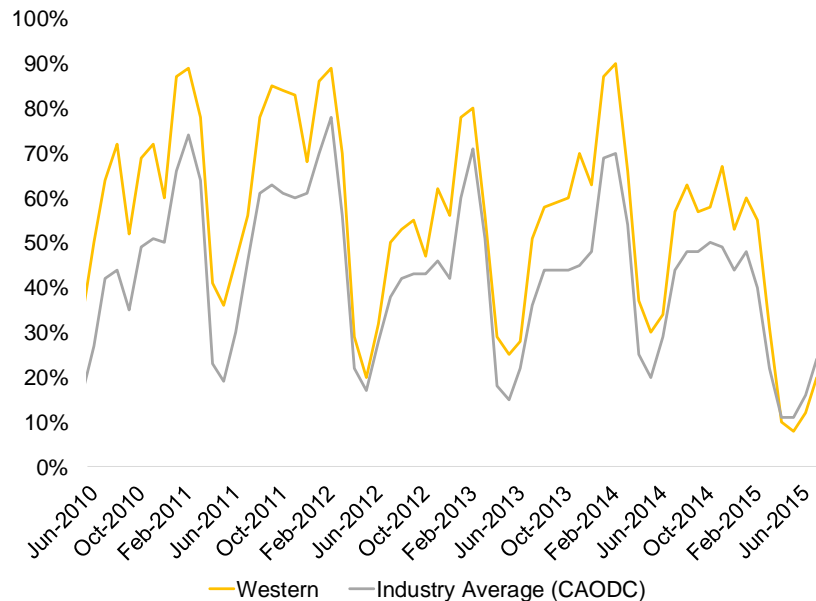
1) Average premium since January 1, 2014

Source: Niche's, IHS Reports and industry research

Premium Drilling and Well Servicing Utilization

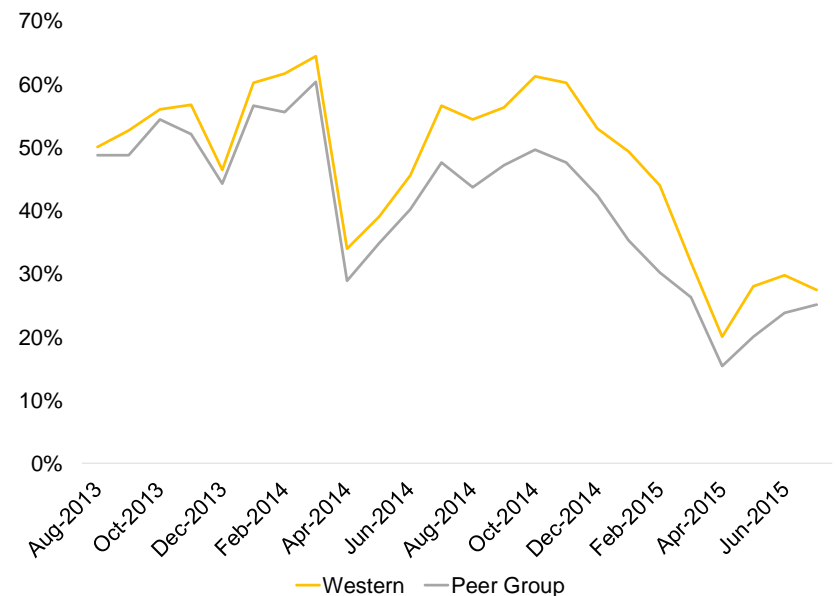
Western's drilling and well servicing rig fleets have consistently realized above average utilization

Canadian Drilling Rig Utilization Rates



Source: CAODC estimates

Canadian Service Rig Utilization Rates



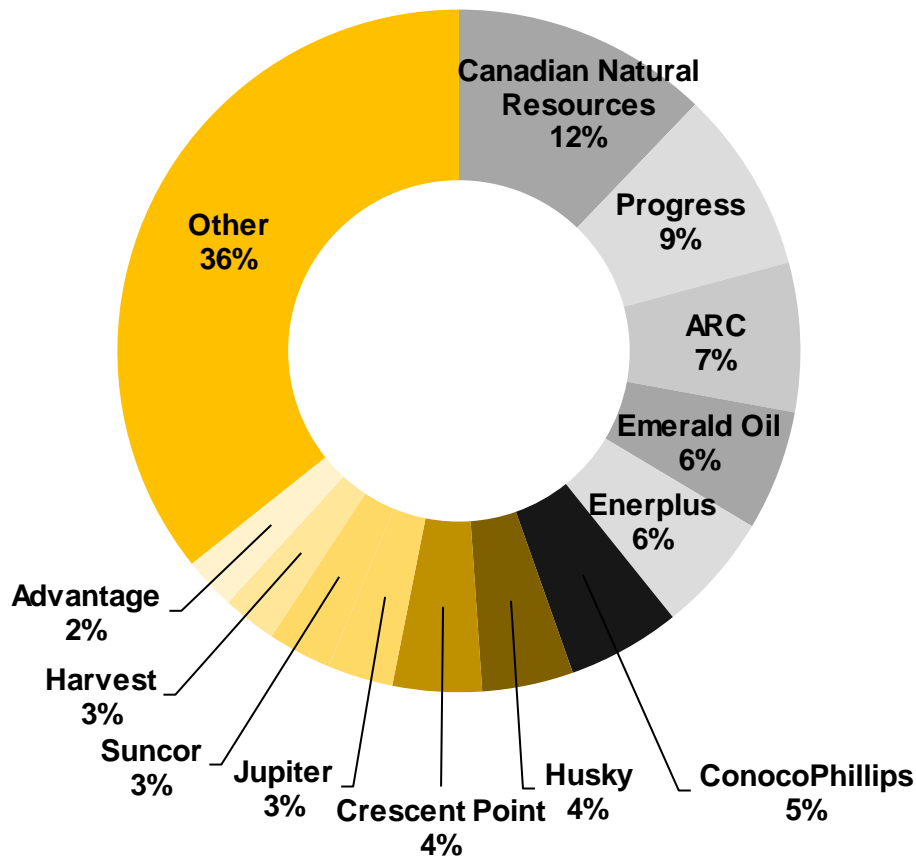
Source: CAODC estimates

Peer group includes CWC Well Services, Ensign Energy Services, Essential Energy Services, Precision Drilling and Savanna Energy Services

Monthly utilization = Operating hours / (Available rigs * 304)

Western's Customer Base

Consolidated YTD Revenues



Note: Consolidated YTD revenues through July 2015

- Western has a diversified revenue stream comprised of over 250 customers
 - Clients include a wide-array of public, private and multinational companies

Operating Highlights

Operating Highlights	Second Quarter			Year to Date June 30		
	2015	2014	% Δ	2015	2014	% Δ
Contract Drilling						
<i>Canadian Operations</i>						
Rig fleet (end of period)	49	49	-	49	49	-
Operating Revenue per Revenue Day (CDN\$)	20,589	26,285	(22%)	25,015	26,368	(5%)
Drilling rig utilization - Revenue Day	11%	37%	(70%)	33%	63%	(48%)
Drilling rig utilization - Operating Day	10%	34%	(71%)	30%	57%	(47%)
CAODC industry average utilization	13%	25%	(48%)	24%	42%	(43%)
<i>United States Operations</i>						
Rig fleet (end of period)	5	5	-	5	5	-
Operating Revenue per Revenue Day (US\$)	27,766 ⁽¹⁾	25,900	7%	28,888 ⁽²⁾	24,905	16%
Drilling rig utilization - Revenue Day	36%	89%	(60%)	45%	90%	(50%)
Drilling rig utilization - Operating Day	31%	80%	(61%)	39%	78%	(50%)
Well Servicing						
Rig fleet (end of period)	66	65	2%	66	65	2%
Service rig Operating Revenue per Service Hour (CDN\$)	794	800	(1%)	833	814	2%
Service rig utilization	26%	40%	(35%)	34%	51%	(33%)

(1) Excludes US\$0.7 million of shortfall commitment and standby revenue from take or pay contracts

(2) Excludes US\$3.8 million of shortfall commitment and standby revenue from take or pay contracts

Financial Highlights

Financial Highlights (000s CDN\$)	Second Quarter			Six Months Ended June 30			Year Ended December 31			
	2015	2014	% Δ	2015	2014	% Δ	2014	2013	2012	2011
Operating Revenue	30,719	77,352	(60%)	131,677	226,979	(42%)	474,120	353,124	282,856	237,428
Gross Margin	10,403	31,206	(67%)	58,294	98,835	(41%)	207,231	147,559	131,063	114,837
<i>As a % of Operating Revenue</i>	34%	40%	(15%)	44%	44%	-	44%	42%	46%	48%
Adjusted EBITDA	4,255	24,028	(82%)	44,892	83,576	(46%)	176,777	117,423	108,931	99,324
<i>As a % of Operating Revenue</i>	14%	31%	(55%)	34%	37%	(8%)	37%	33%	39%	42%
Net Income (Loss)	(12,607)	4,396	(387%)	2,687	29,896	(91%)	36,450	35,246	45,178	64,746
per share (basic)	(0.17)	0.06	(383%)	0.04	0.40	(90%)	0.49	0.51	0.77	1.25
Dividends per share	0.075	0.075	-	0.15	0.15	-	0.30	0.30	0.15	-
Capital Expenditures	7,688	27,026	(72%)	25,551	46,389	(45%)	108,604	95,234	127,231	88,869

Balance Sheet Overview

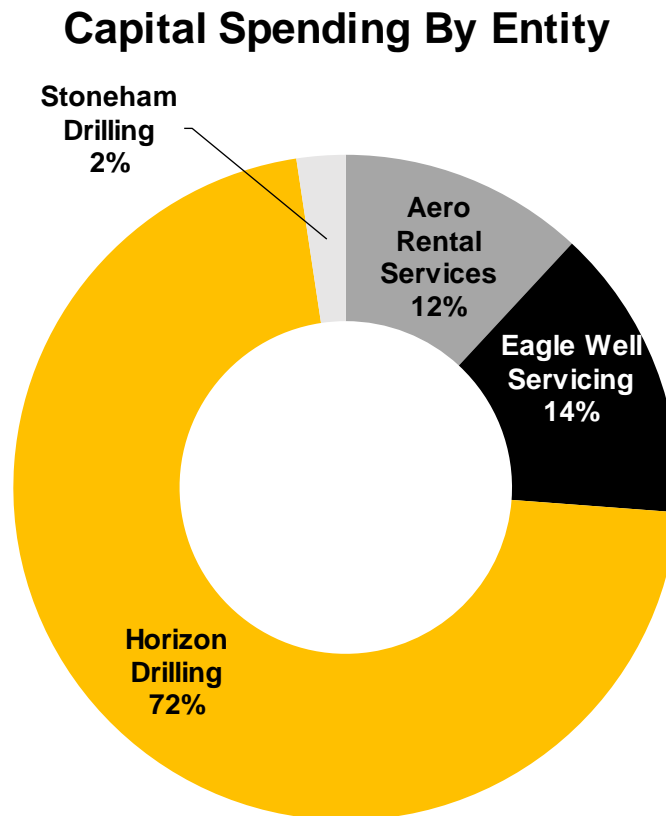
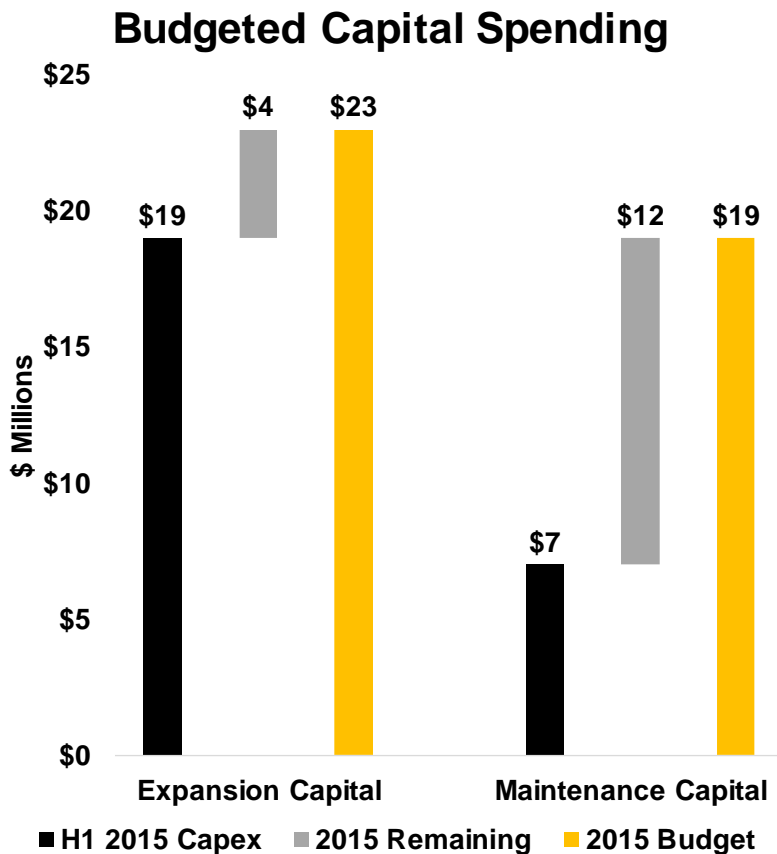
Consolidated Balance Sheet ('000s)	June 30, 2015	December 31, 2014
Cash and other current assets	\$ 112,926	\$ 158,823
Property and equipment	840,231	827,306
Goodwill and other	72,619	70,989
Total assets	\$ 1,025,776	\$ 1,057,118
Current liabilities	\$ 33,308	\$ 80,487
Long term debt and other	265,984	265,984
Deferred taxes	123,736	109,444
Total	423,028	455,915
Shareholders' equity	602,748	601,203
Total liabilities and equity	\$ 1,025,776	\$ 1,057,118

Credit Facility Covenants	Actual June 30, 2015	Covenant
Bank Debt (excluding Senior Notes) to EBITDA Ratio	-	2.5 to 1 or less
Debt to Capitalization Ratio	25%	60% or less
EBITDA to Interest Expense Ratio	6.4	2.0 to 1 or more

Credit Ratings

Standard & Poor's	B+
Moody's	B1

2015 Budgeted Capital Expenditures \$42 Million



- Western's remaining 2015 capital spending is weighted to maintenance capital, allowing flexibility to make adjustments should market conditions warrant

Performance Driven Culture



Well Managed Service Company

- Strategic thinking embedded in every decision



Best-in-class People and Equipment

- From start to finish, every project, every person, is selected to support our performance driven focus



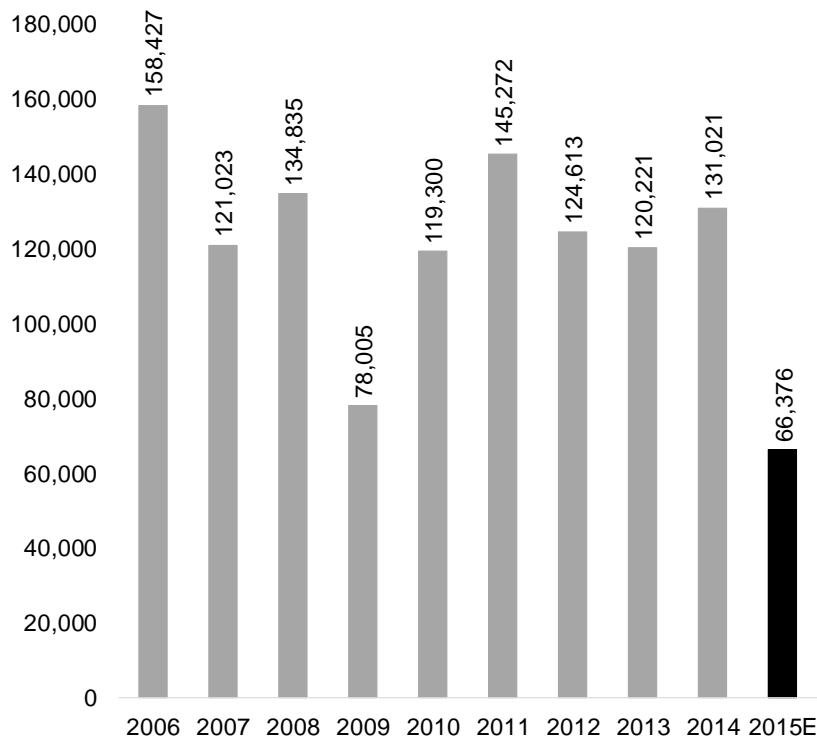
Capacity for Sustainable Growth

- Strong balance sheet and track record of sustainable growth

Appendix

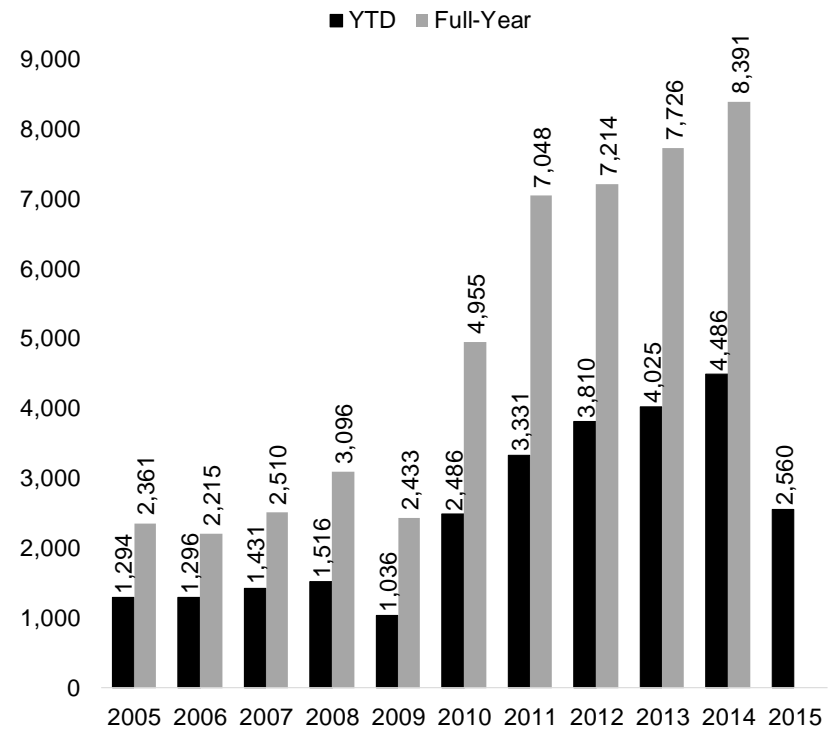
Canadian Drilling Industry Statistics

Operating Days



Source: CAODC, 2015 Forecast as at June 15, 2015

Horizontal Wells Drilled

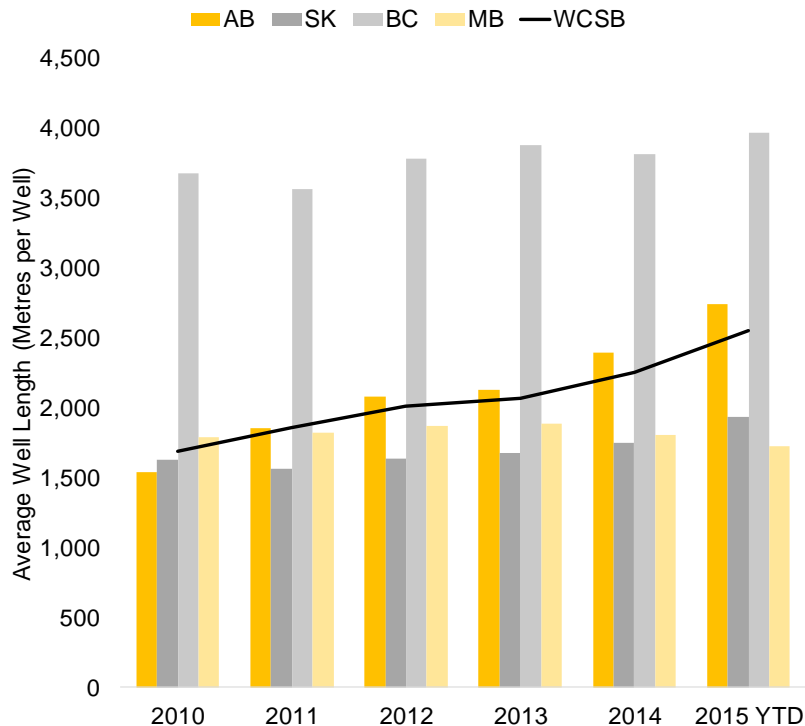


Source: JuneWarren-Nickle's Energy Group

Note: Year-to-date through July 2015

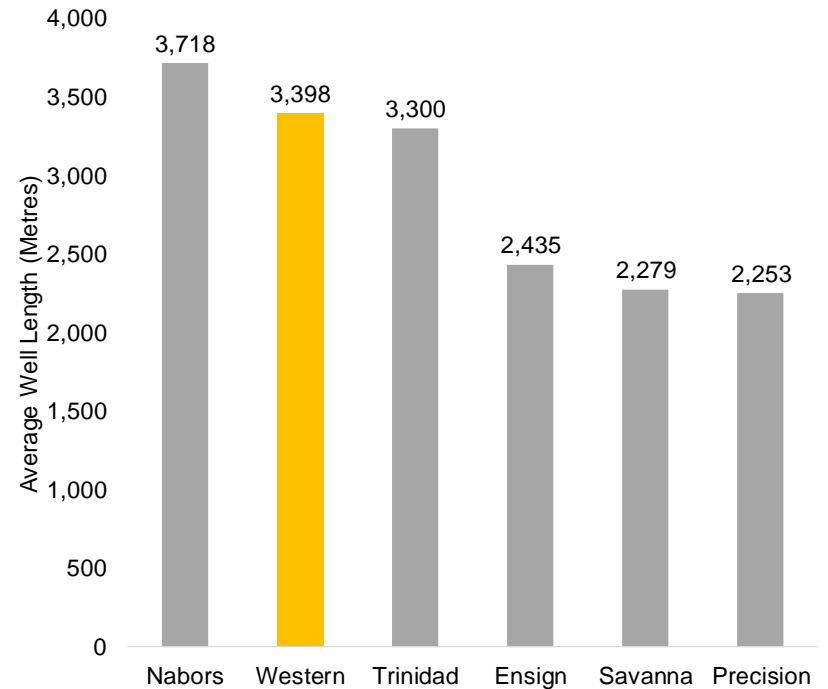
Historical Canadian Well Data

Average Well Length by Province



Source: JuneWarren-Nickle's Energy Group

YTD 2015 Average Well Length

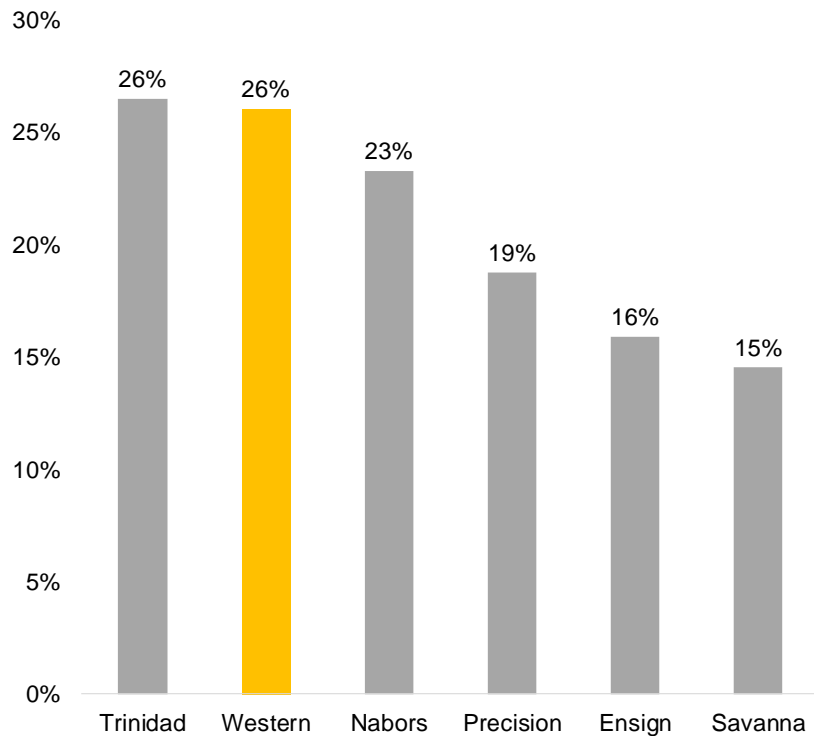


Source: JuneWarren-Nickle's Energy Group

Note: Year-to-date through June 2015

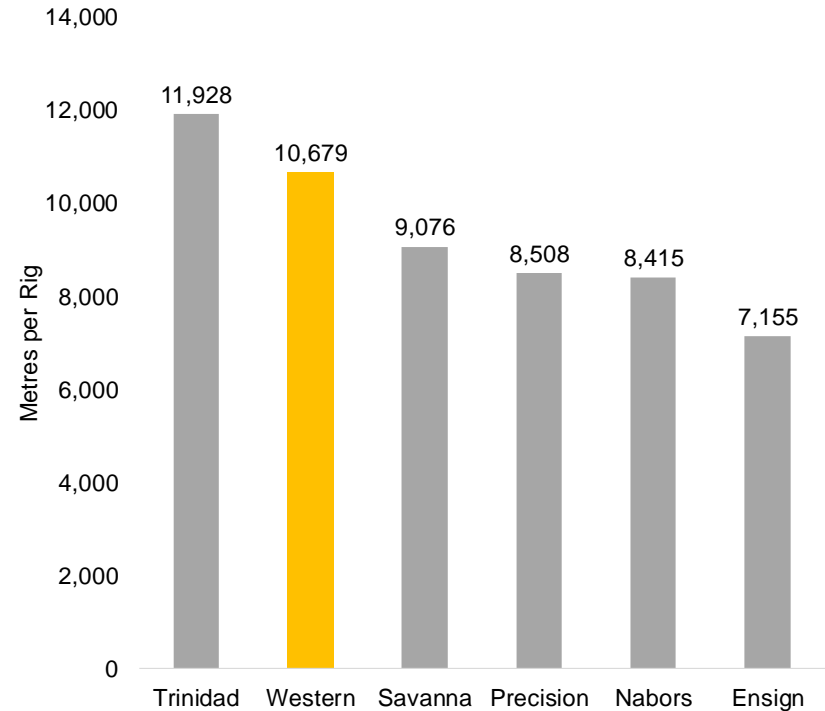
2015 Drilling Stats

YTD Utilization



Source: JuneWarren-Nickle's Energy Group
 Note: Year-to-date through June 2015

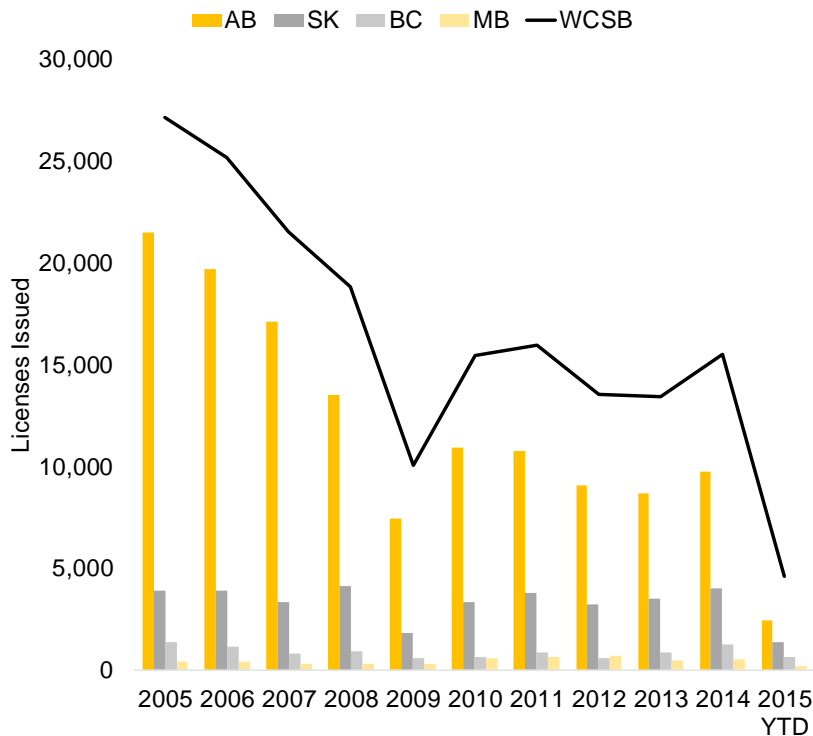
YTD Metres Drilled per Rig



Source: JuneWarren-Nickle's Energy Group
 Note: Year-to-date through June 2015

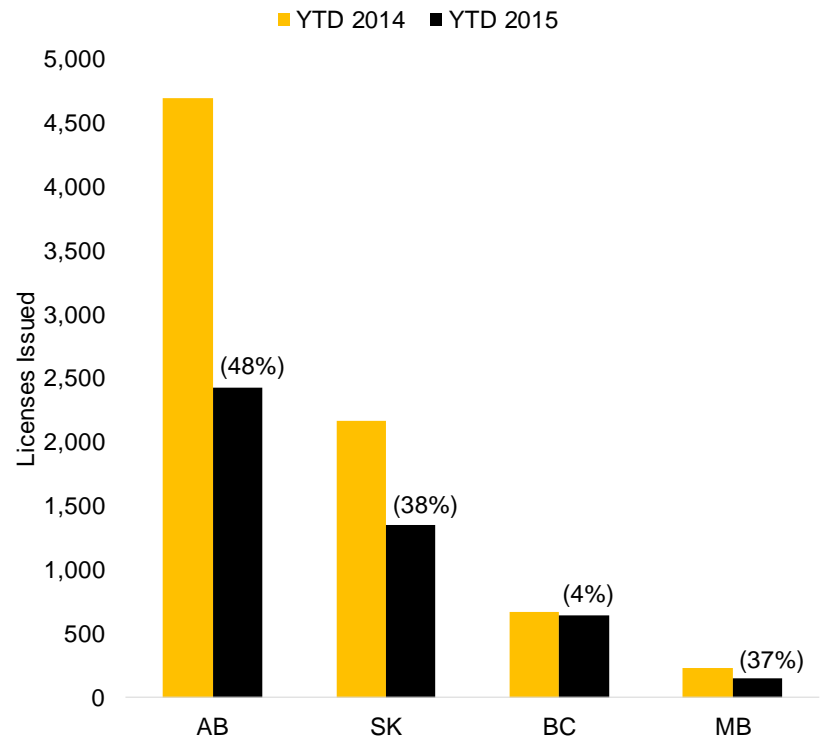
Provincial Well Licenses Issued

2005 to 2015



Source: JuneWarren-Nickle's Energy Group

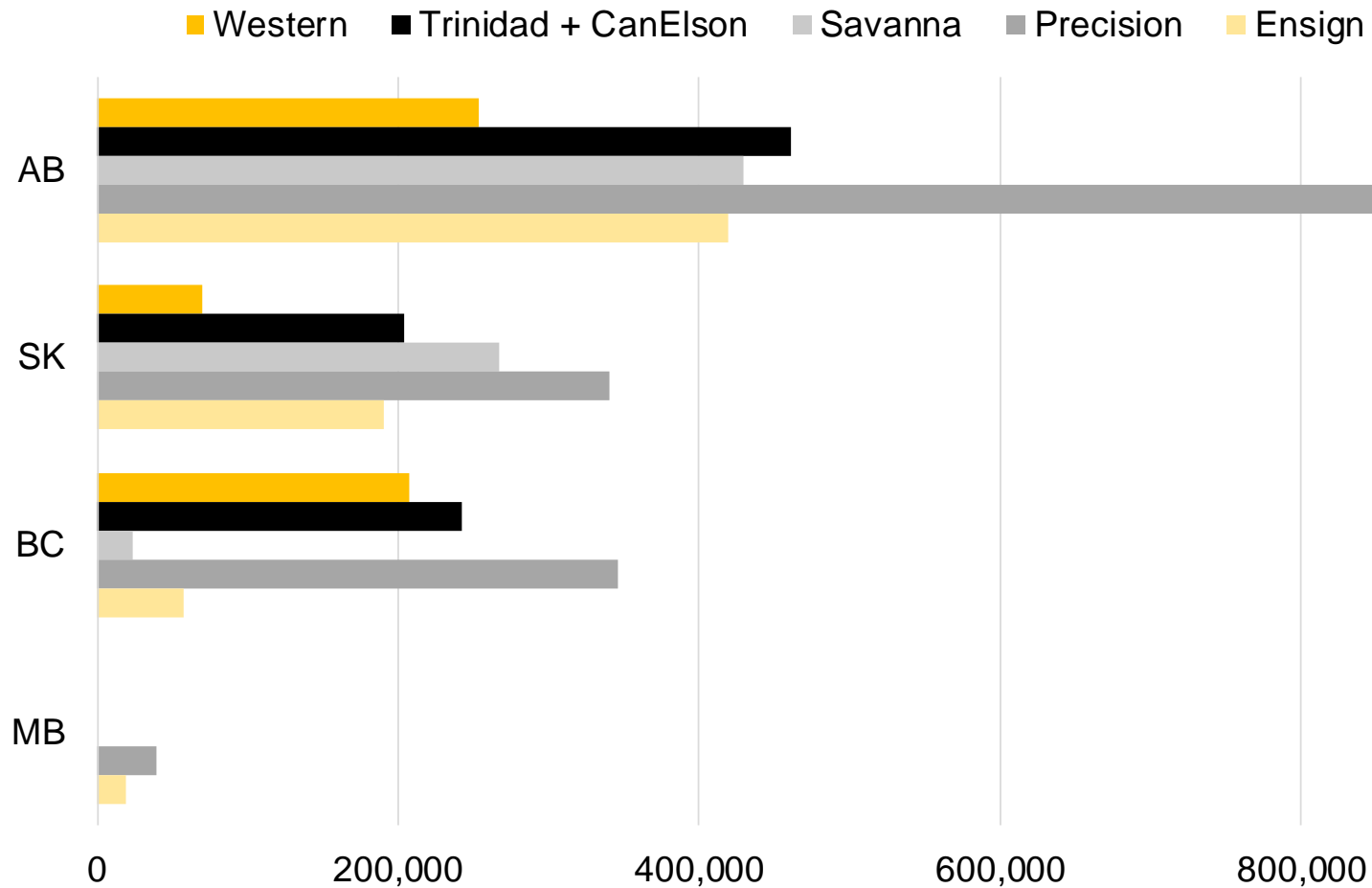
YTD 2015 vs. YTD 2014



Source: JuneWarren-Nickle's Energy Group

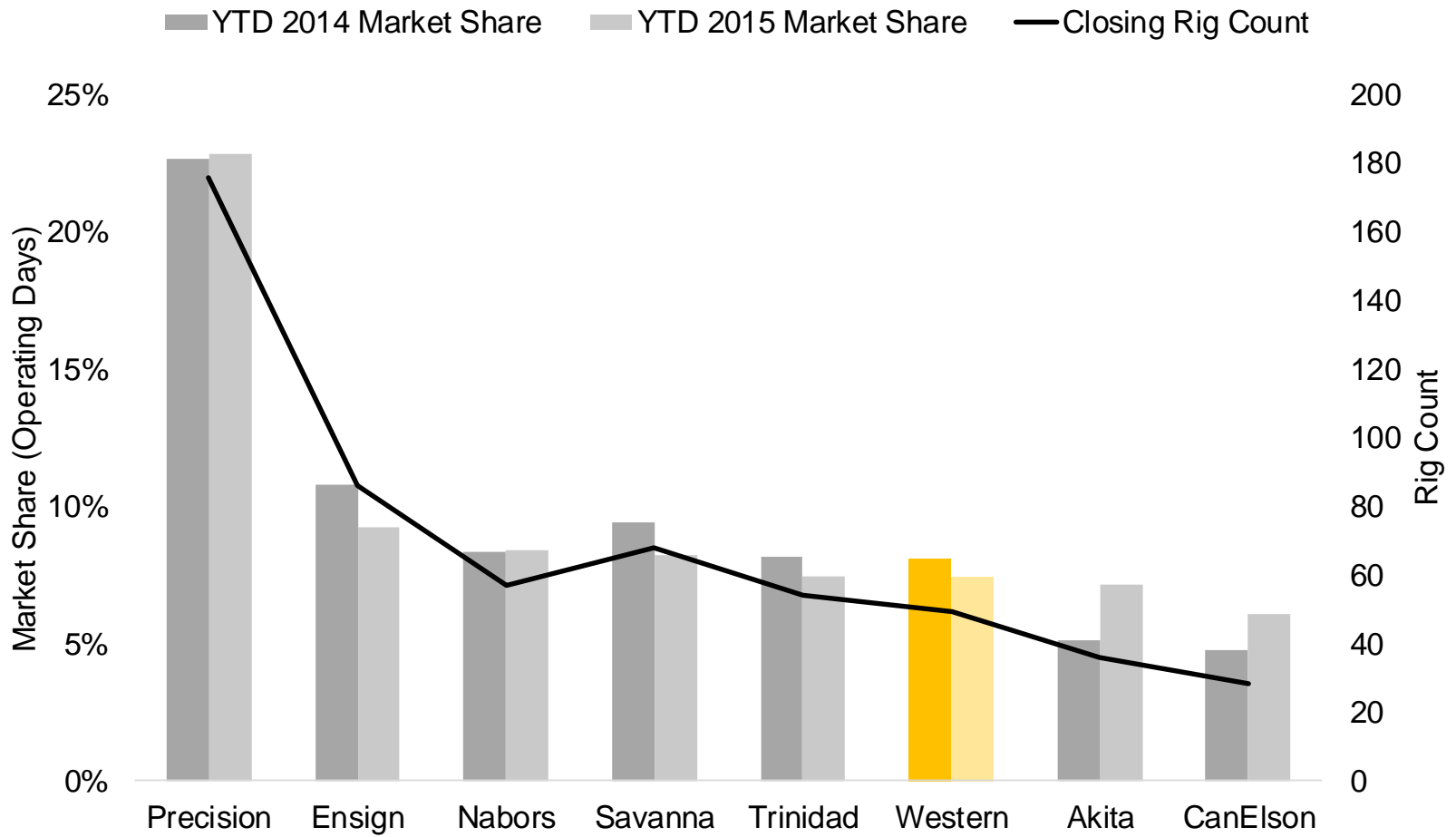
Note: Year-to-date through July 2015

YTD 2015 Metres Drilled by Province



Source: June Warren-Nickle's Energy Group
Note: Year-to-date through July 2015.

Drilling Rig Contractors Market Share



Source: CAODC

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