

Investor Presentation



April 2016

Disclaimer

FORWARD-LOOKING INFORMATION

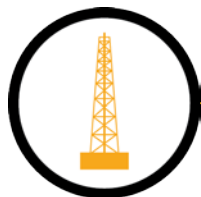
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Company Snapshot



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

- 3 rental locations servicing the most active areas of the WCSB
 - Fort St. John
 - Grande Prairie
 - Red Deer

Western Energy Services (WRG)

Share Price ¹	\$2.22
52-week high/low	\$7.90 / \$2.04
Shares outstanding ²	80 million
Market capitalization	\$178 million
Enterprise value	\$384 million

Balance Sheet Metrics

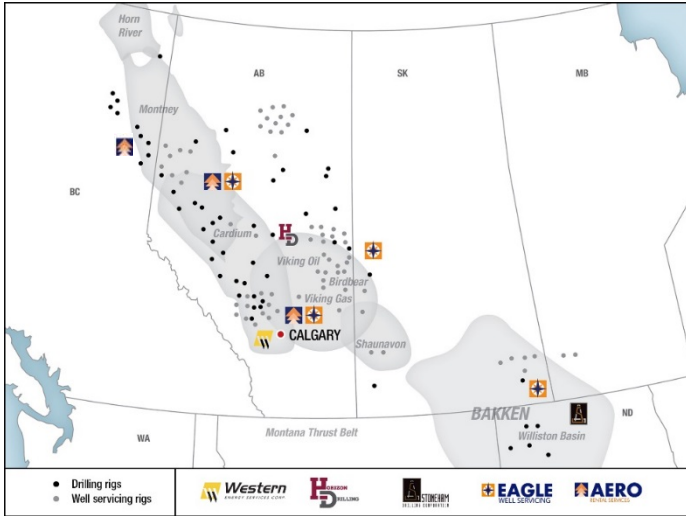
Book value per share ³	\$5.89
Price / book	38%

1) As of April 7, 2016

2) Fully diluted

3) Book value per share equals tangible book value per share

Business Highlights



123 total rigs
3 rental locations



Seven pad drilling rigs in fleet



Modern, highly capable drilling rig fleet



High quality fleet with average age of seven years



Eight slant service rigs



Rental assets managed and serviced by pressure control specialists

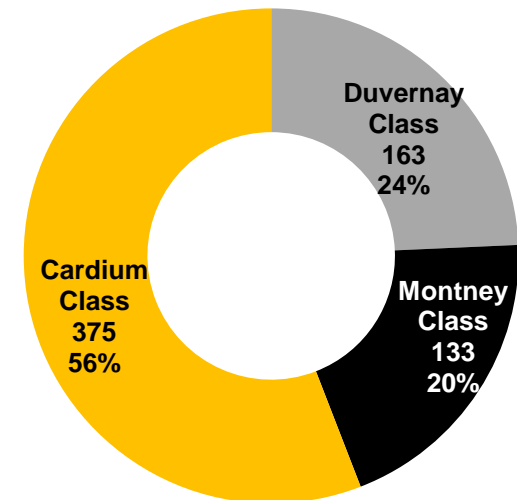


Innovative product solutions

Canadian Drilling Rig Market Trends

- Unconventional drilling and completion techniques, including pad drilling, continue to drive utilization
- Customers continue to focus on drilling efficiencies, capacity and rig features
- Demand for higher capacity drilling rigs
- Drilling rig market in Canada consists of three classes:
 - **Cardium class** rigs¹
 - **Montney class** rigs²
 - **Duvernay class** rigs³
- Market for Cardium class rigs is most competitive

Canadian Industry Drilling Rigs by Class – Industry 671



Source: Public Disclosure, CAODC and IHS Reports as of March 2016

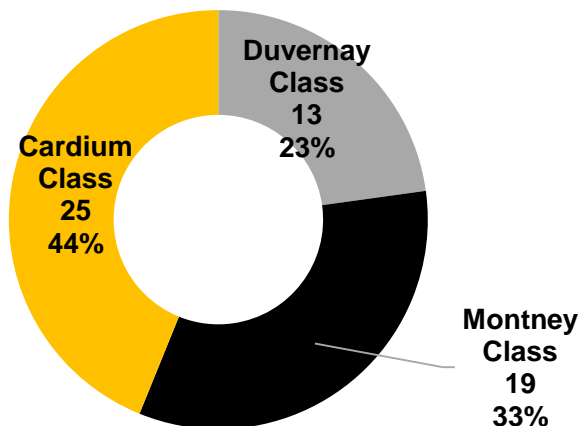
1) Cardium class rig: Defined as any contract drilling rig which has a total hookload of less than or equal to 399,999 lbs (or 177,999 daN)

2) Montney class rig: Defined as any contract drilling rig which has a total hookload between 400,000 lbs (or 178,000 daN) and 499,999 lbs (or 221,999 daN)

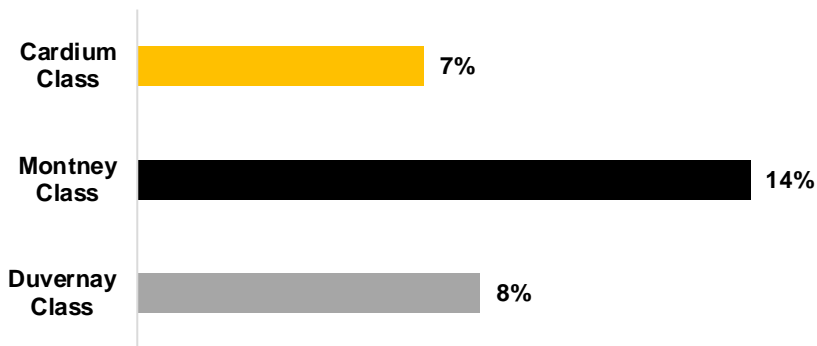
3) Duvernay class rig: Defined as any contract drilling rig which has a total hookload equal to or greater than 500,000 lbs (or 222,000 daN)

Montney and Duvernay Class Focused Fleet Tailored to Customer Needs

Western's Rig Fleet by Class

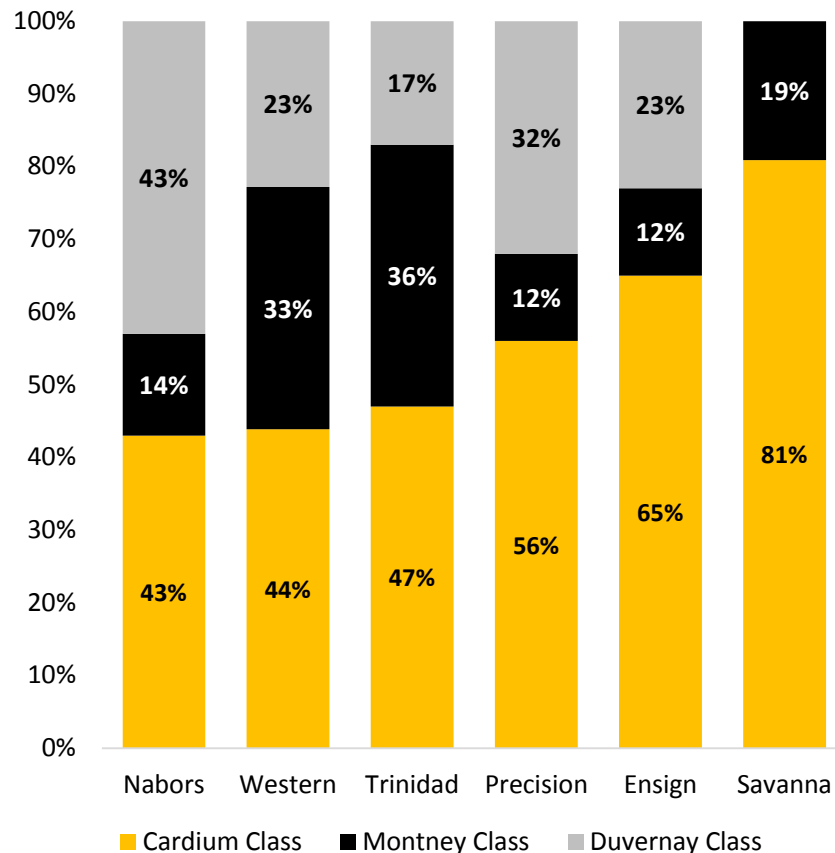


Western's % of Industry



Source: Public Disclosure, CAODC and IHS Reports as of March 2016
 Note: The industry drilling rig count was 671 as of March 2016

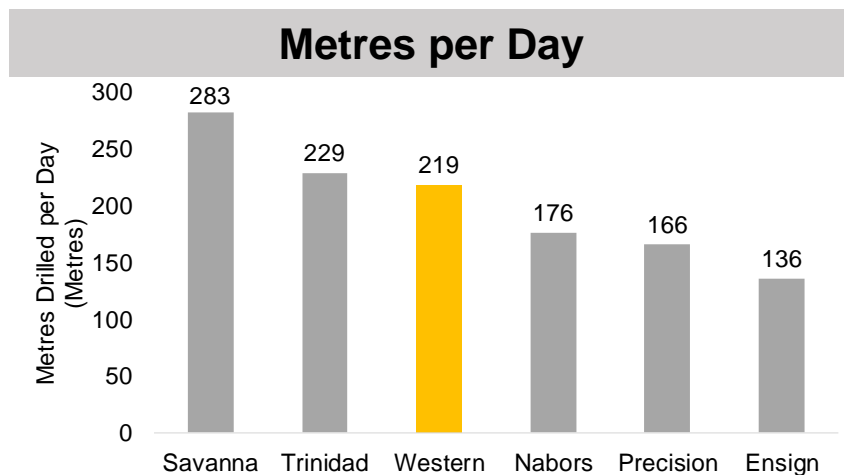
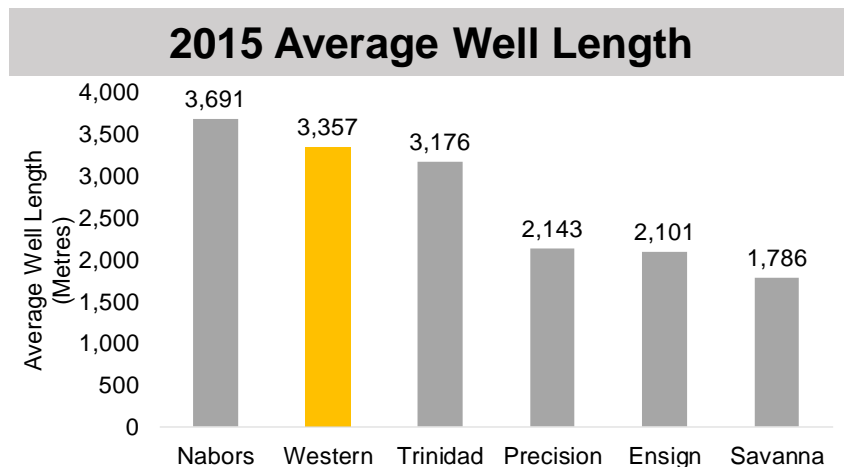
Industry Rig Fleet by Classification



Source: Public Disclosure as of March 2016 (based on companies of Western's size or greater)

Highly Capable and Efficient Drilling Rig Fleet

- In 2015, Western drilled, on average, the second deepest wells of its peers, while achieving strong drilling rates
 - Western is a leading deep driller, constantly adapting to achieve efficiencies for customers
- Western's focus is generating returns for stakeholders and providing customers the equipment they require
 - Western has built mechanical and AC rigs, double and triple rigs, as well as pad configured rigs as required by the market
 - Highest combined percentage of Montney and Duvernay rigs even after peer retirements

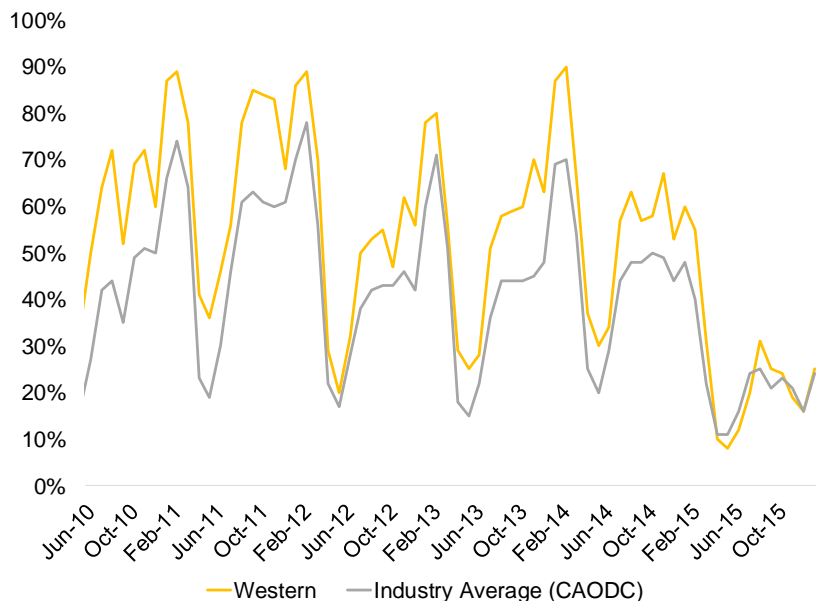


Source: JuneWarren-Nickle's Energy Group

Premium Drilling and Well Servicing Utilization

- Western's drilling and well servicing rig fleets have traditionally realized above average utilization, while balancing utilization and pricing considerations

Canadian Drilling Rig Utilization Rates



Source: CAODC estimates

Canadian Service Rig Utilization Rates



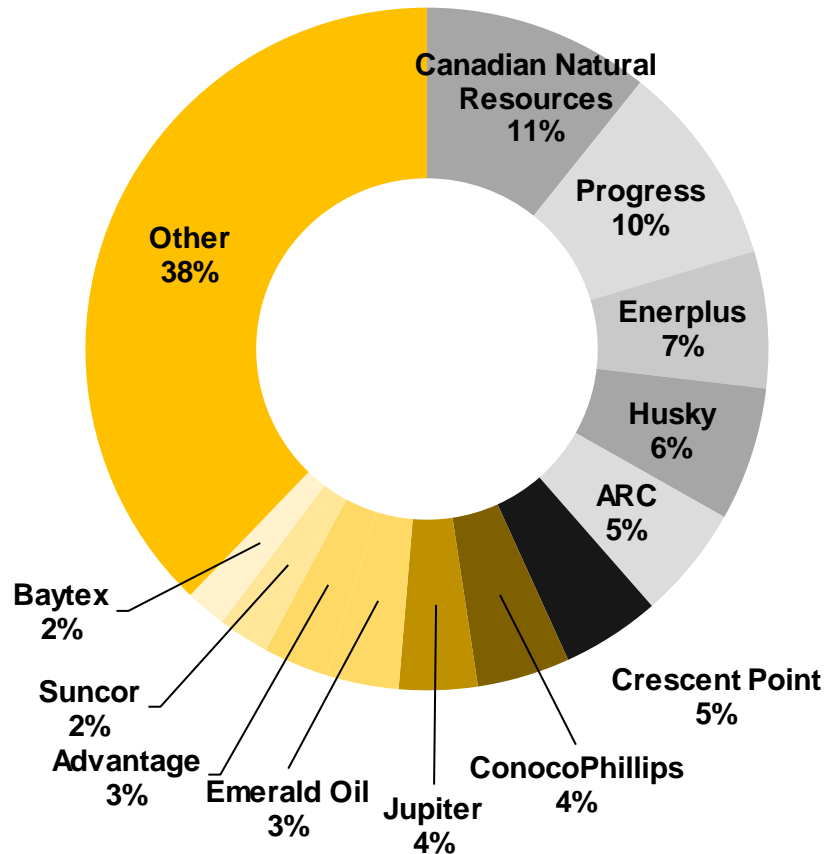
Source: CAODC estimates

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 Revenues - 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

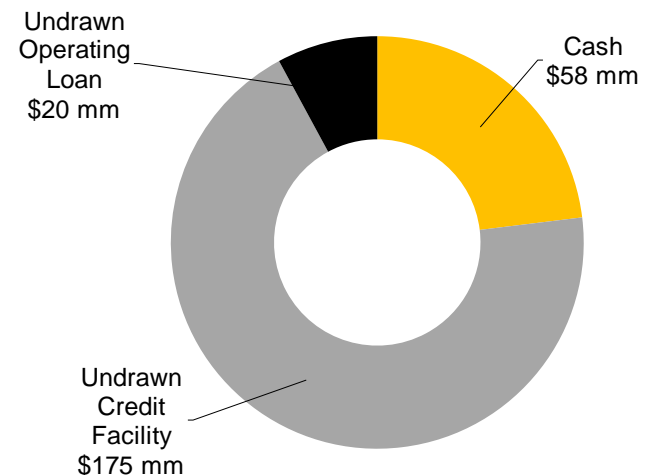
Operating Highlights	Fourth Quarter			Year Ended Dec 31		
	2015	2014	% Δ	2015	2014	% Δ
Contract Drilling						
<i>Canadian Operations</i>						
Rig fleet (end of period)	52	49	6%	52	49	6%
Operating Revenue per Revenue Day (CDN\$)	22,038	27,104	(19%)	23,458	26,178	(10%)
Drilling rig utilization - Revenue Day	22%	65%	(66%)	29%	64%	(55%)
Drilling rig utilization - Operating Day	20%	59%	(66%)	26%	58%	(55%)
CAODC industry average utilization	20%	45%	(56%)	23%	44%	(48%)
<i>United States Operations</i>						
Rig fleet (end of period)	5	5	-	5	5	-
Operating Revenue per Revenue Day (US\$)	31,350	28,309	11%	29,483 ⁽¹⁾	26,124	13%
Drilling rig utilization - Revenue Day	20%	95%	(79%)	32%	94%	(66%)
Drilling rig utilization - Operating Day	18%	85%	(79%)	29%	83%	(65%)
Well Servicing						
Rig fleet (end of period)	66	65	2%	66	65	2%
Service rig Operating Revenue per Service Hour (CDN\$)	703	837	(16%)	779	817	(5%)
Service rig utilization	25%	58%	(57%)	30%	54%	(44%)

(1) Excludes US\$4.5 million of shortfall commitment and standby revenue from take or pay contracts

Solid Financial Position

- Cash balance
 - \$71 million of working capital (as at December 31, 2015)
- Net Debt to trailing 12 month adjusted EBITDA 3.4 to 1 (at December 31, 2015)
 - 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
 - \$253 million of total liquidity (at December 31, 2015)

Total Liquidity of \$253 million



Balance Sheet Overview

Consolidated Balance Sheet ('000s)	Dec 31, 2015	December 31, 2014
Cash and other current assets	\$ 102,060	\$ 158,823
Property and equipment	773,647	827,306
Goodwill and other	901	70,989
Total assets	\$ 876,608	\$ 1,057,118
Current liabilities	\$ 31,381	\$ 80,487
Long term debt and other	265,829	265,984
Deferred taxes	107,702	109,444
Total	404,912	455,915
Shareholders' equity	471,696	601,203
Total liabilities and equity	\$ 876,608	\$ 1,057,118

Credit Facility Covenants	Dec 31, 2015	Covenant
Bank Debt (excluding Senior Notes) to EBITDA Ratio	n/a	2.5 to 1 or less
Debt to Capitalization Ratio	32%	60% or less
EBITDA to Interest Expense Ratio	2.8	2.0 to 1 or more

Credit Ratings

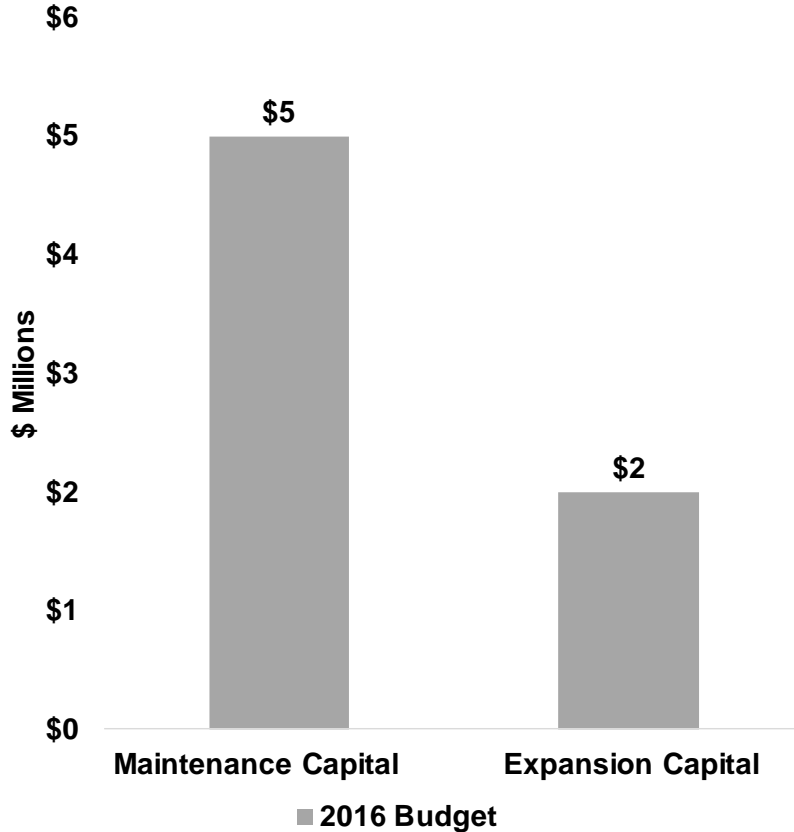
Standard & Poor's	B+
Moody's	Caa2

Financial Highlights

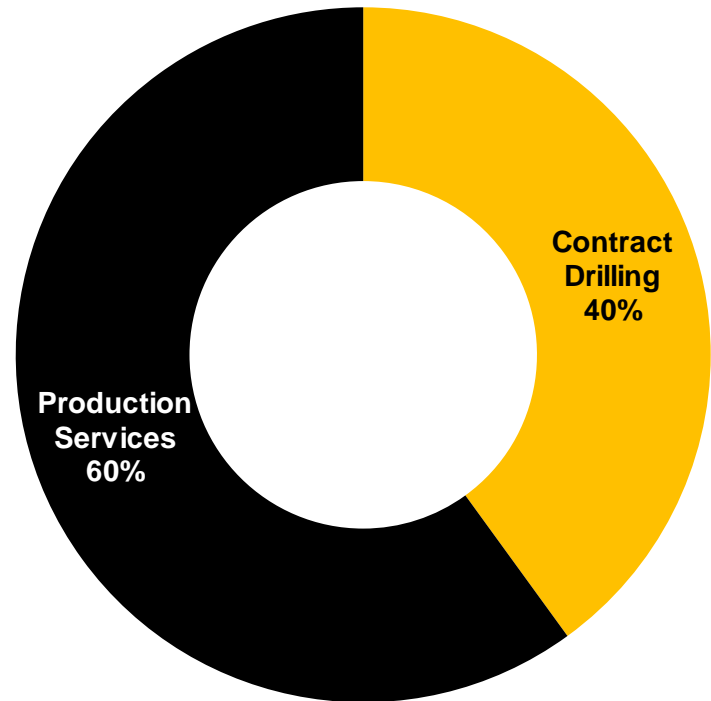
Financial Highlights (000s CDN\$)	Fourth Quarter			Year Ended Dec 31			Year Ended December 31		
	2015	2014	% Δ	2015	2014	% Δ	2013	2012	2011
Operating Revenue	40,458	129,181	(69%)	216,485	474,120	(54%)	353,124	282,856	237,428
Gross Margin	13,372	57,826	(77%)	85,951	207,231	(59%)	147,559	131,063	114,837
<i>As a % of Operating Revenue</i>	33%	45%	(27%)	40%	44%	(9%)	42%	46%	48%
Adjusted EBITDA	7,573	50,419	(85%)	60,545	176,777	(66%)	117,423	108,931	99,324
<i>As a % of Operating Revenue</i>	19%	39%	(51%)	28%	37%	(24%)	33%	39%	42%
Net Income (Loss)	(55,010)	(8,164)	574%	(129,139)	36,450	(454%)	35,246	45,178	64,746
per share (basic)	(0.75)	(0.11)	582%	(1.74)	0.49	(455%)	0.51	0.77	1.25
Dividends per share	0.050	0.075	(0.330)	0.275	0.300	(0.08)	0.30	0.15	-
Capital Expenditures	3,259	31,071	(90%)	33,562	108,604	(69%)	95,234	127,231	88,869

2016 Budgeted Capital Expenditures \$7 Million

Budgeted Capital Spending



Capital Spending By Segment



- Western will continue to manage its operations in a disciplined manner and make any required adjustments to its capital program as customer demand changes

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



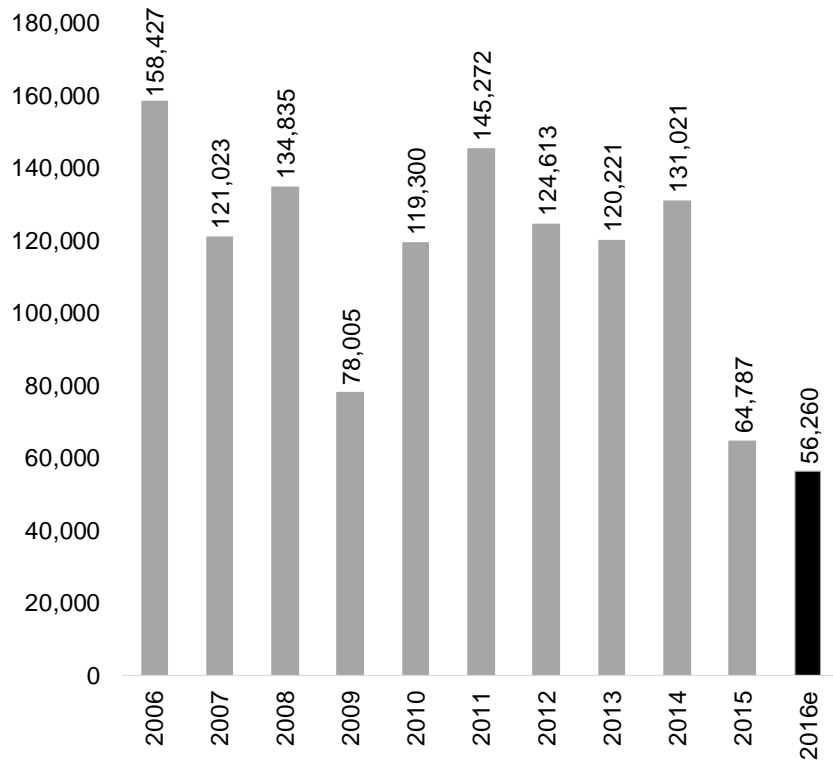
Capacity for Opportunistic Growth

- Strong balance sheet and track record of sustainable growth

Appendix

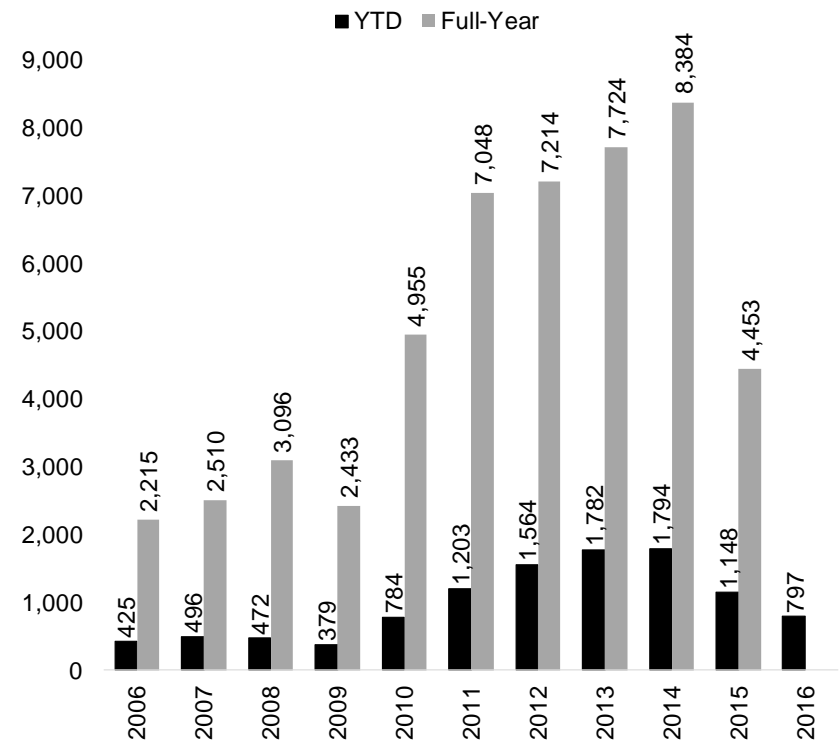
Canadian Drilling Industry Statistics

Operating Days



Source: CAODC, 2016 Forecast as at November 18, 2015

Horizontal Wells Drilled

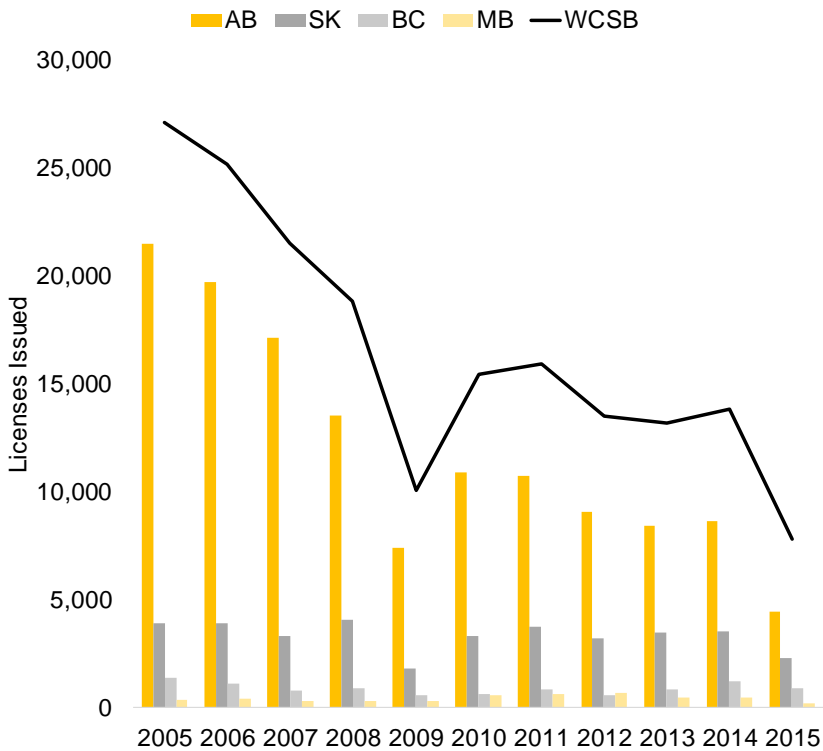


Source: JuneWarren-Nickle's Energy Group

Note: Year-to-date through February 2016

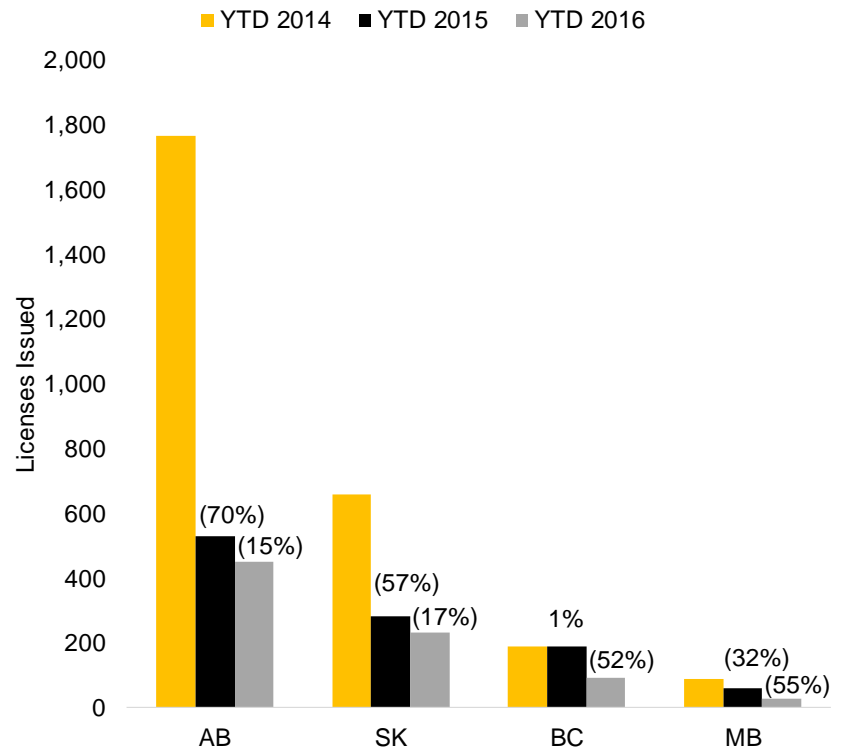
Provincial Well Licenses Issued

2005 to 2015



Source: JuneWarren-Nickle's Energy Group

YTD

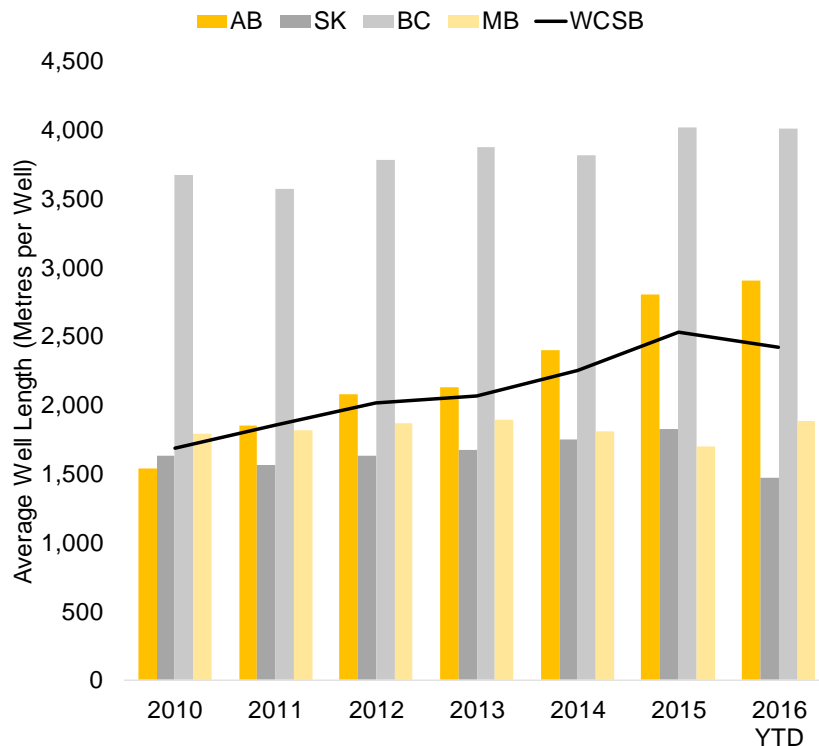


Source: JuneWarren-Nickle's Energy Group

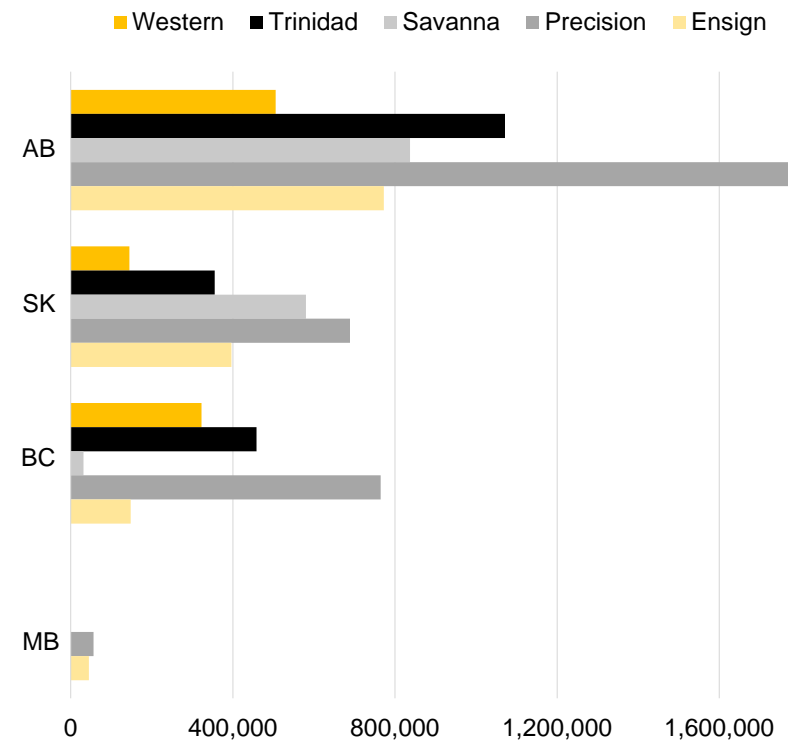
Note: Year-to-date through February 2016

Historical Canadian Well Data

Average Well Length by Province



Metres Drilled by Province



Source: JuneWarren-Nickle's Energy Group

Note: Year-to-date through February 2016



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