

Investor Presentation



July 2016

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Company Snapshot



Contract Drilling

- Fleet of 56 drilling rigs
 - 51 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	\$3.29
52-week high/low	\$5.99 / \$2.04
Shares outstanding ²	74 million
Market capitalization	\$242 million
Enterprise value	\$459 million

Balance Sheet Metrics

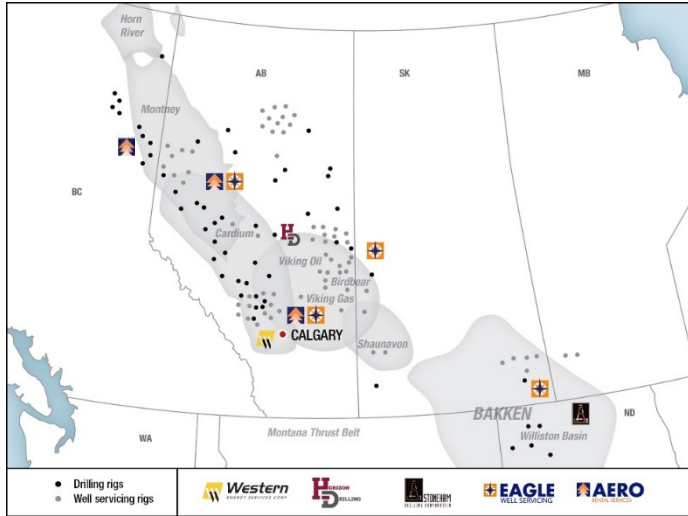
Book value per share ³	\$6.21
Price / book	53%

1) As of July 4, 2016

2) Basic

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

Business Highlights



122 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

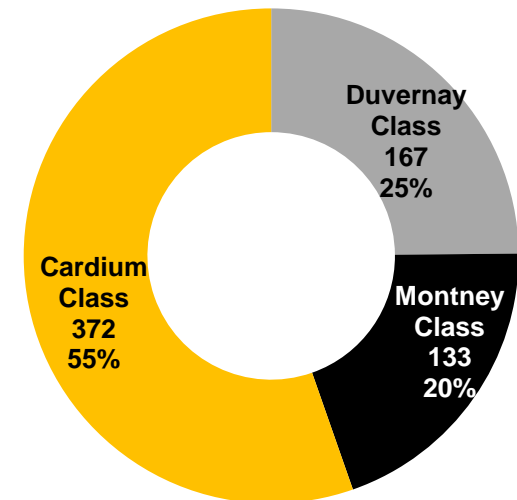


Innovative product solutions

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 672



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

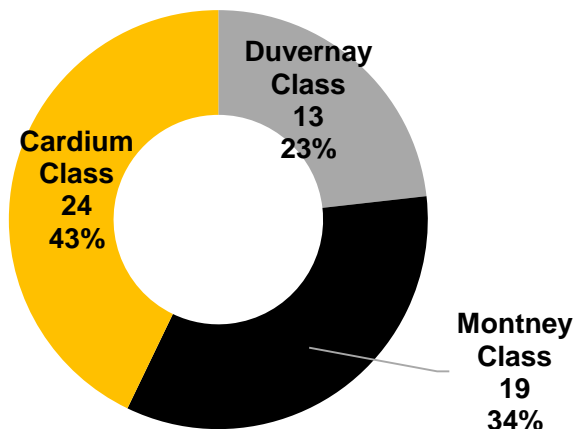
1) Cardium class rig: Defined as any contract drilling rig which has a total hookload of less than or equal to 399,999 lbs (or 177,999 daN)

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)

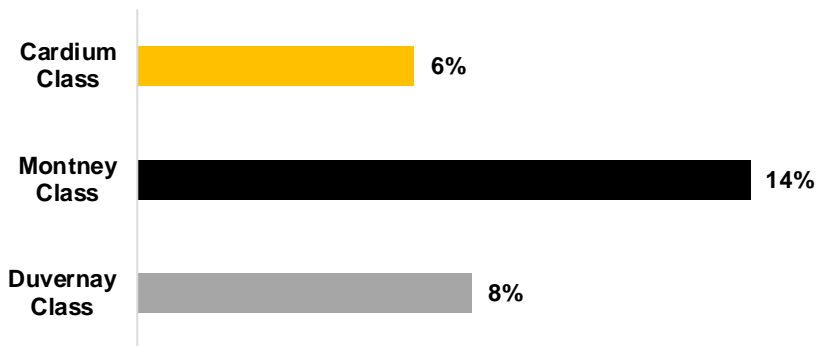
3) Duvernay class rig: Defined as any contract drilling rig which has a total hookload equal to or greater than 500,000 lbs (or 222,000 daN)

Montney and Duvernay Class Focused Fleet Tailored to Customer Needs

Western's Rig Fleet by Class

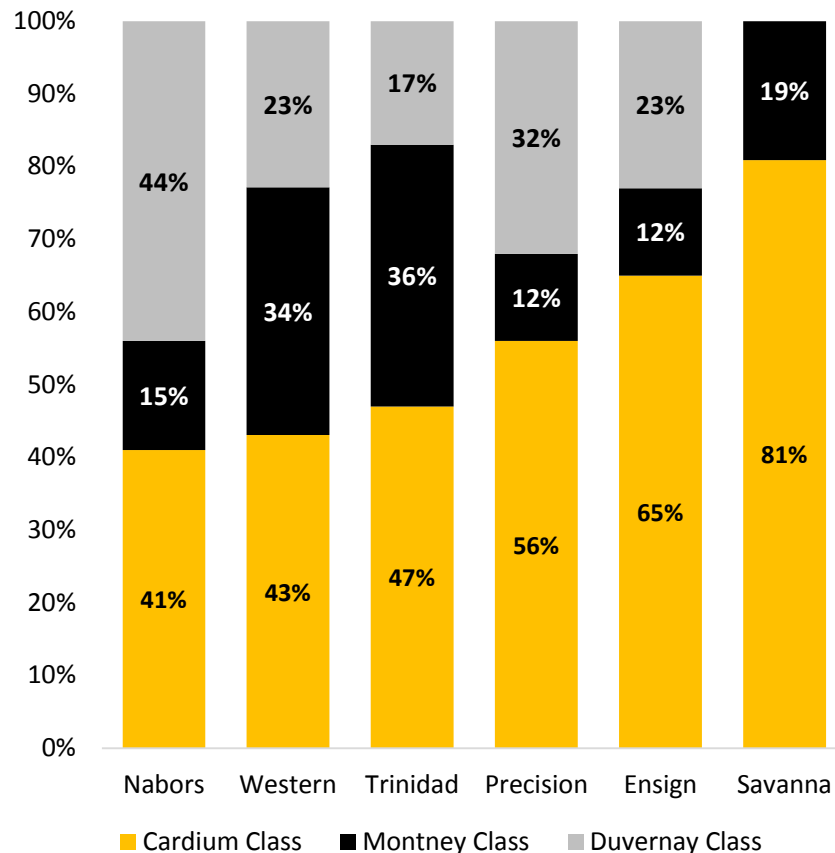


Western's % of Industry



Source: Public Disclosure, CAODC and IHS Reports as of July 2016
 Note: The industry drilling rig count was 672 as of July 2016

Industry Rig Fleet by Classification

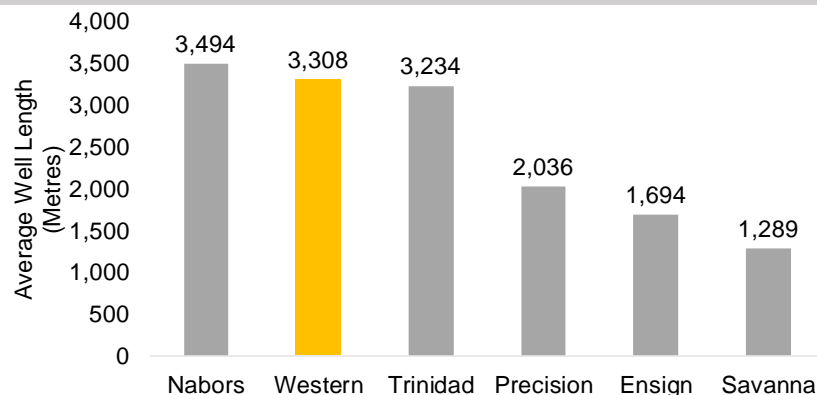


Source: Public Disclosure as of July 2016 (based on companies of Western's size or greater)

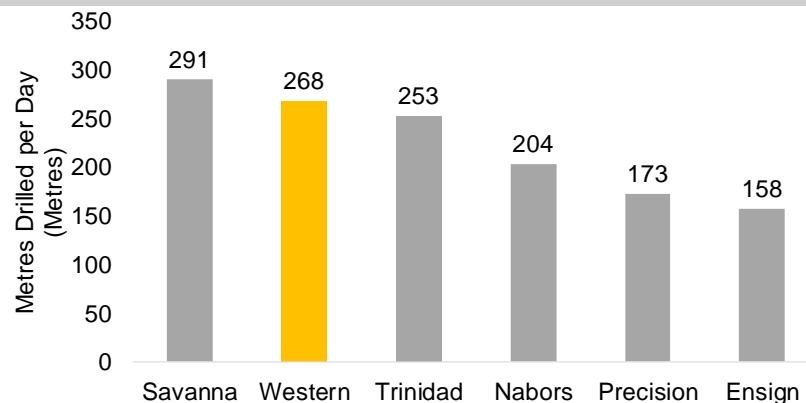
Highly Capable and Efficient Drilling Rig Fleet

- In Q1 2016, 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 amongst Canadian listed contract drilling peers

Q1 2016 Average Well Length



Metres per Day

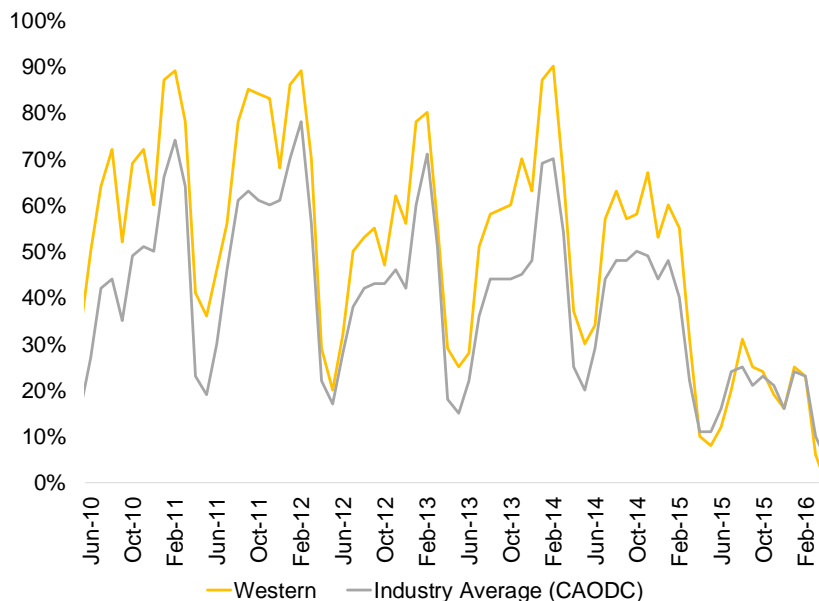


Source: JuneWarren-Nickle's Energy Group

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)

Operating Highlights

Operating Highlights	First Quarter			Year Ended Dec 31		
	2016	2015	% 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\$)	19,437	25,947	(25%)	23,458	26,178	(10%)
Drilling rig utilization - Revenue Day	21%	54%	(62%)	29%	64%	(55%)
Drilling rig utilization - Operating Day	18%	49%	(63%)	26%	58%	(55%)
CAODC industry average utilization	20%	35%	(43%)	23%	44%	(48%)
<i>United States Operations</i>						
Rig fleet (end of period)	5	5	-	5	5	-
Operating Revenue per Revenue Day (US\$)	27,097	29,645 ⁽¹⁾	(9%)	29,483 ⁽²⁾	26,124	13%
Drilling rig utilization - Revenue Day	20%	54%	(63%)	32%	94%	(66%)
Drilling rig utilization - Operating Day	17%	48%	(64%)	29%	83%	(65%)
Well Servicing						
Rig fleet (end of period)	66	65	2%	66	65	2%
Service rig Operating Revenue per Service Hour (CDN\$)	740	858	(14%)	779	817	(5%)
Service rig utilization	17%	42%	(59%)	30%	54%	(44%)

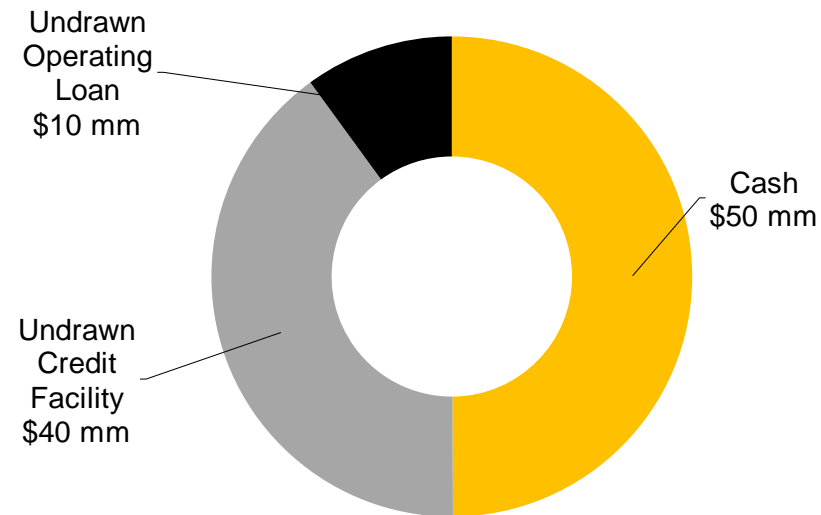
(1) Excludes US\$3.8 million of shortfall commitment and standby revenue from take or pay contracts

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

Rightsized Credit Facility

- \$100 million of liquidity
 - Including \$50 million of cash
- No near-term refinancing risk
 - \$265 million of Senior Notes due January 30, 2019
 - No other debt maturities
- Credit Facility amended in April 2016
 - Changed to borrowing base facility
 - Permanently removed interest coverage covenant
 - \$1.5 million annual standby fee savings from reduced facility size

Total Liquidity of \$100 million



Balance Sheet Overview

Consolidated Balance Sheet ('000s)	March 31, 2016	December 31, 2015
Cash and other current assets	\$ 82,844	\$ 102,060
Property and equipment	759,205	773,647
Other assets	443	901
Total assets	\$ 842,492	\$ 876,608
Current liabilities	\$ 14,699	\$ 31,381
Long term debt and other	265,755	265,829
Deferred taxes	104,755	107,702
Total	385,209	404,912
Shareholders' equity	457,283	471,696
Total liabilities and equity	\$ 842,492	\$ 876,608

Credit Facility Covenants	March 31, 2016	Covenant
Bank Debt (excluding Senior Notes) to EBITDA Ratio	0.0	4.0 to 1 or less
Debt to Capitalization Ratio	32%	60% or less
EBITDA to Interest Expense Ratio	Not applicable	Not applicable
Current Ratio	5.9	1.15 to 1 or more

Credit Ratings	Corporate	Senior Notes
Standard & Poor's	B	B+
Moody's	Caa2	Caa3

Financial Highlights

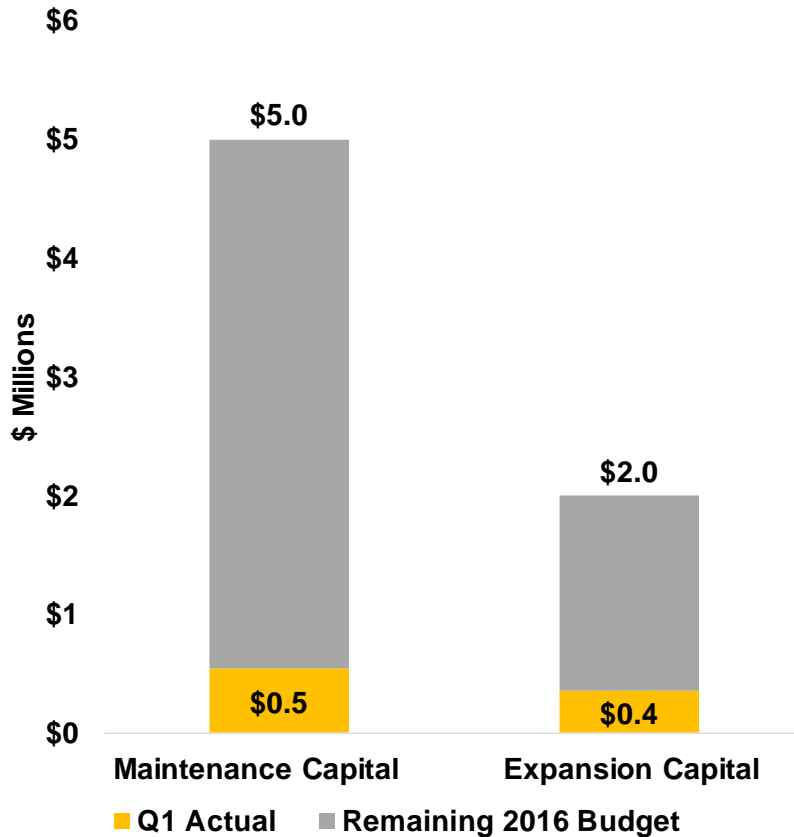
Financial Highlights (000s CDN\$)	First Quarter			Year Ended December 31				
	2016	2015	% Δ	2015	2014	2013	2012	2011
Operating Revenue	32,200	100,958	(68%)	216,485	474,120	353,124	282,856	237,428
<i>Utilization</i> ⁽¹⁾	18%	49%	(63%)	26%	58%	55%	54%	70%
<i>Employees</i> ⁽²⁾	na	na	na	632	1,420	1,436	934	933
Gross Margin	8,867	47,891	(81%)	85,951	207,231	147,559	131,063	114,837
<i>As a % of Operating Revenue</i>	28%	47%	(40%)	40%	44%	42%	46%	48%
Adjusted EBITDA	3,364	40,637	(92%)	60,545	176,777	117,423	108,931	99,324
<i>As a % of Operating Revenue</i>	10%	40%	(75%)	28%	37%	33%	39%	42%
Net Income (Loss)	(6,319)	15,294	(141%)	(129,139)	36,450	35,246	45,178	64,746
per share (basic)	(0.09)	0.20	(145%)	(1.74)	0.49	0.51	0.77	1.25
Dividends per share	-	0.075	(100%)	0.275	0.300	0.300	0.150	-
Capital Expenditures	921	17,863	(95%)	33,562	108,604	95,234	127,231	88,869

(1) Canadian drilling rig utilization - operating day

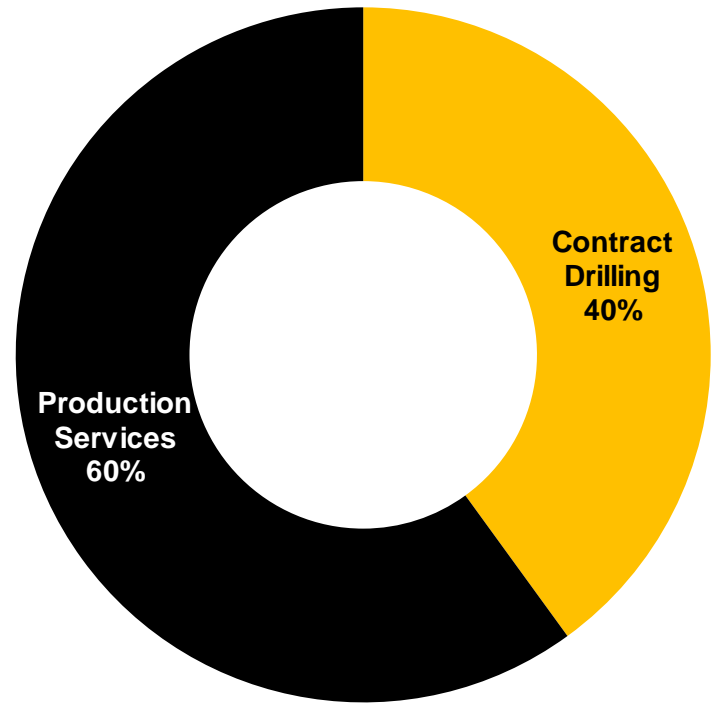
(2) Employees at December 31

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



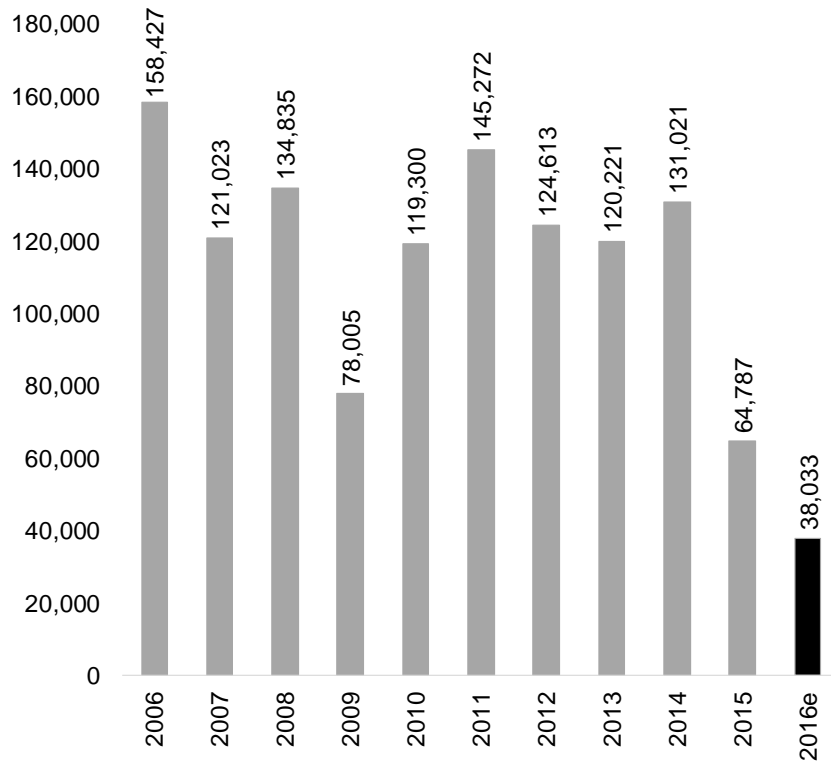
Capacity for Opportunistic Growth

- Strong balance sheet and track record of sustainable growth

Appendix

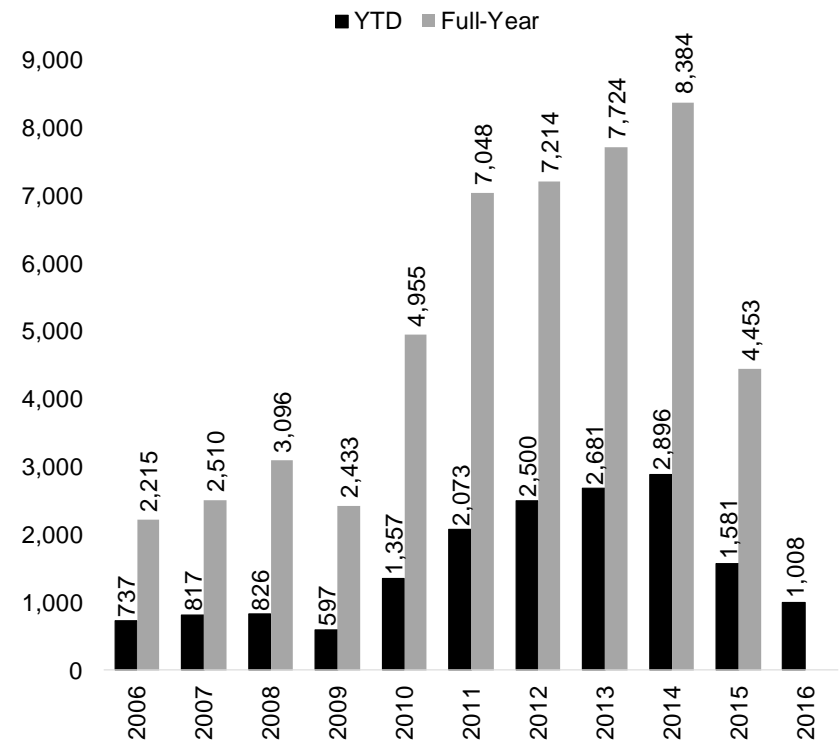
Canadian Drilling Industry Statistics

Operating Days



Source: CAODC. 2016 forecast per PSAC (April 2016)

Horizontal Wells Drilled

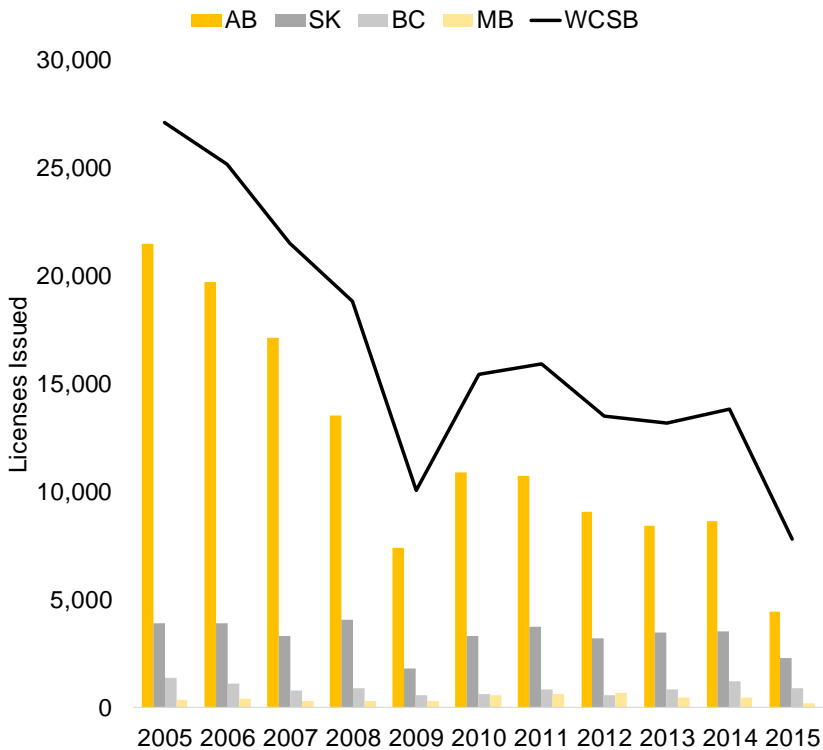


Source: JuneWarren-Nickle's Energy Group

Note: Year-to-date through April 2016

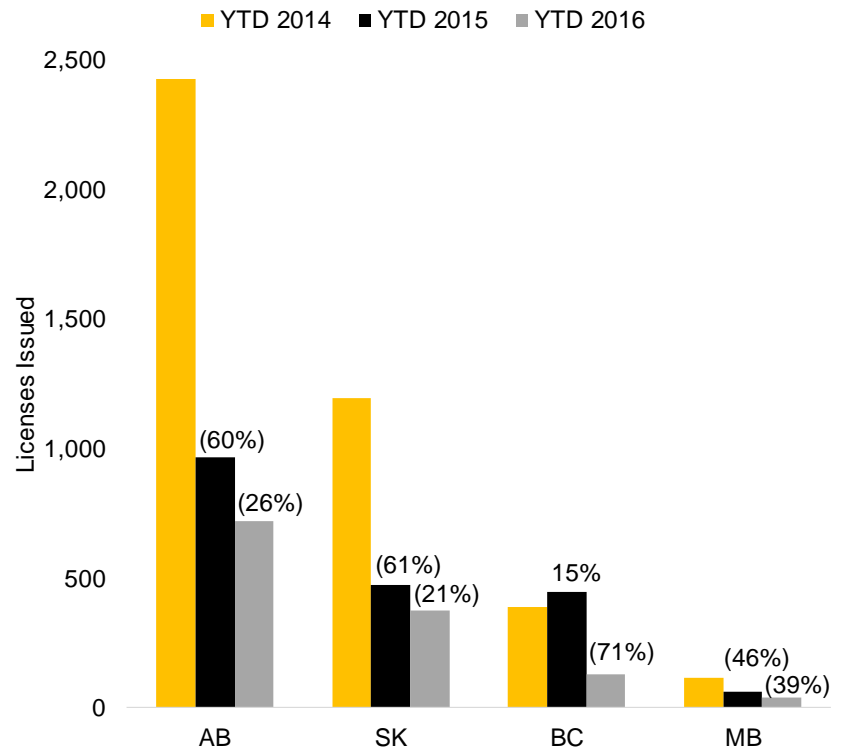
Provincial Well Licenses Issued

2005 to 2015



Source: JuneWarren-Nickle's Energy Group

YTD

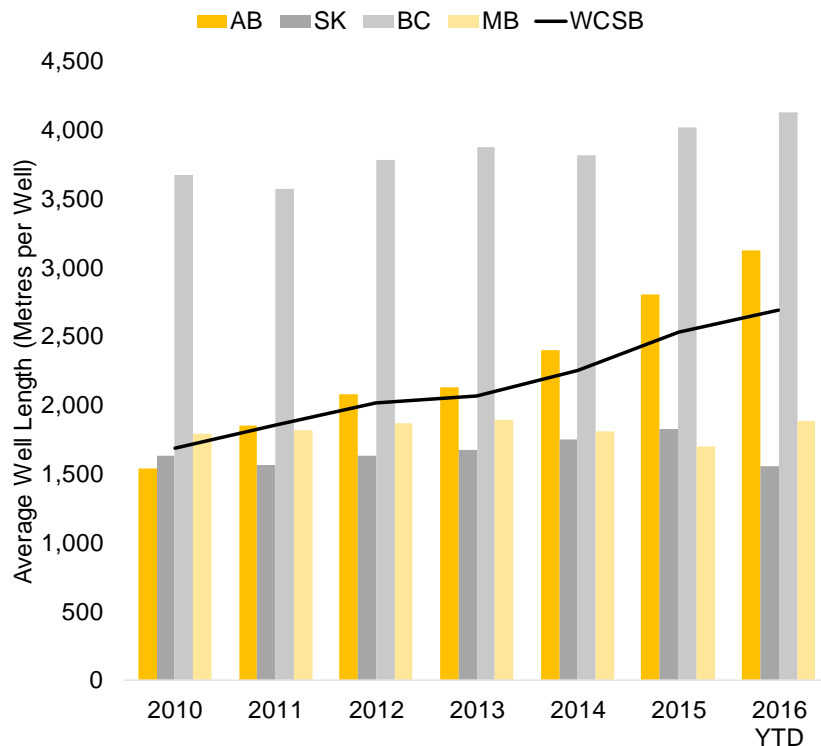


Source: JuneWarren-Nickle's Energy Group

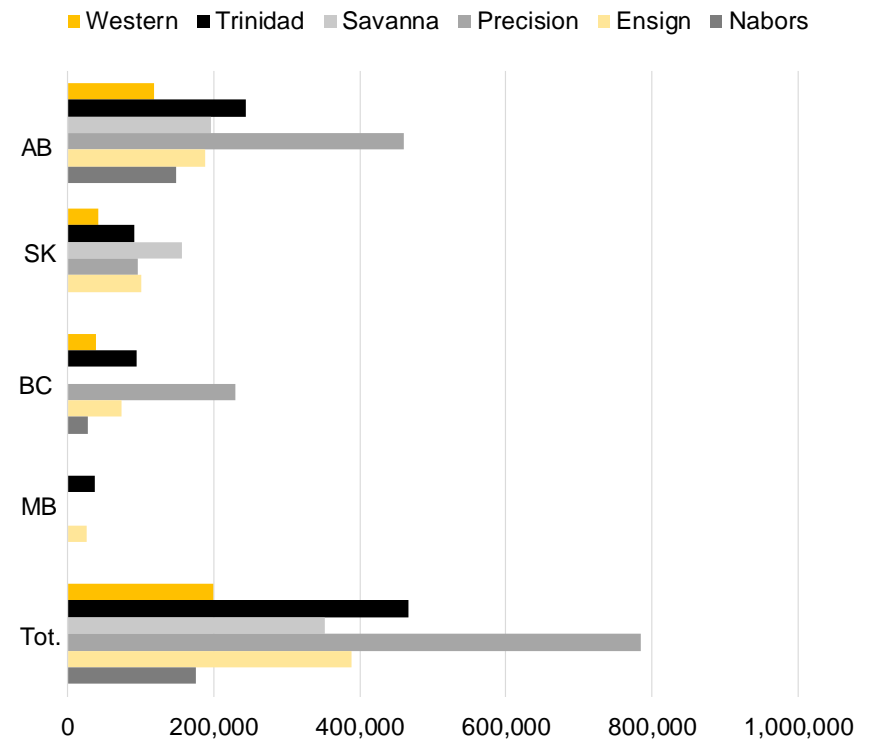
Note: Year-to-date through April 2016

Historical Canadian Well Data

Average Well Length by Province



Metres Drilled by Province



Source: JuneWarren-Nickle's Energy Group

Note: Year-to-date through April 2016

Notes



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