



Investor Presentation

Disclaimer

FORWARD-LOOKING INFORMATION

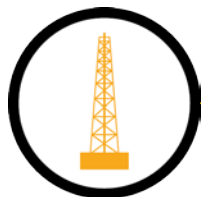
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Company Snapshot



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	\$3.44
52-week high/low	\$3.95 / \$1.95
Shares outstanding ²	74 million
Market capitalization	\$254 million
Enterprise value	\$473 million
Insider Ownership ²	14%

Balance Sheet Metrics

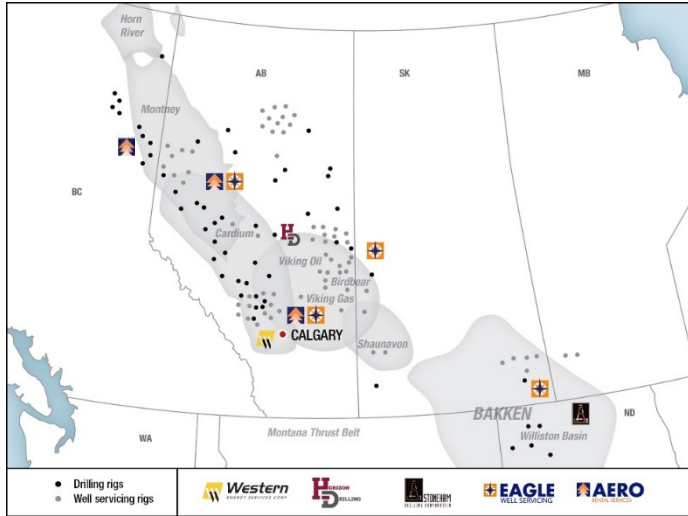
Book value per share ³	\$5.68
Price / book	61%

1) As of January 5, 2017

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



Well maintained, high quality fleet



Eight slant service rigs



Rental assets managed and serviced by pressure control specialists

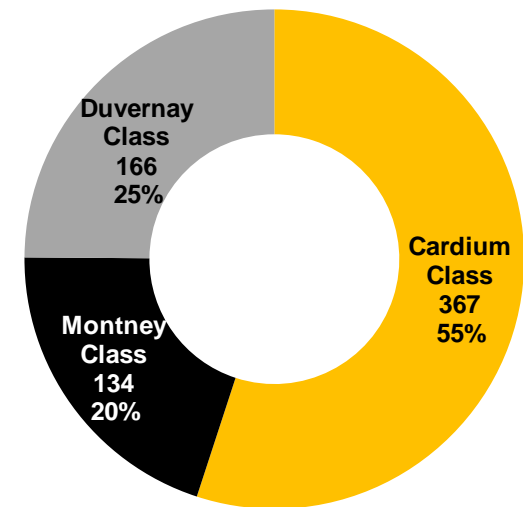


Innovative product solutions

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 - 667



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

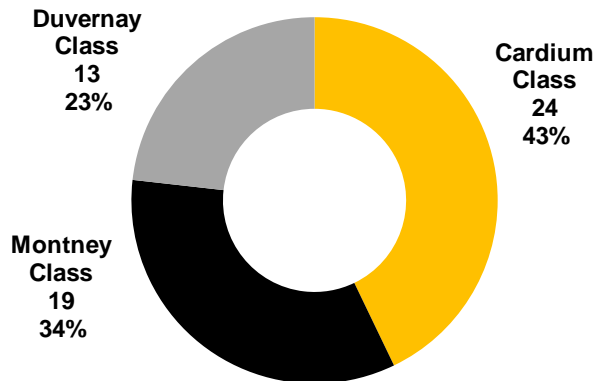
1) Cardium class rig: Defined as any contract drilling rig which has a total hookload less than or equal to 399,999 lbs (or 177,999 daN)

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)

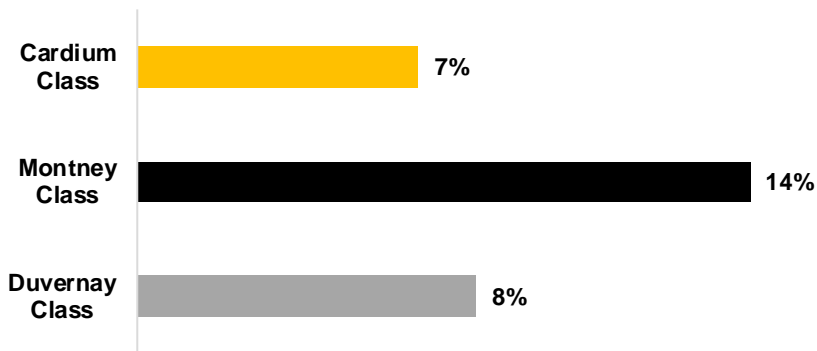
3) Duvernay class rig: Defined as any contract drilling rig which has a total hookload equal to or greater than 500,000 lbs (or 222,000 daN)

Montney and Duvernay Class Focused Fleet Tailored to Customer Needs

Western's Rig Fleet by Class

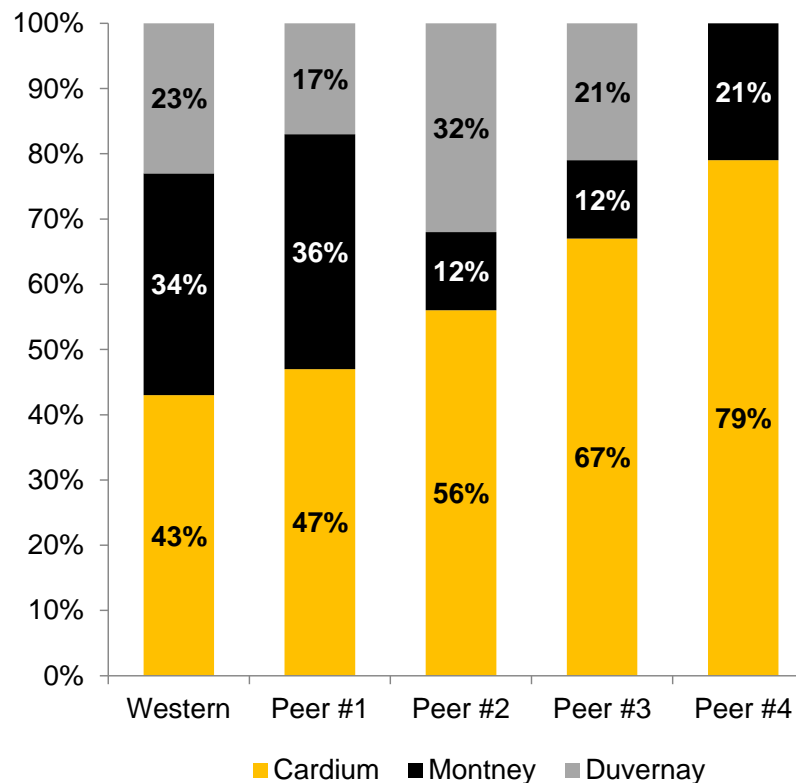


Western's % of Industry



Source: Public Disclosure, CAODC and IHS Reports as of November 2016
 Note: The industry drilling rig count was 667 as of December 2016

Industry Rig Fleet by Classification

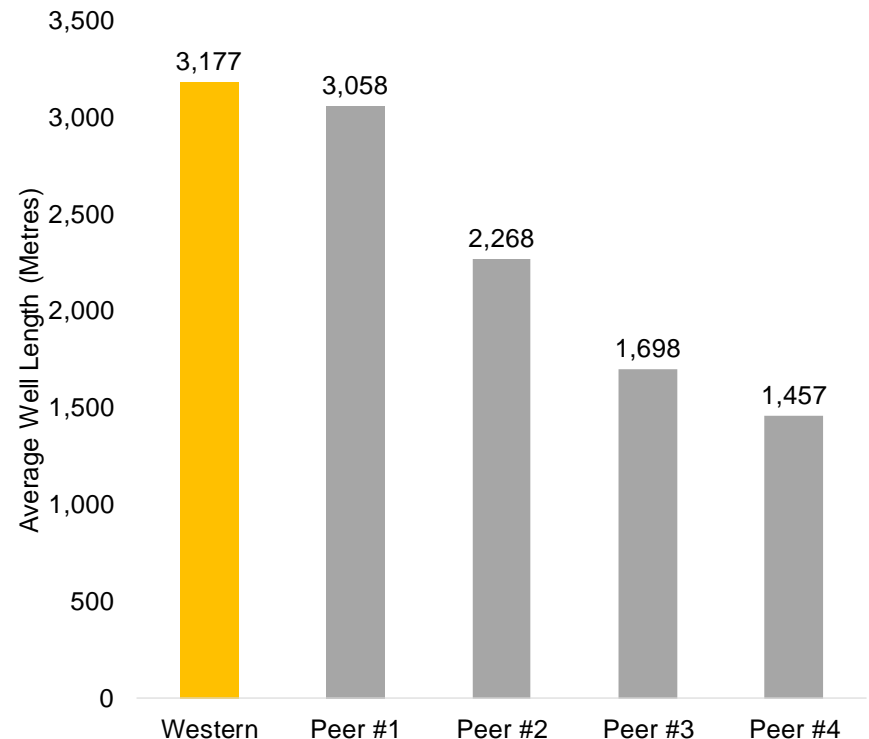


Source: Public Disclosure as of December 2016 (based on Canadian listed companies of Western's size or greater)

Keeping Pace with Increasing Well Lengths

- In Q3 2016, Western drilled the longest wells compared to our Canadian peers, while still achieving best-in-class productivity
 - Western is drilling the longest wells, while adapting to achieve efficiencies for customers as well design evolves
- 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
 - Mobility remains a key consideration for Canadian customers

Q3 2016 Average Well Length

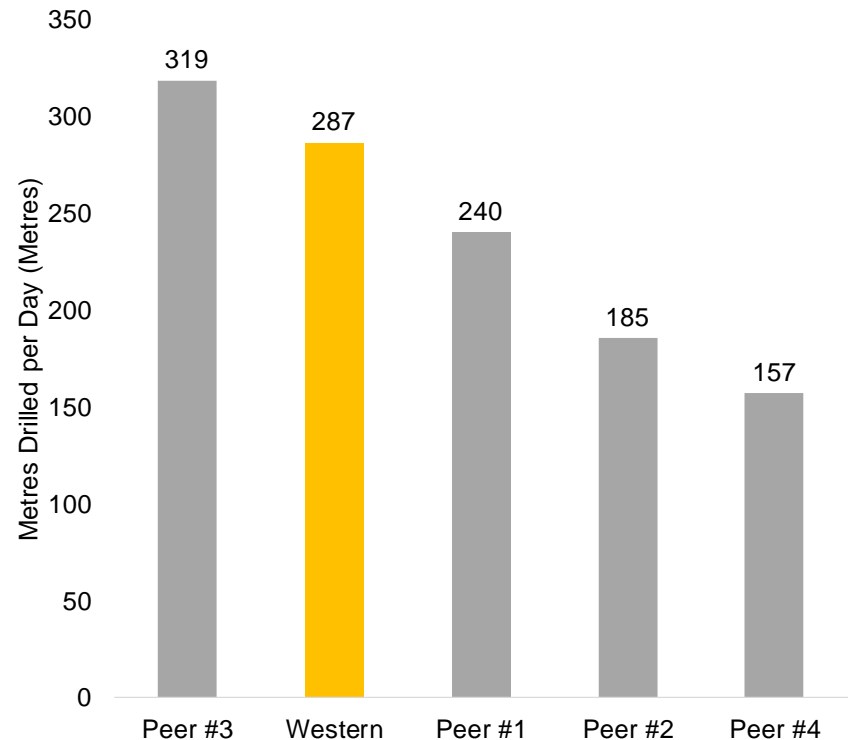


Source: Company Data and JuneWarren-Nickle's Energy Group

Highly Capable and Efficient Drilling Rig Fleet

- Western has the highest combined percentage of Montney and Duvernay rigs amongst Canadian listed contract drilling peers
 - Western designed its mechanical double drilling rigs with the hookload, mud pumps and racking capacity typically associated with triple drilling rigs
 - All new build rigs were designed to be upgraded with walking systems when demand warrants
- Western's Cardium class equipment is also best-in-class as we proactively upgraded these rigs with the large capacity mud pumps and top drives that are demanded by customers today

Q3 2016 Productivity

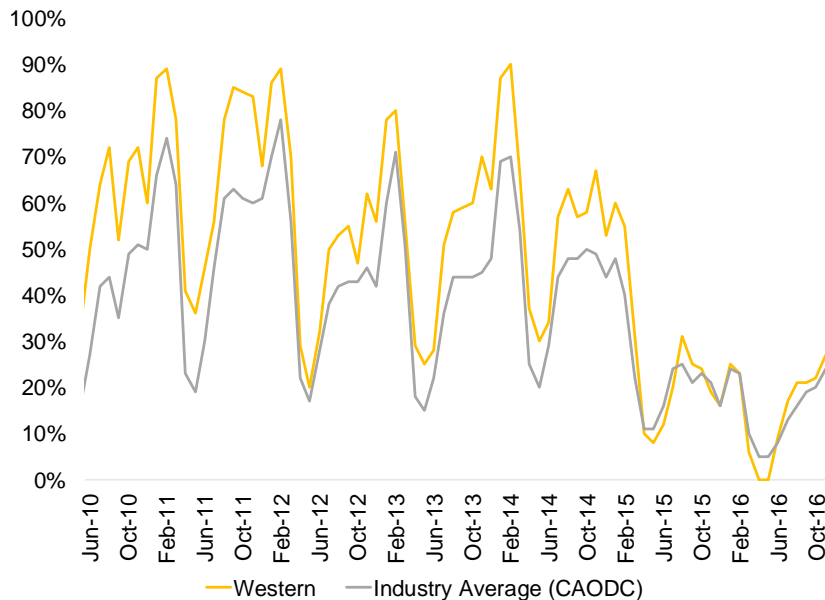


Source: Company Data and JuneWarren-Nickle's Energy Group

Premium Drilling Utilization

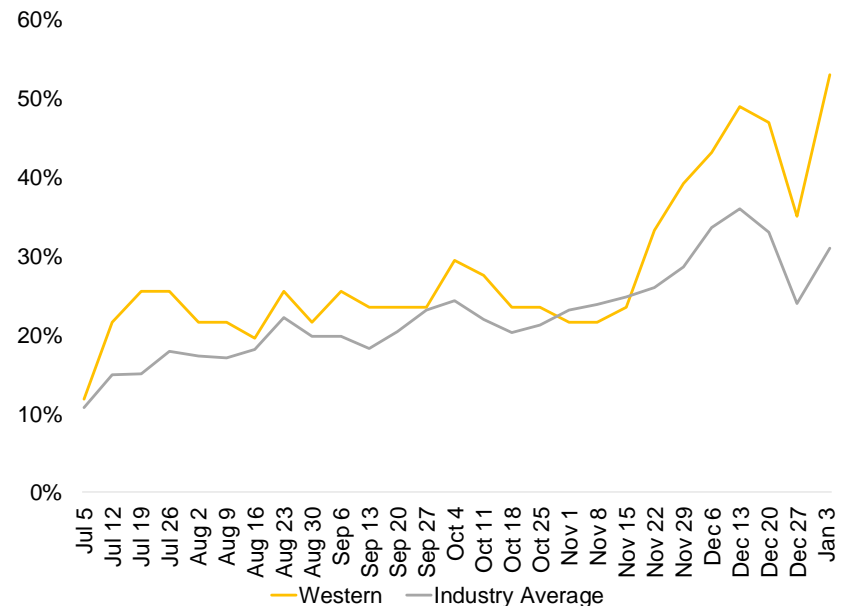
- Western's drilling rig fleet has traditionally realized above average utilization, while balancing utilization and pricing considerations
- A utilization premium has reemerged post break-up 2016

Canadian Drilling Rig Utilization Rates



Source: CAODC estimates. Monthly data

2016 Post Break-Up Drilling Utilization



Source: IHS and CAODC estimates. Weekly data

Operating Highlights

Operating Highlights	Third Quarter			Year Ended Dec 31		
	2016	2015	% Δ	2015	2014	% Δ
Contract Drilling						
<i>Canadian Operations</i>						
Rig fleet (end of period)	51	52	(2%)	52	49	6%
Operating Revenue per Revenue Day (CDN\$)	15,256	21,135	(28%)	23,458	26,178	(10%)
Drilling rig utilization - Revenue Day	22%	28%	(21%)	29%	64%	(55%)
Drilling rig utilization - Operating Day	20%	26%	(23%)	26%	58%	(55%)
CAODC industry average utilization - Operating Day	17%	24%	(29%)	23%	44%	(48%)
Average active rigs	11.4	14.0	(19%)	14.3	31.5	(55%)
<i>United States Operations</i>						
Rig fleet (end of period)	5	5	-	5	5	-
Operating Revenue per Revenue Day (US\$)	18,967	30,260	(37%)	29,483 ⁽¹⁾	26,124	13%
Drilling rig utilization - Revenue Day	37%	20%	85%	32%	94%	(66%)
Drilling rig utilization - Operating Day	32%	19%	68%	29%	83%	(65%)
Average active rigs	1.8	1.0	80%	1.6	4.7	(66%)
Well Servicing						
Rig fleet (end of period)	66	66	-	66	65	2%
Service rig Operating Revenue per Service Hour (CDN\$)	603	712	(15%)	779	817	(5%)
Service rig utilization	24%	26%	(8%)	30%	54%	(44%)
Average active rigs	15.6	16.9	(8%)	19.6	35.1	(44%)

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

Financial Highlights

Financial Highlights (000s CDN\$)	Third Quarter			Year Ended December 31				
	2016	2015	% Δ	2015	2014	2013	2012	2011
Operating Revenue	30,665	44,350	(31%)	216,485	474,120	353,124	282,856	237,428
<i>Utilization</i> ⁽¹⁾	20%	26%	(23%)	26%	58%	55%	54%	70%
<i>Employees</i> ⁽²⁾	na	na	na	632	1,420	1,436	934	933
Gross Margin	5,685	14,285	(60%)	85,951	207,231	147,559	131,063	114,837
<i>As a % of Operating Revenue</i>	19%	32%	(41%)	40%	44%	42%	46%	48%
Adjusted EBITDA	896	8,080	(89%)	60,545	176,777	117,423	108,931	99,324
<i>As a % of Operating Revenue</i>	3%	18%	(83%)	28%	37%	33%	39%	42%
Net Income (Loss)	(16,973)	(76,816)	(78%)	(129,139)	36,450	35,246	45,178	64,746
per share (basic)	(0.23)	(1.04)	(78%)	(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	651	4,752	(86%)	33,562	108,604	95,234	127,231	88,869

(1) Canadian drilling rig utilization - operating day

(2) Employees at December 31

Balance Sheet Overview

Consolidated Balance Sheet ('000s)	September 30, 2016	December 31, 2015
Cash and other current assets	\$ 73,479	\$ 102,060
Property and equipment	720,554	773,647
Other assets	137	901
Total assets	\$ 794,170	\$ 876,608
Current liabilities	\$ 18,220	\$ 31,381
Long term debt and other	265,686	265,829
Deferred taxes	91,377	107,702
Total	375,283	404,912
Shareholders' equity	418,887	471,696
Total liabilities and equity	\$ 794,170	\$ 876,608

Credit Facility Covenants	September 30, 2016	Covenant
Bank Debt (excluding Senior Notes) to EBITDA Ratio	0.0	3.0 to 1 or less
Debt to Capitalization Ratio	34%	60% or less
EBITDA to Interest Expense Ratio	Not applicable	Waived ¹⁾
Current Ratio	4.2	1.15 to 1 or more

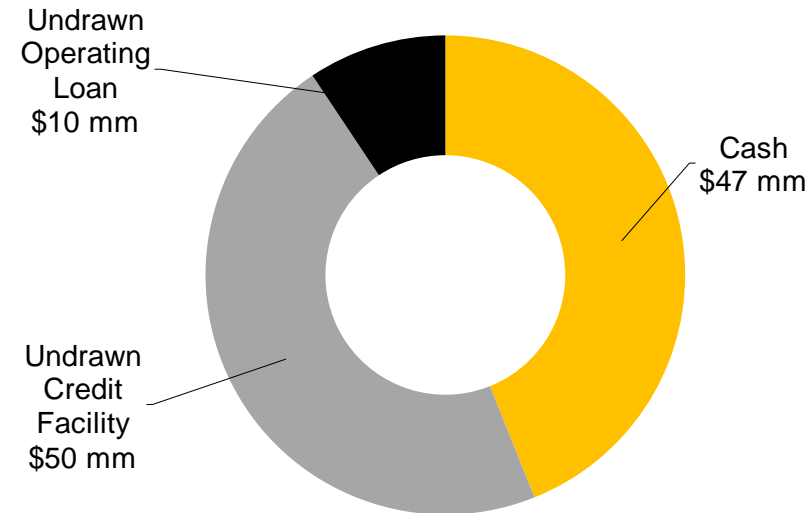
Credit Ratings	Corporate	Senior Notes
Standard & Poor's	B	B+
Moody's	Caa2	Caa3

1) Interest coverage covenant waived through 2017, 1.0x in Q1 2018, 1.25x in Q2 2018 and 1.5x thereafter

Rightsized Credit Facility

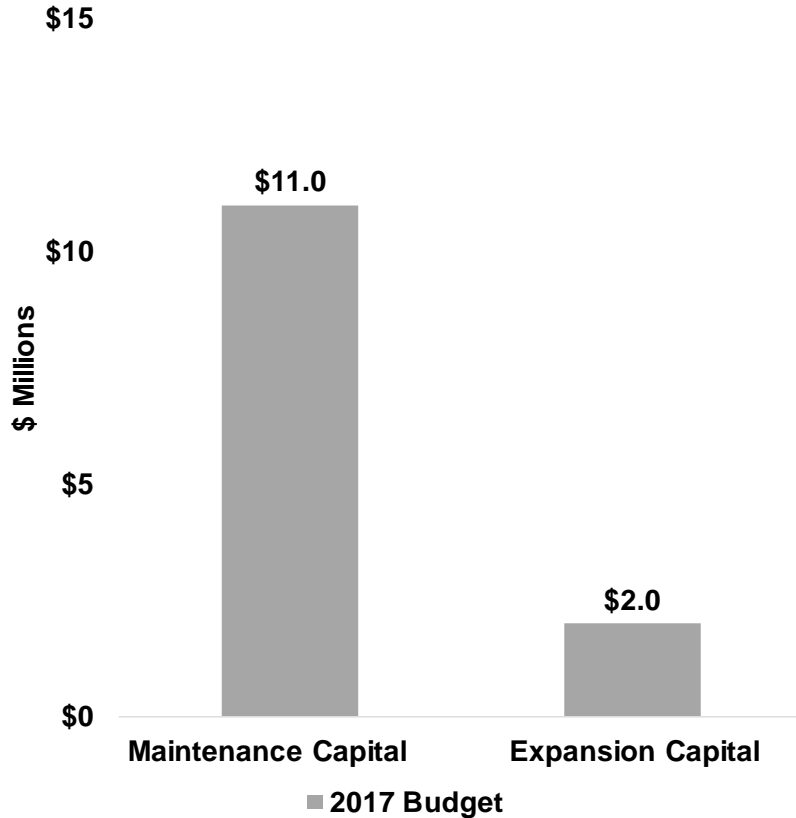
- \$107 million of liquidity
 - Including \$47 million of cash (as of September 30, 2016)
- No near-term refinancing risk
 - \$265 million of Senior Notes due January 30, 2019
 - No other debt
- Credit Facility amended in July 2016
 - Changed to borrowing base facility
 - Interest coverage covenant waived through 2017 and only applies when \$30 million or more is drawn on the Credit Facility
 - \$1.5 million annual standby fee savings from reduced facility size

Total Liquidity of \$107 million

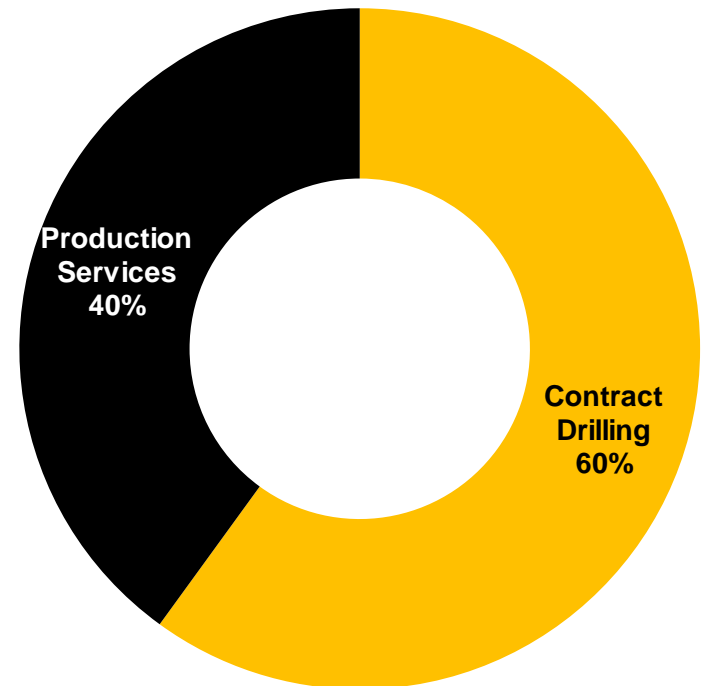


2017 Budgeted Capital Expenditures \$13 Million

Budgeted Capital Spending



Capital Spending By Segment



- Management will continue to monitor customer demand and will adjust its 2017 capital budget as warranted

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



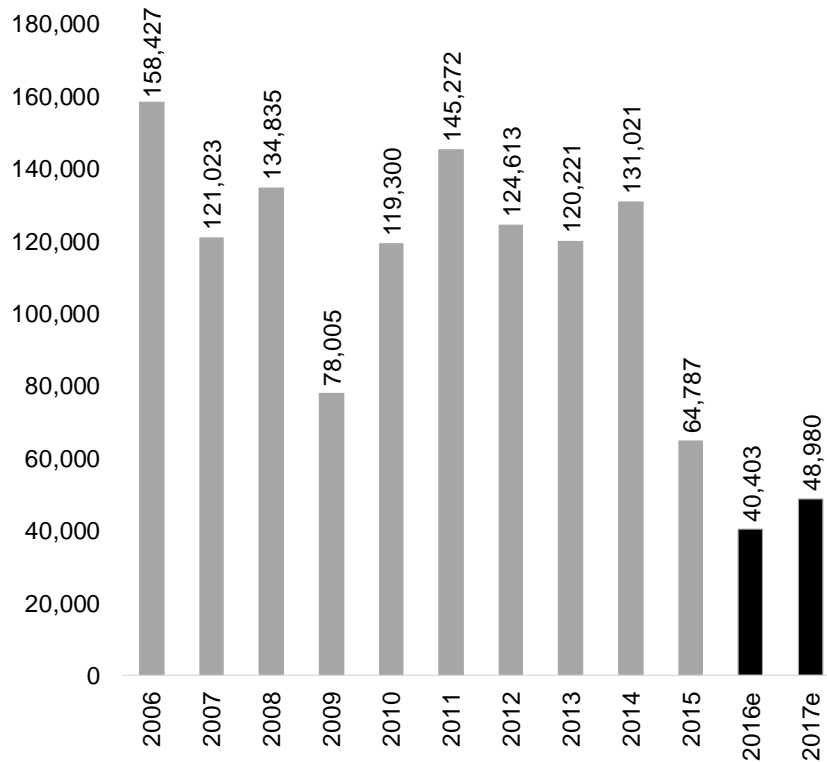
Capacity for Opportunistic Growth

- Strong balance sheet and track record of sustainable growth

Appendix

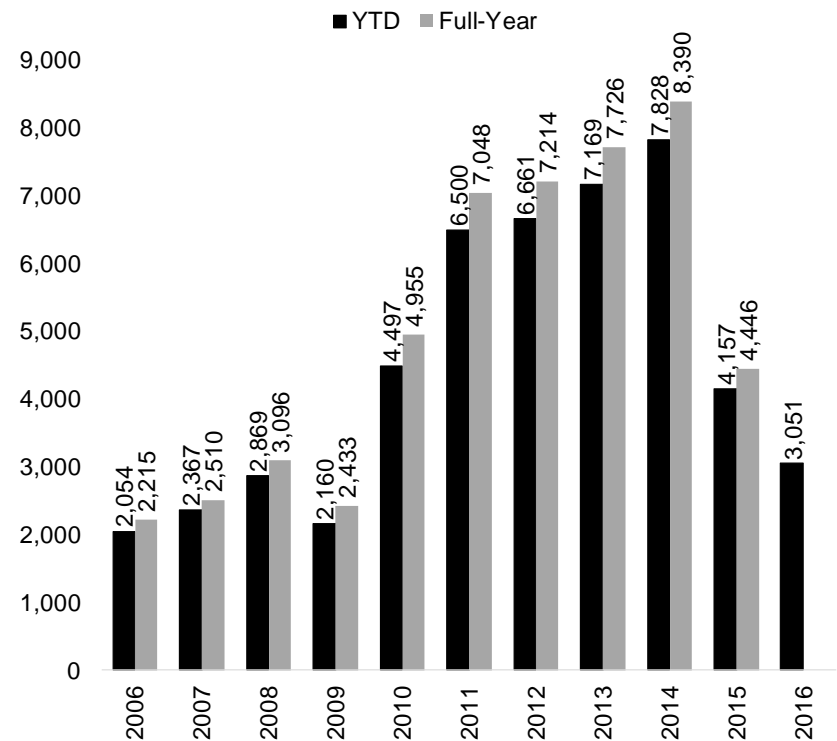
Canadian Drilling Industry Statistics

Operating Days



Source: CAODC. 2016 and 2017 forecast per CAODC (November 2016)

Horizontal Wells Drilled

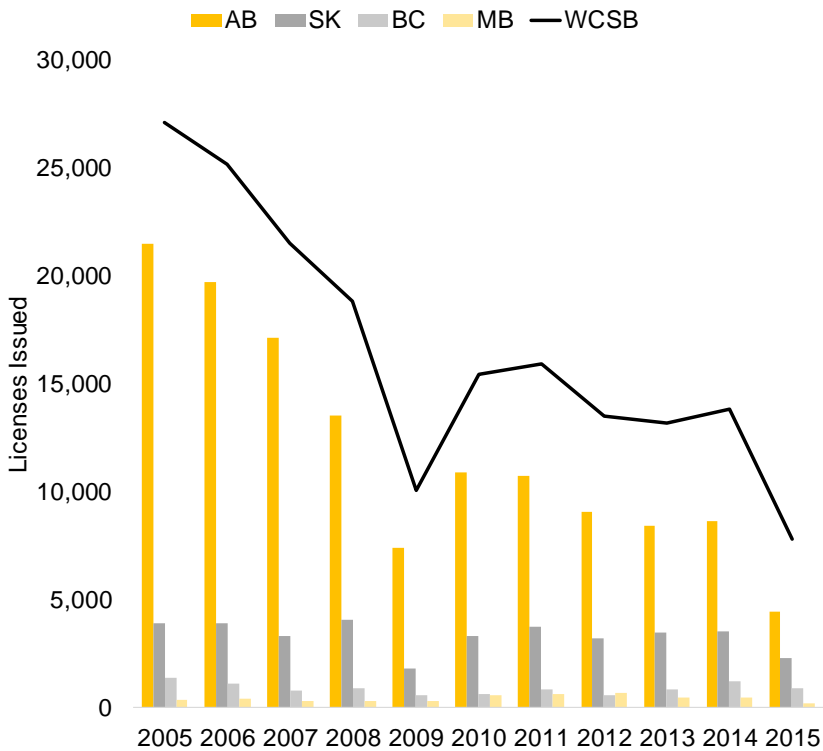


Source: JuneWarren-Nickle's Energy Group

Note: Year-to-date through November 2016

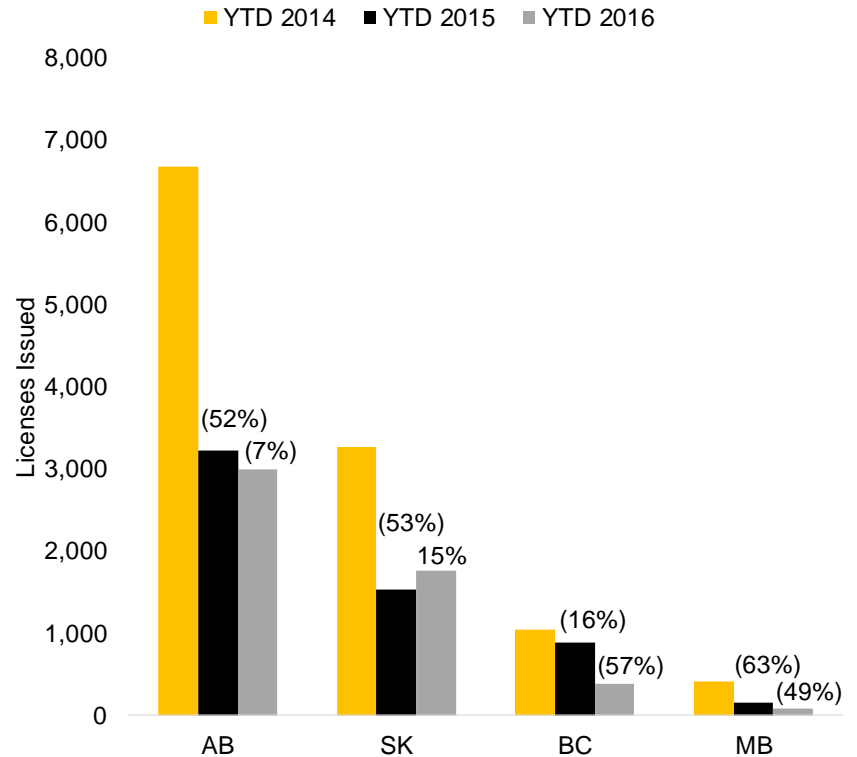
Provincial Well Licenses Issued

2005 to 2015



Source: JuneWarren-Nickle's Energy Group

YTD

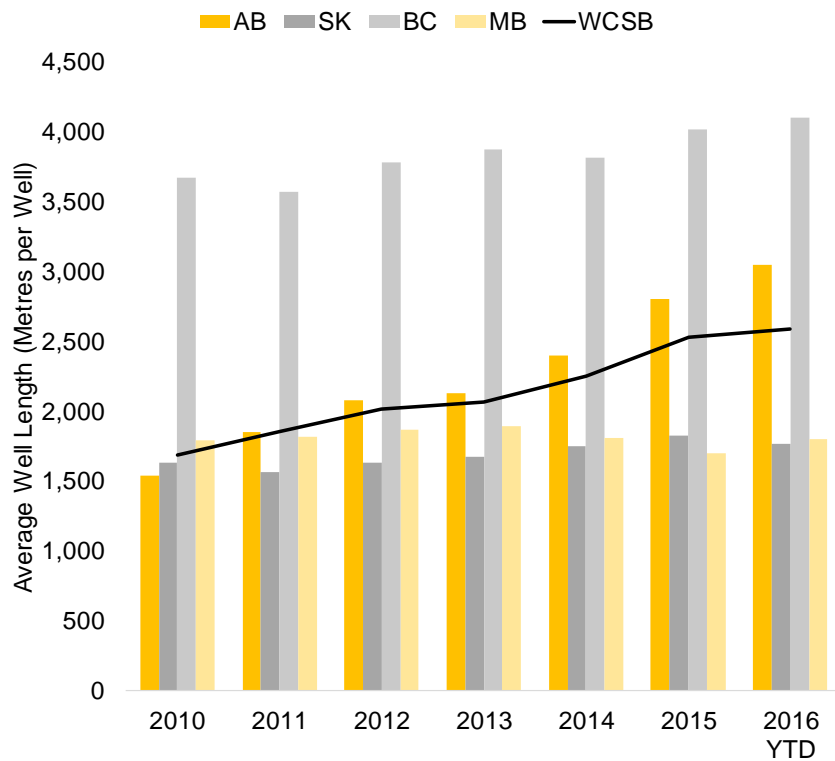


Source: JuneWarren-Nickle's Energy Group

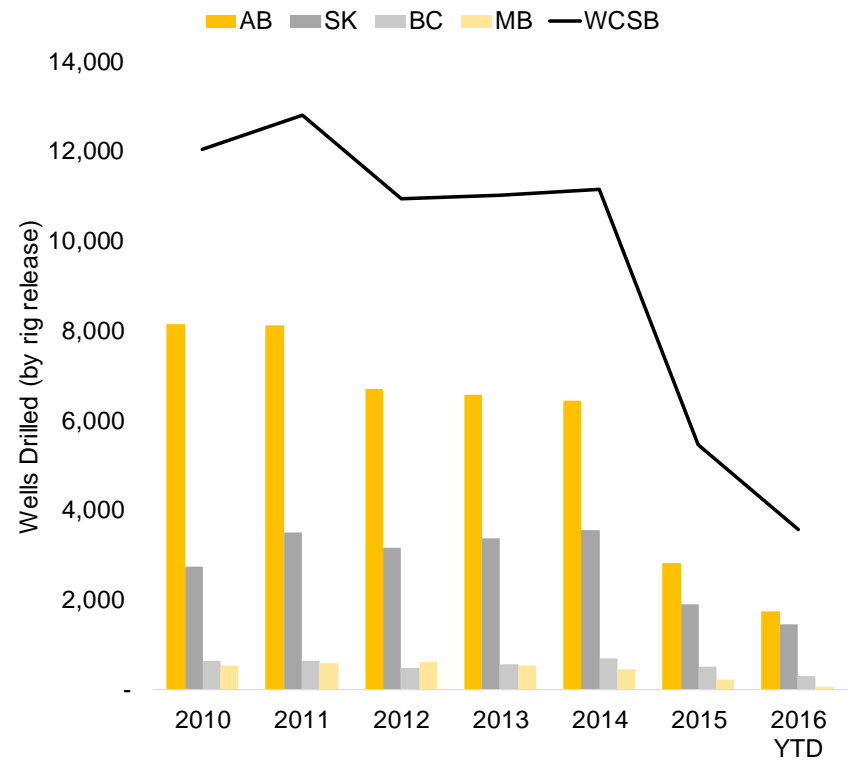
Note: Year-to-date through November 2016

Historical Canadian Well Data

Average Well Length by Province



Wells Rig Released by Province



Source: JuneWarren-Nickle's Energy Group

Note: Year-to-date through November 2016



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