



Western
ENERGY SERVICES CORP.

positioning
flexibility
transitioning

FirstEnergy/Societe Generale East Coast Energy Conference

March 13-15, 2013
New York



Disclaimer

FORWARD-LOOKING INFORMATION

This presentation contains certain statements or disclosures relating to Western Energy Services Corp. ("Western") that are based on the expectations of its management as well as assumptions made by and information currently available to Western which may constitute forward-looking information under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Western anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro-forma", or other comparable terminology.

Forward-looking information in this presentation include statements regarding Western's business, vision and strategy and continued growth of its contract drilling and well servicing divisions through acquisitions and organic growth, increased presence in the United States and to enter into the equipment rentals market. Although Western believes that the expectations reflected in its forward-looking information are reasonable, such forward-looking information has been based on assumptions concerning future events which may prove to be inaccurate. In addition this presentation includes the estimated 2013 capital expenditures. The foregoing statements assume no adverse change to the oil and gas industry and no adverse change to the demand for drilling rigs and oil and gas services. In addition, the foregoing statements assume Western's cash flows will support the estimated capital expenditures and that Western will be able to successfully identify and complete accretive acquisitions and integrate those acquisitions into its business. Those assumptions are based upon currently available information.

The forward-looking information contained in this presentation 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.

Past performance of Western referred to in this presentation is shown for illustrative purposes only, does not guarantee future results of Western and is not meant to forecast, imply or guarantee the future performance of Western, which will vary.

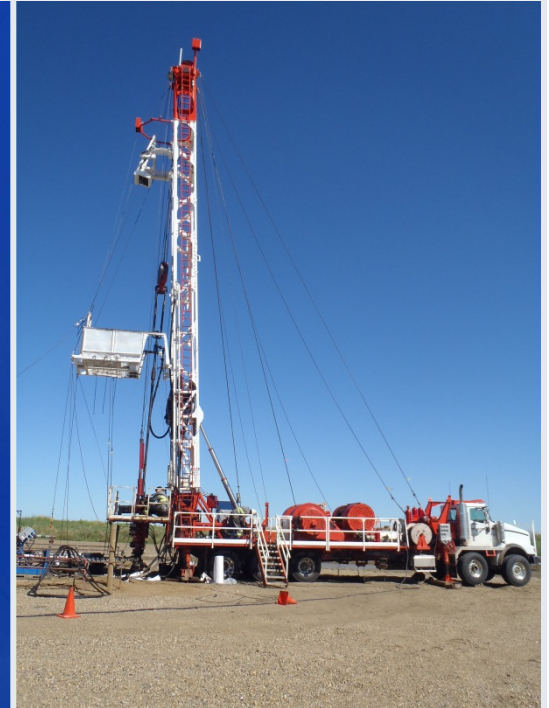
The forward-looking information is made as of the date of this presentation and Western does not undertake any obligation to update or revise any of the included forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking information contained in this presentation is expressly qualified by this cautionary statement.

What We Do



Contract Drilling Services

- ❑ Provided through Horizon Drilling in Canada
- ❑ Provided through Stoneham Drilling Corporation in the U.S.



Well Servicing

- ❑ Provided through Matrix Well Servicing in Canada



Summary of the Business

- ❑ Western currently has 50 drilling rigs
 - ❑ Sixth largest drilling fleet in Canada (45 rigs in Canada, 5 rigs in U.S.)
 - ❑ In addition, one 4,500m new build under construction
- ❑ Western currently has ten new build service rigs
- ❑ Western has premium assets
 - ❑ New rigs (average age is approximately 6 years old)
 - ❑ Modern design with efficient foot-print (move, rig-up and drill efficiently)
 - ❑ 96% of rig fleet's drilling capacity greater than 3,000 meters
- ❑ Western has above average industry utilization
 - ❑ With a fleet that is capable of horizontal drilling in all resource plays
 - ❑ Premium customer base



What Differentiates Western

- ❑ Large cap management team running a mid-cap company
 - ❑ Positioned to grow with top tier assets and employees, generating above average utilization and day rates with strong systems and processes in place
- ❑ Reliability, horsepower, technical ability, and mobility are critical to operators seeking to optimize returns in technically complex reservoirs
 - ❑ A Driller of Choice when the producer cannot risk being delayed or stuck in hole in the most active and robust resource plays
- ❑ Efficient Long Reach (ELR™) drilling rigs have allowed the producer to expand its drilling capabilities in resource plays
 - ❑ 66% of the wells drilled in Western Canada were horizontal wells during 2012



Corporate Overview

Common shares	
Basic	59.7 Million
Diluted	63.6 Million
Current share price (as at March 8, 2013)	\$7.21
52 Week Range	\$5.32 – \$9.85
Market capitalization (f.d.)	\$458.6 Million
Net debt	\$186.1 Million
Enterprise value (f.d.)	\$644.7 Million
Working capital (excl. cash and current-portion of LTD)	\$76.8 Million
Capital assets (NBV)	\$568.2 Million
Book value per share (f.d.)	\$7.15

Q4 2012 – WRG Consolidated Results

Operating Highlights	Fourth Quarter			Year To Date		
	2012	2011	% Change	2012	2011	% Change
Contract drilling						
<i>Canadian Operations</i>						
Average rig fleet	44	37	19%	41	32	28%
End of period rig fleet	44	38	16%	44	38	16%
Drilling revenue per operating day (CDN\$)	31,904	33,199	(4%)	32,212	29,885	8%
Drilling rig utilization rate per operating day	55%	79%	(30%)	54%	70%	(23%)
CAODC industry average utilization rate	40%	61%	(34%)	42%	52%	(19%)
<i>United States Operations</i>						
Average rig fleet	5	5	-	5	4	25%
End of period rig fleet	5	5	-	5	5	-
Drilling revenue per operating day (US\$)	33,017	30,705	8%	33,315	33,038	1%
Drilling rig utilization rate per operating day	62%	79%	(22%)	68%	70%	(3%)
Well Servicing						
Average rig fleet	7	-	N/A	5	-	N/A
End of period rig fleet	8	-	N/A	8	-	N/A
Well servicing rig revenue per operating hour (CDN\$)	614	-	N/A	596	-	N/A
Well servicing rig utilization rate	45%	-	N/A	36%	-	N/A

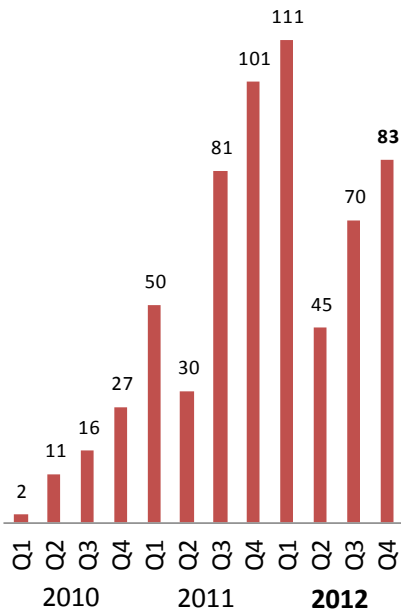
Q4 2012 – WRG Consolidated Results (cont'd)

Financial Highlights (Thousands CDN\$)	Fourth Quarter			Year To Date		
	2012	2011	% Change	2012	2011	% Change
Revenue	83,338	101,300	(18%)	308,617	262,519	18%
Gross Margin	37,360	47,170	(21%)	131,063	114,837	14%
EBITDA	31,381	41,473	(24%)	108,931	99,324	10%
EBITDA as a percentage of revenue	38%	41%	(7%)	35%	38%	(8%)
Net Income from continuing operations	13,092	24,923	(47%)	45,178	53,882	(16%)
per share - basic	0.22	0.43	(49%)	0.77	1.04	(26%)
per share - diluted	0.22	0.41	(46%)	0.74	1.00	(26%)
Cash flow from operating activities	11,021	25,337	(57%)	104,916	59,368	77%
per share - basic	0.19	0.43	(56%)	1.78	1.15	55%
per share - diluted	0.18	0.42	(57%)	1.72	1.11	56%
Dividends	4,469	-	N/A	8,924	-	N/A
per share	0.075	-	N/A	0.150	-	N/A
Capital expenditures	20,328	34,336	(41%)	127,231	88,869	43%

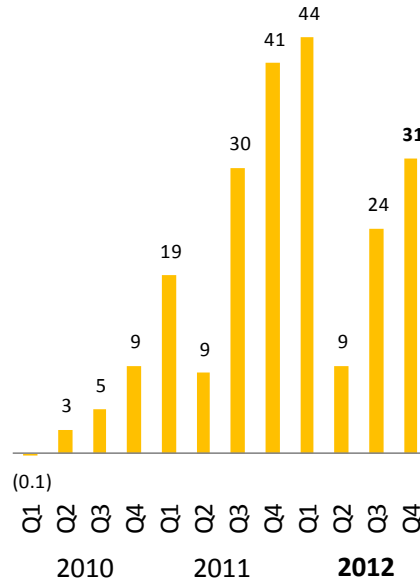


Proven Record of Growth and Profitability

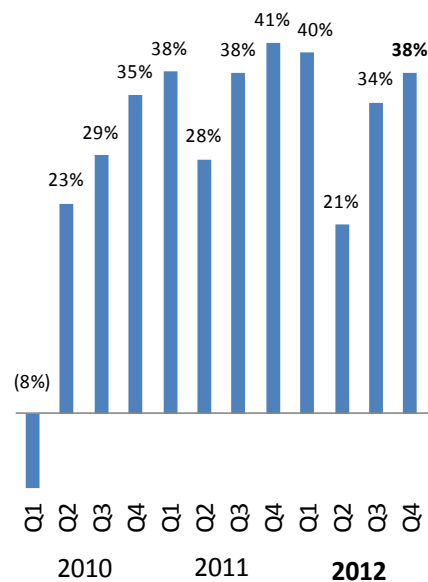
Revenue (millions)



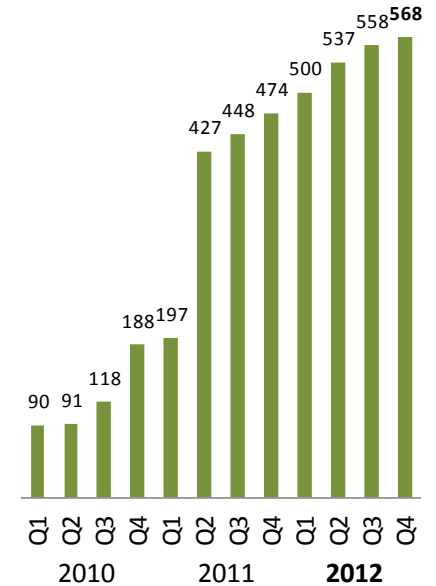
EBITDA (millions)



EBITDA as % Of Revenue

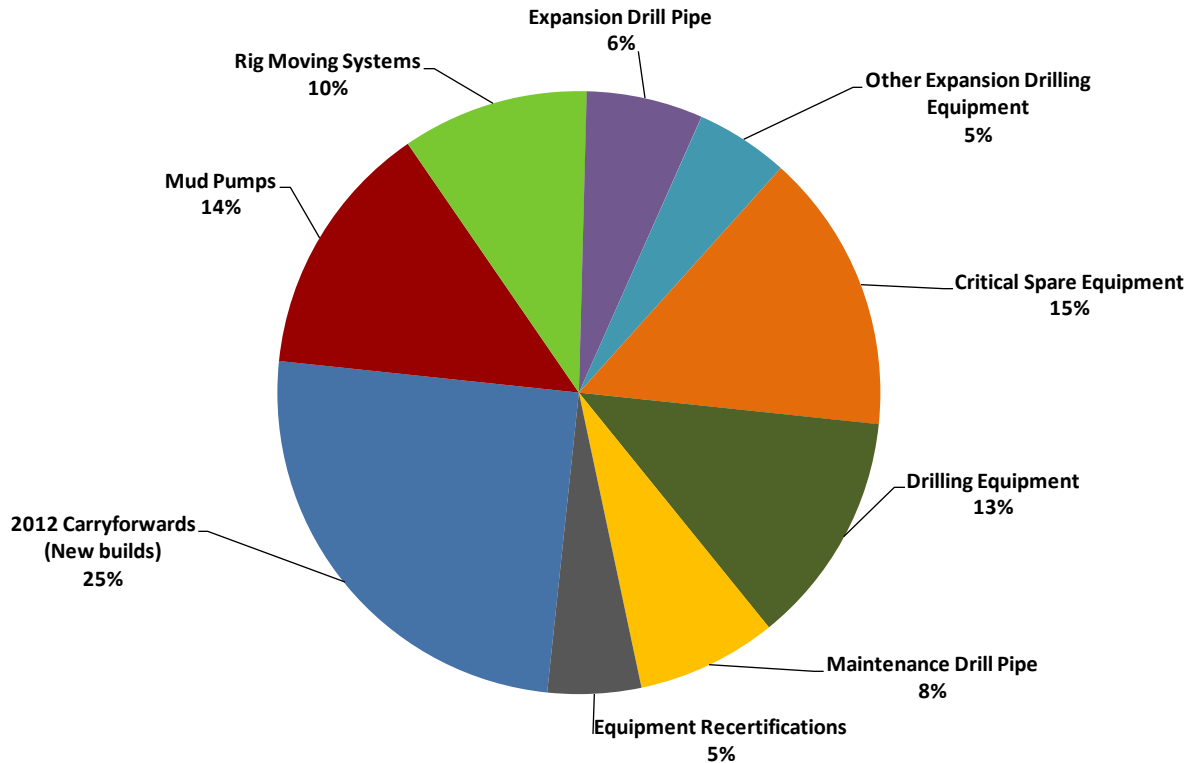


Capital Assets (millions)



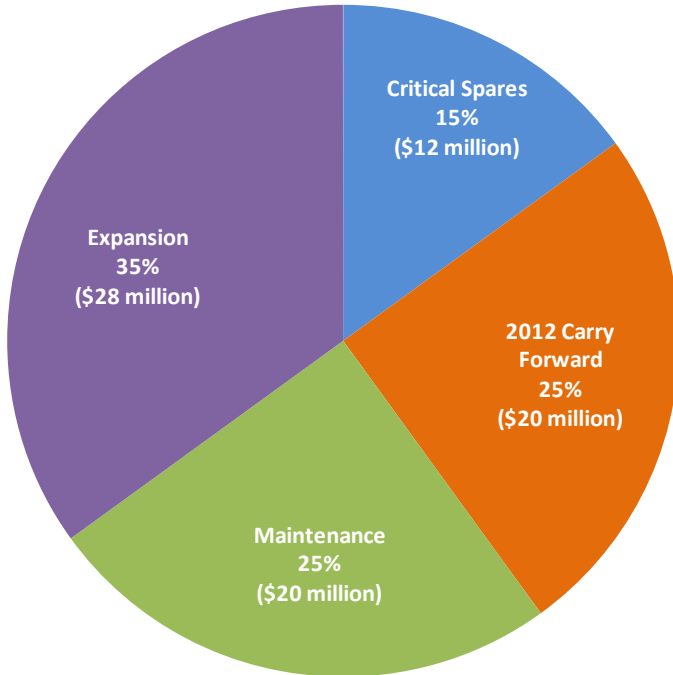
Capital Expenditures

Consolidated 2013 Budgeted Capital Expenditures (\$80 million)

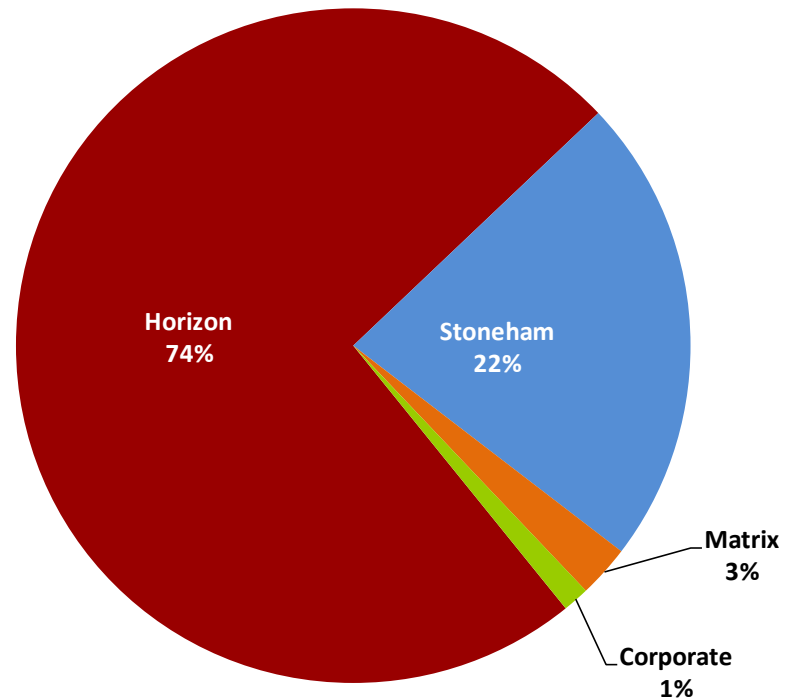


2013 Budgeted Consolidated Capital Spending

Consolidated Capital Spending - Maintenance vs. Expansion



Consolidated Capital Spending By Entity



Contract Drilling Services





Western Canada Rig Depth Capacity

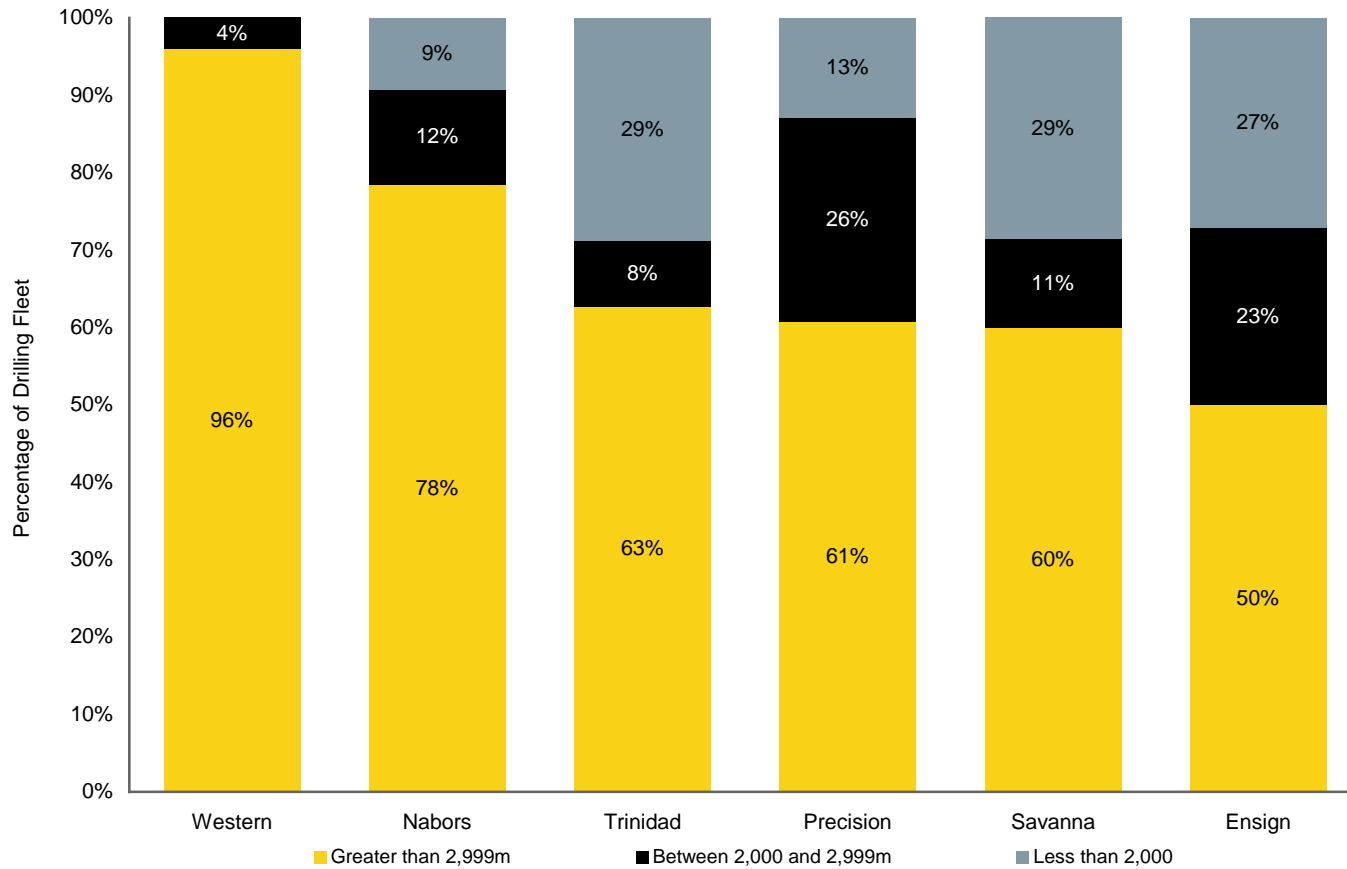
Depth (m)	# of Rigs	% of Fleet	Horizon	% of Fleet
760 to 1524	127	15%		
1525 to 2270	75	9%	2	5%
2280 to 3049	188	23%	1	2%
	390	48%	3	7%
3050 to 3799	261	32%	28	62%
3800 to 4569	125	15%	14	31%
4570 to 6099	37	5%		
6100 and deeper	7	1%		
	430	52%	42	93%
Total	820	100%	45	100%

Source: CAODC



Leading Deep Driller in the WCSB

Construction of one fit for purpose telescopic ELR™ double drilling rig is currently underway



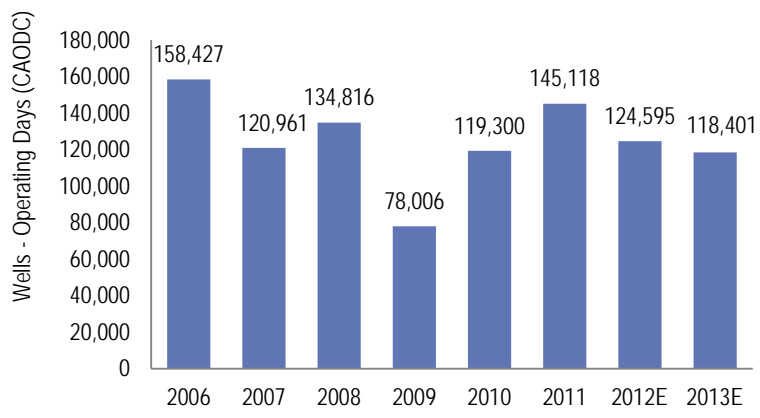
Source: CAODC, Nickle's, Industry Research as at March 8, 2013 (based on companies of Western's size or greater)

Note: Data divided by depth in meters

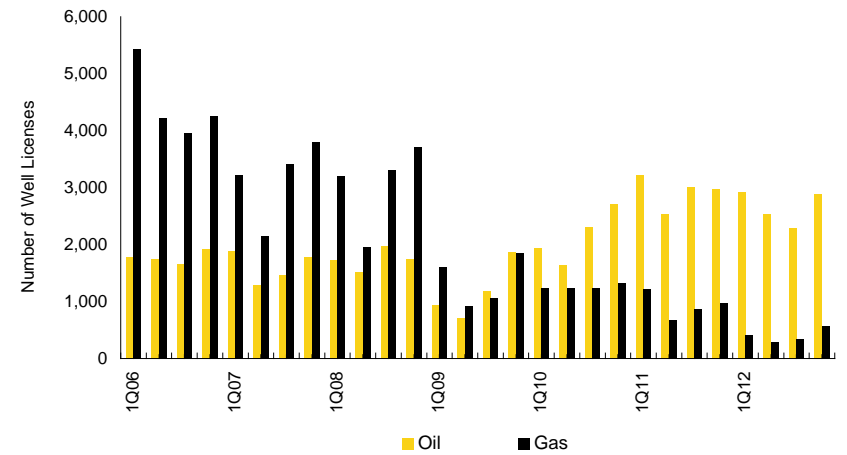


WCSB Well Licenses Support a Steady Near-Term Outlook

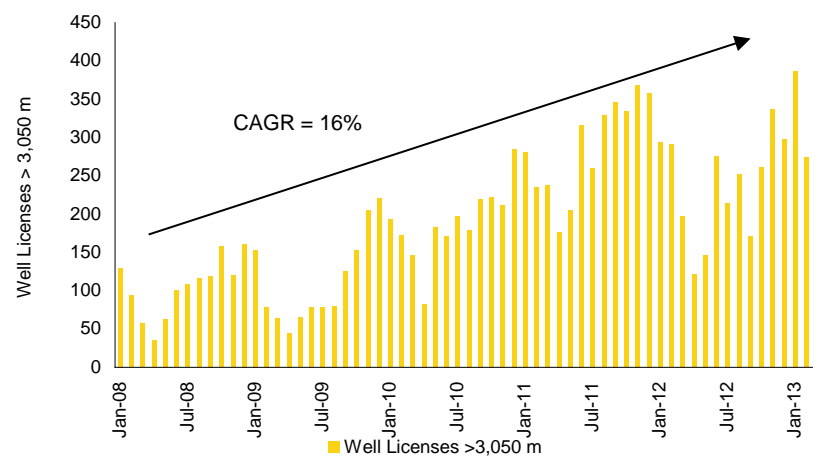
Canadian Wells – Operating Days



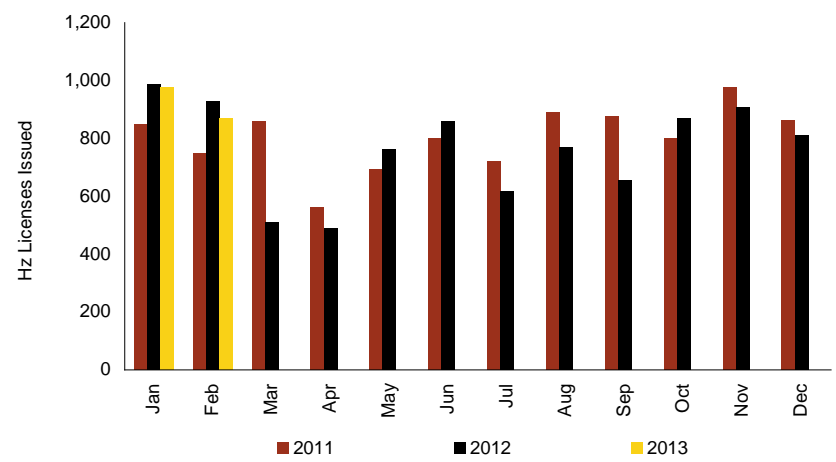
Well Licenses by Objective



WCSB Well Licenses >3,050m



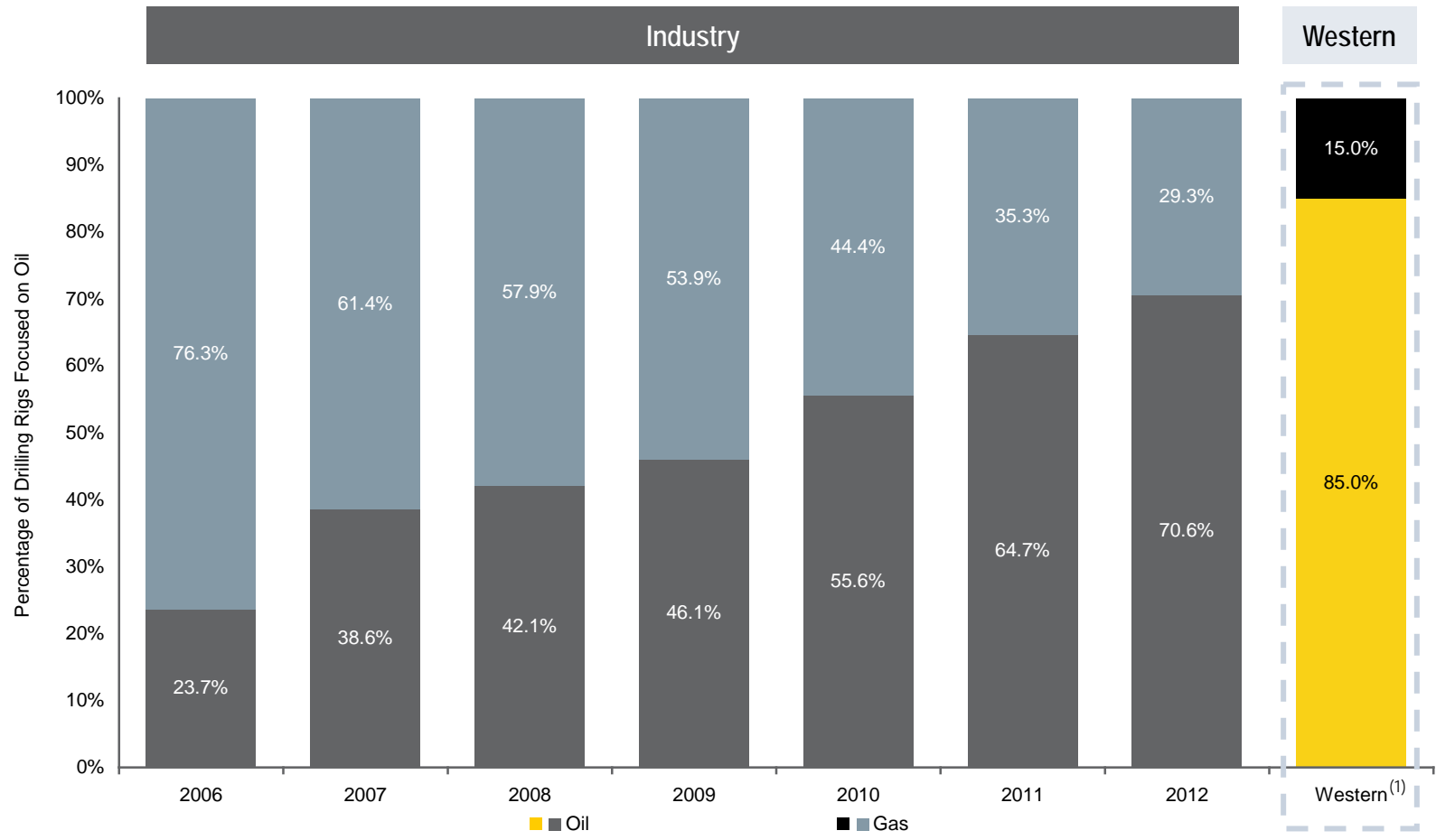
Horizontal Well Licenses



Source: Nickle's Energy as at March 8, 2013



WCSB Industry Rigs Targeting Oil / Liquids Rich Wells

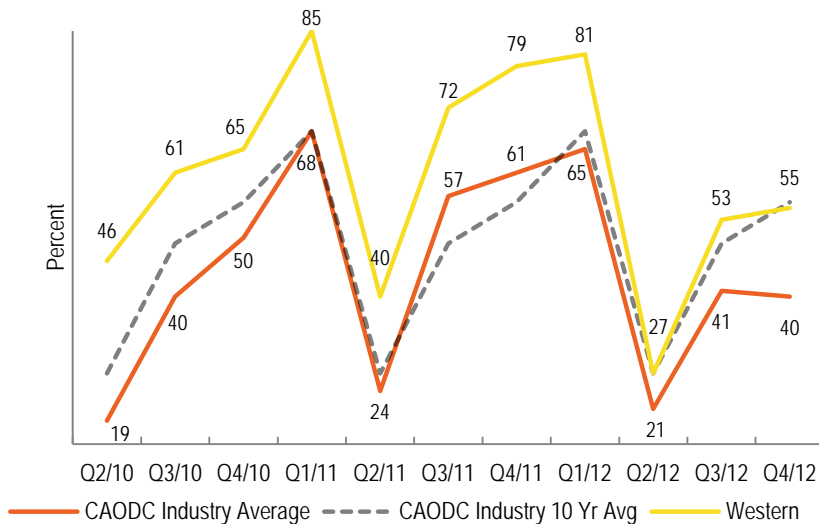


Source: Baker Hughes
 (1) Western Energy Services, 2012

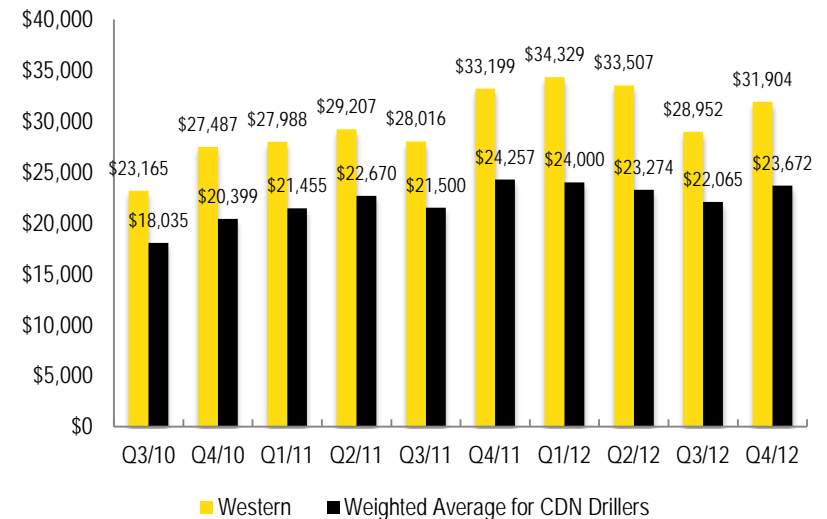
Utilization and Day Rates

- Western's premium rig fleet has realized above average utilization and industry leading day rates in the WCSB
- Western's US rigs have realized solid utilization averaging 62% (79% incl. mobilization days) in Q4 2012

WCSB Utilization Rates (1)



WCSB Day Rates (2)



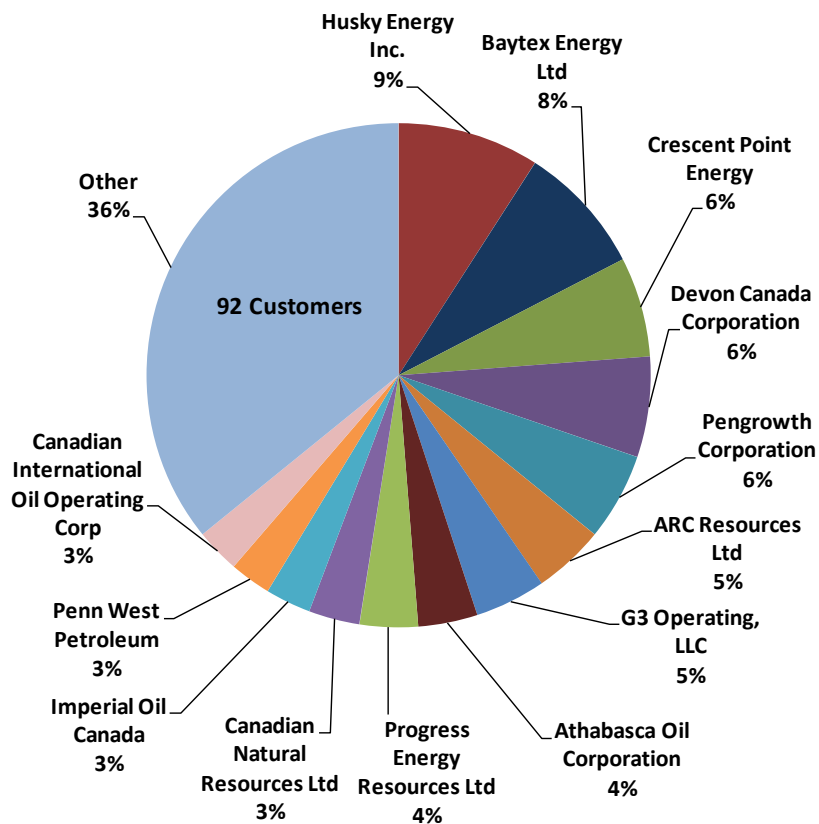
(1) Source: Industry Research, CAODC

(2) Source: Industry Research, Company Disclosure, as at December 31, 2012

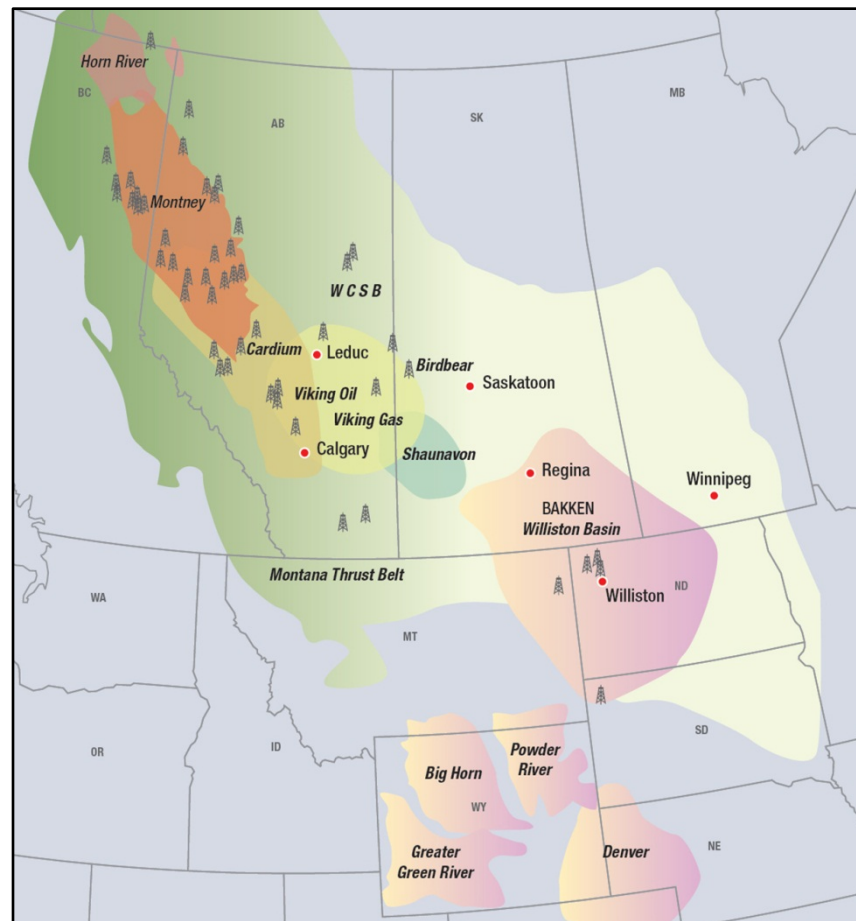


High Quality Customer Base in Key Resource Plays

2012 Revenue Composition by Customer

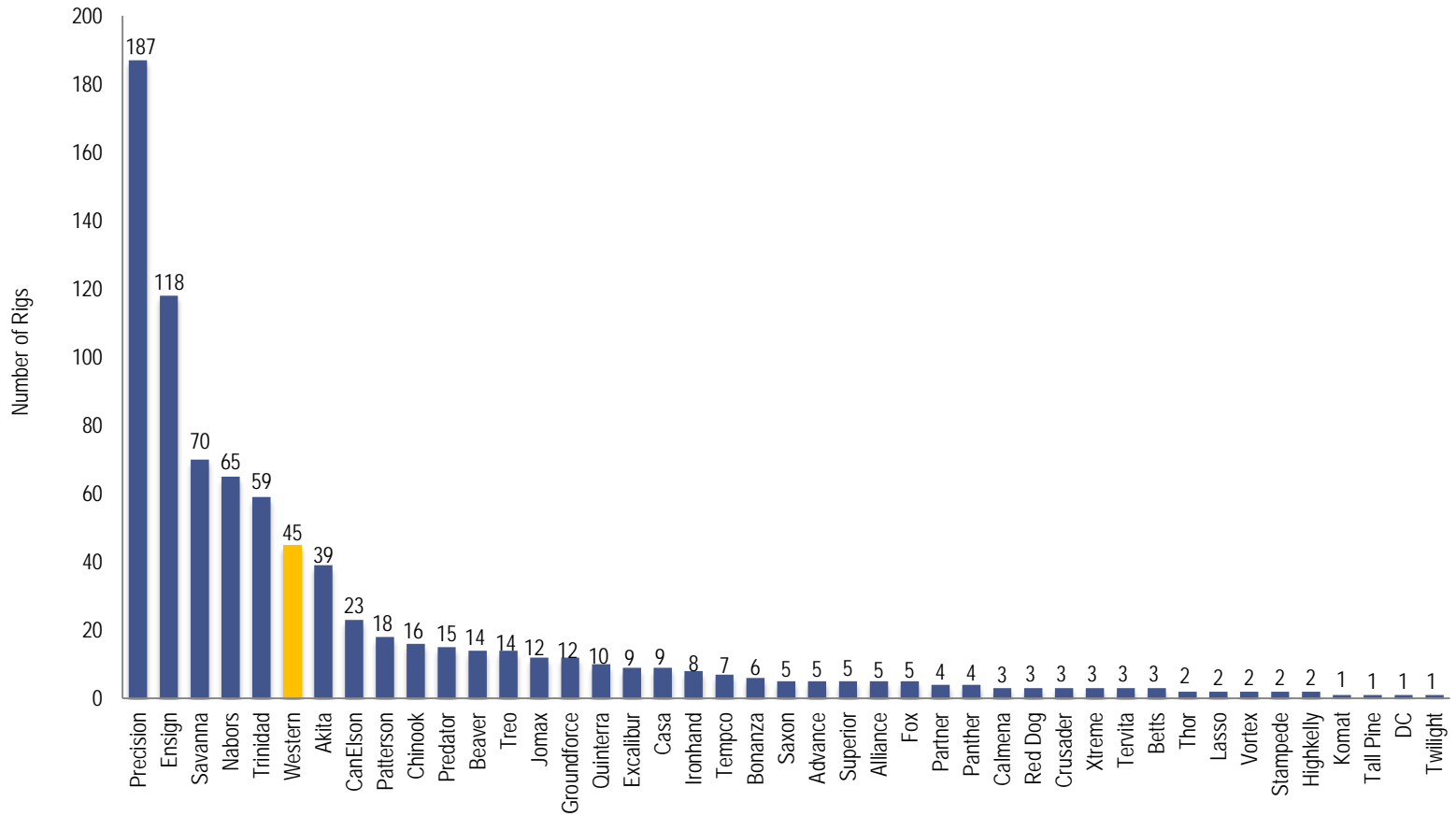


Geographic Composition of Western's Fleet



Sixth Largest Driller in the WCSB

Canadian Contract Drilling Participants



Source: Divestco Daily Rig Activity – March 6, 2013



Our Advantage

- ❑ Fit for purpose
 - ❑ Right load count
 - ❑ Move efficiently
- ❑ Adequate hook load (400,000 lbs. +)
 - ❑ Ability to rack enough pipe
- ❑ 95% of fleet has top drives
- ❑ Proper mud pumps 1,300 hp (1,000 hp minimum) – best pumping capabilities
- ❑ Ability to connect to Pad drilling as required
- ❑ Modern style – provides the ability to attract the best employees
- ❑ Flexibility on BOP make up – provides the ability to utilize manage pressure drilling technique
- ❑ Experience at drilling long reach horizontal/directional wells
 - ❑ Well trained, dedicated employees



Well Servicing



Matrix Well Servicing

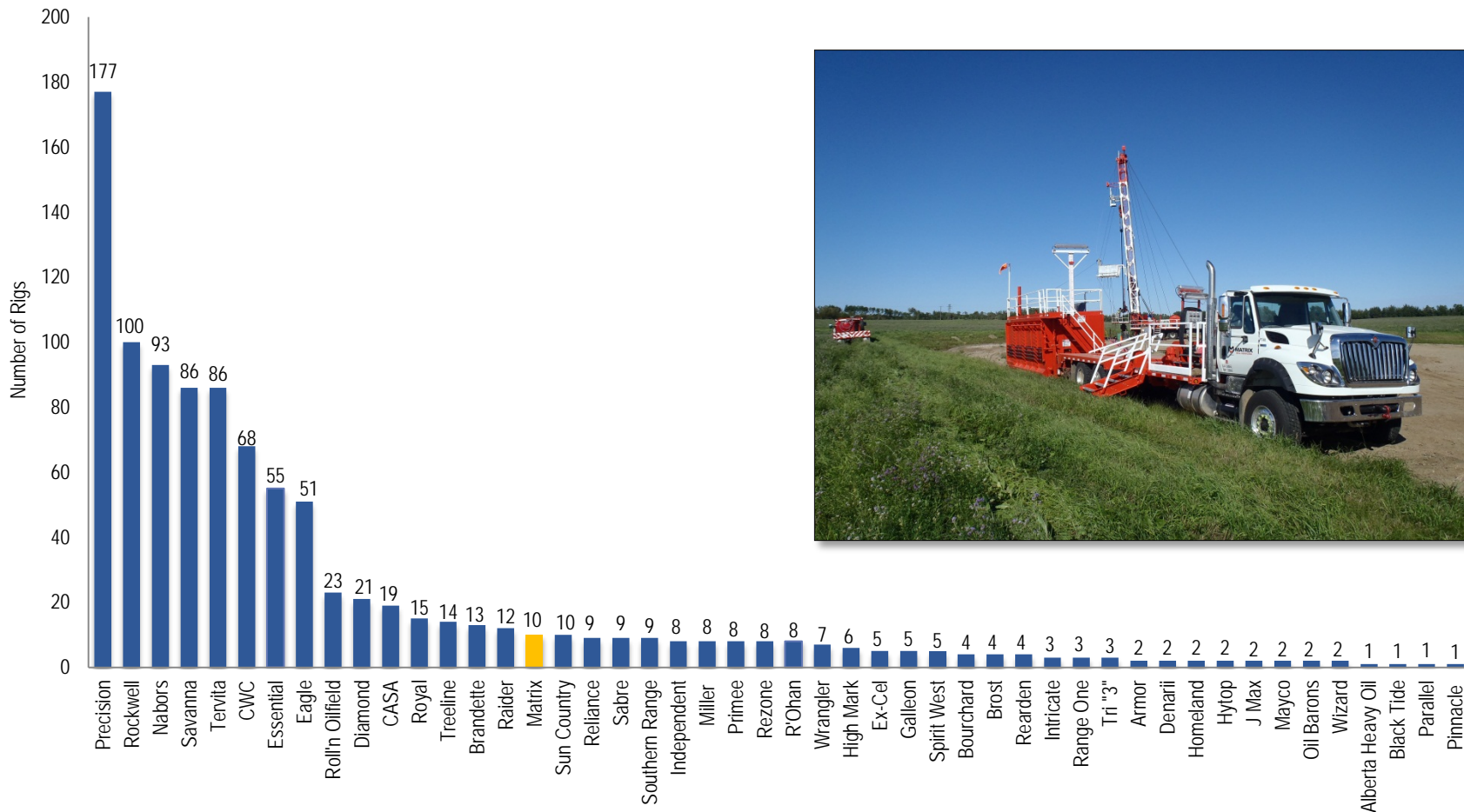


- ❑ Organic growth strategy to target opportunity in well servicing industry
 - ❑ Operations began in Q1 2012
 - ❑ Currently ten rigs deployed
- ❑ Initial operations are targeting heavy oil and conventional oil wells in Lloydminster area
 - ❑ Oil wells require significant service rig work
 - ❑ Large inventory of existing and new wells
 - ❑ Base of complementary customers
- ❑ Western rigs employ innovative design
 - ❑ Lower cost solution with smaller environmental footprint
 - ❑ Safer, quieter, efficient rigs with comprehensive product line capabilities



Service Rig Landscape in the WCSB

Canadian Well Servicing Participants



Source: Nickle's Rig Locator as at March 5, 2013



Matrix Well Servicing – Complete Service Rig Package





Market Update

- ❑ WCSB industry activity fundamentals remain solid for 2013 with a level of uncertainty
 - ❑ CAODC's forecasted annual operating days for 2013 is 118,401 which is down 5% from 124,595 days in 2012
 - ❑ Select producers taking proactive approach to challenging commodity price outlook and reducing 2013 capital budgets
 - ❑ E&P's reallocating capex and focusing on evaluating high return oil opportunities and liquids rich plays
- ❑ Western's activity is highly leveraged to oil drilling (approximately 85%)



Vision and Strategy

- ❑ Western's key initiatives over the next three years:
 - ❑ Continue to grow a superior fleet of contract drilling and well servicing rigs through acquisitions and organic growth
 - ❑ Increase our presence in the United States with focused growth in selected resource plays
 - ❑ Enter the Oilfield Equipment Rentals market
 - ❑ Continue to listen to customers to ensure our equipment meets their changing demands
 - ❑ To hire, develop and mentor employees to be the best oilfield service providers in both the drilling and service rig industry
 - ❑ Continue to be Shale centric
 - ❑ Stay financially flexible
 - ❑ Sustainable growth



Western's Formula for Growth

Focused Management Team

Experienced management team has history of prudent approach to growth



Focused Assets

Modern ELR™ deep drilling rig fleet and new design service rigs



Focused on Customers' Needs

Diverse blue chip customers



Exceptional Returns

Leading utilization rates, strong financial performance and cash flow stability



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Strategic Acquisition of IROC Energy Services Corp.



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In particular, this presentation makes reference to the Transaction and that: (a) upon completion of the Transaction, Western will be the 7th largest well servicing rig provider in Canada, (b) that the acquisition of IROC is anticipated to provide for a number of specified strategic benefits, (c) the anticipated growth in IROC's well servicing rig fleet, and (d) the anticipated closing of the Transaction. Readers are cautioned that there are a number of conditions that must be met, including the approval of the shareholders of IROC before the Transaction can be completed.

The forward looking information assumes the completion of the Transaction and there is no assurance that all of the conditions to the Transaction will be met and therefore there is a risk that the Transaction will not be completed and if completed the expected benefits may not materialize. As such, many factors could cause the performance or achievement of Western or IROC to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Because of the risks, uncertainties and assumptions contained herein, readers should not place undue reliance on these forward-looking statements.

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Combining Two Premier Oilfield Service Companies



- ❑ 6th largest drilling fleet in Canada.
- ❑ Experienced management team with a track record of success.
- ❑ Fleet of 50 high quality, modern drilling rigs, including 5 rigs in U.S., with an average age of 6 years.
- ❑ Efficient Long Reach (ELR) drilling rigs with robust drilling capabilities across resource plays.
- ❑ Above average utilization and day rates with strong systems and processes in place.
- ❑ 10 well servicing rigs.
- ❑ Diverse, blue-chip customer base.

Value

- ❑ Full cycle service provider with unparalleled modern fleet of drilling rigs, well servicing rigs and rental equipment.
- ❑ Reliability, horsepower, technical ability, and mobility to optimize returns in technically complex reservoirs.

Growth

- ❑ Well-positioned for growth across North American markets.
- ❑ Scale and scope to support growth.

Diversification

- ❑ Expanded operating segments across geographies with comprehensive resource play coverage.



- ❑ 7th largest well servicing rig provider in Canada.
- ❑ Superior growth and operational excellence driven by management strength and top-tier assets.
- ❑ Fleet of 51 modern well servicing rigs, with growth to 55 rigs by May 2013.
- ❑ Average age of fleet is 4.5 years.
- ❑ High margin rental division platform offering growth through geographic expansion.
- ❑ Majority of well servicing rig revenue is from workover of existing wells.
- ❑ Focus on oil production.



Transaction Overview

- ❑ Western will acquire all of the issued and outstanding shares of IROC in exchange for a combination of cash and Western common shares (the “Transaction”). Under the terms of the Transaction, IROC shareholders will, for each share held, receive at their election:
 - ❑ \$3.10 per share of IROC in cash (subject to an aggregate maximum cash component amount of \$62,834,400, plus an adjustment of \$3.10 for each IROC share issued pursuant to the exercise of IROC shareholder stock options prior to closing (the “Option Adjustment”) (the “Maximum Western Cash”)); or
 - ❑ 0.4063 of a common share of Western per share of IROC (subject to an aggregate maximum share consideration of 12,353,040 Western shares (the “Maximum Western Shares”)); or
 - ❑ \$1.24 per share of IROC in cash and 0.2438 of a common share of Western per share of IROC.
- ❑ Respective eligible board members have unanimously approved the Transaction.
- ❑ The Transaction requires approval by 66 2/3% of IROC shares voted at a special meeting of IROC shareholders.
 - ❑ Directors, officers and certain shareholders of IROC have agreed to vote their shares in favour of the Transaction and have entered into support agreements totaling 17.1% of IROC’s basic outstanding shares.
- ❑ Transaction is expected to close prior to the end of April 2013.



Strategic Rationale

- ❑ Gain critical mass in the well servicing rig business in Canada with best in class assets.
- ❑ Entrance into oilfield rentals with size and scale.
- ❑ Improved overall positioning with oil focused producers, therefore gaining a larger portion of oil focused capital expenditures.
 - ❑ IROC is ~80% focused on oil projects in Central Alberta, East Central Alberta and South East Saskatchewan.
- ❑ Reduces Western's cash flow volatility by substantially increasing Western's exposure to the production and maintenance segments of the oilfield services industry.
- ❑ Creates a more diverse fleet of well servicing rigs (singles, doubles and slants).
 - ❑ Provides opportunities in the deeper part of the WCSB.
 - ❑ Immediate access to slant work targeting completions and maintenance of SAGD wells.
- ❑ Provides significant opportunities for organic and acquisition based growth across Western's contract drilling, well servicing and rental platforms.

The Assets of IROC

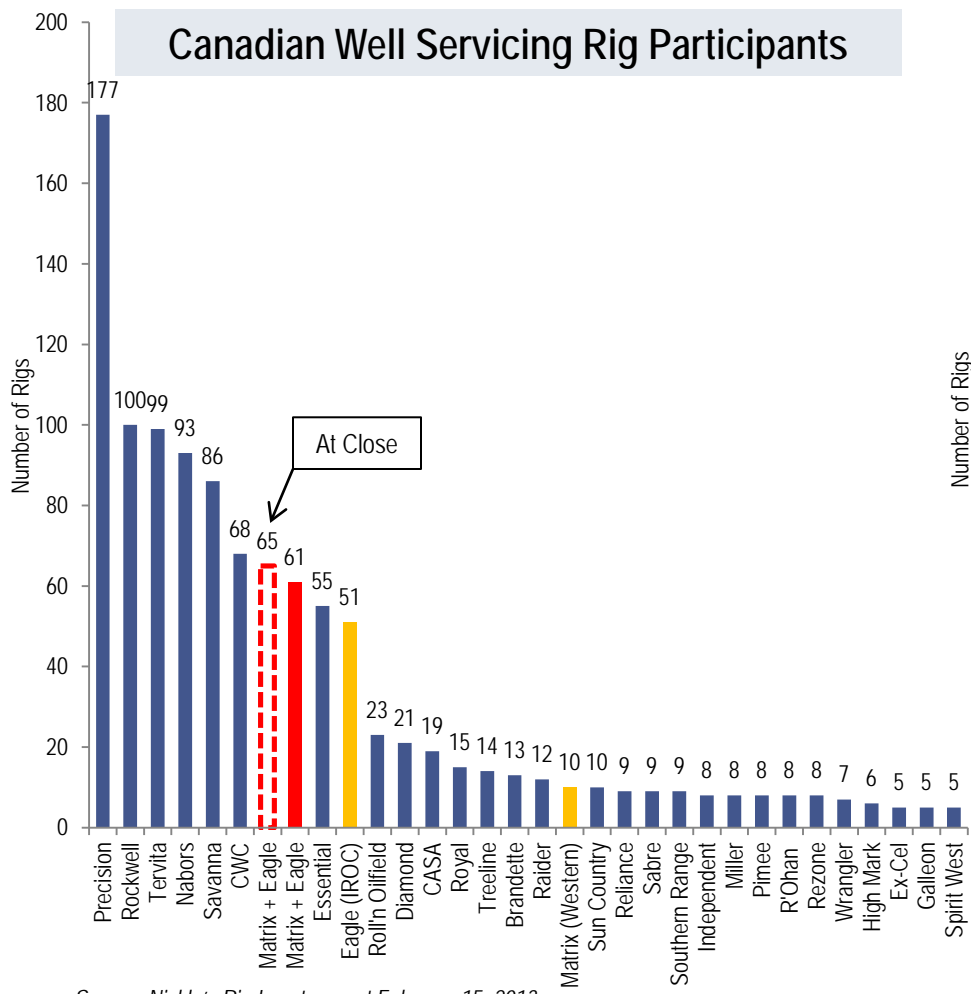
- ❑ Upon closing of the Transaction, Western will have added the following:
 - ❑ 55 well servicing rigs – 22 singles, 25 doubles, and 8 slants;
 - ❑ Average age of 4.5 years.
 - ❑ \$35.0 million of high margin drilling and completion rental equipment;
 - ❑ Surface pressure control, choke manifolds, power swivels, and tubular handling equipment for production, completion and re-entry operations.
 - ❑ 3 coil tubing units;
 - ❑ Two truck mounted units designed for medium depth Class II & Class III wells.
 - ❑ One deep-hole tractor/trailer mounted unit rated to depths of 4,200 m with 2" coil.
 - ❑ All coil tubing units were built in late-2011.





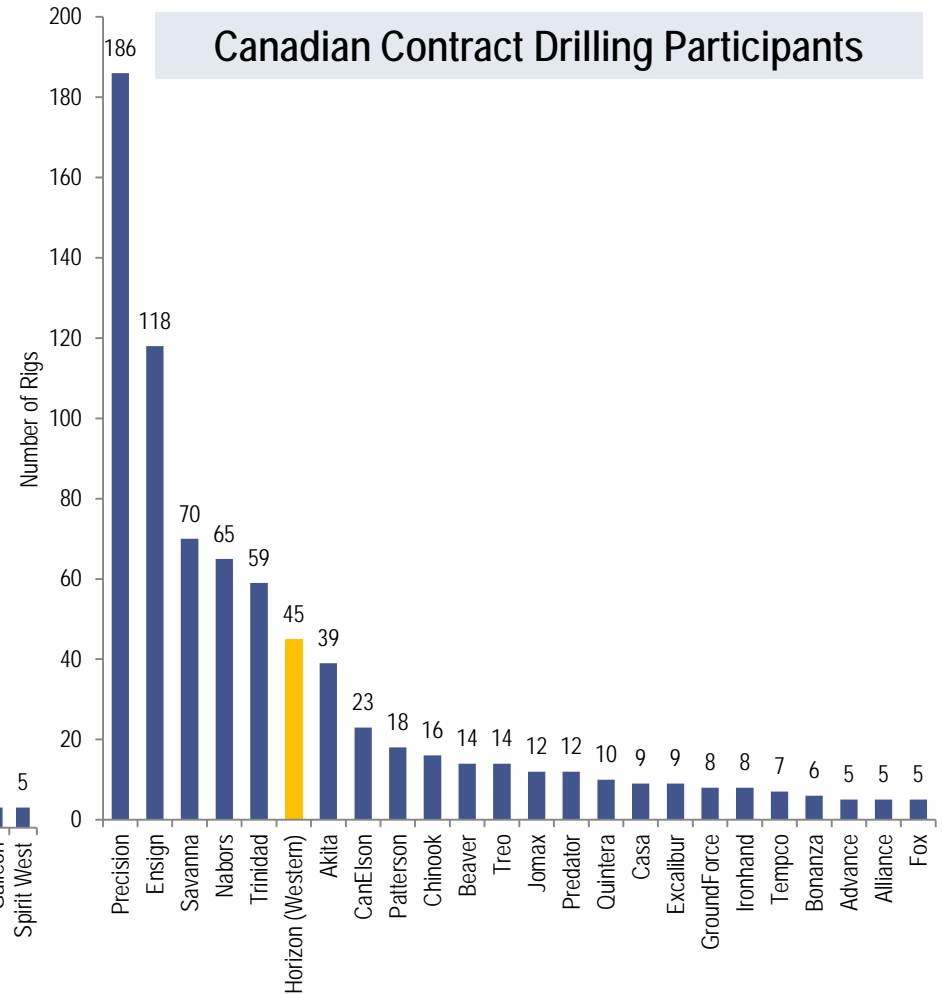
Major Oilfield Services Provider

Canadian Well Servicing Rig Participants



Source: Nickle's Rig Locator as at February 15, 2013.

Canadian Contract Drilling Participants

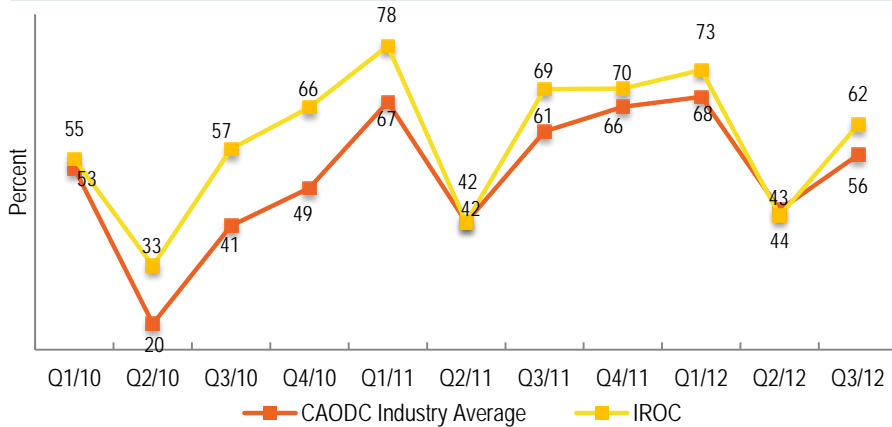


Source: Nickle's Rig Locator as at February 15, 2013.

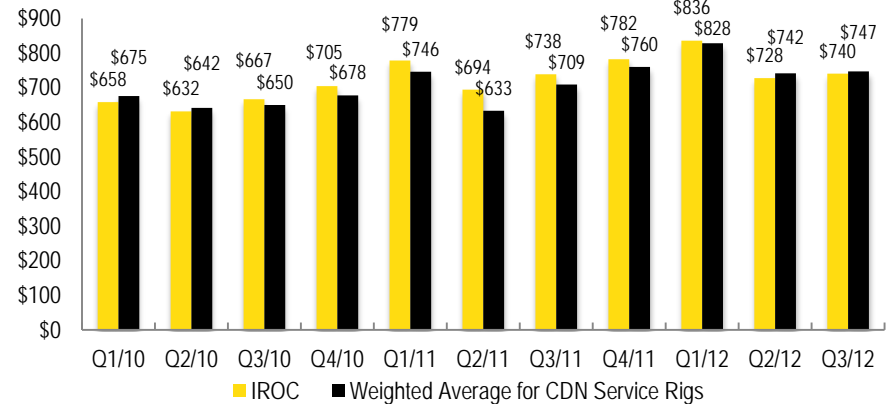
Combining Operational Excellence

Western's drilling rigs and IROC's well servicing rigs have realized above average utilization and industry leading day/hourly rates, signifying the quality of the respective fleets and operations

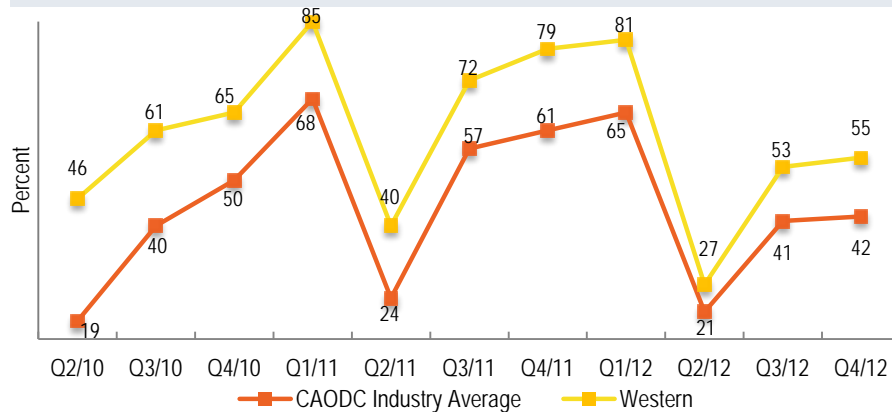
Canadian Well Servicing Rig Utilization Rates



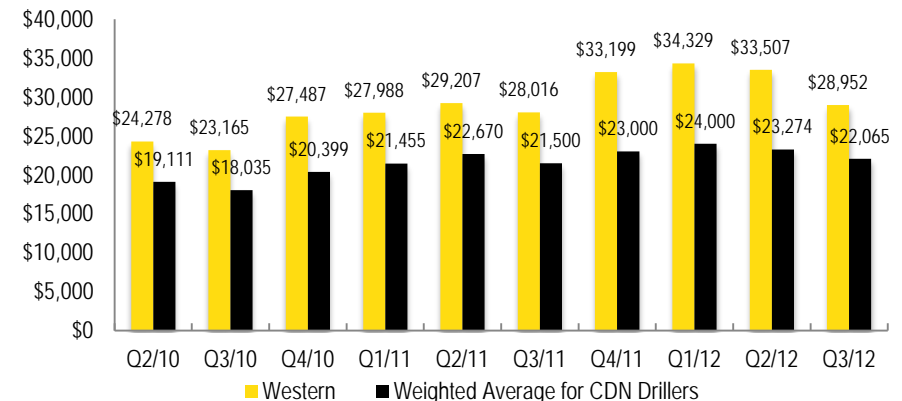
Canadian Well Servicing Rig Hourly Rates



Canadian Contract Drilling Utilization Rates



Canadian Contract Drilling Day Rates

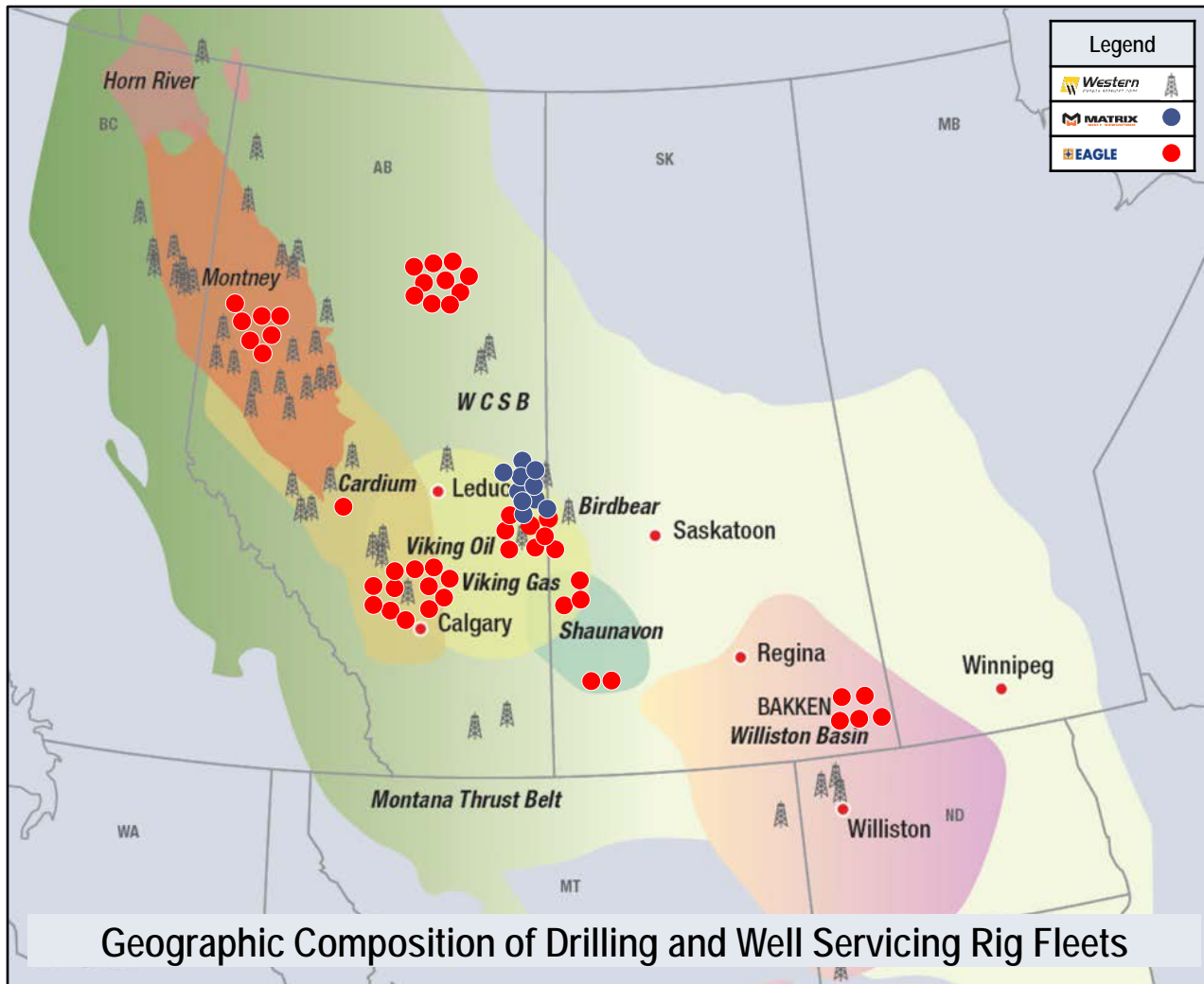


Source: Industry Research, CAODC.

Source: Industry Research, Company Disclosure, as at September 30, 2012.



Operations Focus on the Most Robust Resource Plays



Geographic Composition of Drilling and Well Servicing Rig Fleets



Summary

- ❑ Solidifies Western's position as a leading oilfield services company by combining its top-tier deep capacity fleet of drilling rigs with IROC's modern, high quality, and diversified fleet of well servicing rigs and oilfield rental equipment.
- ❑ Reduced cash flow volatility by increasing Western's exposure to the production and workover business.
- ❑ Size and scale in high margin oilfield rentals business.
- ❑ Material operational synergies expected to be realized over the next 12 months.
- ❑ Significant go forward growth opportunities in well servicing and rentals.



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