



WESTERN ENERGY SERVICES CORP.  
ANNOUNCES 2015 CAPITAL BUDGET AND NORMAL COURSE ISSUER BID

FOR IMMEDIATE RELEASE: December 15, 2014

CALGARY, ALBERTA - Western Energy Services Corp. (the "Company" or "Western") (TSX:WRG) is pleased to announce its planned 2015 capital expenditure budget and a Normal Course Issuer Bid (the "Bid").

**Capital Budget**

Western's planned 2015 capital expenditure budget is expected to total approximately \$64 million, which includes \$22 million in carry forward from Western's 2014 capital program, \$6 million in expansion capital, and \$36 million in maintenance capital.

The \$22 million of carry forward from Western's 2014 capital program relates to the completion of two 5,000m telescopic ELR double drilling rigs, one 6,000m ELR AC triple pad drilling rig and one slant well servicing rig. Due to the recent decline in commodity prices, and the potential for an extended downturn in oilfield service activity, one of the previously announced 6,000m ELR AC triple pad drilling rigs has been postponed.

The expansion capital of \$6 million relates to additional oilfield rental equipment for Western's division Aero Rental Services.

The maintenance capital of \$36 million includes \$27 million for the contract drilling segment and \$9 million for the production services segment. Included in the maintenance capital budget is \$6 million related to rotational equipment.

Western believes the 2015 capital budget provides a prudent use of cash resources and ensures that it continues to maintain its balance sheet flexibility allowing for the execution on strategic opportunities as they arise, or alternatively adjust downward if necessary should there be a prolonged downturn in oilfield service activity. This budget demonstrates the Company's commitment to maintaining Western's premier drilling and well servicing rig fleets while expanding Western's strategic presence in the oilfield rental equipment market. Western will continue to evaluate and expand its operations in a disciplined manner and make any required adjustments to its capital program as customer demand improves.

**Normal Course Issuer Bid**

The Company also announces that a Notice of Intention to make a Normal Course Issuer Bid, which has been approved by its Board of Directors (the "Board"), has been filed with and accepted by the Toronto Stock Exchange (the "TSX"). The Company's Board and management believe that the purchase by the Company of its outstanding Common Shares pursuant to the Bid constitutes an attractive and appropriate investment of corporate funds. The Company's Board and management further believe that market prices of the Common Shares do not properly reflect the underlying value of the Company's assets and business. The primary purposes of the Bid are to provide extra liquidity to shareholders of Western who wish to dispose of their Common Shares, and to enhance the potential future value of the Common Shares which remain outstanding.

Pursuant to the Bid, Western may purchase for cancellation up to 5,550,000 Common Shares in the capital of Western ("Common Shares"), which is 9.9% of Western's public float as at November 30, 2014. As of November 30, 2014, Western had 74.9 million issued and outstanding Common Shares. Pursuant to the rules of the TSX, the maximum number of Common Shares that the Company may purchase in any one day is 55,536 Common Shares or 25% of the Company's average daily trading volume of 222,145 Common Shares on the TSX. Western may also make one block purchase per calendar week which exceeds the daily purchase restriction. Any Common Shares purchased pursuant to the Bid will be cancelled by the Company.

The Bid will commence on December 17, 2014 and will terminate on the earlier of: (i) December 16, 2015; and (ii) the date on which the maximum number of Common Shares are purchased pursuant to the Bid. Purchases of Common Shares under the Bid will be effected through the facilities of the TSX or any other exchange designated by the Ontario Securities Commission for the purposes of section 101.2 of the *Securities Act* (Ontario) at the market price at the time of purchase.

Peters & Co. Limited ("Peters") has been appointed as the broker firm responsible for making purchases of Common Shares under the Bid on behalf of Western pursuant to an automatic purchase plan agreement dated December 15, 2014 between Western and Peters (the "APPA"). The APPA permits Peters to purchase Common Shares under the Bid during internal blackout periods when the Company would not be permitted to trade in its shares, including regularly scheduled quarterly blackout periods. Such purchases would be pursued at the sole discretion of Peters based on parameters established by Western prior to any blackout period in accordance with TSX rules, applicable securities laws and the terms of the agreement between the broker and Western.

#### **About Western Energy Services Corp.**

Western is an oilfield service company which provides contract drilling services in Canada through its division Horizon Drilling and in the United States through its wholly-owned subsidiary Stoneham Drilling Corporation. In Canada, Western also provides well servicing through its division Eagle Well Servicing and provides oilfield rental services through its division Aero Rental Services.

#### **Forward-Looking Statements and Information**

This press release contains certain statements or disclosures relating to Western that are based on the expectations of Western 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 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.

In particular, forward-looking information in this press release includes, but is not limited to, statements relating to Western's 2015 capital budget for maintenance and expansion capital, including the portion of the 2014 capital program being carried forward to 2015; the deployment into the field of certain drilling rigs and well servicing rigs; and the purchase of Common Shares under the Normal Course Issuer Bid.

Although Western believes that the expectations and assumptions on which such forward-looking statements and information are based on are reasonable, undue reliance should not be placed on the forward-looking statements and information as Western cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, general industry, economic, market and business conditions. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive. Additional information on risks, uncertainties, assumptions and other risk factors that could affect Western's operations and financial results are included in Western's annual information form which may be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com). The forward-looking statements and information contained in this press release are made as of the date hereof and Western does not undertake any obligation to update publicly or revise any forward-looking statements and information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

**For more information, please contact:**

**Alex R.N. MacAusland**  
President and CEO  
403.984.5932  
[amacausland@wesc.ca](mailto:amacausland@wesc.ca)

**Jeffrey K. Bowers**  
Senior VP Finance and CFO  
403.984.5933  
[jbowers@wesc.ca](mailto:jbowers@wesc.ca)

**Western Energy Services Corp.**  
1700, 215 – 9<sup>th</sup> Avenue SW  
Calgary, AB T2P 1K3  
Ph: 403.984.5916 Fax: 403.984.5917  
[www.wesc.ca](http://www.wesc.ca)