



**NOTICE OF ANNUAL AND SPECIAL MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
AND PROXY STATEMENT DATED MARCH 20, 2015**

**WITH RESPECT TO THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 7, 2015**

WESTERN ENERGY SERVICES CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual and Special Meeting (“**Western Meeting**”) of holders of common shares (“**Shareholders**”) of Western Energy Services Corp. (“**Western**”) will be held on the 7th day of May 2015 **in the McMurray Room at the Calgary Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta** at 3:00 p.m. (Calgary time) for the following purposes:

- (a) To receive and consider the audited financial statements of Western for the fiscal year ended December 31, 2014 and the auditor’s report on those statements;
- (b) To approve an ordinary resolution to fix the number of directors of Western to be elected at the Meeting for the ensuing year at five (5);
- (c) To elect the nominees to the board of directors of Western for the ensuing year, as set out in the Management Information Circular accompanying this Notice;
- (d) To appoint Deloitte LLP, of Calgary, Alberta, as auditor of Western for the ensuing year and to authorize the board of directors of Western to fix their remuneration;
- (e) To pass an ordinary resolution approving a restricted share unit plan for Western, as set out in the Management Information Circular accompanying this Notice; and
- (f) To transact such further and other business as may properly come before the Meeting or adjournment or adjournments thereof.

The details of all matters proposed to be put before Shareholders at the Western Meeting are set forth in the Information Circular. At the Western Meeting, shareholders will be asked to approve each of the foregoing items.

Only Shareholders of record at the close of business on March 20, 2015 are entitled to notice of and to attend the Western Meeting or any adjournment thereof and to vote thereat. **A Shareholder may attend the Western Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Western Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying Instrument of Proxy for use at the Western Meeting or any adjournment thereof. To be effective, the enclosed Instrument of Proxy must be mailed so as to reach or be deposited with the office of Valiant Trust Company at #310, 606 – 4th Street S.W., Calgary, Alberta T2P 1T1; Fax (403) 233-2857 Attention: Proxy Department, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Western Meeting or any adjournment thereof or with the Chairman of the Western Meeting prior to the commencement thereof.**

DATED at the City of Calgary, in the Province of Alberta this 20th of March, 2015.

BY ORDER OF THE BOARD OF DIRECTORS,



Jan M. Campbell
Corporate Secretary

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**MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD
MAY 7, 2015**

GENERAL –

Words importing the singular number, where the context requires, include the plural and vice versa and words importing any gender include all genders. In this Management Information Circular and Proxy Statement (“**Information Circular**”), unless otherwise noted, all dollar amounts are expressed in Canadian dollars. Information contained in this Information Circular is given as of March 20, 2015 unless otherwise stated.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Western Energy Services Corp. (the “Corporation” or “Western”) for use at the Annual and Special Meeting of holders of common shares (the “Common Shares”) of the Corporation (the “Western Meeting”) to be held on the 7th day of May, 2015 in the McMurray Room at the Calgary Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta at 3:00 p.m. (Calgary time) and at any adjournment(s) thereof of the Western Meeting, for the purposes set forth in the accompanying Notice of Meeting.

Accompanying this Information Circular (and filed with applicable securities regulatory authorities) is the form of Proxy (“**Instrument of Proxy**”) for use by holders of Common Shares of Western at the Western Meeting.

Proxies will be solicited by mail and may also be solicited personally, or by telephone or any form of electronic communication by directors or officers of Western, who will not be specifically remunerated therefore. The cost of solicitation by management of Western will be borne by Western. Western will pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting securities of Western (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Information Circular, the Notice of Meeting and Instruments of Proxy to the beneficial owners of such securities. Western will provide, without cost to such persons, upon request to Western, additional copies of the foregoing documents required for this purpose.

APPOINTMENT OF PROXIES

Holders of Common Shares of Western (“Shareholders”) who wish to be represented at the Western Meeting by proxy must complete and deliver the Instrument of Proxy, or another proper form of proxy to Valiant Trust Company in the manner set out in the Instrument of Proxy and described below. Shareholders are entitled to vote on all matters as described in the Instrument of Proxy. Each Shareholder has the right to appoint a person (who need not be a Shareholder), other than the persons designated by the Instrument of Proxy furnished by the Corporation to represent such Shareholder at the Western Meeting. To exercise this right, a Shareholder should strike out the names of the persons named in the proxy and insert the name of the other person in the blank space provided on the Instrument of Proxy. Alternatively, a Shareholder may complete another appropriate Instrument of Proxy. Such Shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and should provide instructions on how the Shareholder’s shares are to be voted. The nominee should bring personal identification with him or her to the Western Meeting. An Instrument of Proxy will not be valid unless it is deposited at the offices of Valiant Trust Company, Proxy Department, #310, 606 – 4th Street S.W., Calgary, Alberta T2P 1T1; Fax (403) 233-2857, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Western Meeting or any adjournment thereof. A proxy must be executed by the Shareholder or his attorney authorized in writing or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof, duly authorized. A proxy is valid only at the Western Meeting in respect of which it is given or any adjournment of the Western Meeting.

REVOCATION OF PROXIES

A Shareholder who has submitted an Instrument of Proxy may revoke it by an instrument in writing signed by the Shareholder or by an authorized attorney or, if the Shareholder is a corporation, by a duly authorized officer, and deposited either: (i) at the offices of Valiant Trust Company, Proxy Department, #310, 606 – 4th Street S.W., Calgary, Alberta T2P 1T1; Fax (403) 233-2857, at any time up to and including the last business day preceding the day of the Western Meeting or any adjournment thereof; or (ii) with the Chairman of the Western Meeting on the day of the Western Meeting or any adjournment thereof. In addition, an Instrument of Proxy may be revoked: (i) by

the Shareholder personally attending the Western Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a representative of the corporation attending the Western Meeting and voting such securities; or (ii) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXYHOLDERS

The persons named in the Instrument of Proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. In the absence of such direction, such Common Shares will be voted, **FOR** the approval of setting the number of directors at five (5), **FOR** the approval of the election of the nominees hereinafter set forth as directors of Western, **FOR** the appointment of Deloitte LLP as auditor of the Corporation, and **FOR** the ordinary resolution approving a restricted share unit (“**RSU**”) plan for Western. **The enclosed Instrument of Proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations in the matters outlined in the accompanying Notice of Meeting or any other business which may properly come before the Western Meeting. The management of the Corporation knows of no such amendments, variations or other business to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not known to the management of Western should properly come before the Western Meeting, the Instrument of Proxy given pursuant to the solicitation by management of Western will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

SIGNING OF PROXY

The Instrument of Proxy must be signed by the Shareholder or his duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate shareholder) should indicate that person’s capacity (following his signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Western).

Voting by Internet

Shareholders may use the internet site at www.valianttrust.com to transmit their voting instructions. Shareholders should have the Instrument of Proxy in hand when they access the web site. Shareholders will be prompted to enter their Control Number, which is located on the Instrument of Proxy. If Shareholders wish to vote by internet, your vote must be received not later than 48 hours prior to the time set for the Western Meeting or any adjournment of the Western Meeting. **The website may be used to appoint a proxyholder to attend and vote on a Shareholder’s behalf at the Western Meeting and to convey a Shareholder’s voting instructions. Please note that if a Shareholder appoints a proxyholder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

VOTING SECURITIES AND PRINCIPAL HOLDERS OF SECURITIES

Voting of Common Shares – General

The authorized share capital of Western consists of an unlimited number of Common Shares and an unlimited number of preferred shares of Western (“**Preferred Shares**”). As at March 20, 2015, the Corporation had 74,685,528 Common Shares issued and outstanding and no Preferred Shares issued and outstanding. Each Common Share carries the right to one vote at meetings of the Shareholders of Western. Only persons registered as holders of Common Shares in the Corporation as of the close of business on March 20, 2015, (the “**Record Date**”), are entitled to receive notice of and to vote at the Western Meeting, except to the extent that (a) the holder has transferred the ownership of any of his or her Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares, and demands not later than ten (10) days before the day of the Western Meeting that his or her name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his or her Common Shares at the Western Meeting.

A quorum of Shareholders is present at a meeting of Shareholders if at least two (2) persons are present holding or representing not less than five (5%) percent of the Common Shares entitled to be voted at the Meeting.

Advice to Non-Registered Holders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold their Common Shares in their own name. Only registered Shareholders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Western Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “Non-Registered Holder”) are in the name of a clearing agency (such as CDS & Co., the registration name for the Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms.) who is holding such shares on behalf of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include securities dealers, or brokers, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans. If Common Shares are listed in a statement provided to a Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholders’ name.

In accordance with Canadian Securities legislation, Western has distributed copies of the Notice of the Western Meeting, this Information Circular and the Instruments of Proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Common Shares held by an Intermediary (or their agents and nominees) can only be voted or withheld at the direction of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting securities for the Non-Registered Holder. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Financial Solutions Inc. in Canada) to forward meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will have received, in addition to this Information Circular, either a request for voting instructions or a form of proxy for the number of Common Shares held by the Non-Registered Holder along with instructions with respect to voting. The purpose of the form of proxy supplied to a Non-registered Holder is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Holder.

Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies to direct the voting of the Common Shares they beneficially own.

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Western Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set above.

Principal Holders of Shares

As of the date of this Information Circular, the directors and officers of Western are not aware of anyone who beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of Western entitled to be voted at the Western Meeting except as set forth in the following table, which is based on publicly available information:

Name of Shareholder and Municipality of Residence	Securities Owned, Controlled or Directed ⁽¹⁾	Percentage of the Class of Outstanding Voting Securities of the Corporation ⁽²⁾
Franklin Resources, Inc. (“Franklin Templeton”) San Mateo, California USA ⁽¹⁾⁽²⁾	10,983,379	14.71%

Notes:

(1) Based on 74,685,528 issued and outstanding Common Shares of Western as at March 20, 2015.

(2) Based on publicly available information whereby as at January 30, 2015 Franklin Templeton reported (pursuant to the Early Warning System – Alternative Monthly Report filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”)) that it held 10,983,379 Common Shares of Western.

FINANCIAL STATEMENTS

Western will submit to the Shareholders at the Western Meeting the audited consolidated financial statements of Western for the financial years ended December 31, 2014 and 2013 and the auditor’s report thereon. No vote by the Shareholders with respect to these matters is required. National Instrument 51-102, Continuous Disclosure Obligations, (“Instrument”) provides that Western is no longer required to send annual or interim financial statements or the management’s discussion and analysis relating thereto to its registered and beneficial Shareholders unless they request copies of same. However, the *Business Corporations Act* (Alberta) requires that annual financial

statements be sent to each registered Shareholder unless waived in writing by the registered Shareholder. The Instrument also provides that Western must send annually a request form to its registered and beneficial Shareholders that may be used by such shareholders to request any or all of the annual and interim financial statements and the management's discussion and analysis relating thereto. Shareholders are encouraged to review and, if action is desired, send the enclosed return cards to Valiant Trust Company, Proxy Department, #310, 606 – 4th Street S.W., Calgary, Alberta T2P 1T1; Fax (403) 233-2857.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Number of Directors

The Articles of the Corporation provide that the board of directors of the Corporation (the “**Board**” or the “**Board of Directors**”) shall consist of not less than one (1) and not more than fifteen (15) persons. Shareholders will be asked to approve an ordinary resolution fixing the number of directors of Western for the ensuing year, at five (5).

It is the intention of the persons named in the Instruments of Proxy, if not expressly directed otherwise in such Instruments of Proxy, to vote such proxies FOR the ordinary resolution fixing the number of directors of Western at five (5).

2. Election of Directors

The affairs of the Corporation are managed by a Board who are elected annually for a one (1) year term at each annual meeting of Shareholders and who hold office until the next annual meeting, or until their successors are duly elected or appointed or, until a director vacates his office or is replaced in accordance with the by-laws of the Corporation. The following persons are proposed to be nominated for election as directors of Western at the Western Meeting. The Board has concluded that each nominee is well qualified to serve on Western's Board. The nominees have the relevant expertise essential to ensure appropriate strategic direction and oversight. Each director nominee has confirmed his eligibility and willingness to serve as a director if elected. The enclosed form of proxy or voting instruction form provides for the shareholders to vote for each director individually. In addition, the Corporation has adopted a majority director voting policy, described below.

Majority Voting

The Board has adopted an individual voting standard for the election of directors. Under such individual voting standard, in the event that any nominee for election receives more “withheld” votes than “for” votes at any meeting at which shareholders vote on the uncontested election of directors, the nominee shall forthwith submit his or her resignation to take effect immediately upon acceptance by the Board. It is anticipated that any decisions necessitated in the circumstances outlined in the preceding sentence will be made within 90 days, and the Board may fill any vacancy created thereby.

Nominees for Election to the Board

Lorne A. Gartner	Alex R.N. MacAusland	John R. Rooney
Donald D. Copeland	Ronald P. Mathison	

The following table sets forth, for each proposed director: their name, age, municipality, province or state and country of residence; their committee memberships; all positions and offices with Western now held by them; the period during which they have served as a director; other public company board memberships; their principal occupation for the last 5 years along with a brief biography; and the number and percentage of Common Shares that they have advised are beneficially owned, controlled or directed by them, directly or indirectly, as of March 20, 2015:

Donald D. Copeland⁽¹⁾⁽²⁾

Age: 62

Victoria, B.C. Canada

Director since June 17, 2011

Independent⁽³⁾

Mr. Copeland is an independent businessman. Prior to joining Western's Board, Mr. Copeland was the Chairman of Stoneham Drilling Trust. Previously, he founded and served as the CEO and Chairman of a number of oil and gas corporations, both in the producing sector and oilfield services sector of the industry. He has served on the boards of numerous oil and gas industry corporations. Mr. Copeland received a Bachelor of Science degree in Chemical Engineering from the University of Calgary. He is a graduate of the Director's Education Program sponsored by the Institute of Corporate Directors.

Areas of Expertise

- Operational Management (CEO/Senior Officer)
- Environment, Health and Safety
- Corporate Governance/Board Member
- Sales and Marketing
- Mergers and Acquisitions
- Engineering
- Capital/Financial Markets
- Human Resource Management
- Legal Obligations/Requirements

2014 Board/Committee Membership		Attendance at Meetings during 2014				
	Board	7 of 7			100%	
	Corporate Governance and Compensation	6 of 6			100%	
	Health, Safety and Environment	4 of 4			100%	
Other Public Company Board Memberships		Public Board Interlocks				
	Toscana Energy Income Corporation				None	
Securities Held						
Common Shares	Percentage ⁽⁴⁾	Total Market Value of Common Shares ⁽⁵⁾				
749,910	1.00%	\$4,221,993				
Stock Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options ⁽⁶⁾	
Nov 25/11	Nov 24/16	20,000	\$7.41	20,000	Nil	
Dec 7/12	Dec 6/17	10,000	\$6.63	10,000	Nil	
Feb 11/14	Feb 10/19	10,000	\$7.76	10,000	Nil	
RSUs Held						
Date Granted	Expiry Date	Outstanding	Value of Outstanding RSUs ⁽⁷⁾			
Aug 15/14	Aug 14/19	6,138	\$34,557			
Voting Results of 2014 Annual and Special Meeting		Votes For	Votes Withheld	Total Votes Cast		
		53,488,647	97.7%	1,263,394	2.3%	54,752,041

Lorne A. Gartner⁽⁸⁾

Age: 67

Calgary, Alberta Canada

Director since June 16, 2011

Independent⁽³⁾

Mr. Gartner is an independent businessman. Formerly, Mr. Gartner was the Managing Director of Royal Bank of Canada Capital Markets, a position he held from 2000 to 2006. Prior to that time, Mr. Gartner was a Vice President of Royal Bank of Canada, Calgary Energy Group.

Areas of Expertise

- Capital Financial Markets
- Financial and Accounting
- Commercial Banking
- Corporate Governance/Board Member
- Mergers and Acquisitions
- International Business Experience
- Operational Management (CEO/Senior Officer)
- Human Resource Management
- Labour Relations
- Environmental, Health and Safety

2014 Board/Committee Membership		Attendance at Meetings during 2014				
	Board	7 of 7			100%	
	Audit	4 of 4			100%	
Other Public Company Board Memberships		Public Board Interlocks				
	Calfrac Well Services Ltd.	Mr. Gartner and Mr. Mathison are both members of the board of Calfrac Well Services Ltd. and Tesla Exploration Ltd.				
	Tesla Exploration Ltd.					
Securities Held						
Common Shares	Percentage ⁽⁴⁾	Total Market Value of Common Shares ⁽⁵⁾				
77,791	0.10%	\$437,963				
Stock Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options ⁽⁶⁾	
Nov 25/11	Nov 24/16	20,000	\$7.41	20,000	Nil	
Dec 7/12	Dec 6/17	10,000	\$6.63	10,000	Nil	
Feb 11/14	Feb 10/19	10,000	\$7.76	10,000	Nil	
RSUs Held						
Date Granted	Expiry Date	Outstanding	Value of Outstanding RSUs ⁽⁷⁾			
Aug 15/14	Aug 14/19	6,138	\$34,557			
Voting Results of 2014 Annual and Special Meeting		Votes For	Votes Withheld	Total Votes Cast		
		51,520,747	94.1%	3,222,294	5.9%	54,752,041

Alex R.N. MacAusland⁽¹⁾
 Age: 46
 Calgary, Alberta
 Canada
 Director since
 December 1, 2013
 Not Independent⁽⁹⁾

Mr. MacAusland, a founder of Western, has over 23 years of management and operational experience in the oilfield services industry in western Canada and the United States. Prior to being appointed President and Chief Executive Officer of Western on December 1, 2013, Mr. MacAusland was the President and Chief Operating Officer of Western from December 8, 2009 to December 1, 2013. Prior thereto, Mr. MacAusland was the President and CEO of Horizon Drilling Inc., a western Canadian based contract drilling provider, from 2008 until 2009. Prior to that Mr. MacAusland was the Senior Vice President of IROC Energy Services Corp., overseeing Eagle Well Servicing, Mission Drilling and Aero Rentals from 2006 until 2008. Prior to that, Mr. MacAusland was at Precision Drilling Corporation for 15 years in various capacities including Rig Manager and Contract Sales, followed by General Manager and then Vice President Operations responsible for Precision's well servicing rig fleet, snubbing, camp and catering divisions. Mr. MacAusland holds a Bachelors degree in Political Science and Economics from St. Thomas University.

Areas of Expertise

- Operational Management (CEO/Senior Officer)
- Environment, Health and Safety
- Sales and Marketing
- Mergers and Acquisitions

2014 Board/Committee Memberships			Attendance at Meetings during 2014			
	Board		7 of 7		100%	
	Health, Safety and Environment		4 of 4		100%	
Other Public Company Board Memberships			Public Board Interlocks			
	None				None	
Securities Held						
Common Shares		Percentage ⁽⁴⁾		Total Market Value of Common Shares ⁽⁵⁾		
	883,951		1.18%		\$4,976,644	
Stock Options Held ⁽¹⁰⁾						
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options ⁽⁶⁾	
Aug 12/11	Aug 11/16	30,000	\$8.75	30,000	Nil	
Dec 7/12	Dec 6/17	30,000	\$6.63	30,000	Nil	
Feb 11/14	Feb 10/19	200,000	\$7.76	200,000	Nil	
Aug 15/14	Aug 14/19	160,000	\$10.06	160,000	Nil	
RSUs Held ⁽¹¹⁾						
Date Granted	Expiry Date	Outstanding		Value of Outstanding RSUs ⁽⁷⁾		
Aug 15/14	Aug 14/19	13,300		\$74,879		
Voting Results of 2014 Annual and Special Meeting		Votes For		Votes Withheld		Total Votes Cast
		53,647,081 98.0%		1,104,960 2.0%		54,752,041

Ronald P. Mathison
 Age: 58
 Calgary, Alberta
 Canada
 Director since
 December 17, 2010
 Independent⁽³⁾

Mr. Mathison is the President and Chief Executive Officer of Matco Investments Ltd. and Matco Capital Ltd., private investment firms which specialize in providing capital and management expertise to companies in which they have an interest. Mr. Mathison has extensive experience in restructuring and financing corporations in both the public and private markets and is founder and Chairman of Calfrac Well Services Ltd. and Tesla Exploration Ltd. Until 2000, Mr. Mathison was a director and principal of Peters & Co. Limited, an investment firm specializing in the oil and natural gas industry. Prior thereto, Mr. Mathison and two other individuals formed the nucleus of Peters & Co. Capital, a private merchant banking equity firm that is widely associated with numerous restructurings of oil and natural gas exploration and production companies and oilfield service companies. Mr. Mathison received a Bachelor of Commerce degree (Hons) from the University of Manitoba and has earned Chartered Accountant, Chartered Business Valuator, and Chartered Financial Analyst designations.

Areas of Expertise

- Capital Financial Markets
- Financial and Accounting
- Mergers and Acquisitions
- Corporate Governance/ Board Member
- Operational Management (CEO/Senior Officer)
- Compensation

2014 Board/Committee Memberships			Attendance at Meetings during 2014			
	Board		6 of 7		86%	
	Audit ⁽¹¹⁾		1 of 2		50%	
Other Public Company Board Memberships			Public Board Interlocks			
	Calfrac Well Services Ltd.		Mr. Mathison and Mr. Gartner are both members of the board			
	CMQ Resources Inc.		Calfrac Well Services Ltd. and Tesla Exploration Ltd.			
	Tesla Exploration Ltd.					
	Yellowhead Mining Inc.					
Securities Held						
Common Shares		Percentage ⁽⁴⁾		Total Market Value of Common Shares ⁽⁵⁾		
	7,336,255		9.82%		\$41,303,116	
Stock Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options ⁽⁶⁾	
Nov 25/11	Nov 24/16	20,000	\$7.41	20,000	Nil	
Dec 7/12	Dec 6/17	10,000	\$6.63	10,000	Nil	
Feb 11/14	Feb 10/19	10,000	\$7.76	10,000	Nil	
RSUs Held						
Date Granted	Expiry Date	Outstanding		Value of Outstanding RSUs ⁽⁷⁾		
Aug 15/14	Aug 14/19	8,184		\$46,076		
Voting Results of 2014 Annual and Special Meeting		Votes For		Votes Withheld		Total Votes Cast
		53,172,498 97.1%		1,579,543 2.9%		54,752,041

John R. Rooney⁽²⁾⁽⁸⁾
Age: 58
Calgary, Alberta Canada
Director since
December 22, 2009
Independent⁽³⁾

Mr. Rooney is the Chairman and CEO of Northern Blizzard Resources Inc., a publicly traded oil and gas company, since November 2009. From December 2007 to April 2009, Mr. Rooney was the CEO of TUSK Energy Inc. From 2005 to 2007, Mr. Rooney was the President and CEO of Zenas Energy Inc. Mr. Rooney is a Chartered Accountant and a Chartered Business Valuator.

Areas of Expertise

- Operational Management (CEO/Senior Officer)
- Capital Financial Markets
- Financial and Accounting
- Corporate Governance/Board Member
- Mergers and Acquisitions
- International Business Experience
- Compensation
- Commercial Banking
- Human Resource Management
- Labour Relations
- Environment, Health and Safety
- Legal Obligations/Requirements

2014 Board/Committee Memberships		Attendance at Meetings during 2014				
	Board	6 of 7	86%			
	Audit	3 of 4	75%			
	Corporate Governance and Compensation	5 of 6	83%			
Other Public Company Board Memberships		Public Board Interlocks				
	None	None				
Securities Held ⁽¹²⁾						
Common Shares		Percentage ⁽⁴⁾	Total Market Value of Common Shares ⁽⁵⁾			
	500,000	0.67%	\$2,815,000			
Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Options ⁽⁶⁾	
Mar 22/10	Mar 21/15	50,000	\$5.70	50,000	Nil	
Nov 25/11	Nov 25/16	20,000	\$7.41	20,000	Nil	
Dec 7/12	Dec 6/17	10,000	\$6.63	10,000	Nil	
Feb 11/14	Feb 10/19	10,000	\$7.76	10,000	Nil	
RSUs Held						
Date Granted	Expiry Date	Outstanding	Value of Outstanding RSUs ⁽⁷⁾			
Aug 15/14	Aug 14/19	6,138	\$34,557			
Voting Results of 2014 Annual and Special Meeting		Votes For	Votes Withheld	Total Votes Cast		
		53,498,171	97.7%	1,253,870	2.3%	54,752,041

Notes:

- (1) Member of the Health, Safety and Environment Committee.
- (2) Member of the Corporate Governance and Compensation Committee.
- (3) "Independent" refers to the standards of independence set forth within Section 1.4 of National Instrument 52-110 *Audit Committees*.
- (4) Percentage of Common Shares beneficially owned is calculated based on an aggregate of 74,685,528 Common Shares outstanding as of March 20, 2015.
- (5) Total Market Value of Common Shares was determined by multiplying the number of Common Shares held by each director nominee as of March 20, 2015 by \$5.63, which was the closing price of the Common Shares on the TSX on that date.
- (6) Based the difference between the March 20, 2015 closing price on the TSX of the Common Shares of \$5.63 per share and the grant price of the Stock Option.
- (7) Value of the Outstanding RSUs was determined by multiplying the number of RSUs held by each director nominee as of March 20, 2015 by \$5.63, which was the closing price of Common Shares on the TSX on that date.
- (8) Member of the Audit Committee.
- (9) Mr. MacAusland is not independent as he is the President and CEO of the Corporation.
- (10) Mr. MacAusland was granted Stock Options and RSUs for serving as an officer of the Corporation.
- (11) Mr. Mathison was a member of the Audit Committee from January 1, 2014 to May 6, 2014. Mr. Mathison attended one of the two Audit Committee meetings held during that time.
- (12) In addition, Mr. Rooney has \$500,000, 7 7/8% Senior Notes due January 30, 2019.

It is the intention of the persons named in the Instruments of Proxy, if not expressly directed otherwise in such Instruments of Proxy, to vote such proxies FOR the election of the nominees described above as directors of Western. It is not contemplated that nominees will be unable to serve as directors, but, if that should occur for any reason prior to the Western Meeting, the persons named in the enclosed Instrument of Proxy reserve the right to vote for other nominees at their discretion.

As at March 20, 2015, the directors and officers of Western, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 11,172,325 Common Shares, or approximately 14.96% of the issued and outstanding Common Shares of Western, based on 74,685,528 issued and outstanding Common Shares. As at March 20, 2015, the directors and officers of Western, as a group, have outstanding options to purchase 2,260,434 Common Shares of Western and have 98,211 outstanding RSUs.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set forth below, none of the proposed directors is, or has been in the last 10 years: (a) a director, chief executive officer or chief financial officer of any company (including Western) that: (i) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in that capacity; or (ii) was subject to a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (b) a director or executive officer of any company (including Western) that, while that proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Mathison indirectly holds a controlling interest in Riverside Quays Limited Partnership ("**RQLP**") a private Alberta limited partnership that was involved in the construction of and sale of a 700-unit condominium project in Calgary, Alberta. Mr. Mathison is a director of Statesman Riverside Quays Ltd. ("**SRQL**"), the former general partner of RQLP. SRQL, without Mr. Mathison's authorization or approval, caused RQLP to default on its loan obligations to its lender and, on December 15, 2010, the lender obtained a court order appointing a receiver of SRQL and RQLP. Mr. Mathison subsequently arranged for the full payout of the loan to RQLP's lender and for the appointment of a new general partner of RQLP. The receiver of SRQL and RQLP was discharged.

None of the proposed directors has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver manager or trustee appointed to hold his assets.

No proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security-holder in deciding whether to vote for a proposed director.

3. Appointment of the Auditor

The Shareholders will consider an ordinary resolution to appoint the firm of Deloitte LLP, Calgary, Alberta, to serve as auditor of Western until the next annual meeting of the Shareholders and to authorize the board of directors of Western to fix their remuneration. Deloitte LLP has been the auditor of Western since January 12, 2010. Should Deloitte LLP for any reason be unwilling or unable to accept re-appointment, Western's Board of Directors will exercise their discretion to appoint an alternate auditor.

It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies FOR the appointment of Deloitte LLP as auditor of Western.

4. Approval of a Restricted Share Unit Plan

At the Meeting, Shareholders will be asked to pass an ordinary resolution approving the adoption of the Restricted Share Unit Plan (the "**RSU Plan**"), a summary of which is set forth below, and previous grants of RSUs to certain directors, officers, employees and consultants, the particulars of which are set forth below.

The Board of Directors conditionally approved the RSU Plan on July 30, 2014, subject to the receipt of Shareholder and regulatory approval. If approved at the Meeting, the RSU Plan will come into effect immediately following the Meeting.

Number of RSUs Outstanding

As at March 20, 2015, 294,186 RSUs are outstanding under the RSU Plan (the "**Existing RSUs**"). The Existing RSUs were granted to certain directors, officers, employees and consultants as set forth in the below table. The Existing RSUs and the RSU Plan are subject to approval by Shareholders at the Western Meeting.

RSUs Granted To	Date Granted	Number of RSUs Granted ⁽¹⁾⁽²⁾
Directors	August 15, 2014	32,737
Officers	August 15, 2014	65,475
Employees	August 15, 2014	184,711
Employees	October 1, 2014	4,313
Employees	January 1, 2015	6,950
TOTAL		294,186

Note:

(1) Subject to shareholder approval and Board discretion, settlement of RSUs can be either treasury settled; shares purchased in the market; cash settled; or a combination thereof.

(2) Includes RSUs issued as dividends.

The RSU Plan

Background

The following is a summary of the principal terms of the RSU Plan, which is qualified in its entirety by the terms of the RSU Plan, attached to the Information Circular as Schedule "A".

Purpose

The purpose of the RSU Plan is to: (i) strengthen the ability of the Corporation and its affiliates to attract and retain qualified directors, officers, employees and consultants of the Corporation ("**Eligible Participants**"); (ii) align the interests of Eligible Participants with the interests of the Shareholders; and (iii) focus management of the Corporation on operating and financial performance and total long-term Shareholder return by providing an increased incentive to contribute to the Corporation's growth and profitability.

Compensation under the RSU Plan

The RSU Plan provides for the issuance of RSUs. An RSU award entitles the grantee thereof to receive, on each applicable vesting date, either: (i) at the election of the Board (or any committee of the Board delegated responsibility for the RSU Plan) (either the Board or such committee of the Board referred to as the "**Committee**") (A) the number of Common Shares deliverable on such vesting date pursuant to the terms of the RSU grant or (B) such lesser number of Common Shares as the Committee may determine in partial satisfaction of the number of Common Shares deliverable on such vesting date pursuant to the terms of the RSU grant; and (ii) unless the Committee determines to issue, in full settlement therefore, Common Shares on such vesting date in respect of an RSU award, a cash payment equal to the Fair Market Value (as such term is defined in the RSU Plan, determined on the basis of a five day volume weighted average) of a Share on such vesting date multiplied by the number of RSUs that vest to the grantee on such vesting date.

The Committee may consider the following factors in making RSU awards: (i) compensation data for comparable benchmark positions among the Corporation's competitors; (ii) the duties and seniority of the Eligible Participant; (iii) the performance of the Eligible Participant in the prior year relevant to the Performance Measures (as defined in the RSU Plan) of the Corporation for the relevant performance period; (iv) individual and/or departmental contributions and potential contributions to the success of the Corporation; and (v) such other factors as deemed relevant in connection with accomplishing the purposes of the RSU Plan.

Vesting

An award under the RSU Plan shall vest as to one third on each anniversary date following the date such RSU is granted, subject to accelerated vesting in the event of a Change of Control (as such term is defined in the RSU Plan), provided that the vesting date for all RSUs granted under a particular award shall not be later than November 30 of the third year following the year the particular award was made.

Shares Subject to the RSU Plan

The number of Shares which may be reserved for issuance: (i)(A) under the RSU Plan shall not exceed 1% of the total number of Shares issued and outstanding from time to time; and (B) when combined with the maximum number of Shares which may be reserved for issuance under all other security based compensation arrangements of the Corporation shall not exceed 10% of the total number of Shares issued and outstanding from time to time; and (ii) to "insiders" and their "associates" and "affiliates", as such terms are defined by the *Securities Act* (Alberta) (collectively, the "**Insiders**") under the RSU Plan and all other security based compensation arrangements of Western cannot exceed 10% of the Shares issued and outstanding from time to time. In addition, the number of Shares which may be issued to Insiders within any one year period under the RSU Plan and all other security based compensation arrangements of Western cannot exceed 10% of the total number of Shares issued and outstanding from time to time.

The number of Shares issuable in any 12 month period under the RSU Plan: (i) to any one Eligible Participant shall not exceed 2% of the total number of Shares issued and outstanding from time to time; and (ii) to employees whose primary function is conducting Investor Relations Activities (as such term is defined in the RSU Plan) shall not exceed in the aggregate 2% of the total number of Shares issued and outstanding from time to time.

The maximum number of Shares issuable to non-employee directors under the RSU Plan shall not exceed 1% of the total number of Shares outstanding from time to time and the aggregate Fair Market Value (as such term is defined in the RSU Plan) of Shares, at the time of grant, granted to any one individual non-employee director, in any 12-month period under the RSU Plan, shall not exceed \$150,000.

Where RSUs are satisfied, terminated or expire in accordance with the RSU Plan, the Shares in respect of such RSUs shall thereafter revert to the RSU Plan and shall be included in the total number of RSUs available for issuance under the RSU Plan.

Blackout Periods

If an RSU would vest within a Black-Out Period (as such term is defined in the RSU Plan) imposed by the Corporation, or which vest within five business days after a Black-Out Period ends (other than a Black-Out Period imposed due to a cease trade order), the vesting date of the RSUs shall be ten business days from the date any Black-Out Period ends.

Termination of RSUs

Upon a grantee ceasing to be a Eligible Participant by reason of the retirement of the grantee or due to Disability (as such term is defined in the RSU Plan) or death of the grantee, all outstanding RSUs previously granted to such grantee shall continue in full force and effect, and vesting and payment in respect of such RSUs shall continue to be made in accordance with the terms thereof, subject to the provisions of the RSU Plan, as if such grantee continued to be an Eligible Participant, provided however that the grantee shall only be entitled to receive on each vesting date, the number of Shares equal to the number of RSUs granted multiplied by a fraction (A) the numerator of which is the number of days the grantee was an Eligible Participant of the Corporation during the applicable vesting period and (B) the denominator of which is the total number of days comprising the applicable vesting period.

Upon the grantee ceasing to be a Eligible Participant due to termination not for cause, effective as of the date of the termination without cause, all unvested RSUs held by such grantee shall be terminated and all rights to receive any payment thereunder shall be forfeited by the grantee and the grantee shall not be entitled to receive any compensation in lieu thereof, provided that the Committee may determine in its sole discretion, prior to the date such RSUs would otherwise terminate, to extend the date upon which such securities terminate.

Upon the grantee ceasing to be a Eligible Participant due to voluntary resignation by the grantee, all RSUs previously credited to such grantee which did not vest on or prior to the last day of any notice period applicable in respect of such grantee's voluntary termination date, shall be terminated and forfeited as of the grantee's termination date (or such longer period as determined by the Committee in its sole discretion).

In the event of the grantee ceasing to be a Eligible Participant due to involuntary termination for cause, effective as of the date notice is given to the grantee of such termination, all unvested RSUs held by such grantee shall be terminated and forfeited.

Assignability

Except as specifically provided in the RSU Plan, RSUs may not be transferred or assigned.

Adjustments

If the number of outstanding Shares changes as a result of (i) any change in the Shares through subdivision, consolidation, reclassification, or amalgamation or merger that is not a Change of Control or otherwise; (ii) rights being granted to Shareholders to purchase Shares at prices substantially below Fair Market Value; or (iii) Shares being converted into or exchangeable for other securities as a result of any reorganization, recapitalization, merger, consolidation or other transaction that is not a Change of Control, the Committee may make appropriate adjustments to the number of the RSUs outstanding which the Committee may, in its sole discretion (subject only to TSX approval if required), consider appropriate in the circumstances to prevent substantial dilution or enlargement of the rights thereunder.

In the event the Corporation pays a dividend on the Shares subsequent to the granting of a RSU, the number of Shares issuable pursuant to such grant of RSUs (or a cash payment in lieu of the issuance of Shares) shall be increased to account for the payment of such dividend.

Change of Control

If, before the vesting of an RSU in accordance with the terms thereof, a Change of Control (as defined in the RSU Plan) occurs prior to any of the vesting dates respecting an RSU, all of a grantee's RSUs that have not yet vested as of such time shall vest immediately prior to the effective time of the Change of Control, or such other time as determined advisable by the Committee, provided that such other time is not later than the date that the vesting would have otherwise occurred and is no earlier than 30 days before the date the vesting would otherwise have occurred.

Foreign Grantees

The Corporation may, without amending the RSU Plan, modify the terms of RSUs granted to Eligible Participants who provide services to the Corporation from outside of Canada in order to comply with the applicable laws of such jurisdictions. In addition, the terms of the RSUs granted to grantees subject to taxation in the United States will be subject to and will be determined by taking into consideration the terms stated in Appendix A that is attached to the RSU Plan, which is appended to the Information Circular as Schedule 'A'.

Amendments

The RSU Plan provides the Committee with the discretion to make certain amendments to the RSU Plan without the approval of Shareholders, provided that no such amendment to the RSU Plan shall cause the RSU Plan to cease to be subject to paragraph (k) of the definition of "salary deferral arrangement" as contained in the *Income Tax Act* (Canada).

In particular, the Committee may make amendments: (i) resulting in an addition to, deletion from or alteration of the RSU Plan or an RSU award that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange; (ii) to correct or rectify any ambiguity, defective provision, error or omission in the RSU Plan or a RSU award; and (iii) any other amendment that does not require shareholder approval under paragraph 7(d) of the RSU Plan.

Shareholder approval will be required for: (i) any increase in the maximum number of Shares reserved for issuance under the RSU Plan; (ii) any extension of the term of an RSU award benefiting an Insider; (iii) any amendments to the RSU Plan to remove or to exceed the Insider participation limits set forth in the RSU Plan; (iv) any change to the categories of individuals eligible to be selected for grants of RSU awards, where such change may broaden or increase the participation of Insiders under the RSU Plan; (v) an amendment that would permit Unit Awards to be transferable or assignable other than for normal estate settlement purposes; and (iv) any amendment to the amendment provisions of the RSU Plan.

As of the date hereof, only the Existing RSUs are granted and outstanding under the RSU plan, representing approximately 0.4% of the issued and outstanding Common Shares. Under the RSU Plan, the maximum number of Common Shares issuable under the RSU Plan shall not exceed 1% of the issued and outstanding Common Shares

from time to time. Accordingly, as of the date hereof, there are approximately 294,186 unallocated RSUs available for issuance under the RSU Plan, representing approximately 0.6% of the issued and outstanding Common Shares.

Approval at the Meeting

The number of votes required to approve the RSU Plan and the ratification of the Existing RSUs previously granted shall be a majority of the votes cast by Shareholders in person or represented by proxy at the Meeting. **Unless otherwise directed by Shareholders appointing them proxy, the persons named in the enclosed Forms of Proxy intend to vote the Shares represented thereby FOR the RSU Plan Resolution and the ratification of the Existing RSUs granted to certain insiders of the Corporation.**

At the Meeting, the Shareholders will be asked to consider and, if thought fit, pass the following ordinary resolution approving the RSU Plan and the ratification of the Existing RSUs:

"BE IT RESOLVED THAT:

1. the restricted share unit plan of Western, on the terms described in and in the form attached at Schedule "A" to the Information Circular be and is hereby authorized and approved and adopted as the restricted share unit plan of Western until May 7, 2018;
2. the 294,186 restricted share units granted to certain directors, officers, employees and consultants of Western by the Board of Directors of the Corporation, as disclosed in the Information Circular, be and are hereby ratified;
3. any one director or officer of Western be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
4. any director or officer of Western be and is hereby authorized and directed, for and on behalf of Western, to execute (whether under the corporate seal of Western or otherwise) and deliver, or cause to be executed and delivered, and to sign and/or file, or cause to be signed and/or filed, as the case may be, all applications, declarations, instruments and other documents, and to do or cause to be done all such other acts and things, as such director or officer may determine necessary or advisable to give effect to the foregoing resolutions including, without limitation, the execution, signing or filing of any such document or the doing of any such act or thing being conclusive evidence of such determination."

5. Other Business

Management is not aware of any other matters to come before the Western Meeting other than those set out in the Notice of Meeting. If other matters come before the Western Meeting, it is the intention of the individuals named in the Instrument of Proxy to vote the same in accordance with their best judgment in such matters.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Governance

The Corporate Governance and Compensation Committee is responsible for continually monitoring and evaluating the Board, the President and Chief Executive Officer, and the Senior Vice President Finance and Chief Financial Officer (the "**Senior Executives**") compensation programs and making recommendations to the Board of Directors relating to Western's compensation plan; compensation of members of the Board of Directors and the Senior Executives. The Corporation's compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of Western for the benefit of its shareholders. Employee compensation, including officer compensation, is comprised of three elements: base salary, annual performance bonus (cash bonuses) and long-term incentive compensation pursuant to Western's stock option plan (the "**Stock Option Plan**") and RSU Plan. The Corporate Governance and Compensation Committee review all three components in assessing the compensation of the Senior Executives and employees of the Corporation. Salaries and bonuses are intended to provide current compensation and short-term incentive for employees to encourage them to meet the Corporation's annual performance targets. Stock Options ("**Options**") and RSUs are granted as a long-

term incentive and are designed to align the benefit associated with the long-term appreciation in Western’s share price performance. The Corporate Governance and Compensation Committee along with the Board of Directors will continue to review compensation policies to ensure that they are competitive within the oilfield services industry and consistent with the goal of maximizing the performance of the Corporation.

The Corporate Governance and Compensation Committee will generally consider and make recommendations to the Board of Directors with respect to Senior Executives’ long term incentives (“**LTI**”) granted pursuant to the Stock Option Plan and RSU Plan; and, if applicable, employment contracts. When making such recommendations, the Corporate Governance and Compensation Committee will analyze a number of factors, including, but not limited to: compensation data compiled from Western’s peer groups; corporate performance; and individual performance. In assessing corporate performance, Western has established certain financial and health and safety targets discussed below. In assessing the performance of the individuals, consideration will be given to objective factors such as the level of responsibility, experience and expertise, as well as subjective factors such as leadership and individual performance.

Comparable Companies

Western compares its Senior Executive compensation to the compensation provided to executives in comparable positions of a comparable group of Canadian oilfield service companies. The comparable group is selected based on the nature of the comparable organization’s business taking into consideration size, complexity and style of operation. The companies in this comparison group compete with Western for executive personnel and therefore provide a useful benchmark for the Corporate Governance and Compensation Committee in its evaluation of Western’s executive compensation programs. Western looks to the following primary market competitors in comparing its executive compensation:

- | | |
|--------------------------------|-------------------------------|
| Ensign Energy Services Inc. | Akita Drilling Inc. |
| Precision Drilling Corporation | Savanna Energy Services Corp. |
| CanElsion Drilling Inc. | CWC Well Services Corp. |
| Trinidad Drilling Ltd. | |

Independent Compensation Consultant

During 2014, Western retained Mercer (Canada) Limited (“**Mercer**”) to assist in the assessment and design of Western’s Short-Term Incentive Plan (“**STIP**”) and Long-Term Incentive Plan (“**LTIP**”) plans as well as extensive market benchmarking for the Senior Executives and Board of Directors. The advice received from Mercer assisted management and the Corporate Governance Committee in developing plan design recommendations to the Board of Directors.

Fees	2014
Executive Compensation Related Fees ⁽¹⁾	\$140,286
All other fees ⁽²⁾	\$8,631

Notes:

- (1) Includes fees for services related to determining compensation levels for the Executives and Board, review of peer companies, plan design review and recommendations for STIP and LTIP; LTI vehicle design review including the addition of RSUs, an RSU Plan, establishment of STIP metrics and total reward market review.
- (2) Includes fees for Western’s participation in the annual market surveys carried out by Mercer in Canada.

Executive Compensation Program

Western’s executive compensation program is designed to reward Senior Executives based on overall performance and growth of Western. The program balances annual rewards for achieving individual and corporate success supplemented with equity based LTIs (Options and RSUs) that are intended to reward the individual based on the long-term share price performance of Western.

As part of its annual review of the Corporation’s compensation program, the Corporate Governance and Compensation Committee takes into consideration a number of factors including an analysis to ensure that the compensation program provides the NEOs (as defined herein) incentive to achieve both short and long-term objectives without motivating them to take unnecessary risk. In particular, the Corporation notes the following factors which it believes should mitigate the likelihood that its NEOs will take unnecessary or excessive risk for the sake of enhanced rewards:

- the proposed aggregate annual performance STIP pool is calculated by management based upon the achievement of certain Corporation wide financial metrics and safety targets (See “**Components of Compensation – Annual Performance Short Term Incentive Plan**” below). However the final aggregate STIP pool and the individual allocation are subject to Board discretion based on management recommendations;
- the Option Plan is designed so that Options vest over at least a three year period and therefore encourages share price appreciation over the longer term. In doing so, the Corporate Governance and Compensation Committee believe this reduces the risk of actions which may have short-term advantages over long-term sustainable share price appreciation; and
- the RSU Plan is designed so that RSUs vest over a three year period and, with respect to RSUs which are treasury settled, encourages share appreciation over the longer term. As with the Option Plan, the Corporate Governance and Compensation Committee believe this reduces the risk of actions which may have short-term advantages over long-term sustainable share price appreciation.

In addition, the Corporation discourages short-term speculation on its shares. The Insider Trading Policy of the Corporation provides that no director, officer, employee or consultant of the Corporation shall engage in any of the following activities with respect to the securities of the Corporation:

- trading in securities of the Corporation on a short-term basis. Any Corporation securities purchased on the open market must be held for a minimum of four months and ideally longer;
- purchase of Corporation securities on margin for the purpose of short term speculation;
- short sales;
- buying or selling “put” or “call” options;
- purchasing financial instruments which are designed to hedge or offset a decrease in market value of equity securities granted by the Corporation as compensation or held, directly or indirectly, which financial instruments include but are not limited to, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly.

COMPONENTS OF COMPENSATION

The overall compensation program for the Senior Executives is comprised of three primary components:

Base Salaries and Benefits

Salary amounts are set giving consideration to the skills required to carry out the Corporation’s business plan and how well the expertise and experience of these individuals fit with those requirements and the competitive marketplace. In addition, employees are provided benefits which include health and medical, short and long term disability and life insurance. As part of the benefits for employees in general, the Corporation has a matching plan (“**Matching Plan**”) whereby employees are given the option to contribute from 2% to 5% of their base salary to the plan which will, at the option of the employee, allocate such amount to a Registered Retirement Savings Plan (“**RRSP**”), a Tax Free Savings Account (“**TFSA**”), or a Non-registered Savings Plan (“**NRSP**”). Contributions can be directed to purchase Common Shares or other designated securities available within the RRSP, TFSA or NRSP and the Corporation will match such amounts and those matched funds will also be used for a RRSP, TFSA or NRSP contribution. The foregoing is administered by a third party and such acquisitions of Common Shares can occur within the Matching Plan at any time.

Annual Performance Short-Term Incentive Plan

NEOs and employees are eligible to receive an annual cash bonus based upon the combination of corporate and individual performance. The Corporation's Short-Term Incentive Plan ("**STIP**") is designed to reward officers and other eligible employees for performance against goals and objectives established at the beginning of the performance period. The STIP is structured to encourage and reward officers and employees to maximize short-term results at Western. Performance measures are established by management at the corporate level for all officers and other eligible employees annually and are then reviewed and approved by the Board. However, the actual STIP pool amount and the individual bonus are subject to the discretion of the Board.

The STIP Pool

The target STIP pool is established by determining the total of STIP target amounts for all the employees as recommended by management for the year. The total STIP amount is a multiple of the target STIP pool determined and recommended to the Board based on the performance targets as follows:

1. Return on capital employed (“**ROCE**”). ROCE is calculated by dividing the pre-bonus earnings of the Corporation before interest and taxes by the average capital employed which is calculated as the average current assets (excluding cash) plus average PP&E and goodwill, less average current liabilities (excluding interest and bonus payable amounts); and
2. Total recordable incident frequency (“**TRIF**”). TRIF is a lagging indicator that determines the injury rate based on the number of recordable injuries and the total number of hours worked in a year. The foundation of the formula for calculating TRIF is defined by the Occupational Health & Safety Administration, a federal agency of the United States that regulates workplace safety and health. TRIF is calculated by multiplying the number of recordable injuries and illnesses incurred during the year by 200,000 and dividing that product by the total number of hours that were actually worked by employees. The "200,000" used in this calculation is the equivalent number of hours for 100 employees working 40 hours per week for 50 weeks. The overall annual TRIF which is determined at the end of the relevant year is based on the total number of recordable injuries for all divisions and the total hours worked for all divisions for the year.

Management believes the use of ROCE as a financial performance measure provides direct alignment with the interests of shareholders by providing a tangible financial target that must be met in order for employees and officers to realize any economic value under the STIP. Management also believes that the use of ROCE provides a balanced management approach that encourages prudent entrepreneurial risks and efficient capital deployment. ROCE accounts for 85% of the total STIP pool amount.

In addition to the financial performance measure, the Corporation also uses TRIF as a health and safety performance measure. The use of TRIF reinforces the Corporation's commitment to protect the health and safety of its employees, contractors, clients and other third party personnel in the communities in which the Corporation operates. The use of TRIF as a performance target also helps make health and safety management a core part of the culture of the Corporation. TRIF accounts for 15% of the total STIP pool amount.

Upon final determination of the stated metrics compared to the established targets, the STIP pool and individual amounts to be distributed to Senior Executives, NEOs and employees as recommended by management are provided to the Board.

Long-Term Incentive Compensation

Options

Options are viewed as an effective incentive to balance employee and Senior Executives' focus between short-term operating performance and profitable long-term growth, which should translate into share price appreciation for the benefit of shareholders. With Option grants vesting over time, they also should serve as an effective employee retention tool. Despite the dilutive aspect of Options, they do directly align the interests of management and shareholders as the benefits derived from Options parallel the benefits realized by shareholders through share price appreciation. Options provide the potential for long-term rewards and above-average total compensation for superior, longer-term performance.

Directors, officers, employees and consultants are eligible to participate in Western's Stock Option Plan. The Stock Option Plan authorizes the Board of Directors of Western to issue Options. Awards of Options are made from time to time to participants at varying levels consistent with the individual's position and responsibility. The Board of Directors approves Option grants as recommended by the Corporate Governance and Compensation Committee. Options are priced at the closing trading price of Western's Common Shares on the business day immediately preceding the date of grant. Options granted vest at a rate of one third each on the first, second and third anniversaries of the date of grant and have a 5 year term. The term and other provisions of the Options are subject to the terms of Western's Stock Option Plan.

RSUs

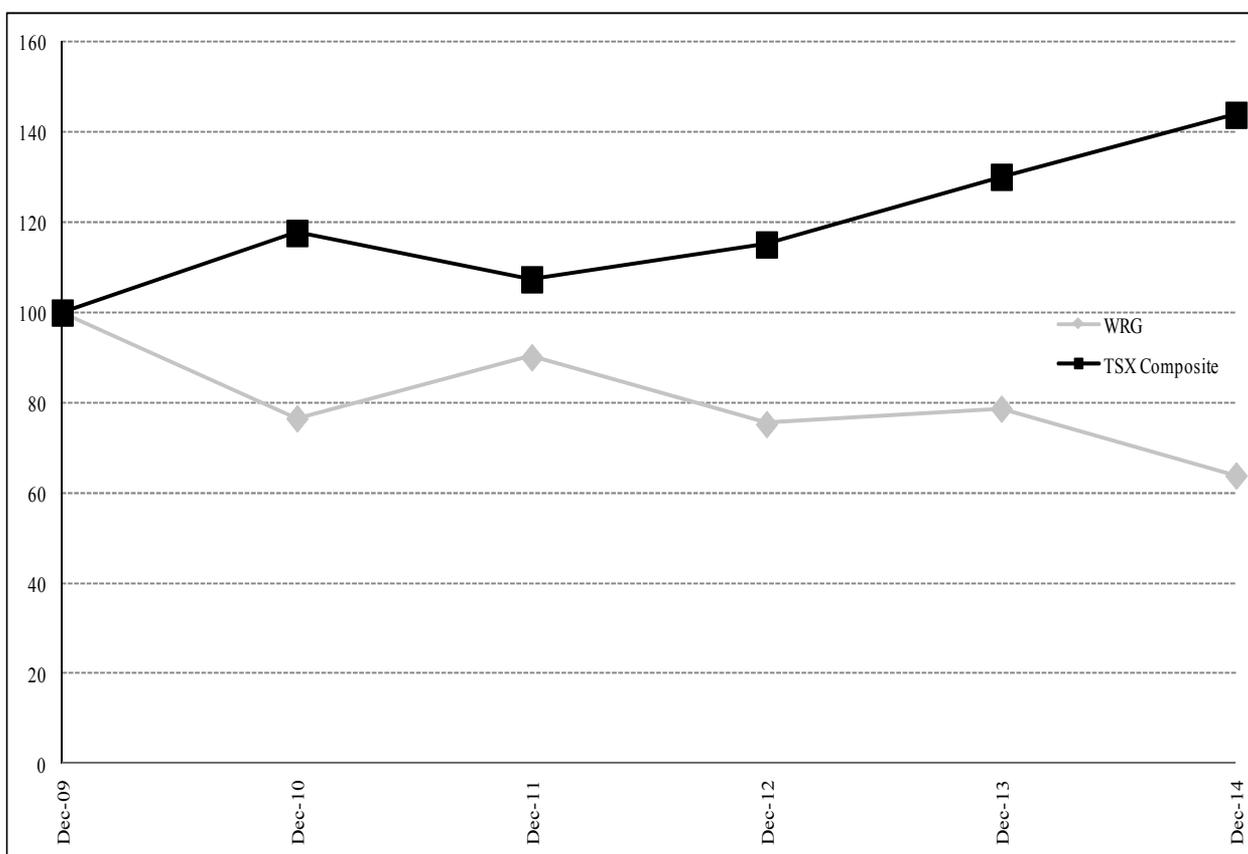
Directors, officers, employees and consultants are eligible to participate in the RSU Plan. The RSU Plan authorizes the Board to issue RSUs. Awards of RSUs are made from time to time to participants at varying levels consistent with the individual’s position and responsibility. The Board of Directors approves grants as recommended by the Corporate Governance and Compensation Committee. The term and other provisions of the RSU are subject to the terms of the RSU Plan. RSUs granted vest at a rate of one third each on the first, second and third anniversaries of the date of grant.

Performance Analysis

The Corporation has included two graphs below to illustrate its performance both over the last five years as well as since the recapitalization of Western, when the current Senior Executives joined Western. The graph since the recapitalization provides a better illustration of Western’s performance under the current NEOs.

Share Price Performance Graph since 2009

The following graph compares Western’s cumulative total return on Western’s Common Shares from December 31, 2009 to December 31, 2014 and TSX composite for the same period. It assumes an initial investment of \$100 on December 31, 2009, with all dividends reinvested:



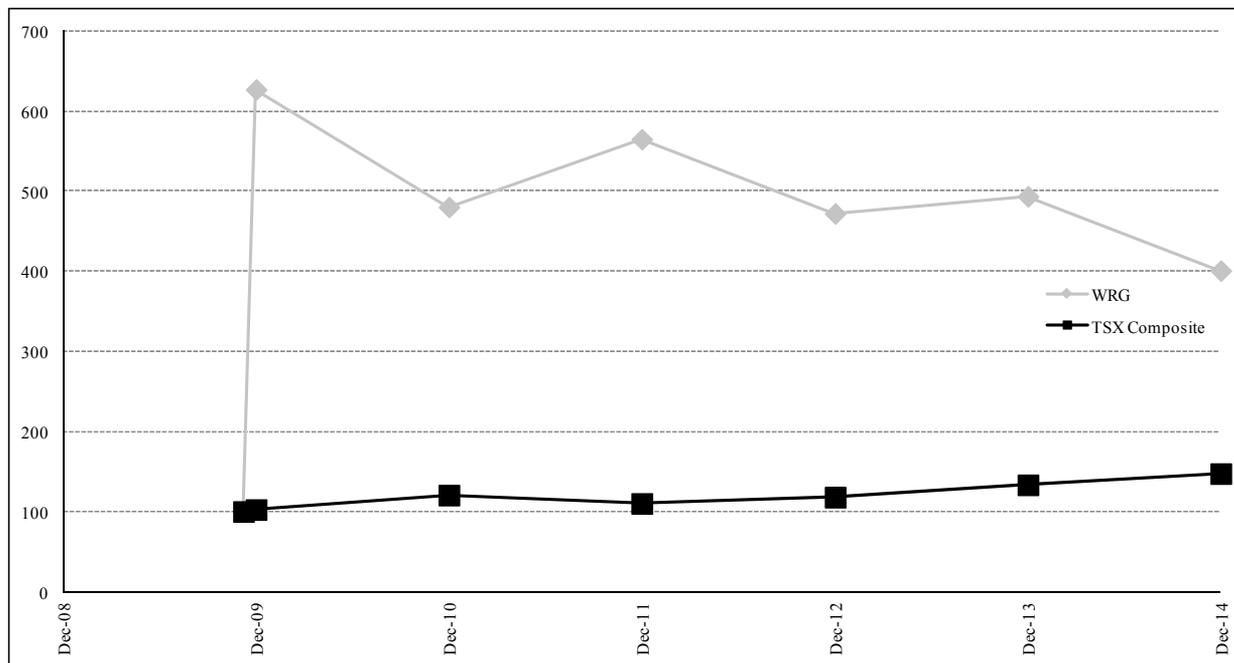
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013	Dec 31, 2014
Western Common Shares	100	77	90	75	79	64
S&P/TSX Composite Total Return Index	100	118	107	115	130	144

While the above graph illustrates the annual return for the period starting on December 31, 2009, management feels that the total return for the period was negatively affected by the impact of market speculation and limited liquidity resulting in an inflated share price between the recapitalization and reorganization announced on December 8, 2009

and the acquisition of Horizon Drilling Inc. and Cedar Creek Drilling Ltd. and equity issuance announced in February 2010.

Share Price Performance Graph since Recapitalization in 2009

On December 8, 2009, Western announced a recapitalization and reorganization of the Corporation, whereby an entirely new management team and board of directors was appointed. Additionally, there was a substantial realignment of the financial interests of Western's creditors and shareholders. The following graph compares Western's cumulative total return on Western's Common Shares from the date the recapitalization and reorganization was announced to December 31, 2014, and TSX composite for the same period which management believes provides a better illustration of Western's performance under the current NEOs. It assumes an initial investment of \$100 on December 7, 2009, with all dividends reinvested:



	Dec. 7, 2009	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011	Dec 31, 2012	Dec 31, 2013	Dec 31, 2014
Western Common Shares	100	627	480	565	472	493	401
S&P/TSX Composite Total Return Index	100	103	121	110	118	133	133

Share Price Performance in Relation to Executive Compensation

Among the 5 NEOs for 2014, Messrs. MacAusland and Bowers have been employees of the Corporation since the recapitalization of Western in December 2009. Mr. Harrison has been an employee of the Corporation since March 2011. Mr. Reinboldt had been an employee of the Corporation since December 2013. Mr. Vathje has been an employee of the Corporation since February 2014. Since the recapitalization, Western has completed 12 transactions including: 7 acquisitions, the disposition of Stimsol Canada Inc., 2 equity financings and 2 high yield debt financings. During this time period, Western's drilling rig fleet has grown from zero to 54 drilling rigs on December 31, 2014, making Western the sixth largest contract drilling contractor in Canada, while the well servicing rig fleet has grown from zero to 65 service rigs at December 31, 2014, making Western the seventh largest well servicing contractor in Canada. Since the recapitalization, the Corporation's employee headcount has increased from 23 to 1,420 as at December 31, 2014. During this period, Western also commenced operations of its production services segment in Canada, successfully completed a significant capital build program and established its corporate presence in the United States. All these factors taken together have resulted in strong revenue and EBITDA growth since recapitalization. Compensation paid to the NEOs reflects the significant increase in the scope and size of Western's business operations since the recapitalization as well as Western's strong financial and operating results. Compensation for the NEOs also reflects the high level of variable pay, both short and long term, which forms part of the total compensation program for the Corporation's executives.

Composition of the Corporate Governance and Compensation Committee

The current members of the Corporate Governance and Compensation Committee are John R. Rooney (Chairman), Thomas M. Alford and Donald P. Copeland. Mr. Alford will not be standing for re-election at the Western Meeting. In addition to their experience as members of the Corporate Governance and Compensation Committee of Western, all such members have significant experience in dealing with executive compensation matters as directors and/or senior leaders of other energy-related public companies and all of such members currently serve, or have served, on the compensation committee of the board of directors of other energy related public companies. Each current member of the Corporate Governance and Compensation Committee is independent as defined under National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) and none received any compensation, directly or indirectly, from Western other than for services as a member of the Board of Directors of Western and its committees, as applicable.

Relevant Education and Experience of Members of the Corporate Governance and Compensation Committee

John R. Rooney (Chairman)

Mr. Rooney has been the Chairman and CEO of Northern Blizzard Resources Inc. a publicly traded oil and gas company, since November 2009. From December 2007 to April 2009, Mr. Rooney was the CEO of TUSK Energy Inc. From 2005 to 2007, Mr. Rooney was the President and CEO of Zenas Energy Inc. Mr. Rooney is a Chartered Accountant and a Chartered Business Valuator.

Thomas A. Alford

Mr. Alford is an independent businessman. Mr. Alford was the President and CEO of IROC Energy Services Corp. from 2001 until its acquisition by Western on April 22, 2013. Prior thereto Mr. Alford was the President and CEO of Bonus Resource Services Corp. from December 1997 to October 2000. Mr. Alford has over 34 years of experience in the oil and gas industry. Mr. Alford is also currently a director of High Arctic Energy Inc. and Wajax Corporation. Mr. Alford received a Bachelor of Commerce degree from the University of Alberta in 1980. Mr. Alford will not be standing for re-election at the Western Meeting.

Donald D. Copeland

Mr. Copeland is an independent businessman. Prior to joining Western’s Board in June 2011, Mr. Copeland was the Chairman of Stoneham Drilling Trust. Previously, he founded and served as the CEO and Chairman of a number of oil and gas corporations, both in the producing sector and oilfield services sector of the industry. He has served on the boards of numerous oil and gas industry corporations. Mr. Copeland is also currently a director of Toscana Energy Income Corp. Mr. Copeland received a Bachelor of Science degree in Chemical Engineering from the University of Calgary. He is a graduate of the Director’s Education Program sponsored by the Institute of Corporate Directors.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Long-Term Incentive Equity Plans

In order to attract and retain qualified personnel and provide incentives and rewards to the directors, officers, employees and consultants of Western, the Board of Directors has adopted a long-term incentive equity plan which includes the Option Plan and the RSU Plan.

The Option Plan authorizes the Board of Directors of Western to issue Options to purchase Common Shares to directors, officers, employees and consultants of Western.

The RSU Plan authorizes the Board of Directors to issue RSUs which entitle the holder to either receive, at the Board’s discretion, one Common Share or the cash equivalent of the fair market value of one Common Share to directors, officers, employees and consultants of Western.

Under the Option Plan and the RSU Plan, the aggregate number of Common Shares issuable upon exercise of Options granted thereunder may not exceed 10% of the issued and outstanding Common Shares from time to time and 1% of the Shares will be allocated to the RSU plan for treasury settled RSUs and the Common Shares reserved for issuance to any one person shall not exceed 5% of the outstanding Common Shares from time to time.

Summary of Option Plan

The Option Plan provides that the aggregate number of Common Shares issuable pursuant to Options granted under the Option Plan and under any other security based compensation arrangement, if any, and issued to insiders within any one year period and, issuable to insiders, shall in either case, not exceed 10% of the issued and outstanding Common Shares at the time of the grant of any stock option. In addition, the Option Plan provides that the maximum number of Common Shares issuable pursuant to Options granted shall not exceed 10% of the aggregate number of issued and outstanding Common Shares.

The Option Plan provides that, at the time of granting an Option under the Option Plan, the Board of Directors (or a committee thereof) will determine the exercise price when such Option is granted subject to any limitations imposed by any relevant stock exchange or regulatory authority and the exercise price shall not be less than an amount equal to the Market Value of the Common Shares. The Market Value is defined in the Option Plan as any date when the market value of Common Shares of the Corporation is to be determined as the closing price on the trading day prior to the date of grant on the TSX. As well, the Board of Directors (or a committee thereof) will determine at the time of granting an Option under the Option Plan the expiry date of each Option (not to exceed 5 years after the date of grant) and the extent to which each Option vests and is exercisable from time to time during the term of the Option. The directors of Western have resolved that vesting provisions for Options granted by Western shall be as to 1/3 on the first anniversary of the date of grant, 1/3 on the second anniversary of the date of grant and 1/3 on the third anniversary of the date of grant. The Option Plan also provides that vesting of Options shall accelerate and Options shall be exercisable immediately prior to the time that a change of control takes place as defined by the Option Plan. The Option Plan states that if the Corporation amalgamates with another entity or sells all or substantially all of its assets in exchange for shares of another entity, the Corporation shall ensure that the holders of Options shall receive shares in the successor entity on the same basis the Option holder would have received if the Option holder had purchased shares of the Corporation immediately prior to the amalgamation or sale and that upon making such provision the Options shall terminate. If the Board of Directors of the Corporation approves a take-over bid of the Corporation by another entity, the Options held shall accelerate to allow holders to exercise their Options to tender shares issuable pursuant thereto to the bid but shall be deemed not to have been issued if the bid is not successful. If such an approved take-over bid occurs and an Option holder does not exercise and tender to the bid as aforesaid, the Options outstanding after the bid may be cancelled by paying the holder the difference between the exercise price and the fair market value of the securities the Option holder would have received if their Options had been exercised. The Option Plan also states that Option agreements shall also provide that upon the death of an Optionee, the Option shall terminate on a date set forth in the agreement which shall not be more than 12 months from the date of death and if an Option holder ceases to be employee or a director of the Corporation, as the case may be, the Option shall terminate on a date set forth in the agreement, such date not to be in excess of six months from the date of such termination. The Option Plan also contains provisions to prevent dilution and to protect the holders of Options in the event of reorganization and provides that in the event of a change of control of the Corporation, a person that has participated in the Option Plan, shall be entitled to make an offer to the Corporation for the disposition and surrender of their Options for an amount (not to exceed the fair market value) specified in the agreement evidencing the Options and the Corporation may accept such offer subject to regulatory approval. In the event of an approved take-over bid a holder of Options shall have the right to exercise all of their Options; however, any Options not yet vested and exercisable may only be purchased for tender pursuant to the take-over bid. The Option Plan does not provide for any assignability of Options. The Stock Option Plan also provides that the Board may, in its sole discretion and without further approval of the shareholders of the Corporation, amend, suspend, terminate or discontinue the Option Plan and may amend the terms and conditions of Options granted under the Option Plan, subject to any required approval of any regulatory authority or applicable stock exchange. Subject to any required regulatory approval of any regulatory authority or stock exchange, the Board may at any time alter, amend or vary the Option Plan without the approval of the shareholders of the Corporation if the alteration, amendment or variance does not: (a) increase the number of shares that can be issued under the Option Plan; (b) reduce the exercise price of an outstanding Option except for the normal anti-dilution provisions whereby option values are maintained in connection with a subdivision, consolidation, conversion, reclassification, re-division or re-designation of Common Shares or a reorganization, amalgamation, consolidation, merger, takeover bid or similar transaction involving the Corporation; (c) extend the expiry date of an outstanding option or amend the Option Plan to permit the grant of an option with an expiry date of more than five years from the grant date; (d) allow for the transfer of Options, except if the transfer is to an entity controlled by the Option holder, a charity or for estate planning or estate settlement purposes; (e) expand the categories of individuals eligible to participate in the Option Plan; or (f) amend the Option Plan to provide for other types of compensation through equity issuance.

Summary of RSU Plan

For a summary of the principal terms of the RSU Plan see “Matters to be Acted Upon at the Meeting – *Approval of a Restricted Share Unit Plan*” which summary is qualified in its entirety by the terms of the RSU Plan, attached to the Information Circular as Schedule “A”.

Equity Compensation Plan Information

The following table sets forth information as at December 31, 2014 with respect to the Corporation’s compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	5,093,972	\$8.23	2,090,635
Equity compensation plans not approved by security holders	304,336	---	---
Total	5,398,308		2,090,635

COMPENSATION OF NAMED EXECUTIVE OFFICERS

Compensation was paid to the NEOs during the aforementioned fiscal year as disclosed below.

Summary Compensation Table

Securities legislation requires the disclosure of the compensation received by the NEOs of the Corporation for the three most recently completed financial years. “NEO” or “Named Executive Officer” is defined by the legislation to mean (i) each of the Chief Executive Officer and Chief Financial Officer of the Corporation, regardless of the amount of compensation of that individual, (ii) each of the Corporation’s three most highly compensated executive officers or individuals acting or in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

An “**executive officer**” is defined by the legislation to mean (i) the Chair of the Corporation, (ii) a Vice-chair of the Corporation, (iii) the President of the Corporation, (iv) a Vice-president of the Corporation in charge of a principal business unit, division or function, such as sales, finance or production, or (v) an officer of the Corporation or any of its subsidiaries or any other person who performed a policy-making function in respect of the Corporation.

During the financial year ended December 31, 2014, there were five (5) NEOs of Western being Alex R.N. MacAusland, President and Chief Executive Officer; Jeffrey K. Bowers, Senior Vice President, Finance and Chief Financial Officer; Rick M. Harrison, Senior Vice President Operations, Darcy D. Reinboldt, Senior Vice President Operations and Jeff A. Vathje, Vice President Human Resources.

The following table sets forth all annual and long-term compensation information concerning the total compensation paid to the NEOs:

Name and Principal Position	Year	Salary (\$)	Share-based Awards ⁽¹⁾ (\$)	Option-based Awards ⁽²⁾ (\$)	Non-equity incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation ⁽³⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Alex R.N. MacAusland President and Chief Executive Officer	2014	400,000	131,680	896,000	650,000	---	---	70,589	2,148,269
	2013	365,000	---	---	500,000	---	---	50,983	915,983
	2012	350,000	---	53,700	350,000	---	---	45,728	799,428
Jeffrey K. Bowers Senior Vice President Finance and Chief Financial Officer	2014	350,000	116,484	852,500	550,000	---	---	63,791	1,932,775
	2013	315,000	---	---	500,000	---	---	45,591	860,591
	2012	300,000	---	53,700	350,000	---	---	43,094	746,794
Rick M. Harrison Senior Vice President, Operations	2014	300,000	65,840	246,500	400,000	---	---	61,790	1,074,130
	2013	260,000	---	128,311	300,000	---	---	43,926	732,237
	2012	205,384	---	21,100	240,000	---	---	12,002	478,846
Darcy D. Reinboldt ⁽⁴⁾ Senior Vice President, Operations	2014	285,192	65,840	246,500	325,000	---	---	40,322	962,854
	2013	8,462	---	197,000	---	---	---	712	206,174
Jeff A. Vathje ⁽⁵⁾ Vice President, Human Resources	2014	180,769	53,684	410,300	197,000	---	---	36,859	878,612

Notes:

- (1) Represents the fair value of the share-based awards granted during the year plus any dividends issued thereon. The fair value of the share-based awards granted to NEOs pursuant to the RSU Plan is a theoretical expected value calculated at the date of grant by multiplying the number of RSUs held by the closing price of Common Shares of Western on the grant date of such RSUs. The closing price on the date of grant of the RSUs was \$10.06 and the closing price on the date additional RSUs were granted as dividends under the existing RSU Plan was \$7.63.
- (2) The grant date fair value of option-based awards granted to NEOs pursuant to the Share Option Plan is \$2.90 for Options issued on August 15, 2014, \$2.16 for Options issued on February 11, 2014, \$2.16 for Options issued on February 3, 2014, \$1.97 for Options issued on December 18, 2013, \$1.83 for Options issued on May 7, 2013, \$1.79 for Options issued on December 7, 2012 and \$2.11 for Options issued on August 10, 2012. The grant date fair value of Options issued in 2014 for compensation disclosure purposes is calculated using a Black-Scholes option pricing model with the following assumptions: (i) average risk-free of 1%; (ii) average expected life of 2.0 years; (iii) volatility of 60%; and (iv) expected dividend yield of 3%.
- (3) All Other Compensation for each of the NEOs is comprised of the following elements: Mr. MacAusland: monthly car allowance, monthly parking, physical wellness allowance, club memberships and RRSP contributions; Mr. Bowers: monthly car allowance, monthly parking, physical wellness allowance, club memberships and RRSP contributions; Mr. Harrison: monthly car allowance, monthly parking, physical wellness allowance and RRSP contributions; Mr. Reinboldt: vehicle, monthly parking, physical wellness allowance and RRSP contributions; and Mr. Vathje, monthly car allowance, monthly parking, physical wellness allowance and RRSP contributions.
- (4) Mr. Reinboldt was appointed Vice President Drilling Operations on December 19, 2013 and appointed Senior Vice President Operations on December 4, 2014.
- (5) Mr. Vathje was appointed Vice President Human Resources on February 3, 2014.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding at December 31, 2014 made to the NEOs:

Name	Option Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽²⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested (\$)	Market or Payout Value of Values Vested Share-Based Awards not Paid out or Distributed (\$)
Alex R.N. MacAusland President and Chief Executive Officer	30,000	8.75	Aug 11, 2016	Nil	13,118 ⁽³⁾	78,839 ⁽⁴⁾	---
	30,000	6.63	Dec 6, 2017	Nil	---	---	---
	200,000	7.76	Feb 10, 2019	Nil	---	---	---
	160,000	10.06	Aug 14, 2019	Nil	---	---	---
Jeffrey K. Bowers Senior Vice President Finance and Chief Financial Officer	90,000	5.70	Mar 21, 2015	27,900	11,604 ⁽³⁾	69,740 ⁽⁴⁾	---
	30,000	8.75	Aug 11, 2016	Nil	---	---	---
	30,000	6.63	Dec 6, 2017	Nil	---	---	---
	200,000	7.76	Feb 10, 2019	Nil	---	---	---
	145,000	10.06	Aug 14, 2019	Nil	---	---	---
Rick M. Harrison Senior Vice President, Operations	50,000	8.00	Apr 14, 2016	Nil	6,559 ⁽³⁾	39,420 ⁽⁴⁾	---
	10,000	7.60	Aug 9, 2017	Nil	---	---	---
	70,000	6.76	May 6, 2018	Nil	---	---	---
	85,000	10.06	Aug 14, 2019	Nil	---	---	---
Darcy D. Reinboldt Senior Vice President, Operations	100,000	7.15	Dec 17, 2018	Nil	6,559 ⁽³⁾	39,420 ⁽⁴⁾	---
	85,000	10.06	Aug 14, 2019	Nil	---	---	---
Jeff A. Vathje Vice President, Human Resources	100,000	7.76	Feb 2, 2019	Nil	5,348 ⁽³⁾	32,141 ⁽⁴⁾	---
	67,000	10.06	Aug 14, 2019	Nil	---	---	---

Notes:

(1) Options to purchase Common Shares of Western.

(2) Based on the closing share price of the Common Shares of Western on December 31, 2014 of \$6.01.

(3) RSUs granted on August 15, 2014 and October 14, 2014 (as dividends pursuant to the RSU Plan).

(4) The fair value of the share-based awards granted to NEOs pursuant to the RSU Plan is a theoretical expected value calculated by multiplying the number of RSUs held by the closing price of Western's Common Shares on the calculation date of such RSUs, being \$6.01 on December 31, 2014.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars concerning each incentive plan award granted to each of the NEOs for the year ended December 31, 2014:

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Share-based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Alex R.N. MacAusland President and Chief Executive Officer	16,200	Nil	650,000
Jeffrey K. Bowers Senior Vice President Finance and Chief Financial Officer	215,200	Nil	550,000
Rick M. Harrison Senior Vice President, Operations	160,196	Nil	400,000

Name	Option-Based Awards – Value Vested During the Year⁽¹⁾ (\$)	Share-based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Darcy D. Reinboldt Senior Vice President, Operations	Nil	Nil	325,000
Jeff A. Vathje Vice President, Human Resources	Nil	Nil	197,000

Note:

- (1) Represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date based on the difference between the closing market price of the Western's Common Shares on the vesting date and the exercise price of the Options.

DIRECTOR COMPENSATION

For the period January 1, 2014 to July 31, 2014, each director who was not an employee of Western received an annual retainer of \$40,000 to be inclusive of meeting fees. Additionally, \$10,000 retainers were paid to each of the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of the Corporate Governance and Compensation Committee and the Chairman of the Health, Safety and Environment Committee.

Effective August 1, 2014, the Board resolved that each director who was not an employee of Western or the independent Chairman of the Board, receive an annual retainer of \$60,000 to be inclusive of meeting fees. The Board resolved that the independent Chairman of the Board be paid an annual retainer of \$80,000 to be inclusive of meeting fees and a \$15,000 additional annual retainer be paid to the Chairman of the Audit Committee and a \$10,000 additional annual retainer be paid to each of the Chairman of the Corporate Governance and Compensation Committee and the Chairman of the Health, Safety and Environment Committee.

Miscellaneous out-of-pocket expenses incurred by the directors in carrying out their duties are to be reimbursed by Western.

Director Compensation Table

The following table sets forth particulars concerning all amounts of compensation provided to the non-management directors for the year ended December 31, 2014:

Name⁽¹⁾	Fees Earned (\$)	Share-based Awards⁽²⁾ (\$)	Option-based Awards⁽³⁾ (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Thomas M. Alford ⁽⁴⁾	48,333	60,772	21,600	---	---	Nil	130,705
Donald D. Copeland	58,333	60,772	21,600	---	---	Nil	140,705
Lorne A. Gartner	60,416	60,772	21,600	---	---	Nil	142,788
Steven C. Grant ⁽⁵⁾	13,333	Nil	21,600	---	---	Nil	34,933
Ronald P. Mathison	61,667	81,037	21,600	---	---	Nil	164,304
John R. Rooney	58,333	60,772	21,600	---	---	Nil	140,705

Notes:

- (1) Information for Mr. MacAusland, Chief Executive Officer of Western is provided under "Summary Compensation Table".
- (2) Represents the fair value of the share-based awards granted during the year plus any dividends issued thereon. The fair value of the share-based awards granted to directors pursuant to the RSU Plan is a theoretical expected value calculated at the date of grant by multiplying the number of RSUs held by the closing price of Common Shares of Western on the grant date of such RSUs. The closing price on the date of grant of the RSUs was \$10.06 and the closing price on the date additional RSUs were granted as dividends under the existing RSU Plan was \$7.63.
- (3) The grant date fair value of option-based awards granted to each director pursuant to the Share Option Plan is \$2.16 for options issued on February 3, 2014. The grant date fair value for compensation disclosure purposes is calculated using a Black-Scholes option pricing model with the following assumptions: (i) average risk-free interest rate of 1%; (ii) average expected life of 2.0 years; (iii) volatility of 60%; and (iv) expected dividend yield of 4%.
- (4) Mr. Alford will not be standing for re-election at the Western Meeting.
- (5) Mr. Grant did not stand for re-election at the May 6, 2014 meeting of the shareholders of Western.

Summary of Board Meeting Attendance

Director	Board Meetings Attended		Audit Committee Meetings Attended		Corporate Governance and Compensation Committee Meetings Attended		Health, Safety and Environment Meetings Attended		Board Retainer ⁽¹⁾ (\$)	Additional Retainer ⁽¹⁾ (\$)	Total Fees Paid (\$)
Thomas M. Alford ⁽²⁾	4 of 4	100%	N/A	N/A	3 of 3	100%	2 of 2	100%	48,333	Nil	48,333
Donald D. Copeland	7 of 7	100%	N/A	N/A	6 of 6	100%	4 of 4	100%	48,333	10,000	58,333
Lorne A. Gartner	7 of 7	100%	4 of 4	100%	N/A	N/A	N/A	N/A	48,333	12,083	60,416
Steven C. Grant ⁽³⁾	2 of 3	67%	1 of 2	50%	2 of 3	67%	N/A	N/A	10,000	3,333	13,333
Alex R.N. MacAusland ⁽⁴⁾	7 of 7	100%	N/A	N/A	N/A	N/A	4 of 4	100%	Nil	Nil	Nil
Ronald P. Mathison ⁽⁵⁾	6 of 7	86%	1 of 2	50%	N/A	N/A	N/A	N/A	56,667	5,000	61,667
John R. Rooney	6 of 7	86%	3 of 4	75%	5 of 6	83%	N/A	N/A	48,333	10,000	58,333
TOTAL											300,415

Notes:

- Information relating to the compensation of the non-management directors is provided under “*Director Compensation*”.
- Mr. Alford was appointed to the Corporate Governance and Compensation Committee on May 6, 2014. Mr. Alford attended all meetings of that committee held subsequent to his appointment. Mr. Alford will not be standing for re-election at the Western Meeting.
- Mr. Grant did not stand for re-election at the meeting of Western’s shareholders held on May 6, 2014.
- Mr. MacAusland is a member of management therefore does not receive meeting fees.
- Mr. Mathison was a member of the Audit Committee from January 1, 2014 to May 6, 2014.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding at December 31, 2014 made to the non-management directors. Information on the Share-Based awards and Option-Based awards granted to Mr. MacAusland who currently serves as a director and officer of the Corporation can be found under the heading “*Outstanding Share-Based Awards and Option-Based Awards*” for the NEOs:

Name	Option Based Awards				Share-Based Awards		Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (\$)
	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽²⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards (\$)	
Thomas M. Alford ⁽³⁾	20,000	8.20	Aug 1, 2018	Nil	6,054 ⁽⁴⁾	36,385 ⁽⁵⁾	---
	10,000	7.76	Feb 10, 2019	Nil	---	---	---
Donald D. Copeland	20,000	7.41	Nov 24, 2016	Nil	6,054 ⁽⁴⁾	36,385 ⁽⁵⁾	---
	10,000	6.63	Dec 6, 2017	Nil	---	---	---
	10,000	7.76	Feb 10, 2019	Nil	---	---	---
Lorne A. Gartner	20,000	7.41	Nov 24, 2016	Nil	6,054 ⁽⁴⁾	36,385 ⁽⁵⁾	---
	10,000	6.63	Dec 6, 2017	Nil	---	---	---
	10,000	7.76	Feb 10, 2019	Nil	---	---	---
Ronald P. Mathison	20,000	7.41	Nov 24, 2016	Nil	8,073 ⁽⁴⁾	48,519 ⁽⁵⁾	---
	10,000	6.63	Dec 6, 2017	Nil	---	---	---
	10,000	7.76	Feb 10, 2019	Nil	---	---	---
John R. Rooney	50,000	5.70	Mar 21, 2015	15,500	6,054 ⁽⁴⁾	36,385 ⁽⁵⁾	---
	20,000	7.41	Nov 24, 2016	Nil	---	---	---
	10,000	6.63	Dec 6, 2017	Nil	---	---	---
	10,000	7.76	Feb 10, 2019	Nil	---	---	---

Notes:

- (1) Options to purchase Common Shares of Western.
- (2) Based on the closing share price of the Common Shares of Western on December 31, 2014 of \$6.01.
- (3) Mr. Alford will not be standing for re-election at the Western Meeting.
- (4) RSUs granted on August 15, 2014 and October 14, 2014 (as dividends pursuant to the RSU Plan).
- (5) The fair value of the share-based awards granted to directors pursuant to the RSU Plan is a theoretical expected value calculated by multiplying the number of RSUs held by the closing price of Western's Common Shares on the calculation date of such RSUs, being \$6.01 on December 31, 2014.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars concerning each incentive plan awards granted to each of the non-management directors for the year ended December 31, 2014:

Name	Option-Based Awards – Value Vested During the Year⁽¹⁾ (\$)	Share-based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Thomas M. Alford ⁽²⁾	16,801	Nil	---
Donald D. Copeland	Nil	Nil	---
Lorne A. Gartner	Nil	Nil	---
Steven C. Grant ⁽³⁾	66,331	Nil	---
Ronald P. Mathison	Nil	Nil	---
John R. Rooney	66,331	Nil	---

Notes:

- (1) Represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date based on the difference between the closing market price of the Corporation's Common Shares on the vesting date and the exercise price of the Options.
- (2) Mr. Alford will not be standing for re-election at the Western Meeting.
- (3) Mr. Grant did not stand for re-election at the meeting of Western's shareholders held on May 6, 2014.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no current or former director, executive officer or employee of Western was indebted to Western or its subsidiaries. Further, at no time since the beginning of the financial year ended December 31, 2014 did any director, executive officer or proposed director, or any associate of any such director or executive officer or proposed director of Western, owe any indebtedness to Western or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Western.

MANAGEMENT CONTRACTS

Western has no management contracts or other arrangements in place where management functions are performed by a person or company other than the directors or Senior Executives of Western.

CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") establishes corporate governance guidelines which apply to all reporting issuers. Corporate Governance is the process and structure used to direct and manage the business and affairs of Western to achieve the Shareholders objectives. The Shareholders elect the directors who in turn are responsible for overseeing all aspects of the operations of Western, appointing management and ensuring that the business is managed properly, taking into account the interests of the Shareholders and other stakeholders such as employees, customers, suppliers, and the community at large. Western is required to disclose certain specified corporate governance information with reference to NP 58-201 and National Instrument 58-101 ("NI 58-101"), addressing such items as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness of education of boards. The Board of Directors of Western, through the Corporate Governance and Compensation Committee, monitors changes with respect to corporate governance practices and regulatory requirements. The report which discloses the corporate governance practices of Western as required by NI 58-101 is set out in Schedule "B" hereto.

Mandate of the Board

The Board has adopted a formal mandate, a copy of which is attached as Schedule “C” to this Information Circular and is available online at www.wesc.ca.

Board Composition

The Board is currently composed of six (6) members. The Board has established three committees, the Audit Committee, the Corporate Governance and Compensation Committee and the Health, Safety and Environment Committee. All members of the Audit Committee are independent as defined by NI 52-110 and all members of the Corporate Governance and Compensation committee are independent as defined by NI 58-101. Two members of the Health, Safety and Environment Committee are independent as defined by NI 58-101. Mr. MacAusland, the President and CEO of Western, is a member of the Health, Safety and Environment Committee and is not considered independent as he is a member of management.

Audit Committee

The current members of the Audit Committee are Lorne A. Gartner (Chairman), Thomas M. Alford and John R. Rooney. Mr. Alford will not be standing for re-election at the Western Meeting. The Audit Committee is a standing committee appointed by the Board whose responsibility is to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting by Western. Each current member of the Audit Committee is independent as defined under National Instrument 52-110 - *Audit Committees* and none received directly or indirectly, any compensation from Western other than for services as a member of the Board and its committees. All current members of the Audit Committee are financially literate as defined under National Instrument 52-110 - *Audit Committees*. Further information regarding Western’s Audit Committee is contained under the heading “Audit Committee” in Western’s Annual Information Form dated February 26, 2015.

Corporate Governance and Compensation Committee

The directors who are currently members of the Corporate Governance and Compensation Committee are John R. Rooney (Chairman), Thomas M. Alford and Donald D. Copeland, all of whom are independent as defined in NI 58-101. Mr. Alford will not be standing for re-election at the Western Meeting. The Corporate Governance and Compensation Committee has the general responsibility for developing and monitoring Western’s approach to corporate governance matters and is responsible for recommending to the Board of directors its size, composition and membership, succession planning for directors and Board Committee structure. The Corporate Governance and Compensation Committee is also responsible for reviewing and approving the STIP Bonus Pool, the Senior Executive’s compensation and reviewing senior officers’ compensation.

Health, Safety and Environment Committee

The directors who are currently members of the Health, Safety and Environment Committee are Donald D. Copeland (Chairman), Thomas M. Alford and Alex R.N. MacAusland. Messrs. Copeland and Alford are independent as defined in NI 58-101. Mr. MacAusland is not considered independent as he is the President and CEO of Western. Mr. Alford will not be standing for re-election at the Western Meeting. The Health, Safety and Environment Committee has the general responsibility for developing and monitoring Western’s approach to health and safety matters and is responsible for recommending to the Board of Directors its size, composition and membership, succession planning for directors and Board Committee structure.

Communicating with the Board

Shareholders may write to the Board of Directors or any member or members of the Board of Directors in care of the Corporate Secretary at the head office of Western.

Letters addressed to the Board of Directors, or any individual independent director, are reviewed as a group to determine if a response from the Board is appropriate. While the Board oversees management, it does not participate in the day-to-day functions and operations of Western and is not normally in the best position to respond to inquiries on those matters. Inquiries on operations or day-to-day management of Western will be directed to the appropriate personnel within Western for a response. The Board has instructed the Corporate Secretary to review all correspondence and, in her discretion, not to forward any items if they are not relevant to Western’s operations, policies and philosophies; or are not appropriate for consideration by the Board.

All inquiries will receive a written response from either the Board or management, if appropriate. The Corporate Secretary maintains a log of all correspondence addressed to members of the Board. Directors may review the log at any time and request copies of any correspondence received.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed under “*Interests of Management and Others in Material Transactions*” in Western’s Annual Information Form dated February 26, 2015 and filed under Western’s profile on the SEDAR website located at www.sedar.com, Western is not aware of any material interest, direct or indirect, of any informed person of Western, any proposed nominee for election as a director of Western or any associate or affiliate of any of the foregoing in any transaction that took place since the beginning of the most recently completed financial year in any proposed or ongoing transaction of Western which has or will materially affect Western.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON

No person who has been a director or executive officer of Western at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of Western, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors and the approval of the RSU Plan. All of the directors and certain officers of the Corporation hold RSUs.

NORMAL COURSE ISSUER BID

On December 17, 2014, Western implemented a normal course issuer bid (“**2014 NCIB**”) through the facilities of the TSX following acceptance of Western’s notice (the “**2014 Notice**”) to the TSX to conduct the 2014 NCIB. The Corporation may acquire up to 5,550,000 Common Shares (the “**2014 Bid Shares**”) under the 2014 NCIB which expires on December 16, 2015, or the date when all of the 2014 Bid Shares are purchased. Western has purchased 327,100 shares under the 2014 NCIB as of March 20, 2015. A shareholder of Western may obtain a copy of the 2014 Notice, without charge, by contacting Western. See “*Additional Information*” for such contact information.

ADDITIONAL INFORMATION

Financial information is provided in Western’s consolidated financial statements and management’s discussion and analysis as at and for the years ended December 31, 2014 and 2013 and the auditors’ report thereon (the “**Annual Report**”), which has been mailed to those Shareholders of Western who have so requested, along with this Information Circular. The Corporation will provide to any person upon request the Annual Report. These documents can be obtained free of charge by contacting the Corporate Secretary of Western at 1700, 215 – 9th Avenue SW, Calgary, Alberta T2P 1K3 or by accessing Western’s website at www.wesc.ca. Information relating to Western can also be obtained on SEDAR under Western’s profile at www.sedar.com.

SCHEDULE 'A'

WESTERN ENERGY SERVICES CORP. – RESTRICTED SHARE UNIT PLAN

The Board of Directors of Western Energy Services Corp. (the “**Corporation**”) has established this Restricted Share Unit Plan (the “**Plan**”) for the Corporation to govern the issuance of Restricted Share Units (as defined herein) of the Corporation to Eligible Participants (as defined herein).

1. Purposes

The principal purposes of the Plan are as follows:

- (a) to strengthen the ability of the Corporation and its Affiliates to attract and retain qualified Eligible Participants;
- (b) to align the interests of Eligible Participants with the interests of the Shareholders; and
- (c) to focus management of the Corporation and its Affiliates on operating and financial performance and total long-term Shareholder return by providing an increased incentive to contribute to the Corporation's growth and profitability.

2. Administration

The Plan shall be administered by the Board or by such committee as the Board delegates such authority to from time to time (either the Board or such committee of the Board shall be referred to herein as the “**Committee**” and any reference to the Board herein shall include a reference to the Committee, as the context may require). The Committee shall have the authority, in its discretion and subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority:

- (a) to make Unit Awards and, subject to Section 7 hereof, amend previously granted Unit Awards;
- (b) to determine the Fair Market Value of the Shares on any date;
- (c) to determine the Eligible Participants to whom, and the time or times at which, Unit Awards shall be granted;
- (d) to determine the number of Restricted Share Units to be awarded pursuant to each Unit Award;
- (e) to determine the Vesting Dates of the Restricted Share Units provided that the Vesting Date for all Restricted Share Units granted under a particular Unit Award shall not be later than November 30 of the third year following the year in which the particular Unit Award was made;
- (f) subject to Section 7 hereof, to prescribe, amend and rescind rules and regulations relating to the Plan;
- (g) to interpret the Plan;
- (h) subject to Section 7 hereof, to determine the terms and provisions of Unit Award Agreements (which, for greater certainty, may not be identical) entered into in connection with Unit Awards; and
- (i) to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, including without limitation, to a third-party agent or trustee, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan.

For greater certainty and without limiting the discretion conferred on the Committee pursuant to this Section, the Committee's decision to approve the grant of a Unit Award in any year shall not require the Committee to approve the grant of a Unit Award to any Eligible Participant in any other year. The Committee's decision with respect to the size or terms and conditions of a Unit Award in any year shall not require it to approve the grant of a Unit Award of the same size or with the same terms and conditions to any Eligible Participant in any other year. The Committee shall not be precluded from approving the grant of a Unit Award to any Eligible Participant solely because such Eligible Participant may previously have been granted a Unit Award under this Plan or any other similar compensation arrangement of the Corporation or an Affiliate. No Eligible Participant has any claim or right to be granted a Unit Award.

3. Eligibility and Award Determination

Unit Awards may only be granted to existing or proposed directors, employees and consultants of the Corporation and its subsidiaries or any Insider of the Corporation and its subsidiaries (collectively, “**Eligible Participants**”); provided, however, that the participation of an Eligible Participant in the Plan is voluntary; and provided further, that with respect to any grants to U.S. Persons, Eligible Participants shall exclude any Consultant Company. In determining the Eligible Participants to whom Unit Awards may be granted (“**Grantees**”) and the number of Restricted Share Units to be awarded pursuant to each Unit Award, the Committee may consider the following factors:

- (a) compensation data for comparable benchmark positions among the Corporation's competitors;
- (b) the duties and seniority of the Eligible Participant;
- (c) the performance of the Eligible Participant in the prior year relevant to the Performance Measures of the Corporation for the relevant performance period;
- (d) individual and/or departmental contributions and potential contributions to the success of the Corporation; and
- (e) such other factors as the Committee shall deem relevant in connection with accomplishing the purposes of the Plan.

4. Terms and Conditions of Unit Awards

Each Unit Award granted under the Plan shall be subject to the terms and conditions of the Plan and evidenced by an agreement between the Corporation and the Grantee (a “**Unit Award Agreement**”), which agreement shall comply with, and be subject to, any applicable requirements of the Exchange and the following terms and conditions (and with such other terms and conditions not inconsistent with the terms of this Plan as the Committee, in its discretion, shall establish):

- (a) Number of Restricted Share Units – The Committee shall determine the number of Restricted Share Units to be awarded to a Grantee pursuant to the Unit Award in accordance with the provisions set forth in Section 3 of the Plan and in accordance with the following restrictions:
 - (i) The maximum number of Shares which may be reserved for issuance: (A) under the Plan shall not exceed 1% of the total number of Shares issued and outstanding from time to time; and (B) when combined with the maximum number of Shares which may be reserved for issuance under all other security based compensation arrangements of the Corporation, shall not exceed 10% of the total number of Shares issued and outstanding from time to time.
 - (ii) The maximum number of Shares which may be reserved for issuance to “insiders” and their “associates” and “affiliates”, as such terms are defined by the *Securities Act* (Alberta), (collectively, the “**Insiders**”) under the Plan, and all other security based compensation arrangements of the Corporation, shall be 10% of the total number of Shares issued and outstanding from time to time.
 - (iii) The number of Shares issued to Insiders, within any one year period under the Plan, and all other security based compensation arrangements of the Corporation, shall not exceed 10% of the total number of Shares issued and outstanding from time to time.
 - (iv) The number of Shares issuable in any 12-month period under the Plan:
 - A. to any one Eligible Participant shall not exceed 2% of the total number of Shares outstanding from time to time; and
 - B. to employees whose primary function is conducting Investor Relations Activities shall not exceed in the aggregate 2% of the total number of Shares outstanding from time to time.
 - (v) The maximum number of Shares issuable to non-employee directors under the Plan shall not exceed 1% of the total number of Shares outstanding from time to time.

- (vi) The aggregate Fair Market Value of Shares, at the time of grant, granted to any one individual non-employee director, in any 12-month period under the Plan, shall not exceed \$150,000.

The aforementioned limits on the number of Shares reserved for issuance may be formulated on a diluted basis with the consent of the Exchange if such consent is required pursuant to the rules of such Exchange.

- (b) Vesting Date – Subject to Section 2(e) and the remaining provisions of this Section 4, with respect to any Unit Award, the Restricted Share Units thereunder shall vest as follows:
 - (i) as to one third of the Restricted Share Units with respect to such Unit Award on the first anniversary of the Grant Date;
 - (ii) as to one third of the Restricted Share Units with respect to such Unit Award on the second anniversary of the Grant Date; and
 - (iii) as to the remaining third of the Restricted Share Units with respect to such Unit Award on the third anniversary of the Grant Date,

provided, however, that if an Accelerated Vesting Event occurs prior to any of the Vesting Dates determined in accordance with the above provisions, all of the Grantee's Restricted Share Units that have not yet vested as of such time shall vest immediately prior to the effective time of the Accelerated Vesting Event, or such other time as determined advisable by the Committee, provided that such other time is not later than the date that the vesting would have otherwise occurred and is no earlier than 30 days before the date the vesting would otherwise have occurred.

- (c) Satisfaction of Restricted Share Units
 - (i) Subject to Section 4(c)(ii) the Committee may at any time decide in its sole discretion that the Corporation will issue from treasury or purchase, through an independent trustee and in accordance with applicable securities laws, on the Exchange for delivery, to a Grantee, on a Vesting Date: (A) the number of Shares deliverable on such Vesting Date under a Unit Award; or (B) such lesser number of Shares as the Committee may determine in partial satisfaction of the number of Shares deliverable on such Vesting Date under a Unit Award (a “**Partial Share Settlement**”).
 - (ii) Subject to Section 4(c)(iii) unless the Committee determines to issue, in full settlement therefor, Shares to a Grantee on a Vesting Date in respect of a Unit Award, the Corporation shall deliver a cash payment equal to the Fair Market Value of a Share on such Vesting Date multiplied by the number of Restricted Share Units that vest in the Grantee on such Vesting Date, less the number of Shares issued in respect of a Partial Share Settlement, if any, in consideration for the surrender by the Grantee of any rights to receive that number of Shares which are deliverable under such Unit Award.
 - (iii) The Corporation or the Affiliate, as the case may be, shall be entitled to withhold from any cash payments or Shares delivered to the Grantee all amounts as may be required by law and in the manner contemplated by Section 5 hereof.
- (d) Termination of Relationship as Eligible Participant – Unless otherwise provided in a Unit Award Agreement pertaining to a particular Unit Award or any written employment agreement governing a Grantee's role as an Eligible Participant, or unless otherwise determined by the Committee, the following provisions shall apply in the event that a Grantee ceases to be an Eligible Participant:
 - (i) Termination for cause – If a Grantee ceases to be an Eligible Participant as a result of termination for cause, effective as of the date notice is given to the Grantee of such termination, all unvested Restricted Share Units held by such Grantee shall be terminated and all rights to receive any payment thereunder shall be forfeited by the Grantee following the date on which such Grantee ceases to be an Eligible Participant.

- (ii) Termination not for cause – If a Grantee ceases to be an Eligible Participant as a result of being terminated other than a termination for cause (a “**Termination Without Cause**”), effective as of the date of the Termination Without Cause and notwithstanding any other severance entitlements or entitlement to notice or compensation in lieu thereof, all unvested Restricted Share Units held by such Grantee shall be terminated and all rights to receive any payment thereunder shall be forfeited by the Grantee, and the Grantee shall not be entitled to receive any compensation in lieu thereof; provided that the Committee may determine in its sole discretion, prior to the date such Restricted Share Units would otherwise terminate, to extend the date upon which such securities terminate subject to the restrictions regarding Vesting Dates set forth in Section 2(e).
- (iii) Retirement, Disability or Death – If a Grantee ceases to be an Eligible Participant as a result of such Grantee’s Retirement or due to Disability or death, all outstanding Restricted Share Units and related Unit Award Agreements shall continue in full force and effect, and vesting and payment in respect of such Restricted Shares Units shall continue to be made in accordance with the terms thereof, subject to the provisions of this Plan, as if such Grantee continued to be an Eligible Participant, provided however that the Grantee shall only be entitled to receive on each Vesting Date, the number of Shares equal to the number of Restricted Share Units granted multiplied by a fraction (A) the numerator of which is the number of days the Grantee was an Eligible Participant of the Corporation during the applicable vesting period and (B) the denominator of which is the total number of days comprising the applicable vesting period.
- (iv) Ceasing to be an Eligible Participant to an Affiliate – If a Grantee ceases to be an Eligible Participant as a result of the Affiliate in whose service such Grantee may be, ceasing to be an Affiliate of the Corporation, effective as of the date upon which the Affiliate ceases to be an Affiliate of the Corporation, all unvested Restricted Share Units held by such Grantee shall be terminated and all rights to receive any payment thereunder shall be forfeited by the Grantee, and the Grantee shall not be entitled to receive any compensation in lieu thereof; provided that the Committee may determine in its sole discretion, prior to the date such Restricted Share Units would otherwise terminate, to extend the date upon which such securities terminate subject to the restrictions regarding Vesting Dates set forth in Section 2(e).
- (v) Voluntary Termination – If a Grantee ceases to be an Eligible Participant for any other reason, effective as of the last day of any notice period applicable in respect of such voluntary resignation, all unvested Restricted Share Units held by such Grantee shall be terminated; provided that the Committee may determine in its sole discretion, prior to the date such Restricted Share Units would otherwise terminate, to extend the date upon which such securities terminate subject to the restrictions regarding Vesting Dates set forth in Section 2(e); Notwithstanding the foregoing, unvested Restricted Share Units held by such Grantee shall not be affected by a change of employment or term of office or appointment within or among the Corporation or an Affiliate so long as the Grantee continues to be an Eligible Participant.
- (e) Rights as a Shareholder – Under no circumstances shall Restricted Share Units be considered Shares of the Corporation, nor shall they entitle any Grantee to exercise voting rights or any other rights attaching to the ownership of Shares of the Corporation, nor shall any Grantee be considered the owner of Shares by virtue of the fact that Shares will be acquired by such Grantee in satisfaction of Restricted Share Units.
- (f) Effect of Certain Changes – In the event:
 - (i) of any change in the Shares through subdivision, consolidation, reclassification or amalgamation or merger that is not a Change of Control or otherwise;
 - (ii) that any rights are granted to Shareholders to purchase Shares at prices substantially below Fair Market Value; or

- (iii) that, as a result of any reorganization, recapitalization, merger, consolidation or other transaction that is not a Change of Control, the Shares are converted into or exchangeable for any other securities;

then, in any such case, the Committee may make such adjustments to the Plan and to any Unit Awards outstanding under the Plan as the Committee may, in its sole discretion (subject only to obtaining any required regulatory or stock exchange approvals), consider appropriate in the circumstances to prevent substantial dilution or enlargement of the rights granted to Grantees hereunder.

- (g) *Dividends* – In the event the Corporation pays a dividend on the Shares subsequent to the granting of a Unit Award, the number of Restricted Share Units relating to such Unit Award (the “**Original RSUs**”) shall be increased by an amount equal to: (a) the product of the aggregate number of Original RSUs held by the Grantee on the record date for such dividend multiplied by the per Share amount of such dividend (or, in the case of any dividend payable in property other than cash, the per Share fair market value of such property, as determined by the Board), divided by (b) the Fair Market Value of a Share calculated as of the date on which the dividend is paid. In the event that the Corporation pays any dividends on the Shares in additional Shares, the number of Original RSUs shall be increased by a number equal to the product of (x) the aggregate number of Original RSUs held by the Grantee on the record date of such dividend, multiplied by (y) the number of Shares (including any fraction thereof) payable as a dividend on one Share. For greater certainty, despite any change to the amount of a Unit Award pursuant to this paragraph, the Vesting Dates for such Unit Award shall remain unchanged.
- (h) *Fractions* - Notwithstanding any other provision of this Plan, where the determination of the number of Restricted Share Units which have vested on any particular Vesting Date would result in a fractional Restricted Share Unit, the number of Restricted Share Units credited to the Grantee shall be rounded down to the next whole number of Restricted Share Units. No fractional Shares shall be delivered pursuant to this Plan nor shall cash be paid at any time in lieu of any such fractional Share.
- (i) *Black-Out Periods* - In the event the Vesting Date determined in accordance with the terms of this Plan occurs within a period of time imposed by the Corporation, pursuant to the Corporation's policies, upon certain designated persons during which those persons may not trade in any securities of the Corporation (a “**Black-Out Period**”) or which vest within five business days after a Black-Out Period ends (not including a Black-Out Period imposed due to a cease trade order), the Vesting Date of the Restricted Share Units shall be ten business days from the date any Black-Out Period ends.
- (j) *Reversion to Plan* - All Restricted Share Units that are satisfied, terminated or expire in accordance with Section 4 shall thereafter revert to the Plan and shall be included in the total number of Restricted Share Units available for issuance under the Plan.

5. Withholding

When a Grantee or other person becomes entitled to receive cash or Shares under a Unit Award, the Grantee (or his or her heirs or administrators) shall follow the Corporation's procedures and policies relating to the payment or funding of any withholding taxes applicable to the receipt of such cash or Shares, including, where required by the Corporation, the remittance to the Corporation by the Grantee (or his or her heirs or administrators) of an amount of cash sufficient to satisfy any withholding requirements relating to the receipt of such cash or Shares.

6. Non-Transferability

Shares or cash deliverable upon vesting of a Restricted Share Unit shall only be delivered to or to the order of a Grantee by the Corporation, except that if a Grantee dies, Shares or cash may be delivered to the Grantee's legal representative or designated beneficiary to whom the Restricted Share Units transfer by will or by the laws of descent and distribution. Except for the foregoing and as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of a Restricted Share Unit, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Restricted Share Unit whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or

charge, such Restricted Share Unit shall terminate and be of no further force or effect.

7. Amendment and Termination of the Plan

- (a) To the extent the rules of the Exchange so require, all unallocated awards under the Plan will be subject to renewal approval by the Shareholders at a meeting of such Shareholders not less frequently than every three years.
- (b) The Committee may amend, suspend or terminate the Plan at any time, provided that no such amendment, suspension or termination may:
 - (i) be made without obtaining any required regulatory or shareholder approvals; or
 - (ii) adversely affect the rights of any Grantee with respect to a Unit Award which has neither expired nor been terminated at the time of any such amendment without the consent of the Grantee.
- (c) Subject to paragraph 7(d) of the Plan and provided that no amendment to the Plan shall cause the Plan to cease to be subject to paragraph (k) of the definition of “salary deferral arrangement” as contained in the *Income Tax Act* (Canada), the Committee may from time to time, by resolution and without approval of the Shareholders, make amendments to the Plan or any Unit Award, including but not limited to, the following:
 - (i) an addition to, deletion from or alteration of the Plan or a Unit Award that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange;
 - (ii) an amendment to correct or rectify any ambiguity, defective provision, error or omission in the Plan or a Unit Award; and
 - (iii) any other amendment that does not require shareholder approval.
- (d) Approval of the Shareholders will be required for the following amendments to the Plan or any Unit Award:
 - (i) any increase in the maximum number of Shares reserved for issuance under the Plan;
 - (ii) an extension of the term of a Unit Award benefiting an Insider;
 - (iii) any amendments to the Plan to remove or to exceed the Insider participation limits set forth in Section 4(a) hereof;
 - (iv) any change to the categories of individuals eligible to be selected for grants of Unit Awards, where such change may broaden or increase the participation of Insiders under the Plan;
 - (v) an amendment that would permit Unit Awards to be transferable or assignable other than for normal estate settlement purposes; and
 - (vi) any amendment to this Section 7 of the Plan.

8. Foreign Grantees

The Corporation may, without amending the Plan, modify the terms of Restricted Share Units granted to participants who provide services to the Corporation or an Affiliate from outside of Canada in order to comply with the applicable laws of such foreign jurisdictions. Any such modification to the Plan with respect to a particular participant shall be reflected in the Unit Award Agreement for such Grantee. In addition, the terms of the Plan and Unit Awards granted to Grantees subject to taxation under the United States Internal Revenue Code of 1986, as amended, will be subject to and will be determined by taking into consideration the terms stated in the attached

9. Miscellaneous

- (e) *Effect of Headings* – The section and subsection heading contained herein are for convenience only and shall not affect the construction hereof.
- (f) *Compliance with Legal Requirements* – the Corporation shall not be obliged to deliver any Shares if such delivery would violate any law or regulation or any rule of any government authority or stock exchange. The Corporation may postpone the delivery of Shares under any Unit Award as the Board may consider appropriate, and may require any Grantee to make such representations and furnish such information as it may consider appropriate in connection with the delivery of Shares in compliance with applicable laws, rules and regulations. The Corporation shall not be required to qualify for resale pursuant to a prospectus or similar document any Shares delivered under the Plan, provided that the Corporation shall notify any stock exchange and any other appropriate regulatory bodies of the existence of the Plan and the granting of Unit Awards hereunder in accordance with any such requirements.
- (g) *No Right to Continued Employment* – Nothing in the Plan or in any Unit Award Agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ or service of the Corporation or an Affiliate, to be entitled to any remuneration or benefits not set forth in the Plan or a Unit Award Agreement or to interfere with or limit in any way the right of the Corporation or an Affiliate to terminate any Grantee's employment or service.
- (h) *Ceasing to be an Affiliate* – Except as otherwise provided in this Plan, Unit Awards granted under this Plan shall not be affected by any change in the relationship between or ownership of the Corporation and an Affiliate.
- (i) *Expenses* – All expenses in connection with the Plan shall be borne by the Corporation.

10. Definitions

As used in this Plan, the following words and phrases shall have the meanings indicated:

- (a) “**Accelerated Vesting Event**” means the effective time of a Change of Control;
- (b) “**Associated Entity**” or “**Associated Entities**” mean any corporation, partnership or other entity which directly or indirectly:
 - (i) controls, or is controlled by, the Corporation; or
 - (ii) is controlled by the same corporation that directly or indirectly controls the Corporation;
- (c) “**Affiliate**” has the meaning set forth in MI 62-104 and, for the purposes of this Plan, unless otherwise stipulated herein a reference to an Affiliate shall mean an Affiliate of the Corporation within such meaning;
- (d) “**Board**” means the board of directors of the Corporation as it may be constituted from time to time;
- (e) “**Change of Control**” means and it shall be deemed to have taken place if any of the following shall have occurred:
 - (i) the purchase or acquisition, without the approval or consent of the Board, of any Voting Shares or Convertible Securities by a Holder (or group of Holders acting jointly or in concert) which results in the Holder (or group of Holders acting jointly or in concert) beneficially owning, or exercising control or direction over, Voting Shares or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the

Holder, the Holder would beneficially own, or exercise control or direction over, Voting Shares carrying the right to cast more than 30% of the votes attaching to all Voting Shares; or

- (ii) the Corporation completes an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another corporation or entity which requires approval of the shareholders of the Corporation pursuant to its statute of incorporation, such that assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder (or group of Holders acting jointly or in concert), the Holder (or group of Holders acting jointly or in concert) would beneficially own, or exercise control or direction over, Voting Shares carrying the right to cast more than 50% of the votes attaching to all Voting Shares, and immediately following the event described in this paragraph, the directors of the Corporation immediately prior to such event do not constitute a majority of the Board (or equivalent) of the successor or continuing corporation or entity immediately following such event; or
- (iii) the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board, as directors of the Corporation who are not included in the slate for election as directors proposed to the Corporation's shareholders by the Corporation; or
- (iv) the liquidation, dissolution or winding-up of the Corporation; or
- (v) the sale, lease or other disposition of all or substantially all of the assets of the Corporation (other than pursuant to an internal reorganization); or
- (vi) a determination by the Board that there has been a change, whether by way of a change in the holding of the Voting Shares of the Corporation or otherwise, in the ownership of the Corporation's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation;

but shall not include an acquisition of the Company's securities or assets by, or any consolidation, merger or exchange of securities or assets with, any entity that, immediately prior to such acquisition, consolidation, merger or exchange of securities was an Affiliate of the Company;

- (f) “**Committee**” has the meaning set forth in Section 2 hereof;
- (g) “**Company**”, unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual;
- (h) “**Consultant**” means, in relation to the Corporation, an individual or Consultant Company, other than an employee, officer or director of the Corporation, that:
 - (i) is engaged to provide on a ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a distribution of securities of the Corporation;
 - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;

- (i) “**Consultant Company**” means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) “**Control**” has the meaning set forth in Section 1.4 of MI 62-104;
- (k) “**Convertible Securities**” means any securities convertible or exchangeable into Voting Shares or carrying the right or obligation to acquire Voting Shares;
- (l) “**Directors**” means directors, senior officers and Management Company Employees of the Corporation, or directors, senior officers and Management Company Employees of the Corporation’s subsidiaries to whom Unit Awards can be granted in reliance on a prospectus exemption under applicable securities laws;
- (m) “**Disability**” means a physical or mental incapacity of the Grantee that has prevented the Grantee from performing the duties customarily assigned to the Grantee for a period of six consecutive months, out of any twelve (12) consecutive months;
- (n) “**Eligible Participant**” has the meaning set forth in Section 3 hereof;
- (o) “**Employee**” means:
 - (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation or its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (p) “**Exchange**” means the principal stock exchange upon which the Shares are listed or upon which the Shares have been approved for listing;
- (q) “**Fair Market Value**” means, with respect to a Share on any date, the volume weighted average price of the Shares on the Exchange for the five days on which Shares were traded immediately preceding that date; provided that if the Shares are not listed for trading on a stock exchange on such date, the Fair Market Value shall be the price per Share as the Board, acting in good faith, may determine;
- (r) “**Grant Date**” means the effective date of the granting of a Unit Award as is specified in the applicable Unit Award Agreement between the Corporation and the Grantee;
- (s) “**Grantee**” has the meaning set forth in Section 3 hereof;
- (t) “**Holder**” means a person, a group of persons or persons acting jointly or in concert, or persons associated or affiliated, within the meaning of the *Securities Act* (Alberta), with any such person, group of persons or any of such persons acting jointly or in concert;
- (u) “**Insiders**” has the meaning set forth in Section 4 hereof;
- (v) “**Investor Relations Activities**” means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - a. to promote the sale of products or services of the Corporation; or
 - b. to raise public awareness of the Corporation;

that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (ii) activities or communications necessary to comply with the requirements of:
 - a. applicable securities laws; or
 - b. Exchange Requirements (as defined in the policies of the TSX) or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
 - (iii) communications by a publisher of; or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - a. the communication is only through the newspaper, magazine or publication; and
 - b. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the TSX;
- (w) “**Management Company Employee**” means an individual employed by a Company or individual providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Company or individual engaged in Investor Relations Activities;
 - (x) “**MI 62-104**” means Multilateral Instrument 62-104 - *Take-Over Bids and Issuer Bids*;
 - (y) “**Partial Share Settlement**” has the meaning set forth in Section 4 hereof;
 - (z) “**Performance Measures**” for any fiscal year or other period that the Board in its sole discretion shall determine, means the performance measures to be taken into consideration in awarding Restricted Share Units under the Plan;
 - (aa) “**Person**” has the meaning set forth in Section 1.1 of MI 62-104;
 - (bb) “**Restricted Share Unit**” means the right of a Grantee to receive a Share or a cash payment on the Vesting Date of such Restricted Share Unit, subject to adjustment pursuant to the provisions of Section 4, in the manner and subject to the terms and provisions set forth in the Plan and the applicable Unit Award Agreement;
 - (cc) “**Retirement**” shall have such meaning as the Committee or the Board shall determine from time to time;
 - (dd) “**security based compensation arrangement**” has the meaning ascribed thereto in the rules and policies of the Exchange;
 - (ee) “**Shareholder**” means a holder of Shares;
 - (ff) “**Shares**” means common shares in the capital of the Corporation;

- (gg) “**Subsidiary**” has the meaning set forth in Section 1.1 of MI 62-104;
- (hh) “**Termination Without Cause**” has the meaning set forth in Section 4 hereof;
- (iii) “**Unit Award**” means an award of Restricted Share Units under the Plan;
- (ii) “**Unit Award Agreement**” has the meaning set forth in Section 4 hereof;
- (jj) “**U.S. Person**” means any natural person resident in the United States, any corporation, partnership, limited liability company, or other entity organized or incorporated in the United States, or any estate or trust the trustee, executor, or administrator of which is a U.S. Person;
- (kk) “**Vesting Date**” means, with respect to any Restricted Share Unit, the date, determined in accordance with Section 4(b), upon which the Shares or cash to be received thereunder shall become deliverable to the Grantee of such Restricted Share Unit; and
- (ll) “**Voting Shares**” means any securities of the Corporation ordinarily carrying the right to vote at elections of directors.

11. Effective Date

The Plan shall take effect on July 30, 2014, the date of its adoption by the Board.

Appendix A

This special appendix sets forth special provisions of the Plan that apply to Grantees (“US Grantees”) subject to Section 409A of the United States Internal Revenue Code of 1986, as amended (the “Code”).

1. Compliance with Section 409A

- (a) *In General* – Notwithstanding any provision of the Plan to the contrary, it is intended that with respect to any US Grantee, such US Grantee’s participation in the Plan shall be in a manner which does not subject the US Grantee’s interests in the Plan to accelerated or additional tax under Section 409A. If any grant to a US Grantee or payment hereunder could cause the application of accelerated or additional tax under Section 409A, such grant or payment shall be deferred if and to the extent deferral will make such grant or payment compliant with Section 409A; otherwise such grant or payment shall be restructured, to the extent possible, in a manner determined by the Board that does not cause such an accelerated or additional tax. For purposes of Section 409A, each payment or amount due under this Plan shall be considered a separate payment.
- (b) *Change of Control* – For US Grantees, “Change of Control” means an event as defined in Section 409A(2)(A)(v) of the Code.
- (c) *Retirement* – For US Grantees, the provisions of section d(iii) of the Plan with respect to payment of Restricted Share Units upon Retirement will be of no force or effect.
- (d) *Disability* – For US Grantees, “Disability” means a disability within the meaning of Section 409A(a)(2)(C) of the Code.
- (e) *Payments in General* – Notwithstanding anything to the contrary, the US Grantees shall not have a right to designate the taxable year of any payment under the Plan.

2. Amendment of Appendix

The Board retains the power and authority to amend or modify this Appendix to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without approval of the shareholders of the Corporation or the approval of any individual Grantee.

**SCHEDULE “B” WESTERN ENERGY SERVICES CORP.
CORPORATE GOVERNANCE PRACTICES**

The Corporation believes that effective corporate governance practices are fundamental to the overall success of a company. National Instrument 58-101 (“**NI 58-101**”) and the associated National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) require issuers to disclose their corporate governance practices. In addition, the Corporation complies with National Instrument 52-110 on Audit Committees. The Corporation’s corporate governance practices are set out in the following table in accordance with NI 58-101.

Corporate Governance Disclosure Requirement NI 58-101	Comments
<p>I. Board of Directors</p> <p>(a) Disclose the identity of directors who are independent.</p>	<p>The Corporate Governance and Compensation Committee have reviewed the independence of each Director of the Corporation on the basis of the definition of independence in NI 58-101. A director is “independent” if he or she has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship that could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment subject to certain circumstances where such material relationship is deemed by such definition. The Corporate Governance and Compensation Committee has determined, after reviewing such definition and the roles and relationships of each of the directors, that five of the six current directors and four of the five directors who are also being proposed by the Board of Directors for the election to the Board of Directors of the Corporation are independent in accordance with the above definition.</p> <p>The present directors who are independent are:</p> <p style="text-align: center;">Thomas M. Alford Donald D. Copeland Lorne A. Gartner Ronald P. Mathison John R. Rooney</p> <p>The proposed directors who are independent are:</p> <p style="text-align: center;">Donald D. Copeland Lorne A. Gartner Ronald P. Mathison John R. Rooney</p>
<p>(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.</p>	<p>The Corporate Governance and Compensation Committee has determined, after reviewing the above definition of “independence” and the roles and relationships of each of the directors that one of the six existing directors and one of the five nominees proposed by Management for election to the Board of Directors of the Corporation is not independent from the Corporation. The present and proposed director who is not independent is:</p> <p style="text-align: center;">Alex R.N. MacAusland</p> <p>Mr. MacAusland is the President and CEO of Western.</p>
<p>(c) Disclose whether or not a majority of the directors are independent.</p>	<p>Five of the six existing directors and four of the five nominees proposed by Management for election to the Board of Directors of the Corporation are independent.</p>
<p>(d) If a director is presently a director of any other issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Mr. Alford is a director of High Arctic Energy Inc. and Wajax Corporation. Mr. Alford will not be standing for re-election at the Western Meeting. Mr. Copeland is a director of Toscana Energy Income Corporation. Mr. Gartner and Mr. Mathison are directors of Calfrac Well Services Ltd. and Tesla Exploration Ltd. Mr. Mathison is also a director of CMQ Resources Inc. and Yellowhead Mining Inc. Mr. Rooney is a director of Northern Blizzard Resources Inc.</p>
<p>(e) Disclose whether or not the independent directors hold regularly scheduled meetings at</p>	<p>The independent directors hold meetings at the end of each regularly scheduled directors meeting without the presence of management or the non-independent directors. There were seven meetings of the Board of Directors during the</p>

Corporate Governance Disclosure Requirement NI 58-101	Comments
<p>which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held during the preceding 12 months. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.</p>	<p>period January 1, 2014 to December 31, 2014. The independent directors held an in-camera session without management present at six of those seven meetings.</p>
<p>(f) Disclose whether or not the chair of the Board is an independent director, disclose the identity of the independent chair, and describe his or her role and responsibilities.</p>	<p>Mr. Ronald P. Mathison is the Chairman of the Board. Mr. Mathison is an independent Chairman.</p> <p>The position description of the Chairman of the Board provides for the Chairman to provide leadership to the Board and to serve as chair at shareholders annual meetings. The Chairman sets the agenda of all Board meetings, ensures the provision of accurate, timely and clear information to the directors. In addition, the Chairman supervises the Committee Chairs.</p>
<p>(g) Disclose the attendance record of each director for all board meetings held since the beginning of the most recently completed financial year.</p>	<p>Four directors attended all of the Board of Directors meetings they were entitled to attend; two directors were absent from one of the Board of Directors meetings they were entitled to attend, whether in person or by telephone. For further information see “<i>Summary of Board Meeting Attendance</i>”.</p>
<p>2. Board Mandate Disclose the text of the Board’s written mandate.</p>	<p>The Board has adopted a Board Mandate. On an annual basis, the Board assesses the adequacy of the Board Mandate. In doing so, the Board completes a scorecard to confirm that it is doing all that is required of it under the mandate. The mandate of the Board is attached as Schedule ‘C’ to this Information Circular and is also available on the Corporation’s website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.</p>
<p>3. Position Descriptions (a) Disclose whether or not the Board has developed written position descriptions for the Chair and the Chair of each Board committee.</p>	<p>The position descriptions of the Chairman of the Board and the chair of each board committee are available on the Corporation’s website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.</p> <p>The position description of the Chairman of the Board provides for the Chairman to provide leadership to the Board and to serve as chair at shareholders annual meetings. The Chairman also sets the agenda of all Board meetings and ensures the provision of accurate, timely and clear information to the directors. In addition, the Chairman supervises the Committee Chairs.</p> <p>The position description of the Committee Chairs provides for their participation in the development of committee meeting calendars and agendas. Committee Chairs preside over all Committee meetings and ensure the orderly and efficient use of time in Committee meetings. Committee Chairs provide reports to the Board on a regular basis.</p>
<p>(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO.</p>	<p>The position description of the CEO is available on the Corporation’s website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.</p> <p>The position description of the CEO includes the following duties and responsibilities: strategy, leadership, relationships, operations, finance, reporting to the Board and relations with Shareholders, employees and the public. In general, the management of the Corporation is empowered to operate the business on a day-to-day basis. However any responsibility which is not delegated to either management or a Committee of the Board of Directors</p>

Corporate Governance Disclosure Requirement NI 58-101	Comments
	remains with the Board. In general, all matters of policy and all actions proposed to be taken which are not in the ordinary course of business require the prior approval of the Board or of a Board committee to which approval authority has been delegated. The corporate objectives are developed by management and approved by the Board.
<p>4. <i>Orientation and Continuing Educations</i></p> <p>(a) Briefly describe what measures the board takes to orient new members regarding:</p> <ul style="list-style-type: none"> (i) the role of the board, its committees and its directors; and (ii) the nature and operation of the issuer's business. 	<p>The Corporate Governance and Compensation Committee is responsible for ensuring that new directors are provided with an orientation and education program which includes written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board of Director meetings and discussions with senior management and other directors. Each director receives a director's manual, which is updated as required. The directors meet regularly with management and are given periodic presentations on the business. Directors are expected to attend all scheduled board and committee meetings in person, although attendance by telephone is permissible in appropriate circumstances. Directors are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.</p>
<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors.</p>	<p>The Board recognizes the importance of on-going director education and the need for each director to take personal responsibility for this process. Each director is expected to participate in continuing education programs to maintain any professional designation that they may have and which would be considered in their nomination as a director. In addition, each director is expected to participate in programs that would be necessary to maintain a level of expertise in order to perform his or her responsibilities as a director and to provide on-going guidance and direction to management. To facilitate ongoing education of the Corporation's directors, the Corporate Governance and Compensation Committee may: (a) periodically canvas the directors to determine their training and education needs and interests; (b) arrange ongoing visitation by directors to the Corporation's facilities and operations; (c) arrange the funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Corporation; and (d) encourage and facilitate presentations by outside experts to the Board or committees on matters of particular importance or emerging significance.</p>
<p>5. <i>Ethical Business Conduct</i></p> <p>(a) Disclose whether or not the Board has adopted a written code for its directors, officers and employees. If the Board has adopted a written code:</p> <ul style="list-style-type: none"> (i) disclose how an interested party may obtain a copy of the written code; (ii) describe how the Board monitors compliance with its code; (iii) provide a cross-reference to any material change report(s) filed within the preceding 12 months that pertains to any conduct of a Director or executive officer that constitutes a departure from the code; and (iv) describe any steps the board takes to ensure directors exercise independent 	<p>The Corporation's Board of Directors has adopted a Code of Business Conduct and Ethics ("Code of Ethics"), a copy of which is available on the Corporation's website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.</p> <p>The Corporate Governance and Compensation Committee has the responsibility for monitoring compliance with the Code of Ethics and also ensures that management encourages and promotes a culture of ethical business conduct.</p> <p>The Board, through the Audit Committee Chair, also receives reports of all financial or accounting and other appropriate issues raised through Western's anonymous toll-free whistleblower hotline.</p> <p>The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.</p> <p>The Board of Directors also has a Communications Policy which regulates the manner in which material information is determined and disseminated.</p> <p>The Board of Directors has not granted any waiver of the Code of Ethics in</p>

Corporate Governance Disclosure Requirement NI 58-101	Comments
<p>judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest.</p>	<p>favour of a Director or executive officer. Accordingly, no material change report has been required or filed.</p> <p>The Corporate Governance and Compensation Committee monitors the disclosure of conflicts of interest by directors and ensure that no director will vote or participate in a discussion on a matter, in respect of which, such director has a material interest.</p>
<p>6. Nomination of Directors (a) Describe the process by which the board identifies new candidates for board nomination.</p>	<p>This responsibility has been assigned to the Corporate Governance and Compensation Committee. To assist the Corporate Governance and Compensation Committee with reviewing the skill set of director candidates, a skill matrix was developed that sets forth the current make-up of the Board, allowing the Corporate Governance and Compensation Committee to identify criteria that a new candidate for the Board should possess. Criteria in the skills matrix included management, board and industry experience and areas of expertise. Before making a recommendation on a new director candidate, the Chairman of the Corporate Governance and Compensation Committee will meet with the candidate to discuss the candidate's interest and ability to devote the time and commitment required to serve on the Corporation's Board of Directors.</p>
<p>(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors.</p>	<p>The Corporation's Corporate Governance and Compensation Committee has the responsibility to set criteria for Board members, identify individuals qualified to become board members and, at the direction of the Board, either select or recommend that the Board select the director nominees for the next annual meeting of shareholders. The Corporation's Corporate Governance and Compensation Committee is presently comprised of three independent directors, being John R. Rooney (Chairman), Mr. Thomas M. Alford and Donald D. Copeland. Mr. Alford will not be standing for re-election at the Western Meeting. The Corporation's Corporate Governance practice requires that all members of its Corporate Governance and Compensation Committee shall be independent.</p>
<p>(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The Charter of the Corporate Governance and Compensation Committee incorporates the responsibilities, powers and operation terms of the Corporate Governance and Compensation Committee which are incorporated herein by reference. This Charter is available on the Corporation's website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation. The Charter of the Corporate Governance and Compensation Committee, amongst other items requires the Corporate Governance and Compensation Committee to (i) evaluate potential nominees to the Board by reviewing qualifications of prospective members and determines their relevance taking into consideration current Board composition and the anticipated skills required to round out the capabilities of the Board; (ii) annually recommends to the Board the nominees for election or re-election to the Board; and (iii) annually reviews and assesses the adequacy of its Charter. In doing so, the Corporate Governance and Compensation Committee will complete a scorecard to confirm that it is doing all that is required of it under its Charter. If vacancies occur on the Board, the Corporate Governance and Compensation Committee may recommend nominees to the Board.</p>
<p>7. Compensation (a) Describe the process by which the board determines the compensation for your company's directors or officers.</p>	<p>The Board of Directors established the Corporate Governance and Compensation Committee which is responsible to review and make recommendations to the Board regarding the adequacy and form of the compensation for Western's officers and directors. The Corporate Governance and Compensation Committee will regularly review the compensation practices of comparable companies.</p> <p>In particular, the Corporate Governance and Compensation Committee: (a) will review and approve, at least annually, Western's goals and objectives relevant to the compensation of the President and CEO and the CEO</p>

Corporate Governance Disclosure Requirement NI 58-101	Comments
	<p>compensation is based on that review; (b) will review, at least annually, and recommend to the Board of Directors compensation, incentive plans and equity based plans for non-CEO officers and directors, and for other key employees as identified by the CEO and approved by the Corporate Governance and Compensation Committee, and in particular, reviews and recommends to the Board of Directors the annual bonus payments for the CEO and executive officers; and (c) will review executive compensation disclosure before Western publicly discloses such information.</p> <p>For more information, please see under the heading “<i>Compensation Discussion and Analysis</i>” in this Information Circular.</p>
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors.	<p>The Corporation’s corporate governance practices require that all members of its Corporate Governance and Compensation Committee shall be independent. The Corporate Governance and Compensation Committee is currently comprised of John R. Rooney (Chairman), Thomas M. Alford and Donald D. Copeland. Mr. Alford will not be standing for re-election at the Western Meeting. None of the current members of the Corporate Governance and Compensation Committee are officers, employees or former officers of the Corporation or any of its affiliates or is eligible to participate in the Corporation’s executive compensation programs. All of the members of the current Corporate Governance and Compensation Committee have experience in executive compensation by virtue of their experience as current or former chief executive officers and as current or former senior executives. The board of directors believes the Corporate Governance and Compensation Committee collectively have the knowledge, experience and background required to fulfill its mandate.</p>
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	<p>The Corporate Governance and Compensation Committee Charter incorporates the responsibilities, powers and operation terms of the Compensation Committee which are incorporated herein by reference. The Charter is available on the Corporation’s website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.</p> <p>Briefly, the duties and responsibilities of the Corporate Governance and Compensation Committee include the development of a compensation policy, reviewing succession planning, evaluating the CEO, reviewing and recommending to the Board the CEO’s, executive officers’ and directors’ compensation, and monitoring incentive arrangements.</p> <p>In particular, the Corporate Governance and Compensation Committee: (a) will review and approve, at least annually, Western’s goals and objectives relevant to the compensation of the CEO and the CEO compensation is based on that review; (b) will review, at least annually, and recommend to the Board compensation, incentive plans and equity based plans for non-CEO officers and directors, and for other key employees as identified by the CEO and approved by the Compensation Committee, and in particular, reviews and recommends to the Board the annual bonus payments for the CEO and executive officers; (c) will review executive compensation disclosure before Western publicly discloses such information.</p>
<p>8. Other Board Committees</p> <p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Corporation’s Health, Safety and Environment Committee is presently comprised of two independent directors being Donald D. Copeland (Chairman) and Thomas M. Alford along with Alex R.N. MacAusland, who is not considered independent as Mr. MacAusland is the President and Chief Executive Officer of Western. Mr. Alford will not be standing for re-election at the Western Meeting. The Health, Safety and Environment Committee assists the Board in its oversight of the health, safety and environmental issues, including the evaluation of Western’s programs, controls and reporting systems, and compliance with applicable laws, rules and regulations. The</p>

Corporate Governance Disclosure Requirement NI 58-101	Comments
	Charter of the Health, Safety and Environment Committee is available on the Corporation's website at www.wesc.ca . A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.
<p>9. Assessments</p> <p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for assessments.</p>	The Corporate Governance and Compensation Committee has the mandate and responsibility to ensure that a process is in place for the annual review of the performance of individual directors, the Board as a whole and the Board committees. The directors are asked to complete a questionnaire which rates items such as structure and size of the Board and each committee, the knowledge and diversity of membership as well as the quality and timeliness of information received for discussion and the overall effectiveness in decision making. The anonymity of any particular submitter is maintained with the aggregate results presented to the Chair of the Corporate Governance and Compensation Committee for discussion and action if required. The results are then communicated to the full Board for discussion and recommendations as necessary.
<p>10. Director Term Limits and Other Mechanisms of Board Renewal</p> <p>Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.</p>	<p>The Board believes that issues relating to board effectiveness, board renewal and board succession planning are best addressed by a strong chair, a thoughtful governance committee and independent-thinking board members. The Board is responsible for recommending to shareholders from time to time candidates for election to the Board that together contribute the right mix of skills and expertise to the Board. To assist in making those recommendations, the Board periodically conducts both formal and informal reviews of the effectiveness of the Board and individual Board members.</p> <p>The Board is concerned that imposing arbitrary and inflexible director term limits may result in Western losing valued directors at a time when Western most needs their skills, qualities and contributions, as well as their knowledge of the history and culture of the organization. Mandatory retirement ages pose the same risk and the Board does not want to risk the loss of key directors to retirement policies that seem unnecessarily arbitrary and inflexible when they force a high performing director off the Board. As a result the Board does not feel that it would be appropriate to set term limits for its directors but rather relies on the experience of its members to determine when Board renewals, Board removals and Board additions are appropriate.</p>
<p>11. Policies Regarding the Representation of Women on the Board</p> <p>Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.</p>	The Board has not adopted any written policy relating to the identification and nomination of women directors. The Board evaluates potential nominees to the Board by reviewing the individual qualifications of prospective board members and determining if the candidates' qualifications will meaningfully contribute to the effective functioning of the Board taking into consideration current Board composition and the anticipated skills required to round out the capabilities of the Board, including knowledge and diversity of membership.

<p>12. Consideration of the Representation of Women in the Director Identification and Selection Process</p> <p>Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.</p>	<p>The Board has not adopted a written policy relating to the identification and nomination of directors, including women directors. The number of women directors on the Board is a factor that the Corporate Governance and Compensation Committee considers when selecting new nominees for the Board. The Board feels that having written policies governing the selection of Board nominees could unduly restrict the Board's ability to select the most capable nominees.</p>
<p>13. Consideration Given to the Representation of Women in Executive Officer Appointments</p> <p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	<p>The Board does not consider the level of representation of women in executive officer positions when making executive officer appointments. However, Western is committed to the fundamental principles of equal employment opportunities which are prescribed in its employment policies. These policies affirm Western's commitment to treating people, fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual's qualifications and performance. Furthermore, Western's employment policies and procedures prohibit discrimination, including discrimination based on gender, and provides that candidates are selected based on the primary considerations of experience, skill and ability.</p>
<p>14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</p> <p>(a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.</p> <p>(b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>The Board is made up of a diverse set of individuals with a broad range of skill sets however, at this time it does not have any female members. The Board recognizes the potential benefits from different perspectives which could be realized through gender diversity within its ranks. While the Board has not set a target for the number or percentage of female members that it wishes to include, the matter of gender diversity will be reviewed by the Corporate Governance and Compensation Committee going forward.</p>

<p>(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>Western has not adopted a specific target regarding women in executive officer positions as it is an equal employment opportunity employer whereby candidates are selected based on the primary considerations of experience, skill and ability.</p>
<p>15. Number of Women on the Board and in Executive Officer Positions</p> <p>(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.</p>	<p>As at the date hereof, none of the members of the Board of Western are women (0%).</p>
<p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p>	<p>As at the date hereof, none of the executive officers of Western are women (0%).</p>

SCHEDULE “C”

MANDATE OF THE BOARD OF DIRECTORS OF WESTERN ENERGY SERVICES CORP. (THE “CORPORATION”)

Stewardship of the Corporation

1. The Board of Directors of the Corporation (the “Board”) is responsible for the stewardship of the Corporation and for overseeing the conduct of the business of the Corporation and the activities of management, who are responsible for the day-to-day conduct of the business.

Director Obligations

2. Each Director has the responsibility to:
 - (a) attend all regularly scheduled meetings of the Board and all of the Committees on which they serve and to be prepared for such meetings by reviewing materials provided in advance of meetings;
 - (b) act honestly and in good faith with a view to the best interests of the Corporation; and
 - (c) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Board Composition

3. A majority of the Board will, at all times, be independent directors as defined in the current laws applicable to the Corporation.

Board Meetings

4. The Board is responsible to:
 - (a) meet in person or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board; and
 - (b) hold meetings of the independent directors without management and non-independent directors present.

Board Chair and Lead Director

5. The Board is responsible to annually select an independent member of the Board to serve as Board Chair, (or if the CEO is also the Board Chair, a Lead Director) to:
 - (a) provide leadership to all directors;
 - (b) manage the affairs of the Board; and
 - (c) ensure that the Board functions effectively in fulfillment of its duties to the Corporation.

Committees of the Board

6. The Board discharges its responsibilities directly and through its committees. As such the Board shall:
- (a) establish such Committees of the Board as are required by applicable law and as are necessary to effectively discharge the duties of the Board;
 - (b) appoint directors to serve as members of each Committee;
 - (c) appoint a chair of each Committee to:
 - (i) provide leadership to the Committee;
 - (ii) manage the affairs of the Committee;
 - (iii) ensure that the Committee functions effectively in fulfilling its duties to the Board and the Corporation.
 - (d) regularly receive and consider reports and recommendations of each Committee.

Supervision of Management

7. The Board is responsible to:
- (a) select and appoint the CEO, and with the assistance of the Corporate Governance and Compensation Committee, establish CEO goals and objectives and evaluate CEO performance and develop a position description for the CEO which includes delineating management's responsibilities;
 - (b) assist the CEO to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance; and
 - (c) with the assistance of the Corporate Governance and Compensation Committee, maintain a succession plan for the replacement of the CEO and executive officers.

Governance

8. The Board is responsible to:
- (a) annually review and on the advice of the Corporate Governance and Compensation Committee either approve or require revisions to the mandates of the Board and each Committee, position descriptions, the code of business conduct and ethics (the "**Code**") and all other policies of the Corporation (collectively the "**Governance Documents**");
 - (b) together with the Corporate Governance and Compensation Committee, to the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers, and that the CEO and other executive officers create a culture of integrity through the organization; and that business is to be conducted on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents;
 - (c) ensure that all new directors receive a comprehensive orientation and that all new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its directors) and that all new directors should also understand the nature and operation of the Corporation's business; and
 - (d) provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

Communications

9. The Board is responsible to:

- (a) approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation.

Waivers and Conflicts

10. The Board is responsible, with the assistance of the Corporate Governance and Compensation Committee, for:

- (a) monitoring compliance with the Code;
- (b) providing or denying waivers from the Code; and
- (c) disclosing departures from the Code including filing required material change reports for material departures from the Code containing:
 - (i) the date of the departure(s);
 - (ii) the parties involved in the departure(s);
 - (iii) the reason why the Board has or has not sanctioned the departure(s); and
 - (iv) any measures taken to address or remedy the departure(s).

Strategic Planning

11. The Board has the responsibility to:

- (a) adopt a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risk of the businesses of the Corporation; and
- (b) approve capital and operating budgets to implement the strategic plan.

Risk Management

12. The Board has the responsibility to:

- (a) adopt a process to identify the principal business risks of the Corporation and to ensure the implementation of appropriate systems to manage those risks; and
- (b) together with the Audit Committee, ensure policies and procedures are in place that are effective to maintain the integrity of the Corporation's:
 - (i) disclosure controls and procedures;
 - (ii) internal controls over financial reporting; and
 - (iii) management information systems.

Financial Management

13. The Board has the responsibility to:

- (a) review and on the advice of the Audit Committee, approve, prior to their public dissemination:
 - (i) interim and annual consolidated financial statements and notes thereto;
 - (ii) managements' discussion and analysis of financial condition and results of operations;
 - (iii) relevant sections of the annual report, annual information form and management information circular containing financial information;
 - (iv) forecasted financial information and forward looking statements; and
 - (v) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
- (b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.

Materials

14. The Board shall have access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

Advisors

15. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

Annual Review

16. Assess, on an annual basis, the adequacy of this Mandate of the Board.