



TD Calgary Energy Conference

July 2018



Forward-Looking Information



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Forward-looking information contained in this presentation is included in, among other things, predictions of the Canadian drilling market, the 2018 Budgeted Capital Expenditures, market trends, commodity pricing, utilization of rigs, pricing for services, marketability, customer needs and demand. Completing those anticipated expenditures assumes that Western’s cash flow will be sufficient and is subject to known and unknown risks, uncertainties and other factors that could influence Western’s actual results and cause actual results to differ materially from those stated, anticipated or implied in the forward-looking information. Readers are cautioned not to place undue reliance on the forward-looking information, as no assurance can be provided as to future results, levels of activity or achievements. The risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in more detail in Western’s Annual Information Form and other documents available at www.sedar.com. and include risks associated with the oil and gas industry and demand for drilling rigs and oil and gas services.

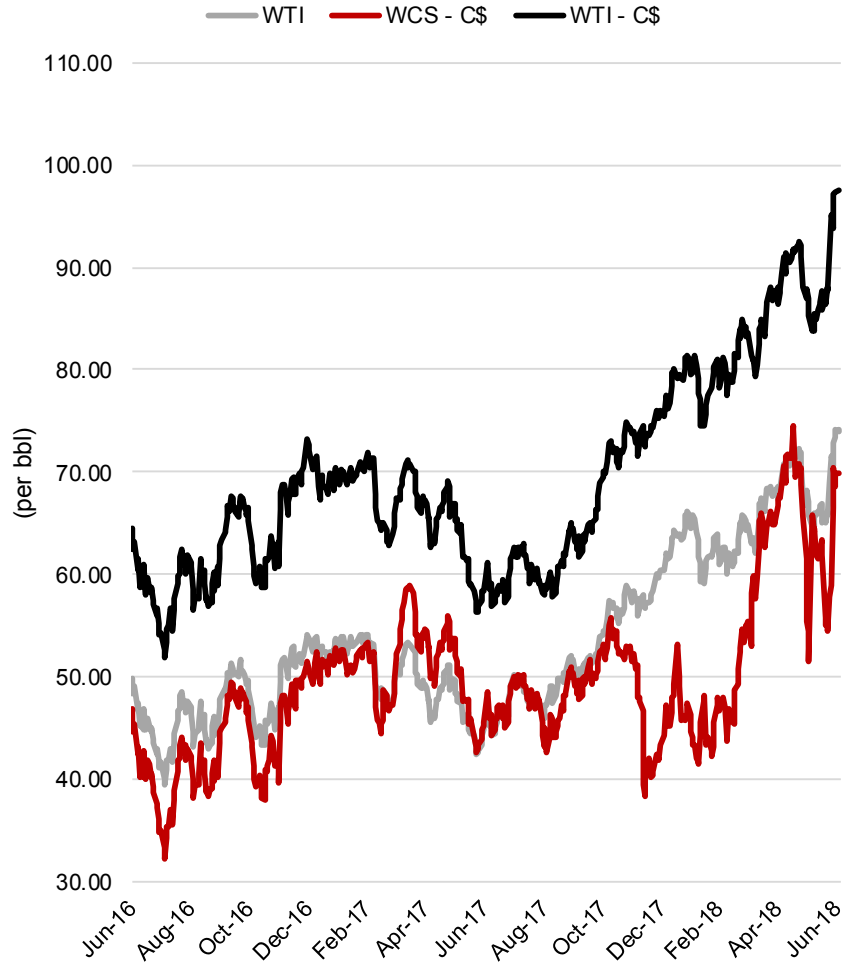
Past performance of Western referred to in this presentation is shown for illustrative purposes only, does not guarantee future results of Western and is not meant to forecast, imply or guarantee the future performance of Western, which will vary.

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

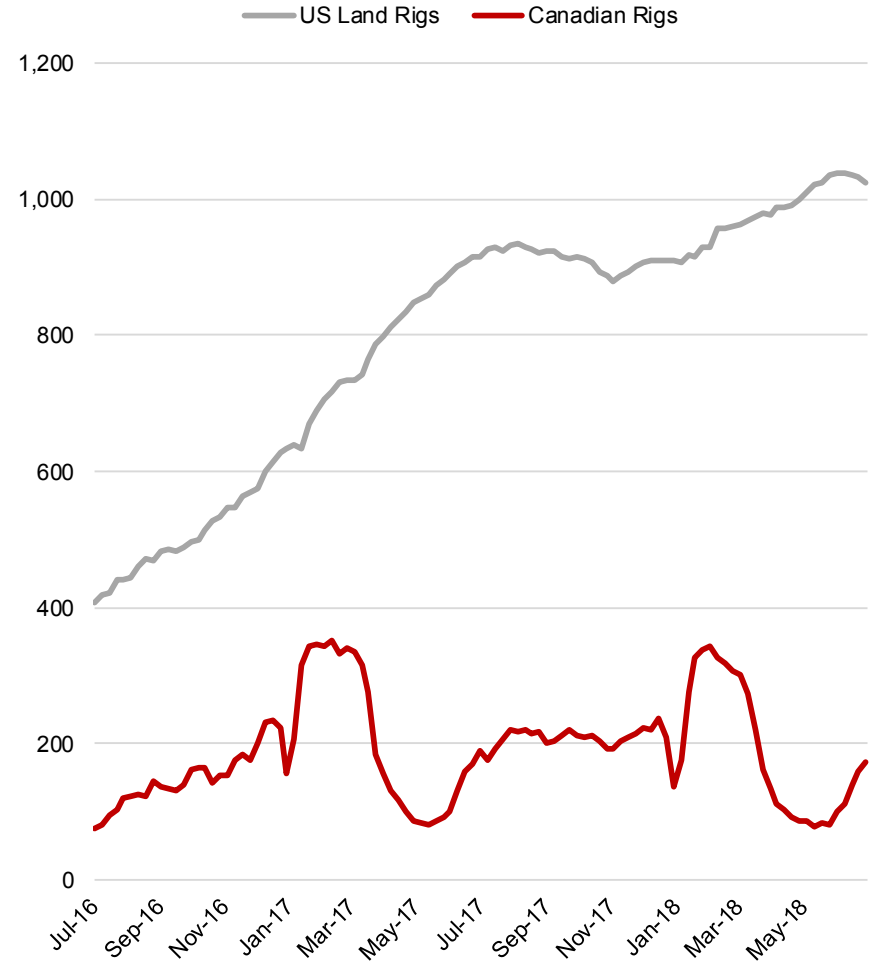
Canadian Crude Pricing



Crude Oil Pricing

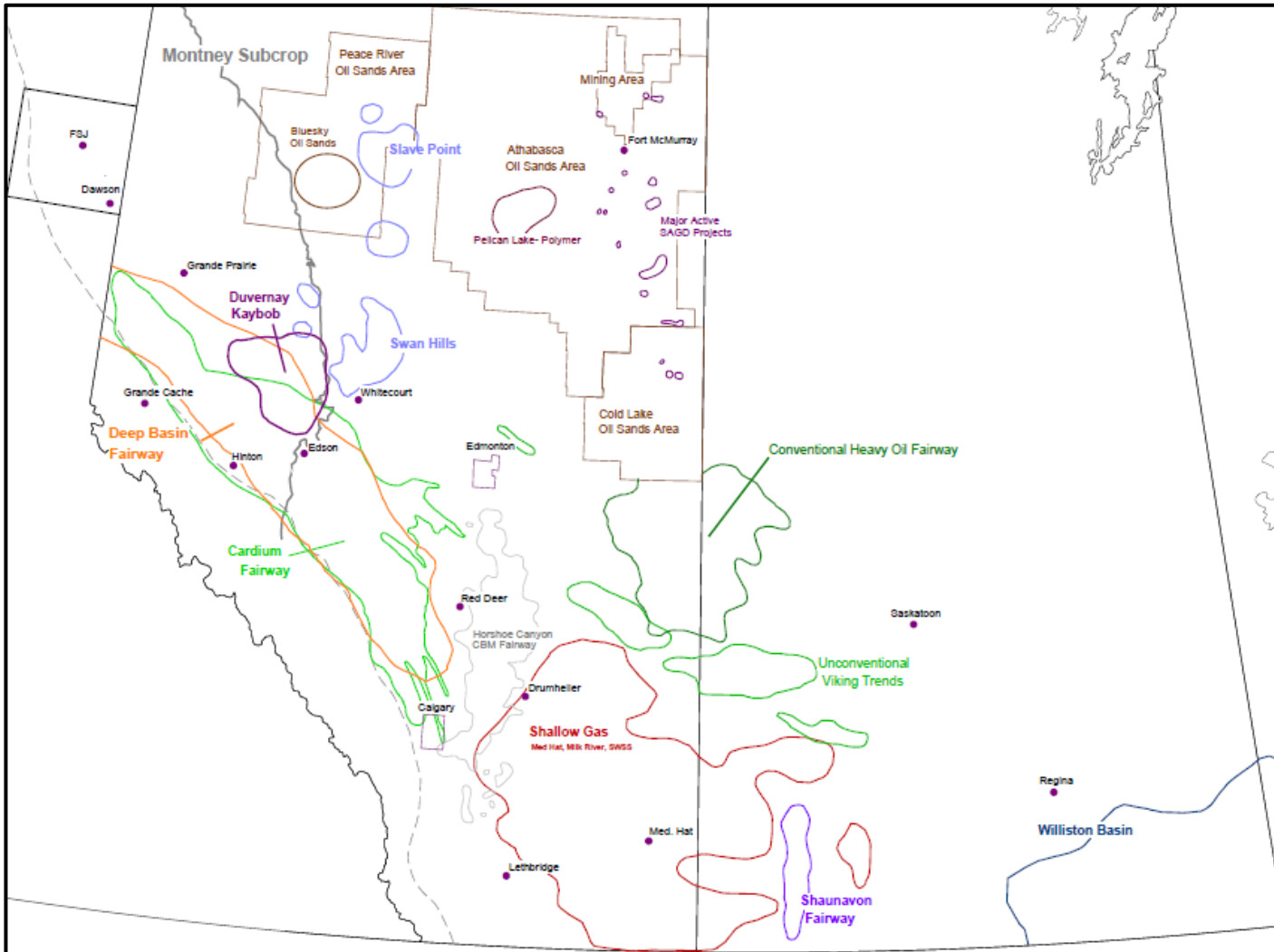


Active Rig Count

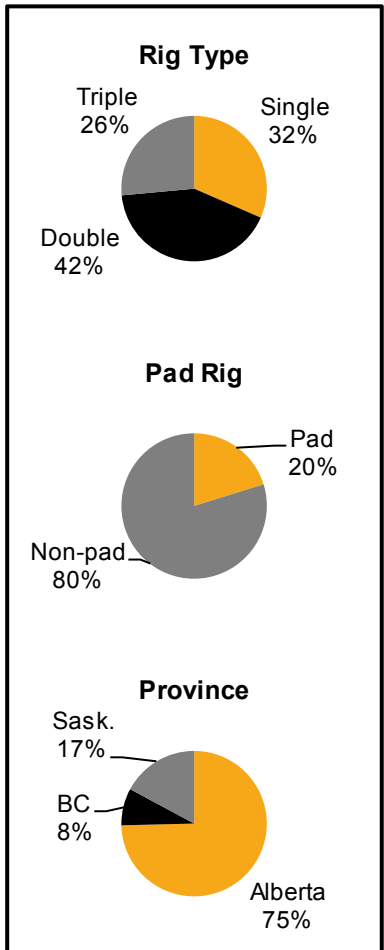


Source: Bloomberg and Baker Hughes

Diversified Drilling Requirements



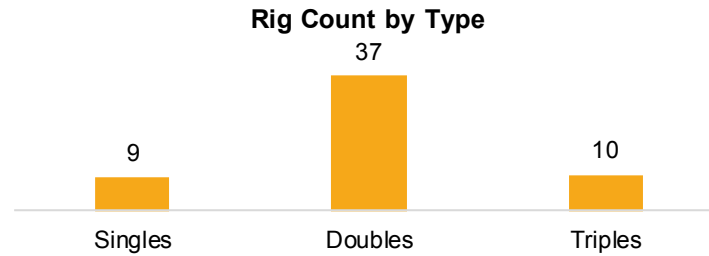
Q1 2018 Industry Days



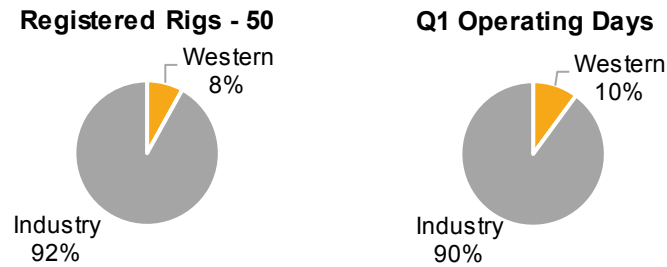
Source: CAODC, Governments of Alberta, B.C. and Saskatchewan
 Map per Peters & Co.

Western's Competitive Position

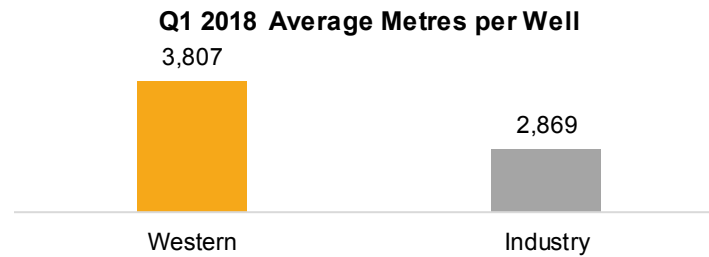
56 Drilling Rigs



Significant Canadian Market Share



Drilling Longer Wells



Western operates 122 rigs plus a specialized oilfield rentals business

Notes:
Market share by registered rigs as of April 2018.
Industry well length per IHS.

In-Demand Fleet



| Canadian Market Share by Rig Count | | | Canadian Market Share by Operating Days | | | Canadian Utilization | |
|------------------------------------|---------------|-------------|---|--------------|--------------|----------------------|------------|
| | Drilling Rigs | Mrkt. Share | | Q1 2018 | Mrkt. Share | | Q1 2018 |
| Company #1 | 135 | 21.8% | Company #1 | 5,664 | 24.8% | Western | 52% |
| Company #2 | 81 | 13.1% | Company #3 | 2,635 | 11.5% | Company #6 | 47% |
| Company #3 | 70 | 11.3% | Western | 2,351 | 10.3% | Company #1 | 47% |
| Company #4 | 55 | 8.9% | Company #2 | 2,003 | 8.8% | Company #5 | 45% |
| Western | 50 | 8.1% | Company #4 | 1,880 | 8.2% | Company #3 | 43% |
| Company #5 | 42 | 6.8% | Company #5 | 1,705 | 7.5% | Company #4 | 38% |
| Company #6 | 27 | 4.4% | Company #6 | 1,130 | 4.9% | Company #2 | 27% |

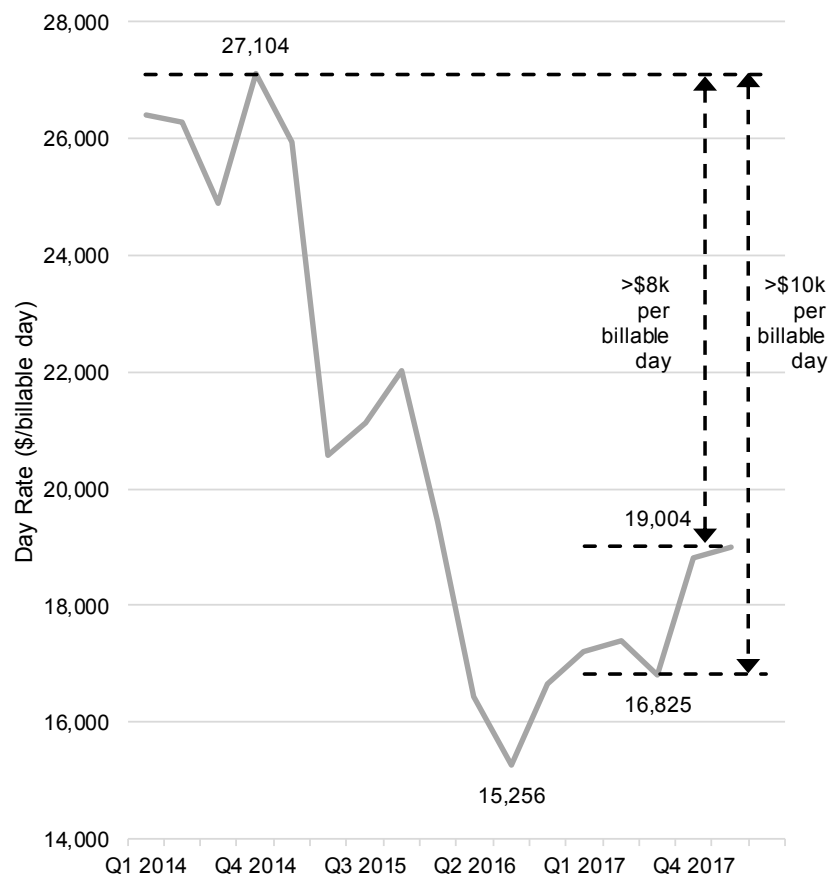
- Higher share of operating days than rig count would indicate
 - Increased pricing sequentially
- Western continues to broaden its customer base, providing the equipment demanded by the most active WCSB operators
 - Strategically allocate expansion capital to meet customer needs while achieving appropriate returns for our shareholders

Source: Canadian Association of Oilwell Drilling Contractors. Rig count as at March 31, 2018
Includes Western plus six largest Canadian drilling companies by rig count

Significant Operating Leverage



Horizon Revenue per Billable Day



- Contract drilling operating costs predominantly variable
 - No cost pressure to date
 - Largest input cost governed by CAODC
- Material upside to be generated through day rate increases
 - Term contracts atypical in Canada, yielding exposure to spot market
- Drilling rig estimated to be <15% of total well cost

2017 EBITDA Sensitivity - Canadian Contract Drilling

| Avg. Day Rate (\$/billable day) | Increase (\$/billable day) | Add'l EBITDA ¹⁾ (\$ 000s) | Increase ²⁾ (%) |
|------------------------------------|-------------------------------|---|-------------------------------|
| 17,558 | - | - | - |
| 19,000 | 1,442 | 10,863 | 30% |
| 20,000 | 2,442 | 18,396 | 52% |
| 21,000 | 3,442 | 25,929 | 73% |
| 22,000 | 4,442 | 33,462 | 94% |
| 23,000 | 5,442 | 40,995 | 115% |
| 25,000 | 7,442 | 56,061 | 157% |
| 27,000 | 9,442 | 71,127 | 199% |

1) Additional EBITDA calculated using 7,533 Billable days generated in Canadian Drilling in 2017 and assuming day rate as outlined above. Estimates are not annualized. No adjustments are made to cost structure in Canadian Drilling. Additional EBITDA excludes impact of potential price increases in other divisions.

2) Increase relative to Consolidated 2017 EBITDA of \$35.7 million (note: Consolidated 2017 EBITDA of \$29.3 million normalized for contract shortfall payment received in Q1 2017) and Canadian operating revenue per billable day of \$17,558.

Balance Sheet Highlights



| Capitalization Highlights | | March 31, 2018 |
|---------------------------|----|----------------|
| Cash | \$ | 2,209 |
| Property and equipment | | 643,253 |
| Second Lien Facility | | 215,000 |
| Revolving Facility | | 14,000 |
| Operating Facility | | 1,881 |
| | | <hr/> 230,881 |
| Shareholders' equity | | 382,714 |

| Credit Facility Covenants | Covenant | @ March 31, 2018 |
|---|--------------------------------|------------------------------|
| Senior Debt (excluding Second Lien) to EBITDA Ratio | 3.0 to 1 or less | 0.45 |
| Debt to Capitalization Ratio | 60% or less | 37% |
| Debt Service Coverage Ratio | 1.0 to 1 or more ¹⁾ | Not applicable ²⁾ |

1) Debt Service Coverage Ratio is 1.0x at and prior to Q1 2018, 1.25x in Q2 2018, 1.5x in Q3 and Q4 2018, and 2.0x thereafter

2) The ratio is only tested when \$40 million or more is drawn on the Credit Facilities or the net book value of PP&E is less than \$400 million

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RIG 55