



Peters & Co. Toronto Energy Conference
September 2019 Presentation



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- 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.
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Capital Structure Overview

Share Summary

Share price (September 3, 2019)	\$0.22
<i>52-week low</i>	\$0.16
<i>52-week high</i>	\$0.90
<i>All-time high</i>	\$11.70
Shares outstanding	92.3 million
<i>Options + treasury settled RSU</i>	7.9 million
<i>Warrants (@ \$1.77/share)</i>	7.1 million
Shares outstanding - fully diluted	107.3 million
Book value	\$3.59/share
Price / book value	6%
Insider ownership - fully diluted	25%

Capital Structure

Market capitalization - basic	\$20 million
Net debt	\$215 million
Enterprise value	\$236 million

Balance Sheet Highlights



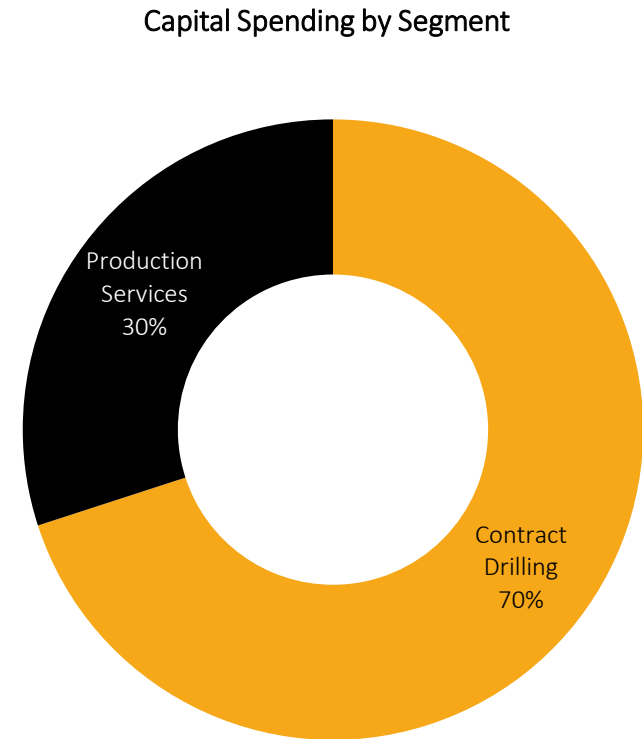
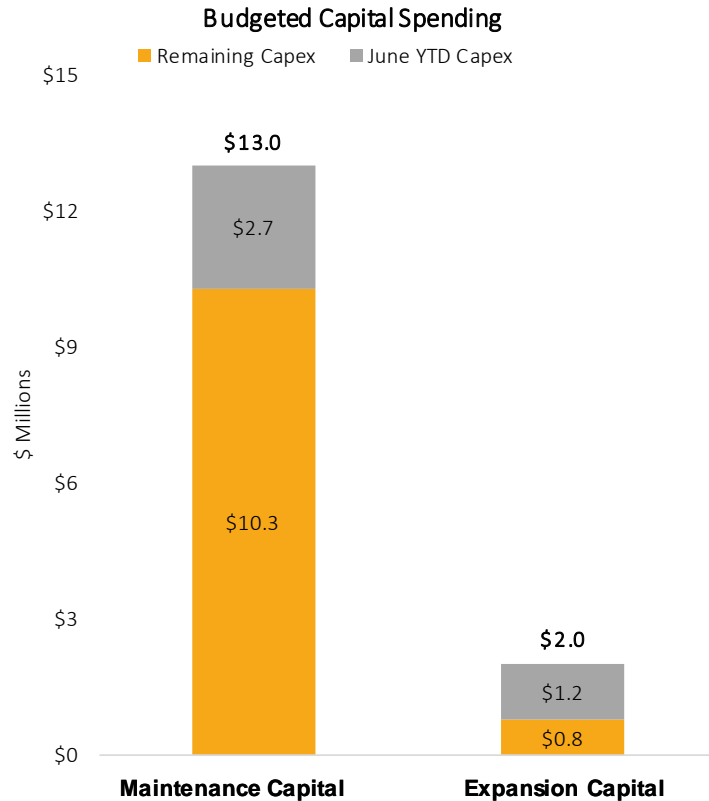
Capitalization Highlights (in \$000s)		June 30, 2019
Cash	\$	2,682
Property and equipment		591,935
Second Lien Facility		212,850
Revolving Facility		3,000
Operating Facility		2,164
		<hr/>
		218,014
Shareholders' equity	\$	331,477

Credit Facility Covenants	Covenant	June 30, 2019
Senior Debt (excluding Second Lien) to EBITDA Ratio	3.0 to 1 or less	0.15
Debt to Capitalization Ratio	60% or less	39%
Minimum Current Ratio ¹⁾	1.15 to 1 or more	2.01

1) Current ratio calculation excludes current portion of long term debt and accrued interest

2019 Budgeted Capital Expenditures

\$15 million



- Management continually monitors customer demand and intends to adjust its capital plans as warranted
- Upgrade spending driven by customer requirements

Contract Drilling



- 49 modern drilling rigs
 - 23 Cardium Class¹⁾
 - 19 Montney Class²⁾
 - 7 Duvernay Class³⁾
- Variety of rig configurations to meet customer demand
- Rigs ideally suited for deep/long applications to shallow applications across the WCSB
- 7 modern drilling rigs outfitted to meet customer requirements and 1 shallow rig
 - 3 X 1,500 HP AC X 7,500 PSI walking pad rigs
 - 2 X 1,200 HP triples
 - 2 - telescopic doubles
 - 1 - single rig



Production Services



- 63 modern well servicing rigs
- Operating bases in: Estevan, Red Deer, Slave Lake, Lloydminster and Grande Prairie
- Levered to production work
- 3 modern well service rigs that meet California's emissions standards past 2050
- Locally managed/crewed from operations base in Bakersfield, CA
- Pressure control rental specialists
 - BOPs, frac heads, etc.
- Locations in Grande Prairie and Red Deer to best serve customers

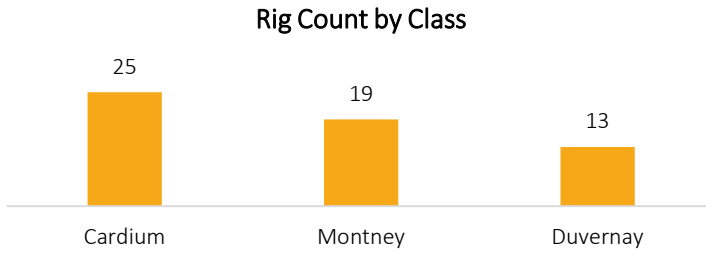
1) Cardium class rig: Defined as any contract drilling rig which has a total hookload less than or equal to 399,999 lbs (or 177,999 daN)

2) Montney class rig: Defined as any contract drilling rig which has a total hookload between 400,000 lbs (or 178,000 daN) and 499,999 lbs (or 221,999 daN)

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

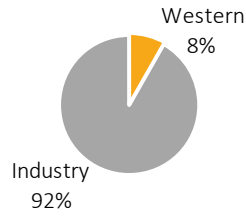
Western's Competitive Position

57 Drilling Rigs

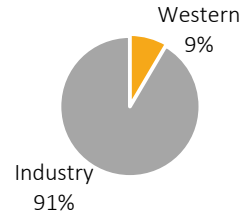


Solid Canadian Market Share

Registered Rigs - 49

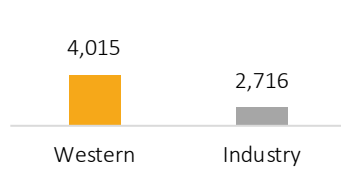


Operating Days

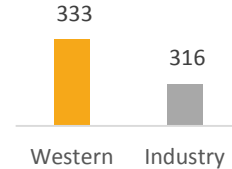


Drilling Longer Wells

YTD June 2019 Average Metres per Well



YTD June 2019 Average Metres per Operating Day

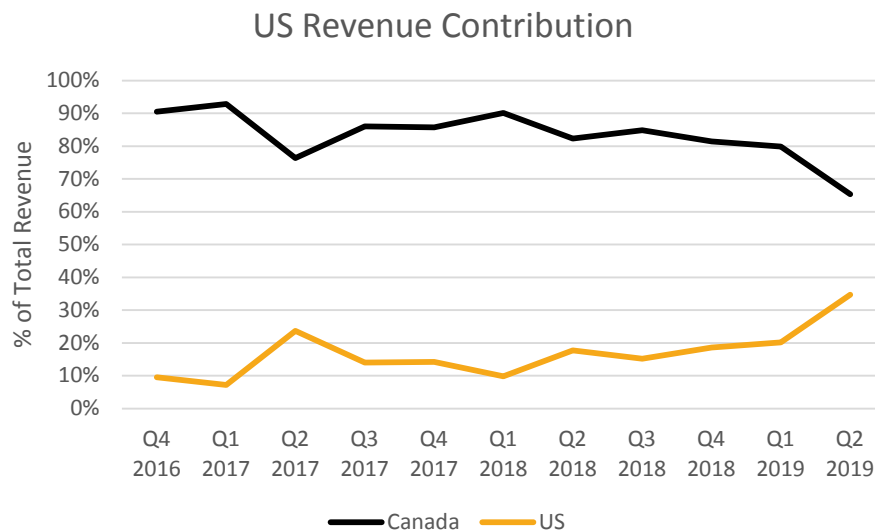


Western operates 123 rigs plus a specialized oilfield rentals business

Notes:
Market share by registered rigs as of June 2019. Operating days per CAODC for the six months ended June 30, 2019.
Industry well length per IHS.

Diversifying Revenue Base

- Organically increasing contribution of US business
 - 35% of Q2 2019 revenue, with above average margin
- Moving additional equipment to US
- Opened operating base in Midland, Texas
- Opened operating base in Bakersfield, California
- Continued headwinds in Canada
 - Pipelines
 - Trans Mountain pipeline expansion approved in June 2019, 10 months later than expected
 - Keystone XL pipeline missed the 2019 construction season
 - LNG project more than 2 years away
 - Capital markets
 - Return versus growth



Diversified Fleet

- Ideally suited rigs for long horizontal wells and shorter wells as required for the diverse plays in Canada
- To maximize efficiencies based on well requirements, offer:
 - ✓ Pad rigs
 - ✓ AC rigs
 - ✓ Triple rigs
 - ✓ Double rigs
 - ✓ Single rigs
- Convey appropriate technologies in line with customer needs

Operational & Safety Excellence

- Operating and safety performance attracts blue-chip customer base
- High retention rate of employees
- Very well trained crews

Operating Leverage

- Significant exposure to increase in producer activity

Capital Structure

- Appropriate capital structure
 - 7.25% debt termed out to 2023

Alex R.N. MacAusland
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