



**NOTICE OF ANNUAL AND SPECIAL MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
AND PROXY STATEMENT DATED MAY 12, 2011**

**WITH RESPECT TO THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 16, 2011**

WESTERN ENERGY SERVICES CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual and Special Meeting (“**Meeting**”) of holders of common shares (“**Shareholder**”) of Western Energy Services Corp. (“**Western**”) will be held on the 16th day of June 2011 in the Viking Room at the Calgary Petroleum Club, 319 – 5th Avenue SW, Calgary, Alberta at 3:00 p.m. (Calgary time) for the following purposes:

1. To receive and consider the audited financial statements of Western for the fiscal year ended December 31, 2010 and the Auditor’s report on those statements;
2. To approve an ordinary resolution to fix the number of directors of Western to be elected at the Meeting for the ensuing year at six (6);
3. 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;
4. To appoint Deloitte & Touche LLP, Chartered Accountants, of Calgary, Alberta, as auditors of Western for the ensuing year and to authorize the board of directors of Western to fix their remuneration;
5. To consider and, if thought appropriate, to pass, with or without variation an ordinary resolution approving Western’s stock option plan, all as more particularly described in the Management Information Circular and Proxy Statement of Western dated May 12, 2011 accompanying this Notice (the “**Information Circular**”);
6. to consider and, if thought appropriate, to pass, with or without variation, a special resolution amending the articles of the Corporation to consolidate the number of authorized, issued and outstanding Common Shares on the basis of one (1) Common Share for up to a maximum of each twenty (20) issued and outstanding Common Shares, all as more particularly described in the accompanying Information Circular (as defined below); and
7. To transact such other business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

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

Only Shareholders of record at the close of business on May 12, 2011 are entitled to notice of and to attend the Meeting or any adjournment thereof and to vote thereat. **A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying Instrument of Proxy for use at the 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 600 - 750 Cambie Street, Vancouver, BC V6B 0A2 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 Meeting or any adjournment thereof or with the Chairman of the Meeting prior to the commencement thereof.**

DATED at the City of Calgary, in the Province of Alberta this 12th of May 2011.

BY ORDER OF THE BOARD OF DIRECTORS

“signed” Jan M. Campbell

Jan M. Campbell
Corporate Secretary

TABLE OF CONTENTS

GENERAL	2
SOLICITATION OF PROXIES	2
APPOINTMENT OF PROXIES	2
REVOCAION OF PROXIES	2
EXERCISE OF DISCRETION BY PROXYHOLDERS.....	3
SIGNING OF PROXY	3
Voting by Internet	3
VOTING SECURITIES AND PRINCIPAL HOLDERS OF SECURITIES.....	3
Voting of Common Shares – General	3
Advice to Non-Registered Holders	4
Principal Holders of Shares.....	4
FINANCIAL STATEMENTS	5
MATTERS TO BE ACTED UPON AT THE MEETING.....	5
1. Number of Directors.....	5
2. Election of Directors	5
3 Appointment of Auditor	9
4. Approval of the Stock Option Plan	10
5. Approval of Consolidation of Common Shares	10
STATEMENT OF EXECUTIVE COMPENSATION.....	12
Compensation Discussion and Analysis.....	12
Annual Salaries.....	13
Annual Performance Bonus.....	13
Long-Term Incentive Compensation - Options.....	13
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS	14
Western Stock Option Plan	14
Equity Compensation Plan Information	15
COMPENSATION OF NAMED EXECUTIVE OFFICERS	15
Summary Compensation Table	15
Incentive Plan Awards.....	16
Compensation of Directors.....	17
Director Compensation Table.....	17
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	18
MANAGEMENT CONTRACTS	18
AUDIT COMMITTEE INFORMATION.....	18
Audit Committee Charter	18
Composition of the Audit Committee	18
Relevant Education and Experience.....	18
Audit Committee Oversight	19
Reliance on Certain Exemptions	19
Pre-Approval Policies and Procedures	19
Auditor Service Fees	19
Exemption	20
CORPORATE GOVERNANCE.....	20
Board Composition.....	20
Communicating with the Board	20
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	21
INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON	21
ADDITIONAL INFORMATION	21

**MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD
JUNE 16, 2011**

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 May 12, 2011 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 16th day of June 2011 in the Viking Room at the Calgary Petroleum Club, 319 – 5th Avenue SW, 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 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 may 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, 600 - 750 Cambie Street, Vancouver, BC V6B 0A2, 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.

REVOCAION 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, 600 - 750 Cambie Street, Vancouver, BC V6B 0A2, 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 six (6), **FOR** the approval of the election of the nominees hereinafter set forth as directors of Western, **FOR** the appointment of Deloitte & Touche LLP Chartered Accountants as Auditor of the Corporation and **FOR** the approval of the Western Stock Option Plan; and **FOR** the approval of the Share Consolidation. **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 May 12, 2011 (the "**Record Date**"), the Corporation had 974,993,882 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 May 12, 2011, 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 Non-Registered Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholders’ name.

In accordance with the 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 form of proxy supplied to a Non-registered Holder is substantially similar to the Instrument of Proxy; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Holder.

The purpose of these instructions is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Western Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.

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	Percentage of the Class of Outstanding Voting Securities of the Corporation ⁽¹⁾
Ronald P. Mathison	128,098,306	13.14%

Note:

(1) Based on 974,993,882 issued and outstanding Common Shares of Western as at May 12, 2011.

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, 2010, and December 31, 2009 and the Auditors' 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, 600 - 750 Cambie Street, Vancouver, BC V6B 0A2.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Number of Directors

The Articles of the Corporation provide that the Board of Directors (the "**Board**") shall consist of not less than one (1) nor 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 six (6).

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 six (6).

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 received more "withheld" votes than "for" votes at any meeting at which shareholders vote on the uncontested election of directors the Board will consider the result and, if deemed to be in the best interests of the Corporation and its Shareholders, may request that such nominee tender his resignation from the Board in a manner that facilitates an orderly transition. 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

Lorne A. Gartner
Steven C. Grant

Ronald P. Mathison
Murray K. Mullen

John R. Rooney
Dale E. Tremblay

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 May 12, 2011.

<p>Lorne A. Gartner Age: 61 Calgary, Alberta Canada Director Nominee Independent ⁽¹⁾</p>	<p>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.</p>						
Other Public Company Board Memberships							
<p>Calfrac Well Services Ltd. Telsa Exploration Ltd.</p>							
Securities Held							
	<table border="1"> <thead> <tr> <th style="text-align: center;">Common Shares</th> <th style="text-align: center;">Percentage</th> <th style="text-align: center;">Total Market Value of Common Shares</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1,496,786</td> <td style="text-align: center;">0.15%</td> <td style="text-align: center;">\$651,102</td> </tr> </tbody> </table>	Common Shares	Percentage	Total Market Value of Common Shares	1,496,786	0.15%	\$651,102
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<p>Steven C. Grant Age: 68 Houston, Texas USA Director since December 22, 2009 Independent ⁽¹⁾</p>	<p>Mr. Grant is an independent businessman who was formerly a Houston-based Managing Director of Energy Investment Banking with Raymond James & Associates; a New York Stock Exchange (“NYSE”) listed investment banking and brokerage firm. Mr. Grant held such position from 1996 through February 2008. Prior to joining Raymond James & Associates, Mr. Grant was the Senior Vice President and Chief Financial Officer of Enterra Corporation, a NYSE listed oilfield service company, for a period of nine years. Mr. Grant received his MBA (Finance) from Harvard Graduate School of Business Administration in 1966 and a Bachelor of Arts (Economics) from Yale University in 1964.</p>												
Board/Committee Memberships													
	<table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">Attendance at Meetings during 2010</th> </tr> </thead> <tbody> <tr> <td>Board of Directors</td> <td style="text-align: center;">12 of 12</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Audit Committee</td> <td style="text-align: center;">6 of 6</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Governance and Compensation Committee</td> <td style="text-align: center;">4 of 4</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>		Attendance at Meetings during 2010		Board of Directors	12 of 12	100%	Audit Committee	6 of 6	100%	Governance and Compensation Committee	4 of 4	100%
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1,250,000	0.13%	\$543,750											

Ronald P. Mathison
 Age: 54
 Calgary, Alberta
 Canada
 Director since December
 17, 2010
 Independent ⁽¹⁾

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 B.Comm (Hons) from the University of Manitoba and has earned Chartered Accountant, Chartered Business Valuator, and Chartered Financial Analyst designations.

Board/Committee Memberships	Attendance at Meetings during 2010
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Mr. Mathison was appointed to the Board of Directors on December 17, 2010. There were no board or committee meetings held between December 17 and December 31, 2010.

Other Public Company Board Memberships
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CMQ Resources Inc.
 CalfracWell Services Ltd
 Telsa Exploration Ltd.

Securities Held

	Common Shares	Percentage	Total Market Value of Common Shares
	128,098,306	13.14%	\$55,722,763

Murray K. Mullen
 Age: 55
 Calgary, Alberta
 Canada
 Director since December
 22, 2009
 Independent ⁽¹⁾

Mr. Mullen is the Chairman of the Board and Chief Executive Officer of Mullen Group Ltd. Mr. Mullen joined the Mullen Group of companies in 1977 after graduating from the University of Calgary with a B.A. Economics degree and has served in various capacities with Mullen Group, including senior executive positions that he has held from 1991.

Board/Committee Memberships	Attendance at Meetings during 2010
-----------------------------	------------------------------------

Board of Directors	12 of 12	100%
Audit Committee	6 of 6	100%
Governance and Compensation Committee	4 of 4	100%

Other Public Company Board Memberships
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Mullen Group Ltd.
 Shawcor Ltd.

Securities Held

	Common Shares	Percentage	Total Market Value of Common Shares
	3,125,000	0.32%	\$1,359,375

John R. Rooney
 Age: 54
 Calgary, Alberta
 Canada
 Director since December
 22, 2009
 Independent ⁽¹⁾

Mr. Rooney is currently the Chairman and Chief Executive Officer of Northern Blizzard Resources Inc. since November 2009. From December 2007 to April 2009 Mr. Rooney was the Chief Executive Officer of Tusk Energy Inc., a public oil and gas company. From 2005 to 2007, Mr. Rooney was the President and Chief Executive Officer of Zenas Energy Inc., a public oil and gas company. Mr. Rooney is a Chartered Accountant, a Chartered Business Valuator and holds a B.A., Economics degree from the University of Western Ontario.

Board/Committee Memberships	Attendance at Meetings during 2010		
Board of Directors	12 of 12		100%
Audit Committee	6 of 6		100%
Governance and Compensation Committee	4 of 4		100%
Other Public Company Board Memberships			
Northern Blizzard Resources Ltd.			
Securities Held			
	Common Shares	Percentage	Total Market Value of Common Shares
	8,750,000	0.90%	\$3,806,250

Dale E. Tremblay
 Age: 56
 Calgary, Alberta
 Canada
 Director since December
 22, 2009
 Not Independent ⁽⁴⁾

Mr. Tremblay is the Chairman and Chief Executive Officer of Western Energy Services Corp. From August 2005 to December 2009, Mr. Tremblay was the President and Chief Executive Officer of Saxon Energy Services Inc., and Chairman of the Board of SES Holdings Limited, the parent company of Saxon Energy Services Inc. until April 2011. Prior to that, Mr. Tremblay was the Senior Vice President, Finance and Chief Financial Officer of Precision Drilling Corporation from 1988 to 2005.

Board/Committee Memberships	Attendance at Meetings during 2010		
Board of Directors	12 of 12		100%
Other Public Company Board Memberships			
Horizon North Logistics Inc.			
Securities Held			
	Common Shares	Percentage	Total Market Value of Common Shares
	25,000,000	2.56%	\$10,875,000

Notes:

- (1) "Independent" refers to the standards of independence set forth within Section 1.4 of National Instrument 52-110 *Audit Committees*.
- (2) Percentage of Western Shares beneficially owned is calculated based on an aggregate of 974,993,882 Western Shares outstanding as of May 12, 2011.
- (3) Total Market Value of Common Shares was determined by multiplying the number of Western Shares held by each director nominee as of May 12, 2011 by \$0.435, which was the closing price of the Western Shares on the TSX Venture Exchange on that date.
- (4) Mr. Tremblay is not independent as he is the CEO of Western.

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 Meeting, the persons named in the enclosed Instrument of Proxy reserve the right to vote for other nominees at their discretion.

On April 7, 2011 Western entered into an agreement (the “**Arrangement Agreement**”) with Stoneham Drilling Trust (“**Stoneham**”) whereby Stoneham agreed to carry out a plan of arrangement (the “**Arrangement**”) which would result in Western acquiring all of the 7,977,877 outstanding trust units of Stoneham for either \$24.00 per unit cash or 61.538 Western common shares per Stoneham unit at the option of a Stoneham unitholder. The foregoing will be subject to a maximum of \$115,000,000 of cash available. In addition, the Arrangement Agreement provides that upon completion of the Arrangement Western shall appoint a mutually acceptable person designated by Stoneham to the Board (the “**Mutually Acceptable Person**”). As such, if the Arrangement is completed prior to the Meeting Western intends , immediately following the Meeting, to take steps to have the new slate of directors appoint the Mutually Acceptable Person to the Board as a seventh director, as is permitted by the Articles of Incorporation of Western.

As at May 12, 2011, the directors and officers of Western, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 183,914,076 Common Shares, or approximately 18.86% of the issued and outstanding Common Shares of Western, based on 974,993,882 issued and outstanding Common Shares. As at May 12, 2011, the directors and officers of Western, as a group, have outstanding options to purchase 9,200,000 Common Shares of Western and 44,253,984 Warrants to purchase Common Shares of Western.

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.

Dale Tremblay was a director of Liv Spa Inc., a private company that was placed into voluntary bankruptcy on August 22, 2008, which bankruptcy was completed on December 2, 2009.

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

Following the financial year ended December 31, 2009, the Corporation’s former Auditors, Meyers Norris Penny LLP, Chartered Accountants, were replaced as auditors of the Corporation on January 12, 2010 by Deloitte & Touche LLP. Deloitte & Touche LLP were appointed by the Shareholders of the Corporation on June 29, 2010. The

Shareholders will consider an ordinary resolution to appoint the firm of Deloitte & Touche LLP, Chartered Accountants, Calgary, Alberta, to serve as Auditor of Western until the next annual meeting of the Shareholders and to authorize the directors of Western to fix their remuneration. Should Deloitte & Touche LLP for any reason be unwilling or unable to accept re-appointment, Western's 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 & Touche LLP as Auditor of Western.

4. Approval of the Stock Option Plan

Pursuant to TSXV Policy 4.4 (the "**Option Policy**") Western is permitted to maintain a "rolling" stock option plan reserving a maximum of 10% of the issued and outstanding Common Shares for issuance pursuant to stock options. In accordance with the Option Policy, rolling option plans must receive shareholder approval yearly at the Corporation's annual meeting.

Shareholders will therefore be asked at the meeting to consider and, if thought advisable, to ratify and approve the existing stock option plan of the Corporation (the "**Option Plan**"). The Option Plan was last approved by the Shareholders on June 29, 2010. As of May 12, 2011 the Corporation has 25,801,667 outstanding options to purchase Common Shares, at exercise prices ranging from \$0.285 to \$1.32. See "*Executive Compensation – Stock Option Plan*" for further information on the Option Plan.

The text of the ordinary resolution which management intends to place before the Western Meeting for the approval of the Option Plan is as follows:

"BE IT RESOLVED as an ordinary resolution of the Shareholders of the Corporation that:

1. The stock option plan (the "**Option Plan**") of Western Energy Services Corp., substantially in the form attached as Schedule "A" to the management information circular of the Corporation dated May 12, 2011 be and the same is hereby ratified, confirmed and approved.
2. Any one director or officer of the Corporation 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.
3. Notwithstanding that this resolution has been passed by the Shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered to amend the form of Option Plan in order to satisfy the requirements or requests of any regulatory authority without requiring further approval of the shareholders of the Corporation or to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

The foregoing resolution must be approved by a majority of votes cast by Shareholders who vote in person or by proxy at the Western Meeting in respect to this resolution.

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 approval of the Option Plan.

5. Approval of Consolidation of Common Shares

At the Meeting Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, a special resolution to amend the articles of the Corporation to effect a consolidation (the "**Share Consolidation**") of the Common Shares on the basis of one (1) Common Share for up to a maximum of each twenty (20) issued and outstanding Common Shares.

The Corporation has entered into an agreement with Stoneham Drilling Trust (“**Stoneham**”) to the effect that subject to certain conditions the Corporation will acquire all of the issued and outstanding trust units of Stoneham in exchange for a combination of cash and Common Shares pursuant to a plan of arrangement (the “**Stoneham Arrangement**”). The meeting of the trust unitholders of Stoneham to vote on the Stoneham Arrangement is expected to be held on June 9, 2011 (the “**Stoneham Meeting**”).

Based on the provisions of the Stoneham Arrangement, the minimum number of Common Shares that will be issued to Stoneham unit holders is 196,072,283 and the maximum number of Common Shares that may be so issued is 490,942,595. Therefore, based on there being 974,993,882 Common Shares currently issued and outstanding, if the Stoneham Arrangement is completed there would be a minimum of 58,553,308 post-consolidation Common Shares and a maximum of 73,296,824 post-consolidation Common Shares, however, if the Stoneham Arrangement is not approved and completed there will be approximately 48,794,694 post-consolidated Common Shares in the capital of the Corporation issued and outstanding based , in each case, upon the proposed consolidation of one new Common Share for up to each twenty (20) issued Common Shares. **As outlined in the special resolution below, the final number of post-consolidation Common Shares will be determined by the Board of Directors.**

The proposed consolidation is being carried out due to the large number of Common Shares currently issued and outstanding. The number of Common Shares outstanding has increased substantially over the last eighteen months due to the fact that the Corporation has made a number of corporate acquisitions during that time using its share capital as part of the consideration for such acquisitions.

The Corporation shall not be required, upon the Share Consolidation, to issue fractions of Common Shares or to distribute certificates which evidence fractional shares. Any fractional Common Shares to which a Shareholder is entitled shall be aggregated to form whole Common Shares with any remaining fractional shares rounded to the nearest whole Common Share, provided that no Shareholder shall be entitled to more than one such rounding up.

Furthermore, each stock option, warrant or other security of the Corporation convertible into pre-consolidation Common Shares (the “**Convertible Securities**”) that have not been exercised or cancelled prior to the effective date of the implementation of the Consolidation will be adjusted pursuant to the terms thereof on the same exchange ratio described above and each holder of pre-consolidation Convertible Securities will become entitled to receive new post-consolidation Common Shares pursuant to such adjusted terms. As of the date hereof the Corporation had outstanding options and warrants entitling the holders thereof to purchase an aggregate of 76,301,667 Common Shares.

The proposed consolidation is also subject to approval of the TSXV. Subject to such approval, and after the Registrar of Corporations (Alberta) issues a Certificate of Amendment evidencing the Share Consolidation, all outstanding share certificates will thereafter only represent the number of New Shares to which the holder is entitled after giving effect to the Share Consolidation. The Corporation will not change its name as part of the proposed consolidation.

The Share Consolidation has been approved by resolution of the Board and is believed by the Board to be in the best interests of the Corporation.

A letter of transmittal accompanies this Information Circular. If the Share Consolidation is approved, Shareholders may obtain, on or after the effective date of the Share Consolidation, certificate(s) representing their post-consolidation Common Shares upon delivery to Valiant Trust Company of a properly completed letter of transmittal and certificate(s) representing their pre-consolidation Common Shares.

The following special resolution, with or without variation, will be placed before the Shareholders in order to approve the proposed Share Consolidation:

“BE IT RESOLVED, as a special resolution, that:

1. The Corporation be and is hereby authorized to consolidate the issued and outstanding common shares of the Corporation on the basis of one (1) new post-consolidation share (“**New Share**”), for up to a maximum of each twenty (20) issued and outstanding common shares in the capital of the Corporation with such number of post consolidation New Shares to be determined by the board of directors of the Corporation (the “**Share Consolidation**”), and that the articles of the Corporation be amended to give effect to such Share Consolidation pursuant to section 173(1)(f) of the *Business Corporations Act* (Alberta).
2. From and after the effective date of the Share Consolidation, all outstanding share certificates will thereafter only represent the number of New Shares to which the holder is entitled after giving effect to the appropriate Share Consolidation.
3. Upon the Share Consolidation where a shareholder would otherwise receive a fractional New Share, such fractional share will be cancelled and the shareholder will receive the nearest whole number of New Shares.
4. Any one director or officer of the Corporation be and is hereby authorized to do all such further acts and things and execute all such documents and instruments as may be necessary or desirable to give effect to the matters contemplated by these resolutions, including but not limited to the filing of articles of amendment under the *Business Corporations Act* (Alberta)

In order to be effective, the special resolution approving the Share Consolidation must be passed by a majority of not less than two-thirds of the votes cast by Shareholders present in person or by proxy at the Meeting. **The persons designated in the applicable enclosed form of proxy, unless otherwise instructed, intend to vote FOR the Share Consolidation.**

The Board of Directors unanimously recommends that Shareholders vote in favour of the Consolidation Resolution.

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

The Corporate Governance and Compensation Committee is responsible for making recommendations to the Board of Directors relating to the compensation of members of the Board of Directors, the Chief Executive Officer and the other executive officers. 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, short-term incentive compensation (cash bonuses) and long-term incentive compensation (“**Options**”). The Corporate Governance and Compensation Committee review all three components in assessing the compensation of individual officers and of the Corporation as a whole. Salaries and bonuses are intended to provide current compensation and short-term incentive for employees to encourage them to meet the Corporation’s goals. 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 performance of the Corporation. Options are granted as a long-term incentive and to encourage an extended employment and long term growth commitment to Western.

The Corporate Governance and Compensation Committee will generally consider and make recommendations to the Board of Directors with respect to compensation for the officers of Western including the Chief Executive Officer, President and Chief Operating Officer and the Vice President Finance and Chief Financial Officer. When making such recommendations, the Corporate Governance and Compensation Committee may analyze a number of factors,

including compensation data compiled from Western's peer groups, corporate performance and individual officer performance. In assessing corporate performance, Western does not have any pre-determined set targets, but the following factors may be considered: (a) Western's performance relative to its industry peer group; (b) cash flow and cash flow per share amounts; and (c) total operating costs and total general and administrative costs. In assessing the performance of individual officers, consideration may be given to objective factors such as the level of responsibility, experience and expertise, as well as subjective factors such as leadership and performance in such officer's specific role with Western.

Western compares its executive compensation to the compensation provided to executives in comparable positions by a comparable group of Canadian oilfield service companies. The comparable group is selected based on the nature of the comparable organization's business and similarities in size, complexity and style of operation. The companies in this comparator 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.	Stoneham Drilling Trust	Total Energy Services Trust.
Precision Drilling Corporation	Savanna Energy Services Corp.	Trinidad Drilling Ltd.

Named Executive Officers

Securities legislation requires the disclosure of the compensation received by each "Named Executive Officer" of the Corporation for the three most recently completed financial years. "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, 2010, there were five (5) Named Executive Officers of Western being Dale E. Tremblay, Alex MacAusland, Jeffrey K. Bowers, Marcel K. Lozinsky and Dail A. Croome.

Annual Salaries

Annual salaries for Messer's Tremblay, MacAusland and Bowers were established on as part of the reorganization of Western on December 22, 2009. Salary amounts were set giving consideration to the skills required to carry out the Corporation's growth plans and how well the expertise and experience of these individuals fit with those requirements.

Annual Performance Bonus

Western does not have a formal bonus plan but may award discretionary bonuses. The award of a bonus is determined, in all cases, by the Corporate Governance and Compensation Committee, and then recommended to the Board of Directors for final approval. The discretionary bonus plan is structured to drive and reward current year results.

Long-Term Incentive Compensation - Options

The Board of Directors views Options as an effective incentive to balance senior management's 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 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, provided Western's financial and operating results lead to the enhancement of shareholder value.

Directors, officers, employees and consultants are eligible to participate in Western's Option Plan. 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 prior to December 31, 2009 vest at a rate of one third on the date of grant and one third on the first and second anniversaries of the date of grant and have a 5 year term. Options granted between December 31, 2009 and January 28, 2011 vest at a rate of one third on each of the second, third and fourth anniversaries of the date of grant and have a 5 year term. Options granted subsequent to January 28, 2011 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 Option Plan.

No Options were granted to the Chief Executive Officer in 2010.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Western Stock Option Plan

The only equity compensation plan under which equity securities of Western may be issued is the Western Stock Option Plan. See *"Matters to be Acted upon at the Meeting – Approval of the Stock Option Plan."*

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 the Option Plan. The Option Plan authorizes the Board of Directors of Western to issue options ("**Options**") to purchase Common Shares to directors, officers, employees and consultants of Western. Under the Option 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 the Common Shares reserved for issuance to any one person shall not exceed 5% of the outstanding Common Shares from time to time.

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, which is not to be less than the price permitted by the TSX Venture Exchange ("**TSXV**"). In addition, the directors of Western have resolved to recommend that the exercise price for Options granted by Western shall not be less than the closing price of the Common Shares on the TSXV on the trading day immediately preceding such date. 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 also 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 contains provisions to prevent dilution and to protect 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 (the "**Participant**"), 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.

As of May 12, 2011 there were 25,801,667 Common Shares (being 2.65% of the issued and outstanding Common Shares) reserved for issuance pursuant to the Option Plan. No options were exercised or surrendered for cash during the recently completed financial year ended December 31, 2010 by the Named Executive Officers.

Equity Compensation Plan Information

The following table sets forth information as at December 31, 2010 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	20,651,667	\$0.285	54,710,221
Equity compensation Plans not approved by security holders	Nil	Nil	Nil
Total	20,651,667	\$0.285	54,710,221

COMPENSATION OF NAMED EXECUTIVE OFFICERS

Compensation was paid to the Named Executive Officers during the aforementioned fiscal year as disclosed below.

Summary Compensation Table

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

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards ⁽¹⁾ (\$)	Non-equity incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation ⁽²⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Dale E Tremblay ⁽³⁾ Chief Executive Officer	2010	225,000	---	---	225,000	---	---	27,015	477,015
	2009	---	---	---	---	---	---	---	---
Alex MacAusland ⁽⁴⁾ President and Chief Operating Officer	2010	225,000	---	360,000	225,000	---	---	31,095	841,095
	2009	20,657	---	---	---	---	---	201,321	221,978
Jeffrey K. Bowers ⁽⁴⁾ Vice President Finance and Chief Financial Officer	2010	190,000	---	360,000	225,000	---	---	27,015	802,015
	2009	17,365	---	---	---	---	---	151,321	168,686
Marcel K. Lozinsky ⁽⁵⁾ Vice President Operations, Horizon Drilling	2010	135,357	---	180,000	100,000	---	---	50,400	465,757
Dail A. Croome ⁽⁶⁾ Vice President, Rental and Production, StimSol	2010	206,900	---	122,500	90,000	---	---	5,814	425,214

Notes:

- (1) The grant date fair value of option-based awards granted to Named Executive Officers pursuant to the Share Option Plan is \$0.12 per option for options issued on March 22, 2010 and \$0.13 per option for options issued on November 22, 2010. 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 2%; (ii) average expected life of 3.0 years; and (iii) volatility of 60%
- (2) All Other Compensation for each of the Named Executive Officers is comprised of the following elements: Dale E. Tremblay, monthly car allowance and monthly parking; Alex MacAusland, monthly car allowance, monthly parking and club membership and golf club membership; Jeffrey K. Bowers; monthly car allowance and monthly parking; Marcel K. Lozinsky, monthly car allowance, monthly parking, moving allowance and moving expenses; Mr. Dail A. Croome, monthly car allowance and monthly parking. In 2009 signing bonuses were awarded to Messrs. MacAusland and Bowers on their

appointments as COO and CFO respectively in 2009, which were paid on March 18, 2010, in the amounts of \$200,000 for Mr. MacAusland and \$150,000 for Mr. Bowers.

- (3) Mr. Tremblay chose not to take a salary in 2009. Mr. Tremblay was appointed CEO of Western on December 8, 2009.
- (4) Messrs. MacAusland and Bowers performed consulting services to Western from November 28 to December 7, 2009. Messrs. MacAusland and Bowers were appointed officers of Western on December 8, 2009.
- (5) Mr. Lozinsky was appointed Vice President Operations of Horizon Drilling on March 18, 2010. Mr. Lozinsky's current annual salary is \$185,000.
- (6) Mr. Croome performed consulting services to Western from January 14, 2010 to March 15, 2010 and was paid \$64,000. Mr. Croome was appointed Vice President Rental and Production StimSol on March 15, 2010. Mr. Croome's current annual salary is \$180,000.

Long-Term Incentive Plan Awards to Named Executive Officers

No long-term incentive plan awards were made to any Named Executive Officer during the financial year ended December 31, 2010.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding at December 31, 2010 made to the Named Executive Officers:

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 of Payout Value of Share-based Awards
Dale E Tremblay Chief Executive Officer	---	---	---	---	---	---
Alex MacAusland President and Chief Operating Officer	3,000,000	\$0.285	March 21, 2015	225,000	---	---
Jeffrey K. Bowers Vice President Finance and Chief Financial Officer	3,000,000	\$0.285	March 21, 2015	225,000	---	---
Marcel K. Lozinsky Vice President Operations, Horizon Drilling	1,500,000	\$0.285	March 21, 2015	112,500	---	---
Dail A. Croome Vice President, Rental and Production StimSol	750,000 250,000	\$0.285 \$0.285	March 21, 2015 November 21, 2015	56,250 18,750	---	---

Notes:

- (1) Common Shares of Western.
- (2) Based on the closing share price of the Common Shares on December 31, 2010 of \$0.36.

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 Named Executive Officers for the year ended December 31, 2010. During 2010, there was no value in any option based awards, share based awards or non-equity incentive compensation to any of the Named Executive Officers.

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 (\$)
Dale E Tremblay Chief Executive Officer	Nil	---	225,000
Alex MacAusland President and Chief Operating Officer	Nil	---	225,000
Jeffrey K. Bowers Vice President Finance and Chief Financial Officer	Nil	---	225,000
Marcel K. Lozinsky Vice President Operations, Horizon Drilling	Nil	---	100,000
Dail A. Croome Vice President, Rental and Production, StimSol	Nil	---	90,000

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 Corporation’s Common Shares on the vesting date and the exercise price of the Options.

Compensation of Directors

The Board resolved that non-management director compensation be set at zero for 2010. Miscellaneous out-of-pocket expenses incurred by the directors in carrying out their duties were reimbursed by Western. Effective January 1, 2011, the Board resolved that each director who was not an employee of Western receive an annual retainer of \$40,000 to be inclusive of meeting fees. Additionally, the Board resolved that no additional retainers be paid to the Chairman of the Audit Committee nor the Chairman of the Corporate Governance and Compensation 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 directors for the year ended December 31, 2010.

Name ⁽¹⁾	Fees Earned ⁽²⁾ (\$)	Share-based Awards (\$)	Option-based Awards ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Steven C. Grant	Nil	-	120,000	-	-	Nil	120,000
Murray K. Mullen	Nil	-	120,000	-	-	Nil	120,000
John R. Rooney	Nil	-	120,000	-	-	Nil	120,000

Notes:

- (1) Information for Dale E. Tremblay, the current Chief Executive Officer of Western, is provided under “*Summary Compensation Table*”.
- (2) The non-management members of the Board were not paid any fees in 2010.
- (3) The grant date fair value of option-based awards granted to non-management directors pursuant to the Share Option Plan is \$0.12 per option for options issued on March 22, 2010. 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 2%; (ii) average expected life of 3.0 years; and (iii) volatility of 60%.

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, 2009 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 executive officers of Western.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Charter of the audit committee (the “**Audit Committee**”) of the Board of Directors of Western is attached hereto as Schedule ‘B’.

Composition of the Audit Committee

As of May 12, 2011, the members of the Audit Committee are Steven C. Grant, Ronald P. Mathison, Murray K. Mullen and John R. Rooney. The Audit Committee is a standing committee appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting by Western. Each member of the Audit Committee is independent as defined under National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) and none received directly or indirectly, any compensation from Western. All members of the Audit Committee are financially literate as defined under NI 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 April 20, 2011.

Relevant Education and Experience

Steven C. Grant

Mr. Grant is an independent businessman who was formerly a Houston-based Managing Director of Energy Investment Banking with Raymond James & Associates, a New York Stock Exchange (“NYSE”) listed investment banking and brokerage firm. Mr. Grant held such position from 1996 through February 2008. Prior to joining Raymond James & Associates, Mr. Grant was the Senior Vice President and Chief Financial Officer of Enterra Corporation, a NYSE listed oilfield service company, for a period of nine years. Mr. Grant received his MBA (Finance) from Harvard Graduate School of Business Administration in 1966 and a Bachelor of Arts (Economics) from Yale University in 1964.

Ronald P. Mathison

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

B.Comm (Hons) from the University of Manitoba and has earned Chartered Accountant, Chartered Business Valuator, and Chartered Financial Analyst designations.

Murray K. Mullen

Mr. Mullen is the Chairman of the Board and Chief Executive Officer of Mullen Group Ltd. Mr. Mullen joined the Mullen Group of companies in 1977 after graduating from the University of Calgary with a Bachelor of Arts (Economics) degree and has served in various capacities with Mullen Group, including as President and Chief Executive Officer, positions that he held from 1991 through September 2004.

John R. Rooney

Mr. Rooney has been the Chairman and Chief Executive Officer of Northern Blizzard Resources Inc. since November 2009. From December 2007 to April 2009 Mr. Rooney was the Chief Executive Officer of Tusk Energy Inc., a public oil and gas company. From 2005 to 2007, Mr. Rooney was the President and Chief Executive Officer of Zenas Energy Inc., a public oil and gas company. Mr. Rooney is a Chartered Accountant, a Chartered Business Valuator and holds a B.A., Economics degree from the University of Western Ontario.

Audit Committee Oversight

At no time since the commencement of Western's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of Western's most recently completed financial year has Western relied on any exemption from Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has delegated to the Chairman of the Audit Committee (or such other member of the Audit Committee who may be delegated authority), the authority to act on behalf of the Audit Committee between meetings of the Audit Committee with respect to the pre-approval of audit and permitted non-audited services provided by Deloitte & Touche LLP. The Audit Committee is required to be notified of any non-approved services over and above audit and tax. The Chairman reports on any such pre-approval at the next meeting of the Audit Committee.

Auditor Service Fees

Deloitte & Touche LLP was appointed as auditors of Western by the Board of Directors effective January 10, 2010. Meyers Norris Penny LLP were auditors of Western for the period prior to January 10, 2010. No fees were paid to Meyers Norris Penny LLP from the period of January 1, 2010 to January 10, 2010. Fees paid to Deloitte & Touche LLP are detailed in the following table:

Type of Service Provided (all figures in Cdn\$)	2010	2009
Audit fees (including quarterly reviews)	186,192	103,331
Audit-related fees	1,275	Nil
Tax fees	177,447	Nil
All other fees	208,794	Nil
TOTAL	573,708	103,331

Exemption

As Western is listed on the TSXV, it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52-110.

CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines* (“NP 58-201”) establish 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 “D” hereto.

Board Composition

The Board is currently composed of five (5) members. The Board has established two committees, the Audit Committee and, the Corporate Governance and Compensation 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.

Corporate Governance and Compensation Committee

The directors who are currently members of the Corporate Governance and Compensation Committee are Steven C. Grant, Ronald P. Mathison, Murray K. Mullen and John R. Rooney, all of whom are independent as defined in NI 58-101. 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 Chief Executive Officer’s and reviewing senior officers’ compensation.

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 the Corporation.

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 of Directors 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 of Directors.

All inquiries will receive a written response from either the Board of Directors or management, as appropriate. The Corporate Secretary maintains a log of all correspondence addressed to members of the Board of Directors. 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 April 20, 2011 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, other than as described below. All of the directors and officers, with the exception of Dale E. Tremblay, Chief Executive Officer, of Western and Ronald P. Mathison, director, hold Options to acquire Common Shares pursuant to the Option Plan. At the Western Meeting, Shareholders will be asked to consider, and if thought appropriate, approve an ordinary resolution approving the Option Plan. See “*Matters to be Considered at the Meeting – Approval of the Stock Option Plan*”.

ADDITIONAL INFORMATION

Financial information is provided in Western’s comparative consolidated financial statements and management’s discussion and analysis for the most recently completed financial year ended December 31, 2010 and the Auditors report thereon (the “**Annual Report**”), December 31, 2010, which has been mailed to the Shareholders of Western 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 900, 606 – 4th Street SW, Calgary, Alberta T2P 1T1 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.

SHARE OPTION PLAN

1. Purpose of Plan

The purpose of this plan (the "**Plan**") is to develop the interest of existing or proposed Directors, Employees and Consultants of Western Energy Services Corp. (the "**Corporation**") and its subsidiaries and other persons who provide or are proposed to provide ongoing management or consulting services to the Corporation or its subsidiaries in the growth and development of the Corporation by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in the Corporation.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a committee of directors appointed from time to time by the Board of Directors of the Corporation (such committee, or if no such committee is appointed, the Board of Directors of the Corporation is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board of Directors.

3. Granting of Options

The Committee may from time to time designate existing or proposed Directors, Employees and Consultants of the Corporation and its subsidiaries or any Insider of or other Western Service Provider to the Corporation and its subsidiaries (collectively, the "**Optionees**") to whom options ("**Options**") to purchase common shares ("**Common Shares**") of the Corporation may be granted and the number of Common Shares to be optioned to each and may grant such Options, provided that:

- (a) the number of Common Shares reserved for issuance on exercise of all Options outstanding under the Plan at any time shall not exceed 10% of the Outstanding Common Shares at the time in question (the "Common Share Maximum") subject to adjustment as set forth in Section 10 and as hereinafter provided;
- (b) the number of Common Shares reserved for issuance under the Plan to any one Optionee shall not exceed 5% of the Outstanding Common Shares;
- (c) the number of Common Shares issuable to Insiders, at any time, under all Share Compensation Arrangements, shall not exceed 10% of the Outstanding Common Shares;
- (d) the number of Common Shares issued to Insiders, within any one year period, under all Share Compensation Arrangements, shall not exceed 10% of the Outstanding Common Shares;
- (e) the number of Common Shares reserved for issuance to any one Consultant in a 12 month period shall not exceed 2% of the number of Outstanding Common Shares;
- (f) the number of Common Shares reserved for issuance to Optionees employed to provide Investor Relations Activities shall not exceed, in any 12 month period, in the aggregate, 2% of the number of Outstanding Common Shares; and
- (g) a grant of Options pursuant to this Plan shall constitute a representation by the Corporation that the Optionee is a bona fide Director, Employee or Consultant;

provided that for the purposes of paragraphs (c) and (d) an entitlement granted prior to the grantee becoming an Insider may be excluded in determining the number of Common Shares issued or issuable to Insiders.

The Common Shares that are reserved for issuance on exercise of Options granted pursuant to this Plan that are cancelled, terminated or expire prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

Subject to all necessary regulatory approvals, the Common Share Maximum, once in effect, may be increased by the Board of Directors with the approval of the shareholders of the Corporation if required by the stock exchanges (if any) upon which the Common Shares are then listed.

4. Vesting

The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. In the absence of any determination by the Committee as to vesting, vesting shall be as to 1/3rd of the number of Options granted on the date of grant, as to 1/3rd of the number of Options on the first anniversary of the date of grant and as to 1/3rd of the number of Options granted on the second anniversary of the date of grant. Notwithstanding the foregoing, vesting of Options shall accelerate and Options shall be exercisable immediately prior to the time that a Change of Control takes place and as otherwise provided herein. Further the Committee may, at its sole discretion at any time or in the option agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted. Notwithstanding anything in this Paragraph 4, in the case of Options granted to Optionees employed to provide Investor Relations Activities, such Options shall vest in stages over yearly stages with no more than 1/4 of such Options vesting in any three month period.

5. Exercise Price

The exercise price (the “**Exercise Price**”) of any Option shall be fixed by the Committee when such Option is granted, provided that from and after the date that the Common Shares are listed on a stock exchange (the “**Exchange**”), such price shall not be less than the price permitted by such Exchange. In the case of a reduction to the Exercise Price of Options held by Insiders, disinterested shareholder approval shall be obtained where the Optionee is an Insider of the Corporation at the time of the proposed reduction to the Exercise Price of such Options.

6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant provided that no Option may be exercised beyond five (5) years from the date of grant. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable. In addition, each Option shall provide that:

- (a) upon the death of the Optionee, the Option shall terminate on the date determined by the Committee which shall not be more than twelve (12) months from the date of death and, in the absence of any determination by the Committee, will be the date that is six (6) months following the date of death;
- (b) if the Optionee shall no longer be a director or officer of, be in the employ of or be providing ongoing management or consulting services to the Corporation, the Option shall terminate on the expiry of the period (the “**Termination Date**”) not in excess of six (6) months prescribed by the Committee at the time of grant, following the date that the Optionee ceases to be a director, officer or employee of the Corporation, or ceases to provide ongoing management or consulting services to the Corporation, as the case may be and, in the absence of any determination by the Committee, the Termination Date will be ninety (90) days following the date the Optionee shall no longer be a director or officer of, be in the employ of or be providing ongoing management or consulting services to the Corporation; and
- (c) in the case of an Option granted to an Optionee employed to provide Investor Relations Activities, such Option shall expire within 30 days after the Optionee ceases to be employed to provide Investor Relations Activities;

provided that the number of Common Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Common Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be an officer, director or employee of, or ceased providing ongoing management or consulting services to, the Corporation, as the case may be.

7. Exercise of Option

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the shares then being purchased.

8. Surrender Offer

In the event of a Change of Control, an Optionee may make an offer (the “**Surrender Offer**”) to the Corporation, at any time, for the disposition and surrender by the Optionee to the Corporation (and the termination thereof) of any of the Options granted hereunder for an amount (not to exceed fair market value) specified therein by the Optionee and the Corporation may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval required. If the Surrender Offer, either as made or as renegotiated, is accepted, the Options in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Optionee any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Corporation to the Optionee.

9. Mergers, Amalgamation and Sale

If the Corporation shall become merged (whether by plan of arrangement or otherwise) or amalgamated in or with another corporation or entity or shall sell the whole or substantially the whole of its assets and undertakings for shares or securities of another corporation or other entity, the Corporation shall, subject to this Section 9, make provision that, upon exercise of an Option after the effective date of such merger, amalgamation or sale, the Optionee shall receive such number of shares of the continuing successor corporation or other entity in such merger or amalgamation or the securities or shares of the purchasing corporation or other entity as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased the shares of the Corporation immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Corporation to the Optionee in respect of the Common Shares subject to the Option shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof. Adjustments under this section or any determinations as to fair market value of any securities shall be made by the Committee, and any reasonable determination made by the Committee shall be binding and conclusive.

10. Acceleration of Vesting and Termination of Option in the Event of Approved Take-Over Bid

In the event of an Approved Take-Over Bid, Optionees shall have the right to exercise Options granted hereunder to purchase all of the Common Shares which have not been previously purchased under such Options, but any such Common Shares not otherwise vested and exercisable may only be purchased for tender pursuant to such Approved Take-Over Bid. If for any reason such Common Shares are not so tendered or, if tendered, are not for any reason taken up and paid for by the offeree pursuant to such Approved Take-Over Bid, any such Common Shares so purchased by an Optionee shall be and be deemed to be cancelled and returned to treasury of the Corporation, shall be added back to the number of Common Shares, if any, remaining unexercised under the applicable Option and, upon presentation to the Corporation of share certificates representing such shares properly endorsed for transfer back to the Corporation, the Corporation shall refund to the Optionee all consideration paid on the exercise thereof. In the event an Approved Take-Over Bid is made and Common Shares are taken up and paid for pursuant to such Approved Take-Over Bid, the Corporation shall have the right to satisfy any obligations to an Optionee in respect of any Options not exercised by paying to the Optionee, in cash, the difference between the Exercise Price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value shall be conclusively made by the Committee. Upon payment as aforesaid, the Options shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

11. Alterations in Shares

In the event, at any time or from time to time, that the share capital of the Corporation shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the Common Shares granted or the Corporation shall pay a dividend (other than in the ordinary course) upon the Common Shares by way of issuance to the holders thereof of additional Common Shares, securities or other assets, or other relevant changes in the share capital of the Corporation, Options with respect to any Common Shares which have not been purchased at the time of any such consolidation, subdivision, stock dividend or other change shall be proportionately adjusted (including as to the number of Common Shares subject to the Option and the exercise price thereof, as applicable) so that the Optionee shall from time to time, upon the exercise of an Option, be entitled to receive the number of shares, securities or other property of the Corporation he would have held following such consolidation, subdivision, stock dividend or other change if the Optionee had purchased the shares and had held such shares immediately prior to such consolidation, subdivision, stock dividend or other change. Upon any such adjustments being made, the Optionee shall be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

12. Option Agreements

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Option will comply with this Plan, any provisions respecting Options in the Income Tax Act (Canada) or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen and the rules of any regulatory body having jurisdiction over the Corporation.

13. Regulatory Authorities Approvals

The Plan shall be subject to the approval, if required, of any Exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval, if required, shall be conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

14. Amendment or Discontinuance of the Plan

The Committee may amend or discontinue the Plan at any time, provided that no such amendment may, without the consent of the Optionee, alter or impair any Option previously granted to an Optionee under the Plan and provided further that any amendment to the Plan will be subject to receipt of all necessary regulatory approvals (if any).

15. Common Shares Duly Issued

Common Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefor in accordance with the terms of the Option and the issuance of Common Shares thereunder will not require a resolution or approval of the Board of Directors of the Corporation.

16. Options to Companies

The provisions herein in respect of the grant of Options shall apply, with appropriate modifications, to the grant of Options to a company either: (i) wholly-owned by any person whom Options may otherwise be granted hereunder; or (ii) controlled by any person to whom Options may otherwise be granted hereunder (and the shares of which are held directly or indirectly by any such person and such person's spouse, minor children and/or minor grandchildren), subject to any requirements of any applicable regulatory authority having jurisdiction, including any Exchange.

17. Definitions

In this Plan, capitalized terms not otherwise defined in this Plan have the meanings set forth below. Notwithstanding the foregoing, where defined terms used herein are also defined in the policies of the TSXV and there are discrepancies between said defined terms, the defined term used in the policies of the TSXV shall prevail over the defined term used in this Plan during such period of time as the Corporation's Shares are listed on the TSXV.

- (a) A Company is an "Affiliate" of another Company if:
 - (i) one of them is the subsidiary of the other; or
 - (ii) each of them is controlled by the same Company or individual.
- (b) "Approved Take-Over Bid" means a take-over bid (as defined in the *Securities Act* (Alberta)), which is not exempt from the take-over bid requirements of Part 14 of the *Securities Act* (Alberta) (or its replacement of successor provisions) made for the Common Shares or other Voting Shares of the Corporation with the approval or consent of the Board of Directors of the Corporation pursuant to which, if the Approved Take-Over Bid is successful, will result in a Holder beneficially owning, or exercising control or direction over, Voting Shares or Convertible Securities such that, assuming only the conversion of the 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 that have the right to cast more than 50% of the votes attached to all Voting Shares;
- (a) "Associate" has the meaning ascribed thereto by the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted;
- (c) "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 Directors of the Corporation, of any Voting Shares or Convertible Securities by a Holder which results in the Holder 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, the Holder 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 of Directors (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 of Directors of the Corporation, 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 of Directors of the Corporation 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;
- (d) "Company", unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual;
- (e) "Consultant" means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a 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;
 - (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.
- (f) "Consultant Company" means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (g) "Convertible Securities" means any securities convertible or exchangeable into Voting Shares or carrying the right or obligation to acquire Voting Shares;
- (i) "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 Options can be granted in reliance on a prospectus exemption under applicable securities laws;
- (h) "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.

- (i) “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;
- (j) “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:
 - (b) applicable securities laws; or
 - (c) Exchange Requirements (as defined in the policies of the TSXV) 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:
 - (i) the communication is only through the newspaper, magazine or publication; and
 - (ii) 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 TSXV.
- (k) “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.
- (l) “Insider” of the Corporation means:
 - (i) an insider as defined in the Securities Act (Alberta) as from time to time amended, supplemented or re-enacted, other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation; and
 - (ii) an Associate of any person who is an insider by virtue of paragraph (i);
- (m) “Outstanding Common Shares” at the time of any share issuance or grant of Options means the aggregate number of Common Shares and non-voting common shares that are outstanding immediately prior to the share issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including any Exchange on which the Common Shares may be listed;

- (n) “Service Provider” means a person or company engaged, or proposed to be engaged, by the Corporation to provide services for an initial, renewable or extended period of 12 months or more;
- (o) “Share Compensation Arrangement” means (i) a stock option plan for the benefit of employees, Insiders, Service Providers or any one of such groups, (ii) individual stock options granted to employees, Insiders or Service Providers if not granted pursuant to a plan previously approved by the Corporation’s securityholders, (iii) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches a whole or a portion of the securities being purchased, (iv) stock appreciation rights involving issuances of securities from treasury, (v) any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Corporation, and (vi) security purchases from treasury by an employee, Insider or Service Provider which is financially assisted by the Corporation by any means whatsoever. For greater certainty, arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Corporation are not security based compensation arrangements;
- (p) “subsidiary” has the meaning assigned thereto under the Securities Act (Alberta) as from time to time amended, supplemented or re-enacted;
- (q) “TSXV” means the TSX Venture Exchange; and
- (r) “Voting Shares” means any securities of the Corporation ordinarily carrying the right to vote at elections of directors.

18. No Effect on Employment or Retainer

Participation in the Plan by an Optionee is entirely voluntary and does not affect the Optionee’s employment or continued retainer by, or other engagement with, the Corporation. Neither this Plan nor the granting to an Optionee of an Option hereunder of itself gives such Optionee any right to continue to be a director, officer, employee or consultant of the Corporation. None of the terms and conditions governing an Option shall be affected by any change in the terms of the Optionee’s employment or by engagement with the Corporation so long as the Optionee continues to hold Options. The terms of this Plan or any option agreement shall not affect in any manner whatsoever the terms or validity of any employment agreement to which the Corporation is a party.

19. Decisions Final and binding

All decisions and interpretations by the Committee respecting this Plan or Options granted hereunder, including decisions as to adjustments in the number of Common Shares to be received upon exercise of an Option or the exercise price thereof in accordance with Section 10 shall be final and binding on the Corporation and all Optionees and their respective successors.

20. Effective Date

This Plan is effective from June 8, 2006, as amended effective as of January 5, 2009.

SCHEDULE 'B'

WESTERN ENERGY SERVICES CORP. (THE "CORPORATION")

AUDIT COMMITTEE CHARTER

Purpose

1. The purpose of the Audit Committee is to:
 - (a) review and recommend to the Board for acceptance, prior to their public release, all material financial information required to be gathered and disclosed by the Corporation;
 - (b) oversee management designed and implemented accounting systems and internal controls; and
 - (c) recommend, engage, supervise, arrange for the compensation and ensure the independence of the external auditor to the Corporation.

Composition

2. The Audit Committee will be comprised of at least three members of the Board to serve at the pleasure of the Board. Each member will at all times be independent and financially literate as those terms are defined in Multilateral Instrument 52-110 and possess:
 - (i) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
 - (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
 - (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
 - (iv) an understanding of internal controls and procedures for financial reporting.

Meetings

3. The Audit Committee is required to 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 Audit Committee.
4. The Chair of the Audit Committee appointed by the Board will, in consultation with the members, determine the schedule, time and place of meetings, and in consultation with management and the external auditor, establish the agenda for meetings.
5. A quorum for a meeting of the Audit Committee shall be a majority of members present in person or by telephone conference call.
6. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the Audit Committee at least 24 hours prior to the time fixed for such meeting, provided that a member may in any manner waive a notice of meeting.

Duties and Responsibilities of the Committee

7. The Committee's primary duties and responsibilities are to:

- (a) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;
- (b) monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- (c) monitor the independence and performance of the Corporation's external auditors;
- (d) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
- (e) directly oversee the external audit process and results (in addition to items described in Section 4 below) including review and attest services;
- (f) provide an avenue of communication among the external auditors, management and the Board;
- (g) be satisfied and obtain reasonable assurance from the external auditors that effective internal controls and management information systems are in place;
- (h) review and implement effective corporate communications policies and practices;
- (i) ensure that the external auditor reports directly to the Committee.

8. The Committee shall have the authority to:

- (a) inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;
- (b) discuss with the management of the Corporation, its subsidiaries and affiliates and senior staff of the Corporation, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;
- (c) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (d) set and instruct the Corporation to pay the compensation for any advisors employed by the Committee; and
- (e) communicate directly with the internal and external auditors of the Corporation.

9. The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

10. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of any disagreements between management and the external auditor regarding financial reporting.

11. The Committee shall:

- (a) review the audit plan with the Corporation's external auditors and with management;
- (b) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
- (c) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;

- (d) review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- (e) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
- (f) review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods;
- (g) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the Corporation and subsequent follow-up to any identified weaknesses;
- (h) review the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases and with financial management and the external auditors before release to the public;
- (i) before release, review and recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and material press releases;
- (j) oversee any of the financial affairs of the Corporation, its subsidiaries or affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management;
- (k) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and must periodically assess the adequacy of such procedures.

12. The Committee shall:

- (a) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor, and their compensation, or the discharge of the external auditor when circumstances are warranted;
- (b) consider the recommendations of management in respect of the appointment of the external auditors;
- (c) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors', or the external auditors of the Corporation's subsidiary entities;
- (d) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and considering the potential impact of such services on the independence of the external auditors;
- (e) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the Change of Auditor Notice called for by National Instrument 51-102 and as required by other applicable securities regulation, and the planned steps for an orderly transition period; and
- (f) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.

13. The Committee shall:
 - (a) review with management at least annually, the financing strategy and plans of the Corporation; and
 - (b) review all securities offering documents (including documents incorporated therein by reference) of the Corporation.
14. The Committee shall review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.
15. The Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.
16. The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Committee by any member of the Board, a shareholder of the Corporation, the external auditors, or senior management.
17. The Committee shall periodically review with management the need for an internal audit function.
18. The Committee shall establish and maintain procedures for:
 - (a) The receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
18. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.
19. The Committee shall assess, on an annual basis, the adequacy of this Charter and the performance of the Committee.

**SCHEDULE “C”
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 three of the four current 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 above definition. The present and proposed directors who are independent are:</p> <p style="text-align: center;">Steven C. Grant Ronald P. Mathison Murray K. Mullen 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 four existing directors and one of the three nominees proposed by Management for election to the Board of Directors of the Corporation are not independent from the Corporation. The present and proposed director who is not independent is:</p> <p style="text-align: center;">Dale E. Tremblay</p> <p>Mr. Tremblay is the Chairman and CEO of Western.</p>
<p>(c) Disclose whether or not a majority of the directors are independent.</p>	<p>Four of the five existing directors and five of six 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. Grant is a director of Mullen Group Ltd. and Horizon North Logistics Inc. Mr. Mullen is a director of Mullen Group Ltd. and Shawcor Ltd. Mr. Mathison is a director of CMQ Resources Inc, Calfrac Well Services Ltd. and Telsa Exploration Ltd. Mr. Rooney is a director of Northern Blizzard Resources Inc. Mr. Tremblay is a director of Horizon North Logistics Inc. Mr. Grant and Mr. Mullen are directors of Mullen Group Ltd. Messrs. Grant and Tremblay are directors of Horizon North Logistics Inc.</p>
<p>(e) Disclose whether or not the independent directors hold regularly scheduled meetings at 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>The independent Directors intend to hold meetings at the end of each regularly scheduled directors meeting without the presence of management or the non-independent directors.</p>

Corporate Governance Disclosure Requirement NI 58-101	Comments
(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>The Chair, Mr. Tremblay, is not independent. Despite that, the Board believes that there are substantial benefits to Western with Mr. Tremblay serving in this capacity that presently out-weigh having an independent Chair given Mr. Tremblay's knowledge of the operations of Western. The board has appointed Mr. Murray Mullen as Lead Director to preside over meetings of the independent directors and to act as a liaison between the independent directors and the rest of the Board and management.</p> <p>The position description of the Chair of the Board provides for the Chair to provide leadership to the Board and to serve as chair at shareholders annual meetings. The Chair, along with the Lead Director sets the agenda of all Board meetings, ensures the provision of accurate, timely and clear information to the Directors. In addition, the Chair supervises the Committee Chairs.</p>
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the most recently completed financial year.	All members of the Board attended all 12 meetings held in 2010, whether in person or by telephone. Mr. Mathison was appointed to the Board on December 17, 2010 and there were no meetings of the Board held in 2010 subsequent to Mr. Mathison's appointment.
<p>2. Board Mandate Disclose the text of the Board's written mandate.</p>	The Board has adopted a Board Mandate. On an annual basis, the Board will assess the adequacy of the Board Mandate. In doing so, the Board will complete a scorecard to confirm that it is doing all that is required of it under the mandate. Additionally, the Board has established a Board workplan. The mandate of the Board 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>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 Chair of the Board, the Lead Director and each 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 Chair of the Board provides for the Chair to provide leadership to the Board and to serve as chair at shareholders annual meetings. The Chair also sets the agenda of all Board meetings, ensures the provision of accurate, timely and clear information to the Directors. In addition the Chair supervises the Committee Chairs.</p> <p>The position description for the Lead Director provides for the Lead Director to provide independent leadership for the Board, in particular its independent directors, and to assist the Board in discharging its duties, responsibilities and obligations independent of management.</p> <p>The position description of the Committee Chairs provides for their participation in the development of committee meeting calendars and agenda. 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>
(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO.	<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 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 the management and approved by the Board.</p>

Corporate Governance Disclosure Requirement NI 58-101	Comments
<p>4. Orientation and Continuing Educations</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 discussion with senior management and other directors. Each director will receive a directors' manual, which will be updated as required. The Directors meet regularly with management and will be 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 ongoing 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 will: (a) periodically canvases 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. Ethical Business Conduct</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 judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest. 	<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 has also 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 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>

Corporate Governance Disclosure Requirement NI 58-101	Comments
<p>6. Nomination of Directors</p> <p>(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 skills matrix may be 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 will include, but will not be limited to, 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 is presently comprised of four independent directors, being Steven C. Grant (Chair), Ronald P. Mathison, Murray K. Mullen and John R. Rooney. 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 contains 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.westernenergyservices.com. 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 (i) evaluates 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. Additionally, the Corporate Governance and Compensation Committee have established a committee workplan. If vacancies occur on the Board, the Corporate Governance and Compensation Committee would recommend nominees to the Board.</p>
<p>7. Compensation</p> <p>(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 with a view to align Western's officers and directors with comparator group median. Directors who are officers of Western receive no additional remuneration for their services as directors.</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 Chief Executive Officer (the "CEO") and the CEO 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> <p>The Board resolved that non-management director compensation be set at zero for 2010. Miscellaneous out-of-pocket expenses incurred by the directors in carrying out their duties were reimbursed by Western. Effective January 1, 2011, the Board resolved that each director who was not an employee of Western receive an annual retainer of \$40,000 to be inclusive of meeting fees. Additionally, the Board resolved that no additional retainers be paid to the Chairman of the Audit Committee nor the</p>

Corporate Governance Disclosure Requirement NI 58-101	Comments
	Chairman of the Corporate Governance and Compensation Committee. Miscellaneous out-of-pocket expenses incurred by the directors in carrying out their duties are to be reimbursed by Western.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent Directors.	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 Steven C. Grant (Chairman), Ronald P. Mathison, Murray K. Mullen and John R. Rooney. None of the members of the Corporate Governance and Compensation Committee is an officer, employee or former officer of the Corporation or any of its affiliates or is eligible to participate in the Corporation's executive compensation programs. All of the members 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.
(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 contain 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.westernenergyservices.com. 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>
8. Other Board Committees If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	There are no other standing committees of the Board of Directors of Western.
9. Assessments 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.	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 will be 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 completed questionnaires will be forwarded to the Lead Director. The anonymity of any particular submitter will be maintained with the aggregate results presented to the Lead Director for discussion and action if required. The results will then be communicated to the full Board for discussion and recommendations as necessary.