



## **WESTERN ENERGY SERVICES CORP. INCREASES CONSIDERATION FOR SAVANNA ENERGY SERVICES CORP.**

**FOR IMMEDIATE RELEASE: March 15, 2017**

**CALGARY, ALBERTA** - Western Energy Services Corp. ("Western") (TSX: WRG) is pleased to announce that it has entered into an amending agreement (the "Amending Agreement") to amend the arrangement agreement (the "Arrangement Agreement") with Savanna Energy Services Corp. ("Savanna") (TSX: SVY) to acquire Savanna pursuant to a court approved plan of arrangement (the "Transaction"), to: (i) increase the consideration to be paid to shareholders of Savanna pursuant to the plan of arrangement from 0.85 of a Western common share for each Savanna common share, to 0.85 of a Western common share plus \$0.21 in cash ("Cash Consideration") for each Savanna common share; and (ii) increase the reciprocal non-completion fee by \$5 million to \$20 million.

Other than as disclosed herein, all other material terms and conditions of the Arrangement Agreement remain unchanged.

Western will fund the Cash Consideration through cash on hand at closing.

Raymond James Ltd. is acting as the financial advisor to Western in connection with the Transaction, and has provided the board of directors of Western (the "Western Board") with its verbal opinion that, as of the date hereof, subject to review of the final form of documents effecting the Transaction, and certain assumptions, limitations and qualifications, the amended consideration, under the amended Arrangement Agreement, to be paid for the Savanna common shares by Western is fair, from a financial point of view to Western.

The amendment to the Arrangement Agreement was unanimously approved by the Western Board. The Western Board has also unanimously determined that the Transaction is in the best interests of Western and its shareholders, and remains fully committed to completing the Transaction with Savanna.

Similarly, the amendment to the Arrangement Agreement was unanimously approved by the directors of Savanna ("Savanna Board"), and by the independent committee formed by the Savanna Board. The Savanna Board has also unanimously determined that the Transaction is fair to the shareholders of Savanna and is in the best interests of Savanna and its shareholders, and remains fully committed to completing the Transaction with Western.

A copy of the Amending Agreement will be filed and available on SEDAR under each of Western's and Savanna's profiles at [www.sedar.com](http://www.sedar.com).

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

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

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the shares in any jurisdiction. The shares offered will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to a United States person, absent registration, or an applicable exemption therefrom.

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

This press release contains certain statements or disclosures relating to Western that are based on the expectations of Western as well as assumptions made by and information currently available to Western which may constitute forward-looking information under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Western anticipates or expects may, or will occur in the future (in whole or part) should be considered forward-looking information. In some cases forward-looking information can be identified by terms such as “forecast”, “future”, “may”, “will”, “expect”, “anticipate”, “believe”, “potential”, “enable”, “plan”, “continue”, “contemplate”, “pro forma”, “prospective” or other comparable terminology.

In particular, forward-looking information in this press release includes, but is not limited to, information about the potential arrangement between Western and Savanna pursuant to the Arrangement Agreement, between Western and Savanna announced March 9, 2017, as amended on March 14, 2017, including without limitation: (a) the anticipated closing of the Transaction and the sufficiency of cash to fund the Cash Consideration; and (b) the anticipated impact of the Transaction on Western, and the anticipated operational and strategic benefits of the Transaction, including in particular, the achievement of operating synergies and cost savings, any improvement of competitive position, the attraction and retention of personnel, and the pro forma size of Western and size and scope of its operations.

The forward-looking information provided in this press release is based upon a number of material factors and assumptions including without limitation: (a) that the Transaction will be completed in the timelines and on the terms currently anticipated; (b) that all necessary Toronto Stock Exchange (“TSX”), court and regulatory approvals will be obtained on the timelines and in the manner currently anticipated; (c) that all necessary Western and Savanna shareholder approvals will be obtained; and (d) general assumptions respecting the business and operations of both Western and Savanna, including that each business will continue to operate in a manner consistent with past practice and pursuant to certain industry and market conditions.

Forward-looking information is subject to a number of risks and other factors that could cause actual results and events to vary materially from that anticipated by such forward-looking information. In particular, the completion of the Transaction is subject to a number of risks including, without limitation: (a) TSX, court and regulatory approvals may not be obtained in the timelines or on the terms currently anticipated or at all; (b) Western and/or Savanna shareholder approvals may not be obtained; (c) the Transaction is subject to a number of closing conditions and no assurance can be given that all such conditions will be met or will be met in the timelines required by the Arrangement Agreement; and (d) the business, operational and/or financial performance or achievements of Western or Savanna may be materially different from that currently anticipated. In particular, the synergies and benefits anticipated in respect of the Transaction are based on the current business, operational and financial position of each of Western and Savanna, which are subject to a number of risks and uncertainties. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive. Additional information on these and other risk factors that could affect Western’s operations and financial results are included in Western’s annual information form which may be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com). The forward-looking statements and information contained in this press release are made as of the date hereof and Western does not undertake any obligation to update publicly or revise any forward-looking statements and information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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