



**WESTERN ENERGY SERVICES CORP. DEMANDS PAYMENT OF TERMINATION FEE FROM
SAVANNA ENERGY SERVICES CORP.**

FOR IMMEDIATE RELEASE: April 18, 2017

CALGARY, ALBERTA - Western Energy Services Corp. ("Western") (TSX: WRG) announced today that it has issued a formal demand for payment to Savanna Energy Services Corp. ("Savanna") for the payment of a termination fee in the amount of \$20,000,000 (the "Termination Fee") in respect of the arrangement (the "Western Arrangement") contemplated by the arrangement agreement between Western and Savanna dated March 8, 2017, as amended on March 14, 2017 (the "Arrangement Agreement").

The Termination Fee was an incentive for Western to forego other opportunities, incur considerable financial expense and spend significant time and effort to advance the Western Arrangement, including performing "due diligence" reviews in Canada, the United States and Australia, working to negotiate and finalize a mutually acceptable transaction with Savanna, developing a strategic plan for the proposed combined entity and engaging with the investment community, Western's lenders, customers and others to describe and explain the proposed Western Arrangement. The Termination Fee also provided Western with security that Savanna would complete the transaction contemplated by the Arrangement Agreement.

Savanna provided Western with a notice of termination of the Arrangement Agreement on March 28, 2017. Western does not consider Savanna to have been entitled to terminate the Arrangement Agreement in the circumstances and considers Savanna to have breached certain covenants under the Arrangement Agreement. Accordingly, Western believes that it is entitled to damages including the Termination Fee provided for under the Arrangement Agreement.

Western's demand for payment provides Savanna with five business days in which to pay the termination fee. If Savanna fails to make payment promptly, Western will instruct its legal counsel to commence litigation by filing a statement of claim against Savanna to recover the amount of the Termination Fee and other remedies.

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.

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 claim by Western against Savanna for payment of the Termination Fee pursuant to the Arrangement Agreement, including without limitation: that Western will commence litigation seeking payment of the Termination Fee.

The forward-looking information provided in this press release is based upon a number of material factors and assumptions. 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, Western's ability to recover the Termination Fee or other damages from Savanna is subject to the risk that Savanna refuses to make payment of the Termination Fee or other damages, requiring Western to incur expenses of litigation to recover such amounts, and the risks that such litigation will not be successfully determined in Western's favour, and the risk that Savanna may not be capable of paying the amount of the Termination Fee or other damages. Additional information on 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. 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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