



**WESTERN ENERGY SERVICES CORP. ANNOUNCES CHANGES TO ITS STOCK OPTION PLAN AND
RESTRICTED SHARE UNIT PLAN TO ADDRESS ISS RECOMMENDATIONS**

FOR IMMEDIATE RELEASE: May 1, 2017

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) announces that the board of directors of the Company (the "Board") has approved minor amendments to its stock option plan (the "Option Plan") and its restricted share unit plan (the "RSU Plan" and together with the Option Plan, the "Incentive Plans"). The amendments have been proposed to address issues raised by Institutional Shareholder Services ("ISS") in the course of its review of the matters to be voted on at the upcoming annual and special meeting of the shareholders of Western to be held on May 9, 2017 (the "AGM"). The changes to the Incentive Plans address what the Company understands were the "overriding factors" that resulted in ISS issuing a negative recommendation for the approval of (i) the unallocated stock options under the Option Plan; and (ii) an amendment to the RSU Plan to increase the number of common shares to be reserved for issuance under the RSU Plan and to approve all unallocated restricted share units under the RSU Plan.

The amendments to the Incentive Plans to address the ISS recommendations will:

- (i) allow the Board to retract, cancel or seek reimbursement of incentive compensation received by an executive officer or former executive officer under the Incentive Plans in the event of a material restatement of financial statements caused by misconduct or fraud;
- (ii) increase the threshold for the acceleration of vesting of incentive awards in the event of a change of control of Western from a single trigger to a double trigger; and
- (iii) impose the requirement of shareholder approval for any changes to the Incentive Plans that would remove or increase the participation limits for non-employee directors.

The Option Plan has been further amended to address the ISS recommendations and now provides an annual limit for grants of options under the Option Plan to non-employee directors whereby the maximum number of common shares reserved for issuance to non-employee directors shall be 1% of the outstanding common shares of Western, and the total annual grant to any one non-employee director may not exceed an annual equity value of \$100,000 (based on a Black-Scholes calculation). Grants of options and grants under all other share compensation plans to each non-employee director may not exceed an annual equity value of \$150,000 (based on a Black-Scholes calculation).

The RSU Plan has also been further amended to address the ISS recommendations and now prohibits the extension of the term of any restricted share unit for the benefit of any participant in the RSU Plan (not just insiders, as was formerly the case).

The amendments to the Incentive Plans are not expected to substantively impact Western's compensation practices moving forward.

The amended RSU Plan will be put forward to shareholders for their approval at the AGM. Copies of the amended Option Plan and the RSU Plan were filed today and are available under Western's profile at 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.

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