



PRESS RELEASE

WESTERN ENERGY SERVICES CORP. ANNOUNCES PRIVATE OFFERING AND PRICING OF SENIOR UNSECURED NOTES

FOR IMMEDIATE RELEASE: January 20, 2012

CALGARY, ALBERTA – Western Energy Services Corp. (“**Western**”) (TSX: WRG) announced today that it has priced a private offering of C\$175.0 million aggregate principal amount of 7½% senior unsecured notes due January 30, 2019 (the “**Notes**”). The Notes will be issued at par. Western intends to use the net proceeds from the offering to repay all of its outstanding indebtedness under its secured credit facilities and for general corporate purposes. The offering is expected to close on January 30, 2012.

The offering is being underwritten by RBC Capital Markets, as sole lead bookrunning manager, in a syndicate that includes HSBC Securities (Canada) Inc., AltaCorp Capital Inc. and GMP Securities L.P.

The Notes will be sold in Canada on a private placement basis pursuant to certain prospectus exemptions. The Notes will be sold in the United States and to U.S. Persons only to “qualified institutional buyers” in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and outside the United States to persons other than U.S. Persons in reliance on Regulation S under the Securities Act. The offer and sale of the Notes will not be registered under the Securities Act or any state securities laws and the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws.

As a result of the issuance of the Notes, Western is voluntarily reducing its revolving credit facility from C\$150 million to C\$125 million. Western’s operating facility of C\$10 million will remain unchanged.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Notes, nor shall there be any offer or sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Western Energy Services Corp.:

Western is an oilfield services company which provides contract drilling services through its wholly-owned subsidiaries Horizon Drilling Inc. in Canada and Stoneham Drilling Corporation in the United States. In addition, Western has commenced operations of its wholly-owned subsidiary Matrix Well Servicing Inc. with the first two of five next generation well servicing rigs now delivered.

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FORWARD-LOOKING STATEMENTS AND INFORMATION:

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. All statements other than statements of historical fact contained in this press release may be forward-looking statements and forward-looking information. In particular, forward-looking information and statements in this press release include, but are not limited to, the timing and completion of the offering of Notes and the use of the net proceeds from the offering. These forward-looking statements and information are based on certain key expectations and assumptions made by Western, including the assumption that the offering will be completed. Although Western believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Western cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risk that the offering of Notes will not be completed as proposed or at all and general economic, market and business conditions. Readers are cautioned that the foregoing list of risks and uncertainties is not exhaustive. Additional information on these and other risk factors that could affect Western's operations, financial results and the completion of the offering are included in Western's annual information form and the other disclosure documents filed by Western with securities regulatory authorities 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 or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.