



NEWS RELEASE

WESTERN ENERGY SERVICES CORP. COMPLETES REFINANCING TRANSACTIONS

FOR IMMEDIATE RELEASE: February 1, 2018

CALGARY, ALBERTA - Western Energy Services Corp. ("**Western**") (TSX: WRG) is pleased to announce that it has drawn on its \$215 million, 7.25% second lien senior secured term loan facility (the "**Second Lien Facility**") with Alberta Investment Management Corporation ("**AIMCo**"). The Second Lien Facility was drawn on January 31, 2018 and will mature in five years. The Second Lien Facility, cash on hand and funds available under existing credit facilities were used to fund the redemption of Western's \$265 million, 7^{7/8}% senior unsecured notes due in January 2019 (the "**Senior Notes**")

The draw on the Second Lien Facility and redemption of the Senior Notes represent the culmination of the comprehensive financings announced on September 22, 2017. As a result of these transactions, Western has extended the maturity date on its debt and has improved its leverage metrics. Additionally, Western will save approximately \$5.3 million annually in cash interest expense due to the decreased debt level and lower interest rate on the Second Lien Facility as compared to the Senior Notes.

About Western

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

Forward Looking Statements and Information

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "result" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the use of the net proceeds of the Second Lien Facility, the expected redemption of the Senior Notes and interest expense savings. These forward-looking statements and information are based on certain key expectations and assumptions made by Western. 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, risks associated with general economic conditions, the demand for Western's services, volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally, currency exchange rate risk, compliance with covenants and/or repayment obligations under the Credit Facilities and the Second Lien Facility, changes in legislation, dependence on, and concentration of, major customers, and the creditworthiness and performance by the Western's counterparties and customers.



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 or financial results are included in Western's annual information form and may be accessed through the SEDAR website (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.

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