



**WESTERN ENERGY SERVICES CORP. ANNOUNCES OPERATIONAL UPDATE AND RECORD REVENUE**

**FOR IMMEDIATE RELEASE: January 12, 2012**

CALGARY, ALBERTA - Western Energy Services Corp. ("Western") (TSX: WRG) is pleased to provide an update with regards to its strong operating results.

**Highlights:**

- Record revenue in the fourth quarter of 2011 totalled \$101.3 million, a \$74.7 million increase (or 281%) over the same period of the prior year, and a \$20.5 million increase (or 25%) over the third quarter of 2011, due to improved day rates and increased utilization resulting from strong customer demand, and an increased rig fleet;
- Western commissioned one fit for purpose telescopic ELR double drilling rig in December 2011. As a result, Western exited 2011 with 43 rigs in its fleet, 38 in Canada and 5 in the United States;
- Western is currently constructing four fit for purpose telescopic ELR double drilling rigs, the first two of which are expected to be completed in the first quarter, with the remaining two expected to be delivered in the second and third quarters of 2012;
- Western's first well service rig successfully began operations in January 2012. The remaining four well service rigs are expected to commence operations in the first and second quarters of 2012.

<b>Operating Highlights</b>	<b>Three months ended Dec 31, 2011</b>	<b>Three months ended Dec 31, 2010</b>	<b>Year ended Dec 31, 2011</b>	<b>Year ended Dec 31, 2010</b>
Canadian contract drilling fleet:				
-Average	37	16	32	13 <sup>(1)</sup>
-End of period	38	22	38	22
Canadian drilling rig utilization rate <sup>(2)</sup>	79%	65%	70%	58% <sup>(1)</sup>
CAODC industry average utilization rate <sup>(2)</sup>	61%	50%	52%	37% <sup>(1)</sup>
United States contract drilling fleet:				
-Average	5	-	4	-
-End of period	5	-	5	-
United States drilling rig utilization rate <sup>(2)</sup>	79%	-	70% <sup>(3)</sup>	-

(1) Calculated from the date of acquisition of the Contract Drilling segment (March 18, 2010).

(2) Utilization rate calculated on a spud to rig release basis.

(3) Calculated from the date of acquisition of the United States operations (June 10, 2011).

**Forward-Looking 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 in 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", or other comparable terminology.

In particular, statements regarding the completion and timing of additional drilling and service rigs are considered forward-looking information. The foregoing forward-looking information assumes continued demand for “ELR” drilling rigs, no adverse change to the oil and gas industry and no adverse change to the demand for drilling rigs and oil and gas services. The risk factors that could affect actual results are discussed in more detail in Western’s Annual Information Form dated April 20, 2011 and the other documents available under Western’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and include risks associated with the oil and gas industry and demand for drilling rigs and oil and gas services. The forward-looking information included in this press release are made as of the date of this press release and Western disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.

For more information, please contact:

**Dale E. Tremblay**  
Chief Executive Officer  
403.984.5929  
[dtremblay@wesc.ca](mailto:dtremblay@wesc.ca)

**Alex MacAusland**  
President and COO  
403.984.5932  
[amacausland@wesc.ca](mailto:amacausland@wesc.ca)

**Jeffrey K. Bowers**  
VP Finance and CFO  
403.984.5933  
[jbowers@wesc.ca](mailto:jbowers@wesc.ca)

**Western Energy Services Corp.**  
900, 606 – 4th Street SW  
Calgary, AB T2P 1T1  
Ph: 403.984.5916 Fax: 403.984.5917