



NEWS RELEASE

WESTERN ENERGY SERVICES CORP. ANNOUNCES CREDIT FACILITY EXTENSION AND COVENANT AMENDMENTS

FOR IMMEDIATE RELEASE: December 12, 2018

CALGARY, ALBERTA - Western Energy Services Corp. ("**Western**") (TSX: WRG) is pleased to announce that its lenders have approved an extension of its syndicated revolving first lien credit facility (the "**Revolving Facility**") and its committed operating facility (the "**Operating Facility**" and together the "**Credit Facilities**") to December 17, 2021. As part of this review, Western has voluntarily elected to reduce the commitment under the Revolving Facility to \$50 million from \$70 million. The commitment under the Operating Facility remains unchanged at \$10 million.

Additionally, Western and its lenders have agreed to make, among other things, the following changes to the covenants of the Credit Facilities:

- The Minimum Debt Service Coverage Ratio financial covenant has been removed;
- A Current Ratio financial covenant has been added whereby Western's current ratio, excluding the current portion of long term debt and accrued interest thereon, must not be less than 1.15x.

The Credit Facilities' amendments also include various changes to the calculation of the borrowing base. Western remains in compliance with all existing debt covenants, and is in compliance with all new debt covenants, under its Credit Facilities.

Western believes the reduced commitment under the Credit Facilities more appropriately matches the requirements of the business in the current economic environment. Additionally, the revisions to the Credit Facilities' covenants are expected to provide Western with incremental financial flexibility as it conducts its operations.

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", "believes", "anticipate", "will", "outlook" 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 cash requirements of Western's business, the financial flexibility provided by the revised Credit Facilities covenants, the ability of Western to meet its debt covenants, as well as information regarding the economic environment in the Western Canadian oil and gas industry. 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, potential changes in cost structures in Western's industry, compliance with covenants (both new and existing) and/or repayment obligations under the Credit Facilities, 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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