WESTERN ENERGY SERVICES CORP. RELEASES THIRD QUARTER 2011 FINANCIAL AND OPERATING RESULTS

FOR IMMEDIATE RELEASE: November 10, 2011

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) is pleased to release its third quarter 2011 financial and operating results prepared under International Financial Reporting Standards ("IFRS"). Effective January 1, 2011, Western began reporting its financial results under IFRS. Prior year comparative amounts have been changed to reflect results as if Western had always prepared its financial results using IFRS. Additional information relating to the Company, including the Company's financial statements and management's discussion and analysis as at and for the three and nine months ended September 30, 2011 will be available on SEDAR at www.sedar.com.

Highlights:

- Revenue in the third quarter of 2011 totalled $80.8 million, a $64.3 million increase (or 390%) over the prior year;
- EBITDA totalled $30.4 million (38% of revenue) in the third quarter of 2011, a $25.7 million increase (or 546%) over the prior year. The increase reflects the growth in the contract drilling segment where the rig count increased by 180% to 42 rigs in the quarter from 15 in the prior year;
- Net income from continuing operations, before considering gains on business acquisitions, increased by $12.8 million (or 1,120%) to $13.9 million ($0.24 per share) in the third quarter of 2011 as compared to $1.1 million in the same period of the prior year ($0.04 per share);
- Utilization in the contract drilling segment averaged 72% in Canada as compared to the CAODC industry average of 57%. In the United States, utilization in the third quarter averaged 65%;
- For the three months ended September 30, 2011 capital expenditures totalled $24.9 million, the majority of which related to the contract drilling segment, which spent $23.7 million. These expenditures mainly relate to Western's drilling rig build program, which spent $13.2 million in the third quarter, while an additional $0.9 million was spent on the construction of Western's five next generation well servicing rigs, the first of which is expected to begin operations in the fourth quarter. The remaining capital spending related to ancillary drilling equipment;
- On September 13, 2011, Western sold its wholly owned subsidiary StimSol Canada Inc. ("StimSol") for gross proceeds of approximately $24.0 million, which were used to reduce Western's bank indebtedness. This transaction resulted in a gain of approximately $10.7 million in the third quarter, which was recorded in discontinued operations in the condensed consolidated financial statements.

Selected Financial Information

(stated in thousands of Canadian dollars, except share and per share amounts)

Financial Highlights	Three months ended Sept 30, 2011	Three months ended Sept 30, 2010	Nine months ended Sept 30, 2011	Nine months ended Sept 30, 2010
Revenue	80,786	16,485	161,219	29,427
EBITDA(1)	30,392	4,703	57,851	7,143
EBITDA as a percentage of revenue	38%	29%	36%	24%
Cash flow from operating activities	3,391	3,452	34,031	7,435
Capital expenditures	24,927	5,120	54,533	7,456
Net income from continuing operations	13,889	9,858 (2)	28,959	20,572 (2)
-basic net income per share	0.24	0.37	0.59	0.99
-diluted net income per share	0.23	0.36	0.56	0.91
Net income	24,893 (3)	10,035 (2)	40,432 (3)	20,851 (2)
-basic net income per share	0.43	0.38	0.82	1.00
-diluted net income per share	0.41	0.36	0.79	0.92
Weighted average number of shares				
-basic	58,533,287	26,377,458	49,256,925	20,872,089
-diluted	60,618,480	27,621,563	51,294,610	22,565,533
Outstanding common shares as at period end	58,533,287	26,377,458	58,533,287	26,377,458

(1) See financial measures reconciliations.
(2) Includes an $8.7 million and $19.8 million non-recurring gain on acquisitions for the three and nine months ended September 30, 2010, respectively.
(3) Includes a $10.7 million non-recurring gain on the sale of StimSol Canada Inc.

(stated in thousands of Canadian dollars, except operational amounts)					
Operating Highlights	Three months ended Sept 30, 2011	Three months ended Sept 30, 2010	Nine months ended Sept 30, 2011	Nine months ended Sept 30, 2010	
Contract Drilling					
Canadian Operations					
Contract drilling rig fleet:					
-Average	39	14	30	12	(1)
-End of period	37	15	37	15	
Drilling revenue per operation day	28,016	23,165	28,215	23,686	
Drilling rig utilization rate(2)	72%	61%	66%	54%	(1)
CAODC industry average utilization rate(2)	57%	40%	50%	38%	(1)
United States Operations					
Contract drilling rig fleet:					
-Average	4	-	4	-	
-End of period	5	-	5	-	
Drilling revenue per operation day	35,256	-	35,570	-	
Drilling rig utilization rate(2)	65%	-	61% (3)	-	

Financial Position at	Sept 30, 2011	Dec 31, 2010	Sept 30, 2010
Working capital	36,363	13,156	4,884
Property and equipment	448,203	188,355	118,289
Total assets	584,823	264,108	143,399
Long term debt	108,057	46,054	20,636

(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).

Outlook

Western has a drilling rig fleet of 42 rigs, with an additional 3 rigs under construction. Currently, Western is the sixth largest drilling contractor in Canada with a fleet of 37 drilling rigs. As a result of the acquisition of Stoneham Drilling Trust on June 10, 2011, Western has entered the United States market with the intention of building a strong presence, initially in the Williston basin of North Dakota. Currently, Western has five drilling rigs deployed in the United States.

Western's drilling rig fleet is specifically suited for the current market which is moving towards drilling wells of increased complexity. In total, approximately 95% of Western's fleet are Efficient Long Reach ("ELR") rigs with depth ratings greater than 3,000 meters and all of Western's rigs are capable of drilling horizontal wells. Currently, approximately 60% of Western's fleet is under long term take-or-pay contracts, which provide a base level of revenue. These contracts typically generate 250 utilization days per year in Canada, as the annual spring breakup restricts activity during the second quarter, while in the United States these contracts typically generate approximately 300 utilization days per year.

Capital expenditures are expected to be approximately $95.0 million for 2011, of which $54.5 million was incurred during the first nine months of the year. An additional $17.0 million in capital expenditures is expected to be carried forward into 2012 as projects, such as our rig build program, are completed. Of the three drilling rigs currently under construction, one is expected to be completed in the fourth quarter of 2011, with the remaining two expected to be delivered in the first quarter of 2012. Long term take-or-pay contracts for all three rig builds have been signed. Western believes that with continued strong pricing environments for oil and natural gas liquids, additional rig build opportunities will be available. Additionally, Western has commenced construction of five next generation well servicing rigs, the first of which is expected to begin operations in the fourth quarter of 2011 and the remainder are expected to commence operations later in the fourth quarter of 2011 or during the first quarter of 2012. This moves Western towards its stated objective of entering the well servicing industry in Canada.

Drilling activity in Canada and the United States has been substantially higher in 2011 as compared to the last number of years. Furthermore, Western's utilization rates have consistently been above industry average due to the Company's modern rig fleet, strong customer base and solid reputation. Western believes that customers targeting oil and liquids-rich natural gas wells will continue to drive demand and lead to high levels of utilization. Additionally, strong commodity market conditions have provided some of Western's customers with improved cash flow allowing them to increase their drilling programs. The increased demand for drilling rig services in the market has led to improved day rates, which are expected to hold through the winter of 2012.

Currently the industry is experiencing a shortage of qualified people; however Western's fleet is fully crewed with qualified personnel. The Company believes Western's modern fleet and corporate culture will provide a distinct advantage in attracting qualified individuals. Western has a proven track record for delivering high quality equipment and well trained, highly skilled crews to its customers who rely on the Company to drill increasingly complex long reach horizontal wells. As such, Western is well positioned for future growth.

Financial Measures Reconciliations

Western uses the terms EBITDA and Operating Earnings in this press release which do not have any standardized meaning as prescribed by IFRS. These measures may not be comparable to similar measures presented by other reporting issuers.

EBITDA

Management believes that in addition to net income from continuing operations, earnings from continuing operations before interest and finance costs, taxes, depreciation, other non-cash items and one-time gains and losses ("EBITDA") as derived from information reported in the condensed consolidated statements of operations and comprehensive income is a useful supplemental measure as it provides an indication of the results generated by Western's principal business activities prior to consideration of how those activities are financed, the impact of foreign exchange, how the results are taxed, how funds are invested, how non-cash charges and one-time gains or losses affect results.

Operating Earnings

Management believes that in addition to net income from continuing operations, operating earnings is a useful supplemental measure as it provides an indication of the results generated by the Company's principal operating segments similar to EBITDA but also factors in the depreciation expense charged in the period.

The following table provides a reconciliation of net income from continuing operations under IFRS as disclosed in the condensed consolidated statements of operations and comprehensive income to EBITDA and Operating Earnings.

(stated in thousands of Canadian dollars)	Three months ended Sept 30, 2011	Three months ended Sept 30, 2010	Nine months ended Sept 30, 2011	Nine months ended Sept 30, 2010
EBITDA	30,392	4,703	57,851	7,143
Less:				
Depreciation – operating	7,792	2,132	15,529	3,921
Depreciation – administrative	144	43	281	77
Operating earnings	22,456	2,528	42,041	3,145
Less:				
Stock based compensation – operating	66	24	182	50
Stock based compensation – administrative	336	121	630	250
Finance costs	1,333	219	2,404	525
Other items	779	114	2,149	223
Gain on business acquisitions	-	(8,720)	-	(19,814)
Income taxes	6,053	912	7,717	1,339
Net income from continuing operations	13,889	9,858	28,959	20,572

2011 Third Quarter Results Conference Call and Webcast

Western has scheduled a conference call and webcast to begin promptly at 12:00 p.m. MST (2:00 p.m. EST) on November 10, 2011.

The conference call dial-in number is 1-888-231-8191.

A live webcast of the conference call will be accessible on Western's website at www.wesc.ca by selecting "*Investor Relations*", then "*Webcasts*". Shortly after the live webcast, an archived version will be available for approximately 30 days.

An archived recording of the conference call will also be available approximately one hour after the completion of the call until November 24, 2011 by dialling 1-855-859-2056 or 1-416-849-0833, passcode 22307775.

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