WESTERN ENERGY SERVICES CORP. RELEASES SECOND QUARTER 2021 FINANCIAL AND OPERATING RESULTS

FOR IMMEDIATE RELEASE: July 26, 2021

CALGARY, ALBERTA – Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) announces the release of its second quarter 2021 financial and operating results. Additional information relating to the Company, including the Company's financial statements and management's discussion and analysis ("MD&A") as at and for the three and six months ended June 30, 2021 and 2020 will be available on SEDAR at www.sedar.com. Non-International Financial Reporting Standards ("Non-IFRS") measures, such as Adjusted EBITDA, and abbreviations and definitions for standard industry terms are defined later in this press release. All amounts are denominated in Canadian dollars (CDN$) unless otherwise identified.

Second Quarter 2021 Operating Results:

- Second quarter revenue increased by $9.6 million (or 87%) to $20.4 million in 2021 as compared to $10.8 million in the second quarter of 2020. In the contract drilling segment, revenue totalled $11.9 million in the second quarter of 2021, an increase of $4.8 million (or 68%) compared to $7.1 million in the second quarter of 2020, which included US$4.5 million of shortfall commitment revenue. In the production services segment, revenue totalled $8.6 million for the three months ended June 30, 2021, as compared to $3.8 million in the same period of the prior year, an increase of $4.8 million (or 128%). While the ongoing COVID-19 pandemic continues to impact revenue in the contract drilling and production services segments in the second quarter of 2021, demand improved compared to 2020 as described below:
  - Drilling rig utilization in Canada averaged 9% in the second quarter of 2021, compared to no rigs working in the second quarter of 2020 due to the COVID-19 pandemic. The increase in activity in the second quarter of 2021 was mainly attributable to the improved demand, compared to the second quarter of 2020 when the COVID-19 pandemic caused demand destruction across the industry. The Canadian Association of Energy Contractors ("CAOEC") industry average utilization of 15%[1] for the second quarter of 2021 represented an increase of 1,100 basis points ("bps") compared to the CAOEC industry average of 4% in the second quarter of 2020, mainly due to higher demand resulting from the ongoing COVID-19 vaccination rollouts and the lifting of government restrictions. Western's market share, represented by the Company's Operating Days as a percentage of the CAOEC's total Operating Days in the Western Canadian Sedimentary Basin ("WCSB"), improved to 6.2% for the second quarter of 2021, as compared to limited activity in the same period of 2020. Revenue per Operating Day averaged $22,218 in the second quarter of 2021, reflecting current market rates;
  - In the United States ("US"), drilling rig utilization averaged 21%, as two rigs worked in the second quarter of 2021, compared to 1% Drilling Rig Utilization in the second quarter of 2020, with Operating Days improving from 7 days in 2020 to 151 days in 2021. Revenue per Operating Day for the second quarter of 2021 was US$14,312 reflecting current spot market rates; and
  - In Canada, service rig utilization of 19% in the second quarter of 2021 was higher than 9% in the same period of the prior year, as 2020 demand was impacted significantly by the COVID-19 pandemic. Revenue per Service Hour of $683 in the second quarter of 2021 was 4% higher than the second quarter of 2020. Higher utilization led to production services revenue totalling $8.6 million in the second quarter of 2021, an increase of $4.8 million (or 128%), as compared to the same period in the prior year.
- Administrative expenses increased by $0.1 million (or 6%) to $2.3 million in the second quarter of 2021, as compared to $2.2 million in the second quarter of 2020, mainly due to lower amounts received related to the Canada Emergency Wage Subsidy ("CEWS") from the Government of Canada and higher employee related costs.
- The Company incurred a net loss of $12.9 million in the second quarter of 2021 ($0.14 per basic common share) as compared to a net loss of $8.0 million in the same period in 2020 ($0.09 per basic common share). The change can mainly be attributed to a $3.1 million decrease in income tax recovery, a $1.8 million decrease in Adjusted EBITDA and a $1.7 million decrease in other items which mainly consisted of foreign exchange gains in the second quarter of 2020, offset partially by a $1.8 million decrease in depreciation expense due to certain assets being fully depreciated in the period, as well as the impact to depreciation of asset impairments in previous quarters.
- Second quarter Adjusted EBITDA in 2021 was lower than the same period of the prior year and totalled $2.2 million, compared to $4.0 million in the second quarter of 2020. Adjusted EBITDA was lower due to a shortfall commitment received in the United States of US$4.5 million in 2020, which was offset partially by improved activity in Canada, an increase of $1.6 million in CEWS received and headcount reductions in 2020.
- Second quarter 2021 additions to property and equipment of $2.6 million compared to $0.3 million incurred in the second quarter of 2020 and consist of $0.6 million of expansion capital and $2.0 million of maintenance capital.

[1] Source: CAOEC, monthly Contractor Summary.

Year to Date 2021 Operating Results:

- Revenue for the six months ended June 30, 2021, decreased by $5.3 million (or 8%) to $57.4 million as compared to $62.7 million for the six months ended June 30, 2020. Contract drilling revenue totalled $32.2 million in 2021, a decrease of $9.1 million (or 22%) as compared to $41.3 million in 2020. Production services revenue totalled $25.4 million for the six months ended June 30, 2021, as compared to $21.4 million in the same period of the prior year, an increase of $4.0 million (or 19%). The ongoing COVID-19 pandemic continues to impact revenue in the contract drilling and production services segments as described below:
    - Drilling rig utilization in Canada averaged 15% for the six months ended June 30, 2021, compared to 13% for the six months ended June 30, 2020, a 200 bps increase. The increase in activity in 2021 was mainly attributable to the improved demand, compared to the first half of 2020 when the COVID-19 pandemic caused demand destruction across the industry. The CAOEC industry average of 21%[2] for six months ended June 30, 2021, represented an increase of 100 bps compared to the CAOEC industry average of 20% for the six months ended June 30, 2020, mainly due to higher demand as a result of the success of the COVID-19 vaccine rollout and the lifting of government restrictions. Western's market share, represented by the Company's Operating Days as a percentage of the CAOEC's total Operating Days in the WCSB, improved to 7.5% for the first half of 2021, as compared to 6.5% in the first half of 2020. Revenue per Operating Day decreased by 16% for the six months ended June 30, 2021, as compared to the same period of the prior year, as current market rates weakened in the period;
    - In the United States, drilling rig utilization averaged 13%, as two rigs worked in 2021, compared to 10% in the same period of 2020, reflecting a 27% increase in Operating Days. Revenue per Operating Day for the six months ended June 30, 2021, decreased by 41% to US$14,366, as compared to the same period of the prior year, as current spot market rates weakened in the period; and
    - In Canada, service rig utilization of 28% for the six months ended June 30, 2021 was higher than the same period of the prior year due to improved industry demand. Lower production and completion activity was offset by increased abandonment work as a result of government incentives. Revenue per Service Hour of $712 for the six months ended June 30, 2021 was consistent with the same period of 2020. Improved utilization led to production services revenue totalling $25.4 million for the six months ended June 30, 2021, an increase of $4.0 million (or 19%), as compared to the same period in the prior year.
- Administrative expenses decreased by $0.5 million (or 9%) to $5.4 million for the six months ended June 30, 2021, as compared to $6.0 million in the same period of the prior year, mainly due to lower employee related costs as a result of headcount reductions and a focus on cost management.
- The Company incurred a net loss of $19.4 million for the six months ended June 30, 2021 ($0.21 per basic common share) as compared to a net loss of $23.4 million in the same period in 2020 ($0.26 per basic common share). The change can mainly be attributed to the 2020 impairment of $11.5 million and a $3.9 million decrease in depreciation expense due to certain assets being fully depreciated in the period, as well as the impact to depreciation of asset impairments in previous quarters, which were offset partially by a $6.2 million decrease in income tax recovery, a $3.3 million decrease in Adjusted EBITDA, and a $2.0 million decrease in other items.
- Adjusted EBITDA for the six months ended June 30, 2021 was lower than the same period of the prior year and totalled $9.1 million, compared to $12.4 million in the same period of 2020. Adjusted EBITDA in 2021 was lower due to US$4.5 million of shortfall commitment revenue received in 2020 with none in 2021, which was partially offset by improved activity in Canada and the US, and an increase in the CEWS of $5.0 million along with headcount reductions in 2020.
- Year to date 2021 additions to property and equipment of $3.4 million compared to $0.8 million incurred in the same period of 2020 and consist of $0.6 million of expansion capital and $2.8 million of maintenance capital.

[2] Source: CAOEC, monthly Contractor Summary.

Selected Financial Information

(stated in thousands, except share and per share amounts)

Financial Highlights	Three months ended June 30 2021	2020	Change	Six months ended June 30 2021	2020	Change
Revenue	20,386	10,802	89%	57,355	62,567	(8%)
Adjusted EBITDA[1]	2,197	4,036	(46%)	9,088	12,398	(27%)
Adjusted EBITDA as a percentage of revenue	11%	37%	(70%)	16%	20%	(20%)
Cash flow from operating activities	9,410	25,732	(63%)	10,919	27,272	(60%)
Additions to property and equipment	2,555	258	890%	3,428	833	312%
Net loss	(12,940)	(8,042)	61%	(19,394)	(23,372)	(17%)
– basic and diluted net loss per share	(0.14)	(0.09)	56%	(0.21)	(0.26)	(19%)
Weighted average number of shares						
– basic and diluted	91,200,629	90,918,814	-	91,192,715	91,405,800	-
Outstanding common shares as at period end	91,201,609	90,918,814	-	91,201,609	90,918,814	-

(1) See “Non-IFRS measures” included in this press release.

Operating Highlights[2]	Three months ended June 30 2021	2020	Change	Six months ended June 30 2021	2020	Change
Contract Drilling						
Canadian Operations:						
Contract drilling rig fleet:						
– Average active rig count	4.5	-	100%	7.5	6.5	15%
– End of period	49	49	-	49	49	-
Operating Days	407	-	100%	1,360	1,181	15%
Revenue per Operating Day	22,218	*NM*	*NM*	21,057	25,164	(16%)
Drilling rig utilization – Operating Days	9%	-	100%	15%	13%	15%
CAOEC industry average utilization – Operating Days[3]	15%	4%	275%	21%	20%	5%
United States Operations:						
Contract drilling rig fleet:						
– Average active rig count	1.7	0.1	1,600%	1.0	0.8	25%
– End of period	8	8	-	8	8	-
Operating Days	151	7	2,057%	189	149	27%
Revenue per Operating Day (US$)	14,312	*NM*	*NM*	14,366	24,556[4]	(41%)
Drilling rig utilization – Operating Days	21%	1%	2,000%	13%	10%	30%
Production Services						
Canadian Operations:						
Well servicing rig fleet:						
– Average active rig count	12.0	5.5	118%	17.5	14.6	20%
– End of period	63	63	-	63	63	-
Service Hours	10,891	5,043	116%	31,593	26,534	19%
Revenue per Service Hour	683	654	4%	712	713	-
Service rig utilization	19%	9%	111%	28%	23%	22%

NM: Not meaningful due to limited activity in the period.

(2) See “Defined Terms” included in this press release.

(3) Source: The Canadian Association of Energy Contractors (“CAOEC”) monthly Contractor Summary. The CAOEC industry average is based on Operating Days divided by total available drilling days.

(4) Excludes shortfall commitment revenue from take or pay contracts of US$4.7 million for the six months ended June 30, 2020.

Financial Position at (stated in thousands)	June 30, 2021	December 31, 2020	June 30, 2020
Working capital	(504)[5]	15,997	(4,555)[5]
Total assets	460,443	495,625	494,493
Long term debt	225,590	237,633	214,255

(5) The definition of the current ratio under the Company’s Credit Facilities differs from working capital presented above in this press release, as the interest accrued on the Second Lien Facility, the current portion of the Credit Facilities and the current portion of lease obligations capitalized under IFRS 16, Leases, as at June 30, 2021 and 2020, are excluded from current liabilities in the ratio.

Business Overview

Western is an energy services company that provides contract drilling services and production services in Canada and the United States through its various divisions, subsidiaries, and first nations joint venture.

Contract Drilling Services

Western operates a fleet of 57 drilling rigs specifically suited for drilling complex horizontal wells across Canada and the US. Western is currently the fourth largest drilling contractor in Canada, based on the CAOEC registered drilling rigs[3].

Production Services

Production Services provides well servicing and oilfield equipment rentals primarily in Canada. Western operates 66 well servicing rigs and is the third largest well servicing company in Canada based on CAOEC registered well servicing rigs[4].

Western's contract drilling and well servicing rig fleets comprise the following:

	June 30								
Drilling rigs							**Well servicing rigs**		
	2021			**2020**				**2021**	**2020**
Rig class(1)	**Canada**	**US**	**Total**	**Canada**	**US**	**Total**	**Mast type**	**Total**	**Total**
Cardium	23	2	25	23	2	25	Single	33	33
Montney	19	-	19	19	-	19	Double	25	25
Duvernay	7	6	13	7	6	13	Slant	8	8
Total	49	8	57	49	8	57		66	66

(1) See "Defined Terms" included in this press release.

Business Environment

Crude oil and natural gas prices impact the cash flow of Western's customers, which in turn impacts the demand for Western's services. The following table summarizes average crude oil and natural gas prices, as well as average foreign exchange rates, for the three and six months ended June 30, 2021 and 2020.

	Three months ended June 30			Six months ended June 30		
	2021	**2020**	**Change**	**2021**	**2020**	**Change**
Average crude oil and natural gas prices(1)(2)						
Crude Oil						
West Texas Intermediate (US$/bbl)	66.03	27.84	137%	61.94	37.01	67%
Western Canadian Select (CDN$/bbl)	66.98	22.42	199%	62.20	28.26	120%
Natural Gas						
30 day Spot AECO (CDN$/mcf)	3.18	2.08	53%	3.21	2.09	54%
Average foreign exchange rates(2)						
US dollar to Canadian dollar	1.23	1.39	(12%)	1.25	1.36	(8%)

(1) See "Abbreviations" included in this press release.
(2) Source: Sproule June 30, 2021 Price Forecast, Historical Prices.

West Texas Intermediate ("WTI") on average improved significantly by 137% and 67% for the three and six months ended June 30, 2021 respectively, compared to the same periods in the prior year. Similarly, pricing on Western Canadian Select ("WCS") crude oil increased by 199% and 120% respectively, for the three and six months ended June 30, 2021, compared to the same periods in the prior year. Crude oil prices in 2020 for both Canada and the US were impacted by the COVID-19 pandemic. In 2021, pricing has improved as demand for crude oil recovers, as vaccine rollouts continue worldwide, and OPEC continues to maintain production cuts. Natural gas prices in Canada also strengthened in 2021, as the 30-day spot AECO price improved by 53% and 54% respectively, for the three and six months ended June 30, 2021, compared to the same periods of the prior year. Offsetting this increase in pricing, the US dollar to the Canadian dollar foreign exchange rate weakened in the three and six months ended June 30, 2021, compared to the same periods of the prior year, which impacted the cash flows of Western's Canadian customers, when selling US dollar denominated commodities.

[3] Source: CAOEC Contractor Summary as at July 26, 2021.

[4] Source: CAOEC Fleet List as at July 26, 2021.

In the United States, industry activity improved in the second quarter of 2021. As reported by Baker Hughes Company[5], the number of active drilling rigs in the United States increased by approximately 81% to 475 rigs at June 30, 2021, as compared 263 rigs at June 30, 2020. However, the ongoing COVID-19 pandemic continues to have an impact on industry activity in both the US and in Canada in 2021. Prior to the COVID-19 pandemic, there were also continued industry concerns over market access, increased regulation, and the prevailing customer preference to return cash to shareholders, or pay down debt, rather than grow production through the drill bit in Canada and the US. The number of active rigs in the Western Canadian Sedimentary Basin ("WCSB") improved to 139 active rigs at June 30, 2021, compared to 18 active rigs at June 30, 2020. The CAOEC[6] reported that for drilling in Canada, the total number of Operating Days in the WCSB increased by approximately 276% for the three months ended June 30, 2021 compared to the same period in the prior year. For the six months ended June 30, 2021, the total number of Operating Days in the WCSB were consistent with the same period of the prior year.

Outlook

Due to increased activity levels in 2021 as a result of a successful COVID-19 vaccine rollout and the lifting of government restrictions, coupled with limited maintenance capital spending on the rig fleet in prior years, Western has increased its capital budget for 2021 by $2 million to approximately $8 million. The revised capital budget is expected to be comprised of $7 million of maintenance capital and $1 million of expansion capital, with $5 million allocated to the contract drilling segment and $3 million allocated to the production services segment. Western believes the revised 2021 capital budget provides a prudent use of cash resources to manage its balance sheet. Western will continue to manage its operations in a disciplined manner and make required adjustments to its capital program as customer demand changes. Currently, 11 of Western's drilling rigs and 20 of Western's well servicing rigs are operating.

While crude oil prices reached historical lows in 2020 due to the demand destruction caused by the COVID-19 pandemic, in the first half of 2021, crude oil prices began to recover. However, uncertainty now exists concerning the timing of COVID-19 vaccine distribution and the potential impact of COVID-19 variants on possible future government restrictions, both of which have an impact on demand in the near term. The precise duration and extent of the adverse impacts of the current macroeconomic environment and the COVID-19 pandemic on Western's customers, operations, business and global economic activity remains highly uncertain at this time. Additionally, the January 2021 executive order by the President of the United States cancelling the permit that had allowed construction of the Keystone XL pipeline, the uncertain timing of completion of construction on the Trans Mountain pipeline expansion, as well as uncertainty regarding the in service date of the Enbridge Line 3 pipeline replacement and the threatened shutdown of Enbridge Line 5, have all resulted in continued uncertainty regarding takeaway capacity. However, activity levels in Canada and the United States in 2021 are expected to be marginally higher than 2020 levels. Controlling fixed costs, maintaining balance sheet strength and flexibility and managing through the unprecedented market downturn are priorities for the Company, as prices and demand for Western's services remain below historical levels. Western continues to identify further opportunities to streamline its support structure and implement additional cost control measures. Going forward, Western expects that its variable cost structure, and prudent capital budget, will aid in preserving its balance sheet.

As at June 30, 2021, Western had no amounts drawn on its $60.0 million credit facilities, consisting of its $50.0 million syndicated first lien credit facility (the "Revolving Facility") and its $10.0 million committed operating facility (the "Operating Facility" and together the "Credit Facilities"), which mature on July 1, 2022. Western had drawn $12.5 million on its HSBC Bank Canada ("HSBC") six-year committed term non-revolving facility with the participation of Business Development Canada ("BDC" and together the "HSBC Facility"), which matures on December 31, 2026. Western currently has $211.8 million outstanding on its second lien secured term loan facility (the "Second Lien Facility"), which matures on January 31, 2023.

Oilfield service activity in Canada will be affected by the development of resource plays in Alberta and northeast British Columbia which will be impacted by pipeline construction, environmental regulations, and the level of investment in Canada. In the short term, the largest challenges facing the oilfield service industry are ongoing liquidity concerns due to reduced customer spending caused by the demand destruction from the COVID-19 pandemic and limited take away capacity. In the medium term, Western's rig fleet is well positioned to benefit from the LNG Canada liquefied natural gas project now under construction in British Columbia. It remains Western's view that its modern drilling and well servicing rig fleets, reputation, and disciplined cash management provide a competitive advantage which will enable the Company to manage through the current challenging oilfield service environment.

[5] Source: Baker Hughes Company, 2021 Rig Count monthly press releases.

[6] Source: CAOEC, monthly Contractor Summary.

Non-IFRS Measures

Western uses certain measures in this press release which do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS"). These measures, which are derived from information reported in the condensed consolidated financial statements, may not be comparable to similar measures presented by other reporting issuers. These measures have been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding the Company. The Non-IFRS measure used in this press release is identified and defined as follows:

Adjusted EBITDA

Earnings before interest and finance costs, taxes, depreciation and amortization, other non-cash items and one-time gains and losses ("Adjusted EBITDA") is a useful supplemental measure as it is used by management and other stakeholders, including current and potential investors, to analyze the Company's principal business activities. Adjusted EBITDA provides an indication of the results generated by the Company's principal operating segments, which assists management in monitoring current and forecasting future operations, as certain non-core items such as interest and finance costs, taxes, depreciation and amortization, and other non-cash items and one-time gains and losses are removed. The closest IFRS measure would be net loss for consolidated results.

The following table provides a reconciliation of net loss, as disclosed in the condensed consolidated statements of operations and comprehensive income, to Adjusted EBITDA:

	Three months ended June 30		Six months ended June 30	
(stated in thousands)	**2021**	**2020**	**2021**	**2020**
Net loss	**(12,940)**	**(8,042)**	**(19,394)**	**(23,372)**
Income tax recovery	-	(3,095)	(2,062)	(8,234)
Loss before income taxes	**(12,940)**	**(11,137)**	**(21,456)**	**(31,606)**
Add (deduct):				
Depreciation	10,480	12,245	21,286	25,143
Stock based compensation	112	135	180	235
Finance costs	4,525	4,474	9,093	9,152
Other items	20	(1,681)	(15)	(2,026)
Impairment of property and equipment	-	-	-	11,500
Adjusted EBITDA	**2,197**	**4,036**	**9,088**	**12,398**

Defined Terms:

Average active rig count (contract drilling): Calculated as drilling rig utilization multiplied by the average number of drilling rigs in the Company's fleet for the period.

Average active rig count (production services): Calculated as service rig utilization multiplied by the average number of service rigs in the Company's fleet for the period.

Drilling rig utilization: Calculated based on Operating Days divided by total available days.

Operating Days: Defined as contract drilling days, calculated on a spud to rig release basis.

Service Hours: Defined as well servicing hours completed.

Service rig utilization: Calculated based on Service Hours divided by available hours, being 10 hours per day, per well servicing rig, 365 days per year.

Contract Drilling Rig Classifications:

Cardium class rig: Defined as any contract drilling rig which has a total hookload less than or equal to 399,999 lbs (or 177,999 daN).

Montney class rig: Defined as any contract drilling rig which has a total hookload between 400,000 lbs (or 178,000 daN) and 499,999 lbs (or 221,999 daN).

Duvernay class rig: Defined as any contract drilling rig which has a total hookload equal to or greater than 500,000 lbs (or 222,000 daN).

Abbreviations:

- Barrel (“bbl”);
- Basis point (“bps”): A 1% change equals 100 basis points and a 0.01% change is equal to one basis point;
- Canadian Association of Energy Contractors (“CAOEC”);
- DecaNewton (“daN”);
- International Financial Reporting Standards (“IFRS”);
- Pounds (“lbs”);
- Thousand cubic feet (“mcf”);
- Western Canadian Sedimentary Basin (“WCSB”);
- Western Canadian Select (“WCS”); and
- West Texas Intermediate (“WTI”).

Forward-Looking Statements and 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 information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and words and phrases such as “may”, “will”, “should”, “could”, “expect”, “intend”, “anticipate”, “believe”, “estimate”, “plan”, “potential”, “continue”, “looking to”, or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Company’s internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of additions to property and equipment, anticipated future debt levels and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

In particular, forward-looking information in this press release includes, but is not limited to, statements relating to: commodity pricing; the future demand for the Company’s services and equipment, in particular, in light of the low commodity price environment associated with the COVID-19 pandemic and the related economic environment; the potential impact of the ongoing COVID-19 pandemic on the oil and gas industry in Canada and the United States; the pricing for the Company’s services and equipment; the terms of existing and future drilling contracts in Canada and the US and the revenue resulting therefrom; the Company’s maintenance and expansion capital plans for 2021 and its ability to make changes thereto in response to customer demands; the Company’s liquidity needs including the ability of current capital resources to cover Western’s financial obligations; expectations as to the changes in crude oil transportation capacity through pipeline developments and uncertainties relating thereto; expectations as to the benefits of the LNG Canada natural gas project in British Columbia on the Company and its rig fleet; the potential impact of changes to laws, governmental and environmental regulations; the expectation of continued investment in the Canadian crude oil and natural gas industry; the development of Alberta and British Columbia resource plays; expectations relating to producer spending and activity levels for oilfield services; the Company’s approach to management of its budget and operations; the Company’s ability to maintain a competitive advantage to enable it to manage the current oilfield service environment; and the Company’s ability to find and maintain enough field crew members.

The material assumptions in making the forward-looking statements in this press release include, but are not limited to: demand levels and pricing for oilfield services; demand for crude oil and natural gas and the price and volatility of crude oil and natural gas; pressures on commodity pricing; the continued business relationships between the Company and its significant customers; the Company’s competitive advantage; crude oil transport, pipeline and LNG export facility approval and development; the Company’s ability to finance its operations; the effectiveness of the Company’s cost structure and capital budget; the effects of seasonal and weather conditions on operations and facilities; the competitive environment to which the various business segments are, or may be, exposed in all aspects of their business and the Company’s competitive position therein; the ability of the Company’s various business segments to access equipment (including spare parts and new technologies); assumptions with respect to global economic conditions and the accuracy of the Company’s market outlook expectations for 2021 and in the future; the Company’s expectations regarding the impacts, direct and indirect, of the COVID-19 pandemic on our business, customers, business partners, employees, supply chain, other stakeholders and the overall economy; changes in laws or regulations; currency exchange fluctuations; the ability of the Company to attract and retain skilled labour and qualified management; the ability to retain and attract significant customers; the ability to maintain a satisfactory safety record; and general business, economic and market conditions.

Although Western believes that the expectations and assumptions on which such forward-looking statements and information are based on 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 low commodity price environment will be sustained for an indefinite period, the impact of the COVID-19 pandemic and the resulting effects on economic conditions, restrictions imposed by public health authorities or governments, fiscal and monetary responses by governments and financial institutions and disruptions to global supply chains and other general industry, economic, market and business conditions. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive. Additional information on these and other risk factors that could affect Western's operations and financial results are discussed under the heading "Risk Factors" in Western's annual information form for the year ended December 31, 2020 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 and information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

For more information, please contact: Alex R.N. MacAusland, President and CEO, or Jeffrey K. Bowers, Senior VP Finance and CFO at 403.984.5916