



WESTERN ENERGY SERVICES CORP. RELEASES FIRST QUARTER 2026 FINANCIAL AND OPERATING RESULTS

FOR IMMEDIATE RELEASE: April 28, 2026

CALGARY, ALBERTA – Western Energy Services Corp. (“Western” or the “Company”) (TSX: WRG) announces the release of its first quarter 2026 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 March 31, 2026 and for the three months ended March 31, 2026 and 2025 will be available on SEDAR+ at www.sedarplus.ca. Non-International Financial Reporting Standards (“Non-IFRS”) measures and ratios, such as Adjusted EBITDA, Adjusted EBITDA as a percentage of revenue, revenue per Operating Day, and revenue per Service Hour, as well as 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.

Operational and Financial Highlights

Three Months Ended March 31, 2026

Financial Highlights:

- First quarter revenue of \$55.3 million in 2026 was \$13.7 million (or 20%) lower than the first quarter of 2025, as drilling and well servicing activity decreased due to market uncertainty and continued low gas prices.
- Adjusted EBITDA of \$12.4 million in the first quarter of 2026 was \$1.7 million (or 12%) lower compared to \$14.1 million in the first quarter of 2025 due to increased competition and lower drilling and well servicing activity. The impact of reduced activity was offset by structural changes implemented throughout 2025 which led to cost savings across all divisions. After normalizing for one-time reorganization costs, Adjusted EBITDA in the first quarter of 2025 would have totaled \$16.7 million.
- The Company generated net income of \$1.8 million in the first quarter of 2026 (\$0.05 net income per basic common share) as compared to net income of \$2.4 million in the first quarter of 2025 (\$0.07 net income per basic common share) as lower Adjusted EBITDA and higher stock-based compensation expense was partially offset by decreases in depreciation expense, finance costs, income tax expense, and other expenses due to a gain on the sale of assets in the first quarter of 2026.
- First quarter additions to property and equipment of \$4.1 million in 2026 compared to \$5.0 million in the first quarter of 2025, consisting of \$1.7 million of expansion capital related to rig upgrades and \$2.4 million of maintenance capital.

Operational Highlights:

- In Canada, Operating Days of 1,193 in the first quarter of 2026 were 121 days (or 9%) lower compared to 1,314 days in the first quarter of 2025. Drilling rig utilization in Canada was 47% in the first quarter of 2026, compared to 43% in the same period of the prior year, due to Western’s decision to deregister six rigs from its drilling fleet in Canada as of December 31, 2025.
- Revenue per Operating Day in Canada averaged \$33,035 in the first quarter of 2026, which was 2% lower than the same period of the prior year.
- In the US, drilling rig utilization averaged 30% in the first quarter of 2026, compared to 26% in the first quarter of 2025, due to Western’s decision to deregister three rigs from its US drilling fleet as of December 31, 2025. Operating days in the US of 81 in the first quarter of 2026 were 86 days (or 51%) lower compared to 167 days in the first quarter of 2025.
- Revenue per Operating Day in the US for the first quarter of 2026 averaged US\$34,768, a 24% increase compared to US\$27,945 in the same period of the prior year, mainly due to changes in rig mix.
- In Canada, service rig utilization was 37% in the first quarter of 2026, compared to 36% in the same period of the prior year, due to Western’s decision to deregister 17 service rigs from its well servicing fleet as of December 31, 2025. Service Hours decreased by 26% to 10,697 hours from 14,415 hours in the same period of the prior year.
- Revenue per Service Hour averaged \$904 in the first quarter of 2026 and was 15% lower than the first quarter of 2025, due to increased competition.

Selected Financial Information

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

Financial Highlights	Three months ended March 31		
	2026	2025	Change
Revenue	55,257	69,010	(20%)
Adjusted EBITDA ⁽¹⁾	12,361	14,076	(12%)
Adjusted EBITDA as a percentage of revenue ⁽¹⁾	22%	20%	10%
Cash flow from operating activities	7,291	2,678	172%
Additions to property and equipment	4,131	4,979	(17%)
Net income	1,832	2,386	(23%)
– basic and diluted net income per share	0.05	0.07	(29%)
Weighted average number of shares			
– basic and diluted	33,843,404	33,843,022	-
Outstanding common shares as at period end	33,849,835	33,843,022	-

(1) See “Non-IFRS Measures and Ratios” included in this press release.

Operating Highlights ⁽²⁾	Three months ended March 31		
	2026	2025	Change
Contract Drilling			
<i>Canadian Operations:</i>			
Operating Days	1,193	1,314	(9%)
Revenue per Operating Day ⁽³⁾	33,035	33,624	(2%)
Drilling rig utilization	47%	43%	9%
CAOEC industry Operating Days ⁽⁴⁾	16,957	18,240	(7%)
<i>United States Operations:</i>			
Operating Days	81	167	(51%)
Revenue per Operating Day (US\$) ⁽³⁾	34,768	27,945	24%
Drilling rig utilization	30%	26%	15%
Production Services			
Service Hours	10,697	14,415	(26%)
Revenue per Service Hour ⁽³⁾	904	1,067	(15%)
Service rig utilization	37%	36%	3%

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

(3) See “Non-IFRS Measures and Ratios” included in this press release.

(4) Source: The Canadian Association of Energy Contractors (“CAOEC”) monthly Contractor Summary, calculated on a spud to rig release basis.

Financial Position at (stated in thousands)	March 31, 2026	December 31, 2025	March 31, 2025
Working capital ⁽¹⁾	20,984	18,145	26,892
Total assets	374,094	378,647	438,232
Long-term debt – non current portion	75,790	80,997	102,193

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

Business Overview

Western is an energy services company that provides contract drilling services in Canada and in the US and production services in Canada through its various divisions, its subsidiary, and its first nations relationships.

Contract Drilling

Western currently markets a fleet of 31 drilling rigs specifically suited for drilling complex horizontal wells across Canada and the US.

Western's marketed contract drilling rig fleet is comprised of the following:

Rig class ⁽¹⁾	As at March 31					
	2026			2025		
	Canada	US	Total	Canada	US	Total
Cardium	8	-	8	11	-	11
Montney	17	-	17	18	1	19
Duvernay	3	3	6	5	6	11
Total marketed drilling rigs	28	3	31	34	7	41

(1) See "Contract Drilling Rig Classifications" included in this press release.

Production Services

Production services provides well servicing and oilfield equipment rentals in Canada. Western operates 45 well servicing rigs.

Western's marketed well servicing rig fleet is comprised of the following:

Owned well servicing rigs	As at March 31	
	2026	2025
Mast type		
Single	17	27
Double	25	27
Slant	3	8
Total marketed well servicing rigs	45	62

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 months ended March 31, 2026 and 2025:

	Three months ended March 31		
	2026	2025	Change
Average crude oil and natural gas prices⁽¹⁾⁽²⁾			
Crude Oil			
West Texas Intermediate (US\$/bbl)	71.93	71.42	1%
Western Canadian Select (CDN\$/bbl)	78.69	84.42	(7%)
Natural Gas			
30 day Spot AECO (CDN\$/mcf)	2.07	2.21	(6%)
Average foreign exchange rates⁽²⁾			
US dollar to Canadian dollar	1.37	1.43	(4%)

(1) See "Abbreviations" included in this press release.

(2) Source: Sproule March 31, 2026, Price Forecast, Historical Prices.

- West Texas Intermediate ("WTI") on average increased by 1% for the three months ended March 31, 2026 compared to the same period in the prior year. In the first quarter of 2026, crude oil prices were impacted by conflict in the Middle East and Eastern Europe, market volatility due to tariffs implemented by the US government, counter-tariffs in response by several countries, and lower global demand.
- Pricing on Western Canadian Select crude oil declined by 7% for the three months ended March 31, 2026, compared to the same period of the prior year.

- Natural gas prices in Canada were lower in the first quarter of 2026, with the 30-day spot AECO price decreasing by 6%, compared to the same period of the prior year.
- The US dollar to the Canadian dollar foreign exchange rate for the three months ended March 31, 2026 weakened by 4% compared to the same period in the prior year.
- Low WTI prices in the first three months of 2026 contributed to weaker industry drilling activity in the US. As reported by Baker Hughes Company¹, the number of active drilling rigs in the US decreased by approximately 7% to 550 rigs as at March 31, 2026 as compared to 592 rigs at March 31, 2025 and averaged 548 rigs during the first quarter of 2026, compared to 588 rigs in the first quarter of 2025.
- In Canada there were 152 active rigs in the Western Canadian Sedimentary Basin (“WCSB”) at March 31, 2026, compared to 161 active rigs as at March 31, 2025, representing an decrease of approximately 6%; the CAOEC² reported that for drilling in Canada, the total number of Operating Days in the WCSB for the three months ended March 31, 2026 were 7% lower than the same period in the prior year.

Outlook

In March 2026, global oil prices increased following the escalation of conflict involving Iran and the associated disruption to global supply routes. Significant uncertainty remains regarding the duration, severity, and long-term impacts of the conflict. Ongoing geopolitical instability in Eastern Europe, the Middle East, and Venezuela, together with escalating trade tensions resulting from U.S. tariffs and retaliatory measures, continue to weigh on global economic conditions and market confidence. These macroeconomic factors are expected to contribute to ongoing volatility in commodity prices through 2026. In Canada, changes in federal government leadership in 2025 may result in continued shifts in energy policy, potentially affecting the timing and approval of future energy infrastructure projects and creating additional uncertainty for the Canadian energy services sector. The extent and duration of the impact of these conditions on Western’s customers and operations remain uncertain.

Notwithstanding near term challenges, Western is cautiously optimistic that heightened global trade tensions may increase focus on domestic energy security, potentially supporting accelerated infrastructure development. The memorandum of understanding signed on November 27, 2025, between the Governments of Alberta and Canada to advance national energy infrastructure, may further reinforce this trend.

To position the Company for long term success, Western implemented several strategic initiatives in 2025, including a reorganization of senior leadership and further optimization of its asset portfolio. The Company exited U.S. operations outside North Dakota and deregistered non-marketable rigs in both Canada and the United States, enabling capital and operating resources to be focused on its active fleet. Western remains committed to disciplined cost management, maintaining balance sheet strength, deleveraging, and preserving operational flexibility. With a reduced industry rig count in the WCSB and an upgraded fleet, the Company believes it is well positioned to benefit from improving service demand and pricing.

Western’s 2026 capital budget of \$25 million reflects a balanced approach to maintenance and selective growth, while allowing flexibility to adjust spending in response to customer activity. Over the medium term, Western expects its fleet to benefit from increased drilling activity associated with major Canadian infrastructure projects, including LNG Canada and the Trans Mountain expansion, and from broader initiatives supporting domestic energy security and economic independence.

Non-IFRS Measures and Ratios

Western uses certain financial measures in this press release which do not have any standardized meaning as prescribed by International Financial Reporting Standards (“Non-IFRS”). These measures and ratios, 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 and ratios have been described and presented in this press release to provide shareholders and potential investors with additional information regarding the Company. The Non-IFRS measures and ratios used in this press release are identified and defined as follows:

Adjusted EBITDA and Adjusted EBITDA as a Percentage of Revenue

Adjusted 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 Non-IFRS financial measure as it is used by management and other stakeholders, including current and potential investors, to analyze the Company’s principal business activities prior to consideration of how Western’s activities are financed and the impact of foreign exchange, income taxes and depreciation. 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 income for consolidated results.

Adjusted EBITDA as a percentage of revenue is a Non-IFRS financial ratio which is calculated by dividing Adjusted EBITDA by revenue for the relevant period. Adjusted EBITDA as a percentage of revenue is a useful financial measure as it is used by management and

¹ Source: Baker Hughes Company, 2025 Rig Count monthly press releases.

² Source: CAOEC, monthly Contractor Summary.

other stakeholders, including current and potential investors, to analyze the profitability of the Company's principal operating segments.

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

(stated in thousands)	Three months ended March 31	
	2026	2025
Net income	1,832	2,386
Income tax expense	381	442
Income before income taxes	2,213	2,828
Add (deduct):		
Depreciation	9,336	10,043
Stock based compensation	299	(931)
Finance costs	2,013	2,353
Other items	(1,500)	(217)
Adjusted EBITDA	12,361	14,076

Revenue per Operating Day

This Non-IFRS measure is calculated as drilling revenue for both Canada and the US respectively, divided by Operating Days in Canada and the US respectively. This calculation represents the average day rate by country, charged to Western's customers.

Revenue per Service Hour

This Non-IFRS measure is calculated as well servicing revenue divided by Service Hours. This calculation represents the average hourly rate charged to Western's customers.

Defined Terms

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 as total Service Hours divided by 217 hours per month per rig multiplied by the average rig count for the period as defined by the CAOEC industry standard.

Working capital: Calculated as current assets less current liabilities as disclosed in the Company's consolidated financial statements.

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");
- Canadian Association of Energy Contractors ("CAOEC");
- DecaNewton ("daN");
- International Financial Reporting Standards ("IFRS");
- Pounds ("lbs");
- Thousand cubic feet ("mcf");
- Western Canadian Sedimentary Basin ("WCSB"); and
- West Texas Intermediate ("WTI").

Forward-Looking Information

This press release contains forward-looking information within the meaning of applicable Canadian securities laws, as well as other information based on Western's current expectations, estimates, projections and assumptions based on information available as of the date hereof. 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", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. This forward-looking 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: the business of Western; industry, market and economic conditions and any anticipated effects on Western and its customers; commodity pricing; the future demand for the Company's services and equipment; expectations regarding future drilling and well servicing activity; expectations with respect to customer spending; the impact of a reduced rig count and Western's upgraded drilling rigs; the potential impact of the ongoing geopolitical instability in Eastern Europe, the Middle East and Venezuela on crude oil prices; the Company's capital budget for 2026, including the allocation of such budget; Western's plans for managing its capital program; expectations of continued investment in the Canadian crude oil and natural gas industry and increased industry activity associated with major Canadian infrastructure projects, including the Trans Mountain pipeline project, and the LNG Canada liquified natural gas project and broader initiatives supporting domestic energy security and economic independence; the impact of the US tariffs and retaliatory measures on global economic conditions and market confidence; potential changes in Canadian government policies resulting from a federal election in 2025; the Company's ability to continue to focus on deleveraging the business; the impact of environmental regulations on the energy services industry; expectations with respect to increased drilling activity; and the Company's ability to maintain a competitive advantage, including the factors and practices anticipated to produce and sustain such advantage.

The material assumptions that could cause results or events to differ from current expectations reflected in the forward-looking information 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 impact of inflation; the continued business relationships between the Company and its significant customers; crude oil transport, pipeline and LNG export facility approval and development; that all required regulatory and environmental approvals can be obtained on the necessary terms and in a timely manner, as required by the Company; liquidity and 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 Company's 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 business segments to access equipment; that global trade tensions may increase focus on domestic energy security, supporting accelerated infrastructure development; the impact of a memorandum of understanding signed on November 27, 2025, between the Governments of Alberta and Canada; global economic conditions and the accuracy of the Company's market outlook expectations for 2026 and in the future; the impact, direct and indirect, of epidemics, pandemics, other public health crisis and geopolitical events, including the conflicts in Eastern Europe and the Middle East, the uncertain economic and political environment in Venezuela and the import tariffs implemented by the US administration on Western's business, customers, business partners, employees, supply chain, other stakeholders and the overall economy; changes in laws, regulations or policies, including as a result of a Canadian federal election in 2025; 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; that any required commercial agreements can be reached; that there are no unforeseen events preventing the performance of contracts and general business, economic and market conditions.

Although Western believes that the expectations and assumptions on which such forward-looking information is based on are reasonable, undue reliance should not be placed on the forward-looking information as Western cannot give any assurance that such will prove to be correct. By its nature, forward-looking information is subject to 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, volatility in market prices for crude oil and natural gas and the effect of this volatility on the demand for oilfield services generally; reduced exploration and development activities by customers and the effect of such reduced activities on Western's services and products; political, industry, market, economic, and environmental conditions in Canada, the US and globally; supply and demand for oilfield services relating to contract drilling, well servicing and oilfield rental equipment services; the proximity, capacity and accessibility of crude oil and natural gas pipelines and processing facilities; liabilities and risks inherent in oil and natural gas operations, including environmental liabilities and risks; changes to laws, regulations and policies; the ongoing geopolitical events in Eastern Europe, the Middle East and Venezuela and the duration and impact thereof; fluctuations in foreign exchange, inflation or interest rates; failure of counterparties to perform or comply with their obligations under contracts; regional competition and the increase in new or upgraded rigs; the Company's ability to attract and retain skilled labour; Western's ability to obtain debt or equity financing and to fund capital operating and other expenditures and obligations; the potential need to issue additional debt or equity and the potential resulting dilution of shareholders; uncertainties in weather and temperature affecting the duration of the service periods and the activities that can be completed; the Company's ability to comply with the covenants under the Credit Facilities, HSBC Facility and the Second Lien Facility and the restrictions on its operations and activities if it is not compliant with such covenants; Western's ability to protect itself from "cyber-attacks" which could compromise its information systems and critical infrastructure; 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 headings "*Risk Factors*" in Western's annual information form for the year ended December 31, 2025, which is available under the Company's SEDAR+ profile at www.sedarplus.ca.

The forward-looking 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 information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Any forward-looking information contained herein are expressly qualified by this cautionary statement.

For more information, please contact: Gavin Lane, President and CEO, or Orson Ross, CFO at 403.984.5916