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

FOR IMMEDIATE RELEASE: June 16, 2011

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX Venture: WRG) is pleased to release its first 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 months ended March 31, 2011 will be available on SEDAR at **www.sedar.com**.

Highlights:

- Revenue in the first quarter of 2011 totalled $55.4 million, a $51.1 million increase (1,183%) over the prior year and a $24.9 million increase (82%) over fourth quarter of 2010;
- EBITDA totalled $20.7 million (37% of revenue) in the first quarter of 2011 as a result of our focused business strategy concentrating on customers operating in the resource plays in Canada;
- Utilization in the contract drilling subsidiary, Horizon Drilling Inc. ("Horizon"), averaged 85% in the first quarter of 2011 as compared to an industry average of 68%;
- The number of jobs completed in the production services subsidiary, StimSol Canada Inc. ("StimSol"), in Q1 2011 increased by 43% to 1,115 as compared to the same period in the prior year;
- On March 29, 2011 Western completed a public offering for 192.5 million common shares at a price of $0.39 per share for gross proceeds of approximately $75.1 million. The net proceeds from the offering were approximately $70.9 million after deducting the underwriters' commission and other share issue costs. On April 1, 2011, the underwriters exercised the full over allotment option to purchase an additional 28.9 million common shares of Western at a price of $0.39 for net proceeds of $10.7 million;
- On June 8, 2011, Western increased its syndicated revolving credit facility to a $150 million committed three year extendible revolving credit facility (the "Revolving Facility"). The Revolving Facility requires interest to be paid monthly with no scheduled principal repayments unless the Revolving Facility is not extended by the maturity date. The current maturity date of the Revolving Facility is June 7, 2014; and
- On June 10, 2011, Western acquired all of the issued and outstanding units of Stoneham Drilling Trust ("Stoneham") in exchange for a combination of cash and common shares of Western. The total transaction value is approximately $236.5 million, including the assumption of approximately $45 million in debt and transaction costs. A portion of the consideration was paid for through the issuance of approximately 196.1 million shares of Western at an ascribed value of $0.39 per Western share with the remaining $115 million of consideration paid in cash. Stoneham's assets include twelve telescopic double drilling rigs, seven triple drilling rigs, four top drives, a ten acre yard facility, and various ancillary equipment. The acquisition of Stoneham increases Western's contract drilling fleet to 43.

Selected Financial Information

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

Financial Highlights	Three months ended March 31, 2011	Three months ended March 31, 2010
Revenue	55,385	4,318
EBITDA(1)	20,717	548
Cash flow from operating activities	9,614	(200)
Capital expenditures	15,021	59
Net income from continuing operations	11,516	11,530(2)
-basic net income per share	0.02	0.06
-diluted net income per share	0.01	0.05
Net income	11,344	11,099(2)
-basic net income per share	0.01	0.06
-diluted net income per share	0.01	0.05
Weighted average number of shares		
-basic	760,035,549	193,556,748
-diluted	798,656,233	232,837,411
Outstanding common shares as at period end	946,118,882	527,549,161

(1) See financial measures reconciliations.

(2) Includes an $11.6 million non-recurring gain on acquisitions.

Operating Highlights (stated in thousands of Canadian dollars, except operational amounts)	**Three months ended March 31, 2011**	**Three months ended March 31, 2010**
Contract Drilling		
Contract drilling rig fleet:		
-Average	23	11(1)
-End of period	24	11
Drilling revenue per operating day	$27,988	$25,059
Drilling rig utilization rate(2)	85%	46%(1)
CAODC industry average utilization rate(2)	68%	44%(1)
Production Services		
Jobs completed	1,115	778
Average revenue per job completed	$4,746	$3,249

Financial Position at (stated in thousands of Canadian dollars)	**March 31, 2011**	**December 31, 2010**	**March 31, 2010**
Working capital	74,452	13,154	45,905
Property and equipment	203,319	194,739	93,923
Total assets	329,114	264,106	151,485
Long term debt	28,030	46,061	38,918

(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.

Outlook

The drilling industry in Canada is moving towards drilling wells of increased complexity. During the first quarter of 2011, the Company was the seventh largest drilling company in Canada with a fleet of twenty-four drilling rigs which are specifically suited for today's drilling environment. Horizon's ELR single rigs are specifically designed with integrated top-drives, triplex mud pumps, mechanized pipe handling equipment and range III tubulars. Horizon's telescopic ELR doubles are also of modern design including the necessary hook load capabilities, triplex mud pumps and are equipped with top-drives at the customer's request. Horizon's ELR triples are also designed with integrated top-drives, triplex mud pumps, mechanized pipe handling equipment including iron derrickman and range III tubulars. As a result of the acquisition of Stoneham, the Company now has a total fleet of forty-three drilling rigs and has become the sixth largest drilling company in Canada.

With the continuing depressed market for natural gas, our customers are targeting oil and liquids-rich natural gas wells. Of the 134 wells drilled by the Company in the first quarter of 2011, over 60% targeted oil, which is a trend that is expected to continue. The increased demand for oil and natural gas liquids has also led to an increase in the drilling of horizontal wells. During the first quarter of 2011, 48% of the wells drilled in western Canada were horizontal wells, representing a 46% increase over the prior year, all of which fits well with the Company's current rig fleet with respect to pumping capabilities, top-drive requirements, and depth capacities.

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

During 2011, the Company's utilization rates have consistently been above industry average, due to our modern rig fleet, strong customer base, and solid reputation. We expect this trend to continue. Additionally, with the integration of Western's acquisitions throughout 2010, Horizon has been able to justify performance based rates to our customers by delivering a solid product, adding capital and adapting to our changing customer needs. Utilization during the spring break-up months of April and May averaged 42% and 37%, respectively, as compared to the industry average of 23% and 19%, respectively.

Western's capital expenditures budget has been increased to approximately $68 million from the previously announced $50 million as additional rig build opportunities and ancillary equipment, such as top drives, in the contract drilling segment have been ordered to meet customer demands.

The Company has successfully integrated Horizon, Cedar Creek Drilling Ltd., Impact Drilling Ltd., Pantera Drilling Income Trust, acquired an additional drilling rig from a private company early in 2011, and completed the construction of and crewed a fit for purpose telescopic ELR double drilling rig in the first quarter of 2011. By maintaining an above average utilization rate, improved contract drilling day rates and low personnel turnover, the Company has established a strong platform to be able to integrate future acquisitions, including the acquisition of Stoneham which closed on June 10, 2011.

Financial Measures Reconciliations

Western uses certain measures 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. 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.

EBITDA

Management believes that in addition to net income from continuing operations, earnings from continuing operations before interest and finance costs, taxes, depreciation, amortization of intangibles and other non-cash items ("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 March 31, 2011	Three months ended March 31, 2010
EBITDA	20,717	548
Depreciation - operating	4,925	419
Depreciation - administrative	64	6
Operating earnings	15,728	123
Stock based compensation - operating	61	3
Stock based compensation - administrative	142	13
Finance costs	562	91
Other items	(937)	108
Gain on business acquisitions	-	(11,624)
Income taxes	4,384	2
Net income from continuing operations	11,516	11,530

2011 First Quarter Results Conference Call and Webcast

Western has scheduled a conference call and webcast to begin promptly at 9:00 a.m. MST (11:00 a.m. EST) on June 16, 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 June 30, 2011 by dialling 1-800-642-1687 or 1-416-849-0833, passcode 74234965.

Forward-looking statements

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 this press release states that: "During 2011, the Company's utilization rates have consistently been above industry average, due to our modern rig fleet, strong customer base, and solid reputation. We expect this trend to continue." The foregoing assumes that the Company's higher than industry average utilization rate for its drilling rigs will continue. There are however risks that such higher utilization rates will not continue.

As such, many factors could cause the performance or achievement of Western to be materially different from any future results that may be expressed or implied by such forward-looking statements. Because of the risks, uncertainties and assumptions contained herein, readers should not place undue reliance on these forward-looking statements.

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