WESTERN ENERGY SERVICES CORP. RELEASES FIRST QUARTER 2013 FINANCIAL AND OPERATING RESULTS AND DECLARES QUARTERLY DIVIDEND

FOR IMMEDIATE RELEASE: MAY 1, 2013

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) is pleased to release its first quarter 2013 financial and operating results. 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, 2013 and 2012 will be available on SEDAR at www.sedar.com. All amounts are denominated in Canadian dollars (CDN$) unless otherwise identified.

Highlights:

- Revenue in the first quarter of 2013 totalled $98.0 million, a $12.9 million decrease (or 12%) over the prior year. In Canada, while Western's drilling days remained constant, industry activity reduced and competition for ELR drilling rigs increased resulting in a decrease in Western's day rates. In the United States, increased competition in the Williston basin of North Dakota, resulted in a decrease in drilling rig operating days and lower day rates;
- In Canada, utilization in the contract drilling segment averaged 71% in the first quarter of 2013 which was 20% higher than the CAODC industry average of 59%. Despite a larger rig fleet in Canada, operating days remained unchanged resulting in a decrease in utilization to 71% compared to 81% in the first quarter of 2012. In the United States, utilization in the contract drilling segment averaged 48% in the first quarter of 2013 which is lower than the prior year average of 78%;
- EBITDA in the first quarter of 2013 totalled $34.4 million (35% of revenue) as compared to $44.2 million (40% of revenue) in the prior year. The decrease in EBITDA of $9.8 million was less than the decrease in revenue, as the full impact of the drilling day rate decrease was partially offset by Western's ability to effectively control costs in a slower market. Specifically, cash operating costs per operating day in the contract drilling segment decreased by 3% to approximately $18,000 in the first quarter of 2013 as compared to $18,600 in the same period of the prior year;
- During the first quarter of 2013, capital expenditures totalled $18.2 million and included $14.0 million of expansion capital mainly related to Western's drilling rig build program, $1.7 million of maintenance capital and $2.5 million for critical spares. Capital spending in the first quarter of 2013 was 50% lower than in the same period of the prior year as Western has taken a prudent approach to our capital program and cancelled or deferred a number of projects until greater industry visibility is available;
- The Company acquired all of the outstanding and common shares of IROC Energy Services Corp. ("IROC") on April 22, 2013 in a transaction valued at approximately $184.8 million. IROC operates 53 well servicing rigs as well as an oilfield rental division, has 2 rigs under construction and establishes Western as the seventh largest well servicing company in Canada.

Selected Financial Information

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

	Three months ended March 31		
Financial Highlights	2013	2012	Change
Revenue	98,006	110,887	(12%)
Gross Margin(1)	40,945	50,213	(18%)
Gross Margin as a percentage of revenue	42%	45%	(7%)
EBITDA(1)	34,384	44,242	(22%)
EBITDA as a percentage of revenue	35%	40%	(13%)
Cash flow from operating activities	22,444	25,717	(13%)
Capital expenditures	18,156	36,403	(50%)
Net income	14,903	23,008	(35%)
-basic net income per share	0.25	0.39	(36%)
-diluted net income per share	0.24	0.38	(37%)
Weighted average number of shares			
-basic	59,610,763	58,533,287	2%
-diluted	60,872,610	60,764,266	-
Outstanding common shares as at period end	59,655,921	58,533,287	2%
Dividends declared	4,474	-	100%

(1) See financial measures reconciliations.

Financial Position at (stated in thousands)	Mar 31, 2013	Mar 31, 2012	Change	Dec 31, 2012	Change
Working capital	79,731	101,925	(22%)	77,628	3%
Property and equipment	576,795	500,130	15%	568,157	2%
Total assets	748,112	706,061	6%	749,448	-
Long term debt	182,068	171,570	6%	186,948	(3%)

	Three months ended March 31		
Operating Highlights	2013	2012	Change
Contract Drilling			
Canadian Operations			
Contract drilling rig fleet:			
-Average	45	39	15%
-End of period	45	40	13%
Drilling revenue per operating day (CDN$)	31,238	34,329	(9%)
Drilling rig operating days(1)	2,875	2,875	-
Drilling rig utilization per revenue day(2)	80%	90%	(11%)
Drilling rig utilization rate per operating day(1)	71%	81%	(12%)
CAODC industry average utilization rate(1)	59%	65%	(9%)
United States Operations			
Contract drilling rig fleet:			
-Average	5	5	-
-End of period	5	5	-
Drilling revenue per operating day (US$)	30,508	33,571	(9%)
Drilling rig operating days(1)	217	355	(39%)
Drilling rig utilization per revenue day(2)	64%	98%	(35%)
Drilling rig utilization rate per operating day(1)	48%	78%	(38%)
Well Servicing			
Well servicing rig fleet:			
-Average	10	2	400%
-End of period	10	2	400%
Revenue per service hour (CDN$)	633	581	9%
Total service hours	2,430	430	465%
Service rig utilization rate(3)	28%	28%	-

(1) Drilling rig utilization rate per operating day and drilling rig operating days are calculated on operating days only (i.e. spud to rig release basis).
(2) Drilling rig utilization rate per revenue day is calculated based on operating and move days.
(3) Service rig utilization rate calculated based on full utilization of 10 hours per day, 365 days per year.

Outlook

Western currently has a drilling rig fleet of 50 rigs, with two additional telescopic ELR double drilling rigs under construction which will be the Company's first two convertible pad rigs. Long term take-or-pay contracts have been signed for both rigs under construction. Western is the sixth largest drilling contractor in Canada with a fleet of 45 rigs. Additionally, Western has five drilling rigs deployed in the United States.

With the addition of IROC in April 2013, Western acquired 53 well servicing rigs operating through Eagle Well Servicing, with a further 2 rigs under construction which will be commissioned in the second quarter of 2013. During the first quarter of 2013, IROC achieved 74% fleet utilization, which was a 16% increase from the first quarter of 2012. After IROC's 2 well servicing rigs under construction are commissioned, Western will have a well servicing fleet totalling 65 rigs, with an average age of approximately 4 years. As such, Western now operates one of the newest fleets in the western Canadian sedimentary basin and is the seventh largest well servicing company in Canada. IROC also operates an oilfield rental division, AERO Rental Services, which provides technologically advanced oilfield equipment used in the drilling and completions processes by oil and gas producers and oilfield service companies. This acquisition allows Western to focus its efforts on three core business lines including contract drilling, well servicing and rental services.

Western's drilling rig fleet, which has an average age of approximately 6 years, is specifically suited for the current market which is focused on drilling horizontal wells of increased complexity. In total, 96% of Western's fleet are ELR rigs with depth ratings greater than 3,000 meters and all of Western's rigs are capable of drilling resource based horizontal wells. Approximately one quarter of Western's fleet is currently under long term take-or-pay contracts with an average remaining contract life of approximately 19 months, which provide a base level of revenue. These contracts typically generate 250 operating days per year in Canada, as spring breakup restricts activity during the second quarter, while in the United States these contracts typically range from 330 to 365 revenue generating days per year.

Western's approved capital spending for 2013 totals approximately $86 million, including $58 million in expansion capital, $19 million in maintenance capital and $9 million in critical spare equipment. The Company's approved capital spending for 2013 increased by $6 million from the previously disclosed $80 million due to an additional drilling rig build on a long term take-or-pay contract approved in the first quarter of 2013, offset by the cancellation of certain capital projects. As we have just completed the acquisition of IROC, Western is currently evaluating Eagle Well Servicing's and Aero Rental Services' capital requirements. Western has taken a prudent approach to capital spending and deferred a number of projects until greater industry visibility is available. As such, Western expects a portion of its capital spending to carry over into 2014. Western will continue to monitor capital spending and will make appropriate adjustments to the capital program as required.

Approved capital spending for 2013 in the contract drilling segment totals $83 million and consists of $56 million in expansion capital, $18 million in maintenance capital and $9 million in critical spare equipment. Budgeted expansion capital in the contract drilling segment mainly relates to Western's drilling rig build program, capital to increase our drilling rig fleet's pumping capacity in Canada, as well as the addition of rig moving systems to certain drilling rigs in the United States and additional drill pipe and other drilling equipment. Budgeted maintenance capital in the contract drilling segment in 2013 of $18 million includes additional drilling equipment, drill pipe and equipment recertifications.

Western expects to finance its 2013 capital expenditure budget substantially from operating cash flows while maintaining our conservative balance sheet in 2013 and positioning the Company for future opportunities. Following the acquisition of IROC, the balance on Western's revolving credit facility is approximately $95 million.

In the first quarter of 2013, the price for natural gas has improved, with the AECO 30-day spot rate on average increasing by approximately 19% as compared to the first quarter in the prior year. The average Edmonton Par price has remained consistent with the prior year decreasing 4% quarter over quarter. The commodity price environment for crude oil, coupled with the uncertain economic environment is expected to result in lower levels of oilfield services activity in 2013 as compared to 2012. Notwithstanding the lower activity, Western continues to believe that additional rig build opportunities in the contract drilling segment will be available as liquefied natural gas projects gain approval, drilling activity increases in the Duvernay and Montney resource plays in Alberta and northwest British Columbia, coupled with increased foreign investment in Canada. Currently, the largest challenges facing the oilfield services industry are producer spending constraints, pricing differentials on Canadian crude oil, historically low natural gas prices, and the challenge to attract and retain skilled labour. The Company believes Western's modern drilling and well servicing rig fleet and corporate culture will provide a distinct advantage in retaining and attracting qualified individuals. Western is of the view, that its modern fleet, strong customer base and solid reputation provides a competitive advantage which will enable the Company to continue its growth strategy and higher than industry utilization through a period of lower commodity prices and oilfield services activity.

Quarterly Dividend

On May 1, 2013, Western's Board of Directors declared a quarterly dividend of $0.075 per share, which will be paid on July 12, 2013, to shareholders of record at the close of business on June 28, 2013. The dividends are eligible dividends for Canadian income tax purposes. We believe that this sustainable dividend policy balances rewarding our shareholders with a significant dividend payment and the ability to continue to execute our aggressive growth plans.

Financial Measures Reconciliations

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 statements of operations and comprehensive income 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.

Gross Margin

Management believes that in addition to net income, Gross Margin is a useful supplemental measure as it provides an indication of the results generated by Western's principal operating activities prior to considering administrative expenses, depreciation and amortization, how those activities are financed, the impact of foreign exchange, how the results are taxed, how funds are invested, and how non-cash items and one-time gains and losses affect results.

EBITDA

Management believes that in addition to net income, earnings before interest and finance costs, taxes, depreciation and amortization, other non-cash items and one-time gains and losses ("EBITDA") is a useful supplemental measure as it provides an indication of the results generated by the Company's principal operating segments similar to Gross Margin but also factors in the cash administrative expenses incurred in the period.

Operating Earnings

Management believes that in addition to net income, 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 under IFRS as disclosed in the condensed consolidated statements of operations and comprehensive income to Gross Margin, EBITDA and Operating Earnings:

(stated in thousands)	Three months ended Mar 31, 2013	Three months ended Mar 31, 2012
Gross Margin	40,945	50,213
Add (subtract):		
Administrative expenses	(7,299)	(6,586)
Depreciation – administrative	395	194
Stock based compensation – administrative	343	421
EBITDA	34,384	44,242
Depreciation – operating	(10,856)	(9,664)
Depreciation – administrative	(395)	(194)
Operating Earnings	23,133	34,384
Less:		
Stock based compensation – operating	(154)	(142)
Stock based compensation – administrative	(343)	(421)
Finance costs	(3,759)	(2,781)
Other items	1,086	(31)
Income taxes	(5,060)	(8,001)
Net income	14,903	23,008

2013 First 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 May 2, 2013.

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 14 days.

An archived recording of the conference call will also be available approximately one hour after the completion of the call until May 16, 2013 by dialing 1-855-859-2056 or 1-416-849-0833, passcode 36701230.

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 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 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, forward-looking information in this press release include, under the heading "Outlook" the statements: "Western's approved capital spending for 2013 totals approximately $86 million, including $58 million in expansion capital, $19 million in maintenance capital and $9 million in critical spare equipment. The Company's approved capital spending for 2013 increased by $6 million from the previously disclosed $80 million due to an additional drilling rig build on a long term take-or-pay contract approved in the first quarter of 2013, offset by the cancellation of certain capital projects. As we have just completed the acquisition of IROC, Western is currently evaluating Eagle Well Servicing's and Aero Rental Services' capital requirements. Western has taken a prudent approach to capital spending and deferred a number of projects until greater industry visibility is available. As such, Western expects a portion of its capital spending to carry over into 2014. Western will continue to monitor capital spending and will make appropriate adjustments to the capital program as required. Approved capital spending for 2013 in the contract drilling segment totals $83 million and consists of $56 million in expansion capital, $18 million in maintenance capital and $9 million in critical spare equipment. Budgeted expansion capital in the contract drilling segment mainly relates to Western's drilling rig build program, capital to increase our drilling rig fleet's pumping capacity in Canada, as well as the addition of rig moving systems to certain drilling rigs in the United States and additional drill pipe and other drilling equipment. Budgeted maintenance capital in the contract drilling segment in 2013 of $18 million includes additional drilling equipment, drill pipe and equipment recertifications. Western expects to finance its 2013 capital expenditure budget substantially from operating cash flows while maintaining our conservative balance sheet in 2013 and positioning the Company for future opportunities. Following the acquisition of IROC, the balance on Western's revolving credit facility is approximately $95 million."

The forward-looking information assumes that revenues over the remainder of 2013 will be sufficient to cover the budgeted expenditures, however, there is a risk that deteriorating conditions for its customers could result in a reduction in planned expenditures. As such, many factors could cause the performance or achievement of Western to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

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, general economic, market and business conditions. 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 and financial results are included in Western's annual information form and the other disclosure documents filed by Western with securities regulatory authorities 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 and forward-looking statements and information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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