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

FOR IMMEDIATE RELEASE: October 30, 2013

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) is pleased to release its third 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 and nine months ended September 30, 2013 and 2012 will be available on SEDAR at www.sedar.com. All amounts are denominated in Canadian dollars (CDN$) unless otherwise identified.

Third Quarter 2013 Highlights:

- Operating Revenue totalled $96.5 million, a $31.5 million increase (or 48%) over the same period in the prior year as a result of the increased size and scale of Western's production services segment following the acquisition of IROC Energy Services Corp. ("IROC") on April 22, 2013, as well as a larger average drilling rig fleet and increased utilization in the contract drilling segment in both Canada and the United States;
- Utilization in the Canadian contract drilling segment improved to 56% as compared to the CAODC industry average of 40%, which was unchanged from the same period in the prior year, and Western's third quarter 2012 average of 53%. In the United States, contract drilling utilization averaged 88% as compared to 60% in the same period of the prior year due to increased marketing efforts and strong operational performance;
- Total well servicing hours in Western's production services segment increased significantly following the acquisition of IROC in the second quarter, increasing by 1,586% as compared to the same period in the prior year. Likewise, well servicing utilization averaged 51% as compared to 39% in the same period of the prior year;
- EBITDA totalled $30.3 million, a $6.4 million increase (or 27%) over the same period in the prior year. While the Company was able to effectively control costs in the contract drilling segment quarter over quarter, as a percentage of Operating Revenue, EBITDA declined from 37% in the third quarter of 2012 to 31% in the third quarter of 2013, mainly due to lower contract drilling day rates in both Canada and the United States;
- Capital expenditures totalled $31.0 million and include $25.5 million of expansion capital, $3.0 million of maintenance capital and $2.5 million for critical spares and mainly relate to the drilling rig build program in the contract drilling segment.

Year to Date Highlights:

- Operating Revenue totalled $234.6 million, a $28.2 million increase (or 14%) over the same period in the prior year due to increased revenue in the production services segment subsequent to the acquisition of IROC and increased operating days in the contract drilling segment, partially offset by lower pricing in the contract drilling segment in both Canada and the United States;
- Contract drilling utilization in Canada remained relatively constant averaging 52% as compared to the CAODC industry average of 39% and 53% in the prior year. In the United States, contract drilling utilization averaged 60% in 2013 as compared to 69% in the same period of the prior year mainly due to lower activity levels in the first half of 2013, partially offset by increased activity in the third quarter of 2013;
- Subsequent to the acquisition of IROC, total well servicing hours in the production services segment significantly increased by 1,413% as compared to the same period in the prior year. Year to date well servicing utilization has averaged 40% in 2013 as compared to 31% in the same period of the prior year;
- EBITDA totalled $73.9 million, a $3.7 million decrease (or 5%) as compared to the same period of the prior year. While Western was able to effectively control costs in the contract drilling segment year over year on a per operating day basis, the decrease in EBITDA is mainly due to lower contract drilling rates in both Canada and the United States, partially offset by an increased contribution from the production services segment following the acquisition of IROC;
- Capital expenditures totalled $67.7 million and include $55.3 million of expansion capital, $6.6 million of maintenance capital and $5.8 million for critical spares, and mainly relate to the drilling rig build program in the contract drilling segment.

Selected Financial Information

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

Financial Highlights	Three months ended Sept 30 2013	2012	Change	Nine months ended Sept 30 2013	2012	Change
Revenue	101,389	69,573	46%	250,230	225,279	11%
Operating Revenue[1]	96,473	64,999	48%	234,563	206,401	14%
Gross Margin[1]	37,547	29,382	28%	94,579	93,703	1%
Gross Margin as a percentage of operating revenue	39%	45%	(13%)	40%	45%	(11%)
EBITDA[1]	30,297	23,944	27%	73,880	77,550	(5%)
EBITDA as a percentage of operating revenue	31%	37%	(16%)	31%	38%	(18%)
Cash flow from operating activities	6,667	9,248	(28%)	77,492	93,895	(17%)
Capital expenditures	31,002	30,898	-	67,705	106,903	(37%)
Net income	7,927	8,251	(4%)	19,449	32,086	(39%)
-basic net income per share	0.11	0.14	(21%)	0.29	0.55	(47%)
-diluted net income per share	0.11	0.14	(21%)	0.28	0.53	(47%)
Weighted average number of shares						
-basic	73,351,805	58,581,133	25%	67,569,459	58,549,352	15%
-diluted	73,793,367	60,700,338	22%	68,587,001	60,618,945	13%
Outstanding common shares as at period end	73,366,253	59,427,143	23%	73,366,253	59,427,143	23%
Dividends declared	5,502	4,457	23%	15,478	4,457	247%

(1) See financial measures reconciliations.

Financial Position at (stated in thousands)	Sept 30, 2013	Sept 30, 2012	Change	Dec 31, 2012	Change
Working capital	45,862	62,753	(27%)	77,628	(41%)
Property and equipment	770,770	558,248	38%	568,157	36%
Total assets	947,836	727,113	30%	749,448	26%
Long term debt	263,050	176,739	49%	186,948	41%

Operating Highlights	Three months ended Sept 30 2013	2012	Change	Nine months ended Sept 30 2013	2012	Change
Contract Drilling						
Canadian Operations:						
Contract drilling rig fleet:						
-Average	45	42	7%	45	41	10%
-End of period	46	43	7%	46	43	7%
Operating revenue per operating day (CDN$)[1]	25,385	26,837	(5%)	26,918	29,189	(8%)
Drilling rig operating days[2]	2,335	2,055	14%	6,345	5,928	7%
Drilling rig utilization per revenue day[3]	62%	58%	7%	57%	59%	(3%)
Drilling rig utilization rate per operating day[2]	56%	53%	6%	52%	53%	(2%)
CAODC industry average utilization rate[2]	40%	40%	-	39%	42%	(7%)
United States Operations:						
Contract drilling rig fleet:						
-Average	5	5	-	5	5	-
-End of period	5	5	-	5	5	-
Operating revenue per operating day (US$)[1]	24,410	32,137	(24%)	27,128	32,850	(17%)
Drilling rig operating days[2]	403	275	47%	825	952	(13%)
Drilling rig utilization per revenue day[3]	98%	73%	34%	74%	87%	(15%)
Drilling rig utilization per operating day[2]	88%	60%	47%	60%	69%	(13%)
Production Services						
Well servicing rig fleet:						
-Average	65	5	1,200%	46	4	1,050%
-End of period	65	5	1,200%	65	5	1,200%
Operating revenue per service hour (CDN$)[1]	743	582	28%	740	581	27%
Total service hours	30,328	1,799	1,586%	46,476	3,072	1,413%
Service rig utilization rate[4]	51%	39%	31%	40%	31%	29%

(1) Operating revenue per operating day and per service hour are calculated using operating revenue divided by operating days and service hours, respectively.
(2) 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).
(3) Drilling rig utilization rate per revenue day is calculated based on operating and move days.
(4) Service rig utilization rate calculated based on full utilization of 10 hours per day, 365 days per year.

Outlook

Western's operations are focused on three core business lines: contract drilling, well servicing and oilfield equipment rental services. Western currently has a drilling rig fleet of 51 rigs, with an average age of approximately six years, with three additional rigs under construction consisting of two telescopic ELR double drilling rigs, one of which will be the Company's second convertible pad rig, and the re-commissioning of a single drilling rig. Western is the sixth largest drilling contractor in Canada with a fleet of 46 rigs operating through Horizon Drilling. Additionally, Western has five ELR triple drilling rigs deployed in the United States operating through Stoneham Drilling. Western is also the seventh largest well servicing company in Canada with a fleet of 65 rigs operating through Eagle Well Servicing. Western's well servicing fleet is one of the newest in the Western Canadian Sedimentary Basin, with an average age of approximately four years. Western's oilfield equipment rental division operates through AERO Rental Services, which provides advanced designed oilfield equipment used in drilling and completions processes by oil and gas producers and oilfield service companies.

Western's drilling rig fleet 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 drilling 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 third of Western's fleet is currently under long term take-or-pay contracts, an increase from the second quarter when approximately one quarter of the fleet was under long term contracts. The increase is due to improved demand, as the 2014 winter drilling season approaches, for high quality deep drilling rigs such as Western's. The average remaining term on these contracts is approximately two years, which provides 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 $118 million, including $98 million in expansion capital, $14 million in maintenance capital and $6 million in critical spare equipment. In total, budgeted capital spending has increased by $24 million from the previously disclosed $94 million. The Company's expansion capital has increased by $29 million from the previously disclosed $69 million, mainly related to additional capital in the Canadian contract drilling segment for the previously noted additional telescopic ELR double drilling rig, which is expected to be commissioned in the first quarter of 2014, and capital related to re-commissioning and upgrading a single drilling rig for oil sands work in Northern Alberta with one of Western's largest customers. The re-commissioning of the single drilling rig is expected to be completed by the end of 2013. The increase in expansion capital has been partially offset by the cancellation of previously budgeted capital items related to spare equipment. Western will continue to take a conservative approach to capital spending and will make appropriate adjustments to the capital program as required. Currently, Western expects approximately $15 million of its capital spending to carry over into 2014.

Approved capital spending for 2013 in the contract drilling segment totals $105 million and consists of $88 million in expansion capital, $11 million in maintenance capital and $6 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 moving systems on select drilling rigs in the United States and additional drill pipe and other drilling equipment. Budgeted maintenance capital in the contract drilling segment includes additional drilling equipment, drill pipe and equipment recertifications.

In the production services segment, which includes both well servicing and oilfield equipment rentals, approved capital spending for 2013 totals $12 million and consists of $10 million in expansion capital and $2 million in maintenance capital. Budgeted expansion capital in the production services segment mainly relates to the completion of Eagle's well servicing rig build program and the purchase of additional oilfield rental equipment for AERO. During the third quarter of 2013, as part of the 2013 capital plan, AERO expanded and opened a field office in Grande Prairie, Alberta to serve northern Alberta and northeast British Columbia. AERO's main operating base is located in Red Deer, Alberta.

Western expects to finance its 2013 capital expenditure budget substantially from operating cash flows while maintaining our well-structured balance sheet in 2013 thereby positioning the Company for future opportunities.

During 2013, the price for crude oil has improved with the three and nine months ended September 30, 2013 Edmonton Par price increasing by 24% and 10% respectively, as compared to the same periods in the prior year. Natural gas prices have also improved; although they remain low by historical standards, the three and nine months ended September 30, 2013 AECO 30-day spot rate increased on average by 10% and 35% respectively, as compared to the same periods in the prior year. With an increase in oilfield services activity in the second half of 2013, the Company expects utilization in 2013, as compared to 2012, to remain relatively consistent in the Canadian contract drilling segment with higher utilization expected in the United States contract drilling segment and in Western's production services segment. Additionally, Western continues to believe oilfield services activity in 2014 and beyond will improve, and additional rig build opportunities in the contract drilling segment will be available, as liquefied natural gas projects gain approval, crude oil transportation capacity increases through rail and pipeline development, drilling activity increases in the Duvernay and Montney resource plays in Alberta and northeast British Columbia, and as foreign investment continues to flow into 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 provide a competitive advantage which will enable the Company to continue its growth strategy and higher than industry average utilization.

Quarterly Dividend

On October 30, 2013, Western's Board of Directors declared a quarterly dividend of $0.075 per share, which will be paid on January 14, 2014, to shareholders of record at the close of business on December 31, 2013. The dividends are eligible dividends for Canadian income tax purposes. On a prospective basis, the declaration of dividends will be determined on a quarter-by-quarter basis by the Board of Directors.

Credit Facility Extension

Subsequent to September 30, 2013, Western extended the maturity date on its $125.0 million extendible revolving credit facility to October 18, 2017. There were no other material changes to the terms of the revolving credit facility.

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.

Operating Revenue

Management believes that in addition to revenue, Operating Revenue is a useful supplemental measure as it provides an indication of the revenue generated by Western's principal operating activities, excluding third party charges.

The following table provides a reconciliation of revenue under IFRS as disclosed in the condensed consolidated statements of operations and comprehensive income to Operating Revenue:

	Three months ended Sept 30		Nine months ended Sept 30	
(stated in thousands)	2013	2012	2013	2012
Operating Revenue				
Drilling	69,499	63,952	193,715	204,616
Production services	27,003	1,047	40,877	1,785
Less: inter-company eliminations	(29)	-	(29)	-
	96,473	64,999	234,563	206,401
Third party charges	4,916	4,574	15,667	18,878
Revenue	101,389	69,573	250,230	225,279

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:

	Three months ended Sept 30		Nine months ended Sept 30	
(stated in thousands)	2013	2012	2013	2012
Gross Margin	37,547	29,382	94,579	93,703
Add (subtract):				
Administrative expenses	(8,116)	(5,965)	(22,968)	(17,837)
Depreciation – administrative	347	234	1,086	606
Stock based compensation – administrative	519	293	1,183	1,078
EBITDA	30,297	23,944	73,880	77,550
Depreciation – operating	(13,262)	(8,218)	(31,785)	(22,823)
Depreciation – administrative	(347)	(234)	(1,086)	(606)
Operating Earnings	16,688	15,492	41,009	54,121
Stock based compensation – operating	(271)	(126)	(643)	(384)
Stock based compensation – administrative	(519)	(293)	(1,183)	(1,078)
Finance costs	(4,149)	(3,169)	(11,903)	(9,200)
Other items	(175)	(477)	(133)	(173)
Income taxes	(3,647)	(3,176)	(7,698)	(11,200)
Net income	7,927	8,251	19,449	32,086

2013 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 October 31, 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 "*Investors*", 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 November 14, 2013 by dialing 1-855-859-2056 or 1-416-849-0833, passcode 82899652.

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 includes, but is not limited to, statements relating to, future dividends; the demand for Company's services and equipment; the terms of existing and future drilling contracts in Canada and the US; the Company's expansion and maintenance capital plans for the remainder of 2013 and into 2014, and the Company's expected sources of funding to support such capital plans; the Company's expected utilization for its contract drilling and production services divisions; industry activity levels and pricing; and commodity pricing.

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 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 risks, uncertainties, assumptions and other risk factors that could affect Western's operations and financial results are included in Western's annual information form 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.

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