WESTERN ENERGY SERVICES CORP. RELEASES FIRST QUARTER 2022 FINANCIAL AND OPERATING RESULTS

FOR IMMEDIATE RELEASE: May 5, 2022

CALGARY, ALBERTA – Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) announces the release of its first quarter 2022 financial and operating results. Additional information relating to the Company, including the Company's financial statements and management's discussion and analysis as at March 31, 2022 and for the three months ended March 31, 2022 and 2021 will be available on SEDAR at www.sedar.com. Non-International Financial Reporting Standards ("Non-IFRS") measures and ratios, such as Adjusted EBITDA and Adjusted EBITDA as a percentage of revenue, 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.

First Quarter 2022 Operating Results:

- First quarter revenue increased by $13.5 million or 37%, to $50.5 million in 2022 as compared to $37.0 million in the first quarter of 2021. In the contract drilling segment, revenue totalled $31.0 million in the first quarter of 2022, an increase of $10.7 million or 53%, compared to $20.3 million in the first quarter of 2021. In the production services segment, revenue was $19.6 million for the three months ended March 31, 2022, as compared to $16.9 million in the same period of the prior year, an increase of $2.7 million or 16%. While the ongoing COVID-19 pandemic continued to impact the contract drilling and production services segments in the first quarter of 2022, revenue was positively impacted by improved demand compared to 2021 as described below:
    - In Canada, drilling rig utilization averaged 32% in the first quarter of 2022, compared to 22% in the first quarter of 2021. The increase in activity in the first quarter of 2022 was mainly attributable to the higher commodity prices resulting from the war in Ukraine, the ongoing COVID-19 vaccination rollouts and the lifting of government restrictions which re-opened the economy, compared to the first quarter of 2021 when the COVID-19 pandemic reduced demand across the industry. The Canadian Association of Energy Contractors ("CAOEC") industry average utilization of 39%[1] for the first quarter of 2022 represented an increase of 1,200 basis points ("bps") compared to the CAOEC industry average of 27% in the first quarter of 2021. 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"), decreased to 6.7% for the first quarter of 2022, as compared to 8.2% in the same period of 2021, as a result of limited capital spent on rig upgrades during the economic downturn. Revenue per Operating Day averaged $26,390 in the first quarter of 2022, an increase of 28% compared to the same period of the prior year, mainly due to improved market rates, as well as the 2021 CAOEC wage increase that is passed through to the customer;
    - In the United States ("US"), drilling rig utilization averaged 14% in the first quarter of 2022, compared to 5% in the first quarter of 2021, with Operating Days improving from 38 days in 2021 to 100 days in 2022. Revenue per Operating Day for the first quarter of 2022 averaged US$19,134, a 31% increase compared to US$14,574 in the same period of the prior year, mainly due to improved market conditions; and
    - In Canada, service rig utilization of 49% in the first quarter of 2022 was lower than 51% in the same period of the prior year, mainly due to field crew shortages across the industry and very cold weather to start the quarter. Revenue per Service Hour averaged $876 in the first quarter of 2022 and was 20% higher than the first quarter of 2021, as a result of improved market conditions which led to higher hourly rates, as well as increased labour and fuel charges passed through to the customer. Higher pricing led to production services revenue totaling $19.6 million in the first quarter of 2022, an increase of $2.7 million or 16%, as compared to the same period in the prior year.
- Administrative expenses increased by $0.2 million or 6%, to $3.4 million in the first quarter of 2022, as compared to $3.2 million in the first quarter of 2021, due to reduced receipts related to the Canada Emergency Wage Subsidy ("CEWS") from the Government of Canada as the program ended October 2021.
- The Company incurred a net loss of $3.8 million in the first quarter of 2022 ($0.04 per basic common share) as compared to a net loss of $6.4 million in the same period in 2021 ($0.07 per basic common share). The change can mainly be attributed to a $1.6 million decrease in income tax recovery, offset partially by a $3.5 million increase in Adjusted EBITDA, and a $0.9 million decrease in depreciation expense due to certain assets being fully depreciated in the period.
- First quarter Adjusted EBITDA of $10.4 million in 2022 was $3.5 million, or 51%, higher compared to $6.9 million in the first quarter of 2021. Adjusted EBITDA was higher due to improved activity in Canada and the US, offset partially by a decrease of $3.3 million as no CEWS was received since the program ended, compared to the same period in 2021.

[1] Source: CAOEC, monthly Contractor Summary.

- First quarter additions to property and equipment of $4.1 million in 2022 compared to $0.9 million incurred in the first quarter of 2021 and consisted of $2.5 million of expansion capital and $1.6 million of maintenance capital.
- As previously announced on December 30, 2021, the Company deferred the interest payment on its second lien secured term loan facility (the “Second Lien Facility”) originally due on January 4, 2022 until February 28, 2022 which was further deferred to March 21, 2022 and then paid “in kind” (“PIK”) and added to the outstanding principal loan amount.
- On March 22, 2022, Western announced that it had entered into agreements to restructure a portion of its outstanding debt and raise new capital (the “Restructuring Transaction”). Pursuant to the Restructuring Transaction, Western entered into a debt restructuring agreement (the "Debt Restructuring Agreement") with Alberta Investment Management Corporation ("AIMCo"), the lender under its Second Lien Facility. Under the Debt Restructuring Agreement, subject to the completion of the other components of the Restructuring Transaction and the satisfaction of certain other conditions, the Company will convert $100.0 million of the principal amount outstanding under the Second Lien Facility into common shares at a conversion price of $0.05 per share (the “Debt Exchange”). On completion of the Debt Exchange, the Second Lien Facility will be amended to, among other things, extend its maturity date from January 31, 2023 to the fourth anniversary of the closing date of the Debt Exchange.
    - As a condition to the completion of the Debt Exchange, the Company is conducting a rights offering of common shares to all of its shareholders to raise proceeds of $31.5 million (the "Rights Offering"). Under the Rights Offering, shareholders of record as of 5:00 p.m. on April 19, 2022 (the “Record Date”), received one right (a “Right”) for each common share held on the Record Date, to purchase 21.4488803374 additional common shares at a subscription price of $0.016 per share until 5:00 p.m. (Toronto time) on May 13, 2022. The Company filed a short form prospectus dated April 11, 2022 (the “Prospectus”) with respect to the Rights Offering with the securities regulators in the provinces of Canada, and concurrently filed an amendment to its registration statement on Form F-7/A with the United States Securities and Exchange Commission in the United States. G2S2 Capital Inc. ("G2S2"), G2S2’s subsidiary Armco Alberta Inc. (“Armco”), Ronald P. Mathison and Matco Investments Ltd. ("Matco"), currently the Company's largest shareholders, have entered into a standby purchase agreement with the Company wherein they have agreed to exercise in full their basic subscription privilege in the Rights Offering and, in the case of each of Armco and Matco, acquire any shares not subscribed for by other shareholders under the Rights Offering. The proceeds of the Rights Offering will be applied to reduce the principal amount outstanding under the Second Lien Facility by $10.0 million, with the remaining net proceeds to be used for upgrades to the Company’s rig fleet.

      The Rights were distributed to the holders of the Company’s common shares as of the Record Date and began trading on the Toronto Stock Exchange under the symbol “WRG.RT” on April 18, 2022. The Rights will cease trading at noon (Toronto time) on May 13, 2022, in advance of the expiry of the Rights at 5:00 p.m. (Toronto time) that day.

      In total, an aggregate of approximately 3.969 billion common shares will be issued under the Restructuring Transaction, including 2 billion common shares will be issued to AIMCo upon completion of the Debt Exchange at a deemed price of $0.05 per share, and approximately 1.969 billion common shares will be issued to subscribers in the Rights Offering and, if applicable, to Armco and Matco as standby purchasers, at an issue price of $0.016 per share. The Debt Exchange and the Rights Offering are subject to a number of conditions and are expected to be completed on or around May 17, 2022.

      It is also a condition for completion of the Debt Exchange that the Company and AIMCo enter into a registration rights agreement (the “Registration Rights Agreement”) and further that the Company, AIMCo, G2S2, Armco, Matco and Mr. Mathison enter into an investor rights agreement (the “Investor Rights Agreement”). Pursuant to the Registration Rights Agreement, AIMCo will be granted the right to cause the Company to file a prospectus to facilitate the sale of its common shares in a public offering, or to allow it to participate in a public offering of common shares by the Company, in each case subject to certain customary restrictions and limitations. The Registration Rights Agreement will terminate when AIMCo and its affiliates or other permitted transferees beneficially own, in the aggregate, less than 10% of the then outstanding common shares. Pursuant to the Investor Rights Agreement, AIMCo will be granted the right to appoint two nominees for election as directors of the Company for so long as the shareholding percentage of AIMCo and its affiliates of the Company's common shares is 30% or greater.

      In connection with the Restructuring Transaction, Western has entered into a commitment letter with two of the lenders under its senior secured credit agreement to make certain amendments to its senior secured credit facilities.

      Upon completion of the Restructuring Transaction, the principal amount of the Second Lien Facility is expected to be approximately $108.5 million and AIMCo is expected to hold approximately 49.7% of the outstanding common shares in the capital of the Company.

      Completion of the Restructuring Transaction is subject to various conditions, including completion of definitive amendments to the Second Lien Facility agreement and the senior secured credit facility substantially on the terms specified in the Debt Restructuring Agreement, approval of the Restructuring Transaction by the Toronto Stock Exchange and completion of the Rights Offering. Details of the Restructuring Transaction and proposed amendments to Western's senior credit facilities are contained in the prospectus filed under Western's SEDAR profile on www.sedar.com.

Selected Financial Information

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

Financial Highlights	Three months ended March 31 2022	2021	Change
Revenue	50,475	36,969	37%
Adjusted EBITDA(1)	10,391	6,891	51%
Adjusted EBITDA as a percentage of revenue(1)	21%	19%	11%
Cash flow from operating activities	6,461	1,509	328%
Additions to property and equipment	4,094	873	369%
Net loss	(3,834)	(6,454)	(41%)
– basic and diluted net loss per share	(0.04)	(0.07)	(43%)
Weighted average number of shares			
– basic and diluted	91,736,391	91,184,713	1%
Outstanding common shares as at period end	91,788,008	91,200,072	1%

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

Operating Highlights(2)	Three months ended March 31 2022	2021	Change
Contract Drilling			
Canadian Operations:			
Contract drilling rig fleet:			
– Average active rig count	12.0	10.6	13%
– End of period	37(4)	49	(24%)
Operating Days	1,081	953	13%
Revenue per Operating Day	26,390	20,561	28%
Drilling rig utilization	32%	22%	45%
CAOEC industry average utilization – Operating Days(3)	39%	27%	44%
United States Operations:			
Contract drilling rig fleet:			
– Average active rig count	1.1	0.4	175%
– End of period	8	8	-
Operating Days	100	38	163%
Revenue per Operating Day (US$)	19,134	14,574	31%
Drilling rig utilization	14%	5%	180%
Production Services			
Canadian Operations:			
Well servicing rig fleet:			
– Average active rig count	31.0	31.8	(3%)
– End of period	63	63	-
Service Hours	20,173	20,702	(3%)
Revenue per Service Hour	876	727	20%
Service rig utilization	49%	51%	(4%)

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

(3) Source: The CAOEC monthly Contractor Summary. The CAOEC industry average is based on Operating Days divided by total available drilling days.

(4) During the first quarter of 2022, 12 drilling rigs were deregistered with the CAOEC.

Financial Position at (stated in thousands)	March 31, 2022	December 31, 2021	December 31, 2020
Working capital	10,287 (5)	2,224	15,997
Total assets	457,226	456,003	495,625
Long term debt	233,321 (6)	226,884	237,633

(5) Working capital, as presented above, excludes the portion of the Second Lien Facility that would otherwise be considered long term if not for the January 31, 2023 maturity date and the expected closing of the debt restructuring transaction in the second quarter of 2022.

(6) As at March 31, 2022, in the condensed consolidated financial statements the Second Lien Facility is classified as a current liability and not long term debt due to its maturity of January 31, 2023. Long term debt stated above is before such classification for better comparability to December 31, 2021.

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 45 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[2]. In the first quarter of 2022, Western deregistered 12 drilling rigs with the CAOEC, all of which can be reactivated at a later date.

Production Services

Production Services provides well servicing and oilfield equipment rentals in Canada. Western operates 63 well servicing rigs and is the third largest well servicing company in Canada based on CAOEC registered well servicing rigs[3]. During the fourth quarter of 2021, the Company sold three well servicing rigs that operated in the United States.

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

	Three months ended March 31								
Drilling rigs							**Well servicing rigs**		
	2022			**2021**				**2022**	**2021**
Rig class(1)	**Canada**	**US**	**Total**	**Canada**	**US**	**Total**	**Mast type**	**Total**	**Total**
Cardium	11	2	13	23	2	25	Single	30	33
Montney	19	-	19	19	-	19	Double	25	25
Duvernay	7	6	13	7	6	13	Slant	8	8
Total	37	8	45	49	8	57		63	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 months ended March 31, 2022 and 2021.

	Three months ended March 31		
	2022	**2021**	**Change**
Average crude oil and natural gas prices(1)(2)			
Crude Oil			
West Texas Intermediate (US$/bbl)	94.29	57.84	63%
Western Canadian Select (CDN$/bbl)	101.03	57.43	76%
Natural Gas			
30 day Spot AECO (CDN$/mcf)	4.94	3.24	52%
Average foreign exchange rates(2)			
US dollar to Canadian dollar	1.27	1.27	-

(1) See "Abbreviations" included in this press release.
(2) Source: Sproule March 31, 2022 Price Forecast, Historical Prices.

West Texas Intermediate ("WTI") on average improved by 63% for the three months ended March 31, 2022, compared to the same period in the prior year. Similarly, pricing on Western Canadian Select ("WCS") crude oil increased by 76% for the three months ended March 31, 2022, compared to the same period in the prior year. In the three months ended March 31, 2022, pricing increased due to the war in Ukraine which caused significant price volatility, as well as improved demand for crude oil as vaccine rollouts continued worldwide. Natural gas prices in Canada also strengthened in the first quarter of 2022 due to the same factors causing lower supplies and increased demand, as the 30-day spot AECO price improved by 52% for the three months ended March 31, 2022, compared to the same period of the prior year. While commodity prices improved, the US dollar to the Canadian dollar foreign exchange rate in the first quarter of 2022 was consistent with the same period of the prior year.

[2] Source: CAOEC Contractor Summary as at May 5, 2022.

[3] Source: CAOEC Fleet List as at May 5, 2022.

In the United States, industry activity improved in the first quarter of 2022. As reported by Baker Hughes Company[4], the number of active drilling rigs in the United States increased by approximately 57% to 673 rigs as at March 31, 2022, as compared to 430 rigs at March 31, 2021. There were 130 active rigs in the WCSB at March 31, 2022, compared to 79 active rigs as at March 31, 2021. The CAOEC[5] reported that for drilling in Canada, the total number of Operating Days in the WCSB increased by approximately 38% for the three months ended March 31, 2022, compared to the same period in the prior year. Despite improved commodity prices, there remains continued industry concerns over the prevailing customer preference to return cash to shareholders, or pay down debt, rather than grow production through the drill bit.

Outlook

In the first quarter of 2022, crude oil prices reached their highest levels since 2014, due to recovering demand as governments eased COVID-19 restrictions, the Russian invasion of Ukraine and supply constraints. Heightened uncertainty persists concerning the impact of global COVID-19 variants on possible future government restrictions, which are expected to have an impact on demand in the near term. Additionally, the ongoing war in Ukraine has caused further volatility in crude oil prices and resulting supply. 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 delayed timing of completion of construction on the Trans Mountain pipeline expansion and the threatened shutdown of Enbridge Line 5, have contributed to continued uncertainty regarding takeaway capacity. However, activity levels in 2022 are expected to be higher than 2021 levels as a result of increased capital spending by Western's customers. Controlling fixed costs, maintaining balance sheet strength and flexibility and managing through a post-pandemic market are priorities for the Company, as prices and demand for Western's services continue to improve.

Due to improved activity in the first quarter of 2022, as a result of the successful COVID-19 vaccine rollout, the lifting of government restrictions, and the expected closing of the Restructuring Transaction, Western's Board of Directors has approved a capital budget dependent upon the completion of the Restructuring Transaction for 2022. Total budgeted capital for 2022 is expected to total approximately $34 million and is expected to be comprised of $23 million of expansion capital and $11 million of maintenance capital, with $29 million allocated to the contract drilling segment and $5 million allocated to the production services segment. Subsequent to the closing of the Rights Offering, substantially all of the proceeds will be used to upgrade the Company's drilling rig fleet which will drive further improvements in both utilization and pricing through all industry cycles. Western will continue to manage its costs in a disciplined manner and make required adjustments to its capital program as customer demand changes. Currently, 5 of Western's drilling rigs and 14 of Western's well servicing rigs are operating.

As at March 31, 2022, Western had $7.0 million drawn on its $60.0 million revolving and operating credit facilities (the "Credit Facilities"). As described previously, subsequent to December 31, 2021, the Company agreed to amend the terms of its Credit Facilities, including extending the maturity date and amending its financial covenants. Western had drawn $12.5 million on its HSBC Bank Canada six-year committed term non-revolving facility with the participation of Business Development Canada (the "HSBC Facility"), which matures on December 31, 2026. Western currently has $218.0 million outstanding on its Second Lien Facility. As previously announced on March 22, 2022 and described above, the Company has entered into a Debt Restructuring Agreement with AIMCo, pursuant to which the maturity date of the Second Lien Facility will be extended upon completion of the Debt Restructuring Transaction. The Debt Restructuring Transaction will result in the repayment of $100.0 million of Second Lien Facility principal which will reduce the Company's finance costs on a go forward basis. Additionally, the $31.5 million proceeds from the Rights Offering will be used to repay $10.0 million of principal on the Second Lien Facility and invest the remainder in capital upgrades on its drilling rig fleet.

Oilfield service activity in Canada will be affected by the continued development of resource plays in Alberta and northeast British Columbia which will be impacted by continued pipeline construction, environmental regulations, and the level of investment in Canada. In the short term, the largest challenges facing the oilfield service industry are a lack of qualified field personnel and the restrained growth in customer drilling activity due to the continuing preference to return cash to shareholders through share buybacks, increased dividends and repayment of debt, rather than grow production. If commodity prices remain high for an extended period and as customers strengthen their balance sheets and satisfy shareholders, we expect that drilling activity will continue to increase. 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 upgraded drilling rigs and modern well servicing rigs, reputation for quality, and disciplined cash management provides Western with a competitive advantage.

[4] Source: Baker Hughes Company, 2022 Rig Count monthly press releases.

[5] Source: CAOEC, monthly Contractor Summary.

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 ("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 in order to provide shareholders and potential investors with additional information regarding the Company. The non-IFRS measure and ratio 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.

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 supplemental measure as it is used by management and 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 loss, as disclosed in the condensed consolidated statements of operations and comprehensive income, to Adjusted EBITDA:

	Three months ended March 31	
(stated in thousands)	**2022**	**2021**
Net loss	**(3,834)**	**(6,454)**
Income tax recovery	(419)	(2,062)
Loss before income taxes	**(4,253)**	**(8,516)**
Add (deduct):		
Depreciation	9,919	10,806
Stock based compensation	32	68
Finance costs	4,627	4,568
Other items	66	(35)
Adjusted EBITDA	**10,391**	**6,891**

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 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.

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 forward-looking statements and forward-looking information (collectively, "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. 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 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: commodity pricing; the future demand for the Company's services and equipment, in particular, the expectation of improved activity levels in 2022 as a result of increased capital spending by Western's customers; the potential impact of the ongoing COVID-19 pandemic on Western's customers, operations, business and global economic activity; the potential impact of the current conflict in Ukraine on commodity prices and the demand for Western's services; the pricing for the Company's services and equipment; the Company's expected total capital budget for 2022, including the allocation of such budget; the Company's liquidity needs including the ability of current capital resources to cover Western's financial obligations; the use, availability and sufficiency of the Company's Credit Facilities; the Company's ability to maintain certain covenants under its Credit Facilities; the repayment of the Company's debt; maturities of the Company's contractual obligations with third parties; the Restructuring Transaction, including the expected timing of completion and the anticipated benefits to the Company; the anticipated proceeds of the Rights Offering; the belief that all closing conditions of the Restructuring Transaction and the other transactions contemplated thereby, including the Rights Offering, will be satisfied or obtained in a timely manner; expectations as to the principal amount of the Second Lien Facility after giving effect to the Restructuring Transaction; the anticipated ownership of AIMCo in the Company upon completion of the Restructuring Transaction; 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, and the price on carbon emissions; 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 ability to maintain a competitive advantage; and the Company's ability to find and maintain enough field crew members.

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 continued business relationships between the Company and its significant customers; crude oil transport, pipeline and LNG export facility approval and development; 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 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); global economic conditions and the accuracy of the Company's market outlook expectations for 2022 and in the future; the impact, direct and indirect, of the COVID-19 pandemic on Western's 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; the ability of the Company to satisfy the closing conditions of the Restructuring Transaction in a timely manner and substantially on the terms described therein; 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, the ongoing impact of the COVID-19 pandemic on global demand and prices for oil and gas, including the impact on demand for Western's services; 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, economic, and environmental conditions in Canada, the United States, Ukraine and globally; supply and demand for oilfield services relating to contract drilling, well servicing and oilfield rental equipment services; changes to laws, regulations and policies; 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; 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; the ability of the Company to satisfy in a timely manner, the conditions to closing of the Restructuring Transaction 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, 2021, which may be accessed through the SEDAR website at www.sedar.com. The forward-looking statements and information contained in this news 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