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FOR IMMEDIATE RELEASE: August 25, 2010

Western Energy Services Corp. Announces Completion of the Acquisition of Impact Drilling Ltd.

Western Energy Services Corp. (“**Western**”) (TSXV: WRG) is pleased to announce that the acquisition, through its wholly owned subsidiary Horizon Drilling Inc. (“**Horizon**”), of Impact Drilling Ltd. (“**Impact**”) was completed effective today.

Further to the press release of Western dated July 19, 2010, Horizon acquired all of the outstanding securities of Impact by way of a plan of arrangement under the *Business Corporations Act* (Alberta) (the “**Arrangement**”). The total transaction value of the Arrangement was approximately \$19.4 million (including the acquisition of outstanding securities, assumption of debt, working capital and transaction costs). Following the acquisition, Horizon and Impact amalgamated to continue as one entity under the name “Horizon Drilling Inc.”.

The Impact assets consist of the following:

- 3 Range III top drive telescopic single drilling rigs;
- 1 top drive single drilling rig; and
- various ancillary drilling equipment.

All four drilling rigs have top drives and pipe handling systems and are capable of drilling horizontal wells. Western anticipates that it will upgrade these drilling rigs to increase their horizontal depth capability to match the comparable drilling rigs in the Western drilling fleet.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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