NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

WESTERN ENERGY SERVICES CORP. RELEASES SECOND QUARTER 2010 FINANCIAL AND OPERATING RESULTS

FOR IMMEDIATE RELEASE: August 18, 2010

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX Venture: WRG) is pleased to release its second quarter 2010 financial and operating results. Additional information relating to the Company, including the Company's financial statements and management's discussion and analysis for the three and six months ended June 30, 2010 will be available on SEDAR at www.sedar.com.

Selected Financial Information

(stated in thousands of Canadian dollars, except per share amounts)	After comprehensive revaluation	Before comprehensive revaluation	After comprehensive revaluation	Before comprehensive revaluation
Financial Highlights	**Three Months Ended June 30, 2010**	**Three Months Ended June 30, 2009**	**Six Months Ended June 30, 2010**	**Six Months Ended June 30, 2009**
Revenue	13,396	607	17,715	1,865
EBITDA[1]	3,151	(365)	3,694	(348)
Cash from operating activities from continuing operations	3,882	230	3,717	(228)
Net income (loss) from continuing operations	(30)	(1,020)	11,509	(1,442)
- basic net income (loss) per share	-	(0.03)	0.03	(0.04)
- diluted net income (loss) per share	-	(0.03)	0.03	(0.04)
Net income (loss)	(98)	(897)	11,008[2]	(1,998)
- basic net income (loss) per share	-	(0.03)	0.03	(0.06)
- diluted net income (loss) per share	-	(0.03)	0.03	(0.06)
Weighted average number of shares				
-basic	527,549,161	32,246,405	361,475,586	32,246,405
-diluted	555,262,156	32,246,405	395,448,746	32,246,405
Outstanding common shares as at period end	527,549,161	32,246,405	527,549,161	32,246,405
Dividends declared	-	-	-	-

Operating Highlights	**Three Months Ended June 30, 2010**	**Three Months Ended June 30, 2009**	**Six Months Ended June 30, 2010**	**Six Months Ended June 30, 2009**
Contract Drilling				
Contract drilling rig fleet	11	-	11	-
Rate per drilling day	20,110	-	20,377	-
Drilling rig utilization rate	46%	-	46%[3]	-
CAODC industry average utilization rate	19%	-	26%[3]	-
Production Services				
Jobs completed	426	214	1,105	623
Average revenue per job completed	5,265	2,836	4,319	2,994

(1) Non-GAAP measure.
(2) Includes an $11.1 million nonrecurring gain on acquisitions.
(3) Utilization rates calculated from the date of acquisition of the contract drilling segment (March 18, 2010)

Financial Position at	June 30, 2010	December 31, 2009	June 30, 2009(3)
Working capital(1)	11,131	836	(1,524)
Property and equipment	96,157	5,414	17,054
Total assets	115,431	12,219	19,216
Long term debt(2)	4,268	22	10,766

(1) Working capital is calculated as current assets less current liabilities, excluding the current portion of long-term debt.
(2) Long term debt includes the current portion of long-term debt.
(3) Includes results from both continuing and discontinued operations.

Overall Performance and Results of Operations

Western is an energy services company with operations in two business units: contract drilling and production services. Operations in the contract drilling business unit are conducted through Western's wholly own subsidiary Horizon Drilling Inc., which was acquired on March 18, 2010. Operations in the production services business unit are conducted through Western's wholly own subsidiary StimSol Canada Inc.

The drilling industry in Canada has continued to see improved activity throughout 2010, specifically the demand for assets that have the ability to drill long reach horizontal wells safely and efficiently. During the second quarter of 2010, industry average utilization was 19%, as compared to 11% in the prior year. Utilization in Western's contract drilling segment averaged an industry leading 46% in the second quarter of 2010.

Although the price for natural gas remains soft, oil prices have increased by 31% over 2009 levels. This has resulted in a 65% increase in the number of oil wells drilled in Canada in 2010 relative to 2009. This increased demand for oil, along with an emphasis on liquids rich natural gas, has primarily resulted in the drilling of horizontal wells in both conventional and unconventional resource plays. Since the acquisition of Horizon Drilling Inc. ("Horizon") and Cedar Creek Drilling Ltd. ("Cedar Creek") on March 18, 2010, Western's entire drilling fleet has been drilling horizontal wells, with approximately 75% drilling for oil.

In Western's production services segment, formations such as the Bakken, Horn River, and Montney continue to see increased demand for fracturing and pressure pumping services. As unconventional light and heavy oil plays continue to require more involved completions, demand for Western's production services continues to grow.

The key operational results for the three months ended June 30, 2010 are:

- Revenues increased by $12.8 million, or 2,107%, to $13.4 million in the second quarter of 2010 as compared to $0.6 million in the same period of the prior year. The increase reflects the acquisition of Horizon and Cedar Creek on March 18, 2010, which accounted for contract drilling revenue of $11.2 million in the second quarter of 2010. The contract drilling segment's revenue per operating day averaged $20,110 and the utilization rate averaged 46% as compared to the industry average of 19%. The remaining $1.6 million increase in revenue is due to increased utilization in Western's production services segment which completed 99% more jobs in the second quarter of 2010 at an average revenue per job 86% higher than in the second quarter of 2009.
- Net loss from continuing operations decreased by $1.0 million to $30,000 in the second quarter of 2010 as compared to a net loss from continuing operations of $1.0 million in the second quarter of 2009. The decreased loss reflects operating earnings from the contract drilling segment of $2.2 million, a $0.9

million increase in operating earnings in the production services segment, offset by an increase of $2.1 million in corporate and other costs, including a $0.5 million reduction to the aggregate gains on business acquisitions of Horizon and Cedar Creek and $0.6 million in future income tax expense.

- During the second quarter of 2010, Western's EBITDA was positive $3.2 million, as compared to negative $0.4 million in the same period of the prior year. The $3.6 million increase in EBITDA is due to the acquisition of Horizon and Cedar Creek which contributed $3.7 million to EBITDA in the second quarter of 2010 (or 33% of contract drilling revenue), and an increase in the production services segment EBITDA of $0.6 million to $0.5 million (or 21% of production services revenue) offset by an increase in corporate general and administrative costs of $0.8 million.
- During 2010, Western announced that it would be ceasing its current operations in the United States and internationally. Subsequent to the announcement, Western has redeployed certain of its U.S. assets to its Canadian operations and completed the sale of the remaining assets in the United States and expects to complete the sale of the remaining assets in its international operations in the third quarter of 2010.
- During the second quarter of 2010, corporate general and administrative expenses totalled $1.0 million, an increase of $0.8 million over the same period of the prior year. The increase is due to higher staffing levels and costs associated with Western's initial recapitalization and continued consolidation efforts in the Canadian oil and gas services industry.
- On April 15, 2010, Western announced the increase of its credit facility with its existing lender. The credit facility consists of a $5 million operating demand revolving loan (the "Operating Facility"), and a $45 million 364-day committed extendible revolving credit facility (the "Revolving Facility"). The purpose of the Revolving Facility is to assist the Company in completing corporate acquisitions and financing the construction of additional equipment. In addition, the Revolving Facility was initially used to consolidate certain indebtedness acquired from Horizon and Cedar Creek. As at June 30, 2010, the Company had approximately $42 million in available credit under the Revolving Facility and $5 million under the Operating Facility. These loans require interest to be paid monthly with no scheduled principal repayment unless the Revolving Facility is not extended. If not extended, the Revolving Facility is capped and repayable over the ensuing two year period by monthly principal and interest payments.

Outlook

The drilling industry in Canada is moving towards drilling wells of increased complexity. With the acquisition of Horizon and Cedar Creek, on March 18, 2010, Western acquired equipment which is specifically suited for today's drilling environment. Horizon's Range 3 Singles ("R3S") series rigs are specifically designed with integrated top-drives, triplex mud pumps, mechanized pipe handling equipment and range III tubulars. Horizon's telescopic 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 triples are also designed with integrated top-drives, triplex mud pumps, mechanized pipe handling equipment including iron derrickman and range III tubulars. Horizon has a proven track record for delivering high quality equipment and well trained, highly skilled crews to its customers who trust Horizon to drill these increasingly complex long reach horizontal wells. This fits well with the increased demand for drilling horizontal wells, which totalled 43% of the total wells drilled in western Canada in 2010, representing a 147% increase over the same period of the prior year. Western continues to experience high demand from its customers for its equipment and expects this trend to continue.

With the expected closing of the acquisition of Impact Drilling Ltd. (“Impact”), Western will increase its fleet of R3S series rigs by three and expects similar demand for this equipment, as well as acquiring one mechanical single rig.

Western’s production services segment will continue to grow its fleet of pressure trucks in Saskatchewan, as well as focus on increasing stimulation chemical revenue for this region. Western is gaining market share in the chemical business and will continue to make this a priority going forward. Our plan is to increase the number of chemical depots we have, increase our storage capability, and increase our in house transportation department to provide better service to our customers and keep transportation costs down.

Capital expenditures are expected to be approximately $21 million for 2010, with approximately $2 million for upgrade and maintenance capital to existing equipment and $19 million for expansion capital. The capital expansion program includes the construction of a top drive telescopic double drilling rig with hoisting and pumping capabilities to drill long reach horizontal wells. The rig is expected to be commissioned during the first quarter of 2011. With the acquisition of Impact, Western intends to spend approximately $3 million on the assets acquired in order to increase their horizontal drilling capabilities. Western’s production services segment expansion plan for 2010 is to increase its fleet by 40%. This growth will allow the production services segment to expand its customer base and expand into additional geographic areas that have been identified as strong growth areas.

Western continues to focus its efforts on consolidating the Canadian oil and gas services industry. Management believes the current market conditions in the Canadian energy services sector still provide opportunity to diversify via acquisition and organic growth into three core business lines comprised of contract drilling, service rigs and rental and production services.

With the addition of four drilling rigs from the acquisition of Impact and the construction of another drilling rig, Western has aggressively become the ninth largest drilling contractor in Canada, with a fleet of 16 drilling rigs.

Forward-looking statements

This press release contains certain statements or disclosures relating to the Company that are based on the expectations of its management as well as assumptions made by and information currently available to the Company 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 the Company 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.

Under the heading “Outlook” there are statements to the effect that: “With the expected closing of the acquisition of Impact Drilling Ltd. (“Impact”), Western will increase its fleet of R3S series rigs by three and expects similar demand for this equipment, as well as acquiring one mechanical single rig.” and “With the addition of four drilling rigs from the acquisition of Impact, and the construction of another drilling rig, Western has aggressively become the ninth largest drilling contractor in Canada, with a fleet of 16 drilling rigs.”

These statements assume the completion of the acquisition of all of the outstanding securities of Impact Drilling Ltd. ("Impact") which is expected to close on or about August 25, 2010. Readers are cautioned that there are a number of conditions that must be met, including the approval of the securityholders of Impact before that acquisition can be completed. There is no assurance that all of those conditions will be met, therefore, there is a risk that the acquisition of Impact will not be completed.

Also, under the heading "Outlook" there are the statements that: "Capital expenditures are expected to be approximately $21 million for 2010, with approximately $2 million for upgrade and maintenance capital to existing equipment and $19 million for expansion capital"; and "The capital expansion program includes the construction of a top drive telescopic double drilling rig with hoisting and pumping capabilities to drill long reach horizontal wells. The rig is expected to be commissioned during the first quarter of 2011."

The foregoing statements assume that both the Impact acquisition will occur and that the construction of the proposed new drilling rig will be completed.

As stated above, there are a number of risks that the acquisition may not be completed. In addition, there are also risks that the additional drilling rig may not be built as such completion is subject to maintaining access to bank debt and/or cash flow from operations in an amount necessary to finance the completion of the additional rig and making the other capital additions that are planned.

Also, under the heading "Outlook" there are statements that: "Western continues to focus its efforts on consolidating the Canadian oil and gas services industry. Management believes the current market conditions in the Canadian energy services sector still provide opportunity to diversify via acquisition and organic growth into three core business lines of contract drilling, service rigs and rental and production services."

The foregoing statement assumes that current market conditions will continue long enough to provide for opportunities for growth in the three core business lines of contract drilling, service rigs and rental and production services. That statement also assumes that the Company will be able to attract enough additional capital or credit to allow for anticipated acquisitions and that those acquisitions, if made, would be accretive.

There is a risk that, due to a number of factors, adequate additional capital and credit may not become available to the Company and even if such capital does become available, there is further risk that opportunities that are accretive may either not be available or, if completed, are ultimately not accretive.

Also under the heading "Outlook" there are the statements that "Western's production services segment will continue to grow its fleet of pressure trucks in Saskatchewan, as well as focus on increasing stimulation chemical revenue for this region. Western is gaining market share in the chemical business and will continue to make this a priority going forward. Our plan is to increase the number of chemical depots we have, increase our storage capability, and increase our in house transportation department to provide better service to our customers and keep transportation costs down."

Such statements assume that Western will carry out its planned expansion of its production services segment and that such expansion will lead to a larger customer base in additional geographic areas than it is now conducted. There is a risk that the Company will not have access to the additional capital it will need for such expansion or that market conditions will deteriorate to the extent that precludes the planned expansion, or, if such expansion occurs the returns thereon will not be accretive.

As such, many factors could cause the performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

For more information, please contact Dale E. Tremblay, Chief Executive Officer (403) 262-9439; Alex MacAusland, President and Chief Operating Officer (403) 984-5932; or Jeffrey K. Bowers, Vice President Finance and Chief Financial Officer; (403) 984-5933.