WESTERN ENERGY SERVICES CORP. RELEASES FIRST QUARTER 2015 FINANCIAL AND OPERATING RESULTS AND DECLARES QUARTERLY DIVIDEND

FOR IMMEDIATE RELEASE: April 30, 2015

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) is pleased to release its first quarter 2015 financial and operating results and declare a quarterly dividend of $0.075 per share. Additional information relating to the Company, including the Company's financial statements and management's discussion and analysis as at and for the three months ended March 31, 2015 and 2014 will be available on SEDAR at www.sedar.com. Non-International Financial Reporting ("Non-IFRS") measures and abbreviations for standard industry terms are included in this press release. All amounts are denominated in Canadian dollars (CDN$) unless otherwise identified.

Highlights:

- First quarter Operating Revenues decreased by $48.6 million (or 33%) to $101.0 million in 2015 as compared to $149.6 million in 2014. In the contract drilling segment, Operating Revenues decreased $37.7 million (or 33%) to $75.6 million in the first quarter of 2015 as compared to $113.3 million in the first quarter of 2014. Included in Operating Revenues in the contract drilling segment in the first quarter of 2015 is US$3.8 million in shortfall commitment and standby revenue related to take or pay contracts in the United States. Contract drilling Operating Days decreased approximately 39% in the first quarter of 2015, as compared to the same period in the prior year, due to the decreased commodity price environment, resulting in reduced spending by Western's customers on capital programs. Despite downward pricing pressure on day rates, average day rates in the contract drilling segment in Canada and the United States have held steady in the first quarter of 2015, largely due to changing rig mix, as the fleet's deeper rigs, which command higher day rates, worked a greater percentage of the Company's total Revenue Days in the first quarter of 2015. In the production services segment, hourly rates increased due to changes in rig mix and the increased complexity of the work performed in certain geographic areas, such as steam assisted gravity drainage ("SAGD") work, which generally commands premium hourly rates and accounts for a greater proportion of the Company's total Service Hours worked in the first quarter of 2015, as compared to the first quarter of 2014. However, decreased utilization resulted in a $10.9 million decrease in Operating Revenues in the production services segment during the first quarter of 2015, as compared to the first quarter of 2014;
- First quarter 2015 drilling rig utilization - Operating Day in the Canadian contract drilling segment averaged 49%, which was higher than the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 35% but lower than the 81% averaged in the first quarter of 2014. The decrease in utilization is due to lower prices for crude oil and natural gas which reduced activity. The majority of the decrease in Operating Days relates to the rigs drilling in conventional resource plays, such as the Cardium formation, while demand for rigs operating in unconventional resource plays, such as the Montney and Duvernay, have been impacted, but to a much lesser extent. In the United States, drilling rig utilization - Operating Day decreased to 48% as compared to 77% in the same period of the prior year, mainly due to reduced activity resulting from the decreased commodity price environment;
- Well servicing activity decreased in most of Western's operating areas due to the decreased commodity price environment, which resulted in service rig utilization decreasing to 42% in the first quarter of 2015 as compared to 63% in the first quarter of 2014. Despite the significant decrease in activity, Western continued to gain market share in the first quarter of 2015, as the CAODC reported that Western worked the third most Service Hours in the Western Canadian Sedimentary Basin ("WCSB"), while comparatively having the seventh largest well servicing rig fleet;
- First quarter Adjusted EBITDA totalled $40.6 million in 2015 (40% of Operating Revenue), an $18.9 million decrease (or 32%), as compared to $59.5 million in the first quarter of 2014 (40% of Operating Revenue). The year over year decrease in Adjusted EBITDA is due to lower utilization in both the contract drilling and production services segments. Normalizing for US$3.8 million in shortfall commitment and standby revenue, Adjusted EBITDA as a percentage of Operating Revenue was 37%. On a normalized basis, the decrease in Adjusted EBITDA as a percentage of Operating Revenue is due to the decrease in activity across all of Western's divisions, partially offset by Western's cost structure, with approximately 80% of costs being variable, and effective reductions of fixed overhead costs;
- During the first quarter of 2015, capital expenditures totalled $17.9 million and included $13.5 million of expansion capital, $4.2 million of maintenance capital and $0.2 million for rotational equipment. The majority of the capital expenditures relate to expansion capital incurred on the completion of Western's 2014 rig build program.

Selected Financial Information

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

Financial Highlights	Three months ended March 31 2015	2014	Change
Revenue	105,850	161,416	(34%)
Operating Revenue[1]	100,958	149,627	(33%)
Gross Margin[1]	47,891	67,629	(29%)
Gross Margin as a percentage of Operating Revenue	47%	45%	4%
Adjusted EBITDA[1]	40,637	59,548	(32%)
Adjusted EBITDA as a percentage of Operating Revenue	40%	40%	-
Cash flow from operating activities	39,337	38,634	2%
Capital expenditures	17,863	20,129	(11%)
Net income	15,294	25,500	(40%)
-basic net income per share	0.20	0.35	(43%)
-diluted net income per share	0.20	0.34	(41%)
Weighted average number of shares			
-basic	74,686,828	73,506,069	2%
-diluted	74,702,482	74,282,618	1%
Outstanding common shares as at period end	74,578,128	73,840,827	1%
Dividends declared	5,593	5,538	1%

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

Operating Highlights	Three months ended March 31 2015	2014	Change
Contract Drilling			
Canadian Operations:			
Contract drilling rig fleet:			
-Average	49	48	2%
-End of period	49	49	-
Operating Revenue per Revenue Day[1]	25,947	26,403	(2%)
Operating Revenue per Operating Day[1]	28,707	28,975	(1%)
Operating Days[1]	2,154	3,532	(39%)
Drilling rig utilization - Revenue Day[1]	54%	89%	(39%)
Drilling rig utilization - Operating Day[1]	49%	81%	(40%)
CAODC industry average utilization[1][2]	35%	61%	(43%)
United States Operations:			
Contract drilling rig fleet:			
-Average	5	5	-
-End of period	5	5	-
Operating Revenue per Revenue Day (US$)[1]	29,645[3]	23,943	24%
Operating Revenue per Operating Day (US$)[1]	33,738[3]	28,806	17%
Operating Days[1]	214	346	(38%)
Drilling rig utilization - Revenue Day[1]	54%	92%	(41%)
Drilling rig utilization - Operating Day[1]	48%	77%	(38%)
Production Services			
Well servicing rig fleet:			
-Average	65	65	-
-End of period	65	65	-
Service rig Operating Revenue per Service Hour[1]	858	822	4%
Service Hours	24,712	36,810	(33%)
Service rig utilization[1]	42%	63%	(33%)

(1) See "Non-IFRS measures" included in this press release.
(2) Source: The Canadian Association of Oilwell Drilling Contractors ("CAODC"). The CAODC industry average is based on Operating Days divided by total available days.
(3) Excludes US$3.8 million of shortfall commitment and standby revenue from take or pay contracts.

Financial Position at (stated in thousands)	Mar 31, 2015	Mar 31, 2014	Change	Dec 31, 2014	Change
Working capital	92,300	80,329	15%	78,336	18%
Property and equipment	841,576	787,886	7%	827,306	2%
Total assets	1,049,145	1,019,192	3%	1,057,118	(1%)
Long term debt	264,207	263,119	-	264,165	-

Western is an oilfield service company focused on three core business lines: contract drilling, well servicing and oilfield rental equipment services. Western provides contract drilling services through its division, Horizon Drilling ("Horizon") in Canada, and its wholly owned subsidiary, Stoneham Drilling Corporation ("Stoneham"), in the United States ("US"). Western provides well servicing operations in Canada through Western Energy Services Partnership's (the "Partnership") division, Eagle Well Servicing ("Eagle") and oilfield rental equipment services in Canada through the Partnership's division, Aero Rental Services ("Aero"). Financial and operating results for Horizon and Stoneham are included in Western's contract drilling segment, while Eagle and Aero's financial and operating results are included in Western's production services segment.

Western currently has a drilling rig fleet of 55 rigs, with an average age of approximately seven years. Western is the sixth largest drilling contractor in Canada with a fleet of 50 rigs operating through Horizon. Additionally, Western has five Efficient Long Reach ("ELR") triple drilling rigs deployed in the United States operating through Stoneham. Western is also the seventh largest well servicing company in Canada with a current fleet of 66 rigs operating through Eagle. Western's well servicing rig fleet is one of the newest in the Western Canadian Sedimentary Basin ("WCSB"), with an average age of approximately five years. Western's oilfield rental equipment division, which operates through Aero, provides oilfield rental equipment for frac services, well completions and production work, coil tubing services and drilling.

Crude oil and natural gas prices impact the cash flow of Western's customers, which in turn impacts the demand for Western's services. Overall performance of the Company continued to be affected by the decline in crude oil and natural gas prices in the first quarter of 2015. While crude oil prices were strong in the first six months of 2014, they weakened significantly in the last half of 2014 and into the first quarter of 2015. In the first quarter of 2015, the price for West Texas Intermediate ("WTI") averaged approximately US$48/bbl, as compared to approximately US$99/bbl in the first quarter of 2014, a 52% decrease. Similarly, the price for heavy oil, such as Western Canadian Select ("WCS"), averaged approximately $43/bbl in the first quarter of 2015, as compared to approximately $86/bbl in the first quarter of 2014, a 50% decrease. Natural gas prices have declined to average approximately $3/mcf in the first quarter of 2015, an approximate 51% decrease as compared to the same period in 2014. Partially offsetting the decline in crude oil and natural gas prices for Western's Canadian customers was the weakening of the Canadian dollar in comparison to the US dollar. The Canadian dollar to US dollar exchange rate averaged 0.81 in the first quarter of 2015 as compared to 0.91 in the first quarter of 2014, a decrease of approximately 11%.

The significant reduction in commodity prices has resulted in a corresponding decrease in the demand for oilfield services in both Canada and the United States. The CAODC reported that, in Canada, the total number of Operating Days in the WCSB decreased approximately 44% in the first quarter of 2015 from the same period in the prior year. Similarly, as reported by Baker Hughes Incorporated's weekly rig count summary, in the United States, the average number of active drilling rigs decreased approximately 23% in the first quarter of 2015, as compared to the first quarter of 2014. Well servicing hours were also impacted by the decline in demand, also as reported by the CAODC, as Service Hours in the WCSB decreased approximately 42% year over year.

Outlook

Western's drilling rig fleet is specifically suited for 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 conventional and unconventional resource based horizontal wells. Conventional resource plays or formations, such as the Cardium in Canada, typically have higher permeability and tend to be less expensive to develop. As a result of the prior exploitation of conventional resource plays, which due to their increased permeability allows oil and natural gas to flow and be extracted more easily, over time production from these resource plays has declined. Unconventional resource plays or formations, such as the Montney and Duvernay in Canada and the Williston basin in the United States, typically have lower permeability and tend to be more expensive to develop. Horizontal drilling and multi zone hydraulic fracturing have continued to improve the access to and development of these unconventional resource plays. Currently, 9 of Western's 55 drilling rigs (or 16%) are operating under long term take-or-pay contracts, with 3 of these contracts expected to expire in each of 2015, 2016 and 2017 respectively, providing a base level of future revenue. These contracts each 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 each typically range from 330 to 365 revenue generating days per year.

Western's revised capital budget for 2015 totals approximately $42 million comprised of $23 million of expansion capital, $17 million of maintenance capital and $2 million for rotational equipment. The revised capital budget reflects a net decrease of $4 million from Western's previously announced budget of $46 million.

The following table summarizes the changes in the 2015 capital budget, the capital spending incurred in the first quarter of 2015 and the remaining capital budget expected to be incurred throughout the remainder of 2015:

Capital Expenditures (stated in millions)	Previously Announced 2015 Budget	Cancellations	Revised 2015 Budget	First Quarter 2015 Capital Expenditures	Capital Budget Remaining
Expansion	24	(1)	23	(14)	9
Maintenance	20	(3)	17	(4)	13
Rotational Equipment	2	-	2	-	2
Total Capital Expenditures	46	(4)	42	(18)	24

Expansion capital relates to the completion of two 5,000m telescopic ELR double drilling rigs, one 6,000m ELR AC triple pad drilling rig and one slant well servicing rig carried forward from the 2014 capital budget. In addition, expansion capital includes $3 million related to additional oilfield rental equipment. Spending on maintenance capital and rotational equipment is weighted to the second half of 2015, which provides additional flexibility to allow for adjustments as market conditions change. Western believes the 2015 capital budget provides a prudent use of cash resources and ensures that it continues to maintain its balance sheet flexibility allowing for the execution on strategic opportunities as they arise. Western will continue to evaluate and expand its operations in a disciplined manner and make any required adjustments to its capital program as customer demand improves.

The continued pressure on crude oil and natural gas prices, has resulted in reductions to the capital spending plans for the majority of Western's customers. In some cases, the capital spending reductions have been significant. As a result, active drilling rig counts in both Canada and the United States are at, or near, five year lows. The current commodity price environment resulted in Western experiencing an early end to first quarter activity. Activity levels throughout the oilfield services industry for the remainder of 2015 are expected to be significantly lower as compared to 2014, resulting in utilization and price reductions across all of Western's business lines. In particular, activity in the second quarter of 2015 is expected to be extremely low as compared to the second quarter of 2014, when favourable weather, higher commodity prices and strong customer budgets supported increased activity during spring breakup. Lower activity and pricing pressure will impact Western's Adjusted EBITDA and cash flow from operating activities. Western's variable cost structure, under which approximately 80% of operating and administrative costs are variable, and a prudent capital budget will aid in preserving balance sheet strength. At March 31, 2015, Western's Net Debt to trailing 12 month Adjusted EBITDA ratio was 1.3. In addition to $61.3 million in cash and cash equivalents at March 31, 2015, Western has $175 million available on the Company's revolving credit facility (the "Revolving Facility"), which does not mature until December 17, 2018, $20 million available on the Company's operating demand loan (the "Operating Facility"), and no principle repayments are due on the $265 million senior unsecured notes (the "Senior Notes") until they mature on January 30, 2019. As such, Western is well positioned to manage the current slowdown in activity and maintain its dividend.

Oilfield service activity will be impacted by the development of resource plays in Alberta and northeast British Columbia including those related to liquefied natural gas projects, increased crude oil transportation capacity through rail and pipeline development and foreign investment into Canada. Currently, the largest challenges facing the oilfield service industry are customer spending constraints as a result of lower commodity prices and the challenge to retain skilled labour. Western's view is that its modern drilling and well servicing rig fleets, strong customer base and solid reputation provide a competitive advantage which will enable the Company to attract and retain skilled labour, continue its growth strategy and maintain its higher than industry average utilization.

Quarterly Dividend

On April 30, 2015, Western's Board of Directors declared a quarterly dividend of $0.075 per share, which will be paid on July 16, 2015, to shareholders of record at the close of business on June 30, 2015. 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.

Non-IFRS Measures

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 financial statements 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. These Non-IFRS measures are identified and defined as follows:

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 flow through third party charges such as rig fuel, which at the customer's request may be paid for initially by Western, then recharged in its entirety to Western's customers.

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.

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 and Gross Margin:

	Three months ended March 31	
(stated in thousands)	2015	2014
Operating Revenue		
Drilling	75,607	113,345
Production Services	25,573	36,548
Less: inter-company eliminations	(222)	(266)
	100,958	149,627
Third party charges	4,892	11,789
Revenue	105,850	161,416
Less: operating expenses	(71,475)	(111,889)
Add:		
Depreciation – operating	13,365	17,880
Stock based compensation – operating	151	222
Gross Margin	47,891	67,629

Adjusted 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 ("Adjusted 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 Adjusted EBITDA but also factors in the depreciation expense incurred 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 earnings before interest and finance costs, taxes and depreciation and amortization ("EBITDA"), Adjusted EBITDA and Operating Earnings:

	Three months ended March 31	
(stated in thousands)	2015	2014
Net income	15,294	25,500
Add:		
Finance costs	4,758	5,403
Income taxes	6,422	9,062
Depreciation – operating	13,365	17,880
Depreciation – administrative	429	445
EBITDA	40,268	58,290
Add:		
Stock based compensation – operating	151	222
Stock based compensation – administrative	812	547
Other items	(594)	489
Adjusted EBITDA	40,637	59,548
Subtract:		
Depreciation – operating	(13,365)	(17,880)
Depreciation – administrative	(429)	(445)
Operating Earnings	26,843	41,223

Net Debt

The following table provides a reconciliation of long term debt under IFRS, as disclosed in the condensed consolidated balance sheets to Net Debt:

(stated in thousands)	March 31, 2015	December 31, 2014
Long term debt	264,207	264,165
Current portion of long term debt	1,032	1,062
Less cash and cash equivalents	(61,342)	(62,662)
Net Debt	203,897	202,565

Drilling rig utilization - Operating Day: Calculated based on Operating Days divided by total available days.

Drilling rig utilization - Revenue Day: Calculated based on Revenue Days divided by total available days.

Operating Days: Defined as contract drilling days, calculated on a spud to rig release basis.

Revenue Days: Defined as Operating Days plus rig mobilization days.

Service Hours: Defined as actual well servicing hours completed.

Service rig utilization: Calculated based on Service Hours divided by available hours, being 10 hours per day, per well servicing rig, 365 days per year.

Abbreviations:

- Barrels ("bbl");
- Canadian Association of Oilwell Drilling Contractors ("CAODC");
- International Financial Reporting Standards ("IFRS");
- Steam assisted gravity drainage ("SAGD");
- Thousand cubic feet ("mcf");
- West Texas Intermediate ("WTI");
- Western Canadian Sedimentary Basin ("WCSB"); and
- Western Canadian Select ("WCS").

2015 First Quarter Results Conference Call and Webcast

Western has scheduled a conference call and webcast to begin at 12:00 p.m. MST (2:00 p.m. EST) on Friday, May 1, 2015.

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 May 15, 2015 by dialing 1-855-859-2056 or 416-849-0833, passcode 24894148.

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 the declaration of dividends; the future demand for the Company's services and equipment; the terms of existing and future drilling contracts in Canada and the US and the revenues resulting therefrom (including the number of Operating Days typically generated from the Company's contracts); the Company's expansion and maintenance capital plans for 2015, including the ability of current capital resources to cover Western's financial obligations and the 2015 capital budget; the Company's expected sources of funding to support such capital plans and the Company's ability to adjust capital spending in the second half of 2015 if market conditions change; expectations as to the increase in crude oil transportation capacity through rail and pipeline development; expectations as to the necessary approvals for liquefied natural gas projects being obtained; the expectation of continued foreign investment into the Canadian oilfield industry; the expectation of significantly lower activity levels in the oilfield services industry in 2015 (compared to 2014); and the expectation that producer spending constraints will continue to be a large challenge facing the Company in 2015.

The material assumptions in making the forward-looking statements in this press release include, but are not limited to, assumptions relating to, demand levels and pricing for oilfield services; fluctuations in the price and demand for oil and natural gas; the continued low levels of and pressures on commodity pricing; the continued business relationship between the Company and its one significant customer; general economic and financial market conditions; the development of liquefied natural gas projects, crude oil transport and pipeline approval and development; the Company's ability to finance its operations; 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; the ability of the Company's various business segments to access equipment (including spare parts and new technologies); changes in laws or regulations; currency exchange fluctuation; the ability of the Company to attract and retain skilled labour and qualified management; the ability to retain and attract significant customers; and other unforeseen conditions which could impact the use of services supplied by Western including Western's ability to respond to such conditions.

Although Western believes that the expectations and assumptions on which such forward-looking statements and information are based on 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, the risk that the demand for oilfield services will not improve for the remainder of 2015 and that commodity price levels will remain low, 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 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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