Your Rights Certificate is enclosed. Please read this document carefully as it requires you to MAKE A DECISION PRIOR TO 10:00 A.M. CALGARY TIME ON November 5, 2008. IF YOU ARE IN DOUBT as to how to deal with it, you should consult your investment dealer, stockbroker, bank manager or other professional advisor.

This offering of securities is made in all provinces and territories of Canada, except Quebec, and is made in all jurisdictions ("**Offshore Jurisdictions**") outside Canada and the United States (as defined below) where shareholders of Western Energy Services Corp. are resident excluding any jurisdiction that does not provide a rights offering prospectus exemption substantially similar to the exemption provided in Canada or that otherwise requires obtaining any approvals of a regulatory authority in the Offshore Jurisdiction or the filing of any documents by Western Energy Services Corp. in the Offshore Jurisdiction in connection with this Rights Offering. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offense. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), and subject to certain exemptions, may not be offered or sold within the United States of America (the "**United States**") or to US persons (within the meaning of Regulation S under the US Securities Act), and this Offering does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States.

Rights Offering Circular October 2, 2008

Western ENERGY SERVICES CORP.

Offering of Rights to Subscribe for Common Shares

Entitlement to Rights:	One (1) Right for each Common Share held on the Record Date. Based on the number of issued and outstanding Common Shares on the date of this Rights Offering Circular, 14,000,652 Rights will be issued under the Rights Offering.
Subscription Price:	$0.30 per Common Share.
Basic Subscription Privilege:	Four (4) Rights will entitle the holder to subscribe for one (1) Common Share at a price of $0.30, which is equal to a discount of approximately 19% to the simple average of the closing price for the Common Shares on the TSXV for the twenty (20) trading days immediately prior to the date hereof.
Additional Subscription Privilege:	Holders who exercise their Rights in full are entitled to subscribe for additional Common Shares, if available, at the Subscription Price. See *Details of the Rights Offering – Additional Subscription Privilege* and *How To Use The Rights Certificate – Additional Subscription Privilege - Form 2*.
Record Date:	October 15, 2008
Rights Expiry Time:	November 5, 2008 at 10:00 A.M. Calgary time.
Maximum Common Shares Issuable:	A maximum of 3,500,163 Common Shares will be issuable pursuant to the Rights Offering, representing a maximum of 25% of the issued and outstanding Common Shares on the date hereof.
Maximum Net Proceeds:	The Rights Offering will result in maximum net proceeds of approximately $1,000,049 from the sale of the Common Shares, after deducting estimated expenses of this Rights Offering of $50,000.
Minimum Proceeds:	The completion of the Rights Offering is not conditional upon Western receiving any minimum amount of subscriptions from Shareholders.

Listing:	The Rights will be listed on the TSXV. The TSXV has approved the listing of the Common Shares issuable on exercise of the Rights.

In this Rights Offering Circular, all references to "$" are to Canadian dollars.

RISK FACTORS

An investment in Common Shares should be considered speculative due to the nature of the Corporation's business and its current financial condition. See "*Risk Factors*" for certain consideration relevant to an investment in Common Shares.

FORWARD LOOKING STATEMENTS

This Rights Offering Circular contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking information typically contains statements with words such as "anticipate", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "expect", "may", "will", "project", "should", or similar words suggesting future outcomes. In particular, this Information Circular contains forward-looking statements pertaining to the following:

- anticipated maximum proceeds of the Offering;
- timing of completion and other procedural matters associated with the Offering;
- business operations;
- intention of insiders to exercise Rights;
- use of proceeds;
- a potential private placement; and
- certain other forward-looking statements as described below.

Forward-looking information respecting:

- the anticipated maximum proceeds of the Offering is based upon the Subscription Price of $0.30 and assumes that the maximum of 3,500,163 Common Shares will be issued pursuant to the Rights Offering;

- timing of completion and other procedural matters is based upon the terms of the Rights Offering Circular and advice received from counsel to Western relating to such timing expectations; and

- the intention of insiders to exercise Rights, the use of proceeds and the potential private placement is based upon discussions among the Board and management of Western.

Other forward-looking statements are based on certain key expectations and assumptions of Western concerning general economic conditions; volatility in market prices for crude oil and natural gas; industry conditions; volatility of commodity prices; currency fluctuation; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions; competition from other producers; the lack of availability of qualified personnel or management; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; hazards such as fire, explosion, blowouts, cratering, and spills; stock market volatility; and ability to access sufficient capital from internal and external sources. Readers are cautioned that the preceding list is not exhaustive. See "*Risk Factors*".

Although management considers these assumptions to be reasonable based on information currently available to it, such forward-looking statements may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward-looking statements contained in this Rights Offering

Circular. The forward-looking statements contained in this Rights Offering Circular are made as of the date hereof and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable Canadian securities law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

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GLOSSARY

"**ABCA**" means the *Business Corporations Act* (Alberta), together with any or all regulations promulgated thereunder, as amended from time to time;

"**Additional Subscription Privilege**" means Additional Subscription Privilege as defined under "*Details of Rights Offering – Additional Subscription Privilege*";

"**Basic Subscription Privilege**" means the entitlement of a holder of four (4) Rights to subscribe for one (1) Common Share at the Subscription Price as further described under "*Details of the Rights Offering – Issue of Rights*";

"**Board of Directors**" or "**Board**" means the board of directors of Western;

"**Common Shares**" means common shares in the capital of the Corporation;

"**Eligible Offshore Jurisdictions**" means Offshore Jurisdictions in respect of which Shareholders provide Offshore Exemption Confirmations;

"**Ineligible Shareholder**" means (i) a U.S. Shareholder *(see "Details of the Rights Offering – Ineligible Shareholders – US Shareholders and Quebec Shareholders*"); (ii) a Shareholder who is a resident of Quebec; or (iii) an Offshore Shareholder who fails to provide the Offshore Exemption Confirmation and returns their Rights Certificate to the Subscription Agent to sell on the securityholder's behalf (see "*Details of the Rights Offering – Ineligible Shareholders – Offshore Shareholders*" in this Rights Offering Circular);

"**Offering**" or "**Rights Offering**" means the offering of Rights pursuant to this Rights Offering Circular;

"**Offshore Exemption Confirmation**" means the confirmation required to be provided by an Offshore Shareholder wishing to exercise the Rights represented by its Rights Certificate, as set forth in the form of Rights Certificate and discussed under the heading "*Details of the Rights Offering – Ineligible Shareholders – Offshore Shareholders*" in this Rights Offering Circular;

"**Offshore Jurisdiction**" means a jurisdiction outside Canada and the United States;

"**Offshore Shareholders**" means Shareholders resident in or otherwise subject to the laws of an Offshore Jurisdiction;

"**Preferred Share**" means a preferred share in the capital of the Corporation;

"**Qualifying Jurisdictions**" means all the provinces and territories of Canada, except Quebec, where the Rights are being offered, and Eligible Offshore Jurisdictions;

"**Record Date**" means October 15, 2008;

"**Remaining Common Shares**" has the meaning ascribed to such term under "*Details of Rights Offering – Additional Subscription Privilege*";

"**Rights**" means the Common Share subscription rights offered by the Corporation under this Rights Offering Circular, as described herein;

"**Rights Certificate**" means a rights certificate representing Rights under the Rights Offering in the form approved by the Corporation and the Subscription Agent;

"**Rights Expiry Time**" means 10:00 a.m. Calgary time on November 5, 2008;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval located at www.sedar.com;

"**Shareholder**" means a holder of Common Shares;

"**Stimsol**" means Stimsol Canada Inc., a wholly-owned subsidiary of Western;

"**Subscriber**" means a holder of Rights who exercises such Rights to purchase Common Shares;

"**Subscription Price**" means $0.30 in Canadian funds for each Common Share purchased on exercise of Rights, which represents a discount of approximately 19% of the simple average closing price for the Common Shares on the TSXV for the twenty (20) trading days immediately prior to the date hereof;

"**TSXV**" means the TSX Venture Exchange;

"**U.S. Shareholders**" means Shareholders that are in the United States;

"**Valiant**" or the "**Subscription Agent**" means Valiant Trust Company, registrar and transfer agent for the Corporation;

"**Western**" the "**Corporation**" or the "**Issuer**" means Western Energy Services Corp., a corporation amalgamated under the laws of the Province of Alberta and includes all applicable subsidiaries of the Corporation as the context requires;

"**WEST**" means Western Energy Services of Texas Corp., a corporation organized under the laws of the State of Delaware and a wholly-owned subsidiary of the Corporation;

WESTERN ENERGY SERVICES CORP. AND RELATED ENTITIES

Corporate Structure

General

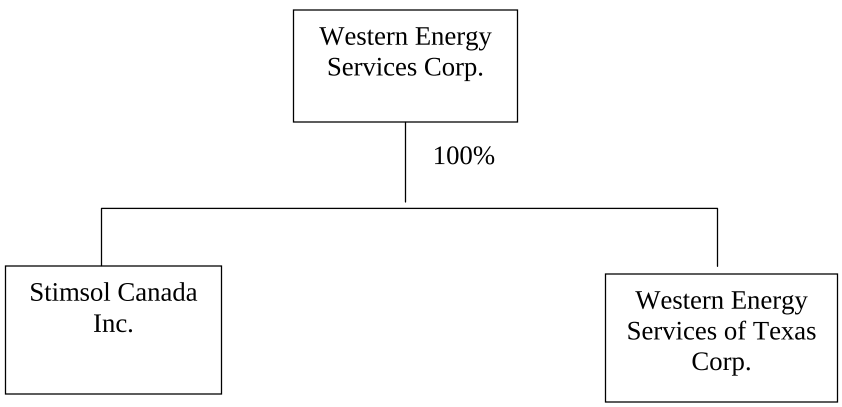
Western is a corporation amalgamated under the laws of the Province of Alberta and is a growth oriented energy services company. The Common Shares trade on the TSXV under the symbol "WRG".

The head and principal office of the Corporation is located at Suite 400, 333 – 11th Avenue S.W., Calgary, Alberta T2P 1L9. The registered office of the Corporation is located at Suite 1400, 350 – 7th Avenue S.W., Calgary, Alberta, T2P 3N9.

Intercorporate Relationships

Organizational Structure of the Corporation

The following diagram sets forth the organizational structure of the Corporation and each of its wholly-owned material subsidiary entities as at August 31, 2008:



Business of the Corporation

The Corporation is a growth-oriented energy services company that provides a broad range of remedial stimulation services to upstream oil and natural gas exploration and production companies operating in Alberta, Texas, Oklahoma, New Mexico, Wyoming and Arkansas.

The services offered by Western are provided through its wholly-owned subsidiaries, Stimsol and WEST. The services provided by Stimsol and WEST include stimulation services and fluid pumping, nitrogen services, coiled tubing services, specialty solvents and laboratory services. In addition to these services, WEST provides downhole tool rentals. Each of these services is described further below. Generally, the services offered by Western are designed to enhance the production from existing or newly drilled wells, which in turn provides increased cash flows for customers of Western.

Stimulation Services and Fluid Pumping

Western offers conventional acid pumpers and smaller pressure trucks to deliver a diverse line of acids, solvents and remediation chemicals to enhance and optimize production from existing oil and natural gas wells. Fluids may be pumped down tubing or coiled tubing and may be energized with nitrogen.

Nitrogen Services

Nitrogen is an inert gas used to energize fluids and unload well bores through tubing or coiled tubing. Western maintains a diversified fleet of transports and pumpers dispatched from strategic locations to meet customers needs. Western's personnel are experienced in all nitrogen applications.

Coiled Tubing Services

This service is a rig-less method to enter a wellbore with endless pipe in order to place fluids down a wellbore or to blow down a wellbore for cleaning purposes. Western provides shallow and intermediate depth coiled tubing services (Class I and Class II).

Downhole Tool Rentals

Western has an extensive inventory of downhole drilling equipment available for rental including drilling jars ranging in diameters from 4 ¾" to 8" as well as shock subs and stabilizers.

Specialty Solvents

Blends of wax and asphaltene abatement solvents and chemicals are offered by StimSol and are delivered with pressure trucks.

Laboratory Services

Western has complete lab services available in Canada and the U.S. to ensure the quality control of Western's acid and solvent blends and to develop new products and packages.

Potential Concurrent Private Placement

Western intends to proceed with a non-brokered private placement equity financing ("**Private Placement**") which Western intends to close concurrently with the Rights Offering as announced by Western on September 5, 2008. The Private Placement will be carried out at a price per Common Share that is equal to the Subscription Price. It is anticipated that certain directors, officers and other insiders will participate in the Private Placement. There can be no assurance that such Private Placement will be successful. See "*Risk Factors – Substantial Capital Requirements*".

For additional information on the business Western, please refer to the continuous disclosure documents of Western filed by the Corporation with Canadian securities regulatory authorities at www.sedar.com.

DETAILS OF THE RIGHTS OFFERING

Basic Subscription Privilege

Each holder of Common Shares of record at the close of business on the Record Date is entitled to receive one (1) Right for each Common Share held. Four (4) Rights confer the right to subscribe for one (1) Common Share at the price of $0.30 per Common Share (the "**Basic Subscription Privilege**"). The Subscription Price represents a discount of approximately 19% of the simple average closing price for the Common Shares on the TSXV for the twenty (20) trading days immediately prior to the date hereof. No fractional shares will be issued (see "*Step-Up Privilege*" below).

The offering price for the Rights was determined by the Board of Directors of Western having regard to regulatory requirements and to issues such as dilution, market price, market forces and the capital requirements of the Corporation. The total number of Common Shares to be issued will depend on the demand from Subscribers. The subscription for Common Shares upon the exercise of Rights is voluntary. Holders of Rights should consult their own advisers with respect to this Offering.

Step-Up Privilege

Fractional Common Shares will not be issued. In lieu thereof, each registered holder of a Rights Certificate mailed upon the original issue which evidences a number of Rights not evenly divisible, will be entitled to round up his subscription to the next highest whole number of Common Shares (the "**Step-Up Privilege**"). This Step-Up Privilege will be void and of no effect if the Rights Certificate is divided or combined or if any of the Rights evidenced by such certificate are sold, transferred or assigned by the holder to whom such Rights were originally issued. However, a bank, trust company, securities dealer or broker which holds Common Shares as of the Record Date for more than one beneficial owner may, upon providing evidence satisfactory to Valiant, exercise the Rights evidenced by its Rights Certificate or exchange its Rights Certificate on the same basis as though each of the beneficial owners were a securityholder of record as of the Record Date.

Additional Subscription Privilege

Any holder of a Rights Certificate who, after giving effect to the Step-Up Privilege, if applicable, exercises the right to subscribe for all the Common Shares that can be subscribed for with the Rights evidenced by such certificate pursuant to the Basic Subscription Privilege, also has the right (the "**Additional Subscription Privilege**") of subscribing for additional Common Shares, if available, at the Subscription Price. The Common Shares available for such purpose (the "**Remaining Common Shares**") will be those Common Shares that have not been subscribed and paid for pursuant to outstanding Rights by the Rights Expiry Time. For further information on the Additional Subscription Privilege and the allocation of Remaining Common Shares, see "*How To Use The Rights Certificate – Additional Subscription Privilege – Form 2*".

Rights Expiry Time

The Offering and the Rights evidenced by the Rights Certificates will expire at the Rights Expiry Time. The Rights Expiry Time is twenty-one (21) days from the Record Date. Western reserves the right to extend the period of this Offering, subject to obtaining any required regulatory approvals, if Western determines that the timely exercise of the Rights may have been prejudiced due to disruption in postal service. **Rights not exercised by the Rights Expiry Time will be void and without value.**

Rights Certificates

The Rights are evidenced by transferable Rights Certificates. A Rights Certificate is being sent to each registered Shareholder of record as of the Record Date, other than Ineligible Shareholders (see "*Ineligible Shareholders*") and is enclosed with this Rights Offering Circular. A register of holders of Rights Certificates will be maintained by Valiant. The Rights are listed on the TSXV under the trading symbol "WRG.RT" and the Common Shares underlying the Rights are also listed on the TSXV under the symbol "WRG". If a Rights Certificate is lost, stolen or destroyed, a replacement Rights Certificate shall be issued only upon compliance with applicable statutory requirements and any other reasonable requirements imposed by the Corporation or Valiant. Valiant should be contacted at the subscription office listed below under "*Delivery of Completed Rights Certificates*" in the event of the loss, theft or destruction of a Rights Certificate.

A Rights Certificate, by itself, does not confer on the holder of such Rights Certificate, the rights of a Shareholder.

Delivery of Rights Certificates by Intermediaries

Rights Certificates delivered to brokers, dealers or other intermediaries may not be delivered by those intermediaries to Ineligible Shareholders who beneficially own Common Shares (see "*Ineligible Shareholders*"). Intermediaries receiving Rights Certificates that would otherwise be deliverable to Ineligible Shareholders should attempt to sell those Rights for the accounts of such Shareholders and should deliver any proceeds of sale to those residents.

Delivery of Common Share Certificates

Certificates for the Common Shares subscribed for in accordance with this Offering, will be mailed to the address of the Subscriber as stated on the Rights Certificate, unless otherwise directed, as soon as practicable following the Rights Expiry Time.

Signatures

When the original holder signs any form on the Rights Certificate, the signature must correspond in every particular with the name of the holder as it appears on the face of the Rights Certificate. If the Rights Certificate is transferred (see "*Purchase, Sale or Transfer of Rights – Form 3*", below) the signature of the transferor must be guaranteed by a Canadian chartered bank or eligible guarantor institution with membership in an approved signature medallion program.

If a Rights Certificate is issued to or transferred to two or more persons who hold the Rights evidenced thereby jointly, the signatures of all such joint holders shall be required on the appropriate forms in order to exercise the Basic Subscription Privilege and, if applicable, the Additional Subscription Privilege, or to sell or transfer Rights.

Determinations as to Validity of Subscription

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription or request for transfer will be determined by Western, in its sole discretion, whose determination shall be final and binding. All subscriptions are irrevocable. Western reserves the absolute right to reject any subscription if such subscription is not in proper form or if the acceptance thereof or the issuance of Common Shares pursuant thereto could be deemed unlawful. The Corporation also reserves the right to waive any defect with regard to any particular subscription. Neither the Corporation nor Valiant will be under any duty to give any notification of any defect or irregularity in such subscriptions nor shall either of them incur any liability for failure to give such notification.

INELIGIBLE SHAREHOLDERS

The Rights are being offered in all provinces and territories of Canada, except Quebec, and in Eligible Offshore Jurisdictions. As of August 13, 2008, the geographical breakdowns provided by Valiant in respect of registered shareholders and by Broadridge Financial Solutions Inc. in respect of beneficial shareholders (collectively, the "**Geographical Reports**") indicated that there were no registered shareholders and 36 beneficial holders of Common Shares resident in Quebec holding approximately 2.65% of the outstanding Common Shares. The Geographical Reports also indicated that there were 8 registered shareholders and 3 beneficial holders of Common Shares resident in the United States holding approximately 0.22% of the outstanding Common Shares.

This Offering is not being made in the United States nor in Quebec or other jurisdictions outside the Qualifying Jurisdictions, and under no circumstances is the Rights Offering to be construed as an offering of any securities for sale in or to a resident of the United States, Quebec or any jurisdiction outside the Qualifying Jurisdictions or a solicitation therein of an offer to buy any securities of the Corporation. The securities of the Corporation, including the Rights and the Common Shares issuable on the exercise of the Rights and the Rights Certificates, are not registered under the *Securities Act of 1933*, as amended, of the United States of America. Accordingly, other than as set forth below in "*U.S. Shareholders and Quebec Shareholders*", the Rights may not be exercised in the United States, Quebec or any other jurisdiction outside the Qualifying Jurisdictions, or by or on behalf of an Ineligible Shareholder or any jurisdiction other than the Qualifying Jurisdictions.

U.S. Shareholders and Quebec Shareholders

Except as disclosed below, Rights Certificates may not be held directly by, and subscriptions for Common Shares will not be accepted from or on behalf of Ineligible Shareholders (U.S. Shareholders or Quebec Shareholders). Rights Certificates will not be delivered to such Ineligible Shareholders. Instead, the Corporation will notify such Ineligible Shareholders that the Rights Certificates to which they are entitled will be issued to and held by the Subscription Agent, which will hold the same and the Rights evidenced thereby as agent for the benefit of all

Ineligible Shareholders. Instructions as to the sale, transfer or exercise of such Rights Certificates will not be accepted from such Ineligible Shareholders. The Subscription Agent will attempt to sell the Rights evidenced by such Rights Certificates on behalf of all such Ineligible Shareholders, as set forth below under "*Sale by Subscription Agent*".

A registered U.S. Shareholder or Quebec Shareholder who holds Common Shares on behalf of a holder who is eligible to participate in this Rights Offering, must notify the Subscription Agent, in writing, on or before the 10th day prior to the Rights Expiry Time, that the beneficial holder on whose behalf such Common Shares are held is a resident of a Qualifying Jurisdiction and wishes to participate in the Rights Offering. In that case, the registered holder of Common Shares giving such notification must provide evidence, satisfactory to the Subscription Agent and the Corporation, as to the eligibility of the beneficial holder of such Rights and that the exercise of the Rights would not violate the laws of the jurisdiction in which the registered holder is located. Otherwise, the Subscription Agent will sell the Rights held on behalf of such beneficial holder on a best-efforts basis as set forth below under "*Sale by Subscription Agent*".

A U.S. Shareholder will only be entitled to participate in the Rights Offering if not less than 10 days prior to the Right Expiry Time such U.S. Shareholder provides, at his, her or its own expense, evidence acceptable to Western that such U.S. Shareholder may otherwise receive Rights and subscribe for Common Shares without imposing any requirement on Western to comply with any legal requirements in the jurisdiction in which such US Shareholder is resident other than those being complied with in connection with the offering of Rights in the Qualifying Jurisdiction or if Management of Western, in its own discretion, agrees to meet such legal requirements of the jurisdiction in which the U.S. Shareholder is resident.

Offshore Shareholders

Any Offshore Shareholder who wishes to exercise the Rights represented by their Rights Certificate will be required to make the certification (included in the packages mailed to Offshore Shareholders) that such Offshore Shareholder's applicable Offshore Jurisdiction provides a rights offering prospectus exemption substantially similar to the exemption provided in Canada or does not otherwise require obtaining any approvals of a regulatory authority in the Offshore Jurisdiction or the filing of any documents by Western in such Offshore Jurisdiction in connection with the Rights Offering (the "**Offshore Exemption Confirmation**"). **Offshore Shareholders should consult their own legal counsel in their applicable Offshore Jurisdiction in connection with any Offshore Exemption Confirmation.**

Sale by Subscription Agent

The Subscription Agent will not attempt to sell Rights of Ineligible Shareholders until after the 10th day prior to the Rights Expiry Date. The Subscription Agent's ability to sell the Rights of Ineligible Shareholders, and the prices obtained therefore are dependent on market conditions. The Subscription Agent will not be subject to any liability for failure to sell any Rights of Ineligible Shareholders at any particular price or prices, or at all. The Subscription Agent will attempt to sell the Rights through the facilities of the TSXV and neither the Corporation nor the Subscription Agent will accept responsibility for the price obtained on the sale or the inability to sell the Rights on behalf of any Ineligible Shareholders.

Any proceeds received by the Subscription Agent with respect to such Rights (net of brokerage fees and costs incurred) will be divided on a pro rata basis among all Ineligible Shareholders, based on the number of Rights that would have been issued to such Shareholders, and delivered by mailing cheques, in Canadian funds, as soon as possible after the expiry to the Ineligible Shareholders at their registered addresses recorded in the register maintained by the Subscription Agent. Cheques for proceeds of less than $10.00 will not be issued. **There is a risk that the Subscription Agent will be unable to sell any of the Rights of Ineligible Shareholders or that the proceeds received from the sale of the Rights will not exceed the brokerage commissions, taxes required to be withheld (if applicable) and the costs incurred by the Subscription Agent in respect of the sale of such Rights. In such event, no proceeds will be forwarded to Ineligible Shareholders.**

HOW TO USE THE RIGHTS CERTIFICATE

Exercise of the Basic Subscription Privilege – Form 1

In order to exercise the Basic Subscription Privilege, Form 1 as printed on the face of the Rights Certificate must be completed and signed by the holder thereof. To determine the number of Common Shares which may be subscribed for pursuant to the Basic Subscription Privilege, divide the number of Rights set forth on the face of the Rights Certificate by four (4) (see "*Details of the Offering – Issue of Rights*" above).

The Subscriber or registered dealer representing a Subscriber must deliver or mail the Rights Certificate, with the total Subscription Price, to Valiant as specified below under "*Delivery of Completed Rights Certificates*". Subscriptions may not be revoked after delivery to Valiant. The total Subscription Price must be paid in the manner described below under "*Payment of Subscription Price*". **Subscribers whose Rights are held by a registered dealer should contact such dealer in ample time to ensure that the completed Rights Certificates and the related payments are received by Valiant before the Rights Expiry Time.**

Any Shareholder or transferee of a Rights Certificate who has any questions concerning the terms of this Offering should contact their investment dealer, stockbroker, bank manager or other professional advisor.

Additional Subscription Privilege – Form 2

Subscribing for Additional Common Shares

In order to exercise the Additional Subscription Privilege, any holder of a Rights Certificate who completes Form 1 on the face of the Rights Certificate for the maximum number of whole Common Shares that can be subscribed for given the number of Rights evidenced by such certificate, must also complete Form 2 on the face of the Rights Certificate and specify the number of additional Common Shares desired to be subscribed for. When the Subscriber or registered dealer representing a Subscriber delivers to Valiant the completed Rights Certificate and payment for the Common Shares initially subscribed for under Form 1, payment in the manner described below under "*Payment of Subscription Price*" must also be enclosed for the additional Common Shares subscribed for under Form 2, failing which such additional subscription shall be invalid. Funds received as payment of the Subscription Price for subscriptions made under the Additional Subscription Privilege will be placed in a segregated account with Valiant pending allocation of any Remaining Common Shares pursuant to the Additional Subscription Privilege.

Allocation of Remaining Common Shares

If there are sufficient Remaining Common Shares to satisfy all additional subscriptions by participants in the Additional Subscription Privilege, each participant will be allotted the number of additional Common Shares subscribed for.

If the aggregate number of Common Shares subscribed for under the Additional Subscription Privilege exceeds the number of Remaining Common Shares, the Remaining Common Shares will be allotted to each participant in the Additional Subscription Privilege on a proportionate basis in accordance with the following formula: the number of the Remaining Common Shares allotted to each participant in the Additional Subscription Privilege will be the lesser of (a) the number of Common Shares which that participant has subscribed for under the Additional Subscription Privilege and (b) the product (disregarding fractions) of the multiplication of the number of Remaining Common Shares by a fraction of which the numerator is the number of Common Shares subscribed for by that participant under the Basic Subscription Privilege and the denominator is the aggregate number of Common Shares subscribed for under the Basic Subscription Privilege by all participants in the Additional Subscription Privilege. If any participant has subscribed for fewer Common Shares than the number resulting from the application of the formula in (b) above, the excess Common Shares will be allotted in a similar manner among the participants who were allotted fewer Common Shares than they subscribed for.

If as a result of the application of the foregoing formula, a participant in the Additional Subscription Privilege is allotted a number of Common Shares which falls short of the number specified in Form 2 on the face of the participant's Rights Certificate, Valiant will, when mailing the certificates for the Common Shares issued to the participant, refund, without interest, the excess portion of the total Subscription Price paid by the participant.

Purchase, Sale or Transfer of Rights – Form 3

The Rights are listed and posted for trading on the TSXV under the trading symbol "WRG.RT" and will remain listed and posted for trading until 10:00 a.m. (Calgary time) on November 5, 2008.

A Shareholder may sell or transfer their Rights evidenced by a Rights Certificate by completing and signing Form 3 as printed on the face of the Rights Certificate. A certificate so completed should be delivered to the appropriate person in ample time for the transferee to use it before the Rights Expiry Time.

If the Rights Certificate is properly assigned in full, it may be used by the new holder for subscription without obtaining a new Rights Certificate, provided that the particulars of the new holder entered on Form 1 and Form 2, if applicable, corresponds in every particular with the name of such holder set out in Form 3 – "Name of Transferee" on the face of the Rights Certificate.

Dividing or Combining Rights Certificates – Form 4

A Rights Certificate may be exchanged for two or more Rights Certificates, and two or more Rights Certificates may be exchanged for a single new Rights Certificate. In each case, the new Rights Certificate(s) will represent a whole number of Rights aggregating the same number of whole Rights as were evidenced by the original Rights Certificate(s). Such an exchange may be effected by completing Form 4 as printed on the face of the Rights Certificate and surrendering it to Valiant at either office as indicated under "*Delivery of Completed Rights Certificates*". This should be done in ample time for the new Rights Certificates to be issued and used before the Rights Expiry Time.

Payment of Subscription Price

The Subscription Price for all the Common Shares subscribed for, including those subscribed for under the Additional Subscription Privilege, must be paid in Canadian funds by certified cheque, bank draft or money order payable to the order of "Valiant Trust Company". Shareholders holding their Common Shares through an intermediary, such as a broker, should contact their broker and make arrangements to put the broker in funds for the subscription and give appropriate instructions.

Delivery of Completed Rights Certificates

Subscribers or registered dealers representing Subscribers should deliver the completed Rights Certificates by mail, hand delivery or courier to Valiant at one of the following offices:

Valiant Trust Company
Suite 310, 606 – 4th Street SW
Calgary, AB T2P 1T1

Valiant Trust Company
2950, 130 King Street West
Toronto, ON M5X 1A9

In case of postal service interruption, Subscribers and registered dealers representing Subscribers should deliver the Rights Certificates by hand or by courier to the address noted above.

The method of delivery of a Rights Certificate is at the option and risk of the person effecting the same. Western recommends that Rights Certificates be delivered by hand or, if mailed, sent by registered mail.

SHARES HELD THROUGH THE CANADIAN DEPOSITARY FOR SECURITIES LIMITED

For Shareholders ("**Beneficial Holders**") whose Common Shares are held through a participant of the Canadian Depositary for Securities Limited ("**CDS**"), Rights Certificates will be issued in registered form to CDS and will be deposited with CDS. The Corporation expects that each Beneficial Holder will receive a confirmation of the number of Rights issued to it from its CDS participant in accordance with the practices and procedures of that CDS participant. CDS will be responsible for establishing and maintaining book-entry accounts for its participants holding Rights.

A Beneficial Holder may subscribe for Common Shares by instructing the CDS participant holding its Rights to exercise all or a specified number of such Rights and forwarding the Subscription Price for each Common Share subscribed for in accordance with the terms of the Offering to the CDS participant which holds the subscriber's Rights.

The Subscription Price is payable by direct debit from the Beneficial Holder's brokerage account or by electronic funds transfer or other payment mechanism satisfactory to the CDS participant. The entire Subscription Price for Common Shares subscribed for must be paid at the time of subscription and must be received by Valiant prior to the Rights Expiry Time. Accordingly, if you are subscribing through a CDS participant, you must deliver your payment (by method described above) and instructions to the CDS participant sufficiently in advance of the Rights Expiry Time to allow the CDS participant to properly exercise the Rights on your behalf.

CDS participants that hold Rights for more than one Beneficial Holder may, upon providing evidence satisfactory to Western and Valiant, exercise Rights on behalf of its accounts on the same basis as if the Beneficial Holders were Shareholders.

Western and the Subscription Agent shall have no liability for (i) the records maintained by CDS or CDS participants relating to the Rights or the book-entry accounts maintained by CDS, (ii) maintaining, supervising or reviewing any records relating to such Rights, (iii) any advice or representation made or given by CDS or CDS participants with respect to the rules and regulations of CDS, (iv) any action to be taken by CDS or CDS participants, or (v) any failure by CDS participants to take any action or any matter relating to the Rights or the exercise thereof.

The ability of a person having an interest in Rights held through a CDS participant to pledge such interest or otherwise take action with respect to such interest (other than through a CDS participant) may be limited due to the lack of a physical Rights Certificate.

Beneficial Holders whose Common Shares are held through a CDS participant must arrange purchases or transfers of Rights and the exercise of Rights to purchase Common Shares through CDS participants. Western anticipates that each such purchaser of a Right or Common Shares will receive a customer confirmation of purchase from the CDS participant from whom such Right or Common Share is purchased in accordance with the practices and procedures of such CDS participant.

Except as otherwise specifically provided herein (see "*Ineligible Shareholders*"), payment of the Subscription Price will constitute a representation to Western, the Subscription Agent and to any CDS participant that the subscriber is not a U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended) or the agent of any U.S. person and is not purchasing the Common Shares for the account or benefit of, or for the resale to, any U.S. Person.

If mail is used for delivery of subscription funds, for the protection of the subscriber, certified mail return receipt requested, should be used and sufficient time should be allowed to avoid the risk of late delivery.

Subscriptions for Common Shares made in connection with this Rights Offering either directly or through a CDS participant will be irrevocable and subscribers will be unable to withdraw their subscriptions for Common Shares once submitted.

INTENTION OF INSIDERS TO EXERCISE RIGHTS

Certain directors and officers of Western intend to exercise all of the Rights they receive under this Offering (subject to compliance with the laws of the jurisdiction in which they are resident) and certain directors have the present intention to partially exercise their Additional Subscription Privileges, if available. Additionally, it is anticipated that certain directors, officers and other insiders will participate in the concurrent Private Placement. See "*Western Energy Services Corp. and Related Entities – Potential Concurrent Private Placement.*"

Shareholders should be aware that the directors and officers of Western as a group own or have control over approximately 21.5% of the outstanding Common Shares. Should such directors and officers purchase the maximum number of Common Shares pursuant to the Offering and additional Common Shares pursuant to the Additional Subscription Privilege, the directors and officers may increase their respective percentage ownership of the outstanding Common Shares following completion of this Offering. If no other Shareholders exercise Rights pursuant to the Rights Offering and if the directors and officers of Western exercise all their Rights they receive pursuant to the Rights Offering and the maximum possible Rights exerciseable by them pursuant to the Additional Subscription Privilege, the directors and officers, as a group, would increase their ownership to 29.1% of the outstanding Common Shares after completion of the Rights Offering.

USE OF PROCEEDS

In the event that the Rights Offering is fully subscribed, Western will receive gross proceeds of approximately \$1,050,049 and net proceeds of approximately \$1,000,049 after deducting expenses of the issue estimated at \$50,000. The completion of the Rights Offering is not conditional upon Western receiving any minimum amount of subscriptions from Shareholders.

At least fifty (50%) percent of the proceeds will be used by the Corporation for acquisitions of energy services related equipment including, but not limited to, nitrogen pumping and handling equipment and fluid pumping and handling equipment. The Corporation intends to purchase such equipment from arm's length, third party vendors at prevailing market rates.

Currently, the Corporation has short-term indebtedness in connection with: (a) a loan in the amount of \$2,000,000, the maturity of which has been extended to December 2008 (the "**Bridge Loan**") as announced on September 24, 2008; and (b) a convertible note in the amount of \$3,415,872 due on October, 30 2008 (the "**Convertible Note**" and together with the Bridge Loan, the "**Short Term Obligations**"). The Corporation is currently in negotiations with the holder of the Convertible Note with respect to converting the obligation into equity of the Corporation or a maturity extension of the Convertible Note. The proceeds raised in connection with the Offering will not be used to meet any of the Corporation's Short Term Obligations.

The remainder of the proceeds will be utilized by Western for general working capital purposes, which will include payment of a portion of the Company's accounts payable.

DESCRIPTION OF THE CORPORATION'S SECURITIES

Common Shares

The holders of Common Shares are entitled to dividends as and when declared by the Board of Directors of the Corporation, to one vote per share at meetings of shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares. All of the Common Shares issued and outstanding have been issued as fully paid and non-assessable.

Preferred Shares

The Preferred Shares may be issued from time to time in one or more series, each series consisting of the number of shares and having the designation, rights, privileges, restrictions and conditions which the board of directors of the Corporation determines prior to the issue thereof. The Preferred Shares rank prior to the Common Shares with respect to the payment of dividends and distribution in the event of liquidation, dissolution or winding-up of the Corporation.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of Western, as at the date hereof, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation except as set out in the table below:

Name and Municipality of Residence	Number of Common Shares	Percentage of Common Shares
Jon Waddell Alberta, Canada	1,625,716[(1)]	11.6%

Note:

(1) Includes Common Shares held by entities under the control or direction of Mr. Waddell.

CHANGES OF OWNERSHIP

To the knowledge of the directors and officers of Western, there have been no issuances or transfers of securities of the Corporation that have materially affected the control of Western since December 31, 2007.

RISK FACTORS

An investment in the Corporation's securities involves a significant degree of risk and should be considered speculative due to the nature of the Corporation's business, its present stage of development and its debt leverage. Prospective investors should carefully review the following factors together with other information contained or referred to in this Rights Offering Circular before making an investment decision.

The following is a summary of certain risk factors relating to the business of the Corporation. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this document. Shareholders should consider carefully the information contained herein and, in particular, the following risk factors.

Risks Relating to the Corporation's Business

Volatility of Industry Conditions

The demand, pricing and terms for oil and natural gas services largely depend upon the level of industry activity for Canadian natural gas and oil exploration and development. Industry conditions are influenced by numerous factors over which the Corporation has no control, including: the level of oil and natural gas prices; expectations about future oil and natural gas prices and production; the cost of exploring for, producing and delivering oil and natural gas; the expected rates of declining current production; the discovery rates of new oil and natural gas reserves; available pipeline and other oil and natural gas transportation capacity; worldwide weather conditions; global political, military, regulatory and economic conditions; alternative fuel requirements; increasing consumer demand for alternatives to oil and natural gas; technological advances in fuel economy and energy generation devices; and the ability of oil and natural gas companies to raise equity capital or debt financing.

The level of activity in the Canadian oil and natural gas exploration and production industry is volatile. No assurance can be given that expected trends in oil and natural gas production activities will continue or that demand for oil and natural gas services will reflect the level of activity in the industry. Any prolonged substantial reduction in oil and natural gas prices would likely affect oil and natural gas production levels and therefore affect the demand for services to oil and natural gas customers. A material decline in oil or natural gas prices or Canadian industry activity could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares. The business and activities of the Corporation are directly affected by fluctuations in the levels of exploration, development and production activity carried on by its customers.

Seasonality

In Canada, the level of activity in the oil and natural gas services industry is influenced by seasonal weather patterns. Spring break-up during the second quarter leaves many secondary roads temporarily incapable of supporting the weight of heavy equipment, which results in severe restrictions in the level of oil and natural gas services. Wet weather and the spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. The duration of this period will have a direct impact on the level of the Corporation's activities. Spring break-up occurs earlier in the year in south eastern Alberta than it does in northern Alberta and British Columbia. The timing and duration of spring break-up are dependant on weather patterns, but it generally occurs in April and May. Certain oil and natural gas producing areas are located in areas that are inaccessible other than during winter months, because the ground surrounding the drillings sites in these areas consists of swampy terrain. Additionally, if an unseasonably warm winter prevents sufficient freezing, the Corporation may not be able to access well sites and its operating results and financial condition may therefore be adversely affected. The demand for oil and natural gas services may also be affected by the severity of the Canadian winters. In addition, during excessively rainy periods, equipment moves may be delayed, thereby adversely affecting revenues. The volatility in the weather and temperature can therefore create unpredictability in activity and utilization rates, which can have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares. Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration and production companies and corresponding declines in the demand for the goods and services of the Corporation.

Level of Demand for Drilling Services

Activities carried on by oil and natural gas companies can generally be broken down into exploration, drilling and production related activities. It is possible that the level of drilling activity many not correspond to the level of production related activity, and therefore the demand for drilling services may be different than the level of demand for other production-related services provided by the Corporation. A significant portion of the Corporation's equipment and business is closely tied to the level of demand for drilling related services in the oil and natural gas industry. It is possible that the level of drilling activity undertaken by the Corporation's customers may not be consistent with the overall level of drilling activity undertaken in the oil and natural gas industry in western Canada. These factors may increase volatility in demand for the Corporation's services.

Reliance on Major Customers

The Corporation will not generally enter into long-term contracts with its customers. The loss of one or more major customers, or any significant decrease in services provided to a customer, prices paid or any other changes to the terms of services with customers, could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Equipment and Technology Risks

The ability of the Corporation to meet customer demands in respect of performance and cost will depend upon continuous improvements in operating equipment and there can be no assurance that the Corporation will be successful in its efforts in this regard or that it will have the resources available to meet this continuing demand. Failure by the Corporation to do so could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares. No assurances can be given that competitors will not achieve technological advantages over the Corporation.

In the future the Corporation may seek patents or other similar protections in respect of particular tools, equipment and technology, however, the Corporation may not be successful in such efforts. Competitors may also develop similar tools, equipment and technology to those of the Corporation thereby adversely affecting the Corporation's competitive advantage in one or more of their businesses. Additionally, there can be no assurance that certain tools, equipment or technology developed by the Corporation, may not be the subject of future patent infringement claims or other similar matters which could result in litigation, the requirement to pay licensing fees or other results that could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Potential Replacement or Reduced Use of Products and Services

Certain of the Corporation's equipment or systems may become obsolete or experience a decrease in demand through the introduction of competing products that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be more preferable for environmental or other reasons. The Corporation will need to keep current with the changing market for oil and natural gas services and technological and regulatory changes. If the Corporation fails to do so, this could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Acquisition and Development Risks

The Corporation expects to selectively seek strategic acquisitions. The Corporation's ability to consummate and to integrate effectively any future acquisitions on terms that are favourable to it may be limited by the number of attractive acquisition targets, internal demands on the Corporation's resources and to the extent necessary, the Corporation's ability to obtain financing on satisfactory terms, if at all. Acquisitions may expose the Corporation to additional risks, including: difficulties in integrating administrative, financial reporting, operational and information systems and managing newly-acquired operations and improving their operating efficiency; difficulties in maintaining uniform standards, controls, procedures and policies through all of the Corporation's operations; entry into markets in which the Corporation has little or no direct experience; difficulties in retaining key employees of the acquired operations; and disruptions to the Corporation's ongoing business.

In addition, future acquisitions could result in the incurrence of additional debt, costs, and contingent liabilities. The Corporation may also incur costs for and divert management attention to potential acquisitions that are never consummated. For acquisitions that are consummated, expected synergies may not materialize. The Corporation's failure to effectively address any of these issues could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

While the Corporation's acquisition process typically includes due diligence on the business or assets to be acquired, and the acquisition agreements typically include detailed representations and warranties respecting the business or assets being acquired, there can be no assurance that the Corporation would not become subject to certain undisclosed liabilities in proceeding with such transactions. However, these representations and warranties, if obtained, may not fully cover the liabilities because of their limited scope, amount or duration, the financial resources of the indemnitor or warrantor or for other reasons. The Corporation has also completed a number of acquisitions and there may exist liability that our due diligence failed or was unable to discover prior to the consummation of these acquisitions. To the extent that prior owners of businesses failed to comply with or otherwise violated applicable laws, the Corporation, as a successor-owner, may be financially responsible for these violations. The discovery of any material liabilities could have a material adverse effect on the Corporation's business, financial condition and future prospects.

In addition, there is no assurance, given the high level of merger and acquisition activities in the areas in which the Corporation operates, that the Corporation will be successful in generating additional growth through acquisitions.

Potential Material Liabilities

Although management is not aware of any material liabilities relating to the Corporation or its operations, it is possible that liabilities may arise in the future which could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

High Degree of Leverage

Western's ability to make principal and interest payments under its current indebtedness is dependent upon its future performance, which is subject to financial, economic and other factors, some of which are beyond the Corporation's control. Western's credit facilities contain numerous covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of Western to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with other entities. In addition, Western's credit facilities contain a number of financial covenants that require Western to meet certain financial ratios and financial condition tests. A failure to comply such obligations could result in a default which, if not cured or waived, could result in the acceleration of the relevant indebtedness. Currently, Western is not in default of its financial covenants contained in its credit facilities, other than the obligation to make interest payments to August 31, 2008 under the Convertible Note, in respect of which default it has received a verbal waiver from the applicable lender. However, Western cannot guarantee that it will continue to be in compliance with or that it will receive waivers for subsequent breaches of the covenants contained in its credit agreements for the term of the lending facilities. If the indebtedness under the credit facilities were to be accelerated, there can be no assurance that Western would have sufficient liquidity to repay in full that indebtedness.

Substantial Capital Requirements

There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet Western's ongoing capital requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Western. The inability of Western to access sufficient capital for its operations could have a material adverse effect on Western's financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Absence of Operating History as a Public Entity

To operate effectively, the Corporation will be required to continually implement changes in certain aspects of the Corporation, improve and expand management information systems and develop, manage and train employees to comply with ongoing public issuer requirements. Failure to take such actions, or delay in the implementation thereof, could have a material effect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Unpredictability and Volatility of Common Share Price

A publicly traded company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Common Shares will trade cannot be predicted. The market price of the Common Shares could be subject to significant fluctuations in response to variations in quarterly operating results and other factors.

In addition, the securities markets have experienced significant market wide and sectoral price and volume fluctuations from time to time that often have been unrelated or disproportionate to the operating performance of particular issuers. Such fluctuations could have a material adverse effect on the market price of the Common Shares. **Investors should not equate the risk associated with an investment in Common Shares to an investment in high yield debt.**

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. Management cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Sources, Pricing and Availability of Equipment and Equipment Parts

The Corporation sources its equipment and equipment parts from a variety of suppliers, most of whom are located in Canada and the United States. Should any suppliers of the Corporation be unable to provide the necessary equipment or parts or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of services or in the time required to find new suppliers could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Government Regulation

The operations of the Corporation are subject to a variety of federal, provincial and local laws, regulations, and guidelines, including laws and regulations relating to health and safety, the conduct of operations, the protection of the environment, the operation of equipment used in its operations and the transportation of materials and equipment it provides for its clients. The Corporation believes that each of its subsidiaries and operating entities are currently in compliance with such laws and regulations. Western currently invests financial and managerial resources to ensure such compliance and will continue to do so in the future. However, Western does not expect to incur material capital expenditures in its next fiscal year in order to comply with current or reasonably anticipated environment control requirements. Western's compliance with amended, new or more stringent requirements, stricter interpretations of existing requirements or the future discovery of regulatory noncompliance or contamination may require Western to make material expenditures or subject us to liabilities that we currently do not anticipate. Environmental laws and regulations are subject to change and accordingly, it is impossible for Western to predict the cost or impact of such laws and regulations on the Corporation's future operations.

Environmental Legislation

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nation wide emissions of carbon dioxide, methane, nitrous oxide and other so-called "greenhouse gases". The Government of Canada has put forward a Climate Change Plan for Canada which suggests further legislation will set greenhouse gases emission reduction requirements for various industrial activities, including oil and natural gas exploration and production. Future federal legislation, together with provincial emission reduction requirements, such as those which may be established under Alberta's *Climate Change and Emissions Management Act*, may require the reduction of emissions or emissions intensity from the oil and natural gas industry. Mandatory emissions reductions may result in increased operating costs and capital expenditures for oil and natural gas producers, thereby decreasing the demand for the Corporation's services. Management is unable to predict the impact of any such environmental legislation on the Corporation and it is possible that it will adversely affect the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Operating Risks and Insurance

The Corporation's operations are subject to hazards inherent in the oil and natural gas industry, such as equipment defects, malfunction and failures, and natural disasters which result in fires, vehicle accidents, explosions and uncontrollable flows of natural gas or well fluids that can cause personal injury, loss of life, suspension of operations, damage to oil and natural gas formations, wells or facilities of customers, business interruption and damage to or destruction of property, equipment and the environment. These risks could expose the Corporation to substantial liability for personal injury, wrongful death, property damage, loss of oil and natural gas production, pollution, and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators.

Western continuously monitors the Corporation's activities for quality control and safety. However, there are no assurances that the Corporation's safety procedures will always prevent such damages. Although the Corporation maintains insurance coverage that it believes to be adequate and customary in the industry, there can be no assurance that such insurance will be adequate to cover the Corporation's liabilities. In addition, there can be no assurance that the Corporation will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits maintained by the Corporation, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse affect on the Corporation, the Corporation's ability to conduct normal business operations and on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Agreements and Contracts

The business operations of the Corporation will depend on verbal, performance based agreements with its customers that are cancellable at any time by either Western, on behalf of the Corporation, or its customers. The key factors which will determine whether a client continues to use the Corporation are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety and competitive price. There can be no assurance that the Corporation's relationship with its current customers will continue and a significant reduction or total loss of the business from such customers, if not offset by sales to new or existing customers, could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Key Personnel

The successful operation of the Corporation's business depends upon the abilities, expertise, judgment, discretion, integrity and good faith of Western's executive officers, management, employees and consultants. In addition, the ability of Western to expand the Corporation's services will depend upon the ability to attract qualified personnel as needed. The demand for skilled oil and natural gas employees is high, and the supply is limited. The unexpected loss of Western's key personnel, or the inability to retain or recruit skilled personnel could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Competition

The Corporation provides oil and natural gas services primarily to the field operation locations of oil and natural gas exploration and production companies located in western Canada. The oil and natural gas services business in which the Corporation operates is highly competitive. To be successful, the Corporation must provide services that meet the specific needs of its clients at competitive prices. The principal competitive factors in the markets in which the Corporation operates are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience and reputation for safety and price. The Corporation will compete with several regional competitors that are both smaller and larger than it is. These competitors offer similar services in all geographic regions in which the Corporation will operate. As a result of competition, the Corporation may be unable to continue to provide its present services or to acquire additional business opportunities, which could have a material adverse affect on the Corporation's business, financial condition, results of operations and cash flows and therefore on the market price of the Common Shares.

Reduced levels of activity in the oil and natural gas industry can intensify competition and result in lower revenue to the Corporation. Variations in the exploration and development budgets of oil and natural gas companies which are directly affected by fluctuations in energy prices, the cyclical nature and competitiveness of the oil and natural gas industry and governmental regulation, will have an effect upon the Corporation's ability to generate revenue and earnings.

Credit Risk

All of the Corporation's accounts receivable are with customers involved in the oil and natural gas industry, whose revenues may be impacted by fluctuations in commodity prices. Collection of these receivables could be influenced by economic factors affecting the oil and natural gas industry.

Potential Conflicts of Interest

Certain of the directors and officers of Western are also directors and officers of other oil and natural gas and oil and natural gas services companies and conflicts of interest may arise between their duties as officers and directors of Western and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the ABCA.

There may be situations in which the interests of the directors and management of, and consultants to, Western may conflict with those of the Corporation. Furthermore, some of these conflicts may result in the individual being in a direct conflict of interest position in relation to the Corporation. Any conflicts will be resolved in accordance with the provisions of the ABCA and other applicable laws.

Risks Relating To This Rights Offering

Subscription Price not an Indication of Value

The Subscription Price is $0.30, which represents a discount of approximately 19% to the simple average closing price for the Common Shares on the TSXV for the twenty (20) trading days immediately prior to the date hereof. The Subscription Price was determined by the Board of Directors and does not necessarily bear any relationship to the book value of Western's assets, past operations, cash flows, losses, financial condition or any other established criteria for value. Shareholders should not consider the Subscription Price as an indication of the Corporation's value. After the date of this Rights Offering Circular, the Common Shares may trade at prices above or below the Subscription Price.

Decline in the Trading Price May Occur

The trading price of the Common Shares in the future may decline below the Subscription Price. Western can make no assurance that the Subscription Price will remain below any future trading price for the Common Shares. Future prices of the Common Shares may adjust positively or negatively depending on various factors including Western's future revenues, operations, speculation in the trade or business press about Western's operations and overall conditions affecting Western's businesses, economic trends and the securities markets.

No Revocation of Right

Even if the price of the Common Shares declines below the Subscription Price for the Trust Units, resulting in a loss on Subscribers' investments upon the exercise of the Subscribers' Rights, Subscribers may not revoke or change the exercise of Rights after they send in their subscription forms and payment. Western may, in its discretion, extend the Rights Expiry Time in accordance with applicable Canadian securities laws and the applicable policies of the TSXV. During any potential extension of time, the price of the Common Shares may decline below the Subscription Price and result in a loss on Subscribers' investments upon the exercise of the Rights. If the Rights Expiry Time is extended after Subscribers send in their subscription forms and payment, Subscribers still may not revoke or change the exercise of Rights.

No Interest on Subscription Funds

If Western cancels the Rights Offering, neither Western nor the Subscription Agent will have any obligation with respect to the Rights, except to return, without interest, any subscription payments to Subscribers.

Participation in the Rights Offering is not Assured

If a Shareholder exercises its Rights, it may not revoke the exercise for any reason unless Western amends the Offering. If Western decides to terminate the Offering, Western will not have any obligation with respect to the Rights except to return any subscription payments, without interest.

Shareholders Need to Act Promptly and Follow Subscription Instructions

Shareholders who desire to purchase Common Shares in this Rights Offering must act promptly to ensure that all required forms and payments are actually received by the Subscription Agent prior to 10:00 a.m., Calgary time, on November 5, 2008, the Rights Expiry Time, and any permitted extension of the Rights Expiry Time. If Shareholders fail to complete and sign the required subscription forms, send an incorrect payment amount, or otherwise fail to follow the subscription procedures that apply to the exercise of Rights by the holder, the Subscription Agent may, depending on the circumstances, reject the subscription or accept it to the extent of the payment received. Neither Western nor the Subscription Agent undertakes to attempt to correct an incomplete or incorrect subscription form or payment. Western has the sole discretion to determine whether an exercise of Rights properly follows the subscription procedures.

STATEMENT AS TO RESALE RESTRICTIONS

Securities legislation restricts the ability of a holder to trade the Rights and the Common Shares issuable upon the exercise of such Rights (collectively, the "**Securities**"), without certain conditions having been fulfilled or applicable prospectus requirements having been complied with. The following is a general summary of the restrictions governing the first trades in the Securities. Additional restrictions apply to "insiders" of the Corporation and holders of the Securities who are "control persons" or the equivalent or who are deemed to be part of what is commonly referred to as a "control block" in respect of the Corporation for purposes of securities legislation. **Each holder of Rights is urged to consult his or her professional advisors to determine the exact conditions and restrictions applicable to trades of the Securities.**

Generally, in Canada, the first trade of any of the Securities will be exempt from the prospectus requirements of securities legislation in the Qualifying Jurisdictions if:

(a) the Corporation is and has been a "reporting issuer" in a jurisdiction of Canada for the four months immediately preceding the trade;

(b) the trade is not a "control distribution" as defined in the applicable securities legislation;

(c) no unusual effort is made to prepare the market or to create a demand for the Securities;

(d) no extraordinary commission or other consideration is paid in respect of such trade; and

(e) if the seller is an insider or officer of the Corporation, the seller has no reasonable grounds to believe that the Corporation is in default of applicable securities legislation.

If such conditions have not been met, then the Securities may not be resold except pursuant to a prospectus or prospectus exemption, which may only be available in limited circumstances.

The Corporation has been a reporting issuer for more than four months in each of the provinces of British Columbia and Alberta.

The foregoing is a summary only and is not intended to be exhaustive. Holders of Rights should consult with their advisors concerning restrictions on resale, and should not resell their Securities until they have determined that any such resale is in compliance with the requirements of applicable legislation.

INQUIRIES

Inquiries relating to this Offering should be addressed to:

Valiant Trust Company
Suite 310, 606 – 4th Street SW
Calgary, Alberta T2P 1T1

Attention: Reorganization Department
Toll Free: 1-866-313-1872

By E-mail to: inquiries@valianttrust.com

ADDITIONAL INFORMATION

Documents affecting the rights of Shareholders, along with other information relating to the Corporation, may be found on SEDAR at www.sedar.com.