



**WESTERN ENERGY SERVICES CORP.
ANNOUNCES 2016 CAPITAL BUDGET AND NORMAL COURSE ISSUER BID**

FOR IMMEDIATE RELEASE: December 16, 2015

CALGARY, ALBERTA - Western Energy Services Corp. (the "**Company**" or "**Western**") (TSX:WRG) is pleased to announce its planned 2016 capital expenditure budget, and Normal Course Issuer Bid (the "**Bid**").

Capital Budget

Western's 2016 capital expenditure budget is expected to total approximately \$18 million, which includes \$12 million in maintenance capital and \$6 million in expansion capital.

Maintenance capital of \$12 million includes \$8 million in the contract drilling segment and \$4 million in the production services segment.

Expansion capital of \$6 million relates to certain customer specific upgrades for Western's contract drilling segment and additional oilfield rental equipment for Western's rental division, Aero Rental Services.

Western believes the 2016 capital budget provides a prudent use of cash resources and will allow it to maintain its balance sheet strength in the current market conditions. This budget also demonstrates the Company's commitment to maintaining Western's premier drilling and well servicing rig fleets, while remaining responsive to customer requirements, and expanding Western's strategic presence in the oilfield rental equipment market. Western will continue to manage its operations in a disciplined manner and make any required adjustments to its capital program as customer demand changes.

Normal Course Issuer Bid

The Company also announces that a Notice of Intention to make a Normal Course Issuer Bid, which has been approved by its Board of Directors (the "**Board**"), has been filed with and accepted by the Toronto Stock Exchange (the "**TSX**"). The Company's Board and management believe that the purchase by the Company of common shares in the capital of Western ("**Common Shares**") pursuant to the Bid constitutes an attractive and appropriate investment of corporate funds. The Company's Board and management further believe that market prices of the Common Shares do not properly reflect the underlying value of the Company's assets and business.

Pursuant to the Bid, Western may purchase for cancellation up to 4,550,000 Common Shares, which is 9.9% of Western's public float as at December 4, 2015. As of December 4, 2015, Western had approximately 73.6 million issued and outstanding Common Shares. Pursuant to the rules of the TSX, the maximum number of Common Shares that the Company may purchase in any one day is 25,765 Common Shares or 25% of the Company's average daily trading volume of 103,062 Common Shares on the TSX. In the last 12 months, the Corporation has purchased 1,320,700 Common Shares at an average price per Common Share of \$5.18. Western may also make one block purchase per calendar week which exceeds the daily purchase restriction. Any Common Shares purchased pursuant to the Bid will be cancelled by the Company.

The Bid will commence on December 18, 2015 and will terminate on the earlier of: (i) December 17, 2016; and (ii) the date on which the maximum number of Common Shares are purchased pursuant to the Bid. All purchases will be effected through the facilities of the TSX, other alternative trading platforms or any other exchange recognized or designated by the securities regulatory authorities as a "designated exchange" as such term is defined in Multilateral Instrument 62-104 – Take Over Bids and Issuer Bids. The price for Common Shares acquired under the Bid will be the market price of the Common Shares at the time of such purchase.

Peters & Co. Limited ("**Peters**") has been appointed as the broker firm responsible for making purchases of Common Shares under the Bid on behalf of Western pursuant to an automatic purchase plan agreement dated December 14, 2015 between Western and Peters (the "**APPA**"). The APPA permits Peters to purchase Common Shares under the Bid during internal blackout periods when the Company would not be permitted to trade in its shares, including regularly scheduled quarterly

blackout periods. Such purchases would be pursued at the sole discretion of Peters based on parameters established by Western prior to any blackout period in accordance with TSX rules, applicable securities laws and the terms of the agreement between the broker and Western.

About Western Energy Services Corp.

Western is an oilfield service company which provides contract drilling services in Canada through its division Horizon Drilling and in the United States through its wholly-owned subsidiary Stoneham Drilling Corporation. In Canada, Western also provides well servicing through its division Eagle Well Servicing and provides oilfield rental services through its division Aero Rental Services.

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 Western’s 2016 capital budget for maintenance and expansion capital, and the purchase of Common Shares under the Normal Course Issuer Bid. 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, 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 risks, uncertainties, assumptions 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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