



NEWS RELEASE

WESTERN ENERGY SERVICES CORP. ANNOUNCES 2017 CAPITAL BUDGET AND PROVIDES OPERATIONS UPDATE

FOR IMMEDIATE RELEASE: January 9, 2017

CALGARY, ALBERTA - Western Energy Services Corp. ("**Western**") (TSX: WRG) is pleased to announce its planned 2017 capital expenditure budget and provide an update on its operations.

Capital Budget

Western's 2017 capital expenditure budget is expected to total approximately \$13 million, including capital spending carried forward from 2016 of approximately \$2 million. The 2017 capital expenditure budget is expected to be comprised of \$11 million of maintenance capital and \$2 million of expansion capital.

Maintenance capital of \$11 million includes \$7 million in the contract drilling segment and \$4 million in the production services segment.

Expansion capital of \$2 million relates to 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 2017 capital budget continues to demonstrate its commitment to maintaining its premier drilling and well servicing rig fleets, while responsibly allocating expansion capital to maximize stakeholder returns by meeting customer demand. Further, Western considers the 2017 capital budget to be a prudent use of capital, contributing to the preservation of its balance sheet. Management will continue to monitor customer demand and will adjust its 2017 capital budget as required.

Operations Update

Currently, 34 of Western's Canadian drilling rigs are operating, representing 67% of the rig fleet. This is the highest active rig count achieved by Horizon Drilling, Western's Canadian drilling division, since the first quarter of 2015. Management believes Horizon Drilling's active rig count demonstrates the suitability of Western's drilling rig fleet for the current drilling activity in the Western Canadian Sedimentary Basin, and underscores the continued efforts of both the marketing and operations teams, as previously idle rigs safely and efficiently return to work.

Western expects that the demand for drilling and well servicing rigs will continue to increase in the coming weeks as customers ramp-up their winter drilling programs.

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 2017 capital budget for maintenance and expansion capital, customer demand and the future activity of Western’s drilling and well servicing rigs. 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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