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FOR IMMEDIATE RELEASE: December 22, 2009

Western Energy Services Corp. Announces Closing of Recapitalization Transaction

CALGARY, ALBERTA - December 22, 2009 - Western Energy Services Corp. ("Western" or the "Company") (TSXV: WRG) is pleased to announce it has closed a reorganization (the "Transaction") involving a non-brokered private placement of $7.0 million (the "Private Placement"), the conversion of the Company's existing bridge lending facility, subordinated convertible debentures (including the cancellation of the related common share purchase warrants) and other specified obligations into common shares of Western (the "Sub Debt Conversion"), and the appointment of a new board of directors (the "New Board"). The New Board is now comprised of Dale E. Tremblay, Steven C. Grant, Murray K. Mullen and John R. Rooney. The new management team is led by Dale E. Tremblay, Alex MacAusland and Jeffrey K. Bowers (the "New Management Team").

Cormark Securities Inc. acted as financial advisor to the New Management Team in connection with the Transaction.

Capital Restructuring and Private Placement

Pursuant to the Private Placement, the New Management Team and New Board, or their respective nominees, subscribed for 50.5 million units ("Units") of Western, at a price of $0.08 per Unit, for proceeds of $4.0 million. In addition, 37.0 million common shares of Western ("Common Shares"), were issued at a price of $0.08 per Common Share to the New Board, or their respective nominees, certain current directors and other third parties, for proceeds of $3.0 million. The aggregate gross proceeds to Western is $7.0 million.

Each Unit consists of one Common Share and one share purchase warrant ("Warrant") entitling the holder to purchase one Common Share at a price of $0.105 for a period of five years. The Warrants will vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the Common Shares ("Trading Price") equaling or exceeding $0.16, an additional one-third upon the Trading Price equaling or exceeding $0.24 and an additional one-third upon the Trading Price equaling or exceeding $0.32.

In addition, and as a condition of the completion of the Private Placement, the holders of the Company's existing bridge lending facility, subordinated convertible debentures (including the related common share purchase warrants) and other specified obligations (the "Subordinated Debt"), have converted the existing Subordinated Debt of approximately $6.359 million in exchange for 12,285,425 million common shares of Western at a price of $0.50 per share. The Subordinated Debt is being converted at a 525 percent premium to the Private Placement Issue Price. Mr. Jon Waddell, a former director and the former interim Chief Financial Officer, participated in the Private Placement and the Sub Debt Conversion and now holds directly or indirectly, approximately 19.2 percent of the issued and outstanding shares of the Company.

The Common Shares and Warrants issued to the New Management and the New Board, or their respective nominees, under the Private Placement are subject to contractual escrow with one-third of such Common Shares and Warrants released on the 12th, 18th and 24th month following the closing date of the Private Placement. Members of the New Management and New Board, or their respective nominees, will purchase an aggregate of 50.5 million Units and 9.4 million Common Shares under the Private Placement representing 45.4 percent of the basic outstanding Common Shares and approximately 60.5 percent of the outstanding Common Shares on a fully-diluted basis following the completion of the Private Placement, assuming that 100 percent of the Warrants issued thereunder are exercised.

The Common Shares issued to investors, other than the New Management and the New Board, or their respective nominees, under the Private Placement are subject to contractual escrow with one-third of such Common Shares released each six months following the closing date of the Private Placement.

All of the Units and Common Shares are subject to a hold period of 4 months pursuant to applicable securities laws and policies of the TSX Venture Exchange.

The proceeds from the Private Placement will be used initially to repay the Company's bank debt obligations and for general corporate purposes. Following completion of the Private Placement, the Sub Debt Conversion and a pending asset sale for gross proceeds of approximately $825,000, the Company will have no debt and approximately $2 million of positive working capital.

Corporate Strategy

The New Management Team believes that current market conditions in the Canadian energy sector provide an optimal opportunity to build a new Canadian focused oilfield service provider through consolidation. The New Management Team believes that this revitalized Company will be in a position to attract qualified staff to grow the organization. It is anticipated that these factors combined with access to capital will provide Western with the opportunity for increased returns.

The New Management Team is a cohesive group with a proven track record of creating value for investors. The recapitalized Western will be focused from both a business line and geographical perspective. The New Management Team's history of using strict fiscal management with a focus on strategic acquisitions will allow Western to differentiate itself from its peer-group.

Due to the experience of the New Management Team, it is their intention to initially focus their efforts in three core business lines in Canada encompassing contract drilling, service rigs and rental & production services. The business plan will see the New Management Team pursue strategic acquisitions focused on strengthening and adding depth to these core business lines with an emphasis on attracting business from Canadian customers engaged in unconventional resource development.

As part of Mr. Tremblay's agreement with his previous employer, it is anticipated that there will be some restrictions on Mr. Tremblay to operate in certain jurisdictions outside of Canada for a period of time. The New Management Team intends to initially focus their efforts in Canada where there are substantial consolidation opportunities to pursue and there are no restrictions on the New Management Team to operate in any way in Canada.

ABOUT WESTERN ENERGY SERVICES CORP.

Western is a public energy services corporation operating in Western Canada and which trades on the TSX Venture Exchange (TSXV) under the symbol "WRG".

FORWARD-LOOKING INFORMATION

This press release contains certain statements or disclosures relating to the Company that are based on the expectations of its New Management as well as assumptions made by and information currently available to the Company which may constitute forward-looking information under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Company anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro-forma", or other comparable terminology.

In particular most of the forward-looking statements in this press release are based on the assumption that the Transaction will be granted final approval by the TSX Venture Exchange

Under the heading "Corporate Strategy" there are statements pertaining to the intentions of New Management with respect to seeking opportunities in three core business lines in Canada, encompassing contract drilling, service rigs and rental & production services. There are also statements to the effect that New Management will pursue strategic acquisition in these core businesses with the intent that such possible acquisitions result in meaningful growth. Those statements assume that the Company will be able to attract enough additional capital or credit to allow for such acquisitions and that those acquisitions, if made, would be accretive. There is a risk that, due to a number of factors, adequate additional capital and credit may not become available to the Company and even if such capital does become available, there is further risk that opportunities that are accretive may either not be available or, if completed, are ultimately not accretive.

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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information, please contact:

Dale E. Tremblay
Chief Executive Officer
403-262-9439

Alex MacAusland
President & COO
403-262-9013

Jeffrey K. Bowers
VP Finance & CFO
403-262-9548