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Western Energy Services Corp. Announces Recapitalization Transaction and New Management Team

CALGARY, ALBERTA - December 8, 2009 - Western Energy Services Corp. ("Western" or the "Company") (TSXV: WRG) is pleased to announce it has entered into a reorganization and investment agreement (the "Agreement") that will reposition the Company to take advantage of significant opportunities in the energy services industry. The Agreement provides for the immediate appointment of a new management team, led by Dale E. Tremblay, Alex MacAusland and Jeffrey K. Bowers (the "New Management Team"), and a subsequent non-brokered private placement of up to $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 will be comprised of Dale E. Tremblay, Steven C. Grant, Murray K. Mullen and John R. Rooney.

Completion of the Private Placement, the appointment of the New Board and the Sub Debt Conversion (the "Transaction") is subject to standard closing conditions, including approvals of the TSX Venture Exchange (the "TSXV") and, in some cases, disinterested shareholder approval by way of written consent. The Transaction is anticipated to close on December 22, 2009.

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

New Management Team

The New Management Team has established a successful track record of creating value in the energy services sector. The New Management Team will be led by Dale E. Tremblay as Chief Executive Officer. Joining Mr. Tremblay will be Alex MacAusland as President and Chief Operating Officer, and Jeffrey K. Bowers as Vice President Finance and Chief Financial Officer. Mr. Tremblay, Mr. MacAusland and Mr. Bowers all worked together at Precision Drilling Corporation.

Dale E. Tremblay *CEO*	Mr. Tremblay has extensive domestic and international oil and gas experience in leadership roles at public and private oil and gas service companies. Mr. Tremblay most recently was the President & CEO and a Director of Saxon Energy Services Inc. from September 2005 to present. Mr. Tremblay guided the management team of Saxon in the development of the organization from a small company operating primarily in South America to a corporation that now operates over 70 rigs in North and South America. Mr. Tremblay will remain as non-executive Chairman of the Board of Saxon. Prior to joining Saxon, Mr. Tremblay was Senior Vice President Finance and Chief Financial Officer at Precision Drilling Corporation. Mr. Tremblay was a key member of the management team that led the growth of Precision Drilling Corporation from June 1988 to June 2005.
Alex MacAusland *President & COO*	Mr. MacAusland has over 19 years of management and operational experience in the oilfield services industry in western Canada and the United States. Mr. MacAusland was the President & CEO of Horizon Drilling Inc., a western Canadian based drilling and service provider, since February 2008. Previously, Mr. MacAusland was a Senior Vice President of IROC Energy Services Corp., overseeing Eagle Well Servicing, Mission Drilling and Aero Rentals. Prior to that he was at Precision Drilling Corporation for 15 years in various capacities including Rig Manager and Contract Sales, followed by General Manager and then Vice President Operations responsible for Precision's well servicing rig fleet, snubbing, camp and catering divisions.
Jeffrey K. Bowers *Vice President Finance & CFO*	Mr. Bowers is a Chartered Accountant and has over 18 years of financial experience in the oilfield services industry domestically and internationally. Since April 2008, Mr.

Bowers held the position of Vice President Finance & CFO with Horizon Drilling Inc. Previously, Mr. Bowers was the Chief Financial Officer for four years at FracSource Inc. prior to its divestiture in 2008. Prior to that he was employed at Precision Drilling Corporation for five years, initially with Computalog Ltd. followed by three years as Group Controller, Canada for Precision Energy Services. Prior to Precision Drilling Corporation, Mr. Bowers worked for Nowsco Well Service Ltd. in various capacities including Controller of Canadian Operations and Controller of Nowsco's Asia Pacific Operations.

Mr. Jon Garner and Mr. Jon Waddell have resigned from their respective positions as interim President and interim Chief Financial Officer.

Board of Directors

The proposed New Board has a track record of building, financing and directing energy services companies and brings a wide range of experience, knowledge and innovation to the recapitalized entity. Each member of the New Board has contributed as a director of Precision Drilling Corporation and/or Saxon Energy Services Inc. The New Board shall consist of the following individuals, including Mr. Tremblay, as the Chairman of the Board:

Steven C. Grant *Director*	Mr. Grant served on the board of directors of Precision Drilling Corporation from 2000 to 2003 and on the board of directors of Saxon Energy Services Inc. in 2008. He currently serves on the board of directors of Horizon North Logistics Inc. and Mullen Group Ltd. Mr. Grant was formerly a Houston-based Managing Director of Energy Investment Banking with Raymond James & Associates from 1996 through February 2008 and prior to that was the Senior Vice President and CFO of Enterra Corporation, a NYSE listed oilfield service company.
Murray K. Mullen *Director*	Mr. Mullen is the Chairman and CEO of the Mullen Group Ltd., a $1.6 billion energy services company, and has held these positions since 2001. From 1991 until September 2004, Mr. Mullen held the positions of President and CEO. Mr. Mullen also serves on the board of directors of ShawCor Ltd. and served as a member of the board directors of Precision Drilling Corporation from 1996 to 2004.
John R. Rooney *Director*	Mr. Rooney is President and CEO of Northern Blizzard Resources Inc., a private oil & gas company. Prior thereto Mr. Rooney was President & CEO of TUSK Energy Corporation, Zenas Energy Inc., Blizzard Resources Inc., and Equatorial Energy Inc., all public oil & gas companies. Mr. Rooney is currently a director of Gastar Exploration Ltd., Caza Oil & Gas Inc., Tuscany International Drilling Inc. and Export Development Canada. He is a Chartered Accountant and a Chartered Business Valuator and has over 20 years experience in senior management and board positions with various public and private companies including Saxon Energy Services Inc.

Capital Restructuring and Private Placement

Pursuant to the Private Placement, the New Management Team and New Board will subscribe for up to 50.5 million units ("Units") of Western, at a price of $0.08 per Unit, for proceeds of $4.0 million. In addition, up to 37.0 million common shares of Western ("Common Shares"), will be issued at a price of $0.08 per Common Share to the New Board, certain current directors and other third parties, for proceeds of $3.0 million. The aggregate gross proceeds to Western will be approximately $7.0 million. Western was last traded at $0.075 per share.

Each Unit will consist 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 agreed to convert the existing Subordinated Debt of approximately $6.1 million in exchange for 12.3 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 current director and the former interim Chief Financial Officer, is the holder, directly or indirectly, of 9.7 million shares of the Company (approximately 30.1 percent of the issued and outstanding shares of the Company prior to the Private Placement and Sub Debt Conversion). Pursuant to the Sub Debt Conversion and assuming that Mr. Waddell participates in the Private Placement, Mr. Waddell will hold, 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 under the Private Placement will be 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. It is anticipated that members of the New Management and New Board 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, under the Private Placement will be subject to contractual escrow with one-third of such Common Shares released each six months following the closing date of the Private Placement.

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 and Sub Debt Conversion, the Company expects to have no debt and approximately $2 million of positive working capital, including a cash balance of approximately $2 million.

The Company's existing bank lender (the "Bank") has indicated that the Bank will amend the Company's senior credit facility. The facility will be increased by $1.5 million and consist of an operating demand revolving loan and a demand revolving loan in aggregate of $6 million. These new facilities are for working capital purposes and require interest only to be paid monthly with no scheduled principal repayments. A new credit facility will be negotiated with the implementation of the Company's growth plans.

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.

Board Approval and Regulatory Requirements

Completion of the Private Placement and the Sub Debt Conversion is subject to a number of conditions and approvals including, but not limited to, the approval of the TSXV. Under the policies of the TSXV, the completion of the Private Placement would result in the creation of a Control Person and accordingly, unless such requirement is waived by the TSXV, is subject to the approval of the disinterested shareholders of Western. As Mr. Tremblay will hold, directly and indirectly, greater than 20% of the Common Shares (on a fully diluted basis) following the issuance of the Units, Mr. Tremblay will be a Control Person of Western under the policies of the TSXV. The required disinterested shareholder approval may be obtained by Western either by receipt of written consents by holders of more than 50 percent of the issued and outstanding voting shares of Western held by such shareholders (the "Written Consents") or by approval of a resolution of disinterested shareholders at a special meeting of shareholders (the "Western Meeting"). Pursuant to the Agreement, Western has agreed to obtain the Written Consents on or before December 15, 2009, failing which Dale E. Tremblay, as the representative of the New Management Team, has the right to terminate the Agreement. In the event that the Written Consents is not obtained on or before December 15, 2009 and Dale E. Tremblay, as the representative of the New Management Team, waives its termination right, Western has agreed to convene and hold the Western Meeting on or before January 30, 2010.

The Sub Debt Conversion and Private Placement constitute related party transactions under the policies of the TSXV, which incorporates by reference, Multilateral Instrument 61-101 (“MI 61-101”). Under MI 61-101, the Sub Debt Conversion and Private Placement are related party transactions because such transactions are with, or securities are being issued to, directly or indirectly, directors of the Company. Unless an exemption is applicable, the related party rules require a formal valuation and minority approval in respect of a related party transaction. MI 61-101 contains an exemption from the requirement to obtain shareholder approval and a formal valuation if the Company’s independent board members, free from any interest in the transactions and unrelated to the parties involved in the transactions, have recommended the transactions, and the independent members of the board of directors resolve that the Company is in serious financial difficulty, the transactions are designed to improve the Company's financial condition, and the transactions are reasonable for the Company in the circumstances.

The Company is relying on an exemption from the requirement in MI 61-101 that require a formal valuation and to seek shareholder approval for the Sub Debt Conversion and Private Placement on the basis of the Company's financial hardship.
The Company's independent director has concluded that the Company is in serious financial difficulty, the proposed Sub Debt Conversion and Private Placement are designed to improve the Company's financial condition and the Sub Debt Conversion and Private Placement are each reasonable for the Company in the circumstances. As a result of these factors and considering the current financial environment, the independent director has approved the Transaction.

Western is proceeding with the Transaction due to the amount of the Company’s outstanding senior and subordinated debt, which senior debt is due on demand, and the material uncertainty of the Company’s ability to service and repay the senior and subordinated debt. Despite the Company’s best efforts, the current financial environment has made it difficult to service and repay its debt obligations and/or sell underutilized assets to significantly reduce outstanding debt.

The above transactions are subject to regulatory approval, including that of the TSXV.

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 completed. There are a number of conditions set forth in the Agreement which must be met in order for the Transaction to be completed and as a result there is a risk that the proposed Transaction will not be completed.

In addition, if the Transaction is completed, there are statements to the effect as to who the anticipated new directors of the Company will be. It is assumed that such persons will be appointed as part of the closing of the Transaction, however, there is a risk that one or more of such stated persons will not ultimately be appointed or agree to be appointed.

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.

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