



WESTERN ENERGY SERVICES CORP. ANNOUNCES 2013 CAPITAL BUDGET

FOR IMMEDIATE RELEASE: December 12, 2012

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) is pleased to announce its planned 2013 capital expenditure budget of approximately \$60 million, which includes \$28 million in expansion capital and \$32 million in maintenance capital expenditures.

Expansion capital of \$28 million includes \$11 million to increase our drilling rig fleet's pumping capacity in Canada, \$8 million in rig moving systems for our drilling rig fleet in the United States, \$5 million in drill pipe and \$4 million in other drilling equipment.

Maintenance capital of \$32 million includes \$12 million in critical spare equipment, \$10 million in drilling equipment, \$6 million in drill pipe and \$4 million relating to equipment recertifications.

In addition, approximately \$10 million remaining from Western's 2012 capital program is expected to be spent in 2013 for the completion of two telescopic Efficient Long Reach double drilling rigs, one of which is a pad drilling rig. Western will finance its 2013 capital expenditure budget substantially from operating cash flows, while maintaining our conservative balance sheet going into 2013 and positioning the Company for future opportunities.

Western believes the 2013 capital budget provides a prudent use of cash given the current operating environment. This budget demonstrates our commitment to maintaining our equipment while at the same time introducing further improvements to our drilling rig fleet to continue to meet customer demands for technically advanced equipment.

Western is an oilfield service company which provides contract drilling services through its wholly-owned subsidiaries Horizon Drilling Inc. in Canada and Stoneham Drilling Corporation in the United States. In addition, Western provides well servicing through its wholly-owned subsidiary Matrix Well Servicing Inc.

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 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, Western states that "its planned 2013 capital expenditure budget of \$60 million, which includes \$28 million in expansion capital and \$32 million in maintenance capital expenditures." and "Western will finance its 2013 capital expenditure budget substantially from operating cash, while maintaining our conservative balance sheet going into 2013 and positioning the Company for future opportunities."

The press release also describes the components of the anticipated capital expenditures. The foregoing assumes that operating cash flow during 2013 will be substantially sufficient to allow for such planned capital expenditures. In addition, the planned capital expenditures, especially expansion capital, assumes a level of demand for Western's drilling services to support these expenditures. There is a risk that Western could experience a decline in its business or revenues which could have a negative impact on those planned capital expenditures.

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