WESTERN ENERGY SERVICES CORP. RELEASES RECORD FIRST QUARTER 2012 FINANCIAL AND OPERATING RESULTS

FOR IMMEDIATE RELEASE: MAY 10, 2012

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) is pleased to release its first quarter 2012 financial and operating results. Additional information relating to the Company, including the Company's financial statements and management's discussion and analysis as at and for the three months ended March 31, 2012 and 2011 will be available on SEDAR at www.sedar.com. All amounts are denominated in Canadian dollars ($CDN) unless otherwise identified.

Highlights:

- Record revenue in the first quarter of 2012 totalled $110.9 million, a $60.8 million increase (or 121%) over the prior year due to an increased drilling rig fleet and improved day rates;
- Record EBITDA in the first quarter of 2012 totalled $44.2 million (40% of revenue), a $25.3 million increase (or 134%) over the prior year. The increase reflects improved day rates and the scale achieved through the growth in the contract drilling segment which had an average rig count of 44 rigs in the first quarter of 2012 as compared to 23 rigs in the same period of the prior year;
- Net income totalled $23.0 million ($0.39 per share) in the first quarter of 2012, an increase of 103% as compared to net income of $11.3 million ($0.30 per share) in the same period of the prior year;
- In Canada, utilization in the contract drilling segment averaged 81% in the first quarter as compared to the CAODC industry average of 65%;
- In the United States, utilization in the contract drilling segment averaged 78% in the first quarter. Taking mobilization days into consideration, the Company's rigs operating in the United States worked 98% of the available days in the quarter;
- On January 30, 2012 Western completed a private offering of $175.0 million aggregate principal amount of 7⅞% senior unsecured notes due January 30, 2019.

Selected Financial Information

(stated in thousands, except share and per share amounts)

Financial Highlights	Three months ended March 31 2012	2011	Change
Revenue	110,887	50,093	121%
Gross Margin(1)	50,213	21,388	135%
Gross Margin as a percentage of revenue	45%	43%	5%
EBITDA(1)	44,242	18,926	134%
EBITDA as a percentage of revenue	40%	38%	5%
Cash flow from operating activities	25,717	9,614	167%
Capital expenditures	36,403	14,939	144%
Net income	23,008	11,344	103%
-basic net income per share(2)	0.39	0.30	30%
-diluted net income per share(2)	0.38	0.28	36%
Weighted average number of shares			
-basic(2)	58,533,287	38,001,777	54%
-diluted(2)	60,764,266	39,932,812	52%
Outstanding common shares as at period end(2)	58,533,287	47,305,944	24%

Financial Position at (stated in thousands)	Mar 31, 2012	Mar 31, 2011	Change	Dec 31, 2011	Change
Working capital	101,925	74,452	37%	39,874	156%
Property and equipment	500,130	203,319	146%	473,930	6%
Total assets	706,061	329,114	115%	619,645	14%
Long term debt	171,570	28,030	512%	108,039	59%

(1) See financial measures reconciliations.
(2) Prior year amounts adjusted to reflect the 20:1 share consolidation completed on June 22, 2011.

Operating Highlights	Three months ended March 31 2012	2011	Change
Contract Drilling			
Canadian Operations			
Contract drilling rig fleet:			
-Average	39	23	70%
-End of period	40	24	67%
Drilling revenue per operating day (CDN$)	34,329	27,988	23%
Drilling rig operating days(1)	2,875	1,790	61%
Drilling rig utilization rate(1)	81%	85%	(5%)
CAODC industry average utilization rate(1)	65%	67%	(3%)
United States Operations			
Contract drilling rig fleet:			
-Average	5	-	100%
-End of period	5	-	100%
Drilling revenue per operating day (US$)	33,571	-	100%
Drilling rig operating days(1)	355	-	100%
Drilling rig utilization rate(1)	78%	-	100%
Well Servicing			
Well servicing rig fleet:			
-Average	2	-	100%
-End of period	2	-	100%
Revenue per service hour (CDN$)	581	-	100%
Total service hours	430	-	100%
Service rig utilization rate(2)	28%	-	100%

(1) Utilization rate calculated on a spud to rig release basis.

(2) Utilization rate calculated based on full utilization being 10 hour days, 365 days per year.

Outlook

Western currently has a drilling rig fleet of 45 rigs, with an additional 5 telescopic ELR double drilling rigs under construction. Western is the sixth largest drilling contractor in Canada with a fleet of 40 rigs. Currently, Western has five drilling rigs deployed in the United States. As of the second quarter of 2012, Western has commenced operations of its first five well servicing rigs in the Lloydminster, Alberta area and has announced the construction of an additional five well servicing rigs.

Western's drilling rig fleet is specifically suited for the current market which is focused on drilling wells of increased complexity. In total, approximately 96% of Western's fleet are ELR rigs with depth ratings greater than 3,000 meters and all of Western's rigs are capable of drilling resource base horizontal wells. Approximately 56% of Western's fleet is currently under long term take-or-pay contracts, which provide a base level of revenue. These contracts typically generate 250 utilization days per year in Canada, as the annual spring breakup restricts activity during the second quarter, while in the United States these contracts typically range from 330 to 365 revenue generating days per year.

Western's 2012 capital spending is expected to total approximately $125 million, which includes approximately $75 million in expansion capital and $50 million in maintenance capital. Expansion capital in the contract drilling segment aggregates to approximately $65 million and mainly relates to Western's drilling rig build program which includes the completion of seven telescopic ELR double drilling rigs in 2012, two of which have already been commissioned. Of the remaining five drilling rigs currently under construction, one is expected to be completed in each of the second and third quarters of 2012. Two are anticipated to be commissioned in the fourth quarter of 2012, and the final drilling rig under construction is expected to be commissioned in the first quarter of 2013. Expansion capital in the well servicing segment relates to the construction of five new internally guyed single service rigs, which are anticipated to be completed in the latter part of the fourth quarter of 2012 or early in the first quarter of 2013. Maintenance capital relates to various items such as rotational equipment, drill pipe, replacement parts and infrastructure upgrades. Western believes that with continued strong pricing environments for oil and natural gas liquids, additional rig build opportunities in both the contract drilling and well servicing segments will be available.

Drilling activity in Canada and the United States remained strong in the first quarter of 2012, despite spring breakup beginning earlier than in the prior year, which negatively affected Canadian oilfield service activity in the month of March. Western's utilization rates have consistently been above industry average due to the Company's deeper on average modern rig fleet, strong customer base and solid reputation. Following spring breakup, Western expects its drilling rig fleet to fully restart operations. Currently, the largest challenges facing the drilling industry are the growth of the industry's drilling rig fleet, as contract drillers continue to expand their fleets, depressed natural gas prices, and the challenge to attract and retain skilled labour. Despite the weakness in natural gas prices, Western believes that customers targeting oil and liquids-rich natural gas wells will continue to drive demand in 2012 and lead to levels of utilization consistent with 2011. Currently Western's fleet is fully crewed with qualified personnel and three crews on every rig. The Company believes Western's modern fleet and corporate culture will provide a distinct advantage in attracting qualified individuals. Western has a proven track record for delivering high quality equipment and well trained, highly skilled crews to its customers who rely on the Company to drill increasingly complex long reach horizontal wells. As such, Western is well positioned for future growth.

Financial Measures Reconciliations

Western uses certain measures in this press release which do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS"). These measures may not be comparable to similar measures presented by other reporting issuers. These measures have been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding the Company.

Gross Margin

Management believes that in addition to net income, Gross Margin is a useful supplemental measure as it provides an indication of the results generated by Western's principal operating activities prior to considering administrative expenses, how those activities are financed, the impact of foreign exchange, how the results are taxed, how funds are invested, and how non-cash charges and one-time gains or losses affect results.

EBITDA

Management believes that in addition to net income, earnings from continuing operations before interest and finance costs, taxes, depreciation, other non-cash items and one-time gains and losses ("EBITDA") as derived from information reported in the condensed consolidated statements of operations and comprehensive income is a useful supplemental measure as it provides an indication of the results generated by the Company's principal operating segments similar to Gross Margin but also factors in the cash administrative expenses incurred in the period.

Operating Earnings

Management believes that in addition to net income, Operating Earnings is a useful supplemental measure as it provides an indication of the results generated by the Company's principal operating segments similar to EBITDA but also factors in the depreciation expense charged in the period.

The following table provides a reconciliation of net income under IFRS as disclosed in the condensed consolidated statements of operations and comprehensive income to Gross Margin, EBITDA and Operating Earnings:

(stated in thousands)	Three months ended Mar 31, 2012	Three months ended Mar 31, 2011
Gross Margin	50,213	21,388
Add (subtract):		
Administrative expenses	(6,586)	(2,642)
Depreciation – administrative	194	54
Stock based compensation – administrative	421	126
EBITDA	44,242	18,926
Less:		
Depreciation – operating	(9,664)	(4,783)
Depreciation – administrative	(194)	(54)
Operating Earnings	34,384	14,089
Less:		
Stock based compensation – operating	(142)	(49)
Stock based compensation – administrative	(421)	(126)
Finance costs	(2,781)	(562)
Other items	(31)	963
Income taxes	(8,001)	(3,997)
Income from discontinued operations	-	1,026
Net income	23,008	11,344

2012 First Quarter Results Conference Call and Webcast

Western has scheduled a conference call and webcast to begin promptly at 12:00 p.m. MST (2:00 p.m. EST) on May 10, 2012.

The conference call dial-in number is 1-888-231-8191.

A live webcast of the conference call will be accessible on Western's website at www.wesc.ca by selecting "*Investor Relations*", then "*Webcasts*". Shortly after the live webcast, an archived version will be available for approximately 14 days.

An archived recording of the conference call will also be available approximately one hour after the completion of the call until May 24, 2012 by dialing 1-855-859-2056 or 1-416-849-0833, passcode 73325185.

Forward-Looking Statements and Information:

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. All statements other than statements of historical fact contained in this press release may be forward-looking statements and forward-looking information. In particular, forward-looking information and statements in this press release include, but are not limited to, under the section headed Outlook the statement that "of the remaining five drilling rigs currently under construction one is expected to be completed in each of the second and third quarters of 2012. Two are anticipated to be commissioned in the fourth quarter of 2012, and the final drilling rig under construction is expected to be commissioned in the first quarter of 2013." and "Despite the weakness in natural gas prices, Western believes that customers targeting oil and liquids-rich natural gas wells will continue to drive demand in 2012 and lead to levels consistent with 2011".

The foregoing assumes that oil pricing will continue to be strong enough to support ongoing high demand for drilling services and to support customer entering into long term contracts for new rigs being built.

There is a risk that oil prices or other factors could reduce the demand for drilling services and the viability of customers of Western entering into long term contract for any newly built drilling rigs.

These forward-looking statements and information are based on certain key expectations and assumptions made by Western, including the assumption that the demand for Western's drilling rigs will remain strong through 2012 and that such demand and financial performance will not affect expansion capital. Although Western believes that the expectations and assumptions on which such forward-looking statements and information are based 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 economic, market and business conditions. Readers are cautioned that the foregoing list of risks and uncertainties is not exhaustive.

Additional information on these and other risk factors that could affect Western's operations and financial results are included in Western's annual information form and the other disclosure documents filed by Western with securities regulatory authorities 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 and 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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