WESTERN ENERGY SERVICES CORP. RELEASES SECOND QUARTER 2013 FINANCIAL AND OPERATING RESULTS AND DECLARES QUARTERLY DIVIDEND

FOR IMMEDIATE RELEASE: July 31, 2013

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) is pleased to release its second quarter 2013 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 and six months ended June 30, 2013 and 2012 will be available on SEDAR at **www.sedar.com**. All amounts are denominated in Canadian dollars (CDN$) unless otherwise identified.

Second Quarter 2013 Highlights:

- On April 22, 2013, the Company acquired all of the issued and outstanding common shares of IROC Energy Services Corp. ("IROC") in a transaction valued at approximately $176.3 million. At June 30, 2013, IROC's assets included 54 well servicing rigs and approximately $35 million in oilfield rental equipment and three coiled tubing units. As such, the Company exited the second quarter of 2013 with a fleet of 64 well servicing rigs, 45 drilling rigs and an oilfield equipment rental division in Canada as well as 5 drilling rigs in the United States. The three coiled tubing units owned by IROC were not operated by Western after the acquisition and are expected to be sold in the third quarter of 2013;
- As a result of the acquisition of IROC, results in the second quarter 2013 reflect $12.2 million in incremental revenue, $3.2 million in additional Gross Margin, and a $2.3 million increase in EBITDA. Additionally, as a result of the acquisition, $2.1 million in acquisition costs have been incurred, which impacted net income during the second quarter of 2013;
- Revenue totalled $50.8 million in the second quarter of 2013, a $6.0 million increase (or 13%) over the same period in the prior year as a result of the increased size and scale of Western's production services segment following the acquisition of IROC, partially offset by lower contract drilling revenue mainly due to decreased day rates in both Canada and the United States;
- During the second quarter of 2013, utilization in the contract drilling segment averaged 28% in Canada as compared to the CAODC industry average of 18% and Western's second quarter 2012 average of 27%. While in the United States, utilization in the second quarter of 2013 averaged 45% as compared to 71% in the same period of the prior year. For the three months ended June 30, 2013, total well servicing hours in Western's production services segment increased significantly following the acquisition of IROC, increasing by 1,525% as compared to the same period in the prior year. Well servicing utilization during the second quarter of 2013 averaged 30% as compared to 22% in the same period of the prior year;
- EBITDA totalled $9.2 million in the second quarter of 2013, a $0.2 million decrease (or 2%) over the same period in the prior year. While revenue increased in the quarter, EBITDA remained relatively unchanged due to higher administrative expenses required to support the increased scale of Western's operations following the acquisition of IROC coupled with wet weather which hampered utilization, particularly in the production services segment;
- Second quarter capital expenditures of $18.5 million include $15.8 million of expansion capital, $1.9 million of maintenance capital and $0.8 million for critical spares.

Year to Date Highlights:

- For the six months ended June 30, 2013, revenues totalled $148.8 million, a $6.9 million decrease (or 4%) over the same period in the prior year due to lower revenue in the contract drilling segment as decreased pricing in both Canada and the United States, as well as fewer total operating days, were only partially offset by the increased revenue in the production services segment subsequent to the acquisition of IROC;
- On a year to date basis, contract drilling utilization in Canada averaged 49% as compared to the CAODC industry average of 38% and 54% in the prior year. In the United States, year to date contract drilling utilization averaged 47% in 2013 as compared to 74% in the same period of the prior year. For the six months ended June 30, 2013, total well servicing hours in the production services segment significantly increased by 1,168% as compared to the same period in the prior year. Year to date well servicing utilization has averaged 29% in 2013 as compared to 23% in the same period of the prior year;
- On a year to date basis, EBITDA totalled $43.6 million, a $10.0 million decrease (or 19%) as compared to the same period of the prior year reflecting lower revenues in the period and increased administrative expenses;
- For the six months ended June 30, 2013, capital expenditures totalled $36.7 million and include $29.9 million of expansion capital, $3.5 million of maintenance capital and $3.3 million for critical spares.

Selected Financial Information

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

Financial Highlights	**Three months ended June 30 2013**	**2012**	**Change**	**Six months ended June 30 2013**	**2012**	**Change**
Revenue	50,835	44,819	13%	148,841	155,706	(4%)
Gross Margin(1)	16,087	14,108	14%	57,032	64,321	(11%)
Gross Margin as a percentage of revenue	32%	31%	3%	38%	41%	(7%)
EBITDA(1)	9,199	9,364	(2%)	43,583	53,606	(19%)
EBITDA as a percentage of revenue	18%	21%	(14%)	29%	34%	(15%)
Cash flow from operating activities	48,381	58,930	(18%)	70,825	84,647	(16%)
Capital expenditures	18,547	39,602	(53%)	36,703	76,005	(52%)
Net income (loss)	(3,381)	827	(509%)	11,522	23,835	(52%)
-basic net income (loss) per share	(0.05)	0.01	(600%)	0.18	0.41	(56%)
-diluted net income (loss) per share	(0.05)	0.01	(600%)	0.17	0.39	(56%)
Weighted average number of shares						
-basic	69,594,802	58,533,287	19%	64,630,363	58,533,287	10%
-diluted	69,594,802	60,429,663	15%	65,957,534	60,612,851	9%
Outstanding common shares as at period end	73,343,763	58,533,287	25%	73,343,763	58,533,287	25%
Dividends declared	5,501	-	100%	9,975	-	100%

(1) See financial measures reconciliations.

Financial Position at (stated in thousands)	**June 30, 2013**	**June 30, 2012**	**Change**	**Dec 31, 2012**	**Change**
Working capital	22,799	65,582	(65%)	77,628	(71%)
Property and equipment	758,557	536,579	41%	568,157	34%
Total assets	903,882	699,356	29%	749,448	21%
Long term debt	232,529	171,764	35%	186,948	24%

Operating Highlights	**Three months ended June 30 2013**	**2012**	**Change**	**Six months ended June 30 2013**	**2012**	**Change**
Contract Drilling						
Canadian Operations:						
Contract drilling rig fleet:						
-Average	45	41	10%	45	40	13%
-End of period	45	41	10%	45	41	10%
Drilling revenue per operating day (CDN$)	28,399	33,507	(15%)	30,435	34,117	(11%)
Drilling rig operating days(1)	1,134	998	14%	4,010	3,873	4%
Drilling rig utilization per revenue day(2)	30%	30%	-%	55%	60%	(8%)
Drilling rig utilization rate per operating day(1)	28%	27%	4%	49%	54%	(9%)
CAODC industry average utilization rate(1)	18%	21%	(14%)	38%	43%	(12%)
United States Operations:						
Contract drilling rig fleet:						
-Average	5	5	-%	5	5	-%
-End of period	5	5	-%	5	5	-%
Drilling revenue per operating day (US$)	29,900	33,560	(11%)	30,212	33,566	(10%)
Drilling rig operating days(1)	205	322	(36%)	422	677	(38%)
Drilling rig utilization per revenue day(2)	60%	89%	(33%)	62%	94%	(34%)
Drilling rig utilization per operating day(1)	45%	71%	(37%)	47%	74%	(36%)
Production Services						
Well servicing rig fleet:						
-Average	63	4	1,475%	36	3	1,100%
-End of period	64	5	1,180%	64	5	1,180%
Revenue per service hour (CDN$)	755	579	30%	737	580	27%
Total service hours	13,718	844	1,525%	16,148	1,274	1,168%
Service rig utilization rate(3)	30%	22%	36%	29%	23%	26%

(1) Drilling rig utilization rate per operating day and drilling rig operating days are calculated on operating days only (i.e. spud to rig release basis).
(2) Drilling rig utilization rate per revenue day is calculated based on operating and move days.
(3) Service rig utilization rate calculated based on full utilization of 10 hours per day, 365 days per year.

Outlook

Western currently has a drilling rig fleet of 50 rigs, with two additional telescopic Efficient Long Reach ("ELR") double drilling rigs under construction which will be the Company's first two convertible pad rigs. Long term take-or-pay contracts have been signed for both rigs under construction. Western is the sixth largest drilling contractor in Canada with a fleet of 45 rigs. Additionally, Western has five ELR triple drilling rigs deployed in the United States.

Subsequent to the acquisition of IROC in April 2013, Western now has a well servicing rig fleet of 65 rigs operating through Eagle Well Servicing ("Eagle"). As such, Western now operates one of the newest fleets in the western Canadian sedimentary basin, with an average age of approximately four years, and is the seventh largest well servicing company in Canada. As part of the acquisition of IROC, Western also acquired an oilfield rentals division, AERO Rental Services ("AERO"), which provides advanced designed oilfield equipment used in the drilling and completions processes by oil and gas producers and oilfield service companies. This acquisition allows Western to focus its efforts on three core business lines: contract drilling, well servicing and oilfield equipment rental services.

Western's drilling rig fleet, which has an average age of approximately 6 years, is specifically suited for the current market which is focused on drilling horizontal wells of increased complexity. In total, 96% of Western's fleet are ELR drilling rigs with depth ratings greater than 3,000 meters and all of Western's rigs are capable of drilling resource based horizontal wells. Approximately one quarter of Western's fleet is currently under long term take-or-pay contracts with an average remaining contract life of approximately two years, which provide a base level of revenue. These contracts typically generate 250 operating days per year in Canada, as 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 approved capital spending for 2013 totals approximately $94 million, including $69 million in expansion capital, $19 million in maintenance capital and $6 million in critical spare equipment. In total, budgeted capital spending has increased by $8 million from the previously disclosed $86 million. The Company's expansion capital has increased by $11 million from the previously disclosed $58 million, mainly related to additional capital in the Canadian contract drilling segment for customer requested mud pump and tank system upgrades, which is contingent on signing long term contracts, plus additional oilfield rental equipment for AERO. The increase in expansion capital has been partially offset by the cancellation of previously budgeted capital items related to spare equipment. Western will continue to take a conservative approach to capital spending and will make appropriate adjustments to the capital program as required. Currently, Western expects a portion of its capital spending to carry over into 2014.

Approved capital spending for 2013 in the contract drilling segment totals $81 million and consists of $59 million in expansion capital, $16 million in maintenance capital and $6 million in critical spare equipment. Budgeted expansion capital in the contract drilling segment mainly relates to Western's drilling rig build program, capital to increase our drilling rig fleet's pumping capacity in Canada, as well as the addition of moving systems on select drilling rigs in the United States and additional drill pipe and other drilling equipment. Budgeted maintenance capital in the contract drilling segment includes additional drilling equipment, drill pipe and equipment recertifications.

In the production services segment, approved capital spending for 2013 totals $12 million and consists of $10 million in expansion capital and $2 million in maintenance capital. Budgeted expansion capital in the production services segment mainly relates to the completion of Eagle's well servicing rig build program and the purchase of additional oilfield rental equipment for AERO. The 2013 capital plan includes the expansion of AERO into the Grande Prairie, Alberta market to serve northern Alberta and northeast British Columbia. AERO's main operating base is located in Red Deer, Alberta.

Western expects to finance its 2013 capital expenditure budget substantially from operating cash flows while maintaining our well-structured balance sheet in 2013 thereby positioning the Company for future opportunities.

During 2013, the price for natural gas has improved significantly, with the AECO 30-day spot rate on average increasing by approximately 48% as compared to the first six months of 2012. Additionally, the average Edmonton Par price has remained consistent with the prior year increasing by 3% during the first six months of 2013, as compared to the same period in the prior year. With the improved commodity price environment and increased visibility into the second half of 2013, the Company expects oilfield services activity in 2013 to remain relatively consistent with 2012 levels. Additionally, Western continues to believe that additional rig build opportunities in the contract drilling segment will be available as liquefied natural gas projects gain approval, crude oil transportation capacity increases through rail and pipeline development, drilling activity increases in the Duvernay and Montney resource plays in Alberta and northeast British Columbia, coupled with continued foreign investment in Canada. Currently, the largest challenges facing the oilfield services industry are producer spending constraints, pricing differentials on Canadian crude oil, historically low natural gas prices, and the challenge to attract and retain skilled labour. The Company believes Western's modern drilling and well servicing rig fleet and corporate culture will provide a distinct advantage in retaining and attracting qualified individuals. Western is of the view, that its modern fleet, strong customer base and solid reputation provide a competitive advantage which will enable the Company to continue its growth strategy and higher than industry average utilization.

Quarterly Dividend

On July 31, 2013, Western's Board of Directors declared a quarterly dividend of $0.075 per share, which will be paid on October 15, 2013, to shareholders of record at the close of business on September 30, 2013. The dividends are eligible dividends for Canadian income tax purposes. On a prospective basis, the declaration of dividends will be determined on a quarter-by-quarter basis by the Board of Directors.

Appointment of New Board of Director

Western is pleased to announce that effective July 29, 2013, Tom Alford has been appointed as a director of Western. Mr. Alford served as the President, Chief Executive Officer and as a director of IROC from December 2001 until the acquisition of IROC by Western in April 2013.

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 which are derived from information reported in the condensed consolidated statements of operations and comprehensive income 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, depreciation and amortization, how those activities are financed, the impact of foreign exchange, how the results are taxed, how funds are invested, and how non-cash items and one-time gains and losses affect results.

EBITDA

Management believes that in addition to net income, earnings before interest and finance costs, taxes, depreciation and amortization, other non-cash items and one-time gains and losses ("EBITDA") 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:

	Three months ended June 30		**Six months ended June 30**	
(stated in thousands)	**2013**	**2012**	**2013**	**2012**
Gross Margin	**16,087**	**14,108**	**57,032**	**64,321**
Add (subtract):				
Administrative expenses	(7,578)	(5,286)	(14,877)	(11,872)
Depreciation – administrative	369	178	764	372
Stock based compensation – administrative	321	364	664	785
EBITDA	**9,199**	**9,364**	**43,583**	**53,606**
Depreciation – operating	(7,642)	(4,941)	(18,498)	(14,605)
Depreciation – administrative	(369)	(178)	(764)	(372)
Operating Earnings	**1,188**	**4,245**	**24,321**	**38,629**
Stock based compensation – operating	(218)	(116)	(372)	(258)
Stock based compensation – administrative	(321)	(364)	(664)	(785)
Finance costs	(3,995)	(3,250)	(7,754)	(6,031)
Other items	(1,044)	335	42	304
Income taxes	1,009	(23)	(4,051)	(8,024)
Net income (loss)	**(3,381)**	**827**	**11,522**	**23,835**

2013 Second 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 August 1, 2013.

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 "*Investors*", 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 August 15, 2013 by dialing 1-855-859-2056 or 1-416-849-0833, passcode 19950677.

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 include, under the heading “Second Quarter 2013 Highlights” the statement that: “The three coiled tubing units owned by IROC were not operated by Western after the acquisition and are expected to be sold in the third quarter of 2013”. Such forward-looking information assumes a sale of such units could take place which may not occur. In addition, other forward-looking information in this press release occurs under the heading “Outlook” which includes the statements: “Western’s approved capital spending for 2013 totals approximately $94 million, including $69 million in expansion capital, $19 million in maintenance capital and $6 million in critical spare equipment. In total, budgeted capital spending has increased by $8 million from the previously disclosed $86 million. The Company’s expansion capital has increased by $11 million from the previously disclosed $58 million, mainly related to additional capital in the Canadian contract drilling segment for customer requested mud pump and tank system upgrades, which is contingent on signing long term contracts, plus additional oilfield rental equipment for AERO. The increase in expansion capital has been partially offset by the cancellation of previously budgeted capital items related to spare equipment. Western will continue to take a conservative approach to capital spending and will make appropriate adjustments to the capital program as required. Currently, Western expects a portion of its capital spending to carry over into 2014.”

Such forward-looking information assumes that revenues over the remainder of 2013 will be sufficient to cover the budgeted expenditures, however, there is a risk that conditions could deteriorate for its customers which could result in a reduction in planned expenditures. As such, many factors could cause the performance or achievement of Western to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

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 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 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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