WESTERN ENERGY SERVICES CORP. RELEASES FIRST QUARTER 2014 FINANCIAL AND OPERATING RESULTS AND DECLARES QUARTERLY DIVIDEND

FOR IMMEDIATE RELEASE: May 1, 2014

CALGARY, ALBERTA - Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) is pleased to release its first quarter 2014 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, 2014 and 2013 will be available on SEDAR at www.sedar.com. All amounts are denominated in Canadian dollars (CDN$) unless otherwise identified.

Highlights:

- Operating Revenue totalled $149.6 million, a $59.5 million increase (or 66%) over the prior year due to the increased size and scale of Western's production services segment following the acquisition of IROC Energy Services Corp. ("IROC") on April 22, 2013, as well as higher utilization in the contract drilling segment in both Canada and the United States, coupled with a larger average drilling rig fleet in Canada;
- Utilization in the Canadian contract drilling segment improved to 81% as compared to 71% in the first quarter of 2013 and the CAODC industry average of 61%. In the United States, contract drilling utilization improved to 77% as compared to 48% in the prior year mainly due to fleet upgrades and strong operational performance. With the exception of downtime on one rig for the installation of a 1,500 hp AC pad conversion, the United States fleet was fully utilized in the quarter;
- Total well servicing hours in Western's production services segment increased significantly following the acquisition of IROC in the second quarter of 2013, increasing to 36,810 hours as compared to 2,430 hours in the first quarter of 2013. Likewise, well servicing utilization improved to 63% as compared to 28% in the first quarter of 2013;
- EBITDA totalled $59.5 million (40% of Operating Revenue) in the first quarter of 2014 as compared to $34.4 million (38% of Operating Revenue) in the same period of the prior year. The increase in EBITDA is mainly due to the increased activity in the contract drilling segment coupled with the increased contribution from production services;
- During the first quarter of 2014, capital expenditures totalled $20.1 million and include $16.6 million of expansion capital, $1.9 million of maintenance capital and $1.6 million for critical spares and mainly relate to the drilling rig build program in the contract drilling segment for the construction of two drilling rigs which were commissioned in the first quarter of 2014, as well as the installation of the first of two budgeted 1,500 hp AC pad conversions in the United States, which was commissioned subsequent to quarter end.

Selected Financial Information

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

	Three months ended March 31		
Financial Highlights	2014	2013	Change
Revenue	161,416	98,006	65%
Operating Revenue(1)	149,627	90,080	66%
Gross Margin(1)	67,629	40,945	65%
Gross Margin as a percentage of Operating Revenue	45%	45%	-
EBITDA(1)	59,548	34,384	73%
EBITDA as a percentage of Operating Revenue	40%	38%	5%
Cash flow from operating activities	38,634	22,444	72%
Capital expenditures	20,129	18,156	11%
Net income	25,500	14,903	71%
-basic net income per share	0.35	0.25	40%
-diluted net income per share	0.34	0.24	42%
Weighted average number of shares			
-basic	73,506,069	59,610,763	23%
-diluted	74,282,618	60,872,610	22%
Outstanding common shares as at period end	73,840,827	59,655,921	24%
Dividends declared	5,538	4,474	24%

(1) See "Financial Measures Reconciliations" included in this press release.

Financial Position at (stated in thousands)	Mar 31, 2014	Mar 31, 2013	Change	Dec 31, 2013	Change
Working capital	80,329	79,731	1%	50,616	59%
Property and equipment	787,886	576,795	37%	783,225	1%
Total assets	1,019,192	748,112	36%	986,792	3%
Long term debt	263,119	182,068	45%	262,877	-

	Three months ended March 31		
Operating Highlights	2014	2013	Change
Contract Drilling			
Canadian Operations:			
Contract drilling rig fleet:			
-Average	48	45	7%
-End of period	49	45	9%
Operating Revenue per operating day (CDN$)(1)	28,975	28,492	2%
Drilling rig operating days(2)	3,532	2,875	23%
Drilling rig utilization per revenue day(3)	89%	80%	11%
Drilling rig utilization rate per operating day(2)	81%	71%	14%
CAODC industry average utilization rate(2)	61%	59%	3%
United States Operations:			
Contract drilling rig fleet:			
-Average	5	5	-
-End of period	5	5	-
Operating Revenue per operating day (US$)(1)	28,806	30,375	(5%)
Drilling rig operating days(2)	346	217	59%
Drilling rig utilization per revenue day(3)	92%	64%	44%
Drilling rig utilization per operating day(2)	77%	48%	60%
Production Services			
Well servicing rig fleet:			
-Average	65	10	550%
-End of period	65	10	550%
Operating Revenue per service hour (CDN$)(1)	822	633	30%
Total service hours	36,810	2,430	1,415%
Service rig utilization rate(4)	63%	28%	125%

(1) Operating Revenue per operating day and per service hour are calculated using Operating Revenue divided by operating days and service hours, respectively.
(2) 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).
(3) Drilling rig utilization rate per revenue day is calculated based on operating and move days.
(4) Service rig utilization rate calculated based on full utilization of 10 hours per day, 365 days per year.

Western is an oilfield service company focused on three core business lines: contract drilling, well servicing and oilfield rental equipment services. Western provides contract drilling services through its division, Horizon Drilling ("Horizon") in Canada, and its wholly owned subsidiary Stoneham Drilling Corporation ("Stoneham") in the United States. Subsequent to the acquisition of IROC on April 22, 2013, Western provides well servicing operations in Canada through Western Energy Services Partnership's (the "Partnership") division Eagle Well Servicing ("Eagle"). Previously, well servicing operations were conducted through Western's division Matrix Well Servicing ("Matrix"). Western also provides oilfield rental services in Canada through the Partnership's division Aero Rental Services ("Aero"). Financial and operating results for Eagle and Aero from the date of the acquisition, as well as Matrix, are included in Western's production services segment.

Western currently has a drilling rig fleet of 54 rigs, with an average age of approximately six years. Western is the sixth largest drilling contractor in Canada with a fleet of 49 rigs operating through Horizon. Additionally, Western has five Efficient Long Reach ("ELR") triple drilling rigs deployed in the United States operating through Stoneham. Western is also the seventh largest well servicing company in Canada with a fleet of 65 rigs operating through Eagle. Western's well servicing fleet is one of the newest in the Western Canadian Sedimentary Basin ("WCSB"), with an average age of approximately four years. Western's oilfield equipment rental division, which operates through Aero, provides oilfield rental equipment for frac services, well completions, coil tubing services and drilling.

During the first quarter of 2014 commodity prices have improved as compared to the same period in the prior year. The price for light crude oil, such as Edmonton Par, increased by 13% year over year, while the price for heavy crude oil, such as the Western Canadian Select price, increased by 36% year over year. Natural gas prices have also improved significantly, with the AECO 30-day spot rate increasing on average by 83% year over year as heating demand increased due to a cold winter, resulting in decreasing storage levels in North America. The demand for oil, along with an emphasis on liquids rich natural gas, has resulted in increased drilling of horizontal wells in both conventional and unconventional resource plays. Horizontal wells in the WCSB, as a percentage of all wells drilled, increased in the first quarter of 2014 to 73% compared to 66% in the first quarter of 2013. This has resulted in continued demand in the WCSB for Western's ELR drilling rigs, as industry utilization rates averaged 61% during the first quarter of 2014, which is consistent with the five year average of 62% and the prior year when industry utilization averaged 59%. During the first quarter of 2014, Western's entire drilling rig fleet was focused on drilling horizontal wells.

Outlook

Western's drilling rig fleet is specifically suited for drilling horizontal wells of increased complexity. In total, 94% 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 41% of Western's fleet is currently under long term take-or-pay contracts with an average remaining term of approximately 2.2 years, providing 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 2014 totals approximately $104 million comprised of $62 million in expansion capital and $42 million in maintenance capital, which includes $10 million for critical spare equipment. Expansion capital mainly relates to the construction of one 5,500m ELR AC triple drilling rig and one 4,500m telescopic ELR double drilling rig in Canada, as well as the completion of two additional 1,500 hp AC pad conversions in the United States. Western believes the 2014 capital budget provides a prudent use of cash resources and ensures that it has the flexibility to execute on strategic opportunities as they arise. This budget demonstrates the Company's commitment to maintaining Western's premier drilling and service rig fleet while expanding Western's strategic presence in the oilfield rental equipment market. Western will continue to evaluate and expand its operations in a prudent manner and make any required adjustments to its capital program as these opportunities unfold in 2014.

The increased commodity price environment and improving economic conditions in North America led to increased oilfield services activity in the first quarter of 2014. Western believes oilfield services activity in the second half of 2014 and beyond will remain strong, providing additional drilling rig build opportunities at attractive rates that meet our return on investment criteria. Activity is expected to remain strong as liquefied natural gas projects gain approval, crude oil transportation capacity increases through rail and pipeline development, drilling activity increases in various resource plays in Alberta and northeast British Columbia, and as foreign investment continues to flow into 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, strong utilization, and corporate culture will provide a distinct advantage in retaining and attracting qualified individuals. Western's view is 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 May 1, 2014, Western's Board of Directors declared a quarterly dividend of $0.075 per share, which will be paid on July 14, 2014, to shareholders of record at the close of business on June 30, 2014. 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.

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.

Operating Revenue

Management believes that in addition to revenue, Operating Revenue is a useful supplemental measure as it provides an indication of the revenue generated by Western's principal operating activities, excluding third party charges.

The following table provides a reconciliation of revenue under IFRS as disclosed in the condensed consolidated statements of operations and comprehensive income to Operating Revenue:

	Three months ended March 31	
(stated in thousands)	2014	2013
Operating Revenue		
Drilling	113,345	88,541
Production services	36,548	1,539
Less: inter-company eliminations	(266)	-
	149,627	90,080
Third party charges	11,789	7,926
Revenue	161,416	98,006

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 March 31	
(stated in thousands)	2014	2013
Gross Margin	67,629	40,945
Add (subtract):		
Administrative expenses	(9,073)	(7,299)
Depreciation – administrative	445	395
Stock based compensation – administrative	547	343
EBITDA	59,548	34,384
Depreciation – operating	(17,880)	(10,856)
Depreciation – administrative	(445)	(395)
Operating Earnings	41,223	23,133
Stock based compensation – operating	(222)	(154)
Stock based compensation – administrative	(547)	(343)
Finance costs	(5,403)	(3,759)
Other items	(489)	1,086
Income taxes	(9,062)	(5,060)
Net income	25,500	14,903

2014 First Quarter Results Conference Call and Webcast

Western has scheduled a conference call and webcast to begin at 12:00 p.m. MST (2:00 p.m. EST) on Friday, May 2, 2014.

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 May 16, 2014 by dialing 1-855-859-2056 or 416-849-0833, passcode 27128399.

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 includes, but is not limited to, statements relating to future dividends; the future demand for the Company's services and equipment; the terms of existing and future drilling contracts in Canada and the US; the Company's expansion and maintenance capital plans for 2014, including the ability of current capital resources to cover Western's financial obligations and the 2014 capital budget; the Company's expected sources of funding to support such capital plans; expectations as to the increase in crude oil transportation capacity through rail and pipeline development; expectations as to the necessary approvals for liquefied natural gas projects being obtained; the expectation of continued foreign investment into the Canadian oilfield industry; the expectation of increase in oilfield services activities in general and drilling activity in various resource plays, in particular, including the type of drilling; the Company's expected utilization for its drilling and well servicing divisions; strong oilfield activity levels and pricing; increased commodity pricing; and the improving economic conditions in North America.

The material assumptions in making the forward-looking statements in this press release include, but are not limited to, assumptions relating to, demand levels and pricing for oilfield services; fluctuations in the price and demand for oil and natural gas; commodity pricing; general economic and financial market conditions; the Company's ability to finance its operations; the effects of seasonal and weather conditions on operations and facilities; the competitive environment to which the various business segments are, or may be, exposed in all aspects of their business; the ability of the Company's various business segments to access equipment (including spare parts and new technologies); changes in laws or regulations; currency exchange fluctuations and the ability of the Company to attract and retain skilled labour and qualified management; the ability to retain and attract significant customers; and other unforeseen conditions which could impact the use of services supplied by Western and Western's ability to response to such conditions.

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, the risk that the demand for oilfield services will not continue to improve for the remainder of 2014, and other general industry, economic, market and business conditions. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive. Additional information on these and other risk factors that could affect Western's operations and financial results are included in Western's AIF 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.

For more information, please contact:

Alex R.N. MacAusland
President and CEO
403.984.5932
amacausland@wesc.ca

Jeffrey K. Bowers
Senior VP Finance and CFO
403.984.5933
jbowers@wesc.ca