

FORM 62-103F3

REQUIRED DISCLOSURE BY AN ELIGIBLE INSTITUTIONAL INVESTOR UNDER PART 4

Item 1 – Security and Reporting Issuer

1.1 *Designation of securities to which this report relates and name and address of the head office of the issuer of the securities:*

Common shares and common share purchase warrants

Western Energy Services Corp. (“**Western**”)  
1700, 215 – 9th Avenue S.W.  
Calgary, Alberta  
T2P 3P2

1.2 *Name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place:*

Not applicable, see item 2.2.

Item 2 – Identity of the Eligible Institutional Investor

2.1 *Name and address of the eligible institutional investor:*

Her Majesty the Queen in Right of Alberta (“**HMQ**”)  
c/o Alberta Investment Management Corporation (“**AIMCo**”)  
1100 – 10830 Jasper Avenue  
Edmonton, Alberta  
T5J 2B3

2.2 *Date of the transaction or other occurrence that triggered the requirement to file this report and brief description of the transaction or other occurrence:*

On October 17, 2017 (the “**Closing Date**”), HMQ provided Western a \$215 million second lien senior secured term loan facility (the “**Second Lien Facility**”). The Second Lien Facility will mature five years from the Draw Date (as defined herein), and will bear interest at the rate of 7.25% per annum. The proceeds from the Second Lien Facility will be made available in a single draw to be made no later than February 15, 2018 (the date of such single draw being the “**Draw Date**”). Western will make quarterly principal repayments of the Second Lien Facility in the amount of \$537,500 starting on July 1, 2018. Amounts borrowed under the Second Lien Facility that are repaid or prepaid will not be available for reborrowing. Western may not prepay the Second Lien Facility prior to the second anniversary of the Draw Date, except for with the payment of a make-whole premium. At any time following the second anniversary of the Draw Date and prior to the third anniversary, Western may prepay the Second Lien Facility at a premium equal to 5% of the principal amount repaid. Thereafter, Western may prepay the Second Lien Facility with no prepayment premium. If a change of control occurs in respect of Western without prior written consent and prior to the six-month anniversary of the Closing Date, then Western shall be required to repay in full the amount of the loan outstanding under the Second Lien Facility, together with all accrued and unpaid interest thereon, and a fee of \$6,500,000.

In conjunction with the closing of the Second Lien Facility on the Closing Date, Western issued to HMQ warrants to purchase 7,099,546 common shares (the “**Common Shares**”) of Western (the “**Warrants**”). The Warrants are exercisable at a price of \$1.77 per Common Share until 5:00 p.m. (Calgary time) on October 17, 2020. Provided the volume weighted average price of the Common Shares is greater than the exercise price of the Warrants for 60 consecutive calendar days (excluding any and all calendar days during which a take-over bid (as such term is defined by National Instrument 62-104, *Take-Over Bids and Issuer Bids*)) or other acquisition proposal that would result, if completed, in a change of control, has been publicly announced, proposed, offered or made and not withdrawn or expired as the case may be), Western will have the option to require HMQ to exercise all or any portion of the Warrants at any time thereafter and from time to time.

In addition, on the Closing Date, Western issued 9,100,000 Common Shares to HMQ at a price of \$1.25 per Common Share for gross proceeds of \$11,375,000.

**2.3** *Name of any joint actors:*

Not applicable.

**2.4** *Eligibility of Eligible Institutional Investor to file reports under Part 4 in respect of the reporting issuer:*

AIMCo/HMQ is eligible to file this initial report under the alternative monthly reporting system of National Instrument 62-103, *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* (“**NI 62-103**”).

**Item 3 – Interest in Securities of the Reporting Issuer**

**3.1** *The designation and the net increase or decrease in the number or principal amount of securities and in the eligible institutional investor’s security holding percentage in the class of the securities, since the last report filed by the eligible institutional investor under the early warning requirements:*

This is AIMCo/HMQ’s initial report under Part 4 of NI 62-103 in respect of Western.

**3.2** *Designation and number or principal amount of securities and the eligible institutional investor’s security holding percentage in the class of securities at the end of the month for which the report is made:*

As at October 31, 2017, HMQ directly owns 9,100,000 Common Shares representing approximately 9.87% of the total issued and outstanding Common Shares. Upon exercise of the Warrants, HMQ will directly own 16,199,546 Common Shares representing an aggregate of approximately 16.32% of the total issued and outstanding Common Shares on a partially diluted basis.

**3.3** *Involvement of a securities lending arrangement in the transaction:*

Not applicable.

**3.4** *Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which:*

*(a) The eligible institutional investor, either alone or together with any joint actors, has ownership and control:*

See response to Item 3.2.

*(b) The eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor:*

AIMCo, as investment manager to HMQ, maintains investment control or direction over the Common Shares and Warrants for the benefit of HMQ.

*(c) The eligible institutional investor, either alone or together with any joint actors, have exclusive or shared control but does not have ownership:*

Not applicable.

**3.5** *Interest of the eligible institutional investor or any of its joint actors in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item:*

Not applicable.

**3.6** *Material terms of any securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item to which the eligible institutional investor or any of its joint actors is a party, including the duration of the arrangement, the number or principal amount of securities involved, any right to recall the securities or identical securities that have been transferred or lent under the arrangement and whether the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104:*

Not applicable.

**3.7** *Material terms of an agreement, arrangement or understanding to which the eligible institutional investor or any of its joint actors is a party that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates:*

Not applicable.

#### **Item 4 – Purpose of the Transaction**

*Purpose of the eligible institutional investor and any joint actors in acquiring or disposing of ownership of, or control over, the securities, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:*

The Second Lien Facility was provided to and the Common Shares and Warrants were acquired by HMQ in the ordinary course of business, for investment purposes only and not with the purpose of exercising control or direction over Western. HMQ may acquire additional securities of Western, dispose of some or all of the Common Shares or Warrants it holds or continue to hold Common Shares or Warrants.

**Item 5 – Agreements, Arrangements, Commitments or Understanding With Respect to Securities of the Reporting Issuer.**

*Agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.*

Not applicable.

**Item 6 – Change in Material Fact**

**If applicable, a description of any change in any material fact set out in a previous report by the eligible institutional investor under the early warning requirements:**

Not applicable.

**Item 7 – Certification**

I, as the agent filing the report on behalf of the eligible institutional investor, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED November 2, 2017

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA,  
as represented by  
ALBERTA INVESTMENT MANAGEMENT CORPORATION

By: (signed) "Jon Reay"

Name: Jon Reay

Title: Chief Compliance Officer and Associate General Counsel