

**SECOND AMENDING AGREEMENT TO THE  
THIRD AMENDED AND RESTATED CREDIT AGREEMENT  
DATED AS OF APRIL 27, 2016**

**AMONG**

**WESTERN ENERGY SERVICES CORP.  
AS REVOLVING BORROWER AND AN OPERATING BORROWER**

**AND**

**WESTERN PRODUCTION SERVICES CORP.  
AS AN OPERATING BORROWER**

**AND**

**THE PERSONS PARTY HERETO  
FROM TIME TO TIME IN THEIR CAPACITIES AS LENDERS  
AS LENDERS**

**AND**

**HSBC BANK CANADA  
AS ADMINISTRATIVE AGENT**

**WITH**

**HSBC BANK CANADA  
AS LEAD ARRANGER AND SOLE BOOKRUNNER**

**OCTOBER 17, 2017**

## SECOND AMENDING AGREEMENT

THIS SECOND AMENDING AGREEMENT is made as of the 17<sup>th</sup> day of October, 2017.

AMONG:

**WESTERN ENERGY SERVICES CORP.**, a corporation formed under the laws of Alberta, as Revolving Borrower and an Operating Borrower

OF THE SECOND PART

- and -

**WESTERN PRODUCTION SERVICES CORP.**, a corporation formed under the laws of Alberta, as an Operating Borrower

OF THE SECOND PART

- and -

**HSBC BANK CANADA, ALBERTA TREASURY BRANCHES and THE TORONTO-DOMINION BANK and the other persons who otherwise become Lenders pursuant to the terms of the Credit Agreement** (hereinafter sometimes collectively referred to as the "Lenders" and sometimes individually referred to as a "Lender")

OF THE THIRD PART

- and -

**HSBC BANK CANADA**, a Canadian chartered bank, in its capacity as administrative agent on behalf of the Lenders (hereinafter referred to as the "Agent")

OF THE FOURTH PART

**WHEREAS** the Borrowers, the Agent and the Lenders entered into the Credit Agreement;

**AND WHEREAS** the Borrowers, the Agent and the Lenders wish to enter into this Second Amending Agreement to set forth certain amendments to the Credit Agreement and to otherwise confirm the provisions of Amended Credit Agreement;

**NOW THEREFORE THIS SECOND AMENDING AGREEMENT WITNESSES** that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by each of the Parties hereto, the Parties hereto covenant and agree as follows:

## 1. Definitions

All capitalized terms used in this Second Amending Agreement shall, unless otherwise defined herein, have the meanings herein given to them in the Credit Agreement, and:

“**Amended Credit Agreement**” means the Credit Agreement, as amended by this Second Amending Agreement, and as it may hereafter be further amended from time to time.

“**Credit Agreement**” means the third amended and restated credit agreement dated as of April 27, 2016 among the Borrowers, the Agent and the Lenders, as amended by the first amending agreement dated July 25, 2016.

“**Second Amending Agreement**” means this second amending agreement.

“**Parties**” means the parties which are signatories to this Second Amending Agreement.

## 2. Amendments to the Credit Agreement

Effective as of the date of this Second Amending Agreement, but subject to the satisfaction by the Borrowers of the conditions set forth in Section 3, the Credit Agreement is amended as follows:

- (a) Section 1.1 of the Credit Agreement is hereby amended as follows:
- (i) the definition of “**Applicable Pricing Margin**” is hereby amended by deleting the pricing table and replacing it with the following:

Level	Consolidated Debt to Consolidated EBITDA Ratio	Prime Loans/ USBR Loans (in bps)	LIBO Rate Loans/ Bankers' Acceptances/ Letter of Credit fees (in bps)	Standby fees (in bps)
1	≤ 1.00	50.0	150.0	33.750
2	> 1.00 to ≤ 1.50	75.0	175.0	39.375
3	> 1.50 to ≤ 2.00	100.0	200.0	45.000
4	> 2.00 to ≤ 2.50	125.0	225.0	50.625
5	> 2.50 to ≤ 3.00	150.0	250.0	56.250
6	> 3.00	200.0	300.0	67.500

- (ii) paragraph (c) of the definition of “**Borrowing Base**” is hereby amended by deleting and replacing it with the following:
- “25% of the net book value of PP&E, provided that such PP&E shall only be included in the determination of the Borrowing Base up to a maximum of Cdn. \$50,000,000; and”
- (iii) paragraph (a) of the definition of “**Change of Control**” is hereby amended by replacing the reference to “35%” with “50%”.

- (iv) the definition of "**Consolidated Debt**" is hereby amended by deleting paragraph (vi) and replacing it with the following:

"(vi) unrestricted cash on hand in excess of Cdn. \$20,000,000; provided (A) all unrestricted cash on hand shall be excluded solely for the purpose of calculating the Consolidated Senior Debt to Consolidated EBITDA Ratio and the Consolidated Debt to Consolidated Capitalization Ratio, and (B) this exclusion shall not apply for the purposes of Section 9.2(g)."

- (v) the definition of "**Consolidated EBITDA to Consolidated Interest Expense Ratio**" is hereby deleted in its entirety.

- (vi) the definition of "**Consolidated Senior Debt**" is hereby amended by deleting and replacing it with the following:

"**Consolidated Senior Debt**" means, as at any particular time and as determined on a consolidated basis in respect of WESC in accordance with GAAP, all Consolidated Debt of WESC, less: (a) the outstanding principal amount of any Consolidated Debt that is unsecured, (b) the Second Lien Indebtedness, and (c) any High Yield Debt."

- (vii) the definition of "**Covenant Relief Period**" is hereby deleted in its entirety.

- (viii) the definition of "**Current Assets**" is hereby deleted in its entirety.

- (ix) the definition of "**Current Liabilities**" is hereby deleted in its entirety.

- (x) the definition of "**Current Ratio**" is hereby deleted in its entirety.

- (xi) the definition of "**Loan Documents**" is hereby amended by adding " the Second Lien Intercreditor Agreement," after "the Security Documents,".

- (xii) the definition of "**Maturity Date**" is hereby amended by replacing the reference to "December 17, 2018" with "December 17, 2020".

- (xiii) the definition of "**Permitted Debt**" is hereby amended by deleting and replacing it with the following:

"**Permitted Debt**" means, without duplication:

- (a) all indebtedness owing by an Obligor to the Lenders under this Agreement and under or secured by any Loan Document;
- (b) all Cash Management Obligations;
- (c) all High Yield Debt (subject to Section 9.2(g)), provided that any High Yield Debt existing on October 17, 2017 shall be repaid by no later than February 15, 2018;
- (d) all Credit Card Obligations;

- (e) all indebtedness of the types referred to in paragraphs (a) through (g) inclusive of the definition of Consolidated Debt owing by an Obligor to another Obligor, provided that any such indebtedness is unsecured;
  - (f) all indebtedness of the types referred to in paragraphs (a) through (f) inclusive of the definition of Consolidated Debt secured by a Permitted Lien provided that such indebtedness is within any applicable amount limitations provided for in the definition of Permitted Liens; and
  - (g) all Second Lien Indebtedness.”
- (xiv) the definition of “**Permitted Disposition**” is hereby amended by deleting the following therefrom:

“,

provided that, during the Covenant Relief Period, Permitted Dispositions shall not exceed Cdn. \$40,000,000 in aggregate, unless within 180 days of completion of such disposition the proceeds of such Permitted Dispositions are used to make capital expenditures in respect of the business of such Borrower and its Restricted Subsidiaries”

- (xv) the definition of “**Permitted Liens**” is hereby amended by: (A) deleting the “; and” at the end of paragraph (i) and replacing it with “;”; (B) deleting the “,” at the end of paragraph (j) and replacing it with “; and”; and (C) adding the following as a new paragraph (k) thereof:

“(k) Liens created by or pursuant to the Second Lien Credit Documents which secure the obligations of Obligors under the under the Second Lien Credit Documents in accordance with, and subject to, the terms of the Second Lien Intercreditor Agreement,”.

- (xvi) the definition of “**Restricted Subsidiary**” is hereby deleted and replaced with the following:

““**Restricted Subsidiary**” means any Subsidiary of a Borrower:

- (a) (i) of which all of the Equity Securities are owned, directly or indirectly, by such Borrower (other than a Foreign Subsidiary) and (ii) that has been designated by such Borrower as a Restricted Subsidiary pursuant to Section 10.2;
- (b) which owns or holds, directly or indirectly (whether through the ownership of or investments in other Subsidiaries of such Borrower or otherwise), any ownership interest in any assets or properties which are included for the purposes of the determination of the Borrowing Base; or

- (c) which has provided a guarantee or other credit support with respect to the Second Lien Documents.

As of October 17, 2017, the Restricted Subsidiaries are Stoneham Drilling Corporation and Western Production Services Corp.”

- (xvii) the definition of “**Revolving Facility**” is hereby amended by replacing the reference to “\$50,000,000” with “\$70,000,000”.
- (xviii) the following new definitions are hereby added in their proper alphabetical order:

””**Debt**” means, with respect to any Person, without duplication, any indebtedness of the types referred to in paragraphs (a) through (g) inclusive of the definition of Consolidated Debt.

””**Debt Service Coverage Ratio**” means, as at the end of a Fiscal Quarter, the ratio of (i) Consolidated EBITDA to (ii) the sum of (A) Consolidated Interest Expense and (B) principal payments in respect of the Second Lien Indebtedness and Financial Lease Obligations scheduled for the 12 month period beginning as at the end of such Fiscal Quarter.”

””**PP&E**” means the property, plant and equipment (excluding property, plant and equipment (i) under construction or (ii) which are included in joint ventures unless title to such property, plant and equipment remains solely with each of the Borrowers or the applicable Restricted Subsidiary and each of the Borrowers or the applicable Restricted Subsidiary have the unfettered right to remove such property, plant and equipment from the joint venture in its sole discretion) of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents, which property, plant and equipment is located in Canada or the United States of America and over which the Agent and the Lenders have a first ranking perfected security interest (and for the purposes of this definition the Lenders shall be deemed to have a first ranking perfected security interest over property, plant and equipment owned by each of the Borrowers or any such Restricted Subsidiary which has granted security under the Security Documents, which is located in the United States consisting of Titled Assets).”

””**Second Lien Agent**” means Alberta Investment Management Corporation or any successor of Alberta Investment Management Corporation appointed as agent pursuant to the Second Lien Credit Agreement.”

””**Second Lien Credit Agreement**” means the credit agreement dated on or about October 17, 2017 among WESC, as borrower, Her Majesty the Queen in Right of Alberta by its agent Alberta Investment Management Corporation and the other banks and financial institutions from time to time party thereto as lenders, and the Second Lien Agent, as agent, as the same has been and may be further amended, modified, supplemented or restated

from time to time not in contravention of the terms of the Second Lien Intercreditor Agreement.”

“**Second Lien Credit Documents**” means, collectively, the Second Lien Credit Agreement, all Credit Documents (as defined in the Second Lien Credit Agreement) provided in connection therewith and all other agreements, instruments and other documents governing or relating thereto as permitted hereunder and under the Second Lien Intercreditor Agreement, and “**Second Lien Credit Document**” means any of them.”

“**Second Lien Creditors**” means the Second Lien Agent and the lenders under the Second Lien Credit Agreement from time to time.”

“**Second Lien Indebtedness**” means, collectively, the Debt incurred by WESC, on a consolidated basis, under or pursuant to the non-revolving term credit facility established in favour of WESC pursuant to the terms of the Second Lien Credit Agreement and subject to the terms of the Second Lien Intercreditor Agreement, provided that, at all times, the principal amount of such Debt outstanding at any time pursuant to the terms of the Second Lien Credit Agreement shall not exceed Cdn. \$215,000,000 plus any interest that WESC elects to pay in kind in accordance with the terms of the Second Lien Credit Agreement.”

“**Second Lien Intercreditor Agreement**” means the intercreditor and priority agreement dated on or about October 17, 2017 among the Agent, the Second Lien Agent and the Obligors, as amended, modified, supplemented or restated from time to time.”

- (b) Section 2.1(d)(i) of the Credit Agreement is hereby amended by deleting and replacing it with the following:

“**Revolving Facility.** Advances under the Revolving Facility shall be used only for working capital needs and other lawful corporate purposes of the Revolving Borrower and its Subsidiaries; provided that Advances under the Revolving Facility cannot be used solely for the purpose of accumulating cash in deposit or investment accounts outside the ordinary course of business; and provided further that up to Cdn. \$40,000,000 may be drawn to repay High Yield Debt existing as of October 17, 2017 (including, for certainty, the Senior Notes).”

- (c) Section 2.10 of the Credit Agreement is hereby amended by adding the following as a new paragraph (d) thereof:

“(d) This Section 2.10 shall not be applicable for any calendar month with respect to which delivery of a Borrower Base Certificate to the Agent is not required under this Agreement pursuant to Section 9.1(e)(vi).”

- (d) Section 2.11 of the Credit Agreement is hereby amended by: (i) replacing the reference to “Cdn. \$100,000,000” with “Cdn. \$120,000,000”; (ii) deleting paragraph (d) and replacing it with “[Intentionally deleted]”; and (iii) deleting the two

references to "Revolving Credit Facility" and replacing each with "Revolving Facility".

- (e) Section 7.1(b) of the Credit Agreement is hereby amended by deleting the two references to "Revolving Credit Facility" and replacing each with "Revolving Facility".
- (f) Section 7.3(a) of the Credit Agreement of the Credit Agreement is hereby amended by deleting and replacing it with the following:
  - “(a) If, solely as a result of currency fluctuations, the Agent determines that the aggregate Outstanding Principal of the outstanding Loans under a Credit Facility exceeds the maximum amount of such Credit Facility (the amount of such excess is herein called the “Currency Excess”), then, upon written request by the Agent (which request shall detail the applicable Currency Excess), the Borrowers under such Credit Facility shall either repay sufficient Outstandings to remove the Currency Excess or collateralize the Currency Excess in accordance with Section 7.3(b) within (i) if the Currency Excess exceeds 3% of the maximum amount of the applicable Credit Facility, five Banking Days and (ii) in all other cases, on the next Drawdown Date, Rollover Date or Conversion Date.”
- (g) Section 7.6 of the Credit Agreement is hereby amended by adding “(but subject at all times to the terms of the Second Lien Intercreditor Agreement)” after “shall be applied in the following order” and before “:”.
- (h) Section 8.1(s)(vi) is hereby amended by replacing the reference to “or except to the extent that any of the foregoing would have a Material Adverse Effect” with “or except to the extent that any of the foregoing would not have a Material Adverse Effect”.
- (i) Section 8.1 of the Credit Agreement is hereby amended by adding a new paragraph (x):

“**Second Lien Credit Documents.** No Default or Event of Default (as such terms are defined in the Second Lien Credit Agreement) under the Second Lien Credit Documents has occurred and is continuing.”
- (j) Section 9.1(e)(vi) of the Credit Agreement is hereby amended by deleting and replacing it with the following:
  - “(vi) within 30 days of each calendar month end, a Borrowing Base Certificate for (and as of the end of) the immediately preceding calendar month; provided that such Borrowing Base Certificate shall only be required when the Debt Service Coverage Ratio for the previous Fiscal Quarter is less than 2.00:1.00 and (A) the Outstanding Principal exceeds Cdn. \$40,000,000 on such calendar month end or (B) the net book value of PP&E for the previous Fiscal Quarter is less than Cdn. \$500,000,000; and”

- (k) Section 9.1(s)(i) of the Credit Agreement is hereby amended by deleting the reference to "at least 30 days before the mailing of any such notice of redemption" and replacing it with "at least 30 days before the proposed date of redemption".
- (l) Section 9.1(q) of the Credit Agreement is hereby amended by deleting and replacing it with the following:
- "Use of Credit Facilities.** Each Borrower shall only use the Credit Facilities for working capital needs and other lawful corporate purposes of such Borrower and its Subsidiaries, including drawing up to Cdn. \$40,000,000 of the Revolving Facility to repay High Yield Debt existing as of October 17, 2017 (including, for certainty, the Senior Notes)."
- (m) Section 9.1 of the Credit Agreement is hereby amended by adding the following new paragraphs (u) and (v):
- "(u) **Refinancing.** The Borrowers shall refinance the Senior Notes with the proceeds of the sole advance under and pursuant to the Second Lien Credit Agreement in the minimum principal amount of Cdn. \$215,000,000 by no later than February 15, 2018.
- (v) **Second Lien Credit Documents:** WESC will promptly furnish to the Agent copies of: (i) all amendments to any Second Lien Credit Document; and (ii) all material notices given or received, and all material reports delivered, by WESC or any Obligor pursuant to or in connection with the Second Lien Credit Documents to the extent not already delivered pursuant to this Agreement. The Lenders shall have the right to conform this Agreement to any or all such amended or new covenants or events of default in the Second Lien Credit Agreement (except to the extent that any such amendments or additions are wholly administrative in nature or relate to pricing or any amounts payable under the Second Lien Credit Agreement or the maturity date thereunder). Each Borrower agrees to promptly execute and deliver all such amendments to this Agreement as may be reasonably requested by the Agent in order to give effect to the foregoing."
- (n) Section 9.2(d) is hereby amended by: (i) deleting the "; and" at the end of paragraph (i) and replacing it with ";"; (ii) deleting "(or, if during the Covenant Relief Period, Cdn. \$10,000,000)" from subparagraph (ii) thereof; (iii) renumbering paragraph (ii) to paragraph (iv); and (iv) inserting the following as a new paragraphs (ii) and (iii) thereof:
- "(ii) guarantees of the Second Lien Indebtedness in favour of the Second Lien Creditors pursuant to the Second Lien Credit Agreement;
- (iii) Financial Assistance in favour of another Obligor; and".
- (o) Section 9.2(g) of the Credit Agreement is hereby amended by deleting and replacing it with the following:

**“Debt.** Each of the Borrowers shall not, and shall not permit any other Obligor to, without the prior written consent of the Lenders, incur any Debt other than Permitted Debt; provided that the aggregate amount of all Consolidated Debt shall not exceed, at any time, Cdn. \$535,000,000 (including for certainty the Second Lien Indebtedness, any unsecured debt and any High Yield Debt); provided that, notwithstanding the foregoing, Consolidated Debt shall be permitted to exceed Cdn. \$535,000,000 for the period during which WESC has drawn the sole advance under and pursuant to Second Lien Credit Agreement for the purpose of repaying the Senior Notes as required by Section 9.1(u) of this Agreement, and has deposited, or caused to be deposited, the proceeds of such sole advance under the Second Lien Credit Agreement in escrow prior to 10:00 a.m. (Calgary time) the Banking Day prior to the repayment of the Senior Notes in compliance with section 3.7(a) of the Note Indenture.”

- (p) Section 9.2(h) of the Credit Agreement is hereby amended by deleting and replacing it with the following:

**“Distributions.** Each of the Borrowers shall not, and shall not permit any other Obligor to make any Distribution (other than a Distribution to another Obligor (save and except for any Foreign Subsidiary)) at any time if:

- (i) a Default or Event of Default has occurred, is continuing at the time of, or is reasonably expected to exist after giving effect to, the making of such Distribution; or
- (ii) the Consolidated Debt to Consolidated EBITDA Ratio exceeds 5.00:1.00 for the previous Fiscal Quarter.”

- (q) Section 9.2(i) of the Credit Agreement is hereby amended by deleting and replacing it with the following:

**“Acquisitions.**

- (i) So long as the Consolidated Debt to Consolidated EBITDA Ratio for the previous Fiscal Quarter exceeds 5.00:1.00, each of the Borrowers shall not, and shall not permit any other Obligor to, complete any Acquisition without the prior written consent of the Required Lenders.
- (ii) Following the delivery to the Agent of a Compliance Certificate which evidences that the Consolidated Debt to Consolidated EBITDA Ratio is less than or equal to 5.00:1.00, the Obligors may complete any Acquisition without the prior written consent of the Lenders, provided that:
  - (A) in the case of a Material Acquisition, the target of the Acquisition carries on business in the same industry as the Obligors or the assets being acquired as a result of the Acquisition are utilized in the same industry as the Obligors;
  - (B) in the case of a Material Acquisition, prior to the completion of the Acquisition, WESC shall provide an Officer’s Certificate to the

Agent certifying pro forma compliance (giving effect to the Acquisition) with the ratios described in Sections 8.1(w) and 9.3; and

- (C) immediately following such Acquisition, no Default or Event of Default shall have occurred and be continuing.”.
- (r) Section 9.2(k) of the Credit Agreement is hereby amended by deleting and replacing it with the following:
- “(k) **Covenants Relating to High Yield Debt.** Without the prior written consent of the Required Lenders, each of the Borrowers shall not, and shall ensure that each Subsidiary shall not:
- (i) other than the repayment of the Senior Notes as required by Section 9.1(u) of this Agreement, make any redemption of, offer to purchase or prepayment on account of any High Yield Debt or otherwise voluntarily purchase or acquire any High Yield Debt prior to the scheduled maturity date thereof; provided that:
    - (A) during the then current Fiscal Year, WESC may make open market purchases of High Yield Debt up to, together with the amounts permitted under Section 9.2(n)(i)(A), 5% of Consolidated Total Assets (as at the beginning of the then current Fiscal Quarter); and
    - (B) at the time of such redemption, offer, prepayment, purchase or acquisition, no Default or Event of Default has occurred, is continuing at the time of, or is reasonably expected to exist after giving effect to, such redemption, offer, prepayment, purchase or acquisition; or
  - (ii) amend, modify, vary, restate or replace any of the documents entered into in connection with any High Yield Debt if any such action could either individually or in the aggregate reasonably be expected to adversely affect the rights or interests of the Lenders in any material respect. Notwithstanding, and without limiting the generality of, the foregoing, WESC shall not in any event, without the prior written consent of the Required Lenders, amend, vary, modify, restate or replace any provision relating to:
    - (A) the principal amount of High Yield Debt;
    - (B) interest rates, redemption premiums, fees (other than reductions of any of the foregoing);
    - (C) principal payment dates, maturity dates or dates for any redemption of, or offer to purchase, any High Yield Debt (other than extensions thereof); or

(D) events of default thereunder;

provided that a copy of each such amendment or waiver shall be provided to the Agent not later than 30 days after such amendment or waiver is entered into or given.”

(s) Section 9.2(l) of the Credit Agreement is hereby amended by deleting and replacing it with “[Intentionally deleted]”.

(t) Section 9.2 of the Credit Agreement is hereby amended by adding the following new paragraph (n):

“(n) **Covenants Relating to Second Lien Indebtedness.** Without the prior written consent of the Required Lenders, each of the Borrowers shall not, and shall ensure that each Subsidiary shall not:

(iii) make any payments or prepayments of interest, principal or premium under or in respect of the Second Lien Indebtedness if, at the time of such payment or prepayment, an Event of Default has occurred, is continuing at the time of, or is reasonably expected to exist after giving effect to, such payment or prepayment; provided that, during the then current Fiscal Year, WESC may not make prepayments on account of the Second Lien Indebtedness (excluding, for certainty, any scheduled semi-annual payments of principal) in an amount greater than, together with the amounts permitted under Section 9.2(k)(i)(A), 5% of Consolidated Total Assets (as at the beginning of the then current Fiscal Quarter);

(iv) amend, modify, vary, restate or replace any of the Second Lien Credit Documents if any such action could either individually or in the aggregate reasonably be expected to adversely affect the rights or interests of the Lenders in any material respect. Notwithstanding, and without limiting the generality of, the foregoing, each of the Borrowers shall not, and shall not permit any other Obligor to, amend, modify, vary, restate, supplement or otherwise modify any Second Lien Credit Document if it would (A) contravene the provisions of the Second Lien Intercreditor Agreement, (B) result in the aggregate principal amount of the Second Lien Indebtedness exceeding \$215,000,000, plus any interest that WESC elects to pay in kind in accordance with the terms of the Second Lien Credit Agreement, (C) increase the applicable rate of interest under the Second Lien Credit Documents (excluding increases resulting from the accrual of interest at the default rate thereunder in existence on October 17, 2017), (D) add or increase any fees to the Second Lien Credit Documents (as in effect on October 17, 2017), (E) increase the additional margin of interest that becomes due in connection with an event of default from the margin in existence on October 17, 2017, (F) change to earlier dates any scheduled dates for payment of principal or of interest on Second Lien Indebtedness, (G) change the prepayment provisions set forth in the Second Lien Credit

Documents (other than extensions in the times therefor) in a manner that would require a prepayment not required pursuant to the terms of the Second Lien Credit Documents as of October 17, 2017; (H) add to the collateral subject to Liens security any Second Lien Credit Indebtedness other than as specifically contemplated by the Second Lien Intercreditor Agreement, (H) modify the covenants, defaults or events of default to make them more restrictive than those in this Agreement, (I) increase any make whole amount, (J) add any financial covenant or (J) otherwise materially increase the obligations of the Borrower or any Obligor thereunder or confer additional rights on the Second Lien Creditors (or any of them), provided that none of the foregoing subsections of this Section 9.2(n)(ii) shall prohibit (i) the execution of supplemental agreements to add guarantors if required by the terms thereof provided that any such guarantor also executes and delivers a Loan Guarantee to the Agent or (ii) amendments to a Second Lien Credit Document the effect of which is to match corresponding changes to the covenants and events of default being made hereafter to the this Agreement and provided further that nothing in this Section 9.2(n)(ii) shall constitute a waiver by the First Lien Lenders of any default or event of default under this Agreement or the other Loan Documents resulting from any such action.”

- (u) Section 9.3 of the Credit Agreement is hereby amended by deleting and replacing it with the following:

“So long as any Outstandings exist or any Credit Facility is available under the Credit Agreement, WESC covenants and agrees with each of the Lenders and the Agent that:

- (a) **Maximum Consolidated Senior Debt to Consolidated EBITDA Ratio.** as at the end of each Fiscal Quarter, the Consolidated Senior Debt to Consolidated EBITDA Ratio shall not be greater than 3.00 to 1.00;
- (b) **Maximum Consolidated Debt to Consolidated Capitalization Ratio.** as at the end of each Fiscal Quarter, the Consolidated Debt to Consolidated Capitalization Ratio shall not be greater than 0.60 to 1.00; and
- (c) **Minimum Debt Service Coverage Ratio.** as at the end of each Fiscal Quarter where: (A) the aggregate principal amount of all Advances outstanding under the Credit Facilities at any time during the applicable Fiscal Quarter exceeded Cdn. \$40,000,000 or (B) the net book value of PP&E is less than Cdn. \$500,000,000, the Debt Service Coverage Ratio shall not be less than:
- (i) for the Fiscal Quarters ending September 30, 2017, December 31, 2017 and March 31, 2018, if applicable, 1.00:1.00;
- (ii) for the Fiscal Quarter ending June 30, 2018, if applicable, 1.25:1.00;

- (iii) for the Fiscal Quarters ending September 30, 2018 and December 31, 2018, if applicable, 1.50:1:00; and
  - (iv) for the Fiscal Quarter ending March 31, 2019 and each Fiscal Quarter thereafter, if applicable, 2.00:1:00.”
- (v) Section 10.2 of the Credit Agreement is hereby amended by deleting paragraph (a) and replacing it with the following:
  - “(a) Subject to Section 10.2(c), WESC shall be entitled, from time to time, by notice in writing to the Agent (together with reasonable particulars which demonstrate compliance with the positive covenant in Section 9.1(s)), to designate that:
    - (i) a Subsidiary which is an Unrestricted Subsidiary shall become a Restricted Subsidiary; or
    - (ii) a Restricted Subsidiary shall cease to be a Restricted Subsidiary;  
provided that WESC shall not be entitled to designate that a Restricted Subsidiary shall cease to be a Restricted Subsidiary if:
      - (iii) a Default or an Event of Default would result from or exist immediately after such designation; or
      - (iv) the Restricted Subsidiary has provided a guarantee or other credit support with respect to the Second Lien Documents.”
- (w) Section 11.1 of the Credit Agreement is hereby amended by: (i) deleting the “; or” at the end of paragraph (s) and replacing it with “;”; (ii) deleting the “.” at the end of paragraph (t) and replacing it with “; or”; and (iii) adding the following:
  - “(u) **Second Lien Credit Documents:** if any Event of Default (as defined in the Second Lien Credit Agreement) has occurred under the Second Lien Credit Agreement after the expiry of any applicable grace period in respect thereof.”
- (x) Section 11.1(m) of the Credit Agreement is hereby amended by deleting the words "indebtedness of the types referred to in paragraphs (a) through (g) inclusive of the definition of Consolidated Debt" therefrom and replacing it with "Debt".
- (y) Section 11.7(c) of the Credit Agreement is hereby amended by deleting the reference to "Cash Management Services" therefrom and replacing it with "Cash Management Arrangements".
- (z) Section 14.1 of the Credit Agreement is hereby amended by adding the following at the end thereof:
  - “The Agent is hereby authorized to enter into the Second Lien Intercreditor Agreement on behalf of the Lenders and to perform its obligations thereunder on behalf of the Lenders.”

- (aa) Section 15.11(b) of the Credit Agreement is hereby amended by deleting each reference to "Non-Defaulting Lender" and replacing it with "non-Defaulting Lender".
- (bb) Section 15.15 of the Credit Agreement is hereby amended by deleting and replacing it with the following:

“In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the other Loan Documents (other than the Second Lien Intercreditor Agreement), the provisions of this Agreement, to the extent of the conflict or inconsistency, shall govern and prevail.”
- (cc) Schedule A to the Credit Agreement is hereby deleted and replaced with Appendix “A” hereto.
- (dd) Schedule C to the Credit Agreement is hereby deleted and replaced with Appendix “B” hereto.
- (ee) Schedule K to the Credit Agreement hereby deleted and replaced with Appendix “C” hereto.

### 3. Conditions Precedent

The amendments to the Credit Agreement set forth in Section 2 of this Second Amending Agreement shall be effective upon the following conditions having been fulfilled to the satisfaction of the Agent on behalf of the Lenders:

- (a) the Agent shall be satisfied that the Second Lien Credit Agreement has been consummated: (i) substantially in accordance with the commitment letter dated as of September 21, 2017 between the Second Lien Agent and WESC and such other terms and conditions as may be agreed to by the Agent, acting reasonably; and (ii) prior to or substantially concurrently with this Second Amending Agreement;
- (b) the Agent shall have received the following documents, all of which documents are to be satisfactory to the Agent and its counsel, acting reasonably as to form and substance and due authorization and execution:
  - (i) this Second Amending Agreement, duly executed by the Borrower;
  - (ii) a confirmation of guarantee and security (the “**Confirmation**”), duly executed by the WESC and Stoneham Drilling Corporation;
  - (iii) an amended and restated guarantee and an amended and restated general security agreement (the “**Amended Security**”), duly executed by Western Production Services Corp.
  - (iv) the Second Lien Intercreditor Agreement, duly executed by the Borrowers and each of the Restricted Subsidiaries;
  - (v) all registrations at any Personal Property Registries necessary or desirable to preserve, protect or perfect the enforceability and priority of the Liens

created by the Security Documents (subject only to Permitted Liens) shall have been completed;

- (vi) (A) certified copies of resolutions of the board of directors or equivalent of each of the Obligors authorizing the execution, delivery and performance of this Second Amending Agreement, the Second Lien Intercreditor Agreement, the Confirmation and the Amended Security to which it is a party, (B) a certificate of incumbency of the officers of each of the Obligors signing this Second Amending Agreement, the Second Lien Intercreditor Agreement, the Confirmation and the Amended Security to which it is a party, and (C) certified copies of all relevant constating documents, by-laws or related relevant documents of each of the Obligors;
  - (vii) an Officer's Certificate certifying that WESC has received aggregate proceeds of not less than Cdn. \$15,000,000 from the issuance of equity;
  - (viii) certified copies of the Second Lien Credit Documents;
  - (ix) a certificate of status or equivalent in respect of each of the Obligors;
  - (x) a legal opinion from Borrowers' Counsel (including, for greater certainty, a legal opinion with respect to Stoneham Drilling Corporation) and a legal opinion from Lenders' Counsel each in form and substance satisfactory to the Lenders in their sole discretion;
  - (xi) an updated organizational chart of the Borrowers and their Subsidiaries;
  - (xii) a *pro forma* Compliance Certificate; and
  - (xiii) all such other agreements, certificates, declarations, opinions and other documents, as are reasonably required to confirm or establish the completion or satisfaction of the foregoing;
- (c) the representations and warranties in Article 8 and in any other Loan Documents (except any representation and warranty which is made as of a specific date only) shall be true, complete and correct on and with effect from the date of this Second Amending Agreement, and the Agent shall have received a certificate of the Borrowers certifying same;
- (d) no Default or Event of Default shall have occurred and be continuing, and no Material Adverse Change shall have occurred since December 31, 2016, this Second Amending Agreement becoming effective shall not result in, or reasonably be expected to result in, the occurrence of a Default, an Event of Default or a Material Adverse Effect, and the Agent shall have received a certificate of the Borrowers certifying same; and
- (e) all fees and expenses previously agreed in writing between the Borrowers and the Agent or any Lender shall be paid by the Borrowers.

**4. Representations and Warranties**

Each Borrower hereby represents and warrants to the Lenders that the representations and warranties contained in Article 8 of the Amended Credit Agreement are true and accurate as if made on the date of this Second Amending Agreement (except if a representation or warranty is made as of a specific date only).

**5. Confirmations**

Each of the Parties acknowledges and agrees that the Credit Agreement, as amended by this Second Amending Agreement, and all other Loan Documents are and will continue to be in full force and effect, and are hereby ratified and confirmed, and the rights and obligations of all Parties thereunder will not be affected in any manner by the provisions of this Second Amending Agreement, except as expressly provided in Section 2 of this Second Amending Agreement.

**6. Further Assurances**

The Borrowers will from time to time forthwith, at the Agent's request and at the Borrowers' own cost and expense, do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, manners and things which may be reasonably required by the Agent and are consistent with the intention of the Parties as evidenced herein, with respect to all matters arising under this Second Amending Agreement or the Amended Credit Agreement.

**7. Expenses**

Without in any way limiting the provisions of Section 13.1 of the Credit Agreement, the Borrowers will be liable for all expenses of the Agent and the Lenders, including legal fees and other out-of-pocket expenses, in connection with the negotiation, preparation, execution and delivery of this Second Amending Agreement.

**8. Counterparts**

This Second Amending Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

**[Remainder of Page Intentionally Left Blank]**

IN WITNESS WHEREOF the Parties have caused this Second Amending Agreement to be duly executed by their respective authorized officers as of the date and year above written.

**BORROWERS:**

**WESTERN ENERGY SERVICES CORP.**

By: signed: "Alex R.N. MacAusland"  
Name: Alex R.N. MacAusland  
Title: President and Chief Executive Officer

By: signed: "Jeffrey K. Bowers"  
Name: Jeffrey K. Bowers  
Title: Senior Vice President, Finance and Chief Financial Officer

**WESTERN PRODUCTION SERVICES CORP.**

By: signed: "Alex R.N. MacAusland"  
Name: Alex R.N. MacAusland  
Title: President and Chief Executive Officer

By: signed: "Jeffrey K. Bowers"  
Name: Jeffrey K. Bowers  
Title: Senior Vice President, Finance and Chief Financial Officer

**AGENT:**

**HSBC BANK CANADA**

By: signed: "*Parisa Naghibi*"

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Name: Parisa Naghibi

Title: Authorized Signatory

By: signed: "*Philip Allen*"

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Name: Philip Allen

Title: Authorized Signatory

**LENDERS:**

**HSBC BANK CANADA**

By: signed: "*Bruce Robinson*"

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Name: Bruce Robinson

Title: Vice President, Energy  
Financing

By: signed: "*Ryan Smith*"

Name: Ryan Smith

Title: Assistant Vice President,  
Energy Financing

**ALBERTA TREASURY BRANCHES**

By: signed: "*Philip Zhu*"

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Name: Philip Zhu

Title: Associate Director, Energy  
ATB Corporate Financial Services

**THE TORONTO-DOMINION BANK**

By: signed: "*Jessica Rempel*"

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Name: Jessica Rempel

Title: Senior Analyst  
Commercial National Accounts

By: signed: "*Loretta Palandri*"

Name: Loretta Palandri

Title: Associate Vice President  
Commercial National Accounts

## CONFIRMATION OF GUARANTEE AND SECURITY

Each of the undersigned hereby acknowledges and consents to the Second Amending Agreement and acknowledges, agrees and confirms that the Loan Guarantee to which it is a party, provided to the Guarantee Beneficiaries (as defined in such Loan Guarantee) and all representations and warranties as of the date given therein, the covenants and the other obligations set forth therein are binding on it and continue in full force and effect as a guarantee of all of the Guaranteed Obligations (as defined in such Loan Guarantee). The undersigned hereby restates the terms set forth in such Loan Guarantee to the extent necessary under Applicable Law to give effect to the foregoing. The undersigned hereby further acknowledges and agrees that all security granted by it to the Guarantee Beneficiaries in connection with such Loan Guarantee, the Credit Agreement (as defined in such Loan Guarantee) and any other documents executed and delivered pursuant thereto or in connection therewith, continues in full force and effect, without in any way impairing or derogating from any of the mortgages, pledges, charges, assignments, security interests and covenants therein contained or thereby constituted, as continuing security for all indebtedness, liabilities and other obligations of the undersigned under such Loan Guarantee.

Acknowledged effective as of the date of the Second Amending Agreement.

### WESTERN ENERGY SERVICES CORP.

By: signed: "Alex R.N. MacAusland"  
Name: Alex R.N. MacAusland  
Title: President and Chief Executive Officer

By: signed: "Jeffrey K. Bowers"  
Name: Jeffrey K. Bowers  
Title: Senior Vice President, Finance and Chief Financial Officer

### STONEHAM DRILLING CORPORATION

By: signed: "Alex R.N. MacAusland"  
Name: Alex R.N. MacAusland  
Title: President and Chief Executive Officer

By: signed: "Jeffrey K. Bowers"  
Name: Jeffrey K. Bowers  
Title: Senior Vice President, Finance and Chief Financial Officer

**APPENDIX "A"**  
**TO THE SECOND AMENDING AGREEMENT**

**LENDERS AND COMMITMENTS**

<b>LENDER</b>	<b>REVOLVING COMMITMENT</b>	<b>OPERATING COMMITMENT</b>
HSBC Bank Canada 9th Floor, 407-8th Avenue SW Calgary, Alberta T2P 1E5  Attention: Assistant Vice President, Energy Financing Telecopier: (403) 693-8561	\$25,000,000	\$10,000,000
Alberta Treasury Branches Suite 600, West Tower, Eighth Avenue Place 585 8th Avenue SW Calgary, Alberta T2P 1G1  Attention: Director Telecopier: (403) 974-5784	\$27,500,000	-
The Toronto Dominion Bank 1100, 421 - 7th Avenue SW Calgary, Alberta T2P 4K9  Attention: Director Telecopier: (403) 292-1317	\$17,500,000	-
<b>TOTAL:</b>	Cdn. \$70,000,000	Cdn. \$10,000,000

**APPENDIX "B"**  
**TO THE SECOND AMENDING AGREEMENT**

**FORM OF COMPLIANCE CERTIFICATE**

**TO:**           **HSBC Bank Canada, as Agent**  
Agency Services, 6th Floor  
70 York Street  
Toronto, Ontario  
M5J 1S9

**Attention:** ●  
Telecopier: (647) 788-2185

**AND TO:**    **The Lenders**

Re:    Third Amended and Restated Credit Agreement dated as of April 27, 2016, among Western Energy Services Corp. ("**WESC**"), as revolving borrower and an operating borrower, Western Production Services Corp., as an operating borrower, persons party thereto from time to time in their capacities as lenders and HSBC Bank Canada, as administrative agent (such Credit Agreement, as it may be amended, supplemented or otherwise modified or restated from time to time, referred to as the "**Credit Agreement**")

1.    This Compliance Certificate is given pursuant to Section 9.1(e)(v) of the Credit Agreement. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.
  
2.    I am the duly appointed [**President/Chief Executive Officer/ Chief Financial Officer/ Treasurer/ Vice President Finance**] of WESC, and hereby certify in such capacity, not in my personal capacity and without assuming any personal liability whatsoever, after making due inquiry that:
  - (a)    no Default or Event of Default has occurred and is continuing [except as described in Annex ● hereto];
  
  - (b)    as at the end of the [**Fiscal Quarter/Fiscal Year**] ended ●, the Consolidated Debt to Consolidated EBITDA Ratio was ●;
  
  - (c)    as at the end of the [**Fiscal Quarter/Fiscal Year**] ended ●, the Consolidated Debt to Consolidated Capitalization Ratio was ●;
  
  - (d)    as at the end of the [**Fiscal Quarter/Fiscal Year**] ended ●, the Consolidated Senior Debt to Consolidated EBITDA Ratio was ●;
  
  - (e)    the maximum aggregate principal amount of all Advances outstanding under the Credit Facilities at any time during the [**Fiscal Quarter/Fiscal Year**] ended ● was Cdn. \$●;
  
  - (f)    as at the end of the [**Fiscal Quarter/Fiscal Year**] ended ●, the net book value of PP&E was \$●;

(g) as at the end of the [Fiscal Quarter/Fiscal Year] ended ●, the Debt Service Coverage Ratio was ●,<sup>1</sup>

and attached hereto are the detailed particulars of the manner in which the financial ratios in items (b) through (d) and (g) above.

3. Attached hereto is an updated Schedule I (Organizational Chart).
4. This Compliance Certificate is signed by the undersigned officer of WESC in his capacity as an officer of WESC without personal liability to the undersigned officer.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**WESTERN ENERGY SERVICES CORP.**

By: \_\_\_\_\_  
Name: ●  
Title: ●

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<sup>1</sup> The Debt Service Coverage Ratio is to be calculated as at the end of each Fiscal Quarter where: (A) the aggregate principal amount of all Advances outstanding under the Credit Facilities at any time during the applicable Fiscal Quarter exceeds Cdn. \$40,000,000 or (B) the net book value of PP&E is less than Cdn. \$500,000,000.

**APPENDIX "C"**  
**TO THE SECOND AMENDING AGREEMENT**  
**FORM OF BORROWING BASE CERTIFICATE**

**TO:**           **HSBC Bank Canada, as Agent**  
Agency Services, 6th Floor  
70 York Street  
Toronto, Ontario  
M5J 1S9

**Attention:** ●  
Telecopier: (647) 788-2185

**AND TO:**    **The Lenders**

**Re:**    Third Amended and Restated Credit Agreement dated as of April 27, 2016, among Western Energy Services Corp. ("**WESC**"), as revolving borrower and an operating borrower, Western Production Services Corp. ("**WPSC**" and together with WESC, the "**Borrowers**"), as an operating borrower, persons party thereto from time to time in their capacities as lenders and HSBC Bank Canada, as administrative agent (such Credit Agreement, as it may be amended, supplemented or otherwise modified or restated from time to time, referred to as the "**Credit Agreement**")

1.    This Borrowing Base Certificate is given pursuant to Section 9.1(e)(vi) of the Credit Agreement. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.
2.    I am the duly **appointed [President/Chief Executive Officer/ Chief Financial Officer/ Treasurer/ Vice President Finance]** of each of the Borrowers, and hereby certify in such capacity, not in my personal capacity and without assuming any personal liability whatsoever, after making due inquiry that:
  - (a)    attached hereto as Exhibit "**A**" is a calculation of the net book value of the property, plant and equipment of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents located in Canada or the United States of America;
  - (b)    attached hereto as Exhibit "**B**" is a summary of all Accounts Receivable of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents located in Canada or the United States of America as of such calendar month end (including particulars of all Account Debtors and the age of such Accounts Receivable);
  - (c)    attached hereto as Exhibit "**C**" is a summary of (a) all due and payable but unpaid statutory source deductions of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents, (b) all due and payable but unpaid wages, vacation pay and other compensation for services rendered by employees of each of the Borrowers and their Restricted Subsidiaries

which have provided security under the Security Documents and (c) and any other claims ranking in priority to the security under the Security Documents;

(d) below is each of the Borrowers' calculation of the Borrowing Base as at ●:

(i) 75% of all Eligible Accounts Receivable owing by Account Debtors (i) rated BB+ or lower by S&P or the equivalent by a similar rating agency, or (ii) not rated by S&P or any similar rating agency:

Gross Accounts Receivable of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents owing by Account Debtors (A) rated BB+ or lower by S&P or the equivalent by a similar rating agency, or (B) not rated by S&P or any similar rating agency \$\_\_\_\_\_

Less:

(A) services not performed, goods not shipped or title not passed (see paragraph (a) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(B) owing by Affiliates not dealing at arm's length (see paragraph (h) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(C) is outstanding more than 90 days after the invoice date of the relevant invoice, purchase order or other similar written statement (see paragraph (f) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(D) insolvent Account Debtors (see paragraph (g) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(E) no invoice, purchase or service order or similar written statement (see paragraph (e) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(F) subject to off-set, counterclaim or other defence asserted (see paragraph (b)) \$\_\_\_\_\_

of definition of Eligible Accounts Receivable)

(G) not subject to perfected security interest in favour of the Agent and Lenders (see paragraph (d) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(H) Account Receivable owing from an Account Debtor who is a Governmental Authority (except to the extent the Account Receivable is assignable without consent or all necessary consents to assignment have been obtained and all applicable statutory requirements for consent have been obtained and the Agent is satisfied as to the absence of setoffs, counterclaims and other defenses on the part of such Account Debtor) (see paragraph (i) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(I) owing from a Sanctioned Person (see paragraph (j) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

Eligible Accounts Receivable of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents \$\_\_\_\_\_ X 75% \$\_\_\_\_\_

(ii) 85% of all Eligible Accounts Receivable owing by Account Debtors rated BBB- or higher by S&P or the equivalent by a similar rating agency:

Gross Accounts Receivable of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents owing by Account Debtors rated BBB- or higher by S&P or the equivalent by a similar rating agency \$\_\_\_\_\_

Less:

(A) services not performed, goods not shipped or title not passed (see paragraph (a) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(B) owing by Affiliates not dealing at arm's length (see paragraph (h) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(C) is outstanding more than 120 days after the invoice date of the relevant invoice, purchase order or other similar written statement (see paragraph (f) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(D) insolvent Account Debtors (see paragraph (g) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(E) no invoice, purchase or service order or similar document (see paragraph (e) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(F) subject to off-set, counterclaim or other defence asserted (see paragraph (b) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(G) not subject to perfected security interest in favour of the Agent and Lenders (see paragraph (d) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

(H) Account Receivable owing from an Account Debtor who is a Governmental Authority (except to the extent the Account Receivable is assignable without consent or all necessary consents to assignment have been obtained and all applicable statutory requirements for consent have been obtained and the Agent is satisfied as to the absence of setoffs, counterclaims and other defenses on the part of such Account Debtor) (see paragraph (i) of \$\_\_\_\_\_

definition of Eligible Accounts Receivable)

(I) owing from a Sanctioned Person (see paragraph (j) of definition of Eligible Accounts Receivable) \$\_\_\_\_\_

Eligible Accounts Receivable of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents \$\_\_\_\_\_ X 85% \$\_\_\_\_\_

(iii) the lesser of:

(A) \$50,000,000 \$\_\_\_\_\_

and

(B) 25% of the net book value of PP&E \$\_\_\_\_\_

(iv) **BORROWING BASE:**

If applicable, 75% of the Eligible Accounts Receivable (calculated in Section 2(d)(i) above) \$\_\_\_\_\_

If applicable, 85% of the Eligible Accounts Receivable (calculated in Section 2(d)(ii) above) \$\_\_\_\_\_

The lesser of (A) and (B) calculated in Section 2(d)(iii) above \$\_\_\_\_\_

Less:

(A) an amount equal to all due and payable but unpaid statutory source deductions of each of the Borrowers and their Restricted Subsidiaries who have provided security under the Security Documents

(B) an amount equal to all due and payable but unpaid wages, vacation pay and other compensation for services rendered by employees of each of the Borrowers and their Restricted Subsidiaries who have provided security

under the Security Documents

(C) any other claims ranking in priority to the security under the Security Documents

\$ \_\_\_\_\_

**Borrowing Base:**

**\$ \_\_\_\_\_**

(e) I hereby certify that the Borrowing Base has been calculated in accordance with the Credit Agreement and is correct, true and accurate as of the date specified above.

3. This Borrowing Base Certificate is signed by the undersigned officer of each of the Borrowers in his capacity as an officer of each of the Borrowers without personal liability to the undersigned officer.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**WESTERN ENERGY SERVICES CORP.**

By: \_\_\_\_\_  
Name: ●  
Title: ●

**WESTERN PRODUCTION SERVICES CORP.**

By: \_\_\_\_\_  
Name: ●  
Title: ●