

SUBSCRIPTION AGREEMENT

September 21, 2017

Western Energy Services Corp.
1700, 215 – 9th Avenue S.W.
Calgary, Alberta T2P 1K3

Attention: Alex R.N. MacAusland, Chief Executive Officer

Subscription for Common Shares

Her Majesty the Queen in right of Alberta, by its agent, Alberta Investment Management Corporation (“**AIMCo**” or the “**Investor**”) understands that:

- (a) Western Energy Services Corp. (“**Western**” or the “**Corporation**”) has entered into a bought deal underwriting commitment dated September 21, 2017 pursuant to which a syndicate of underwriters led by Peters & Co. Limited (the “**Lead Underwriter**”) and including AltaCorp Capital Inc., HSBC Securities (Canada) Inc., RBC Capital Markets, CIBC World Markets Inc., Raymond James Ltd. and TD Securities Inc. (collectively with the Lead Underwriter, the “**Underwriters**”) has agreed to purchase 9,100,000 common shares of the Corporation (the “**Offered Shares**”) at a purchase price of \$1.25 per Offered Share for aggregate gross proceeds of \$11,375,000 (the “**Public Offering**”) with the proceeds of the Public Offering to be used to fund, in part, the redemption of Corporation's outstanding 7-7/8% senior unsecured notes in 2018;
- (b) the Corporation wishes to enter into a commitment letter (the “**Commitment Letter**”) with the Investor pursuant to which, among other things:
 - (i) the Investor has agreed to provide a second lien senior secured term loan facility in favour of the Corporation in an aggregate principal amount of up to \$215,000,000 (the “**Second Lien Facility**”) upon the terms and subject to the conditions therein; and
 - (ii) the Corporation has agreed to issue to the Investor 7,099,546 common share purchase warrants (the “**Warrants**”) with each Warrant entitling the holder to acquire one additional common share of the Corporation (a “**Warrant Share**”) at the Exercise Price (as defined herein) at any time prior to the date that is three years following the Closing Date (as defined herein); and
- (c) the Corporation wishes to enter into this subscription agreement with the Investor pursuant to which the Corporation will issue to the Investor, and the Investor hereby subscribes for and agrees to purchase from the Corporation at the Closing Time, subject to the terms and conditions contained herein, 9,100,000 common shares of the Corporation (the “**Investor Shares**”) at a price of \$1.25 per Common Share for aggregate gross proceeds of \$11,375,000 (the “**Private Placement**”) with the proceeds being used to fund, in part, the redemption of the Corporation's outstanding 7-7/8% senior unsecured notes in early 2018

For greater certainty and notwithstanding anything contained herein, the parties acknowledge and agree that the Investor shall not acquire, or be under any obligation to acquire, such number of Investor Shares that would result in it holding 20% or more of the then issued and outstanding common shares of the

Corporation assuming the full exercise of all Warrants and the issuance of all Warrant Shares thereunder to the Investor.

The following are the further terms and conditions of this Agreement:

1. Definitions

As used in this Agreement, including the paragraphs prior to this definitional section and any amendments hereto, unless the context otherwise requires:

- (a) “**Agreement**” means this subscription agreement, including any schedules or exhibits attached hereto, and not any particular Article or Section or other portion except as may be specified, and words such as “hereto”, “herein” and “hereby” refer to this Agreement as the context requires;
- (b) “**Agency Agreement**” means the agency agreement to be entered into between the Corporation, Peters & Co. Limited and a syndicate of agents in respect of such agents' services in connection with the Private Placement;
- (c) “**AIF**” means the annual information form of Western for the year ended December 31, 2016 dated February 22, 2017;
- (d) “**Applicable Securities Laws**” means all applicable securities and corporate laws, rules, regulations, notices and policies in Canada;
- (e) “**Bought Deal Letter**” means the letter agreement dated September 21, 2017 between Western and Peters & Co. Limited, on behalf of the Underwriters, providing the terms and conditions of the Public Offering and for the Underwriters' engagement as agents in respect of the Private Placement;
- (f) “**Business Day**” means a day which is not Saturday, Sunday or a legal holiday in Calgary, Alberta;
- (g) “**Closing Date**” means October 17, 2017 or such other date as the Investor and the Corporation may agree;
- (h) “**Closing Time**” means 6:00 a.m. (Calgary time), or such other time on the Closing Date as the Investor and the Corporation may agree;
- (i) “**Corporation’s auditors**” or “**Deloitte**” means Deloitte LLP, chartered accountants, Calgary, Alberta, auditors of the Corporation;
- (j) “**Corporation’s counsel**” means Blake, Cassels & Graydon LLP or such other legal counsel as the Corporation may appoint;
- (k) “**Credit Agreement**” means the credit agreement to be entered into between the Corporation and the Investor in respect of the Second Lien Facility;
- (l) “**distribution**” means “**distribution**” or “**distribution to the public**”, as the case may be, as defined under the Applicable Securities Laws and “**distribute**” has a corresponding meaning;
- (m) “**Documents**” means, collectively, the documents incorporated by reference in the Prospectuses and any Supplementary Material including, without limitation:
 - (i) the AIF;

- (ii) the Western Financial Statements and the management's discussion and analysis in respect thereof;
 - (iii) the information circular of the Corporation dated April 6, 2017 relating to the annual and special meeting of the shareholders held on May 9, 2017;
 - (iv) any material change report of the Corporation filed since December 31, 2016;
 - (v) any template version of marketing materials provided to potential investors in connection with the distribution of the Offered Shares; and
 - (vi) any other documents that are required by Applicable Securities Laws to be incorporated by reference in the Prospectuses;
- (n) **“Due Diligence Responses”** means the written and oral (only to the extent such oral responses are subsequently reduced to writing by the Corporation at the request of the Investor, acting reasonably) responses provided by the Corporation, as given by any director or senior officer of the Corporation, in relation to questions asked at the Due Diligence Sessions;
- (o) **“Due Diligence Sessions”** means the due diligence sessions to be held with the Underwriters, the Investor and the Corporation on or prior to the filing of the Preliminary Prospectus and any such subsequent sessions held prior to the closing of the Public Offering;
- (p) **“Environmental Laws”** means all applicable Laws with respect to environmental, health or safety law matters;
- (q) **“Exchange”** means the Toronto Stock Exchange;
- (r) **“Exercise Price”** means 145% of the 5 day VWAP immediately prior to the Closing Date;
- (s) **“Governmental Authorities”** means governments, regulatory authorities, governmental departments, agencies, commissions (including the Securities Commissions), bureaux, officials, ministers, Crown corporations, courts, bodies (including the Exchange), boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them or exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (t) **“Investor's counsel”** means Torys LLP;
- (u) **“Laws”** mean any and all applicable federal, state, provincial, municipal or local laws in Canada and the United States including all statutes, ordinances, decrees, regulations, by-laws, orders in council, Governmental Authority judgments, orders, decisions, decrees, directives and policies of (or issued by) Governmental Authorities;
- (v) **“Material Adverse Change”** or **“Material Adverse Effect”** means any change, effect, event occurrence or circumstance which:
- (i) is or would reasonably be expected to be material and adverse to the business, operations, revenues, properties, results of operations, assets, capitalization, condition (financial or

otherwise), liabilities (contingent or otherwise) or ownership of the Corporation and the Subsidiaries (taken as a whole); or

- (ii) would reasonably be expected to impair the ability of the Corporation to consummate the transactions contemplated hereby or to duly observe and perform its obligations contained in the Transaction Agreements;
- (w) “**marketing materials**” has the meaning ascribed thereto under NI 41-101;
- (x) “**misrepresentation**”, “**material change**” and “**material fact**” have the meanings ascribed thereto under the Applicable Securities Laws;
- (y) “**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*;
- (z) “**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions*;
- (aa) “**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;
- (bb) “**Preliminary Prospectus**” means the preliminary short form prospectus of the Corporation to be filed no later than September 28, 2017 and any amendments thereto, in respect of the distribution of the Offered Shares, including the documents incorporated by reference therein;
- (cc) “**Prospectus**” means the (final) short form prospectus of the Corporation and any amendments thereto, in respect of the distribution of the Offered Shares, including the documents incorporated by reference therein;
- (dd) “**Prospectuses**” means, collectively, the Preliminary Prospectus and the Prospectus;
- (ee) “**Public Record**” means all information filed by or on behalf of the Corporation or its predecessors on or after January 1, 2015 with the Securities Commissions, including without limitation, the Documents, the Prospectuses, any Supplementary Material and any other information filed with any Securities Commission, in compliance, or intended compliance, with any Applicable Securities Laws;
- (ff) “**Western Financial Statements**” means, collectively:
 - (i) the audited financial statements of the Corporation as at and for the years ended December 31, 2016 and 2015; and
 - (ii) the unaudited financial statements of the Corporation as at and for the three and six month periods ended June 30, 2017 and 2016,in each case including the notes thereto, and, where applicable, the auditor’s report thereon;
- (gg) “**Shares**” means common shares of the Corporation and, where appropriate in the context, includes the Offered Shares, the Investor Shares and/or the Warrant Shares;
- (hh) “**Securities Commissions**” means the securities commissions or similar regulatory authorities in each of the provinces of Canada;
- (ii) “**Subsidiaries**” means, collectively, Stoneham Drilling Corporation and Western Production Services Corp.;

- (jj) “**subsidiary**” shall have the meaning ascribed thereto under the *Securities Act* (Alberta);
- (kk) “**Supplementary Material**” means, collectively, any amendment to the Preliminary Prospectus or Prospectus, any amended or supplemented Preliminary Prospectus or Prospectus and any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Corporation under the Applicable Securities Laws;
- (ll) “**Swaps**” means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);
- (mm) “**template version**” has the meaning ascribed thereto under NI 41-101 and includes any revised template version of marketing materials as contemplated by NI 41-101;
- (nn) “**to the best of the knowledge, information and belief of the Corporation**” means, a statement as to the knowledge of each of the executive officers of the Corporation about the facts or circumstances to which such phrase related, after having made due and applicable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by executives officers of oilfield services companies in the discharge of their duties, without special inquiry for the purposes of the Public Offering and the Private Placement;
- (oo) “**to the knowledge of the Corporation**” means a statement as to the actual knowledge of each of the executive officers of the Corporation about the facts or circumstances to which such phrase related;
- (pp) “**Transaction Agreements**” means, collectively, this Agreement, the Underwriting Agreement, the Agency Agreement, the Credit Agreement and the Warrant Certificate;
- (qq) “**Underwriting Agreement**” means the underwriting agreement to be entered into between the Corporation and the Underwriters setting forth the definitive terms of the Public Offering;
- (rr) “**U.S. Securities Act**” the United States Securities Act of 1933, as amended;
- (ss) “**U.S. Securities Laws**” means the applicable United States federal securities Laws, including, without limitation, the U.S. Securities Act and applicable state securities Laws;
- (tt) “**VWAP**” means the volume weighted average trading price of the Shares on the Exchange, calculated by dividing the total value by the total volume of the Shares traded for the relevant period; and
- (uu) “**Warrant Certificate**” means the certificate representing the Warrants which certificate shall be in form and substance satisfactory to the Corporation and the Investor, acting reasonably.

2. Covenants of the Corporation

The Corporation covenants and agrees:

- (a) the Investor Shares, Warrants and Warrant Shares will have been reserved and allotted for issuance and, when issued in accordance with the terms of the Transaction Agreements, as applicable (assuming receipt by the Corporation of full consideration for the Investor Shares and Warrant Shares), will be validly issued as fully paid and non-assessable;
- (b) to use its commercially reasonable efforts to complete the Public Offering as soon as reasonably practicable;
- (c) to comply with all covenants of the Corporation set forth in this Agreement and the other Transaction Documents and to duly, punctually and faithfully perform all the obligations to be performed by it under this Agreement and the other Transaction Documents;
- (d) as soon as reasonably possible, and in any event by the Closing Date, to take any and all commercially reasonable steps to enable the Investor Shares and the Warrants to be offered for sale and sold on a private placement basis to the Investor by way of the “accredited investor” exemption under Applicable Securities Laws as contemplated hereby;
- (e) to allow the Investor, prior to the Closing Time, to conduct all due diligence which the Investor may reasonably require with respect to the Corporation. For greater certainty, the Corporation shall allow the Investor, and the Investor shall be entitled, to participate in all Due Diligence Sessions held prior to the Closing Time, provided that the Corporation shall use commercially reasonable efforts to allow the Investor to participate in the auditors’ portion of the Due Diligence Session. The Corporation shall: (i) provide written responses to any written questions asked of by the Corporation by the Underwriters to the Investor; and (ii) use its commercially reasonable efforts to have its auditors, legal counsel and other experts provide written responses asked of such parties, respectively, to the Investor;
- (f) to furnish promptly to the Investor and Investor’s counsel any material requests from any Governmental Authority for any information in respect of the business, operations, financial condition or assets of the Corporation or any material third party complaint, investigation order or hearing (or investigations indicating the same may be contemplated), including any orders to cease or suspend trading of any securities of the Corporation, and to the extent that it relates to or could have a Material Adverse Effect, any such requests in respect of its properties or assets;
- (g) to use the proceeds from the issuance and sale of the Investor Shares and the Public Offering in accordance with the recitals to this Agreement;
- (h) to use its commercially reasonable efforts to maintain its status as a reporting issuer not in default of any Applicable Securities Laws for a period of three years following the Closing Date, provided that the Investor continues to hold Investor Shares, Warrants or Warrant Shares and provided further that the foregoing shall not restrict the ability of the Corporation to complete a merger, sale, acquisition or other similar transaction, one of the results of which is that the Corporation ceases to be a reporting issuer in such jurisdictions; and
- (i) to carry on its business in a prudent manner in accordance with industry standards and good business practice and to keep or cause to be kept proper books of accounts in accordance with applicable law.

3. Material Change

- (a) During the period ending at the Closing Time, the Corporation will promptly inform the Investor in writing of the full particulars of:
- (i) any material change (actual, anticipated or, to the knowledge of the Corporation, threatened) in or affecting the business, operations, revenues, properties, results of operations, assets, capitalization, condition (financial or otherwise), liabilities (contingent or otherwise) or ownership of the Corporation and the Subsidiaries (taken as a whole) or, to the knowledge of the Corporation, the Private Placement or the Public Offering;
 - (ii) the discovery by the Corporation of any misrepresentation in any part of the Public Record or in any information regarding the Corporation previously provided to the Investor; and
 - (iii) the change, occurrence or discovery of a material fact or event, which is, or may be, of such a nature as to:
 - (A) render the Preliminary Prospectus, the Prospectus or any Supplementary Material untrue, false or misleading in any material respect;
 - (B) result in a misrepresentation in the Preliminary Prospectus, the Prospectus or any Supplementary Material; or
 - (C) result in the Preliminary Prospectus, the Prospectus or any Supplementary Material not complying in any material respect with the Applicable Securities Laws,

provided that if there may be any reasonable doubt as to whether a material change, discovery, change, occurrence, or event of the nature referred to in this Section 3(a) has occurred, the Corporation shall promptly and in good faith inform the Investor of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Investor as to whether the occurrence is of such nature.

- (b) During the period ending at the Closing Time, the Corporation will promptly inform the Investor of the full particulars of:
- (i) any request of any Securities Commission, other securities commission or similar regulatory authority for any amendment to the Preliminary Prospectus, the Prospectus or any other part of the Public Record or for any additional information;
 - (ii) the issuance by any Securities Commission, other securities commission or similar regulatory authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose; or
 - (iii) the receipt by the Corporation of any material communication from any Securities Commission, other securities commission or similar regulatory authority relating to the Preliminary Prospectus, the Prospectus, any other part of the Public Record or the distribution of the Offered Shares, the Investor Shares, the Warrants or the Warrant Shares.

- (c) During the period ending at the Closing Time, the Corporation will promptly provide to the Investor, for review by the Investor and the Investor's counsel, prior to filing with the Securities Commissions:
- (i) any financial statements or management's discussion and analysis of the Corporation (including any pro forma financial statements which involve the Corporation);
 - (ii) any proposed document, including without limitation any amendment to the AIF, or any new annual information form, management's discussion and analysis, material change report, interim report, news release, or information circular, which may be incorporated, or deemed to be incorporated, by reference in the Prospectuses;
 - (iii) any news release of the Corporation; and
 - (iv) any Supplementary Material.

4. Representations and Warranties of the Corporation

The Corporation represents and warrants to the Investor, and acknowledges that the Investor is relying upon such representations and warranties in entering into this Agreement, that:

- (a) all of the information and statements (except information and statements furnished in writing by and relating solely to the Investor or the Underwriters, respectively) to be contained in the Preliminary Prospectus, the Prospectus or any Supplementary Material, as applicable, including, without limitation, the documents incorporated by reference, as the case may be:
 - (i) will be, at the respective dates of such documents, true and correct in all material respects;
 - (ii) will contain no misrepresentation; and
 - (iii) will constitute full, true and plain disclosure of all material facts relating to the Corporation, and the Offered Shares;
- (b) the Preliminary Prospectus, the Prospectus or any Supplementary Material, as applicable, including, without limitation, the documents incorporated by reference therein, as the case may be, will comply in all material respects with Applicable Securities Laws, including without limitation, NI 44-101;
- (c) each of the Corporation and the Subsidiaries has been duly organized and is validly existing under the laws of its jurisdiction of organization and has all requisite corporate, partnership or trust authority, as applicable, and power to carry on its business as described in the Public Record and to own or lease and to operate its properties and assets;
- (d) each of the Corporation and the Subsidiaries is qualified to carry on business under the laws of each jurisdiction in which it carries on a material portion of its respective business;
- (e) the Corporation has no subsidiaries other than the Subsidiaries;
- (f) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of the Transaction Agreements by the Corporation or any of the transactions contemplated hereby or thereby does not and will not result in any breach

of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under:

- (i) any term or provision of the articles, by-laws or resolutions of the directors (including any committee thereof) or shareholders of the Corporation or any of the Subsidiaries;
- (ii) any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation or any of the Subsidiaries is a party or by which the Corporation or any of the Subsidiaries is bound; or
- (iii) any Laws applicable to the Corporation or any of the Subsidiaries,

which default or breach could, individually or in the aggregate, constitute a Material Adverse Effect;

- (g) the Corporation has full corporate capacity, power and authority to enter into the Transaction Agreements and to perform its obligations set out herein and therein (including, without limitation, to create, issue and sell, as applicable, the Investor Shares, the Warrants and the Warrant Shares), and this Agreement is and each of the other Transaction Agreements will, on the Closing Date be, duly authorized, executed and delivered by the Corporation and this Agreement is and the other Transaction Agreements will on the Closing Date be, legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms, subject to the discretionary nature of equitable remedies, all Laws relating to creditors' rights generally and except as rights to indemnity may be limited by Law;
- (h) no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority or any other third party is required of the Corporation in connection with the execution and delivery of this Agreement or with the performance of its obligations hereunder, except as required to comply with Applicable Securities Laws applicable to the sale of the Investor Shares and the issuance of the Warrants to the Investor (including the execution and filing by or on behalf of the Corporation of a report of the trade required to be filed under NI 45-106, together with the requisite filing fee) and the approval of the Exchange;
- (i) the Western Financial Statements fairly present in accordance with international financial reporting standards ("IFRS"), consistently applied, the financial position and condition, the results of the operations, cash flows and other information purported to be shown therein of the Corporation and the Subsidiaries on a consolidated basis as at the dates thereof and for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Corporation and the Subsidiaries on a consolidated basis as at the dates thereof required to be disclosed in accordance with IFRS, and include all adjustments necessary for a fair presentation;
- (j) the Corporation's auditors, who have audited or reviewed the Western Financial Statements and delivered their reports with respect to the audited Western Financial Statements, are independent chartered accountants with respect to the Corporation within the meaning of Applicable Securities Laws as of the date of this Agreement and during the period covered by the Western Financial Statements on which they reported and there has not been any reportable event (within the meaning of NI 51-102) with the present or any former auditor of the Corporation;
- (k) there are no actions, suits, claims, proceedings or inquiries pending and outstanding or (to the knowledge of the Corporation) threatened against or affecting the Corporation or any of the Subsidiaries at law or in equity or before or by any Governmental Authority which, individually or

in the aggregate, constitute a Material Adverse Effect and the Corporation is not aware of any existing ground on which such action, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;

- (l) there has not been any material change in the business, operations, revenues, properties, results of operations, assets, capitalization, condition (financial or otherwise), liabilities (contingent or otherwise) or ownership of the Corporation and the Subsidiaries (taken as a whole), from the position of the Corporation set forth in the Western Financial Statements as at and for the year ended December 31, 2016 and since that date there have been no material facts, transactions, events or occurrences which, to the best of the knowledge, information and belief of the Corporation, would, individually or in the aggregate, constitute a Material Adverse Change;
- (m) except as otherwise disclosed in the Western Financial Statements, and since December 31, 2016, none of the Corporation or any of the Subsidiaries has incurred, assumed or suffered any liability (absolute, accrued, contingent or otherwise), including tax liabilities, or entered into any transaction which is or may be material to the business, revenues, properties, results of operations, assets, capitalization, operations, capital, liabilities or condition (financial or otherwise) of the Corporation and the Subsidiaries (taken as a whole);
- (n) the information and statements set forth in the Public Record were true, correct, and complete and did not contain any misrepresentation, as of the date of such information or statements;
- (o) the Corporation is a “reporting issuer” or equivalent in each of the provinces of Canada within the meaning of Applicable Securities Laws in such provinces;
- (p) to the best of the knowledge, information and belief of the Corporation, none of its directors or officers are subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public entity or of an entity listed on a particular stock exchange;
- (q) the Corporation is not in default of any material requirement of Applicable Securities Laws and has not filed any confidential material change reports which continue to be confidential. Since December 31, 2016, the Corporation has not received any correspondence or notice from a Securities Commission or from the Exchange concerning a review of any of the Corporation’s continuous disclosure documents in respect of which any matters remain outstanding;
- (r) the authorized capital of the Corporation consists of an unlimited number of Shares and an unlimited number preferred shares, issuable in series, of which as at the date hereof there were 73,974,594 Shares issued and outstanding, which Shares are validly issued, fully paid and non-assessable and nil preferred shares issued and outstanding;
- (s) no person holds any securities convertible or exchangeable into shares of the Corporation or has any agreement, warrant, option, right or privilege being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or other acquisition of any unissued securities of the Corporation, except in respect of an aggregate of 7,080,308 Shares issuable upon exercise of outstanding options and 203,817 Shares issuable pursuant to outstanding restricted share units on the terms disclosed in the Western Financial Statements;
- (t) all of the issued and outstanding shares of each of the Subsidiaries have been duly authorized and validly issued as fully paid and non-assessable; and, all of the outstanding shares of each Subsidiary are owned by the Corporation, directly or through wholly-owned subsidiaries;

- (u) no person holds any securities convertible or exchangeable into shares of any of the Subsidiaries or has any agreement, warrant, option, right or privilege being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or other acquisition of unissued securities of the Subsidiaries;
- (v) the Corporation and the Subsidiaries do not directly or indirectly hold any shares or other securities, options or rights to subscribe for shares or other securities of any corporation, partnership, trust or other entity other than the Subsidiaries;
- (w) no Governmental Authority has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened and the Corporation is not in material default of any requirement of Applicable Securities Laws;
- (x) the issued and outstanding Shares are listed and posted for trading on the Exchange and the Corporation is in compliance, in all material respects, with all applicable rules and policies of the Exchange;
- (y) the Corporation and each of the Subsidiaries has conducted and is conducting its business in compliance in all material respects with all applicable Laws, and, in particular, all Environmental Laws and holds all licences, permits, registrations and qualifications in all jurisdictions in which it carries or proposes to carry on its business which are necessary or desirable to carry on its business as now conducted and as presently proposed to be conducted, except where the failure to hold such licenses, permits, registrations and qualifications would not have a Material Adverse Effect; all such licences, permits, registrations or qualifications are valid and existing and in good standing and none of such licences, permits, registrations or qualifications contains any burdensome term, provision, condition or limitation which, individually or in the aggregate, constitutes a Material Adverse Effect, and the Corporation is not aware of any Law presently in force or proposed to be brought into force which the Corporation anticipates the Corporation or any of the Subsidiaries, as applicable, will be unable to comply with without constituting a Material Adverse Effect;
- (z) the Corporation and each of the Subsidiaries has filed all domestic, foreign, federal, provincial, state and local tax returns that are or were required to be filed, all such tax returns are complete and correct and the Corporation and each of the Subsidiaries has timely paid all taxes required to be paid by them and any other assessment, fine or penalty levied against them, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith; no tax return of the Corporation or any of the Subsidiaries is under audit or examination by any tax authority, no written or, to the knowledge of the Corporation, unwritten notice of such an audit or examination has been received by the Corporation or any of the Subsidiaries and there is no assessed deficiency, refund litigation, proposed adjustment or matter in controversy with respect to any taxes due and owing by the Corporation or any of the Subsidiaries;
- (aa) the Corporation is not aware of any material contingent tax liability of the Corporation or any of the Subsidiaries or any grounds which will prompt a reassessment;
- (bb) no labour problem or dispute with the employees of the Corporation or the Subsidiaries exists or, to the knowledge of the Corporation, is threatened or imminent and the Corporation is not aware of any existing or imminent labour disturbance by the employees of the Corporation or any of the Subsidiaries, which, individually or in the aggregate, constitutes a Material Adverse Effect;

- (cc) the Corporation and each of the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are customary in the businesses in which it is engaged; all policies of insurance and fidelity or surety bonds insuring the Corporation or any of the Subsidiaries or its respective businesses, assets, employees, officers, trustees and directors are in full force and effect; the Corporation and the Subsidiaries are in compliance with the terms of such policies and instruments in all material respects; there are no material claims by the Corporation or any of the Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; and neither the Corporation nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not constitute a Material Adverse Effect;
- (dd) no Subsidiary is currently prohibited, directly or indirectly, from paying (directly or indirectly) any distributions, dividends or interest payments to the Corporation, from making any other distribution on such Subsidiary's capital stock or other ownership interest, from repaying to the Corporation any notes, loans or advances to such Subsidiary from the Corporation or from transferring any of such Subsidiary's property or assets to the Corporation or any other Subsidiary;
- (ee) the Corporation has established and maintains disclosure controls and procedures and internal control over financial reporting (within the meaning of Applicable Securities Laws). The Corporation's disclosure controls and procedures are reasonably designed to ensure that all material information required to be disclosed by the Corporation in the reports that it files or has filed under Applicable Securities Laws are or were recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities Commissions and that all such material information is or was, as applicable, accumulated and communicated to the management of the Corporation to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Applicable Securities Laws. Management of the Corporation has completed its assessment of the effectiveness of its internal control over financial reporting in compliance with the requirements of Applicable Securities Laws for the year ended December 31, 2016, and such assessment concluded that such controls were effective. The Corporation disclosed, based on the most recent evaluations, to the Corporation's auditors and the audit committee of the Corporation's board of directors: (i) all significant deficiencies in the design or operation of internal control over financial reporting and any material weaknesses, that have more than a remote chance to materially adversely affect the Corporation's ability to record, process, summarize and report financial data, if any; and (ii) any fraud, regardless of whether material, that involves management or other employees who have or had a significant role in the Corporation's internal control over financial reporting;
- (ff) since January 1, 2017, to the best of the knowledge, information and belief of the Corporation, neither the Corporation nor any director, officer, employee, auditor, accountant or representative of the Corporation has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Corporation including any material complaint, allegation, assertion or claim that the Corporation has or had a "material weakness" (as such terms are defined in Applicable Securities Laws, in each case as in effect on the date hereof), in the Corporation's internal control over financial reporting;
- (gg) except to the extent that any violation or other matter referred to in this subparagraph does not, individually or in the aggregate, constitute a Material Adverse Effect:

- (i) the Corporation and each of the Subsidiaries has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
 - (ii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Corporation or any of the Subsidiaries that have not been remedied;
 - (iii) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation or any of the Subsidiaries;
 - (iv) neither the Corporation nor any of the Subsidiaries has failed to report to the proper Governmental Authority, the occurrence of any event which is required to be so reported by any Environmental Law;
 - (v) neither the Corporation nor any of the Subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated; and
 - (vi) neither the Corporation nor any of the Subsidiaries has received any notice of, or been prosecuted for an offence alleging, non-compliance with any Environmental Laws, and neither the Corporation nor any of the Subsidiaries has settled any allegation of non-compliance short of prosecution;
- (hh) each of the Corporation and the Subsidiaries has fulfilled its obligations, if any, under the minimum funding standards of Section 302 of the United States Employee Retirement Income Security Act of 1974 (“ERISA”) and the regulations and published interpretations thereunder with respect to each “plan” (as defined in Section 3(3) of ERISA and such regulations and published interpretations) in which employees of the Corporation and the Subsidiaries are eligible to participate and each such plan is in compliance in all material respects with the presently applicable provisions of ERISA and such regulations and published interpretations. The Corporation and the Subsidiaries have not incurred any unpaid liability to the Pension Benefit Guaranty Trust (other than for the payment of premiums in the ordinary course) or to any such plan under Title IV of ERISA;
- (ii) each of the Corporation and the Subsidiaries has fulfilled all material obligations, if any, under all pension plans (including any supplemental pension arrangement) and retirement allowances and plans, health and welfare plans, employee savings and similar plans, and each such plan is in compliance and has been administered in all material respects with all Laws. All such plans that are registered pension plans are in full compliance with all investment, administration, solvency and funding requirements under Laws with respect to pension standards and tax law matters, no event has occurred which could give rise to a partial or full termination of any such plan, no improper withdrawals or application of plan assets have been made, no Governmental Authority has imposed any restrictions on the payment or settlement of benefits under such plans, no solvency funding relief has been applied for or is expected to be applied for. All other such plans are fully funded or secured, and no events have occurred which could give rise to immediate or accelerated

funding of such other plans. The Corporation and the Subsidiaries have not received any claim or demand in respect of any employee plan except for routine claims for benefits and no claims are anticipated;

- (jj) each of the Corporation and the Subsidiaries owns or leases or is entitled to own or lease all such assets or properties as are necessary to the conduct of its operations as presently conducted, except such as would not, individually or in the aggregate, constitute a Material Adverse Effect;
- (kk) the Corporation and each Subsidiary has good and sufficient title to all items of real property and improvements and to all equipment and personal property owned by each of them, in each case, free and clear of any liens, and the real property, improvements, equipment and personal property held under lease by the Corporation or any Subsidiary are held under valid, subsisting and enforceable leases, except which, individually or in the aggregates, would not have a Material Adverse Effect;
- (ll) except for any rights, infringement, action, suit, proceeding or claim that may exist that would not, individually or in the aggregate, cause a Material Adverse Effect:
 - (i) the Corporation and the Subsidiaries own, possess, license or have other rights to use, all patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, industrial designs, licenses, inventions, trade secrets, technology, know how, confidential information and other intellectual or industrial property rights (collectively, “**Intellectual Property**”) necessary for the conduct of the Corporation’s and the Subsidiaries’ business as now conducted and as proposed to be conducted;
 - (ii) there are no rights of third parties to any Intellectual Property owned by the Corporation or the Subsidiaries (the “**Owned Intellectual Property**”);
 - (iii) the Corporation and each Subsidiary, as applicable, has obtained, possesses and is not in material breach of valid licenses to use all of the material Intellectual Property used or proposed to be used in the Corporation’s or each Subsidiary’s business that is not Owned Intellectual Property;
 - (iv) the conduct of the Corporation’s and the Subsidiaries’ business has not and does not materially infringe, misappropriate or violate any Intellectual Property of others;
 - (v) to the knowledge of the Corporation, there is and has not been any material infringement by third parties of any material Owned Intellectual Property;
 - (vi) there is no pending or, to the knowledge of the Corporation, threatened action, suit, proceeding or claim by others challenging the rights of the Corporation or any of the Subsidiaries in or to any Owned Intellectual Property;
 - (vii) there is no pending or, to the knowledge of the Corporation, threatened action, suit, proceeding or claim by others challenging the validity, enforceability or scope of any Owned Intellectual Property, and the Corporation is unaware of any facts which would form a reasonable basis for any such claim;
 - (viii) there is no pending or, to the knowledge of the Corporation, threatened action, suit, proceeding or claim by others that the Corporation or the Subsidiaries infringes, misappropriates or otherwise violates any Intellectual Property of others;

- (ix) each employee and consultant involved in the development of the Owned Intellectual Property has assigned to the Corporation or a Subsidiary, as applicable, all rights that he or she owns or has held in respect of the material Owned Intellectual Property; and
- (x) each of the Corporation and the Subsidiaries has taken reasonable security measures to protect the secrecy, confidentiality and value of all material trade secrets and confidential information held or used in its business;
- (mm) except as would not, individually or in the aggregate, cause a Material Adverse Effect, the information technology and systems used by the Corporation and the Subsidiaries are reasonably maintained, subject to reasonable disaster recovery and business continuity plans, and are sufficient for the conduct of the Corporation's and the Subsidiaries' business as now conducted, and such technology and systems contain no viruses, malware, time-bombs, key-locks or any other devices de-signed to, without the knowledge and authorization of the Corporation or the Subsidiaries, as applicable, disrupt, disable, harm or interfere with the operation of the their business;
- (nn) except for the employment agreements in effect between the Corporation and each of its officers as described in the Public Record, neither the Corporation nor any of the Subsidiaries is a party to any written contracts of employment which may not be terminated on one month's notice or which provide for payments occurring on a change of control of the Corporation;
- (oo) neither the Corporation nor any of the Subsidiaries currently has any outstanding Swaps, and the details of the Corporation's and the Subsidiaries currently outstanding Swaps as contained in the Public Record are true and correct in all material respects;
- (pp) neither the Corporation nor any of the Subsidiaries has received any notice from any Governmental Authority of any restriction on its ability to conduct its business as it is currently conducted or proposed to be conducted, or to own, lease or operate their respective properties and assets;
- (qq) except for the proposed amendments to the Corporation's senior credit facilities, there has been no material change in the amounts, interest rates, sinking funds, installment payments or maturities of any indebtedness of the Corporation or the Subsidiaries from that disclosed in the Public Record. None of the Corporation or any of the Subsidiaries is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any indebtedness of the Corporation or the Subsidiaries and no event or condition exists with respect to any indebtedness of the Corporation or the Subsidiaries that would permit (or that with notice or the lapse of time, or both, would permit) one or more persons to cause such indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment (as applicable);
- (rr) the Corporation has not completed any "significant acquisition" (as such term is defined in NI 51-102) and the Corporation is not proposing or party to any agreement with respect to any "proposed acquisition" (as such term is used in Item 10 of Form 44-101F1 to NI 44-101), that in any such case would require the inclusion of any financial statements or pro forma financial statements in a "business acquisition report" filed under Applicable Securities Laws;
- (ss) except for this Agreement, the Bought Deal Letter, the Agency Agreement and the Underwriting Agreement, the Corporation is not a party to nor bound by any agreement of guarantee (other than pursuant to banking arrangements), indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the Corporation and the Subsidiaries, as applicable, and applicable laws and indemnities given in agreements completed for purchase and sale transactions and in the ordinary course of business or in prior underwriting or agency agreements) or any other

- like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (tt) the Corporation does not have any indebtedness outstanding which has been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation that is currently outstanding;
 - (uu) the books of the Corporation and each of the Subsidiaries are true and correct in all material respects and contain the minutes of all meetings and all resolutions of their respective directors and shareholders, and all such meetings were duly called and properly held and all consent resolutions were properly adopted;
 - (vv) other than in connection with the Second Lien Facility, the Bought Deal Letter and to be provided in the Underwriting Agreement and the Agency Agreement, the Corporation has not incurred any obligation or liability (absolute, accrued, contingent or otherwise) for brokerage fees, finder's fees, agent's or underwriter's commission or other similar forms of compensation with respect to the transactions contemplated herein;
 - (ww) all material filings made by the Corporation and any of the Subsidiaries or under which such entity has received or is entitled to government incentives, have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations which could cause any material amount previously paid to the Corporation or any of the Subsidiaries or previously accrued on the accounts thereof to be recovered or disallowed;
 - (xx) any and all operations of the Corporation and the Subsidiaries and, to the knowledge of the Corporation, any and all operations by third parties, on or in respect of the assets and properties of the Corporation or the Subsidiaries, have been conducted in accordance with good oil and gas services industry practices;
 - (yy) the books of account and other records of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices;
 - (zz) no action, approval, consent or vote on the part of the shareholders of the Corporation is or shall be necessary to consummate the transactions contemplated by this Agreement provided that the Investor does not hold any Shares as of the date hereof and does not subsequently acquire any Shares except as provided herein;
 - (aaa) at the Closing Time, the Investor Shares, Warrants and Warrant Shares will have been reserved and allotted for issuance and, when issued in accordance with the terms of the Transaction Agreements, as applicable (assuming receipt by the Corporation of full consideration for the Investor Shares and Warrant Shares), will be validly issued as fully paid and non-assessable;
 - (bbb) other than as disclosed in writing to the Investor, the Corporation is not contractually prohibited, directly or indirectly, from paying any dividends or distributions, from making any other distribution on its share capital, the Shares or its other securities, or from paying any interest or repaying loans, advances or other indebtedness;
 - (ccc) to the knowledge of the Corporation, no insider of the Corporation has a present intention to sell any securities of the Corporation held by it;

- (ddd) the form and terms of definitive certificates representing the Shares (including the Investor Shares and the Warrant Shares) and the Warrant Certificates have been, or will prior to the Closing Date be, duly approved and adopted by the Corporation and, in the case of the Shares, comply with all legal requirements relating thereto including the requirements of the Exchange;
- (eee) except for the Transaction Agreements and as disclosed in the Public Record, there are no material contracts or agreements out of the ordinary course of business to which the Corporation or any of the Subsidiaries is a party or by which it or the Subsidiaries is bound and neither the Corporation nor any of the Subsidiaries is in default under any material agreement and the Corporation is not aware of any material breaches thereof by any other party thereto, in any such case which default or breach, individually or in the aggregate, could constitute a Material Adverse Effect. For the purposes of this subsection, any contract or agreement pursuant to which it will, or may reasonably be expected to, result in a requirement of it to expend more than an aggregate of \$1,500,000 or receive or be entitled to receive revenue of more than \$1,500,000 in either case in the next 12 months, or is out of the ordinary course of business, shall be considered to be material;
- (fff) the Corporation does not have in place a shareholder rights protection plan or any other form of plan, agreement, contract or instrument that shall trigger any rights to acquire Shares or other securities of the Corporation;
- (ggg) no officer or director of the Corporation is subject to any limitations or restrictions on their activities or investments, including any non-competition provisions, that would in any way limit or restrict their involvement with the Corporation or business affairs of the Corporation;
- (hhh) neither the Corporation nor, to the knowledge of the Corporation, any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangement in respect of outstanding securities of the Corporation;
- (iii) the Due Diligence Responses will be true and correct in all material respects where they relate to matters of fact, as at the time such responses are given, and the Corporation and its directors and officers will have responded in a thorough and materially complete fashion. Where the Due Diligence Responses reflect the opinion or view of the Corporation or its directors or officers (including, Due Diligence Responses or portions of such Due Diligence Responses, which are forward looking or otherwise relate to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) ("**Forward-looking Statements**"), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Responses and will be honestly held and believed to be reasonable at the time they are given; provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-looking Statements;
- (jjj) neither the Corporation nor any of the Subsidiaries has been, nor to the best of the knowledge, information and belief of the Corporation, has any director, officer, agent, employee, affiliate or person acting on behalf of the Corporation or any of the Subsidiaries been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department ("**OFAC**") or any other relevant sanctions authority; and the Corporation will not, directly or indirectly, use any proceeds of the distribution of the Investor Shares or the Warrant Shares, or lend, contribute or otherwise make available such proceeds to any affiliated entity, joint venture partner or other person or entity, to finance any investments in, or make any payments to, any country or person targeted by any of the sanctions of the United States administered by OFAC;

- (kkk) the Corporation and each of the Subsidiaries is now and at all times has been in compliance with all Laws respecting anti-bribery or anti-corruption law matters; neither the Corporation nor any of the Subsidiaries has authorized, offered or made payments directly or indirectly to any individual, person that would result in a violation of such Laws; and no part of the proceeds received from the Private Placement will be used for any purpose that could constitute a violation such Laws;
- (lll) the operations of the Corporation and the Subsidiaries are and have been conducted at all times in compliance with all applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and all other applicable anti-money laundering and anti-terrorist statutes of the jurisdictions in which the Corporation and the Subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “**Anti-Money Laundering Laws**”); and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation or any of the Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Corporation, threatened;
- (mmm) Computershare Trust Company of Canada acts as the registrar and transfer agent for the Shares; and
- (nnn) the representations and warranties made by the Corporation in the Underwriting Agreement are or will be, true and correct as of the date at which they are made.

5. Representations and Warranties of the Investor

The Investor represents and warrants to the Corporation, and acknowledges that the Corporation is relying upon such representations and warranties, as follows:

- (a) the Investor has all requisite power and capacity to execute and deliver this Agreement and the Commitment Letter, to perform its obligations hereunder and thereunder and to purchase the Investor Shares;
- (b) the Investor has taken all necessary action to authorize the execution and delivery of, and the performance of its obligations under this Agreement, and the Credit Agreement and this Agreement has been, and the Credit Agreement will on the Closing Date be, duly executed and delivered by the Investor;
- (c) to the knowledge of the Investor, it is not a “control person” of the Corporation (as that term is defined in Applicable Securities Laws) and will not, on the Closing Date, become a “control person” of the Corporation by virtue of the purchase of the Investor Shares under this Subscription Agreement and assuming exercise of the Warrants; and
- (d) the Investor represents that it is purchasing the Investor Shares and will acquire the Warrants as principal for its own account and not for the benefit of any other person, and is an “accredited investor” as described in paragraph (f) of the definition of such term in Section 1.1 of National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”).

6. Acknowledgements of the Investor

The Investor acknowledges to, and covenants with and for the benefit of the Corporation that:

- (a) the Investor Shares, the Warrants and the Warrant Shares have not been qualified for distribution in Canada by the filing of a prospectus with any securities commission or other securities regulatory authority;
- (b) the Investor Shares are being offered hereunder in reliance upon the “accredited investor” exemption contained in subsection 2.3 of NI 45-106 and the Investor Shares, the Warrants and the Warrant Shares (to the extent issued before the date that is four months and a day after the Closing Date) will bear the appropriate legend required pursuant to National Instrument 45-102 – *Resale of Securities* (“**NI 45-102**”);
- (c) the Investor Shares, the Warrants and the Warrant Shares (to the extent issued before the date that is four months and a day after the Closing Date) will be subject to restrictions on resale until such time that:
 - (i) the statutory hold period has expired;
 - (ii) a further statutory exemption may be relied upon by the Investor; or
 - (iii) an appropriate discretionary order is obtained pursuant to Applicable Securities Laws;
- (d) the Investor Shares, the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and these securities may not be offered or sold, directly or indirectly, and the Warrants may not be exercised, without registration under the U.S. Securities Act or compliance with requirements of an exemption or exclusion from such registration requirements and the applicable laws of all applicable states and acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Investor Shares, the Warrants or the Warrant Shares;
- (e) the Investor Shares, the Warrants and the Warrant Shares have not been offered to the Investor in the United States, and the individuals executing and delivering this Agreement on behalf of the Investor were not in the United States when this Agreement was executed and delivered;
- (f) it is not in the United States or a U.S. Person (as defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Investor Shares or acquiring the Warrants on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person;
- (g) it undertakes and agrees that it will not offer or sell the Investor Shares, the Warrants or the Warrant Shares unless such securities are registered under the U.S. Securities Act and the securities Laws of all applicable states of the United States or an exemption or exclusion from such registration requirements is available;
- (h) the certificates or book-based registration evidencing the Investor Shares, the Warrants and the Warrant Shares (to the extent issued before the date that is four months and a day after the Closing Date) shall bear a legend in the case of a certificated issue, or a notation in the case of an electronic deposit to the following effect:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER
OF THE SECURITIES SHALL NOT TRADE THE SECURITIES BEFORE

[INSERT THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE CLOSING DATE].

provided that in the case of a certificated issue, subsequent to the expiry date of the legends set forth above certificates representing the Investor Shares, the Warrants and the Warrant Shares (to the extent issued before the date that is four months and a day after the Closing Date) may be exchanged for certificates bearing no such legends and the Corporation hereby covenants and agrees that it will use commercially reasonable efforts to deliver or to cause to be delivered a certificate or certificates representing the Investor Shares, the Warrants and the Warrant Shares (to the extent issued before the date that is four months and a day after the Closing Date) bearing no such legends within three business days after receipt of the legended certificate or certificates; and

- (i) the Investor shall not purchase any Offered Shares under the Public Offering;
- (j) the Investor consents to the fact that the Corporation is collecting its personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal Laws in effect from time to time), for the purpose of completing this Agreement. The Investor consents to the Corporation retaining such personal information for as long as permitted or required by Law. The Investor further consents to the fact that the Corporation may be required by Applicable Securities Laws or the rules and policies of any stock exchange to provide regulatory authorities with any personal information provided by the Investor in this Agreement and that such information may also be provided to the Corporation's registrar and transfer agent, and any other parties involved in the Private Placement and may be included in the record books. In addition to the foregoing, it agrees and acknowledges that the Corporation may use and disclose its personal information as follows:
 - (i) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the Investor;
 - (ii) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to Canada Revenue Agency;
 - (iii) disclosure to Governmental Authority with jurisdiction with respect to reports of trades and similar regulatory filings;
 - (iv) disclosure to a Governmental Authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
 - (v) disclosure to professional advisers of the Corporation in connection with the performance of their professional services in relation to the Private Placement;
 - (vi) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Investor's prior written consent;
 - (vii) disclosure to a court determining the rights of the parties under this Agreement; or
 - (viii) for use and disclosure as otherwise required by Law.

7. Indemnity

(a) The Corporation shall indemnify and save the Investor, and each of the Investor's affiliates and each of their respective agents, directors, officers, partners, shareholders and employees (each, an "**Indemnified Person**"), harmless against and from all liabilities, claims, demands, losses (other than losses of profit), costs (including, without limitation, reasonable legal fees and disbursements on a full indemnity basis), actions, suits, proceedings, damages and expenses to which any Indemnified Person may be subject or which the Indemnified Person may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:

- (i) any information or statement (other than any information or statement relating solely to the Investor and furnished to the Corporation by the Investor expressly for inclusion in the applicable document) contained in any part of the Public Record, or any certificate or other document delivered by or on behalf of the Corporation to the Investor pursuant to this Agreement which contains or is alleged to contain a misrepresentation;
- (ii) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced, announced or threatened by any one or more Governmental Authorities prohibiting, restricting, relating to or affecting the trading or distribution of the Offered Shares, Investor Shares, Warrants or Warrant Shares;
- (iii) any claim, action, suit, proceeding or demand from a purchaser or holder of Offered Shares respecting any misrepresentation or alleged misrepresentation in the Prospectuses or in connection with the Public Offering; or
- (iv) any breach of, default under or non-compliance by the Corporation with any requirements of the Applicable Securities Laws, U.S. Securities Laws, the by-laws, rules or regulations of any stock exchange or any representation, warranty, term or condition of the Transaction Agreements or in any certificate or other document delivered by or on behalf of the Corporation hereunder or pursuant hereto,

provided, however, no Indemnified Person who has engaged in any fraud, willful misconduct, fraudulent misrepresentation or gross negligence (as determined by a court of competent jurisdiction in a final non appealable judgment) shall be entitled, to the extent that the liabilities, claims, demands, losses, costs, actions, suits, proceedings, damages or expenses were solely caused by such activity, to claim indemnification from any person who has not also been determined by a court of competent jurisdiction in a final judgment to have engaged in such fraud, willful misconduct, fraudulent misrepresentation or gross negligence.

- (b) The Investor will indemnify, defend and hold the Corporation harmless against all losses, liabilities, claims and damages, together with all reasonable costs and expenses related thereto (including, without limitation, reasonable legal fees and disbursements on a full indemnity basis), relating to or arising from the untruth, inaccuracy or breach of any of the representations, warranties or covenants of the Investor as contained in this Agreement.
- (c) If any claim contemplated by Section 7(a) shall be asserted against any Indemnified Person in respect of which indemnification is or might reasonably be considered to be provided for in such section, such Indemnified Person shall notify the Corporation (the "**Indemnifying Party**") (provided that failure to so notify the Indemnifying Party of the nature of such claim in a timely fashion shall relieve the Indemnifying Party of liability hereunder only if and to the extent that such

failure materially prejudices the Indemnifying Party's ability to defend such claim) as soon as possible of the nature of such claim and the Indemnifying Party shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim, provided however, that the defence shall be through legal counsel selected by the Indemnifying Party and acceptable to the Indemnified Person acting reasonably and that no settlement may be made by the Indemnifying Party or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain separate counsel in any proceeding relating to a claim contemplated by Section 7(a) but the fees and expenses of such counsel shall be at the expense of the Indemnified Person, unless:

- (i) the Indemnified Person has been advised by counsel that there may be a reasonable legal defense available to the Indemnified Person which is different from or additional to a defense available to an Indemnifying Party and that representation of the Indemnified Person and the Indemnifying Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (in which case the Indemnifying Party shall not have the right to assume the defense of such proceedings on the Indemnified Person's behalf);
- (ii) the Indemnifying Party shall not have taken the defense of such proceedings and employed counsel within seven (7) days after notice has been given to the Indemnifying Party of commencement of such proceedings and, having employed such counsel, has diligently pursued such defense; or
- (iii) the employment of such counsel has been authorized by the Indemnifying Party in connection with the defense of such proceedings;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his client basis) shall be paid by the Indemnifying Party, provided that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Persons.

- (d) The Indemnifying Party hereby waives its right to recover contribution from the Investor with respect to any liability of the Indemnifying Party by reason of or arising out of any misrepresentation in the Preliminary Prospectus, the Prospectus, any Supplementary Material or any other part of the Public Record provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of any misrepresentation which is based upon information relating solely to the Investor contained in such document and furnished to the Corporation by the Investor in writing expressly for inclusion in the Preliminary Prospectus, the Prospectus, any Supplementary Material or any other part of the Public Record.
- (e) If the Indemnifying Party has assumed the defense of any suit brought to enforce a claim hereunder, the Indemnified Person shall provide the Indemnifying Party with copies of all documents and information in its possession pertaining to the claim, take all reasonable actions necessary to preserve its rights to object to or defend against the claim, consult and reasonably cooperate with the Indemnifying Party in determining whether the claim and any legal proceeding resulting therefrom should be resisted, compromised or settled and reasonably cooperate and assist in any negotiations to compromise or settle, or in any defense of, a claim undertaken by the Indemnifying Party.

- (f) If either the indemnification provided for in this Section 7 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage, or expense referred to therein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereon, shall contribute to the amount paid or payable by such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and of the Indemnified Party, on the other, in connection with the statement or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations.

8. Expenses

Whether or not the transactions contemplated herein shall be completed, all costs and expenses (including applicable goods and services tax) of or incidental to the transactions contemplated hereby shall be borne by the Corporation including, without limitation, the fees and expenses of the Corporation's counsel, all reasonable out-of-pocket expenses (including due diligence expenses, consultant's fees and expenses, travel expenses and reasonable fees, charges and disbursements of counsel) incurred by the Investor, the fees and expenses of the Corporation's transfer agent, auditors and other outside consultants and all stock exchange listing fees.

9. Termination

- (a) The Investor may, without liability, terminate its obligations hereunder, by written notice to the Corporation in the event that after the date hereof and at or prior to the Closing Time:
- (i) *Trading Order* – any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the distribution of any of the Offered Shares, Investor Shares, Warrants or Warrant Shares, is made, or proceedings are announced, commenced or threatened for the making of any such order, by any Governmental Authority, and has not been rescinded, revoked or withdrawn, or such announced, commenced or threatened proceeding has not been terminated or withdrawn;
 - (ii) *Regulatory Investigation* – any inquiry, action, suit, investigation (whether formal or informal) or other proceeding is announced, commenced or threatened by any Governmental Authority or any order is issued under or pursuant to any Law, or there is any change of Law, enactment of a Law, or any change in the interpretation or administration thereof if, in the sole opinion of the Investor, acting reasonably, the announcement or commencement thereof or change, as the case may be, materially adversely affects, or may materially adversely affect, the trading or distribution of the Offered Shares, Investor Shares, Warrants or Warrant Shares;
 - (iii) *Material Adverse Change* – there should occur or have been discovered any change, event, fact or circumstance (actual, contemplated or threatened) of the nature referred to in Section 3(a) hereof which, in the sole opinion of the Investor, acting reasonably, could be expected to have a significant adverse effect on the market price or value or the marketability of the Offered Shares, Investor Shares, Warrants or Warrant Shares;
 - (iv) *Disaster Out* – there should develop, occur or come into effect or existence any event, action, state, condition (including, without limitation, terrorism or accident) or major financial occurrence of national or international consequence or any law or regulation, which in the sole opinion of the Investor, acting reasonably, seriously adversely affects, or will seriously adversely affect or involve, the financial markets or the business, operations or affairs of the Corporation and the Subsidiaries (taken as a whole);

- (v) *Due Diligence* – the Investor becomes aware, as a result of its due diligence review or otherwise, of any material fact or material change (determined solely by the Investor, acting reasonably) with respect to the Corporation or the Subsidiaries which had not been publicly disclosed or disclosed in writing to the Investor prior to the date hereof which, in the sole opinion of the Investor, acting reasonably, materially adversely affects the value or market price of the Shares or the value, market prices or marketability of the Offered Shares, Investor Shares, Warrants or Warrant Shares; or
 - (vi) *Default* – the Investor determines in its sole discretion, acting reasonably, that the Corporation shall be in breach or default under or is not in compliance with any representation, warranty, term or condition of any of the Transaction Agreements, in any material respect.
- (b) The Investor, may exercise any or all of the rights provided for in Section 9(a) or Section 10 or Section 13 notwithstanding any material change, change, event or state of facts and notwithstanding any act or thing taken or done by the Investor or any inaction by the Investor, whether before or after the occurrence of any material change, change, event or state of facts, and the Investor shall only be considered to have waived or be estopped from exercising or relying upon any of its rights under or pursuant to Section 9(a) or Section 10 or Section 13 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.
 - (c) Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation, provided that no termination shall discharge or otherwise affect any obligation of the Corporation under Section 7 or Section 8. The rights of the Investor to terminate its obligations hereunder are in addition to, and without prejudice to, any other remedies it may have.
 - (d) If the Investor elects to terminate its obligation to purchase the Investor Shares as aforesaid, whether the reason for such termination is within or beyond the control of the Corporation, the liability of the Corporation hereunder shall be limited to the indemnity referred to in Section 7 and the payment of expenses referred to in Section 8.

10. Closing Conditions

The obligations of the Investor hereunder as to the Investor Shares to be purchased at the Closing Time shall be conditional upon the Investor receiving at the Closing Time:

- (a) favourable legal opinions of the Corporation’s counsel (addressed to the Investor), in form and substance reasonably satisfactory to the Investor, with respect to such matters as the Investor may reasonably request relating to the distribution of the Investor Shares, Warrants and Warrant Shares, the Corporation and the transactions contemplated hereby, including, without limitation, that:
 - (i) each of the Corporation and the Subsidiaries has been duly organized and is validly existing under the laws of its jurisdiction of organization and has all requisite corporate power to carry on its business as described in the Public Record and to own or lease and to operate its properties and assets;
 - (ii) each of the Corporation and the Subsidiaries is qualified to carry on business under the laws of each jurisdiction in which it carries on a material portion of its business;

- (iii) all of the outstanding shares of each Subsidiary are owned by the Corporation, directly or through wholly-owned subsidiaries;
- (iv) the Corporation has all necessary corporate power and authority to enter into the Transaction Agreements and to perform its obligations set out herein and therein and each of the Transaction Agreements has been duly authorized, executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with its terms subject to Laws relating to creditors' rights generally and relating to the fettering of a directors' discretion and except that rights to indemnity and contribution may be limited or unavailable by Law;
- (v) the execution and delivery of this Agreement and the fulfilment of the terms hereof and thereof by the Corporation, and the performance of and compliance with the terms of this Agreement by the Corporation does not and will not result in a breach of, or constitute a default under, and does not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under,
 - (A) any term or provision of the articles, by-laws or resolutions of the directors or the shareholders of the Corporation or any of its Subsidiaries,
 - (B) of which counsel is aware, any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation or the Subsidiaries is a party or by which it or any of the Subsidiaries is bound, or
 - (C) of which counsel is aware, of any Law applicable to the Corporation;
- (vi) the Investor Shares, Warrants and Warrant Shares have been reserved and allotted for issuance and, when issued in accordance with the terms of the Transaction Agreements, as applicable (assuming receipt by the Corporation of full consideration for the Investor Shares and Warrant Shares, as applicable), will be validly issued as fully paid and non-assessable;
- (vii) the form and terms of the definitive certificate representing the Shares (including the Investor Shares and the Warrant Shares) and the Warrant Certificates have been duly approved and adopted by the Corporation and comply with all legal requirements relating thereto, if any, including the requirements of the Exchange;
- (viii) the Corporation is a "reporting issuer" not in default of any requirement of the *Securities Act* (Alberta) and the regulations thereunder and has a similar status under the Applicable Securities Laws of each of the other provinces of Canada;
- (ix) the offering, issuance, sale and delivery, as applicable, by the Corporation of the Investor Shares and the Warrants to the Investor in accordance with the terms of the Transaction Agreements, as applicable, are exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents will be required to be filed, no proceeding will be required to be taken and no approval, permit, consent, order or authorization will be required to be obtained under Applicable Securities Laws to permit the issue and sale, as applicable, of the Investor Shares and the Warrants to the Investor;
- (x) the issuance by the Corporation of the Warrant Shares to be issued upon the exercise of the Warrants will be exempt from the prospectus requirements of Applicable Securities Laws;

- (xi) the Exchange has conditionally approved the listing of the Investor Shares and the Warrant Shares, subject to the Corporation fulfilling all of the requirements of the Exchange;
- (xii) the first trade in the Investor Shares, the Warrants or the Warrant Shares will not be subject to the prospectus requirements of Applicable Securities Laws and no prospectus or other document is required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations of regulatory authorities are required to be obtained under the Applicable Securities Laws to permit the first trade of such securities by the holder thereof through registrants or dealers registered under the Applicable Securities Laws of such provinces who have complied with such laws, or in circumstances in which there is an exemption from the registration requirements under the Applicable Securities Laws of such provinces, subject to the conditions prescribed therein;
- (xiii) the authorized and issued capital of the Corporation is as set forth in such opinions; and
- (xiv) Computershare Trust Company of Canada has been duly appointed at its principal offices in Calgary and Toronto, the transfer agent and registrar for the Shares.

It is understood that the Corporation's counsel may rely on the opinion of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than Alberta and on certificates of officers of the Corporation, the transfer agent of the Shares and the auditors of the Corporation as to relevant matters of fact;

- (b) a certificate of the Corporation dated the Closing Date addressed to the Investor and signed on behalf of the Corporation by the Chief Executive Officer and Chief Financial Officer of the Corporation or such other officers or directors of the Corporation satisfactory to the Investor, acting reasonably, certifying that:
 - (i) the Corporation has complied with and satisfied in all material respects all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time (other than those which have been waived in writing by the Investor);
 - (ii) the representations and warranties of the Corporation set forth in this Agreement are true and correct in all material respects at the Closing Time, as if made at such time (except for (A) such representations and warranties which refer to or are made as of another specified date, in which case, such representations and warranties will have been true and correct as of that date and for such representations and warranties which are already qualified as to materiality or with respect to a Material Adverse Effect, in which case, such representations and warranties will be true and correct in all respects; and (B) any inaccuracy which results from the transactions contemplated herein or in the other Transaction Agreements); and
 - (iii) no event of a nature referred to in Section 3(a), Section 3(b) or Sections 9(a)(i), 9(a)(ii), 9(a)(iii) or 9(a)(vi) has occurred or to the knowledge of such officer is pending, contemplated or threatened;
- (c) evidence satisfactory to the Investor that all closing conditions under the Underwriting Agreement have been satisfied or waived such that the closing of the Public Offering will occur immediately prior to the Closing Time;

- (d) evidence satisfactory to the Investor all closing conditions under the Credit Agreement have been satisfied or waived such that the initial funding under the Credit Agreement shall occur on the Closing Date;
- (e) evidence satisfactory to the Investor that the Corporation has received all requisite and necessary approvals of the Exchange to enter into and perform all of its obligations under the Transaction Agreements, including, but not limited to, the issuance of the Offered Shares, the Investor Shares and the Warrants; and
- (f) such other agreements, certificates and documents as the Investor may request, acting reasonably.

11. Deliveries

- (a) The sale of the Investor Shares shall be completed contemporaneously with the closing of the other transactions contemplated by the Transaction Agreements at the Closing Time at the offices of the Corporation's counsel in Calgary, Alberta or at such other place as the Corporation and the Investor may agree. Subject to the conditions set forth in Section 10, the Investor, on the Closing Date, shall pay to the Corporation, by wire transfer or such other means as the Corporation and the Investor may agree, the amount of \$1.25 per Investor Share, being an aggregate amount of \$11,375,000, against delivery by the Corporation of:
 - (i) the opinions, certificates and documents referred to in Section 10; and
 - (ii) definitive certificates representing, in the aggregate, 9,100,000 Investor Shares registered in the name of CDS & Co. or in such names as the Investor shall notify the Corporation in writing not less than 24 hours prior to the Closing Time.
- (b) Notwithstanding the foregoing, if the Investor wishes to have the Corporation issue the Investor Shares on a non-certificated basis in accordance with the rules and procedures of The Canadian Depository for Securities Limited ("CDS"), then, as an alternative to the Corporation delivering to the Investor a definitive certificate representing the Investor Shares in the manner and at the times set forth above:
 - (i) the Investor will provide, or will cause to be provided, a direction to CDS with respect to the crediting of the Investor Shares to the account of a participant of CDS, through which the Investor will hold the Investor Shares, in writing in sufficient time prior to the Closing Date to permit such crediting; and
 - (ii) the Corporation shall cause Computershare Trust Company of Canada as registrar and transfer agent of the Shares, to electronically deposit to CDS, on behalf of the Investor, the Investor Shares to be purchased hereunder in the name of "CDS & Co." as the nominee of CDS, in accordance with the rules and procedures of CDS.

12. Notices

- (a) Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation, be addressed to:

Western Energy Services Corp.
Suite 1700, 215 – 9th Avenue S.W.
Calgary, Alberta T2P 1K3

Attention: Alex R.N. MacAusland, Chief Executive Officer
E-mail: amacausland@wesc.ca

with a copy to:

Blake, Cassels & Graydon LLP
855 2nd Street S.W.
Suite #3500, Calgary, Alberta T2P 4J8

Attention: Dan McLeod
E-mail: daniel.mcleod@blakes.com

and, in the case of notice to be given to the Investor, be addressed to:

Alberta Investment Management Corporation
1100, 10830 Jasper Avenue N.W.
Edmonton, Alberta T5J 2B3

Attention: *[name and position redacted]*
E-mail: *[email redacted]*

and with a copy to:

Torys LLP
4600, 525 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: Neville Jugnauth
E-mail: njugnauth@torys.com

or to such other address as the party may designate by notice given to the others. Each communication shall be personally delivered to the addressee or sent by e-mail transmission to the addressee;

- (b) a communication which is personally delivered shall, if delivered before 4:30 p.m. (local time at the place of delivery) on a Business Day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first business day following the day on which it is delivered; and
- (c) a communication which is sent by e-mail transmission shall, if sent on a business day before 4:30 p.m. (local time at the place of receipt), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

13. Conditions

All terms, covenants and conditions of this Agreement to be performed by the Corporation shall be construed as conditions, and any breach or failure to comply with any material terms and conditions which are for the benefit of the Investor shall entitle the Investor to terminate its obligations to purchase the Investor Shares, by written notice to that effect given to the Corporation prior to the Closing Time. The Investor may waive in whole or in part any breach of, default under or non-compliance with any

representation, warranty, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of their rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that any such waiver or extension shall be binding on the Investor only if the same is in writing.

14. Parties to Discuss Press Releases

The parties shall cooperate with each other in relaying to third parties information concerning this Agreement and the transactions contemplated herein, and shall discuss drafts of all press releases and other releases of information for dissemination to the public pertaining hereto. However, nothing in this Section 14 shall prevent a party from furnishing any information to any Governmental Authority or stock exchange or to the public, insofar only as is required by this Agreement or Applicable Securities Laws, provided that a party which proposes to make such a public disclosure shall, to the extent reasonably possible, provide the other party with a draft of such information in sufficient time prior to its release to enable such other party to review such draft and advise that party of any comments it may have with respect thereto. In particular, the Corporation agrees that it shall, subject to the requirements of Applicable Securities Laws, obtain consent of the Investor to the disclosure of any information regarding the Investor to be contained in any news release or other document filed with any Governmental Authority or disclosed to the public.

15. Survival of Representations and Warranties

All representations, warranties, terms and conditions herein (including, without limitation, those contained in Section 4) or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the payment by the Investor for the Investor Shares and the termination of this Agreement for a period of three years following the Closing Date and shall continue in full force and effect for the benefit of the Investor regardless of any investigation by or on behalf of the Investor with respect thereto.

16. Severance

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

17. Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Laws of Canada applicable therein. Each of the Corporation and the Investor hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

18. Time of the Essence

Time shall be of the essence of this Agreement.

19. Counterpart Execution

This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or e-mail transmission.

20. Further Assurances

Each party to this Agreement covenants and agrees that, from time to time, it will, at the request of the requesting party, execute and deliver all such documents and do all such other acts and things as any party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

21. Entire Agreement

It is understood that the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Investor and the Corporation.

Remainder of page intentionally left blank.

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to the Investor.

**HER MAJESTY THE QUEEN IN RIGHT OF
ALBERTA, by its agent ALBERTA INVESTMENT
MANAGEMENT CORPORATION**

Per: (Signed) _____
Name: [*name redacted*]
Title: [*position redacted*]

Per: (Signed) _____
Name: [*name redacted*]
Title: [*position redacted*]

ACCEPTED AND AGREED to as of the 21st day of September, 2017.

WESTERN ENERGY SERVICES CORP.

Per: (Signed) "Alex R.N. MacAusland"
Name: Alex R.N. MacAusland
Title: Chief Executive Officer