

Western Energy Services Corp.
Short Form Prospectus Offering of Common Shares

Terms and Conditions

September 22, 2017

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in certain provinces of Canada. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities.

There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- Issuer:** Western Energy Services Corp. (the “**Corporation**”).
- Prospectus Offering:** 9,100,000 common shares (“**Common Shares**”) of the Corporation to be issued from treasury pursuant to the short form prospectus provisions and requirements under National Instrument 44-101 (the “**Prospectus Offering**”).
- Issue Price:** \$1.25 per Common Share.
- Prospectus Offering Amount:** A total of \$11,375,000.
- Concurrent Private Placement:** Concurrent with the Prospectus Offering, the Corporation will complete a private placement offering of 9,100,000 Common Shares at a price of \$1.25 per Common Share to Alberta Investment Management Corporation for gross proceeds of \$11,375,000 (the “**Private Placement**”). The closing of the Prospectus Offering and Private Placement are each conditional on the closing of the other and both are conditional on the concurrent closing of a second lien senior secured term loan facility with Alberta Investment Management Corporation.
- Issue Type:** Bought deal treasury offering of Common Shares to be completed by way of short form prospectus, qualifying the Common Shares for distribution in all provinces of Canada, excluding Québec.
- The Common Shares may also be placed privately in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”).
- Eligibility for Investment:** The Common Shares will be eligible under applicable Canadian law and for Canadian RRSPs, RRIFFs, DPSPs, RDSPs, TFSAs and RESPs.
- Listing:** The Corporation will apply to list the Common Shares on the Toronto Stock Exchange (“**TSX**”). Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX. The existing Common Shares of the Corporation are listed on the TSX under the symbol “WRG”.
- Closing Date:** The Prospectus Offering and the Private Placement will close on or about October 17, 2017, or such other date as agreed upon by the Corporation and Peters & Co. Limited.
- Use of Proceeds:** The net proceeds received by the Corporation from the Prospectus Offering and the Private Placement will be used to partially repay the senior unsecured notes of the Corporation due January 2019 and for general corporate purposes.
- Sole Lead and Bookrunner:** Peters & Co. Limited