

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

AMONG

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

AND

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

AND

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

AND

**HSBC BANK CANADA
AS ADMINISTRATIVE AGENT**

WITH

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

December 12, 2018

FOURTH AMENDING AGREEMENT

THIS FOURTH AMENDING AGREEMENT is made as of the 12th day of December, 2018.

AMONG:

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

OF THE SECOND PART

- and -

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

OF THE SECOND PART

- and -

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

OF THE THIRD PART

- and -

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

OF THE FOURTH PART

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

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

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

1. Definitions

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

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

“**Credit Agreement**” means the third amended and restated credit agreement dated as of April 27, 2016 among the Borrowers, the Agent and the Lenders, as amended by the first amending agreement dated July 25, 2016, the second amending agreement dated October 17, 2017 and the third amending agreement dated January 23, 2018.

“**Fourth Amending Agreement**” means this fourth amending agreement.

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

2. Amendments to the Credit Agreement

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

(a) Section 1.1 of the Credit Agreement is hereby amended as follows:

(i) the definition of “**Borrowing Base**” is hereby deleted in its entirety and replaced with the following:

““**Borrowing Base**” means, without duplication, the amount in Canadian Dollars equal to the aggregate of:

- (a) 75% of all Eligible Accounts Receivable owing by a Non-Investment Grade Account Debtor;
- (b) 85% of all Eligible Accounts Receivable owing by an Investment Grade Account Debtor or a Specified Account Debtor;
- (c) 25% of the net book value of PP&E, provided that such PP&E shall only be included in the determination of the Borrowing Base up to a maximum of $66\frac{2}{3}\%$ of the aggregate of the Total Commitment; and

less:

- (i) an amount equal to all due and payable but unpaid statutory source deductions of each of the Borrowers and their Restricted Subsidiaries who have provided security under the Security Documents;
- (ii) an amount equal to all due and payable but unpaid wages, vacation pay and other compensation for services rendered by employees of each of the Borrowers and their Restricted

Subsidiaries who have provided security under the Security Documents; and

- (iii) any other claims ranking in priority to the security under the Security Documents.”
- (ii) paragraph (iii) of the definition of “**Consolidated Debt**” is hereby amended by replacing the reference to “December 31, 2013 (if such lease was in existence at such time)” with “December 31, 2018”;
- (iii) the definition of “**Debt Service Coverage Ratio**” is hereby deleted in its entirety;
- (iv) paragraph (f) of the definition of “**Eligible Accounts Receivable**” is hereby deleted in its entirety and replaced with the following:
 - “(i) with respect to a Non-Investment Grade Account Debtor, is not outstanding more than 90 days after the invoice date of the relevant invoice, purchase order or other similar written statement and (ii) with respect to an Investment Grade Account Debtor or a Specified Account Debtor, is not outstanding more than 120 days after the invoice date of the relevant invoice, purchase order or other similar written statement;”
- (v) the definition of “**Financial Lease Obligations**” is hereby amended by replacing the reference to “December 31, 2013 (if such lease was in existence at such time)” with “December 31, 2018”;
- (vi) the definition of “**Maturity Date**” is hereby amended by replacing the reference to “December 17, 2020” with “December 17, 2021”;
- (vii) the definition of “**Revolving Facility**” is hereby amended by replacing the reference to “\$70,000,000” with “\$50,000,000”; and
- (viii) the following new definitions are hereby added in their proper alphabetical order:

“**Current Assets**” means, at any time, all current assets of WESC, determined on a consolidated basis as of such time in accordance with GAAP.

“**Current Liabilities**” means, at any time, all current liabilities of WESC, determined on a consolidated basis as of such time in accordance with GAAP. For clarity, Current Liabilities shall exclude the current portion of long term liabilities and interest associated with such long term liabilities.

“**Current Ratio**” means, as at the end of a Fiscal Quarter, the ratio of Current Assets to Current Liabilities.

“**Fourth Amendment Date**” means December 12, 2018.

“**Investment Grade Account Debtor**” means an Account Debtor rated at least Baa3 by Moody’s or BBB- by S&P.

“**Moody’s**” means Moody’s Investor Services, Inc. and its successors and permitted assigns.

“**Non-Investment Grade Account Debtor**” means an Account Debtor that is not an Investment Grade Account Debtor or a Specified Account Debtor.

“**Specified Account Debtor**” means an Account Debtor agreed to from time to time in writing by the Borrowers and the Required Lenders, provided that the Account Debtors designated as Specified Account Debtors may be re-evaluated by the Required Lenders, acting reasonably, quarterly and, following any such re-evaluation, may be undesignated from being Specific Account Debtors by written notice to the Borrowers.

- (b) Section 1.5 of the Credit Agreement is hereby amended by adding the following new paragraphs (e) and (f):

“(e) For the purposes of this Agreement, including the Financial Terms, any lease which would be accounted for as an operating lease under GAAP as in effect on December 31, 2018 shall be, notwithstanding any subsequent change in GAAP, deemed to be accounted for as an operating lease and not as a capital lease (whether such lease is entered into or assumed before or after December 31, 2018).

(f) Except for Section 1.5(e), this Section 1.5 shall not apply to the prospective changes in the treatment of leases under GAAP which are currently scheduled to become effective on January 1, 2019 and, for certainty, no written notice pursuant to Section 1.5(b) will be required to be provided to the Agent by WESC with respect to such changes.”

- (c) Section 2.11 of the Credit Agreement is hereby amended by replacing the reference to “Cdn. \$120,000,000” with “Cdn. \$75,000,000”.

- (d) Section 8.1 of the Credit Agreement is hereby amended by adding the following new paragraph (y):

“(y) **Debt.** Schedule L sets forth all outstanding Debt of the Obligors as of the Fourth Amendment Date.”

- (e) Section 9.1(e)(vi) of the Credit Agreement is hereby amended by deleting and replacing it with the following:

“within 30 days of each calendar month end, a Borrowing Base Certificate for (and as of the end of) the immediately preceding calendar month; provided that such Borrowing Base Certificate shall only be required when the Outstanding Principal exceeds 66 ²/₃% of the Total Commitments on such calendar month end or (B) the net book value of PP&E for the previous Fiscal Quarter is less than Cdn. \$300,000,000; and”

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

“(g) **Debt.** Each of the Borrowers shall not, and shall not permit any other Obligor to, without the prior written consent of the Lenders, incur any Debt other than Permitted Debt; provided that the aggregate amount of any High Yield Debt and Second Lien Indebtedness shall not exceed Cdn. \$225,000,000; and provided further that the net cash proceeds of any High Yield Debt issued by the Borrowers following the Fourth Amendment Date shall be applied to repay Second Lien Indebtedness; and

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

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

- (a) **Maximum Consolidated Senior Debt to Consolidated EBITDA Ratio.** as at the end of each Fiscal Quarter, the Consolidated Senior Debt to Consolidated EBITDA Ratio shall not be greater than 3.00 to 1.00;
- (b) **Maximum Consolidated Debt to Consolidated Capitalization Ratio.** as at the end of each Fiscal Quarter, the Consolidated Debt to Consolidated Capitalization Ratio shall not be greater than 0.60 to 1.00; and
- (c) **Current Ratio.** as at the end of each Fiscal Quarter, the Current Ratio shall not be less than 1.15 to 1.00”

- (h) Article 12 of the Credit Agreement is hereby amended by adding thereto as a new Section 12.7, the following:

“12.7 LIBO Rate Replacement

If the Agent (i) determines that the circumstances described in Sections 12.6(a) or 12.6(b) have arisen and such circumstances are unlikely to be temporary, (ii) determines that the circumstances described in Sections 12.6(a) or 12.6(b) have not arisen but the supervisor for the administrator of the LIBO Rate or an Governmental Authority having jurisdiction over the Agent has made a public statement identifying a specific date after which the LIBO Rate shall no longer be used for determining interest rates for loans, (iii) receives a Lender LIBO Suspension Notice in accordance with Section 12.6(c) and the circumstances giving rise to such notice are unlikely to be temporary, or (iv) new syndicated loans in U.S. Dollars have generally started to adopt a new benchmark interest rate, in each case, then the Agent and the Borrowers shall negotiate in good faith to establish an alternate rate of interest to the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in Canada and the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Notwithstanding anything to the contrary

herein, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Agent shall not have received, within five (5) Banking Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. If a notice of an alternate rate of interest has been given to the Lenders pursuant to this Section 12.7 and no such alternate rate of interest has been determined, and (x) the circumstances under clause (i) or (iii) above exist or (y) the specific date referred to in clause (ii) has occurred (as applicable), U.S. Base Rate shall apply in place of the LIBO Rate without regard to clause (c) of the definition thereof until such time as such alternate rate of interest has been determined; provided that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.”

- (i) Schedule A to the Credit Agreement is hereby deleted and replaced with Appendix “A” hereto.
- (j) Schedule C to the Credit Agreement is hereby deleted and replaced with Appendix “B” hereto.
- (k) The Credit Agreement is hereby amended by adding a new Schedule L in the form attached as Appendix “C” hereto.
- (l) The Credit Agreement is hereby amended by adding a new Schedule K in the form attached as Appendix “D” hereto.

3. Funding of Loans to Reflect Revised Commitments

- (a) In order to give effect to the revisions to the Revolving Facility Commitments contemplated hereby, the Lenders hereby agree to take all steps and actions and execute and deliver all agreements, instruments and other documents as may be required by the Agent or any of the Lenders (including the assignment of interests in, or the purchase of participations in, existing Loans) to give effect to the decrease in the Revolving Facility and revised Revolving Facility Commitments and to ensure that the aggregate Outstandings owing to each Lender under the Revolving Facility are outstanding in proportion to each Lender’s Applicable Percentage of all Outstandings under the Revolving Facility after giving effect to such decrease and revised Revolving Facility Commitments; provided that, the provisions of this Section 3(a) shall not apply to Bankers’ Acceptances outstanding on the Fourth Amendment Date (such outstanding Bankers’ Acceptances being dealt with in accordance with Section 3(b) below).
- (b) Each Lender hereby acknowledges and agrees that, on the Fourth Amendment Date, the following Bankers’ Acceptances are outstanding under the Revolving Facility (the “**Outstanding BA Loans**”): (i) a banker’s acceptance in the amount of Cdn. \$3,000,000 maturing on December 24, 2018; (ii) a banker’s acceptance in the amount of Cdn. \$3,000,000 maturing on January 7, 2019; and (iii) a banker’s acceptance in the amount of Cdn. \$5,000,000 maturing on January 10, 2019. Each of the Lenders hereby acknowledges and agrees that, when the Outstanding BA Loans mature, and Rollovers and Conversions are made by the Borrowers in respect thereof, it shall

participate in the Advances effecting such Rollovers and Conversions to the full extent of its revised Revolving Facility Commitment after giving effect to the provisions of this Agreement.

4. Conditions Precedent

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

- (a) the Agent shall have received the following documents, all of which documents are to be satisfactory to the Agent and its counsel, acting reasonably as to form and substance and due authorization and execution:
 - (i) this Fourth Amending Agreement, duly executed by the Borrowers;
 - (ii) a confirmation of guarantee and security, duly executed by WESC, Western Production Services Corp. and Stoneham Drilling Corporation; and
 - (iii) updated projections for the Obligors through to December 17, 2020.
- (b) the representations and warranties in Article 8 and in any other Loan Documents (except any representation and warranty which is made as of a specific date only) shall be true, complete and correct on and with effect from the date of this Fourth Amending Agreement;
- (c) no Default or Event of Default shall have occurred and be continuing, and no Material Adverse Change shall have occurred since December 31, 2017, this Fourth Amending Agreement becoming effective shall not result in, or reasonably be expected to result in, the occurrence of a Default, an Event of Default or a Material Adverse Effect; and
- (d) the Borrower shall have paid to the Agent, for the rateable benefit of the Lenders, an amendment and extension fee in an amount equal to [REDACTED] bps on the aggregate principal amount of the Commitment of each Lender.

5. Representations and Warranties

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

6. Confirmations

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

7. Further Assurances

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

8. Expenses

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

9. Counterparts

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

[Remainder of Page Intentionally Left Blank]

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

BORROWERS:

WESTERN ENERGY SERVICES CORP.

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

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

WESTERN PRODUCTION SERVICES CORP.

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

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

AGENT:

HSBC BANK CANADA

By: signed: "*Parisa Naghibi*"

Name: Parisa Naghibi

Title: Authorized Signatory

By: signed: "*Olivier Provost*"

Name: Olivier Provost

Title: Authorized Signatory

LENDERS:

HSBC BANK CANADA

By: signed: "Ryan Smith"

Name: Ryan Smith

Title: Assistant Vice President, Energy
Financing

By: signed: "John Schmidt"

Name: John Schmidt

Title: Assistant Vice President, Energy
Financing

ATB FINANCIAL

By: signed: "Amish Patel"

Name: Amish Patel, MBA, MFin

Title: Director

ATB Corporate Financial Services

By: signed: "Philip Zhu"

Name: Philip Zhu

Title: Associate Director, Energy

ATB Corporate Financial Services

THE TORONTO-DOMINION BANK

By: signed: "Kathryn Gislason"

Name: Kathryn Gislason

Title: Manager of Commercial Credit
Commercial National Accounts

By: signed: "Kyle Kreppenhofer"

Name: Kyle Kreppenhofer

Title: Director

National Accounts

CONFIRMATION OF GUARANTEE AND SECURITY

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

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

WESTERN ENERGY SERVICES CORP.

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

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

STONEHAM DRILLING CORPORATION

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

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

WESTERN PRODUCTION SERVICES CORP.

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

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

APPENDIX "A"
TO THE SECOND AMENDING AGREEMENT

SCHEDULE A
TO THE CREDIT AGREEMENT

LENDERS AND COMMITMENTS

LENDER	REVOLVING COMMITMENT	OPERATING COMMITMENT
HSBC Bank Canada 9th Floor, 407-8th Avenue SW Calgary, Alberta T2P 1E5 Attention: Assistant Vice President, Energy Financing Telecopier: (403) 693-8561	\$20,000,000	\$10,000,000
ATB Financial Suite 600, West Tower, Eighth Avenue Place 585 8th Avenue SW Calgary, Alberta T2P 1G1 Attention: Director Telecopier: (403) 974-5784	\$15,000,000	-
The Toronto Dominion Bank 1100, 421 - 7th Avenue SW Calgary, Alberta T2P 4K9 Attention: Director Telecopier: (403) 292-1317	\$15,000,000	-
TOTAL:	Cdn. \$50,000,000	Cdn. \$10,000,000

APPENDIX "A"
TO THE FOURTH AMENDING AGREEMENT

SCHEDULE C
TO THE CREDIT AGREEMENT
FORM OF COMPLIANCE CERTIFICATE

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

Attention: ●
Telecopier: (647) 788-2185

AND TO: **The Lenders**

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

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

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

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

DATED this _____ day of _____, 201__.

WESTERN ENERGY SERVICES CORP.

By: _____
Name: ●
Title: ●

APPENDIX "C"
TO THE FOURTH AMENDING AGREEMENT

SCHEDULE L
TO THE CREDIT AGREEMENT
OUTSTANDING DEBT

[REDACTED]

APPENDIX "D"
TO THE FOURTH AMENDING AGREEMENT

SCHEDULE K
TO THE CREDIT AGREEMENT

FORM OF BORROWING BASE CERTIFICATE

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

Attention: ●
Telecopier: (647) 788-2185

AND TO: **The Lenders**

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

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

- (c) attached hereto as Exhibit "C" is a summary of (a) all due and payable but unpaid statutory source deductions of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents, (b) all due and payable but unpaid wages, vacation pay and other compensation for services rendered by employees of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents and (c) and any other claims ranking in priority to the security under the Security Documents;
- (d) below is each of the Borrowers' calculation of the Borrowing Base as at ●:
- (i) 75% of all Eligible Accounts Receivable owing by a Non-Investment Grade Account Debtor:

Gross Accounts Receivable of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents owing by Non-Investment Grade Account Debtors \$_____

Less:

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

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

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

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

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

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

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

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

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

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

(ii) 85% of all Eligible Accounts Receivable owing by Investment Grade Account Debtors and Specified Account Debtors:

Gross Accounts Receivable of each of the Borrowers and their Restricted Subsidiaries which have provided security under the Security Documents owing by Investment Grade Account Debtors and Specified Account Debtors \$_____

Less:

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

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

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

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

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

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

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

(H) Account Receivable owing from an Account Debtor who is a Governmental Authority (except to the extent the Account Receivable is assignable without consent or all necessary consents to assignment have been obtained and all applicable statutory requirements for consent have been obtained and the Agent is satisfied as to the absence of setoffs, counterclaims and

other defenses on the part of such Account Debtor) (see paragraph (i) of definition of Eligible Accounts Receivable)

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

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

(iii) the lesser of:

(A) 66 2/3% of the aggregate of the Total Commitment \$ _____

and

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

(iv) **BORROWING BASE:**

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

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

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

Less:

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

(B) an amount equal to all due and payable but unpaid wages, vacation pay and other compensation for services

rendered by employees of each of the Borrowers and their Restricted Subsidiaries who have provided security under the Security Documents

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

\$ _____

Borrowing Base:

\$ _____

- (e) I hereby certify that the Borrowing Base has been calculated in accordance with the Credit Agreement and is correct, true and accurate as of the date specified above.
3. This Borrowing Base Certificate is signed by the undersigned officer of each of the Borrowers in his capacity as an officer of each of the Borrowers without personal liability to the undersigned officer.

DATED this _____ day of _____, 201__.

WESTERN ENERGY SERVICES CORP.

By: _____
Name: ●
Title: ●

WESTERN PRODUCTION SERVICES CORP.

By: _____
Name: ●
Title: ●