

MATCO INVESTMENTS LTD. AND RONALD P. MATHISON FILE AMENDED EARLY WARNING REPORT REGARDING WESTERN ENERGY SERVICES CORP.

CALGARY, AB, May 27, 2022 /CNW/ - On May 18, 2022, MATCO Investments Ltd. ("**MATCO**") acquired beneficial ownership and control of 392,439,525 common shares ("**Common Shares**") in the capital of Western Energy Services Corp. ("**Western**" or the "**Corporation**") pursuant to a rights offering to its shareholders (the "**Rights Offering**"). MATCO exercised 18,296,504 rights which allowed MATCO to purchase 21.4488803374 Common Shares at a price of \$0.016 per Common Share until 5:00 p.m. (Toronto time) on May 13, 2022 (the "**Basic Subscription Privilege**"). Ronald P. Mathison ("**Mathison**") is the President, Chief Executive Officer and sole shareholder of MATCO and is Chairman of the Board of Directors of Western.

MATCO also subscribed for Common Shares under the additional subscription privilege (the "**Additional Subscription Privilege**") described in Western's final short form prospectus dated April 11, 2022. MATCO acquired 88,320,107 Common Shares under the Additional Subscription Privilege.

Immediately prior to this acquisition, Mathison and MATCO beneficially owned and/or controlled and aggregate of 18,296,504 Common Shares, 126,130 options to purchase Common Shares (the "**Options**") and 31,197 restricted share units which may be settled through the issuance of Common Shares (the "**Restricted Share Units**"). If all the Options were exercised and all Restricted Share Units were redeemed, Mathison and MATCO would have then owned and/or had control or direction over 18,453,831 Common Shares representing approximately 20.07% of the then issued and outstanding Common Shares (assuming no other Common Shares have been issued by the Corporation). Immediately following these acquisitions, Mathison and MATCO beneficially own and control an aggregate of approximately 499,056,109 Common Shares, 126,130 Options, and 31,197 Restricted Share Units. Immediately following these acquisitions, if all of the Options were exercised and all Restricted Share Units were redeemed, Mathison and MATCO would then own and/or have control or direction over 499,213,436 Common Shares, representing approximately 12.29% of the then issued and outstanding Common Shares (assuming no other Common Shares have been issued by the Corporation since closing the Debt Restructuring Transaction (as defined below)).

The acquisition of the Rights by MATCO was made for investment purposes. Subject to applicable law, Mathison and MATCO may from time to time dispose of, or acquire, additional securities of the Corporation.

The Rights Offering was conducted in connection with the Corporation's debt restructuring agreement with Alberta Investment Management Corporation, the lender under its second lien term loan facility (the "**Restructuring Transaction**"), as disclosed in the Western's press release dated March 22, 2022, which included the conversion of \$100 million of the principal amount outstanding under the second lien facility into Common Shares at an issue price of \$0.05 per Common Share. As the Rights Offering was fully subscribed, Western did not utilize the previously announced standby commitment whereby G2S2 Capital Inc., Armco Alberta Inc. and MATCO agreed to acquire any Common Shares not subscribed for under the Rights Offering.

The Corporation is located at 1700, 215 – 9th Avenue S.W. Calgary, Alberta T2P 1K3. Mathison and MATCO are located at 4900, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. This press release is issued pursuant to National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, which also requires a

report to be filed with regulatory authorities in each of the jurisdictions in which the Corporation is a reporting issuer containing information with respect to the foregoing matters (the "**Early Warning Report**"). A copy of the amended Early Warning Report will appear with the Corporation's documents on the System for Electronic Document Analysis and Retrieval and may be obtained upon request from Ryan Jennings at (403) 294-0101.

SOURCE Western Energy Services Corp.

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CO: Western Energy Services Corp.

CNW 19:52e 27-MAY-22