WESTERN ENERGY SERVICES CORP. RELEASES THIRD QUARTER 2024 FINANCIAL AND OPERATING RESULTS

FOR IMMEDIATE RELEASE: October 29, 2024

CALGARY, ALBERTA – Western Energy Services Corp. ("Western" or the "Company") (TSX: WRG) announces the release of its third quarter 2024 financial and operating results. Additional information relating to the Company, including the Company's financial statements and management's discussion and analysis ("MD&A") as at September 30, 2024 and for the three and nine months ended September 30, 2024 and 2023 will be available on SEDAR+ at www.sedarplus.ca. Non-International Financial Reporting Standards ("Non-IFRS") measures and ratios, such as Adjusted EBITDA, Adjusted EBITDA as a percentage of revenue, revenue per Operating Day, revenue per Service Hour and Working Capital, as well as abbreviations and definitions for standard industry terms are defined later in this press release. All amounts are denominated in Canadian dollars (CDN$) unless otherwise identified.

Operational and Financial Highlights

Three Months Ended September 30, 2024

Financial Highlights:

- Third quarter revenue of $58.3 million in 2024 was $3.3 million (or 6%) higher than the third quarter of 2023, as higher contract drilling revenue in Canada, was offset partially by lower contract drilling revenue in the US and lower production services revenue.
- The Company incurred a net loss of $1.2 million in the third quarter of 2024 ($0.04 net loss per basic common share) as compared to a net loss of $1.3 million in the third quarter of 2023 ($0.04 net loss per basic common share) as higher Adjusted EBITDA and other items were offset by decreases in stock based compensation expense and finance costs.
- Adjusted EBITDA of $11.4 million in the third quarter of 2024 was $0.4 million (or 4%) higher compared to $11.0 million in the third quarter of 2023 due to higher drilling revenue in Canada, which was offset partially by lower production services activity in Canada, the continued slowdown of drilling activity in the US, higher operating costs and higher administrative costs due to one-time reorganization costs in the third quarter of 2024.
- Third quarter additions to property and equipment of $8.2 million in 2024 compared to $7.3 million in the third quarter of 2023, consisting of $5.2 million of expansion capital related to rig upgrades and $3.0 million of maintenance capital.
- On August 7, 2024, the Company made a voluntary $10.0 million repayment on its Second Lien Facility (as defined in this press release) through available cash on hand and a draw on the Company's Credit Facilities (as defined in this press release).

Operational Highlights:

- In Canada, Operating Days of 1,115 in the third quarter of 2024 were 232 days (or 26%) higher compared to 883 days in the third quarter of 2023. Drilling rig utilization in Canada was 36% in the third quarter of 2024, compared to 28% in the same period of the prior year, mainly due to improved demand for the Company's upgraded rig fleet.
- Revenue per Operating Day in Canada averaged $31,141 in the third quarter of 2024, a decrease of 2% compared to the same period of the prior year mainly due to changes in rig mix, which were offset partially by higher day rates and lower third party recoveries.
- In the US, drilling rig utilization averaged 36% in the third quarter of 2024, compared to 34% in the third quarter of 2023, due to the change in the number of marketed rigs in 2023, as Operating Days decreased from 249 days in the third quarter of 2023 to 229 days in the third quarter of 2024.
- Revenue per Operating Day in the US for the third quarter of 2024 averaged US$28,429, an 8% decrease compared to US$30,898 in the same period of the prior year, mainly due to changes in rig mix.
- In Canada, service rig utilization was 31% in the third quarter of 2024, compared to 33% in the same period of the prior year, as Service Hours decreased by 10% to 12,525 hours from 13,984 hours in the same period of the prior year, as customers deferred work to later in the year as capital budgets are fully utilized.
- Revenue per Service Hour averaged $979 in the third quarter of 2024 and was 3% lower than the third quarter of 2023, due to area specific rig requirements.

Nine Months Ended September 30, 2024

Financial Highlights:

- Revenue for the nine months ended September 30, 2024, decreased by $13.8 million (or 8%), to $163.4 million compared to $177.2 million in the same period of 2023, as revenue was negatively impacted by lower activity in contract drilling in the US due to lower commodity prices in the first and third quarters of 2024 and lower third party recoveries in Canada, but positively impacted by higher production services activity in 2024.

- The Company incurred a net loss of $4.9 million for the nine months ended September 30, 2024 ($0.14 net loss per basic common share) as compared to a net loss of $4.7 million in the same period in 2023 ($0.14 net loss per basic common share). The change can mainly be attributed to a decrease in stock based compensation expense, finance costs, and an increase in income tax recovery, which were partially offset by a decrease in Adjusted EBITDA and other items.
- Administrative expenses for the nine months ended September 30, 2024 were $2.9 million higher than the same period of 2023, due to higher employee related costs including one-time reorganization costs of $2.8 million incurred in 2024.
- Adjusted EBITDA of $31.9 million for the nine months ended September 30, 2024 was $2.5 million (or 7%) lower compared to $34.4 million in the same period of 2023 and included one-time reorganization costs of $2.8 million. After normalizing for the one-time reorganization costs, Adjusted EBITDA for the nine months ended September 30, 2024 would have totalled $34.7 million, an increase of $0.3 million from the same period in the prior year. Adjusted EBITDA in 2024 was comparable to the prior year as lower drilling activity in Canada and the US was partially offset by improved activity in production services.
- Year to date 2024 additions to property and equipment of $15.8 million compared to $19.2 million in the same period of 2023, consisting of $10.0 million of expansion capital related to rig upgrades and $5.8 million of maintenance capital.
- On March 22, 2024, the Company extended the maturity of its $35.0 million syndicated revolving credit facility (the "Revolving Facility") and its $10.0 million committed operating facility (the "Operating Facility" and together the "Credit Facilities") from May 18, 2025 to the earlier of (i) six months prior to the maturity date of the Second Lien Facility (as defined in this press release) which is currently November 18, 2025, or (ii) March 21, 2027 if the Second Lien Facility is extended. The total commitments under the Credit Facilities are unchanged and there were no changes to the Company's financial covenants, which are described in the Company's third quarter 2024 MD&A under "Liquidity and Capital Resources".

Operational Highlights:

- In Canada, Operating Days of 2,724 days for the nine months ended September 30, 2024 were 18 days (or 1%) lower compared to 2,742 days for the nine months ended September 30, 2023. Drilling rig utilization in Canada was 29% for the nine months ended September 30, 2024, compared to 30% in the same period of the prior year, mainly due to customers cancelling or deferring their programs into the latter part of 2024, as a result of lower natural gas prices throughout 2024.
- Revenue per Operating Day in Canada for the nine months ended September 30, 2024 averaged $32,373, which was 1% lower than the same period of the prior year mainly due to lower third party recoveries in 2024.
- In the US, drilling rig utilization averaged 28% for the nine months ended September 30, 2024, compared to 39% in the same period of the prior year, with Operating Days decreasing from 843 days in the nine months ended September 30, 2023 to 546 days in the same period of 2024 due to lower industry activity.
- Revenue per Operating Day in the US for the nine months ended September 30, 2024, averaged US$29,904, a 7% decrease compared to US$32,038 in the same period of the prior year, mainly due to higher day rates which were offset by lower third party recoveries in 2024 and higher mobilization revenue in 2023.
- In Canada, service rig utilization of 36% for the nine months ended September 30, 2024 was higher than 33% in the same period of the prior year with Service Hours increasing by 5% from 42,081 hours in 2023 to 44,368 hours in 2024.
- Revenue per Service Hour averaged $1,023 for the nine months ended September 30, 2024 and was 1% lower than the nine months ended September 30, 2023.

Selected Financial Information

(stated in thousands, except share and per share amounts)

Financial Highlights	Three months ended September 30 2024	2023	Change	Nine months ended September 30 2024	2023	Change
Revenue	58,343	55,003	6%	163,358	177,196	(8%)
Adjusted EBITDA(1)	11,433	11,033	4%	31,911	34,369	(7%)
Adjusted EBITDA as a percentage of revenue(1)	20%	20%	-	20%	19%	5%
Cash flow from operating activities	5,404	13,267	(59%)	32,466	45,085	(28%)
Additions to property and equipment	8,223	7,348	12%	15,760	19,218	(18%)
Net loss	(1,190)	(1,267)	6%	(4,871)	(4,691)	(4%)
– basic and diluted net loss per share	(0.04)	(0.04)	-	(0.14)	(0.14)	-
Weighted average number of shares						
– basic and diluted	33,843,022	33,841,781	-	33,843,017	33,841,478	-
Outstanding common shares as at period end	33,843,022	33,843,009	-	33,843,022	33,843,009	-

(1) See “Non-IFRS Measures and Ratios” included in this press release.

Operating Highlights(2)	Three months ended September 30 2024	2023	Change	Nine months ended September 30 2024	2023	Change
Contract Drilling						
Canadian Operations:						
Operating Days	1,115	883	26%	2,724	2,742	(1%)
Revenue per Operating Day(3)	31,141	31,698	(2%)	32,373	32,755	(1%)
Drilling rig utilization	36%	28%	29%	29%	30%	(3%)
CAOEC industry Operating Days(4)	17,398	15,612	11%	45,761	43,314	6%
United States Operations:						
Operating Days	229	249	(8%)	546	843	(35%)
Revenue per Operating Day (US$)(3)	28,429	30,898	(8%)	29,904	32,038	(7%)
Drilling rig utilization	36%	34%	6%	28%	39%	(28%)
Production Services						
Service Hours	12,525	13,984	(10%)	44,368	42,081	5%
Revenue per Service Hour(3)	979	1,012	(3%)	1,023	1,030	(1%)
Service rig utilization	31%	33%	(6%)	36%	33%	9%

(2) See “Defined Terms” included in this press release.

(3) See “Non-IFRS Measures and Ratios” included in this press release.

(4) Source: The Canadian Association of Energy Contractors (“CAOEC”) monthly Contractor Summary, calculated on a spud to rig release basis.

Financial Position at (stated in thousands)	September 30, 2024	December 31, 2023	September 30, 2023
Working capital(1)	17,697	20,125	16,473
Total assets	429,623	442,933	453,980
Long-term debt – non current portion	102,999	111,174	114,107

(1) See “Non-IFRS Measures and Ratios” included in this press release.

Business Overview

Western is an energy services company that provides contract drilling services in Canada and in the US and production services in Canada through its various divisions, its subsidiary, and its first nations relationships.

Contract Drilling

Western markets a fleet of 41 drilling rigs specifically suited for drilling complex horizontal wells across Canada and the US. Western is currently the fourth largest drilling contractor in Canada, based on the CAOEC registered drilling rigs[1].

Western's marketed and owned contract drilling rig fleets are comprised of the following:

	As at September 30					
	2024			2023		
Rig class(1)	**Canada**	**US**	**Total**	**Canada**	**US**	**Total**
Cardium	11	-	11	11	1	12
Montney	18	1	19	18	1	19
Duvernay	5	6	11	5	6	11
Total marketed drilling rigs(2)	**34**	**7**	**41**	**34**	**8**	**42**
Total owned drilling rigs	**48**	**7**	**55**	**48**	**8**	**56**

(1) See "Contract Drilling Rig Classifications" included in this press release.
(2) Source: CAOEC Contractor Summary as at October 29, 2024.

Production Services

Production services provides well servicing and oilfield equipment rentals in Canada. Western operates 63 well servicing rigs and is the second largest well servicing company in Canada based on CAOEC registered well servicing rigs[2].

Western's well servicing rig fleet is comprised of the following:

Owned well servicing rigs	**As at September 30**	
Mast type	**2024**	**2023**
Single	28	30
Double	27	27
Slant	8	8
Total owned well servicing rigs	**63**	**65**

Business Environment

Crude oil and natural gas prices impact the cash flow of Western's customers, which in turn impacts the demand for Western's services. The following table summarizes average crude oil and natural gas prices, as well as average foreign exchange rates, for the three and nine months ended September 30, 2024 and 2023.

	Three months ended September 30			Nine months ended September 30		
	2024	2023	Change	2024	2023	Change
Average crude oil and natural gas prices(1)(2)						
Crude Oil						
West Texas Intermediate (US$/bbl)	75.13	82.26	(9%)	77.55	77.40	-
Western Canadian Select (CDN$/bbl)	84.93	93.19	(9%)	84.76	80.42	5%
Natural Gas						
30 day Spot AECO (CDN$/mcf)	0.73	2.70	(73%)	1.40	2.86	(51%)
Average foreign exchange rates(2)						
US dollar to Canadian dollar	1.36	1.34	1%	1.36	1.34	1%

(1) See "Abbreviations" included in this press release.
(2) Source: Sproule September 30, 2024, Price Forecast, Historical Prices.

[1] Source: CAOEC Drilling Contractor Summary as at October 29, 2024.
[2] Source: CAOEC Well Servicing Fleet List as at October 29, 2024.

West Texas Intermediate ("WTI") on average decreased for the three months ended September 30, 2024 by 9% compared to the three months ended September 30, 2023, whereas for the nine months ended September 30, 2024, WTI was consistent with the same period in the prior year. Pricing on Western Canadian Select ("WCS") crude oil decreased by 9% for the three months ended September 30, 2024, compared to the same period of the prior year, whereas for the nine months ended September 30, 2024, WCS increased by 5%. In the third quarter of 2024, crude oil prices were impacted by weakening global demand, while the nine months ended September 30, 2024 was impacted ongoing geopolitical conflicts in Eastern Europe and the Middle East. Natural gas prices in Canada declined in 2024 due to lower demand, as the 30-day spot AECO price decreased by 73% and 51% respectively, for the three and nine months ended September 30, 2024, compared to the same periods of the prior year. Additionally, the US dollar to the Canadian dollar foreign exchange rate for the three and nine months ended September 30, 2024 strengthened by 1% for both periods, compared to the same periods in the prior year.

Despite stable crude oil prices in 2024 in the US, industry drilling activity weakened in the US. As reported by Baker Hughes Company[3], the number of active drilling rigs in the US decreased by approximately 6% to 587 rigs as at September 30, 2024, as compared to 623 rigs at September 30, 2023 and averaged 586 rigs during the third quarter of 2024, compared to 649 rigs in the third quarter of 2023. Similarly, the average number of active drilling rigs in the US decreased by approximately 15% in the nine months ended September 30, 2024 to average 604 rigs compared to 709 rigs in the same period of 2023. In Canada there were 223 active rigs in the Western Canadian Sedimentary Basin ("WCSB") at September 30, 2024, compared to 190 active rigs as at September 30, 2023, representing an increase of approximately 17%; however, the CAOEC[4] reported that for drilling in Canada, the total number of Operating Days in the WCSB for the three months ended September 30, 2024, were 11% higher than the same period in the prior year. Similarly, for the nine months ended September 30, 2024, the total number of Operating Days in the WCSB were 6% higher than the same period of the prior year.

Outlook

In 2024, commodity prices are being impacted in the short term by concerns surrounding demand from continued uncertainty concerning the ongoing conflicts in Ukraine and in the Middle East. Events such as these contribute to the volatility of commodity prices. The precise duration and extent of the adverse impacts of the current macroeconomic environment and global economic activity on Western's customers and operations remains uncertain at this time. Additionally, the threatened shutdown and relocation of a portion of the Enbridge Line 5 pipeline and the challenge and notice of civil claim related to the Blueberry River First Nations agreement in British Columbia by the Treaty 8 nations, have contributed to continued uncertainty regarding takeaway capacity and resource development. However, the Trans Mountain pipeline expansion commenced operations as of May 1, 2024 bringing much needed takeaway capacity to the market. The Trans Mountain pipeline project, the Coastal GasLink pipeline project, which is mechanically complete and expected to be online in 2025, and the LNG Canada liquefied natural gas project in British Columbia, now more than 85% complete and expected to be online in 2025, may contribute to increased industry activity. Controlling fixed costs, maintaining balance sheet strength and flexibility, repaying debt and managing through a volatile market are priorities for the Company, as prices and demand for Western's services are expected to continue to improve. Western will continue to manage its costs in a disciplined manner and make required adjustments to its capital program as customer demand changes. Currently, 14 of Western's drilling rigs and 15 of Western's well servicing rigs are operating.

As at September 30, 2024, Western had $6.0 million drawn on its Credit Facilities and $5.0 million outstanding on its committed term non-revolving facility (the "HSBC Facility"), which matures on December 31, 2026. As at September 30, 2024, Western had $88.5 million outstanding on its second lien secured term loan with Alberta Investment Management Corporation (the "Second Lien Facility"), which matures on May 18, 2026. Western will continue to focus its efforts on debt reduction going forward.

Energy service activity in Canada will be affected by volatile commodity prices, the continued development of resource plays in Alberta and northeast British Columbia, ongoing pipeline completions that will increase takeaway capacity, environmental regulations, and the level of investment in Canada. With Western's upgraded drilling rigs, the Company is well positioned to be the contractor of choice to supply drilling rigs in a tightening market. Western is also active with three fit for purpose drilling rigs in the Clearwater formation in northern Alberta. In the short term, the largest challenges facing the energy service industry are volatile commodity prices and the restrained growth in customer drilling activity due to their continuing preference to return cash to shareholders through share buybacks, increased dividends and repayment of debt, rather than grow production. If commodity prices stabilize for an extended period, then as customers strengthen their balance sheets by reducing debt levels, we expect that drilling activity will increase. In the medium term, Western's rig fleet is well positioned to benefit from the increased drilling and production services activity expected to be generated by the LNG Canada liquefied natural gas project and the Trans Mountain pipeline expansion. The total rig fleet in the WCSB has decreased from 439 drilling rigs at September 30, 2023 to 384 drilling rigs as of October 29, 2024, representing a decrease of 55 drilling rigs, or 13%, which reduces the supply of drilling rigs for such projects. It remains Western's view that its upgraded drilling rigs and modern well servicing rigs, reputation for quality and capacity of the Company's rig fleet, and disciplined cash management provides Western with a competitive advantage.

[3] Source: Baker Hughes Company, 2024 Rig Count monthly press releases.

[4] Source: CAOEC, monthly Contractor Summary.

Non-IFRS Measures and Ratios

Western uses certain financial measures in this press release which do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS"). These measures and ratios, which are derived from information reported in the condensed consolidated financial statements, may not be comparable to similar measures presented by other reporting issuers. These measures and ratios have been described and presented in this press release to provide shareholders and potential investors with additional information regarding the Company. The Non-IFRS measures and ratios used in this press release are identified and defined as follows:

Adjusted EBITDA and Adjusted EBITDA as a Percentage of Revenue

Adjusted earnings before interest and finance costs, taxes, depreciation and amortization, other non-cash items and one-time gains and losses ("Adjusted EBITDA") is a useful Non-IFRS financial measure as it is used by management and other stakeholders, including current and potential investors, to analyze the Company's principal business activities prior to consideration of how Western's activities are financed and the impact of foreign exchange, income taxes and depreciation. Adjusted EBITDA provides an indication of the results generated by the Company's principal operating segments, which assists management in monitoring current and forecasting future operations, as certain non-core items such as interest and finance costs, taxes, depreciation and amortization, and other non-cash items and one-time gains and losses are removed. The closest IFRS measure would be net income (loss) for consolidated results.

Adjusted EBITDA as a percentage of revenue is a Non-IFRS financial ratio which is calculated by dividing Adjusted EBITDA by revenue for the relevant period. Adjusted EBITDA as a percentage of revenue is a useful financial measure as it is used by management and other stakeholders, including current and potential investors, to analyze the profitability of the Company's principal operating segments.

The following table provides a reconciliation of net loss, as disclosed in the condensed consolidated statements of operations and comprehensive loss, to Adjusted EBITDA:

	Three months ended September 30		**Nine months ended September 30**	
(stated in thousands)	**2024**	**2023**	**2024**	**2023**
Net loss	**(1,190)**	**(1,267)**	**(4,871)**	**(4,691)**
Income tax recovery	(393)	(268)	(1,486)	(931)
Loss before income taxes	**(1,583)**	**(1,535)**	**(6,357)**	**(5,622)**
Add (deduct):				
Depreciation	10,067	10,283	30,665	30,831
Stock based compensation	157	574	433	2,212
Finance costs	2,476	2,789	7,626	8,710
Other items	316	(1,078)	(456)	(1,762)
Adjusted EBITDA	**11,433**	**11,033**	**31,911**	**34,369**

Revenue per Operating Day

This Non-IFRS measure is calculated as drilling revenue for both Canada and the US respectively, divided by Operating Days in Canada and the US respectively. This calculation represents the average day rate by country, charged to Western's customers.

Revenue per Service Hour

This Non-IFRS measure is calculated as well servicing revenue divided by Service Hours. This calculation represents the average hourly rate charged to Western's customers.

Working Capital

This Non-IFRS measure is calculated as current assets less current liabilities as disclosed in the Company's consolidated financial statements.

Defined Terms

Drilling rig utilization: Calculated based on Operating Days divided by total available days.

Operating Days: Defined as contract drilling days, calculated on a spud to rig release basis.

Service Hours: Defined as well servicing hours completed.

Service rig utilization: Calculated as total Service Hours divided by 217 hours per month per rig multiplied by the average rig count for the period as defined by the CAOEC industry standard.

Contract Drilling Rig Classifications

Cardium class rig: Defined as any contract drilling rig which has a total hookload less than or equal to 399,999 lbs (or 177,999 daN).

Montney class rig: Defined as any contract drilling rig which has a total hookload between 400,000 lbs (or 178,000 daN) and 499,999 lbs (or 221,999 daN).

Duvernay class rig: Defined as any contract drilling rig which has a total hookload equal to or greater than 500,000 lbs (or 222,000 daN).

Abbreviations

- Barrel (“bbl”);
- Canadian Association of Energy Contractors (“CAOEC”);
- DecaNewton (“daN”);
- International Financial Reporting Standards (“IFRS”);
- Pounds (“lbs”);
- Thousand cubic feet (“mcf”);
- Western Canadian Sedimentary Basin (“WCSB”);
- Western Canadian Select (“WCS”); and
- West Texas Intermediate (“WTI”).

Forward-Looking Statements and Information

This press release contains certain forward-looking statements and forward-looking information (collectively, “forward-looking information”) within the meaning of applicable Canadian securities laws, as well as other information based on Western’s current expectations, estimates, projections and assumptions based on information available as of the date hereof. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and words and phrases such as “may”, “will”, “should”, “could”, “expect”, “intend”, “anticipate”, “believe”, “estimate”, “plan”, “predict”, “potential”, “continue”, or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Company’s internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of additions to property and equipment, anticipated future debt levels and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

In particular, forward-looking information in this press release includes, but is not limited to, statements relating to: the business of Western; industry, market and economic conditions and any anticipated effects on Western and its customers; commodity pricing; the future demand for the Company’s services and equipment; the effect of inflation and commodity prices on energy service activity; expectations with respect to customer spending; the impact of Western’s upgraded drilling rigs; the potential continued impact of the current conflicts in Ukraine and the Middle East on crude oil prices; the Company’s capital budget for 2024, including the allocation of such budget; Western's plans for managing its capital program; the energy service industry and global economic activity; the potential shutdown and relocation of the Enbridge Line 5 pipeline; expectations of increased industry activity with respect to the Trans Mountain pipeline project and the ongoing completion of the Coastal GasLink pipeline project and LNG Canada facility; the impact of the recent challenge and notice of civil claim related to the Blueberry River First Nations decision by the Treaty 8 nations; the development of Alberta and British Columbia resource plays; expectations relating to the increase in takeaway capacity resulting from ongoing pipeline completions; challenges facing the energy service industry; the Company’s focus on debt reduction; expectations with respect to increased drilling activity; and the Company’s ability to maintain a competitive advantage, including the factors and practices anticipated to produce and sustain such advantage.

The material assumptions that could cause results or events to differ from current expectations reflected in the forward-looking information in this press release include, but are not limited to: demand levels and pricing for oilfield services; demand for crude oil and natural gas and the price and volatility of crude oil and natural gas; pressures on commodity pricing; the impact of inflation; the continued business relationships between the Company and its significant customers; crude oil transport, pipeline and LNG export facility approval and development; that all required regulatory and environmental approvals can be obtained on the necessary terms and in a timely manner, as required by the Company; liquidity and the Company’s ability to finance its operations; the effectiveness of the Company’s cost structure and capital budget; the effects of seasonal and weather conditions on operations and facilities; the competitive environment to which the various business segments are, or may be, exposed in all aspects of their business and the Company’s competitive position therein; the ability of the Company’s various business segments to access equipment (including spare parts and new technologies); global economic conditions and the accuracy of the Company’s market outlook expectations for 2024 and in the future; the impact, direct and indirect, of epidemics, pandemics, other public health crisis and geopolitical events, including the conflicts in Ukraine and the Middle East on Western’s business, customers, business partners, employees, supply chain, other stakeholders and the overall economy; changes in laws or regulations; currency exchange fluctuations; the ability of the Company to attract and retain skilled labour and qualified management; the ability to retain and attract significant customers; the ability to maintain a satisfactory safety record; that any required commercial agreements can be reached; that there are no unforeseen events preventing the performance of contracts and general business, economic and market conditions.

Although Western believes that the expectations and assumptions on which such forward-looking information is based on are reasonable, undue reliance should not be placed on the forward-looking information as Western cannot give any assurance that such will prove to be correct. By its nature, forward-looking information is subject to inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, volatility in market prices for crude oil and natural gas and the effect of this volatility on the demand for oilfield services generally;

reduced exploration and development activities by customers and the effect of such reduced activities on Western's services and products; political, industry, market, economic, and environmental conditions in Canada, the US and globally; supply and demand for oilfield services relating to contract drilling, well servicing and oilfield rental equipment services; the proximity, capacity and accessibility of crude oil and natural gas pipelines and processing facilities; liabilities and risks inherent in oil and natural gas operations, including environmental liabilities and risks; changes to laws, regulations and policies; the ongoing geopolitical events in Eastern Europe and the Middle East and the duration and impact thereof; fluctuations in foreign exchange, inflation or interest rates; failure of counterparties to perform or comply with their obligations under contracts; regional competition and the increase in new or upgraded rigs; the Company's ability to attract and retain skilled labour; Western's ability to obtain debt or equity financing and to fund capital operating and other expenditures and obligations; the potential need to issue additional debt or equity and the potential resulting dilution of shareholders; uncertainties in weather and temperature affecting the duration of the service periods and the activities that can be completed; the Company's ability to comply with the covenants under the Credit Facilities, HSBC Facility and the Second Lien Facility and the restrictions on its operations and activities if it is not compliant with such covenants; Western's ability to protect itself from "cyber-attacks" which could compromise its information systems and critical infrastructure; disruptions to global supply chains; and other general industry, economic, market and business conditions. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive. Additional information on these and other risk factors that could affect Western's operations and financial results are discussed under the headings "*Risk Factors*" in Western's annual information form for the year ended December 31, 2023, which is available under the Company's SEDAR+ profile at www.sedarplus.ca.

The forward-looking statements and information contained in this press release are made as of the date hereof and Western does not undertake any obligation to update publicly or revise any forward-looking statements and information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Any forward-looking statements contained herein are expressly qualified by this cautionary statement.

For more information, please contact: Alex R.N. MacAusland, President & CEO, or Gavin Lane, CFO at 403.984.5916