



WESTERN ENERGY SERVICES CORP. ANNOUNCES SECOND LIEN FACILITY EXTENSION AND 2025 BUDGET

FOR IMMEDIATE RELEASE: January 27, 2025

CALGARY, ALBERTA – Western Energy Services Corp. (“Western” or the “Company”) (TSX: WRG) is pleased to announce amendments to its second lien term loan facility (the “Second Lien Facility”) with its lender, Alberta Investment Management Corporation (“AIMCo”), as well as its 2025 capital budget.

Extension and Amendments to Second Lien Facility

The Company announces that AIMCo has approved an extension of the maturity date of Western’s Second Lien Facility from May 18, 2026 to May 18, 2027. Additionally, under the amended Second Lien Facility agreement, the Company is allowed to make voluntary prepayments without having to pay any make-whole amounts or other premiums. The Company is however no longer able to satisfy its interest payments by capitalizing or deferring such amounts. There are no changes to the quarterly principal payments, the semi-annual interest payments or the interest rate required under the amended agreement.

In conjunction with the Second Lien Facility extension, the maturity date of the Company’s syndicated revolving credit facility and the operating facility (together the “Credit Facilities”), are extended by a year automatically by their terms, to the earlier of (i) six months prior to the maturity date of the Second Lien Facility, which is now November 18, 2026 or (ii) March 22, 2027. The total commitments under the Company’s Credit Facilities are unchanged and there were no changes to the Company’s financial covenants.

Western believes the extension of the Second Lien Facility and the Credit Facilities improves the Company’s financial flexibility, allowing it to adapt as market conditions change in the future.

2025 Capital Budget

Western also announces its 2025 capital expenditure budget of approximately \$20 million, which is expected to be comprised of approximately \$18 million of maintenance capital, and approximately \$2 million of expansion capital, including approximately \$3 million of committed expenditures from 2024 that will carry forward into 2025.

Maintenance capital of \$18 million includes \$15 million in the contract drilling segment and \$3 million in the production services segment. Expansion capital of \$2 million mainly relates to the contract drilling segment for upgrades on the Company’s rig fleet.

Western will continuously monitor the utilization of its fleet, as well as its customer requirements and market conditions, and will adjust the 2025 capital expenditures accordingly.

About Western

Western is a progressive energy services company which provides contract drilling services through its division, Horizon Drilling in Canada, and its wholly owned subsidiary, Stoneham Drilling Corporation in the United States. Additionally, Western provides production services in Canada through its division, Eagle Well Servicing which provides well servicing and its division Aero Rental Services which provides oilfield rental services.

Forward-Looking Statements and Information

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “believes”, “expected”, “will”, and similar expressions is intended to identify forward-looking statements or information. More particularly and without limitation, this press release contains forward-looking statements and information relating to the maturity dates of Western’s various credit facilities and the effect of changes in such dates on Western’s business prospects, potential future debt repayments, anticipated capital expenditures of the Company in 2025 and the composition thereof, and

information regarding economic conditions in the Western Canadian oil and gas industry. These forward-looking statements and information are based on certain key expectations and assumptions made by Western in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances.

Although Western believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Western cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Additional information on risk factors that could affect Western's operations or financial results are included in Western's annual information form for the year ended December 31, 2023 which may be accessed through SEDAR+ 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 or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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