



WesternOne Inc. Announces Sale of Equipment Rentals and Heat Business to United Rentals and Wind-up of Operations

VANCOUVER, BC (October 22, 2018) WesternOne Inc. (“**WesternOne**”) (Toronto Stock Exchange: WEQ and WEQ.DB) announced today that it has entered into a definitive agreement (the “**Agreement**”) with United Rentals of Canada, Inc. (“**United Rentals**”) pursuant to which United Rentals has agreed to acquire WesternOne’s equipment rentals and heat business and substantially all of the related assets (collectively, the “**Business**”) for a base cash purchase price of Cdn\$120 million on a cash free, debt free basis. The actual purchase price and transaction value are subject to working capital and other adjustments in accordance with the Agreement.

A Special Committee of the board of directors of WesternOne (the “**Special Committee**”) oversaw an extensive strategic review process starting in 2016 and considered a number of alternatives to maximize shareholder value. This process initially resulted in the sale of WesternOne’s modular rental and construction division in 2017 and now in the proposed sale of its remaining division.

“Following careful review of this transaction by the Special Committee in consultation with our external financial and legal advisors, we believe it is the best option for WesternOne and its shareholders.” said Peter Blake, CEO of WesternOne. “The midpoint of the range of anticipated proceeds to ultimately be paid to shareholders exceeds the 20-day volume weighted average share price by approximately 42% which represents an attractive result for our shareholders.”

Unanimous Approval of the Board

After considering the recommendations of the Special Committee, the transaction has been approved unanimously by WesternOne’s board of directors, which has determined that the transaction is in the best interests of WesternOne and its shareholders and recommends that shareholders vote in favour of approving the transaction at a special meeting of shareholders, which is expected to be scheduled for November 28, 2018 (the “**Meeting**”). Evans & Evans, Inc., an independent financial advisor to the Special Committee, has provided an opinion that, subject to the assumptions and limitations upon which the opinion is based, the consideration to be received by WesternOne in this transaction is fair from a financial point of view.

Shareholder Approval and Other Conditions

The transaction must be approved by shareholders holding at least 66 $\frac{2}{3}$ % of shares voted in person or by proxy at the Meeting.

Each of WesternOne’s directors and senior officers and the company’s largest shareholder groups, which collectively hold approximately 38% of the outstanding common shares of WesternOne, have entered into a voting support agreement with United Rentals pursuant to which they have agreed to vote their respective common shares in favour of approving the transaction.

The completion of this proposed transaction is subject to several conditions including, among others: receipt of the above-referenced shareholder approval; WesternOne obtaining certain third party consents required for the assignment and transfer of assets and contracts; there not being in effect on the closing date any order restraining, enjoining or otherwise prohibiting or making illegal the completion of the transaction; and the absence of any material and adverse change with respect to the Business including there being no claim

pending by any governmental authority in respect of competition or other regulatory matters that would reasonably be expected to prevent the consummation of the transaction.

The Agreement includes non-solicitation provisions, as well as the requirement of WesternOne to pay an alternative transaction fee of Cdn\$10 million if the Agreement is terminated at a time when a third party acquisition proposal is outstanding. The Agreement does not allow WesternOne to enter into an agreement with respect to an alternative transaction.

The terms and conditions of the transaction, as well as details of the expected distributions to shareholders, will be disclosed in more detail in WesternOne's information circular (the "**Information Circular**") that is anticipated to be mailed to shareholders as of the record date expected to be October 25, 2018. In the event of a postal strike that prevents mailing, WesternOne intends to discuss other options with its regulators and issue a further news release as necessary. If shareholder and other approvals are obtained, it is anticipated that the proposed transaction will be completed on or about November 30, 2018 and in any event no later than December 31, 2018.

Copies of the Agreement and of the Information Circular for the Meeting will be filed with Canadian securities regulators and will be available on the SEDAR profile of WesternOne at www.sedar.com. In addition, investors and shareholders may obtain free copies of the documents WesternOne files with Canadian securities regulators by directing a written request to WesternOne, Suite 910, 925 West Georgia Street, Vancouver, BC V6C 3L2 Attention: Corporate Secretary or to cyam@weq.ca. Investors and shareholders of WesternOne are urged to read the Information Circular and the other relevant materials when they become available because such materials will contain important information about the transaction.

Plan of Liquidation

The completion of the proposed transaction will allow WesternOne to wind-up its operations and return to its shareholders the net proceeds of the sale of the Business, after repayment of all bank debt and other liabilities including the outstanding convertible debentures, taxes and transaction related expenses (collectively, the "**Obligations**") as part of a Court approved liquidation process.

At the Meeting, shareholders will also be asked to approve a plan of liquidation for WesternOne. While there is no guarantee as to the net amount of distributions to shareholders following the sale of the Business, WesternOne currently estimates, after repayment of all Obligations, to distribute in aggregate a per share amount in the range of approximately Cdn\$2.20 to Cdn\$2.43. A decision in respect of the timing and the amount of any distribution will be made by the liquidator to be appointed following completion of the sale of the Business under supervision of the Court. An initial distribution is expected in the first quarter of 2019, with a possible final distribution at the conclusion of the liquidation.

Following the completion of the sale of the Business, the common shares and convertible debentures of WesternOne are expected to cease trading and, pursuant to a voluntary application to be made to the Toronto Stock Exchange ("**TSX**"), be delisted. It is a term of the plan of liquidation that following the implementation of the liquidation and delisting from the TSX, all transfers of common shares and debentures thereafter will be void unless made with the explicit sanction of the liquidator.

Forward-Looking Information

Certain statements in this news release may constitute "forward-looking information" within the meaning of applicable Canadian securities laws, which information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements or industry results expressed or implied by such

forward-looking information. Forward-looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information includes, without limitation, statements with respect to: the record date for the special meeting of shareholders; the contents and expected timing of mailing of the Information Circular; the expected date of the special meeting of shareholders; the estimated completion date of the proposed transaction with United Rentals; the estimated range of the per share amount of distributions to be paid to shareholders; the estimated timing of the payment of distributions to shareholders; the repayment of all of WesternOne’s Obligations; WesternOne’s intention to make application to the TSX for the voluntary delisting of its common shares and convertible debentures in connection with the sale of the Business and proposed liquidation; and the process and timing of the cease trading and delisting of WesternOne’s common shares and debentures from the TSX. Actual events or results may differ materially.

Although the forward-looking information contained in this news release is based upon what WesternOne’s management believes to be reasonable assumptions, WesternOne cannot assure investors that actual results will be consistent with such information. Certain key expectations and assumptions made by WesternOne and reflected in the forward-looking information in this news release include without limitation: the sale of the Business to United Rentals will be completed in accordance with the terms of the Agreement and with the timing currently anticipated; all conditions under the Agreement to the completion of the transaction will be obtained, including the approval of the transaction by WesternOne’s shareholders and the timely receipt of any and all regulatory approvals and third party consents to the transaction; there will be no material negative purchase price adjustments under the Agreement; there will be no intervening events that will materially reduce the amount funds available for distribution to Shareholders following completion of the transaction with United Rentals, or that delay the distribution of such funds; the impact of the current economic climate in Western Canada and the United States on WesternOne’s operations will remain consistent with WesternOne’s current expectations, and the supply and demand for WesternOne’s products and services and the related impact on the pricing on such products and services will remain consistent with WesternOne’s current expectations and management’s assessment of future plans and operations.

Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this news release. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, without limitation: the risk that the transaction with United Rentals will not be completed within the time frame contemplated, on terms previously announced, or at all; the risk that conditions precedent to the closing of the transaction, including the receipt of shareholder approval and any applicable regulatory approval and third party consents, may not be satisfied or waived; the risk that WesternOne may be required to pay an alternative transaction fee of Cdn\$10 million if the transaction is terminated in certain circumstances; the risk that WesternOne will not be permitted to terminate the Agreement by its terms if a superior alternative transaction arises; the risk that there are material negative purchase price adjustments under the terms of the Agreement; the risk that the net proceeds of the transaction will be less than previously disclosed and expenses of WesternOne will exceed the amount estimated by WesternOne; the risk that distributions to shareholders will be delayed; and the risk that distributions to shareholders will be less than anticipated. Should any of the foregoing risks materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance, activities or achievements could vary materially from those expressed or implied by any forward-looking information contained in this news release. Readers are cautioned that the foregoing list of risks is not exhaustive. Additional information on these and other risk factors that could affect the operations or financial results of WesternOne can be found under “Risk Factors” in WesternOne’s Annual Information Form dated March 27, 2018 and Management’s Discussion & Analysis dated August 9, 2018, all of which are currently or will be available on SEDAR (www.sedar.com). In addition, WesternOne encourages all shareholders to read the Information Circular, once available, as it will include a more detailed discussion of the material risks and uncertainties with

respect to the proposed transaction with United Rentals and related liquidation, which is expected to follow the sale of the Business.

The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. Forward-looking information reflects management's current beliefs and is based on information currently available to WesternOne. The forward-looking information is made as of the date of this news release and WesternOne assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

Additional Information

Additional information relating to WesternOne and other public filings, is available on SEDAR at www.sedar.com or on WesternOne's website at www.weq.ca.

For more information about this news release, please contact:

Carlos Yam, Chief Financial Officer
WesternOne Inc.
Suite 910, 925 West Georgia Street
Vancouver, BC V6C 3L2
Phone: (604) 678-4042
E-mail: cyam@weq.ca

Trading Symbols:

Toronto Stock Exchange: WEQ and WEQ.DB

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR THE ACCURACY OF THIS RELEASE