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NEWS RELEASE

Canadian Energy Services L.P. Announces Cash Distributions

TSX: CEU.UN

Calgary, Alberta – Canadian Energy Services L.P. ("Canadian Energy Services" or the "Partnership") announced today that it will pay a cash distribution of \$0.0792 per Class A Common limited partnership unit ("Class A Unit") on January 15, 2009 in respect of operations for the period from December 1, 2008 to December 31, 2008 to Unitholders of record on December 31, 2008.

In addition, the Partnership will pay a cash distribution of \$0.2376 per Class B subordinated limited partnership unit ("Subordinated Class B Unit") on January 15, 2009 in respect of operations for the period from October 1, 2008 to December 31, 2008 to Unitholders of record on December 31, 2008.

Canadian Energy Services is organized in accordance with the terms and conditions of a limited partnership agreement which provides that only persons who are resident in Canada, or, if partnerships, are Canadian partnerships, in each case for purposes of the Income Tax Act (Canada) (the "Tax Act"), may own units of the Partnership. Units may not be purchased as a "tax shelter investment" for the purposes of the Tax Act or by any entity an interest in which is a tax shelter investment. The Partnership is not itself currently subject to tax under the Income Tax Act (Canada). Each limited partner of the Partnership generally is required to include in computing the partner's income for a particular taxation year the limited partner's pro rata share of the income of the Partnership for its fiscal year ending in, or coincidentally with, the partner's taxation year end, whether or not any of that income is distributed to the partner in the taxation year. Generally, the amount of income allocated to a limited partner may exceed (or be less than) the amount of cash distributed by the Partnership to such limited partner. In 2008, taxable income to be allocated to limited partners is expected to exceed cash distributions. Upon determination of the final amount, if any, by which taxable income allocated to limited partners in 2008 exceeds the cash distributions made, the Partnership will consider its options in respect of potentially addressing such tax circumstances which limited partners may be subject to as a result. The Partnership anticipates communicating any actions with respect to this no later than March 31, 2009.

Canadian Energy Services designs and implements drilling fluid systems for the oil and natural gas industry, in particular relating to drilling medium to deep vertical and directional wells and horizontal wells in western Canada and the United States through its subsidiary AES Drilling Fluids, LLC. Additional information about Canadian Energy Services is available at <u>www.sedar.com</u> or at the Partnership's website at <u>www.CanadianEnergyServices.com</u>.

For further information, please contact:

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