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**CANADIAN ENERGY SERVICES L.P. COMPLETES \$59 MILLION IPO AND
ACQUISITION OF ASSETS OF CFS AND IMPACT**

Calgary, Alberta, March 2, 2006 – Canadian Energy Services L.P. (“Canadian Energy Services” or the “Partnership”) is pleased to announce the successful completion of its initial public offering of 5,893,866 Class A Common limited partnership units (“Class A Units”) at a price of \$10.00 per Class A Unit for gross proceeds of \$58,938,660. The Class A Units commenced trading today on the Toronto Stock Exchange under the symbol “CEU.UN”.

The underwriting syndicate for the offering was led by National Bank Financial Inc. and included Blackmont Capital Inc., Sprott Securities Inc. and Haywood Securities Inc.

Canadian Energy Services intends to make monthly distributions of its available cash to holders of Class A Units. The initial cash distribution, which will be for the period from closing of the offering to March 31, 2006, is expected to be paid on April 14, 2006 to unitholders of record on March 31, 2006 and is estimated to be approximately \$0.0792 per Class A Unit. Subsequent regular distributions in the amount of \$0.0792 per Class A Unit are expected to be made in each month thereafter on or before the 15th day of the month to Class A Unitholders of record on the last business day of the preceding month commencing on or about May 15, 2006.

At closing, Canadian Energy Services used a portion of the proceeds from the offering to acquire the drilling fluid systems businesses carried on by Canadian Fluid Systems Ltd. (“CFS”) and Impact Fluid Systems Inc. (“Impact” and, together with CFS, the “Vendors”) and a warehouse facility in Carlyle, Saskatchewan.

The balance of the consideration for the purchase of substantially all of the assets of Impact and CFS by the Partnership was satisfied through the issuance of 430,297 Class A Units and 1,075,743 Class B subordinated limited partnership units (the "**Subordinated Class B Units**") at a deemed price of \$10.00 per unit to each of CFS and Impact. As a result of the transaction, Impact and CFS each own approximately 16.9% of the total issued and outstanding Class A Units and Subordinated Class B Units. The aggregate of 860,594 Class A Units and 2,151,486 Subordinated Class B Units issued to the Vendors represents 33.8% of the total issued and outstanding Class A Units and Subordinated Class B Units.

The 430,297 Class A Units received by each of CFS and Impact are held in escrow for a period of two years and will be released as to 50% on the first anniversary date of closing and 50% on the second anniversary date of closing, subject to some limited exceptions whereby up to 25% of the escrowed Class A units may be released from escrow at any time. Each Subordinated Class B Unit will be exchangeable for one Class A Unit on the third anniversary of the closing of the initial public offering. The Class A Units issuable upon the exchange of the Subordinated Class B Units have been reserved for listing on the Toronto Stock Exchange.

The Class A Units and Subordinated Class B Units will vote together as one class in respect of any matters requiring a vote of Unitholders of the Partnership. Pursuant to a securityholders agreement, Impact and CFS are each entitled to nominate one individual as a director of Canadian Energy Services Inc., the managing general partner of the Partnership, as long as CFS and Impact hold, respectively, not less than 10% of the Class A Units and Subordinated Class B Units.

A summary of the terms of the asset purchase agreements, the escrow agreements executed in connection with the asset purchase agreements, and the securityholders agreement by which each of Impact and CFS is entitled to nominate one director to the board of directors of Canadian Energy Services Inc, is disclosed in the final prospectus of the Partnership dated February 21, 2006.

The interests of Impact and CFS in the Partnership are for investment purposes only. Impact and CFS may in the future take such actions in respect of their holdings as they may deem appropriate in light of the circumstances then existing, including the sale of all or a portion of their holdings in the open market or in privately negotiated transactions to one or more purchasers. At this time, neither Impact nor CFS have made a decision on the extent or timing of the disposition of their current holdings. Each of CFS and Impact is owned or controlled, directly or indirectly, by senior officers of Canadian Energy Services Inc., the managing general partner of the Partnership.

Canadian Energy Services designs and implements drilling fluid systems for the oil and gas industry, in particular relating to drilling medium to deep vertical and directional wells and horizontal wells in western Canada. Additional information about Canadian Energy Services and this transaction is available at www.sedar.com.

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 securities referred to herein have not been, and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws.

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