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Canadian Energy
SERVICES L.P.

March 4, 2008

NEWS RELEASE

Canadian Energy Services L.P. Announces Results for the Fourth Quarter and the Year Ended December 31, 2007 and Update on Business Initiatives

TSX: CEU.UN

Calgary, Alberta – Canadian Energy Services L.P. ("Canadian Energy Services", "CES" or the "Partnership") is pleased to announce the financial highlights of the fourth quarter and year ended December 31, 2007.

Revenue for the fourth quarter was \$18.6 million, an increase of 12% over the fourth quarter last year. Net earnings were \$0.35 per unit in comparison to a loss of \$3.33 for the same quarter last year. Excluding the impact of a future income tax recovery of \$230,000 in the fourth quarter of 2007 and the goodwill impairment charge of \$34.0 million in the fourth quarter of 2006, there was an increase of 12% in net earnings over the same period last year.

For the year ended December 31, 2007, CES generated \$60.4 million in revenue and net earnings were \$0.78 per unit. Excluding the impact of a \$2.0 million charge for future income taxes resulting from the new tax imposed on public flow-though entities, like CES, pre-tax earnings per unit was \$0.99. For the 305-day period ended December 31, 2006, revenue was \$46.0 million and net earnings were \$0.78 per unit, after adjusting for the goodwill impairment charge of \$34.0 million in 2006.

"Our fourth quarter results reflect strong sustained operating days despite the reduced industry drilling activity. Throughout 2007 CES delivered on its commitments to all its stakeholders: providing technology based value solutions to our customers; investing in training and development for employees; developing relationships with key suppliers; and paying monthly distributions to our unitholders at the target levels." said Tom Simons, the President and Chief Executive Officer of Canadian Energy Services Inc., the general partner of CES. "Striking the right balance between people, products and processes for growth – this explains our success and leaves the Partnership well positioned for the future."

CES attributes its growth in market share and geographic operating areas over the last year to the use of its existing technologies and particularly the emergence of new technologies like Seal-AX™ (Patent Pending). By combining technologies with its superior service, CES helps its customers maximize their returns on invested capital through lower drilling costs and improved productivity.

Financial Highlights

Financial Results	Three Months Ended Dec 31, **2007**	2006	**Year Ended Dec 31, 2007**	305-day Period Ended Dec 31, 2006[1]
(\$000's except per unit amounts)				
Revenue	**18,600**	16,633	**60,420**	46,013
Gross margin[4]	**5,773**	4,906	**19,075**	13,184
Net earnings (loss) before income taxes	**3,062**	(31,263)	**9,302**	(26,809)
per unit – basic and diluted[2]	**0.33**	(3.33)	**0.99**	(2.93)
Net earnings (loss)	**3,292**	(31,263)	**7,301**	(26,809)
per unit – basic and diluted[2]	**0.35**	(3.33)	**0.78**	(2.93)
EBITDAC[4]	**3,503**	2,886	**10,453**	7,521
Funds flow from operations[4]	**3,450**	2,917	**10,410**	7,641

per unit – basic and diluted[2]	**0.37**	0.31	**1.11**	0.83
Distributable funds[4]	**3,360**	2,652	**9,954**	6,684
Distributions declared	**2,229**	2,229	**8,916**	7,275
per Class A Unit	**0.2376**	0.2376	**0.9504**	0.7920
per Subordinated Class B Unit	**0.2376**	0.2376	**0.9504**	0.7920

Financial Position	**Dec 31, 2007**	Dec 31, 2006
($000's)		
Working capital	**7,552**	10,920
Total assets	**77,070**	74,910
Long-term financial liabilities[3]	**1,289**	616
Unitholders' equity	**53,047**	54,494

Partnership Units Outstanding[2]		Three Months Ended Dec 31, **2007**	2006	**Year Ended Dec 31, 2007**	305-day Period Ended Dec 31, 2006[1]
End of period		**9,380,946**	9,380,946	**9,380,946**	9,380,946
Weighted average	- basic	**9,380,946**	9,380,946	**9,380,946**	9,152,574
	- diluted	**9,380,946**	9,380,946	**9,383,215**	9,166,542

Notes:

[1] *From commencement of operations on March 2, 2006.*

[2] *Includes Class A Units and Subordinated Class B Units.*

[3] *Vehicle financing loans and term loan excluding current portions.*

[4] *The Partnership uses certain performance measures that are not recognizable under Canadian generally accepted accounting principles ("GAAP"). These performance measures include, earnings before interest, taxes, amortization, goodwill impairment, unit-based compensation ("EBITDAC"), gross margin, funds flow from operations and distributable funds. Management believes that these measures provide supplemental financial information that is useful in the evaluation of the Partnership's operations. Readers should be cautioned, however, that these measures should not be construed as alternatives to measures determined in accordance with GAAP as an indicator of CES' performance. CES' method of calculating these measures may differ from that of other organizations and, accordingly, these may not be comparable. Please refer to the Non-GAAP measures section of the Partnership's MD&A for the three months ended September 30, 2007 included in the Partnership's third quarter 2007 Interim Report.*

Highlights of the fourth quarter and year ended December 31, 2007 in comparison to the fourth quarter and 305-day period ended December 31, 2006 for CES were:

- The Partnership generated revenue of $18.6 million in the fourth quarter of 2007, an increase of $2.0 million or 12% over the same quarter last year. Overall industry drilling activity dropped 26% from last year.

- For the year ended December 31, 2007, revenue was $60.4 million, an increase of 31% over the 305-day period ended December 31, 2006. This increase primarily arose from the additional months of January and February in the 2007 results but also reflected a 5% increase for the comparable period from March through December. Overall industry activity dropped 32% from an average rig count in 2006 of 502 to 339 in 2007 based on CAODC published data for Western Canada. CES increased its market share in 2007 which was estimated to be 17% for 2007. CES' market share had grown from an estimated 10% in March, 2006 to 16% in the last quarter of 2006.

- Gross margin was $5.8 million or 31% of revenue for the fourth quarter of 2007. For the same quarter last year gross margin was $4.9 million or 29% of revenue. For the year 2007, gross margin as a percentage of revenue was 32% in comparison to 29% generated in the 305-day period ended December 31, 2006. The increase in margin was primarily due to reduced level of sales of low margin base oil in 2007 in comparison to 2006 and to the impact of improved procurement strategies.

- Selling, general and administrative costs ("SG&A") were $2.3 million for the fourth quarter of 2007, an increase of $250,000 or 12% from the same quarter last year. This increase related to successfully attracting experienced and qualified key personnel over the year and an increase in commissions payable on higher sales revenue. SG&A was $8.6 million for the year, which reflected a full year of operations, in comparison to $5.7 million for the 305-day period ended December 31, 2006.

- CES generated net earnings of $3.3 million, or $0.35 per unit, in the fourth quarter of 2007 which included a future income tax recovery of $230,000. CES incurred a loss of $31.3 million in the fourth quarter last year, after recognizing a goodwill impairment charge of $34.0 million.

- For the year ended December 31, 2007, net earnings were $7.3 million, 12% of revenue and $0.78 per unit, which included a charge of $2.0 million for future income taxes that resulted from the new tax imposed on public partnerships in 2007. Earnings before tax for 2007 were $9.3 million, 15% of revenue and $0.99 per unit.

- The Partnership maintained its monthly distributions throughout the year at its target level of $0.0792 per unit to Class A unitholders. Quarterly distributions of $0.2376 were declared to the Subordinated Class B unitholders. The payout ratio in the fourth quarter was 66% (fourth quarter 2006 was 84%). For the year ended December 31, 2007, the payout ratio was 90%, in comparison to 109% for the 305-day period ended December 31, 2006. The determination of the payout ratio does not take into account changes in non-cash operating working capital items. Management continues to believe that an annualized target payout ratio of 80% is appropriate for the Partnership's business over the long term given the relatively low level of capital required to maintain and grow the business. The Board of Directors reviews the distributions on a monthly and quarterly basis in light of industry conditions, growth opportunities requiring expansion capital and management's forecast of distributable funds.

- Working capital was $7.6 million at December 31, 2007 and CES' long-term debt, represented by vehicle financing loans and a term loan, was $1.3 million. CES continued to maintain a strong balance sheet that positions the Partnership to capitalize on growth opportunities.

- On February 26, 2008, CES secured new financing with a commercial bank to borrow up to $12.0 million on a demand revolving loan facility based on the value of certain accounts receivables and inventory. In addition, two committed loans were established to borrow up to a total of $2.7 million for CES' Edson, Alberta facility and related equipment. The actual capital expenditures for the Edson Facility were $4.1 million and they were funded partially by a $1.0 million term loan and the balance from available cash flow and the operating line. These new facilities were used to repay and cancel the Partnership's bank debt that was in place at December 31, 2007.

Business Initiatives

Canadian Energy Services continues to be focused on integration of its businesses, growing its market size, customer base and market share and the introduction of new technologies like Seal-AX™ (Patent Pending).

CES, through its division EQUAL Transport, completed the construction of its Edson, Alberta trucking, warehousing and tank farm facility in the fourth quarter of 2007 and has been operating at full capacity. This operation is key to CES' strategy to integrate the trucking of products and fluids to customers' well sites and capture incremental revenue and related profit.

In the fourth quarter of 2007 CES started to generate some revenue in the United States through its wholly owned entity, AES Drilling Fluids, LLC ("AES"), formerly American Energy Services, LLC, and has since started to build a team to actively pursue targeted markets. In January 2008, AES recruited a division manager to run the Rocky Mountains Division and has expanded its Denver, Colorado based office. AES has been generating consistent revenue since mid January and we expect operations to continue to grow. AES has also recruited a senior technical sales representative, based in Houston, Texas who will be further developing the business in the United States.

The Partnership has been actively pursuing international opportunities and recently responded to select requests for proposals. The operators are still working through their selection of services for these projects and therefore contracts have not yet been awarded. CES is profiling international projects that align the nature of the drilling conditions, such as drilling with Invert or horizontal wells, with our unique technologies which we believe provides CES with a competitive edge. CES has the technology and the structure in place to successfully pursue prospects in these markets with minimal cost and risk.

Outlook

Management of the Partnership believes that it is well positioned with its technology based service offerings, expanding geographic diversification and broad customer base to continue to grow the business and gain market share.

Recent strengthening of natural gas prices from the depressed levels in 2007 provides some optimism that industry drilling levels in Alberta will start to improve in 2008. However, on-going uncertainty as to the impact of the changes announced to the Alberta royalty regime may continue to result in reallocations of capital spending by our customers away from Alberta and towards British Columbia, Saskatchewan and other international jurisdictions.

We continue to be encouraged by the level of horizontal drilling activity in the Bakken light oil resource play in Saskatchewan, which is considered to be one of the most significant plays in the WCSB at the moment, and horizontal drilling activity in the Canadian oilsands. In addition, the emergence of the lower Shaunavon oil play in southwest Saskatchewan provides another promising area of targeted growth. These remain significant and growing markets where we expect CES' technology, such as Liquidrill™ in the Bakken and Liquidrill™/Tarbreak and Poly-Core used in the oilsands, will drive the growth of our business.

Recent developments in the ability of operators to apply multiple fracturing techniques in horizontal wells in tight formations in the WCSB such as the Montney and the Cadomin have stimulated the drilling activity of these deeper, complex wells. CES technologies, such as Seal-AX™ (Patent Pending), lowers costs to drill these wells, which positions the Partnership to benefit from this industry development.

CES believes that its value proposition in drilling for deeper natural gas, oilsands and conventional horizontal oil wells positions itself as the premium fluids provider in the market. We are very encouraged by the strong start for 2008 as evident in the record level of CES jobs currently in progress. CES' technologies have global application and the Partnership will continue to pursue opportunities that align our service offerings with the needs of our customers. We are confident that our technologies will be embraced as we build out our operations in the United States. We believe that the United States operations and the international projects we are pursuing will be incremental to CES' strong activity level in the WCSB. Procuring materials and providing engineering support for this new activity can be achieved in addition to sustaining our increased level of activity in the WCSB.

CANADIAN ENERGY SERVICES L.P.

CONSOLIDATED BALANCE SHEETS

(stated in thousands of dollars)(unaudited)

	Dec 31, 2007	Dec 31, 2006
ASSETS		
Current assets		
Cash and cash equivalents	**$ -**	$ 4,194
Accounts receivable	**21,909**	23,733
Inventory	**6,186**	2,613
Prepaid expenses	**190**	180
	28,285	30,720
Property and equipment	**6,724**	2,224
Intangible assets	**95**	-
Goodwill	**41,966**	41,966
	$ 77,070	$ 74,910
LIABILITIES AND UNITHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	**$ 4,548**	$ -
Accounts payable and accrued liabilities	**14,196**	17,832
Distributions payable	**1,084**	1,084
Deferred revenue	**-**	427
Current portion of long-term debt	**905**	457
	20,733	19,800
Long-term debt	**1,289**	616
Future income tax liability	**2,001**	-
	3,290	616
Unitholders' equity		
Class A Units	**66,959**	66,959
Subordinated Class B Units	**21,514**	21,514
Contributed surplus	**273**	105
Deficit	**(35,699)**	(34,084)
	53,047	54,494
	$ 77,070	$ 74,910

CANADIAN ENERGY SERVICES L.P.

CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME AND DEFICIT

(stated in thousands of dollars except per unit amounts)(unaudited)

	Three Months Ended Dec 31, **2007**	Three Months Ended Dec 31, 2006	**Year Ended Dec 31, 2007**	305-day Period Ended Dec 31, 2006
Revenue	**$ 18,600**	$ 16,633	**$ 60,420**	$ 46,013
Cost of sales	**12,827**	11,727	**41,345**	32,829
Gross margin	**5,773**	4,906	**19,075**	13,184
Expenses				
Selling, general and administrative expenses	**2,270**	2,020	**8,622**	5,663
Amortization	**335**	141	**913**	345
Impairment of goodwill	**-**	34,000	**-**	34,000
Unit-based compensation	**53**	39	**168**	105
Loss on disposal of assets	**-**	-	**27**	-
Interest expense, net of interest income	**53**	(31)	**43**	(120)
	2,711	36,169	**9,773**	39,993
Net earnings (loss) for the period before taxes	**3,062**	(31,263)	**9,302**	(26,809)
Future income tax expense (recovery)	**(230)**	-	**2,001**	-
Net earnings (loss) for the period	**3,292**	(31,263)	**7,301**	(26,809)
Other comprehensive income	-	-	-	-
Comprehensive earnings (loss) for the period	**3,292**	(31,263)	**7,301**	(26,809)
Deficit, beginning of period	**(36,762)**	(592)	**(34,084)**	-
Unitholders' distributions declared	**(2,229)**	(2,229)	**(8,916)**	(7,275)
Deficit, end of period	**$ (35,699)**	$ (34,084)	**$ (35,699)**	$ (34,084)
Net earnings (loss) per unit				
Basic and diluted	**$ 0.35**	$ (3.33)	**$ 0.78**	$ (2.93)

CANADIAN ENERGY SERVICES L.P.

CONSOLIDATED STATEMENTS OF CASH FLOW

(stated in thousands of dollars)(unaudited)

	Three Months Ended Dec 31, **2007**	Three Months Ended Dec 31, 2006	**Year Ended Dec 31, 2007**	305-day Period Ended Dec 31, 2006
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net earnings (loss) for the period	**$ 3,292**	$ (31,263)	**$ 7,301**	$ (26,809)
Items not involving cash:				
Amortization	**335**	141	**913**	345
Impairment of goodwill	**-**	34,000	**-**	34,000
Unit-based compensation	**53**	39	**168**	105
Loss on disposal of assets	**-**	-	**27**	-
Future income tax expense (recovery)	**(230)**	-	**2,001**	-
Change in non-cash operating working capital	**(3,834)**	198	**(6,024)**	2,218
	(384)	3,115	**4,386**	9,859
FINANCING ACTIVITIES:				
Units issued for cash, net of issue costs	**-**	-	**-**	53,603
Repayment of long-term debt	**(244)**	(93)	**(689)**	(227)
Increase in long-term debt	**-**	-	**1,000**	-
Distributions to unitholders	**(2,229)**	(2,229)	**(8,916)**	(6,191)
	(2,473)	(2,322)	**(8,605)**	47,185
INVESTING ACTIVITIES:				
Repayment of acquisition notes	**-**	-	**-**	(50,602)
Repayment of promissory notes	**-**	(750)	**-**	(1,250)
Investment in property and equipment	**(1,204)**	(343)	**(4,539)**	(998)
Investment in intangible assets	**(97)**	-	**(97)**	-
Proceeds on disposal of fixed assets	**-**	-	**113**	-
	(1,301)	(1,093)	**(4,523)**	(52,850)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(4,158)**	(300)	**(8,742)**	4,194
Cash and cash equivalents (bank indebtedness), beginning of period	**(390)**	4,494	**4,194**	-
Cash and cash equivalents (bank indebtedness), end of period	**$ (4,548)**	$ 4,194	**$ (4,548)**	$ 4,194

The Partnership will file its annual report (including management's discussion and analysis) and consolidated financial statements and notes thereto as at and for the year ended December 31, 2007 and the 305-day period ended December 31, 2006 in accordance with National Instrument 51-102 - Continuous Disclosure Obligations adopted by the Canadian securities regulatory authorities. Additional information about the Partnership, including the Partnership's 2007 annual report, the audited consolidated financial statements and notes thereto and management's discussion and analysis as at and for the year ended December 31, 2007, will be available on the Partnership's SEDAR profile at www.sedar.com and CES' website at www.CanadianEnergyServices.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.

Except for the historical and present factual information contained herein, the matters set forth in this news release, including words such as "expects", "projects", "plans" and similar expressions, are forward-looking information that represents management of Canadian Energy Services' internal projections, expectations or beliefs concerning, among other things, future operating results and various components thereof or the economic performance of Canadian Energy Services. The projections, estimates and beliefs contained in such forward-looking information necessarily involve known and unknown risks and uncertainties, which may cause Canadian Energy Services' actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, those described in Canadian Energy Services' filings with the Canadian securities authorities. Accordingly, holders of Canadian Energy Services Class A Common limited partnership units and potential investors are cautioned that events or circumstances could cause results to differ materially from those predicted.

In particular, this press release contains forward-looking information pertaining to the following: future estimates as to distribution levels; capital expenditure programs for oil and natural gas drilling; supply and demand for drilling fluid systems and industry activity levels; commodity prices; treatment under governmental regulatory and taxation regimes; dependence on equipment suppliers and equipment improvements; dependence on personnel; collection of accounts receivable; operating risk liability; expectations regarding market prices and costs; expansion of services in Canada, the United States and internationally; development of new technology; acquisition of trucking capacity; and competitive conditions.

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