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Canadian Energy
SERVICES L.P.

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NEWS RELEASE

Canadian Energy Services L.P. Announces First Quarter Results

TSX: CEU.UN

Calgary, Alberta – Canadian Energy Services L.P. ("CES" or the "Partnership") is pleased to report on its financial and operating results for the three month period ended March 31, 2008.

Revenue for the first quarter was $28.3 million, an increase of $8.8 million or 45% over the first quarter last year. Net earnings were $0.56 per unit, an increase of $0.14 per unit over the $0.42 per unit generated for the same period last year.

"Our first quarter results demonstrated CES' ability to outperform expectations and position ourselves as the industry leader in the drilling fluids sector. Our revenue growth of 45% and earnings growth of 35% over last year, in a market where industry activity levels were down 6%, demonstrate the powerful value proposition we offer to our customers." said Tom Simons, the President and Chief Executive Officer of Canadian Energy Services Inc., the general partner of CES. "We recognize the commitment made by all our employees during the first quarter of 2008 which was required to generate this level of activity for CES. We are also very pleased with the startup of our US operations and look forward to introducing our value proposition and growing this new market segment."

CES attributes its growth in market size and market share 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.

	Three Months Ended March 31		
Financial Results	**2008**	2007	% Change
($000's, except per unit amounts)			
Revenue	**28,274**	19,518	45
Gross margin (1)	**8,969**	6,521	38
Net earnings before taxes	**5,333**	3,927	36
per unit – basic and diluted (2)	**0.57**	0.42	36
Net earnings	**5,282**	3,927	35
per unit – basic and diluted (2)	**0.56**	0.42	33
EBITDAC (1)	**5,852**	4,128	42
Funds flow from operations (1)	**5,703**	4,137	38
per unit – basic and diluted (2)	**0.61**	0.44	39
Distributions declared	**2,229**	2,229	-
per Class A Unit	**0.2376**	0.2376	-
per Subordinated Class B Unit	**0.2376**	0.2376	-

Financial Position	**Mar 31, 2008**	Dec 31, 2007	% Change
($000's)			
Working capital	**12,078**	7,552	60
Total assets	**86,466**	77,070	12
Long-term financial liabilities (3)	**3,005**	1,289	133
Unitholders' equity	**56,143**	53,047	6

Partnership Units Outstanding (2)		**Three Months Ended March 31** **2008**	2007	% Change
End of period		**9,380,946**	9,380,946	-
Weighted average	- basic	**9,380,946**	9,380,946	-
	- diluted	**9,382,281**	9,380,946	-

Notes:

(1) 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, loss on disposal of assets and unit-based compensation ("EBITDAC"), gross margin, funds flow from operations and payout ratio. 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 Canadian 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 year ended December 31, 2007 included in the Partnership's 2007 Annual Report.

(2) Includes Class A Units and Subordinated Class B Units.

(3) Vehicle financing loans and committed loans excluding current portions.

Highlights of the three months ended March 31, 2008 in comparison to the three month period ended March 31, 2007 for CES were:

- The Partnership generated revenue of $28.3 million for the first quarter of 2008, an increase of 45% over the same period last year. Overall industry activity dropped 6% from an average rig count in the first quarter of 2007 of 531 to 497 in 2008 based on industry published data for Western Canada. CES estimates its market share in Western Canada increased in the first quarter of 2008 to 18% from 17% last year. Operating days in Western Canada were estimated to be 8,736 for the first quarter, an increase of 18% from last year. Revenue was generated by wells the Partnerships classifies as medium/deep – 52%, horizontal – 41% and shallow – 7%. Last year revenue was generated 57%, 33% and 10% respectively. Revenue generated in the USA in the first quarter 2008 was $700,000 and nil in the same period last year.

- Gross margin of $9.0 million or 32% of revenue was generated for the period, as a percentage of revenue, was similar to the 33% gross margin generated in the same period last year. Margins will vary with the mix of well types and the areas of operations.

- Selling, general and administrative costs were $3.1 million for the first quarter in 2008, in comparison to $2.4 million for last year. This increase related to higher commissions driven by higher revenue, increased headcount with transfers of field personnel into lab and technical support positions in Calgary, the addition of key personnel in the USA, and general salary increases. Travel and advisory costs were also incurred in the first quarter of 2008 for international business development.

- Net earnings increased 35% over the same period last year. For the first quarter 2008, net earnings were $5.3 million, which was 19% of revenue and $0.56 per unit. Net earnings for the first quarter last year was $3.9 million, which was 20% of revenue and $0.42 per unit.

- The Partnership maintained its monthly distributions throughout the first quarter of 2008 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 was 40% for the first quarter of 2008, in comparison to 55% for the same period last year. 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 $12.1 million at March 31, 2008 and CES' long-term debt, represented by vehicle financing loans and committed facilities, excluding current portion, was $3.0 million. CES continued to maintain a strong balance sheet that positions the Partnership to capitalize on growth opportunities.

Outlook

Management of the Partnership continues to believe that it is well positioned with its technology based service offerings, expanding geographic diversification and broad customer base to continue to grow the business. Any increase in industry activity should further improve CES' expected growth.

A number of indicators are supporting increased industry activity in the second half of 2008 and into 2009. The current strengthening of natural gas prices from the depressed levels in 2007, if sustained, will lead to increased drilling activity. The Petroleum Services Association of Canada recently provided some optimism in that they forecast industry drilling levels in Alberta will start to improve in 2008.

The Partnership remains active in key areas such as the Bakken light oil resource play in Saskatchewan and horizontal drilling activity in the Canadian oilsands. 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 stage 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 pleased by the results of our first quarter in 2008. 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. We believe the United States operations and international projects we are pursuing offer significant growth opportunities. Procuring materials and providing engineering support for these new activities can be achieved without adversely affecting our traditional markets.

CANADIAN ENERGY SERVICES L.P.

CONSOLIDATED BALANCE SHEETS
(stated in thousands of dollars)(unaudited)

		Mar 31, 2008		Dec 31, 2007
ASSETS				
Current assets				
Accounts receivable	**$**	**29,679**	$	21,909
Inventory		**7,369**		6,186
Prepaid expenses		**296**		190
		37,344		28,285
Property and equipment		**7,055**		6,724
Intangible assets		**101**		95
Goodwill		**41,966**		41,966
	$	**86,466**	$	77,070
LIABILITIES AND UNITHOLDERS' EQUITY				
Current liabilities				
Bank indebtedness	**$**	**6,276**	$	4,548
Accounts payable and accrued liabilities		**16,975**		14,196
Distributions payable		**1,084**		1,084
Current portion of long-term debt		**931**		905
		25,266		20,733
Long-term debt		**3,005**		1,289
Future income tax liability		**2,052**		2,001
		5,057		3,290
Unitholders' equity				
Class A Units		**66,959**		66,959
Subordinated Class B Units		**21,514**		21,514
Contributed surplus		**316**		273
Deficit		**(32,646)**		(35,699)
		56,143		53,047
	$	**86,466**	$	77,070

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 Mar 31, 2008	Three Months Ended Mar 31, 2007
Revenue	$ 28,274	$ 19,518
Cost of sales	19,305	12,997
Gross margin	8,969	6,521
Expenses		
Selling, general and administrative expenses	3,117	2,393
Amortization	323	169
Interest expense, net of interest income	149	(9)
Unit-based compensation	43	41
Loss on disposal of assets	4	-
	3,636	2,594
Net earnings for the period before taxes	5,333	3,927
Future income tax expense	51	-
Net earnings for the period	5,282	3,927
Other comprehensive income	-	-
Comprehensive earnings for the period	5,282	3,927
Deficit, beginning of period	(35,699)	(34,084)
Unitholders' distributions declared	(2,229)	(2,229)
Deficit, end of period	$ (32,646)	$ (32,386)
Net earnings per unit		
Basic and diluted	$ 0.56	$ 0.42

CANADIAN ENERGY SERVICES L.P.

CONSOLIDATED STATEMENTS OF CASH FLOW

(stated in thousands of dollars)(unaudited)

	Three Months Ended Mar 31, 2008	Three Months Ended Mar 31, 2007
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Net earnings for the period	**$ 5,282**	$ 3,927
Items not involving cash:		
Amortization	**323**	169
Future income tax expense	**51**	-
Unit-based compensation	**43**	41
Loss on disposal of assets	**4**	-
Change in non-cash operating working capital	**(6,214)**	(4,902)
	(511)	(765)
FINANCING ACTIVITIES:		
Repayment of long-term debt	**(1,094)**	(118)
Increase in long-term debt	**2,550**	-
Distributions to unitholders	**(2,229)**	(2,229)
	(773)	(2,347)
INVESTING ACTIVITIES:		
Investment in property and equipment	**(460)**	(88)
Investment in intangible assets	**(8)**	-
Proceeds on disposal of fixed assets	**24**	-
	(444)	(88)
DECREASE IN CASH AND CASH EQUIVALENTS	**(1,728)**	(3,200)
Cash and cash equivalents (bank indebtedness), beginning of period	**(4,548)**	4,194
Cash and cash equivalents (bank indebtedness), end of period	**$ (6,276)**	$ 994

The Partnership will file its first quarter report (including management's discussion and analysis) and consolidated unaudited interim financial statements and notes thereto as at and for the three months ended March 31, 2008 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 and the Partnership's Annual Information Form dated March 26, 2008 and for the year ended December 31, 2007 are 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.

Certain statements in this News Release may constitute "forward-looking information" which involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Partnership, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this News Release, such information uses such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", and other similar terminology. This information reflects the Partnership's current expectations regarding future events and operating performance and speaks only as of the date of the News Release. Forward-looking information involves significant risks and uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication 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, but not limited to, the factors discussed below. Although the forward-looking information contained in this News Release is based upon what management of the Partnership believes are reasonable assumptions, the Partnership cannot assure readers that actual results will be consistent with this forward-looking information. This forward-looking information is provided as of the date of this News Release, and, subject to applicable securities laws, the Partnership assumes no obligation to update or revise such information to reflect new events, or circumstances.

In particular, this News 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.

The Partnership's actual results could differ materially from those anticipated in the forward-looking information as a result of the following factors: general economic conditions in Canada, the United States and internationally; demand for oilfield services for drilling and completion of oil and natural gas wells; volatility in market prices for oil, natural gas and natural gas liquids and the effect of this volatility on the demand for oilfield services generally; competition; liabilities and risks, including environmental liabilities and risks, inherent in oil and natural gas operations; sourcing, pricing and availability of raw materials, consumables, component parts, equipment, suppliers, facilities, and skilled management, technical and field personnel; ability to integrate technological advances and match advances of competitors; availability of capital; uncertainties in weather and temperature affecting the duration of the oilfield service periods and the activities that can be completed; changes in legislation and the regulatory environment, including uncertainties with respect to programs to reduce greenhouse gas and other emissions, taxation of trusts, public partnerships and other flow-through entities, changes to the royalty regimes applicable to entities operating in the Western Canadian Sedimentary Basin; fluctuations in foreign exchange and interest rates; the ability of the Partnership to service debt and the potential suspension or reduction of distributions in respect thereof; and the other factors considered under "Risk Factors" in the Partnership's Annual Information Form dated March 26, 2008 and for the year ended December 31, 2007.

Without limiting the foregoing, the forward-looking information contained in this News Release is expressly qualified by this cautionary statement.

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