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PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION

CANADIAN ENERGY SERVICES L.P. ANNOUNCES PROPOSED CONVERSION TO A CORPORATION

Canadian Energy Services L.P. ("**CES**" or the "**Partnership**") (**TSX: CEU.UN**) is pleased to announce that the Partnership and Nevaro Capital Corporation ("**Nevaro**") have entered into an arrangement agreement (the "**Arrangement Agreement**") pursuant to which CES will convert from a limited partnership structure to a growth-oriented, dividend paying corporation (the "**Conversion**"). The Conversion will occur pursuant to a statutory plan of arrangement under the *Canada Business Corporations Act* (the "**Plan of Arrangement**") and is expected to become effective on January 1, 2010. CES' present monthly distribution of $0.0792 per Class A common limited partnership units ("**Class A Units**") will continue until January, 2010, with the final distribution being paid on or about January 15, 2010 for the month of December, 2009. CES presently anticipates that subsequent to the Conversion a monthly dividend in the amount of $0.06 per share will be paid to shareholders, with the first dividend being paid in respect of the month of January, 2010.

Strategic Rationale for the Conversion

CES' current Canadian limited partnership structure restricts CES' ability to grow in the United States ("**US**") and other international markets. Pursuant to CES' limited partnership agreement, 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. Upon completion of the Conversion, residents of the US and other international markets will now be permitted to acquire shares in CES, thereby increasing access to growth capital for CES.

The announcement by the Canadian federal government on October 31, 2006 of the income and distribution tax (the "**SIFT Tax**") on specified investment flow-through entities (i.e. publicly traded income trusts and limited partnerships or "**SIFTs**"), which for most SIFTs including CES will not be effective until the end of the transaction period on December 31, 2010, and the subsequent limitations placed on SIFTs with respect to growth during the transition period, made it clear that the intention of the Department of Finance (Canada) was to close and subsequently dissolve the public income trust and limited partnership market. Further, the legislation on tax-free corporate conversions of SIFTs announced in July 2008 requires conversions to be completed under the new rules before December 31, 2013. CES believes the uncertainty relating to the future of the public income trust and limited partnership market has had a negative impact resulting in discounted unit prices, limitations on access to growth capital, and as a result reduced growth prospects for CES.

CES has been proactively assessing several options available to expand its equity holding base beyond Canadian residents and provide long-term stability of after-tax income for our unitholders. CES believes the conversion to a corporation through the proposed Plan of Arrangement with Nevaro accomplishes both of these objectives.

Tom Simons, President and Chief Executive Officer of the general partner of CES, stated that, "We are pleased to announce this Conversion as it allows us to continue to create long-term value for our unitholders by converting from a limited partnership to a growth oriented corporation with a continued expectation of the payment of cash dividends. The Conversion will also enable CES to pursue strategic growth opportunities in the United States and internationally which are limited by our current structure".

Benefits of the Transaction to our Unitholders

- CES may have greater access to capital in Canada on a more timely and cost efficient basis and upon completion of the Conversion will have the ability to access capital in the United States and other international markets.
- The Conversion will result in CES' financial and operational performance being directly compared relative to its corporate peers.
- The proposed Plan of Arrangement provides for an effective and efficient method of converting from a SIFT to a corporation consistent with the legislation announced by the Minister of Finance. Canadian taxable shareholders will receive a dividend tax credit compared to current unitholders distributions tax treatment as other income.
- The exchange of Class A Units for shares pursuant to the proposed transaction is tax free for our unitholders based on the proposed rules for SIFT conversions.
- CES' conversion to a corporation may result in greater access to capital with the removal of the "normal growth" and "undue expansion restrictions" in the SIFT legislation that limited CES' ability to consider certain strategic acquisitions.
- The Conversion is expected to facilitate CES' strategic growth in the US and internationally.
- The planned termination of the public income trust and limited partnership market would have diminished CES' ability to raise capital in the future making the conversion to a corporation inevitable.
- CES is expected to have improved liquidity, possibly resulting in higher trading volumes.
- CES will have an estimated aggregate Canadian tax basis in excess of $103 million following the Conversion.

CES after Conversion to a Corporation

- CES will become a dividend paying corporation. CES expects that the Conversion will result in the issuance of one share of the successor corporation for each one Class A Unit held, and that following the completion of the Conversion it will make monthly payments of $0.06 per share ($0.72 per share on annualized basis) which will be paid as a dividend to its shareholders.
- Canadian taxable shareholders will receive a dividend tax credit and should benefit from lower income taxes paid compared to taxes previously paid on CES' distributions.
- After the completion of the Conversion, CES will continue to operate its existing businesses and existing board and management of Canadian Energy Services Inc. ("**CESI**"), the general partner of CES, will remain the same.
- The existing business of Nevaro will be carried on by a new corporation owned by Nevaro's existing shareholders ("**New Nevaro**").
- In accordance with the Plan of Arrangement, New Nevaro will receive aggregate consideration of approximately $2.8 million. Transaction costs associated with the Plan of Arrangement are estimated to be $0.6 million.

Details of the Conversion

The Conversion is subject to various commercial conditions including the consent to the Plan of Arrangement of CES' lenders and receipt of regulatory approvals which include the approval of the Toronto Stock Exchange (with respect to CES) and the TSX Venture Exchange (with respect to Nevaro). The Conversion is also subject to the approval of the court and of 66⅔% of the votes cast by unitholders of CES and the shareholders of Nevaro at the respective securityholder meetings called to approve, among other things, the Conversion. The mailing of a joint information circular to holders of Class A Units and the Nevaro shareholders is expected to occur in late November, 2009 with the meeting to be held on or about December 22, 2009. The closing of the Conversion is expected to occur on January 1, 2010.

Complete details of the terms of the Plan of Arrangement are set out in the Arrangement Agreement that will be filed by CES on SEDAR. (www.sedar.com)

Conversion Approvals

The board of directors of CESI has unanimously determined that the Arrangement is the best interests of CES and the CES Unitholders. The board of directors of Nevaro has unanimously determined that the Arrangement is the best interests of Nevaro and the Nevaro shareholders and that the Arrangement is fair to the Nevaro shareholders.

Support Agreement

Holders of approximately 24% of the outstanding common shares of Nevaro, including directors and officers of Nevaro, have entered into support agreements with CES whereby they have agreed to vote their common shares of Nevaro in favour of the Plan of Arrangement and related matters.

Financial Advisor

Cormark Securities Inc. acted as a financial advisor to the Partnership in respect to the Conversion and will be paid a fee, which is included in the estimated transaction costs.

About Canadian Energy Services L.P.

CES 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 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.

Management and the Board of Directors of CESI review the appropriateness of distributions on a monthly basis taking into account industry conditions and, particularly, growth opportunities requiring expansion capital and management's forecast of cash available for distribution. **Although at this time the CES intends to continue to make cash distributions to unitholders, and to make dividends to shareholders following the Conversion as discussed in this press release, these distributions and dividends are not guaranteed**. In addition, future expansion investments and acquisitions may be funded internally by withholding a portion of funds otherwise allocated for distributions or dividends in conjunction with or in replacement of external sources of capital such as debt or the issuance of equity. To the extent that CES withholds cash to finance these activities, the amount of distributions or dividends to securityholders may be reduced.

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 www.sedar.com or at the Partnership's website at www.CanadianEnergyServices.com.

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Forward Looking Information

This press release contains certain forward-looking statements and forward-looking information ("**forward-looking information**") within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "expect", "may", "will", "project", "should" or similar words suggesting future outcomes. In particular, this press release includes forward-looking information relating to results of operations, anticipated future dividends, taxes, plans and objectives, access to capital, liquidity and trading volumes, projected costs, business strategy, completion of the Conversion, anticipated benefits of the Conversion, and future distributions for the balance of the 2009 fiscal year. CES believes the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

Forward-looking information is based on various assumptions. Those assumptions are based on information currently available to CES, including information obtained from third party industry analysts and other third party sources and include the historic performance of CES' businesses, current business and economic trends, completion of the Conversion and utilization of the tax basis, currency, exchange and interest rates, trading data and cost estimates. You are cautioned that the preceding list of assumptions is not exhaustive.

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties some of which are described herein. Such forward-looking information necessarily involves known and unknown risks and uncertainties, which may cause CES' 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 information. These risks and uncertainties include but are not limited to the risks identified in CES' Annual Information Form for the year ended December 31, 2008 under the heading "Risk Factors" and in CES' Management's Discussion and Analysis for the year ended December 31, 2008 under the heading "Risks and Uncertainties", and the risks associated with the availability and amount of the tax basis. Any forward-looking information is made as of the date hereof and, except as required by law, CES assumes no obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.