



November 26, 2009

**CANADIAN ENERGY SERVICES L.P. ANNOUNCES  
\$10 MILLION BOUGHT DEAL FINANCING**

**CALGARY, ALBERTA**

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR  
DISSEMINATION IN THE U.S.**

**Canadian Energy Services L.P.** ("**CES**" or the "**Partnership**") (TSX: CEU.UN) is pleased to announce that it has entered into a private placement financing agreement, on a bought-deal basis, with a syndicate of underwriters led by RBC Capital Markets and Cormark Securities Inc., and including National Bank Financial Inc., FirstEnergy Capital Corp., Thomas Weisel Partners Canada Inc., Wellington West Capital Markets Inc., Paradigm Capital Corp. and HSBC Securities (Canada) Inc. (collectively, the "**Underwriters**") pursuant to which CES will issue and the Underwriters have agreed to purchase 1,000,000 Class A Common limited partnership units ("**Class A Units**") at a price of \$10.00 per Class A Unit for aggregate gross proceeds of \$10 million (the "**Offering**").

The Offering is scheduled to close on or about December 15, 2009 and is subject to certain closing conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange (the "**TSX**"). The Class A Units issued under the Offering will be subject to a hold period expiring 4 months and a day following closing of the Offering. If the Partnership completes its previously announced conversion into a corporation (the "**Conversion**"), as announced on November 11, 2009, any securities issued pursuant to the Conversion in exchange for the Class A Units issued under the Offering are expected to be freely tradeable. The Conversion is expected to become effective on January 1, 2010, but is subject to a number of conditions including unitholder, shareholder, stock exchange and court approvals. There is no assurance that the Conversion will be completed when or as anticipated or at all.

The Partnership intends to use the gross proceeds of the Offering to fund a portion of the purchase price of the proposed acquisition of Champion Drilling Fluids Inc. announced today (the "**Champion Acquisition**"), pay the expenses related to the Offering, repay certain outstanding indebtedness and to fund certain capital and general corporate expenditures.

## **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 Canadian Energy Services Inc., the general partner of the Partnership, 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.

CES 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](http://www.sedar.com) or at the Partnership's website at [www.CanadianEnergyServices.com](http://www.CanadianEnergyServices.com).

This press release is not an offer of securities for sale in the United States. The Class A Units may not be offered or sold in the United States or to a U.S. resident person. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

## **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, without limitation, this press release includes forward-looking information relating to anticipated future dividends, taxes, plans and objectives, access to capital, business strategy, completion of the Champion Acquisition, the Offering, use of proceeds of the Offering and future distributions. 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.

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