Q2

Three months ended June 30, 2008

Canadian Energy SERVICES L.P.

Q2 INTERIM REPORT - HIGHLIGHTS

Canadian Energy Services L.P. ("CES" or the "Partnership") is pleased to report on its financial and operating results for the three months ended June 30, 2008.

Revenue for the second quarter was $14.6 million, an increase of $8.4 million or 135% over the second quarter last year. Net earnings for the second quarter of 2008, prior to a $1.1 million non-cash charge for unit-based compensation, was breakeven. This compares favourably to the second quarter of 2007, whereby the net earnings was a loss of $653,000 after adjusting for the non-cash charge of $2.3 million for future income taxes. Funds flow from operations was $0.05 per unit in the second quarter of 2008, a significant increase from the loss of $0.04 per unit for the same quarter last year.

"We are very pleased with the performance of CES in the second quarter, which reflected strong operational results for this time of year. Our recent acquisition of Clear Environmental Solutions and the concurrent equity financing have provided a broader line of services without compromising the balance sheet. Our revenue growth of 135% and positive funds flow from operations in the second quarter during traditional spring break-up demonstrates, to a large part, the contribution of our southeast Saskatchewan operation, Moose Mountain Mud." said Tom Simons, the President and Chief Executive Officer of Canadian Energy Services Inc., the general partner of CES. "We have continued to recruit, train and develop our field personnel in anticipation of continued growth. Our US operations continued to develop and we look forward to growing this new market segment."

CES attributes its growth in market size and market share over the last year to the use of its technologies, particularly new technologies such as Seal-AX™ (Patent Pending), combined with superior service. CES helps its customers maximize their returns on invested capital through lower drilling costs and improved productivity.

	Three Months Ended Jun 30			Six Months Ended Jun 30		
Financial Results	**2008**	2007	% Change	**2008**	2007	% Change
($000's, except per unit amounts)						
Revenue	**14,560**	6,198	135	**42,834**	25,716	66
Gross margin[1]	**3,559**	1,444	146	**12,528**	7,965	57
Net earnings (loss) before income taxes	**(1,040)**	(653)	59	**4,293**	3,274	31
per unit – basic and diluted[2]	**(0.10)**	(0.07)	43	**0.45**	0.35	29
Net earnings (loss)	**(1,055)**	(2,955)	(64)	**4,227**	972	335
per unit – basic and diluted[2]	**(0.11)**	(0.32)	(66)	**0.44**	0.10	340
EBITDAC[1]	**566**	(396)	n/m	**6,418**	3,732	72
Funds flow from operations[1]	**469**	(400)	n/m	**6,172**	3,737	65
per unit – basic and diluted[2]	**0.05**	(0.04)	n/m	**0.64**	0.40	60
Distributions declared	**2,371**	2,229	6	**4,600**	4,458	3
per Class A Unit	**0.2376**	0.2376	-	**0.4752**	0.4752	-
per Subordinated Class B Unit	**0.2376**	0.2376	-	**0.4752**	0.4752	-

Financial Position	**Jun 30 2008**	Dec 31 2007	% Change
($000's)			
Working capital	**14,706**	7,552	95
Total assets	**91,516**	77,070	19
Long-term financial liabilities[3]	**3,132**	1,289	143
Unitholders' equity	**70,298**	53,047	33

		Three Months Ended Jun 30			Six Months Ended Jun 30		
Partnership Units Outstanding[2]		**2008**	2007	% Change	**2008**	2007	% Change
End of period		**11,166,370**	9,380,946	19	**11,166,370**	9,380,946	19
Weighted average	- basic	**9,822,070**	9,380,946	5	**9,602,727**	9,380,946	2
	- diluted	**9,912,771**	9,380,946	6	**9,644,017**	9,385,984	3

Notes:
[1] Refer to the "Non-GAAP Measures" on page 4 for further detail.
[2] Includes Class A Units and Subordinated Class B Units.
[3] Vehicle financing loans and committed loans excluding current portions.
n/m – Calculation not meaningful.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of financial condition and results of operations should be read in conjunction with the 2007 Annual Report, including the audited consolidated financial statements and notes thereto, of Canadian Energy Services L.P. ("CES" or the "Partnership") as at and for the year ended December 31, 2007 and the 305-day period ended December 31, 2006 and the unaudited interim consolidated financial statements and notes thereto of the Partnership for the three and six months ended June 30, 2008 and 2007. The information contained in this MD&A was prepared up to and including July 31, 2008 and incorporates all relevant considerations to that date.

Certain statements in this MD&A 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 MD&A, 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 MD&A. 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 MD&A 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 MD&A, 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 MD&A 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 and "Risks and Uncertainties" in this MD&A.

Without limiting the foregoing, the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

OVERVIEW OF FINANCIAL AND OPERATIONAL RESULTS

Highlights of the three months ended June 30, 2008 in comparison to the three month period ended June 30, 2007 for CES were:

- The Partnership generated revenue of $14.6 million for the second quarter of 2008, an increase of 135% over the same period last year. Overall industry activity in Western Canada increased 15% from an average rig count in the second quarter of 2007 of 148 to 170 in the second quarter of 2008 based on industry published data. CES estimates its market share in Western Canada increased in the second quarter of 2008 to 25% from 17% last year. Operating days in Western Canada were estimated to be 4,004 for the second quarter, an increase of 76% from the same quarter last year. Revenue generated by wells the Partnerships classifies as medium/deep – 33%, horizontal – 66% and shallow – 1%. Last year revenue generated by well type 37%, 58% and 5% respectively. Revenue generated in the USA in the second quarter 2008 was $1.1 million and nil in the same period last year.

- On June 12, 2008 the Partnership acquired all the business assets of Clear Environmental Solutions Inc. ("Clear") for an aggregate of $11.5 million subject to a working capital adjustment as well as an earn-out provision of up to $2.0 million based on the earnings achieved from the acquired business after a one year period. In the second quarter of 2008, Clear contributed $0.5 million in revenue.

- Gross margin of $3.6 million or 24% of revenue was generated for the period, slightly ahead of the 23% gross margin generated for the same period last year. Field personnel increased from an average of 34 in the second quarter of 2007 to 64 for the same period this year. CES continued with its recruitment and training programs in the second quarter of 2008 in anticipation of the continued growth in activity.

- Selling, general and administrative costs were $3.0 million for the second quarter in 2008, in comparison to $1.8 million for last year. This increase related to higher commissions driven by higher revenue, increased average headcount from 31 last year to 46 (includes the addition of key personnel in the USA, lab and technical support and the two week impact of the addition of the Clear personnel) and general salary increases.

- Net earnings improved from a loss of $3.0 million in the second quarter last year (which included a charge of $2.3 million for future income taxes) to a loss of $1.1 million for the second quarter this year. The loss this quarter includes a charge of $1.1 million for unit-based compensation primarily related to the issuance of Class A Units under the Partnership's Unit Bonus Plan which was approved at the annual general and special meeting in May 2008. Loss per unit was $0.11 for the second quarter in 2008, improved from the loss of $0.32 in the same quarter last year.

- The Partnership maintained its monthly distributions throughout the second 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 (refer to "Non-GAAP Measures" on page 4) was 584% for the second quarter of 2008, in comparison to a negative 423% for the same period last year. On a year to date basis, the payout ratio was 77% for the six months ended June 30, 2008 in comparison to 127% 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.

- On June 5, 2008 the Partnership completed a bought deal financing with a syndicate of underwriters for 1.2 million Class A Units at $10.25 per unit for net proceeds of $11.9 million after deducting underwriters fees and other expenses of the financing. The net proceeds were used to pay the cash portion of the Clear acquisition and related costs of $7.5 million, with $3.25 million retained and allocated to the Partnership's capital program. The balance will be used for general capital requirements due to the growth of the business.

- Working capital was $14.7 million at June 30, 2008 and CES' long-term debt, represented by vehicle financing loans and committed facilities, excluding current portion, was $3.1 million. CES continued to maintain a strong balance sheet that positions the Partnership to capitalize on growth opportunities.

NON-GAAP MEASURES

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Certain supplementary information and measures not recognized under Canadian GAAP are also provided in this MD&A where management believes they assist the reader in understanding the Partnership's results. These measures are calculated by CES on a consistent basis unless otherwise specifically explained. These measures are further explained as follows:

Distributable funds – means funds flow from operations less maintenance capital. See the definition of funds flow from operations below and the definition of maintenance capital under "Operational Definitions" on page 5. Distributable funds is a measure used by management and investors to analyze the amount of funds available to distribute to unitholders before consideration of funds required for growth purposes. Refer to "Liquidity and Capital Resources – Funds Flow from Operations and Distributions" on page 9 for the calculation of distributable funds.

EBITDAC – means net earnings before interest, taxes, amortization, loss on disposal of assets and unit-based compensation. EBITDAC is a metric used to assess the financial performance of an entity. Management believes that this metric assists in determining the ability of CES to generate cash from operations. EBITDAC was calculated as follows:

	Three Months Ended Jun 30		**Six Months Ended Jun 30**	
	2008	2007	**2008**	2007
($000's)				
Net earnings (loss)	**(1,055)**	(2,955)	**4,227**	972
Add back (deduct):				
Amortization	**452**	185	**775**	354
Interest expense, net of interest income	**97**	4	**246**	(5)
Future income tax expense	**15**	2,302	**66**	2,302
Unit-based compensation	**1,053**	43	**1,096**	84
Loss on disposal of assets	**4**	25	**8**	25
EBITDAC	**566**	(396)	**6,418**	3,732

Funds flow from operations – means cash flow from operations before changes in non-cash operating working capital. This measure is not intended to be an alternative to cash provided by operating activities as provided in the consolidated statements of cash flow, net earnings or other measures of financial performance calculated in accordance with Canadian GAAP. Funds flow from operations assists management and investors in analyzing operating performance and leverage. Funds flow from operations was calculated as follows:

	Three Months Ended Jun 30		**Six Months Ended Jun 30**	
	2008	2007	**2008**	2007
($000's)				
Cash provided by operating activities	**5,557**	5,363	**5,046**	4,598
Adjust for:				
Change in non-cash operating working capital	**(5,088)**	(5,763)	**1,126**	(861)
Funds flow from operations	**469**	(400)	**6,172**	3,737

Gross margin – means revenue less cost of sales, which represents cost of product, field labour and all field related operating costs. Management believes this metric provides a good measure of the operating performance at the field level. It should not be viewed as an alternative to net earnings.

Payout ratio – means distributions declared as a percentage of distributable funds. Refer to "Liquidity and Capital Resources – Funds Flow from Operations and Distributions" on page 9 for the calculation of the payout ratio.

These measures do not have a standardized meaning as prescribed by Canadian GAAP and are therefore unlikely to be directly comparable to similar measures presented by other companies, trusts or partnerships.

OPERATIONAL DEFINITIONS

Expansion capital – represents the amount of capital expenditure that has or will be incurred to grow or expand the business or would otherwise improve the productive capacity of the operations of the business.

Maintenance capital – represents the amount of capital expenditure that has been or will be incurred to sustain the current level of operations.

Market share – CES estimates its market share by comparing, on a semi-weekly basis, the number of rigs where the Partnership was providing services to the total active rigs for Western Canada. Total active rigs for Western Canada are based on Canadian Association of Oilwell Drilling Contractors ("CAODC") published data for Western Canada.

Operating days – CES estimates its operating days, which are revenue generating days, by multiplying the average number of rigs where the Partnership was providing drilling fluid services by the number of days in the period.

Well type - the Partnership classifies oil and natural gas wells by depth, as follows:

shallow wells:	generally less than 1,000 metres;
medium wells:	generally between 1,000 and 2,500 metres;
deep wells:	generally greater than 2,500 metres; and
horizontal wells:	drilled vertically then horizontally, often with multiple lateral legs, reaching out 500 to 1,500 metres each.

RESULTS FOR THE PERIODS

	Three Months Ended Jun 30				Six Months Ended Jun 30			
	2008	2007	$ Change	% Change	**2008**	2007	$ Change	% Change
($000's, except per unit amounts)								
Revenue	**14,560**	6,198	8,362	135	**42,834**	25,716	17,118	66
Cost of sales	**11,001**	4,754	6,247	131	**30,306**	17,751	12,555	71
Gross margin[1]	**3,559**	1,444	2,115	146	**12,528**	7,965	4,563	57
% of revenue	**24%**	23%			**29%**	31%		
Selling, general and administrative expenses	**2,993**	1,840	1,153	63	**6,110**	4,233	1,877	44
Unit-based compensation	**1,053**	43	1,010	n/m	**1,096**	84	1,012	n/m
Amortization	**452**	185	267	144	**775**	354	421	119
Interest expense, net of interest income	**97**	4	93	n/m	**246**	(5)	251	n/m
Loss on disposal of assets	**4**	25	(21)	n/m	**8**	25	(17)	n/m
Net earnings (loss) before taxes	**(1,040)**	(653)	(387)	59	**4,293**	3,274	1,019	31
Future income tax expense	**15**	2,302	(2,287)	n/m	**66**	2,302	(2,236)	n/m
Net earnings (loss)	**(1,055)**	(2,955)	1,900	64	**4,227**	972	3,255	335
per unit – basic and diluted	**(0.11)**	(0.32)	0.21	66	**0.44**	0.10	0.34	340

Notes:
[1] Refer to the "Non-GAAP Measures" on page 4 for further detail.
n/m – Calculation is not meaningful.

Revenue and Operating Activities

The Partnership generated revenue of $14.6 million for the three months ended June 30, 2008, an increase of 135% over the same period in 2007. Of the $8.4 million increase in revenue, $1.1 million was generated in the USA and $534,000 was contributed by the new division, Clear Environmental Solutions.

The active rig count in Western Canada averaged 170 in the second quarter 2008 based on CAODC published monthly data for Western Canada. This was a 15% increase from the average rig count of 148 in the second quarter of 2007. As of July 29, 2008, there were 419 active rigs reported by CAODC, which compares to 378 a year earlier.

CES estimated its market share in Western Canada in the second quarter of 2008 was 25%, an increase from the 17% estimated for the same period last year.

The top five customers of the Partnership accounted for approximately 39% of revenue in the second quarter of 2008, with the largest customer, a major exploration and production company, at 13%. For the same period last year, the Partnership's top five customers accounted for 53% of revenue, with the largest customer at 18%.

The Partnership estimated operating days from its drilling fluids services as follows:

	Three Months Ended Jun 30			**Six Months Ended Jun 30**		
	2008	2007	% Change	**2008**	2007	% Change
Canada	**4,004**	2,275	76	**12,740**	9,655	32
USA	**182**	-	n/m	**273**	-	n/m
Total Operating Days	**4,186**	2,275	84	**13,013**	9,655	35

Note:
n/m – Calculation is not meaningful.

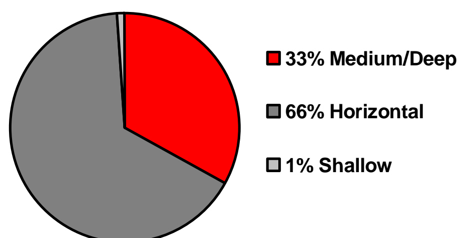
CES generated incremental revenue in the second quarter 2008 with an estimated 182 operating days from operations in Colorado and Utah, USA. In addition, the EQUAL Transport trucking operations based in Edson, Alberta and the growth in trucking for the Moose Mountain Mud division, contributed approximately $700,000 of revenue in the second quarter of 2008, up significantly from the $40,000 generated in the second quarter of 2007.

Our environmental division, Clear Environmental Solutions, was acquired on June 12, 2008. For the last 18 days of June, the division contributed $534,000 of revenue which is 30% higher than expected at the time of the purchase. The increase in revenue was across all product lines with a 22% increase in southern and central Alberta (shallow well related work) and a 42% increase in revenue in northern Alberta and north-eastern B.C. The wet weather conditions in southern Alberta during this time frame had a negative affect on operations.

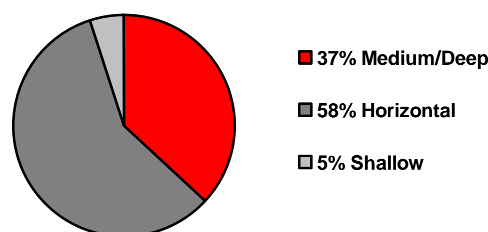
Overall, CES continued to focus its drilling fluids operations on medium to deep drilling and horizontal drilling which collectively represented approximately 99% of revenue for the three months ended June 30, 2008. CES' experience has been that the importance to the operator of drilling fluid systems' increases significantly with the depth and complexity of the well drilled.

The following charts illustrate the Partnership's estimated revenue from its drilling fluids services by well type in CES' targeted areas:

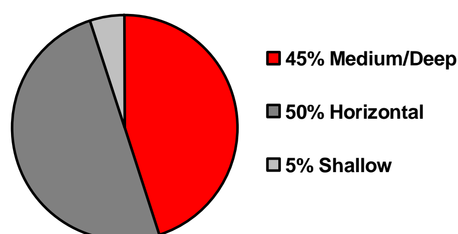
Three Months Ended June 30, 2008



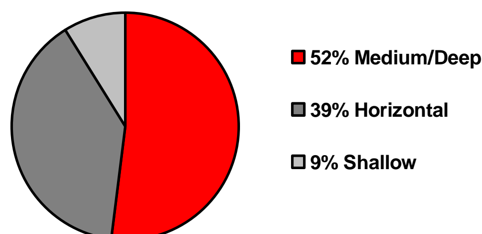
Three Months Ended June 30, 2007



Six Months Ended June 30, 2008



Six Months Ended June 30, 2007



Cost of Sales and Gross Margin

Gross margin of $3.6 million, or 24% of revenue, was generated for the second quarter in 2008. Gross margin was 23% of revenue for the same period last year. Gross margin represents the profit earned on revenue after deducting the cost of products, field labour and all related field and trucking costs. Margins vary due to a change in product mix, well type, geographic area and nature of activity (i.e. drilling fluids, trucking, environmental, etc.).

Cost of labour has less of an impact on margins as activity increases. Use of consultants and the variable component of compensation for employees provides a means to manage seasonal activity swings. During the second quarter of 2008, CES continued to recruit and train personnel. CES field staff increased from an average headcount of 34 in the second quarter of 2007 to 64 in the second quarter of 2008, an 88% increase. The increased field staff was required to accommodate the significant increase in market share and the expected continued level of growth. CES is committed to the continued recruiting, training and retention of quality field personnel to ensure quality customer service at the well site.

Selling, General and Administrative Expenses ("SG&A")

SG&A for the three months ended June 30, 2008 was $3.0 million, an increase of $1.1 million (or 63%) from the same period last year. This increase related to higher commissions driven by higher revenue, increased average headcount from 31 in the second quarter of 2007 to 46 for the same quarter this year (includes the addition of key personnel in the USA - including a Division Manager of the new Mid-Continent Division based in Oklahoma City, lab and technical support and the two week impact of the addition of the Clear Environmental Solutions personnel – full impact is the addition of 17 personnel) and general salary increases.

The Partnership continues to be focused on overall cost control for SG&A.

Other Expense Items

Unit-based compensation of $1.1 million for the three month period ended June 30, 2008 was primarily due to the grant of 75,500 Class A Units with immediate vesting at a cost of $810,000 (see Liquidity and Capital Resources – Unit-based Compensation on page 12).

Amortization of property, equipment and intangibles was $452,000 for the second quarter of 2008 in comparison to $185,000 for the second quarter of 2007. The increase largely related to; the investment in trucks in the second half of 2007 which are amortized on a straight-line basis over 5 years, the Edson facility which became operational in the last quarter of 2007 and is being amortized over 20 years and the amortization of intangible assets.

Interest expense, net of interest income, consists of interest expense on vehicle financing loans, the committed facilities and the operating loan less interest earned on short-term investments.

Future Income Taxes

Based on its assets and liabilities as at June 30, 2008, the Partnership estimated the amount of its temporary differences between amounts recorded on its balance sheet and amounts carried for tax purposes and the period in which these differences will reverse. Details of taxable (deductible) temporary differences are as follows:

($000's)	**Jun 30, 2008**	**Jan 1, 2011**
Property and equipment	**(124)**	**(67)**
Goodwill and intangible assets	**2,103**	**7,482**
IPO underwriting costs originally netted with unitholders' capital	**(3,528)**	**(471)**
Net taxable (deductible) temporary differences	**(1,549)**	**6,944**
Tax rate	**0%**	**28%**
Future income taxes	**n/a**	**1,944**

Note:
n/a - Not applicable.

The Partnership estimated that the net deductible temporary differences existing at June 30, 2008 will reverse at a nil tax rate. The Partnership also estimated that $6.9 million of net taxable temporary differences will reverse after January 1, 2011, resulting in a $1.9 million future income tax liability. The taxable temporary differences relate principally to the projected excess of net book value of goodwill over the projected remaining tax pools attributable thereto at January 1, 2011.

QUARTERLY FINANCIAL SUMMARY

Quarters Ended	**Jun 30, 2008**	Mar 31, 2008	Dec 31, 2007	Sep 30, 2007
Financial Results				
($000's, except per unit amounts)				
Revenue	**14,560**	28,274	18,600	16,104
Gross margin[1]	**3,559**	8,969	5,773	5,337
Net earnings (loss)	**(1,055)**	5,282	3,292	3,037
per unit – basic and diluted[2]	**(0.11)**	0.56	0.35	0.32
EBITDAC[1]	**566**	5,852	3,503	3,218
Funds flow from operations[1]	**469**	5,703	3,450	3,223
per unit – basic and diluted[2]	**0.05**	0.61	0.37	0.34
Distributions declared	**2,371**	2,229	2,229	2,229
per Class A Unit	**0.2376**	0.2376	0.2376	0.2376
per Subordinated Class B Unit	**0.2376**	0.2376	0.2376	0.2376
Partnership Units Outstanding[2]				
End of period	**11,166,370**	9,380,946	9,380,946	9,380,946
Weighted average – basic	**9,822,070**	9,380,946	9,380,946	9,380,946
Weighted average – diluted	**9,912,771**	9,382,281	9,380,946	9,390,442

Quarters Ended	Jun 30, 2007	Mar 31, 2007	Dec 31, 2006	Sep 30, 2006
Financial Results				
($000's, except per unit amounts)				
Revenue	6,198	19,518	16,633	14,619
Gross margin[1]	1,444	6,521	4,906	4,194
Net earnings (loss)	(2,955)	3,927	(31,263)	2,500
per unit – basic and diluted[2]	(0.32)	0.42	(3.33)	0.27
EBITDAC[1]	(396)	4,128	2,886	2,596
Funds flow from operations[1]	(400)	4,137	2,917	2,635
per unit – basic and diluted[2]	(0.04)	0.44	0.31	0.29
Distributions declared	2,229	2,229	2,229	2,217
per Class A Unit	0.2376	0.2376	0.2376	0.2376
per Subordinated Class B Unit	0.2376	0.2376	0.2376	0.2376
Partnership Units Outstanding[2]				
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	9,244,805
Weighted average – diluted	9,380,946	9,380,946	9,380,946	9,244,898

Notes:
[1] Refer to the "Non-GAAP Measures" on page 4 for further detail.
[2] Includes Class A Units and Subordinated Class B Units. Between June 30, 2008 and July 31, 2008 there has been no change in the number of Partnership Units outstanding.

Seasonality of Operations

The Western Canadian drilling industry is subject to seasonality with activity peaking during the winter months in the fourth and first quarters. As temperatures rise in the spring, the ground thaws and becomes unstable. Government road bans severely restrict activity in the second quarter before equipment is moved for summer drilling programs in the third quarter. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2008, the Partnership had a cash balance of $243,000. Approximately $4.0 million was raised through the June 5, 2008 equity issue which has not yet been spent on the intended capital expenditures. The funds were used to temporarily draw down on the operating line of credit. Without these excess funds, bank indebtedness would have been $3.8 million. Bank indebtedness at December 31, 2007 was $4.5 million. Working capital was $14.7 million, an increase of $7.2 million from December 31, 2007 primarily due to the higher cash balance.

Funds Flow from Operations and Distributions

CES calculated distributable funds based on funds flow from operations[1] and the payout ratio[1] based on the level of distributions declared as follows:

	Three Months Ended Jun 30		**Six Months Ended Jun 30**	
	2008	2007	**2008**	2007
($000's)				
Cash flow from operating activities	**5,557**	5,363	**5,046**	4,598
Adjust for:				
Change in non-cash operating working capital[2]	**(5,088)**	(5,763)	**1,126**	(861)
Funds flow from operations[1]	**469**	(400)	**6,172**	3,737
Less: Maintenance capital[3]	**63**	127	**178**	216
Distributable funds[1]	**406**	(527)	**5,994**	3,521
Distributions declared	**2,371**	2,229	**4,600**	4,458
Payout ratio[1]	**584%**	(423)%	**77%**	127%

Notes:
[1] *Refer to the "Non-GAAP Measures" on page 4 for further detail.*
[2] *See components of change in non-cash operating working capital balances below.*
[3] *Refer to the "Operational Definitions" on page 5 for further detail.*

Components of change in non-cash operating working capital balances – increase (decrease) in cashflow:	**Three Months Ended Jun 30**		**Six Months Ended Jun 30**	
	2008	2007	**2008**	2007
($000's)				
Accounts receivable	**9,863**	13,067	**2,093**	14,597
Inventory	**(1,466)**	185	**(2,649)**	(586)
Prepaid expenses	**(48)**	(46)	**(154)**	(197)
Accounts payable and accrued liabilities	**(3,402)**	(7,488)	**(557)**	(12,571)
Deferred revenue	**-**	45	**-**	(382)
Distributions payable	**141**	-	**141**	-
	5,088	5,763	**(1,126)**	861

Distributable funds were $406,000 for the three months ended June 30, 2008, in comparison to a deficiency of $527,000 for the same period in 2007. The Partnership declared monthly distributions of $0.0792 per Class A Common limited partnership unit ("Class A Unit") during the period and quarterly distributions of $0.2376 per Class B subordinated limited partnership unit ("Subordinated Class B Unit") to Subordinated Class B unitholders. The distributions paid on the Class A Units met the per unit targets as set out in the Partnership's long form prospectus dated February 21, 2006 in connection with the Partnership's initial public offering.

The target payout ratio on an annualized basis is 80% of distributable funds. The actual payout ratio for the second quarter of 2008 was 584% and it was (423)% for the same period in 2007. Throughout the year, the actual payout ratio varies with the seasonality of the Partnership's funds flow from operations. Periods of higher activity will cause the payout ratio to decrease, and likewise, lower activity periods will cause the payout ratio to increase. Distributions are funded by cash provided by operating activities. During periods of insufficient cash availability, due to either of the seasonality of the business or changes in the level of working capital, distributions could be funded through the credit facility. Refer to "Financing Activities" on page 11 for a discussion of the credit facilities.

Management continues to believe that the annual target level of 80% of distributable funds 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 and, particularly, growth opportunities requiring expansion capital and management's forecast of distributable funds.

The following chart summarizes the Partnership's distributions in relation to Canadian GAAP performance measures:

	Three Months Ended Jun 30		**Six Months Ended Jun 30**	
	2008	2007	**2008**	2007
($000's)				
Cash flow from operating activities	**5,557**	5,363	**5,046**	4,598
Net earnings (loss)	**(1,055)**	(2,955)	**4,227**	972
Distributions declared	**2,371**	2,229	**4,600**	4,458
Excess of cash flows from operating activities over distributions declared	**3,186**	3,134	**446**	140
Shortfall of net earnings over distributions declared	**(3,426)**	(5,184)	**(373)**	(3,486)

There was an excess of cash flows from operating activities over distributions declared in the three months ended June 30, 2008 primarily due to the reduction in account receivable during the quarter.

The shortfall of net earnings over distributions declared in the three months ended June 30, 2008 was $3.4 million. This shortfall was funded by cash flows from operations driven by collection of receivables. Given the seasonality of the business (see Quarterly Financial Summary – Seasonality of Operations on page 8), shortfalls in earnings in the second quarter are expected to be recovered during the remainder of the year.

Investing Activities

	Three Months Ended Jun 30		**Six Months Ended Jun 30**	
	2008	2007	**2008**	2007
($000's)				
Expansion capital	**1,150**	1,078	**1,715**	1,316
Maintenance capital	**63**	127	**178**	216
Total investment in property and equipment	**1,213**	1,205	**1,893**	1,532
Add (deduct):				
Decrease in non-cash investing working capital	**90**	-	**156**	-
Vehicle financing	**(521)**	(103)	**(807)**	(342)
Cash used for investment in property and equipment	**782**	1,102	**1,242**	1,190

The Partnership incurred $1.2 million in capital expenditures during the three months ended June 30, 2008, which included $590,000 for vehicles which are largely financed and $170,000 of spending under the facility expansion budget. During the second quarter of 2008, CES raised $3.25 million for a capital expansion program in the remainder of 2008 for expansion of the trucking and warehousing operations. The $1.2 million incurred in the three months ended June 30, 2007 was primarily for land in Edson, Alberta ($805,000) and the purchase of mud vans ($166,000) to service both the operations in Edson, Alberta and for Moose Mountain Mud in Carlyle, Saskatchewan.

In addition, on June 26, 2008, the Partnership acquired technology used in designing certain drilling fluid systems for $600,000 through the issuance of 75,000 Class A Units at a deemed price of $8.00 per unit. Of the Class A Units issued, 50,000 are held in escrow with one half of the units to be released on January 16, 2009 and the remaining units to be released on January 16, 2010 (see Unitholders' Equity on page 12).

Business Acquisition

On June 12, 2008, the Partnership completed the acquisition of the business and assets of Clear Environmental Solutions Inc. ("Clear") for an aggregate purchase price of $11.5 million, of which $7.5 million was paid in cash (which includes costs relating to the purchase of $129,000), $3.9 million paid through the issuance of 380,488 Class A Units at a deemed price of $10.25 per unit and an estimated working capital adjustment payable of $43,000. Contingent consideration exists which consists of a potential single earn-out payment of up to a maximum of $2.0 million. It is determined by subtracting $2.4 million from the net income from operations before management bonuses and investment income of the Partnership attributable to the business and assets acquired in connection with the acquisition for the 12 month period beginning July 1, 2008 and multiplying the positive result, if any, by an agreed upon multiple.

The payment, if any, will be satisfied by the issuance of Class A Units to the vendor, no later than the 60th day following the end of such 12 month period. The Class A Units will be issued at a price equal to the weighted average trading price of the Class A Units for the ten trading days preceding the earn-out payment date. No amount has been recorded with respect to this contingent consideration.

The purchase price is subject to a working capital adjustment following completion of the transaction. The acquisition has been accounted for using the purchase method, with the Partnership identified as the acquirer. Management is still reviewing the fair value of the assets and liabilities acquired and there may be further changes to the purchase price allocation. The purchase price allocation was estimated as follows:

Net assets acquired ($000's)	**Total**
Current assets	**1,610**
Property and equipment	**133**
Intangible assets	**4,200**
Goodwill	**5,847**
Current liabilities	**(318)**
	11,472
Consideration ($000's)	**Total**
Cash	**7,400**
Class A Units	**3,900**
Closing costs	**129**
Working capital adjustment payable	**43**
	11,472

Financing Activities

On February 26, 2008, the Partnership secured new debt 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 receivable and inventory. Any amounts drawn on this facility incur interest at the bank's prime rate plus 0.50%. At June 30, 2008, there was $302,000 drawn on this operating facility.

The Partnership also established two long-term committed debt facilities with the same commercial bank to borrow up to $2.75 million. The first committed loan was for $1.75 million with a five year term, with the bank reserving the right to extend the term by two additional five year terms. The monthly payments are amortized over 15 years. The second committed loan was for $0.8 million and has a five year term. Both loans incur interest at the bank's prime rate plus 0.75%. At June 30, 2008, there was $2.5 million drawn on these two committed facilities.

These facilities are secured by a general security agreement creating a first priority security interest in all personal property of the General Partner, the Partnership and its Canadian subsidiary, an unlimited corporate guarantee of the indebtedness of the Partnership given by the General Partner and the Partnership's Canadian subsidiary, and a demand collateral mortgage on the Partnership's Edson, Alberta property.

These facilities also impose the following financial covenants on the Partnership: its ratio of debt to equity must not exceed 2.50 to 1.00 (tested quarterly); its ratio of current assets to current liabilities must not be less than 1.25 to 1.00 (tested quarterly); and its debt service coverage ratio must not be less than 1.25 to 1.00 (tested annually based on the audited consolidated financial statements). The ratio of debt to equity is calculated as total liabilities per the financial statements, less future income taxes and net of any cash credit balances, divided by total unitholders' equity per the financial statements, less any intangible assets including goodwill. The ratio of current assets to liabilities is calculated as total current assets per the financial statements divided by current liabilities per the financial statements less current portion of long-term debt. The debt service coverage ratio is calculated as net earnings for the period, before interest expense, future income tax expense, unit-based compensation and amortization divided by the sum of all interest and principal payments for the period. If the Partnership does not meet any one of these requirements, it is considered to be in default of the agreement and is restricted from making any distributions to unitholders without prior written consent of the commercial bank. As at June 30, 2008, the Partnership has met all of the requirements under this agreement.

These new facilities were used to repay and cancel the Partnership's bank debt that was in place at December 31, 2007.

On June 5, 2008 the Partnership concluded its bought deal financing with a syndicate of underwriters for 1,234,200 Class A Units at $10.25 per unit for net proceeds of $11.9 million (gross proceeds of $12.7 million less costs of $782,000). The proceeds were used to pay the cash portion of the Clear acquisition and related costs of $7.5 million (see Business Acquisition on page 10), funds raised for a $3.25 million capital program and the remainder will be used for general working capital requirements due to the growth of the business.

Management is satisfied that the Partnership has sufficient liquidity and capital resources to meet these long-term payment obligations.

Unitholders' Equity

On March 2, 2008, the remaining 353,445 Class A Units that were being held in escrow were released from escrow.

On June 5, 2008, the Partnership and a syndicate of underwriters closed a bought deal equity financing pursuant to which the syndicate sold 1,234,200 Class A Units for gross proceeds of $12.7 million ($10.25 per Class A Unit). Net proceeds after offering expenses and underwriters' commissions net of tax, were $11.9 million.

In connection with the acquisition of Clear on June 12, 2008 (see Liquidity and Capital Resources – Business Acquisition on page 10), the Partnership issued 380,488 Class A Units to the Vendors. The Class A Units are held in escrow with one half of the units to be released from escrow on the first anniversary of the date of the acquisition, and the remaining units to be released on the second anniversary of the date of the acquisition.

On June 26, 2008, the Partnership issued 75,000 Class A Units in connection with the acquisition of technology used in designing certain drilling fluid systems. The Class A Units were valued at $8.00 per unit based on the fair value of the units when the transaction was approved by the Board of Directors of Canadian Energy Services Inc., the general partner of the Partnership. Of the Class A Units issued, 50,000 are held in escrow with one half of the units to be released on January 16, 2009 and the remaining units to be released on January 16, 2010 (see Liquidity and Capital Resources – Investing Activities on page 10).

Class A Units	**Number of Units**	**Amount**
		(000's)
Class A Units at December 31, 2007	**7,229,460**	**$ 66,959**
Equity issue, net of share issue costs	**1,234,200**	**11,868**
Consideration for acquired business (note 3)	**380,488**	**3,900**
Consideration for acquisition of intangible asset (note 6)	**75,000**	**600**
Issued pursuant to Unit Bonus Plan	**75,500**	**810**
Issued pursuant to Unit Option Plan	**20,175**	**177**
Issued pursuant to Distribution Rights Plan	**61**	**1**
Class A Units at June 30, 2008	**9,014,884**	**$ 84,315**

Unit-based Compensation

(a) Partnership Unit Option Plan

During the three month period ended June 30, 2008, 62,500 options were granted of which 57,500 was to directors of the General Partner. The options granted vest one third immediately and the remainder over two years. During the period, 20,175 options were exercised and 2,500 were cancelled. No units were granted, exercised or cancelled in the three month period ended March 31, 2008.

(b) Partnership Distribution Rights Plan

On May 12, 2008, the unitholders of the Partnership approved a Distribution Rights Plan, which provides long-term incentive to directors, officers, employees and service providers of the Partnership or the General Partner who are (i) providing services to the Partnership, the General Partner or their affiliates and (ii) holders of options granted under the Unit Option Plan through the issuance of Distribution Rights to acquire an increased proprietary interest in the Partnership on the basis of distributions paid by the Partnership, thereby reflecting the total returns to holders of Units. During the three months ended June 30, 2008, the Partnership awarded 734,825 Distribution Rights and recognized $113,000 in unit-based compensation expense relating to these awards.

(c) Partnership Unit Bonus Plan

On May 12, 2008 the unitholders of the Partnership approved a Unit Bonus Plan to provide additional compensation to the employees, officers and certain service providers of the Partnership or the General Partner by issuing up to 125,000 Class A Units. During the three months ended June 30, 2008, the Partnership issued 75,500 Class A Units under the Unit Bonus Plan to certain officers and key employees of the General Partner and recognized an expense relating to this issue of $810,000. Additionally, the Partnership approved the grant of 20,500 Class A Units to be issued on April 1, 2009 upon satisfaction of certain conditions. The Partnership recognized expense of $22,000 in compensation expense relating to the conditional issuance of these units.

Commitments / Contractual Obligations

At June 30, 2008, the Partnership had the following financial commitments with payments due for the years ending June 30 as follows:

($000's)	2009	2010	2011	2012	2013	Total
Long-term debt, including current portion	1,074	856	585	319	1,372	4,206
Office rent	872	507	329	243	67	2,018
Construction of buildings	46	-	-	-	-	46
Vehicle leases	30	14	-	-	-	44
Total	2,022	1,377	914	562	1,439	6,314

Given its current financial condition, the Partnership anticipates it will be able to meet these commitments as necessary.

OFF-BALANCE SHEET ARRANGEMENTS

The Partnership does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties during the three months ended June 30, 2008.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Accounting Changes

On January 1, 2008, the Partnership adopted CICA Handbook Section 1535 – Capital Disclosures, Section 3031 – Inventories, Section 3862 – Financial Instruments – Disclosures and Section 3863 – Financial Instruments – Presentation. Section 1535 requires the entity to disclose information about its objectives, policies and processes for managing capital, as well as its compliance with any externally imposed capital requirements. Section 3031 replaces Section 3030 – Inventories, and requires enhanced disclosure and measurement of inventories at the lower of cost and net realizable value. Section 3862 requires the entity to disclose the nature and extent of risks arising from financial instruments and how the entity manages those risks and Section 3863 provides guidance on the presentation of financial instruments.

In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Partnership will adopt the new standards for its fiscal year beginning January 1, 2009. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The impact of the initial application of these standards is not expected to be significant.

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS in place of Canadian GAAP for interim and annual reporting purposes for fiscal years beginning on or after January 1, 2011. At this time, the impact on our future financial position and results of operations is not reasonably determinable or estimable.

Management of the Partnership is not aware of any recent accounting pronouncements or developments, other than as noted above, that will affect the Partnership's consolidated financial statements. Management will continue to monitor and assess the impact of accounting pronouncements on the Partnership's consolidated financial statements as they become available.

RISKS AND UNCERTAINITIES

The business of the Partnership is subject to certain risks and uncertainties. For a thorough discussion of such risks and uncertainties, the Reader should refer to CES' 2007 Annual Report and the Annual Information Form dated March 26, 2008 in respect of the year ended December 31, 2007, both of which are available on the Partnership's SEDAR profile at www.sedar.com.

CORPORATE GOVERNANCE

For information regarding the corporate governance policies and practices of the Partnership and the General Partner, the Reader should refer to CES' 2007 Annual Report, the Annual Information Form dated March 26, 2008 for the year ended December 31, 2007 and the Information Circular and Proxy statement dated April 7, 2008, all of which are available on the Partnership's SEDAR profile at www.sedar.com.

OUTLOOK

CES believes that based on current activity levels, the second half of 2008 will continue to grow for the Partnership. The industry outlook indicators for 2008 have turned positive for the WCSB. This higher level of expected industry activity, compounded with sustained increase in market share and growth in scope of operations of CES creates tremendous opportunities.

Expected increases in shallow drilling activity in the WCSB offers growth opportunities for services provided by Clear Environmental Solutions. In addition, as additional trucking capacity for the EQUAL Transport division becomes operational in the latter part of the third quarter of 2008, we expect to realize our anticipated growth in related revenue.

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.

Continuing 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 second 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.

Additional information related to the Partnership can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Information is also accessible on the Partnership's web site at www.CanadianEnergyServices.com

Consolidated Balance Sheets (unaudited)
(stated in thousands of dollars)

		Jun 30, 2008		Dec 31, 2007
ASSETS				
Current assets				
Cash	**$**	**243**	$	-
Accounts receivable		**21,382**		21,909
Inventory		**8,835**		6,186
Prepaid expenses		**388**		190
		30,848		28,285
Property and equipment (note 5)		**8,001**		6,724
Intangible assets (note 6)		**4,854**		95
Goodwill (note 7)		**47,813**		41,966
	$	**91,516**	$	77,070
LIABILITIES AND UNITHOLDERS' EQUITY				
Current liabilities				
Bank indebtedness (note 8)	**$**	**-**	$	4,548
Accounts payable and accrued liabilities		**13,843**		14,196
Distributions payable		**1,225**		1,084
Current portion of long-term debt (note 9)		**1,074**		905
		16,142		20,733
Long-term debt (note 9)		**3,132**		1,289
Future income tax liability (note 10)		**1,944**		2,001
		5,076		3,290
Unitholders' equity				
Class A Units (note 11)		**84,315**		66,959
Subordinated Class B Units (note 11)		**21,514**		21,514
Contributed surplus (note 11)		**541**		273
Deficit		**(36,072)**		(35,699)
		70,298		53,047
	$	**91,516**	$	77,070

Commitments (note 15)

APPROVED ON BEHALF OF THE BOARD:

"Thomas J. Simons"
Thomas J. Simons
President & Chief Executive Officer and Director

"D. Michael Stewart"
D. Michael Stewart
Director & Chairman, Audit Committee

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Operations, Comprehensive Earning (Loss) and Deficit (unaudited)
(stated in thousands of dollars except per unit amounts)

	Three Months Ended Jun 30		Six Months Ended Jun 30	
	2008	2007	**2008**	2007
Revenue	**$ 14,560**	$ 6,198	**$ 42,834**	$ 25,716
Cost of sales	**11,001**	4,754	**30,306**	17,751
Gross margin	**3,559**	1,444	**12,528**	7,965
Expenses				
Selling, general and administrative expenses	**2,993**	1,840	**6,110**	4,233
Unit-based compensation (note 12)	**1,053**	43	**1,096**	84
Amortization	**452**	185	**775**	354
Interest expense, net of interest income	**97**	4	**246**	(5)
Loss on disposal of assets	**4**	25	**8**	25
	4,599	2,097	**8,235**	4,691
Net earnings (loss) for the period before taxes	**(1,040)**	(653)	**4,293**	3,274
Future income tax expense	**15**	2,302	**66**	2,302
Net earnings (loss) for the period	**(1,055)**	(2,955)	**4,227**	972
Other comprehensive income	**-**	-	**-**	-
Comprehensive earnings (loss) for the period	**(1,055)**	(2,955)	**4,227**	972
Deficit, beginning of period	**(32,646)**	(32,386)	**(35,699)**	(34,084)
Unitholders' distributions declared (note 14)	**(2,371)**	(2,229)	**(4,600)**	(4,458)
Deficit, end of period	**$ (36,072)**	$ (37,570)	**$ (36,072)**	$ (37,570)
Net earnings (loss) per unit (note 13)				
Basic and diluted	**$ (0.11)**	$ (0.32)	**$ 0.44**	$ 0.10

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flow (unaudited)
(stated in thousands of dollars except per unit amounts)

	Three Months Ended Jun 30		Six Months Ended Jun 30	
	2008	2007	**2008**	2007
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net earnings (loss) for the period	**$ (1,055)**	$ (2,955)	**$ 4,227**	$ 972
Items not involving cash:				
Unit-based compensation	**1,053**	43	**1,096**	84
Amortization	**452**	185	**775**	354
Future income tax expense (note 10)	**15**	2,302	**66**	2,302
Loss on disposal of assets	**4**	25	**8**	25
Change in non-cash operating working capital (note 19)	**5,088**	5,763	**(1,126)**	861
	5,557	5,363	**5,046**	4,598
FINANCING ACTIVITIES:				
Repayment of long-term debt	**(251)**	(190)	**(1,345)**	(308)
Increase in long-term debt	**-**	-	**2,550**	-
Issue of class A units, net of share issue costs	**11,904**	-	**11,904**	-
Distributions to unitholders (note 14)	**(2,371)**	(2,229)	**(4,600)**	(4,458)
	9,282	(2,419)	**8,509**	(4,766)
INVESTING ACTIVITIES:				
Investment in property and equipment (note 5)	**(782)**	(1,102)	**(1,242)**	(1,190)
Investment in intangible assets	**(19)**	-	**(27)**	-
Acquisition Clear Environmental Solutions (note 3)	**(7,529)**	-	**(7,529)**	-
Proceeds on disposal of fixed assets	**10**	77	**34**	77
	(8,320)	(1,025)	**(8,764)**	(1,113)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	**6,519**	1,919	**4,791**	(1,281)
Cash and cash equivalents (bank indebtedness), beginning of period	**(6,276)**	994	**(4,548)**	4,194
Cash and cash equivalents , end of period	**$ 243**	$ 2,913	**$ 243**	$ 2,913
SUPPLEMENTARY CASH FLOW DISCLOSURE				
Interest paid	**$ 87**	$ 2	**$ 217**	$ 5
Taxes paid	**$ -**	$ -	**$ -**	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1. The Partnership

Canadian Energy Services L.P. (the "Partnership") 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 the Western Canadian Sedimentary Basin and the United States through its subsidiary AES Drilling Fluids, LLC. The Western Canadian oil and natural gas drilling season is affected by weather. The industry is generally more active during the winter months of November through March, as the movement of heavy equipment is easier over the frozen ground. Wet weather in the spring and summer can hamper the movement of drilling rigs which has a direct impact upon generating revenue. Conversely, a longer colder winter as well as a dry spring and summer strengthen drilling operations.

2. Basis of Presentation and Significant Accounting Policies

These unaudited interim consolidated financial statements have been prepared by management of the Partnership in accordance with Canadian generally accepted accounting principles ("GAAP") following the same accounting principles and methods of computation as the Partnership's consolidated financial statements for the period ended December 31, 2007, except for as noted below. These interim financial statements do not conform in all respects to the requirements of Canadian GAAP for annual financial statements and should be read in conjunction with the consolidated financial statements and notes thereto in the Partnership's 2007 Annual Report for the year ended December 31, 2007.

On January 1, 2008, the Partnership adopted CICA Handbook Section 1535 – Capital Disclosures, Section 3031 – Inventories, Section 3862 – Financial Instruments – Disclosures and Section 3863 – Financial Instruments – Presentation. Section 1535 requires the entity to disclose information about its objectives, policies and processes for managing capital, as well as its compliance with any externally imposed capital requirements. Section 3031 replaces Section 3030 – Inventories, and requires enhanced disclosure and measurement of inventories at the lower of cost and net realizable value. Section 3862 requires the entity to disclose the nature and extent of risks arising from financial instruments and how the entity manages those risks and Section 3863 provides guidance on the presentation of financial instruments.

In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Partnership will adopt the new standards for its fiscal year beginning January 1, 2009. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The impact of the initial application of these standards is not expected to be significant.

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS in place of Canadian GAAP for interim and annual reporting purposes for fiscal years beginning on or after January 1, 2011. At this time, the impact on our future financial position and results of operations is not reasonably determinable or estimable.

3. Business Acquisition

On June 12, 2008, the Partnership completed the acquisition of the business and assets of Clear Environmental Solutions Inc. ("Clear") for an aggregate purchase price of \$11.5 million, of which \$7.5 million was paid in cash (which includes costs relating to the purchase of \$129,000), \$3.9 million paid through the issuance of 380,488 Class A Units at a deemed price of \$10.25 per unit and an estimated working capital adjustment payable of \$43,000. Contingent consideration exists which consists of a potential single earn-out payment of up to a maximum of \$2.0 million. It is determined by subtracting \$2.4 million from the net income from operations before management bonuses and investment income of the Partnership attributable to the business and assets acquired in connection with the acquisition for the 12 month period beginning July 1, 2008 and multiplying the positive result, if any, by an agreed upon multiple. The payment, if any, will be satisfied by the issuance of Class A Units to the vendor no later than the 60th day following the end of such 12 month period. The Class A Units will be issued at a price equal to the weighted average trading price of the Class A Units for the ten trading days preceding the earn-out payment date. No amount has been recorded with respect to this contingent consideration.

The purchase price is subject to a working capital adjustment following completion of the transaction. The acquisition has been accounted for using the purchase method, with the Partnership identified as the acquirer. Management is still reviewing the fair value of the assets and liabilities acquired and there may be further changes to the purchase price allocation. The purchase price allocation was estimated as follows:

Net assets acquired		**Total**
Current assets	$	**1,610**
Property and equipment		**133**
Intangible assets (note 6)		**4,200**
Goodwill		**5,847**
Current liabilities		**(318)**
	$	**11,472**
Consideration		**Total**
Cash	$	**7,400**
Class A Units		**3,900**
Closing costs		**129**
Working capital adjustment payable		**43**
	$	**11,472**

4. Inventory

The cost of inventory expensed in cost of sales for the three months ended June 30, 2008 was $6.2 million and the six months ended June 30, 2008 was $18.6 million (three months ended June 30, 2007 - $3.0 million and six months ended June 30, 2007 - $12.4 million).

5. Property and Equipment

	Cost	**Accumulated Amortization**	**Net Book Value Jun 30, 2008**	Net Book Value Dec 31, 2007
Computer equipment and software	$ **497**	$ **229**	$ **268**	$ 213
Vehicles	**2,908**	**835**	**2,073**	1,343
Trucks	**1,499**	**219**	**1,280**	1,192
Field equipment	**1,364**	**273**	**1,091**	1,012
Furniture and fixtures	**229**	**55**	**174**	78
Leasehold Improvements	**54**	**1**	**53**	-
Buildings	**1,894**	**114**	**1,780**	1,600
Tanks	**467**	**27**	**440**	444
Land	**842**	**-**	**842**	842
	$ **9,754**	$ **1,753**	$ **8,001**	$ 6,724

Details of investments in property and equipment during the six months ended June 30, 2008 were as follows:

Total investment in property and equipment	$	**1,893**
Less:		
Vehicle financing		**(807)**
Plus:		
Decrease in non-cash investing working capital		**156**
Cash used for investment in property and equipment	$	**1,242**

6. Intangible Assets

	Cost	Accumulated Amortization	Net Book Value Jun 30, 2008	Net Book Value Dec 31,2007
Patents	**$ 124**	**$ 7**	**$ 117**	$ 95
Technology	**600**	**5**	**595**	-
Customer relationships (note 3)	**4,200**	**58**	**4,142**	-
	$ 4,924	**$ 70**	**$ 4,854**	$ 95

On June 25, 2008, the Partnership purchased intangible assets through the issuance of shares (see note 11).

7. Goodwill

Balance December 31, 2007	**$ 41,966**
Addition (note 3)	**5,847**
Impairment loss recognized for the period	**-**
Balance June 30, 2008	**$ 47,813**

8. Bank Indebtedness

On February 26, 2008 the Partnership established a new revolving demand loan with a commercial bank permitting it to borrow up to $12.0 million, subject to the value of certain accounts receivable and inventory, with amounts drawn on the facility incurring interest at the bank's prime rate plus 0.50%. The facility is secured by a general security agreement creating a first priority security interest in all personal property of the General Partner, the Partnership and its subsidiaries, and an unlimited corporate guarantee of the indebtedness of the Partnership given by the General Partner and the Partnership's subsidiaries. The new facility was used to repay and cancel the amounts drawn on the previous facility.

At June 30, 2008, there was $302,000 drawn on this operating facility. The amount drawn on the previous facility at December 31, 2007 was $4.5 million.

9. Long-term Debt

The Partnership has long-term debt as follows:

	Jun 30, 2008	Dec 31, 2007
Vehicle financing loans	**$ 1,739**	$ 1,277
Other long-term debt	**2,467**	917
	4,206	2,194
Less current portion	**(1,074)**	(905)
	$ 3,132	$ 1,289

On February 26, 2008 the Partnership established two long-term debt facilities with a commercial bank. The first, a committed loan for $1.75 million, is repayable in fixed monthly principal payments of $10,000 plus interest at the bank's prime rate plus 0.75%. This loan has an initial term of five years, with the bank reserving the right to extend the term by two further five year periods at its discretion. The second, a committed loan for $0.8 million, is repayable over five years in fixed monthly principal payments of $13,000 plus interest at the bank's prime rate of interest plus 0.75%. The long-term debt facilities are secured by a general security agreement creating a first priority security interest in all personal property of the General Partner, the Partnership and its Canadian subsidiary, an unlimited corporate guarantee of the indebtedness of the Partnership given by the General Partner and the Partnership's Canadian subsidiary, and a demand collateral mortgage on the Partnership's Edson, Alberta property. These new facilities were used to repay and cancel the Partnership's bank debt that was in place at December 31, 2007.

Vehicle financing loans are at interest rates of 0% to 11.8%, are repayable in monthly payments of $800 - $2,100 and are maturing from December 2008 to December 2012.

Principal payments are as follows for the years ending June 30:

2009	$ **1,074**
2010	**856**
2011	**585**
2012	**319**
2013	**1,372**
Total	$ **4,206**

10. Future Income Taxes

Based on its assets and liabilities as at June 30, 2008, the Partnership estimated the amount of its temporary differences between amounts recorded on its balance sheet and amounts carried for tax purposes and the period in which these differences will reverse. Details of taxable (deductible) temporary differences are as follows:

	Jun 30, 2008
Property and equipment	$ **(124)**
Goodwill and intangible assets	**2,103**
IPO underwriting costs originally netted with unitholders' capital	**(3,528)**
Net deductible temporary differences	$ **(1,549)**

The Partnership also estimated that $6.9 million of net taxable temporary differences will reverse after January 1, 2011, resulting in a $1.9 million future income tax liability. The taxable temporary differences relate principally to the projected excess of net book value of goodwill over the projected remaining tax pools attributable thereto at January 1, 2011.

11. Unitholders' Equity

The Partnership is authorized to issue an unlimited number of Class A Units and Subordinated Class B Units.

On June 5, 2008, the Partnership and a syndicate of underwriters closed a bought deal equity financing pursuant to which the syndicate sold 1,234,200 Class A Units for gross proceeds of $12.7 million ($10.25 per Class A Unit). Net proceeds after offering expenses and underwriters' commissions net of tax, were $11.9 million.

In connection with the acquisition of Clear on June 12, 2008 (see note 3), the Partnership issued 380,488 Class A Units to the Vendors. The Class A Units are held in escrow with one half of the units to be released from escrow on the first anniversary of the date of the acquisition, and the remaining units to be released on the second anniversary of the date of the acquisition.

On June 26, 2008 the Partnership issued 75,000 Class A Units in connection with the acquisition of technology used in designing certain drilling fluids systems. The Class A Units were valued at $8.00 per unit based on the fair value of the units when the transaction was approved by the Board of Directors of Canadian Energy Services Inc., the general partner of the Partnership. Of the Class A Units issued, 50,000 are held in escrow with one half of the units to be released on January 16, 2009 and the remaining units to be released on January 16, 2010.

Class A Units	Number of Units	Amount
Class A Units at December 31, 2007	**7,229,460**	$ **66,959**
Equity issue, net of share issue costs	**1,234,200**	**11,868**
Consideration for acquired business (note 3)	**380,488**	**3,900**
Consideration for acquisition of intangible asset (note 6)	**75,000**	**600**
Issued pursuant to Unit Bonus Plan	**75,500**	**810**
Issued pursuant to Unit Option Plan	**20,175**	**177**
Issued pursuant to Distribution Rights Plan	**61**	**1**
Class A Units at June 30, 2008	**9,014,884**	$ **84,315**

Subordinated Class B Units	Number of Units	Amount
Subordinated Class B Units at June 30, 2008	**2,151,486**	**$ 21,514**

Contributed Surplus	
Balance, December 31, 2007	**$ 273**
Unit-based compensation	**286**
Exercise of unit options	**(18)**
Balance, June 30, 2008	**$ 541**

12. Unit-based Compensation

(a) Partnership Unit Option Plan

The Partnership may provide additional compensation to the employees, officers and directors of the General Partner and certain service providers by issuing options to acquire Class A Units under the Partnership's unit option plan (the "Unit Option Plan"). As at June 30, 2008, 816,587 Class A Units were reserved for issuance under the Unit Option Plan, of which 81,762 Class A Units remain available for grant. Options granted vest over two to three years and expire five years after grant.

A summary of changes to the unit options granted under the Unit Option Plan for the six months ended June 30 is presented below:

	2008		2007	
	Options	Average Exercise Price	Options	Average Exercise Price
Outstanding, beginning of period	**695,000**	**$ 8.78**	669,500	$ 9.16
Granted during period	**62,500**	**11.25**	75,000	6.07
Exercised during period	**(20,175)**	**7.95**	-	-
Cancelled during period	**(2,500)**	**7.79**	(4,500)	7.79
Outstanding, end of period	**734,825**	**$ 9.01**	740,000	$ 8.85
Exercisable, end of period	**411,883**	**$ 9.16**	190,000	$ 9.38

The following tables summarize information about the Unit Options outstanding at June 30, 2008:

	Options outstanding			Options exercisable	
Range of exercise price	Options	Weighted average exercise price	Weighted average remaining term in years	Options	Weighted average exercise price
$6.07-$8.00	**293,325**	**$ 7.35**	**3.1**	**143,883**	**$ 7.49**
$8.01-$11.31	**441,500**	**10.11**	**3.0**	**268,000**	**10.06**
Total	**734,825**	**$ 9.01**	**3.0**	**411,883**	**$ 9.16**

(b) Partnership Distribution Rights Plan

The Partnership's Distribution Rights Plan, which was approved by the unit holders on May 12, 2008, provides long-term incentive to directors, officers, employees and service providers of the Partnership who are (i) providing services to the Partnership, the General Partner or their affiliates and (ii) holders of options granted under the Unit Option Plan through the issuance of Distribution Rights to acquire an increased proprietary interest in the Partnership on the basis of distributions paid by the Partnership, thereby reflecting the total returns to holders of Units. During the three months ended June 30, 2008, the Partnership awarded 734,825 Distribution Rights and recognized $113,000 in unit-based compensation expense relating to these awards.

(c) Partnership Unit Bonus Plan

The Partnership's Unit Bonus Plan, which was approved by the unit holders on May 12, 2008, provides additional compensation to the employees, officers and certain service providers of the Partnership, subsidiaries of the Partnership or the General Partner by issuing up to 125,000 Class A Units under the Partnership's Unit Bonus Plan. During the three months ended June 30, 2008, the Partnership issued 75,500 Class A Units under the Unit Bonus Plan and recognized an expense relating to this issue of $810,000. Additionally, the Partnership approved the grant of 20,500 Class A Units to be issued on April 1, 2009 upon satisfaction of certain conditions. The Partnership recognized expense of $22,000 in compensation expense relating to the conditional issuance of these units.

13. Earnings Per Unit

The computations for basic and diluted earnings per unit are as follows:

	Three Months Ended Jun 30		**Six Months Ended Jun 30**	
	2008	2007	**2008**	2007
Earnings	**$ (1,055)**	$ (2,955)	**$ 4,227**	$ 972
Weighted average number of units outstanding:				
Basic	**9,822,070**	9,380,946	**9,602,727**	9,380,946
Effect of stock based compensation plans	**90,701**	-	**41,290**	5,038
Diluted	**9,912,771**	9,380,946	**9,644,017**	9,385,984
Earnings per unit:				
Basic and diluted	**$ (0.11)**	$ (0.32)	**$ 0.44**	$ 0.10

14. Cash Distributions

The Partnership has declared distributions to holders of Class A Units and Subordinated Class B Units for the six month period ended June 30, 2008 as follows:

Distribution Period 2008	Distribution Record Date	Date of Distribution	Per Class A Unit	Per Subordinated Class B Unit	Total
Jan 1 - 31	Jan 31	Feb 15	**$ 0.0792**	**$ -**	**$ 573**
Feb 1 - 29	Feb 29	Mar 14	**0.0792**	**-**	**573**
Mar 1 - 31	Mar 31	Apr 14	**0.0792**	**-**	**573**
Jan 1 - Mar 31	Mar 31	Apr 14	**-**	**0.2376**	**510**
Apr 1 – 30	Apr 30	May 15	**0.0792**	**-**	**573**
May 1 – 31	May 31	June 13	**0.0792**	**-**	**573**
June 1 – 30	June 30	July 15	**0.0792**	**-**	**714**
Apr 1 – June 30	June 30	July 15	**-**	**0.2376**	**511**
Total distributions declared during the period			**$ 0.4752**	**$ 0.4752**	**$ 4,600**

15. Commitments

The Partnership has commitments with payments due for the years ending June 30 as follows:

	Construction of buildings	Office rent	Vehicle leases	Total
2009	**$ 46**	**$ 872**	**$ 30**	**$ 948**
2010	**-**	**507**	**14**	**521**
2011	**-**	**329**	**-**	**329**
2012	**-**	**243**	**-**	**243**
2013	**-**	**67**	**-**	**67**
Total	**$ 46**	**$ 2,018**	**$ 44**	**$ 2,108**

16. Financial Instruments

(a) Fair value

The carrying values of financial liabilities where interest is charged based on a variable rate are equal to fair value. The carrying value of long-term debt where interest is charged at a fixed rate is not significantly different than fair value. The carrying values of all other financial instruments approximate their fair value due to the relatively short period to maturity of the instruments.

(b) Credit risk

The Partnership manages credit risk by assessing the creditworthiness of its customers on an ongoing basis as well as monitoring the amount and age of balances outstanding. Accounts receivable includes balances from a large number of customers operating primarily in the oil and gas industry. Accordingly, the Partnership views the credit risks on these amounts as normal for the industry.

An analysis of accounts receivable that are past due but not impaired is as follows:

	Jun 30, 2008	Dec 31, 2007
Past due 61-90 days	**$ 1,857**	$ 2,787
Past due 91-120 days	**1,337**	510
Past 120 days	**675**	127
	$ 3,869	$ 3,424

The Partnership reduces an accounts receivable to its estimated recoverable amount as soon as it is known to be not collectible in full. If it is expected that further losses will be incurred, an allowance for doubtful accounts is recorded. As at June 30, 2008 the Partnership had recorded an allowance of $110,000 (December 31, 2007 - $68,000) in accounts receivable as not collectible.

(c) Interest rate risk

The Partnership is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The Partnership manages this risk by continuously monitoring interest rate trends and forecasted economic conditions. The exposure to interest rate risk on financial liabilities is detailed in the liquidity risk section of this note.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Partnership's net earnings would not have been significantly impacted for the three or six month periods ended June 30, 2008. The Partnership's sensitivity to interest rates has increased during the six months ended June 30, 2008 due to the increase in variable rate borrowings.

(d) Foreign currency risk

The Partnership's foreign currency risk arises from accounts payable denominated in foreign currencies and on the translation of net investments in foreign operations. Gains or losses resulting from this risk are included in earnings. The Partnership manages foreign currency risk by continuously monitoring exchange rate trends and forecasted economic conditions.

A 5% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. If rates had been 5% higher/lower and all other variables were held constant, the Partnership's net earnings would not have been significantly impacted for the three or six month periods ended June 30, 2008.

(e) Liquidity risk

The following table details the remaining contractual maturities of the Partnership's financial liabilities (includes interest and principal cash flows where applicable):

	Less than 3 months	3 months to 1 year	1-5 years	5+ years	Total
Accounts payable and accrued liabilities (interest free)	**$ 12,369**	**$ 1,474**	**$ -**	**$ -**	**$ 13,843**
Long-term debt at fixed interest rates	**215**	**630**	**982**	**-**	**1,827**
Long-term debt at variable interest rates	**103**	**303**	**2,538**	**-**	**2,944**
	$ 12,687	**$ 2,407**	**$ 3,520**	**$ -**	**$ 18,614**

The Partnership manages liquidity risk by maintaining banking facilities and continuously monitoring forecasted and actual cash flows.

17. Capital Management

The Partnership considers capital to include unitholders' equity, long-term debt (including current portion), cash and cash equivalents and bank indebtedness. The Partnership's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain and grow the business while incurring an acceptable level of risk and providing unitholders with targeted distributions.

Management of the Partnership sets the amount of capital in proportion to risk, and manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Partnership may adjust the level of distributions paid to unitholders, return capital to unitholders, issue new units, sell assets to reduce debt or issue new debt.

In addition to monitoring the externally imposed capital requirements detailed below, the Partnership manages capital by analyzing working capital levels, payout ratio, forecasted cash flows and general economic conditions. Payout ratio is calculated as distributions declared as a percentage of cash flow from operations before changes in non-cash operating working capital.

The Partnership has the following externally imposed capital requirements pursuant to the revolving demand facility agreement: its ratio of debt to equity must not exceed 2.50 to 1.00 (tested quarterly); its ratio of current assets to current liabilities must not be less than 1.25 to 1.00 (tested quarterly); and its debt service coverage ratio must not be less than 1.25 to 1.00 (tested annually based on the audited consolidated financial statements). The ratio of debt to equity is calculated as total liabilities per the financial statements, less future income taxes and net of any cash credit balances, divided by total unitholders' equity per the financial statements, less any intangible assets including goodwill. The ratio of current assets to liabilities is calculated as total current assets per the financial statements divided by current liabilities per the financial statements less current portion of long-term debt. The debt service coverage ratio is calculated as net earnings for the period, before interest expense, future income tax expense, unit-based compensation and amortization divided by the sum of all interest and principal payments for the period. If the Partnership does not meet any one of these requirements, it is considered to be in default of the agreement and is restricted from making any distributions to unitholders without prior written consent of the commercial bank. As at June 30, 2008, the Partnership has met all of the requirements under this agreement.

18. Economic Dependence

One customer accounted for 13% of revenue for the three months ended June 30, 2008 (2007 – 18%) and 12% of revenue for the six months ended June 30, 2008 (2007 – 11%).

19. Supplemental Information

Components of change in non-cash working capital balances:	Three Months Ended Jun 30 **2008**	2007	Six Months Ended Jun 30 **2008**	2007
Operating:				
Accounts Receivable	**$ 9,863**	$ 13,067	**$ 2,093**	$ 14,597
Inventory	**(1,466)**	185	**(2,649)**	(586)
Prepaid expenses	**(48)**	(46)	**(154)**	(197)
Accounts payable and accrued revenues	**(3,402)**	(7,488)	**(557)**	(12,571)
Deferred revenue	**-**	45	**-**	(382)
Distributions payable	**141**	-	**141**	-
	5,088	5,763	**(1,126)**	861
Investing:				
Accounts payable and accrued liabilities	**(90)**	-	**(156)**	-
	$ 4,998	$ 5,763	**$ (1,282)**	$ 861

Partnership Information

BOARD OF DIRECTORS

Kyle D. Kitagawa[1]
Chairman

Alan D. Archibald[2]

Colin D. Boyer[1,2]

John M. Hooks[2]

D. Michael G. Stewart[1]

Thomas J. Simons

Rodney L. Carpenter

[1] Member of the Audit Committee
[2] Member of the Governance and Compensation Committee

OFFICERS

Thomas J. Simons
President & Chief Executive Officer

Laura A. Cillis
Chief Financial Officer

Kenneth E. Zinger
Chief Operating Officer

Rodney L. Carpenter
Vice President, Business Development

Kenneth D. Zandee
Vice President, Marketing

Scott R. Cochlan
Corporate Secretary

AUDITORS

Deloitte & Touche LLP
Chartered Accountants, Calgary, AB

BANKERS

HSBC Bank Canada, Calgary, AB

SOLICITORS

Blake, Cassels & Graydon LLP, Calgary, AB

REGISTRAR & TRANSFER AGENT

Computershare Investor Services Inc.,
Calgary, AB and Toronto, ON

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: CEU.UN

CORPORATE OFFICE

Suite 300 Energy Plaza, East Tower
311 – 6th Avenue SW
Calgary, AB T2P 3H2
Phone: 403-269-2800
Toll Free: 1-888-785-6695
Fax: 403-266-5708

DIVISIONS

Clear Environmental Solutions
440, 840 - 6th Avenue SW
Calgary, AB T2P 3E5
Phone: 403-263-5953
Fax: 403-229-1306

EQUAL Transport
18029 - Highway 10 East
Edson, AB T7E 1V6
Phone: 403-728-0067
Fax: 403-728-0068

Moose Mountain Mud
Box 32, Highway 9 South
Carlyle, SK S0C 0R0
Phone: 306-453-4411
Fax: 306-453-4401

US OPERATIONS

AES Drilling Fluids, LLC
1625 Broadway, Suite 1480
Denver, CO 80202
Phone: 303-820-2800
Fax: 303-820-2801

www.CanadianEnergyServices.com