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CANADIAN ENERGY SERVICES L.P. ANNOUNCES CLOSING OF CHAMPION ACQUISITION

CALGARY, ALBERTA

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Canadian Energy Services L.P. ("CES" or the "**Partnership**") (TSX: CEU.UN) is pleased to announce that it has closed its previously announced acquisition of Champion Drilling Fluids Inc. ("**Champion**"). CES has acquired all of the business assets of Champion (the "**Champion Acquisition**") for a purchase price of US\$16.7 million.

Champion Drilling Fluids

Champion is headquartered in Norman, Oklahoma, and is one of the leading independent full-service drilling fluids companies in the U.S. midcontinent region. Champion was established in 1982 and provides drilling fluid solutions for a large number of leading oil, natural gas, and unconventional natural gas developers operating primarily in Kansas, Texas and Oklahoma. Champion employees and management have extensive experience and have built the business over time with a focus on continued profitability and revenue growth. The company has a strong customer base of over 20 clients and proven technical capabilities in delivering high quality drilling fluid products and services. Through a network of stock points and established infrastructure, Champion has built a platform to service the development of the mid-continent U.S. unconventional resource basins. In addition, Champion has recently established an office in Pittsburgh, Pennsylvania as it pursues new opportunities in the Marcellus shale region.

Champion Acquisition – Strategic Rationale

The Champion Acquisition and integration of Champion is expected to position CES as a leading independent North American drilling fluids provider with significant exposure to the development of oil, natural gas, and North American unconventional natural gas. In particular, CES will gain exposure to Champion's established customer base and relationships.

- Champion Acquisition is strategically aligned with CES' long-term business plan to pursue growth opportunities in the U.S. and internationally.
- Champion Acquisition creates a strong platform to service core U.S. unconventional resource plays, in mid-continent, with future expansion opportunities in the Marcellus and the Haynesville shales.

- Integration of businesses creates the opportunity to leverage CES' Canadian horizontal unconventional gas experience and proprietary and patented technologies to grow Champion's business by expanding its offerings of complex drilling solutions.
- Champion Acquisition diversifies CES' existing U.S. business and provides a strong new customer base.
- Champion Acquisition complements CES' current U.S. footprint and expands the scale, infrastructure, and operational and management capabilities of CES within the U.S. market.
- Management of CES expects the Champion Acquisition to be accretive to CES' cash flow and earnings.

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 proposed conversion of CES to a corporation as discussed in prior press releases of CES, 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 or at the Partnership's website at www.CanadianEnergyServices.com.

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