



December 15, 2009

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

**CALGARY, ALBERTA**

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**Canadian Energy Services L.P.** ("**CES**" or the "**Partnership**") (TSX: CEU.UN) is pleased to announce the closing of its previously announced "bought-deal" private placement financing (the "**Offering**"). Pursuant to the Offering, CES issued 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 financing was completed through an underwriting syndicate led by RBC Capital Markets and Cormark Securities Inc. and included FirstEnergy Capital Corp., Thomas Weisel Partners Canada Inc., Wellington West Capital Markets Inc., HSBC Securities (Canada) Inc. and Paradigm Capital Inc.

Gross proceeds from the Offering are intended to be used to fund a portion of the purchase price of the recently completed acquisition of Champion Drilling Fluids Inc., pay the expenses related to the Offering, repay certain outstanding indebtedness and to fund certain capital and general corporate expenditures.

The Class A Units issued under the Offering are 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.

**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.

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 the Conversion and the use of proceeds of the Offering. 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 and current business and economic trends. 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". 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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