



FOR IMMEDIATE RELEASE: May 26, 2009
TSX SYMBOL: PES.UN

Peak Energy Services Trust announces the renewal of its credit facility to May 30, 2010.

CALGARY, Alberta – Peak Energy Services Trust ("Peak" or the "Trust") is pleased to announce that it has renewed its syndicated credit facility effective May 26, 2009, to expire on May 30, 2010.

The Trust will continue to partner with the incumbent syndicate lenders which include National Bank of Canada, the agent, Bank of Montreal and The Toronto Dominion Bank. The renewed facility consists of a \$65 million syndicated extendable term revolving credit facility of which Peak has approximately \$28 million drawn down as of today (\$25 million, net of cash). This facility is intended to be utilized for on-going working capital and general business purposes and to fund capital expenditures and strategic business acquisitions as required, subject to certain lending ratios being maintained. To the extent the credit facility is not renewed on May 30, 2010, the outstanding debt would be payable over a two-year period, based on a two-year amortization schedule. Pricing on this renewed credit facility will range from Prime Rate plus 1.75 percent to 4.00 percent depending on the level of Net Funded Debt to trailing EBITDA ("earnings before interest, taxes, depreciation and amortization"). Net Funded Debt is defined as total long term debt less outstanding cash balances.

The renewal of this revolving credit facility for \$65 million represents a reduction from the prior limit of \$75 million. In addition to this, an accordion feature that allowed the Trust to request a \$25 million increase to the existing revolving credit facility at a future date has been removed at this time due to the challenging market conditions. This will enable the Trust to minimize its commitment and standby fees and does not in any way preclude Peak from making a request for additional funding in excess of the revised \$65 million limit in the future should an opportunity require this level of support.

In addition to the above revolving credit facility, Peak has term loan facilities for a total of \$40 million with Integrated Private Debt Fund LP ("IPD"). Pursuant to agreements with IPD dated August 31, 2005 and June 26, 2006, the Trust has term loans of \$30 million and \$10 million, respectively, with terms of no set principal payments for seven years from the dates of the applicable agreements. The interest rates on these two facilities are 6.3 percent for the \$30 million term loan and 7.2 percent for the \$10 million term loan. There is no requirement for an annual renewal regarding these term loans.

Combining the renewal of the revolving credit facility for \$65 million with the Trust's \$40 million term loan facilities results in total debt capacity going forward of \$105 million. Of this amount, Peak has net funded debt of approximately \$65 million drawn down today (total debt net of cash) and net debt of approximately \$35 million (total debt net of working capital) on tangible fixed assets of \$228 million and shareholders equity of \$178 million.

Since the completion of the Wellco Energy Services Trust merger in March 2008, Peak has reduced its long term debt by over \$30 million to approximately \$65 million today from a high of \$97 million in March 2008. It is the intention of the Trust to continue reducing its debt level in 2009 out of cash flow and other possible corporate initiatives to further solidify its balance sheet, leaving the Trust in a position of strength for the next wave of opportunities that are anticipated as the oil and natural gas industry returns to more robust levels of activity.

Peak Energy Services Trust is a diversified energy services organization operating in western Canada and the mid-west United States of America. Through its various operating divisions, Peak provides drilling and production services to its customers both in the conventional oil and natural gas industry as well as the oil sands regions of western Canada. The Trust also provides water technology solutions to a variety of customers throughout North America. Peak's units are listed on the Toronto Stock Exchange under the symbol "PES.UN".

Forward-looking statements

This news release contains forward-looking statements relating to the renewal of the Trust's syndicated credit facility and other statements that are not historical facts, including statements regarding the composition of the members of the lending syndicate and the intention of the Trust to continue reducing its debt level in 2009 out of cash flow and other possible corporate initiatives to further solidify the Trust's balance sheet. Such forward-looking statements are subject to important risks, uncertainties and assumptions. The results or events predicated in these forward-looking statements may differ materially from actual results or events.

As a result, you are cautioned not to place undue reliance on these forward-looking statements. The material factors or assumptions that we used in developing these forward-looking statements include: that the incumbent members of the lending syndicate will maintain their existing participations in the facility and not transfer all or a part of such participations to other persons; and that the Trust will be able to generate sufficient cash flow from activities to reduce its debt level and improve the financial condition of its balance sheet. Material risk factors that could cause actual results to differ materially from the forward-looking information include: the incumbent members of the lending syndicate electing to grant participations in the facility and/or transfer all or a part of such participations to other persons; the occurrence of a default or event of default under the Trust's existing debt arrangements; fluctuations in the price and demand for oil and natural gas; currency fluctuations; fluctuations in the level of oil and natural gas exploration and development activities; fluctuations in the demand for oilfield services that the Trust provides; the effects of weather conditions on operations; the existence of competition from other oilfield service entities; general economic, market or business conditions; public market volatility and the related ability to access sufficient capital to fund activities; availability to access debt financing to fund activities; government policy changes; changes in laws or regulations, including taxation and environmental regulations; the lack of availability of qualified personnel or management; and other unforeseen conditions which could impact the use of services supplied by the Trust.

The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, Peak disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, Peak undertakes no obligation to comment on expectations of, or statements made by, third parties in respect of the renewal of the Trust's syndicated credit facility.

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The TSX have neither approved nor disapproved the information contained herein.