



**FOR IMMEDIATE RELEASE: November 10, 2009**  
**TSX SYMBOL: PES.UN**

**Peak Energy Services Trust Announces Details of Rights Offering for  
\$22.0 Million 12 Percent Debentures**

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DISSEMINATION IN THE UNITED STATES.**

**CALGARY, Alberta** – Peak Energy Services Trust (“Peak” or the “Trust”) announced today that it has filed a final short form prospectus in relation to its previously announced rights offering pursuant to which Peak will distribute rights to purchase up to \$22.0 million in principal amount of 12 percent convertible secured subordinated debentures of the Trust.

Under the terms of the rights offering, unitholders of record on November 19, 2009 who are resident in a Province of Canada, will receive one right for each trust unit held. For every 219.9914 rights held, the holder of such rights will be entitled to subscribe for \$100 in principal amount of debentures. Subscriptions for debentures must be submitted prior to 3:00 p.m. (Calgary time) on December 11, 2009. Unitholders who fully exercise their basic subscription privilege will be entitled to subscribe for additional debentures (on a pro rata basis) not subscribed for by the holders of rights. Subscriptions for additional debentures must also be submitted prior to 3:00 p.m. (Calgary time) on December 11, 2009.

The debentures will bear interest at an annual rate of 12 percent, payable quarterly in arrears, and will mature on September 30, 2012. Peak has the option to repay the debentures at maturity by paying cash or issuing trust units of equivalent value using 95 percent of the volume weighted average trading price of trust units for the 20 trading days that is immediately preceding 5 trading days prior to the maturity date. The debentures will be convertible at the holder's option into trust units at any time prior to the maturity date at a conversion price of \$0.59 per trust unit (169.4915 trust units for each \$100 in principal amount of debenture), subject to any adjustments to the conversion price in certain circumstances. Peak will have the right to redeem the debentures at any time prior to the maturity date if the volume weighted average price of trust units exceeds 200 percent of the conversion price in effect at the time for 60 consecutive trading days ending 3 days before the redemption notice is given.

If all debenture holders exercise their option to convert or Peak exercises its right to redeem the debentures for trust units prior to the maturity date, 37.2 million additional trust units would be issued representing 76.8 percent of the 48.4 million currently outstanding trust units. Deans Knight Capital Management Ltd. (“Deans Knight”), who currently controls 8.7 million trust units representing 18.0 percent of the outstanding trust units, has entered into a standby purchase commitment agreement pursuant to which Deans Knight has agreed, subject to certain conditions, to subscribe for all debentures to which it is entitled under the rights offering and all remaining debentures not subscribed for by holders of rights under the offering. If none of the rights are exercised by the rights holders and the debentures purchased by Deans Knight are converted into

trust units, Deans Knight would control approximately 53.6 percent of the then outstanding trust units.

Peak also announced that the proposed amendments to its existing senior loan facilities have been approved by its senior lenders, subject to the execution of definitive documentation and the fulfillment of certain conditions, including the completion of the \$22.0 million debenture financing of which the estimated net proceeds of \$21.1 million must be used to repay a portion of the Trust's current senior indebtedness.

The trust units are expected to commence trading on the Toronto Stock Exchange ("TSX") on an ex-rights basis at the opening of business on November 17, 2009, meaning that trust units purchased on or following that date will not be entitled to receive the rights under the rights offering. On November 17, 2009, the rights are expected to be posted for trading on the TSX on a "when-issued" basis and will thereafter trade under the symbol "PES.RT". **Trading of the rights is expected to continue until 12:00 noon (Calgary time) on December 11, 2009, at which time the rights will be halted and rights which are not exercised by 3:00 pm (Calgary time) on this date will be void and have no value.**

A copy of the prospectus and rights certificates representing rights will be mailed on November 20, 2009, to registered unitholders who are resident in a Province of Canada on November 19, 2009. Registered unitholders wishing to exercise their rights must forward the completed rights certificates along with the applicable funds to Valiant Trust Company (the subscription agent) by no later than 3:00 pm (Calgary time) on December 11, 2009. Unitholders who own their units through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary.

The closing of the rights offering is expected to occur by no later than December 17, 2009 and is subject to customary closing conditions and the receipt of necessary regulatory approvals, including the approval of the TSX. The debentures are expected to commence trading on the TSX at the open of business on the closing date under the symbol "PES.DB".

The prospectus is available electronically on SEDAR at [www.sedar.com](http://www.sedar.com) and Peak's website at [www.peak-energy.com](http://www.peak-energy.com). Furthermore, copies of the prospectus and documents incorporated by reference may be obtained on request, without charge, from the Chief Financial Officer of Peak at Suite 900, 222 – 3<sup>rd</sup> Avenue SW, Calgary, Alberta T2P 0B4, telephone (403) 543-7331.

Peak has engaged Kingsdale Shareholders Services Inc. ("Kingsdale") as the information agent with respect to the rights offering. Questions and requests for assistance relating to the rights offering should be directed to Kingsdale at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com) or by telephone at 1 (866) 581-1489.

### **About Peak Energy Services Trust**

Peak Energy Services Trust is a diversified energy services organization operating in western Canada and the United States. 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 TSX under the symbol "PES.UN".

## **Forward-looking information**

This press release contains forward-looking information within the meaning of applicable Canadian securities legislation regarding expected future events and financial and operating results of the Trust. By its nature, forward-looking information requires the Trust to make assumptions and is subject to numerous inherent risks and uncertainties. There is significant risk that assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking information as a number of factors could cause actual future results, conditions, actions or events to differ materially from expectations, estimations or intentions expressed in the forward-looking information. The Trust disclaims any intention or otherwise to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. It is the current policy of the Trust to evaluate its past forward-looking information and where it deems appropriate, provide updates subject to requirements by law. The forward-looking statements contained in this press release are made as of November 10, 2009. Additionally, Peak undertakes no obligation to comment on expectations of, or statements made by, third parties in respect of these transactions.

Specifically, this press release contains forward-looking statements relating to: successful issuance of the rights offering; successful completion of the financing for debentures; successful amendments to senior loan facilities; the intention for the rights and debentures to be listed on the TSX; expectation that the prospectus will receive regulatory approval, including the TSX; that the debenture financing will be used to reduce senior indebtedness; that the Trust will be able to pay interest to the debenture holders; assumptions regarding the dilution to trust units outstanding if options under the debenture terms are exercised; and Deans Knight control percentage if rights are not exercised. 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. These statements are based on certain assumptions and analysis made by the Trust in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results, performance or achievements will conform to the Trust's expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results to differ materially from the Trust's expectations. Such risks and uncertainties include, but are not limited to: the obligations committed to by all parties involved with the transactions are not fulfilled; necessary approvals by regulatory bodies are not obtained; the transactions are not completed in the contemplated time period required; the assumptions relating to all parties entering into definitive agreements in respect to the transactions; and other unforeseen conditions which could impact the Trust.

Consequently, all of the forward-looking information made in this document are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Trust will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Trust or its business or operations.

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