



Press Release

For Immediate Release

February 24, 2009

Peak Energy Services Trust reports its financial results for the three and twelve months ended December 31, 2008

Financial and Industry Highlights (unaudited)

(in '000 of CAD, except otherwise noted)	Three months ended December 31			Years ended December 31		
	2008	2007	Change	2008	2007	Change
Revenue	47,616	27,511	73%	155,589	108,957	43%
EBITDA ⁽¹⁾	8,463	5,109	66%	21,713	24,300	-11%
Per unit – diluted	0.17	0.18	-6%	0.49	0.88	-44%
As a percentage of revenue	18%	19%		14%	22%	
Net income (loss)	(595)	996	-160%	(4,827)	(7,726)	38%
Per unit – diluted	(0.01)	0.04	-125%	(0.11)	(0.28)	61%
Adjusted distributable cash ⁽¹⁾	17,489	3,126	459%	24,913	19,688	27%
Per unit – diluted	0.36	0.11	227%	0.56	0.71	-21%
Distributions declared	-	2,216	-100%	-	16,896	-100%
Per unit	-	0.08	-100%	-	0.61	-100%
Payout ratio ⁽¹⁾⁽²⁾						
Adjusted distributable cash	-%	71%		-%	86%	
Industry activity ⁽³⁾						
Drilling rig operating days	34,836	30,841	13%	134,816	120,961	11%
Service rig utilization	53%	58%	-9%	53%	57%	-7%

(1) Refer to the "Non-GAAP Measures" section for further details.

(2) Payout ratio is calculated as distributions declared divided by adjusted distributable cash.

(3) Sources: Canadian Association of Oilwell Drilling Contractors ("CAODC"), the Daily Oil Bulletin ("DOB") and Petroleum Services Association of Canada ("PSAC").

This press release focuses on key information and statistics from Peak Energy Services Trust's ("Peak" or the "Trust") interim and annual consolidated financial statements and oilfield service industry which contains known and unknown risks and uncertainties. Furthermore, certain statements contained in this press release are forward-looking. Please review the discussion of these statements in the "Forward-Looking Information" section of this press release.

Throughout this press release certain measures are used that are not recognized measures under Canadian generally accepted accounting principles ("GAAP"). Specific measures used are earnings before interest, taxes, depreciation, amortization and other certain items ("EBITDA"), adjusted income (loss), standardized distributable cash ("SDC"), adjusted distributable cash ("ADC"), payout ratio of ADC and SDC, working capital, current ratio, funded debt, net debt and long-term debt to equity ratio. Please review the discussion of these measures in the "Non-GAAP Measures" section of this press release.

INDUSTRY ACTIVITY

For the fourth quarter of 2008, industry drilling activity was higher than the prior year period as Canadian drilling rig operating days increased 13 percent. Meanwhile, Canadian service rig utility decreased from 58 percent to 53 percent quarter-over-quarter.

For fiscal 2008, Canadian drilling rig operating days were 11 percent higher than the prior year. Meanwhile, Canadian service rig utility was down from 57 percent in 2007 to 53 percent for 2008.

SELECTED FINANCIAL AND OPERATING INFORMATION

For the fourth quarter of 2008, Peak:

- generated revenue of \$47.6 million which was a 73 percent or \$20.1 million increase over the prior year period revenue of \$27.5 million. The primary drivers of the increase over the industry activity level were the impact of Peak's merger and business acquisition activities during 2008 (see annual results discussion for details);
- realized EBITDA of \$8.5 million (\$0.17 per Unit diluted or 18 percent of revenue), an increase of 66 percent or \$3.4 million over EBITDA for the prior year period of \$5.1 million (\$0.18 per Unit diluted or 19 percent of revenue). On a margin basis, lower general and administrative expenses relatively offset lower operating margins on certain merged operating activities which have lower margins as compared to Peak's historical operating divisions;
- incurred an impairment loss on goodwill of \$1.4 million (\$1.4 million, net of tax) as a result of the current economic environment and its impact on the Trust. Exclusive of this impact, Peak posted an adjusted income of \$0.8 million (\$0.02 per Unit diluted), which was a decrease of 18 percent or \$0.2 million as compared to an adjusted income for the fourth quarter of fiscal 2007 of \$1.0 million (\$0.04 per Unit diluted);
- posted a net loss of \$0.6 million (loss of \$0.01 per Unit diluted), which was a decrease of 160 percent or \$1.6 million as compared to a net income for the prior year period of \$1.0 million (\$0.04 per Unit diluted); and
- generated adjusted distributable cash of \$17.5 million or \$0.36 per Unit diluted (2007 – \$3.1 million or \$0.11 per Unit diluted), of which zero distributions (\$0.00 per Unit) were made to Unitholders during the current quarter resulting in a payout ratio of zero percent (2007 – \$2.2 million (\$0.08 per Unit) or 71 percent).

For the year ended December 31, 2008, Peak:

- generated revenue of \$155.6 million which was a 43 percent or \$46.6 million increase over fiscal 2007 revenue of \$109.0 million. The primary drivers of the increase over the industry activity level were the refecton of Peak's merger and business acquisition activities during 2008 (see below for details);
- realized EBITDA of \$21.7 million (\$0.49 per Unit diluted or 14 percent of revenue), a decrease of 11 percent or \$2.6 million over EBITDA for the prior year of \$24.3 million (\$0.88 per Unit diluted or 22 percent of revenue). On a margin basis, the primary negative impacts were the lower operating margins on certain merged operating activities which have lower margins as compared to Peak's historical operating divisions;
- incurred \$2.0 million (\$1.5 million, net of tax) in succession planning and financing costs that were indirectly related to the merger and incurred an impairment loss on goodwill of \$1.4 million (see fourth quarter results for details). Exclusive of these impacts, Peak posted an adjusted loss of \$1.9 million (loss of \$0.04 per Unit diluted), which was a decrease of 127 percent or \$9.2 million as compared to an adjusted income for fiscal 2007 of \$7.2 million (\$0.26 per Unit diluted);
- posted a net loss of \$4.8 million (loss of \$0.11 per Unit diluted), which was an improvement of 38 percent or \$2.9 million as compared to a net loss for the prior year of \$7.7 million (loss of \$0.28 per Unit diluted);
- generated adjusted distributable cash of \$24.9 million or \$0.56 per Unit diluted (2007 – \$19.7 million or \$0.71 per Unit diluted), of which zero distributions (\$0.00 per Unit) were made to

Unitholders during the current year resulting in a payout ratio of zero percent (2007 – \$16.9 million (\$0.61 per Unit) or 86 percent);

- completed a public merger with Wellco Energy Services Trust ("Wellco") on March 12, 2008 for total consideration of \$31.6 million, which was comprised of \$1.6 million in cash and the issuance of 16,565,851 Trust Units with a fair market value of \$30.0 million. Included in the year-to-date results of Peak are the activities subsequent to March 12, 2008 of the former Wellco entity as a result of the merger. Management estimates that if the merger had occurred on December 31, 2007 the pro forma combined financial results after adjusting for merger related costs would have generated revenue of \$182.4 million, EBITDA⁽¹⁾ of \$30.2 million (\$0.62 per unit diluted or 17 percent of revenue) and net income of nil (\$0.00 per unit diluted). Certain of the expected merger synergies are difficult to quantify with certainty due to their nature, however management believes it has essentially achieved its expected merger synergies of \$5.5 million as a result of the merger.
- completed the acquisition of a fluids handling business (referred to as "Amwest") on August 15, 2008 for a total consideration of \$7.4 million which included cash of \$0.2 million. Based in Calgary, Alberta, Canada, Amwest provides fluid handling services throughout central and southern Alberta. Included in the business acquisition was \$3.8 million in land and building that Peak sold subsequent to year-end. The sold asset has been classified as property held for sale as management committed to a formal plan to sell the property; and
- divested of its electric line (part of the Wireline Services operating division) and access matting (part of the Surface Rentals operating division) product lines which were deemed non-core assets to Peak for gross proceeds of \$9.3 million. This was part of the Trust's ongoing asset rationalization program, whereby non-core assets identified as not generating an appropriate rate of return are earmarked for disposal, giving the Trust the opportunity to reinvest the proceeds in assets that are expected to generate improved returns on invested capital.

CAPITAL RESOURCES

As compared to December 31, 2007 at December 31, 2008, Peak:

- increased working capital by \$13.1 million to \$31.9 million;
- decreased its current ratio to 2.24 to 1.00;
- increased tangible capital assets by \$33.8 million to \$235.7 million;
- increased funded debt by \$11.3 million to \$80.4 million; and
- increased Unitholders' equity by \$35.1 million to \$173.8 million.

Capital Expenditures

By operating segment, fiscal 2008 capital expenditures were:

Year ended December 31, 2008 (in '000 of CAD)	Drilling Services	Production Services	Oil Sands	Water Technology	Total
Growth	2,343	2,606	8,453	-	13,402
Maintenance	1,858	896	74	-	2,828
Infrastructure	-	-	-	-	1,909
	4,201	3,502	8,527	-	18,139
Proceeds on sale of equipment					(14,604)
					3,535
Wellco merger impact	30,064	1,152	10,046	255	41,517
Amwest acquisition impact	-	5,701	-	-	5,701
Net asset additions	34,265	10,355	18,573	255	50,753

By reporting segment the Trust intends to expend the following for fiscal 2009:

Fiscal 2009 (in '000 of CAD)	Drilling Services	Production Services	Oil Sands	Water Technology	Total
Growth	291	440	2,021	-	2,752
Maintenance	1,809	416	125	-	2,350
Infrastructure	-	-	-	-	2,186
	2,099	857	2,146	-	7,288
Proceeds on sale of equipment					(3,580)
Net asset additions	2,099	857	2,146	-	3,708

Long-term debt

The Trust's long-term debt (including current portion) increased to \$89.0 million at December 31, 2008, as compared to \$70.8 million at December 31, 2007. Funded debt was \$80.4 million at December 31, 2008 as compared to \$69.1 million at December 31, 2007. Meanwhile, net debt was \$57.0 million at December 31, 2008 as compared to \$51.9 million at December 31, 2007. The long-term debt to equity ratio remained constant at 0.51 to 1.00 for December 31, 2008 (December 31, 2007 – 0.51 to 1.00). Of the Trust's \$140.0 million long-term debt facilities at December 31, 2008, \$59.6 million was available for use by the Trust for future capital expenditures and strategic business acquisitions at the sole discretion of the lender and subject to certain lending ratios being maintained. All debt facility covenants were satisfied at December 31, 2008.

The current negative economic environment and its impact on the financial markets, lending institutions, commodity prices and oil and gas industry activity levels is providing a very challenging operating environment for the oil and gas services industry. Management has taken several steps to proactively manage its cash flow and related funded debt level through these turbulent times. As previously announced on December 19, 2007, Peak shifted its financing to using cash generated by operations to reduce the Trust's funded debt and ceased making distributions to Unitholders. Since the merger with Wellco, exclusive of the equity financing which closed simultaneous with the merger, Peak has reduced its funded debt by \$17.3 million. Furthermore, on February 19, 2009 Peak announced a significant cost reduction plan and has a minimal capital expenditure program for 2009 (see Capital Expenditure section for details) with a sole focus on further reducing the funded debt outstanding, in light of expected near-term lower industry activity levels.

The Trust has forecasted its financial results for 2009 using its best estimates of industry activity levels and its associated operating conditions. Based on its forecast, the Trust believes it will be able to continue as a going concern, in light of this very challenging operating environment. However, a decrease from the forecasted industry activity could adversely impact the Trust's liquidity. Furthermore, it should be noted that given the current environment that the Trust may experience more difficulty expanding its credit facilities materially above current levels and if required for operations this would adversely impact the Trust's liquidity.

Unitholders' equity

Unitholders' equity increased \$35.1 million to \$173.8 million at December 31, 2008 from \$138.8 million at December 31, 2007. The increase over the prior year-end was the result of:

- a net loss of \$4.8 million incurred;
- the issuance of 4,133,859 Trust Units for net cash proceeds of \$9.9 million; and
- the issuance of 16,565,851 Trust Units with a fair market value of \$30.0 million for all of the issued and outstanding trust units of Wellco.

Considering the current equity market conditions and related negative impact on the oil and gas industry it is not probable that management can rely heavily on equity financing as the market appetite is extremely weak and it would be very dilutive for existing Unitholders at current Unit market pricing.

2009 Outlook

Consistent with the third quarter, Peak generated positive results during the fourth quarter of 2008 despite the uncertainty experienced by the industry during this time period. The Trust generated record revenue of \$47.6 million for the three months ended December 31, 2008 compared to \$27.5 million for the same period in the prior year and \$42.5 million for the third quarter of 2008. This represents an increase of 73 percent as compared to the prior year period while drilling rig utilization increased by 13 percent for the corresponding period. As noted in our third quarter report, these results continue to reflect the commitment that management has made in terms of growth throughout the Trust's twelve year history. The Wellco merger along with its successful integration and the acquisition of Amwest are further testaments of management's continuing commitment to grow and manage the Trust for the benefit of all stakeholders. The geographic diversity incorporated into the Trust's infrastructure has also made a significant, positive impact on Peak's results through the re-deployment of assets prior to and during the third and fourth quarters of 2008 to regions of greater political stability and higher activity levels. To this point, we have seen a significant number of assets leaving Alberta and being relocated to Peak facilities in British Columbia, Saskatchewan and Rock Springs, Wyoming to meet the demands of our customer base within these regions.

For 2008, Peak generated record revenue of \$155.6 million which represents an increase of 43 percent as compared to the prior year period while Canadian drilling rig operating days increased just 11 percent for the corresponding period. Although the Trust's organic growth plan was cut back substantially in 2007 due to lower industry activity levels, an aggressive capital expenditure program during 2005 / 2006 combined with its 2008 merger and acquisition activity has allowed Peak's top line to strengthen substantially on a year-over-year basis as compared to the drop in Canadian drilling rig operating days since 2005 / 2006.

Looking ahead, the Trust initially expected the oil and gas industry in western Canada to drill between 15,000 and 15,500 wells for 2009 which represented a reduction in activity of approximately 9% to 12% from the 16,978 wells drilled in 2008 (per Petroleum Services Association of Canada). Unfortunately, industry activity during the first six weeks of 2009 has been significantly less than originally expected with 266 fewer rigs running on average in mid-February 2009 compared to the same week in the prior year, representing a year over year reduction of approximately 40%.

While a reduced level of drilling activity during the first quarter of 2009 was not unexpected given the challenges experienced by the industry in the fourth quarter of 2008, activity has been unseasonable in nature and significantly lower than what was originally anticipated for this time of the year. The worldwide economic crisis has put significant downward pressure on commodity prices due to the reduction in global oil demand and the demand for natural gas in North America. Tight credit from lending institutions coupled with a lack of equity capital, at an economically feasible cost, has made it increasingly difficult for our customers to support their drilling and production programs. All of the above factors have contributed to the reduced levels of activity year to date. Proven by a slow start, Peak's outlook for the number of wells to be drilled in western Canada for 2009 is now in the 13,000 range, representing a 25% reduction from the prior year. Furthermore, recent indicators suggest pricing will be under significant pressure for the balance of 2009.

In light of these circumstances, Peak has re-visited its internal operating plan for 2009 to ensure the Trust remains financially sound through what appears to be a turbulent and protracted downturn. Peak has a history of being proactive when faced with these challenging situations and as a result has commenced the process of implementing a number of significant restructuring initiatives over the next few months which will enable the Trust to reduce its cost structure by approximately \$8.0 to \$10.0 million for fiscal 2009 (\$13.0 million on an annualized basis). In addition to the foregoing, the Trust has also significantly curtailed its capital expenditure plans for 2009 relative to prior years to preserve cash flow, strengthen its balance sheet and better position itself to take advantage of opportunities that may present themselves. For 2009, the Trust has earmarked capital expenditures to be a net \$3.7 million.

Notwithstanding the current uncertainty surrounding the oil and gas industry in North America, management believes that the long term outlook for the oil and natural gas industry in North America remains very positive. As this instability subsides, the underlying strength in the supply and demand

fundamentals for oil and natural gas supply should once again be a catalyst for higher commodity prices and more robust levels of activity over the longer term.

NON-GAAP MEASURES

EBITDA is defined as earnings before interest, taxes, depreciation and amortization and other items. EBITDA is not a recognized measure under Canadian GAAP. Management believes, in addition to net income, EBITDA is a useful supplemental measure as it provides an indication of the results generated by Peak's principle business activities prior to consideration of how these activities are financed or how the results are taxed in various jurisdictions. Readers should be cautioned that EBITDA should not be construed as an alternative to net income determined in accordance with Canadian GAAP as an indicator of the Trust's performance. Peak's method of calculating EBITDA may differ from other companies and, accordingly, EBITDA may not be comparable to measures used by other companies.

Adjusted income (loss) is defined as net income (loss) adjusted for succession planning and financing costs indirectly associated with the merger with Wellco and impairment loss on goodwill. Adjusted income (loss) is not a recognized measure under Canadian GAAP. Management believes, in addition to net income (loss), adjusted income (loss) is a useful supplemental measure as it provides an indication of income (loss) before unusual items. Readers should be cautioned that adjusted income (loss) should not be construed as an alternative to net income (loss) determined in accordance with Canadian GAAP as an indicator of the Trust's performance. Peak's method of calculating adjusted income (loss) may differ from other companies and, accordingly, adjusted income (loss) may not be comparable to measures used by other companies.

Standardized distributable cash is defined as cash flow from operating activities less adjustments for total capital expenditures, as reported in the GAAP financial statements, and restrictions on distributions arising from compliance with financial covenants restrictive as of the date of the calculation. Standardized distributable cash is not a recognized measure under Canadian GAAP, however standardized distributable cash is in accordance with the recommendations provided by the CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities: Guidance on Preparation and Disclosure". Readers should be cautioned that standardized distributable cash should not be construed as an alternative to cash flow from operating activities, as an indicator of the Trust's performance. Peak's method of calculating standardized distributable cash may differ from other companies and, accordingly, standardized distributable cash may not be comparable to measures used by other entities.

Adjusted distributable cash is defined as standardized distributable cash adjusted for business acquisitions, growth and infrastructure capital expenditures and seasonal changes in non-cash working capital. Adjusted distributable cash is not a recognized measure under Canadian GAAP. Management believes, in addition to standardized distributable cash, adjusted distributable cash is a useful supplemental measure as it demonstrates the Trust's ability to generate the cash necessary to make distributions, repay debt or fund future growth through capital investment. Readers should be cautioned that adjusted distributable cash should not be construed as an alternative to standardized distributable cash, determined in accordance with the recommendations provided by the CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities: Guidance on Preparation and Disclosure", as an indicator of the Trust's performance. Peak's method of calculating adjusted distributable cash may differ from other companies and, accordingly, adjusted distributable cash may not be comparable to measures used by other entities.

Payout ratios are defined as distributions declared divided by either standardized distributable cash or adjusted distributable cash. Payout ratios are not recognized measures under Canadian GAAP. Management believes these ratios provide an indication of the amount of cash either retained or distributed that could be utilized for future growth opportunities, debt repayment or incremental future distributions to Unitholders. The Trust's method of calculating payout ratios may differ from those used by other entities and, accordingly, payout ratios may not be comparable to measures used by other entities.

Working capital is defined as current assets less current liabilities excluding current portion of long-term debt. Current ratio is defined as current assets divided by current liabilities excluding current portion of long-term debt. Working capital and current ratio are not recognized measures under Canadian GAAP. Management believes working capital and current ratio provide an indication of the current liquidity available to the Trust before considering long-term debt facilities or equity financing considerations. The

Trust's method of calculating working capital or current ratio may differ from those used by other entities and, accordingly, may not be comparable to measures used by other entities.

Funded debt is defined as long-term debt including current portion of long-term debt less cash and cash equivalents. Net debt is defined as long-term debt including current portion of long-term debt less working capital. Funded debt and net debt are not recognized measures under Canadian GAAP. Management believes funded debt and net debt provide an indication of the Trust's debt position after consideration for assets and liabilities that are considered relatively liquid in nature. The Trust's method of calculating funded debt and net debt may differ from those used by other entities and, accordingly, may not be comparable to measures used by other entities.

Long-term debt to equity ratio is defined as long-term debt including current portion of long-term debt divided by Unitholders' equity. Long-term debt to equity ratio is not a recognized measure under Canadian GAAP. Management believes the long-term debt to equity ratio provides an indication of how the Trust's operations are financed. The Trust's method of calculating long-term debt to equity ratio may differ from those used by other entities and, accordingly, may not be comparable to measures used by other entities.

FORWARD-LOOKING INFORMATION

This press release contains forward looking information within the meaning of applicable Canadian securities legislation ("Forward-looking Information") 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.

In particular, Forward-looking Information includes the following statements within this MD&A: expected near-term lower industry activity levels, believes it will be able to continue as a going concern, may experience more difficulty expanding its credit facilities materially above current levels, not probable that management can rely heavily on equity financing, wells to be drilled in Western Canada for 2009 is now in the 13,000 range, enable the Trust to reduce its cost structure by approximately \$8.0 million to \$10.0 million, 2009 capital expenditure plan and long term outlook for the oil and natural gas industry in North America remains very positive.

These statements include, but are not limited to, statements as to seasonal and weather conditions affecting the Canadian oil and natural gas industry and the demand for the Trust's services. 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: 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.

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.

CONFERENCE CALL

Management will hold a conference call to discuss the quarter end results at 9:30 a.m. MT (11:30 a.m. ET) on Wednesday February 25, 2009. To participate, please dial 1 (866) 542-4241 or 1 (416) 641-6124. Participants are asked to call at least 10 minutes before the start of the call. For those unable to participate in the live call, a replay will be available until Wednesday March 4, 2009 by dialing 1 (800) 408-3053 or 1 (416) 695-5800, verbal pass code 3283683.

FINANCIAL RESULTS

The following selected financial information summarizes Peak's consolidated financial results for the three and twelve months ended December 31, 2008. Peak's annual report for fiscal 2008, will be available at www.sedar.com on or about March 13, 2009.

CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME (LOSS) AND DEFICIT

<i>(in thousands of CAD, except per Unit amounts) (unaudited)</i>	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2008	2007	2008	2007
Revenue	\$ 47,616	\$ 27,511	\$ 155,589	\$ 108,957
Expenses:				
Operating	29,862	15,335	97,159	59,044
General and administrative	9,291	7,067	36,717	25,613
Depreciation and amortization	4,644	4,321	18,735	17,285
Interest on long-term debt	1,318	996	5,168	4,419
	45,115	27,719	157,779	106,361
Income (loss) before other items	2,501	(208)	(2,190)	2,596
Other items:				
Impairment loss on goodwill	1,409	-	1,409	15,559
Loss (gain) on sale of equipment	85	916	618	2,177
Impairment loss on equipment held for sale	220	-	220	-
Foreign exchange gain	(857)	723	(1,109)	723
	857	1,639	1,138	18,459
Income (loss) before income taxes	1,644	(1,847)	(3,328)	(15,863)
Provision for income taxes:				
Current	476	(233)	913	604
Future (reduction)	1,763	(2,610)	586	(8,741)
	2,239	(2,843)	1,499	(8,137)
Net income (loss) and comprehensive income (loss)	(595)	996	(4,827)	(7,726)
Deficit, beginning of period				
As previously reported	(54,418)	(31,675)	(50,186)	(25,192)
Change in method of accounting for deferred financing costs	-	-	-	(372)
As restated	(54,418)	(31,675)	(50,186)	(25,564)
Distributions declared to Unitholders	-	(6,094)	-	(16,896)
Deficit, end of period	\$ (55,013)	\$ (36,773)	\$ (55,013)	\$ (50,186)
Earnings (loss) per Unit:				
Basic	\$ (0.01)	\$ 0.04	\$ (0.11)	\$ (0.28)
Diluted	\$ (0.01)	\$ 0.04	\$ (0.11)	\$ (0.28)

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands of CAD) (unaudited)</i>	Three months ended		Twelve months ended	
	2008	2007	2008	2007
Operating activities:				
Net income (loss)	\$ (595)	\$ 996	\$ (4,827)	\$ (7,726)
Add (deduct) items not affecting cash:				
Depreciation and amortization	4,644	4,321	18,735	17,285
Impairment loss on goodwill	1,409	-	1,409	15,559
Loss (gain) on sale of equipment	85	916	618	2,177
Impairment loss on equipment held for sale	220	-	220	-
Unrealized foreign exchange loss (gain)	(431)	409	(216)	409
Future income taxes	1,763	(2,610)	586	(8,741)
Income attributable to non-controlling interest	-	-	-	-
	7,095	4,032	16,525	18,963
Changes in non-cash working capital items	5,900	(1,604)	17,542	7,866
	12,995	2,428	34,067	26,829
Investing activities:				
Business acquisition	-	-	(8,740)	-
Purchase of equipment	(9,863)	(2,223)	(18,139)	(17,154)
Proceeds on sale of equipment	191	432	14,604	5,826
	(9,672)	(1,791)	(12,275)	(11,328)
Changes in non-cash working capital items	(51)	367	482	(2,295)
	(9,723)	(1,424)	(11,793)	(13,623)
Financing activities:				
Increase in long-term debt	2,473	-	76,591	3,000
Repayment of long-term debt	(350)	-	(101,832)	-
Repayment of obligations under capital lease	-	-	-	(103)
Issue of Trust Units, net of costs	-	-	9,923	1,041
Distributions paid to Unitholders	-	(3,324)	-	(19,368)
	2,123	(3,324)	(15,318)	(15,430)
Foreign exchange gain on cash held in foreign currency	7	(15)	(8)	(15)
Increase (decrease) in cash and cash equivalents	5,402	(2,335)	6,948	(2,239)
Cash and cash equivalents, beginning of period	3,163	3,952	1,617	3,856
Cash and cash equivalents, end of period	\$ 8,565	\$ 1,617	\$ 8,565	\$ 1,617

CONSOLIDATED BALANCE SHEETS

<i>(in thousands of CAD) (unaudited)</i>	December 31, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,565	\$ 1,617
Accounts receivable	45,548	27,041
Prepaid expenses	2,175	1,477
Inventory	1,398	-
	57,686	30,135
Property and equipment	232,164	201,980
Equipment held for sale	3,580	-
Intangibles	7,783	8,797
	\$ 301,213	\$ 240,912
LIABILITIES AND UNITHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 24,720	\$ 11,056
Income taxes payable	838	63
Current portion of long-term debt	9,012	3,562
Current portion of deferred lease inducements	201	201
	34,771	14,882
Long-term debt	79,955	67,188
Deferred lease inducements	1,923	2,124
Future income taxes	10,747	17,981
Unitholders' equity:		
Trust Unit capital	227,347	187,440
Contributed surplus	1,483	1,483
Deficit	(55,013)	(50,186)
	173,817	138,737
	\$ 301,213	\$ 240,912

About Peak Energy Services Trust

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 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".

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

For further information please contact:

Peak Energy Services Trust
Mr. Curtis W. Whitteron
President and Chief Executive Officer
Livingston Place, South Tower
Suite 900, 222 - 3rd Avenue SW T2P 0B4
Tel: (403) 543-7325
Fax: (403) 543-7335

or

Peak Energy Services Trust
Mr. Monty R. Balderston
Chief Financial Officer
Livingston Place, South Tower
Suite 900, 222 - 3rd Avenue SW T2P 0B4
Tel: (403) 543-7325
Fax: (403) 543-7335