



Press Release

For Immediate Release

November 12, 2009

Peak Energy Services Trust reports its financial results for the three and nine months ended September 30, 2009

Financial and Industry Highlights (unaudited)

(in '000 of CAD, except otherwise noted)	Three months ended September 30			Nine months ended September 30		
	2009	2008	Change	2009	2008	Change
Revenue	21,107	39,465	-47%	89,649	99,641	-10%
EBITDA ⁽¹⁾	(1,517)	7,801	-119%	7,709	13,543	-43%
Per unit – diluted	(0.03)	0.16	-119%	0.16	0.31	-48%
As a percentage of revenue	-7%	20%		9%	14%	
Net income (loss)						
– continuing operations	(4,284)	1,720	-349%	(4,284)	(2,765)	-55%
Per unit – diluted	(0.09)	0.04	-325%	(0.09)	(0.06)	-50%
Net loss – discontinued operations	(411)	(387)	-6%	(10,620)	(1,467)	-624%
Per unit – diluted	(0.01)	(0.01)	-%	(0.22)	(0.03)	-633%
Net income (loss)	(4,695)	1,333	-452%	(14,904)	(4,232)	-252%
Per unit – diluted	(0.10)	0.03	-433%	(0.31)	(0.10)	-210%
Distributions declared	-	-	-%	-	-	-%
Per unit	-	-	-%	-	-	-%
Industry activity ⁽²⁾						
Drilling rig operating days	16,362	38,898	-58%	53,017	99,980	-47%
Service rig utilization	37%	58%	-36%	38%	53%	-28%

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

(2) 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 consolidated financial statements and oilfield services 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"), standardized distributable cash ("SDC"), adjusted distributable cash ("ADC"), payout ratio of ADC and SDC, working capital, 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

As compared to the same period in the prior year, for the third quarter of 2009 Canadian drilling rig operating days were 58 percent lower and Canadian service rig utility was 36 percent lower. Meanwhile, year-to-date Canadian drilling rig operating days were 47 percent lower and Canadian service rig utility was 28 percent lower. Wells drilled year-to-date in Canada were at their lowest level in the past decade at 5,743 wells which compares very negatively with the ten year average of 13,460 wells.

The decrease has been the result of the global economic down-turn and its impact on demand for oil and natural gas and liquidity within the capital markets; an over supply of natural gas which has resulted in downward pressure on hydrocarbon commodity prices; and government policy changes in Alberta through amendments made to royalty rates collected increasing the uncertainty within the oil and natural gas industry.

The immediate negative impact of the above events did not translate into a noticeable decrease in oil and natural gas industry activity until the second half of the fourth quarter of 2008. This negative trend has intensified significantly in 2009 as industry analysts, which management concurs with, are now forecasting a decrease of between 40 and 50 percent in Canadian industry activity over 2008, with the current trend of a lower number of wells with a longer duration for each well being drilled, continuing. Adding to the decrease in oil and natural gas industry activity, significant pricing pressure has and will continue to amplify as oilfield service organizations are competing for a smaller market of activity. Coupled with low hydrocarbon commodity prices which ultimately drives cash flows of producers and their incentive to add production, the impact of the global economic recession on debt and equity markets is further intensifying the negative oil and natural gas industry activity trend as players that are in the development stage are more adversely impacted since their reliance on financing to fund operations is very significant.

SELECTED FINANCIAL AND OPERATING INFORMATION

For the three months ended September 30, 2009, Peak:

- generated revenue of \$21.1 million which was a 47 percent or \$18.4 million decrease over the 2008 third quarter revenue of \$39.4 million;
- realized EBITDA of negative \$1.5 million (negative \$0.03 per Unit diluted or negative 7 percent of revenue), which was a decrease of 119 percent or \$9.3 million over EBITDA for the prior year period of \$7.8 million (\$0.16 per Unit diluted or 20 percent of revenue);
- posted a net loss from continuing operations of \$4.3 million (loss of \$0.09 per Unit diluted), which was a decrease of 349 percent or \$6.0 million as compared to a net income for the third quarter of 2008 of \$1.7 million (\$0.04 per Unit diluted);
- recognized a net loss from the discontinued operations of the Wireline operating division of \$0.4 million (loss of \$0.01 per Unit diluted) compared to a net loss for the third quarter of 2008 of \$0.4 million (loss of \$0.01 per Unit diluted). Peak completed the sale of the Wireline operating division on July 14, 2009; and
- realized a net loss of \$4.7 million (loss of \$0.10 per Unit diluted), which was a decrease of 452 percent or \$6.0 million as compared to a net income for the third quarter of 2008 of \$1.3 million (\$0.03 per Unit diluted).

For the nine months ended September 30, 2009, Peak:

- generated revenue of \$89.6 million which was a 10 percent or \$10.0 million decrease over the 2008 year-to-date revenue of \$99.6 million;
- realized EBITDA of \$7.7 million (\$0.16 per Unit diluted or 9 percent of revenue), a decrease of 43 percent or \$5.8 million over EBITDA for the prior year period of \$13.5 million (\$0.31 per Unit diluted or 14 percent of revenue);
- realized adjusted EBITDA of \$7.7 million (\$0.16 per Unit diluted or 9 percent of revenue), a decrease of 50 percent or \$7.8 million over adjusted EBITDA for the prior year period of \$15.5 million (\$0.36 per Unit diluted or 16 percent of revenue);

- realized a net loss from continuing operations of \$4.3 million (loss of \$0.09 per Unit diluted), which was an increase of 55 percent or \$1.5 million as compared to a net loss for the first nine months of 2008 of \$2.8 million (loss of \$0.06 per Unit diluted);
- recognized a net loss from the discontinued operations of the Wireline operating division of \$10.6 million (loss of \$0.22 per Unit diluted) compared to a net loss for the first nine months of 2008 of \$1.5 million (loss of \$0.03 per Unit diluted);
- realized a net loss of \$14.9 million (loss of \$0.31 per Unit diluted), which was an increase of 252 percent or \$10.7 million as compared to a net loss for the first nine months of 2008 of \$4.2 million (loss of \$0.10 per Unit);
- generated adjusted distributable cash of \$16.5 million or \$0.34 per Unit diluted (2008 – \$5.6 million or \$0.13 per Unit diluted), of which zero distributions (\$0.00 per Unit) were made to Unitholders during the current year-to-date period, resulting in a payout ratio of zero percent (2008 – zero distributions (\$0.00 per Unit) or zero percent); and
- in light of materially lower oil and natural gas industry activity levels anticipated for 2009, management implemented a significant restructuring plan commencing in February 2009 with additional measures taken in the third quarter of 2009, including the sale of the Wireline operating division. The major components of the plan included a reduction in permanent employee positions, temporary salary and wage reductions and suspension of certain employee benefit programs. Furthermore, the sale of the Wireline operating division will further reduce operating and facility costs. Peak expects the restructuring plan will reduce its cost structure by at least \$12.0 million in 2009 (\$20.5 million on an annualized basis).

As at September 30, 2009, the Trust was in breach of the funded net debt to 12 month trailing EBITDA financial covenant under its long-term debt agreements, which has been waived by the lenders. The significant terms were announced on October 16, 2009 and are detailed in the “Subsequent Events” section of this Press Release which include the Trust successfully completing a \$22.0 million debenture financing, using the net proceeds of the \$22.0 million debenture financing to reduce a portion of the existing long-term debt outstanding and amending other certain terms of the long-term debt agreements, all of which is to be completed within the grace period of December 17, 2009.

CAPITAL RESOURCES

As compared to December 31, 2008, Peak:

- decreased working capital by \$19.3 million to \$12.7 million;
- decreased tangible capital assets by \$23.6 million to \$212.1 million;
- decreased funded debt by \$22.8 million to \$57.6 million; and
- decreased Unitholders' equity by \$14.6 million to \$159.2 million.

LONG-TERM DEBT

The Trust's long-term debt (including current portion) decreased to \$60.0 million at September 30, 2009, as compared to \$89.0 million at December 31, 2008. Funded debt was \$57.6 million at September 30, 2009 as compared to \$80.4 million at December 31, 2008. Meanwhile, net debt was \$47.3 million at September 30, 2009 as compared to \$57.0 million at December 31, 2008. The long-term debt to equity ratio decreased to 0.38 to 1.00 at September 30, 2009 (December 31, 2008 – 0.51 to 1.00). Of the Trust's \$105.0 million long-term debt facilities at September 30, 2009, \$45.0 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.

The current negative economic environment and its impact on the financial markets, lending institutions, hydrocarbon commodity prices, and oil and natural gas industry activity levels is presenting a very challenging operating environment for the oil and natural gas services industry. Management has taken several steps to proactively manage its cash flow and related funded debt level through these uncertain

times. As detailed in the "Subsequent Events" section of this Press Release the primary focus for Peak is on further reducing the funded debt outstanding in light of expected near-term lower oil and natural gas industry activity levels.

As at September 30, 2009, the Trust was in breach of the funded net debt to 12 month trailing EBITDA financial covenant under its long-term debt agreements, which has been waived by the lenders. The significant terms are detailed in the "Subsequent Events" section of this Press Release which include the Trust successfully completing a \$22.0 million debenture financing, using the net proceeds of the \$22.0 million debenture financing to reduce a portion of the existing long-term debt outstanding and amending other certain terms of the long-term debt agreements, all of which is to be completed within the grace period of December 17, 2009. As of November 12, 2009, the Trust has met all of the material conditions of completing the \$22.0 million debenture financing, hence has included the pro forma \$22.0 million debenture financing in its funded net debt to 12 month trailing EBITDA financial covenant calculation, as agreed to with its lenders. On a pro forma basis the financial covenant is 2.17 to 1.00 at September 30, 2009, which is in compliance with the long-term debt agreements, subject to the remaining \$22.0 million debenture financing and long-term debt agreements amendments conditions being met within the grace period.

The Trust has forecasted its financial results for the foreseeable future using its best estimates of industry activity levels and its associated operating conditions. Based on its forecast, Peak believes it will be able to continue as a going concern, in spite of this very challenging operating environment. However, a decrease from the forecasted industry activity could adversely impact the Trust's liquidity and capital resources. Furthermore, it should be noted that given the current economic environment and the impact on industry activity and forecasted results that the Trust would likely experience significant difficulty expanding its funded debt materially above current levels and if required for operations this would adversely impact the Trust's liquidity and capital resources.

UNITHOLDERS' EQUITY

Unitholders' equity decreased \$14.6 million to \$159.2 million at September 30, 2009, from \$173.8 million at December 31, 2008. The decrease over the prior year-end was the result of a net loss of \$14.9 million.

Considering the current equity market conditions and related negative impact on the oil and natural gas industry it would be challenging for management to rely heavily on equity financing as the market appetite is limited and it would be very dilutive for existing Unitholders at current Unit market pricing.

As detailed in the "Subsequent Events" section of this Press Release, the Trust intends to complete a \$22.0 million 12 percent convertible secured subordinated debenture financing on or about December 17, 2009 to realign its capital resources. The debentures will mature on September 30, 2012 and if all debentures are converted by the debenture holders an additional 37,180,000 Trust Units will be issued, subject to certain potential adjustments to the conversion price. Management recognizes that the debentures could be very dilutive to existing Unitholders, hence believes the rights offering is the most appropriate vehicle to provide existing Unitholders with the opportunity to participate in the realignment of the Trust's capital resources.

SUBSEQUENT EVENTS

Over the past 18 months, Peak has taken several steps to manage its balance sheet as oil and natural gas industry activity levels continued to deteriorate (Canadian industry activity levels measured in wells drilled were 18,542 wells drilled for 2007, 16,978 wells drilled for 2008 and expectations are in the 9,000 wells drilled range for 2009). These initiatives have included:

- the rationalization of under performing assets through the sale of Peak's Wireline (cased hole and slick line) operating division and access matting assets which generated gross proceeds of \$15.1 million;
- the internal restructuring of employee, facility and other major cost inputs which are expected to reduce operating, general and administrative expenses by approximately \$20.5 million on an annualized basis (estimated reduction of \$12.0 million in 2009); and
- the repayment of \$39.8 million of existing long-term debt.

Despite these steps, the protracted down-turn of industry activity combined with management's expectations of future industry activity levels, and its impact on Peak's financial performance, has precipitated the Trust to realign its capital resources. On October 16, 2009, the Trust announced a series of initiatives that will strengthen its capital resources.

DEBENTURE FINANCING

The Trust is offering rights to its Unitholders to subscribe for 12 percent convertible secured subordinated debentures of the Trust for gross proceeds to the Trust of \$22.0 million which should close on or about December 17, 2009. After consideration of expenses associated with the transaction of \$0.9 million, net proceeds are expected to be approximately \$21.1 million. Net proceeds will be used to reduce a portion of the Trust's existing long-term debt outstanding. The debenture financing has been fully back-stopped through a stand-by purchase agreement made with an existing long-standing Unitholder. The debentures will mature on September 30, 2012 and if all debentures are converted by the debenture holders an additional 37.2 million Trust Units will be issued, subject to certain potential adjustments to the conversion price.

LONG-TERM DEBT AMENDMENTS

As at June 30, 2009, the Trust was in compliance with all of its covenants under the long-term debt agreements, however subsequent to this date the Trust determined that it was reasonably likely that it would not remain in compliance with a certain covenant within its long-term debt agreements for the financial period ended September 30, 2009, as industry activity levels have lagged management's expectations. In anticipation of this, the Trust entered into discussions with its senior lenders for amendments to its long-term debt agreements that would provide Peak with continued liquidity and sufficient financial flexibility to execute on its business plan through the current oil and natural gas industry down-turn.

In connection with the \$22.0 million debenture financing the Trust has negotiated certain amendments to its existing long-term debt agreements. Subject to the completion of the \$22.0 million debenture financing, the net proceeds of \$21.1 million being used to reduce a portion of the Trust's existing long-term debt outstanding and the payment of \$0.35 million in amendment fees by December 17, 2009, the lenders have agreed to amend their respective long-term debt agreements as follows:

- a) Funded net debt to 12 month trailing EBITDA financial covenant:
 - September 30, 2009 – allow a pro forma calculation to reflect \$22.0 million debenture financing;
 - December 31, 2009 – 3.00 to 1.00;
 - March 31, 2010 – 3.00 to 1.00;
 - June 30, 2010 – 2.75 to 1.00; and
 - September 30, 2010 and onward – 2.50 to 1.00.
- b) Syndicated extendable term revolving acquisition loan facility availability to be reduced from \$65.0 million to \$15.0 million at the request of Peak to reduce standby fees by approximately \$0.7 million per year;
- c) Interest rate on term loan agreement dated August 31, 2005 to be increased from 6.3 percent to 7.8 percent; and
- d) Interest rate on term loan agreement dated June 26, 2006 to be increased from 7.2 percent to 8.7 percent.

As at September 30, 2009, the Trust was in breach of the funded net debt to 12 month trailing EBITDA financial covenant under its long-term debt agreements, which has been waived by the lenders. The amendments are expected to become effective following the satisfaction or waiver of a number of conditions, including: (i) the completion of the \$22.0 million debenture financing of which the net proceeds are to be used to reduce a portion of the existing long-term debt of the Trust, (ii) execution and delivery of definitive documentation, (iii) receipt of all other necessary consents and agreements of the lenders, (iv) all other legal documentation relating to the \$22.0 million debenture financing and existing long-term debt agreements being satisfactory to the lenders, and (v) payment of \$0.35 million in amendment fees to the lenders. There can be no assurance that all of the conditions will be satisfied. Similarly, there can be no

assurance that the long-term debt agreements amendments will become effective on or prior to the December 17, 2009 deadline imposed by the lenders, if at all.

OUTLOOK

Unfortunately, industry activity for 2009 has been significantly less than the prior year period with 53 percent fewer wells being drilled. This reduced level of drilling activity during the first nine months of 2009 was not unexpected given the challenges being experienced by the oil and natural gas industry. The worldwide economic recession has put significant downward pressure on hydrocarbon 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 until recently, 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. Considering the slow start to the year and the lack of clear visibility going forward, Peak's outlook for the number of wells to be drilled in western Canada for 2009 is in the 9,000 well range, representing a 47 percent reduction from the prior year. This current environment of unseasonably low levels of activity leads management to believe that 2010 could unfold very much like 2009. In light of this, Peak's current forecast is 9,500 wells to be drilled in western Canada in 2010. Given this outlook, Management expects that pricing will remain under significant pressure for the balance of 2009 and into 2010 given the low activity levels.

Over the past 18 months, Peak has taken several proactive steps to manage its balance sheet as oil and natural gas industry activity levels continued to deteriorate. These initiatives have included the rationalization of under performing assets which generated gross proceeds of \$15.1 million, the internal restructuring of employee, facility and other major cost inputs which are expected to reduce operating, general and administrative expenses by approximately \$20.5 million on an annualized basis (estimated reduction of \$12.0 million in 2009) and the repayment of \$39.8 million of existing long-term debt. If necessary, management will implement further restructuring initiatives to relatively maintain EBITDA margins as best it can in light of the current environment. In addition to the foregoing, the Trust has also significantly curtailed its capital expenditure plans for 2009 / 2010 relative to prior years and is aggressively pursuing its asset rationalization program, such as the disposal of the Wireline operating division, to preserve cash flow, strengthen its balance sheet and better position itself to take advantage of opportunities that may present themselves.

Despite all the aforementioned activities to weather the current storm, the protracted down-turn of the oil and natural gas industry activity, combined with management's expectations of near-term future oil and natural gas industry activity levels and its impact on Peak's financial performance, has precipitated the Trust to realign its capital resources. On October 16, 2009, the Trust announced a series of initiatives to strengthen its capital resources, including a \$22.0 million 12 percent convertible secured subordinated debenture rights offering. Management recognizes that the debentures could be very dilutive to existing Unitholders, hence believes the rights offering is the most appropriate vehicle to provide existing Unitholders with the opportunity to participate in the realignment of the Trust's capital resources and in doing so mitigate their potential for dilution. Further to this, it is also important to note that the Trust has a stand-by purchase commitment for the entire \$22.0 million debenture financing from a long standing Unitholder to ensure the success of this realignment of Peak's capital resources. The \$22.0 million debenture in combination with certain amendments to the Trust's existing long-term debt agreements relieves some of the current pressure on Peak's capital resources and, in turn, provides Peak with improved liquidity and sufficient financial flexibility to execute on its business plan through the current, protracted oil and natural gas industry down-turn. These initiatives will, among other things allow Peak to continue to increase its market share in various geographical regions, including several resource plays in the United States and western Canada.

Notwithstanding the current near to mid-term uncertainty surrounding the oil and natural gas industry in North America, management continues to believe that the long-term outlook for the oil and natural gas industry in North America remains positive. As this current instability subsides and the global economic situation continues to improve, the underlying strength in the supply and demand fundamentals for oil and natural gas supply should once again be a catalyst for higher hydrocarbon 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 (non-cash expenses and gains / losses). 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 entities.

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 ratio are defined as distributions declared divided by adjusted distributable cash. Payout ratio is not a recognized measure under Canadian GAAP. Management believes this ratio provides 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 the payout ratio may differ from those used by other entities and, accordingly, the payout ratio 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. Working capital is not a recognized measure under Canadian GAAP. Management believes working capital provides 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 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 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 12, 2009. Additionally, Peak undertakes no obligation to comment on expectations of, or statements made by, third parties in respect of this Press Release.

Forward-looking information includes the following statements within this Press Release regarding the expectations of: the geopolitical and global economic future; expectations of improvement in future oil and natural gas industry activity levels, hydrocarbon supply/demand balance and associated hydrocarbon pricing; future oil sands activity and development; the cyclical and seasonal nature of activity within the oil and natural gas industry; industry trends regarding provincial activity levels and type of activity; the future provision of Peak's services and its impact on equipment utility, pricing, forecasted financial performance and ability to continue as a going concern; the Trust's ability to increase market share in various geographical regions; the future financial impact of Peak's cost restructuring initiatives; successful completion of the financing for debentures; successful completion of amendments to the existing long-term debt agreements; expectations that the realignment of capital resources will improve liquidity and financial flexibility; Peak's future capital expenditures; access to and affordability of debt, including the associated interest cost, and equity capital markets for Peak and its customers; Peak's ability to attract and retain key personnel; anticipated future tax legislation; Peak's working capital changes; management's financing strategy for managing Peak's liquidity and capital resources; management's strategy for maintaining the Trust's productive capacity; and the impact of future accounting standards on the Trust's financial statements.

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 including the consequences of the current global economic recession; the obligations committed to by all parties involved with the debenture financing and long-term debt agreement amendments are not fulfilled; 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 Friday, November 13, 2009. To participate, please dial 1 (800) 766-6630 or 1 (416) 695-6622. 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 Friday, November 20, 2009, by dialing 1 (800) 408-3053 or 1 (416) 695-5800, verbal pass code 4611801.

FINANCIAL RESULTS

The following selected financial information summarizes Peak's consolidated financial results for the three and nine months ended September 30, 2009. Peak's quarterly report, will be available at www.sedar.com or www.peak-energy.com on or about November 16, 2009.

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

<i>(in thousands of CAD, except per Unit amounts) (unaudited)</i>	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Revenue	\$ 21,107	\$ 39,465	\$ 89,649	\$ 99,641
Expenses:				
Operating	16,026	23,748	58,775	60,815
General and administrative	6,431	8,038	22,795	25,535
Foreign exchange loss (gain)	167	(122)	370	(252)
Unit-based compensation	60	-	312	-
Depreciation and amortization	3,228	3,804	10,237	12,175
Interest on long-term debt	1,107	1,301	3,208	3,850
	27,019	36,769	95,697	102,123
Income (loss) before other items from continuing operations	(5,912)	2,696	(6,048)	(2,482)
Other items:				
Loss (gain) on sale of equipment	2	(11)	96	534
	2	(11)	96	534
Income (loss) before income taxes from continuing operations	(5,914)	2,707	(6,144)	(3,016)
Provision for income taxes:				
Current (recovery)	187	9	(528)	437
Future (reduction)	(1,817)	978	(1,332)	(688)
	(1,630)	987	(1,860)	(251)
Net income (loss) from continuing operations	(4,284)	1,720	(4,284)	(2,765)
Net loss from discontinued operations	(411)	(387)	(10,620)	(1,467)
Net income (loss) and comprehensive income (loss)	(4,695)	1,333	(14,904)	(4,232)
Deficit, beginning of period	(65,222)	(55,752)	(55,013)	(50,186)
Deficit, end of period	\$ (69,917)	\$ (54,419)	\$ (69,917)	\$ (54,418)
Earnings (loss) per Unit from continuing operations:				
Basic	\$ (0.09)	\$ 0.04	\$ (0.09)	\$ (0.06)
Diluted	\$ (0.09)	\$ 0.04	\$ (0.09)	\$ (0.06)
Loss per Unit from discontinued operations:				
Basic	\$ (0.01)	\$ (0.01)	\$ (0.22)	\$ (0.03)
Diluted	\$ (0.01)	\$ (0.01)	\$ (0.22)	\$ (0.03)
Earnings (loss) per Unit:				
Basic	\$ (0.10)	\$ 0.03	\$ (0.31)	\$ (0.10)
Diluted	\$ (0.10)	\$ 0.03	\$ (0.31)	\$ (0.10)

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands of CAD) (unaudited)</i>	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Operating activities:				
Net income (loss) from continuing operations	\$ (4,284)	\$ 1,720	\$ (4,284)	\$ (2,765)
Add (deduct) items not affecting cash:				
Unit-based compensation	60	-	312	-
Depreciation and amortization	3,228	3,804	10,237	12,175
Loss (gain) on sale of equipment	2	(11)	96	534
Unrealized foreign exchange loss (gain)	116	(68)	(178)	215
Future income taxes (reduction)	(1,817)	978	(1,332)	(688)
	(2,695)	6,423	4,851	9,471
Changes in non-cash working capital items	5,048	(3,931)	13,920	11,721
	2,353	2,492	18,771	21,192
Discontinued operations:				
Funds provided by (used in) discontinued operations	(501)	106	(736)	(41)
Changes in non-cash working capital items of discontinued operations	83	(35)	147	(79)
	(418)	71	(589)	(120)
	1,935	2,563	18,182	21,072
Investing activities:				
Business acquisition	-	(7,157)	-	(8,740)
Purchase of equipment	(1,615)	(5,436)	(3,794)	(8,103)
Proceeds on sale of equipment	109	3,224	611	14,227
Proceeds on sale of property held for sale	-	-	3,580	-
	(1,506)	(9,369)	397	(2,616)
Changes in non-cash working capital items	(11)	605	(977)	533
	(1,517)	(8,764)	(580)	(2,083)
Discontinued operations:				
Funds provided by discontinued operations	5,318	135	5,150	13
	5,318	135	5,150	13
	3,801	(8,629)	4,570	(2,070)
Financing activities:				
Increase of operating line of credit	-	(78)	-	-
Increase in long-term debt	-	9,550	-	74,118
Repayment of long-term debt	(5,400)	(250)	(28,967)	(101,482)
Issue of Trust Units, net of costs	-	-	-	9,923
	(5,400)	9,222	(28,967)	(17,441)
Foreign exchange loss (gain) on cash held in foreign currency	(61)	7	1	(15)
Increase (decrease) in cash and cash equivalents	275	3,163	(6,214)	1,546
Cash and cash equivalents, beginning of period	2,076	-	8,565	1,617
Cash and cash equivalents, end of period	\$ 2,351	\$ 3,163	\$ 2,351	\$ 3,163

CONSOLIDATED BALANCE SHEETS

<i>(in thousands of CAD) (unaudited)</i>	September 30, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,351	\$ 8,565
Accounts receivable	19,687	44,889
Prepaid expenses	1,641	2,175
Inventory	1,246	1,398
Assets of discontinued operations	-	659
	24,925	57,686
Property and equipment	212,133	218,306
Intangibles	2,137	3,113
Property held for sale	-	3,580
Assets of discontinued operations	-	18,528
	\$ 239,195	\$ 301,213
LIABILITIES AND UNITHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 11,841	\$ 24,208
Income taxes payable	232	838
Current portion of long-term debt	3,171	9,012
Current portion of deferred lease inducements	201	201
Liabilities of discontinued operations	-	512
	15,445	34,771
Long-term debt	56,829	79,955
Deferred lease inducements	1,773	1,923
Future income taxes	5,923	10,747
Unitholders' equity:		
Trust Unit capital	227,347	227,347
Contributed surplus	1,795	1,483
Deficit	(69,917)	(55,013)
	159,225	173,817
	\$ 239,195	\$ 301,213

About Peak Energy Services Trust

Peak Energy Services Trust is a diversified energy services organization operating in western Canada and the 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.

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