



FOR IMMEDIATE RELEASE: January 18, 2010
TSX SYMBOL: PES.UN

**Peak Energy Services Trust announces
extensions of waivers from senior lenders and Deans Knight**

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CALGARY, Alberta – Peak Energy Services Trust ("**Peak**" or the "**Trust**") announced that the senior lenders have extended the deadline by which Peak and the senior lenders must agree on a proposal for the capital restructuring of Peak to 4:00 p.m. (Mountain time) on January 22, 2010 and the deadline by which the senior lenders must obtain all necessary credit and risk management approvals for any such capital restructuring to 4:00 p.m. (Mountain time) on January 28, 2010. As well, Deans Knight has confirmed the extension of the maturity date for the repayment of the \$3.0 million bridge loan to March 31, 2010, subject to certain conditions, including the waivers of the senior lenders continuing to be in effect on terms satisfactory to Deans Knight. All parties are continuing discussions regarding arriving at a viable, long term solution for the benefit of all stakeholders of Peak.

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 January 18, 2010. 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: reaching agreements with Deans Knight and its senior lenders and continuing negotiations and discussions with such parties. 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 Trust having insufficient cash to continue operations; the commitments of the stakeholders to resolve the outstanding issues; 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; 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; 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 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.

No assurances can be given that the negotiations between Peak and its senior lenders and Deans Knight will be successful, that any agreed upon capital restructuring of Peak will proceed to close or that the senior lenders will not take enforcement action against Peak. If Peak proposes a capital restructuring, no assurances can be given that all required regulatory and stock exchange approvals will be obtained or on terms and conditions satisfactory to the parties.

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The TSX has neither approved nor disapproved the information contained herein