



FOR IMMEDIATE RELEASE: December 24, 2009
TSX SYMBOL: PES.UN

Peak Energy Services Trust announces funding of \$3.0 million bridge loan

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CALGARY, Alberta – Peak Energy Services Trust ("**Peak**" or the "**Trust**") announced today that it has closed a \$3.0 million bridge loan with Deans Knight Capital Management Inc. ("**Deans Knight**").

As previously disclosed on December 21, 2009, the bridge loan will be used to fund Peak's working capital requirements in the near term. The bridge loan is a senior secured non-revolving term loan, the proceeds of which are being held in an escrow account to be drawn down by Peak on an as needed basis for working capital requirements. Peak's senior lenders have agreed to a subordination and postponement agreement with Deans Knight pursuant to which the senior lenders have agreed that the bridge loan (and all security granted under the bridge loan) ranks prior to all senior debt and other security of Peak and its subsidiaries. Each advance from escrow requires Peak to satisfy conditions precedent customary for transactions of this nature. The bridge loan bears interest at the rate of 18% per annum on the amounts drawn from escrow, matures on the earlier of the completion of the rights offering of up to \$22.0 million principal amount of 12 percent convertible secured subordinated debentures of Peak and January 31, 2010. The terms of the bridge loan include covenants and events of default customary for transactions of this nature.

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 December 24, 2009. Additionally, Peak undertakes no obligation to comment on expectations of, or statements made by, third parties in respect of these transactions.

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.

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 has neither approved nor disapproved the information contained herein