



Annual & Special Meeting of Unitholders  
May 26, 2010

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".



## Forward Looking Statements & Non GAAP Measures

- › This presentation focuses on key information and statistics from Peak's annual and interim consolidated financial statements and oilfield service industry which contains known and unknown risks and uncertainties. Furthermore, certain statements in this presentation are forward-looking. We strongly recommend the participants review the discussion of these statements in the "Management's Discussion and Analysis - Cautionary Statement Regarding Forward-Looking Information and Non-GAAP Measures" section of our 2009 Annual Report and 2010 First Quarter Report.
- › Furthermore, certain measures we use 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"), working capital, funded debt and net debt. We strongly recommend the participants review the discussion of these statements in the "Management's Discussion and Analysis - Non-GAAP Measures and Reconciliations" section of our 2009 Annual Report and 2010 First Report.



## PES.UN – “Significant Upside/Value on Horizon”

Trust Units Outstanding	173 million
Market Capitalization	\$ 52 million
Enterprise Value	\$ 92 million
TSX Trading History (52 Week)	High \$ 0.86 Low \$ 0.20 Recent \$ 0.30
Net Book Value/Unit	\$ 1.00
Tangible Book Value/Unit	\$ 0.99
Ownership -	
Management & Board of Directors	7.8%
Deans Knight Capital Management Ltd.	49.0%



## Well Positioned - “Built in Growth”

- › Commenced operations in June 1996.
- › Provide logistical support to oil and gas producers for ancillary service requirements.
- › Growth through a combination of acquisitions and internal expansion to build existing businesses:
  - › 26 acquisitions since inception
  - › 1 public merger in March 2008
  - › Tangible fixed assets of \$198.5 million
- › Significant “built-in growth” due to aggressive growth profile over the last 3-4 years (approx. 4,000 assets in the fleet today).
- › Services are provided through one operating entity with 13 full service branches strategically located throughout the WCSB and two U.S. based locations (further expansion currently underway).



## How Do We Differentiate Ourselves?

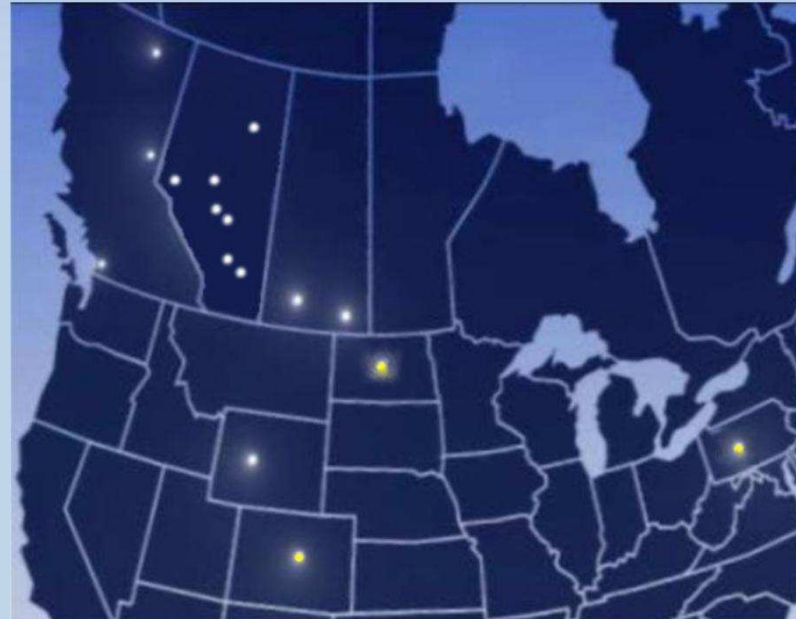
- › **Extensive Geographic Footprint**
- › **Large/Diversified Asset Base**
- › **Significant Market Share in Major Product Lines**
- › **Modern/Well Maintained Fleet of Equipment**
- › **Significant Opportunities for Growth**
- › **Experienced & Long Tenured Management/Personnel**



## Geographic Diversity & Reach Helps Drive “Top Line Growth”

Significant footprint provides opportunities for growth:

- › Ability to attract major E&P customers by offering a diversified suite of products & services over a broader geographic region.
- › Successful re-deployment of underutilized assets to regions of higher activity.
- › Growing presence in regions of significant activity including unconventional oil & gas resource plays (Canada & U.S.).





## What does Peak do?

- › The majority of Peak's business is providing **ancillary rental equipment** that surrounds the drilling and production process to oil and gas producers.
- › Peak offers approx. **4,000 rental assets** over a broad geographic region.
- › Surface rentals accounts for approx. **70% of Peak's revenue base**
  - › Significant market presence in the major product and service lines provided
  - › Significant expansion in the U.S. market continues.
- › Beyond our large rental fleet, Peak also provides **fluids handling services and water technology systems.**

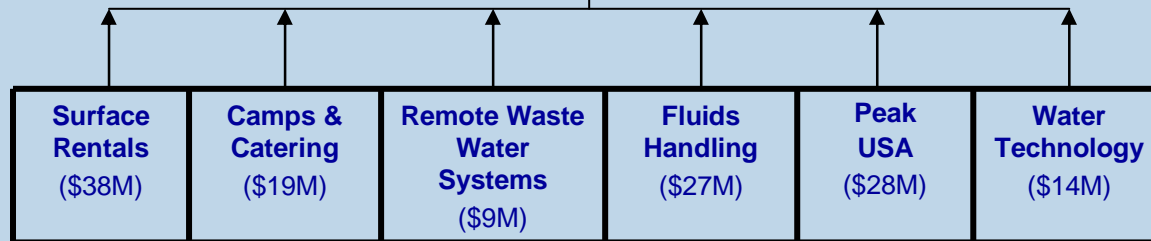


# Managing our Business Effectively

## Financial Reporting Segments

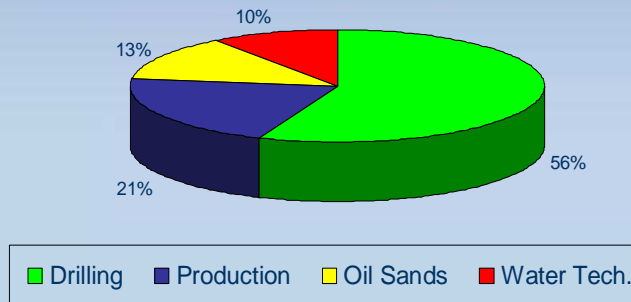


### Operating Divisions (2010 Revenue Estimates)



## Diversified Revenue Mix “Working in Peak’s Favor”

2010(F) - Revenue Mix

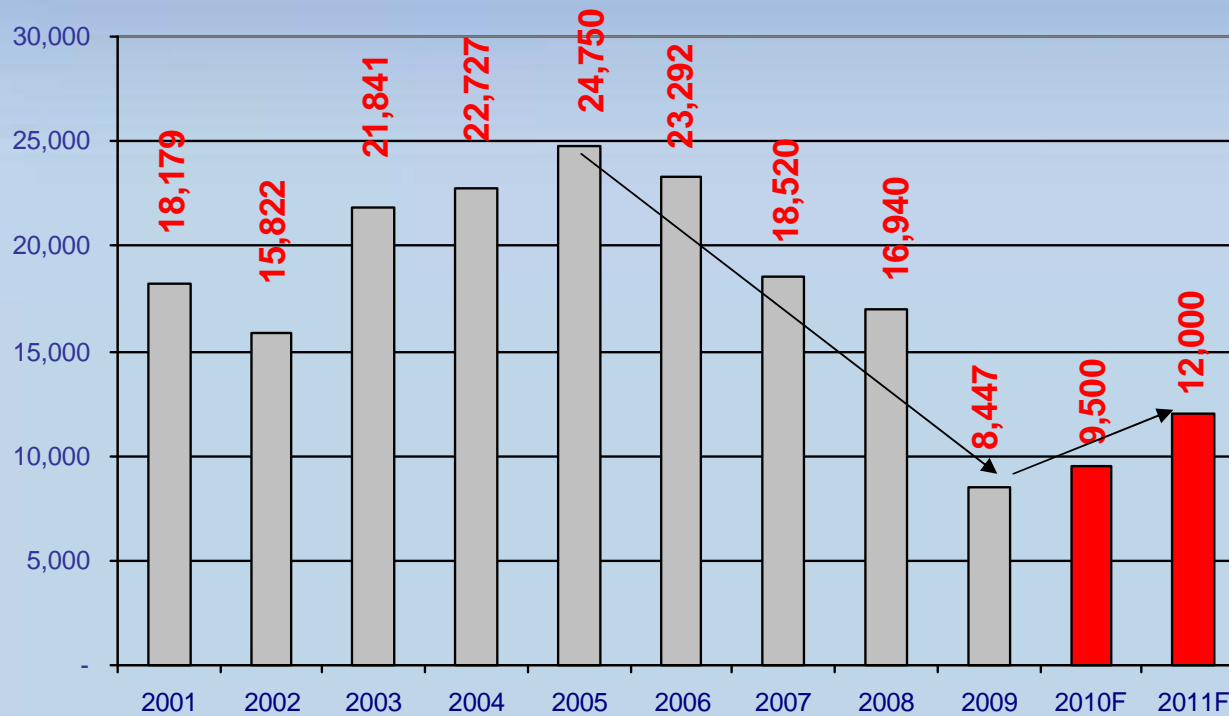


- › Historically Peak has generated up to 75% of its revenue from the drilling services area of the business.
- › Peak’s push to develop and grow a more diversified suite of products & services over the past several years has reduced its exposure to the cyclical/seasonality of the drill bit.
- › Shift in product mix reduces consolidated margins BUT creates a steadier cash flow stream over the longer term = less volatility in financial results.



## Industry Activity – Gradual Recovery Underway?

(PSAC: Wells Drilled/Year – Canada)



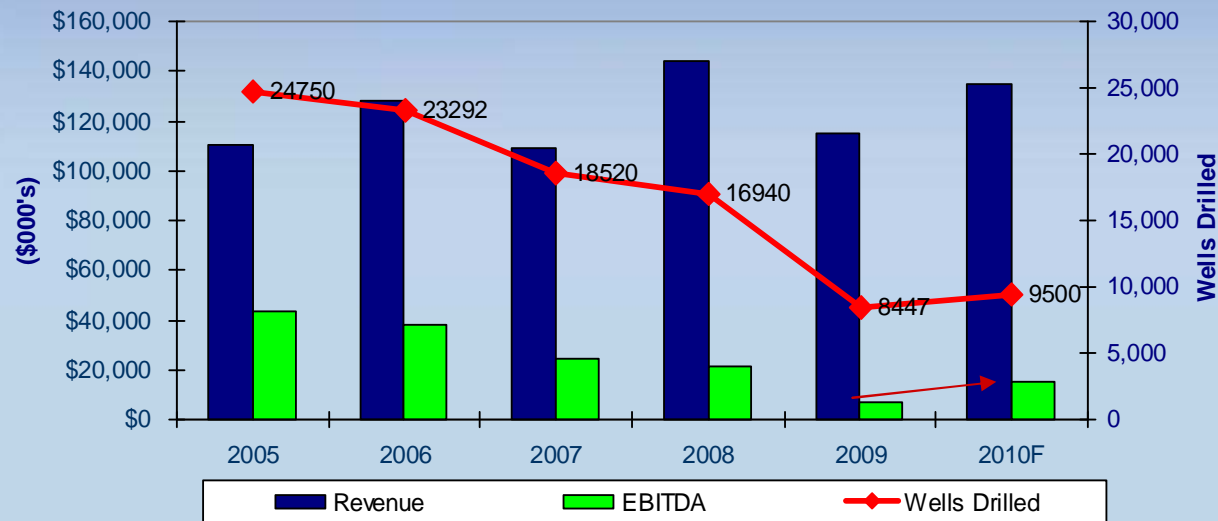


## Financial Results – First Quarter 2010

	Actual	2009	% Chg	Pro-Forma Q1-2010 (Q1-09 Pricing)	% Chg
<b>Drilling Rig Operating Days</b>	<b>38,399</b>	<b>28,244</b>	<b>36%</b>		
<b>Service Rig Utility</b>	<b>58%</b>	<b>48%</b>	<b>21%</b>		
(\$000's, except per unit data)					
Revenue	38,945	47,465	-18%	52,000	10%
EBITDA	6,427	12,309	-48%	19,000	54%
Margin	17%	26%		37%	
Net Income – Before Other Items	1,356	7,433	-82%		
Net Income (Loss)	(1,218)	5,421	-122%		
Per Unit	(\$0.01)	\$0.11	-109%		



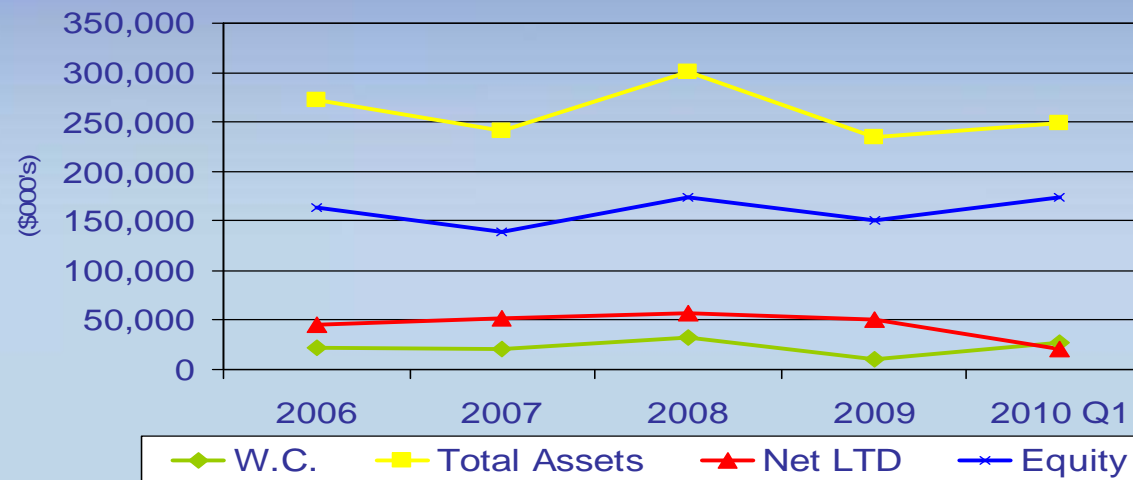
## Growth Strategy & Internal Focus at Work



- › Peak's presence in the active resource plays in western Canada combined with its significant growth initiatives in the U.S. along with its growing water technology business will enable the Trust to generate strong revenue growth in 2010 (17%) relative to the expected increase in number of wells to be drilled in 2010 (12%).
- › Peak's proactive approach to managing its infrastructure costs over the past 15 months should also enable the Trust to show a marked improvement in its margins during 2010.



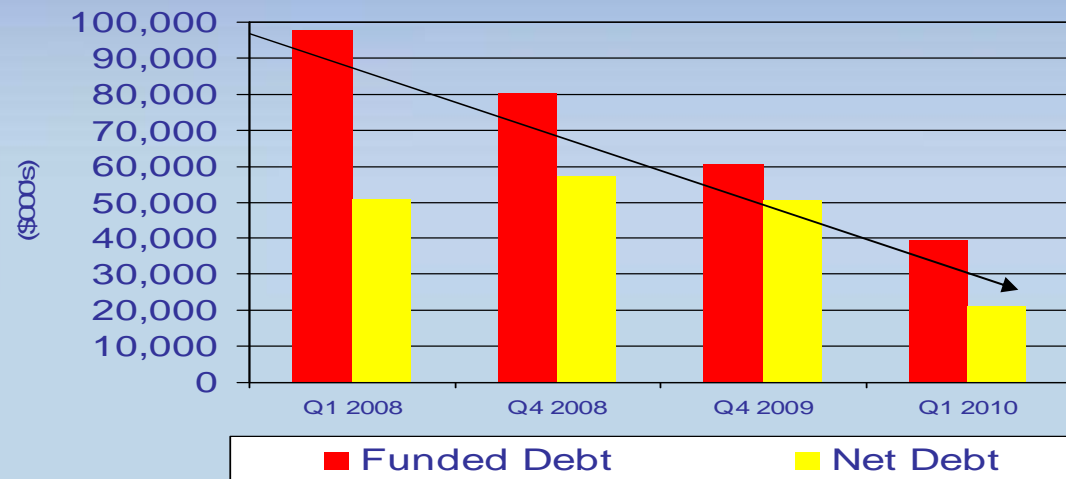
## Strong Balance Sheet – Solid Foundation



- › **Working Capital** (excl. current portion of LTD) of **\$28 million** at March 31, 2010 compared to \$10 million at Dec. 31, 2009. Working capital includes a cash balance of \$10 million at the end of Q1 2010.
- › **Total Assets** of **\$249 million** (Fixed Assets \$199 million, Current Assets \$49 million and Intangibles \$2 million) at March 31, 2010.
- › **Equity** increased to **\$173 million** at March 31, 2010 from \$151 million at Dec. 31, 2009.
- › **Net LTD** (debt less working capital) was **\$21 million** at March 31, 2010 compared to \$50 million at Dec. 31, 2009.



## Significant Debt Reduction (Past 24 Months)



- › Peak has **repaid approximately \$58 million of long term debt** since the Wellco merger in March 2008 from \$98 million to \$40 million at March 31, 2010.
- › This results in **net debt of \$21 million** (defined as funded debt less working capital).
- › This level of debt is well covered by the Trust's **fixed asset base of \$199 million**.



## Summary of Recent Initiatives

- › The successful completion of a **\$24.8 million equity raise** on March 30, 2010 (TSX de-listing review completed and met continued listing requirements).
- › The successful **re-negotiation of a more flexible debt structure** with our lenders effective March 30, 2010.
- › The continued **re-deployment of underutilized assets** to various resource plays in Canada and the U.S. to satisfy increasing customer demand.
- › The procurement of certain **significant contracts**:
  - › Water Technology - \$5.2 Million (P.R. May 4, 2010).
  - › Camps & Catering - \$7.5 - \$9.5 Million per annum (P.R. May 17, 2010).
- › The further expansion of **Peak's presence in the U.S.**
  - › Peak increased its asset base in the U.S. by approximately 40% since the beginning of 2009 with approximately 11% of this growth occurring in Q1 2010.
  - › Peak now has approximately \$26 million or 13% of its total fixed assets now committed to its U.S. operations.
  - › U.S. revenue is expected to double in 2010 to well over \$25 million, representing 15-20% of total revenue for the Trust in 2010.



## Managements Continued Focus: Growth, Financial Discipline & Pricing

- › **Peak continues to leverage off of its extensive geographic footprint** to maximize the utilization of the existing asset base in the various resource plays in western Canada (i.e. Montney, Oil Sands, Cardium and Bakken).
- › **The Trust continues to actively pursue additional growth opportunities** in the U.S. market (rental equipment and the water technology business) within the active resource plays.
- › **Financial discipline** remains at the forefront of priorities for the Trust. Peak continues to look for opportunities to further reduce its infrastructure cost to augment the significant progress achieved over the past 15 months.
- › **Management also remains very focused on increasing pricing** for its products and services wherever possible. Increased pricing will allow the Trust to take advantage of the significant leverage that it will enjoy through the combination of reduced costs and higher pricing.



## Outlook for Industry

- › **Management remains cautiously optimistic** that both the global economy and the oil and gas industry are starting to show some signs of a longer term recovery.
  - › Over the past several months the level of confidence regarding oil prices being sustainable at or above \$70 US/BBL has increased.
  - › The equity markets have recently become more active (particularly on the E&P side) and the credit markets have shown some signs of improvement.
- › **Longer term** - natural gas fundamentals will improve; **shorter term** weakness in pricing is expected through the balance of 2010 and into 2011.
  - › Natural gas driven basin in western Canada requires increased domestic & global demand to drive higher gas prices and higher levels of drilling activity.



## Final Thoughts – “Much Improved Outlook”

- › **In closing, we are very optimistic about our future as a company given:**
  - › the recent completion of our financial restructuring,
  - › our on-going success in US expansion,
  - › recent success in procuring significant contracts,
  - › the possibility of additional contracts in the near future, and
  - › the potential for increased pricing in a number of our products & services as activity begins to improve in certain geographies.
  
- › **All of these factors combined with our on-going efforts to control costs will ultimately generate positive returns for all Peak stakeholders over the longer term.**



[www.peak-energy.com](http://www.peak-energy.com)

