



**FOR IMMEDIATE RELEASE: May 17, 2010
TSX SYMBOL: PES.UN**

**Peak Energy Services Trust Announces Significant Camp and Catering Contracts
in Fort St. John and Cold Lake Regions**

CALGARY, Alberta – Peak Energy Services Trust ("Peak" or the "Trust") announces that it has entered into two significant camp and catering contracts with major oil and natural gas producers in two distinct geographic regions. Both of these regions are areas of relatively high drilling activity driven by the propensity of producers to be active in the shale gas plays and oil related regions in the western Canadian sedimentary basin.

The first contract is for Peak to provide remote accommodations and catering services for up to 248 drilling, completion and construction personnel in the Fort St. John, British Columbia area on the Montney shale gas resource play. The contract term is for a minimum of 12 months and includes an extension feature that allows for the term of the contract to be extended commensurate with the longer term requirements of the customer. The camp consists of dorm style accommodations complete with a premium kitchen and recreation complex that will house up to 248 personnel. The equipment is expected to mobilize over the next 30 – 45 days and is estimated to be fully operational by July 1, 2010. There are minimum and maximum capacity thresholds of 125 to 300 personnel provided for in the contract. Given these thresholds, the contract is expected to generate an approximate revenue stream of between \$6.5 million and \$8.5 million per annum.

The second contract is for Peak to provide remote accommodations and catering services in the Cold Lake, Alberta heavy oil region for a term of approximately 2 ½ years. The camp, which consists of an executive style occupancy complex and features a recreational facility, is unique in that it provides for more spacious living accommodations than is typical in the industry. The contract is expected to generate a revenue stream of approximately \$2.0 million over the term of the contract.

Mr. Whitteron stated "We continue to aggressively pursue opportunities in our camp and catering operation with the view that longer term, contracted revenue of this nature will greatly benefit all of Peak's stakeholders. The Trust continues to believe that its geographic diversity in combination with the diverse range of products and services that it provides well positions Peak to take advantage of growth opportunities within these regions of higher activity."

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 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 Toronto Stock Exchange under the symbol "PES.UN"

FORWARD-LOOKING INFORMATION

This news 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 news release are made as of the date hereof. Additionally, the Trust undertakes no obligation to comment on expectations of, or statements made by, third parties in respect of this news release.

In particular, forward-looking information includes the following statements within this news release regarding the expectations of contracted revenue amounts, expectations of future oil and natural gas industry activity levels, the future provision of Peak's services and its impact on equipment utility, forecasted financial performance and expectations for Peak's operations and cash flows and the Trust's ability to increase market share in various geographical regions.

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: Peak's ability to fulfill their services under the contract; the customers ability to fulfill their obligations under the contract; 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; liabilities inherent in the oil and natural gas field services business; 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.

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