



**FOR IMMEDIATE RELEASE: December 21, 2009**  
**TSX SYMBOL: PES.UN**

**Peak Energy Services Trust to facilitate withdrawal  
of subscriptions to rights offering**

**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR  
DISSEMINATION IN THE UNITED STATES**

**CALGARY, Alberta** – Peak Energy Services Trust ("**Peak**" or the "**Trust**") announced today that it will facilitate withdrawals of subscriptions to the rights offering to subscribe for up to \$22.0 million principal amount of 12 percent convertible secured subordinated debentures of Peak. Any registered rights holder wishing to withdraw can do so by contacting Valiant Trust Company (the "**Subscription Agent**"), at Suite 310, 606 – 4<sup>th</sup> Street SW, Calgary, Alberta T2P 1T1 Attention: Corporate Actions (Direct Dial (403) 233-2801 Toll Free 1 (866) 313-1872) and indicate that they wish to withdraw. The Subscription Agent will provide subscribers with a notice of rescission that must be completed in writing and returned to the Subscription Agent. If you held your rights through a broker or intermediary, you must contact such broker or intermediary if you wish to withdraw.

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The person is deemed to have received a prospectus or any amendment on the date that is seven days from the date of mailing of such prospectus or amendment. Peak notes that it expects to file on December 22, 2009 an amendment to the final prospectus for the rights offering. It is unclear at this time when, or if, the applicable securities regulators will issue Peak a receipt for the amendment. Accordingly, it is uncertain when Peak will be able to mail the amendment of the final prospectus.

**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 21, 2009. 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, the filing of an amendment to the final prospectus for the offering and plans regarding the offering; the ultimate results of transaction options other than disclosed in this press release to realign the Trust's capital resources; forecasted financial results of the Trust; ability of the Trust to continue as a going concern; expectation that amendments to the final prospectus will be filed and receive regulatory approval, including the TSX. 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 the offering will proceed to close or that the senior lenders will not take enforcement action against Peak. If Peak files an amendment to the final prospectus for the offering or proposes to amend the terms of the offering, no assurances can be given that all required regulatory and stock exchange approvals will be obtained for such filings and/or amendments or on terms and conditions satisfactory to the parties.

**For further information please contact:**

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The TSX has neither approved nor disapproved the information contained herein