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Wednesday August 1, 2007

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**DEEPWELL ANNOUNCES FULL SUBSCRIPTION OF RIGHTS OFFERING**

**Calgary, Alberta** - Deepwell Energy Services Trust (Deepwell or the Trust) (TSX:DWL.UN) is pleased to announce that its rights offering, which expired on July 31, 2007 (the Rights Offering) is fully subscribed. A total of 2,180,515 Trust units will be issued at a price of \$6.01 per Trust unit for gross proceeds of \$13,104,895.

The number of units subscribed for under the basic subscription right (the Basic Subscriptions) was 1,815,324, or approximately 85% of the units offered. An additional 1,234,610 Trust units were subscribed for under the additional subscription privilege (the Additional Subscriptions) which, combined with the Basic Subscriptions, exceeds the total number of units offered by 904,089 units.

Due to the oversubscription, the number of units actually issued under the Additional Subscriptions will be 330,521, and allocation of the subscriptions for these units will be in accordance with the terms of the Trust's short form prospectus dated June 26, 2007 (the Prospectus). CIBC Mellon Trust Company will return any excess funds received from subscribers as appropriate.

As a result of the strong response under the Basic Subscriptions and Additional Subscriptions, no units will be available for subscription by the standby purchaser under the standby commitment.

Deepwell intends to use proceeds of the Rights Offering and a previously closed Private Placement in the amount of \$3,500,000 (the Private Placement) to fund the estimated \$9 million construction cost of an oilfield waste management facility near Claresholm, Alberta (the Claresholm Facility), to fund improvements and expansions at existing facilities, to fund preliminary costs of future facilities and for general corporate purposes. Construction of the Claresholm Facility commenced in July 2007, with completion planned approximately six months after the start of construction.

For further information on the Private Placement and Rights Offering, please refer to the Prospectus. The Prospectus and additional information about the Trust are available at [www.sedar.com](http://www.sedar.com) and on the Trust's website at [www.deepwellenergy.com](http://www.deepwellenergy.com).

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The securities offered will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to a U.S. person, absent registration, or an applicable exemption therefrom.

*Certain statements in this press release constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Trust or its subsidiaries, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Without limiting the foregoing, such forward-looking statements include statements made in this press release regarding the anticipated timing for commencing construction of the oilfield waste management facility and the anticipated completion date of the facility. There is no assurance that the expected timeframes will be met as all are subject to risks which include, without limitation, the possibility for equipment failures, labour disputes, work stoppages, equipment delivery delays, and the potential for*

*delays arising from injuries and safety concerns at the worksite. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors, including those discussed above, could cause actual results to differ materially from the results discussed in the forward-looking statements. Deepwell's forward-looking statements are expressly qualified in their entirety by this cautionary statement. Unless otherwise required by applicable securities laws, Deepwell does not intend nor does it undertake any obligation to update or review any forward-looking statements to reflect subsequent information, events, results or circumstances or otherwise.*

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