

## **DEEPWELL ANNOUNCES SUCCESSFUL CLOSING OF RIGHTS OFFERING**

Monday, December 21, 2009

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CALGARY, ALBERTA – Deepwell Energy Services Trust (“the Trust”) (TSX: DWL.UN) is pleased to announce that its unitholder Rights Offering was successfully closed on Friday, December 18, 2009 with approximately 95% of Rights being exercised in the Initial Offering and a material oversubscription for Additional Units.

Deepwell closed on the maximum issue size of 1,800,049 units and \$1,296,035 in proceeds. Each unitholder of record was entitled to receive one Right for each Unit held. Every four (4) Rights entitled the holder to purchase one (1) Unit for \$0.72. Unitholders also had oversubscription privileges. In aggregate, unitholders subscribed for 4,094,976 units. The balance of the excess subscription funds will be returned without interest or deduction to the oversubscribing unitholders.

The \$1,296,035 Rights Offering completes the second phase of the previously announced \$7 million financing. The first phase consisted of a Private Placement for \$5,703,966 that closed on November 30, 2009.

“Deepwell is very proud of what it has been able to accomplish this past year. We have restructured our balance sheet, strengthened our strategic position and we have a renewed enthusiasm for our growth prospects going forward”, stated Jay B. Simmons, Deepwell’s Chairman and CEO. “We are encouraged by the success of these recent financings”.

The Trust intends to use the proceeds of the Offering to pay down an outstanding revolving term loan under its existing credit facility, for general corporate purposes and to position the trust to proceed on various growth opportunities.

Deepwell owns and operates three full service waste management facilities in Alberta, which are located in Claresholm, Mayerthorpe and Grande Cache, and one wastewater disposal facility in Rycroft. Deepwell also owns a 50 percent interest in a wastewater disposal facility that is currently expanding into a full service waste management facility in the growing Bakken play in Saskatchewan.

Deepwell is a Calgary, Alberta based income trust focused exclusively on providing waste treatment and disposal services to the oil and natural gas industry in Western Canada.

Additional information about the Trust is available at [www.sedar.com](http://www.sedar.com) and on the Trust’s website at [www.deepwellenergy.com](http://www.deepwellenergy.com).

### **CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

*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 Deepwell Energy Services LP, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this document, such statements use such words as “may”, “will”, “intend”, “should”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “predict”, “potential”, “continue”, or the negative of these terms or other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this document. Such*

*statements include the intended use of new capital by Deepwell from the closing of a private placement and a rights offering. Although the Trust believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that these expectations will prove to be correct. There are risks which could effect the Trust's future results and could cause the results to differ materially from those expressed in these forward looking statements including: the impact of general economic conditions in Canada; industry conditions, including fluctuations in the price of oil and natural gas; the impact of governmental regulation, including environmental regulation; stock market volatility; the need to obtain required approvals from regulatory authorities and the uncertainty inherent in attracting capital. 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. Any such forward-looking statements are expressly qualified in their entirety by this cautionary statement. Moreover, the Trust does not assume responsibility for the accuracy or completeness of such forward-looking statements. The forward-looking statements included in this Press Release are made as of the date of this Press Release and the Trust undertakes no obligation to publicly update or revise forward-looking statements other than as required by applicable laws. You should not place undue reliance on forward-looking statements.*

*For more information please contact:*

*Jay Simmons, Chairman and Chief Executive Officer  
Deepwell Energy Services Ltd., administrator of Deepwell Energy Services Trust  
(403) 508-6001  
Email: [jsimmons@deepwellenergy.com](mailto:jsimmons@deepwellenergy.com)*