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DEEPWELL ANNOUNCES RIGHTS OFFERING AND PRIVATE PLACEMENT OF TRUST UNITS TO FUND CONSTRUCTION OF CLARESHOLM FACILITY AND CAPITAL EXPENDITURES

Calgary, Alberta—Deepwell Energy Services Trust ("Deepwell" or the "Trust") (TSX:DWL.UN) announced today that it anticipates construction of its proposed oilfield waste management facility near Claresholm, Alberta will commence in July 2007, and that it intends to fund construction of the facility and other initiatives through a private placement of \$3.5 million (the "Private Placement"), as well as a rights offering (the "Rights Offering") by way of a short form prospectus.

Claresholm Facility Approval Status

The Alberta Energy and Utilities Board (EUB) has issued Class 1b Approval for the disposal well associated with Deepwell's proposed oilfield waste management facility near Claresholm, Alberta. Deepwell anticipates that the EUB will grant final approval to construct and operate the surface facility in time for construction to commence in July 2007, with completion approximately six months after the start of construction.

Private Placement

Pursuant to the Private Placement, Deepwell intends to issue \$3.5 million of its trust units ("Trust Units") to Manvest Inc. ("Manvest") at \$6.01 per Trust Unit, a price which is equal to the exercise price under the proposed Rights Offering. It is anticipated that the Private Placement will close prior to the closing of the Rights Offering, but after the record date, such that any Trust Units issued to Manvest pursuant to the Private Placement will not receive rights ("Rights") under the Rights Offering.

Rights Offering

The Rights Offering will be made to Unitholders resident in Canada and eligible Unitholders in other jurisdictions (collectively the "Eligible Unitholders"). Each Eligible Unitholder will receive one transferable Right for every Trust Unit held. Two Rights and \$6.01 will entitle Eligible Unitholders to purchase one Trust Unit. The issue price of the Trust Units under both the Private Placement and the Rights Offering represents a 10% discount of \$6.67 which is the twenty day volume-weighted average price of the Trust Units on the Toronto Stock Exchange (TSX) ending on June 13, 2007. The Rights are offered pursuant to a short form prospectus filed today and which will be mailed to all Unitholders when final receipt for the short form prospectus is received. Deepwell has engaged Raymond James Ltd. as soliciting dealer manager in connection with the proposed Rights Offering.

In addition to the Private Placement, Manvest has agreed to provide a standby commitment ("Standby Commitment") of up to \$2.5 million. Under the Standby Commitment, Manvest will not participate in the Rights Offering as a Unitholder, but has agreed to subscribe for Trust Units offered under the Rights Offering and not otherwise subscribed for. The terms of Manvest's subscription under the Standby Commitment will be identical in all respects to those of existing Unitholders of the Trust.

Use of Proceeds

Proceeds of the Rights Offering and Private Placement are intended to fund construction of the Claresholm facility, expansions and improvements at Deepwell's existing facilities, preliminary costs for proposed future facilities and for general corporate purposes.

The proposed Private Placement and Rights Offering are subject to receipt of necessary regulatory approvals, including that of the TSX.

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.

Additional information about the Trust is available at www.sedar.com and on the Trust's website at www.deepwellenergy.com

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 LP, 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, labor disputes, work stoppages, equipment delivery delays, and the potential for delays arising from injuries and safety concerns at the worksite. There can be no assurance that the EUB will provide final approval of the Claresholm facility in the anticipated time frame nor can there be any assurance that the proposed Private Placement or Rights Offering will be completed. 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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