



**PETROWEST ENERGY SERVICES TRUST ANNOUNCES 2008 FIRST QUARTER  
FINANCIAL RESULTS**

**Calgary, Alberta, May 14, 2008** - Petrowest Energy Services Trust (TSX: PRW.UN) announced today its interim consolidated financial results for the three month period ended March 31, 2008. The interim consolidated financial results of the Trust for the first quarter of 2008 reflect the lower activity in the oil and gas drilling sector where there was a 24% decrease in the number of wells completed in the western Canadian sedimentary basin compared to the first quarter of 2007. During the first quarter of 2008 approximately 52% of the Trust's services were related to the oil and gas sector compared to 67% in the first quarter of 2007. This is a combination of both an increased focus on industrial and civil infrastructure projects and the decreased demand for services in the oil and gas sector as a result of decreased drilling activity.

**FINANCIAL HIGHLIGHTS**

**Financial Summary**

<b>(thousands)</b>	<b>Three months ended March 31</b>	
	<b>2008</b>	<b>2007</b>
Revenue	<b>59,039</b>	32,863
Gross Margin <sup>(1)</sup>	<b>12,850</b>	7,517
Gross Margin Percentage <sup>(1)</sup>	<b>22%</b>	23%
EBITDA <sup>(1)</sup>	<b>10,796</b>	5,826
EBITDA Percentage <sup>(1)</sup>	<b>18%</b>	18%
Cash provided from operating activities	<b>287</b>	(1,728)
Net earnings (loss)	<b>385</b>	(2,225)
Distributions declared	-	8,483
Total units outstanding	<b>33,266</b>	28,275
Weighted average units outstanding	<b>33,266</b>	28,275

<sup>(1)</sup> See "Non-GAAP Measures" in Trust's interim MD&A (available at [www.sedar.com](http://www.sedar.com))

Consolidated revenue for the three months ended March 31, 2008 was \$59.0 million, an increase of \$26.1 million from the \$32.9 million reported in the comparable period of 2007. Included in the first quarter 2008 financial results is revenue from the companies acquired in May 2007. On a proforma basis consolidated revenue increased 5%. Therefore, the comparable period in 2007 does not contain any financial results from the May 2007 acquisitions. The gross margin percentage and EBITDA percentage were both comparable between the first quarters of 2008 and 2007 and continue to be affected by lower equipment utilization, pricing pressures and increasing costs which can't be fully passed on to the Trust's customers.

Ken Drysdale, President and Chief Executive Officer of the Trust stated that "we are pleased with first quarter financial results, particularly with the current levels of drilling activity in the western Canadian sedimentary basin. Our diversification objective, which has been ongoing for over a year, is providing significant mitigation from the risk of dependency on the oil and gas sector. There were some positive developments in this sector during the quarter such as the new deep drilling royalty programs announced by the Alberta government, the firming of the price of natural gas and the announcement by the Petroleum Service Association of Canada of its revised forecast for 2008 drilling activity."

## **OUTLOOK**

The Canadian Association of Oilwell Drilling Contractors (“CAODC”) forecasted a 28% decrease in wells to be drilled in the western Canadian sedimentary basin in 2008 from the 2007 level. In addition, CAODC forecast lower utilization rates of drilling rigs to be 34% for the year compared to 38% in 2007. With approximately 52% of the Trust’s first quarter 2008 services relating to the energy sector, the activity levels in the sector do have a significant effect on the Trust and its financial results.

During the first three months of 2008 there were 4,982 wells completed in western Canada compared to 6,589 in the comparable period of 2007. This 24% decrease was slightly lower than the average annual forecasted decrease of 28%. Rig utilization was approximately 56% for the first three months of 2008 compared to 61% in the comparable period of 2007. The strengthening of the natural gas price during the quarter has also been a positive for the sector fundamentals. On April 23, 2008 the Petroleum Services Association of Canada revised its forecast for 2008 to 16,500 wells to be drilled in Canada, up from the previous forecast of 14,500 wells. This is still below 2007 actual levels. On April 10, 2008 the Alberta Government introduced two new royalty programs to encourage the development of deep drilling for oil and gas, which provided some clarity on the royalty rates which will be applicable in 2009. This is intended to improve the economics and resultant activity of deep drilling. The Trust currently has capacity which will be available to generate cash flow when the oil and gas sector demand improves.

The Trust continues to focus on industrial and civil infrastructure activities. The natural gas drilling sector will continue to impact the Trust’s operations and financial results and will remain an important part of the Trust’s operations going forward. However, infrastructure project demand is expected to be strong over the next couple of years with more of the Trust’s activities and resources anticipated to be focused and deployed in this area. The amount of the Trust’s services relating to the oil and gas sector will fluctuate as the activity in this sector changes in addition to the amount of non-oil and gas related projects which the Trust is successful in securing. The Trust continued to pursue geographic diversification with redeployment of equipment and skilled personnel to capitalize on demand in nearby regions plus improving utilization rates and the financial results.

## **SELECTED FINANCIAL INFORMATION**

Selected financial information for the three month periods ended March 31, 2008 and 2007 is attached below. This information should be read in conjunction with the unaudited consolidated financial statements for the three months ended March 31, 2008 and the Trust’s interim Management, Discussion and Analysis, available under the Trust’s profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and at [www.petro-west.com](http://www.petro-west.com).

**Petrowest Energy Services Trust**  
**Consolidated Balance Sheets**

(In thousands of dollars)	As at March 31, 2008	As at December 31, 2007
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	-	215
Accounts receivable	48,790	44,281
Prepaid expenses and other	1,136	1,906
Inventory	5,118	5,800
	<b>55,044</b>	<b>52,202</b>
Property and equipment	116,347	118,441
Intangible assets	23,275	24,502
Goodwill	49,371	49,402
Future income taxes	698	698
	<b>244,735</b>	<b>245,245</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	295	-
Accounts payable and accrued liabilities	23,283	28,775
Distributions payable	-	953
Current portion of revolving bank term loan	7,250	-
Current portion of obligations under capital leases	574	489
	<b>31,402</b>	<b>30,217</b>
Obligations under capital leases	872	797
Revolving bank term loan	79,750	82,000
Future income taxes	10,856	10,739
	<b>122,880</b>	<b>123,753</b>
<b>Unitholders' Equity</b>		
Units	292,857	292,879
Warrants	270	270
Accumulated loss	(133,309)	(133,694)
Accumulated distributions to unitholders	(37,963)	(37,963)
	<b>121,855</b>	<b>121,492</b>
	<b>244,735</b>	<b>245,245</b>

**Petrowest Energy Services Trust**  
**Consolidated Statement of Loss, Comprehensive Loss and Accumulated Earnings (Loss)**

(In thousands of dollars)	Three months ended March 31, 2008	Three months ended March 31, 2007
<b>Revenue</b>	<b>59,039</b>	32,863
<b>Expenses</b>		
Operating expenses	46,189	25,346
General and administrative	2,054	1,691
Interest	1,936	544
Amortization of property and equipment	7,069	5,131
Amortization of intangible assets	1,227	2,180
	<b>58,475</b>	34,892
	<b>564</b>	(2,029)
<b>Other income</b>		
Loss on disposal of property and equipment	(38)	(246)
Interest and other income/(expense)	(24)	50
Net earnings (loss) and comprehensive earnings (loss) before taxes	<b>502</b>	(2,225)
Future income tax expense	<b>117</b>	-
<b>Net earnings (loss) and comprehensive earnings (loss) for the period</b>	<b>385</b>	(2,225)
<b>Accumulated (loss) earnings - beginning of period</b>	<b>(133,694)</b>	3,379
<b>Accumulated (loss) earnings - end of period</b>	<b>(133,309)</b>	1,154
<b>Net earnings (loss) per unit - basic and diluted</b>	<b>\$0.01</b>	(\$0.08)

**Petrowest Energy Services Trust**  
**Consolidated Statement of Cash Flows**

(In thousands of dollars)	Three months ended March 31, 2008	Three months ended March 31, 2007
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net earnings (loss) for the period	385	(2,225)
Items not affecting cash		
Amortization of property and equipment	7,069	5,131
Amortization of intangible assets	1,227	2,180
Unit-based compensation	-	270
Future income taxes	117	-
Loss on disposal of property and equipment	38	246
	<b>8,836</b>	<b>5,602</b>
Changes in non-cash working capital		
Accounts receivable	(4,509)	1,902
Prepaid expenses and other	770	(725)
Inventory	682	(276)
Accounts payable and accrued liabilities	(5,492)	(8,231)
	<b>287</b>	<b>(1,728)</b>
<b>Financing activities</b>		
Unitholder distributions	(953)	(8,603)
Repayment of capital lease obligations	(193)	-
Proceeds from revolving term bank loan	5,000	10,000
	<b>3,854</b>	<b>1,397</b>
<b>Investing activities</b>		
Acquisition of acquired companies net of working capital adjustments and costs	-	119
Purchase of property and equipment	(4,776)	(3,730)
Proceeds on property and equipment disposals	116	936
Purchase price adjustment	9	(6,422)
	<b>(4,651)</b>	<b>(9,097)</b>
Decrease in cash and cash equivalents	(510)	(9,428)
Cash and cash equivalents, beginning of period	215	9,312
Cash and cash equivalents, end of period	(295)	(116)
<b>Supplementary cash flow information</b>		
Interest paid	1,729	544
Income taxes paid	-	-
<b>Non cash transactions</b>		
Property and equipment financed by capital leases	353	590

## FORWARD LOOKING INFORMATION

*This news release contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "achievable," "believe," "expect," "estimate," "plan," "intend," "project," "may," "should", "could", "predict", "may," "will," or similar words suggesting future outcomes or language suggesting an outlook. Forward-looking statements and information are based on Petrowest's current beliefs as well as assumptions made by and information currently available to Petrowest concerning anticipated business performance. Although management of Petrowest considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward-looking statements are subject to many external variables that are beyond Petrowest's control, such as fluctuating prices for crude oil and natural gas, changes in drilling activity, and general local and global economic, political, business and weather conditions. If any of these, or other uncertainties, materialize the actual results of Petrowest may vary materially from those expected.*

For further information, please contact Kenneth N. Drysdale, President and Chief Executive Officer at (780) 830-0881, or Lloyd A. Wiggins, Chief Financial Officer, at (403) 237-0881 or [info@petro-west.com](mailto:info@petro-west.com).