

## SAVANNA ENERGY SERVICES CORP. ANNOUNCES Q1 2010 RESULTS

Calgary, Alberta  
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TSX – SVY

Savanna Energy Services Corp. (“Savanna” or “the Company”) is an oilfield services company operating throughout North America. The Company’s overall business is conducted through two major divisions: contract drilling and oilfield services.

### FINANCIAL HIGHLIGHTS

The following is a summary of selected financial information of the Company:

(Stated in thousands of dollars, except per share amounts)

March 31	Three Months Ended		Change
	2010	2009	
	\$	\$	
<b>OPERATING RESULTS</b>			
Revenue	130,069	93,794	39%
Operating expenses	94,732	70,561	34%
Operating margin <sup>(1)</sup>	35,337	23,233	52%
Net earnings	9,597	3,609	166%
Per share: basic	0.12	0.06	100%
Per share: diluted	0.12	0.06	100%
<b>CASH FLOWS</b>			
Operating cash flows before changes in working capital <sup>(1)</sup>	28,211	16,769	68%
Cash paid on the purchase of property, equipment and other assets	(17,030)	(26,628)	(36%)
Dividends paid	(1,977)	(1,474)	34%
<b>FINANCIAL POSITION AT</b>			
	Mar-31 2010	Dec-31 2009	Change
	\$	\$	
Working capital <sup>(1)</sup>	90,399	51,016	77%
Property and equipment	860,861	862,251	0%
Total assets	1,020,981	977,159	4%
Long-term debt	98,386	70,107	40%

### OPERATIONAL HIGHLIGHTS

Improvements in the North American oil and gas industry had a positive effect on the Company’s operations in Q1 2010. The increase in demand for oilfield services led to an increase in operating days and hours in the drilling and oilfield services divisions, respectively, compared to Q1 2009.

The drilling division increased the number of operating days by 62% in the first quarter of 2010 with only a 4% increase in average fleet size from the same period in 2009. Additionally, while day rates were down 10% over the same time frame the drilling division increased operating margins by 53%.

The oilfield services division achieved a 32% increase in operating hours and a 40% increase in operating margins in the first quarter of 2010 relative to 2009 with virtually the same average fleet size from Q1 2009.

## EQUIPMENT FLEET

The following table outlines the Company's drilling and service rig fleet by type of rig:

	Mar-31 2010	Dec-31 2009	Change
<b>DRILLING RIGS</b>			
Heavy and ultra-heavy telescoping doubles	49	49	-
Hybrid drilling	46	46	-
Triples	2	2	-
Pipe-arm single	1	1	-
Surface/coring	9	9	-
Total drilling rigs (gross)	107	107	-
Total drilling rigs (net)*	103	103	-
<b>SERVICE RIGS</b>			
Service rigs	66	66	-
Coil tubing service units	5	8	(3)
Total service rigs (gross)	71	74	(3)
Total service rigs (net) *	69	72	(3)

\* 8 drilling rigs and 4 service rigs were owned in 50/50 limited partnerships at March 31, 2010 and December 31, 2009.

The Company also has a substantial inventory of drilling and well servicing-related rental assets and support equipment, as well as a machining and pipe-inspection facility.

The following outlines the Company's deployment of its drilling and service rig fleet by geographic location:

	Mar-31 2010	Dec-31 2009	Change
<b>DRILLING RIGS</b>			
Canada	86	86	-
United States	17	17	-
Mexico	4	4	-
Total drilling rigs	107	107	-
<b>SERVICE RIGS</b>			
Canada	63	66	(3)
United States	8	8	-
Total service rigs	71	74	(3)

During Q1 2010, the Company sold 3 coil tubing service units for proceeds of \$1.4 million. These rigs are part of a non-core business unit that was added as a result of the 2006 merger with Western Lakota Energy Services Inc. and had been under-utilized through most of 2009, which in turn led to impairment losses in Q4 2009. Subsequent to the end of the quarter, the Company agreed to sell the remaining 5 coil tubing service units for gross proceeds of \$2.3 million and expects to close this sale in the second quarter of 2010.

Savanna's previously announced capital program continued in Q1 2010 with approximately \$18.9 million, of the total \$97.3 million the Company anticipates expending on the program, incurred up to March 31, 2010. The Company's 2010 capital commitment is focused on sustaining, maintenance and incremental capital, including the capital required for the following: 2 new service rigs for deployment in Australia; retrofitting 4 hybrid drilling rigs for deployment in Australia; retrofitting 2 hybrid drilling rigs as automated Range III singles ("TDS™ Singles"); retrofitting 2 conventional double drilling rigs for deployment in the United States; 2 new high specification conventional deep double drilling rigs; 4 new portable top drives; and 1 new flush-by service rig.

## CONTRACT DRILLING

(Stated in thousands of dollars, except revenue per hour)

March 31	Three Months Ended		
	2010	2009	Change
Revenue	\$ 107,464	\$ 74,584	44%
Operating expenses	\$ 78,887	\$ 56,237	40%
Operating margin <sup>(1)</sup>	\$ 28,577	\$ 18,347	56%
Operating margin % <sup>(1)</sup>	27%	25%	
Number of operating days <sup>*</sup>	5,517	3,414	62%
Revenue per operating day	\$ 19,479	\$ 21,847	(11%)
Number of spud to release days <sup>**</sup>	4,724	2,857	65%
Wells drilled <sup>†</sup>	808	864	(6%)
Total meters drilled <sup>†</sup>	928,449	795,177	17%
Utilization - Canada <sup>†</sup>	54%	31%	74%
Utilization - International <sup>†</sup>	63%	54%	17%
Canadian industry average utilization <sup>±</sup>	52%	36%	44%

\* The number of operating days and number of spud to release days are all on a net basis which means only Savanna's proportionate share of any rigs held in 50/50 limited partnerships have been included.

† Savanna reports its rig utilization based on spud to release time for the rigs and excludes moving, rig up and tear down time, even though revenue may be earned during this time. Savanna's rig utilization, spud to release days, wells drilled and total meters drilled exclude coring rigs as the operating environment is not comparable to the Company's other drilling rigs, nor to industry utilization drivers. However, these rigs are included in total fleet numbers.

± Source of industry figures: Canadian Association of Oilwell Drilling Contractors.

Improvements in the North American oil and gas industry in Q1 2010 resulted in a significant increase in operating days, revenue and operating margins in Canada, the U.S. and Mexico compared to Q1 2009, despite lower day rates quarter over quarter. In Q1 2010 Savanna averaged a deployed fleet of 103 net rigs, 17 of which were in the U.S. and 4 of which were in Mexico, compared to Q1 2009 when the Company operated an average fleet of 99 net rigs, 15 of which were in the U.S. The increases in operating days and revenue were achieved by both hybrid and conventional drilling rigs; however, the conventional drilling rigs, in particular, showed the most significant increases in Q1 2010 compared to the same period in 2009. The increases on the conventional drilling side are a result of the increased demand for deeper drilling compared to shallow drilling and is further evidenced by the number of days and meters per well drilled in Q1 2010 compared to Q1 2009.

Operating costs per operating day were lower in the first quarter of 2010 compared to Q1 2009. The primary reason for the improvement was the decreased wage levels recommended by the CAODC for rig employees, which were effective on May 1, 2009. However, the decrease in day rates offset the improvements in operating costs and operating margin percentages remained relatively static quarter over quarter.

## OILFIELD SERVICES

(Stated in thousands of dollars, except revenue per hour)

March 31	Three Months Ended		
	2010	2009	Change
Revenue	\$ 23,741	\$ 19,825	20%
Operating expenses	\$ 17,120	\$ 15,102	13%
Operating margin <sup>(1)</sup>	\$ 6,621	\$ 4,723	40%
Operating margin % <sup>(1)</sup>	28%	24%	
Number of operating hours*	30,278	22,981	32%
Revenue per hour	\$ 640	\$ 721	(11%)
Utilization - Canada <sup>†</sup>	49%	37%	32%
Utilization - U.S. <sup>†</sup>	60%	53%	13%

\* The number of operating hours is on a net basis which means only Savanna's proportionate share of any rigs held in 50/50 limited partnerships has been included.

† Utilization is based on standard hours of 3,650 per rig per year. The utilization rate excludes the coiled tubing service units since these units are not comparable in size or operations to the division's service rigs. Industry average utilization figures, specific to well servicing, are not available.

As with the drilling division, improvements in the North American oil and gas industry in Q1 2010 resulted in an increase in operating hours, revenue and operating margins compared to Q1 2009, despite lower hourly rates. The increases were achieved in both Canada and the U.S. In Q1 2010 the oilfield services division's fleet size averaged 64 net service rigs, 6 coiled tubing service units and 34 boilers, compared to Q1 2009 when the division operated an average of 64 net service rigs, 8 coiled tubing service units, and 34 boilers.

The increase in margin percentages is a result of the Company's efforts to reduce operating costs in the later part of 2009 and the timing of spring break-up in the current year compared to the prior year. The early spring break-up in 2009 led to costs being incurred on certain idle rigs being racked in Q1 instead of Q2. The largest other cost decrease quarter over quarter was a reduction in wages for all rig personnel of approximately 6% compared to Q1 2009. These differences resulted in lower per hour operating costs in Q1 2010 compared to Q1 2009. The decrease in revenue per hour, however, somewhat offset the improvement in operating costs.

Included in the revenue for the three months ended March 31, 2010, was \$4.4 million from rental assets; Q1 2009 rental asset revenue was \$3.3 million. The increase in rental asset revenue quarter over quarter is due to the increase in overall industry activity. Of the rental revenue, \$1.3 million (2009 - \$0.8 million) for the three months ended March 31, 2010, is eliminated on overall consolidation as inter-segment revenue. Rental asset revenue is excluded from the per hour revenue calculations above.

## OTHER FINANCIAL INFORMATION

(Stated in thousands of dollars)

March 31	Three Months Ended		
	2010	2009	Change
	\$	\$	
General and administrative expenses	5,727	5,393	6%
as a % of revenue	4.4%	5.7%	

The increase in general and administrative expenses in Q1 2010 compared with Q1 2009 reflects Savanna's expansion into new markets over the last twelve months. The decrease as a percentage of revenue in the first quarter of 2010 compared to Q1 2009 is due primarily to the increase in revenues year over year.

## QUARTERLY RESULTS

In addition to other market factors, quarterly results of Savanna are markedly affected by weather patterns throughout its operating areas in Canada. Historically, the first quarter of the calendar year is very active, followed by a much slower second quarter. As a result of this, the variation on a quarterly basis, particularly in the first and second quarters, can be dramatic year-over-year independent of other demand factors. The following is a summary of selected financial information of the Company for the last eight completed quarters.

### Summary of Quarterly Results

(Stated in thousands of dollars, except per share amounts)

Three Months Ended	Mar-31 2010	Dec-31 2009	Sep-30 2009	Jun-30 2009	Mar-31 2009	Dec-31 2008	Sep-30 2008	Jun-30 2008
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	130,069	85,430	50,350	27,045	93,794	139,746	122,205	48,990
Operating expenses	94,732	61,611	40,208	26,627	70,561	98,152	84,207	43,365
Operating margin <sup>(1)</sup>	35,337	23,819	10,142	418	23,233	41,594	37,998	5,625
Operating margin % <sup>(1)</sup>	27%	28%	20%	2%	25%	30%	31%	11%
Impairment loss	-	(27,370)	-	-	-	(319,365)	-	-
Per share: basic	-	(0.35)	-	-	-	(5.40)	-	-
Per share: diluted	-	(0.35)	-	-	-	(5.40)	-	-
Net earnings (loss)	9,597	(18,055)	(4,548)	(8,899)	3,609	(310,980)	11,285	(6,550)
Per share: basic	0.12	(0.23)	(0.06)	(0.14)	0.06	(5.26)	0.19	(0.11)
Per share: diluted	0.12	(0.23)	(0.06)	(0.14)	0.06	(5.26)	0.19	(0.11)
Total assets	1,020,981	977,159	983,783	974,192	1,019,841	1,038,231	1,306,339	1,234,481
Long-term debt	98,386	70,107	57,263	50,872	176,501	202,274	183,301	125,423

## FINANCIAL CONDITION AND LIQUIDITY

Savanna's net debt<sup>(1)</sup> position at March 31, 2010 was \$8.0 million and the amount owing on its term revolving credit facility was \$95.6 million. The funds drawn on the Company's term revolving credit facility in Q1 2010 were primarily used to fund working capital and capital expenditures. As of the date of this release, \$80.6 million was drawn on Savanna's term revolving credit facility.

## OUTLOOK

As a result of higher than expected activity levels during the winter drilling season the Petroleum Services Association of Canada ("PSAC") recently raised its forecast for drilling activity in Canada for 2010. The forecast was increased to 11,250 wells up from their fall forecast of 8,000 wells. PSAC attributed the change to increases in the price of oil, anticipated royalty changes in Alberta, and the increase in general economic activity as world economies begin to emerge from the global recession. Based on higher than industry utilization rates in Q1 2010, Savanna believes it will continue to get more than its share of the increased activity within every rig depth category it operates.

With about 80% of its drilling rigs and 90% of its well servicing fleet based in Canada, Savanna is greatly affected by the industry conditions prevailing in Canada. Savanna's near term growth and capital efforts continue to focus on strategic placement of its drilling and well servicing assets throughout its existing core areas in North America and abroad. To that end, the retrofit of 2 conventional double drilling rigs will be completed in Q2 2010 and the rigs will go to work as soon as they are deployed from Canada to the U.S.; increasing Savanna's U.S. fleet to 19 drilling rigs and 8 service rigs. With this larger fleet Savanna also expects to benefit from the increased activity levels in the U.S. basins in which the Company operates. These redeployed rigs will be augmented by 2 high specification drilling rigs, which are currently under design and construction. Expansion of our deeper conventional fleet will remain a core growth driver for Savanna going forward.

With respect to Savanna's hybrid drilling fleet, the challenges are clearly different. The timing of recovery in shallow drilling, a key driver of Savanna's hybrid activity, remains uncertain; and with a fleet of 46 hybrid drilling rigs Savanna is very leveraged to this recovery. To address this, Savanna continues to focus on developing international and other opportunities for its hybrid

fleet. Under a contract in Australia, Savanna will supply 2 service rigs and 2 hybrid drilling rigs to a high-growth basin that is ideally suited to the Company's hybrid drilling technology. As evidenced by the Company's capital commitment to retrofit another 2 hybrid rigs for Australia, Savanna fully expects to deploy additional rigs to that region. In addition, Savanna has identified several other prospective international areas attractive for introduction of the hybrid as well. At the same time, Savanna is executing on its commitment to improve the application and utilization of the hybrid fleet domestically through improved directional and horizontal capabilities for the rigs and increased application of the rigs to shallow oil drilling, specifically heavy oil areas.

Finally, Savanna is also pursuing conversion of two of its hybrid rigs to deeper-oriented conventional rigs. The Company expects that it can accomplish this conversion for approximately 40% of the cost of an equivalently capable Range III drilling rig and use this drilling platform as an entrant to a drilling category Savanna does not currently participate in. Overall, Savanna's strategic intent of reducing its domestic shallow drilling fleet exposure by one-half over the next two years remains on track.

Ultimately, the level of activity in both Canada and the United States will not fully recover until a supply-demand balance for natural gas is achieved, and prices for the commodity recover. In the interim, Savanna will continue to aggressively monitor its cost structure and focus on best positioning itself to take advantage of the eventual return of a better operating environment. Savanna believes it has the high quality people, equipment, leading-edge technology and First Nations partnerships to manage the challenging conditions affecting the oilfield services industry.

**Notes:**

- (1) Operating margin, operating cash flows before changes in working capital, working capital, EBITDA, debt-to-equity ratio, and net debt are not recognized measures under GAAP, and are unlikely to be comparable to similar measures presented by other companies. Management believes that, in addition to net earnings, the measures described above are useful as they provide an indication of the results generated by the Company's principal business activities prior to consideration of how those activities are financed and how the results are taxed in various jurisdictions.
- Operating margin is defined as revenue less operating expenses.
  - Operating margin percent is defined as revenue less operating expenses divided by revenue.
  - Operating cash flows before changes in working capital is defined as cash flows from operations less changes in non-cash working capital.
  - Working capital is defined as total current assets less total current liabilities excluding the current portions of long-term debt.
  - EBITDA is defined as earnings before interest, income taxes, depreciation, amortization and stock-based compensation.
  - Debt-to-equity ratio is defined as long-term debt, including the current portions thereof, divided by shareholders' equity.
  - Net debt is defined as long-term debt, including the current portions thereof, less working capital.

**CONSOLIDATED STATEMENTS OF NET EARNINGS**

For the periods ended March 31  
(Stated in thousands of dollars,  
except per share amounts)  
(Unaudited)

The accompanying notes to the  
financial statements are an  
integral part of these financial  
statements

	Three months ended	
	2010	2009
	\$	\$
<b>REVENUE</b>		
Sales and services	<b>130,069</b>	93,794
<b>EXPENSES</b>		
Operating	<b>94,732</b>	70,561
General and administrative	<b>5,727</b>	5,393
Stock-based compensation	<b>1,217</b>	906
Depreciation and amortization	<b>13,418</b>	10,108
Interest on long-term debt	<b>1,402</b>	1,645
Other (income) expenses	<b>152</b>	(196)
	<b>116,648</b>	88,417
<b>EARNINGS BEFORE INCOME TAXES</b>	<b>13,421</b>	5,377
<b>INCOME TAXES</b>		
Current	<b>399</b>	97
Future	<b>3,425</b>	1,671
	<b>3,824</b>	1,768
<b>NET EARNINGS</b>	<b>9,597</b>	3,609
<b>NET EARNINGS PER SHARE</b>		
Basic - net earnings	<b>0.12</b>	0.06
Diluted - net earnings	<b>0.12</b>	0.06
Weighted average number of shares outstanding (000s)	<b>79,078</b>	58,953
Diluted weighted average number of shares outstanding (000s)	<b>79,078</b>	58,953

**CONSOLIDATED STATEMENTS OF DEFICIT**

For the periods ended March 31  
(Stated in thousands of dollars)  
(Unaudited)

The accompanying notes to the  
financial statements are an  
integral part of these financial  
statements

	Three months ended	
	2010	2009
	\$	\$
Deficit, beginning of period	<b>(153,755)</b>	(118,960)
Dividends declared	<b>(1,977)</b>	(1,474)
Net earnings	<b>9,597</b>	3,609
Deficit, end of period	<b>(146,135)</b>	(116,825)

**CONSOLIDATED BALANCE SHEETS**(Stated in thousands of dollars)  
(Unaudited)The accompanying notes to the  
financial statements are an  
integral part of these financial  
statements

	Mar-31 2010	Dec-31 2009
	\$	\$
<b>ASSETS</b>		
Current		
Cash	3,908	4,480
Accounts receivable	123,950	78,409
Income taxes receivable	8,935	9,065
Inventory	4,079	4,195
Prepaid expenses and deposits	2,008	1,969
	<b>142,880</b>	98,118
Notes receivable	10,169	9,630
Property and equipment	860,861	862,251
Intangibles and other assets	7,071	7,160
	<b>1,020,981</b>	977,159
<b>LIABILITIES</b>		
Current		
Bank indebtedness	3,591	11,228
Accounts payable and accrued liabilities	48,890	35,874
Current portion of long-term debt	18,026	7,512
	<b>70,507</b>	54,614
Deferred net revenue	1,647	1,647
Long-term debt	80,360	62,595
Future income taxes	80,646	77,287
	<b>233,160</b>	196,143
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	911,764	911,764
Contributed surplus	21,157	20,135
Deficit	(146,135)	(153,755)
	<b>786,786</b>	778,144
Accumulated other comprehensive income	1,035	2,872
	<b>787,821</b>	781,016
	<b>1,020,981</b>	977,159

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the periods ended March 31  
(Stated in thousands of dollars)  
(Unaudited)

The accompanying notes to the  
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integral part of these financial  
statements

	Three months ended	
	2010	2009
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net earnings	9,597	3,609
Items not affecting cash:		
Stock-based compensation	1,217	906
Depreciation and amortization	13,418	10,108
Amortization of other assets	682	524
Future income taxes	3,425	1,671
Gain on disposal of assets	(128)	(49)
	<u>28,211</u>	<u>16,769</u>
Change in non-cash working capital	(33,031)	36,029
Cash flows from (used in) operations	<u>(4,820)</u>	<u>52,798</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of long-term debt	30,000	-
Repayment of long-term debt	(480)	(27,703)
Dividends paid	(1,977)	(1,474)
Change in notes receivable	(539)	(143)
Cash flows from (used in) financing activities	<u>27,004</u>	<u>(29,320)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(16,431)	(25,727)
Proceeds on disposal of assets	1,545	175
Purchase of intangibles and other assets	(599)	(901)
Change in working capital related to investing activities	366	1,528
Cash flows used in investing activities	<u>(15,119)</u>	<u>(24,925)</u>
<b>INCREASE (DECREASE) IN CASH, NET OF BANK INDEBTEDNESS</b>	<b>7,065</b>	<b>(1,447)</b>
<b>CASH, NET OF BANK INDEBTEDNESS, BEGINNING OF PERIOD</b>	<b>(6,748)</b>	<b>3,593</b>
<b>CASH, NET OF BANK INDEBTEDNESS, END OF PERIOD</b>	<b><u>317</u></b>	<b><u>2,146</u></b>

**CONSOLIDATED STATEMENTS  
OF COMPREHENSIVE INCOME**

For the periods ended March 31  
(Stated in thousands of dollars)  
(Unaudited)

The accompanying notes to the  
financial statements are an  
integral part of these financial  
statements

	Three months ended	
	2010	2009
	\$	\$
<b>NET EARNINGS</b>	<b>9,597</b>	3,609
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Foreign currency translation adjustment	(2,916)	3,929
Unrealized foreign exchange gain (loss) on net investment hedge, net of tax of \$161	<b>1,079</b>	(1,927)
<b>COMPREHENSIVE INCOME</b>	<b>7,760</b>	5,611

**CONSOLIDATED STATEMENTS OF ACCUMULATED  
OTHER COMPREHENSIVE INCOME**

For the periods ended March 31  
(Stated in thousands of dollars)  
(Unaudited)

The accompanying notes to the  
financial statements are an  
integral part of these financial  
statements

	Three months ended	
	2010	2009
	\$	\$
Accumulated other comprehensive income, beginning of period	<b>2,872</b>	21,310
Other comprehensive income (loss)	<b>(1,837)</b>	2,002
Accumulated other comprehensive income, end of period	<b>1,035</b>	23,312

## SEGMENTED INFORMATION

The Company's reportable operating segments, as determined by management, are strategic operating units that offer different products and services. The Company has three reportable operating segments: corporate, services, and drilling.

The corporate segment provides management and administrative services to all its subsidiaries and their respective operations.

The services segment provides well servicing services and rental equipment to the oil and gas industry.

The drilling segment provides primarily contract drilling services to the oil and gas industry through both conventional and hybrid drilling rigs.

Three months ended March 31	Corporate	Services	Drilling	Inter-segment Eliminations	2010 Total
	\$	\$	\$	\$	\$
<b>REVENUE</b>					
Oilfield services	-	23,741	107,464	(1,275)	<b>129,930</b>
Other	-	30	109	-	<b>139</b>
	-	23,771	107,573	(1,275)	<b>130,069</b>
<b>OPERATING COSTS</b>					
Oilfield services	-	17,120	78,887	(1,275)	<b>94,732</b>
<b>REVENUE LESS OPERATING COSTS</b>					
	-	6,651	28,686	-	<b>35,337</b>
Depreciation and amortization	381	3,190	9,847	-	<b>13,418</b>
Interest on long-term debt	1,346	18	38	-	<b>1,402</b>
Earnings (loss) before income taxes	(7,403)	2,988	17,836	-	<b>13,421</b>
Total assets	37,633	182,002	801,346	-	<b>1,020,981</b>
Capital assets <sup>(i)</sup>	23,606	156,645	687,681	-	<b>867,932</b>
Capital expenditures <sup>(ii)</sup>	270	4,486	12,274	-	<b>17,030</b>
<b>Three months ended March 31</b>					
	Corporate	Services	Drilling	Inter-segment Eliminations	2009 Total
	\$	\$	\$	\$	\$
<b>REVENUE</b>					
Oilfield services	-	19,825	74,584	(778)	93,631
Other	-	45	118	-	163
	-	19,870	74,702	(778)	93,794
<b>OPERATING COSTS</b>					
Oilfield services	-	15,102	56,237	(778)	70,561
<b>REVENUE LESS OPERATING COSTS</b>					
	-	4,768	18,465	-	23,233
Depreciation and amortization	326	2,522	7,260	-	10,108
Interest on long-term debt	1,516	28	101	-	1,645
Earnings (loss) before income taxes	(7,170)	1,787	10,760	-	5,377
Total assets	34,692	192,252	792,897	-	1,019,841
Capital assets <sup>(i)</sup>	23,015	167,817	726,944	-	917,776
Capital expenditures <sup>(ii)</sup>	2,415	1,727	22,486	-	26,628

(i) Capital assets include property and equipment, intangibles, and other assets.

(ii) Capital expenditures include the purchase of capital assets and capital assets acquired through business acquisitions in exchange for cash.

The Company operates in two different geographical areas, the breakdown of which is as follows:

Three months ended March 31	2010			2009		
	Canada	International <sup>(i)</sup>	Total	Canada	International <sup>(i)</sup>	Total
	\$	\$	\$	\$	\$	\$
Revenue	103,332	26,737	130,069	72,988	20,806	93,794
Total assets	809,269	211,712	1,020,981	821,882	197,959	1,019,841
Capital assets <sup>(ii)</sup>	677,433	190,499	867,932	738,220	179,556	917,776

(i) Includes U.S. and Mexico operations.

(ii) Capital assets include property and equipment, intangibles, and other assets.

### Cautionary Statement Regarding Forward-Looking Information and Statements

Certain statements and information contained in this press release including statements related to the Company's 2010 capital expenditures, international growth opportunities, the potential for future rig construction, outlook for future oil and gas demand and prices and statements that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "likely", "estimate", "predict", "potential", "continue", "maintain", "retain", "grow", and similar expressions and statements relating to matters that are not historical facts may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995.

These statements are based on certain assumptions and analysis made by the Company 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. In particular, the Company's expectations of increased industry activity in North America for the remainder of 2010, maintaining higher than industry utilization rates and deploying additional hybrid drilling rigs into Australia are premised on the Company's customers' capital budgets, the focus of its customers' on oil directed drilling opportunities in the current natural gas pricing environment in North America and the impact of the global recession on economic activity which translates into demand for oil and gas. Whether actual results, performance or achievements will conform to the Company'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 Company's expectations. Such risks and uncertainties include, but are not limited to: fluctuations in the price and demand for oil and natural gas; fluctuations in the level of oil and natural gas exploration and development activities; fluctuations in the demand for well servicing and contract drilling; the effects of weather conditions on operations and facilities; the existence of competitive operating risks inherent in well servicing and contract drilling; general economic, market or business conditions; changes in laws or regulations, including taxation, environmental and currency regulations; the lack of availability of qualified personnel or management; the other risk factors set forth under the heading "Risks and Uncertainties" in the Company's 2009 Annual Report and under the heading "Risk Factors" in the Company's Annual Information Form; and other unforeseen conditions which could impact on the use of services supplied by the Company.

Consequently, all of the forward-looking information and statements made in this press release are qualified by this cautionary statement and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Company or its business or operations. Except as may be required by law, the Company assumes no obligation to update publicly any such forward-looking information and statements, whether as a result of new information, future events, or otherwise.

**OTHER**

Savanna will host a conference call for analysts, investors and interested parties on Friday, May 14, 2010, at 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) to discuss the Company's first quarter results. The call will be hosted by Ken Mullen, Savanna's President and Chief Executive Officer and Darcy Draudson, Vice President, Finance and Chief Financial Officer.

If you wish to participate in this conference call, please call 1-888-892-3255 (for participants in North America). Please call at least 10 minutes ahead of time.

A replay of the call will be available until May 21, 2010 by dialing 1-800-937-6305 and entering passcode 504837.

Savanna is a leading contract drilling and oilfield services company providing a broad range of drilling, well servicing and related services with a focus on fit for purpose technologies for key North American and international drilling markets and industry-leading Canadian aboriginal relationships.

FOR FURTHER INFORMATION PLEASE CONTACT:

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