



**Savanna Energy  
Services Corp.**

#1800, 311 – 6th Ave. S.W.  
Calgary, Alberta T2P 3H2  
Phone: (403) 503-9990  
Fax: (403) 267-6749

**PRESS RELEASE**

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TSX-SVY

**Savanna Energy Services Corp. Announces  
Entry into Australia and 2010 Capital Program**

Savanna Energy Services Corp. (“Savanna” or the “Company”) has entered into a five year drilling and workover rig contract with Australia Pacific LNG Pty Limited (“APLNG”) to initially deploy two hybrid drilling rigs from its Canadian fleet, and two built-for-purpose workover rigs to Queensland, Australia. Subject to the execution of definitive agreements, Savanna will also provide ancillary equipment and services to APLNG. The total value of the services to be provided to APLNG is expected to be in the range of \$A220 million and creating in the neighborhood of 50 jobs locally. Both the drilling and workover rigs are contracted on a 365 day (24 hour) basis for an initial term of five years, with an extension option and an option to add further rigs as the project grows.

APLNG is a 50:50 coal seam gas (“CSG”) to liquefied natural gas (“LNG”) joint venture between Origin Energy Limited and ConocoPhillips.

APLNG Project Director Todd Creeger said the awarding of the rig contract was another milestone in the APLNG project and that the Savanna contract will provide for additional drilling and workover rigs to deliver the safest, most efficient and cost effective wells. Mr. Creeger also said “Importantly, these new rigs reduce the environmental impact on the land as they require a much smaller footprint for each well.”

Savanna will modify two of its patented hybrid drilling rigs capable of drilling with coiled tubing or conventional drill pipe utilizing an integrated top drive. The modifications, though extensive, are targeted to address local transportation and operating conditions in Australia. The operating advantages and depth ratings of the hybrid rigs remain unchanged and are key to the intended operations of APLNG. The workover rigs to be supplied to APLNG will be new-builds, and are significantly different than our built-for-purpose Canadian and US fleets. The rigs are targeted to commence operations on location in Australia as follows:

First hybrid and workover rigs – September 1, 2010

Second hybrid and workover rigs – December 1, 2010

All costs relating to mobilization of the rigs into Australia will initially be borne by Savanna, and recovered over the contract term. Given Australia's growing demand for CSG, these rigs are intended for permanent deployment in Australia. Based on CSG development plans in Australia overall, Savanna expects to further deploy additional hybrid rigs to the country. Savanna's management believes the hybrid technology it possesses is ideally suited to large scale development of Australia's substantial CSG resources.

This contract represents the first expansion of Savanna's hybrid drilling operations beyond North America. Savanna will continue to extend efforts in expanding our international presence moving forward. Savanna's hybrid platform has proven itself to be highly efficient as a shallow drilling vehicle, and Savanna is targeting its international expansion efforts on areas where these efficiencies can be fully accessed by its customers to improve the economics of their drilling costs. Stated Ken Mullen, President and CEO of Savanna, "While domestic North American activity currently remains focused on deeper, unconventional plays, there remain substantial international opportunities to deploy Savanna's hybrid drilling technology in areas where deeper unconventional development is far less pervasive, and local natural gas and oil supply dynamics create a more stable activity and demand base for our equipment."

#### Capital Program for 2010:

Savanna is also pleased to outline its capital program for 2010 as well. The Company anticipates expending approximately \$46 million on sustaining, maintenance and incremental capital, including the capital required for the deployment of the rigs under the APLNG contract. The increase in fleet size as a result of this capital program consists of the two new-build workover rigs under the APLNG contract.

Upon completion of the capital program, and subject to any additional rig manufacture, acquisition or transfer, Savanna will operate 2 drilling rigs in Australia, four in Mexico, 17 in the U.S., and 86 in Canada (including four surface setting and five coring rigs.) The Company will also operate two workover rigs in Australia, eight in the U.S., and 66 (plus eight coil service units) in Canada.

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.

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

*Certain statements and information contained in this press release 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.*

*The Company's guidance herein is preliminary. 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. However, 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.*

*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.*

For further information contact:

**Savanna Energy Services Corp.**

Ken Mullen  
President and CEO

Brad Stastook  
Investor Relations Coordinator

Tel: (403) 503-9990 Fax: (403) 267-6749  
[www.savannaenergy.com](http://www.savannaenergy.com)