

## SAVANNA ENERGY SERVICES CORP. ANNOUNCES Q2 2009 RESULTS

Calgary, Alberta  
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TSX – SVY

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

### FINANCIAL HIGHLIGHTS

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

June 30,	Three Months Ended			Six Months Ended		
	2009	2008	Change	2009	2008	Change
	\$	\$		\$	\$	
<b>OPERATING RESULTS</b>						
Revenue	27,045	48,990	(45%)	120,839	198,150	(39%)
Operating expenses	26,627	43,365	(39%)	97,188	138,461	(30%)
Operating margin <sup>(1)</sup>	418	5,625	(93%)	23,651	59,689	(60%)
Net earnings <sup>(2)</sup>	(8,899)	(6,550)	36%	(5,290)	19,035	(128%)
Per share: basic <sup>(2)</sup>	(0.14)	(0.11)	27%	(0.09)	0.32	(128%)
Per share: diluted <sup>(2)</sup>	(0.14)	(0.11)	27%	(0.09)	0.32	(128%)
<b>CASH FLOWS</b>						
Operating cash flows before changes in working capital <sup>(1)</sup>	(4,441)	(613)	624%	12,327	47,393	(74%)
Cash paid on acquisitions and on the purchase of property, equipment, intangibles and other assets	(11,973)	(77,132)	(84%)	(38,601)	(98,175)	(61%)
Dividends paid	(1,474)	(1,485)	(1%)	(2,948)	(2,967)	(1%)
<b>FINANCIAL POSITION AT</b>				<b>Jun-30</b>	<b>Dec-31</b>	<b>Change</b>
				<b>2009</b>	<b>2008</b>	
				\$	\$	
Working capital <sup>(1)</sup>				33,399	87,680	(62%)
Property and equipment <sup>(2)</sup>				901,099	889,158	1%
Total assets <sup>(2)</sup>				974,192	1,038,231	(6%)
Long-term debt				50,872	202,274	(75%)

### OPERATIONAL HIGHLIGHTS

The downturn in the North American oil and gas industry continued to have a negative effect on the Company’s operations in Q2 2009. The decrease in demand for oilfield services led to a decrease in operating days and hours in the drilling and oilfield services divisions respectively compared to Q2 2008.

On June 3, 2009 the Company issued 20.1 million common shares at a price of \$6.30 per share for gross proceeds of \$126.8 million by way of private placement on a bought-deal basis with a syndicate of underwriters. Proceeds from the share issue were used to pay down long-term debt. At June 30, 2009 Savanna had total long-term debt of \$50.9 million outstanding and Savanna’s net debt<sup>(1)</sup> position was \$17.5 million.

In June 2009 Savanna entered into a contract with a large U.S. based multi-service provider to deploy 4 drilling rigs into the Chicontepec region in central eastern Mexico. The rigs are expected to be operational in Mexico by mid August 2009 and are contracted to work at a utilization rate of 100% for an initial term estimated at 18 months with an extension option. This represents the first expansion of Savanna’s operations beyond Canada and the United States, however it is anticipated that the Company will continue to expand its international presence moving forward.

## EQUIPMENT FLEET

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

As at June 30,	2009	2008	Change
<b>DRILLING RIGS</b>			
Heavy and ultra-heavy telescoping doubles	45	45	-
Hybrid drilling	46	46	-
Triples	2	2	-
Pipe-arm single	1	1	-
Conventional shallow/surface/coring	9	9	-
Total drilling rigs (gross)	103	103	-
Total drilling rigs (net)*	99	99	-
<b>SERVICE RIGS</b>			
Service rigs	66	60	6
Coil tubing service units	8	8	-
Total service rigs (gross)	74	68	6
Total service rigs (net) *	72	65.5	6.5

\* 8 drilling rigs and 4 service rigs (2008 – 8 drilling rigs and 5 service rigs) were owned in 50/50 limited partnerships at June 30, 2009.

Excluded from the table above are 4 additional drilling rigs Savanna has committed to construct. These heavy-duty double drilling rigs, along with additional drill pipe and other equipment to support the existing fleet, are expected to cost \$49 million. To the end of June 2009, \$43 million had been expended on these rigs. The remaining capital expenditures will be funded from cash flows generated from operations, working capital and/or existing debt facilities, and all equipment should be ready for deployment by Q3 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:

As at June 30,	2009	2008	Change
<b>Drilling Rigs</b>			
Alberta	73	77	(4)
British Columbia	1	-	1
Saskatchewan	13	11	2
Manitoba	-	1	(1)
United States	16	14	2
Total drilling rigs	103	103	-
<b>Service Rigs</b>			
Alberta	51	58	(7)
Saskatchewan	17	6	11
United States	6	4	2
Total service rigs	74	68	6

In June 2009 Savanna entered into a contract to move 4 drilling rigs into the Chicontepec region of central eastern Mexico. The rigs to be supplied under this agreement are mid-depth telescoping double drilling rigs, representing the core conventional platform within Savanna. The rigs will require minor modifications to allow them to work effectively in this region of Mexico which along with additional required equipment are expected to cost less than \$6 million. Of the four rigs that are mobilizing to Mexico, 2 will be relocated from the current U.S. fleet and 2 will be delivered from the previously described 4 rig new build program. The rigs are expected to be operational in Mexico by mid August 2009 at which time Savanna will operate 4 drilling rigs

in Mexico, 14 in the U.S. and 87 in Canada. With the 2 additional new builds being delivered in Q3 2009, Savanna will operate a total fleet of 107 drilling rigs by the end of the next quarter.

## CONTRACT DRILLING

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

June 30,	Three Months Ended			Six Months Ended		
	2009	2008	Change	2009	2008	Change
Revenue	\$ 17,943	\$ 37,240	(52%)	\$ 92,528	\$ 159,549	(42%)
Operating expenses	\$ 18,298	\$ 34,147	(46%)	\$ 73,757	\$ 112,843	(35%)
Operating margin <sup>(1)</sup>	\$ (355)	\$ 3,093	(111%)	\$ 18,771	\$ 46,706	(60%)
Number of operating days <sup>*</sup>	974	1,816	(46%)	4,388	7,444	(41%)
Revenue per operating day	\$ 18,422	\$ 20,507	(10%)	\$ 21,087	\$ 21,433	(2%)
Number of spud to release days <sup>†</sup>	896	1,624	(45%)	3,752	6,098	(38%)
Wells drilled <sup>†</sup>	116	291	(60%)	980	1,740	(44%)
Total meters drilled <sup>†</sup>	202,671	386,161	(48%)	997,847	1,659,410	(40%)
Utilization - Canada <sup>‡</sup>	5%	15%	(67%)	18%	37%	(51%)
Utilization - U.S. <sup>‡</sup>	37%	73%	(49%)	46%	68%	(32%)
Canadian industry average utilization <sup>‡</sup>	11%	19%	(42%)	23%	37%	(38%)

\* 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 is earned during this time. Savanna's rig utilization, spud to release days, wells drilled and total meters drilled exclude coring delineation rigs as the operating environment is not comparable to the Company's other drilling rigs. However, these rigs are included in total fleet numbers.

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

Q2 is normally a period of low activity given that the majority of the Company's operations are carried out in regions of Canada that are affected by spring break-up. As the ground thaws in the spring, road bans are often placed on secondary roads to limit movement of heavy equipment until they are dry enough to support the equipment. Coupled with that and with the continued downturn in the North American oil and gas industry, the number of operating days and day rates decreased in the second quarter of 2009 compared to the same period in 2008 lowering overall revenue quarter over quarter despite the Company having a larger and more geographically diverse fleet. In Q2 2009 Savanna averaged a deployed fleet of 99 net rigs and exited the quarter with the same number compared to Q2 2008 when the Company operated an average fleet of 95 net rigs, exiting that quarter with 99 net rigs.

Although it does not at first glance appear as such, operating costs decreased in Q2 2009 versus Q1 2009. Ignoring the effect of decreased day rates, variable operating costs per day as a percentage of revenue are consistent with Q2 2008; however the fixed portion of operating costs at current lower activity levels has had a greater impact on overall operating costs in Q2 2009. These costs are more difficult to reduce while maintaining the Company's core operating capacity. The primary reasons for the improvement were the internal salary and wage roll backs of 2% to 26% for all non-rig related employees implemented on April 1, 2009 and the decreased wage levels recommended by the CAODC for the rig related employees which became effective on May 1, 2009. However, the decrease in activity and day rates more than offset the improvements in operating costs lowering overall margins quarter over quarter.

On a year to date basis, downward pricing pressure, decreased industry activity and relatively high operating costs in the first quarter of 2009 reduced operating margins compared to the six months ended June 30, 2008. In Q1 2009 operating costs continued at levels seen through the second half of 2008. During this period in 2008 operating costs rose as a result of labour cost increases, fuel cost increases and increases in the cost of materials and other consumables used in running and maintaining the drilling rigs. Savanna took measures in Q2 2009 to reduce operating costs to more closely align these costs with the decreased operating activity and is continuing to address operating costs in the face of activity levels going forward.

## OILFIELD SERVICES

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

June 30,	Three Months Ended			Six Months Ended		
	2009	2008	Change	2009	2008	Change
Revenue	\$ 8,959	\$ 11,437	(22%)	\$ 28,005	\$ 36,352	(23%)
Operating expenses	\$ 8,329	\$ 9,218	(10%)	\$ 23,431	\$ 24,118	(3%)
Operating margin <sup>(1)</sup>	\$ 630	\$ 2,219	(72%)	\$ 4,574	\$ 12,234	(63%)
Number of operating hours*	11,470	15,994	(28%)	34,451	46,529	(26%)
Revenue per hour	\$ 639	\$ 715	(11%)	\$ 694	\$ 781	(11%)
Utilization - Canada <sup>†</sup>	15%	30%	(50%)	26%	46%	(43%)
Utilization - U.S. <sup>†</sup>	58%	44%	32%	55%	44%	25%

\* 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.

Included in the revenue for the three months ended June 30, 2009 is \$1.6 million related to the rental assets acquired late in Q3 2008. For the year to date, rental asset revenue is \$4.1 million; this revenue is excluded from the per hour revenue calculations above.

The downturn in the North American oil and gas industry also resulted in a decrease in the oilfield services division's revenue and operating hours for Q2 2009 compared to the same period in 2008. The decrease in demand for oilfield services is reflected in the lower number of hours and lower hourly rate compared to Q2 2008.

As with the drilling division, ignoring the effect of decreased hourly rates, variable operating costs per day as a percentage of revenue are consistent with Q2 2008; however the fixed portion of operating costs at current lower activity levels has had a greater impact on overall operating costs in Q2 2009. These costs are more difficult to reduce while maintaining the Company's core operating capacity. The primary reason for the improvement from the first quarter of 2009 was the internal salary and wage roll backs of 2% to 26% for all non-rig related employees implemented on April 1, 2009. However, the decrease in activity and rates more than offset the improvements in operating costs, lowering overall margins in Q2 2009 compared to Q2 2008.

In Q2 2009 the oilfield services division's fleet size averaged 66 (64 net) service rigs, 8 coiled tubing service units and 34 boilers, compared to Q2 2008 when the division operated an average of 57 (54.5 net) service rigs, 8 coiled tubing service units, and 34 boilers. The oilfield services division exited the quarter with 66 (64 net) service rigs, 8 coiled tubing service units, and 34 boilers.

As with the drilling division, on a year to date basis downward pricing pressure and decreased industry activity have negatively affected the division's operating results. In addition, Q1 2009 operating costs continued at levels seen through the second half of 2008 which rose in that period due to labour cost increases, fuel cost increases and increases in the cost of materials and other consumables used in running and maintaining the well servicing rigs. As a result operating margins are down from the six months ended June 30, 2008. Savanna has taken measures to reduce operating costs to more closely align these costs with the decreased operating activity and is continuing to address operating costs in the face of activity levels going forward.

## OTHER FINANCIAL INFORMATION

(Stated in thousands of dollars)

June 30,	Three Months Ended			Six Months Ended		
	2009	2008	Change	2009	2008	Change
General and administrative expenses	\$ 4,880	\$ 5,167	(6%)	\$ 10,274	\$ 8,924	15%
as a % of revenue	18.0%	10.5%	71%	8.5%	4.5%	89%
Depreciation and amortization <sup>(2)</sup>	\$ 5,373	\$ 6,370	(16%)	\$ 15,481	\$ 18,443	(16%)

The decrease in general and administrative expenses in Q2 2009 compared with Q2 2008 is primarily a result of the salary and wage roll backs of 2% to 26% for all non-rig related employees implemented on April 1, 2009. The increase as a percentage of revenue in the second quarter of 2009 compared to the same period in 2008 is due then to the decrease in revenues quarter over quarter. On a year to date basis, the increase reflects Savanna's expansion into new markets over the last twelve months.

Effective January 1, 2009, depreciation of well servicing rigs was changed to reflect an estimated useful life of 24,000 operating hours and a 20% salvage value. These rigs were previously depreciated on a straight-line basis over 10 to 15 years with a 20% salvage value. The change, while not material, has been accounted for on a retrospective basis and more closely aligns the depreciation policies with those of the Company's drilling rigs which are depreciated based on operating days. The effect of the change on individual financial line items is detailed in Note 2 of this press release. Therefore, the overall decrease in depreciation and amortization for the three and six months ended June 30, 2009 compared to the same periods in 2008 is primarily a result of the decrease in activity, as a large portion of the Company's assets are depreciated based on operating days or hours.

## FINANCIAL CONDITION AND LIQUIDITY

On June 3, 2009 the Company issued 20.1 million common shares at a price of \$6.30 per share for gross proceeds of \$126.8 million by way of private placement on a bought-deal basis with a syndicate of underwriters. The proceeds from the private placement share issue along with cash received on the collection of accounts receivable were used to pay down the outstanding balance on the Company's term revolving credit facility. As a result, Savanna's net debt<sup>(1)</sup> position at June 30, 2009 was \$17.5 million.

## QUARTERLY RESULTS

In addition to other market factors, quarterly results of Savanna are markedly affected by weather patterns throughout its operating area 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	Jun-30	Mar-31	Dec-31	Sep-30	Jun-30	Mar-31	Dec-31	Sept-30
	2009	2009	2008	2008	2008	2008	2007	2007
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	27,045	93,794	139,746	122,205	48,990	149,160	101,804	93,735
Operating expenses	26,627	70,561	98,152	84,207	43,365	95,097	68,156	58,111
Operating margin <sup>(1)</sup>	418	23,233	41,594	37,998	5,625	54,063	33,648	35,624
Operating margin % <sup>(1)</sup>	2%	25%	30%	31%	11%	36%	33%	38%
Net earnings (loss) <sup>(2)</sup>	(8,899)	3,609	(310,980)	11,285	(6,550)	25,585	(125,637)	12,638
Per share: basic <sup>(2)</sup>	(0.14)	0.06	(5.26)	0.19	(0.11)	0.43	(2.11)	0.21
Per share: diluted <sup>(2)</sup>	(0.14)	0.06	(5.26)	0.19	(0.11)	0.43	(2.11)	0.21
Total assets <sup>(2)</sup>	974,192	1,019,841	1,038,231	1,306,339	1,234,481	1,243,159	1,180,166	1,299,006
Long-term debt	50,872	176,501	202,274	183,301	125,423	119,428	58,218	44,510

## OUTLOOK

Although the industry is uncertain with respect to the demand and prices of oil and gas for the remainder of 2009, and Savanna is certainly not immune to pricing or utilization pressures caused by the industry slow-down, Savanna believes it is well positioned with its high quality people and equipment, leading-edge technology and First Nations partnerships to manage the variable conditions facing the oilfield services industry.

In June 2009 the Company began its first expansion of its operations beyond Canada and the United States by signing an 18 month contract in Mexico for 4 drilling rigs that are expected to begin operating in August 2009. All costs relating to mobilization of the rigs into Mexico from the U.S./Mexico border will be borne by the operator. Similarly, demobilization of the rigs, if any, will result in delivery of the rigs to the U.S. as well. Given Savanna's intention to expand both its U.S. and international operations, this flexibility will be advantageous.

**Notes:**

- (1) Operating margin, operating cash flows before changes in working capital, and working capital 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 operating activities before 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.
  - Net debt is defined as long-term debt, including the current portions thereof, less working capital
- (2) Effective January 1, 2009, depreciation of well servicing rigs was changed to reflect an estimated useful life of 24,000 operating hours and a 20% salvage value. These rigs were previously depreciated on a straight-line basis over 10 to 15 years with a 20% salvage value. The change in methodology was made to provide more relevant information by depreciating the assets based on usage rather than straight-line over a set number of years as such a depreciation policy did not properly match the economic usage of the well servicing rigs. The change, while not material, has been accounted for on a retrospective basis and more closely aligns the depreciation policies with those of the Company's drilling rigs which are depreciated based on operating days. As a result of the change, the following increases (decreases) to financial statement line items occurred:

	Three months ended		Six months ended		Prior to Jan-1 2008	As at Jun-30 2009	As at Dec-31 2008
	Jun-30 2009	Jun-30 2008	Jun-30 2009	Jun-30 2008			
	\$	\$	\$	\$	\$	\$	\$
Depreciation and amortization expense	(1,208)	(719)	(1,880)	(242)	(74)	-	-
Future income tax expense	338	219	526	74	23	-	-
Net earnings	870	500	1,354	168	51	-	-
Per share: basic	0.01	0.01	0.02	-	-	-	-
Per diluted share	0.01	0.01	0.02	-	-	-	-
Comprehensive income	870	500	1,354	168	51	-	-
Retained earnings (deficit)	-	-	-	-	51	1,813	459
Property and equipment	-	-	-	-	74	2,529	649
Future income tax liability	(338)	(219)	(526)	(74)	(23)	(716)	(190)

## CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

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

June 30,	Three months ended		Six months ended	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>REVENUE</b>				
Sales and services	27,045	48,990	120,839	198,150
<b>EXPENSES</b>				
Operating	26,627	43,365	97,188	138,461
General and administrative	4,880	5,167	10,274	8,924
Stock-based compensation	1,236	931	2,141	1,967
Depreciation and amortization <sup>(2)</sup>	5,373	6,370	15,481	18,443
Interest on long-term debt	1,330	1,442	2,975	2,964
Other income	(203)	(190)	(398)	(82)
	39,243	57,085	127,661	170,677
<b>EARNINGS (LOSS) BEFORE INCOME TAXES<sup>(2)</sup></b>	(12,198)	(8,095)	(6,822)	27,473
<b>INCOME TAXES</b>				
Current	(383)	7	(287)	889
Future <sup>(2)</sup>	(2,916)	(1,552)	(1,245)	7,549
	(3,299)	(1,545)	(1,532)	8,438
<b>NET EARNINGS (LOSS)<sup>(2)</sup></b>	(8,899)	(6,550)	(5,290)	19,035
<b>NET EARNINGS (LOSS) PER SHARE</b>				
Basic - net earnings (loss) <sup>(2)</sup>	(0.14)	(0.11)	(0.09)	0.32
Diluted - net earnings (loss) <sup>(2)</sup>	(0.14)	(0.11)	(0.09)	0.32
Weighted average number of shares outstanding (000s)	64,925	59,337	61,939	59,303
Diluted weighted average number of shares outstanding (000s)	64,925	59,477	61,939	59,308

## CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (DEFICIT)

(Unaudited - Stated in thousands of dollars)

June 30,	Three months ended		Six months ended	
	2009	2008	2009	2008
	\$	\$	\$	\$
Retained earnings (deficit), beginning of period <sup>(2)</sup>	(116,825)	191,729	(118,960)	167,626
Dividends	(1,474)	(1,485)	(2,948)	(2,967)
Net earnings (loss) <sup>(2)</sup>	(8,899)	(6,550)	(5,290)	19,035
Retained earnings (deficit), end of period <sup>(2)</sup>	(127,198)	183,694	(127,198)	183,694

## CONSOLIDATED BALANCE SHEETS

(Unaudited - Stated in thousands of dollars)

	Jun-30 2009	Dec-31 2008
	\$	\$
<b>ASSETS</b>		
Current		
Cash	14,468	4,178
Accounts receivable	32,712	113,325
Income taxes receivable	4,450	7,420
Inventory	4,771	6,032
Prepaid expenses and deposits	885	1,877
	57,286	132,832
Notes receivable	7,350	7,350
Property and equipment <sup>(2)</sup>	901,099	889,158
Intangibles and other assets	8,457	8,891
	974,192	1,038,231
<b>LIABILITIES</b>		
Current		
Bank indebtedness	15	585
Accounts payable and accrued liabilities	23,872	44,567
Current portion of long-term debt	11,035	18,056
	34,922	63,208
Deferred net revenue	1,647	1,647
Long-term debt	39,837	184,218
Future income taxes <sup>(2)</sup>	77,765	80,484
	154,171	329,557
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	911,902	789,841
Contributed surplus	18,610	16,483
Deficit <sup>(2)</sup>	(127,198)	(118,960)
	803,314	687,364
Accumulated other comprehensive income	16,707	21,310
	820,021	708,674
	974,192	1,038,231

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Stated in thousands of dollars)

June 30,	Three months ended		Six months ended	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net earnings (loss) <sup>(2)</sup>	(8,899)	(6,550)	(5,290)	19,035
Items not affecting cash:				
Stock-based compensation	1,236	931	2,141	1,967
Depreciation and amortization <sup>(2)</sup>	5,373	6,370	15,481	18,443
Amortization of other assets	571	252	1,096	439
Future income taxes <sup>(2)</sup>	(2,916)	(1,552)	(1,245)	7,549
Unrealized foreign exchange gain	-	(254)	-	(254)
Loss on disposal of assets	194	190	144	214
	(4,441)	(613)	12,327	47,393
Change in non-cash working capital	30,469	66,377	66,355	(17,882)
Cash flows from operations	26,028	65,764	78,682	29,511
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Shares issued, net of share issue costs	120,223	1,586	120,223	1,865
Shares repurchased	-	-	-	(4,137)
Issuance of long-term debt	-	60,351	-	130,351
Repayment of long-term debt	(117,890)	(54,103)	(145,592)	(62,893)
Dividends paid	(1,474)	(1,485)	(2,948)	(2,967)
Change in working capital related to financing activities	-	3	-	(3)
Cash flows from (used in) financing activities	859	6,352	(28,317)	62,216
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	(11,847)	(69,905)	(37,574)	(86,724)
Proceeds on disposal of assets	671	869	846	988
Cash paid on acquisitions, net of cash acquired	-	-	-	(3,504)
Purchase of intangibles and other assets	(126)	(7,227)	(1,027)	(7,560)
Change in working capital related to investing activities	(3,278)	1,412	(1,750)	1,070
Cash flows used in investing activities	(14,580)	(74,851)	(39,505)	(95,730)
<b>INCREASE (DECREASE) IN CASH, NET OF BANK INDEBTEDNESS</b>	12,307	(2,735)	10,860	(4,003)
<b>CASH, NET OF BANK INDEBTEDNESS, BEGINNING OF PERIOD</b>	2,146	(9,200)	3,593	(7,932)
<b>CASH, NET OF BANK INDEBTEDNESS, END OF PERIOD</b>	14,453	(11,935)	14,453	(11,935)

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited - Stated in thousands of dollars)

June 30,	Three months ended		Six months ended	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>NET EARNINGS (LOSS)<sup>(2)</sup></b>	(8,899)	(6,550)	(5,290)	19,035
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Foreign currency translation adjustment	(13,531)	-	(9,600)	-
Unrealized foreign exchange gain on net investment hedge, net of tax of \$813	6,926	-	4,997	-
<b>COMPREHENSIVE INCOME (LOSS)<sup>(2)</sup></b>	(15,504)	(6,550)	(9,893)	19,035

## CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME

(Unaudited - Stated in thousands of dollars)

June 30,	Three months ended		Six months ended	
	2009	2008	2009	2008
	\$	\$	\$	\$
Accumulated other comprehensive income, beginning of period	23,312	-	21,310	-
Other comprehensive loss	(6,605)	-	(4,603)	-
Accumulated other comprehensive income, end of period	16,707	-	16,707	-

## SEGMENTED INFORMATION

(Unaudited - Stated in thousands of dollars)

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.

For the three months ended June 30,				2009			2008	
	Corporate	Services	Drilling	Total	Corporate	Services	Drilling	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>								
Oilfield services	-	8,959	17,943	26,902	-	11,437	37,240	48,677
Other	-	34	109	143	10	23	280	313
	-	8,993	18,052	27,045	10	11,460	37,520	48,990
<b>OPERATING COSTS</b>								
Oilfield services	-	8,329	18,298	26,627	-	9,218	34,147	43,365
<b>REVENUE LESS</b>								
<b>OPERATING COSTS</b>	-	664	(246)	418	10	2,242	3,373	5,625
Depreciation and amortization <sup>(2)</sup>	396	1,800	3,177	5,373	214	1,772	4,384	6,370
Interest on long-term debt	1,162	80	88	1,330	1,065	37	340	1,442
Earnings before income taxes <sup>(2)</sup>	(6,260)	(1,248)	(4,690)	(12,198)	(5,673)	(159)	(2,263)	(8,095)
Total assets <sup>(2)</sup>	280,529	122,964	570,699	974,192	279,660	108,036	846,785	1,234,481
Goodwill	-	-	-	-	-	15,789	293,836	309,625
Capital assets <sup>(2), (i)</sup>	22,899	165,715	720,942	909,556	18,845	136,092	679,654	834,591
Capital expenditures <sup>(ii)</sup>	207	661	11,105	11,973	1,072	9,304	66,756	77,132

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

For the three months ended June 30,				2009			2008	
	Canada	U.S.	Total	Canada	U.S.	Total		
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	14,687	12,358	27,045	34,733	14,257	48,990		
Total assets <sup>(2)</sup>	800,526	173,666	974,192	1,119,559	114,922	1,234,481		
Goodwill	-	-	-	309,625	-	309,625		
Capital assets <sup>(2), (i)</sup>	745,192	164,364	909,556	722,753	111,838	834,591		

(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.

## SEGMENTED INFORMATION

(Unaudited - Stated in thousands of dollars)

	For the six months ended June 30, 2009				2008			
	Corporate	Services	Drilling	Total	Corporate	Services	Drilling	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>								
Oilfield services	-	28,005	92,528	120,533	-	36,352	159,549	195,901
Rig sales	-	-	-	-	-	1,600	-	1,600
Other	-	79	227	306	10	38	601	649
	-	28,084	92,755	120,839	10	37,990	160,150	198,150
<b>OPERATING COSTS</b>								
Oilfield services	-	23,431	73,757	97,188	-	24,118	112,843	136,961
Rig sales	-	-	-	-	-	1,500	-	1,500
	-	23,431	73,757	97,188	-	25,618	112,843	138,461
<b>REVENUE LESS</b>								
<b>OPERATING COSTS</b>	-	4,653	18,998	23,651	10	12,372	47,307	59,689
Depreciation and amortization <sup>(2)</sup>	722	4,322	10,437	15,481	395	4,545	13,503	18,443
Interest on long-term debt	2,677	109	189	2,975	2,213	128	623	2,964
Earnings before income taxes <sup>(2)</sup>	(13,431)	540	6,069	(6,822)	(10,969)	6,446	31,996	27,473
Total assets <sup>(2)</sup>	280,529	122,964	570,699	974,192	279,660	108,036	846,785	1,234,481
Goodwill	-	-	-	-	-	15,789	293,836	309,625
Capital assets <sup>(2), (i)</sup>	22,899	165,715	720,942	909,556	18,845	136,092	679,654	834,591
Capital expenditures <sup>(ii)</sup>	2,622	2,388	33,591	38,601	2,584	11,881	83,710	98,175

	For the six months ended June 30, 2009			2008		
	Canada	U.S.	Total	Canada	U.S.	Total
	\$	\$	\$	\$	\$	\$
Revenue	87,674	33,165	120,839	171,462	26,688	198,150
Total assets <sup>(2)</sup>	800,526	173,666	974,192	1,119,559	114,922	1,234,481
Goodwill	-	-	-	309,625	-	309,625
Capital assets <sup>(2), (i)</sup>	745,192	164,364	909,556	722,753	111,838	834,591

(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.

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

Certain statements and information contained in this press release including statements related to the Company's 2009 capital expenditures, the expected timing of operations commencing in Mexico, international and domestic growth opportunities, the Company's ability to fund capital expenditures, 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 expectation of improving margins for the remainder of 2009, coupled with retaining adequate personnel for the eventual return of more favorable industry activity while aligning its cost structure with depressed industry activity, is premised on the pricing of the Company's services remaining at or improving from present levels in respect of improving margins and the lack of mobility of its personnel to other industries at this time in respect of the retention of personnel. 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 2008 Annual Report and under the heading "Risk Factors" in the Company's 2008 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 Tuesday, August 11, 2009 at 2 p.m. Mountain Time (4 p.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 August 17, 2009 by dialing 1-800-937-6305 and entering passcode 241469.

Savanna Energy Services Corp. is a leading North American 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 the North American market and industry-leading aboriginal relationships.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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