Savanna
Energy Services Corp.

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SAVANNA ENERGY SERVICES CORP. ANNOUNCES Q3 2009 RESULTS

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Savanna Energy Services Corp. ("Savanna" or "the Company") is an oilfield services company operating primarily in Canada and the United States. 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)

	Three Months Ended			Nine Months Ended		
September 30,	2009	2008	Change	2009	2008	Change
	$	$		$	$	
OPERATING RESULTS						
Revenue	50,350	122,205	(59%)	171,189	320,355	(47%)
Operating expenses	40,208	84,207	(52%)	137,397	222,669	(38%)
Operating margin(1)	10,142	37,998	(73%)	33,792	97,686	(65%)
Net earnings(2)	(4,548)	11,285	(140%)	(9,839)	30,320	(132%)
Per share: basic(2)	(0.06)	0.19	(132%)	(0.15)	0.51	(129%)
Per share: diluted(2)	(0.06)	0.19	(132%)	(0.15)	0.51	(129%)
CASH FLOWS						
Operating cash flows before changes in working capital(1)	4,588	31,065	(85%)	16,914	78,458	(78%)
Cash paid on acquisitions and on the purchase of property, equipment, intangibles and other assets	(18,809)	(44,887)	(58%)	(57,409)	(142,675)	(60%)
Dividends paid	(1,977)	(1,486)	33%	(4,924)	(5,940)	(17%)

FINANCIAL POSITION AT	Sep-30 2009	Dec-31 2008	Change
	$	$	
Working capital(1)	25,653	87,680	(71%)
Property and equipment(2)	901,384	889,158	1%
Total assets(2)	983,783	1,038,231	(5%)
Long-term debt	57,263	202,274	(72%)

OPERATIONAL HIGHLIGHTS

The downturn in the North American oil and gas industry continued to have a negative effect on the Company's operations in Q3 2009. The decrease in demand for oilfield services led to a decrease in operating days, hours and rates in the drilling and oilfield services divisions respectively compared to Q3 2008.

During Q3 2009 Savanna commenced operations in Mexico by deploying 4 rigs into the Chicontepec region. These rigs achieved 112 operating days which represents a utilization rate of nearly 100% for each rig from the time it commenced field operations. 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.

In Q3 2009 a drilling rig was moved from Alberta to Pennsylvania under a term contract resulting in a deployed U.S. fleet of 15 drilling rigs, after deducting 2 rigs which were transferred to the Mexican operations. This represents the Company's first contracted entry into the growing Marcellus shale play.

Savanna also moved 2 service rigs from its Canadian operations to the Company's North Dakota base in Q3 2009, increasing the total U.S. well servicing fleet to 8 rigs.

EQUIPMENT FLEET

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

As at September 30,	2009	2008	Change
DRILLING RIGS			
Heavy and ultra-heavy telescoping doubles	48	45	3
Hybrid drilling	46	46	-
Triples	2	2	-
Pipe-arm single	1	1	-
Surface/coring	9	9	-
Total drilling rigs (gross)	106	103	3
Total drilling rigs (net)*	102	99	3
SERVICE RIGS			
Service rigs	66	62	4
Coil tubing service units	8	8	-
Total service rigs (gross)	74	70	4
Total service rigs (net) *	72	67.5	4.5

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

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

As at September 30,	2009	2008	Change
DRILLING RIGS			
Canada	87	88	(1)
United States	15	15	-
Mexico	4	-	4
Total drilling rigs	106	103	3
SERVICE RIGS			
Canada	66	64	2
United States	8	6	2
Total service rigs	74	70	4

Excluded from the tables above is 1 additional heavy-duty double drilling rig Savanna has committed to construct; it will be completed in Q4 2009 and is contracted to begin working in Canada shortly after that. This drilling rig represents the 4th rig of a 4 rig build program that the Company undertook in 2008 and continued into 2009. Of the other 3 heavy-duty double drilling rigs that were completed in Q3 2009 one remained in Canada and 2 moved to work in Mexico, all under contract.

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.

CONTRACT DRILLING

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

	Three Months Ended			Nine Months Ended		
September 30,	2009	2008	Change	2009	2008	Change
Revenue	$ 38,172	$ 98,687	(61%)	$ 130,737	$ 258,236	(49%)
Operating expenses	$ 31,719	$ 68,759	(54%)	$ 106,666	$ 181,604	(41%)
Operating margin(1)	$ 6,453	$ 29,928	(78%)	$ 24,071	$ 76,632	(69%)
Number of operating days*	2,245	5,059	(56%)	6,633	12,502	(47%)
Revenue per operating day	$ 17,003	$ 19,507	(13%)	$ 19,710	$ 20,656	(5%)
Number of spud to release days*†	1,974	4,529	(56%)	5,726	10,624	(46%)
Wells drilled†	306	1,132	(73%)	1,285	2,871	(55%)
Total meters drilled†	468,602	1,215,949	(61%)	1,466,449	2,873,746	(49%)
Utilization - Canada†	19%	49%	(61%)	19%	41%	(54%)
Utilization - International†	41%	85%	(52%)	44%	78%	(44%)
Canadian industry average utilization±	21%	48%	(56%)	22%	41%	(46%)

* 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.

The continued downturn in the North American oil and gas industry led to a decrease in the number of operating days and day rates in the third 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 Q3 2009 Savanna averaged a deployed fleet of 100 net rigs and exited the quarter with 102 net rigs compared to Q3 2008 when the Company operated an average fleet of 99 net rigs and exited quarter with the same.

Ignoring the effect of decreased day rates, variable operating costs per day as a percentage of revenue are consistent with Q3 2008; however the fixed portion of operating costs at current lower activity levels has had a greater impact on overall operating costs in Q3 2009 which has negatively affected operating margins. These costs are more difficult to reduce while maintaining the Company's core operating capacity; however these costs are lower on a dollar basis in Q3 2009 compared to the same period in 2008. 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 and decreased industry activity coupled with relatively high operating costs in the first quarter of 2009 reduced operating margins compared to the nine months ended September 30, 2008. Since Q1 2009 Savanna has taken measures to reduce operating costs to more closely align these costs with the decreased operating activity and will continue to address operating costs in the face of anticipated activity levels going forward.

OILFIELD SERVICES

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

September 30,	Three Months Ended 2009	2008	Change	Nine Months Ended 2009	2008	Change
Revenue	$ 12,887	$ 22,984	(44%)	$ 42,094	$ 59,337	(29%)
Operating expenses	$ 9,338	$ 15,448	(40%)	$ 32,769	$ 39,565	(17%)
Operating margin(1)	$ 3,549	$ 7,536	(53%)	$ 9,325	$ 19,772	(53%)
Number of operating hours*	17,345	31,162	(44%)	51,795	77,757	(33%)
Revenue per hour	$ 622	$ 721	(14%)	$ 670	$ 756	(11%)
Utilization - Canada†	26%	56%	(54%)	26%	51%	(49%)
Utilization - U.S.†	58%	71%	(18%)	56%	65%	(14%)

* 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 September 30, 2009 is $2.1 million related to the rental assets acquired late in Q3 2008. Year to date rental asset revenue is $7.4 million compared to $0.5 million in Q3 2008. Of this revenue $0.8 million for the three months ended September 30, 2009 and $2.0 million for the nine months then ended is eliminated on overall consolidation as inter-segment revenue. Rental asset revenue is excluded from the per hour revenue calculations above.

The downturn in North American oil and gas industry activity resulted in a decrease in the oilfield services division's revenue and operating hours for Q3 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 Q3 2008.

For the oilfield services division, ignoring the effect of decreased hourly rates, variable operating costs per hour are lower in Q3 2009 compared to Q3 2008. The primary reason for the reduction quarter over quarter was the internal salary and wage roll backs of 2% to 26% for all non-rig related employees implemented on April 1, 2009 and a reduction in wages for all rig personnel of approximately 6% compared to Q3 2008. However as with the drilling division the fixed portion of operating costs at current lower activity levels has had a greater impact on overall operating costs in Q3 2009. These costs are more difficult to reduce while maintaining the Company's core operating capacity. Overall the decrease in activity and rates more than offset the improvements in operating costs, lowering overall margins in Q3 2009 compared to Q3 2008.

In Q3 2009 the oilfield services division's fleet size averaged 66 (64 net) service rigs, 8 coiled tubing service units and 34 boilers, compared to Q3 2008 when the division operated an average of 59 (56.5 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. Since Q1 2009 Savanna has taken measures to reduce operating costs to more closely align these costs with the decreased operating activity and will continue to address operating costs in the face of anticipated activity levels going forward.

OTHER FINANCIAL INFORMATION

(Stated in thousands of dollars)

September 30,	Three Months Ended 2009	2008	Change	Nine Months Ended 2009	2008	Change
General and administrative expenses	$ 4,785	$ 5,412	(12%)	$ 15,059	$ 14,336	5%
as a % of revenue	9.5%	4.4%	116%	8.8%	4.5%	96%
Depreciation and amortization(2)	$ 8,118	$ 12,481	(35%)	$ 23,600	$ 30,924	(24%)

The decrease in general and administrative expenses in Q3 2009 compared with Q3 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 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 as well as the timing of the salary roll backs being April 1, 2009.

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 at the end of this MD&A. Therefore, the overall decrease in depreciation and amortization for the three and nine months ended September 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

Savanna's net debt[1] position at September 30, 2009 was $31.6 million. As of the date of this release, there was approximately $62.0 million drawn on the Company's committed revolving debt facility.

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	Sep-30 2009	Jun-30 2009	Mar-31 2009	Dec-31 2008	Sep-30 2008	Jun-30 2008	Mar-31 2008	Dec-31 2007
	$	$	$	$	$	$	$	$
Revenue	50,350	27,045	93,794	139,746	122,205	48,990	149,160	101,804
Operating expenses	40,208	26,627	70,561	98,152	84,207	43,365	95,097	68,156
Operating margin[1]	10,142	418	23,233	41,594	37,998	5,625	54,063	33,648
Operating margin %[1]	20%	2%	25%	30%	31%	11%	36%	33%
Net earnings (loss)[2]	(4,548)	(8,899)	3,609	(310,980)	11,285	(6,550)	25,585	(125,637)
Per share: basic[2]	(0.06)	(0.14)	0.06	(5.26)	0.19	(0.11)	0.43	(2.11)
Per share: diluted[2]	(0.06)	(0.14)	0.06	(5.26)	0.19	(0.11)	0.43	(2.11)
Total assets[2]	983,783	974,192	1,019,841	1,038,231	1,306,339	1,234,481	1,243,159	1,180,166
Long-term debt	57,263	50,872	176,501	202,274	183,301	125,423	119,428	58,218

OUTLOOK

There remains significant uncertainty with respect to the demand for 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 oilfield services industry slow-down. However, 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 addition 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 which should help improve margins in a depressed market.

In Q3 2009 the Company began its first expansion of its operations beyond Canada and the United States by beginning work under an 18 month contract in Mexico. Savanna also deployed its first rig to the Marcellus shale play in Pennsylvania from Canada to work under a term contract. It is Savanna's intention to continue to expand both its U.S. and international operations going forward and the Company has allocated key personnel and resources to this undertaking.

Notes:

(1) Operating margin, operating cash flows before changes in working capital, working capital, and net debt are not recognized measures under Canadian generally accepted accounting principles, 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:

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

	Three months ended		Nine months ended		Prior to	As at	As at
	Sep-30 2009	Sep-30 2008	Sep-30 2009	Sep-30 2008	Jan-1 2008	Sep-30 2009	Dec-31 2008
	$	$	$	$	$	$	$
Depreciation and amortization expense	(923)	43	(2,803)	(199)	(74)	-	-
Future income tax expense	258	(13)	785	61	23	-	-
Net earnings	665	(30)	2,018	138	51	-	-
Per share: basic	0.01	-	0.03	-	-	-	-
Per diluted share	0.01	-	0.03	-	-	-	-
Comprehensive income	665	(30)	2,018	138	51	-	-
Retained earnings (deficit)	-	-	-	-	-	2,477	459
Property and equipment	-	-	-	-	-	3,452	649
Future income tax liability	-	-	-	-	-	(975)	(190)

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

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

	Three months ended		Nine months ended	
September 30,	2009	2008	2009	2008
	$	$	$	$
REVENUE				
Sales and services	50,350	122,205	171,189	320,355
EXPENSES				
Operating	40,208	84,207	137,397	222,669
General and administrative	4,785	5,412	15,059	14,336
Stock-based compensation	1,470	807	3,611	2,774
Depreciation and amortization(2)	8,118	12,481	23,600	30,924
Interest on long-term debt	855	1,672	3,829	4,637
Other income	609	165	211	82
	56,045	104,744	183,707	275,422
EARNINGS (LOSS) BEFORE INCOME TAXES(2)	(5,695)	17,461	(12,518)	44,933
INCOME TAXES				
Current	(23)	623	(310)	1,512
Future(2)	(1,124)	5,553	(2,369)	13,101
	(1,147)	6,176	(2,679)	14,613
NET EARNINGS (LOSS)(2)	(4,548)	11,285	(9,839)	30,320
NET EARNINGS (LOSS) PER SHARE				
Basic - net earnings (loss)(2)	(0.06)	0.19	(0.15)	0.51
Diluted - net earnings (loss)(2)	(0.06)	0.19	(0.15)	0.51
Weighted average number of shares outstanding (000s)	79,078	59,423	67,694	59,405
Diluted weighted average number of shares outstanding (000s)	79,078	59,483	67,694	59,418

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (DEFICIT)

(Unaudited - Stated in thousands of dollars)

	Three months ended		Nine months ended	
September 30,	2009	2008	2009	2008
	$	$	$	$
Retained earnings (deficit), beginning of period(2)	(127,198)	183,695	(118,960)	167,626
Dividends	(1,977)	(1,486)	(4,924)	(4,452)
Net earnings (loss)(2)	(4,548)	11,285	(9,839)	30,320
Retained earnings (deficit), end of period(2)	(133,723)	193,494	(133,723)	193,494

CONSOLIDATED BALANCE SHEETS

(Unaudited - Stated in thousands of dollars)

	Sep-30 2009	Dec-31 2008
	$	$
ASSETS		
Current		
Cash	4,919	4,178
Accounts receivable	54,578	113,325
Income taxes receivable	1,878	7,420
Inventory	4,449	6,032
Prepaid expenses and deposits	1,483	1,877
	67,307	132,832
Notes receivable	7,180	7,350
Property and equipment(2)	901,384	889,158
Intangibles and other assets	7,912	8,891
	983,783	1,038,231
LIABILITIES		
Current		
Bank indebtedness	11,762	585
Accounts payable and accrued liabilities	29,892	44,567
Current portion of long-term debt	2,043	18,056
	43,697	63,208
Deferred net revenue	1,647	1,647
Long-term debt	55,220	184,218
Future income taxes(2)	76,507	80,484
	177,071	329,557
SHAREHOLDERS' EQUITY		
Share capital	911,764	789,841
Contributed surplus	19,443	16,483
Deficit(2)	(133,723)	(118,960)
	797,484	687,364
Accumulated other comprehensive income	9,228	21,310
	806,712	708,674
	983,783	1,038,231

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Stated in thousands of dollars)

	Three months ended		Nine months ended	
September 30,	2009	2008	2009	2008
	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES				
Net earnings (loss)[(2)]	(4,548)	11,285	(9,839)	30,320
Items not affecting cash:				
Stock-based compensation	1,470	807	3,611	2,774
Depreciation and amortization[(2)]	8,118	12,481	23,600	30,924
Amortization of other assets	594	315	1,690	754
Future income taxes[(2)]	(1,124)	5,553	(2,369)	13,101
Unrealized foreign exchange gain	-	-	-	(254)
Loss on disposal of assets	78	624	221	839
	4,588	31,065	16,914	78,458
Change in non-cash working capital	(17,045)	(31,783)	49,310	(49,665)
Cash flows from operations	(12,457)	(718)	66,224	28,793
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued, net of share issue costs	(192)	688	120,031	2,552
Shares repurchased	-	-	-	(4,137)
Issuance of long-term debt	10,000	60,000	10,000	190,351
Repayment of long-term debt	(813)	(3,277)	(146,406)	(66,170)
Dividends paid	(1,977)	(1,486)	(4,924)	(5,940)
Collection of notes receivable	170	-	170	-
Change in working capital related to financing activities	-	3	-	1,488
Cash flows from (used in) financing activities	7,188	55,928	(21,129)	118,144
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(18,569)	(44,175)	(56,143)	(130,899)
Proceeds on disposal of assets	81	915	927	1,903
Cash paid on acquisitions, net of cash acquired	-	-	-	(3,504)
Purchase of intangibles and other assets	(240)	(712)	(1,266)	(8,272)
Change in working capital related to investing activities	2,701	(1,803)	951	(733)
Cash flows used in investing activities	(16,027)	(45,775)	(55,531)	(141,505)
INCREASE (DECREASE) IN CASH, NET OF BANK INDEBTEDNESS	(21,296)	9,435	(10,436)	5,432
CASH, NET OF BANK INDEBTEDNESS, BEGINNING OF PERIOD	14,453	(11,935)	3,593	(7,932)
CASH, NET OF BANK INDEBTEDNESS, END OF PERIOD	(6,843)	(2,500)	(6,843)	(2,500)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited - Stated in thousands of dollars)

	Three months ended		Nine months ended	
September 30,	2009	2008	2009	2008
	$	$	$	$
NET EARNINGS (LOSS)(2)	(4,548)	11,285	(9,839)	30,320
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustment	(9,883)	678	(19,483)	678
Unrealized foreign exchange gain on net investment hedge, net of tax of $1,205	2,404	(1,156)	7,401	(1,156)
COMPREHENSIVE INCOME (LOSS)(2)	(12,027)	10,807	(21,921)	29,842

CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

(Unaudited - Stated in thousands of dollars)

	Three months ended		Nine months ended	
September 30,	2009	2008	2009	2008
	$	$	$	$
Accumulated other comprehensive income, beginning of period	16,707	-	21,310	-
Other comprehensive loss	(7,479)	(478)	(12,082)	(478)
Accumulated other comprehensive income (loss), end of period	9,228	(478)	9,228	(478)

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 September 30,	Corporate	Services	Drilling	Inter-segment Eliminations	2009 Total
	$	$	$	$	$
REVENUE					
Oilfield services	-	12,887	38,172	(849)	50,210
Other	-	31	109	-	140
	-	12,918	38,281	(849)	50,350
OPERATING COSTS					
Oilfield services	-	9,338	31,719	(849)	40,208
REVENUE LESS OPERATING COSTS	-	3,580	6,562	-	10,142
Depreciation and amortization	370	2,422	5,326	-	8,118
Interest on long-term debt	775	24	56	-	855
Earnings before income taxes	(6,202)	697	(190)	-	(5,695)
Total assets	290,709	123,022	570,052	-	983,783
Capital assets[(i)]	22,385	164,955	721,956	-	909,296
Capital expenditures[(ii)]	133	2,731	15,945	-	18,809

For the three months ended September 30,	Corporate	Services	Drilling	Inter-segment Eliminations	2008 Total
	$	$	$	$	$
REVENUE					
Oilfield services	-	22,984	98,687	-	121,671
Other	-	23	511	-	534
	-	23,007	99,198	-	122,205
OPERATING COSTS					
Oilfield services	-	15,448	68,759	-	84,207
REVENUE LESS OPERATING COSTS	-	7,559	30,439	-	37,998
Depreciation and amortization[(2)]	225	2,737	9,519	-	12,481
Interest on long-term debt	1,469	56	147	-	1,672
Earnings before income taxes[(2)]	(7,089)	4,451	20,099	-	17,461
Total assets[(2)]	259,184	132,478	914,677	-	1,306,339
Goodwill	-	15,789	293,836	-	309,625
Capital assets[(2), (i)]	19,953	156,869	688,495	-	865,317
Capital expenditures[(ii)]	1,533	23,833	19,969	-	45,335

SEGMENTED INFORMATION

(Unaudited - Stated in thousands of dollars)

For the nine months ended September 30,	Corporate	Services	Drilling	Inter-segment Eliminations	2009 Total
	$	$	$	$	$
REVENUE					
Oilfield services	-	42,094	130,737	(2,038)	170,793
Other	-	98	298	-	396
	-	42,192	131,035	(2,038)	171,189
OPERATING COSTS					
Oilfield services	-	32,769	106,666	(2,038)	137,397
REVENUE LESS OPERATING COSTS	-	9,423	24,369	-	33,792
Depreciation and amortization	1,093	6,744	15,763	-	23,600
Interest on long-term debt	3,452	132	245	-	3,829
Earnings before income taxes	(19,634)	1,237	5,879	-	(12,518)
Total assets	290,709	123,022	570,052	-	983,783
Capital assets(i)	22,385	164,955	721,956	-	909,296
Capital expenditures(ii)	2,754	5,119	49,536	-	57,409

For the nine months ended September 30,	Corporate	Services	Drilling	Inter-segment Eliminations	2008 Total
	$	$	$	$	$
REVENUE					
Oilfield services	-	59,337	258,236	-	317,573
Rig sales	-	1,600	-	-	1,600
Other	10	60	1,112	-	1,182
	10	60,997	259,348	-	320,355
OPERATING COSTS					
Oilfield services	-	39,565	181,604	-	221,169
Rig sales		1,500	-	-	1,500
	-	41,065	181,604	-	222,669
REVENUE LESS OPERATING COSTS	10	19,932	77,744	-	97,686
Depreciation and amortization(2)	620	7,282	23,022	-	30,924
Interest on long-term debt	3,683	184	770	-	4,637
Earnings before income taxes(2)	(18,058)	10,896	52,095	-	44,933
Total assets(2)	259,184	132,478	914,677	-	1,306,339
Goodwill	-	15,789	293,836	-	309,625
Capital assets(2), (i)	19,953	156,869	688,495	-	865,317
Capital expenditures(ii)	4,117	35,714	103,679	-	143,510

(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)

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

For the three months ended September 30,			2009			2008
	Canada	International(i)	Total	Canada	International(i)	Total
	$	$	$	$	$	$
Revenue	33,411	16,939	50,350	93,086	29,119	122,205
Total assets	768,581	215,202	983,783	1,126,106	180,233	1,306,339
Goodwill	-	-	-	309,625	-	309,625
Capital assets(ii)	709,912	199,384	909,296	707,816	157,501	865,317

For the nine months ended September 30,			2009			2008
	Canada	International(i)	Total	Canada	International(i)	Total
	$	$	$	$	$	$
Revenue	121,085	50,104	171,189	264,544	55,811	320,355
Total assets	768,581	215,202	983,783	1,126,106	180,233	1,306,339
Goodwill	-	-	-	309,625	-	309,625
Capital assets(ii)	709,912	199,384	909,296	707,816	157,501	865,317

(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 international and domestic growth opportunities, 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 expectation of improving margins 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 Friday, November 13, 2009 at 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) to discuss the Company's third 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 webcast of the conference call can be accessed on Savanna's website under investor relations.

A replay of the call will be available until November 20, 2009 by dialing 1-800-937-6305 and entering passcode 291488.

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 and industry-leading aboriginal relationships.

FOR FURTHER INFORMATION PLEASE CONTACT:

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