

FOR IMMEDIATE RELEASE: TUESDAY, JANUARY 12, 2010

BlackWatch Energy Services Corp. Announces Closing of Acquisition.

January 12, 2010 - BlackWatch Energy Services Corp. ("**BlackWatch**" or the "**Company**") (TSX: BWT) is pleased to announce the closing of the previously announced purchase of a private directional services business.

Directional Services Acquisition

BlackWatch has closed its previously announced purchase of a private directional services business with operations in the United States and Mexico for approximately US\$16.5 million. The purchase price consisted of a cash payment in the amount of US\$3 million, the issuance by BlackWatch of 11.4 million common shares and the assumption of approximately US\$734,447 in net debt. The common shares issued are subject to an escrow agreement entered into between BlackWatch and the former owners of the business, which contains both time release (as to 82% of the shares) and performance release conditions (as to 18% of the shares).

The acquisition of the directional services business enhances the Company's unique well construction platform to capture organic growth opportunities internationally.

ABOUT BLACKWATCH ENERGY SERVICES CORP.

BlackWatch is a diversified energy services company that provides a range of services to its customers operating in the western Canadian sedimentary basin including drilling, wireline services, oilfield hauling, production services and oilfield equipment rentals. BlackWatch also provides directional drilling services in the United States and drilling and directional drilling services in Mexico. The common shares of BlackWatch trade on the Toronto Stock Exchange under the symbol "BWT".

For more information please contact:

John King

President and Chief Executive Officer

BlackWatch Energy Services Corp.

Phone: (403) 225-3879

Fax: (403) 366-2066

300, 855 – 8 Avenue SW

Calgary, Alberta T2P 3P1

www.blackwatchenergy.ca

FORWARD LOOKING STATEMENTS

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly, and without limitation, this news release contains forward-looking statements and information concerning the terms of the long-term drilling services contract and re-hire agreement.

These forward-looking statements and information are based on certain key expectations and assumptions made by the Company; business prospects; strategies; conditions in general economic and financial markets; regulatory developments; competition; exchange rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services, which are subject to change based on market conditions. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events, by their nature, such statements and information involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks, including fluctuations in the market for oil and gas and related products and services; failure of counter-parties to perform on contracts; political and economic conditions; the demand for BlackWatch's services; competition; and BlackWatch's ability to attract and retain customers and employees. The Company has provided the forward-looking statements herein in reliance on certain assumptions that they believe are reasonable at this time. These forward-looking statements may change for a number of reasons. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these items.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of the Company are included in reports on file with the applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements and information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless as required by applicable securities laws.