

FOR IMMEDIATE RELEASE: MONDAY, JANUARY 18, 2010

BlackWatch Energy Services Corp. Announces Enhancement of Credit Facility and Execution of Drilling Services Contract in Mexico

January 18, 2010 - BlackWatch Energy Services Corp. ("**BlackWatch**" or the "**Company**") (TSX: BWT) is pleased to announce an enhancement of its credit facility and the execution of a drilling services contract in Mexico.

Enhancement of Credit Facility

BlackWatch is pleased to announce that the lenders under its senior secured credit facility have agreed to extend the maturity of its existing senior facility (the "**Senior Facility**") to May 31, 2010 and to increase the capacity of the facility to \$15 million.

Drilling Services Contract

BlackWatch is also pleased to announce that it has finalized a drilling services contract with a major international energy services company (the "**Customer**") in connection with the Company's previously announced acquisition of six drilling rigs in Mexico. The terms of this contract are consistent with those described in BlackWatch's October 1, 2009 press release which described the drilling rig acquisition. The acquired rigs are three diesel-electric triples and three "super single" style rigs, with maximum depth capacities ranging from 3,500 metres to 4,500 metres. The super single rigs are newly commissioned, state of the art, flexible and capable of operating in deeper applications. The triples have a mixture of self-moving, top drive and pipe handling systems. The drilling services contract is pursuant to the customer's integrated project management contract with Petroleos Mexicanos ("**Pemex**"), the national oil company of Mexico.

This news release shall not constitute an offer to sell or the solicitation of any offer to buy the securities in any jurisdiction. This news release is not for dissemination in the United States or to any United States news services.

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".

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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 the terms of the long-term drilling services contract.

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.