

**FOR IMMEDIATE RELEASE: March 3, 2010**

## **BlackWatch Energy Services Corp. Announces Rig Acquisition, Rig Purchase Option, Related Acquisition Facility and Management Appointments**

CALGARY, ALBERTA – March 3, 2010 - BlackWatch Energy Services Corp. (“**BlackWatch**” or the “**Company**”) (TSX: BWT) is pleased to announce an agreement to acquire two drilling rigs in its new Middle East and North Africa (MENA) region, an option to acquire up to an additional three drilling rigs in MENA, a related acquisition facility and the appointment of senior management personnel.

### **Acquisition**

BlackWatch has entered into an agreement to acquire two drilling rigs, related equipment, associated contracts and operating infrastructure in Libya for a purchase price of U.S. \$21 million (the “Libyan Acquisition”). The drilling rigs are 1,000 hp triples with a depth capacity of up to 4,000 metres, constructed in 2008. This agreement is subject to closing conditions typical for acquisitions of this type, including the transfer of drilling service contracts with the national oil company with a remaining term of 2 years. Management expects the Libyan Acquisition will close in April 2010 and anticipates financing will be provided by the Acquisition Facility, described below, as well as incremental senior bank facility capacity. Libya had been targeted by management as a key market in the MENA region. The vendor of the assets operates the most significant oilfield well service business in the region aside from the large multi-national service companies. The relationship between the vendor and key members of BlackWatch management accelerates our timeline and ability to execute on other opportunities in the MENA region. John King, President of BlackWatch commented “This marks the next step in BlackWatch’s corporate strategy to expand our geographic reach outside of North America. We are excited to be able to execute on this unique opportunity in the MENA region, which positions us for further growth with all our service lines in both Libya as well as other target markets in MENA. This is a unique opportunity for BlackWatch to initiate our business in the region and to leverage key relationships from our past.”

### **Rig Purchase Option**

BlackWatch has also executed a binding memorandum of understanding with the vendor of the Libyan assets to provide BlackWatch with an option to purchase up to three additional drilling rigs located in the MENA region. The option will allow BlackWatch to purchase one, two or all three of the rigs for an aggregate purchase price of U.S. \$22 million for a period of six months. It is the intent of BlackWatch and the vendor to pursue long term contracts for these rigs in targeted markets in the MENA region prior to exercising the option. The formal option agreement will provide for the transfer of certain currently underutilized equipment in Canada to the vendor as consideration for the option. This equipment has a net book value of approximately Cdn. \$2.5 million.

### **Acquisition Facility**

In order to facilitate completion of the Libyan Acquisition, management has agreed to terms on an acquisition loan facility (the “Acquisition Facility”) for up to U.S. \$10 million. This facility will be subordinated to the Company’s senior bank loan facility, bear interest at 10% per annum and mature in 12 months, subject to extension at the Company’s option. The Acquisition Facility will be provided by affiliates of M. Bruce Chernoff and Hank Swartout, members of the Board of Directors. Independent members of the Board approved the terms of the Acquisition Facility.

## **Corporate Update and Management Appointments**

The Company continues to evaluate its business lines and rationalize where appropriate, with an emphasis in Canada on attracting business from customers engaged in unconventional resource development. In addition, management is continuing to integrate the recently acquired drilling rigs in Mexico as well as the directional drilling business, which already operates in both the United States and Mexico.

The Company is pleased to announce the appointment of Marwan Bitar as Senior Vice President, Middle East and North Africa. Mr. Bitar will be headquartered in Dubai and be responsible for developing the Company's business in the MENA region. Mr. Bitar has spent over thirty years working in the MENA region, including for Precision Drilling, and brings a wealth of management experience and contacts in the area. The Company is also pleased to announce the appointment of Hernan Paz as Vice President, Mexico. Mr. Paz has a strong oilfield service background with over fourteen years experience in Mexico at one of the largest multi-national service companies.

### **MENA Strategy**

BlackWatch believes that geographic diversification of its operations, especially to an area such as MENA where significant ongoing development is expected to occur, will be important to its future success. These operations will be managed by individuals from the region, such as Mr. Bitar, who have worked in the region for their entire careers and have established significant relationships. In MENA, BlackWatch expects to develop a mutually beneficial strategic business alliance with the vendor of the Libyan rigs, which values BlackWatch as a partner. BlackWatch's well construction focus, which is unique outside of the large multi-national service companies, complements the vendor's business for purposes of bidding on integrated service contracts. John King stated "I am excited about acquiring an established business in the MENA region, especially in a country we had identified as a key growth market for our services. I am confident that this foothold, along with our regional management team and strategic alignment with the vendor will prove to be the catalyst for further growth in the near future. A traditional entry into this market would have taken years and considerable investment of management time and resources, not to mention start-up expense. This is both an economical as well as expeditious way to position BlackWatch in another core area for the Company."

### **ABOUT BLACKWATCH ENERGY SERVICES CORP.**

BlackWatch is a diversified energy services company that provides a range of services to its customers operating in western Canada, as well as drilling and directional drilling services in Mexico and directional drilling services in The United States. 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

### Note Regarding Forward Looking Statements

This news release contains forward-looking statements relating to the completion of the Libyan Acquisition and exercise of the rig purchase option, expectations regarding the Company's ability to capitalize on the experience and skill set of the new members of the management team and the opportunities available in the current environment, the Company's plans to pursue incremental debt financing, the Company's growth and business plans and business opportunities. Forward-looking statements typically use words such as "anticipate", "believe", "project", "expect", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future.

These statements are based on certain factors and assumptions regarding the receipt of necessary regulatory approvals, expected growth, results of operations, performance, business prospects and opportunities. While we consider these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

By their nature, forward-looking statements involve numerous risk and uncertainties and other factors that contribute to the possibility that the predicted outcome will not occur, including, without limitation, risks associated with a failure to close the Libyan Acquisition and negotiate and exercise the rig purchase option, the ongoing participation of the Company's current lenders, the failure to increase the Company's loan capacity, capital spending in the oil and gas sector, political and operating risks in the countries where the Company operates or may operate in the future, loss of markets, volatility of commodity prices, currency fluctuations, the demand for the Company's services, environmental risks, competition, inability to retain personnel and customers, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. Readers are cautioned that the foregoing list of factors is not exhaustive.

Although BlackWatch believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements and you should not unduly rely on forward-looking statements. The forward-looking statements contained in this news release are made as the date of this new release and the company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.