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BLACKWATCH ENERGY SERVICES CORP. ANNOUNCES THE ESTABLISHMENT OF NEW CREDIT FACILITIES AND THE CLOSING OF TWO ACQUISITIONS.

BlackWatch Energy Services Corp. (“BlackWatch” or the “Company”) (TSX: BWT) is pleased to announce the establishment of new credit facilities and the closing of two acquisitions. All figures are reported in Canadian dollars unless otherwise stated.

NEW CREDIT FACILITIES

BlackWatch has established credit facilities with a total capacity of \$45 million with a new financial institution, replacing the \$15 million senior credit facility with the Company’s previous lender. The new credit facilities consist of a revolving demand operating facility with maximum borrowing capacity of \$10.0 million and a revolving extendible credit facility with maximum borrowing capacity of \$35.0 million. The revolving demand operating facility is subject to borrowing restrictions based on the value of the Company’s accounts receivable in Canada and the United States and bears interest at prime plus 1.50%. The revolving extendible credit facility is subject to borrowing limits based on the net book value of the Company’s property, plant and equipment in Canada, the United States and Mexico, and bears interest at prime plus

1.50% to 2.00% depending on the level achieved by the Company on a certain financial ratio. The revolving extendible credit facility matures on June 30, 2011 and is extendible for one year.

ACQUISITIONS

The Company has acquired all the issued and outstanding shares of Positive Direction Inc (“PDI”) which has developed and patented measurement-while-drilling technology. The purchase price consisted of the issuance of 830,000 shares of the Company and a cash payment of \$250,000 plus working capital adjustments. Of the 830,000 shares, 420,000 shares are held in escrow and are deliverable based on certain time release conditions.

The Company has closed the previously announced acquisition of two drilling rigs, related equipment, associated contracts and operating infrastructure in Libya for a purchase price of US\$21 million. The drilling rigs are 1,000 hp triples with a depth capacity of up to 4,000 metres, constructed in 2008.

John King commented, “the Libyan acquisition establishes a credible presence in MENA (Middle East North Africa), which is a targeted market for BlackWatch, and enhances our ability to identify and exploit growth opportunities in this region. The addition of PDI introduces several new services and unique advantages to our directional business. Not the least of which is a proprietary operating platform which will reduce our equipment and operating costs as well as provide us with the flexibility to upgrade our directional services to meet evolving market requirements. Our new credit facility provides a balanced capital structure with a global lender and adds to our ability to effectively fund continued international expansion. These key developments represent meaningful strategic progress for BlackWatch as we continue to build the foundation for long-term sustainable growth.”

ABOUT BLACKWATCH ENERGY SERVICES CORP.

BlackWatch is a diversified energy services company that provides well construction services to its customers operating in the Western Canadian sedimentary basin, the United States, Mexico and the Middle East and North Africa. The common shares of BlackWatch trade on the Toronto Stock Exchange under the symbol "BWT".

For more information regarding these transactions, please contact:

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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 information concerning the contribution to BlackWatch's results that can be expected from geographic diversification and international growth strategy as well as select new business lines; the Company's management team and established presence in the MENA region leading to further growth opportunities; the acquisition of Positive Direction Inc. reducing BlackWatch's costs and positioning its directional drilling services business for longer term sustainable

growth; BlackWatch's credit facility funding continued international expansion; and BlackWatch's plans to grow profitable businesses both domestically and internationally while maintaining financial flexibility.

These forward-looking statements and information are based on certain key expectations and assumptions made by the Company regarding business prospects; strategies; conditions in general economic and financial markets; regulatory developments; competition; exchange rates; applicable royalty 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 times.

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.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.