

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and address of the Reporting Issuer

Peak Energy Services Trust ("**Peak**" or the "**Trust**")
Suite 900, 222 – 3rd Avenue SW
Calgary, Alberta T2P 0B4

2. Date of Material Change

January 11, 2010

3. News Release

A press release disclosing the details discussed in this material change report was issued by, or on behalf of, Peak and disseminated through the facilities of Marketwire, Incorporated news wire services on January 11, 2010.

4. Summary of Material Change

On January 11, 2010, Peak announced that it has terminated the prospectus rights offering to subscribe for up to \$22.0 million principal amount of 12 percent convertible secured subordinated debentures of Peak. Peak also announced that its senior lenders have waived all existing defaults and events of default until January 29, 2010 and Deans Knight Capital Management Ltd ("**Deans Knight**") has agreed to extend the maturity date for the repayment of the \$3.0 million bridge loan to March 31, 2010, in each case, subject to certain conditions.

5. Full Description of Material Change

Background

On January 11, 2010, Peak announced that it has terminated the prospectus rights offering to subscribe for up to \$22.0 million principal amount of 12 percent convertible secured subordinated debentures of Peak. Peak also announced that its senior lenders have waived all existing defaults and events of default until January 29, 2010 and Deans Knight has agreed to extend the maturity date for the repayment of the \$3.0 million bridge loan to March 31, 2010, in each case, subject to certain conditions.

Termination of the rights offering

At the time of filing the final prospectus for the offering, Peak believed that it would be able to continue as a going concern based on management's forecast of Peak's financial results, including the impact of the issuance of the debentures and completion of the other transactions disclosed in the final short form prospectus, for the foreseeable future using its best estimates of industry activity levels and associated operating conditions. However, based on the preliminary financial results of Peak to date, and the challenging conditions in the North American oilfield services sector generally, management now expects that Peak's 2010 forecast financial results, although expected to be stronger than 2009, will be significantly weaker than as forecast at the time of

commencing the offering. Accordingly, the board of directors of Peak Energy Services Ltd., the administrator of the Trust, has determined, based in part on its discussions with the senior lenders and Deans Knight, that the offering would not provide Peak with an appropriate solution to accomplish Peak's long-term objectives and has resolved to terminate the offering. Peak will not be filing an amendment to the final prospectus for the offering and has instructed Valiant Trust Company, the subscription agent under the offering, to take immediate steps to return the subscription proceeds to subscribers as soon as practicable.

Status of discussions with senior lenders and Deans Knight

The senior lenders and Deans Knight are continuing to work with Peak to (i) arrive at a workable solution to the challenges faced by Peak in light of industry conditions and Peak's current capital structure and (ii) to provide Peak with the necessary liquidity and flexibility to continue to operate its business on terms that are satisfactory to all its stakeholders. In that regard, the senior lenders have agreed to waive all existing defaults and events of defaults under the senior loan facilities until January 29, 2010, subject to certain conditions, including the termination of such waivers if (i) Peak and the senior lenders have not agreed on a proposal for the capital restructuring on or before 4:00 p.m. (Calgary time) on January 15, 2010 and (ii) the senior lenders have not obtained all necessary credit and risk management approvals for any such capital restructuring by 4:00 p.m. (Calgary time) on January 22, 2010. As well, Deans Knight has agreed to extend the maturity date for the repayment of the \$3.0 million bridge loan to March 31, 2010, subject to certain conditions, including the waivers of the senior lenders continuing to be in effect on terms satisfactory to Deans Knight.

Curt Whitteron, President & Chief Executive Officer said "Management is pleased with the current status of its ongoing discussions with the senior lenders and Deans Knight in regard to arriving at a more viable, longer term solution for the benefit of all stakeholders."

Outlook

Activity levels in the oil & gas service industry continue to be negatively impacted due to the worldwide economic downturn. Downward pressure on hydrocarbon pricing due to a reduction in global oil demand and the demand for natural gas in North America combined with tight credit from lending institutions has made it difficult for some customers to support their drilling and production programs. Despite the foregoing, Peak believes that based upon its current cash flow projections, and assuming Peak continues to have access to the \$3.0 million bridge loan provided by Deans Knight, that it will have sufficient cash to continue as a going concern up to March 31, 2010. Peak continues to take proactive steps to reduce its major input costs to ensure that it is operating as efficiently as possible and will continue to pursue the divestiture of underperforming assets and operations as favourable opportunities or circumstances may present themselves.

Risks to completion

There can be no assurances given (i) that Peak, the senior lenders and Deans Knight will be able to reach all necessary agreements to allow a capital restructuring of Peak to proceed, (ii) that the conditions to the completion of the capital restructuring (if any) will be satisfied or waived by the applicable parties, (iii) that the necessary agreements and internal approvals discussed above will be completed or obtained by the required dates, (iv) that all required regulatory and stock exchange approvals will be obtained when required and on terms and conditions satisfactory to the parties or (v) that Peak will continue to have access to the \$3.0 million bridge loan until March 31, 2010.

About Peak Energy Services Trust

Peak Energy Services Trust is a diversified energy services organization operating in western Canada and the United States. Through its various operating divisions, Peak provides drilling and production services to its customers both in the conventional oil and natural gas industry as well as the oil sands regions of western Canada. The Trust also provides water technology solutions to a variety of customers throughout North America. Peak's units are listed on the TSX under the symbol "PES.UN".

Forward-looking information

This material change report contains forward-looking information within the meaning of applicable Canadian securities legislation regarding expected future events and financial and operating results of the Trust. By its nature, forward-looking information requires the Trust to make assumptions and is subject to numerous inherent risks and uncertainties. There is significant risk that assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking information as a number of factors could cause actual future results, conditions, actions or events to differ materially from expectations, estimations or intentions expressed in the forward-looking information. The Trust disclaims any intention or otherwise to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. It is the current policy of the Trust to evaluate its past forward-looking information and where it deems appropriate, provide updates subject to requirements by law. The forward-looking statements contained in this material change report are made as of January 11, 2010. Additionally, Peak undertakes no obligation to comment on expectations of, or statements made by, third parties in respect of these transactions.

Specifically, this material change report contains forward-looking statements relating to: reaching agreements with Deans Knight and its senior lenders and continuing negotiations and discussions with such parties; forecasted financial results of the Trust; ability of the Trust to continue as a going concern. Such forward-looking statements are subject to important risks, uncertainties and assumptions. The results or events predicated in these forward-looking statements may differ materially from actual results or events.

As a result, you are cautioned not to place undue reliance on these forward-looking statements. These statements are based on certain assumptions and analysis made by the Trust 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. However, whether actual results, performance or achievements will conform to the Trust'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 Trust's expectations. Such risks and uncertainties include, but are not limited to: the Trust having insufficient cash to continue operations; the commitments of the stakeholders to resolve the outstanding issues; necessary approvals by regulatory bodies are not obtained; the transactions are not completed in the contemplated time period required; the assumptions relating to all parties entering into definitive agreements in respect to the transactions; fluctuations in the price and demand for oil and natural gas; currency fluctuations; fluctuations in the level of oil and natural gas exploration and development activities; fluctuations in the demand for oilfield services that the Trust provides; the effects of weather conditions on operations; the existence of competition from other oilfield service entities; general economic, market or business conditions including the consequences of the current global economic recession; public market volatility and the related ability to access

sufficient capital to fund activities; availability to access debt financing to fund activities; government policy changes; changes in laws or regulations, including taxation and environmental regulations; the lack of availability of qualified personnel or management; and other unforeseen conditions which could impact the Trust.

Consequently, all of the forward-looking information made in this document are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Trust will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Trust or its business or operations.

No assurances can be given that the negotiations between Peak and its senior lenders and Deans Knight will be successful, that any agreed upon capital restructuring of Peak will proceed to close or that the senior lenders will not take enforcement action against Peak. If Peak proposes a capital restructuring, no assurances can be given that all required regulatory and stock exchange approvals will be obtained or on terms and conditions satisfactory to the parties.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

None.

8. Executive Officer

Curtis W. Whitteron
President and Chief Executive Officer
Peak Energy Services Ltd.
(403) 543-7332

9. Date of Report

January 11, 2010.