

## NEWS RELEASE

CANELSON DRILLING SIGNS ASSET PURCHASE AGREEMENT TO PURCHASE RIGS,  
SIGNS COMMITMENT LETTER FOR BANK FINANCING AND PROVIDES UPDATE

DATE: December 15, 2009

CALGARY, ALBERTA – CanElson Drilling Inc. ("CanElson") (TSX VENTURE:CDI) announces that it has signed a definitive Asset Purchase Agreement, as purchaser, with CCS Corporation, for the purchase of a telescopic double drilling rig rated at 3600m complete with 2 mud-pumps and a top drive and a complete mobile free standing single service rig for cash proceeds of \$6.0 million. As with the previously announced Bronco acquisition, Lightyear Capital Inc. acted as advisors on the transaction. The purchase of the rigs will be financed from existing cash resources and bank financing (see below). CanElson expects to immediately deploy the drilling rig in Western Canada and intends to retrofit the service rig for deployment early 2010 in Mexico to its 50% joint venture, Diavaz CanElson de Mexico, SA de CV ("Joint Venture"). The parties expect to close the purchase on or about December 17, 2009.

With the completion of the purchase described above, CanElson expects to have in operation during Q1 2010: 5 drilling rigs in Canada; 2 drilling rigs in west Texas United States; and 2 (net: 1) drilling rigs and the potential for 2 (net: 1) service rigs in Mexico through its Joint Venture.

In addition, CanElson has signed a commitment letter with a Canadian chartered bank whereby the bank will make available \$10.0 million under an evergreen revolving term loan and an operating loan of \$5.0 million. The financing is expected to close on or about December 17, 2009.

President Randy Hawkings stated, "The addition of another heavy duty telescopic drilling rig to CanElson's rig fleet will help CanElson satisfy existing demand for its Canadian operations and the service rig addition will allow CanElson to satisfy demand for a service rig in its Mexico Joint Venture."

CanElson would also like to provide an update regarding its capital program. As previously disclosed CanElson had committed to complete the construction of rig #4 at an estimated cost of \$5.7 million and has acquired two rigs at a cost of \$6.5 million. Additionally, CanElson has committed to retrofit rig #3 for work in Texas for approximately \$2.6 million, of which approximately \$1.0 million of parts and equipment that was previously purchased for rig #3 will be used as spares in Canada. Including the \$6.0 million acquisition described above CanElson's current anticipated capital expenditures for Q4 and early Q1 2010 are approximately \$21 million.

CanElson is an Alberta, Canada corporation that is engaged in the manufacture and operation of drilling rigs in Canada's Western Sedimentary Basin, United States and Mexico.

## Forward-Looking Information

This press release contains forward-looking information related to the closing of the purchase of rigs, expected bank financing, estimated capital expenditures, number of operating rigs in Q1 2010 and expected deployment of rigs that involves material assumptions and known and unknown risks and uncertainties, certain of which are beyond CanElson's control. Such assumptions, risks and uncertainties include, without limitation, those associated with, loss of markets, volatility of commodity prices, delays resulting from or inability to obtain required regulatory approvals, the effect of general economic conditions in Canada and the United States, industry conditions, changes in laws and regulations and changes in how they are interpreted and enforced, the lack of qualified personnel or management, and stock market volatility. CanElson's actual achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits CanElson will derive therefrom. The forward-looking information is made as at the date of this press release and CanElson does not undertake any obligation to update publicly or to revise any of the included forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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