



**CANELSON DRILLING INC.
ANNOUNCES \$29.7 MILLION FINANCING BY WAY OF BOUGHT DEAL**

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DISSEMINATION IN THE UNITED STATES OF AMERICA

June 9, 2010 – CanElson Drilling Inc. ("CanElson" or the "Company") (TSX VENTURE:CDI) is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by Peters & Co. Limited and including Lightyear Capital Inc., HSBC Securities and Thomas Weisel Partners (the "Underwriters") pursuant to which the Underwriters have agreed to purchase on a "bought deal" basis 11.0 million common shares ("Common Shares") of CanElson at a price of \$2.70 per Common Share (the "Issue Price") for aggregate gross proceeds of approximately \$29.7 million (the "Offering"). CanElson has also granted the Underwriters an option (the "Over-Allotment Option") to purchase up to an additional 1.65 million Common Shares at the Issue Price to cover over-allotments, if any, for additional gross proceeds of approximately \$4.5 million. The Over-Allotment Option is exercisable in whole or in part at any time until 30 days after the closing of the Offering. Proceeds of the Offering will be used to fund the construction of additional drilling rigs, to temporarily reduce bank indebtedness and for general corporate purposes.

Pursuant to the Offering, the Common Shares will be offered in all provinces of Canada, except Quebec, by way of a short form prospectus and by way of private placement in the United States pursuant to exemptions from the registration requirements pursuant to Rule 144A and/or Regulation D of the United States Securities Act of 1933.

Closing of the Offering is expected to occur on or about June 29, 2010 and is subject to certain customary conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

CanElson is an Alberta, Canada corporation that is currently engaged in the manufacture, acquisition and operation of drilling rigs for the oil and natural gas industry. The Corporation currently operates in the western Canadian Sedimentary Basin, the Permian Basin of west Texas and the Ebano-Panuco-Cacalilao fields of Mexico.

FOR FURTHER INFORMATION PLEASE CONTACT:

Elson J. McDougald
Chairman and Chief Executive Officer
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ADVISORY: This press release contains forward- looking information concerning the closing date of the Offering and the anticipated use of the net proceeds of the Offering. Although CanElson believes that the expectations reflected in the forward- looking information is reasonable, undue reliance should not be placed on it because CanElson can give no assurance that it will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. The closing of the Offering could be delayed if CanElson is not able to obtain the necessary regulatory and stock exchange approvals on the timelines it has planned. The Offering will not be completed at all if these approvals are not obtained or some other condition to the closing is not satisfied. Accordingly, there is a risk that the Offering will not be completed within the anticipated time or at all. The intended use of the net proceeds of the Offering by CanElson might change if the board of directors of CanElson determines that it would be in the best interests of CanElson to deploy the proceeds for some other purpose.

The forward-looking information contained in this press release is provided as of the date hereof and CanElson undertakes no obligations to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Corporation within the United States. The securities of the Corporation have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws. Accordingly, the Common Shares may not be offered or sold in the United States or to U.S. persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available.

The TSX Venture Exchange has neither approved nor disapproved the contents of this press release.