

**CANELSON DRILLING INC. CLOSES TOTEM DRILLING LTD. ACQUISITION
AND ANNOUNCES BOARD OF DIRECTORS APPOINTMENT**

DATE: June 9, 2010

CALGARY, ALBERTA – CanElson Drilling Inc. (“**CanElson**” or the “**Corporation**”) (TSX VENTURE:CDI) is pleased to announce that it has closed the previously announced acquisition of Totem Drilling Ltd. (“**Totem**”), a private corporation which owns and operates drilling rigs in the Bakken area of south east Saskatchewan (the “**Acquisition**”).

CanElson has taken up and paid for 20,045,000 Totem shares that were tendered to CanElson’s Offer to Purchase dated May 28, 2010 (the “**CanElson Offer**”) representing 99.26% of Totem’s outstanding shares on a fully diluted basis. CanElson has acquired the remaining outstanding Totem shares pursuant to the compulsory acquisition provisions of the *Business Corporations Act* (Alberta). An aggregate of 11,777,387 common shares of CanElson and \$8,289,307 of cash are being issued to the former shareholders of Totem pursuant to the CanElson Offer. After completion of the Acquisition CanElson will have 38,015,055 common shares issued and outstanding and approximately \$18 million of net debt.

President Randy Hawkings states, “We are pleased to add Totem’s top quality crews, operations personnel and modern drilling rig fleet to our group; they will form a key component of CanElson’s future growth plans. Totem’s fleet aligns with CanElson’s existing western Canadian platform drilling rig fleet which is focused on the ability to service resource play operators requiring drilling equipment with the ability to drill deep horizontal wells.”

With the closing of the Acquisition, CanElson now has available for operation 14 (net: 12) drilling rigs and 2 (net: 1) service rigs. The areas of focus for CanElson’s current operations are:

- Western Canada:
 - Alberta: 4 heavy duty telescopic double drilling rigs; and
 - Saskatchewan: 5 heavy duty telescopic double drilling rigs (an additional rig is currently under construction).
- United States:
 - Texas: 3 heavy duty telescopic double drilling rigs.
- Mexico:
 - Ebano-Panuco-Cacalilao: 2 (net: 1) subcontracted drilling rigs and 2 (net: 1) service rigs.

With the closing of the Acquisition, CanElson is also pleased to announce the appointment of Hugh Borgland to its Board of Directors. Hugh Borgland is the former President and a former director of Totem. He has over 40 years of experience in the Canadian oil and gas industry and is currently Chairman of Highrock Energy Ltd.

CanElson is an Alberta, Canada corporation that is currently engaged in the manufacture, acquisition and operation of drilling rigs for the oil and 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.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact:

Elson J. McDougald
Chairman and Chief Executive Officer
CanElson Drilling Inc.
515, 808 – 4th Avenue SW
Calgary, Alberta T2P 3E8
Tel: (403) 266-3922