



NEWS RELEASE

SAXON ENERGY SERVICES INC.

**Saxon Energy Services Inc. and Sword Canada Acquisition Corporation
Announce Closing of Plan of Arrangement**

Calgary, Alberta, Canada – August 28, 2008

(TSX – SES)

Saxon Energy Services Inc. ("Saxon") and Sword Canada Acquisition Corporation ("Sword") are pleased to announce that the acquisition of Saxon by Sword pursuant to a plan of arrangement (the "Arrangement") was completed today.

Under the Arrangement, holders of Saxon's outstanding common shares (the "Shares") are entitled to receive \$7.00 per Share, other than certain members of senior management of Saxon who received equity of Sword as consideration for a portion of their Shares. The Shares are expected to be de-listed from the Toronto Stock Exchange on August 29, 2008. In order to receive the consideration for their Shares, Saxon shareholders must surrender the certificates representing their Shares in accordance with the instructions set forth in the Information Circular of Saxon dated June 13, 2008 and the accompanying letters of transmittal. Any questions and requests for assistance may be directed to the offices of the depositary, Olympia Trust Company, at (403) 261-0900 or (416) 364-8081 or by email at corporateactions@olympiatrust.com.

Saxon is an emerging international oilfield services company that operates an established oil and gas drilling and workover business, focusing on providing these services to major and intermediate oil and gas companies in North and South America. Saxon will retain its current management team and will continue to do business under the name Saxon Energy Services Inc. Thomas Weisel Partners Canada Inc. acted as financial advisor to Saxon with regard to the Arrangement.

Sword is an acquisition company that is indirectly jointly owned by an affiliate of a fund managed by First Reserve Corporation ("First Reserve"), together with Schlumberger Oilfield Holdings Limited, and directly owned by certain members of the senior management of Saxon.

First Reserve is one of the world's leading private equity firms, focusing on the energy industry. RBC Capital Markets group acted as financial advisor to First Reserve in respect of the Arrangement.

Schlumberger Oilfield Holdings Limited is a subsidiary of Schlumberger Limited ("Schlumberger"), the world's leading oilfield services company. In 2007, Schlumberger's revenue was US\$23.28 billion. CIBC World Markets acted as financial advisor to Schlumberger Oilfield Holdings Limited in respect of the Arrangement.

Forward-Looking Information

Certain information contained in this press release, including information and statements which may contain words such as "anticipated", "expect" and similar expressions and statements relating to matters that are not historical facts, are forward-looking information.

This forward-looking information is based on certain material factors, assumptions and analyses made by Saxon 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 with Saxon's conclusions, forecasts, projections, expectations and predictions expressed or implied by the forward-looking information in this press release is subject to known and unknown risks and uncertainties which could cause actual results to differ materially from Saxon's conclusions, forecasts, projections, expectations and predictions expressed or implied by the forward-looking information in this press release, including those risks and uncertainties described in Saxon's continuous disclosure filings, in its Management's Discussion and Analysis for the most recently completed financial year end and in its most recent Annual Information Form, all of which may be found on SEDAR at www.sedar.com. If any of the above or other risks or uncertainties materialize, or if the material factors, assumptions and analyses applied by Saxon are incorrect, actual results may vary materially from those expected in the forward-looking information in this press release.

Consequently, all of the forward-looking information contained in this press release is qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by Saxon expressed or implied by the forward-looking information in this press release will be realized or, even if substantially realized, that they will have the expected consequences to or effects on Saxon or its business operations. Saxon assumes no obligation, except as required by law, to update publicly any such forward-looking information, whether as a result of new information, future events or otherwise. Readers should not place undue reliance on forward-looking information.

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