



**IROC ENERGY SERVICES CORP.
ANNOUNCES THIRD QUARTER 2008 RESULTS**

Calgary, AB / November 10, 2008 / IROC Energy Services Corp. (“IROC” or the “Company”) (TSX: “ISC”) announces the Company’s financial results for the three and nine months ended September 30, 2008.

FINANCIAL HIGHLIGHTS

	<u>For the 3 months ended Sept. 30,</u>			<u>For the 9 months ended Sept. 30,</u>		
	<i>(Unaudited)</i>			<i>(Unaudited)</i>		
	2008	2007	% Change	2008	2007	% Change
Revenue - continuing operations	\$22,488	\$17,773	27%	\$56,612	\$51,497	10%
Operating costs	13,827	10,818	28%	36,369	31,349	16%
Gross margin	8,661	6,955	25%	20,243	20,148	0%
Gross margin %	39%	39%	0%	36%	39%	-8%
General and administrative expenses	2,529	2,457	3%	7,231	7,629	-5%
EBITDAS - continuing operations ⁽¹⁾	6,132	4,498	36%	13,012	12,519	4%
Per share diluted	0.14	0.10	40%	0.29	0.29	0%
Net earnings - continuing operations	2,673	468	471%	2,389	909	163%
Per share diluted	0.06	0.01	500%	0.05	0.02	156%
Net earnings	286	369	-22%	826	1,945	-58%
Per share diluted	0.01	0.01	0%	0.02	0.04	-59%
Number of shares outstanding						
Basic	44,304,504	44,251,080	0%	44,285,624	43,164,377	3%
Diluted	44,324,122	44,336,011	0%	44,446,091	43,273,275	3%

(1) EBITDAS and EBITDAS per share are “NON-GAAP MEASURES”. EBITDAS is defined as “earnings before interest, taxes, depreciation and amortization, stock-based compensation expense, foreign exchange gains and losses and gains or losses on disposal of property and equipment.” EBITDAS and EBITDAS per share are not recognized measures under GAAP.

IROC reports strong revenue and EBITDAS from continuing operations for the third quarter of 2008 led by strong performance in our Canada Tech and Eagle Well Servicing divisions, each exceeding expectations during the quarter. Higher customer demand from significant improvements in natural gas and oil commodity pricing through the first nine months of the year strengthened fundamentals for producers in terms of cash flows and as such many producers accelerated programs providing for a strong third quarter of activity.

Highlights for the Quarter:

- Revenue from continuing operations for the three months ended September 30, 2008 increased 27%, from \$17.8 million to \$22.5 million compared to the same period in 2007. Revenue growth was higher as a result of improved year over year utilization and higher pricing, coupled with a record quarter for revenues in Canada Tech from product sales.
- EBITDAS from continuing operations for the three months ended September 30, 2008 was \$6.1 million or \$0.14 per share compared to \$4.5 million, or \$0.10 per share, in the same three month period of 2007, an increase of 36%. Pricing increases in Canada Tech and pricing adjustments in other divisions helped to improve margins and profitability overall.



- Net earnings from continuing operations of \$2.7 million or \$0.06 per share compared to \$0.5 million or \$0.01 per share in the comparable period of 2007. Net earnings improved from lower interest costs for debt servicing due to significant repayments of debt, coupled with improved utilization, pricing and product sales volumes.
- Revenue generated from Eagle Well Servicing during the third quarter was \$12.3 million compared to \$9.3 million in the same period of 2007, an increase of 31%. EBITDAS in the third quarter from Eagle was \$4.8 million compared to \$3.7 million in the same period of 2007, an increase of 28%. Utilization for the quarter was amongst the highest in our peer competitor group and revenue per hour increased over the same period of 2007.
- The first of the six new service rigs being constructed was delivered and deployed to the field during September 2008. It is anticipated that delivery of the remaining five service rigs will be complete prior to the end of the fourth quarter of 2008 to allow for full deployment of these rigs during the traditionally busy first quarter.
- Revenue in the Canada Tech division increased by 34% to \$5 million in the third quarter, a record quarter for this division on the back of higher product sales into international markets and improved pricing.
- Significantly strengthened the balance sheet by reducing debt levels with cash proceeds of \$33.7 million from the sale of its drilling rig assets and discontinued the operations of the contract drilling services division, Mission Drilling. IROC exited Q3 2008 with net debt of \$11.8 million.
- Management and the Board of Directors undertook a full strategic review of IROC's operations during the quarter to investigate any and all options that may be available to the Corporation to provide the best return possible for our shareholders. The first action taken was to sell our drilling assets after considering the deteriorating drilling environment in the WCSB which had resulted in the inability of the division to provide an adequate return on capital invested, which is noted above. While the strategic review continues, further action has not been determined.

Our core business, Eagle Well Servicing, has shown that it is very competitive in the market place with industry leading utilization, new equipment and competent personnel across its fleet of 31 service rigs, with an additional 5 rigs to be deployed to the field before year-end. The impact of reduced exploration programs is obvious but we believe that our segment of the oilfield services industry has historically been more stable and is expected to be affected less by the reductions than other segments as a result of production related work. More importantly, we have financial and operational capability that will allow us to not only survive the next few quarters but in fact thrive in this environment.

Further, IROC was able to substantially strengthen its balance sheet through the disposition of the Mission Drilling division assets, thereby providing greater flexibility in a time of uncertainty in our business. The benefits to IROC of this disposition will be seen over coming quarters as the capital that was made available as a result of the transaction is invested into the divisions of our business that provide greater potential returns for our shareholders.

The industry in general has benefited from the recent strength of the US Dollar, effectively providing a cushion for commodity prices in Canada. In our business, Canada Tech has been a significant benefactor of the rising US dollar. With our Canadian based operation and costs, the benefits of having 65% of our revenues in the division denominated in US Dollars are obvious.



While the remainder of fiscal 2008 looks solid, there has been a significant amount of uncertainty appear as we enter 2009. The global financial crisis is affecting all industries and has led to a significant fall in oil and gas commodity pricing from the highs seen in the third quarter of 2008. The effects of this, while difficult to predict with any high degree of certainty, appear to have hindered the ability for oil and gas producers to access debt or equity markets to finance their operations. Additionally, with the impending changes to the royalty rates in Alberta in January 2009, producers have already stated their plans to move capital from Alberta and into jurisdictions that provide greater potential returns. Producers have recently begun reducing their capital spending plans for fiscal 2009 with a focus on balance sheet preservation and matching spending with realistic cash flows.

Publicly reported information for IROC Energy Services Corp. is available at www.sedar.com.

About IROC Energy Services Corp.

IROC Energy Services Corp. is an Alberta oilfield services company that, through the IROC Energy Services Partnership, provides a comprehensive and diverse range of products, services and equipment to the oil and gas industry. IROC combines cutting-edge technology with depth of experience to deliver a product and services offering in five core areas: Well Servicing & Equipment, Downhole Temperature & Pressure Monitoring Tools, Rental Services, Lease Building, and Safety, Monitoring & Communications Services. For more information on IROC Energy Services Corp. visit our website at www.iroccorp.com.

Cautionary Statements

Certain statements contained in this press release may constitute forward looking statements concerning, among other things, expected revenues, expected expenses, profits, developments and strategies for IROC's operations all of which are subject to certain risks, uncertainties and assumptions. These forward looking statements are identified by their use of terms and phrases such as "anticipate", "continue", "estimate", "expect", "may", "will", "projected", "should", "believe" and other similar terms and phrases. By its nature, such forward looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. These risks include, but are not limited, to the risks associated with the oil and gas industry generally, fluctuating prices in crude oil and natural gas, changes in drilling activity, general global economic, political and business conditions, weather conditions, regulatory changes and availability of products, qualified personnel and manufacturing capacity and raw materials. If any of these uncertainties materialize, or if assumptions are incorrect actual results may vary materially from those expected. IROC relies on litigation protection for any forward looking statements.

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FOR FURTHER INFORMATION PLEASE CONTACT:

IROC Energy Services Corp.

Mr. Thomas M. Alford, President and CEO

Telephone: (403) 263-1110 email: investorrelations@iroccorp.com



Consolidated Balance Sheets

Expressed in thousands of dollars
(Unaudited)

	September 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash	\$ 1	\$ 1
Accounts receivable	17,767	15,423
Inventory	4,504	5,442
Prepaid expenses and deposits	450	359
Assets of discontinued operations (note 9)	10,502	2,960
	<u>33,224</u>	<u>24,185</u>
Property and equipment (note 3)	64,258	64,893
Intangible assets (note 4)	4,793	5,376
Goodwill	8,621	8,621
Assets of discontinued operations (note 9)	—	34,578
	<u>\$ 110,896</u>	<u>\$ 137,653</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Operating line of credit	\$ 7,314	\$ 3,421
Accounts payable and accrued liabilities	7,018	5,627
Income taxes payable	46	190
Current portion of long-term debt (note 5)	3,384	6,831
Liabilities of discontinued operations (note 9)	607	383
	<u>18,369</u>	<u>16,452</u>
Long-term debt (note 5)	26,737	56,457
Future income taxes	3,450	3,481
Shareholders' equity:		
Share capital (note 6)	51,579	51,547
Warrants (note 6)	—	828
Contributed surplus (note 6)	3,456	2,409
Retained earnings	7,305	6,479
	<u>62,340</u>	<u>61,263</u>
	<u>\$ 110,896</u>	<u>\$ 137,653</u>



Consolidated Statements of Earnings and Retained Earnings

Expressed in thousands of dollars except share and per share amounts
(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Revenue	\$ 22,488	\$ 17,773	\$ 56,612	\$ 51,497
Expenses:				
Operating	13,827	10,818	36,369	31,349
General and administrative	2,529	2,457	7,231	7,629
Stock-based compensation	62	109	220	474
Depreciation and amortization	2,282	2,262	6,748	6,461
Interest and accretion on debentures	152	236	624	707
Interest on long-term debt	756	850	2,558	2,327
Other interest	68	211	227	369
Gain on disposal of equipment	(28)	(99)	(34)	(250)
Foreign exchange (gain) loss	(24)	132	(82)	224
	19,624	16,976	53,861	49,290
Earnings before income taxes from continuing operations	2,864	797	2,751	2,207
Income taxes (recovery):				
Current	–	16	–	52
Future	191	313	362	1,246
Net earnings from continuing operations	2,673	468	2,389	909
Net earnings (loss) from discontinued operations (note 9)	(2,387)	(99)	(1,563)	1,036
Net earnings	286	369	826	1,945
Retained earnings, beginning of period	7,019	5,916	6,479	4,340
Retained earnings, end of period	\$ 7,305	\$ 6,285	\$ 7,305	\$ 6,285
Earnings per share from continuing operations:				
Basic	\$ 0.06	\$ 0.01	\$ 0.05	\$ 0.03
Diluted	\$ 0.06	\$ 0.01	\$ 0.05	\$ 0.02
Earnings (loss) per share from discontinued operations:				
Basic	\$ (0.05)	\$ 0.00	\$ (0.03)	\$ 0.02
Diluted	\$ (0.05)	\$ 0.00	\$ (0.03)	\$ 0.02
Earnings per share:				
Basic	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.05
Diluted	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.04
Weighted average number of shares outstanding:				
Basic	44,304,504	44,251,080	44,285,624	43,164,377
Diluted	44,324,122	44,336,011	44,446,091	43,273,275



Consolidated Statements of Cash Flows

Expressed in thousands of dollars
(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Cash provided by (used in):				
Operations:				
Net earnings from continuing operations	\$ 2,673	\$ 468	\$ 2,389	\$ 909
Items not affecting cash:				
Depreciation and amortization	2,282	2,262	6,748	6,461
Future income taxes	191	313	362	1,246
Stock-based compensation	62	109	220	474
Non-cash accretion on debentures	64	96	256	288
Gain on disposal of property and equipment	(28)	(99)	(34)	(250)
	5,244	3,149	9,941	9,128
Changes in non-cash working capital balances (note 7)	(4,185)	(1,504)	(249)	(787)
	1,059	1,645	9,692	8,341
Discontinued operations (note 9):				
Funds provided by discontinued operations	144	68	1,491	1,540
Changes in non-cash working capital balances of discontinued operations	(285)	845	782	426
	918	2,558	11,965	10,307
Investing:				
Purchase of property and equipment of continuing operations	(3,153)	(5,977)	(5,807)	(17,552)
Purchase of property and equipment of discontinued operations	(473)	(408)	(906)	(2,117)
Proceeds on disposal of property and equipment from continuing operations	87	469	648	1,816
Proceeds on disposal of equipment from discontinued operations	23,935	333	23,935	1,235
Business acquisitions	–	–	–	(1,000)
Change in non-cash working capital balances (note 7)	–	1,228	–	(139)
	20,396	(4,355)	17,870	(17,757)
Financing:				
Repayment of long-term debt	(21,619)	(214)	(26,421)	(634)
Operating loan advances (repayments)	7,290	(2,341)	3,893	(1,388)
Repayment of debentures	(7,000)	–	(7,000)	–
Issue of long-term debt	–	4,352	–	9,660
Issue of common shares	15	–	33	12
Loan commitment fees	–	–	(340)	(200)
	(21,314)	1,797	(29,835)	7,450
Increase in cash	–	–	–	–
Cash at beginning of period	1	1	1	1
Cash at end of period	\$ 1	\$ 1	\$ 1	\$ 1