The Depository Trust Company
IMPORTANT

B#: 1724-07

DATE: 06-18-2007

TO: All Participants

CATEGORY: Dividends

FROM: Ray Lew, Specialist, Stock Dividend Department

ATTENTION: Dividend Managers, Cashiers, and Reorganization Managers

SUBJECT: Rights: BlackWatch Energy Services Trust CUSIP: 09259N108
R/D: 6/11/07 Expires: 7/3/07 4:00 P.M. Calgary time
Rate: one right for each Trust Unit held

**********WARNING TIME CRITICAL**********

BlackWatch Energy Services Trust is issuing transferable rights ("Rights") to the holders of its outstanding Trust Unit as of the close of business on June 11, 2007 (the "Record Date"). Each holder of the Trust Unit at the close of business on the Record Date is entitled to receive one Right for each Trust Unit held. 5.2 Rights entitle the holder to subscribe for one Trust Unit at a price of $1.68 (Canadian Fund) per Trust Unit (the "Subscription Price").

This offering of securities is made in all provinces and territories of Canada except Quebec, and is made in all jurisdictions ("Offshore Jurisdictions") outside Canada and the United States excluding any jurisdiction that does not provide a rights offering prospectus exemption substantially similar to the exemption provided in Canada or that otherwise requires obtaining any approvals of a regulatory authority in the Offshore Jurisdiction or the filing of any documents by BlackWatch Energy Services Trust in the Offshore Jurisdiction in connection with this Rights Offering. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered in the prospectus and any representation to the contrary is an offense. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act"), and subject to certain exemptions, may not be offered or sold within the United States of America (the "United States") or to US persons (within the meaning of Regulation S under the US Securities Act), and this Offering does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States.

B#: 1724-07

Participants with Eligible Shareholders wishing to have the Rights released to them must submit written instructions to the Depository Trust Company ("DTC") no later than 3:00 p.m. New York City time on 6/22/07. Participants must fax their instructions to (212) 855-4544. After the instruction is faxed, participants must contact Ray Lew of DTC's Stock Dividend section at (212) 855-4523 for confirmation of receipt.

The instructions will be processed only after acceptance by the Subscription Agent, Valiant Trust Company.

If instructions are not received, the Subscription Agent will attempt to sell the Rights on DTC's behalf on a best effort basis.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY (DIVA) FUNCTION, SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY.

If participants have any questions regarding this Important Notice, please contact DTC's Customer Service Helpline at (888) 360-3822.

If participants have any questions regarding the Rights Offering, they may contact the Subscription Agent at 1-866-313-1872.