

**DALMAC ENERGY INC. TSX Venture: "DAL"**

Period End Press Release

**For Immediate Release**

September 29, 2008

**Period ended July 31, 2008 ("Q1'09")****Edmonton, Alberta – John Babic, President and CEO of Dalmac Energy Inc. ("Dalmac") (TSX Venture "DAL") announces the Corporation's first quarter results.**

## Selected Financial Information

(000's Cdn Dollars, except per share)	Q1' 09	Q1' 08
Revenues	3,970	2,536
Gross Margin	946	698
Gross Margin %	24%	28%
General and administrative expenses	281	218
EBITDAS (loss)	267	242
EBITDAS per share - basic	0.02	0.02
EBITDAS per share - diluted	0.02	0.01
Interest	177	150
Depreciation and amortization	405	271
Net income (loss)	(425)	(198)
Net income (loss) per share - basic	(0.03)	(0.02)
Net income (loss) per share - diluted	(0.03)	(0.01)

Total revenue for Q1'09 increased 57% to \$4.0M from the \$2.5M reported in Q1'08. This increase is due to more equipment being operated as a result of the purchases and acquisitions announced over the course of previous year.

EBITDAS for Q1'09 increased by 10% to \$267K from the \$242K reported in Q1'08. The first quarter is traditionally Dalmac's slowest quarter due to the spring break up and road bans. Traditionally road bans are lifted in May. The Company is further restricted from certain areas that protect various wildlife species during their migrations and calving seasons which usually extend to the middle of June. Production related projects are often given a waiver with respect to road bans which include such things as limiting hauls to half loads etc. Activity levels don't usually bounce back to their pre ban levels until the fall. The combined breakup conditions and depressed drilling activity contributed to make for a worsening of circumstances. The ongoing repairs, maintenance, certifications and other infrastructure costs were more pronounced in Q1'09, because much of the equipment was idle at this time. This disproportionately increased the operating costs in comparison to the revenue for the quarter. In addition, the direct costs for the current period were further impacted by the increases in fuel and in the size operating fleet. Rate increases are always retroactive to the fuel price increases. There were 135 service units in Q1'09 compared to 105 in Q1'08.

The net loss for Q1'09, increased by \$227K to \$425K from the \$198K reported in Q1'08. Factors contributing to this loss include direct costs (referenced above), amortization, increased general and administration, losses on disposal of assets and future taxes. Amortization expenses increased by \$134K or 50% to \$405K up from the \$271K reported in Q1'08. General and administration expenses increased by \$63K or 28% to \$283K up from the \$218K reported in Q1'08. The Company had a loss on the disposal of assets in Q1'09 of \$34K as a result of a sale of equipment which was deemed no longer useful to the

Company's operations. There was no such loss in Q1'08. Future taxes as a consequence of the acquisitions made over the course of the prior year the Q1'09 future tax liability was \$88K as compared to a recovery of \$9K in Q1'08.

On a going forward basis, the Company expects to further reduce some of its direct costs by adopting new cost control policies which should see much of the certification and work over repairs being completed in house as opposed to farmed out to contractors. This will be aided by the recently completed 8000 square foot expansion of the service shop in Fox Creek.

The gross margin for Q1'09 increased by 36% or \$248K to \$0.9M from the \$0.7M reported in Q1'08. This increase is consistent with the increased revenue resulting of the acquisitions made and new equipment procured. The competitive environment brought on by the slowdown in the oil and gas servicing sector, also affected the gross margin by placing greater downward pressure on pricing.

### **Subsequent Events**

On September 15, 2008 Dalmac, completed the acquisition of the business and assets of Tinky Rentals L.P. and Tinky Trucking L.P. of Edson, Alberta for a purchase price of \$3.8M. Of this amount, \$2.0M was paid on closing with the balance being paid by vendor take back debt and preferred shares of Dalmac's subsidiary, 1421771 Alberta Ltd., which was formed for the purpose of making the acquisition. The \$2.0M cash portion consists of \$1.0M bank financing and the balance from cash reserves. This acquisition is considered to be substantially accretive to Dalmac's operations and management is looking forward to increased activity stemming from the synergistic and complementary nature of the combined operations.

### **Outlook**

Producers' have begun to increase spending on drilling, completions and work-overs of existing wells and this is resulting in an increased demand for the Dalmac's services. With a continued guarded optimism for stronger oil and gas prices, the outlook for the remainder of fiscal 2009 remains positive. The current crisis in the US financing sector is creating turbulent fluctuations in commodity pricing. The length and extent of this crisis and the effect it will have on equities and commodities is uncertain at this time.

In preparation for the upcoming winter drilling season, Dalmac continues to strive toward achieving an optimal balance of commitment to production and drilling services. Dalmac is dedicated to maintaining strong and healthy working relationships with our customers by providing them an increased range products and services which target a broader spectrum of their needs.

We seek Safe Harbor.