

For Immediate Release

August 28, 2007

**Year Ended April 30, 2007**

**Edmonton, Alberta – John Babic, President and CEO of Dalmac Energy Inc.** ("Dalmac") (TSX Venture "DAL") announces the operating results for the year ended April 30, 2007.

The year ending April 30, 2007 witnessed a decrease in drilling activity mainly due to low natural gas prices. The Company has since refocused its efforts more on production related operations and has committed the bulk of the new purchases towards production work. However, the timing of the delivery of the new equipment didn't allow for its deployment during the busier winter season. Most of the production units were received in the fourth quarter of fiscal 2007. This period was commensurate with the spring break-up season which commenced March 2007, almost one month ahead of 2006. During spring break-up road bans are implemented and travel is restricted on most roads. This prevented the deployment of the new purchases during this period and resulted in a slower than normal fourth quarter. The MD&A and financial statements for earlier periods should also be considered relevant and are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

Revenue for 2007 decreased by 30% to \$10.3 million from \$14.8 million reported in 2006. The 30% decrease in revenue can be attributed to lower natural gas prices which resulted in decreased drilling activity. The Company responded to these events by concentrating more efforts on production activities. Of the \$5.0 million of new equipment, only \$3.0 million was received in the fourth quarter of 2007 which was during the spring break-up period. Delivery had been delayed due to bottle necks in the manufacturing process and the balance of the \$2.0 million will be delivered in the early part of fiscal 2008. The gross margin for 2007 decreased by 30% to \$3.1 million from \$4.4 million in 2006. The Gross profit margin as a percentage of revenue remained the same at 30% for both 2007 and 2006.

**Selected financial Year End Information**

(000's Cdn Dollars, except per share)	YE Apr 30, 2007	YE Apr 30, 2006	YE* Apr 30, 2005
Revenues	10,336	14,779	7,310
Gross Margin	3,074	4,365	2,711
Gross Margin %	29.74%	29.53%	37.09%
EBITDA (loss)	1,098	1,950	1,370
EBIDTA/share - basic	0.09	0.25	0.33
EBIDA / share - diluted	0.09	0.24	0.28
Net income (loss)	(113)	742	267
Net income / share - basic	(0.01)	0.10	0.08
Net income /share - diluted	(0.01)	0.09	0.07

\* April 30, 2005 was a 16 month year due to a change in year end

Revenue for Q4'07 decreased 32% to \$2.7 million from \$4.0 million in Q4'06. Early spring break-up which arrived in mid March resulted in wet weather and early road bans. These conditions contributed to a slower than normal fourth quarter. The Q4'07, gross margin decreased by 30% to \$0.9 million from \$1.4 million in Q4'06. Gross margin is directly linked to the activity levels in the quarter. Basic net income

(loss) per common share in Q4'07 was \$(0.01) compared to \$0.08 in Q4'06. This represents a net (loss) income of \$(150,716) compared to \$535,338 in the same period in the previous year.

### Summary of Quarterly Results

(000's Cdn Dollars, except per share)	Q4' 07 Ended 30-Apr-07	Q4' 06 Ended 30-Apr-06
Revenue	2,729	4,018
Net income (loss)	(151)	535
Net income (loss) / share - basic	(0.01)	0.08
Net income (loss) / share - diluted	(0.01)	0.07

### Recent Developments

On May 1, 2007 Dalmac closed the purchase of North End Oil Industries Ltd., a 30 year old oil field services company based in west-central Alberta, but outside of Dalmac's current area of operations. North End operations are similar to Dalmac's and are almost exclusively focused on production services which are conducive to consistent year-round activity. The purchase price was \$1,925,000, payable by \$1.5 million cash, \$375,000 by vendor take back and \$50,000 in Dalmac shares.

On July 5, 2007, Dalmac also announced the signing of an LOI to purchase another production focused oilfield services company. This target company is situated in west central Alberta and is currently outside Dalmac's operating area. This acquisition's revenue projection for their fiscal year ended December 31, 2006 was reported at \$4.4 with an EBITDA of approximately \$1.0 million. For the current fiscal year, the target company is on track to surpass the results of the previous year. The purchase price is to be \$3.5 million, payable by \$2.7 million in cash, \$600,000 in vendor take back financing and \$200,000 in shares. This acquisition is expected to close on or before September 30, 2007.

Both these acquisitions are considered very accretive to Dalmac's operations and will increase the size of the Company's fleet by about 45 operating service units. (15 for North End and 30 for the new acquisition) The Company also expects to benefit from this acquisition opportunity by deploying its existing assets into a new geographic market area.

### Outlook

Dalmac believes it has sufficient working capital, cash flow from operations, and access to capital to fund its ongoing business requirements. Management believes the Company has a cost structure that has sufficient variability to be able to adapt to the volatility of the industry. Dalmac has experienced management at all levels of operations.

The industry activity level in Western Canada is typically measured by the number of wells drilled. The Canadian Association of Oilwell Drilling Contractors (COADC) forecasts the number of wells to be drilled in the 2007 calendar year, at 16,339 (on a completion basis), this represents a 26% decrease from the 2006 calendar year. The Petroleum Services Association of Canada (PSAC) forecasts the number of wells drilled in 2007 at 17,650 which represents a 24% decrease from 2006 levels.

Both COADC and PSAC are basing their forecasts on \$65/bbl (USD) oil prices and \$6.50 per mcf (USD) natural gas prices. Natural gas drilling is expected to see the biggest reduction in activity due to low commodity prices, weather, reduced capital expenditures, environmental regulations uncertainties, and provincial royalty regimes.

Dalmac earns revenue by providing specialized services required for the exploration, and production of petroleum resources. These petroleum resources are escalating in value and are plentiful in the areas in which the Company operates. The demand for the Company's services is linked to the economic conditions of the energy industry and general levels of drilling and production activities in Western Canada. While the general drilling activity levels are lower than in the previous year, the Company continues to maintain good relationships with its customer base and has balanced its exposure to drilling versus production work. The latter is less affected by reduced capital spending and drilling activity. The Company is encouraged by the indications of demand for its services.

For further information, please contact John Babic, at (780) 988-8510, by fax at (780) 988-8512 or by e-mail at [jbabic@dalmacenergy.com](mailto:jbabic@dalmacenergy.com).

*Statements throughout this report that are not historical facts may be considered "forward looking statements". Such statements are based on current expectations that involve risks and uncertainties, which could cause actual results to differ from those anticipated. Important factors that can cause anticipated outcomes to differ materially from actual outcomes include the impact of general economic conditions, industry conditions, competition from other industry participants, volatility of petroleum prices, the ability to attract and retain qualified personnel, changes in laws or regulations, currency fluctuations, continued ability to access capital from available facilities and environmental risks. References in this MD&A to "Dalmac", the "Corporation", "Company", "us", "we" and "our" mean Dalmac Energy Inc. and its subsidiary Dalmac Oilfield Services Inc.*

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*