



Dividend Reinvestment Plan and Stock Dividend Program Frequently Asked Questions

1) Can I continue to receive my dividend in cash?

Participation in the DRIP and SDP is optional. If you choose to not participate in either plan you will continue to receive cash dividends in the usual manner.

2) What is the Dividend Reinvestment Plan?

The Dividend Reinvestment Plan ("DRIP") allows eligible shareholders to conveniently purchase additional common shares by reinvesting their cash dividends into additional common shares. Under the plan, additional common shares are acquired by the participant at 95% of the average market price (as defined in the answer to Question 10) with no additional brokerage fees or commissions. Computershare Trust Company of Canada ("Computershare") may acquire through the facilities of the TSXV or other exchanges on which the common shares may be listed for trading at any time during the three (3) business day period following the relevant Dividend Payment Date at prevailing market rates not exceeding 115% of the volume weighted average trading price at CWC's discretion.

3) What is the Stock Dividend Program?

The Stock Dividend Program ("SDP") provides eligible shareholders the option to receive dividends in the form of common shares. Shareholders enrolled in the SDP will receive additional common shares at 95% of the prevailing average market price (as defined in the answer to Question 10) with no additional brokerage fees or commissions. However, beneficial owners should contact their broker, investment dealer, financial institution or other nominee through whom their shares are held to determine if any fees are applicable from their nominee.

4) What are the advantages of the plans?

- a) The plans offer a convenient cost effective way for shareholders to increase their investment in CWC, without incurring commissions, service charges or brokerage fees.
- b) Common shares are issued or purchased at a 5% discount to the average market price (as defined in the answer to Question 10) or for the Dividend Reinvestment Plan acquired through the facilities of the TSXV or other exchanges on which the common shares may be listed for trading at any time during the three (3) business day period following the relevant Dividend Payment Date.
- c) The SDP is expected to provide many shareholders with more favorable Canadian income tax treatment than CWC's DRIP.
- d) The plans allow CWC to retain cash and therefore provide a source of capital.

5) What are the primary differences between the DRIP and SDP?

Under the DRIP, a cash dividend is paid to the Shareholder and then immediately reinvested into new shares. The full amount of the reinvested dividend is included in the shareholder's income in the year the cash dividend is received and reinvested. Under the SDP, there is no cash dividend payment; rather common shares are credited directly to the Shareholder's account. No material amount is expected to be included in income in the year the stock dividend is received. However, stock dividends may increase capital gains (or decrease capital loss) on subsequent disposition of the common shares received.

6) What are the Canadian income tax consequences of participating in the plans?

The stock dividend is expected to provide many shareholders with Canadian income tax treatment that is more favorable than a cash dividend (whether or not reinvested under the DRIP).

For Canadian shareholders, the amount of any cash dividend will be included in computing income in the taxation year in which the cash dividend is received. A stock dividend is not expected to generate dividend income as CWC's shares issued under the SDP will have a nominal cost base for Canadian tax purposes. However, stock dividends may increase capital gains (or decrease capital loss) realized on subsequent disposition of the common shares received. In general, the Canadian tax consequences associated with the SDP could be described as tax deferred, as a tax event occurs when the shares are sold rather than when the dividend is received.

CWC shares issued pursuant to the SDP are not expected to be subject to Canadian withholding tax.

Registered shareholders should expect to receive tax information from our Plan agent, Computershare. For shareholders holding their shares through a broker or other intermediary, tax information should be received from that intermediary.

Shareholders are encouraged to consult their own tax advisors regarding the tax consequences to them of receiving cash or stock dividends.

7) Who is eligible to participate?

Currently the DRIP and SDP are only available to Canadian resident shareholders. Please read the *Dividend Reinvestment Plan* and *Stock Dividend Program* for more details. The DRIP and SDP can be found on CWC's website at www.cwcenergyservices.com or Computershare's web portal at www.investorcentre.com.

8) How do I enroll?

For enrollment in the DRIP and SDP:

Eligible Registered Shareholders (ie. owners of common shares who hold a physical share certificate in their own name) must deliver a properly completed *DRIP/SDP Enrollment Form* to Computershare Trust Company of Canada. The *DRIP/SDP Enrollment Form* must be received by Computershare at least five business days prior to the record date of a declared dividend. Once enrolled, participation will continue automatically unless terminated.

Eligible Beneficial Shareholders (ie. owners of common shares which are held through a broker, investment dealer, financial institution or other nominee) should contact the broker, investment dealer, financial institution or other nominee who holds their common shares to inquire about enrollment in the DRIP and/or SDP and the applicable deadlines. Once enrolled, participation will continue automatically unless terminated.

9) Can I participate in both plans simultaneously?

Shareholders are not entitled to participate in both plans concurrently. Any shareholder enrolled in the DRIP who wishes to participate in the SDP must first terminate participation in the DRIP before they can participate in the SDP.

10) What will be the price of new shares purchased for my account under the DRIP or issued as stock dividends under the SDP?

New shares purchased under the DRIP or issued as stock dividends under the SDP will be purchased or issued from treasury at 95% of the "Average Market Price" of the shares in respect of the applicable dividend payment. "Average Market Price" means the weighted average trading price of the shares on the TSX Venture Exchange for the five trading days immediately preceding the dividend payment date. For the DRIP the shares may be acquired through the facilities of the TSXV or other exchanges on which the common shares may be listed for trading.

11) What statements will I receive under the DRIP or SDP?

Registered shareholders will receive a quarterly statement of account from Computershare Trust Company of Canada. These statements are your continuing record of purchases and should be retained for income tax purposes. In addition, you will be sent annually the appropriate information for tax reporting purposes. If you are a beneficial owner of shares who is enrolled in the SDP through a nominee, you should receive tax information directly from your nominee.

12) Will I receive share certificates for shares received under the plans?

DRIP: Generally, certificates for additional common shares purchased through the DRIP will be held for participants and reported on the statement of their account. For more information consult the *Dividend Reinvestment Plan* which can be found on CWC's website at www.cwcenergyservices.com or the Computershare's web portal at www.investorcentre.com.

SDP: A certificate representing the number of whole stock dividend shares registered in the name of the participating shareholder as a result of a stock dividend will only be provided upon request in writing to Computershare.

13) Where can I get further information?

If you have further questions regarding the plans please consult the *Dividend Reinvestment Plan* and the *Stock Dividend Program*.

Or direct them to:

Computershare Trust Company of Canada:

100 University Avenue, 8th Floor North Tower, Toronto, ON, M5J 2Y1, Attention: Dividend Reinvestment Department, Telephone: 1-800-564-6253 or 514-982-7555 or by visiting www.investorcentre.com.

Or to CWC Energy Services Corp:

Suite 755, 255 – 5th Avenue SW, Calgary, AB, T2P 3G6, Attention: President & CEO, Telephone: 403-264-2177 or 1-877-341-3933 (Toll Free) Fax: 403-264-2842 email: info@cwenergyservices.com