MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

The following Management's Discussion and Analysis ("MD&A") of CWC Well Services Corp. ("CWC") or the "Company") was prepared and is dated, as of November 15, 2012 and is provided to assist readers in understanding CWC's financial performance for the three and nine months ended September 30, 2012 and significant trends that may affect future performance of the Company. This MD&A should be read in conjunction with CWC's annual audited financial statements for the year ended December 31, 2011, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information on the Company, including the 2011 Annual Information Form ("AIF"), can be found on the Company's website at www.cwcwellservices.com or on SEDAR at www.sedar.com.

Forward-Looking Statements

This MD&A contains certain forward-looking information and statements within the meaning of applicable Canadian securities legislation. Certain statements contained in this MD&A, including statements which may contain such words as "anticipate", "could", "continue", "should", "seek", "may", "intend", "likely", "plan", "estimate", "believe", "expect", "will", "objective", "ongoing", "project" and similar expressions are intended to identify forward-looking information or statements. In particular, this MD&A contains forward-looking statements including management's assessment of future plans and operations, expectations as to the increase in activity levels, expectations with respect to oil and natural gas prices, activity levels in various areas, continuing focus on cost saving measure plans, expectations regarding the level and type of drilling and production activity in the Western Canadian Sedimentary Basin ("WCSB"), and expectations regarding the business, operations and revenue of the Company in addition to general economic conditions. Although the Company believes that the expectations and assumptions on which such forward-looking information and statements are based are reasonable, undue reliance should not be placed on the forward-looking information and statements because the Company can give no assurances that they will prove to be correct. Since forward-looking information and statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oilfield services sector (ie. demand, pricing and terms for oilfield services; current and expected oil and gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety and environmental risks), integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties and environmental regulations, stock market volatility and the inability to access sufficient capital from external and internal sources and the inability to pay dividends. Accordingly, readers should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through SEDAR at www.sedar.com. The forward-looking information and statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Corporate Overview

CWC is a premier well servicing company operating in the Western Canadian Sedimentary Basin ("WCSB") providing a complementary suite of oilfield services including service rigs, coil tubing, snubbing, and well testing. CWC provides these services through two distinct divisions, Well Servicing and Other Oilfield Services.

CWC's equipment and services can be found throughout the entire WCSB from Northeast BC to Southeast SK and all points in between in Alberta. These services are provided from strategic regional operating locations in Grande Prairie, Red Deer, Provost, Lloydminster and Brooks, AB and Weyburn, SK. CWC's corporate office is located in Calgary, AB. Management is comprised of experienced oilfield service professionals who have successfully executed business plans in the past that focused on creating shareholders' value. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

Highlights for Q3 2012 and YTD 2012

- Revenue for the nine month period of 2012 was $82.9 million, an increase of 13% over the same period of 2011. The third quarter of 2012 revenue decreased 14% to $26.9 million compared to the same quarter of 2011;

- EBITDAS for the nine month period of 2012 is $18.0 million, an increase of 1% compared to the same period of 2011. EBITDAS for the third quarter of 2012 was $6.3 million, decreasing from $8.1 million in the same period of 2011;

- Net income for the nine months ended September 30, 2012 was $3.1 million, a decrease of 32% compared to the same period of 2011 due primarily to a charge for deferred income tax expense in 2012 with no similar expense in 2011. The third quarter of 2012 net income decreased to $1.3 million compared to $3.2 million for the same quarter of 2011;

- In Q1 of 2012 the Board of Directors initiated a quarterly dividend policy of $0.01625 per common share to shareholders resulting in an annualized dividend of $0.065 per common share. To date the Company has declared and paid dividends totaling $7.7 million or $0.04875 per share. The declaration of dividends reflects CWC's positive view of the sustainability of its cash flows and earnings in the future and the Company's ability to provide a meaningful return on investment for its shareholders without impacting the Company's ability to pursue long-term growth opportunities;

- The Company continues to grow its well servicing fleet with the addition of a new double service rig and a new slant service rig which were both put into service in Q2 2012. Recertification of an existing single service rig was also completed in November 2012 and put into service. CWC expects to complete the building of two more service rigs by the end of 2012 increasing the active service rig count to 68 service rigs by year end. In addition, a new Class III, 2" coil tubing unit is scheduled to be put into service in Q1 2013 increasing the fleet to 9 coil tubing units. CWC continues to upgrade and replace various support equipment to ensure CWC's fleet remains among the newest and most technologically advanced in the industry.

Financial and Operating Highlights

$ thousands, except per share amounts, margins and ratios	THREE MONTHS ENDED SEPTEMBER 30 2012	2011	% Change	NINE MONTHS ENDED SEPTEMBER 30 2012	2011	% Change
FINANCIAL RESULTS						
Revenue						
Well servicing	$ 24,921	$ 25,419	(2%)	$ 75,672	$ 59,909	26%
Other oilfield services	1,966	5,805	(66%)	7,264	13,605	(47%)
	26,887	31,224	(14%)	82,936	73,514	13%
EBITDAS [1]	6,348	8,141	(22%)	17,998	17,850	1%
EBITDAS margin (%) [1]	24%	26%		22%	24%	
Funds from (used in) operations [2]	6,348	8,139	(30%)	17,996	17,846	(11%)
Net income	1,255	3,174	(60%)	3,054	4,503	(32%)
Net income margin (%)	5%	10%		4%	6%	
Dividends declared	2,670	-		7,724	-	
Dividends paid	5,038	-		5,038	-	
Per share information						
Weighted average number of shares outstanding - basic	154,987	156,576		155,521	157,180	
Weighted average number of shares outstanding - diluted	154,987	160,048		160,111	159,331	
EBITDAS [1] per share - basic and diluted	0.04	0.05		0.12	0.11	
Funds from operations per share - basic and diluted	0.04	0.05		0.12	0.11	
Net income per share - basic and diluted	0.01	0.02		0.02	0.03	

	SEPTEMBER 30, 2012	DECEMBER 31, 2011
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) [3]	9,105	22,414
Working capital (excluding debt) ratio	1.8:1	3.4:1
Total assets	147,566	159,774
Total long-term debt (including current portion)	37,987	47,941
Shareholders' equity	97,272	102,624

Notes 1 to 3 - Please refer to the “Reconciliation of Non-IFRS Measures” later in this MD&A.

OPERATING HIGHLIGHTS	2012 Quarter 3	Quarter 2	Quarter 1	2011 Quarter 4	Quarter 3	Quarter 2	Quarter 1
WELL SERVICING							
Service Rigs							
Number of service rigs, end of period	65	65	63	63	63	63	41
Hours worked	31,347	21,186	37,543	34,047	33,595	15,333	26,630
Utilization %	52%	36%	65%	59%	58%	38%	72%
Coil Tubing Units							
Number of units, end of period [1]	8	8	8	7	6	6	6
Hours worked	1,034	417	3,956	2,404	1,448	567	2,960
Utilization %	22%	9%	90%	37%	26%	10%	55%
OTHER OILFIELD SERVICES							
Snubbing Units							
Number of units, end of period [2]	7	7	7	5	5	5	5
Hours worked	574	241	2,065	2,421	1,692	293	1,950
Utilization %	11%	5%	46%	53%	37%	6%	43%
Well Testing Units							
Number of units, end of period	11	11	12	12	12	12	12
Number of tickets billed	410	238	468	429	421	178	467

Notes 1 – For the purposes of calculating utilization 2 units were omitted from the calculation from Q1 to Q3 2011 and one unit was omitted from the calculation for the fourth quarter of 2011 as they were undergoing retrofit to be converted to Class III 2” coil;

2 – For the purposes of calculating utilization units requiring recertification before being available for use and units undergoing conversion from 3,000 psi to 5,000 psi were omitted from the calculation. For fiscal 2011 this resulted in two units being omitted; an additional unit has been excluded as it is used for training purposes

Q3 2012 started out with a seasonal pickup in activity in July 2012. In August and September 2012, these activity levels, which would normally increase throughout the quarter, showed a slight decrease throughout the latter part of Q3 2012 reflecting a less urgent desire for completions oriented work by our E&P customers and a general overall slowdown in drilling activities throughout the oilfield services sector. Drilling rig activity was down nearly 30% in Q3 2012 compared to Q3 2011. Service rig activity was less affected with the CAODC reporting activity was down approximately 8% in Q3 2012 compared to Q3 2011. Third quarter results reflect the decline in producer demand, a slower seasonal recovery and continued reductions in natural gas and liquids rich gas activities. Oil prices have remained relatively flat year-over-year, however, customers have moderated their spending in the second half of 2012 in an effort to operate within their stated 2012 budgets due to uncertainty over commodity price forecasts driven in part by global economic uncertainty. Our service rig results were only marginally impacted during Q3 2012 by the reduction in spending as they are more leveraged to oil-related activities whereas our snubbing units were significantly affected by its inherent exposure to natural gas related activities. The decrease in revenue and EBITDAS were primarily affected by the sale of our nitrogen assets in December 2011 which contributed to the Q3 2011 results without a similar contribution in Q3 2012. The nitrogen assets account for 47% of the revenue decrease in Q3 2012 and 48% of the EBITDAS decrease with snubbing accounting for 27% of the revenue decrease and 43% of the EBITDAS decrease.

Year-to-date revenue is up 13% due primarily to the addition of 22 service rigs from the Trinidad Well Servicing ("TWS") acquisition in June 2011 which contributed to a 26% increase in revenue in the Well Servicing segment. This overall revenue increase is offset by the sale in December 2011 of our nitrogen assets in our Other Oilfield Services segment that no longer contribute to revenue in 2012. In addition declines in snubbing activity in 2012 contributed to the 47% decrease in year-to-date revenue in the Other Oilfield Services segment. The nitrogen assets in 2011 contributed $5.0 million in year-to-date revenue. While revenue growth has increased 13%, EBITDAS has only increased 1% due primarily to the lower activity levels in snubbing in 2012 compared to 2011 and the higher margin nitrogen business which did not contribute to EBITDAS in 2012.

Oil-related work, which is more maintenance and service oriented, is where the vast majority of the service rig hours were achieved and is expected to continue in 2012 and beyond. CWC continues to minimize its exposure to depressed natural gas prices through its focus on oil. The slowdown in drilling activity for the second half of 2012 has inevitably resulted in a lag on completion oriented work. In anticipation of this slowdown, CWC started positioning itself to do more production maintenance, workover and abandonment services to offset the anticipated decline in completion work for its service rigs.

Well Servicing

CWC is the 6th largest service rig provider in the WCSB, operating a modern fleet of 66 service rigs and 8 coil tubing units as of the date of this report; two new service rigs came into service in the second quarter of 2012, one recertified service rig came into service in the fourth quarter and two new additional service rigs are expected to be completed by year end. Rig services include completions, maintenance, workovers and abandonments with depth ratings from 1,500 to 5,000 metres. Our service rig fleet, with its leading edge technology, continues to stand out in an industry characterized by ageing equipment and infrastructure.

During the second quarter of 2011, CWC acquired 22 service rigs from Trinidad Well Servicing ("TWS") increasing CWC's market share in service rigs and increasing the fleet size at that time by 54%. In 2012, the Company completed the construction of a new slant service rig and a new double service rig that were deployed to the field with customer commitments in the second quarter of 2012. During Q3 2012 the Company began recertification of an existing single service rig, not previously operating. This service rig has now been completed and put into service in the field in Q4 2012. Additional growth opportunities for new geographic areas were identified in Q3 2012 which led to the construction on two more service rigs that will increase the active service rig count to 68 service rigs by year end.

CWC's Class I, II and III coil tubing units have depth ratings from 1,500 to 4,000 metres and are well positioned for the changing demand of our customers for deeper depth capabilities. CWC converted one coil tubing unit to a Class III, 2 inch unit capable of depths of 4,000 meters and was deployed in the field

in October 2011, a second unit was deployed to the field before the end of the first quarter of 2012 and a third unit, committed to in the 2012 capital budget, is scheduled to be available in Q3 2013.

Well Servicing division revenue in Q3 2012 was relatively flat at $24.9 million compared to $25.4 million in the third quarter of 2011. Year-to-date revenue has increased by 26%. The $15.8 million year-over-year increase was largely due to the increased fleet from the TWS acquisition. While utilization has decreased slightly year-over-year this was partially offset by rate increases implemented in Q4 2011 in response to higher operating costs, particularly for labour and fuel. CWC does not anticipate any pricing pressure for service rigs at this time resulting in stable margins.

Total service rig hours year-to-date in 2012 have increased 19% over 2011. The increase is primarily attributable to the acquisition of TWS. Service rig hours decreased 6.7% for Q3 2012 compared to Q3 2011. The decrease is consistent with the drop in overall industry utilization for service rigs as noted earlier. Utilization of our well service equipment has risen from the lows experienced in 2009 driven by increased spending on exploration and development as a result of generally higher oil prices and an increase in the number of wells now producing oil compared to that of natural gas.

Other Oilfield Services

CWC's Other Oilfield Services division provides a variety of services for the completion and production phases of oil and natural gas wells from its 8 snubbing units and 11 well testing units. The Other Oilfield Services division revenue decreased by 66% to $2.0 million in the third quarter of 2012 from $5.8 million in 2011. The third quarter of 2011 included revenue of $2.1 million from the nitrogen assets which were sold in December 2011. The remaining $1.7 million decrease was impacted by a decrease of $1.2 million from the snubbing units, which continue to be affected by low natural gas prices, and a decrease of $0.5 million from well testing as a result of lower completions activity in the industry. During the third quarter of 2012, management changes were made in the snubbing division. A new snubbing manager, with significant operational experience, was put in place in October 2012 to elevate CWC's operational expertise which should lead to improved revenue generating opportunities in the future.

In response to changing market conditions, the Company completed the conversion of two of its snubbing units from 3,000 psi to 5,000 psi to reflect the need for higher pressure units and added e-gress safety systems that exceed minimum safety requirements in the industry. One additional unit is currently undergoing a similar conversion. In 2012, the Company has committed an additional $0.2 million in maintenance capital expenditures to further maintain and improve the assets in this operating division.

Discussion of Financial Results

$ thousands, except margins	THREE MONTHS ENDED SEPTEMBER 30 2012	2011	% Change	NINE MONTHS ENDED SEPTEMBER 30 2012	2011	% Change
Revenue						
Well servicing	$ 24,921	$ 25,419	(2%)	$ 75,672	$ 59,909	26%
Other oilfield services	1,966	5,805	(66%)	7,264	13,605	(47%)
	26,887	31,224	(14%)	82,936	73,514	13%
Operating expenses						
Well servicing	15,666	15,669	0%	48,778	37,457	30%
Other oilfield services	1,531	3,474	(56%)	5,684	8,549	(34%)
	17,197	19,143	(10%)	54,462	46,006	18%
Gross margin [1]	9,690	12,081	(20%)	28,474	27,508	4%
Gross margin % [1]	36%	39%		34%	37%	
Selling and administrative expenses	3,342	3,940	(15%)	10,476	9,658	8%
EBITDAS [2]	6,348	8,141	(22%)	17,998	17,850	1%
EBITDAS margin (%) [2]	24%	26%		22%	24%	
Stock based compensation	201	185	9%	603	651	(7%)
Finance costs	719	940	(24%)	2,193	2,525	(13%)
Depreciation	3,624	3,818	(5)%	10,595	10,097	5%
Loss on sale of equipment	35	16	119%	142	51	178%
Unrealized (gain) loss on marketable securities	(5)	8	(163%)	5	23	(78%)
Net income before taxes	1,774	3,174	(44%)	4,460	4,503	(1%)
Deferred income tax expense	519	-	0%	1,406	-	0%
Net income	1,255	3,174	(60%)	3,054	4,503	(32%)

Notes 1 to 2 - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.

Revenue

Total revenue for the three and nine months ended September 30, 2012 decreased 14% and increased 13% respectively year-over-year. Q3 2012 activity was affected by lower spending and a lack of urgency by customers on programs overall for both new well completions and production and maintenance related activities compared to that of 2011. The year-to-date increase is primarily due to the 22 service rigs acquired from TWS in the second quarter of 2011. Revenue in the third quarter was down primarily as a result of low utilization on coil tubing and snubbing assets and was further affected by no revenue contributions from nitrogen assets in 2012 as these assets were sold in December 2011.

CWC continues to focus on providing services to better capitalized and financed senior and intermediate exploration and production ("E&P") companies. In the third quarter of 2012, over 64% of our revenue was derived from our top ten customers all of whom are large or intermediate E&P companies. The Company also focuses on customers with higher exposure to oil opportunities instead of dry natural gas plays given the strong pricing for oil compared to that of dry natural gas.

Gross Margin and Direct Operating Expenses

Gross margin for the third quarter of 2012 declined which is consistent with the decrease in revenue as noted above. Year-to-date, gross margin has increased by 4% to $28.5 million from $27.5 million. As a percentage of revenue, gross margin has declined to 36% for the three months ended September 30, 2012 and 34% for the nine months ended September 30, 2012 from 39% and 37% for the comparable periods in 2011. Many operating costs are variable in nature and increase or decrease with activity levels such that much of the change in operating costs in the year-over-year periods correspond to the increase in revenue in the current period compared to the prior period. The Company's gross margin was

negatively impacted by fixed costs such as planned recertification of equipment and labour costs related thereto and a fixed salary component for field labour on coil tubing units consistent with industry practice. The slower than expected seasonal activity increase did not fully materialize and this had a negative impact on gross margins as we had effectively staffed up our field operations. Once it was clear the activity was not returning to normal levels, reductions to field staffing levels were implemented in the coil tubing division which should have a positive impact on margins for Q4 2012.

Selling and Administrative Expenses ("S&A")

S&A for the third quarter of 2012 was $3.3 million (12% of revenue) compared to $3.9 million (13% of revenue) in the third quarter of 2011. Year-to-date, S&A has declined to 13% of revenue consistent with 2011. The decrease in S&A to $3.3 million from $3.9 million on a three months basis is attributable to higher costs incurred in 2011 related to the integration of the TWS acquisition into CWC, favorable renewal rates on leased space in Calgary, and lower variable compensation costs consistent with the decrease in EBITDAS compared to 2011. S&A increased to $10.5 million from $9.7 million on a year-to-date basis attributable to increased headcount for operational and support staff, and computer system maintenance consistent with the growth of the Company. With the current levels of activity and changes instituted for various costs saving matters, we expect that S&A as a percentage of revenue going forward to be stable on an annualized basis and is considered by management to be in line with industry peers.

EBITDAS

EBITDAS for the third quarter of 2012 was $6.3 million (24% of revenue) compared to $8.1 million (26% of revenue) in the third quarter of 2011, a decline of $1.8 million or 22%. Year-to-date, EBITDAS was $18.0 million (22% of revenue) versus $17.9 million (24% of revenue). EBITDAS was lower in the current year as a result of the sale of the nitrogen assets in Dec 2011 which contributed $0.9 million and $1.6 million for the three and nine month periods of 2011 respectively. Further impacts were from lower activity levels, particularly in snubbing, as a result of reduced producer spending in response to lower commodity prices driven by uncertain macroeconomic conditions. Also impacting year-to-date EBITDAS was fixed salary costs for field employees in the coil tubing division when activity did not fully materialize and recertification costs being incurred in the second quarter ahead of planned timing.

Stock based Compensation ("SBC")

SBC for the third quarter of 2012 was $0.2 million which was consistent on a year-over-year basis. The non-cash expense related to stock based compensation plans is a result of 9.9 million options outstanding on September 30, 2012.

Finance Costs

Interest expense for the third quarter of 2012 was $0.7 million compared to $0.9 million in the third quarter of 2011. Year-to-date, interest expense was $2.2 million versus $2.5 million for nine months ended September 30, 2011. The majority of the decrease is a result of principal repayments made to lower the revolving portion of the long-term debt outstanding as well as reduced interest rates that were secured with the current credit facility.

Depreciation

Depreciation has decreased by 5% year-over-year on a three month basis and increased 5% year-over-year on a nine month basis; both the decrease and the increase is consistent with the changes in activity level on a year-over-year basis as service rigs, making up the largest component of the depreciation expense, are depreciated on a unit of production basis.

Loss (Gain) on Sale of Equipment

The loss on the sale of equipment is mainly a result of some key upgrades to significant components of equipment that took place in the quarter and year-to-date.

Income Taxes

Based on the net income before taxes of $4.5 million for the nine months ended September 30, 2012 and an expected income tax rate of 25%, an income tax expense of $1.1 million would be expected. The Company had various non-cash and non-tax-deductible items included in the computation of net income, including stock-based compensation, resulting in a deferred income tax liability of $0.3 million. The Company has substantial tax pools and non-capital losses available to reduce future taxable income such that no cash taxes are expected to be payable in 2012 and 2013 depending on growth and profitability of the Company.

Net Income

Net income for the three months ended September 30, 2012 was $1.3 million compared to $3.2 million for the third quarter of 2011; a decline of $1.9 million or 60%, primarily impacted by the sale of nitrogen assets in December 2011 and a decline in activity levels in Q3 2012. Net income on a year-to-date basis compared to 2011 declined 32% due primarily to a charge for deferred income tax expense in 2012 with no similar expense in 2011. Management remains focused on driving higher levels of profitability by capitalizing on its young and technologically advanced equipment fleet and high quality labour force.

Summary of Quarterly Data

$ thousands, except per share amounts	2012			2011				2010
THREE MONTHS ENDING	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31
Revenue	$ 26,887	$ 17,143	$ 38,907	$ 35,988	$ 31,224	$ 12,987	$ 29,303	$ 23,069
EBITDAS [1]	$ 6,348	584	11,066	10,630	$ 8,142	1,270	8,439	5,611
Net income (loss)	1,255	(2,726)	4,525	8,187	3,174	(2,956)	4,285	1,460
Net income (loss) per share: Basic and diluted	0.01	(0.02)	0.03	0.05	0.02	(0.02)	0.03	0.01
Total assets	147,566	146,914	160,570	159,774	162,933	153,382	131,271	127,098
Total long-term debt	37,987	32,115	44,304	47,941	56,827	56,331	29,863	29,860
Shareholders' equity	97,272	98,474	101,568	102,624	94,389	91,178	94,002	89,986

Notes 1 - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.

Quarter-over-Quarter Analysis

A comparison of CWC's quarterly results, at any given time, requires consideration of movement in crude oil and natural gas pricing and seasonality over the past two years. Commodity prices affect the level of exploration and development activities carried out by the Company's customers and the associated demand for the oilfield services provided by CWC. Activity began to improve in the first half of 2010 and strengthened significantly in the second half of the year. Revenue levels grew during 2010 due to higher activity brought on by higher oil prices. During the fourth quarter of 2010 pricing in the well servicing division was increased and gross margin percentage increased accordingly, contributing to the record results seen in the first quarter of 2011. The second quarter is always one of decreased revenue and earnings due to the weather and spring thaw conditions during this time not being conducive to permit the movement of heavy equipment. The third and fourth quarters of 2011 saw an increase back to normal seasonal levels coupled with the addition of the TWS acquisition resulting in substantially improved results. The fourth quarter of 2011 results included $2.1 million of revenue and $1.0 million in EBITDAS from the nitrogen units which were sold late in the fourth quarter. The first quarter of 2012 saw continued strong utilization of the Company's fleet of equipment. The second quarter of 2012 had above average rainfall levels in May and June 2012 resulting in a slower than expected recovery after spring breakup. The third quarter of 2012 experienced a slower than normal increase to activity levels as a result of lower producer spending in the oilfield services industry. The Company intends to continue to focus its efforts on expanding its fleet size in its core area of well servicing. An additional double service rig and an additional slant service rig were completed early in the second quarter of 2012 and deployed to our field operations and three additional service rigs are expected to be completed and added by the end of 2012 bring the fleet size to 68 service rigs.

Seasonality

The level of activity in the oilfield service industry is influenced by seasonal weather patterns. During the spring months, wet weather and the spring thaw make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of service equipment which reduces activity levels and places an increased level of importance on the location of the Company's equipment prior to imposition of road bans. The timing and length of road bans is dependent on the weather conditions before, during and after the spring thaw period. The Company's business results depend, at least in part, upon the severity and duration of the Canadian winter and the spring thaw which may lead to reduced oil and gas exploration activity and corresponding declines in the demand for the Company's service equipment during those times. The first quarter of 2012 was the fourth warmest winter on record, the complete opposite of the first quarter of 2011 which was subject to an extremely cold and long winter season – ideal for the ancillary equipment, such as boilers, the Company utilizes in cold temperatures. As a result the first quarter of 2012 saw a shorter work period with road bans being introduced as early as the first and second week of February in some regions. Despite the weather conditions, the Company did achieve record revenue and EBITDAS in the first quarter of 2012. Q2 2012 saw unseasonably rainy and wet conditions in May and June 2012 resulting in a longer than anticipated spring breakup period, slowing the return to normal utilization levels.

Financial Position and Liquidity

$ thousands, except ratios	2012 SEPTEMBER 30	2012 JUNE 30	2012 MARCH 31	2011 DECEMBER 31	2011 SEPTEMBER 30	2011 JUNE 30	2011 MARCH 31
Working capital (excluding debt)[1]	9,105	2,389	18,622	22,414	16,332	10,201	22,578
Working capital (excluding debt) ratio	1.8:1	1.2:1	2.3:1	3.4:1	2.4:1	2.7:1	4.0:1
Long-term debt	37,987	32,115	44,304	47,941	56,827	56,331	29,863
Shareholders' equity	97,272	98,474	101,568	102,624	94,389	91,178	94,002
Debt to equity	0.4	0.3	0.4	0.5	0.6	0.6	0.3

Notes 1 - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.

Working Capital

Working capital (excluding debt) at September 30, 2012 was $9.1 million (September 30, 2011 - $16.3 million). The year-over-year reduction is a result of repayments made from operating funds to the revolving and non-revolving portion of the debt and the dividends paid and declared to date. The Company utilizes its revolving debt facilities to assist in funding ongoing operations and working capital. Management utilizes all available cash on hand to reduce its borrowings in an effort to minimize overall interest costs and draws upon its available revolving debt facilities on an as needed basis to manage cash flow requirements. As such the working capital of the Company will fluctuate from period to period depending on cash flow requirements and there continues to be sufficient debt capacity on the balance sheet to be able to support these needs. Management considers the working capital ratio calculated excluding debt borrowings to be a metric that is comparable to its peers in the industry as the nature and structure of debt facility agreements can differ significantly amongst those in the industry.

Long-term Debt and Credit Facility

At September 30, 2012, CWC had a credit facility of $65.5 million consisting of a committed revolving facility of $46.0 million and a $19.5 million committed term facility with a maturity date of April 30, 2014. The facility was revised in March 2012 to permit dividend distributions to shareholders and increase the amount available under the revolving facility to make up for reductions on the non-revolving facility that occurred as required payments were made. Proceeds from the revolving facility will be used for acquisitions, capital expenditures, working capital and other general corporate purposes. Interest on the revolving facility is paid monthly with no scheduled principal repayments during the term with the balance due April 30, 2014. Amounts borrowed under the revolving facility bear interest at the Company's option of the bank prime rate plus 1.25% to 2.75% or the banker's acceptance rate plus 2.25% to 3.75%,

depending, in each case, on the ratio of debt to EBITDA. The term portion of the facility required principal payments of $500,000 per month plus interest through April 2012, at which time payments increased to $750,000 per month plus interest until April 2013 and interest only payments during the final year with the balance due April 30, 2014. The term facility bears interest at 7.42%.

As of September 30, 2012, the Company was in compliance with the financial covenants under its credit facility and does not anticipate any restrictions in its ability to fund its ongoing operating, investing, or financing activities.

Shareholders' Equity

Shareholders' equity on September 30, 2012 was $97.3 million (September 30, 2011 - $94.4 million), an increase of $2.9 million. As of September 30, 2012 the Company had 154,962,409 common shares outstanding and 154,715,909 common shares outstanding at November 15, 2012. At September 30, 2012 and November 15, 2012 the total number of stock options outstanding was 9,862,172.

During the third quarter of 2012, the Company purchased 112,500 common shares under its Normal Course Issuer Bid ("NCIB") and all shares purchased were returned to treasury and cancelled. Year-to-date 1,625,000 shares have been purchased and returned to treasury and cancelled under the NCIB. The Company renewed its NCIB effective April 1, 2012, to purchase from time to time, as it considered advisable, up to 7,775,196 of its issued and outstanding common shares on the open market through the facilities of the TSX Venture Exchange ("TSXV"). The price that the Company will pay for any common share under the NCIB will be the prevailing market price on the TSXV at the time of such purchase.

Debt to Equity

Debt to equity at September 30, 2012 was 0.4:1 as compared to 0.3:1 at June 30, 2012 and 0.6:1 as at September 30, 2011. The decrease from September 30, 2011 is as a result of payments made against the additional debt secured to complete the acquisition of TWS in June 2011 offset by dividends declared and paid in 2012.

Capital Expenditures

Capital expenditures in the third quarter of 2012 consisted mainly of deposit paid for the construction of two new service rigs to be completed in Q4 2012 and recertification of one additional service rig that was put back into active service. The remaining amounts were spent on equipment upgrades and replacements, and computer and leasehold upgrades and improvements. In January 2012, the Board of Directors approved a 2012 capital expenditure budget of $8.7 million. In August 2012, the Board of Directors increased the capital expenditure budget by an additional $5.0 million to construct two additional service rigs to be deployed in the field in Q4 2012; in time for the busy winter season. CWC has identified opportunities to expand into additional geographic regions in the WCSB, particularly in the north central regions of Alberta, and is committing additional capital to support this. Given the financial strength of our balance sheet to fund this growth and continued demand for high quality service rigs in the market, CWC believes this conservative increase in capital expenditures will contribute positively to the growth and cash flows of the company in the 2013. Of the total approved capital expenditures for 2012 of $13.7 million, it is expected that approximately $1.5 million will be carried over to 2013 based on expected delivery dates from fabricators. Management is currently in the process of setting its 2013 budget and will provide additional guidance once approved by the Board of Directors later in Q4 2012.

Capital Requirements

It is anticipated future cash requirements for capital expenditures will be met through a combination of funds generated from operations and existing bank debt facilities as required. However, additional funds may be raised by additional bank debt, other forms of debt, the sale of assets, or the issue of convertible debentures or equity. CWC may require additional financing in the future to implement its strategies and business objectives. It is possible that such financing will not be available, or if available, will not be

available on favorable terms. If CWC issues any common shares in the future to finance its operations or implement its strategies, the current shareholders of CWC may incur a dilution of their interest.

Commitments and Contractual Obligations

Beginning in April 2012, the Company is committed to monthly principal payments of $750,000, in relation to the long-term debt. Management believes that based on anticipated activity levels for its services there will be sufficient cash flows generated from operations to service the debt repayment, finance the growth capital of the Company and maintain a dividend payment to its shareholders.

Outlook

Approximately 90% of CWC's work is currently derived from oil-related activities. Despite oil prices remaining at healthy levels averaging $92.26 per barrel for West Texas Intermediate in Q3 2012 compared to $89.59 per barrel in Q3 2011, the urgency from our exploration and production ("E&P") customers to get wells drilled and completed in Q3 2012 subsided compared to Q3 2011. Many global economic factors such as the high levels of European government debt, slowdown in China's GDP growth, uncertainty over the U.S. fiscal cliff combined with the potential results of the U.S. election, and the likelihood of Keystone XL and Northern Gateway pipelines being built on a timely basis if at all, likely contributed to the decision by our E&P customers to slowdown the pace of activity levels in Q3 2012. The result for the overall oilfield services industry was lower utilization levels in Q3 2012 compared to Q3 2011 as reflected in CWC's service rig utilization rate of 52% in Q3 2012 compared to Q3 2011 of 58%. Normally, activity levels would start to increase in Q4 and continue throughout the winter months. However, so far this quarter, an increase in Q4 2012 activity level above those of Q3 2012 appears to be delayed until later in the winter months. While there is a delay in spending by our E&P customers, every indication they have given CWC suggests a return to higher activity levels in Q1 2013. Supporting this thesis is the record number of oil well licenses issued in October 2012 of 1,003 wells compared to 943 wells in October 2011 and 780 wells in September 2012 in Western Canada. Year-to-date ended October 31, 2012 8,779 oil well permits were approved in Western Canada resulting in the second highest oil well permits issued in the last 10 years according to Daily Oil Bulletin.

During Q3 2012, CWC shifted its sales and operations focus towards maintenance, workover and abandonment activity as opposed to completions oriented work in its Service Rig division. CWC is not currently experiencing any pricing pressure in its Service Rigs division from its E&P customers nor do we expect to incur any material reductions to our hourly rates with an average rate of $755 per hour year-to-date in 2012 (2011 - $727 per hour). CWC also took the opportunity, during a slower Q3 2012, to build a better quality leadership and safety team in several areas of its Service Rig, Coil Tubing and Snubbing divisions, which management believes will have a positive impact in achieving future incremental revenue and cash flow. CWC intends to continue providing best-in-class services to our E&P customers through "Quality People Delivering Quality Service" with the most relevant, youngest and advanced fleet of equipment. In Q4 2012, CWC expects to take delivery of three additional service rigs and have two more service rigs, which were down for upgrades in Q3 2012, back in service. By year end 2012, CWC should have a total active service rig fleet of 68. We will continue to evaluate opportunities to grow the Well Servicing business segment through a disciplined approach in 2013, which may include the addition of new slant service rigs to service the growing number of steam assisted gravity drainage ("SAGD") wells.

Critical Accounting Estimates and Judgments

This MD&A of the Company's financial condition and results of operations is based on the financial statements which are prepared in accordance with IFRS. The presentation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported revenue and expenses during the reporting period. These estimates are based on experience and assumptions that are believed to be reasonable under the circumstances. Although care has been taken, anticipating future events cannot be done with certainty, therefore actual results may vary from these estimates over time as more accurate information is available and as the Company's operating environment changes.

Allowance for Doubtful Accounts Receivable:

The Company performs periodic credit evaluations of its customers and grants credit based upon past payment history, financial condition, and anticipated industry conditions. Customer payments are regularly monitored and a provision for doubtful accounts is established based upon specific situations and overall industry conditions. The history of bad debt losses of the Company has been within expectations and is generally limited to specific customer circumstances. However, given the cyclical nature of the energy industry, a customer's ability to fulfill its payment obligations can change suddenly and without notice.

Impairment of Assets:

At the end of each reporting period, the Company assesses whether there is an indication that an asset group may be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the asset group. External triggering events include, for example, changes in customer or industry conditions, technological advances and economic climate deterioration. Internal triggering events for impairment include lower profitability or utilization.

The Company's impairment tests compare the carrying amount of the asset or cash generating unit ("CGU") to its recoverable amount. The recoverable amount is the higher of fair value less costs to sell ("FVLCS") and value in use ("VIU"). FVLCS is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The determination of VIU requires the estimation and discounting of cash flows which involves key assumptions that consider all information available on the respective testing date. Management exercises judgment, considering past and actual performances as well as expected developments in the respective markets and in the overall macro-economic environment and economic trends to model and discount future cash flows. Discounted cash flow projections contain key assumptions such as discount rates, terminal value growth rates and Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") margins.

Depreciation of Property and Equipment

The estimated useful life, residual value and depreciation methods chosen are the Company's best estimate of such and are based on industry norms, historical experience and other estimates including the period and distribution of future cash inflows.

Deferred Income Taxes

In calculating the income taxes, consideration is given to factors such as non-deductible expenses, recognition of deferred tax assets, changes in tax law and management's expectations of future results. The Company estimates deferred income taxes based on temporary differences between the income and the losses reported in the financial statements and its taxable income and losses as determined under the applicable tax laws. The tax effect of these temporary differences is recorded as deferred tax assets or liabilities in the financial statements. The calculation of income taxes requires the use of judgments and estimates. If these judgments and estimates prove to be inaccurate, future earnings may be materially impacted.

Changes in Accounting Policies

There have been no changes in accounting policies for the three and nine months ended September 30, 2012 other than the following:

Dividends

Dividends on shares are recognized in the Company's financial statements in the period in which the dividends are declared and approved by the Board of Directors of the Company.

Reconciliation of Non-IFRS Measures

$ thousands	THREE MONTHS ENDED SEPTEMBER 30 2012	2011	NINE MONTHS ENDED SEPTEMBER 30 2012	2011
NON-IFRS MEASURES				
[1] EBITDAS:				
Net income	1,255	3,174	3,054	4,503
Add:				
Depreciation	3,624	3,818	10,595	10,097
Finance costs	719	940	2,193	2,525
Income tax expense (recovery)	519	-	1,406	-
Stock based compensation	201	185	603	651
Loss on sale of equipment	35	16	142	51
Unrealized (gain) loss on marketable securities	(5)	8	5	23
EBITDAS	6,348	8,141	17,998	17,850
[2] Funds from (used in) operations:				
Cash flows from (used in) operating activities	5,154	(618)	28,984	15,311
Less:				
Change in non-cash working capital	(1,194)	(8,757)	10,988	(2,535)
Funds from (used in) operations:	6,348	8,139	17,996	17,846
[3] Gross margin:				
Revenue	26,887	31,224	82,936	73,514
Less:				
Direct operating expenses	(17,197)	(19,143)	(54,462)	(46,006)
Gross margin	9,690	12,081	28,474	27,508

	SEPTEMBER 30 2012	DECEMBER 31, 2011
[4] Working capital (excluding debt):		
Current Assets	21,078	31,623
Less: Current Liabilities	(16,618)	(17,586)
Add: Current portion of long-term debt	4,645	8,377
Working capital (excluding debt)	9,105	22,414

Notes 1 to 4:

1. *EBITDAS (Earnings before interest, taxes, depreciation, amortization, gain/loss on disposal of asset, unrealized gain/loss on marketable securities, finance costs and stock based compensation) is not a recognized measure under IFRS. Management believes that in addition to net earnings, EBITDAS is a useful supplemental measure as it provides an indication of the Company's ability to generate cash flow in order to fund working capital, service debt, pay current income taxes, and fund capital programs. Investors should be cautioned, however, that EBITDAS should not be construed as an alternative to net income (loss) and comprehensive income (loss) determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating EBITDAS may differ from other entities and accordingly, EBITDAS may not be comparable to measures used by other entities. For a reconciliation of EBITDAS to net income (loss) and comprehensive income (loss).*

2. *Funds from (used in) operations and funds from (used in) operations per share are not recognized measures under IFRS. Management believes that in addition to cash flow from operations, funds from (used in) operations is a useful supplemental measure as it provides an indication of the cash flow generated by the Company's principal business activities prior to consideration of changes in working capital. Investors should be cautioned, however, that funds from (used in) operations should not be construed as an alternative to cash flow from (used in) operations determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating funds from (used in) operations may differ from other entities and accordingly, funds from (used in) operations may not be comparable to measures used by other entities. Funds from (used in) operations is equal to cash flow from (used in) operations before changes in non-cash working capital items related to operations, interest and income taxes paid, financing costs, and income tax expense.*

3. *Gross margin is calculated from the statement of comprehensive income (loss) as revenue less direct operating expenses and is used to assist management and investors in assessing the Company's financial results from operations excluding fixed overhead costs. Gross margin is a non-IFRS measure and does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies.*

4. *Working capital (excluding debt) is calculated based on current assets less current liabilities excluding the current portion of long-term debt. Working capital is used to assist management and investors in assessing the Company's liquidity and its' ability to generated funds. Working capital (excluding debt) does not have any meaning prescribed under IFRS and may not be comparable to similar measures provided by other companies.*

Risk Management

Certain activities of the Company are affected by factors that are beyond its control or influence. Additional risks and uncertainties that management may be unaware of, or that they determine to be immaterial may also become important factors which affect the Company. Along with risks discussed in this MD&A, other business risks faced by the Company may be found under “Risk Factors” in the Company’s Annual Information Form dated February 29, 2012 which is available under the Company’s profile at www.sedar.com.

Corporate Information

Directors

Jim Reid[2], Chairman

Duncan T. Au[1]

Gary L. Bentham[1,2]

Alexander D. Greene

Wade McGowan[1, 2]

1. Audit Committee
2. Compensation and Corporate Governance Committee

Corporate Secretary

James L. Kidd
Burnet, Duckworth & Palmer LLP

Auditors

KPMG LLP

Bankers

ATB Financial
National Bank

Legal Counsel

Burnet, Duckworth & Palmer LLP

Transfer Agent

Olympia Trust Company

Officers

Duncan T. Au, CA, CFA
President & Chief Executive Officer

Kevin Howell, CA
Chief Financial Officer

Rick Dawson
Vice President, Business Development

Darwin McIntyre
Vice President, Operations (Eastern)

Layne Wilk
Vice President, Operations (Central)

Stock Exchange Listing

TSX Venture: CWC

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