CENTRAL ALBERTA WELL SERVICES CORP.

For Immediate Release: March 24, 2011

CENTRAL ALBERTA WELL SERVICES CORP. REPORTS YEAR END 2010 FINANCIAL RESULTS and STRONG FOURTH QUARTER

CALGARY, ALBERTA. March 24, 2011 – Central Alberta Well Services Corp. ("CWC" or the "Company") announces its fourth quarter and annual financial results for the fiscal year ended December 31, 2010. The annual audited Financial Statements and Management's Discussion and Analysis ("MD&A") for the fiscal year ended December 31, 2010 are filed on SEDAR at www.sedar.com.

Financial Highlights

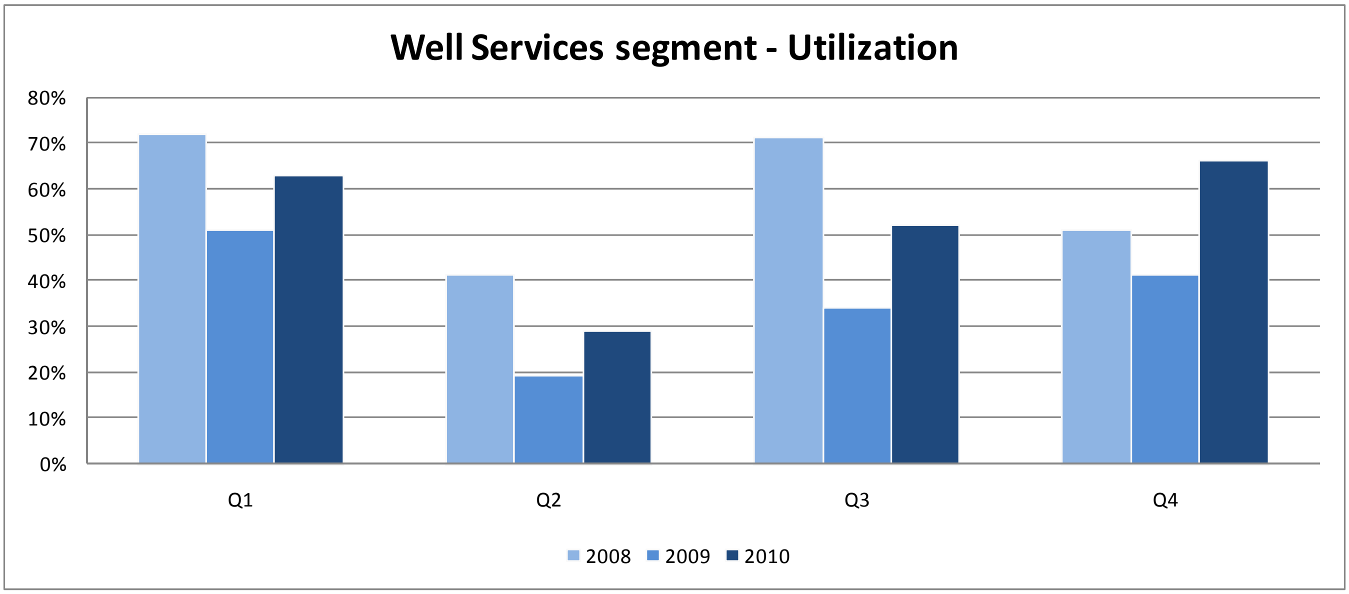
$ thousands, except per share amounts, margins and ratios	THREE MONTHS ENDED DECEMBER 31, 2010	2009	TWELVE MONTHS ENDED DECEMBER 31, 2010	2009
FINANCIAL RESULTS				
Revenue	$ 23,069	$ 13,664	$ 68,858	$ 49,357
EBITDAS [1]	5,578	1,322	12,863	2,465
EBITDAS margin (%) [1]	24%	10%	19%	5%
Funds from (used in) operations [2]	4,969	9	10,073	(1,726)
Net earnings (loss)	1,232	(3,814)	(3,944)	(15,517)
Net earnings (loss) margin (%)	5%	(28)%	(6)%	(31)%
Per share information				
Weighted average number of shares outstanding	158,739	61,621	158,959	35,871
EBITDAS [1] per share - basic and diluted	0.04	0.02	0.08	0.07
Funds from (used in) operations per share - basic and diluted	0.03	0.00	0.06	(0.05)
Net earnings (loss) per share - basic and diluted	0.01	(0.06)	(0.02)	(0.43)

1. EBITDAS (earnings before income tax, depreciation and stock based compensation) is calculated from the statement of income (loss) as revenue less operating costs and general and administrative expenses, exclusive of stock based compensation costs, and is used to assist management and investors in assessing the Company's ability to generate cash from operations. EBITDAS is a non-GAAP measure and does not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures provided by other companies. See "Reconciliation of Non-GAAP Measures".

2. Funds from operations is defined as cash from operating activities before changes in non-cash working capital. Funds from operations and funds from operations per share are measures that provide investors additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Funds from operations and Funds from operations per share do not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures provided by other companies. See "Reconciliation of Non-GAAP Measures".

Overview

For the fiscal year ended December 31, 2010, CWC recorded substantially improved financial and operating performance due to increased customer demand and resulting higher utilization across all areas of the Company's operations compared to 2009. Over the past year, oil and liquids rich natural gas targets have become the key driver of drilling and well servicing activity in Canada as a result of strong prices for these commodities. Crude oil prices in 2010 rose nearly 29% compared to 2009. Anticipating this market movement, CWC made the decision in early 2010 to shift equipment towards these increasingly active areas, leading to the significant improvement in cash flows for the year. The benefits of this decision are reflected in CWC's higher than industry average utilization on its service rig fleet, which remains the most modern and competitive in the Western Canadian Sedimentary Basin.



Service rig hours in total increased in 2010 by 51% over the prior year. Utilization of our well service equipment has continued to rise from the lows experienced in 2009 and continues to exceed industry averages. The primary driver of activity has been commodity prices, particularly oil prices, which directly impacts spending by customers for exploration and development programs.

Total revenues for the year ended December 31, 2010 of $68.9 million increased 40% over 2009 reflecting the general recovery in the oil and gas sector and increased demand for CWC's equipment and services.

Well Servicing division revenue for the year ended December 31, 2010 increased by 49% to $53.1 million as compared to $35.6 million in 2009. The increase is directly related to a 51% jump in service rig hours and 27% improvement in coil tubing hours. Higher activity levels were marginally offset by lower hourly rates due to competitive pricing pressure throughout 2010. During the fourth quarter of 2010 rate increases were implemented reflecting greater industry activity and a return of more normal service inclusions.

Other Oilfield Services division revenue for the year ended December 31, 2010 increased by 15% to $15.8 million as compared to $13.7 million in 2009. The increase is the direct result of improved utilizations in all services including snubbing, nitrogen and well testing. Total revenue in this division rose, yet, rates remained under competitive pressure throughout the year with some modest improvements in snubbing and well testing in Q4 of 2010.

Overall, EBITDAS grew significantly in 2010 when compared to 2009. EBITDAS for fiscal 2010 was \$12.9 million (19% of revenue) compared to \$2.5 million (5% of revenue) in 2009, up \$10.4 million or 422%. The improvement in EBITDAS is a direct result of increased activity levels and utilization rates, due primarily to the Well Servicing segment which contributed the bulk of the increase in 2010. Profitability of CWC also improved year over year due to newly implemented cost saving initiatives which converted more of our costs from fixed to variable where possible. Many of our operating costs are variable in nature; shifting fixed costs to variable costs enables us to better manage profitability on a seasonal basis and as demand levels fluctuate by region and services offered.

Net loss for fiscal 2010 was \$(3.9) million compared to a loss of (\$15.5) million in 2009; an improvement of \$12.1 million or 75% from the prior year. The decrease in net loss is a direct result of the 40% increase in revenue in 2010 compared to 2009. Importantly, management remains focused on driving higher levels of profitability through cost rationalization initiatives and a focused effort to grow revenues, capitalizing on its best in class fleet and high quality labor force.

Fourth Quarter Overview

Revenue for the fourth quarter of 2010 was \$23.1 million; an increase of \$9.4 million or 69% from the fourth quarter of 2009 and an increase of \$6.7 million or 41% from the third quarter of 2010. During the fourth quarter of 2010, CWC increased rates in response to the increased activity level. Revenues throughout 2009 were negatively impacted by the economic downturn that began late in 2008. The Company believes 2010 represented the beginning of a sustainable recovery, demonstrated by increases in activity throughout the year.

EBITDAS increased year over year for every quarter in 2010 and the fourth quarter achieved levels not seen since Q3 2008. 2010 has seen an improvement in EBITDAS from negative amounts through all but two quarters of 2009 to a return to positive EBITDAS for all quarters in 2010. This is directly a result of increased revenue and activity levels sufficient to absorb facility and other fixed costs of the Company as well as cost control measures that were implemented. Higher gross margin percentages quarter over quarter is evidence of improved utilization and rates which continue to strengthen as customer demand remains robust.

In the fourth quarter of 2010, CWC recorded net earnings for the first time in more than two years. Improved profitability resulting from activity increases coupled with lower interest costs arising from the debt refinancing completed in April 2010 were partially offset by increased depreciation on service rigs subject to unit of production methodology. Interest costs for the year were significantly lower than 2009 as a result of the reduction of debt from proceeds of the rights offering completed in December 2009.

Outlook

There is a renewed sense of optimism that is taking hold for 2011. Oil prices, which are a significant contributor to the economic conditions in Western Canada, continue to strengthen and have been magnified recently by various geopolitical events in the Middle East.

Petroleum Services Association of Canada ("PSAC") is forecasting an increase in drilling activity by 4% to 12,750 wells in 2011 and that oil prices will remain at levels necessary to encourage drilling in areas such as Saskatchewan and northeast Alberta. Conversely, PSAC anticipates that natural gas prices will remain relatively low and without significant improvement through 2011. CWC is presently dedicating 90% of its Well Servicing fleet to oil-related activities, enabling it to capitalize on a continuing strong oil price. CWC's has made conscious steps towards strategically positioning assets in the appropriate geographic regions most affected. The Company expanded and relocated service rigs to its facilities in Grande Prairie, Alberta to service the Peace River Arch and the emerging Pekisko and Beaver Hill Lake plays at Judy Creek as well as Weyburn, Saskatchewan to service the Bakken play, and we expect to continue this trend through 2011. The Company is also well positioned to benefit from the increased activity levels in the Cardium play through its operational head office in Red Deer, Alberta and the continued oil-related activity in the Viking play with its facilities in Provost, Alberta.

Oil wells are generally more service intensive and require service rigs in many cases for these services, and given that customers are focused largely on oil and liquids-rich natural gas for 2011, should lead to improved results on a year over year basis for CWC in 2011. Equipment utilization in our Well Servicing segment remains very strong through the first quarter of 2011 and should lead to improved financial performance.

In January 2011, the Company announced a new senior management team that will be focused on strategically growing the operations of CWC. This new management team has extensive experience in the energy services sector and has already implemented cost reduction initiatives and initiated business unit rationalization. CWC's core business is Well Servicing comprised of service rigs and coil tubing units. Supporting this core business is our Other Oilfield Service offerings of snubbing, nitrogen and well testing. CWC remains focused on what it does well and draws upon those strengths to be the best-in-class well servicing company. In this regard, CWC has embarked upon a new and timely vision to look for opportunities to grow its Well Servicing division and rationalize some of its non-core assets at a fair and reasonable price. By moving towards a focused well servicing business model, CWC believes there would be a greater probability of success in creating shareholder value.

CWC is well positioned to capitalize on improved oil-related activities in the WCSB, with a strong balance sheet, working capital (excluding debt) of 3.1:1 and no significant maturities, other than the monthly installments required, under its bank credit facility until April 2013.

About Central Alberta Well Services Corp.

Central Alberta Well Services Corp. is a premier well servicing company operating in the Western Canadian Sedimentary Basin with a complementary suite of oilfield services including service rigs, coil tubing, snubbing, nitrogen and well testing. The Company's corporate office is located in Calgary, Alberta, with operational locations in Red Deer, Provost, Brooks, Grande Prairie and Whitecourt, Alberta and Weyburn, Saskatchewan.

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Certain statements contained in this press release, including statements which may contain such words as “could”, “should”, “believe”, “expect”, “will”, and similar expressions and statements relating to matters that are not historical facts are forward-looking statements, including, but not limited to, statements as to: future capital expenditures, including the amount and nature thereof; revenue growth; equipment additions; business strategy; expansion and growth of the Corporation’s business and operations; service rig utilization rates, outlook for natural gas prices and general market conditions and other matters. Management has made certain assumptions and analyses which reflect their experiences and knowledge in the industry, including, without limitations, assumptions pertaining to well services demand as a result of commodity prices. These assumptions and analyses are believed to be accurate and truthful at the time, but the Corporation cannot assure readers that actual results will be consistent with these forward-looking statements. However, whether actual results, performance or achievements will conform to the Corporation’s expectations and predictions is subject to known and unknown risks and uncertainties which could cause actual results to differ materially from the Corporation’s expectations. All forward-looking statements made in the press release are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Corporation will be realized or, even if substantially realized, that they will have the expected outcomes to, or effects on, the Corporation or its business operations. The Corporation does not intend and does not assume any obligation to update these forward-looking statements, except as expressly required to do so pursuant to applicable securities laws. Any forward-looking statements made previously may be inaccurate now.

BALANCE SHEETS

Central Alberta Well Services Corp.

As at December 31, 2010 and 2009

	2010	2009
ASSETS		
Current assets		
Cash	**$ -**	$ -
Marketable securities	**66,712**	2,267
Accounts receivable	**19,578,918**	10,238,597
Shareholder loans (note 12)	**572,983**	189,101
Inventory	**2,638,383**	2,995,657
Prepaid expenses and deposits	**185,143**	263,048
	23,042,139	13,688,670
Property and equipment (note 4)	**104,555,700**	116,426,485
Shareholder loans (note 12)	**283,021**	986,017
Intangible assets (note 5)	**2,796,871**	3,379,843
	$ 130,677,731	$ 134,481,015
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness (note 6)	**$ 1,379,442**	$ 585,767
Accounts payable and accrued liabilities	**5,872,597**	4,179,777
Warrants (note 7)	**-**	1,211,768
Current portion of long-term debt (note 8)	**4,500,000**	1,705,362
	11,752,039	7,682,674
Long-term debt (note 8)	**25,217,352**	30,024,500
	36,969,391	37,707,174
SHAREHOLDERS' EQUITY		
Share capital (note 9 (a))	**110,773,572**	111,080,416
Contributed surplus (note 9(c))	**8,514,563**	7,328,741
Deficit	**(25,579,795)**	(21,635,316)
	93,708,340	96,773,841
	$ 130,677,731	$ 134,481,015

See accompanying notes to financial statements.

STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT

Central Alberta Well Services Corp.

For the years ended December 31, 2010 and 2009

	2010	2009
REVENUE	**$ 68,858,128**	$ 49,357,355
EXPENSES		
Operating expenses	**43,698,087**	35,122,031
General and administrative	**12,296,688**	11,770,649
Stock based compensation	**990,154**	1,033,571
Interest	**3,075,568**	6,418,833
Depreciation	**11,987,580**	10,422,011
Amortization	**582,972**	587,973
Loss on sale of equipment	**221,971**	22,013
Unrealized (gain) loss on marketable securities	**(50,413)**	8,848
	72,802,607	65,385,929
NET LOSS BEFORE TAX	**(3,944,479)**	(16,028,574)
INCOME TAXES (note 11)	**-**	(512,000)
NET LOSS AND COMPREHENSIVE LOSS	**(3,944,479)**	(15,516,574)
DEFICIT, BEGINNING OF YEAR	**(21,635,316)**	(6,118,742)
DEFICIT, END OF YEAR	**$ (25,579,795)**	$ (21,635,316)
NET LOSS PER SHARE (note 9 (d))		
Basic and diluted loss per share	**$ (0.02)**	$ (0.43)

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Central Alberta Well Services Corp.

For the years ended December 31, 2010 and 2009

	2010	2009
CASH PROVIDED BY (USED IN):		
OPERATING:		
Net loss	$ (3,944,479)	$ (15,516,574)
Items not affecting cash:		
Stock based compensation	990,154	1,033,571
Interest on shareholder loans	(20,962)	(3,251)
Accretion of debt financing costs and warrants	306,081	2,231,280
Loss on disposal of assets	221,971	22,013
Unrealized (gain) loss on marketable securities	(50,413)	8,848
Future income tax (reduction)	-	(512,000)
Depreciation and amortization	12,570,552	11,009,984
	10,072,904	(1,726,129)
Change in non-cash working capital (note 15)	(6,364,665)	(910,226)
	3,708,239	(2,636,355)
INVESTING:		
Purchase of property and equipment	(1,225,017)	(13,627,666)
Proceeds on sale of assets	265,129	5,360,609
Decrease in restricted cash	-	-
	(959,888)	(8,267,057)
FINANCING:		
Bank indebtedness	793,675	585,767
Issue of long-term debt	30,000,000	2,300,000
Retirement of long-term debt	(31,900,000)	(28,100,000)
Warrants (note 7)	(1,212,121)	-
Debt financing costs and warrants	(429,905)	-
Transaction costs	-	(592,066)
Issuance (repurchase) of common shares (note 9 (a))	-	32,970,139
	(2,748,351)	7,163,840
INCREASE (DECREASE) IN CASH	-	(3,739,572)
CASH, BEGINNING OF PERIOD	-	3,739,572
CASH, END OF PERIOD	$ -	$ -
Supplementary Information:		
Interest paid	$ 2,790,270	$ 4,199,115
Interest received	7,221	8,311

See accompanying notes to financial statements.