

**BALANCE SHEETS**  
**Central Alberta Well Services Corp.**  
*(unaudited)*

	MARCH 31, 2007	DECEMBER 31, 2006
<b>ASSETS</b>		
Current assets		
Cash	\$ 587,351	\$ 1,688,926
Restricted cash	415,000	415,000
Accounts receivable	16,891,457	13,433,591
Shareholder loans	115,270	–
Inventory	1,751,210	1,729,040
Prepaid expenses and deposits	207,546	270,344
Income tax receivable	730,309	641,663
	20,698,143	18,178,564
Property and equipment	80,836,226	70,524,885
Shareholder loans	118,000	118,000
Deferred financing costs (note 7)	–	803,194
Intangible assets	5,023,024	5,173,768
	<b>\$ 106,675,393</b>	<b>\$ 94,798,411</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 9,109,169	\$ 6,079,557
Short-term debt (note 6)	–	35,000,000
Shareholder loans	–	76,855
Current portion of long-term debt (note 7)	–	4,279,087
	9,109,169	45,435,499
Future income taxes	2,283,400	2,492,100
Long-term debt (note 7)	58,134,623	12,244,747
	69,527,192	60,172,346
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 8)	47,661,284	47,661,284
Contributed surplus	2,426,439	2,062,738
Warrants (note 8 (e))	2,412,121	–
Deficit	(15,351,643)	(15,097,957)
	37,148,201	34,626,065
	<b>\$ 106,675,393</b>	<b>\$ 94,798,411</b>

See accompanying notes to financial statements.

**STATEMENTS OF INCOME, COMPREHENSIVE INCOME AND DEFICIT**  
**Central Alberta Well Services Corp.**  
*(unaudited)*

THREE MONTHS ENDED MARCH 31	2007	2006
<b>REVENUE</b>	\$ 16,897,789	\$ 4,931,474
<b>EXPENSES</b>		
Operating expenses	10,384,915	2,689,745
General and administrative	1,880,918	704,863
Stock based compensation	363,701	572,220
Interest	2,312,871	119,595
Depreciation and amortization	2,416,607	741,961
	17,359,012	4,828,384
<b>NET INCOME (LOSS) BEFORE TAX</b>	(461,223)	103,090
<b>INCOME TAXES</b>		
Current (recovery)	1,163	-
Future (recovery)	(208,700)	-
	(207,537)	-
<b>NET INCOME AND COMPREHENSIVE INCOME (LOSS)</b>	(253,686)	103,090
<b>DEFICIT, BEGINNING OF PERIOD</b>	(15,097,957)	(3,115,709)
<b>DEFICIT, END OF PERIOD</b>	\$ (15,351,643)	\$ (3,012,619)
<b>NET LOSS PER SHARE</b> (note 8 (d))		
Basic and Diluted	\$ (0.01)	\$ 0.00

*See accompanying notes to financial statements.*

**STATEMENT OF CASH FLOWS**  
**Central Alberta Well Services Corp.**  
*(unaudited)*

THREE MONTHS ENDED MARCH 31	2007	2006
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING:</b>		
Net income (loss)	\$ (253,686)	\$ 103,090
Items not affecting cash:		
Stock based compensation	363,701	572,220
Interest on shareholder loans	(3,525)	(4,080)
Accretion of debt financing costs and warrants	236,429	–
Future income tax (reduction)	(208,700)	–
Depreciation and amortization	2,416,607	741,961
	2,550,826	1,413,191
Change in non-cash working capital	(476,272)	(4,601,812)
	2,074,554	(3,188,621)
<b>INVESTING:</b>		
Business acquisitions – net of cash (note 5)	–	(4,664,052)
Purchase of property and equipment	(12,577,205)	(9,262,272)
	(12,577,205)	(13,926,324)
<b>FINANCING:</b>		
Issue of long-term debt	63,000,000	3,875,360
Retirement of long-term debt	(16,499,334)	–
Issue of short-term debt	–	11,000,000
Restructure of short-term debt	(35,000,000)	–
Deferred financing costs	803,194	(255,055)
Debt financing costs and warrants	(2,714,184)	–
Issue of common shares	–	5,123,954
Share issue costs	–	(277,204)
Increase (repayment) of shareholder loans	(188,600)	38,750
	9,401,076	19,505,805
<b>(DECREASE) INCREASE IN CASH</b>	(1,101,575)	2,390,860
<b>CASH, BEGINNING OF PERIOD</b>	1,688,926	2,644,827
<b>CASH, END OF PERIOD</b>	\$ 587,351	\$ 5,035,687
Supplementary Information:		
Interest paid	\$ 1,441,536	\$ 123,334
Payout penalties paid on replacement of old loans	608,071	–
Interest received	15,503	11,739
Income taxes paid	48,824	–

See accompanying notes to financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### Central Alberta Well Services Corp.

Period ended March 31, 2007 (unaudited)

#### 1. Description of Business:

Central Alberta Well Services Corp. ("CWC") is an oilfield services company providing production services to oil and gas exploration and development companies throughout the Western Canadian Sedimentary Basin.

On March 31, 2006, CWC acquired all the outstanding shares of three separate companies; Precise Energy Services Ltd., 1080104 Alberta Ltd. (Vertical Rentals), and SSI Special Services Inc. These acquisitions brought production testing, a rental fleet, snubbing services and nitrogen delivery and pumping services to CWC (Note 5 (a), (b), (c)).

#### 2. Basis of Presentation:

These unaudited interim financial statements of the Company have been prepared following the same accounting policies and methods of computation as the annual consolidated financial statement for the Company for the year ended December 31, 2006 and 2005. The disclosures provided below are incremental to those included with the annual consolidated financial statements and certain disclosures, which are normally required to be included in the notes to the annual consolidated financial statements, have been condensed or omitted. These unaudited interim financial statements should be read in conjunction with the consolidated financial statements and notes for the Company for the year ended December 31, 2006 and 2005.

On January 1, 2007 the Company amalgamated all subsidiaries owned on December 31, 2006. As a result the interim financial statements are no longer presented on a consolidated basis. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Certain prior period amounts have been reclassified to conform to the current period's presentation.

#### 3. Seasonality of Operations:

The Company's operations are located in Western Canada. The ability to move heavy equipment safely and efficiently in Western Canadian oil and natural gas fields is dependent on weather conditions. Activity levels during the first quarter are typically the most robust as the frost creates a stable ground mass that allows for easy access to well sites and easier service rig movement. The second quarter is traditionally the slowest due to road bans during spring break-up. When winter's frost leaves the ground, it renders many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out. Road bans during this time restrict service rig and support equipment access to well sites. The third quarter has more activity as the summer months are typically drier than the second quarter. The fourth quarter is again quite active as winter temperatures freeze the ground once more maximizing site access. However, there may be temporary halts to operations in extreme cold weather when the temperature falls below -35C.

#### 4. Change in Accounting Policy:

On January 1, 2007, the Company adopted CICA Handbook Sections 1530 "Comprehensive Income", Section 3251 "Equity", Section 3855 "Financial Instruments – Recognition and Measurement", Section 3861 "Financial Instruments – Disclosure and Presentation" and Section 3865 "Hedges". These new standards have been adopted on a prospective basis with no restatement of prior periods.

Section 1530 and 3251 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income includes unrealized gains and losses on financial assets classified as available-for-sale, unrealized foreign currency translation amounts, net of hedging, arising from self-sustaining operations, and changes in the fair value of the effective portion of cash flow hedging instruments. The cumulative amount of other comprehensive income, accumulated other comprehensive income, is presented as a category of shareholders' equity in the consolidated balance sheets.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Central Alberta Well Services Corp.

Period ended March 31, 2007 (unaudited)

#### 4. Change in Accounting Policy (continued):

Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances. Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held to maturity investments, and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

As a result of adopting section 3855, the Company designated its cash and cash equivalents as held-for-trading, which is measured at fair value. Accounts receivable and other receivables are classified as loans and receivables which are measured at amortized cost. Amounts owed under the revolving credit facility, accounts payable and accrued liabilities, income and other taxes payable, are classified as other financial liabilities which are measured at amortized cost.

Furthermore, the Company has categorized balances owed under its term debt facilities as other financial liabilities which are measured at amortized cost. Financing costs associated with the Company's term debt facilities are no longer presented as a separate asset on the balance sheet but are netted against the carrying value of the debt. Financing costs are no longer amortized to earnings on a straight-line basis over the life of the related debt but are charged to earnings using the effective interest method. The effect of adopting these provisions of the new standards resulted in the deferred costs at January 1, 2007, of \$2.6 million net of amortization, being reclassified against the term debt facilities as well as \$2.3 million attributable to the fair value of the warrants. Loan commitment fees continue to be charged to earnings over the life of the related financing.

The Company has reviewed its contracts and concluded there are no embedded derivatives at this time.

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not have a hedging program and consequently there is no impact from adopting this standard.

Adoption of the above noted standards have had no material impact on the financial statements of CWC.

Financial Instruments - Disclosures, Financial Instruments - Presentation and Capital Disclosures. The adoption of these new upcoming standards will require the Company to provide additional disclosures relating to its financial instruments, including hedging instruments, and about its equity. It is not anticipated that the adoption of these new accounting standards will have a material impact on the financial statements of the Company as they primarily relate to disclosure.

#### 5. Business Acquisitions:

##### a) SSI Special Services Inc. ("SSI")

On March 31, 2006, the Company acquired 100% of the issued and outstanding shares of SSI and certain shareholder loan balances for total consideration of \$18.3 million, excluding transaction costs, including \$4.0 million and the issuance of 8.0 million shares of the Company from treasury. SSI provides nitrogen and snubbing services to oil and gas companies operating in Western Canada and has been in operation since 1997.

##### b) Precise Energy Services Ltd. ("Precise")

On March 31, 2006, the Company acquired 100% of the issued and outstanding shares of Precise for a purchase price of \$4.8 million, excluding transaction costs, by the issuance of 2.5 million shares of the Company from treasury. Precise provides well testing services to resource companies operating in Western Canada.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Central Alberta Well Services Corp.**

*Period ended March 31, 2007 (unaudited)*

**5. Business Acquisitions (continued):**

c) 1080104 Alberta Ltd. ("Vertical")

On March 31, 2006, the Company acquired 100% of the issued and outstanding shares of Vertical for a purchase price of \$2.3 million, excluding transaction costs, by the issuance of 1.2 million shares of the Company from treasury. Vertical has a fleet of rental equipment that it provides to oil and gas customers in Western Canada.

These transactions have been accounted for by the purchase method. These acquisitions closed March 31, 2006. Results from these acquisitions have been included from the date of acquisition. Details of the acquisitions, as amended to reflect the values ascribed, are as follows:

	SSI	PRECISE	VERTICAL	TOTAL
<b>ASSETS:</b>				
Working capital items*	\$ 1,441,210	\$ 311,997	\$ 541,309	\$ 2,294,516
Property and equipment	11,441,304	2,825,000	1,200,000	15,466,304
Intangible assets	5,626,000	—	—	5,626,000
Goodwill	7,504,929	3,182,401	851,638	11,538,968
	<u>26,013,443</u>	<u>6,319,398</u>	<u>2,592,947</u>	<u>34,925,788</u>
<b>ASSUMED LIABILITIES:</b>				
Due to parent	4,050	—	—	4,050
Long-term debt	4,284,671	896,369	34,238	5,215,278
Future income taxes	3,159,000	590,000	257,000	4,006,000
	<u>7,447,721</u>	<u>1,486,369</u>	<u>291,238</u>	<u>9,225,328</u>
<b>NET ASSETS ACQUIRED</b>	<u>18,565,722</u>	<u>4,833,029</u>	<u>2,301,709</u>	<u>25,700,460</u>
Less: Cash position	612,078	350,591	(298,617)	
Net assets excluding cash	<u>19,177,800</u>	<u>5,183,620</u>	<u>2,003,092</u>	<u>25,700,460</u>
Cash consideration – net of cash acquired	4,612,078	350,591	(298,617)	4,664,052
Non cash consideration	14,565,722	4,833,029	2,301,709	21,700,460
Total consideration – net of cash position	<u>19,177,800</u>	<u>5,183,620</u>	<u>2,003,092</u>	<u>26,364,512</u>

\* Purchase price allocation is preliminary and certain items have not yet been finalized.

**6. Short-term Debt:**

	AS AT MARCH 31, 2007	AS AT DECEMBER 31, 2006
Credit facility for \$35 million at interest rate of bank prime plus 3.0%, maturing on April 30, 2007. Monthly repayments of interest only secured by a second charge on equipment and a general security agreement. Prior to maturity, the facility was converted into a long-term facility with the same lender.	\$ —	\$ 35,000,000

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Central Alberta Well Services Corp.**

*Period ended March 31, 2007 (unaudited)*

**7. Long-term Debt:**

	AS AT MARCH 31, 2007	AS AT DECEMBER 31, 2006
Credit facility for \$63 million at interest rate of bank prime plus 3.0%, maturing on January 25, 2010. Monthly repayments of interest only secured by a first charge on equipment and a general security agreement.	\$ 63,000,000	\$ —
Credit facility for \$13 million at interest rates based on Government of Canada bond yield plus 3.2%, monthly payments of interest only to December 31, 2006, followed by 48 equal payments of principal and interest, secured by a first charge on equipment and a general security agreement. Facility was fully repaid during the three months ended March 31, 2007.	—	12,927,654
Capital leases with interest at fixed interest rates from 2.9% to 11.0% maturing at various dates from October 2006 to February 2011, monthly payments of principal and interest of \$87,329, secured by charges over specific equipment. Facility was fully repaid during the three months ended March 31, 2007.	—	2,418,167
Equipment loans bearing interest at bank prime rate plus 1.25%, monthly payments of \$18,403 per month, maturing at various dates from September 2009 to October 2010. Facility was fully repaid during the three months ended March 31, 2007.	—	753,513
Unsecured loans with no fixed terms of repayment, incurring interest at 10% per annum, payable monthly. Loans were fully repaid during the three months ended March 31, 2007.	—	400,000
Unsecured, interest-free loan from Government of Canada related to a patent and repayable upon commercial application of the patent.	24,500	24,500
<b>Total debt</b>	<b>63,024,500</b>	<b>16,523,834</b>
Less financing costs relating to the \$63M long-term facility which includes the \$35M original short-term facility, net of an accretion charge recorded as interest expense that will bring the loan to its face value over the term of the loan. Similar finance charges in prior periods were treated as an asset called deferred financing costs.	(2,589,005)	—
Less cost of 12,121,212 warrants relating to the \$63M long-term facility, net of an accretion charge recorded as interest expense that will bring the loan to its face value over the term of the loan.	(2,300,872)	—
Less current portion	—	4,279,087
	<b>\$ 58,134,623</b>	<b>\$ 12,244,747</b>

At March 31, 2007, estimated principal repayments for each of the next five years are as follows:

2008	\$ —
2009	—
2010	63,000,000
2011	—
2012	—
Thereafter	24,500
	<b>\$ 63,024,500</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Central Alberta Well Services Corp.**

*Period ended March 31, 2007 (unaudited)*

**8. Share Capital:**

a) Authorized:

Unlimited number of common shares

b) Issued:

	NUMBER	AMOUNT
Balance at January 1, 2007	41,873,273	\$ 47,661,284
Balance at March 31, 2007	41,873,273	47,661,284
Balance at January 1, 2006	27,080,138	\$ 21,172,024
Issued on private placement	2,904,400	5,082,704
Issued on exercise of options	36,667	65,630
Issued on SSI acquisition (note 4)	8,000,000	14,320,000
Issued on Precise acquisition (note 4)	2,507,027	4,813,492
Issued on Vertical acquisition (note 4)	1,190,000	2,284,800
Share issue costs (net of tax – \$93,000)	–	(184,204)
Issued to repay shareholder loan	155,041	106,838
Balance at December 31, 2006	41,873,273	\$ 47,661,284

During February 2006, the Company completed a private placement of 2,904,400 shares at \$1.75 per share for gross proceeds of \$5,082,704. Related costs of \$247,204, less income tax of \$82,935, were recorded as share issue costs.

On March 31, 2006, the Company completed the acquisitions of SSI, Precise and Vertical. On the SSI transaction the Company issued 8,000,000 shares for purchase consideration of \$14,320,000. On the Precise acquisition, the Company issued 2,507,027 shares for purchase consideration of \$4,813,492. On the Vertical acquisition, the Company issued 1,190,000 shares for purchase consideration of \$2,284,800. Related costs of \$30,000, less income tax of \$10,065, were recorded as issue costs.

During December 2006, the Company issued 155,041 shares in settlement of an outstanding shareholder loan.

c) Stock option plan

During 2005, the Company established a stock option plan to provide directors, officers, employees and consultants with the opportunity to participate in its growth and development. As at January 1, 2006, 1,445,000 options were outstanding at exercise prices between \$1.15 and \$2.50 per share, expiring during 2010. As at March 31, 2006, an additional 1,467,500 options were issued at exercise prices between \$1.75 and \$1.82 per share, expiring during 2011. During the quarter ended June 30, 2006, an additional 548,000 options were issued at an exercise price of \$2.07 per share, expiring during 2011. During December 2006, an additional 300,000 options were issued at an exercise price of \$0.75 per share expiring December 2011. In February 2007, an additional 602,500 options were issued at an exercise price of \$0.70 per share expiring February 2012.

One third of the options vested upon issuance, and the balance vest in equal amounts on each anniversary over the next two years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Central Alberta Well Services Corp.

Period ended March 31, 2007 (unaudited)

8. Share Capital:

c) Stock option plan (continued)

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (\$)
Outstanding January 1, 2007	3,615,000	1.75
Granted	602,500	0.77
Forfeited	(388,000)	(1.78)
Outstanding, March 31, 2007	3,829,500	1.95
Outstanding, January 1, 2006	1,445,000	1.80
Granted	2,315,500	1.72
Exercised	(36,667)	(1.18)
Forfeited	(108,833)	(1.76)
Outstanding, December 31, 2006	3,615,000	1.75

The fair value of the options granted was estimated as at the grant date using the Black-Scholes option pricing model. The Company recognized compensation expense for these stock options based upon the following assumptions:

Risk free rates of return range	3.71% – 4.15%
Expected life (years)	5
Volatility	50%
Dividend yield	0%

2007

RANGE OF EXERCISE PRICE	OUTSTANDING STOCK OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (\$)	REMAINING LIFE	EXERCISABLE STOCK OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (\$)
0.00 – 1.14	899,000	0.76	4.83	293,993	0.76
1.15 – 1.82	1,905,000	1.61	3.78	1,269,977	1.61
1.91 – 2.50	1,022,000	2.30	3.85	523,995	2.37
0.75 – 2.50	3,826,000	1.59	4.05	2,087,965	1.68

2006

RANGE OF EXERCISE PRICE	OUTSTANDING STOCK OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (\$)	REMAINING LIFE	EXERCISABLE STOCK OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (\$)
0.75	300,000	0.75	4.96	100,000	0.75
1.15 – 1.82	2,017,500	1.60	4.02	867,500	1.50
1.91 – 2.50	1,297,500	2.22	4.03	699,167	2.26
0.75 – 2.50	3,615,000	1.75	4.18	1,666,667	1.77

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Central Alberta Well Services Corp.**

*Period ended March 31, 2007 (unaudited)*

**8. Share Capital (continued):**

**d) Basic and diluted loss per share**

THREE MONTHS ENDED MARCH 31	2007			2006		
	NET LOSS	SHARES	PER SHARE AMOUNT	NET INCOME	SHARES	PER SHARE AMOUNT
Basic and diluted income (loss) per share	\$ (253,686)	41,873,273	\$ (0.01)	\$ 103,090	28,457,574	\$ 0.00
Dilutive effect of:						
Stock option conversions		–			279,192	
Performance warrant conversions		–			1,695,238	
Diluted income (loss) per share	\$ (253,686)	41,873,273	(0.01)	\$ 103,090	30,432,004	0.00
Securities excluded from diluted loss per share as the effect would be anti-dilutive		3,826,000			800,000	

**e) Warrants**

As part of the \$63 million long-term credit facility entered into in January 2007, approximately 12.1 million common share purchase warrants were issued by the Company to the lender. These warrants are exercisable into common shares of the Company at a price of \$0.825 per share, expiring in January 2010. Fair market value of \$2,412,121 has been estimated for these warrants based on the Black-Scholes model.

**9. Segmented Information:**

The Company operates in two primary segments within the service industry in Western Canada: well servicing and other oilfield services. The well servicing segment provides well services through the use of service rigs and coil tubing units. The other oilfield services segment provides snubbing, nitrogen, production testing and equipment rentals, primarily providing support services to the well service business.

The reportable segments are distinct operations as they offer complementary services to the well service business. Once a service rig is on site, the other services are typically onsite at various times supporting the rig activity. However, these services can be sold independently of the well servicing. They are managed separately as the businesses were acquired as a unit and the Company has retained the management of each acquired company.

The amounts related to each industry segment are as follows:

THREE MONTHS ENDED MARCH 31, 2007	WELL SERVICING	OTHER OILFIELD SERVICES	CORPORATE	TOTAL
Revenue	10,136,751	6,761,037	–	16,897,789
Interest expense	–	–	2,312,871	2,312,871
Depreciation and amortization	1,573,198	791,286	52,123	2,416,607
Income (loss) before income taxes	2,221,572	762,623	(3,445,418)	(461,223)
Income taxes	–	–	(207,537)	(207,537)
Net income (loss)	2,221,572	762,623	(3,237,881)	(253,686)
Property and equipment (net of depreciation)	56,537,141	23,412,424	886,661	80,836,226
Intangibles (net of amortization)	–	5,023,024	–	5,023,024
Goodwill	–	–	–	–
Capital expenditures	9,631,048	2,902,372	43,785	12,577,205

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Central Alberta Well Services Corp.**

*Period ended March 31, 2007 (unaudited)*

**9. Segmented Information (continued):**

THREE MONTHS ENDED MARCH 31, 2006	WELL SERVICING	OTHER OILFIELD SERVICES	CORPORATE	TOTAL
Revenue	4,391,474	-	-	4,391,474
Interest expense	-	-	119,595	119,595
Depreciation and amortization	695,429	-	46,532	741,961
Income (loss) before income taxes	1,227,572	-	(1,124,482)	103,090
Income taxes	-	-	-	-
Net income (loss)	1,227,572	-	(1,124,482)	103,090
Property and equipment (net of depreciation)	28,255,912	15,030,670	669,741	43,956,323
Intangibles (net of amortization)	-	5,626,000	-	5,626,000
Goodwill	519,183	11,538,969	-	12,058,151
Capital expenditures	9,234,359	-	27,914	9,262,272

**10. Subsequent Events:**

a) Debt Restructuring and Equity Refinancing:

In January 2007, the Company entered into a loan agreement with a lender for a term debt facility of \$63 million with a three-year term with interest only payments at a bank prime rate plus 3.5%. All existing debt obligations were repaid with the proceeds of the term loan. In April 2007, the company amended this loan agreement to allow for a \$4 million short term, 60-day loan from the lender. The proceeds of which have been used to pay for the delivery of additional equipment in 2007.

In April 2007, the Company entered into an agreement with the lender to issue a maximum of 71.5 million of voting and non-voting common shares at \$0.70 per share. The proceeds of the issue will be used to reduce the amount of debt outstanding to approximately \$20 million, to continue with a capital build program, and general corporate needs. The existing term debt facility will be revised as a \$63 million revolving facility. The share issue is subject to shareholder approval.

**CORPORATE INFORMATION**  
Central Alberta Well Services Corp.

**DIRECTORS**

ROBERT A. ANDERSON <sup>(2)</sup>

RANCE E. FISHER <sup>(1) (2)</sup>

N. LEON LAYDEN

LOUIS W. MACEACHERN <sup>(1) (2)</sup>

JEFFREY G. THOMSON <sup>(1)</sup>

DARRYL E. WILSON

(1) MEMBER OF AUDIT COMMITTEE

(2) MEMBER OF COMPENSATION AND GOVERNANCE COMMITTEE

**OFFICERS**

DARRYL E. WILSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER

DARCY A. CAMPBELL, CHIEF FINANCIAL OFFICER

ROSS O. DRYSDALE, CORPORATE SECRETARY

**AUDITORS**

KPMG LLP (CALGARY, ALBERTA)

**LEGAL ADVISORS**

BURSTALL WINGER LLP (CALGARY, ALBERTA)

**REGISTRAR AND TRANSFER AGENT**

OLYMPIA TRUST COMPANY (CALGARY, ALBERTA)

**STOCK EXCHANGE LISTING**

TSX VENTURE EXCHANGE

TRADING SYMBOL: CWC

**WEBSITE**

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