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 August 15, 2011 and is provided to assist readers in understanding CWC's financial performance for the three and six month periods ended June 30, 2011 and significant trends that may affect future performance of the Company. This MD&A is an update to and should be read in conjunction with CWC's June 30, 2011 unaudited interim financial statements and the annual audited financial statements and MD&A for the year ended December 31, 2010. Additional information on the Company, including the 2010 Annual Report and the Annual Information Form ("AIF"), can be found on the Company's website at www.cawsc.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 natural gas prices, activity levels in various areas, continuing focus on cost saving measures plans, timing and effects of implementation of IFRS, 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 revenues 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.

Conversion to International Financial Reporting Standards

Effective, January 1, 2011, CWC began reporting its financial results in accordance with International Financial Reporting Standards ("IFRS"). Prior period comparative amounts, including the opening statement of financial position at January 1, 2010, have been restated to reflect results as if CWC had always prepared its financial statements using IFRS. Please see additional discussion regarding IFRS later in this MD&A.

Second Quarter 2011 Financial Highlights

$ thousands, except per share amounts, margins and ratios	THREE MONTHS ENDED JUNE 30, 2011	2010	% Change	SIX MONTHS ENDED JUNE 30, 2011	2010	% Change
FINANCIAL RESULTS						
Revenue						
Well servicing	$ 11,396	$ 6,891	65%	$ 34,490	$ 22,831	51%
Other oilfield services	1,591	2,363	-33%	7,800	6,545	19%
	12,987	9,254	40%	42,290	29,376	44%
EBITDAS [1]	1,269	255	398%	9,709	4,107	136%
EBITDAS margin (%) [1]	10%	3%		23%	14%	
Funds from operations [2]	1,268	246	415%	9,707	4,096	137%
Net income (loss)	(2,956)	(3,229)	8%	1,329	(3,706)	136%
Net income (loss) margin (%)	-23%	-35%		3%	-13%	
Per share information						
Weighted average number of shares outstanding	156,817	159,174		157,487	159,182	
EBITDAS [1] per share - basic and diluted	0.01	0.00		0.06	0.03	
Funds from operations per share - basic and diluted	0.01	0.00		0.06	0.03	
Net earnings per share - basic and diluted	(0.02)	(0.02)		0.01	(0.02)	

FINANCIAL POSITION AND LIQUIDITY	JUNE 30, 2011	DECEMBER 31, 2010
Working capital (excluding debt) [3]	10,201	15,790
Working capital (excluding debt) ratio	2.7:1	3.2:1
Total assets	153,382	127,098
Total long-term debt	56,331	29,860
Shareholders' equity	91,178	89,986

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

Corporate Overview

CWC is a premier well servicing company operating in the Western Canadian Sedimentary Basin ("WCSB") providing a complimentary suite of oilfield services including service rigs, coil tubing, snubbing, nitrogen 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, Whitecourt, 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".

On June 8, 2011, at CWC's annual and special shareholders' meeting, the shareholders approved the change of name of the Company to CWC Well Services Corp. from Central Alberta Well Services Corp.

Overview and Highlights for the Three and Six Months Ended June 30, 2011

Revenue for the second quarter of 2011 increased 40% to $13 million and EBITDAS was $1.3 million an increase of 398% as compared to the same period in 2010. Higher overall activity levels and improved pricing has led to year over year improvements, particularly on our service rigs. Second quarter 2011 revenue and EBITDAS were lower than the first quarter of 2011 due to the seasonality of oilfield service activity in Canada known as "spring break-up" whereby heavy equipment is subject to road bans from late March to mid June of each year. This period was extended this year as a result of exceptionally wet weather conditions throughout the WCSB. Our customers have been indicating higher demand and confidence in the long-term sustainability of commodity prices, particularly oil, which is likely to lead to more normal activity levels once weather improves continuing the upward trend experienced in the last few quarters.

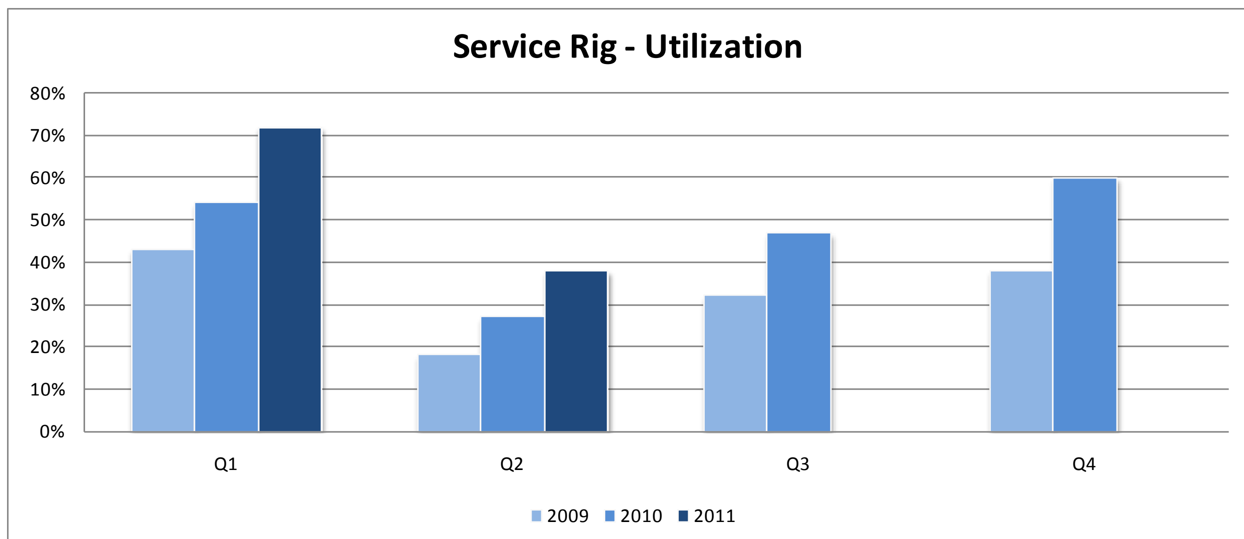
On June 15, 2011, the Company purchased all the assets and ongoing operations of Trinidad Well Services ("TWS") the service rig division of Trinidad Drilling Ltd ("Trinidad") for $38 million. The assets acquired from Trinidad consist of 22 fully crewed service rigs operating throughout Alberta, British Columbia, and Saskatchewan from operating bases in Grande Prairie, Red Deer and Lloydminster. The acquisition boosts CWC's service rig count to 63 active rigs and provides the Company with a new operating location in Lloydminster, Alberta. CWC is now the 6th largest service rig provider in the WCSB.

To facilitate the purchase, CWC secured a new credit facility of $69 million consisting of a committed revolving facility of $40 million and a $29 million committed term facility with a maturity date of April 30, 2014, both of which replaced prior credit facilities of the Company. 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 until 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. Of the available revolving facility, $28 million has been used to pay for the acquisition of TWS with the balance paid from cash on hand. The term facility requires principal payments of $500,000 per month plus interest through April 2012 at which time payments increase to $750,000 per month plus interest until April 2013 and interest payments only during the final year with the balance due April 30, 2014. The term facility bears interest at 7.42%.

Well Servicing

CWC is the 6th largest service rig provider in the WCSB, operating a modern fleet of 63 service rigs and 8 coil tubing units. Rig services include completions, workovers and abandonments with depth ratings from 1,500 to 5,000 metres. Our service rig fleet, with its leading edge technology, continue to stand out in an industry characterized by ageing equipment and infrastructure. During 2011, we acquired 22 service rigs in the TWS acquisition, and are currently constructing a slant rig expected for delivery in the third quarter. Our 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 is presently converting one coil tubing unit to a class III unit capable of depths of 4000 meters and expects its return to the fleet in the third quarter.

Well Servicing division revenue increased by 65% to $11.4 million from $6.9 million in Q2 2010 due to increased service rig hours coupled with an improvement in hourly rates of approximately 12% as compared to Q2 2010. Year to date revenues increased by 51% to $34.5 million from $22.8 million. During the fourth quarter of 2010, rate increases were implemented reflecting greater industry activity and a return of more normal service inclusions. Given increased demand for industry services and higher operating costs, particularly for labour and fuel, we expect further rate increases will be implemented in the second half of fiscal 2011 to maintain margins and remain competitive in attracting quality personnel.

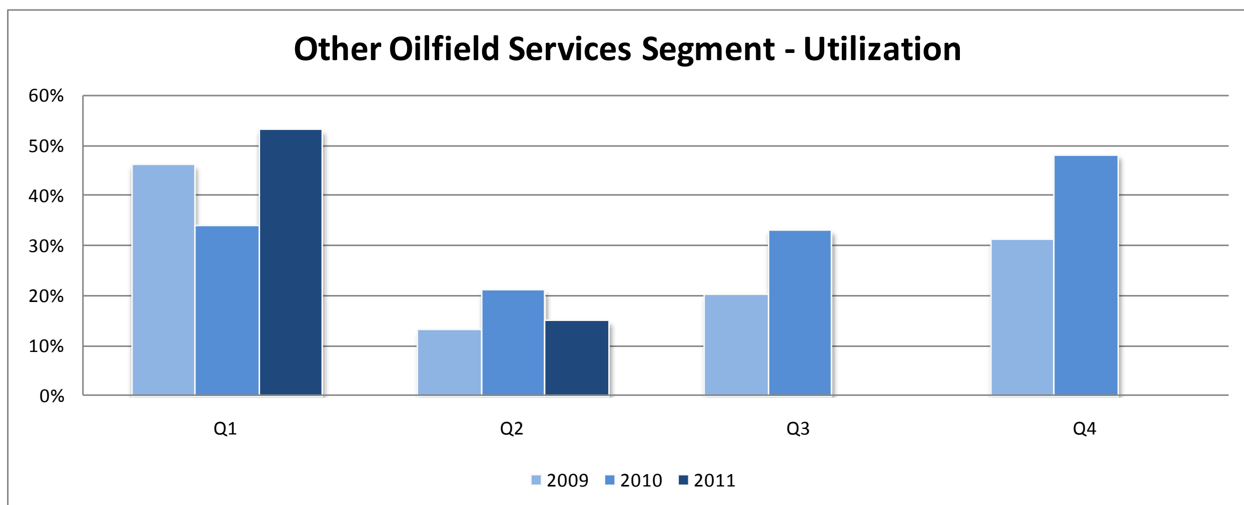


Total service rig hours increased 54% in Q2 2011 compared to Q2 2010. Utilization of our well service equipment continues to rise from the lows experienced in 2009 driven by increased spending on exploration and development on account of higher commodity prices and remains above industry averages. The acquisition of TWS from June 15, 2011 contributed positively to the increase in hours on a year over year basis.

<u>Other Oilfield Services</u>

CWC's Other Oilfield Services division provides a variety of services for the completion and production phases of oil and natural gas wells including 8 snubbing units, 14 nitrogen pumpers and bulkers, and 12 well testing units.

Other Oilfield Services division revenue decreased by 33% to $1.6 million as compared to $2.4 million in Q2 2010. Year to date revenues have increased by 19% to $7.8 million from $6.5 million. The decrease in Q2 2011 is the result of lower activity levels in snubbing and nitrogen as the concentration of these assets was significantly impacted by the unusually wet weather experienced in the spring. Further, we noted that some customers programs that were in place in the prior year period did not occur this year partially as a result of continued depressed natural gas prices. The increase year to date has been positively impacted by improved utilizations, particularly in Q1 2011, in all services including snubbing, nitrogen and well testing as well as price improvements. We expect that overall results will continue to improve on a year over year basis in the second half of 2011 driven from higher customer demand coming out of the wet spring conditions.



Other Oilfield Services division utilization, as measured by CWC's internal methodology, experienced a decline in activity in Q2 2011 as compared to Q2 2010 impacted primarily by wet weather. As noted previously, this segment has been experiencing a positive impact from increased crude oil prices leading customers to increase spending and utilize CWC's full suite of equipment and services. We expect to see a continuing steady trend of improvement in 2011 from the lows experienced in 2009.

Discussion of Financial Results

$ thousands, except margins	THREE MONTHS ENDED JUNE 30, 2011	2010	%	SIX MONTHS ENDED JUNE 30, 2011	2010	%
Revenue						
Well servicing	$ 11,396	$ 6,891	65%	$ 34,490	$ 22,831	51%
Other oilfield services	1,591	2,363	-33%	7,800	6,545	19%
	12,987	9,254	40%	42,290	29,376	44%
Operating expenses						
Well servicing	7,623	4,668	63%	21,788	15,038	45%
Other oilfield services	1,582	1,744	-9%	5,075	4,501	13%
	9,205	6,412	44%	26,863	19,539	37%
Gross margin [1]	3,782	2,842	33%	15,427	9,837	57%
Gross margin % [1]	29%	31%		36%	33%	
General and administrative expenses	2,513	2,587	-3%	5,718	5,730	0%
EBITDAS [2]	1,269	255	398%	9,709	4,107	136%
EBITDAS margin (%) [2]	10%	3%		23%	14%	
Stock based compensation	316	239	32%	466	366	27%
Finance costs	938	703	33%	1,585	1,783	-11%
Depreciation	2,920	2,651	10%	6,279	5,780	9%
Loss (gain) on sale of equipment	41	(78)	-153%	35	(78)	-145%
Unrealized loss (gain) on marketable securities	10	(31)	132%	15	(38)	139%
Net income (loss)	(2,956)	(3,229)	8%	1,329	(3,706)	136%

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

Revenue

Total revenues for the three and six months ended June 30, 2011, as compared to 2010 have increased 40% and 44% respectively, reflecting the general recovery in the oil and gas sector and increased demand for CWC's equipment and services. In addition, for the last 16 days of the quarter, the 22 additional service rigs acquired from TWS contributed $0.6 million in revenues to the Well Servicing segment.

The Well Servicing division revenue for the three months ended June 30, 2011 increased by 65% to $11.4 million from $6.9 million. Revenues for the six months ended June 30, 2011 have increased 51% in the Well Servicing segment to $34.5 million from $22.8 million. The increase is directly related to increased utilization with service rig hours increasing 54% for the quarter and 40% year to date. The increased activity has resulted in an increase in our total revenue as well as an increase in rates. Rate increases were implemented with customers understanding the increased activity led to pressure on availability of crews and the quality of services offered. The increased demand for services and higher costs to operate in the industry, particularly labour and fuel costs, are expected to lead to rate increases in the second half of fiscal 2011 as we strive to maintain margins and remain competitive in attracting quality personnel.

The Other Oilfield Services division revenue for the three months ended June 30, 2011 decreased by 33% to $1.6 million as compared to the second quarter of 2010 which was $2.4 million. Year to date revenues for this segment have increased 19% to $7.8 million from $6.5 million in 2010. As noted earlier, the decrease in Q2 2011 is the result of lower activity levels in snubbing and nitrogen as the concentration of these assets was significant impacted by the unusually wet weather experience in the spring. Further, we noted that some customers programs that were in place in the prior year period did not occur this year partially as a result of continued depressed natural gas prices. The increase year to date has been positively impacted by improved utilizations, particularly in Q1 2011, in all services including snubbing, nitrogen and well testing as well as price improvements. We expect that overall results will continue to improve on a year over year basis in the second half of 2011 driven from higher customer demand coming out of the wet spring conditions.

CWC continues to make significant progress towards improving the credit worthiness of its customer base by focusing on providing services to senior and intermediate exploration and production ("E&P") companies, which are generally better financed. During the second quarter of 2011 a total of 10 customers, all of which are large or intermediate E&P companies, made up 65% of our total revenues. The Company does not have any one customer that represents a significant customer concentration risk.

Gross Margin and Direct Operating Expenses

Gross margin for the three months ended June 30, 2011 improved by $0.9 million or 33% compared to the second quarter of 2010. Year to date gross margin has improved by 57% to $15.4 million from the six months ended June 30, 2010. 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 is due to the increases in revenues in the current period as compared to the prior period. The Company did experience higher costs in certain areas such as fuel costs, supplies and labour costs, which did affect gross margins; however, these were offset by pricing increases implemented in the latter part of Q4 2010. The Company will be re-evaluating its pricing to recover some of these higher costs prior to the commencement of the fall drilling season. Two of our services, nitrogen and coil tubing have a base level of fixed wages regardless of activity level, which is consistent with these services offered by competitors. As a result of the higher fixed costs during low demand period the impact on gross margins is magnified. Further, during the second quarter, equipment goes through more robust repairs and maintenance as these items are not able to be completed during the high demand winter period. As such the higher repairs and maintenance costs have a negative impact on margins. We expect margins during the second half of 2011 to reflect more normalized level in the range of 36% to 38%.

General and administrative ("G&A")

G&A for the three months ended June 30, 2011 was $2.5 million (19% of revenue) compared to $2.6 million (28% of revenue) in the second quarter of 2010. While the amounts are consistent year over year on both a quarterly and year to date basis, there have been significant changes in the composition of these costs. During Q4 2010, the management of CWC introduced a number of cost reduction initiatives that will be permanent in nature and has scaled back substantially on discretionary spending. Some of these reductions were offset in part by increased compensation costs for short-term incentive compensation accruals consistent with the increase activity levels and profitability of the Company. During the first half of 2011 additional non-recurring costs were incurred as management continued to evaluate the composition of the existing staff and made changes where necessary. With the increased activity and changes instituted for various costs saving matters, we expect that G&A as a percentage of revenue going forward to continue to reduce on an annualized basis.

EBITDAS

EBITDAS for the three months ended June 30, 2011 was $1.3 million (10% of revenue) compared to $0.3 million (3% of revenue) in Q2 2010, up $1.0 million or 398%. Year to date EBITDAS has improved 136% to $9.7 million. The service rigs acquired from TWS contributed $0.2 million to this result in the short time since acquisition. The addition of these rigs is anticipated to provide significant benefits during the third and fourth quarters. The improvement in EBITDAS is a direct result of increased activity levels and utilization rates coupled with substantially improved pricing for nearly all services offered, and the impact of cost reduction initiatives. A large portion 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. EBITDAS provides

cash needed to grow our business through the purchase of new equipment or business acquisitions and reduce outstanding bank debt.

Stock-based compensation ("SBC")

SBC for the three months ended June 30, 2011 was $0.3 million, an increase of 32% from Q2 2010 as a result of higher average daily trading prices of the Company's stock. The non-cash expense related to stock-based compensation plans related to the approximately 9.6 million options outstanding on June 30, 2011.

Finance costs

Interest expense for the three months ended June 30, 2011 increased 33% to $0.9 million compared to $0.7 million in the second quarter of 2010. Of the $235 thousand increase, majority is a result of the refinancing which resulted in the expensing of the accretion related to the previous debt held. Year to date, interest expense has declined 11% to $1.6 million from $1.8 million for the six months ended June 30, 2010. In 2010 the debt was refinanced in the second quarter and incurred penalty interest for being off-side on its debt covenants which resulted in the higher interest expense.

Depreciation

Depreciation has increased by 10% from the three months ended June 30, 2010 and 9% year over year; the increase is consistent with the year over year increase in activity in the service rigs.

Income Taxes

Based on the income before taxes of $1.3 million for the six months ended June 30, 2011 and an expected income tax rate of 26.5%, an income tax expense of $0.3 million would be expected. The Company had many non-cash and non-tax-deductible items included in the computation of net income, including stock-based compensation, and other items which increased the amounts, however, the Company recorded a valuation allowance reducing the income taxes to nil. 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 2011 and the foreseeable future depending on growth and profitability of the Company.

Net Income (Loss)

Net loss for Q2 2011 was ($3.0) million compared to a loss of ($3.2) million in Q2 2010; an improvement of $0.2 million. Year to date, net income was $1.3 million; a 136% increase over the net loss of ($3.7) million reported for the first six months of 2010. The return to profitability is a direct result of the 44% increase in revenue in the first six months of 2011 over 2010. 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 labour force.

Summary of Quarterly Data

$ thousands, except per share amounts and equipment fleet	2011		2010				2009 - Previous Canadian GAAP (2)	
THREE MONTHS ENDING	June 30,	March 31,	December 31	September 30	June 30	March 31	December 31	September 30
Revenue	$ 12,987	$ 29,303	$ 23,069	$ 16,413	$ 9,254	$ 20,122	$ 13,664	$ 10,259
EBITDAS [1]	1,269	8,439	5,610	3,296	364	3,851	1,322	(294)
Net earnings (loss)	(2,956)	4,285	1,460	(529)	(3,229)	(477)	(3,814)	(5,235)
Net earnings (loss) per share: Basic and diluted	(0.02)	0.03	0.01	(0.00)	(0.02)	(0.00)	(0.06)	(0.19)
Total assets	153,382	131,271	127,098	124,712	122,507	133,189	134,481	133,999
Total long-term debt	56,331	29,863	29,860	29,857	29,899	32,155	31,730	59,182
Shareholders' equity	91,178	94,002	89,986	88,546	88,918	92,019	96,774	67,921
Equipment fleet								
Service rigs	63	41	41	41	41	41	41	39
Coil tubing	8	8	8	8	8	8	8	8
Snubbing	8	8	8	8	8	8	8	8
Nitrogen pumpers and tankers	14	14	14	14	14	14	14	14
Well Testing	12	12	12	12	12	12	12	12

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

2 – All quarters presented for 2009 are prepared under previous Canadian GAAP and as a result may not be comparable

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. 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.

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 leading to the spring thaw and weather conditions during the 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.

Revenue

An overview of the quarter-by-quarter analysis shows results continue to improve consistently. Revenue for the second quarter of 2011 was $13 million; an increase of $3.7 million from the second quarter of 2010 and a decrease of $16.3 million from the first quarter of 2011. The decrease from the first quarter of 2011 is expected due to the seasonality of the industry. During the fourth quarter of 2010 CWC was able to increase rates to its customers in response to the increased activity level. 2010 saw the start of a recovery with year over year increases in activity

through all the quarters to date. The second quarter is always one of lower activity as a result of the wet spring conditions which prevent the movement of heavy equipment.

EBITDAS

EBITDAS for the second quarter of 2011 increased year over year by 398% but declined by $7.2 million from the record first quarter of 2011. The year over year increase in EBITDAS is directly a result of increased activity levels sufficient to absorb facility and other fixed costs of the Company as well as cost control measures that were implemented during the second half of 2010. Higher gross margin percentages quarter over quarter is evidence of improved utilization and rates which continue to strengthen as customer demand remains robust.

Net earnings (loss)

The lower activity in the second quarter resulted in a loss ($3.0) million, mainly as a result of increased stock based compensation and higher finance costs associated with the new financing secured to finalize the purchase of TWS coupled with higher depreciation expense for increased capital assets and activity driven depreciation methods. Overall, management expects a continuation of the results seen in the first quarter of 2011 and fourth quarter of 2010 where CWC recorded positive earnings for the first time in over two years. Improvements are as a result of activity increases combined with effective management of discretionary expenditures, and partially offset by increased depreciation on service rigs subject to a unit of production methodology.

Total Assets

The $22 million increase in total assets from the first quarter is consistent with the $38 million acquisition of TWS offset by a reduction in receivables as a result of the lower activity seen in the second quarter and $10 million in cash on hand being used in combination with new debt to fund the acquisition.

Total Long-Term Debt

The addition of long-term debt relates to the purchase of TWS less transaction costs to affect the new financing agreement.

Shareholders' Equity

Shareholders' equity has changed little since the rights offering in December of 2009 other than declines as a result of losses and increased stock based compensation.

Financial Position and Liquidity

	2011		2010			
$ thousands, except ratios	JUNE 30	MARCH 31	DECEMBER 31	SEPTEMBER 30	JUNE 30	MARCH 31
Working capital (excluding debt)[1]	10,201	22,578	15,790	10,050	7,829	10,506
Working capital (excluding debt) ratio	2.7:1	4.0:1	3.2:1	2.6:1	3.1:1	2.2:1
Long-term debt	56,331	29,863	29,860	29,857	29,899	32,155
Shareholders' equity	91,178	94,002	89,986	88,546	88,918	92,019
Debt to equity	0.62	0.32	0.33	0.34	0.34	0.35

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

Working capital

Working capital (excluding debt) at June 30, 2011 was $10.2 million (June 30, 2010 - $7.8. million). The working capital (excluding debt) ratio of 2.7:1 (June 30, 2010 – 3.1:1) indicates the Company's liquidity position continues to strengthen but recognizes the additional debt obtained to acquire TWS. Due to the acquisition closing late in the second quarter, working capital has not yet benefitted from this expenditure. 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

To facilitate the purchase of TWS, CWC secured a new credit facility of $69 million consisting of a committed revolving facility of $40 million and a $29 million committed tern facility with a maturity date of April 30, 2014, both of which replaced prior credit facilities of the Company. 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 until 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. Of the available revolving facility, $28 million has been used to pay for the acquisition of TWS with the balance paid from cash on hand. The term facility requires principal payments of $500,000 per month plus interest through April 2012 at which time payments increase to $750,000 per month plus interest until April 2013 and interest payments only during the final year with the balance due April 30, 2014. The term facility bears interest at 7.42%. Under the terms of the credit facilities, the Company is required to comply with certain financial covenants. As of June 30, 2011, the Company is in compliance with the financial covenants under the credit facility and CWC does not anticipate any restrictions in its ability to fund its ongoing operating, investing or financing activities.

Shareholders' equity

Shareholder's equity on June 30, 2011 was $91.2 million (June 30, 2010 - $88.9 million), an increase of $2.3 million. As of June 30, 2011 the Company had 156,744,422 common shares outstanding. A further 244,500 shares were purchased under the Normal Course Issuer Bid ("NCIB") in July resulting in 156,499,922 shares issued and outstanding on August 15, 2011. As at June 30, 2011 and August 15, 2011 the Company has 8,696,125 stock options outstanding.

Debt to equity

Debt to equity increased to 0.6:1 as at June 30, 2011 (June 30, 2010 – 0.32:1) as a result of the additional debt secured to complete the acquisition of TWS.

Capital expenditures

Capital expenditures for Q2 2011 consisted principally of $38 million for service rigs and related support equipment acquired from TWS. As a result of improved fundamentals in the oilfield services sector management and the board of directors have expanded the 2011 capital expenditure budget by approx. $2.7 million which include the conversion of an additional 2 inch Class III coil tubing service rig capable of depths to 4000m to address increasing demand for this equipment as well as some additional infrastructure support projects and equipment for well servicing.

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 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 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 2011, the Company is committed to monthly principal payments of $500,000, increasing to $750,000 commencing April 2012, 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 and finance the growth capital of the Company.

During the second quarter of 2011, management entered into two additional lease contracts. The first commenced July 1, 2011, is for a five year term and the annual amount of rent under the agreement is $320,000 per year. The second lease was assumed as part of the purchase of TWS on June 15, 2011, and is for the property in Lloydminster, Alberta. Under the terms of this lease the Company is committed to monthly rental payments and operating costs of approximately $8,500 per month until August 31, 2013.

Outlook

The first half of 2011 reflected the strength of the Company's business with substantial year over year revenue and EBITDAS increases. Business fundamentals remain positive and we continue to see strong demand from customers in all of our operations. Oil prices continued to rise in the first half of 2011 and have only recently softened, albeit still at levels well in excess of a year ago, supporting continued investment in exploration and production activities.

Equipment utilization in our Well Servicing segment was strong through the first half of 2011. CWC is focusing its Well Servicing fleet on oil-related activities and has strategically 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 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 and heavy oil operations in the Lloydminster area. Oil wells are generally more service intensive than gas wells and require service rigs in many cases for these services. The acquisition of 22 service rigs from TWS has positioned the Company well to meet the shifting focus of our customers to oil and liquids-rich natural gas and take advantage of improved market conditions which we expect to continue for the balance of 2011.

CWC's core business is Well Servicing. We remain focused on what we do well and draw upon these strengths to provide best-in-class services to our customers. Supporting this core business is our Other Oilfield Service offerings of snubbing, nitrogen and well testing. We continue to evaluate opportunities to grow the Well Servicing division through a disciplined approach, requiring that the potential target must meet our strict financial and operational criteria.

International Financial Reporting Standards

CWC began reporting its financial results in accordance with IFRS on January 1, 2011, the changeover date set by the Canadian Accounting Standards Board (AcSB). IFRS compliance comparative financial information for one year from the changeover date is required including the conversion of the January 1, 2010 opening statement of financial position, the transition date for IFRS.

For the six months ended June 30, 2010, the Company restated its operating results as if it had always prepared financial results in accordance with IFRS. As a result of impairment in certain Cash Generating Units ("CGU"s) on transition, depreciation expense for the six months ended June 30, 2010 decreased by $0.3 million over the amount previously reported. As a result of the reclassification of operating leases to finance leases, there were insignificant increases to depreciation and interest expense, offset by a reduction in direct operating expenses. As a result of the changes in the timing and valuation of share based compensation, there was a decrease of $0.2 million over the amount previously reported.

Future Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company. As of January 1, 2013, CWC will be required to adopt IFRS 9, "Financial Instruments", which is the result of the first phase of the IASB's project to

replace IAS39, “Financial Instruments: Recognition and Measurement”. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The effect of the adoption of the standard on CWC’s financial statements is not currently determinable.

During the six months ended June 30, 2011, the IASB issued the following new and amended standards: IFRS 10, *Consolidated Financial Statements* (IFRS 10), IFRS 11, *Joint Arrangements* (IFRS 11), IFRS 12, *Disclosure of Interests in Other Entities* (IFRS 12), IAS 27, *Separate Financial Statements* (IAS 27), IFRS 13, *Fair Value Measurement* (IFRS 13), IAS 28, *Investments in Associates and Joint Ventures* (IAS 28), IAS 1, *Presentation of Financial Statements* (IAS 1) and IAS 19, *Employee Benefits* (IAS 19). None of these standards have been adopted by the Company at present. Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the requirements.

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 May 10, 2011 which is available under the Company’s profile at www.sedar.com.

Reconciliation of Non-IFRS Measures

$ thousands	THREE MONTHS ENDED JUNE 30, 2011	2010	SIX MONTHS ENDED JUNE 30, 2011	2010
NON-IFRS MEASURES				
[1] EBITDAS:				
Net income (loss)	(2,956)	(3,229)	1,329	(3,706)
Add:				
Depreciation	2,920	2,651	6,279	5,780
Finance costs	938	703	1,585	1,783
Stock based compensation	316	239	466	366
Loss (gain) on sale of equipment	41	(78)	35	(78)
Unrealized loss (gain) on marketable securities	10	(31)	15	(38)
EBITDAS	1,269	255	9,709	4,107
[2] Funds from (used in) operations:				
Cash flows from (used in) operating activities	11,040	6,893	15,929	5,883
Less:				
Change in non-cash working capital	9,772	6,647	6,222	1,787
Funds from (used in) operations:	1,268	246	9,707	4,096
[3] Gross margin:				
Revenue	12,987	9,254	42,290	29,376
Less:				
Operating expenses	(9,205)	(6,412)	(26,863)	(19,539)
Gross margin	3,782	2,842	15,427	9,837

	JUNE 30, 2011	DECEMBER 31, 2010
[4] Working capital (excluding debt):		
Current Assets	16,074	23,042
Less: Current Liabilities	(12,741)	(11,861)
Add: Current portion of long-term debt	6,868	4,609
Working capital (excluding debt)	10,201	15,790

Notes 1 to 4 - See next page for detailed explanations of Non-IFRS measures

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 recognized measures 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 operations and funds from operations per share are not recognized measures under IFRS. Management believes that in addition to cash flow from operations, funds from 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 operations should not be construed as an alternative to cash flow from operations determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating funds from operations may differ from other entities and accordingly, funds from operations may not be comparable to measures used by other entities. Funds from operations is equal to cash flow from 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 income (loss) as Revenue less direct operating costs 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.*

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

Acting Corporate Secretary

James L. Kidd
Burnet, Duckworth & Palmer LLP

Auditors

KPMG LLP

Bankers

ATB Financial

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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