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

Management's Discussion and Analysis ("MD&A") is a review of the results of operations and liquidity and capital resources of CWC Energy Services Corp. (unless the context indicates otherwise, a reference in this MD&A to "CWC", the "Company", "we", "us", or "our" means CWC Energy Services Corp.). The following discussion and analysis provided by CWC is dated May 13, 2015 and should be read in conjunction with unaudited condensed interim financial statements for the three months ended March 31, 2015, the audited annual financial statements for the year ended December 31, 2014 ("Annual Financial Statements"), the annual management's discussion and analysis for the year ended December 31, 2014 ("Annual MD&A"). Additional information regarding CWC can be found in the Company's latest Annual Information Form ("AIF"). The condensed interim financial statements are prepared in accordance with IFRS and IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. All amounts are expressed in Canadian dollars unless otherwise noted. Additional information relating to CWC, including the AIF, is available on SEDAR at www.sedar.com.

Highlights for the Three Months Ended March 31, 2015

- Revenue of $27.8 million was 27% lower compared to $38.4 million in Q1 2014. The revenue decrease is primarily due to lower activity levels and utilization along with customer rate reductions beginning in January 2015 as a result of a global oversupply of oil and corresponding collapse in oil prices of greater than 50%.

- Drilling rig utilization of 44% was 10% higher than the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 34% in Q1 2015. Service rig utilization was 29% in Q1 2015 compared to 61% in Q1 2014 resulting from reduced activity levels by customers, road ban restrictions due to warm weather conditions in late January 2015 and an extremely early spring breakup which began in early March 2015.

- EBITDAS[(1)] of $5.3 million was 44% lower compared to $9.4 million in Q1 2014. The EBITDAS decrease is a direct result of the lower activity levels and utilization along with customer rate reductions resulting in lower revenue and consequently EBITDAS.

- Net income of $38,000 was $3.2 million lower compared to $3.2 million in Q1 2014.

- The Company implemented several cash saving initiatives to preserve cash resources and maintain balance sheet strength as well as retaining our most valuable asset – our key employees. Cash saving initiatives totaling $25.5 million are anticipated to reduce full year direct operating expenses by $1.9 million, selling and administrative expenses by $2.4 million, capital expenditures by $3.8 million and cash dividends by $17.4 million. The Company incurred approximately $0.3 million in severance costs related to layoffs in Q1 2015.

- The Company currently has a Dividend Reinvestment Plan ("DRIP") and a Stock Dividend Program ("SDP") in place. Holders of approximately 72% of outstanding common shares elected to participate in the DRIP or SDP for the March 31, 2015 dividend.

- The Company amended its credit agreement with its banking syndicate to relax the financial covenants for Consolidated Debt to Consolidated EBITDA ratio to 3.5:1 for the quarters ending December 31, 2015 and March 31, 2016, reducing to 3.25:1 for quarters ending June 30, 2016 and September 30, 2016 and returning to 3.0:1 thereafter. At March 31, 2015 the Company's Consolidated Debt to Consolidated EBITDA ratio is 1.9:1. Other debt covenants remain unchanged.

(1) Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.

Corporate Overview

CWC Energy Services Corp. is a premier contract drilling and well servicing company operating in the Western Canadian Sedimentary Basin ("WCSB") with a complementary suite of oilfield services including drilling rigs, service rigs and coil tubing. The Company's corporate office is located in Calgary, Alberta, with operational locations in Nisku, Grande Prairie, Slave Lake, Red Deer, Lloydminster, Provost and Brooks, Alberta and Weyburn, Saskatchewan. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

Financial and Operational Highlights

$ thousands, except shares, per share amounts, and margins	Three months ended March 31, 2015	2014	% Change
FINANCIAL RESULTS			
Revenue			
Contract drilling[1]	10,973	-	n/m[3]
Production services	16,857	38,373	(56%)
	27,830	38,373	(27%)
EBITDAS [2]	5,254	9,383	(44%)
EBITDAS margin (%) [2]	19%	24%	(5%)
Funds from operations [2]	5,254	9,383	(44%)
Net income	38	3,245	(99%)
Net income margin (%)	0%	8%	(8%)
Dividends declared	1,421	2,638	(46%)
Per share information			
Weighted average number of shares outstanding – basic	277,658,060	155,345,399	
Weighted average number of shares outstanding – diluted	279,649,105	160,463,190	
EBITDAS [2] per share – basic and diluted	$0.02	$0.06	
Net income per share - basic and diluted	$0.00	$0.02	
Dividends declared per share	$0.005	$0.01625	

$ thousands, except ratios	March 31, 2015	December 31, 2014
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) [2]	11,661	20,603
Working capital (excluding debt) ratio [2]	2.2:1	2.2:1
Total assets	258,835	275,353
Total long-term debt (including current portion)	55,096	65,666
Shareholders' equity	174,925	172,705

[1] CWC entered into the contract drilling business on May 15, 2014, through the acquisition of Ironhand and results are included May 16, 2014 onward.

[2] Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.

[3] Not meaningful.

Working capital (excluding debt) and total assets have decreased since December 31, 2014 from collection of accounts receivables combined with lower sales revenue in Q1 2015 than in Q4 2014. Long term debt (including current portion) has decreased as accounts receivable collection exceeded capital expenditures, interest and dividends in the quarter.

Shareholders' equity has increased since December 31, 2014 due to common shares issued under the DRIP and SDP offset by $1.4 million in dividend payments.

Operational Overview

The acquisition of Ironhand Drilling Inc. ("Ironhand") on May 15, 2014 resulted in the aggregation of the well servicing and other oilfield services segments into the Production Services segment, as this acquisition shifted the Company's internal financial reporting and operational management structure. Management concluded that the well servicing and other oilfield services segments share similar economic characteristics and are also similar in other respects in accordance with IFRS 8.12.

Contract Drilling

Ironhand was acquired on May 15, 2014 and renamed CWC Ironhand Drilling representing our Contract Drilling segment. Our Contract Drilling segment has a fleet of nine telescopic double drilling rigs with depth ratings from 3,200 to 4,500 metres, eight of nine rigs have top drives and the rig fleet has an average age of six years. All of the drilling rigs are well suited for the most active depths for horizontal drilling in the WCSB, including the Montney, Duvernay, Cardium and other deep basin horizons.

OPERATING HIGHLIGHTS	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014[4]
Drilling Rigs				
Number of drilling rigs [1]	9	9	9	8
Revenue per operating day [2]	$30,553	$29,305	$27,715	$30,258
Drilling rig operating days	359	693	551	107
Drilling rig utilization % [3]	44%	84%	75%	29%
CAODC industry average utilization rate	34%	45%	46%	26%[5]

[1] Number of drilling rigs at the end of the period.
[2] Revenue per operating day is calculated based on operating days (i.e. spud to rig release basis). New drilling rigs are added based on the first day of field service.
[3] Drilling rig utilization is calculated based on operating days (i.e. spud to rig release basis) in accordance with the methodology prescribed by the CAODC.
[4] CWC entered into the contract drilling business on May 15, 2014, results are included May 16, 2014 onward.
[5] Calculated based on including 15 days of May which was 20% utilization and the month of Jun which was 29% as reported by the CAODC.

Contract Drilling revenue of $11.0 million was achieved with a utilization rate of 44%, 10% higher than the CAODC industry average of 34% for the same period. While drilling activity levels would normally be expected to be higher in Q1, the global oversupply of oil and corresponding collapse in oil prices of greater than 50% led our exploration and production (“E&P”) customers to choose to reduce drilling, completions and production maintenance programs to conserve their cash resources until commodity prices recover. In addition, an unusually warm winter has resulted in an early start to spring breakup beginning in early March 2015, which lowered revenue, EBITDAS and funds from operations in Q1 2015 for the Contract Drilling segment.

Production Services

CWC is the fourth largest service rig provider in the WCSB, having a modern fleet of 73 service rigs as at March 31, 2015. The Company’s service rig fleet consists of 41 singles, 27 doubles, and 5 slant rigs. CWC’s fleet is amongst the newest in the WCSB. Rig services include completions, maintenance, workovers and abandonments with depth ratings from 1,500 to 5,000 metres.

CWC’s Class I, II and III coil tubing units have depth ratings from 1,500 to 4,000 metres. As at March 31, 2015, the Company’s fleet of nine coil tubing units consists of five Class I, three Class II and one Class III coil tubing units. The market for the Class III deep coil tubing unit has become extremely competitive with an increased supply of new deep coil tubing units over the last several years having an adverse affect on industry utilization and pricing. In light of these competitive challenges for CWC’s one Class III coil tubing unit, the Company has chosen to focus its sales and operational efforts on its eight Class I and II coil tubing units which are better suited at servicing steam-assisted gravity drainage ("SAGD") wells, which are shallower in depth and more appropriate for these coil tubing units.

OPERATING HIGHLIGHTS	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013
	Three months ended							
Service Rigs								
Number of units [1]	73	72	71	71	71	71	71	69
Operating hours	16,580	28,644	26,354	20,399	37,652	33,828	32,190	17,700
Revenue per hour	$769	$790	$756	$752	$820	$786	$755	$746
Utilization % [2]	29%	45%	42%	33%	61%	52%	51%	29%
Coil Tubing Units								
Number of units [1]	9	9	9	7	8	8	8	8
Operating hours	4,351	2,631	2,056	1,403	4,600	2,106	1,833	1,045
Revenue per hour	$885	$825	$894	$784	$967	$1,129	$1,074	$1,107
Utilization % [3]	60%	32%	29%	22%	64%	29%	25%	14%

(1) Number of units at the end of the period – includes units which are out of service for recertification, refurbishment or otherwise unavailable in the period.

(2) Service rig utilization is calculated based on 10 hours a day, 365 days a year. New service rigs are added based on the first day of field service. Service rigs requiring their 24,000 hour recertification, refurbishment or have been otherwise removed from service for greater than 90 days are excluded from the utilization calculation until their first day back in field service.

(3) Coil tubing unit utilization is calculated based on 10 hours a day, 365 days a year. New coil tubing units are added based on the first day of field service.

Production Services revenue was $16.9 million, down $21.5 million (56%) from the prior year period. Service rig revenue was severely impacted by a reduction in activity levels to 29% compared to 61% in Q1 2014 and a 6% reduction in hourly rates compared to the prior period as E&P customers asked for and were given significant pricing reductions to help them become more competitive in a lower commodity price environment. In addition, an unusually warm winter led to road ban restrictions occurring in late January 2015 and an extremely early spring breakup beginning in early March 2015, which resulted in the significantly reduced revenue, EBITDAS and funds from operations. Coil tubing utilization of 60% compared to 64% in Q1 2014 continued to be relatively strong as its focus on production work on shallower SAGD wells was resilient in the current low commodity price environment. The 8% decrease in the coil tubing units' average hourly rate is a function of shallower Class I and II unit work in Q1 2015 compared to Q1 2014 as opposed to lower pricing pressure from CWC's customers. In September 2014, CWC sold its Snubbing assets and business which contributed Q1 2014 revenue of $2.3 million and EBITDAS of $0.8 million with no corresponding amounts in Q1 2015. In March 2015, CWC suspended its non-core Well Testing business indefinitely, which contributed Q1 2015 revenue of $0.3 million and EBITDAS of $(0.2 million) compared to Q1 2014 revenue of $1.0 million and EBITDAS of $0.1 million.

The Company completed, but has yet to put into service, one new slant service rig (Rig #505) during Q1 2015. A second new slant service rig (Rig #506) is expected to be completed in Q2 2015. The addition of these two new slant service rigs will help CWC establish a greater market presence with a total of six slant service rigs capable of servicing the growing number of heavy oil and SAGD wells.

Outlook

The continuing volatility of commodity prices since June 2014 has resulted in significant reductions to the capital and operating budgets of our E&P customers, which in turn has resulted in a more competitive environment for oilfield services and correspondingly rate reductions for our drilling rigs, service rigs and coil tubing unit services. In April 2015, the Petroleum Services Association of Canada ("PSAC") released its mid year forecast announcing a 47% drop from its original 2015 forecast released in October 2014. The updated forecast of 5,230 wells drilled (rig releases) across Canada is based on crude oil prices of US$53/barrel (WTI), natural gas prices of Cdn$2.50/mcf (AECO) and a U.S. dollar to Canadian dollar exchange rate of $0.77. In addition, uncertainty over a potential royalty review and increases to corporate income tax rates by the newly elected Alberta NDP government may have an effect on short-term and long-term investments by our E&P customers and activity levels at CWC.

Not unlike previous industry downturns, the timing and magnitude of an oil and/or natural gas price improvement is difficult to forecast. CWC has prepared for the possibility that any meaningful improvement to commodity prices and activity levels will occur beyond 2015. However in May 2015 oil prices have increased to approximately US$60/barrel (WTI) as U.S. and Canadian drilling rig counts and shale oil production has declined. In addition, analysts forecast that U.S. refineries are expected to be running at full capacity throughout the summer months. CWC is optimistic of the opportunities this may present in the short-term.

CWC expects a prolonged spring breakup as our E&P customers continue to monitor and assess their plans for drilling, completions, production maintenance and abandonments for the remainder of 2015. As a result, activity levels throughout the oilfield services industry for the remainder of 2015 are expected to be significantly lower than 2014. Lower activity and pricing pressure in 2015 is expected to negatively impact CWC's revenue, EBITDAS and funds from operations. In Q1 2015, CWC implemented several cash saving initiatives aimed at preserving our cash resources and maintaining our balance sheet strength as well as retaining our most valuable asset – our key employees. The Company believes these cash saving initiatives are necessary to maneuver CWC through these choppy industry conditions. CWC also has significant tax pools to shelter corporate income taxes and does not expect to pay cash taxes until 2018.

Discussion of Financial Results

	Three months ended March 31,			
$ thousands	**2015**	**2014**	**$ Change**	**% Change**
Revenue				
Contract drilling [1]	10,973	-	10,973	n/m[3]
Production services	16,857	38,373	(21,516)	(56%)
	27,830	38,373	(10,543)	(27%)
Direct operating expenses				
Contract drilling	6,240	-	6,240	n/m[3]
Production services	11,979	24,863	(12,884)	(52%)
	18,219	24,863	(6,644)	(27%)
Gross margin [2]				
Contract drilling	4,733	-	4,733	n/m[3]
Production services	4,878	13,510	(8,632)	(64%)
	9,611	13,510	(3,899)	(29%)
Gross margin percentage [2]				
Contract drilling	43%	-	n/a	43%
Production services	29%	35%	n/a	(6%)
	35%	35%	n/a	-

[1] CWC entered into the contract drilling business on May 15, 2014, through the acquisition of Ironhand and results are included May 16, 2014 onward.
[2] Please refer to the “Reconciliation of Non-IFRS Measures” section for further information.
[3] Not meaningful.

Revenue

Q1 2015 revenue declined year over year by $10.5 million as an increase of $11.0 million from Contract Drilling offset a $21.5 million decrease in Production Services revenue. The increase in revenue from Contract Drilling is a result of the acquisition of Ironhand in May 2014. Both Contract Drilling and Production Services segments experienced reduced utilization and pressure on day and hourly rates resulting in lower than anticipated revenue in both segments consistent with declines seen throughout the industry.

Many direct operating expenses are variable in nature and increase or decrease with activity levels such that changes in operating costs generally correspond to changes in revenue or activity levels. Labour is the largest cost incurred by the Company, the majority related to field operating employees and, as such, variable in nature. There is however, a portion of our labour costs which are fixed and do not generally reduce, even in periods of lower activity. This has led to the reduction in Production Services segment gross margin percentage from 35% in Q1 2014 to 29% in Q1 2015.

Selling and Administrative Expenses

	Three months ended March 31,			
$ thousands	**2015**	**2014**	**$ Change**	**% Change**
Selling and administrative expenses	4,357	4,127	230	6%

Q1 2015 selling and administrative expenses of $4.4 million are 6% higher than Q1 2014. The increase of $0.2 million is a result of $0.6 million increase associated with the Contract Drilling segment where there are no comparable 2014 expenses, one-time severance costs $0.3 million for salaried and field staff reductions and $0.2 million in increased bad debt expense. These were partially offset by the impact of cash savings initiatives undertaken in 2015, including the voluntary salary reductions by senior management, cash savings from layoffs and elimination of bonus accruals. Selling and administrative expenses in future quarters are anticipated to benefit from layoffs and salary reductions. Most selling and administrative expenses, such as building and office rent, and office staff salaries are fixed in nature and not subject to significant fluctuation

on a quarterly basis. Other costs such as professional and legal fees can fluctuate depending on specific services received in the period.

EBITDAS

$ thousands	Three months ended March 31, 2015	2014	$ Change	% Change
EBITDAS [1]				
Contract drilling	4,120	-	4,120	n/m[2]
Production services	3,232	12,073	(8,841)	(73%)
Corporate	(2,098)	(2,690)	592	(22%)
	5,254	9,383	(4,129)	(44%)
EBITDAS margin (%) [1]	19%	24%	n/a	(5%)

(1) Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.
(2) Not meaningful

Management uses EBITDAS as a measure of the cash flow generated by the Company. Positive EBITDAS provides the cash flow needed to grow our business through purchase of new equipment or business acquisitions, maintain the dividend, repurchase outstanding common shares under a NCIB, and service and reduce outstanding long-term debt.

EBITDAS for Q1 2015 was $5.3 million in comparison to $9.4 million in Q1 2014. The $4.1 million decrease year over year is a result of $4.1 million from the Company's newly acquired Contract Drilling division which was offset by an $8.2 million year over year decrease in the Production Services and Corporate segments. The decrease in the Production Services segment is due to declining utilization. Corporate costs decreased as a result of cash saving initiatives implemented early in 2015.

Stock-Based Compensation

$ thousands	Three months ended March 31, 2015	2014	$ Change	% Change
Stock based compensation	323	280	43	15%

Stock based compensation is primarily a function of the outstanding stock options and restricted share units ("RSUs") being expensed over their vesting term. As a generalization, a higher trading price for our common shares will increase the value of stock options and RSUs at their grant date which is the value used for expensing stock based compensation. The year over year increase in annual stock based compensation expense is a result stock options and RSU granted in May and December of 2014 at $1.04 per share and $0.45 per share, respectively.

Finance Costs

$ thousands	Three months ended March 31, 2015	2014	$ Change	% Change
Finance costs	574	443	131	30%

Finance costs for Q1 2015 increased by $0.1 million as a result of total debt being higher at March 31, 2015, $55.1 million, compared to $43.5 million at March 31, 2014, offset by a reduction in rates negotiated by the Company under the facility that was amended on May 15, 2014. Effective March 31, 2015, the applicable rates under the revolving debt facility are: bank prime rate plus 1.0%, bankers acceptances rate plus a stamping fee of 2.0% and a standby fee rate of 0.45%.

Depreciation

$ thousands	Three months ended March 31, 2015	2014	$ Change	% Change
Depreciation				
Contract drilling	1,320	-	1,320	n/m[1]
Production services	2,771	4,140	(1,369)	(33%)
Corporate	93	125	(32)	(26%)
	4,184	4,265	(81)	(2%)

(1) Not meaningful

Depreciation for drilling rigs and service rigs are based on hours of work. There can be significant variation in the historical cost basis for our service rigs based on type of rig and our newest service rigs, which have the highest cost and depreciation rate per hour and typically have higher utilization. Coil tubing units are depreciated straight line resulting in consistent depreciation expense regardless of utilization or hours of use.

Depreciation in Q1 2015 of $4.2 million is relatively unchanged from Q1 2014 as a result of $1.3 million in depreciation related to the newly acquired Contract Drilling segment with no corresponding depreciation expense in the prior year quarter offset by a $1.4 million decrease in the Production Services segment as a result of lower activity levels for the service rigs in Q1 2015 compared to Q1 2014.

Loss on Disposal of Equipment

	Three months ended March 31,			
$ thousands	2015	2014	$ Change	% Change
Loss on disposal of equipment	35	-	35	n/m[1]

[1] Not meaningful

Management continually monitors the asset mix and equipment needs and invests and divests assets as needed to optimize our operations. During Q1 2015, the loss on disposal of equipment was the result of the sale of two pieces of equipment resulting in proceeds on sale of $0.1million.

Income Taxes

	Three months ended March 31,	
$ thousands	2015	2014
Net income before income taxes	138	4,395
Deferred income tax expense	100	1,150
Deferred income tax expense as a % of net income before income taxes	72%	26%
Expected statutory income tax rate	25%	25%

Income taxes are a function of taxable income and are calculated differently than accounting income. Differences between accounting income and taxable income include such things as the non-taxable portion of capital gains, the non-deductible portion of capital losses, items which are not deductible for income tax purposes such as gains or losses on disposal of fixed assets, stock based compensation, differences between income tax estimates and actual tax filings, goodwill impairment, and other differences. Additionally, the recognition or de-recognition of certain tax credits or pool balances can occur based on the assessment of the ability of the Corporation to realize the benefits of such tax balances or credits in the future. The difference between the actual income tax rate and the expected income tax rate in both the current year and prior year periods is due to these types of items. 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 until 2018.

Net Income and Comprehensive Income

	Three months ended March 31,			
$ thousands	2015	2014	$ Change	% Change
Net income and comprehensive income	38	3,245	(3,207)	(99%)

Net income and comprehensive income decreased $3.2 million year over year as a result of reduced operating activities in Production Services and $0.3 million in severance costs related to employee layoffs and $0.2 million in bad debt expense. This is offset by net income contributed by the Contract Drilling segment.

Liquidity and Capital Resources

The Company's liquidity needs in the short-term and long-term can be sourced in several ways including: funds from operations, borrowing against existing debt credit facilities, new debt instruments, equity issuances and proceeds from the sale of assets. Cash inflows are used to repay outstanding amounts on the Company's debt credit facility, fund capital requirements and pay dividends. At March 31, 2015, the Company's $100 million credit facility, which does not mature until June 21, 2017, has approximately $44.9 million undrawn.

During Q1 2015, the Company had operating cash flows of $17.5 million. Of the $17.5 million in operating cash flows, $4.9 million was used to fund capital expenditures net of proceeds on disposition, $10.9 million was paid to reduce the outstanding debt, pay interest and $1.5 million was paid to shareholders in the form of cash dividends.

As at March 31, 2015 the Company had positive working capital excluding debt of $11.7 million (Please refer to the "Reconciliation of Non-IFRS Measures" section for further information).

The current industry slowdown in activity combined with the increased pressure to reduce day and hourly rates from E&P customers has reduced the Company's projections regarding operating cash flows for 2015. As a result, the Company instituted cash saving initiatives beginning Q1 2015 intended to result in 2015 year over year cash savings totaling $25.5 million consisting of the following:

- reductions to the compensation of the Board of Directors and senior management of 9%;
- salary reductions to all employees of 4%;
- staff reductions of 15% of salaried employees and 5% of field employees;
- suspension of profit share and bonus programs for all employees;
- reduction of the 2015 capital expenditure budget by 26%; and,
- implementation of the DRIP and SDP with 72% shareholder participation combined with a reduction of the quarterly dividend for March 31, 2015 to $0.005 per common share.

At March 31, 2015, CWC's Consolidated Debt to trailing 12 month EBITDA ratio was 1.9:1 with a debt covenant limit of 3.0:1. In response to the expected drop in CWC's EBITDA for 2015 and 2016, our banking syndicate has agreed to relax our financial covenants for Consolidated Debt to EBITDA ratio from 3.0:1 to 3.5:1 for the quarters ending December 31, 2015 and March 31, 2016, reducing to 3.25:1 for quarters ending June 30, 2016 and September 30, 2016 and returning to 3.0:1 thereafter. Other debt covenants remain unchanged.

As funds from operations are expected to decline during the current downturn, the Company has focused on cash saving initiatives outlined above including, a reduction of capital expenditures and reduction of dividends paid to shareholders. The Company has taken significant and immediate steps to ensure the Company has sufficient liquidity to cover future financial obligations.

Capital Requirements:

Over the past four years the Company has been increasing its asset base of drilling rigs and service rigs. Given the Company's relatively young fleet of equipment many capital expenditures are discretionary in nature and are incurred with a view to increase the size and revenue generating capacity of the business as opposed to being required in order to maintain the current business operations. In 2014, the Company initiated a plan that would result in spending approximately $3.0 million annually over the next several years to recertify the oldest of its service rigs due for their Level IV recertification. With the current downturn the Company has decided to delay the program to preserve cash flows. Because these recertifications are based on hours of service, the reduced activity currently being experienced in 2015 will prolong the time before recertification is required. Once utilizations return to normal, the program will be reinstated to ensure the effective management of the Company's cash flows as well as ensure that future operations are not negatively impacted by rigs "houring out". As at March 31, 2015, the Company has capital spending plans as noted in the section titled "Capital Expenditures". Additional discretionary capital expenditures will be required in order to continue to grow the Company's assets and revenue in the future. It is anticipated future cash requirements for capital expenditures will be met through a combination of funds generated from operations and bank debt from the Company's existing credit facility 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 favourable 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.

Common Shares, Outstanding Share Data, Dividends and Normal Course Issuer Bid

The following table summarizes outstanding share data and potentially dilutive securities:

	May 13, 2015	March 31, 2015	December 31, 2014
Common shares	284,596,136	279,075,330	270,762,224
Stock options	9,725,010	12,590,012	13,020,012
Restricted share units	1,990,000	1,990,000	2,065,000

During the Q1 2015, 30,000 stock options were exercised and 400,000 stock options and 75,000 RSU's were forfeited. Subsequent to Q1 2015, 2,100,002 stock options were exercised and 650,000 stock options expired.

On December 23, 2014, the Company introduced a DRIP and SDP as a prudent cash resource measure given the volatility and uncertainty in the oil price environment. Eligible shareholders may elect to participate in the DRIP or SDP. Participation in the DRIP or the SDP is optional and will not affect shareholders' cash dividends unless they elect to participate in the DRIP or

SDP. The adoption of the DRIP and SDP provides CWC with additional cash resources while ensuring that it continues to maintain its balance sheet flexibility allowing for the payment of a cash or stock dividend. Shares issued under the DRIP and SDP have a dilutive effect to shareholders that elect to receive a cash dividend.

Since the introduction of the DRIP and SDP on December 23, 2014, the following shares have been issued under the respective plans:

	April 15, 2015	January 15, 2015
Dividend declared per common shares	$0.005	$0.01750
Common shares issued under DRIP	3,275,513	7,982,080
Common shares issued under SDP	145,291	301,026
% of dividend settled through the issuance of shares	72.1%	69.2%
Cash savings (in thousands)	$ 1,006	$ 3,281

The following table summarizes dividends declared or paid since December 31, 2013:

Declaration Date	Record Date	Payment Date	Dividend per Common Share
March 5, 2014	March 31, 2014	April 15, 2014	$0.01625
May 15, 2014	June 30, 2014	July 15, 2014	$0.01750
August 14, 2014	September 30, 2014	October 15, 2014	$0.01750
November 12, 2014	December 31, 2014	January 15, 2015	$0.01750
March 9, 2015	March 31, 2015	April 15, 2015	$0.00500
May 13, 2015	June 30, 2015	July 15, 2015	$0.00500

The declaration of dividends is determined on a quarter by quarter basis by the Board of Directors and is based on the sustainability of its cash flows and earnings in the future.

The Company renewed its NCIB effective May 22, 2014, to purchase from time to time, as it considered advisable, up to 13,520,411 of its issued and outstanding common shares through the facilities of the TSX Venture Exchange ("TSXV") or other recognized marketplaces. The price that the Company will pay for any common share under the NCIB will be the prevailing market price on the TSXV or such other recognized marketplace at the time of such purchase. During 2014, 1,145,000 common shares were purchased and returned to treasury and cancelled under the NCIB for total proceeds including commissions of $0.9 million. No purchases were made in Q1 2015. The NCIB expires on May 21, 2015 unless renewed.

Capital Expenditures

	Three months ended March 31,		
$ thousands	2015	2014	% Change
Contract drilling	1,770	-	n/m [1]
Production services	3,241	3,041	7%
Total capital expenditure	5,011	3,041	65%
Growth capital	3,832	1,287	198%
Maintenance and infrastructure capital	1,180	1,754	(33%)
Total capital expenditure	5,011	3,041	65%

[1] Not meaningful.

On March 9, 2015, the Board of Directors announced a revised 2015 capital expenditure budget of $10.8 million, comprised of $6.1 million of growth capital and $4.7 million of maintenance and infrastructure capital. The growth capital of $6.1 million is primarily directed at completing two new slant service rigs and supporting equipment to expand our growth in heavy oil and SAGD wells with Rig #505 being delivered in January 2015 and Rig #506 expected to be delivered in Q2 2015. Maintenance capital of $4.7 million will primarily be directed at a walking system for drilling rig #3, drilling and service rig recertification costs and upgrades or additions to field equipment for the service rig and coil tubing divisions and information technology infrastructure.

Commitments and Contractual Obligations

Under the terms of the Company's amended credit facility, the Bank Loan is due in full on June 21, 2017. The Company is committed to payments of interest and bank charges until June 21, 2017. There have been no significant changes in commitments or contractual obligations since December 31, 2014. Management believes that, despite the lower activity levels anticipated for its services combined with the cash saving initiatives planned for 2015, there will be sufficient cash flows generated from operations to service the interest on the debt, finance the required maintenance capital of the Company and maintain a dividend payment to its shareholders.

Summary and Analysis of Quarterly Data

$ thousands, except per share amounts	2015	2014				2013		
Three months ended	March 31	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	June 30
Revenue	27,830	45,959	38,846	20,488	38,373	31,515	28,559	14,845
EBITDAS	5,254	13,540	9,886	1,176	9,456	7,598	7,578	(269)
Net income (loss)	38	(15,760)	2,246	(3,182)	3,245	2,196	1,629	(3,844)
Net income (loss) per share: basic and diluted	0.00	(0.06)	0.01	(0.01)	0.02	0.01	0.01	(0.02)
Total assets	258,835	275,353	288,011	277,679	151,661	148,999	150,522	144,604
Total long-term debt	55,096	65,666	60,313	51,324	43,547	44,009	46,225	42,279
Shareholders' equity	174,925	172,705	193,151	195,851	92,202	91,344	91,537	92,440

The table above summarizes CWC's quarterly results for the previous eight financial quarters. All of CWC's operations are carried out in western Canada. The second quarter is typically expected to be the weakest financial and operating quarter for the Company due to ground conditions being impacted by spring breakup. The ability to move heavy equipment in the Canadian crude oil and natural gas fields is dependent on weather conditions. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out. The duration of this spring breakup has a direct impact on the Company's activity levels. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen enough to support equipment. As a result, late March through May is traditionally the Company's slowest time, and as such the revenue, operating costs, and financial results of the Company will vary on a quarterly basis.

Through the eight quarters presented, the amount of revenue and net income (loss), adjusted for the effects of seasonality have fluctuated primarily due to changes in the utilization of our equipment generally and the increase in the number of drilling rigs, service rigs and coil tubing units over the period as detailed in the section titled "Operational Overview".

Other significant impacts have been a result of:

- Q1 2015 was impacted by the global oversupply of oil and the 2014 decision by OPEC not to curtail production which resulted in significant decreases in customer activity and revenue in both Contract Drilling and Production Services. Decreases in rates were demanded by E&P customers which further impacted revenue negatively. The result was a 27% and 44% decline in revenue and EBITDAS respectively, year over year;
- Q4 2014 represented another record revenue quarter for CWC since the Company's inception. The Contract Drilling segment, acquired in the second quarter of 2014 represented 44% of the Company's Q4 revenue;
- Q4 2014 saw revenue in the Production Services segment decline on a year over year basis by 19%. Of the $5.9 million decrease in revenue, $1.9 million is a result of a decrease in the snubbing assets and business as it was sold in Q3 2014 with the remaining $4.0 million decline in revenue a result of reduced activity level with several of CWC's largest E&P customers. Q4 2014 service rig utilization declined by 7% compared to Q4 2013;
- Q4 2014 net loss includes $20.9 million of goodwill impairment. Goodwill arose on the purchase of Ironhand in Q2 2014. At the time of purchase, the current economic downturn had not yet emerged and all indications were that CWC would continue to grow the Contract Drilling segment with the completion of Rig #9 and building an additional Rig #10 in 2015. In Q1 2015, revised predictions of lower drilling activity were released by CAODC and PSAC and analysts were predicting that 2015 would be a significantly challenging year for oilfield service companies. Although the Company anticipates the decline in the Contract Drilling segment revenue to be less than others in the industry, the anticipated decline was sufficient to indicate an impairment to Goodwill;

- Q3 2014 represented the first full three month period with the Contract Drilling segment which represented 39% of the Company's Q3 revenue;
- Q3 2014 included a gain on disposal of equipment of $0.2 million in net income as a result of the sale of the snubbing assets and business;
- Q2 2014 increase to total assets and shareholders' equity reflects the acquisition of Ironhand and related equity financing. Ironhand was acquired for a total purchase consideration of $128.7 million.
- Q2 2014, $0.8 million in transaction costs were incurred relating to the acquisition of Ironhand;
- Q3 2013 included a $0.7 million impairment of a coil tubing unit not completed due to the manufacturer going into receivership;
- Q2 2013, an increase in the precipitation levels in the spring of 2013 led to a prolonged spring breakup compared to recent years resulting in a larger decline in seasonal activity levels than in previous years; and
- Q2 2013, $0.9 million of finance costs were incurred to terminate debt facilities prior to their expiry.

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 preparation of the financial statements requires that certain estimates and judgments be made with respect to the reported amounts of revenue and expenses and the carrying amounts of assets and liabilities. These estimates are based on historical experience and management's judgment. Anticipating future events involves uncertainty and consequently the estimates used by management in the preparation of the financial statements may change as future events unfold, additional experience is acquired or the Company's operating environment changes. In many cases the use of judgment is required to make estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Further details of the nature of these estimates and assumptions may be found in the relevant notes to the Annual Financial Statements and the interim unaudited financial statements for the three months ended March 31, 2015 and the section titled "Critical Accounting Estimates and Judgments" in the Annual MD&A. There have been no significant or material changes in the nature of critical accounting estimates and judgments since December 31, 2014.

New Accounting Pronouncements

A number of new standards, amendments to standards and interpretations have been issued by the IASB and are not yet effective for the year ended December 31, 2015. The new standards, amendments to standards and interpretations have not been applied in preparing these condensed interim financial statements. None of these are expected to have a significant effect on the annual financial statements, except for:

> IFRS 15, Revenue from Contracts with Customers, which provides guidance on revenue recognition and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. IFRS 15 was issued in May 2014 and applies to annual reporting periods beginning on or after January 1, 2017, with early adoption permitted under IFRS. The Company has not yet assessed the impact this standard will have on the financial statements.

CEO and CFO Certifications

The CEO and CFO of TSX Venture Exchange listed companies, such as CWC, are not required to certify they have designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Instead, an optional form of certification has been made available to TSX Venture Exchange listed companies and has been used by CWC's certifying officers for the March 31, 2015 interim filings. The certification reflects what the Company considers to be a more appropriate level of CEO and CFO certification given the size and nature of the Company's operations. This certification requires that the certifying officer's state:

- They have reviewed the interim financial report and MD&A;
- That, based on their knowledge, they have determined there is no untrue statement of a material fact, or any omission of material fact required to be stated which would make any statement not misleading in light of the circumstances under which it was made within the interim filings; and

- That based upon their knowledge, the interim filings, together with the other financial information included in the interim filings, fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date and for the periods presented in the interim filings.

Risks and Uncertainties

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 the risks discussed in this MD&A, other business risks faced by the Company may be found under "Risk Factors" in the Company's most recent Annual Information Form which is available under the Company's profile at www.sedar.com or by contacting the Company.

Forward-Looking Information

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 everything contained in the section titled "Outlook" and 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, planned level of capital expenditures, expectations as to changes in activity levels, expectations on the sustainability of future cash flow and earnings and the ability to pay dividends, expectations with respect to oil and natural gas prices and price levels necessary for increases in oil and natural gas activity levels, activity levels in various areas, continuing focus on cash saving measures, expectations regarding the level and type of drilling and production and related drilling and well services activity in the WCSB, expectations regarding entering into long term drilling contracts, 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 drilling and oilfield services sector (ie. demand, pricing and terms for oilfield drilling and 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, including the Ironhand Acquisition, 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. Any forward-looking statements made previously may be inaccurate now.

Reconciliation of Non-IFRS Measures

$ thousands except margin, share and per share amounts	Three months ended March 31, 2015	2014
NON-IFRS MEASURES		
EBITDAS:		
Net income	38	3,245
Add:		
Depreciation	4,184	4,265
Finance costs	574	443
Deferred income tax expense	100	1,150
Stock based compensation	323	280
Gain on sale of equipment	35	-
EBITDAS [(1)]	5,254	9,383
EBITDAS per share – basic and diluted[(1)]	$0.02	$0.06
EBITDAS margin (EBITDAS/Revenue)[(1)]	19%	24%
Weighted average number shares outstanding - basic	277,658,060	155,345,399
Weighted average number shares outstanding - diluted	279,649,105	160,463,190
Funds from operations:		
Cash flows from operating activities	17,488	6,461
Add (deduct): Change in non-cash working capital	(12,234)	2,922
Funds from operations [(2)]	5,254	9,383
Gross margin:		
Revenue	27,830	38,373
Less: Direct operating expenses	18,219	24,863
Gross margin [(3)]	9,611	13,510
Gross margin percentage [(3)]	35%	35%

$ thousands	March 31, 2015	December 31, 2014
Working capital (excluding debt):		
Current assets	21,195	38,405
Less: Current liabilities	(9,719)	(18,003)
Add: Current portion of long term debt	185	201
Working capital (excluding debt) [(4)]	11,661	20,603
Working capital (excluding debt) ratio [(4)]	2.2:1	2.2:1
Net debt:		
Long term debt	54,911	65,465
Less: Current assets	(21,195)	(38,405)
Add: Current liabilities	9,719	18,003
Net debt [(5)]	43,435	45,063

(1) EBITDAS (Earnings before interest and finance costs, income tax expense, depreciation, amortization, (gain) loss on disposal of asset, transaction costs, goodwill impairment 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, pay dividends, repurchase common shares under the Normal Course Issuer Bid, and fund capital programs. Investors should be cautioned, however, that EBITDAS should not be construed as an alternative to net (loss) income and comprehensive (loss) income 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. EBITDAS margin is calculated as EBITDAS divided by revenue and provides a measure of the percentage of EBITDAS per dollar of revenue. EBITDAS per share is calculated by dividing EBITDAS by the weighted average number of shares outstanding as used for calculation of earnings per share.

(2) Funds from operations is not a recognized measure 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.

(3) Gross margin is calculated from the statement of comprehensive income 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 percentage is calculated as gross

margin divided by revenue. The Company believes the relationship between revenue and costs expressed by the gross margin percentage is a useful measure when compared over different financial periods as it demonstrates the trending relationship between revenue, costs and margins. Gross margin and gross margin percentage are non-IFRS measures and do 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 (excluding debt) is used to assist management and investors in assessing the Company's liquidity. Working capital (excluding debt) does not have any meaning prescribed under IFRS and may not be comparable to similar measures provided by other companies. Working capital (excluding debt) ratio is calculated as current assets divided by the difference of current liabilities less the current portion of long term debt.

(5) Net debt is not a recognized measure under IFRS and does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies. Management believes net debt is a useful indicator of a company's debt position.