CWC WELL SERVICES

2012 Annual Report

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Information on Annual General and Special Meeting

The Annual General and Special Meeting of the Shareholders of CWC Well Services Corp. will be held on June 26, 2013 at 2:00 p.m. (local time) in the Barclay Room (Bow Valley Square), located at Suite 300, 255 – 5 Avenue SW, Calgary, Alberta. Shareholders are encouraged to attend and those unable to do so are requested to complete and submit the Instrument of Proxy at their earliest convenience.

President's Message

Dear Fellow Shareholders,

I am very pleased to be able to share with you CWC Well Services Corp.'s ("CWC") 2012 Annual Report. 2012 can best be described as a year of improving and strengthening CWC's operations internally and providing continuing outperformance in share value for our shareholders under a more cautious industry environment than the previous year.

Highlights of 2012

In 2012, CWC continued to grow with record revenue ($112.3 million; $2.8 increase from 2011) and positive and stable earnings before interest, taxes, depreciation, amortization and stock based compensation ("EBITDAS") ($25.0 million; $3.4 million decrease from 2011). These financial results translated into CWC's second straight profitable year in its eight year existence generating net income of $4.8 million.

2012 saw continued volatility in West Texas Intermediate ("WTI") oil prices beginning the year at around $100 and rising to almost $110 by March 2012 as a result of concerns over a shortage of global oil supply should sanctions on Iran's nuclear program escalate. However, as these concerns dissipated, oil prices fell sharply to the low $80's by June 2012 as a result of concerns on an oversupply of oil in North America due to new technologies of horizontal drilling and multi-stage fracking opening up U.S. shale oil deposits that only a few short years ago were unattainable. However, such concerns were overblown and oil quickly climbed back to about $100 by September 2012 and remained in the high $80's to $95 range for the remainder of the year. An added complication for our exploration & production ("E&P") customers was the price differential between Western Canadian Select ("WCS") oil prices and WTI oil prices which widened in the second half of 2012 to unacceptable levels. This WCS/WTI price differential resulted in caution being taken by our Western Canadian Sedimentary Basin ("WCSB") customers, therefore reducing the level of activity and urgency these customers spent on their capital expenditure programs in the second half of 2012.

We started Q1 2012 with a continuation of record quarterly financial results even though CWC sold its nitrogen division in December 2011, which did not contribute to revenue or EBITDAS in Q1 2012. Based on the positive view and sustainability of the cash flows and earnings in the future, the Board of Directors declared on March 20, 2012, its first cash dividend to be paid to shareholders on a quarterly basis. On an annual basis the dividend was $0.065 per common share. As I write this President's Message, CWC's share price is trading at $0.66 per common share resulting in a dividend yield of 9.8%; an extremely attractive return on investment for existing and future shareholders. The declaration of future dividends is determined by the Board of Directors on a quarter-to-quarter basis based on the sustainability of CWC's cash flows and earnings without impacting CWC's ability to pursue long-term growth opportunities. In Q2 2012, CWC took delivery of and put into operation 1 new slant rig in Provost, AB and 1 new double service rig in Weyburn, SK. In Q3 2012, management continued to see opportunities to expand our service rig offerings to the Slave Lake/Wabasca, AB region which led the

Board of Directors to approve an increase to the 2012 capital expenditures budget to recertify 1 single service rig to be deployed in Lloydminster, AB and to build 2 new service rigs to expand into Slave Lake/Wabasca. With the addition of these 5 new service rigs, CWC ended the year with a total of 68 service rigs making CWC the sixth largest service rig company operating in the WCSB with one of the youngest and most technologically advanced fleets in Canada compared to our competitors.

As we saw the slowdown from our E&P customers in capital expenditure spending in the second half of 2012, management took the opportunity to strengthen the leadership team and improve sales, operations and safety personnel in key areas of the company to deliver on our motto of "Quality People Delivering Quality Service". On a go forward basis, management believes these changes will make CWC more competitive, hopefully resulting in a higher utilization of our assets and ultimately increasing shareholder value. In 2012, CWC's share price increased 19% to $0.70 (2011 – 136% to $0.59). Including the dividend of $0.065 per common share, CWC had a total return in 2012 for its shareholders of 30% (2011 – 136%). Since January 2011 when the current management team was put in place, CWC has achieved a total return to its shareholders of 206% over 2 years. All-in-all, another fantastic year for CWC's shareholders!

A Good Year Ahead For 2013?

With Q1 2013 behind us and WTI oil prices in the $90 to $100 range with WCS differentials narrowing, 2013 is shaping up to be as good or a better year than 2012 for CWC. The Petroleum Services Association of Canada ("PSAC") if forecasting 12,000 wells to be drilled in 2013; an increase of 9% compared to the 11,025 wells drilled in 2012. While we still have some unanswered questions such as whether the northern leg of the Keystone XL pipeline carrying Canadian crude oil to U.S. refineries will be built (in our view, the main reason for the current pause in activity levels by our E&P customers), CWC is optimistic that such approvals will eventually be obtained. As for NYMEX natural gas prices, it started January 2013 at the bottom around $3.25 and has increased above $4.25 in late April 2013, suggesting that North America has finally resolved its oversupply situation in natural gas. Should natural gas prices remain at these levels, CWC's Other Oilfield Service assets of snubbing and well testing, which have a greater exposure to natural gas activities, should see an increase in its utilization levels compared to 2012. Our cautious optimism for 2013 has not dampened our resolve to continue growing the Well Servicing division. In December 2012, the Board of Directors approved a 2013 capital expenditure program to build 3 new service rigs to continue supporting our growth into Slave Lake/Wabasca and the completion of 1 new Class III, 2 inch coil tubing unit. These 3 new service rig builds, which are expected to be operational in Q3 2013, will increase CWC's service rig fleet to 71 units; an increase of 30 units or 73% over a 2 year period (more than any other Canadian service rig company over this same period of time). Management is also actively evaluating the entry into other oilfield service segments where CWC currently does not have any exposure with the view that owning such assets could result in a material increase to shareholder value.

I would like to express my sincere thanks to the employees of CWC for their ongoing support, hard work and dedication. Without each of your valuable contributions, we would not be able to provide the level of service that our exploration and production customers demand and deserve. And to our customers, thank you for your ongoing business and the excellent relationships that we have built up with you over the years. We look forward to achieving our economic success together. In closing, I would also like to express my gratitude to the Board of Directors for their guidance and wisdom. And to all of my fellow shareholders who continue to believe and support us, we are happy we can provide you with a superior total return on our investment through both share price appreciation and the quarterly dividend. Together we will achieve even greater accomplishments in 2013.

Sincerely and submitted on behalf of the Board of Directors,

Duncan T. Au
President & CEO
May 22, 2013

CWC
WELL SERVICES

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 March 5, 2013 and is provided to assist readers in understanding CWC's financial performance for the three and twelve months ended December 31, 2012 and significant trends that may affect future performance of the Company. This MD&A should be read in conjunction with CWC's annual audited financial statements for the year ended December 31, 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information on the Company, including the 2012 Annual Information Form ("AIF"), can be found on the Company's website at www.cwcwellservices.com or on SEDAR at www.sedar.com.

Forward-Looking Statements

This MD&A contains certain forward-looking information and statements within the meaning of applicable Canadian securities legislation. Certain statements contained in this MD&A, including statements which may contain such words as "anticipate", "could", "continue", "should", "seek", "may", "intend", "likely", "plan", "estimate", "believe", "expect", "will", "objective", "ongoing", "project" and similar expressions are intended to identify forward-looking information or statements. In particular, this MD&A contains forward-looking statements including management's assessment of future plans and operations, expectations as to the increase in activity levels, expectations with respect to oil and natural gas prices, activity levels in various areas, continuing focus on cost saving measures plans, expectations regarding the level and type of drilling and production activity in the Western Canadian Sedimentary Basin ("WCSB"), and expectations regarding the business, operations and 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.

Corporate Overview

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

CWC's equipment and services can be found throughout the entire WCSB from Northeast BC to Southeast SK and all points in between in Alberta. These services are provided from strategic regional operating locations in Grande Prairie, Slave Lake, 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".

Annual Financial Summary

	YEAR ENDED				
$ thousands, except per share amounts, margins and ratios	2012	% Change	2011	% Change	2010
FINANCIAL RESULTS					
Revenue					
Well servicing	$ 102,807	15%	$ 89,025	68%	$ 53,104
Other oilfield services	9,525	-53%	20,477	30%	15,754
	112,332	3%	109,502	59%	68,858
EBITDAS [1]	25,049	-12%	28,481	119%	12,994
EBITDAS margin (%) [1]	22%		26%		19%
Funds from operations [2]	25,046	-12%	28,476	120%	12,973
Net income (loss)	4,783	-62%	12,690	-557%	(2,774)
Net income (loss) margin (%)	4%		12%		-4%
Dividends declared	10,073	100%	-	100%	-
Dividends paid	7,556	100%	-	100%	-
Per share information:					
Weighted average number of shares outstanding - basic	155,332	-1%	157,021	-1%	158,959
Weighted average number of shares outstanding - diluted	159,910	0%	159,422	0%	158,959
EBITDAS [1] per share - basic and diluted	0.16	-11%	0.18	122%	0.08
Funds from operations per share - basic and diluted	0.16	-11%	0.18	122%	0.08
Net earnings (loss) per share - basic and diluted	0.03	-62%	0.08	-563%	(0.02)
	2012	**% Change**	**2011**	**% Change**	**2010**
FINANCIAL POSITION AND LIQUIDITY					
Working capital (excluding debt) [3]	10,683	-52%	22,414	42%	15,790
Working capital (excluding debt) ratio	1.8:1		3.4:1		3.2:1
Total assets	152,680	-4%	159,774	26%	127,098
Total long-term debt	41,841	-13%	47,941	61%	29,860
Shareholders' equity	96,465	-6%	102,624	14%	89,986

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

Highlights for the Year Ended December 31, 2012

- Revenue in 2012 was $112.3 million, an increase of $2.8 million or 3% over the prior year. Activity in the second half of 2012 was lower than in 2011, but still led to marginal increases in revenue year over year:
    - Revenue from the Well Servicing segment increased 15% as compared to the prior year with increases in both service rig and coil tubing related revenues primarily from new equipment additions.
    - Revenue from the Other Oilfield Services segment decreased 53% as compared to the prior year impacted by the sale of our nitrogen assets in December 2011 and lower oilfield services activity level and, consequently, utilization on snubbing and well testing assets which have a greater exposure to natural gas related activities.

- EBITDAS for 2012 was $25.0 million, a decrease of $3.4 million or 12% compared to the prior year:
    - EBITDAS decreased largely as a result of the sale of the nitrogen assets which occurred in December of 2011 and as such had no contribution to results in 2012 and accounts for 77% of the total EBITDAS decrease for 2012.
    - Snubbing division contribution had a negative impact on EBITDAS as a result of lower natural gas activities in the Western Canadian Sedimentary Basin ("WCSB") which resulted in lower utilization and higher operating costs.
    - Offsetting these negative variances was an increase in EBITDAS contribution from our Well Servicing division coming primarily from our service rigs for the full year impact of the acquisition of 22 service rigs from Trinidad Well Servicing in June 2011 and the addition of four new service rig builds and one recertified service rig in 2012.

- Net income for 2012 was $4.8 million, a decrease of $7.9 million or 62% compared to the prior year. This decrease is due primarily to a charge for deferred income tax expense in 2012 compared to a recovery recorded in 2011 which accounts for $3.1 million of the change year over year, a gain on the sale of the nitrogen assets in 2011 of $1.4 million, and decreases as noted above in EBITDAS related to lower oilfield services activity levels and utilization accounting for the remaining $3.4 million change in net income year over year.

- In March 2012 the Board of Directors initiated a quarterly dividend policy of $0.01625 per common share resulting in an annualized dividend of $0.065 per common share. For 2012 the Company has declared dividends totaling $10.1 million paid to shareholders. The declaration of dividends reflects CWC's positive view of the sustainability of its cash flows and earnings in the future and the Company's ability to provide a meaningful return on investment for its shareholders without impacting the Company's ability to pursue long-term growth opportunities.

- CWC continued to grow its well servicing fleet with the addition of four new service rigs in 2012 and recertification of an existing single service rig in November 2012 that was not previously in service or included in the rig count. Also in 2012, CWC converted one coil tubing unit to have 2 inch capabilities with longer depth capacity to address increased market demand for deeper horizontal wells. CWC continues to upgrade and replace various support equipment to ensure CWC's fleet remains among the newest and most technologically advanced in the industry.

Financial and Operational Highlights

$ thousands, except per share amounts, margins and ratios	THREE MONTHS ENDED DECEMBER 31 2012	2011	% Change	YEAR ENDED DECEMBER 31 2012	2011	% Change
FINANCIAL RESULTS						
Revenue						
Well servicing	$ 27,135	$ 29,116	(7%)	$ 102,807	$ 89,025	15%
Other oilfield services	2,261	6,871	(67%)	9,525	20,477	(53%)
	29,396	35,987	(18%)	112,332	109,502	3%
EBITDAS [1]	7,050	10,630	(34%)	25,049	28,481	(12%)
EBITDAS margin (%) [1]	24%	30%		22%	26%	
Funds from (used in) operations [2]	7,050	10,630	(34%)	25,046	28,476	-12%
Net income	1,729	7,115	(75%)	4,783	12,690	(62%)
Net income margin (%)	6%	20%		4%	12%	
Dividends declared	2,517	-		10,073	-	
Dividends paid	2,518	-		7,556	-	
Per share information						
Weighted average number of shares outstanding - basic	154,853	156,550		155,332	157,021	
Weighted average number of shares outstanding - diluted	159,419	159,810		159,910	159,422	
EBITDAS [1] per share - basic and diluted	0.05	0.07		0.16	0.18	
Funds from operations per share - basic and diluted	0.05	0.07		0.16	0.18	
Net earnings per share - basic and diluted	0.01	0.05		0.03	0.08	

	DECEMBER 31, 2012	DECEMBER 31, 2011
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) [3]	10,683	22,414
Working capital (excluding debt) ratio	1.8:1	3.4:1
Total assets	152,680	159,774
Total long-term debt (including current portion)	41,841	47,941
Shareholders' equity	96,465	102,624

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

OPERATING HIGHLIGHTS	2012 Quarter 4	2012 Quarter 3	2012 Quarter 2	2012 Quarter 1	2011 Quarter 4	2011 Quarter 3	2011 Quarter 2	2011 Quarter 1
WELL SERVICING								
Service Rigs								
Number of service rigs, end of period	68	65	65	63	63	63	63	41
Hours worked	32,059	31,347	21,186	37,543	34,047	33,595	15,333	26,630
Utilization %	53%	52%	36%	65%	59%	58%	38%	72%
Coil Tubing Units								
Number of units, end of period	8	8	8	8	7	6	6	6
Hours worked	1,463	1,034	417	3,956	2,404	1,448	567	2,960
Utilization %	30%	22%	9%	90%	37%	26%	10%	55%
OTHER OILFIELD SERVICES								
Snubbing Units								
Number of units, end of period	7	7	7	7	5	5	5	5
Hours worked	1,191	574	241	2,065	2,421	1,692	293	1,950
Utilization %	23%	11%	5%	46%	53%	37%	6%	43%
Well Testing Units								
Number of units, end of period	11	11	11	12	12	12	12	12
Number of tickets billed	204	410	238	468	429	421	178	467

Overview

According to Canadian Association of Oilwell Drilling Contractors ("CAODC"), the average number of active Canadian drilling rigs in Q4 2012 was 376 out of 831 (45%); an increase of 5% compared to the average for Q3 2012 of 330 out of 816 (40%), but a drop of 16% compared to the average for Q4 2011 of 488 out of 804 (61%) drilling rigs. CWC proactively anticipated the drop in drilling activity by shifting over 80% of its service rig work to production maintenance, workovers and abandonments primarily focused on oil-related activities which resulted in Q4 2012 financial results that were better than Q3 2012. While U.S. oil prices remain at healthy levels averaging US$88.15 per barrel for West Texas Intermediate ("WTI") in Q4 2012 compared to US$93.90 per barrel in Q4 2011, the discount differential between Western Canadian Select ("WCS"), the price at which most of our exploration and production ("E&P") customers sell their oil at, and WTI increased from an average of US$12.29 per barrel in Q4 2011 to US$16.35 per barrel in Q4 2012. This discount pricing differential resulted in less urgency from our E&P customers to get new wells drilled and completed in Q4 2012. Continued uncertainty throughout Q4 2012 over resolution of the U.S. fiscal cliff combined with the potential results of the U.S. election and the likelihood of Keystone XL and Northern Gateway pipelines being built on a timely basis, if at all, also contributed to the decision by our E&P customers to slowdown or postpone capital expenditures on drilling new wells. The overall result for CWC was a decrease in the service rig utilization rate of 52% in 2012 compared to 2011 of 57%. As for natural gas, both NYMEX and AECO continue to experience depressed prices with NYMEX averaging US$2.75 per MMbtu in 2012 compared to US$3.99 per MMbtu in 2011. These low natural gas prices continue to have a significant effect on the underutilization of our Coil Tubing, Snubbing and Well Testing assets in Q4 2012.

Revenue for 2012 is up 3% due primarily to the addition of 22 service rigs from the Trinidad Well Servicing ("TWS") acquisition in June 2011 coupled with the addition of five more service rigs from build and recertification programs in 2012 which contributed to a 15% increase in revenue in the Well Servicing segment. This overall revenue increase is offset by the sale in December 2011 of our nitrogen assets in our Other Oilfield Services segment that no longer contribute to revenue in 2012. The nitrogen assets in 2011 contributed $7.0 million in revenue. In addition declines in snubbing activity in 2012 contributed to the 53% decrease in 2012 revenue in the Other Oilfield Services segment. While revenue growth has increased marginally by 3%, EBITDAS has decreased 12% due to the lower activity levels in snubbing in 2012 compared to 2011 and the higher margin nitrogen business which did not contribute to EBITDAS in 2012.

Well Servicing

CWC is the 6th largest service rig provider in the WCSB, operating a modern fleet of 68 service rigs and 8 coil tubing units as of the date of this report; four new service rigs were built in 2012 and one recertified service rig came into service in the fourth quarter. Rig services include completions, maintenance, workovers and abandonments with depth ratings from 1,500 to 5,000 metres. Our service rig fleet, with its leading edge technology, continues to stand out in an industry characterized by ageing equipment and infrastructure.

During the second quarter of 2011, CWC acquired 22 service rigs from TWS increasing CWC's market share in service rigs and increasing the fleet size at that time by 54%. In 2012, the Company completed the construction of a new slant service rig, two new double service rigs, one new single service rig, and recertified one single service rig not previously in service. Additional growth opportunities for new geographic areas were identified in 2012 which led to the construction of these additional service rigs that increased the active service rig count to 68 service rigs with three more new service rigs being constructed in 2013.

CWC's Class I, II and III coil tubing units have depth ratings from 1,500 to 4,000 metres and are well positioned for the changing demand of our customers for deeper depth capabilities. CWC converted one coil tubing unit to a Class III, 2 inch unit capable of depths of 4,000 meters and was deployed in the field in October 2011, a second unit was deployed to the field before the end of the first quarter of 2012 and a third unit, committed to in the 2012 capital budget, is scheduled to be available in Q3 2013.

Well Servicing division revenue in 2012 was up 15% at $102.8 million compared to $89.0 million in the 2011. The $13.8 million year over year increase was largely due to the increased fleet from the TWS acquisition and new equipment additions in service rigs and coil tubing. While utilization has decreased year over year this was partially offset by rate increases implemented in Q4 2011 in response to higher operating costs, particularly for labour and fuel. Average hourly rates on service rigs improved approximately 8% to $783 per hour in 2012 as compared to $727 per hour in 2011. Coil tubing average hourly rates improved 39% to $1,053 per hour in 2012 compared to $757 per hour in 2011 driven by our focus on higher margin work and contribution of our higher depth capacity coil tubing units which have a higher price per hour given the demand for these units. CWC continues to monitor its pricing in the competitive landscape and anticipate stable margins in 2013.

Total service rig hours in 2012 have increased 11% over 2011. The increase is primarily attributable to the acquisition of TWS and new equipment additions. Service rig hours decreased 6% for Q4 2012 compared to Q4 2011. The decrease is consistent with the drop in overall industry utilization for service rigs as noted earlier. Utilization of our well service equipment has risen from the lows experienced in 2009 driven by increased spending on exploration and development as a result of generally higher oil prices and an increase in the number of wells now producing oil compared to that of natural gas.

Other Oilfield Services

CWC's Other Oilfield Services division provides a variety of services for the completion and production phases of oil and natural gas wells from its 8 snubbing units and 11 well testing units. The Other Oilfield Services division revenue decreased by 53% to $9.5 million in 2012 from $20.5 million in 2011. During 2011 revenue of $7.0 million was generated from the nitrogen assets which were sold in December 2011. The remaining $4.0 million decrease was impacted by a decrease of $2.6 million from the snubbing units, which continue to be affected by low natural gas prices, and a decrease of $1.4 million from well testing as a result of lower completions activity in the industry, particularly in the second half of 2012.

In response to changing market conditions, the Company completed the conversion of three of its snubbing units from 3,000 psi to 5,000 psi to reflect the need for higher pressure units and added e-gress safety systems that exceed minimum safety requirements in the industry.

Outlook

While there was a delay in spending by our oil focused exploration and production ("E&P") customers in Q4 2012, current utilization levels in Q1 2013 suggest a modest return to higher activity levels as would be expected in the winter months. CWC intends to continue providing best-in-class services to our E&P customers through "Quality People Delivering Quality Service" with the most relevant, youngest and advanced fleet of equipment. In Q4 2012, CWC took delivery of three additional service rigs increasing the total active service rig fleet to 68 as at December 31, 2012. CWC anticipates that an additional three new service rigs currently being built will be operational in Q3 2013. We will continue to evaluate opportunities to grow the Well Servicing business segment through a disciplined approach in 2013, which may include the addition of new slant service rigs to service the growing number of steam assisted gravity drainage ("SAGD") wells.

The Company recently announced that its Board of Directors declared a quarterly dividend of $0.01625 per common share for the first quarter of 2013. The dividend will be paid on April 15, 2013 to shareholders of record on March 29, 2013. The ex-dividend date is March 26, 2013. This dividend is an eligible dividend for Canadian income tax purposes. The declaration of dividends is determined on a quarter-by-quarter basis by the Board of Directors and reflects CWC's positive view on the sustainability of its cash flow and earnings in the future.

Discussion of Financial Results

$ thousands, except margins	2012	% Change	2011	% Change	2010
			YEAR ENDED		
Revenue					
Well servicing	$ 102,807	15%	$ 89,025	68%	$ 53,104
Other oilfield services	9,525	-53%	20,477	30%	15,754
	112,332	3%	109,502	59%	68,858
Operating expenses					
Well servicing	65,890	20%	55,106	65%	33,321
Other oilfield services	7,320	-42%	12,563	23%	10,247
	73,210	8%	67,669	55%	43,568
Gross margin [1]	39,122	-6%	41,833	65%	25,290
Gross margin % [1]	35%		38%		37%
Selling and administrative expenses	14,073	5%	13,352	9%	12,296
EBITDAS [2]	25,049	-12%	28,481	119%	12,994
EBITDAS margin (%) [2]	22%		26%		19%
Stock based compensation	833	4%	801	60%	501
Finance costs	2,948	-16%	3,514	14%	3,089
Depreciation	14,260	3%	13,871	16%	12,006
Loss (gain) on sale of equipment	216	-116%	(1,346)	-706%	222
Unrealized loss (gain) on marketable securities	22	-4%	23	-146%	(50)
Net income (loss) before taxes	6,770	-42%	11,618	-519%	(2,774)
Deferred income tax expense (recovery)	1,987	-285%	(1,072)	100%	-
Net income (loss)	4,783	-62%	12,690	-557%	(2,774)

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

Revenue

Total revenue for the year ended December 31, 2012 increased 3% compared to 2011. Activity in 2012 was affected by lower spending and a lack of urgency by customers on programs overall for both new well completions and production and maintenance related activities compared to that of 2011. Revenue growth in 2012 is primarily due to the 22 service rigs acquired from TWS in June 2011 and new equipment additions in service rigs and coil tubing offset by lower utilization in all divisions, particularly in the second half of 2012, and was further affected by no revenue contributions from nitrogen assets in 2012 as these assets were sold in December 2011.

CWC continues to focus on providing services to better capitalized and financed senior and intermediate E&P companies. In 2012, approximately 60% of our revenue was derived from our top ten customers all of whom are large or intermediate E&P companies. The Company also focuses on customers with higher exposure to oil opportunities instead of dry natural gas plays given the pricing for oil compared to that of dry natural gas.

Gross Margin and Direct Operating Expenses

Gross margin for 2012 declined as a result of second half slowdown in activity impacting utilization which affects labour cost efficiencies, coupled with higher fuel costs and repairs and maintenance costs on equipment. Gross margin in 2012 has decreased by 6% to $39.1 million from $41.8 million. As a percentage of revenue, gross margin has declined to 35% in 2012 from 38% in 2011. Many operating costs are variable in nature and increase or decrease with activity levels such that much of the change in operating costs in the year over year periods correspond to the increase or decrease in revenue in the current period compared to the prior period. The Company's gross margin was negatively impacted by fixed costs such as planned repairs and maintenance of equipment with labour costs related thereto and a fixed salary component for field labour on coil tubing units consistent with industry practice. The slower than expected second half activity in 2012 has had a negative impact on gross margins as we had effectively staffed up our field operations in anticipation of more consistent activity. Once it was clear the activity was not returning to normal levels, reductions to field staffing levels in some divisions were implemented which had a positive impact on margins for Q4 2012.

Selling and Administrative Expenses ("S&A")

S&A for 2012 was $14.1 million (13% of revenue) compared to $13.4 million (12% of revenue) in 2011. The increased expenses in 2012 are attributable to increased headcount for operational and support staff, and computer system maintenance consistent with the growth of the Company offset by favorable renewal rates on leased space in Calgary, and lower variable compensation costs consistent with the decrease in EBITDAS compared to 2011. With the current levels of activity and changes instituted for various costs saving matters, we expect that S&A as a percentage of revenue going forward to be stable on an annualized basis and is considered by management to be in line with industry peers. The current structure and level of expense are adequate to allow for continued growth in revenue without meaningful increases in expenses.

EBITDAS

EBITDAS for 2012 was $25.0 million (22% of revenue) compared to $28.5 million (26% of revenue) in 2011, a decline of $3.4 million or 12%. EBITDAS was lower in 2012 as a result of the sale of the nitrogen assets in Dec 2011 which contributed $2.7 million in 2011. Further impacts were from lower activity levels, particularly in snubbing, as a result of reduced producer spending in response to lower commodity prices driven by uncertain macroeconomic conditions previously discussed. Also impacting 2012 EBITDAS was fixed salary costs for field employees in the coil tubing division when activity did not fully materialize and repairs and maintenance costs being incurred during the slower activity periods. EBITDAS will continue to provide the cash flow needed to grow our business through the purchase of new equipment or business acquisitions and reduce outstanding long-term debt.

Stock-based Compensation ("SBC")

SBC for 2012 was $0.8 million which was consistent on a year over year basis. The non-cash expense related to stock based compensation plans is a result of 9.5 million stock options outstanding and 0.7 million restricted share units.

Finance Costs

Interest expense for 2012 was $2.9 million compared to $3.5 million in 2011. The majority of the decrease is a result of scheduled principal repayments made on the non-revolving portion of the long-term debt outstanding as well as reduced interest rates that were secured with the current credit facility.

Depreciation

Depreciation has increased by 3% year over year and the increase is consistent with the changes in activity level on a year over year basis as service rigs, making up the largest component of the depreciation expense, are depreciated on a unit of production basis.

(Gain) Loss on Sale of Equipment

The loss on the sale of equipment is mainly a result of some key upgrades to significant components of equipment that took place in 2012. In 2011 the majority of the gain on sale of equipment is a result of the sale of the nitrogen assets. The assets were sold on December 9, 2011, for gross proceeds of $7.6 million, resulting in a net gain of $1.4 million after closing costs were deducted.

Income Taxes

Based on the net income before taxes of $6.8 million for 2012 and an expected income tax rate of 25%, an income tax expense of $1.7 million would be expected. The Company had various non-cash and non-tax deductible items included in the computation of net income, including stock-based compensation, resulting in a deferred income tax liability of $0.9 million. The Company has substantial tax pools and non-capital losses available to reduce future taxable income such that no cash taxes are expected to be payable in 2012 and 2013 depending on growth and profitability of the Company.

Net Income

Net income for 2012 was $4.8 million compared to $12.7 million in 2011; a decline of $7.9 million or 62%. $1.4 million of the decrease was a result of the sale of nitrogen assets in December 2011. $3.4 million of the decrease was a result of an overall decline in oilfield service activity levels and utilization in 2012. $3.1 million of the decrease was a result of a charge for deferred income tax expense in 2012 compared with a recovery in 2011. Management remains focused on driving higher levels of profitability by capitalizing on its young and technologically advanced equipment fleet and high quality labour force.

Summary of Quarterly Data and Fourth Quarter Analysis

$ thousands, except per share amounts	2012				2011			
THREE MONTHS ENDING	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Revenue	$ 29,396	$ 26,887	$17,143	$38,907	$ 35,988	$ 31,224	$12,987	$29,303
EBITDAS [1]	$ 7,050	$ 6,348	584	11,066	10,630	$ 8,142	1,270	8,439
Net income (loss)	1,729	1,255	(2,726)	4,525	8,187	3,174	(2,956)	4,285
Net earnings (loss) per share: basic and diluted	0.01	0.01	(0.02)	0.03	0.05	0.02	(0.02)	0.03
Total assets	152,680	147,566	146,914	160,570	159,774	162,933	153,382	131,271
Total long-term debt	41,841	37,987	32,115	44,304	47,941	56,827	56,331	29,863
Shareholders' equity	96,465	97,272	98,474	101,568	102,624	94,389	91,178	94,002

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

Quarter over Quarter Analysis

A comparison of CWC's quarterly results, at any given time, requires consideration of movement in crude oil and natural gas pricing and seasonality over the past two years. Commodity prices affect the level of exploration and development activities carried out by the Company's customers and the associated demand for the oilfield services provided by CWC. Robust activity and increases in pricing in the well servicing division in 2011 increased the gross margin percentage accordingly, contributing to the record results seen in the first quarter of 2011. The second quarter is always one of decreased revenue and earnings due to the weather and spring thaw conditions during this time not being conducive to permit the movement of heavy equipment. The third and fourth quarters of 2011 saw an increase back to normal seasonal levels coupled with the addition of the TWS acquisition resulting in substantially improved results. The fourth quarter of 2011 results included $2.1 million of revenue and $1.0 million in EBITDAS from the nitrogen units which were sold late in the fourth quarter. The first quarter of 2012 saw continued strong utilization of the Company's fleet of equipment. The second quarter of 2012 had above average rainfall levels in May and June 2012 resulting in a slower than expected recovery after spring breakup. The third quarter of 2012 experienced a slower than normal increase to activity levels as a result of lower producer spending in the oilfield services industry. This trend in lower activity levels continued through most of Q4 2012 until 2013 operational and capital expenditure budgets were announced by E&P customers in December 2012.

Seasonality

The level of activity in the oilfield service industry is influenced by seasonal weather patterns. During the spring months, wet weather and the spring thaw make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of service equipment which reduces activity levels and places an increased level of importance on the location of the Company's equipment prior to imposition of road bans. The timing and length of road bans is dependent on the weather conditions before, during and after the spring thaw period. The Company's business results depend, at least in part, upon the severity and duration of the Canadian winter and the spring thaw which may lead to reduced oil and gas exploration activity and corresponding declines in the demand for the Company's service equipment during those times. The first quarter of 2012 was the fourth warmest winter on record, the complete opposite of the first quarter of 2011 which was subject to an extremely cold and long winter season – ideal for the ancillary equipment, such as boilers, the Company utilizes in cold temperatures. As a result the first quarter of 2012 saw a shorter work period with road bans being introduced as early as the first and second week of February in some regions. Despite the weather conditions, the Company did achieve record revenue and EBITDAS in the first quarter of 2012. Q2 2012 saw unseasonably rainy and wet conditions in May and June 2012 resulting in a longer than anticipated spring breakup period, slowing the return to normal utilization levels. Q3 2012 and Q4 2012 activity levels remained below that of the prior year as a result of reduced customer spending in response to lower commodity prices and macroeconomic factors such as the resolution of the U.S. fiscal cliff and the results of the U.S. election.

Revenue

Revenue for the fourth quarter of 2012 was $29.4 million; a decrease of $6.6 million or 18% from the fourth quarter of 2011 and an increase of $2.5 million from the third quarter of 2012. The increase from the third quarter of 2012 is expected due to the seasonality of the industry, resulting in Q4 and Q1 representing the peak periods for activity.

During the fourth quarter of 2012 activity levels were lower than in the same period of 2011 as E&P customers moderated their spending noting lower commodity price and capital budget constraints for new well drilling brought about by pipeline capacity issues. CWC did see a marginal increase in the Service Rig utilization from Q3 2012 levels, which is consistent with seasonal increases. However, the Coil Tubing, Snubbing and Well Testing divisions were significantly affected by the slowdown in industry activity levels as a result of depressed natural gas prices which continued in Q4 2012. In addition, the sale of the nitrogen assets in December 2011 meant that no revenue contribution came from these assets in Q4 2012 as was the case in Q4 2011.

EBITDAS

EBITDAS for the fourth quarter of 2012 decreased by 34% compared to the fourth quarter of 2011, but increased 11% from the third quarter of 2011. Utilization of equipment across all segments was impacted negatively by the slowdown in customer spending in Q4 2012 noted above leading to lower year-over-year results. This decrease in activity levels were partially offset by equipment additions. Management continues to work towards keeping overhead costs as variable as possible to maintain stable EBITDAS and net income margins.

Net Income

Net income for the fourth quarter of 2012 was $1.7 million compared to $7.1 million in the fourth quarter of 2011. The decrease in net income was a result of lower utilization year over year, a gain on sale of the nitrogen assets in 2011 and provision for deferred income tax expense in 2012 compared to a deferred income tax recovery in the prior year.

Financial Position and Liquidity

$ thousands, except ratios	2012 DECEMBER 31	2012 SEPTEMBER 30	2012 JUNE 30	2012 MARCH 31	2011 DECEMBER 31	2011 SEPTEMBER 30	2011 JUNE 30	2011 MARCH 31
Working capital (excluding debt)[1]	10,683	9,105	2,389	18,622	22,414	16,332	10,201	22,578
Working capital (excluding debt) ratio	1.8:1	1.8:1	1.2:1	2.3:1	3.4:1	2.4:1	2.7:1	4.0:1
Long-term debt	41,841	37,987	32,115	44,304	47,941	56,827	56,331	29,863
Shareholders' equity	96,465	97,272	98,474	101,568	102,624	94,389	91,178	94,002
Debt to equity	0.4	0.4	0.3	0.4	0.5	0.6	0.6	0.3

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

Working Capital

Working capital (excluding debt) at December 31, 2012 was $10.7 million (December 31, 2011 - $22.4 million). The year over year reduction is a result of repayments made from operating funds to the revolving and non-revolving portion of the debt, dividends paid and declared to date and significant improvements in the number of days sales outstanding in 2012 compared to 2011. The Company utilizes its revolving debt facilities to assist in funding ongoing operations and working capital. Management utilizes all available cash on hand to reduce its borrowings in an effort to minimize overall interest costs and draws upon its available revolving debt facilities on an as needed basis to manage cash flow requirements. As such the working capital of the Company will fluctuate from period to period depending on cash flow requirements and there continues to be sufficient debt capacity on the balance sheet to be able to support these needs. Management considers the working capital ratio calculated excluding debt borrowings to be a metric that is comparable to its peers in the industry as the nature and structure of debt facility agreements can differ significantly amongst those in the industry.

Long-term Debt and Credit Facility

At December 31, 2012, CWC had a credit facility of $63.25 million consisting of a committed revolving facility of $46.0 million and a $17.25 million committed term facility all with a maturity date of April 30, 2014. The facility was revised in March 2012 to permit dividend distributions to shareholders and increase the amount available under the revolving facility to make up for reductions on the non-revolving facility that occurred as required payments were made. Proceeds from the revolving facility will be used for acquisitions, capital expenditures, working capital and other general corporate purposes. Interest on the revolving facility is paid monthly with no scheduled principal repayments during the term with the balance due April 30, 2014. Amounts borrowed under the revolving facility bear interest at the Company's option of the bank prime rate plus 1.25% to 2.75% or the banker's acceptance rate plus 2.25% to 3.75%, depending, in each case, on the ratio of debt to EBITDA. The term portion of the facility required principal payments of $500,000 per month plus interest through April 2012, at which time payments increased to $750,000 per month plus interest until April 2013 and interest only payments during the final year with the balance due April 30, 2014. The term facility bears interest at 7.42%.

As of December 31, 2012, the Company was in compliance with the financial covenants under its credit facility and does not anticipate any restrictions in its ability to fund its ongoing operating, investing, or financing activities.

Shareholders' Equity

Shareholders' equity at December 31, 2012 was $96.5 million (December 31, 2011 - $102.6 million), a decrease of $6.2 million. As of December 31, 2012 the Company had 154,915,899 common shares outstanding and 155,115,909 common shares outstanding at March 5, 2013. At December 31, 2012 the total number of stock options outstanding was 9,530,348 and restricted share units outstanding were 660,000.

During 2012, the Company purchased 1,871,500 common shares under its Normal Course Issuer Bid ("NCIB") and all shares purchased were returned to treasury and cancelled. The Company renewed its NCIB effective April 1, 2012, to purchase from time to time, as it considered advisable, up to 7,775,196 of its issued and outstanding common shares on the open market through the facilities of the TSX Venture Exchange ("TSXV"). The price that the Company will pay for any common share under the NCIB will be the prevailing market price on the TSXV at the time of such purchase.

Debt to Equity

Debt to equity at December 31, 2012 was 0.4:1 as compared to 0.5:1 at December 31, 2011. The decrease from 2011 is as a result of repayments of debt in 2012 from available cash flow from operations offset by dividends declared and paid in 2012.

Capital Expenditures

Capital expenditures in 2012 consisted mainly of the construction of four new service rigs and recertification of one additional service rig that was put back into active service. The remaining amounts were spent on equipment upgrades and replacements, and computer and leasehold upgrades and improvements. In January 2012, the Board of Directors approved a 2012 capital expenditure budget of $8.7 million. In August 2012, the Board of Directors increased the capital expenditure budget by an additional $5.0 million to construct two additional service rigs to be deployed in the field in Q1 2013; in time for the busy winter season. CWC has identified opportunities to expand into additional geographic regions in the WCSB, particularly in the north central regions of Alberta, and is committing additional capital to support this. The financial strength of our balance sheet has allowed us to fund this growth and continued demand for high quality service rigs in the market and will contribute positively to the growth and cash flows of the company in the 2013. The Board of Directors has approved a capital expenditure budget for 2013 totaling $11.2 million comprised of $9.8 million of growth capital and $1.4 million for maintenance and infrastructure capital. Included in this $11.2 million budget is a $1.5 million carryover of the 2012 capital expenditure budget to complete a new Class III, 2 inch coil tubing unit. The remainder of the 2013 growth capital expenditures will be directed at building three new service rigs (2 singles and 1 double) to support our growth into north central Alberta. The $1.4 million maintenance and infrastructure capital expenditures will be directed at upgrades or additions to field equipment for existing service rig, coil tubing, snubbing divisions and information technology infrastructure. CWC intends to finance its 2013 capital expenditures budget from operating cash flows. The 2013 capital expenditures budget continues the execution of CWC's strategy for creating shareholder value by focusing on the core business of well servicing with service rigs and coil tubing units. The Company continues to be committed to disciplined fiscal management and pursuit of growth opportunities driven by customer demand. Management believes these initiatives will add value for shareholders by creating a best-in-class pure play well servicing company.

Capital Requirements

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

Commitments and Contractual Obligations

Beginning in April 2012, the Company was committed to monthly principal payments of $750,000, in relation to the long-term debt which will end in April 2013. Management believes that based on anticipated activity levels for its services there will be sufficient cash flows generated from operations to service the debt repayment, finance the growth capital of the Company and maintain a dividend payment to its shareholders.

	2013	2014	2015	2016	2017 and beyond
Long-term debt	$ 2,351	$ 39,525	$ -	$ -	$ 24
Rent	1,115	920	517	188	193
Other operating leases	180	149	56	-	-
Total obligations	$ 3,645	$ 40,594	$ 573	$ 188	$ 217

Critical Accounting Estimates and Judgments

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

The accounting estimates believed to be the most difficult, subjective or complex judgments and which are the most critical to the reporting of results of operations and financial positions are as follows:

Allowance for Doubtful Accounts Receivable:

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

Impairment of Assets:

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

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

Depreciation of Property and Equipment

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

Deferred Income Taxes

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

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.

IFRS 9 Financial Instruments

IFRS 9 (2009) replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement,* on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables.

Financial assets will be classified into one of two categories on initial recognition:

- financial assets measured at amortized cost; or,
- financial assets measured at fair value

Gains and losses on remeasurement of financial assets measured at fair value will be recognized in profit or loss, except that for an investment in an equity instrument which is not held-for-trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual share-by-share basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) added guidance to IFRS 9 (2009) on the classification and measurement of financial liabilities, and the guidance is consistent with the guidance in IAS 39 except as described below.

Under IFRS 9 (2010), for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in OCI, with the remainder of the change recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) also requires derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument to be measured at fair value, whereas such derivative liabilities are measured at cost under IAS 39.

IFRS 9 (2010) also added the requirements of IAS 39 for the derecognition of financial assets and liabilities to IFRS 9 without change.

The IASB has deferred the mandatory effective date of the existing chapters of IFRS 9 *Financial Instruments* (2009) and IFRS 9 (2010) to annual periods beginning on or after January 1, 2015. The early adoption of either standard continues to be permitted.

IFRS 9 (2010) supersedes IFRS 9 (2009) and is effective for annual periods beginning on or after January 1, 2015, with early adoption permitted. For annual periods beginning before January 1, 2015, either IFRS 9 (2009) or IFRS 9 (2010) may be applied.

The Company intends to adopt IFRS 9 (2010) in its financial statements for the annual period beginning on January 1, 2015. The extent of the impact of the adoption of IFRS 9 (2010) has not yet been determined.

IFRS 13 Fair Value Measurement

In May 2011 the IASB published IFRS 13 *Fair Value Measurement*, which is effective prospectively for annual periods beginning on or after January 1, 2013. The disclosure requirements of IFRS 13 need not be applied in comparative information for periods before initial application.

IFRS 13 replaces the fair value measurement guidance contained in individual IFRS's with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income.

IFRS 13 explains 'how' to measure fair value when its required or permitted by other IFRS. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

The Company intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on January 1, 2013. The extent of the impact of adoption of IFRS 13 has not yet been determined.

Reconciliation of Non-IFRS Measures

$ thousands	THREE MONTHS ENDED DECEMBER 31 2012	2011	YEAR ENDED DECEMBER 31 2012	2011
NON-IFRS MEASURES				
[1] EBITDAS:				
Net income	1,729	7,115	4,783	12,690
Add:				
Depreciation	3,665	3,773	14,260	13,871
Finance costs	755	990	2,948	3,514
Income tax expense (recovery)	581	-	1,987	(1,072)
Stock based compensation	229	150	833	801
Loss on sale of equipment	74	(1,398)	216	(1,346)
Unrealized (gain) loss on marketable securities	17	-	22	23
EBITDAS	7,050	10,630	25,049	28,481
[2] Funds from (used in) operations:				
Cash flows from (used in) operating activities	3,731	5,805	32,715	21,116
Less:				
Change in non-cash working capital	(3,319)	(4,825)	(7,669)	7,360
Funds from (used in) operations:	7,050	10,630	25,046	28,476
[3] Gross margin:				
Revenue	29,396	35,987	112,332	109,502
Less:				
Direct operating expenses	(18,748)	(21,663)	(73,210)	(67,669)
Gross margin	10,648	14,324	39,122	41,833

	DECEMBER 31, 2012	DECEMBER 31, 2011
[4] Working capital (excluding debt):		
Current Assets	24,142	31,623
Less: Current Liabilities	(15,881)	(17,586)
Add: Current portion of long-term debt	2,422	8,377
Working capital (excluding debt)	10,683	22,414

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.*

3. *Gross margin is calculated from the statement of comprehensive 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.*

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 which is available under the Company's profile at www.sedar.com. The general risk factors associated with CWC's business and operations are as follows:

Volatility of Industry Conditions

The demand, pricing and terms for oilfield services in the Company's existing or anticipated service areas largely depends upon the level of exploration and development activity for both crude oil and natural gas in the WCSB. Oil and natural gas industry conditions are influenced by numerous factors over which the Company has no control, including: oil and natural gas prices; expectations about future oil and natural gas prices; levels of consumer demand; the cost of exploring for, producing and delivering oil and natural gas; the expected rates of declining current production; the discovery rates of new oil and natural gas reserves; available pipeline and other oil and natural gas transportation capacity; weather conditions; political, regulatory and economic conditions; and the ability of oil and natural gas companies to raise equity capital or debt financing.

The level of activity in the oil and natural gas exploration and production industry in the WCSB is volatile. Any prolonged substantial reduction in oil and natural gas prices would likely affect oil and natural gas production levels and therefore affect the demand for drilling and well services by oil and natural gas exploration and production entities. A material decline in crude oil or natural gas prices or industry activity could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. Lower oil and natural gas prices could also cause the Company's customers to seek to terminate, renegotiate or fail to honour the Company's services contracts; affect the fair market value of the Company's equipment fleet which in turn could trigger a write-down for accounting purposes; affect the Company's ability to retain skilled oilfield services personnel; and affect the Company's ability to obtain access to capital to finance and grow the Company's business.

Seasonal Risk:

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.

Access to Additional Financing

CWC may find it necessary in the future to obtain additional debt or equity financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combinations. There can be no assurance that additional capital will be available to CWC when needed or on terms acceptable to CWC. CWC's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit growth and may have a material adverse effect upon the Company. Where additional financing is raised by the issuance of Shares or securities convertible into Shares, control of CWC may change and Shareholders may incur dilution to their investment. CWC's activities may also be financed partially or wholly with debt, which may increase CWC's debt levels above industry standards.

Credit Risk and Economic Dependence

The Company seeks to enter into agreements with customers that are well-established and well-financed within the oil and gas industry. There is always a risk relating to the financial stability of customers and their ability to pay. Management will continue to periodically assess the credit worthiness of all its customers and views the credit risk on its accounts receivable as normal for its industry.

Government Regulation

The oil and gas service industry is subject to regulation and intervention by governments in such matters as environmental protection controls, safety matters and control over the development and abandonment of oil and gas wells. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could increase or reduce demand for equipment, increase costs and may have a material adverse impact on the Company.

Competition

The operating climate within the Western Canadian Sedimentary Basin is very competitive, resulting in fluctuations of price and utilization rates. The Company attempts to mitigate these risks by creating a good working relationship with its customers and focusing on longer term contracts. The Company's ability to generate revenue and earnings depends primarily upon its ability to win bids in competitive bidding processes and to perform awarded projects within estimated times and costs. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of products and services that compete with those of the Company or that new or existing competitors will not enter the various markets in which the Company is active. In certain aspects of its business, the Company also competes with a number of small and medium-sized companies, which, like the Company, have certain competitive advantages such as low overhead costs and specialized regional strengths. In addition, reduced levels of activity in the oil and natural gas industry can intensify competition and may result in lower revenue to the Company.

Vulnerability to Market Changes

Fixed costs, including costs associated with leases, labour costs, depreciation and interest will account for a significant portion of the Company's costs and expenses. As a result, reduced utilization of equipment and other fixed assets resulting from reduced demand, equipment failure, weather or other factors could significantly affect financial results.

Operating Risk and Insurance

The Company has an insurance and risk management program in place to protect its assets, operations and employees. The Company also has programs in place to address compliance with current safety and regulatory standards. However, the Company's operations are subject to risks inherent in the oilfield services industry, such as equipment defects, malfunction, failures and natural disasters. In addition, hazards such as unusual or unexpected geological formations, pressures, blow-outs, fires or other conditions may be encountered in drilling and servicing wells. Although such hazards are primarily the responsibility of the oil and natural gas companies which contract with the Company, these risks and hazards could expose the Company to substantial liability for personal injury, loss of life, business interruption, property damage or destruction, pollution and other environmental damages. Although the Company has obtained insurance against certain of the risks to which it is exposed which it considers adequate and customary in the oilfield services industry, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Reliance on Personnel

The success of the Company is dependent upon its management, technical and field personnel. Any loss of the services of such individuals could have a material adverse effect on the business and operations of the Company. The ability of the Company to expand its services is dependent upon its ability to attract additional qualified employees. The ability to secure the services of additional personnel is constrained in times of strong industry activity.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The Company cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Legal Proceedings

The Company is involved in litigation from time to time in the ordinary course of business. No assurance can be given as to the final outcome of any legal proceedings or that the ultimate resolution of any legal proceedings will not have a material adverse effect on the Company.

Failure to Realize Anticipated Benefits of Acquisitions

The Company makes acquisitions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on successfully consolidating functions, retaining key employees and customer relationships and integrating operations and procedures in a timely and efficient manner. Such integration may require substantial management effort, time and resources, may divert management's focus from other strategic opportunities and operational matters and ultimately the Company may fail to realize anticipated benefits of acquisitions.

Environmental Liability

The Company is subject to various environmental laws and regulations enacted in the jurisdictions in which it operates which govern the manufacture, processing, importation, transportation, handling and disposal of certain materials used in the Company's operations. The Company has established procedures to address compliance with current environmental laws and regulations and monitors its practices concerning the handling of environmentally hazardous materials. However, there can be no assurance that the Company's procedures will prevent environmental damage occurring from spills of materials handled by the Company or that such damage has not already occurred. Substantial liabilities to third parties may be incurred. The Company may have the benefit of insurance maintained by it or the operator; however the Company may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons. The Company's customers are subject to similar environmental laws and regulations, as well as limits on emissions to the air and discharges into surface and sub-surface waters. While regulatory developments that may follow in subsequent years could have the effect of reducing industry activity, the Company cannot predict the nature of the restrictions that may be imposed. The Company may be required to increase operating expenses or capital expenditures in order to comply with any new restrictions or regulations.

Credit Risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, however, management also considers the demographics of the Company's customer base. During 2012, approximately 26% (2011: 20%) of the Company's revenue was attributable to sales transactions with two customers. Currently, majority of the Company's sales are concentrated within the Western Canadian Sedimentary Basin ("WCSB"). This concentration is common amongst companies in the industry.

Management established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company begins to provide services to the customer and prior to offering standard payment terms and conditions. The Company's review includes external ratings, when available, as well as contacting credit references and evaluating banking information provided by the customer. Purchase limits are established for each new customer, which represents the maximum open amount. Customers that fail to meet the Company's benchmark creditworthiness may transact with Company only after providing cash deposit of at least 30% of the credit amount requested until they have sufficient payment history with the Company.

Accounts receivable balances are reviewed monthly for credit worthiness and days to pay is calculated on a customer by customer basis. Should the monthly analysis show that a customer's days to pay is beginning to lengthen the customer is contacted to discuss and when necessary, added to a list of customers the Company no longer views creditworthy. New and high risk customers are contacted after 30 days from invoice date if payment has not been received. Finally, the Company will lien a customer's location where the services were provided if deemed necessary.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance is a specific loss component that relates to individually significant exposures.

Liquidity Risk

Liquidity risk relates to the risk that the Company will encounter difficulty in meeting its financial obligations. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The credit facilities available at December 31, 2012, consisted of a $17.25 million non-extendable committed non-revolving facility and a non-extendable committed revolving facility to a maximum of $46 million with a maturity date of April 30, 2014. The committed non-revolving facility is subject to principal payments of $750 thousand plus interest until April 2013, followed by payments of interest only in the third year with a final payment of $14.25 million due on April 30, 2014. The non-revolving facility bears interest at fixed rate of 7.42%. The $46 million revolving portion of the facility consists of a swing line facility to a maximum of $5 million with the remainder consisting of prime based loans and bankers acceptances. The revolving facility requires interest to be paid monthly with no scheduled principal payments during the committed term with the balance due on April 30, 2014. Amounts borrowed under the revolving facility will bear interest at the Company's option of the bank's prime rate plus 1.25% to 2.75% or banker's acceptance rate plus 2.25% to 3.75%. The total facility is margined based on 75% of the Company's eligible accounts receivable and 60% of the net book value of Property and Equipment to a maximum of $70.5 million.

The Company may be exposed to liquidity risk if it is unable to collect its trade accounts receivable balances in a timely manner which could in turn impact the Company's long-term ability to meet its commitments under the facilities. In order to manage this liquidity risk, the Company actively monitors all accounts receivable to maintain accounts outstanding over 60 days to less than 25 percent of the total balance. As at December 31, 2012, the balance of trade accounts receivable in excess of 90 days was $489 (2011: $1,185), representing approximately 2% (2011: 4%) of the trade accounts receivable balance, of this amount $127 (2011: $170) has been provided for as an allowance for bad debts. A structure is maintained that focuses on growth of the Company while ensuring viability for stakeholders. Finally, in an effort to combat the seasonality of the oilfield business and reduce long-term liquidity risk exposure, the Company regularly reviews its cash availability and whenever the conditions permit, the excess cash is applied to the debt outstanding.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Foreign currency risk arises from the fluctuations n foreign exchange rates and the degree of volatility of these rates relative to the Canadian dollar. The Company is not significantly exposed to foreign currency risk.

Interest rate risk

The Company is exposed to increases in interest rate changes as the revolving portion of the long-term debt bear interest at prime lending rates or bankers acceptances rates. The non-revolving portion of the facility is fixed for three years at 7.42%. As a result, the Company has eliminated its exposure to interest rate risk for the next two years on this debt. For the year ended December 31, 2012, a one percent change in the prime lending rate would have impacted net income by approximately $135 thousand.

Management's report

<u>To the Shareholders of CWC Well Services Corp.</u>

The audited statements of financial position of CWC Well Services Corp. as at December 31, 2012 and 2011 and the statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2012 and 2011 have been prepared by management. It is management's responsibility to ensure that sound judgment, appropriate accounting principles and methods, and reasonable estimates have been used in the preparation of this information. Management also ensures that all information presented is consistent.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through the Audit Committee. The Committee reviews the financial statements and annual report, and recommends them to the Board for approval. The Committee meets with management and external auditors to discuss internal controls, auditing matters, and financial reporting issues. External auditors have full and unrestricted access to the Audit Committee. The Committee also recommends a firm of external auditors to be appointed by the Shareholders.

(SIGNED) "Duncan Au"	*(SIGNED) "Kevin Howell"*
Duncan Au	Kevin Howell
President and Chief Executive Officer	Chief Financial Officer

Calgary, AB
March 5, 2013

KPMG LLP
Chartered Accountants
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Calgary AB T2P 4B9

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of CWC Well Services Corp.

We have audited the accompanying financial statements of CWC Well Services Corp., which comprise the statements of financial position as at December 31, 2012 and December 31, 2011, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CWC Well Services Corp. as at December 31, 2012 and December 31, 2011, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Accountants

Calgary, Canada
March 5, 2013

STATEMENT OF FINANCIAL POSITION
CWC Well Services Corp.
As at December 31, 2012 and 2011

in thousands of Canadian dollars	Note		**2012**		2011
ASSETS					
Current assets					
Marketable securities		**$**	**22**	$	43
Accounts receivable	7		**21,382**		28,850
Inventory	8		**2,537**		2,441
Prepaid expenses and deposits			**201**		289
			24,142		31,623
Property and equipment	9		**128,538**		126,919
Loans to employees			**-**		160
Deferred tax asset	10		**-**		1,072
		$	**152,680**	$	159,774
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank indebtedness	11	**$**	**3,163**	$	1,810
Accounts payable and accrued liabilities			**7,779**		7,399
Dividends payable	12		**2,517**		-
Current portion of long-term debt	11		**2,422**		8,377
			15,881		17,586
Deferred tax liability	10		**915**		-
Long-term debt	11		**39,419**		39,564
TOTAL LIABILITIES			**56,215**		57,150
SHAREHOLDERS' EQUITY					
Share capital	13		**108,001**		109,143
Contributed surplus			**5,762**		5,236
Deficit			**(17,298)**		(11,755)
			96,465		102,624
		$	**152,680**	$	159,774

See accompanying notes to financial statements.

Approved on behalf of the board:

(SIGNED) "Gary Bentham"
Gary Bentham, Director

(SIGNED) "Duncan Au"
Duncan Au, Director

STATEMENT OF COMPREHENSIVE INCOME

CWC Well Services Corp.

For the years ended December 31, 2012 and 2011

in thousands of Canadian dollars	Note	2012	2011
REVENUE	6	**112,332**	$ 109,502
EXPENSES			
Direct operating expenses		**73,210**	67,669
Selling and administrative expenses		**14,073**	13,352
Stock based compensation	15	**833**	801
Finance costs	20	**2,948**	3,514
Depreciation		**14,260**	13,871
Loss (Gain) on disposal of equipment		**216**	(1,346)
Unrealized loss on marketable securities		**22**	23
		105,562	97,884
NET INCOME BEFORE TAXES		**6,770**	11,618
DEFERRED INCOME TAX EXPENSE (RECOVERY)	10	**1,987**	(1,072)
NET INCOME AND COMPREHENSIVE INCOME		**4,783**	12,690
EARNINGS PER SHARE			
Basic and diluted earnings per share	14	**$ 0.03**	$ 0.08

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

CWC Well Services Corp.

For the years ended December 31, 2012 and 2011

in thousands of Canadian dollars	Note	**Shares (in 000's)**	**Share Capital**	**Contributed surplus**	**Deficit**	**Total Equity**
Balance at January 1, 2011		158,739	$ 110,774	$ 3,657	$ (24,445)	$ 89,986
Net income and comprehensive income for the year			-	-	12,690	12,690
Transactions with owners, recorded directly in equity						
Stock based compensation	15		-	801	-	801
Shares issued	13	172	72	(29)	-	43
Shares redeemed	13	(2,467)	(1,703)	807	-	(896)
Balance at December 31, 2011		156,444	$ 109,143	$ 5,236	$ (11,755)	$ 102,624
Balance at January 1, 2012		156,444	$ 109,143	$ 5,236	$ (11,755)	$ 102,624
Net income and comprehensive income for the year		-	-	-	4,783	4,783
Transactions with owners, recorded directly in equity						
Stock based compensation	15	-	-	750	-	750
Shares issued	13	343	149	(63)	-	86
Shares redeemed	13	(1,871)	(1,291)	(161)	-	(1,452)
Dividends declared	12	-	-	-	(10,326)	(10,326)
Balance at December 31, 2012		**154,916**	**$ 108,001**	**$ 5,762**	**$ (17,298)**	**$ 96,465**

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

CWC Well Services Corp.

For the years ended December 31, 2012 and 2011

in thousands of Canadian dollars	Note	**2012**	2011
CASH PROVIDED BY (USED IN):			
OPERATING:			
Net income		**$ 4,783**	$ 12,690
Adjustments for:			
Stock based compensation		**833**	801
Interest on employee loans		**(3)**	(5)
Finance costs		**2,948**	3,514
Loss on disposal of equipment		**216**	(1,346)
Unrealized loss on marketable securities		**22**	23
Deferred income tax expense		**1,987**	(1,072)
Depreciation		**14,260**	13,871
		25,046	28,476
Change in non-cash working capital	21	**7,669**	(7,360)
		32,715	21,116
INVESTING:			
Acquisitions		**-**	(38,000)
Purchase of equipment		**(16,350)**	(4,436)
Proceeds on sale of equipment		**474**	7,044
		(15,876)	(35,392)
FINANCING:			
Issue of long-term debt		**-**	60,000
Repayment of term debt		**(8,250)**	(41,975)
Net increase of revolving debt		**2,000**	-
Increase in bank indebtedness		**1,353**	431
Finance costs paid		**(143)**	(489)
Interest paid		**(2,731)**	(3,114)
Finance lease repayments		**(145)**	(143)
Common shares repurchased, net of proceeds on options	13	**(1,367)**	(434)
Dividends paid		**(7,556)**	-
		(16,839)	14,276
CHANGE IN CASH		**-**	-
CASH, BEGINNING OF YEAR		**-**	-
CASH, END OF YEAR		**$ -**	$ -

See accompanying notes to financial statements.

1. Reporting entity:

CWC Well Services Corp. ("CWC" or the "Company") is incorporated under the Canada Business Corporations Act. The address of the Company's registered office is Suite 755, 255 – 5th Avenue Southwest, Calgary, Alberta, Canada. The Company is an oilfield services company providing production services to oil and gas exploration and development companies throughout the Western Canadian Sedimentary Basin.

2. Basis of presentation:

(a) **Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

These annual financial statements were approved by the Board of Directors on March 5, 2013.

(b) **Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the marketable securities which are measured at fair value.

(c) **Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand except where otherwise noted.

(d) **Use of estimates and judgments**

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates, judgments and assumptions. The carrying amount of assets, liabilities, accruals, provisions, contingent liabilities, other financial obligations, as well as the determination of fair values and reported income and expense in these financial statements depends on the use of estimates, judgments and assumptions. IFRS also requires management to exercise judgment in the process of applying the Company's accounting policies. These estimates, judgments and assumptions are based on the circumstances and estimates at the date of the financial statements and affect the reported amounts of income and expenses during the reporting periods. Given the uncertainty regarding the determination of these factors, actual results may differ from these 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 financial statements.

i. Accounts receivables

Impairment of trade and other receivables is constantly monitored. Evidence of impairment could, for example, occur when the financial difficulties of a debtor become known or payment delays occur. Impairments are based on historical values, observed customer solvency, the aging of trade and other receivables and customer-specific and industry risks. In addition, the Company reviews external credit ratings as well as bank and trade references when available

ii. Depreciation of Property and equipment

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

iii. Recoverability of non-current assets

At the end of each reporting period or more frequently if warranted by a change in circumstances, the Company assesses the carrying values of property and equipment. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumptions and judgments regarding discount rates, past and actual performance as well as expected developments in the respective markets and in the overall macroeconomic environment and economic trends. A material change in assumptions may significantly impact the potential impairment of these assets.

The Company's determination of Cash Generating Units ("CGU's) is a key judgment and may have a significant impact on the impairment test.

iv. Deferred income taxes

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

v. Stock based compensation

The Company accounts for stock based compensation in accordance with IFRS 2 Share-based Payments which requires companies to recognize the cost of such awards of equity instruments based on the grant date fair value of those awards. The Company estimates the fair value of stock option awards on the date of grant utilizing a Black-Scholes option valuation model. Certain key assumptions used in the Black-Scholes model include the expected stock price volatility, forfeitures, dividend yield and expected term.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Inventory

Inventory consists mainly of operating supplies, consumables and repair parts. Inventory is stated at the lower of cost or net realizable value. The cost of inventory is accounted for on a weighted average basis and includes expenditures incurred in acquiring the inventory, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(b) Property and equipment and depreciation

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour
- any other costs directly attributable to bringing the assets to a working condition for their intended use;

Costs of replacing a component of property and equipment is capitalized only when it is probable that the future economic benefits associated with the component will flow to the Company. The carrying amount of the replacement component is derecognized. Cost of routine repairs and maintenance is expensed as incurred.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Items of property and equipment are depreciated from the date that they are inspected and determined to be ready for field use, or in respect of internally constructed assets, from the date that the asset is completed or ready for use. Depreciation is recorded annually over the estimated useful lives of the assets on the straight-line basis at the following deprecation rates:

Assets	Method	Rate
Production Equipment – service rigs and Level IV recertifications	Unit of production	24,000 operating hours
Production Equipment – Coil, Snubbing units	Straight-line	10 years
Support Equipment	Straight-line	2 to 10 years
Miscellaneous equipment	Straight-line	3 to 5 years

Assets under construction are not depreciated until they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Impairment of non-financial assets excluding inventories and deferred tax asset

Non-financial assets excluding inventories and deferred tax assets are assessed at the end of each reporting period to determine if any indication of impairment exists. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use (“VIU”) and its fair value less costs to sell (“FVLCS”). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU’s.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of goodwill, if any, allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

CWC’s corporate assets, which do not generate separate cash inflows, are allocated to the CGU’s on a reasonable basis for impairment testing purposes.

(d) Financial instruments

Financial assets include marketable securities, accounts receivable and loans to employees. The Company determines the classification of its financial assets at initial recognition and records the assets at their fair value. Subsequently, financial assets are carried at fair value or amortized cost less impairment charges. Where non-derivative financial assets are carried at fair value, gains and losses on remeasurement are recognized directly in equity unless the financial assets have been designated as being held at fair value through profit or loss, in which case the gains and losses are recognized directly in net earnings.

All financial liabilities are initially recognized at the fair value net of transaction costs and subsequently carried at amortized cost. Financial liabilities include bank indebtedness, dividends payable, accounts payable and accrued liabilities and debt. The Company determines the classification of its financial liabilities at initial recognition.

The Company has the following non-derivative financial assets: held for trading and loans and receivables

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognized in profit or loss.

Financial assets designated as at fair value through profit or loss comprise equity securities that would otherwise would have been classified as available for sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and loans to employees.

Cash and cash equivalents comprise cash balances and trust account balances that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(e) Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are returned to treasury and cancelled no less than six months from repurchase.

(f) Provisions

A provision is recognized in the financial statements when the Company has an obligation, whether existing or potential as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is determined to be material, then the estimated amount of the provision is determined by discounting the expected future cash outflows. At December 31, 2012 and December 31, 2011 there were no provisions recognized in the financial statements.

(g) Revenue recognition

The Company's services are provided based upon orders and contracts with customers that include fixed or determinable prices and are based upon daily, hourly or contracted rates. Contract terms do not include the provision for post-service obligations. Revenue is recognized when services are rendered and when collectability of the consideration is probable and when the amount of revenue can be measured reliably.

(h) Leases

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfillment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s)

At the inception or on reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized as amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate.

Leasing contracts are classified as either finance or operating leases.

The Company classifies a lease as a finance lease if it transfers substantially all of the risks and rewards of ownership to the lessee. Upon the initial recognition of the lease asset it is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognized in the Company's statement of financial position. Payments made under operating leases are recognized in the statement of profit or loss on a straight-line basis over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance lease and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(i) Dividends

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

(j) Finance costs

Finance costs encompass interest expense on financial liabilities and accretion expense on debt issuance costs and are recognized in profit or loss in the period in which they are incurred using the effective interest method.

(k) Foreign currency transactions

Transactions in foreign currency are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

(l) Income Tax

Tax is recognized in profit or loss, except to the extent that it relates to a business combination or items recognized in other comprehensive income or directly in equity.

Current tax is the expected tax on taxable income less adjustments to prior periods using tax rates enacted, or substantively enacted as at the reporting date in jurisdictions where the Company operates.

Deferred income taxes are recognized based on temporary differences arising between the tax value of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill and are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income. Deferred income taxes are calculated on the basis of the tax laws enacted or substantively enacted as at the reporting date and apply to when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Current and deferred income tax assets and liabilities are offset when there is a legally enforceable right to settle on a net basis and when such assets and liabilities relate to income taxes imposed by the same taxation authority.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under the bonus plan when a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can reasonably be estimated.

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be measured reliably. If benefits are payable more than twelve months after the reporting date, then they are discounted to their present value.

The Company grants stock options and restricted share units to directors, officers and employees of the Company under its share based compensation plans. Stock based compensation is accounted for using the fair value method of valuing any stock options granted using the Black-Scholes model. Under the fair value method, the fair value of options is calculated at the date of grant and that value is recorded as compensation expense over the vesting periods of those grants, with a corresponding increase to contributed surplus less an estimated forfeiture rate. The forfeiture rate is based on past experience of actual forfeitures. When options are exercised, the proceeds received by the Company, along with the amount in contributed surplus will be credited to share capital.

The Company has a dividend bonus plan to compensate stock option holders for the dividend. Under the terms of the plan option holders of vested, in the money options are entitled to a bonus payment equal to the dividend amount grossed up to negate the tax consequences of receiving employment income versus dividend income. These amounts are accrued at each dividend declaration date and paid out annually, at the time of option exercise or on termination of employment, whichever event occurs first.

(n) Per share amounts

Basic per share amounts are calculated using the weighted average number of common shares outstanding during the period. Diluted per share amounts are calculated considering the effects of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares assumes that all dilutive stock options and restricted share units are exercised and the proceeds obtained on the exercise of dilutive stock options would be used to purchase common shares at the average market price during the period. The weighted average number of common shares outstanding is then adjusted accordingly.

(o) Segmented information

The operating divisions are grouped into two distinct reporting segments: Well Servicing and Other Oilfield Services and are supported by the Corporate reporting segment. The reporting segments share common economic characteristics and are differentiated by the type of service provided and customer needs. The reporting segments financial results are reviewed regularly by the Company's senior management. Senior management makes decisions about resource allocation and assesses segment performance based on the internally prepared segment information.

(p) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable as well as considering other qualitative factors.

The Company measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

4. New standards and interpretations not yet adopted:

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.

IFRS 9 Financial Instruments

IFRS 9 (2009) replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement,* on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables.

Financial assets will be classified into one of two categories on initial recognition:

- financial assets measured at amortized cost; or,
- financial assets measured at fair value

Gains and losses on remeasurement of financial assets measured at fair value will be recognized in profit or loss, except that for an investment in an equity instrument which is not held-for-trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual share-by-share basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) added guidance to IFRS 9 (2009) on the classification and measurement of financial liabilities, and the guidance is consistent with the guidance in IAS 39 except as described below.

Under IFRS 9 (2010), for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in OCI, with the remainder of the change recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) also requires derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument to be measured at fair value, whereas such derivative liabilities are measured at cost under IAS 39.

IFRS 9 (2010) also added the requirements of IAS 39 for the derecognition of financial assets and liabilities to IFRS 9 without change.

The IASB has deferred the mandatory effective date of the existing chapters of IFRS 9 *Financial Instruments* (2009) and IFRS 9 (2010) to annual periods beginning on or after January 1, 2015. The early adoption of either standard continues to be permitted.

IFRS 9 (2010) supersedes IFRS 9 (2009) and is effective for annual periods beginning on or after January 1, 2015, with early adoption permitted. For annual periods beginning before January 1, 2015, either IFRS 9 (2009) or IFRS 9 (2010) may be applied.

The Company intends to adopt IFRS 9 (2010) in its financial statements for the annual period beginning on January 1, 2015. The extent of the impact of the adoption of IFRS 9 (2010) has not yet been determined.

IFRS 13 Fair Value Measurement

In May 2011 the IASB published IFRS 13 *Fair Value Measurement*, which is effective prospectively for annual periods beginning on or after January 1, 2013. The disclosure requirements of IFRS 13 need not be applied in comparative information for periods before initial application.

IFRS 13 replaces the fair value measurement guidance contained in individual IFRS's with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income.

IFRS 13 explains 'how' to measure fair value when its required or permitted by other IFRS. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

The Company intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on January 1, 2013. The extent of the impact of adoption of IFRS 13 has not yet been determined.

5. Determination of fair values:

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property and equipment

The fair value of property and equipment recognized as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost estimates reflect adjustments for physical deterioration as well as functional and economic obsolescence.

(b) Share-based payment transactions

The fair value of the employee share options and restricted share units are measured using the Black-Scholes formula. Measurement inputs include the share price on the measurement date, the exercise price of the option/unit, expected volatility (based on an evaluation of the Company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

(c) Other non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

6. Operating segments:

The Company operates in two primary segments within the service industry in Western Canada: Well Servicing and Other Oilfield Services. The Well Servicing segment provides well services through the use of service rigs and coil tubing units. The Other Oilfield Services segment provides snubbing and production testing, primarily providing support services to the well service business. .

The Company evaluates performance on net income before depreciation and taxes, as included in the management reports reviewed by key management personnel and the board of directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within the respective industries.

The reportable segments are distinct operations as they offer complementary services to the well service business. Once a service rig is on site, the other services are typically onsite at various times supporting the rig activity. However, these services can be performed independently of well servicing.

The amounts related to each industry segment are as follows:

YEAR ENDED DECEMBER 31, 2012	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	**102,807**	**9,525**	**-**	**112,332**
Finance costs	**-**	**-**	**2,948**	**2,948**
Net income (loss) before depreciation and taxes	**28,540**	**1,322**	**(8,832)**	**21,030**
Depreciation	**12,435**	**1,254**	**571**	**14,260**
Net income (loss) before tax	**16,105**	**68**	**(9,403)**	**6,770**
Income tax expense	**-**	**-**	**(1,987)**	**(1,987)**
Net income (loss) after tax	**16,105**	**68**	**(11,390)**	**4,783**
Property and equipment	**118,627**	**8,839**	**1,072**	**128,538**
Capital expenditures	**15,016**	**875**	**459**	**16,350**

YEAR ENDED DECEMBER 31, 2011	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	89,025	20,477	-	109,502
Finance costs	-	-	3,514	3,514
Net income (loss) before depreciation and taxes	26,351	6,098	(6,960)	25,489
Depreciation	11,205	2,129	537	13,871
Net income (loss) before tax	15,146	3,969	(7,497)	11,618
Income tax recovery	-	-	1,072	1,072
Net income (loss) after tax	15,146	3,969	(6,425)	12,690
Property and equipment	116,309	9,614	996	126,919
Acquisitions through business combinations	38,000	-	-	38,000
Capital expenditures	3,849	181	406	4,436

Major customer

Revenues from two customers of the Company's Well Servicing segment represents approximately $29,497 (2011: one customer representing $13,597) of the Company's total revenues.

7. Accounts receivable:

December 31,	2012	2011
Trade receivables	**$ 19,967**	$ 26,407
Other operating receivables	**1,298**	2,272
Other receivables	**117**	171
	$ 21,382	$ 28,850

The Company's exposure to credit risk is disclosed in note 22.

8. Inventory:

December 31,	2012	2011
Inventory of consumables and operating supplies	**$ 1,942**	$ 1,942
Inventory of coil tubing	**595**	499
	$ 2,537	$ 2,441

9. Property and equipment:

Cost

	Production equipment	Support equipment	Miscellaneous equipment	Total
Balance as of January 1, 2011	$ 90,721	$ 59,065	$ 2,582	$ 152,368
Acquisitions through business combinations	24,817	13,133	50	38,000
Additions	2,866	1,263	660	4,789
Disposals	(11,022)	(643)	(1,832)	(13,497)
Balance as of December 31, 2011	$ 107,382	$ 72,818	$ 1,460	$ 181,660

	Production equipment	Support equipment	Miscellaneous equipment	Total
Balance as of January 1, 2012	$ 107,382	$ 72,818	$ 1,460	$ 181,660
Additions	10,986	4,939	635	16,560
Disposals	(518)	(582)	(85)	(1,185)
Balance as of December 31, 2012	$ 117,851	$ 77,175	$ 2,010	$ 197,035

Depreciation and Impairment losses

	Production equipment	Support equipment	Miscellaneous equipment	Total
Balance as of January 1, 2011	$ 24,577	$ 22,093	$ 1,925	$ 48,595
Additions	7,329	6,076	466	13,871
Disposals	(5,416)	(515)	(1,794)	(7,725)
Balance as of December 31, 2011	$ 26,490	$ 27,654	$ 597	$ 54,741

	Production equipment	Support equipment	Miscellaneous equipment	Total
Balance as of January 1, 2012	$ 26,490	$ 27,654	$ 597	$ 54,741
Additions	7,267	6,442	551	14,260
Disposals	(87)	(332)	(86)	(505)
Balance as of December 31, 2012	$ 33,670	$ 33,764	$ 1,062	$ 68,496

Carrying amounts

At December 31, 2011	$ 80,892	$ 45,164	$ 863	$ 126,919
At December 31, 2012	**$ 84,180**	**$ 43,411**	**$ 948**	**$ 128,538**

Assets under construction amounts to $1,252 included in production equipment and $13 included in miscellaneous equipment as at December 31, 2012 (December 31, 2011: $1,135 included in support equipment; $2,426 included in production equipment and $37 included in miscellaneous equipment).

At December 31, 2012, property and equipment includes equipment under finance leases which are recorded at cost totaling $634 (December 31, 2011: $497), less accumulated depreciation of $267 (December 31, 2011: $168).

10. Income taxes:

The provision for income taxes differs from the amount obtained from applying the combined Federal and Provincial Income tax rate of 25.0% to the income before income taxes. The difference relates to the following items:

December 31,		2012		2011
Statutory Rate		25.00%		26.50%
Income taxes at statutory rate	$	1,692	$	3,079
Increase (decrease) in income taxes resulting from:				
Non-deductible expenses		34		43
Stock compensation expense		187		212
Change in estimated tax rate on realization of temporary differences		16		(187)
Previously unrecognized tax benefits		-		(4,149)
Other		58		(70)
Total income tax expense (recovery)	$	1,987	$	(1,072)

The decrease in the statutory tax rate from 2011 to 2012 was due to a reduction in the 2011 Canadian corporate tax rates as part of a series of corporate tax rate reductions previously enacted by the Canadian Federal Government.

Significant components of the Company's recognized deferred tax assets and liabilities at period end are as follows:

December 31,		2012		2011
Operating losses	$	11,685	$	11,203
Share issue and deferred financing costs		162		234
Property and equipment		(12,908)		(10,500)
Finance leases payable		93		79
Goodwill		56		65
Marketable securities		(3)		(9)
	$	(915)	$	1,072

The operating losses as at December 31, 2011 and 2012 are available for carry-forward for tax purposes to apply against future taxable income. These losses expire between 2027 and 2030. In 2011, $4,149 of previously unrecognized deferred tax assets were recognized as management considered it probable that future taxable profits would be available against which they can be utilized. No deferred taxes were recognized in other comprehensive income or equity during the years ended December 31, 2012 and 2011.

11. Loans and borrowings:

On March 20, 2012, the Company amended the credit facility from a syndicate of lenders which consists of a $17.25 million non-extendable committed non-revolving facility ($17.25 million outstanding at December 31, 2012 (December 31, 2011: $25.5 million)) and a non-extendable committed revolving facility to a maximum of $46 million ($24.5 million outstanding at December 31, 2012 (December 31, 2011: $22.5 million)) each with a maturity date of April 30, 2014. The $46 million revolving portion of the facility consists of a swing line facility to a maximum of $5 million with the remainder consisting of prime based loans and bankers acceptances. The amendment accommodated the payment of dividends and increased the maximum available under the facility to $70.5 million reducing each quarter by the principal payments required on the non-revolving facility. The facility is subject to covenants which are common to these types of arrangements.

The Company has finance leases of $373 (December 31, 2011: $299). These leases are subject to interest rates ranging from 4.41% to 5.60% and maturing from May 2014 to December 2015.

As at December 31, 2012, $667 was drawn under the swingline. The Company had cash of $73, offsetting outstanding cheques of $2,569 resulting in a bank indebtedness position of $3,163 (December 31, 2011: $1,810).

The Company was in compliance with all debt covenants as at December 31, 2012 and December 31, 2011.

The estimated principal payments for each of the next five fiscal years are as follows:

2013		2,422
2014		39,670
2015		56
2016		-
Thereafter		25
	$	42,173

For more information about the Company's exposure to interest rate and liquidity risk refer to note 22.

12. Dividends:

On March 20, 2012, the Company declared a dividend of $0.0325 per common share. The dividend was paid on July 13, 2012 to shareholders of record on June 29, 2012. On August 13, 2012, the Company declared a quarterly dividend of $0.01625 per common share. The dividend was paid on October 15, 2012 to shareholders of record on September 28, 2012. On November 15, 2012, the Company declared a quarterly dividend of $0.01625 per common share. The dividend was paid on January 15, 2013 to shareholders on record on December 31, 2012. Dividends payable as at December 31, 2012 is $2,517 (December 31, 2011 $NIL).

13. Share capital:

The authorized share capital of the Company consists of an unlimited number of Common voting shares with no par value and an unlimited number of Preferred shares with no par value.

The Company renewed a Normal Course Issuer Bid ("NCIB") effective April 1, 2012, to purchase from time to time, as it is considered advisable, up to 7,775,196 of its issued and outstanding common shares on the open market through the facilities of the TSX Venture Exchange ("TSXV"). The price that the Company will pay for any common share under the NCIB will be the prevailing market price on the TSXV at the time of such purchase. Common shares acquired under the NCIB will be subsequently cancelled. During the year ended December 31, 2012, the Company purchased 1,871,500 (December 31, 2011: 794,000) shares under the NCIB for total consideration including commissions of $1,452 (December 31, 2011: $477). The re-purchased shares were returned to treasury and cancelled.

During the year ended December 31, 2011, 1,672,935 shares were repurchased from a former employee with the consideration being the cancellation of a share purchase loan in the amount of $419. This transaction has not been reflected in the statement of cash flows as it was a non-cash transaction.

During the year ended December 31, 2012, stock options were exercised resulting in the issuance of 343,322 shares (December 31, 2011: 171,649).

14. Earnings per share:

Year ended December 31,	2012			2011		
	NET INCOME	WEIGHTED AVERAGE NUMBER OF SHARES (in 000's)	PER SHARE AMOUNT	NET INCOME	WEIGHTED AVERAGE NUMBER OF SHARES (in 000's)	PER SHARE AMOUNT
Basic earnings per share	**$4,783**	**155,332**	**$ 0.03**	$12,690	157,021	$ 0.08
Diluted earnings per share	**$4,783**	**159,910**	**$ 0.03**	$12,690	159,422	$ 0.08
Securities excluded from diluted earnings per share as the effect would be anti-dilutive		**2,939**			2,481	

15. Share based payment arrangements:

(a) The Company has a share option program that entitles key management personnel, directors and employees to purchase shares in the Company. In accordance with this program, holders of vested options are entitled to purchase shares at the market price of the shares at the date of grant. All grants under the share option program vest equally over three years and expire five years from the grant date. During the year ended December 31 2012, 250,000 (December 31, 2011: 2,050,000) options were granted to key management personnel and directors.

	NUMBER OF OPTIONS	WEIGHTED AVERAGE STRIKE PRICE ($)
Outstanding, January 1, 2011	9,492,835	0.38
Granted	2,050,000	0.60
Exercised	(171,649)	(0.25)
Forfeited	(1,006,178)	(0.97)
Outstanding, December 31, 2011	10,365,008	0.39
Outstanding, January 1, 2012	**10,365,008**	**0.39**
Granted	**250,000**	**0.80**
Exercised	**(343,322)**	**(0.25)**
Forfeited	**(741,338)**	**(1.12)**
Outstanding, December 31, 2012	**9,530,348**	**0.38**

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

	2012	2011
Risk-free rates of return	**1.62%**	1.31% - 1.57%
Expected life (years)	**5**	5
Forfeiture rate	**18.56%**	6.39%
Volatility	**113%**	125% - 130%
Dividend yield	**0%**	0%

2012

Range of Exercise Price	Outstanding Stock Options	Weighted Average Strike Price ($)	Remaining Life	Exercisable Stock Options	Weighted Average Vested Exercise Price ($)
0.00 - 0.25	7,201,347	0.25	2.73	4,707,923	0.25
0.26 - 0.60	1,800,000	0.60	3.72	599,945	0.60
0.61 - 0.80	250,000	0.80	4.41	-	-
0.81 - 2.50	279,001	1.81	0.42	279,001	1.81
0.00 - 2.50	9,530,348	0.38	2.89	5,586,869	0.37

2011

Range of Exercise Price	Outstanding Stock Options	Weighted Average Strike Price ($)	Remaining Life	Exercisable Stock Options	Weighted Average Vested Exercise Price ($)
0.00 - 0.25	7,884,007	0.25	3.61	2,585,187	0.25
0.26 - 0.75	2,050,000	0.60	4.65	-	-
0.76 - 1.82	281,251	1.81	1.33	285,001	1.81
1.83 - 2.50	149,750	2.40	0.65	149,750	2.40
0.25 - 2.50	10,365,008	0.39	3.24	3,019,938	0.51

The Company has a restricted share unit program ("RSU") designed to provide incentive compensation to key management personnel, directors and employees that was introduced in December 2012. Each RSU granted by the board of directors entitles a participant to receive an amount equal to the fair market value of the RSU (the "settlement amount") plus an amount, if any, accrued from the date of grant of the RSU, equal to the aggregate amount paid by the Company in dividends on common shares. The method of satisfaction of the settlement amount is at the discretion of the Company and may be satisfied by (i) the issuance from treasury of a number of Common shares with a fair market value equal to the settlement amount, provided that any required stock exchange approval has been obtained, (ii) open market purchases or purchases pursuant to private transactions with third parties, on behalf of the participant, of such number of Common shares which have a fair market value equal to the settlement amount, or (iii) the payment to the participant of an amount of cash equal to the settlement amount. It is the Company's current intention to satisfy the settlement amount with the issuance of Common shares from treasury for the number of RSU's redeemed. All grants under the share option program vest equally over three years and expire on December 31st of the third year following the year in which the grant of the RSU was made. During the year ended December 31, 2012, 660,000 (December 31, 2011: NIL) restricted share units were granted to key management personnel and directors. The Company recognized compensation expense for these RSU's based on the fair value of the awards.

The Company also has a dividend bonus plan to compensate option holders for the dividend. Under the terms of the plan option holders of vested, in the money options are entitled to receive a bonus payment equal to the dividend amount grossed up to negate the tax consequences of employment income versus dividend income. This amount is paid annually, on exercise of the options or on termination of employment, whichever event occurs first. The amount paid in excess of the dividend amount is recorded as stock based compensation. During the year ended December 31, 2012 $330 was accrued under the plan.

16. Commitments and contingencies:

The Company is committed to rent for office, yard space, vehicle lease payments and operating lease commitments on office equipment through to 2016 as follows:

	2013	2014	2015	2016	2017 and beyond
Long-term debt	$ 2,351	$ 39,525	$ -	$ -	$ 24
Rent	1,115	920	517	188	193
Other operating leases	180	149	56	-	-
Total obligations	$ 3,645	$ 40,594	$ 573	$ 188	$ 217

The Company is sometimes named as a defendant in litigation. The nature of these claims is usually related to personal injury, labour issues or completed operations. The Company maintains insurance that management deems sufficient for such matters.

17. Related parties

Of the total outstanding shares of the Company, 85.8% are directly or indirectly owned by Brookfield Capital Partners Ltd. (the "Fund"), a private equity fund managed by Brookfield Asset Management Inc. ("Brookfield"), and the entities that constitute the Fund. The Company is related to Brookfield by virtue of control, and is therefore also related to Brookfield's affiliates. There were no transactions during 2012 with the Fund, Brookfield or its affiliates.

Certain executive officers are subject to a mutual term of notice of three months. On resignation at the Company's request, they are entitled to termination benefits of 12 to 24 months gross salary.

Key management personnel compensation comprised the following:

December 31,	**2012**	2011
Short term employee benefits	**$ 1,570**	$ 1,115
Share-based payments	**622**	630
Total	**2,192**	1,745

18. Expenses by nature:

December 31,	Note	**2012**	**2011**
Personnel expenses	19	**60,121**	54,796
Other operating expenses		**21,959**	21,241
Other selling and administrative		**4,020**	3,609
Facility expenses		**2,016**	2,175
Depreciation expense		**14,260**	13,871
Finance costs	20	**2,948**	3,514

19. Personnel expenses:

December 31,	**2012**	**2011**
Wages and salaries	**59,288**	53,821
Termination benefits	**-**	174
Equity-settled share-based payment transactions	**833**	801
	60,121	54,796

20. Finance costs:

December 31,	2012	2011
Interest expense on financial liabilities measured at amortized cost	**2,731**	3,114
Accretion of debt issuance costs	**217**	400
	2,948	3,514

21. Changes in non-cash working capital:

December 31,	2012	2011
Accounts receivable	**$ 7,468**	$ (9,197)
Inventory	**(96)**	197
Prepaid expenses and deposits	**88**	(116)
Loans to employees	**160**	283
Accounts payable and accrued liabilities	**49**	1,473
	$ 7,669	$ (7,360)

Non-cash transactions have been excluded from the cash flows. Excluded from non-cash working capital was $253 relating to the dividend bonus plan for the year ended December 31, 2012. In the year ended December 31, 2011, excluded from non-cash working capital and capital additions and disposals was $75 in proceeds that was heldback on the sale of the Nitrogen assets and $53 was excluded from accounts payable relating to equipment additions that had not been settled in cash before year end.

22. Financial risk management:

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's audit committee is also responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its policies and procedures and training, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivable from customers and loans from employees.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

December 31,	2012	2011
Accounts receivable	**21,382**	28,850
Loans to employees	**-**	160
	21,382	29,010

Accounts receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, however, management also considers the demographics of the Company's customer base. During 2012, approximately 26% (2011: 12% with a single customer) of the Company's revenue was attributable to sales transactions with two customers. Currently, majority of the Company's sales are concentrated within the Western Canadian Sedimentary Basin ("WCSB"). This concentration is common amongst companies in the industry.

Management established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company begins to provide services to the customer and prior to offering standard payment terms and conditions. The Company's review includes external ratings, when available, as well as contacting credit references and evaluating banking information provided by the customer. Purchase limits are established for each new customer, which represents the maximum open amount. Customers that fail to meet the Company's benchmark creditworthiness may transact with Company only after providing cash deposit of at least 30% of the credit amount requested until they have sufficient payment history with the Company.

Accounts receivable balances are reviewed monthly for credit worthiness and days to pay is calculated on a customer by customer basis. Should the monthly analysis show that a customer's days to pay is beginning to lengthen the customer is contacted to discuss and when necessary, added to a list of customers the Company no longer views creditworthy. New and high risk customers are contacted after 30 days from invoice date if payment has not been received. Finally, the Company will lien a customer's location where the services were provided if deemed necessary.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance is a specific loss component that relates to individually significant exposures.

Impairment losses

The aging of trade and other receivables at the reporting date that were not impaired was as follows:

December 31,	2012	2011
Neither past due nor impaired	**13,051**	15,461
Past due 31-90 days	**7,969**	12,374
Past due 91 and over	**362**	1,015
	21,382	28,850

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Balance as at December 31, 2010	258
bad debt recoveries	(88)
Balance as at December 31, 2011	170
bad debt expense	72
bad debt recoveries	(115)
Balance as at December 31, 2012	127

The bad debt recoveries in 2012 and 2011 relate to customers that had entered creditor protection. The provision for these customers was set up when the Company received notice that the customer had entered creditor protection. The affected customers later emerged from creditor protection and began to pay outstanding amounts.

The remainder of the impairment loss at December 31, 2012 relates to several customers that have indicated they are not expecting to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings, when available.

Based on the Company's monitoring of credit risk, the Company believes that, except as indicated above, no impairment allowance is necessary in respect of trade receivables not past due.

Loans to employees

Loans to employees are secured with shares and personal guarantees provided by the respective employees. The shares purchased with the funds from the loans have been placed in trust until the amounts are repaid in full. During the year ended December 31, 2012 loans to employees were repaid in full.

Liquidity risk

Liquidity risk relates to the risk that the Company will encounter difficulty in meeting its financial obligations. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The credit facilities available at December 31, 2012, consisted of a $17.25 million non-extendable committed non-revolving facility and a non-extendable committed revolving facility to a maximum of $46 million with a maturity date of April 30, 2014. The committed non-revolving facility is subject to principal payments of $750 plus interest until April 2013, followed by payments of interest only in the third year with a final payment of $14.25 million due on April 30, 2014. The non-revolving facility bears interest at fixed rate of 7.42%. The $46 million revolving portion of the facility consists of a swing line facility to a maximum of $5 million with the remainder consisting of prime based loans and bankers acceptances. The revolving facility requires interest to be paid monthly with no scheduled principal payments during the committed term with the balance due on April 30, 2014. Amounts borrowed under the revolving facility will bear interest at the Company's option of the bank's prime rate plus 1.25% to 2.75% or banker's acceptance rate plus 2.25% to 3.75%. The total facility is margined based on 75% of the Company's eligible accounts receivable and 60% of the net book value of Property and Equipment to a maximum of $70.5 million.

The Company may be exposed to liquidity risk if it is unable to collect its trade accounts receivable balances in a timely manner which could in turn impact the Company's long-term ability to meet its commitments under the facilities. In order to manage this liquidity risk, the Company actively monitors all accounts receivable to maintain accounts outstanding over 60 days to less than 25 percent of the total balance. As at December 31, 2012, the balance of trade accounts receivable in excess of 90 days was $489 (2011: $1,185), representing approximately 2% (2011: 4%) of the trade accounts receivable balance, of this amount $127 (2011: $170) has been provided for as an allowance for bad debts. A structure is maintained that focuses on growth of the Company while ensuring viability for stakeholders. Finally, in an effort to combat the seasonality of the oilfield business and reduce long-term liquidity risk exposure, the Company regularly reviews its cash availability and whenever the conditions permit, the excess cash is applied to the debt outstanding.

The carrying value of financial assets and liabilities approximates fair value. The debt facilities of the Company were renegotiated in March of 2012 and the rates have not changed significantly over the remainder of the year. As a result, carrying value for the debt approximates fair value.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Foreign currency risk arises from the fluctuations n foreign exchange rates and the degree of volatility of these rates relative to the Canadian dollar. The Company is not significantly exposed to foreign currency risk.

Interest rate risk

The Company is exposed to increases in interest rate changes as the revolving portion of the long-term debt and the swingline bear interest at prime lending rates or bankers acceptances rates. The non-revolving portion of the facility is fixed for three years at 7.42%. As a result, the Company has eliminated its exposure to interest rate risk for the next two years on this debt. For the year ended December 31, 2012, a one percent change in the prime lending rate would have impacted net income by approximately $135.

Capital Management

The Company's strategy is to maintain a level of capital for operations and to sustain future growth of the business. The Company strives to maintain a balance between debt and equity to ensure the continued access to capital markets to fund growth and ensure long-term viability. The Company monitors its capital balance through regular evaluation of the long term debt to equity ratio. The components of capital as well as the long-term debt to equity ratio as of December 31, 2012 and December 31, 2011 are shown in the table below:

	December 31, 2012	December 31, 2011
Long term debt including current portion	$ 41,841	$ 47,941
Shareholders' equity	96,465	102,624
Debt to equity	0.43	0.47

23. Subsequent event:

On February 7, 2013, the board of directors declared a dividend of $0.01625 per common share to be paid on April 15, 2013 to shareholders of record as of March 29, 2013.

Corporate Information

Directors

Jim Reid[2], Chairman

Duncan T. Au[1]

Gary L. Bentham[1,2]

Alexander D. Greene

Wade McGowan[1, 2]

1. Audit Committee

2. Compensation and Corporate Governance Committee

Corporate Secretary

James L. Kidd
Burnet, Duckworth & Palmer LLP

Auditors

KPMG LLP

Bankers

ATB Financial
National Bank

Legal Counsel

Burnet, Duckworth & Palmer LLP

Transfer Agent

Olympia Trust Company

Officers

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

Kevin Howell, CA
Chief Financial Officer

Rick Dawson
Vice President, Business Development

Darwin McIntyre
Vice President, Operations (Eastern)

Layne Wilk
Vice President, Operations (Central)

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