

Unaudited Interim Financial Statements of

CWC WELL SERVICES CORP.

For the three months ended March 31, 2012 and 2011

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

<i>in thousands of Canadian dollars</i>	Note	March 31, 2012	December 31, 2011
ASSETS			
Current assets			
Marketable securities		\$ 43	\$ 43
Accounts receivable		29,905	28,850
Loans to employees		161	-
Inventory		2,371	2,441
Prepaid expenses and deposits		228	289
		32,708	31,623
Property and equipment		127,862	126,919
Loans to employees		-	160
Deferred tax asset		-	1,072
		\$ 160,570	\$ 159,774
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank indebtedness	6	\$ 422	\$ 1,810
Accounts payable and accrued liabilities		8,610	7,399
Dividends payable	7	5,054	-
Current portion of long-term debt	6	9,115	8,377
		23,201	17,586
Deferred tax liability		612	-
Long-term debt	6	35,189	39,564
		59,002	57,150
SHAREHOLDERS' EQUITY			
Share capital	8	108,493	109,143
Contributed surplus		5,359	5,236
Deficit		(12,284)	(11,755)
		101,568	102,624
		\$ 160,570	\$ 159,774

See accompanying notes to financial statements.

STATEMENT OF COMPREHENSIVE INCOME
CWC Well Services Corp.
For the three months ended March 31, 2012 and 2011
(unaudited)

<i>in thousands of Canadian dollars</i>	Note	2012	2011
REVENUE		\$ 38,907	\$ 29,303
EXPENSES			
Direct operating expenses		24,075	17,659
Selling and administrative expenses		3,766	3,205
Stock based compensation		184	150
Finance costs		769	647
Depreciation		3,857	3,358
Loss (Gain) on disposal of equipment		47	(6)
Unrealized loss on marketable securities		-	5
		32,698	25,018
NET INCOME BEFORE TAXES		6,209	4,285
DEFERRED INCOME TAX EXPENSE		1,684	-
NET INCOME AND COMPREHENSIVE INCOME		4,525	4,285
NET INCOME PER SHARE			
Basic and diluted earnings per share	9	\$ 0.03	\$ 0.03

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

CWC Well Services Corp.

For the three months ended March 31, 2012 and 2011

(unaudited)

<i>in thousands</i>	Note	Shares	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 period		-	-	-	4,285	4,285
Transactions with owners, recorded directly in equity						
Stock based compensation		-	-	150	-	150
Shares redeemed	8	(1,673)	(1,155)	736	-	(419)
Balance at March 31, 2011		157,066	\$ 109,619	\$ 4,543	\$ (20,160)	\$ 94,002
Balance at January 1, 2012		156,444	\$ 109,143	\$ 5,236	\$ (11,755)	\$ 102,624
Net income and comprehensive income for the period		-	-	-	4,525	4,525
Transactions with owners, recorded directly in equity						
Stock based compensation		-	-	184	-	184
Shares issued	8	3	1	(1)	-	-
Shares redeemed	8	(944)	(651)	(60)	-	(711)
Dividends declared	7	-	-	-	(5,054)	(5,054)
Balance at March 31, 2012		155,504	\$ 108,493	\$ 5,359	\$ (12,284)	\$ 101,568

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

CWC Well Services Corp.

For the three months ended March 31, 2012 and 2011
(unaudited)

<i>in thousands of Canadian dollars</i>	Note	2012	2011
CASH PROVIDED BY (USED IN):			
OPERATING:			
Net income		\$ 4,525	\$ 4,285
Adjustments for:			
Stock based compensation		184	150
Interest on employee loans		(1)	(1)
Finance costs		769	647
Loss (Gain) on disposal of equipment		47	(6)
Unrealized loss on marketable securities		-	5
Deferred income tax expense		1,684	-
Depreciation		3,857	3,358
		11,065	8,438
Change in non-cash working capital	10	289	(3,551)
		11,354	4,887
INVESTING:			
Purchase of equipment		(5,182)	(715)
Proceeds on sale of equipment		302	9
		(4,880)	(706)
FINANCING:			
Repayment of long-term debt		(3,500)	-
Decrease in bank indebtedness		(1,388)	(1,379)
Finance costs paid		(143)	-
Interest paid		(727)	(605)
Finance lease repayments		(5)	(30)
Common shares repurchased, net of proceeds on options	8	(711)	-
		(6,474)	(2,014)
CHANGE IN CASH		-	2,167
CASH, BEGINNING OF PERIOD		-	-
CASH, END OF PERIOD		\$ -	\$ 2,167

See accompanying notes to financial statements.

Notes to the interim financial statements
Three month period ending March 31, 2012 and 2011 (unaudited)
(Amounts in thousands, except per share amounts)

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 interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements.

These interim financial statements were approved by the Board of Directors on May 14, 2012.

(b) Use of estimates and judgments

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2011.

3. Seasonality of operations:

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

4. Significant accounting policies:

Except as described below, the accounting policies applied by the Company in these interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2011.

(a) Accounting policies for new transactions and events

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.

Notes to the interim financial statements
 Three month period ending March 31, 2012 and 2011 (unaudited)
 (Amounts in thousands, except per share amounts)

5. 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 amounts related to each industry segment are as follows:

THREE MONTHS ENDED MARCH 31, 2012	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	34,514	4,393	-	38,907
Finance costs	-	-	769	769
Net income (loss) before depreciation and taxes	11,196	1,138	(2,267)	10,067
Depreciation	3,385	339	134	3,857
Net income (loss) before tax	7,811	799	(2,401)	6,209
Income tax expense	-	-	1,684	1,684
Net income (loss) after tax	7,811	799	(4,085)	4,525
Property and equipment	117,478	9,399	985	127,862
Capital expenditures	4,894	176	112	5,182

THREE MONTHS ENDED MARCH 31, 2011	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	23,091	6,212	-	29,303
Finance costs	-	-	647	647
Net income (loss) before depreciation and taxes	7,217	2,208	(1,782)	7,643
Depreciation	2,648	565	145	3,358
Net income (loss)	4,569	1,643	(1,927)	4,285
Property and equipment	83,843	16,550	733	101,126
Capital expenditures	691	3	21	715

6. Loans and borrowings:

On March 20, 2012, the Company amended a credit facility from a syndicate of lenders which consists of a \$24.5 million non-extendable committed non-revolving facility (\$24.0 million outstanding at March 31, 2012 (December 31, 2011: \$25.5 million)) and a non-extendable committed revolving facility to a maximum of \$46 million (\$20.5 million outstanding at March 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 consist 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. The facility is subject to covenants which are common to these types of arrangements.

As at March 31, 2012, \$NIL was drawn under the swingline. The Company had \$91 cash on hand, funds in trust of \$61, offsetting outstanding cheques of \$574 resulting in a bank indebtedness position of \$422 (December 31, 2011: \$1,810).

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

Notes to the interim financial statements
 Three month period ending March 31, 2012 and 2011 (unaudited)
 (Amounts in thousands, except per share amounts)

7. Dividends:

On March 20, 2012, the Company declared dividends of \$0.0325 per common share. The dividend will be paid on July 13, 2012 to shareholders of record on June 29, 2012. Dividends payable as at March 31, 2012 is \$5,054 (December 31, 2011 \$NIL).

The Company intends to make cash dividends to shareholders at a level that supports the sustainability of the Company. Such dividends are at the sole discretion of the Company and its Board of Directors and are subject to numerous factors including, but not limited to, the financial performance of the Company, debt covenants and obligations including credit availability, and the working capital and future capital requirements of the Company.

8. Share capital:

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 period ended March 31, 2012, the Company purchased 943,500 (March 31, 2011: NIL) shares under the previous NCIB that expired on March 31, 2012 for total consideration including commissions of \$711 (March 31, 2011: NIL). 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 period ended March 31, 2012, stock options were exercised resulting in the issuance of 3,333 shares (March 31, 2011: NIL).

9. Earnings per share:

THREE MONTHS ENDED MARCH 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	4,525	156,201	\$ 0.03	4,285	158,163	\$ 0.03
Diluted earnings per share	4,525	160,580	\$ 0.03	4,285	158,475	\$ 0.03
Securities excluded from diluted earnings per share as the effect would be anti-dilutive		431			898	

Notes to the interim financial statements
Three month period ending March 31, 2012 and 2011 (unaudited)
(Amounts in thousands, except per share amounts)

10. Change in non-cash working capital:

THREE MONTHS ENDED MARCH 31,	2012	2011
Accounts receivable	\$ (1,055)	\$ (5,343)
Inventory	70	(18)
Prepaid expenses and deposits	61	11
Loans to employees	-	268
Accounts payable and accrued liabilities	1,213	1,531
	\$ 289	\$ (3,551)