

Unaudited Interim Financial Statements of

CWC WELL SERVICES CORP.

For the three and nine months ended September 30, 2011 and 2012

STATEMENT OF FINANCIAL POSITION

CWC Well Services Corp.

*As at September 30, 2012 and December 31, 2011
(unaudited)*

<i>in thousands of Canadian dollars</i>	Note	September 30, 2012	December 31, 2011
ASSETS			
Current assets			
Marketable securities		\$ 39	\$ 43
Accounts receivable		18,044	28,850
Loans to employees		163	-
Inventory		2,528	2,441
Prepaid expenses and deposits		304	289
		21,078	31,623
Property and equipment		126,488	126,919
Loans to employees		-	160
Deferred tax asset		-	1,072
		\$ 147,566	\$ 159,774
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank indebtedness	6	\$ 1,551	\$ 1,810
Accounts payable and accrued liabilities		7,904	7,399
Dividends payable	7	2,518	-
Current portion of long-term debt	6	4,645	8,377
		16,618	17,586
Deferred tax liability		334	-
Long-term debt	6	33,342	39,564
		50,294	57,150
SHAREHOLDERS' EQUITY			
Share capital	8	108,081	109,143
Contributed surplus		5,616	5,236
Deficit		(16,425)	(11,755)
		97,272	102,624
		\$ 147,566	\$ 159,774

See accompanying notes to interim financial statements.

STATEMENT OF COMPREHENSIVE INCOME

CWC Well Services Corp.

*For the three and nine months ended September 30, 2012 and 2011
(unaudited)*

<i>in thousands of Canadian dollars</i>	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2012	2011	2012	2011
REVENUE		\$ 26,887	\$ 31,224	\$ 82,936	\$ 73,514
EXPENSES					
Direct operating expenses		17,197	19,143	54,462	46,006
Selling and administrative expenses		3,342	3,940	10,476	9,658
Stock based compensation		201	185	603	651
Finance costs		719	940	2,193	2,525
Depreciation		3,624	3,818	10,595	10,097
Loss on disposal of equipment		35	16	142	51
Unrealized (gain) loss on marketable securities		(5)	8	5	23
		25,113	28,050	78,476	69,011
NET INCOME BEFORE TAXES		1,774	3,174	4,460	4,503
DEFERRED INCOME TAX EXPENSE		519	-	1,406	-
NET INCOME AND COMPREHENSIVE INCOME		1,255	3,174	3,054	4,503
NET INCOME PER SHARE					
Basic and diluted earnings per share	9	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.03

See accompanying notes to interim financial statements.

STATEMENT OF CHANGES IN EQUITY

CWC Well Services Corp.

For the nine months ended September 30, 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		-	-	-	4,503	4,503
Transactions with owners, recorded directly in equity						
Stock based compensation		-	-	651	-	651
Shares issued		172	72	(29)	-	43
Shares redeemed	8	(2,304)	(1,591)	797	-	(794)
Balance at September 30, 2011		156,607	\$ 109,255	\$ 5,076	\$ (19,942)	\$ 94,389
Balance at January 1, 2012		156,444	\$ 109,143	\$ 5,236	\$ (11,755)	\$ 102,624
Net income and comprehensive income for the period		-	-	-	3,054	3,054
Transactions with owners, recorded directly in equity						
Stock based compensation		-	-	550	-	550
Shares issued	8	143	58	(23)	-	35
Shares redeemed	8	(1,625)	(1,120)	(147)	-	(1,267)
Dividends declared	7	-	-	-	(7,724)	(7,724)
Balance at September 30, 2012		154,962	\$ 108,081	\$ 5,616	\$ (16,425)	\$ 97,272

See accompanying notes to interim financial statements.

STATEMENT OF CASH FLOWS

CWC Well Services Corp.

For the nine months ended September 30, 2012 and 2011
(unaudited)

<i>in thousands of Canadian dollars</i>	Note	2012	2011
CASH PROVIDED BY (USED IN):			
OPERATING:			
Net income		\$ 3,054	\$ 4,503
Adjustments for:			
Stock based compensation		603	651
Interest on employee loans		(2)	(4)
Finance costs		2,193	2,525
Loss on disposal of equipment		142	51
Unrealized loss on marketable securities		5	23
Deferred income tax expense		1,406	-
Depreciation		10,595	10,097
		17,996	17,846
Change in non-cash working capital	10	10,988	(2,535)
		28,984	15,311
INVESTING:			
Acquisitions		-	(38,000)
Purchase of equipment		(10,643)	(3,007)
Proceeds on sale of equipment		470	46
		(10,173)	(40,961)
FINANCING:			
Issue of long-term debt		-	60,000
Repayment of long-term debt		(10,000)	(33,000)
Increase (decrease) in bank indebtedness		(259)	1,666
Finance costs paid		(143)	(420)
Interest paid		(2,033)	(2,160)
Finance lease repayments		(106)	(104)
Common shares repurchased, net of proceeds on options	8	(1,232)	(332)
Dividends paid		(5,038)	-
		(18,811)	25,650
CHANGE IN CASH		-	-
CASH, BEGINNING OF PERIOD		-	-
CASH, END OF PERIOD		\$ -	\$ -

See accompanying notes to interim financial statements.

Notes to the interim financial statements

Three and nine month periods ended September 30, 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 November 15, 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 and nine month periods ended September 30, 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 SEPTEMBER 30, 2012	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	24,921	1,966	-	26,887
Finance costs	-	-	719	719
Net income (loss) before depreciation and taxes	7,266	265	(2,133)	5,398
Depreciation	3,170	314	140	3,624
Net income (loss) before tax	4,096	(49)	(2,273)	1,774
Income tax expense	-	-	519	519
Net income (loss) after tax	4,096	(49)	(2,792)	1,255
Property and equipment	116,522	8,953	1,013	126,488
Capital expenditures	2,011	38	7	2,056

THREE MONTHS ENDED SEPTEMBER 30, 2011	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	25,419	5,805	-	31,224
Finance costs	-	-	940	940
Net income (loss) before depreciation and taxes	7,489	1,825	(2,322)	6,992
Depreciation and amortization	3,141	545	132	3,818
Net income (loss) before taxes	4,348	1,280	(2,454)	3,174
Net income (loss)	4,348	1,280	(2,454)	3,174
Property and equipment	118,343	15,533	845	134,721
Acquisitions through business combinations	-	-	-	-
Capital expenditures	1,205	32	192	1,429

NINE MONTHS ENDED SEPTEMBER 30, 2012	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	75,672	7,264	-	82,936
Finance costs	-	-	2,193	2,193
Net income (loss) before depreciation and taxes	20,701	935	(6,581)	15,055
Depreciation	9,232	944	419	10,595
Net income (loss) before tax	11,469	(9)	(7,000)	4,460
Income tax expense	-	-	1,406	1,406
Net income (loss)	11,469	(9)	(8,406)	3,054
Property and equipment	116,522	8,953	1,013	126,488
Capital expenditures	9,860	492	291	10,643

NINE MONTHS ENDED SEPTEMBER 30, 2011	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	59,909	13,605	-	73,514
Finance costs	-	-	2,525	2,525
Net income (loss) before depreciation and taxes	17,080	3,741	(6,221)	14,600
Depreciation	8,013	1,662	422	10,097
Net income (loss)	9,067	2,079	(6,643)	4,503
Property and equipment	118,343	15,533	845	134,721
Acquisitions through business combinations	38,000	-	-	38,000
Capital expenditures	2,668	66	273	3,007

Notes to the interim financial statements

Three and nine month periods ended September 30, 2012 and 2011 (unaudited)

(Amounts in thousands, except per share amounts)

6. Loans and borrowings:

On March 20, 2012, the Company amended the credit facility from a syndicate of lenders which consists of a \$19.5 million non-extendable committed non-revolving facility (\$19.5 million outstanding at September 30, 2012 (December 31, 2011: \$25.5 million)) and a non-extendable committed revolving facility to a maximum of \$46 million (\$18.5 million outstanding at September 30, 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.

As at September 30, 2012, \$737 was drawn under the swingline. The Company had cash of \$256, offsetting outstanding cheques of \$1,070 resulting in a bank indebtedness position of \$1,551 (December 31, 2011: \$1,810).

The Company was in compliance with all debt covenants as at September 30, 2012 and December 31, 2011.

7. 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. Dividends payable as at September 30, 2012 is \$2,518 (December 31, 2011 \$NIL).

The Company intends to pay quarterly 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 nine months ended September 30, 2012, the Company purchased 1,625,000 (September 30, 2011: 631,500) shares under the NCIB for total consideration including commissions of \$1,267 (September 30, 2011: \$375). 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 nine months period ended September 30, 2012, stock options were exercised resulting in the issuance of 143,332 shares (September 30, 2011: 171,649).

Notes to the interim financial statements
 Three and nine month periods ended September 30, 2012 and 2011 (unaudited)
 (Amounts in thousands, except per share amounts)

9. Earnings per share:

THREE MONTHS ENDED SEPTEMBER 30,	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	1,255	154,987	\$ 0.01	3,174	156,576	\$ 0.02
Diluted earnings per share	\$ 1,255	154,987	\$ 0.01	\$ 3,174	160,048	\$ 0.02
Securities excluded from diluted earnings per share as the effect would be anti-dilutive		9,894			566	

NINE MONTHS ENDED SEPTEMBER 30,	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	\$ 3,054	155,521	\$ 0.02	\$ 4,503	157,180	\$ 0.03
Diluted earnings per share	\$ 3,054	160,111	\$ 0.02	\$ 4,503	159,331	\$ 0.03
Securities excluded from diluted earnings (loss) per share as the effect would be anti-dilutive		2,262			566	

10. Change in non-cash working capital:

NINE MONTHS ENDED SEPTEMBER 30,	2012	2011
Accounts receivable	\$ 10,806	\$ (5,393)
Inventory	(87)	(220)
Prepaid expenses and deposits	(15)	(2)
Loans to employees	3	278
Accounts payable and accrued liabilities	281	2,802
	\$ 10,988	\$ (2,535)