

For Immediate Release  
Calgary, Alberta

TSXV: "CWC"  
Common Shares Issued and Outstanding: 27,075,138

## **Central Alberta Well Services Announces Private Placement and Acquisition**

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**RED DEER, ALBERTA** Tuesday, January 31, 2006. Central Alberta Well Services Corp. ("Central Alberta") is pleased to announce that it has entered into a Letter of Agreement with the SSI Special Services Group of Companies ("SSI") to combine their business operations. Under the terms of the proposed transaction, Central Alberta will acquire 100% of the issued and outstanding shares of SSI for a purchase price of \$18 million Cdn. Closing of the transaction is conditional upon the satisfaction of various conditions typical to transactions of this nature, including TSX Venture Exchange and regulatory approvals. The consideration will consist of \$4.0 million of cash and 8 million common shares of Central Alberta to be issued at a deemed price of \$1.75 per share. Closing is anticipated to take place on February 28, 2006.

SSI has been in operation since 1997 and is widely regarded as being one of the leading providers of well snubbing and nitrogen services in the Western Canadian Sedimentary Basin. The snubbing and nitrogen operations work closely with well servicing and are a natural extension of the range of services currently provided by Central Alberta. This combination will further Central Alberta's goal of being a comprehensive provider of well services to the Canadian oil and gas industry.

Central Alberta is also pleased to announce that it is proceeding with a private placement of up to \$5.25 million of common shares. Up to 3 million common shares will be issued in the financing at a price of \$1.75 per share. Closing of the private placement is expected to take place on or about February 10, 2006. The shares issued pursuant to the private placement will be subject to a four month hold period pursuant to applicable securities legislation. The proceeds of the private placement will be used for the acquisition of rigs, service equipment and the SSI transaction.

Darryl Wilson, CEO of the Central Alberta, stated "We are very excited about the synergies provided by this strategic merger. Not only will this partnership compliment our existing business operations but it will introduce new markets and an expanded product line to our operations. Central Alberta and SSI share the same entrepreneurial vision and focus on customer service."

Central Alberta is based in Red Deer, Alberta and provides well servicing services to oil and natural gas exploration and development companies. It currently operates in the exploration and production areas of the Western Canadian oil and gas sedimentary basin. For more information about Central Alberta please access the company's website at [www.cen-alta.ca](http://www.cen-alta.ca).

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#### **READER ADVISORY**

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release and has neither approved nor disapproved the contents of this release.

This press release includes forward-looking statements and assumptions respecting the Company's strategies, future operations, expected financial results, financial sources, commodity prices, costs of production and quantum of oil and natural gas reserves and discusses certain issues, risks and uncertainties that can be expected to impact on any of such matters. By their nature, forward-looking statements are subject to numerous risks and uncertainties that can significantly affect future results. Actual future results may differ materially from those assumed or described in such forward-looking statements as a result of the impact of issues, risks and uncertainties whether described herein or not, which the company may not be able to control. The reader is therefore cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any intention or obligation to update or revise these forward-looking statements, as a result of new information future events or otherwise.