For Immediate Release: May 11, 2011

CENTRAL ALBERTA WELL SERVICES CORP. RELEASES RECORD FIRST QUARTER 2011 FINANCIAL RESULTS

CALGARY, ALBERTA – (TSXV: CWC) Central Alberta Well Services Corp. ("CWC" or the "Company") is pleased to release its operational and financial results for the three months ended March 31, 2011 and 2010.

Effective January 1, 2011, CWC began reporting its financial results in accordance with International Financial Reporting Standards ("IFRS"). Prior year comparative amounts have been changed to reflect results as if CWC had always prepared its financial results using IFRS. Please see additional discussion regarding IFRS later in this news release.

First Quarter 2011 Financial Highlights

$ thousands, except per share amounts, margins and ratios	THREE MONTHS ENDED MARCH 31, 2011	2010	% Change
FINANCIAL RESULTS			
Revenue:			
Well services	$ 23,091	$ 15,938	45%
Other oilfield services	6,212	4,184	48%
Total Revenue	29,303	20,122	46%
EBITDAS [1]	8,439	3,853	119%
EBITDAS margin (%) [1]	29%	19%	
Funds from operations [2]	7,791	2,765	182%
Net income (loss)	4,285	(477)	998%
Net income (loss) margin (%)	15%	(2%)	
Per share information			
Weighted average number of shares outstanding	158,163	159,184	
EBITDAS per share - basic and diluted	0.05	0.02	
Funds from operations per share - basic and diluted	0.05	0.02	
Net earnings per share - basic and diluted	0.03	(0.00)	
	MARCH 31, 2011	**DECEMBER 31, 2010**	
FINANCIAL POSITION AND LIQUIDITY			
Working capital (excluding debt) [3]	22,578	15,790	
Working capital (excluding debt) ratio	4.0:1	3.2:1	
Total assets	131,271	127,098	
Total long-term debt (including current portion)	29,863	29,860	
Shareholders' equity	94,002	89,985	

Notes 1 to 3 – Please refer to the Notes to Financial Highlights at the end of this release.

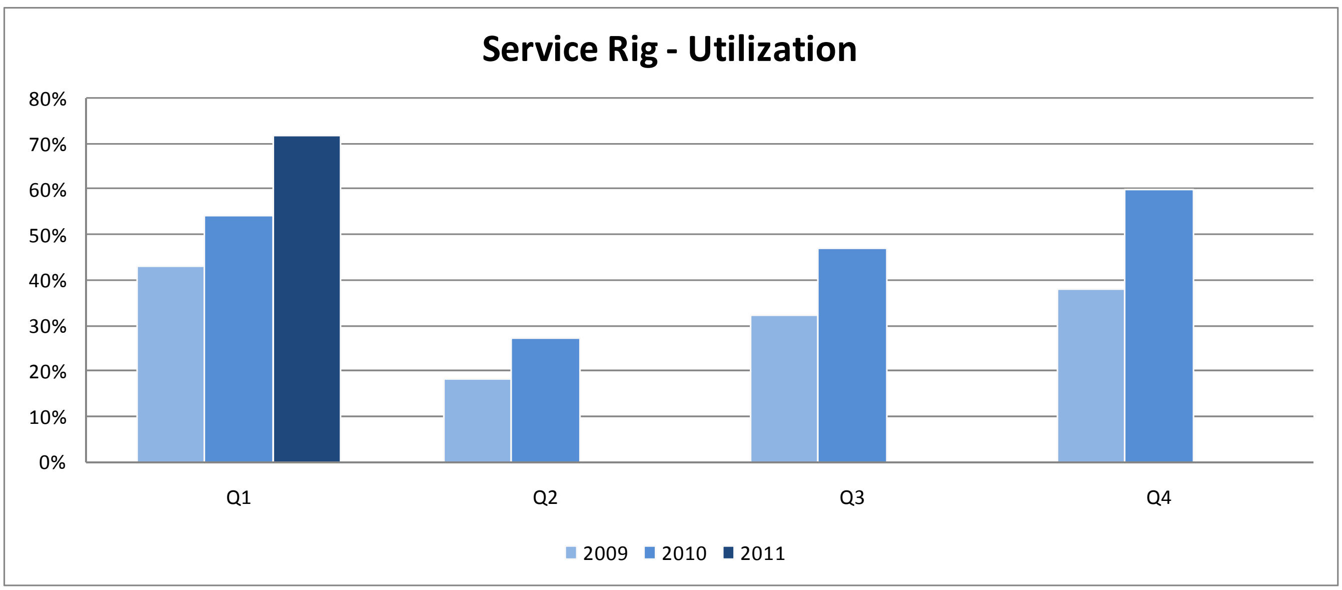
Overview

For the fiscal quarter ended March 31, 2011, CWC achieved record financial and operating performance due to increased customer demand and higher utilization across all areas of the Company's operations as well as cost cutting measures implemented in the second half of 2010. An extended winter season in Western Canada enabled us to maintain high utilization of equipment through the end of the first quarter of 2011.

The trend of oil and liquids-rich natural gas targets as the key driver of drilling and well servicing activity continues in Canada as a result of strong prices for these commodities. Crude oil prices were approximately 20% higher during the first quarter of 2011 as compared to Q1 2010. Service rigs, which are the vast majority of our fleet, generated over 70% of our total revenue in Q1 2011 primarily on oil related work. CWC continued to shift equipment towards these increasingly active areas, leading to the significant improvement in cash flows for the first quarter of 2011. CWC continues to experience higher than industry average utilization on its service rig fleet, which remains one of the most modern and competitive in the Western Canadian Sedimentary Basin.

Well Services Segment

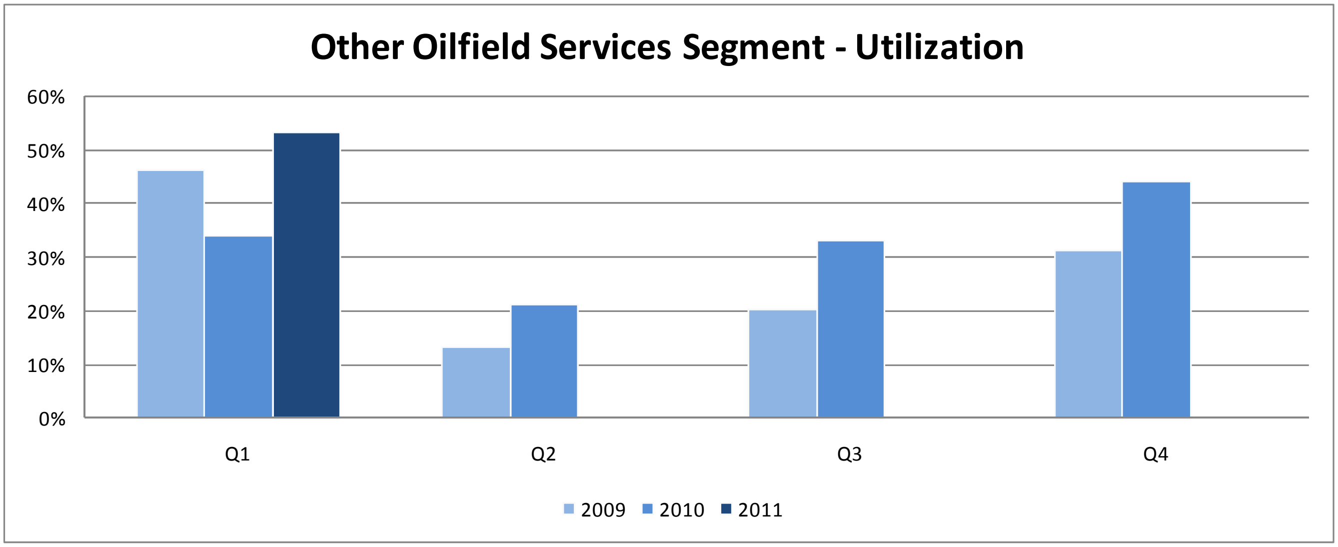
Well Services division revenue increased by 45% to $23.1 million versus $15.9 million in Q1 2010 due to increased service rig hours coupled with an improvement in hourly rates of approximately 14% as compared to Q1 2010. During the fourth quarter of 2010 rate increases were implemented reflecting greater industry activity and a return of more normal service inclusions.



Total service rig hours increased in Q1 2011 by 33% as compared to Q1 2010. Utilization of our well service equipment has continued to rise from the lows experienced in 2009 and continues to exceed industry averages (CAODC Q1-2011 average: 67%). The primary driver of activity has been commodity prices, particularly oil prices, which directly impacts spending by customers for exploration and development programs.

Other Oilfield Services Segment

Other Oilfield Services division revenue increased by 48% to $6.2 million as compared to $4.2 million in Q1 2010. The increase is the direct result of improved utilizations in all services including snubbing, nitrogen and well testing as well as price improvements, notably in snubbing and well testing.



EBITDAS for Q1 2011 was $8.4 million (29% of revenue) compared to $3.9 million (19% of revenue) in Q1 2010, up $4.6 million or 119%. The improvement in EBITDAS is a direct result of increased activity levels and utilization rates coupled with substantially improved pricing for nearly all services offered. A large portion of our operating costs are variable in nature; shifting fixed costs to variable costs enables us to better manage profitability on a seasonal basis and as demand levels fluctuate by region and services offered.

Net income for Q1 2011 was $4.3 million compared to a loss of ($0.5) million in Q1 2010; an improvement of $4.8 million. The return to profitability is a direct result of the 46% increase in revenue in Q1 2011 as compared to Q1 2010. Management remains focused on driving higher levels of profitability through cost rationalization initiatives and a focused effort to grow revenues, capitalizing on its best in class fleet and high quality labour force.

Financial Position and Liquidity

Working capital

Working capital (excluding debt) at March 31, 2011 was $22.6 million (December 31, 2010 - $15.8 million). The working capital (excluding debt) ratio of 4:1 (December 31, 2010 – 3.2:1) indicates that the Company remains in a strong liquidity position. The increase in working capital is the result of improved operating results from higher overall activity levels and pricing.

Long-term Debt and Credit Facility

Long-term debt at March 31, 2011 was $29.9 million (December 31, 2010 - $29.9 million). On April 20, 2010, the Company secured an operating facility which is margined to the Company's accounts receivable to a maximum of $10.0 million, at an interest rate ranging from bank prime plus 1.25% to bank prime plus 2.0%. The operating line was committed until April 30, 2011 and the Company has extended the commitment until July 31, 2011 under the same terms. As at March 31, 2011, the amount available under the operating line was $10 million with $nil drawn. In April 2010, the Company also secured a term debt facility of $30.0 million. This long-term debt facility is for a period of three years with interest only payments in the first year, monthly principal payments of $500,000 in the second year, commencing April 2011, and monthly payments of $750,000 in the third year, commencing April 2012. This term debt has a fixed interest rate of 8.045% and is secured with a first charge over fixed assets, a general security agreement over all remaining assets. Under the terms of the credit facilities, the Company is required to comply with certain financial covenants. As of March 31, 2011, the Company is in compliance with each of the financial covenants under the agreements.

Capital Expenditures

Capital expenditures for Q1 2011 were $0.7 million comprised of deposits for the construction of a new mobile slant service rig and a Class III coil tubing unit. These capital expenditures will be financed from future operating cash flows and current credit facilities. Management will continue to monitor market conditions and adjust spending as needed based on activity levels.

Outlook

The first quarter of 2011 reflects the strength of the Company's business with quarterly revenue and EBITDAS setting new records. Business fundamentals remain positive and we continue to see strong demand from customers in all of our operations. Oil prices continued to strengthen in the first quarter and remain at high levels supporting continued investment in exploration and production activities. Petroleum Services Association of Canada ("PSAC") recently increased its drilling activity forecast to 12,950 wells in 2011 and indicated that it expected oil prices to remain at levels necessary to encourage drilling in areas such as Saskatchewan and northeast Alberta.

Equipment utilization in our Well Servicing segment was very strong through the first quarter of 2011. CWC is presently dedicating 90% of its Well Servicing fleet to oil-related activities and has strategically expanded and relocated service rigs to its facilities in Grande Prairie, Alberta to service the Peace River Arch and the emerging Pekisko and Beaver Hill Lake plays at Judy Creek as well as Weyburn, Saskatchewan to service the Bakken play, and we expect to continue this trend through 2011. The Company is also well positioned to benefit from increased activity levels in the Cardium play through its operational head office in Red Deer, Alberta and the continued oil-related activity in the Viking play with its facilities in Provost, Alberta. Oil wells are generally more service intensive and require service rigs in many cases for these services. Given that our customers are focused largely on oil and liquids-rich natural gas for 2011, we are optimistic that CWC will achieve another year over year revenue and earnings improvement in 2011.

CWC's core business is Well Servicing. We remain focused on what we do well and draw upon those strengths to provide best-in-class services to our customers. Supporting this core business is our Other Oilfield Service offerings of snubbing, nitrogen and well testing. By moving towards a focused Well Servicing business model, CWC believes there is a greater probability of success in creating shareholder value. In this regard, CWC continues to evaluate a number of potential acquisition opportunities to grow its Well Servicing division; however, we remain committed to a disciplined approach, requiring that the potential target must meet our financial and operational criteria.

CWC is well positioned to capitalize on improved oil-related activities in the WCSB, with a strong balance sheet, working capital (excluding debt) of 4:1 and no significant maturities, other than the monthly principal payments required, under its bank credit facility until April 2013.

Financial Measures Reconciliations

$ thousands	THREE MONTHS ENDED MARCH 31, 2011	2010
NON-GAAP MEASURES		
[1] EBITDAS:		
Net income (loss) before taxes	4,285	(477)
Add:		
Depreciation and amortization	3,358	3,130
Finance costs	647	1,081
Stock based compensation	150	126
Gain on sale of equipment	(6)	-
Unrealized (gain) loss on marketable securities	5	(7)
EBITDAS	8,439	3,853
[2] Funds from operations:		
Cash flows from (used in) operating activities	4,888	(1,020)
Add:		
Change in non-cash working capital	3,550	4,866
Finance costs	(647)	(1,081)
Funds from operations:	7,791	2,765
	MARCH 31, 2011	**DECEMBER 31, 2010**
[3] Working capital (excluding debt):		
Current Assets	29,984	23,042
Less: Current Liabilities	(13,500)	(11,861)
Add: Current portion of long-term debt	6,094	4,609
Working capital (excluding debt)	22,578	15,790

Transition to International Financial Reporting Standards ("IFRS")

As of January 1, 2011, CWC began reporting its financial statements under IFRS and future financial statements will be required to be prepared in compliance with IFRS as if CWC had always followed these standards. Certain first time adoption elections were made which impact the opening balance sheet amounts and those key first time elections are discussed in the 2010 annual Management's Discussion and Analysis. For the three month period ended March 31, 2011, CWC is required to prepare reconciliations from Canadian Generally Accepted Principles that existed up to December 31, 2010 to IFRS balances and to provide a greater amount of financial statement disclosures. As a result, financial statements with related notes will be filed with securities commissions at a later date.

About Central Alberta Well Services Corp.

Central Alberta Well Services Corp. is a premier well servicing company operating in the Western Canadian Sedimentary Basin with a complementary suite of oilfield services including service rigs, coil tubing, snubbing, nitrogen and well testing. The Company's corporate office is located in Calgary, Alberta, with operational locations in Red Deer, Provost, Brooks, Grande Prairie and Whitecourt, Alberta and Weyburn, Saskatchewan.

Notes to Financial Highlights

1. *EBITDAS (Earnings before interest, taxes, depreciation, amortization, gain/loss on disposal of asset, finance costs and stock based compensation) is not recognized measures under International Financial Reporting Standards (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), please refer to the Management's Discussion and Analysis.*
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, interest and income taxes paid, financing costs, and income tax expense.*
3. *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.*

For more information, please contact:

Central Alberta Well Services Corp.
755, 255 - 5 Avenue SW
Calgary, Alberta T2P 3G6
Telephone: (403) 264-2177
Email: info@cawsc.com

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

Kevin Howell, CA
Chief Financial Officer

Certain statements contained in this press release, including statements which may contain such words as "could", "should", "believe", "expect", "will", and similar expressions and statements relating to matters that are not historical facts are forward-looking statements, including, but not limited to, statements as to: future capital expenditures, including the amount and nature thereof; revenue growth; equipment additions; business strategy; expansion and growth of the Company's business and operations; service rig utilization rates, outlook for natural gas prices and general market conditions and other matters. Management has made certain assumptions and analyses which reflect their experiences and knowledge in the industry, including, without limitations, assumptions pertaining to well services demand as a result of commodity prices. These assumptions and analyses are believed to be accurate and truthful at the time, but the Company cannot assure readers that actual results will be consistent with these forward-looking statements. However, whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to known and unknown risks and uncertainties which could cause actual results to differ materially from the Company's expectations. All forward-looking statements made in the press release are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected outcomes to, or effects on, the Company or its business operations. The Company does not intend and does not assume any obligation to update these forward-looking statements, except as expressly required to do so pursuant to applicable securities laws. Any forward-looking statements made previously may be inaccurate now.

STATEMENT OF FINANCIAL POSITION

Central Alberta Well Services Corp.

As at March 31, 2011, December 31, 2010 and January 1, 2010

(unaudited)

$ thousands	**March 31, 2011**	December 31, 2010	January 1, 2010
ASSETS			
Current assets			
Cash	**$ 2,167**	$ -	$ -
Marketable securities	**62**	67	2
Accounts receivable	**24,922**	19,579	10,239
Shareholder loans	**-**	573	189
Inventory	**2,667**	2,638	2,996
Prepaid expenses and deposits	**166**	185	263
	29,984	23,042	13,689
Property and equipment	**101,126**	103,773	115,662
Shareholder loans	**161**	283	986
	$ 131,271	$ 127,098	$ 130,337
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank indebtedness	**$ -**	$ 1,379	$ 586
Accounts payable and accrued liabilities	**7,406**	5,873	4,180
Warrants	**-**	-	1,212
Current portion of long-term debt	**6,094**	4,609	31,822
	13,500	11,861	37,799
Long-term debt	**23,769**	25,251	167
	37,269	37,112	37,967
SHAREHOLDERS' EQUITY			
Share capital	**109,619**	110,774	111,080
Contributed surplus	**4,543**	3,657	2,960
Deficit	**(20,160)**	(24,445)	(21,671)
	94,002	89,985	92,370
	$ 131,271	$ 127,098	$ 130,337

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Central Alberta Well Services Corp.

For the three months ended March 31, 2011 and 2010

(unaudited)

$ thousands, except per share amounts		**2011**		2010
REVENUE	**$**	**29,303**	$	20,122
EXPENSES				
Direct operating expenses		**17,659**		13,127
Selling and administrative expenses		**3,205**		3,144
Stock based compensation		**150**		126
Finance costs		**647**		1,081
Depreciation		**3,358**		3,130
Gain on disposal of equipment		**(6)**		-
Unrealized loss (gain) on marketable securities		**5**		(7)
		25,018		20,599
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		**4,285**		(477)
NET INCOME PER SHARE				
Basic earnings per share	**$**	**0.03**	$	-
Diluted earnings per share	**$**	**0.03**	$	-

STATEMENT OF CHANGES IN EQUITY

Central Alberta Well Services Corp.

For the three months ended March 31, 2011 and 2010

(unaudited)

$ thousands	Share Capital	Contributed surplus	Deficit	Total Equity
Balance at January 1, 2010	$ 111,080	$ 2,960	$ (21,671)	$ 92,370
Comprehensive loss for the period			(477)	$ (477)
Transactions with owners, recorded directly in equity		126		$ 126
Balance at March 31, 2010	$ 111,080	$ 3,087	$ (22,148)	$ 92,019

Balance at January 1, 2011	$ 110,774	$ 3,657	$ (24,445)	$ 89,985
Comprehensive income for the period			4,285	$ 4,285
Transactions with owners, recorded directly in equity	(1,154)	886		$ (268)
Balance at March 31, 2011	**$ 109,619**	**$ 4,543**	**$ (20,160)**	**$ 94,002**

STATEMENT OF CASH FLOWS

Central Alberta Well Services Corp.

For the three months ended March 31, 2011 and 2010

(unaudited)

$ thousands		**2011**		2010
CASH PROVIDED BY (USED IN):				
OPERATING:				
Net income (loss)	**$**	**4,285**	$	(477)
Adjustments for:				
Stock based compensation		**150**		126
Interest on shareholder loans		**(1)**		(6)
Finance costs		**647**		1,081
Gain on disposal of equipment		**(6)**		-
Unrealized loss (gain) on marketable securities		**5**		(7)
Depreciation and amortization		**3,358**		3,130
		8,438		3,846
Change in non-cash working capital		**(3,550)**		(4,866)
		4,888		(1,020)
INVESTING:				
Purchase of equipment		**(715)**		(153)
Proceeds on sale of equipment		**10**		-
		(706)		(153)
FINANCING:				
Increase (repayment) of bank indebtedness		**(1,379)**		3,299
Interest paid		**(605)**		(886)
Redemption of warrants		**-**		(1,212)
Finance lease repayments		**(30)**		(28)
		(2,015)		1,173
INCREASE IN CASH		**2,167**		-
CASH, BEGINNING OF PERIOD		**-**		-
CASH, END OF PERIOD	**$**	**2,167**	$	-