

Central Alberta Well Services Corp.

For Immediate Release
Calgary, Alberta

News Release

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Common Shares Issued: 41,718,232

CENTRAL ALBERTA WELL SERVICES ANNOUNCES QUARTERLY RESULTS

CALGARY, ALBERTA – August 29, 2006. Central Alberta Well Services Corp. ("Central Alberta" or the "Company") is pleased to announce the Company's unaudited consolidated quarterly results for the three and six months ended June 30, 2006. The Company's financial statements and Management's Discussion & Analysis, together with all previous public filings are available on SEDAR at www.sedar.com. Additional information is also available on the Company's website at www.cawsc.com. The following are certain financial highlights:

Consolidated Highlights	Three months ended		Six months ended	Four months ended
	June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005
(unaudited)				
Revenue	\$ 7,635,119	\$ 398,237	\$ 12,566,593	\$ 478,393
Operating costs	4,719,546	336,489	7,409,291	422,631
	2,915,573	61,748	5,157,302	55,762
General and administrative	1,680,407	475,925	2,385,269	562,045
EBITDA ⁽¹⁾	1,235,166	(414,177)	2,772,033	(506,283)
EBITDA per share ⁽¹⁾				
Basic and diluted	0.03	(0.14)	0.08	(0.20)
Stock based compensation	431,915	-	1,004,135	-
Interest	635,393	262,148	754,989	260,692
Depreciation and amortization	1,811,964	262,208	2,553,925	279,989
Net Loss	(761,609)	(938,533)	(658,519)	(1,046,964)
Purchase of property and equipment	\$ 20,075,689	\$ 6,585,654	\$ 29,337,959	\$ 6,879,564

⁽¹⁾ EBITDA is calculated as revenue less operating costs and general and administrative expenses, exclusive of stock based compensation costs and is used to assist management and investors in assessing the Company's ability to generate cash from operations. EBITDA is a non-GAAP measure and does not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures provided by other companies.

Revenue increased by \$2.7 million or 55% over Q1 reflecting the first quarter of consolidated results and the Company's continued expansion of its well service fleet. Central Alberta realized hourly rates and utilization percentages that exceeded the Company's expectations for the quarter. Operating costs include fixed and variable components and, as percentage of sales, declined marginally from Q1 during the typically slower second quarter. Central Alberta generated strong levels of EBITDA for the three and six months ended June 30, 2006, surpassing both the previous quarter and the comparative 2005 levels.

"We are very pleased with the performance of Central Alberta during the second quarter", reports Darryl Wilson, President and CEO. "The Company exceeded its revenue expectations by leveraging on the versatility of its new equipment and the experience of a seasoned management team. Our operating divisions have done an exceptional job in showcasing the potential of the combined services that the Company now provides. We are well positioned to realize on our growth plans for 2006."

The following table sets out key highlights of the Company's capital structure for the previous four quarters and includes the consolidated financial positions of Central Alberta and its three recently operating subsidiaries:

Capital Structure	For the Quarter Ended			
	Jun. 30, 2006	Mar. 31, 2006	Dec. 31, 2005	Sep. 30, 2005
Total assets	\$ 91,475,091	\$ 81,371,149	\$ 27,173,800	\$ 20,338,246
Total liabilities	46,174,241	35,742,653	8,578,656	14,684,198
Long term debt	17,182,610	14,040,639	4,950,000	13,595,425
Net debt ⁽¹⁾	32,145,334	12,565,396	2,136,360	6,850,334
Future income tax	1,674,000	3,913,000	-	-
Shareholders' equity	\$ 45,300,850	\$ 45,628,496	\$ 18,595,144	\$ 5,654,048
Long term debt to equity	0.38	0.31	0.27	2.40
Shares outstanding	41,718,232	41,716,565	27,080,138	7,235,138

⁽¹⁾ **Net Debt** is calculated as long term debt less working capital and has been provided to assist investors to analyze the Company's capital structure. It is a non-GAAP measure and does not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures provided by other companies.

Highlights for the Quarter

- Realized operational synergies and market opportunities by leveraging the skills of a seasoned management and a knowledgeable operations team.
- Expanded the service fleet with the addition of four service rigs, two nitrogen pumpers, one coil tubing unit and five well site supervision trailers.
- Exceeded Company expectations for equipment utilization and revenues.
- Relocated into a new 15 acre head office and operations facility in Red Deer, Alberta.

Central Alberta Well Services is headquartered in Red Deer, Alberta and has additional operating facilities in eastern and northern Alberta. The Company provides oilfield services, including well servicing, coil tubing, snubbing, nitrogen, well testing and oilfield equipment rentals to oil and gas companies operating in the Western Canadian Sedimentary Basin.

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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 may include forward-looking statements and assumptions respecting the Company's strategies, future operations, expected financial results, financial sources and industry outlook 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.

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