

Central Alberta Well Services Corp.

For Immediate Release
Calgary, Alberta

News Release

Friday, November 16, 2007
TSXV New Symbol: "CWC.A"
Class A Shares (Trading): 22,125,430
Class B Shares (Non-Trading): 6,153,531

CENTRAL ALBERTA WELL SERVICES RELEASES 2007 THIRD QUARTER RESULTS

CALGARY, ALBERTA, November 16, 2007 – Central Alberta Well Services Corp. ("CWC" or the "Company") is pleased to report its third quarter 2007 results. For the three months ending September 30, 2007, the Company generated \$11.9 million in revenue, EBITDAS of \$2.6 million or \$0.11 per share and a loss of \$0.6 million before tax. For the same period of 2006, the Company generated revenues of \$13.3 million, EBITDAS of \$4.1 million and a profit of \$1.0 million before tax. This decrease from the same period in 2006 is a result of decreased utilizations and increased overheads to accommodate the additional equipment base the Company now operates.

HIGHLIGHTS

The following are the highlights for the quarter compared to the third quarter of 2006.

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Revenues	\$ 11,913,026	\$ 13,289,105	\$ 34,776,387	\$ 25,855,698
Operating costs	7,757,490	7,908,146	23,021,321	15,317,437
	<u>4,155,536</u>	<u>5,380,959</u>	<u>11,755,066</u>	<u>10,538,261</u>
	34.9%	40.5%	33.8%	40.8%
General and administrative expenses	1,613,818	1,294,871	4,887,478	3,680,141
EBITDAS ⁽¹⁾	2,541,718	4,086,088	6,867,588	6,858,120
EBITDAS per share ⁽¹⁾				
Basic and diluted	0.11	0.39	0.30	0.78
Stock based compensation	-	261,872	1,257,117	1,266,007
Interest	744,671	786,669	4,508,906	1,541,658
Depreciation and amortization	2,396,603	2,046,070	6,945,382	4,599,994
Net income (loss) before tax	(599,556)	991,477	(5,843,817)	(549,539)
Funds from operations ⁽²⁾	2,116,103	3,038,009	3,302,684	5,231,248
Funds from operations per share ⁽²⁾				
Basic and diluted	\$ 0.09	\$ 0.29	\$ 0.15	\$ 0.56
Income (loss) per share				
Basic and diluted	\$ (0.03)	\$ 0.02	\$ (0.24)	\$ (0.05)
Purchase of property and equipment	\$ 5,550,611	\$ 6,476,954	\$ 24,897,616	\$ 35,814,913

⁽¹⁾ EBITDAS is calculated from the statement of loss 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. EBITDAS 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. Number of shares outstanding is post consolidation of common shares described in note 8 of the financial statements.

⁽²⁾ Funds from operations is defined as cash from operating activities before changes in non-cash working capital. Funds from operations and funds from operations per share are measures that provide investors additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Funds from operations and Funds from operations per share do not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures provided by other companies. Number of shares outstanding is post consolidation of common shares described in note 8 of the financial statements.

SELECTED FINANCIAL INFORMATION

Working capital at the end of the quarter was \$10.4 million net of restricted cash, an increase of \$1.1 million from June 30, 2007 and shows the Company's focus on maintaining a strong balance sheet. At September 30, 2007, the Company has drawn an aggregate of \$24.5 million on its \$63 million long term debt facility and continues to meet all debt covenants.

The following table highlights selected financial information for the third quarter, 2007 and the previous seven consecutive quarters.

For the quarter ended	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Working capital (deficiency)	10,766,402	9,679,652	11,588,974	(27,256,935)
Working capital (deficiency) - net of bridge loan and restricted cash	10,351,402	9,264,652	11,173,974	7,330,725
Long-term debt	20,374,723	15,498,793	58,134,623	16,523,834
Shareholders' equity	82,032,188	82,550,545	37,148,201	34,626,065
Long-term debt to equity	0.25	0.19	1.56	0.48

For the quarter ended	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Working capital (deficiency)	(23,307,384)	(17,519,991)	(194,130)	2,813,640
Working capital (deficiency) - net of bridge loan and restricted cash	6,120,890	3,074,368	(194,130)	2,813,640
Long-term debt	16,937,611	17,182,610	14,040,639	4,950,000
Shareholders' equity	45,578,780	45,300,850	45,628,496	18,595,144
Long-term debt to equity	0.37	0.38	0.31	0.27

The following table sets out comparative financial information for the reporting segments.

	Three months ended September 30	
	2007	2006
Well Servicing		
Revenues	7,269,691	6,440,100
Income (loss) before income taxes	693,143	915,387
EBITDAS ⁽¹⁾	2,171,205	2,338,109
Other Oilfield Services		
Revenues	4,643,335	6,849,005
Income before income taxes	53,584	1,562,464
EBITDAS ⁽¹⁾	916,504	2,232,992
Corporate		
Revenues	-	-
Loss before income taxes	(1,346,283)	(1,486,373)
EBITDAS ⁽¹⁾	(545,991)	(485,013)

OVERVIEW

CWC is on the path of maintaining a strong balance sheet. The Company has structured itself for the future and will complete a capital build program of eight modern service rigs that will be delivered from October, 2007 to January, 2008. Following delivery of the new rigs, the Company will operate 29 service rigs along with its other services: coil tubing, nitrogen pumping and delivery, snubbing, production testing and a rental fleet.

WELL SERVICING

The well servicing segment generated revenues of \$7.3 million with a utilization rate of 58% compared to revenues of \$6.4 million with a 78% utilization rate in the same quarter of 2006. This segment contains service rigs as well as coil tubing operations. EBITDAS for quarter three was \$2.2 million or 30% of revenue compared to \$2.3 million or 36% of revenue in 2006.

OTHER OILFIELD SERVICES

The other oilfield services segment generated revenues of \$4.6 million compared to \$6.9 million in the comparative period of 2006. This segment, comprised of nitrogen delivery and pumping, snubbing, well testing and rentals, has been impacted by the decrease in activity. EBITDAS decreased to \$0.9 million or 20% of revenue from \$2.2 million or 32% of revenue. Utilization was 36% in quarter three of 2007 compared to 89% in the same period of 2006.

OUTLOOK

The Company operated in a challenging environment in the first nine months of 2007 with reduced activity levels compared to prior years as a result of the decreased natural gas prices, extended spring break-up and reduced capital budgets resulting from the recently announced royalty adjustments. Although the Company's business is not entirely dependent on new well completions, the expected 27% decrease in wells drilled during 2007 compared to 2006 and the expected further reduction by 15% in 2008, could have a negative impact on the Company's utilization rates. However, management is of the view that the slowdown in business due to reduced drilling activity is partially mitigated by workovers and recompletion services offered by CWC. The Company will focus on the efficiency of all its business segments through the remainder of 2007 and 2008.

The Company will exit 2007 with approximately 28 service rigs with one additional service rig to be delivered early 2008. With an expanded fleet of modern equipment, the Company is well positioned to react quickly to customer demand. CWC operates a fleet of efficient service rigs and related services for its customers and will continue to strive to achieve utilization rates above industry average. The Company will manage its balance sheet in order to remain as one of the financially strongest service companies. The Company is well positioned to react quickly to customer needs and growth

opportunities as they arise and will capitalize on the challenging conditions facing the oilfield services industry.

At this time, the Company strongly believes its shares are undervalued and plans to continue to repurchase Class A Shares under its normal course issuer bid program.

2007 INTERIM FINANCIAL STATEMENTS

Attached to this release are the Company's Interim Financial Statements for the three months ended September 30, 2007. These Interim Financial Statements should be read in conjunction with the Interim Financial Statement and the Management's Discussion and Analysis as well as the Company's Audited Consolidated Financial Statements and Management Discussion and Analysis for the year ended December 31, 2006, all of which are filed on SEDAR at www.SEDAR.com.

BALANCE SHEETS
Central Alberta Well Services Corp.
(unaudited)

	<u>September 30, 2007</u>	<u>December 31, 2006</u>
ASSETS		
Current assets		
Cash	\$ 2,344,594	\$ 1,688,926
Restricted cash	415,000	415,000
Accounts receivable	11,765,941	13,433,591
Shareholder loans	99,536	-
Inventory	2,041,345	1,729,040
Prepaid expenses and deposits	112,533	270,344
Income tax receivable	349,008	641,663
	17,127,957	18,178,564
Property and equipment	88,842,348	70,524,885
Shareholder loans	70,625	118,000
Deferred financing costs	-	803,194
Intangible assets	4,721,536	5,173,768
	\$ 110,762,466	\$ 94,798,411
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,361,555	\$ 6,079,557
Short-term debt	-	35,000,000
Shareholder loans	-	76,855
Current portion of long-term debt	-	4,279,087
	6,361,555	45,435,499
Future income taxes	1,994,000	2,492,100
Long-term debt	20,374,723	12,244,747
	28,730,278	60,172,346
SHAREHOLDERS' EQUITY		
Share capital	81,597,801	47,661,284
Contributed surplus	3,369,145	2,062,738
Warrants	2,412,121	-
Deficit	(5,346,879)	(15,097,957)
	82,032,188	34,626,065
	\$ 110,762,466	\$ 94,798,411

See accompanying notes to financial statements.

STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT
Central Alberta Well Services Corp.
(unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
REVENUE	\$ 11,913,026	\$ 13,289,105	\$ 34,776,387	\$ 25,855,698
EXPENSES				
Operating expenses	7,757,490	7,908,146	23,021,321	15,317,437
General and administrative	1,613,818	1,294,871	4,887,478	3,680,141
Stock based compensation	-	261,872	1,257,117	1,266,007
Interest	744,671	786,669	4,508,906	1,541,658
Depreciation and amortization	2,396,603	2,046,070	6,945,382	4,599,994
	<u>12,512,582</u>	<u>12,297,628</u>	<u>40,620,204</u>	<u>26,405,237</u>
NET INCOME/(LOSS) BEFORE TAX	(599,556)	991,477	(5,843,817)	(549,539)
INCOME TAXES				
Current	-	257,726	1,162	98,229
Future (recovery)	184,000	551,000	(498,100)	(172,000)
	<u>184,000</u>	<u>808,726</u>	<u>(496,938)</u>	<u>(73,771)</u>
NET INCOME/(LOSS) AND COMPREHENSIVE INCOME/(LOSS)	(783,556)	182,751	(5,346,879)	(475,768)
DEFICIT, BEGINNING OF PERIOD	(4,563,323)	(3,774,228)	(15,097,957)	(3,115,709)
APPLICATION OF PRIOR YEAR DEFICIT TO SHARE CAPITAL	-	-	15,097,957	-
DEFICIT, END OF PERIOD	<u>\$ (5,346,879)</u>	<u>\$ (3,591,477)</u>	<u>\$ (5,346,879)</u>	<u>\$ (3,591,477)</u>
NET INCOME/(LOSS) PER SHARE				
Basic and diluted	\$ (0.03)	\$ 0.02	\$ (0.24)	\$ (0.05)

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS
Central Alberta Well Services Corp.
(unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
CASH PROVIDED BY (USED IN):				
OPERATING:				
Net income/(loss)	\$ (783,556)	\$ 182,751	\$ (5,346,879)	\$ (475,768)
Items not affecting cash:				
Stock based compensation	-	261,872	1,257,117	1,266,007
Interest on shareholder loans	(2,057)	(3,684)	(7,858)	(11,532)
Accretion of debt financing costs and warrants	375,929	-	976,528	-
Loss (gain) on disposal of assets	(54,816)	-	(23,506)	24,547
Future income tax (reduction)	184,000	551,000	(498,100)	(172,000)
Depreciation and amortization	2,396,603	2,046,070	6,945,382	4,599,994
	2,116,103	3,038,009	3,302,684	5,231,248
Change in non-cash working capital	(4,135,940)	(1,122,888)	2,087,809	(2,944,912)
	(2,019,837)	1,915,121	5,390,493	2,286,336
INVESTING:				
Business acquisitions - net of cash	-	378,483	-	(4,285,569)
Purchase of property and equipment	(5,550,611)	(6,476,954)	(24,897,616)	(35,814,913)
Proceeds on sale of assets	105,000	-	110,508	110,508
Restricted cash	-	(5,166,085)	-	(5,571,726)
	(5,445,611)	(11,264,556)	(24,787,108)	(45,561,700)
FINANCING:				
Issue of long-term debt	4,500,000	-	67,500,000	8,050,000
Retirement of long-term debt	-	(248,928)	(59,499,334)	(1,281,598)
Issue of short-term debt	-	14,000,000	-	35,000,000
Restructure of short-term debt	-	-	(35,000,000)	-
Deferred financing costs	-	(1,123,078)	803,194	(1,736,708)
Debt financing costs and warrants	-	-	(2,714,184)	-
Issue of common shares	-	-	50,000,000	5,126,002
Repurchase of common shares	(85,801)	-	(85,801)	-
Share issue costs	-	-	(830,434)	(277,204)
Increase (repayment) of shareholder loans	-	12,083	(121,158)	21,087
	4,414,199	12,640,077	20,052,283	44,901,579
INCREASE (DECREASE) IN CASH	(3,051,249)	3,290,642	655,668	1,626,215
CASH, BEGINNING OF PERIOD	5,395,843	892,896	1,688,926	2,644,827
CASH, END OF PERIOD	\$ 2,344,594	\$ 4,183,538	\$ 2,344,594	\$ 4,271,042
Supplementary Information:				
Interest paid	\$ 409,033	\$ 794,280	\$ 2,980,870	\$ 1,577,219
Payout penalties paid on replacement of old loans	-	-	608,071	-
Interest received	38,235	11,943	109,388	53,842
Income taxes paid	-	132,783	48,824	132,783
Income taxes refunded	381,381	-	381,381	-

See accompanying notes to financial statements.

RECENT DEVELOPMENTS

The Company is also pleased to announce that it has taken possession of two of the eight mobile single service rigs under construction. The third mobile single service rig is nearing completion and the Company expects to take delivery in the week ending November 22, 2007.

ABOUT CENTRAL ALBERTA WELL SERVICES

Central Alberta Well Services is headquartered in Red Deer, Alberta, with additional operating centres in eastern and northern, Alberta and a business office in Calgary. 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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