MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

The following Management's Discussion and Analysis ("MD&A") of CWC Well Services Corp. ("CWC" or the "Company") was prepared and is dated, as of November 14, 2011 and is provided to assist readers in understanding CWC's financial performance for the three and nine month periods ended September 30, 2011 and significant trends that may affect future performance of the Company. This MD&A is an update to and should be read in conjunction with CWC's September 30, 2011 unaudited interim financial statements and the annual audited financial statements and MD&A for the year ended December 31, 2010. Additional information on the Company, including the 2010 Annual Report and the Annual Information Form ("AIF"), can be found on the Company's website at www.cwcwellservices.com or on SEDAR at www.sedar.com.

Forward-Looking Statements

This MD&A contains certain forward-looking information and statements within the meaning of applicable Canadian securities legislation. Certain statements contained in this MD&A, including statements which may contain such words as "anticipate", "could", "continue", "should", "seek", "may", "intend", "likely", "plan", "estimate", "believe", "expect", "will", "objective", "ongoing", "project" and similar expressions are intended to identify forward-looking information or statements. In particular, this MD&A contains forward-looking statements including management's assessment of future plans and operations, expectations as to the increase in activity levels, expectations with respect to natural gas prices, activity levels in various areas, continuing focus on cost saving measures plans, timing and effects of implementation of IFRS, expectations regarding the level and type of drilling and production activity in the Western Canadian Sedimentary Basin ("WCSB"), and expectations regarding the business, operations and revenues of the Company in addition to general economic conditions. Although the Company believes that the expectations and assumptions on which such forward-looking information and statements are based are reasonable, undue reliance should not be placed on the forward-looking information and statements because the Company can give no assurances that they will prove to be correct. Since forward-looking information and statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oilfield services sector (ie. demand, pricing and terms for oilfield services; current and expected oil and gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety and environmental risks), integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties and environmental regulations, stock market volatility and the inability to access sufficient capital from external and internal sources and the inability to pay dividends. Accordingly, readers should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through SEDAR at www.sedar.com. The forward-looking information and statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Conversion to International Financial Reporting Standards

Effective, January 1, 2011, CWC began reporting its financial results in accordance with International Financial Reporting Standards ("IFRS"). Prior period comparative amounts, including the opening statement of financial position at January 1, 2010, have been restated to reflect results as if CWC had always prepared its financial statements using IFRS. Please see additional discussion regarding IFRS later in this MD&A.

Third Quarter 2011 Financial Highlights

$ thousands, except per share amounts, margins and ratios	THREE MONTHS ENDED SEPTEMBER 30, 2011	2010	% Change	NINE MONTHS ENDED SEPTEMBER 30, 2011	2010	% Change
FINANCIAL RESULTS						
Revenue						
Well servicing	$ 25,419	$ 12,710	100%	$ 59,909	$ 35,540	69%
Other oilfield services	5,805	3,703	57%	13,605	10,249	33%
	31,224	16,413	90%	73,514	45,789	61%
EBITDAS [1]	8,141	3,277	148%	17,850	7,383	142%
EBITDAS margin (%) [1]	26%	20%		24%	16%	
Funds from operations [2]	8,139	3,271	149%	17,846	7,367	142%
Net income (loss)	3,174	(528)	701%	4,503	(4,235)	206%
Net income (loss) margin (%)	10%	-3%		6%	-9%	
Per share information						
Weighted average number of shares outstanding	156,576	158,739		157,180	159,033	
EBITDAS [1] per share - basic and diluted	0.05	0.02		0.11	0.05	
Funds from operations [2] per share - basic and diluted	0.05	0.02		0.11	0.05	
Net earnings per share - basic and diluted	0.02	(0.00)		0.03	(0.03)	
	SEPTEMBER 30, 2011	**DECEMBER 31, 2010**				
FINANCIAL POSITION AND LIQUIDITY						
Working capital (excluding debt) [3]	16,332	15,790				
Working capital (excluding debt) ratio	2.4:1	3.2:1				
Total assets	162,933	127,098				
Total long-term debt (including current portion)	56,827	29,860				
Shareholders' equity	94,389	89,986				

Notes 1 to 3 - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.

Corporate Overview

CWC is a premier well servicing company operating in the Western Canadian Sedimentary Basin ("WCSB") providing a complimentary suite of oilfield services including service rigs, coil tubing, snubbing, nitrogen and well testing. CWC provides these services through two distinct divisions, Well Servicing and Other Oilfield Services.

CWC's equipment and services can be found throughout the entire WCSB from Northeast BC to Southeast SK and all points in-between in Alberta. These services are provided from strategic regional operating locations in Grande Prairie, Whitecourt, Red Deer, Provost, Lloydminster and Brooks, AB and Weyburn, SK. CWC's corporate office is located in Calgary, AB. Management is comprised of experienced oilfield service professionals who have successfully executed business plans in the past that focused on creating shareholders' value. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

Overview and Highlights for the Three and Nine Months Ended September 30, 2011

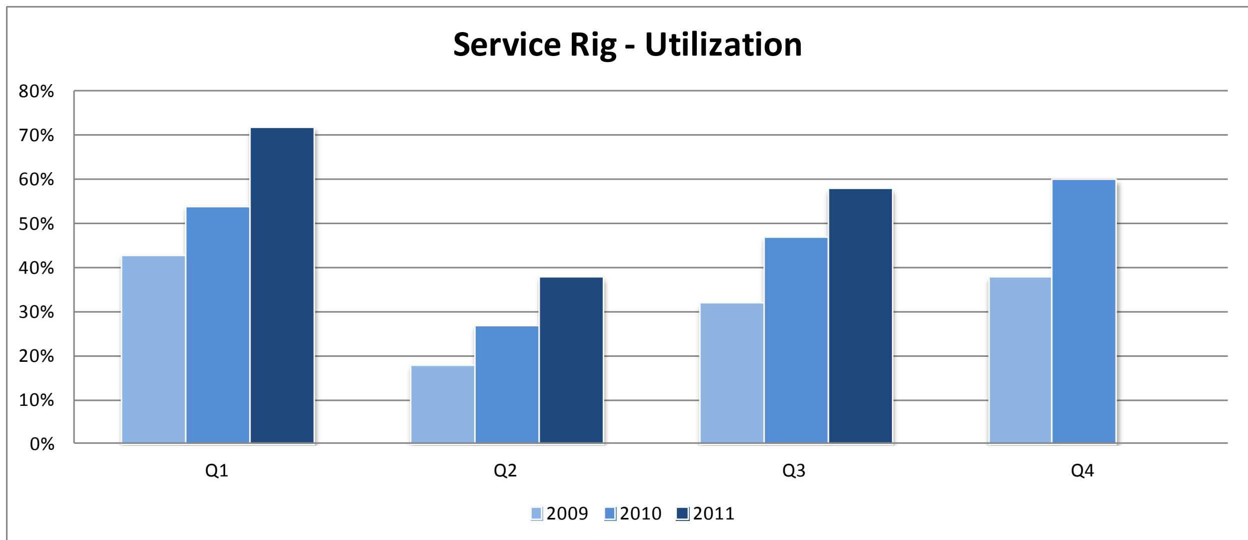
Revenue for Q3 2011 increased 90% to $31.2 million and EBITDAS was $8.1 million, an increase of 148% as compared to the same period in 2010. Higher overall activity levels and improved pricing has led to year-over-year improvements, particularly on our service rigs. Q3 2011 revenue and EBITDAS were higher than Q2 2011 which was impacted by an unusually prolonged "spring break-up" due to wet weather. This wet weather in Q2 2011 delayed robust activity levels in the beginning of July 2011, but rebounded strongly in August and September 2011 where CWC is now approaching activity levels experienced in Q1 2011, typically the oilfield service industry's busiest quarter. Oil prices were higher and natural gas prices were lower during Q3 2011 compared with the year ago period. For Q3 2011, West Texas Intermediate crude oil averaged US$89.59 per barrel, 18% higher than the US$75.97 per barrel in Q3 2010. AECO natural gas spot prices averaged $3.66 per MMBtu, 13% lower than the Q3 2010 average of $4.21 per MMBtu. Our customers are indicating higher demand and confidence in the long-term sustainability of commodity prices, particularly oil, which is likely to lead to continued strong activity levels in Q4 2011, despite the European debt issues and slowing growth concerns in the United States that globally affected the capital markets in Q3 2011. Demand for CWC's services is expected to continue the upward trend of the last several quarters, as well servicing activity continues to grow.

CWC was able to effectively staff its service rigs with experienced crews during the heightened activity in Q3 2011 and expects to be able to continue to fully crew its service rigs throughout the upcoming winter season. Higher activity levels and improved pricing in all of our service lines have led to the period-over-period improvement. CWC continues to see strong demand for services and equipment provided by our various service lines. Oil-related work, which is more maintenance and service oriented, is where the vast majority of the service rig hours will be achieved in Q4 2011. CWC expects the activity levels and financial results to continue to improve throughout the year with year- end results meaningfully above 2010 financial results.

Well Servicing

CWC is the 6th largest service rig provider in the WCSB, operating a modern fleet of 63 service rigs and 8 coil tubing units. Rig services include completions, workovers and abandonments with depth ratings from 1,500 to 5,000 metres. Our service rig fleet, with its leading edge technology, continue to stand out in an industry characterized by ageing equipment and infrastructure. At the end of Q2 2011, CWC acquired 22 service rigs from Trinidad Well Servicing ("TWS") increasing CWC's market share in service rigs significantly. CWC's Class I, II and III coil tubing units have depth ratings from 1,500 to 4,000 metres and are well positioned for the changing demand of our customers for deeper depth capabilities. CWC converted one coil tubing unit to a Class III, 2 inch unit capable of depths of 4,000 meters and was deployed in the field in October 2011.

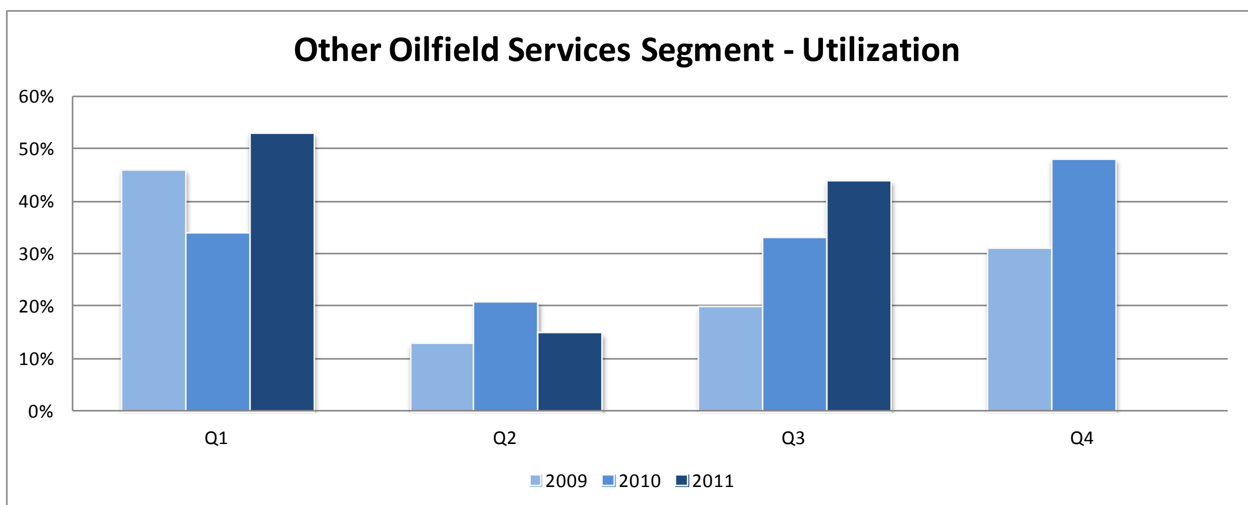
Well Servicing division revenue increased by 100% to $25.4 million from $12.7 million in Q3 2010 due to the increased fleet from the TWS acquisition and overall increased service rig hours along with an improvement in hourly rates of approximately 10% as compared to Q3 2010. Year-to-date revenue to Q3 2011 increased by 69% to $59.9 million from $35.5 million. Given increased demand for industry services and higher operating costs, particularly for labour and fuel, rate increases have been implemented in Q4 2011 to maintain margins and remain competitive in attracting quality personnel.



Total service rig hours increased 91% in Q3 2011 compared to Q3 2010, primarily as a result of the TWS acquisition along with increased activity compared to the prior year. Utilization of our well service equipment continues to rise from the lows experienced in 2009 driven by increased spending on exploration and development as a result of higher oil prices.

Other Oilfield Services

CWC's Other Oilfield Services division provides a variety of services for the completion and production phases of oil and natural gas wells from its 8 snubbing units, 14 nitrogen pumpers and bulkers, and 12 well testing units. Other Oilfield Services division revenue increased by 57% to $5.8 million as compared to $3.7 million in Q3 2010. Year-to-date revenue to Q3 2011 has increased by 33% to $13.6 million from $10.2 million. The increase in Q3 2011 is the result of higher industry activity levels in snubbing, nitrogen and well testing from the seasonally low activity level of Q2 2011 due to spring break-up. The increase in revenue year-to-date has been positively impacted by improved utilizations, particularly in Q1and Q3 2011, in all 3 services lines as well as price improvements. CWC expect that year-end financial results will continue to improve on a year-over-year basis for the remainder of 2011 driven from higher customer demand.



Other Oilfield Services division utilization, as measured by CWC's internal methodology, experienced an increase in activity in Q3 2011 as compared to Q3 2010 benefiting from improved oil industry activity levels as a whole. This segment has been experiencing a positive impact from increased crude oil prices leading customers to increase spending and utilize CWC's full suite of equipment and services. CWC expects to see a continuing steady trend of improvement in Q4 2011 from the lows experienced in 2009.

Discussion of Financial Results

$ thousands, except margins	THREE MONTHS ENDED SEPTEMBER 30, 2011	2010	%	NINE MONTHS ENDED SEPTEMBER 30, 2011	2010	%
Revenue						
Well servicing	$ 25,419	$ 12,710	100%	$ 59,909	$ 35,540	69%
Other oilfield services	5,805	3,703	57%	13,605	10,249	33%
	31,224	16,413	90%	73,514	45,789	61%
Operating expenses						
Well servicing	15,669	7,761	102%	37,457	22,799	64%
Other oilfield services	3,474	2,455	42%	8,549	6,957	23%
	19,143	10,216	87%	46,006	29,756	55%
Gross margin [1]	12,081	6,197	95%	27,508	16,033	72%
Gross margin % [1]	39%	38%		37%	35%	
General and administrative expenses	3,940	2,920	35%	9,658	8,650	12%
EBITDAS [2]	8,141	3,277	148%	17,850	7,383	142%
EBITDAS margin (%) [2]	26%	20%		24%	16%	
Stock based compensation	185	157	18%	651	523	24%
Finance costs	940	658	43%	2,525	2,441	3%
Depreciation	3,818	3,010	27%	10,097	8,790	15%
Loss (gain) on sale of equipment	16	(8)	-300%	51	(86)	-159%
Unrealized loss (gain) on marketable securities	8	(12)	167%	23	(50)	146%
Net income (loss)	3,174	(528)	701%	4,503	(4,235)	206%

Notes 1 to 2 - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.

Revenue

Total revenues for the three and nine months ended September 30, 2011, as compared to 2010 have increased 90% and 61% respectively, reflecting the general recovery in the oil and gas sector and increased demand for CWC's equipment and services. In addition, the third quarter included the benefit of 22 additional service rigs acquired from TWS on June 14, 2011 and contributed $8.1 million in revenues on a year-to-date basis to the Well Servicing segment.

The Well Servicing division revenue for the three months ended September 30, 2011 increased by 100% to $25.4 million from $12.7 million. Revenues for the nine months ended September 30, 2011 have increased 69% in the Well Servicing segment to $59.9 million from $35.5 million. The increase is directly related to increased utilization with service rig hours increasing 91% for the quarter and 59% year to date. The increased activity has resulted in an increase in our total revenue as well as an increase in rates. Increased activity has led to pressure on availability of crews and the quality of services offered, ultimately increasing costs. The increased demand for services and higher costs to operate in the industry, particularly labour and fuel costs, have lead to rate increases in the final quarter of fiscal 2011 as we strive to maintain margins and remain competitive in attracting quality personnel.

The Other Oilfield Services division revenue for the three months ended September 30, 2011 increased by 57% to $5.8 million as compared to the third quarter of 2010 which was $3.7 million. Year to date revenues for this segment have increased 33% to $13.6 million from $10.2 million in 2010. As noted earlier, the increase in Q3 2011 is the result of higher activity levels in snubbing, nitrogen and well testing corresponding to overall higher industry activity levels. The increase year to date has been positively impacted by improved utilizations, particularly in Q1 and Q3 2011, in all services including snubbing, nitrogen and well testing as well as price improvements. We expect that overall results will continue to improve on a year-over-year basis in the final quarter of 2011 driven from higher customer demand.

CWC continues to make significant progress towards improving the credit worthiness of its customer base by focusing on providing services to senior and intermediate exploration and production ("E&P") companies, which are generally better financed. During Q3 2011 a total of 17 customers, all of which are large or intermediate E&P companies, made up 65% of CWC's total revenues. The Company does not have any one customer that represents a significant customer concentration risk.

Gross Margin and Direct Operating Expenses

Gross margin for the three months ended September 30, 2011 improved by $5.9 million or 95% compared to Q3 of 2010. Year-to-date gross margin has improved by $11.5 million or 72% from the nine months ended September 30, 2010. Many operating costs are variable in nature and increase or decrease with activity levels such that much of the change in operating costs in the year-over-year periods is due to the increases in revenue in the current period as compared to the prior period. The Company did experience higher costs in certain areas such as fuel, supplies and labour costs, which did affect gross margins. However, these were offset by pricing increases implemented in Q4 2010. The Company will also be implementing price increases to recover all of these higher costs during Q4 2011. We expect gross margins during Q4 2011 to reflect levels in the range of 37% to 39%.

General and administrative ("G&A")

G&A for the three months ended September 30, 2011 was $3.9 million (13% of revenue) compared to $2.9 million (18% of revenue) in the third quarter of 2010. On a percentage of revenue basis the amounts are showing a downward trend which is in large part a function of the fixed cost component of G&A that does not fluctuate in direct proportion to increased activity levels. The increase in G&A from $2.9 million to $3.9 million is attributable to higher variable pay accruals consistent with improving financial results as well as increased headcount for operational and support staff and computer system maintenance. Management of CWC continues to focus on cost reduction initiatives that will be permanent in nature and has scaled back substantially on discretionary spending. During the second and third quarters of 2011 additional non-recurring costs were incurred related to the acquisition of TWS. With the increased activity and changes instituted for various costs saving matters, we expect that G&A as a percentage of revenue going forward to continue to reduce on an annualized basis and be in line with industry peers.

EBITDAS

EBITDAS for Q3 2011 was $8.1 million (26% of revenue) compared to $3.3 million (20% of revenue) in Q3 2010, up $4.8 million or 148%. Year-to-date to Q3 2011, EBITDAS has improved 142% to $17.9 million from $7.4 million. The service rigs acquired from TWS contributed $2.9 million to EBITDAS from June 16, 2011 to September 30, 2011. The addition of these 22 service rigs will continue to contribute significantly to revenue and EBITDAS during the winter season. In addition, 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, and the impact of cost reduction initiatives. 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. EBITDAS will continue to provide the cash flow needed to grow our business through the purchase of new equipment or business acquisitions and reduce outstanding long-term debt.

Stock-based compensation ("SBC")

SBC for the three months ended September 30, 2011 was $0.2 million, an increase of 18% from Q3 2010 as a result of higher average daily trading prices of the Company's stock. The non-cash expense related to stock-based compensation plans is a result of the approximately 8.6 million options outstanding on September 30, 2011.

Finance costs

Interest expense for the three months ended September 30, 2011 increased 43% to $0.9 million from $0.7 million in Q3 2010. The majority of the increase is a result of the higher long term debt levels at the end of Q3 2011 compared to the prior year period due to the $28 million increase in debt to acquire the TWS rigs. Year- to- date, interest expense has increased 3% to $2.5 million from $2.4 million for the nine months ended September 30, 2010.

Depreciation

Depreciation has increased by 27% from the three months ended September 30, 2010 and 15% year-over-year; the increase is consistent with the increase in service rigs related to the TWS acquisition and the increased activity as service rigs are depreciated on a unit of production basis.

Income Taxes

Based on the income before taxes of $3.2 million for the nine months ended September 30, 2011 and an expected income tax rate of 26.5%, an income tax expense of $0.8 million would be expected. The Company had various non-cash and non-tax-deductible items included in the computation of net income, including stock-based compensation, and other items which increased the amounts, however, the Company recorded a valuation allowance reducing the income taxes to nil. The Company has substantial tax pools and non-capital losses available to reduce future taxable income such that no cash taxes are expected to be payable in 2011 and the foreseeable future depending on growth and profitability of the Company.

Net Income (Loss)

Net income for Q3 2011 was $3.2 million compared to a loss of $0.5 million in Q3 2010; an improvement of $3.7 million. Year-to-date to Q3 2011, net income was $4.5 million; a 206% increase over the net loss of $4.2 million reported for Q3 2010. The return to profitability is a direct result of the 61% increase in revenue in the first nine months of 2011 over 2010. Management remains focused on driving higher levels of profitability through a focused effort to grow revenues, capitalizing on its young and advanced equipment fleet and high quality labour force as well as cost rationalization initiatives.

Summary of Quarterly Data

$ thousands, except per share amounts and equipment fleet	2011			2010				2009 - Previous Canadian GAAP (2)
THREE MONTHS ENDING	September 30,	June 30,	March 31,	December 31	September 30	June 30	March 31	December 31
Revenue	$ 31,224	$ 12,987	$ 29,303	$ 23,069	$ 16,413	$ 9,254	$ 20,122	$ 13,664
EBITDAS [1]	$ 8,141	1,269	8,439	5,610	3,277	364	3,851	1,322
Net earnings (loss)	3,174	(2,956)	4,285	1,460	(528)	(3,229)	(477)	(3,814)
Net earnings (loss) per share: Basic and diluted	0.02	(0.02)	0.03	0.01	(0.00)	(0.02)	(0.00)	(0.06)
Total assets	162,933	153,382	131,271	127,098	124,712	122,507	133,189	134,481
Total long-term debt	56,827	56,331	29,863	29,860	29,857	29,899	32,155	31,730
Shareholders' equity	94,389	91,178	94,002	89,986	88,546	88,918	92,019	96,774
Equipment fleet								
Service rigs	63	63	41	41	41	41	41	41
Coil tubing	8	8	8	8	8	8	8	8
Snubbing	8	8	8	8	8	8	8	8
Nitrogen pumpers and tankers	14	14	14	14	14	14	14	14
Well Testing	12	12	12	12	12	12	12	12

Notes 1 - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.
2 – All quarters presented for 2009 are prepared under previous Canadian GAAP and as a result may not be comparable

Quarter over Quarter Analysis

A comparison of CWC's quarterly results, at any given time, requires consideration of movement in crude oil and natural gas pricing and seasonality over the past two years. Commodity prices affect the level of exploration and development activities carried out by the Company's customers and the associated demand for the oilfield services provided by CWC. Activity began to improve in the first half of 2010 and strengthened significantly in the second half of the year. Revenue levels grew during 2010 due to higher activity. During the fourth quarter of 2010 pricing in the well servicing division was increased and gross margin percentage increased accordingly, contributing to the record results seen in the first quarter of 2011. The second quarter is always one of decreased revenue and earnings due to the weather and spring thaw conditions during this time not being conducive to permit the movement of heavy equipment. The third quarter has seen an increase back to normal seasonal levels coupled with the addition of the TWS acquisition resulting in substantially improved levels of activity.

Seasonality

The level of activity in the oilfield service industry is influenced by seasonal weather patterns. During the spring months, wet weather and the spring thaw make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of service equipment which reduces activity levels and places an increased level of importance on the location of the Company's equipment prior to imposition of road bans. The timing and length of road bans is dependent on the weather conditions leading to the spring thaw and weather conditions during the thaw period. The unusually wet weather in Q2 2011 extended into the first two weeks of July negatively impacting the activity levels. The Company's business results depend, at least in part, upon the severity and duration of the Canadian winter and the spring thaw which may lead to reduced oil and gas exploration activity and corresponding declines in the demand for the Company's service equipment during those times.

Revenue

An overview of the quarter-by-quarter analysis shows results continue to improve consistently. Revenue for the third quarter of 2011 was $31.2 million; an increase of $14.8 million from the third quarter of 2010 and an increase of $18.2 million from the second quarter of 2011. The increase from the second quarter of 2011 is expected due to the seasonality of the industry.

During the fourth quarter of 2010 CWC was able to increase rates to its customers in response to the increased activity level. Overall, 2010 saw the start of a recovery with year-over-year increases in activity through all the quarters to date. The second quarter is always one of lower activity as a result of the wet spring conditions which prevent the movement of heavy equipment. The third quarter has returned to normal higher seasonal levels.

EBITDAS

EBITDAS for the third quarter of 2011 increased year-over-year by 148% and increased by $6.9 million from the second quarter of 2011. In addition to the positive impact of the TWS acquisition, the year-over-year increase in EBITDAS is directly a result of increased activity levels sufficient to absorb facility and other fixed costs of the Company as well as cost control measures that were implemented during the second half of 2010. Higher gross margin percentages quarter-over-quarter is evidence of improved utilization and rates which continue to strengthen as customer demand remains robust.

Net earnings (loss)

The higher activity in the third quarter resulted in net income of $3.2 million, mainly as a result of improved activity levels and the TWS acquisition related activity. The third quarter net income also includes the TWS acquisition costs and added depreciation costs. Overall, management expects a continuation of the results seen in the first and third quarter of 2011 where CWC recorded positive earnings. Improvements are also as a result of effective management of discretionary expenditures, and partially offset by increased depreciation on service rigs subject to a unit of production methodology.

Total Assets

The $9.6 million increase in total assets from the second quarter is a combination of higher accounts receivable related to the increased activity levels as well as lower property, plant and equipment resulting from the quarter's depreciation.

Total Long-Term Debt

Long-term debt increased by $0.5 million from the second quarter and is a function of timing related to the funding of increased activity levels versus collection of the higher level of accounts receivable.

Shareholders' Equity

Shareholders' equity has not changed significantly since the rights offering in December of 2009 other than an increase as a result of net income levels achieved in 2011.

Financial Position and Liquidity

	2011			2010			
$ thousands, except ratios	SEPTEMBER 30	JUNE 30	MARCH 31	DECEMBER 31	SEPTEMBER 30	JUNE 30	MARCH 31
Working capital (excluding debt)[1]	16,332	10,201	22,578	15,790	10,050	7,829	10,506
Working capital (excluding debt) ratio	2.4:1	2.7:1	4.0:1	3.2:1	2.6:1	3.1:1	2.2:1
Long-term debt	56,827	56,331	29,863	29,860	29,857	29,899	32,155
Shareholders' equity	94,389	91,178	94,002	89,986	88,546	88,918	92,019
Debt to equity	0.60	0.62	0.32	0.33	0.34	0.34	0.35

Notes 1 - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.

Working capital

Working capital (excluding debt) at September 30, 2011 was $16.3 million (December 31, 2010 - $15.8 million). The working capital (excluding debt) ratio of 2.4:1 (December 31, 2010 – 3.2:1) indicates the Company's liquidity position remains strong. Management considers the working capital ratio calculated excluding debt borrowings to be a metric that is comparable to its peers in the industry as the nature and structure of debt facility agreements can differ significantly amongst those in the industry.

Long-term Debt and Credit Facility

CWC secured a new credit facility of $69 million consisting of a committed revolving facility of $40 million and a $29 million committed term facility with a maturity date of April 30, 2014, both of which replaced prior credit facilities of the Company. Proceeds from the revolving facility will be used for acquisitions, capital expenditures, working capital and other general corporate purposes. Interest on the revolving facility is paid monthly with no scheduled principal repayments until April 30, 2014. Amounts borrowed under the revolving facility bear interest at the Company's option of the bank prime rate plus 1.25% to 2.75% or the banker's acceptance rate plus 2.25% to 3.75%, depending, in each case, on the ratio of debt to EBITDA. Of the available revolving facility, $28 million has been used to pay for the acquisition of TWS with the balance paid from cash on hand. The term facility requires principal payments of $500,000 per month plus interest through April 2012 at which time payments increase to $750,000 per month plus interest until April 2013 and interest payments only during the final year with the balance due April 30, 2014. The term facility bears interest at 7.42%. As of September 30, 2011, the Company was in compliance with the financial covenants under its credit facility and does not anticipate any restrictions in its ability to fund its ongoing operating, investing, or financing activities.

Shareholders' equity

Shareholder's equity on September 30, 2011 was $94.4 million (September 30, 2010 - $88.5 million), an increase of $5.9 million. As of September 30, 2011 the Company had 156,606,577 common shares outstanding. As at September 30, 2011 the Company has 8,549,221 stock options outstanding.

Debt to equity

Debt to equity remained constant at 0.6:1 as at September 30, 2011 as compared to 0.6:1 at June 30, 2011 (September 30, 2010 – 0.3:1). The increase from September 30, 2010 is as a result of the additional debt secured to complete the acquisition of TWS.

Capital expenditures

Capital expenditures for Q3 2011 consisted of $1.4 million for service rigs, support equipment and corporate assets. As a result of improved fundamentals in the oilfield services sector, management and the board of directors expanded the 2011 capital expenditure budget by approx. $2.7 million which include the conversion of a second Class III, 2 inch coil tubing unit capable of depths to 4,000 meters to address increasing demand for this equipment, as well as some additional infrastructure support projects and equipment for well servicing.

Capital requirements

It is anticipated future cash requirements for capital expenditures will be met through a combination of funds generated from operations and existing bank debt facilities as required. However, additional funds may be raised by additional bank debt, other forms of debt, the sale of assets, or the issue of equity. CWC may require additional financing in the future to implement its strategies and business objectives. It is possible that such financing will not be available, or if available, will not be available on favorable terms. If CWC issues any shares in the future to finance its operations or implement its strategies, the current shareholders of CWC may incur a dilution of their interest.

Commitments and Contractual Obligations

Beginning in April 2011, the Company is committed to monthly principal payments of $500,000, increasing to $750,000 commencing April 2012, in relation to the long-term debt. Management believes that based on anticipated activity levels for its services there will be sufficient cash flows generated from operations to service the debt repayment and finance the growth capital of the Company.

Outlook

The first nine months of 2011 has reflected the strength of the Company's business with substantial year-over-year revenue and EBITDAS increases. Business fundamentals remain positive and we continue to see strong demand from customers in all of our operations. Crude oil prices, which remain the primary driver of oilfield service activity levels, has experienced significant volatility due to uncertainties over European debt levels and slowing economic growth in the United States. Although this volatility may limit spending in smaller companies, the large capitalization exploration and production ("E&P") companies, which have strong balance sheets and base their capital spending levels on longer time horizons, will continue to account for the largest share of total WCSB well activity levels. These larger E&P operators will continue to focus capital spending towards oil and liquids-rich natural gas plays. Petroleum Services Association of Canada ("PSAC") estimates that 2012 capital expenditures for drilling and completions work will be $16.2 billion, an increase of $3.7 billion (30% increase) from a 2011 forecast of $12.5 billion.

Equipment utilization in our Well Servicing segment has been strong during the first nine months of 2011. CWC is focusing its Well Servicing fleet on oil-related and liquids-rich natural gas activities and has strategically positioned its equipment in the Horn River, Montney, Deep Basin, Pekisko, Beaverhill Lake, Cardium, Viking, Lloydminster heavy oil and Saskatchewan Bakken plays. We expect to see this trend continue into 2012.

As a result of the increased demand for oilfield services from our customers and rising operating costs, primarily from labour and fuel, hourly rates for our services charged to customers have increased in Q4 2011. CWC strives to maintain acceptable profit margins for our shareholders while providing high quality equipment and experienced field crews for our customers.

Over 80% of CWC's revenue and EBITDAS is derived from its core business segment of Well Servicing. We remain focused on what we do well and draw upon these strengths to provide best-in-class services to our customers. We continue to evaluate opportunities to grow the Well Servicing division through a disciplined approach, requiring that any potential acquisition target meet our strict financial and operational criteria. Supporting this core business is our Other Oilfield Service offerings of snubbing, nitrogen and well testing.

Subsequent to September 30, 2011, the Company entered into a non-binding letter of intent with a private company for the sale of its nitrogen assets and business for proceeds of approximately $7.55 million in cash. Provided that definitive terms are agreed upon and a binding agreement is entered into for the sale, the transaction is expected to close on or about November 30, 2011. There are no assurances that the transaction will be completed as proposed or at all.

International Financial Reporting Standards

CWC began reporting its financial results in accordance with IFRS on January 1, 2011, the changeover date set by the Canadian Accounting Standards Board (AcSB). IFRS compliance comparative financial information for one year from the changeover date is required including the conversion of the January 1, 2010 opening statement of financial position, the transition date for IFRS.

For the nine months ended September 30, 2010, the Company restated its operating results as if it had always prepared financial results in accordance with IFRS. As a result of impairment in certain Cash Generating Units ("CGU"s) on transition, depreciation expense for the nine months ended September 30, 2010 decreased by $0.4 million over the amount previously reported. As a result of the reclassification of operating leases to finance leases, there were insignificant increases to depreciation and interest expense, offset by a reduction in direct operating expenses. As a result of the changes in the timing and valuation of share based compensation, there was a decrease of $0.4 million over the amount previously reported.

Future Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company. As of January 1, 2013, CWC will be required to adopt IFRS 9, "Financial Instruments", which is the result of the first phase of the IASB's project to replace IAS39, "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The effect of the adoption of the standard on CWC's financial statements is not currently determinable.

During the nine months ended September 30, 2011, the IASB issued the following new and amended standards: IFRS 10, *Consolidated Financial Statements* (IFRS 10), IFRS 11, *Joint Arrangements* (IFRS 11), IFRS 12, *Disclosure of Interests in Other Entities* (IFRS 12), IAS 27, *Separate Financial Statements* (IAS 27), IFRS 13, *Fair Value Measurement* (IFRS 13), IAS 28, *Investments in Associates and Joint Ventures* (IAS 28), IAS 1, *Presentation of Financial Statements* (IAS 1) and IAS 19, *Employee Benefits* (IAS 19). None of these standards have been adopted by the Company at present. Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the requirements.

Risk Management

Certain activities of the Company are affected by factors that are beyond its control or influence. Additional risks and uncertainties that management may be unaware of, or that they determine to be immaterial may also become important factors which affect the Company. Along with risks discussed in this MD&A, other business risks faced by the Company may be found under "Risk Factors" in the Company's Annual Information Form dated May 10, 2011 which is available under the Company's profile at www.sedar.com.

Reconciliation of Non-IFRS Measures

$ thousands	THREE MONTHS ENDED SEPTEMBER 30, 2011	2010		NINE MONTHS ENDED SEPTEMBER 30, 2011	2010
NON-IFRS MEASURES					
[1] EBITDAS:					
Net income (loss)	3,174	(528)		4,503	(4,235)
Add:					
Depreciation	3,818	3,010		10,097	8,790
Finance costs	940	658		2,525	2,441
Stock based compensation	185	157		651	523
Loss (gain) on sale of equipment	16	(8)		51	(86)
Unrealized loss (gain) on marketable securities	8	(12)		23	(50)
EBITDAS	8,141	3,277		17,850	7,383
[2] Funds from (used in) operations:					
Cash flows from (used in) operating activities	(618)	(651)		15,311	5,232
Less:					
Change in non-cash working capital	(8,757)	(3,922)		(2,535)	(2,135)
Funds from (used in) operations:	8,139	3,271		17,846	7,367
[3] Gross margin:					
Revenue	31,224	16,413		73,514	45,789
Less:					
Operating expenses	(19,143)	(10,216)		(46,006)	(29,756)
Gross margin	12,081	6,197		27,508	16,033

	SEPTEMBER 30, 2011	DECEMBER 31, 2010
[4] Working capital (excluding debt):		
Current Assets	28,049	23,042
Less: Current Liabilities	(19,312)	(11,861)
Add: Current portion of long-term debt	7,595	4,609
Working capital (excluding debt)	16,332	15,790

Notes 1 to 4 - See next page for detailed explanations of Non-IFRS measures

1. *EBITDAS (Earnings before interest, taxes, depreciation, amortization, gain/loss on disposal of asset, unrealized gain/loss on marketable securities, finance costs and stock based compensation) is not recognized measures under 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).*

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. *Gross margin is calculated from the statement of income (loss) as Revenue less direct operating costs and is used to assist management and investors in assessing the Company's financial results from operations excluding fixed overhead costs. Gross margin is a non-IFRS measure and does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies.*

4. *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.*

Corporate Information

Directors

Jim Reid[2], Chairman

Duncan T. Au[1]

Gary L. Bentham[1,2]

Alexander D. Greene

Wade McGowan[1, 2]

1. Audit Committee

2. Compensation and Corporate Governance Committee

Officers

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

Kevin Howell, CA
Chief Financial Officer

Rick Dawson
Vice President, Business Development

Darwin McIntyre
Vice President, Operations (Eastern)

Layne Wilk
Vice President, Operations (Central)

Stock Exchange Listing

TSX Venture: CWC

Corporate Secretary

James L. Kidd
Burnet, Duckworth & Palmer LLP

Corporate Office

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Auditors

KPMG LLP

Bankers

ATB Financial
National Bank

Legal Counsel

Burnet, Duckworth & Palmer LLP

Transfer Agent

Olympia Trust Company