Unaudited Condensed Interim Financial Statements of

CWC WELL SERVICES CORP.

For the three and six months ended June 30, 2013 and 2012

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
CWC Well Services Corp.
As at June 30, 2013 and December 31, 2012
(unaudited)

in thousands of Canadian dollars	Note	**June 30, 2013**	December 31, 2012
ASSETS			
Current assets			
Cash		**$ 195**	$ -
Marketable securities		**16**	22
Accounts receivable		**12,469**	21,382
Inventory		**2,492**	2,537
Prepaid expenses and deposits		**348**	201
		15,520	24,142
Property and equipment		**129,084**	128,538
		$ 144,604	$ 152,680
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank indebtedness	7	**$ -**	$ 3,163
Accounts payable and accrued liabilities		**6,029**	7,779
Dividends payable	8	**2,519**	2,517
Current portion of long-term debt	7	**182**	2,422
		8,730	15,881
Deferred tax liability		**1,337**	915
Long-term debt	7	**42,097**	39,419
		52,164	56,215
SHAREHOLDERS' EQUITY			
Share capital	9	**107,945**	108,001
Contributed surplus		**5,967**	5,762
Deficit		**(21,472)**	(17,298)
		92,440	96,465
		$ 144,604	$ 152,680

See accompanying notes to financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

CWC Well Services Corp.

For the three and six months ended June 30, 2013 and 2012

(unaudited)

in thousands of Canadian dollars	Note	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
REVENUE		**$ 14,845**	$ 17,143	53,223	$ 56,049
EXPENSES					
Direct operating expenses		**11,752**	13,191	35,272	37,266
Selling and administrative expenses		**3,362**	3,368	6,955	7,134
Stock based compensation		**188**	218	390	402
Finance costs		**1,558**	705	2,213	1,474
Depreciation		**3,070**	3,114	7,058	6,971
Loss (gain) on disposal of equipment		**13**	61	(131)	107
Unrealized loss on marketable securities		**6**	9	6	9
		19,949	20,666	51,763	53,363
NET (LOSS) INCOME BEFORE TAXES		**(5,104)**	(3,523)	1,460	2,686
DEFERRED INCOME TAX (RECOVERY) EXPENSE		**(1,260)**	(797)	422	887
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME		**(3,844)**	(2,726)	1,038	1,799
NET (LOSS) INCOME PER SHARE					
Basic and diluted (loss) earnings per share	10	**$ (0.02)**	$ (0.02)	$ 0.01	$ 0.01

See accompanying notes to financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

CWC Well Services Corp.

For the six months ended June 30, 2013 and 2012

(unaudited)

in thousands	Note	**Shares**	**Share Capital**	**Contributed surplus**	**Deficit**	**Total Equity**
Balance at January 1, 2012		156,444	$ 109,143	$ 5,236	$ (11,755)	$ 102,624
Net income and comprehensive income for the period		-	-	-	1,799	1,799
Transactions with owners, recorded directly in equity						
Stock based compensation		-	-	368	-	368
Shares issued	9	93	38	(15)	-	23
Shares redeemed	9	(1,513)	(1,043)	(137)	-	(1,180)
Dividends declared	8	-	-	-	(5,160)	(5,160)
Balance at June 30, 2012		155,024	$ 108,138	$ 5,452	$ (15,116)	$ 98,474
Balance at January 1, 2013		154,916	$ 108,001	$ 5,762	$ (17,298)	$ 96,465
Net income and comprehensive income for the period		-	-	-	1,038	1,038
Transactions with owners, recorded directly in equity						
Stock based compensation		-	-	335	-	335
Shares issued	9	562	247	(107)	-	140
Shares redeemed	9	(440)	(303)	(23)	-	(326)
Dividends declared	8	-	-	-	(5,212)	(5,212)
Balance at June 30, 2013		**155,038**	**$ 107,945**	**$ 5,967**	**$ (21,472)**	**$ 92,440**

See accompanying notes to financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

CWC Well Services Corp.

For the six months ended June 30, 2013 and 2012

(unaudited)

in thousands of Canadian dollars	Note	**2013**	2012
CASH PROVIDED BY (USED IN):			
OPERATING:			
Net income		**$ 1,038**	$ 1,799
Adjustments for:			
Stock based compensation		**390**	402
Finance costs		**2,213**	1,474
(Gain) loss on disposal of equipment		**(131)**	107
Unrealized loss on marketable securities		**6**	9
Deferred income tax expense		**422**	887
Depreciation		**7,058**	6,971
		10,996	11,649
Change in non-cash working capital	11	**6,834**	12,181
		17,830	23,830
INVESTING:			
Purchase of equipment		**(8,114)**	(8,587)
Proceeds on sale of equipment		**670**	450
		(7,444)	(8,137)
FINANCING:			
Retirement of long-term debt		**(14,250)**	-
Increase (repayment) of long-term debt		**11,617**	(15,750)
Increase in bank indebtedness		**-**	2,802
Finance costs paid		**(373)**	(143)
Interest paid		**(1,870)**	(1,372)
Finance lease repayments		**(91)**	(73)
Common shares repurchased, net of proceeds on options	9	**(186)**	(1,157)
Dividends paid		**(5,038)**	-
		(10,191)	(15,693)
CHANGE IN CASH		**195**	-
CASH, BEGINNING OF PERIOD		**-**	-
CASH, END OF PERIOD		**$ 195**	$ -

See accompanying notes to financial statements.

1. Reporting entity:

CWC Well Services Corp. ("CWC" or the "Company") is incorporated under the Canada Business Corporations Act. The address of the Company's registered office is Suite 755, 255 – 5th Avenue Southwest, Calgary, Alberta, Canada. The Company is an oilfield services company providing production services to oil and gas exploration and development companies throughout the Western Canadian Sedimentary Basin.

2. Basis of presentation:

(a) **Statement of compliance**

These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements.

These condensed interim financial statements were approved by the Board of Directors on August 14, 2013.

(b) **Use of estimates and judgments**

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2012.

(c) **New standards, amendments and interpretations**

Effective January 1, 2013, the Company adopted the following accounting standards or revisions thereto:

IFRS 7: *Financial Instruments – Disclosures*
IFRS 10: *Consolidated Financial Statements*
IFRS 11: *Joint Arrangements*
IFRS 12: *Disclosure of Interests in Other Entities*
IFRS 13: *Fair Value Measurement*

On adoption, these standards had no impact on the recognition or measurement of the balances recorded in the Company's financial statements. The Company reviewed the disclosure requirements of IFRS 12 and noted that there are no minimum disclosure requirements for condensed interim financial statements prepared in accordance with IAS 34. The minimum disclosure requirements of IFRS 13 as stipulated in IAS 34 have been included in Note 5 to the condensed interim financial statements.

3. Seasonality of operations:

The Company's operations are located in Western Canada. The ability to move heavy equipment safely and efficiently in Western Canadian oil and natural gas fields is dependent on weather conditions. Activity levels during the first quarter are typically the most robust as the frost creates a stable ground mass that allows for easy access to well sites and easier service rig movement. The second quarter is traditionally the slowest due to road bans during spring break-up. When winter's frost leaves the ground, it renders many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out. Road bans during this time restrict service rig and support equipment access to well sites. The third quarter has more activity as the summer months are typically drier than the second quarter. The fourth quarter is again quite active as winter temperatures freeze the ground once more maximizing site access. However, there may be temporary halts to operations in extreme cold weather when the temperature falls below -35C.

4. Significant accounting policies:

Except as described in Note 2 (c) above, the accounting policies applied by the Company in these interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2012.

5. Determination of Fair Values:

The carrying amounts for cash, marketable securities, accounts receivable, accounts payable and accrued liabilities and dividends payable approximate fair value due to their short-term nature. The fair value of long-term debt approximates its carrying value as the debt bears interest at floating rates and the credit spreads approximate current market rates.

When applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quote prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company did not have any financial instruments in Level 2 or 3. There were no transfers between Level 1 and 2 in the period.

6. Operating segments:

The Company operates in two primary segments within the service industry in Western Canada: Well Servicing and Other Oilfield Services. The Well Servicing segment provides well services through the use of service rigs and coil tubing units. The Other Oilfield Services segment provides snubbing and production testing, primarily providing support services to the well service business.

Notes to the condensed interim financial statements
Three month and six month periods ending June 30, 2013 and 2012 (unaudited)
(Amounts in thousands, except per share amounts)

The amounts related to each industry segment are as follows:

THREE MONTHS ENDED JUNE 30, 2013	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	14,364	481	-	14,845
Finance costs	-	-	1,558	1,558
Net income (loss) before depreciation and taxes	1,347	(459)	(2,922)	(2,034)
Depreciation	2,644	304	122	3,070
Net loss before tax	(1,297)	(763)	(3,044)	(5,104)
Income tax recovery	-	-	(1,260)	(1,260)
Net income (loss) after tax	(1,297)	(763)	(1,784)	(3,844)
Property and equipment	120,181	8,026	878	129,085
Capital expenditures	4,810	10	8	4,828

THREE MONTHS ENDED JUNE 30, 2012	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	16,237	906	-	17,143
Finance costs	-	-	705	705
Net income (loss) before depreciation and taxes	2,227	(456)	(2,180)	(409)
Depreciation	2,678	290	146	3,114
Net loss before tax	(451)	(746)	(2,326)	(3,523)
Income tax recovery	-	-	(797)	(797)
Net loss after tax	(451)	(746)	(1,529)	(2,726)
Property and equipment	117,735	9,230	1,050	128,015
Capital expenditures	2,956	278	171	3,405

SIX MONTHS ENDED JUNE 30, 2013	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	49,562	3,661	-	53,223
Finance costs	-	-	2,213	2,213
Net income (loss) before depreciation and taxes	13,136	143	(4,761)	8,519
Depreciation	6,178	623	257	7,058
Net income (loss) before tax	6,958	(480)	(5,018)	1,460
Income tax expense	-	-	422	422
Net income (loss) after tax	6,958	(480)	(5,440)	1,038
Property and equipment	120,181	8,026	878	129,085
Capital expenditures	7,677	376	61	8,114

SIX MONTHS ENDED JUNE 30, 2012	Well Servicing	Other Oilfield Services	Corporate	Total
Revenue	50,751	5,298	-	56,049
Finance costs	-	-	1,474	1,474
Net income (loss) before depreciation and taxes	13,434	671	(4,448)	9,657
Depreciation	6,062	629	280	6,971
Net income (loss) before tax	7,372	42	(4,728)	2,686
Income taxes	-	-	887	887
Net income (loss)	7,372	42	(5,615)	1,799
Property and equipment	117,735	9,230	1,050	128,015
Capital expenditures	7,850	454	283	8,587

7. Loans and borrowings:

The Company entered into a new credit facility with a syndicate of three Canadian financial institutions on June 21, 2013 (the “Credit Facility”). The Credit Facility provides the Company with a $75 million extendible revolving term facility (the “Bank Loan”). The Bank Loan is for a committed term until June 21, 2016 (the “Maturity Date”). No principal payments are required under the Bank Loan until the Maturity Date, at which time any amounts outstanding are due and payable. The Company may, on an annual basis, request the Maturity Date be extended for a period not to exceed three years from the date of the request. If a request for an extension is not approved by the banking syndicate, the Maturity Date will remain unchanged.

The Bank Loan bears interest based on a sliding scale pricing grid tied to the Company’s trailing debt to cash flow (Earnings before income taxes, depreciation, amortization, and stock based compensation – “EBITDAS”) ratio as defined in the Credit Agreement: from a minimum of the bank’s prime rate plus 0.75% to a maximum of the bank’s prime rate plus 2.25% or from a minimum of the bankers acceptances rate plus a stamping fee of 1.75% to a maximum of the bankers acceptances rate plus a stamping fee of 3.25%. Standby fees under the Bank Loan range between 0.39% and 0.73%. Interest and fees under the Bank Loan is payable monthly. The Company has the option to borrow funds denominated in either Canadian or United States dollars under the Facility.

Borrowings under the Bank Loan are limited to an aggregate of 75% of accounts receivable outstanding less than 90 days plus 60% of the net book value of property and equipment less certain priority payables. As at June 30, 2013, $75 million was available for immediate borrowing under the $75 million Bank Loan facility and $42.3 million was outstanding (December 31, 2012: $41.8 million).

The Bank Loan has an accordion feature which provides the Company with an ability to increase the maximum borrowings to up to $100 million, subject to the approval of the lenders.

The Bank Loan is secured by a security agreement covering all of the assets of the Company and a first charge Security Interest covering all assets of the Company.

Under the terms of the Credit Facility, the Company is required to comply with the following financial covenants, as defined in the Credit Agreement, on a quarterly basis: a working capital ratio excluding borrowings under the Bank Loan of not less than 1.25 to 1.00; a ratio of total debt to capitalization (capitalization defined as total shareholders’ equity, less intangible assets and goodwill plus total debt) not to exceed 50%; a debt service coverage ratio (as defined in the credit agreement) of not less than 1.15 to 1.00; and a total debt to trailing twelve month earnings before interest, income taxes, depreciation and amortization ratio of less than 3.00 to 1.00. The Corporation was in compliance with all covenants at June 30, 2013 and December 31, 2012.

Effective July 1, 2013 the applicable rates under the agreement are: bank prime rate plus 1.25%, bankers acceptances rate plus a stamping fee of 2.25%, and standby fee rate of 0.51%.

The current portion of long term debt consists entirely of amounts payable under finance leases.

8. Dividends:

On February 7, 2013, the Company declared dividends of $0.01625 per common share. The dividend was paid on April 15, 2013 to shareholders of record on March 29, 2013. On May 9, 2013, the Company declared a quarterly dividend of $0.01625 per common share. The dividend was paid on July 15, 2013 to shareholders of record on June 28, 2013.

Dividends payable as at June 30, 2013 is $2,519 (December 31, 2012: $2,517).

(Amounts in thousands, except per share amounts)

9. Share capital:

The Company renewed a Normal Course Issuer Bid (“NCIB”) effective April 1, 2013, to purchase from time to time, as it is considered advisable, up to 7,755,795 of its issued and outstanding common shares on the open market through the facilities of the TSX Venture Exchange (“TSXV”). The price that the Company will pay for any common share under the NCIB will be the prevailing market price on the TSXV at the time of such purchase. Common shares acquired under the NCIB will be subsequently cancelled. During the period ended June 30, 2013, the company purchased 439,500 (June 30, 2012: 1,512,500) shares under the renewed NCIB for total consideration including commissions of $326 (June 30, 2012: $1,180). No shares were repurchased during the six months ended June 30, 2013 under the previous NCIB that expired March 31, 2013.

During the period ended June 30, 2013, stock options were exercised resulting in the issuance of 561,667 shares (June 30, 2012: 93,334).

10. Earnings (loss) per share:

THREE MONTHS ENDED JUNE 30,	2013			2012		
	NET INCOME (LOSS)	**WEIGHTED AVERAGE NUMBER OF SHARES (in 000's)**	**PER SHARE AMOUNT**	NET INCOME (LOSS)	WEIGHTED AVERAGE NUMBER OF SHARES (in 000's)	PER SHARE AMOUNT
Basic and diluted earnings (loss) per share	($3,844)	154,905	($0.02)	($2,726)	155,391	($0.02)
Securities excluded from diluted earnings per share as the effect would be anti-dilutive		9,350			9,894	

SIX MONTHS ENDED JUNE 30,	2013			2012		
	NET INCOME	**WEIGHTED AVERAGE NUMBER OF SHARES (in 000's)**	**PER SHARE AMOUNT**	NET INCOME	WEIGHTED AVERAGE NUMBER OF SHARES (in 000's)	PER SHARE AMOUNT
Basic earnings per share	1,038	154,991	$ 0.01	1,799	155,800	$ 0.01
Diluted earnings per share	1,038	159,549	$ 0.01	1,799	160,469	$ 0.01
Securities excluded from diluted earnings per share as the effect would be anti-dilutive		1,400			2,262	

11. Change in non-cash working capital:

SIX MONTHS ENDED JUNE 30,	**2013**	2012
Accounts receivable	$ 8,913	$ 13,037
Inventory	45	67
Prepaid expenses and deposits	(147)	(43)
Accounts payable and accrued liabilities	(1,977)	(880)
	$ 6,834	$ 12,181