

Central Alberta Well Services Corp.**News Release**

For Immediate Release
Calgary, Alberta

Thursday, January 11, 2007
TSXV: "CWC"

Common Shares Issued: 41,873,273

CENTRAL ALBERTA WELL SERVICES ANNOUNCES
\$63 MILLION LONG TERM CREDIT FACILITY

CALGARY, ALBERTA – January 11, 2007. Central Alberta Well Services Corp. ("Central Alberta" or the "Company") is pleased to announce that it has entered into a Credit Facility Agreement (the "Agreement") with Brookfield Bridge Lending Fund Inc. ("Brookfield") to renew and expand its current debt facility with Brookfield (the "Credit Facility"). The proceeds available under the Credit Facility have been expanded to \$63 million and the facility will have a three year term with interest only payments calculated at prime plus 3.5%. The increased Credit Facility, which is subject to the completion of formal documents, will replace all outstanding debt and will allow the Company to complete its currently budgeted capital program for 2007. Additional newly manufactured equipment consisting of four service rigs, one coil tubing unit, one nitrogen unit and two snubbing units are expected to be delivered in the first quarter of 2007. As part of the financing fee structure, approximately 12.1 million common share purchase warrants (the "Warrants") will be issued by the Corporation to Brookfield. The Warrants are exercisable into common shares of the Corporation at the price of \$0.825 per share for up to three years from the closing date of the financing.

Darryl Wilson, President and CEO of Central Alberta stated, "We are pleased that the Company is now well positioned to meet the strong demand for its products and services for the first quarter of 2007. The Company will exit the quarter with twenty service rigs, eight coil tubing units, seven snubbing units, ten nitrogen units, twelve well testing units and a fleet of oilfield rental equipment."

The Company also announces that it has amalgamated all of its wholly-owned subsidiary operating companies including S.S.I. Special Services Inc., Precise Energy Services Ltd. and 1080104 Alberta Ltd. (operating as Vertical Rentals) to consolidate Central Alberta Well Services Corp. into one operating service company. The Company will benefit from the ability to market its combined services and from additional synergies as a result of reduction in duplication of processes.

The Company also announces that it maintained a strong utilization rate for its equipment in all divisions throughout the fourth quarter of 2006 and achieved an 86% annual utilization rate in its service rig division.

About Central Alberta Well Services

Central Alberta Well Services is headquartered in Red Deer, Alberta with additional operating centres 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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READER ADVISORY

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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