Central Alberta Well Services Corp. News Release

For Immediate Release **Friday, April 27, 2007**
Calgary, Alberta **TSXV: "CWC"**
Common Shares Issued: 41,873,273

CENTRAL ALBERTA WELL SERVICES RELEASES 2006 RESULTS

CALGARY, ALBERTA, April 27, 2007 – Central Alberta Well Services Corp. ("CWC" or the "Company") is pleased to report its eighth straight quarter of revenue growth. For the year ended December 31, 2006, the Company generated $39.8 million in revenues with a net loss of $12.0 million ($0.31 per share). Included in this loss, is a write-down relating to the impairment of goodwill in the amount of $10.9 million which will be discussed in more detail later in this release. This is compared to the 10 months ended December 31, 2005, of $3.0 million in revenues and a loss of $2.9 million ($0.34 per share).

The Company generated $13.9 million in revenues with a loss of $11.5 million in the fourth quarter of 2006 compared to revenues of $1.9 million and a loss of $0.6 million in the same period of 2005. During 2006, the Company experienced delays in delivery of equipment due to financial constraints as well as fabrication delays, causing equipment originally anticipated to become available in the fourth quarter, to be postponed until the first and second quarters of 2007. These postponements had a negative impact on fourth quarter revenues by $4.0 million and on EBITDAS (see definition in table on page 2) by an estimated $1.6 million. During the quarter, the Company was also impacted by increased costs of training employees to operate specialized equipment for the snubbing division and by the unexpected increased cost of nitrogen, which was not passed on to customers due to competitive pricing in the industry.

The year over year growth is attributed to the completion of three separate accretive acquisitions on March 31, 2006 and by the Company's planned organic growth. This continues the process of positioning the Company as a full service provider in the oil and gas service sector. At the end of 2006, the Company operated 16 service rigs, seven coil tubing units, five snubbing units, 11 nitrogen delivery and pumping units, 12 well testing units and a fleet of rental equipment. At the end of 2005, the Company operated four service rigs and four coil tubing units.

During 2006, the Company separated its operations into two distinct segments: Well Servicing and Other Oilfield Services. The Well Servicing segment operates service rigs and coil tubing units. The Other Oilfield Services segment consists of nitrogen delivery and pumping, snubbing, well testing and a rental division. During 2006, 58% of total revenue came from the Well Servicing segment and 42% from the Other Oilfield Services segment. In 2005, Well Servicing was the only business segment.

Well Servicing	Three months ended		**Twelve months ended**	Ten months ended
	December 31, 2006	December 31, 2005	**December 31, 2006**	December 31, 2005
Revenues	**7,982,422**	1,946,699	**23,254,895**	2,977,160
Income (loss) before income taxes	**179,055**	(633,742)	**(510,345)**	(2,868,272)
EBITDAS [(1)]	**3,879,555**	(464,695)	**9,064,094**	(1,318,278)

Other Oilfield Services	Three months ended		**Twelve months ended**	Ten months ended
	December 31, 2006	December 31, 2005	**December 31, 2006**	December 31, 2005
Revenues	**5,959,205**	-	**16,542,430**	-
Income before income taxes	**(12,097,297)**	-	**(11,957,436)**	-
EBITDAS [(1)]	**(841,901)**	-	**831,681**	-

[(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.

Utilization rates for Well Servicing in the fourth quarter and the year was 81% (11,902 hours) and 80% (44,400 hours), respectively. Utilization rates for the Other Oilfield Services segment in the fourth quarter and for the year were 70% and 72%, respectively. Utilization rates in the Other Oilfield Services segment are based on the number of jobs performed in the period.

A good measure of performance in a segment is based upon EBITDAS. Well Servicing has grown to a positive $9.1 million for the 2006 year from negative $1.3 million in the ten months of operations in 2005. This increase indicates the earning capabilities of the Well Servicing segment and will continue to be an area that management will focus on growing through 2007 and 2008. The Other Oilfield Services had positive EBITDAS of $0.8 million for the nine months the segment existed in 2006.

General and administrative expenses increased from $1.8 million for the 10 months in 2005 to $5.7 million for the 12 months ended December, 2006. This increase is primarily attributed to increased staffing costs associated with the acquisitions, as well as increased costs for additional support employees that were added through the year. In 2006, the Company also was impacted by $0.2 million in bad debt expenses, the majority relating to one customer that filed for CCAA. Interest expense relates to actual interest paid on various debt instruments through the year.

The Company has been able to increase its working capital net of the bridge loan and restricted cash from $2.8 million at December 31, 2005 to $7.3 million for the same period in 2006, an increase of $4.5 million or 160% year over year. At December 31, 2006, the Company tested the goodwill it had recorded on the books for impairment. Completion of both step one and step two determined that the reporting segments carrying value exceeded its fair value. As a result of this calculation, it was determined that the full amount of goodwill on the books of $10.9 million was impaired and written off.

For the quarter ended	2006 December 31	September 30	June 30	March 31
Working capital (deficiency)	**(27,256,935)**	**(23,307,384)**	**(17,519,991)**	**(194,130)**
Working capital (deficiency) - net of bridge loan and restricted cash	**7,330,725**	**6,120,890**	**3,074,368**	**(194,130)**
Long-term debt	**16,523,834**	**16,937,611**	**17,182,610**	**14,040,639**
Shareholders' equity	**34,626,065**	**45,578,780**	**45,300,850**	**45,628,496**
Long-term debt to equty	**0.48**	**0.37**	**0.38**	**0.31**

For the quarter ended	2005 December 31	September 30	June 30	March 31 (1 month)
Working capital (deficiency)	2,813,640	6,745,091	8,636,777	(2,884,985)
Working capital (deficiency) - net of bridge loan and restricted cash	2,813,640	6,745,091	8,636,777	(2,884,985)
Long-term debt	4,950,000	13,595,425	13,845,574	-
Shareholders' equity	18,595,144	5,654,048	5,558,314	194,765
Long-term debt to equty	0.27	2.40	2.49	-

Outlook

The Company continues to follow its original business plan of building a high quality service rig company. CWC will continue to evaluate accretive acquisitions and continue to build equipment that will be deployed into the existing product lines as it deems appropriate. By the end of June 2007, the Company plans to add five additional service rigs, one coil tubing unit, one nitrogen delivery unit, one nitrogen pumping unit and two 5K snubbing units.

2006 Financial Statements

Attached to this release are the Company's Financial Statements for the three months and year ended December 31, 2006. The complete audited Financial Statements and the Management's Discussion and Analysis were filed today on SEDAR at www.SEDAR.com.

Consolidated Balance Sheets

As at December 31	2006	2005
ASSETS		
Current assets		
Cash	**$ 1,688,926**	$ 2,644,827
Restricted cash	**415,000**	-
Accounts receivable	**13,433,591**	3,263,105
Shareholder loans	**-**	84,646
Inventory	**1,729,040**	289,630
Prepaid expenses and deposits	**270,344**	160,088
Income tax receivable	**641,663**	-
	18,178,564	6,442,296
Property and equipment	**70,524,885**	19,962,118
Shareholder loans	**118,000**	211,875
Deferred financing costs	**803,194**	38,328
Intangible assets	**5,173,768**	-
Goodwill	**-**	519,183
	$ 94,798,411	$ 27,173,800
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 6,079,557**	$ 3,628,656
Short-term debt	**35,000,000**	-
Shareholder loans	**76,855**	-
Current portion of long-term debt	**4,279,087**	-
	45,435,499	3,628,656
Future income taxes	**2,492,100**	-
Long-term debt	**12,244,747**	4,950,000
	60,172,346	8,578,656
SHAREHOLDERS' EQUITY		
Share capital	**47,661,284**	21,172,024
Contributed surplus	**2,062,738**	538,829
Deficit	**(15,097,957)**	(3,115,709)
	34,626,065	18,595,144
	$ 94,798,411	$ 27,173,800

Consolidated Statements of Loss and Deficit

Period ended December 31	**Twelve Months Ended 2006**	Ten Months Ended 2005
REVENUE	**$ 39,797,325**	$ 2,977,160
EXPENSES		
Operating expenses	**24,216,495**	1,983,151
General and administrative	**5,685,055**	1,773,458
Stock based compensation	**1,536,800**	538,829
Interest	**2,645,780**	789,678
Impairment of goodwill	**10,907,667**	-
Depreciation and amortization	**7,273,309**	760,316
	52,265,106	5,845,432
NET LOSS BEFORE TAX	**(12,467,781)**	(2,868,272)
INCOME TAXES		
Current (reduction)	**(456,633)**	-
Future (reduction)	**(28,900)**	-
	(485,533)	-
NET LOSS	**(11,982,248)**	(2,868,272)
DEFICIT, BEGINNING OF PERIOD	**(3,115,709)**	-
ADJUSTMENT TO DEFICIT ON REVERSE TAKEOVER	**-**	(247,437)
DEFICIT, END OF PERIOD	**$ (15,097,957)**	$ (3,115,709)
NET LOSS PER SHARE		
Basic	**$ (0.31)**	$ (0.34)
Diluted	**$ (0.31)**	$ (0.34)

Consolidated Statement of Cash Flows

Period ended December 31	**12 Months 2006**	10 Months 2005
CASH PROVIDED BY (USED IN):		
OPERATING:		
Net loss	**$ (11,982,248)**	$ (2,868,272)
Items not affecting cash:		
Stock based compensation	**1,536,800**	538,829
Interest on shareholder loans	**(14,849)**	(14,021)
Loss on disposal of assets	**24,547**	-
Future income tax (reduction)	**(28,900)**	-
Impairment of goodwill	**10,907,667**	-
Depreciation and amortization	**7,273,309**	760,316
	7,716,326	(1,583,148)
Change in non-cash working capital	**(7,358,909)**	(205,604)
	357,417	(1,788,752)
INVESTING:		
Business acquisitions - net of cash	**(4,285,569)**	(2,711,183)
Purchase of property and equipment	**(40,967,537)**	(18,414,596)
Proceeds on sale of property and equipment	**23,004**	-
Restricted cash	**(415,000)**	-
	(45,645,102)	(21,125,779)
FINANCING:		
Issue of long-term debt	**8,050,000**	4,950,000
Retirement of long-term debt	**(1,695,375)**	-
Short-term debt	**35,000,000**	-
Issue of common shares	**5,242,282**	3,924,500
Share issue costs	**(277,204)**	(292,718)
Issue of convertible debentures	**-**	18,504,900
Deferred financing costs	**(1,762,420)**	(1,244,824)
Repayment of shareholder loans	**(225,499)**	(282,500)
	44,331,784	25,559,358
(DECREASE) INCREASE IN CASH	**(955,901)**	2,644,827
CASH, BEGINNING OF PERIOD	**2,644,827**	-
CASH, END OF PERIOD	**$ 1,688,926**	$ 2,644,827

Supplementary Information:

Interest paid	**$ 2,716,637**	$ (895,188)
Interest received	**109,963**	100,328
Income taxes paid	**1,229,163**	-
Income taxes refunded	**5,327**	-

The Company also announces that in February, 2007, it issued 602,500 stock options to all employees of the Company at an exercise price of $0.77 per share in order to recognize excellent employee performance. The Company also advises that options were not issued at this time to directors and senior officers. The options vest over a three year period with an expiry date of February 23, 2012.

About Central Alberta Well Services

Central Alberta 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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