

**CENTRAL ALBERTA WELL SERVICES ANNOUNCES
RIGHTS OFFERING AND SECOND QUARTER RESULTS**

CALGARY, ALBERTA. August 26, 2009 – Central Alberta Well Services Corp. (“CWC” or the “Company”) announces the following highlights:

- \$30.0 million Rights Offering available to all shareholders in qualifying jurisdictions.
- Proceeds from the Rights Offering to reduce indebtedness in advance of debt maturities in Q4 and Q1 2010.
- Sale of two complete service rig packages for proceeds of \$5.4 million.

The Company announces that it intends to file a short form prospectus (the “Prospectus”) with applicable securities regulators in Canada for a \$30,000,000 Rights Offering (the “Offering”) which will be made available to all Class A and Class B shareholders of the Company residing in qualifying jurisdictions. Under the Offering, CWC intends to issue each eligible shareholder one right for each Class A or Class B share held, which rights will be exercisable for Class A Shares of the Company. In support of the Offering, the Company has entered into a Term Sheet with Tricap Partners II L.P. (“Tricap”), CWC's major shareholder, pursuant to which Tricap has agreed to act as standby purchaser for the Offering, subject to the terms and conditions to be set forth in a definitive standby purchase agreement (the “Standby Agreement”). Concurrent with entering into the Term Sheet and in order to enable Tricap to provide the standby commitment in connection with the Offering, CWC has executed a written waiver releasing Tricap from certain contractual provisions that restricted Tricap from acquiring more than 49.5% of the outstanding Class A Shares, except in certain circumstances.

The subscription price for each share in the Offering shall be the lower of: (i) \$0.25 or (ii) the market price of the Class A Shares determined in accordance with National Instrument 45-101 (“NI 45-101”) as of the date immediately prior to the filing of the final Prospectus. Assuming a subscription price of \$0.25 under the Offering, each right will entitle the holder to exercise a basic subscription privilege to subscribe for 4.414 Class A Shares for each right held. Shareholders will also be entitled to exercise an additional subscription privilege to subscribe for additional Class A Shares not subscribed for by shareholders under the basic subscription privilege. Pursuant to the terms to be set forth in the Standby Agreement, Tricap will agree to exercise all rights issuable to it under the Offering and to purchase all Class A Shares not otherwise subscribed for under the basic and additional subscription privileges. In consideration for providing the Standby Agreement, Tricap will receive a commitment fee of \$350,000 payable upon the closing of the Offering and non-transferable share purchase warrants (the “Standby Warrants”) entitling it to acquire, at an exercise price equal to the subscription price of the rights issued under the Offering, up to 25% of the maximum number of Class A Shares it shall be potentially obligated to purchase under the Standby Agreement. The Warrants will be exercisable for a period of six months following the completion of the Offering. In addition, in connection with its role as standby purchaser, the Standby Agreement will provide that Tricap will not make a take-over proposal for the Company for two years following the date upon which the Standby Agreement is executed, subject to

certain conditions. All rights in the Offering shall expire 21 days following the date that the Prospectus and related materials are mailed to shareholders. The Offering is subject to regulatory approval, including approval by the TSX Venture Exchange (“TSXV”).

The funds from the Offering will be used to reduce indebtedness under the Company's long-term credit facility with Brookfield Bridge Lending Fund Inc. (“Brookfield”) which matures on January 25, 2010. The Company believes that upon the reduction in the outstanding amount of the Brookfield credit facility, it will be in a stronger position to refinance the remaining \$29.9 million of the credit facility prior to its maturity. Pursuant to applicable securities legislation, the Company plans to file the Prospectus within the next 30 days with the TSXV and Securities Regulatory Authorities. The Prospectus and related materials will be delivered to all shareholders of the Company as of a record date to be determined. The number of Class A Shares and Standby Warrants to be issued under the Offering, the final subscription price, record date and expiry date for the Offering will be determined at the time of filing the Prospectus. Shareholders are encouraged to read the Prospectus before making an investment decision regarding the Offering.

The Company also announces its second quarter 2009 financial results. The Financial Statements and Management’s Discussion and Analysis (“MD&A”) for the quarter are filed on SEDAR at www.sedar.com as well as on the Company's website at www.cawsc.com. The outlook for the balance of 2009 is uncertain as oil prices remain volatile and gas prices are forecast to stay depressed. The Company plans to continue its marketing campaign focused on the benefits available from its integrated suite of services. This marketing campaign is proving effective with the Company showing increased revenues from several customers in year over year comparisons due to integrated service work.

The Company also announces the sale of two complete service rig packages for proceeds of \$5.4 million. The proceeds from the sale have been received and will be used to fund the Company's remaining capital commitments under the capital build program that began in 2008. The purchaser will be relocating the equipment outside of Canada and, pursuant to the terms of the sale, is restricted from returning this equipment to Canada for a three year period.

About Central Alberta Well Services

Central Alberta Well Services has its corporate office in Calgary, Alberta, with its operational head office in Red Deer, Alberta, and additional operating centres in Provost, Brooks and Grande Prairie, 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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