

**CENTRAL ALBERTA WELL SERVICES RELEASES
SECOND QUARTER 2008 RESULTS**

CALGARY, ALBERTA. August 28, 2008 – Central Alberta Well Services Corp. (“CWC” or the “Company”) announces its second quarter results. For the three months ending June 30, 2008, the Company generated \$12.8 million in revenues and \$1.5 million in earnings before income taxes, depreciation, amortization and stock based compensation expense (“EBITDAS”) in the second quarter of 2008, compared to \$6.0 million in revenues and a negative \$0.3 million in EBITDAS in the same quarter of 2007.

For the six months ending June 30, 2008, the Company generated \$37.3 million in revenues and \$8.6 million of EBITDAS compared to revenues of \$22.9 million and \$4.3 million of EBITDAS respectively in the same period of 2007. With the revenues generated in the first six months of 2008, the Company has generated 97% of the \$8.9 million EBITDAS that was generated for the full 12 months ending December 31, 2007 on revenues of \$47.4 million.

The following table sets out comparative financial information for the reporting segments:

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2008	2007	2008	2007
WELL SERVICING				
Revenues	\$ 9,164,605	\$ 3,968,059	\$ 26,370,894	\$ 14,104,811
Income (loss) before taxes	(397,509)	(421,917)	2,356,503	1,799,655
Depreciation and amortization	2,321,852	1,213,153	5,010,730	2,786,351
EBITDAS ⁽¹⁾	1,924,343	791,236	7,367,233	4,586,006
OTHER OILFIELD SERVICES				
Revenues	3,591,160	1,997,513	10,969,983	8,758,550
Income (loss) before taxes	(196,644)	(1,403,486)	1,427,682	(640,863)
Depreciation and amortization	744,817	864,376	1,504,845	1,655,662
EBITDAS ⁽¹⁾	548,173	(539,110)	2,932,527	1,014,799
CORPORATE				
Revenues	560	-	785	-
Income (loss) before taxes	(2,505,687)	(2,957,634)	(4,798,666)	(6,403,053)
Depreciation and amortization	51,525	54,643	95,785	106,766
Interest	1,300,559	1,451,364	2,601,387	3,764,236
Stock based compensation	208,826	893,416	392,630	1,257,117
EBITDAS ⁽¹⁾	(944,777)	(558,211)	(1,708,864)	(1,274,934)
Total				
Revenues	12,756,325	5,965,572	37,341,662	22,863,361
Income (loss) before taxes	(3,099,840)	(4,783,037)	(1,014,481)	(5,244,261)
Depreciation and amortization	3,118,194	2,132,172	6,611,360	4,548,779
Interest	1,300,559	1,451,364	2,601,387	3,764,236
Stock based compensation	208,826	893,416	392,630	1,257,117
EBITDAS ⁽¹⁾	1,527,740	(306,085)	8,590,896	4,325,871

(1) EBITDAS is calculated from the statement of income (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.

Well Servicing

The Well Servicing Segment generated revenues of \$9.2 million in the second quarter of 2008, compared to \$4.0 million in the comparative period in 2007. EBITDAS increased to \$1.9 million, compared to \$0.8 million in the same period in 2007. The Well Servicing Segment achieved a utilization rate of 41% in the second quarter, an increase from 36% in the comparative period of 2007. The Company realized increased utilizations from both service rigs and coil tubing units within this segment.

During the second quarter, the Company took possession of the final rig from its 2007 build program and closed the acquisition of three service rigs and related equipment, bringing the total number of service rigs the Company operates to 41.

Other Oilfield Services

The Other Oilfield Services Segment produced revenues of \$3.6 million in the second quarter of 2008, compared to \$2.0 million in the comparative period in 2007. This segment is comprised of nitrogen delivery and pumping, snubbing, well testing and rentals. Utilization for this segment in the second quarter was 27%, compared to 17% in the same period of 2007. EBITDAS of \$0.5 million is an increase of \$1.1 million from the same quarter of 2007, which was a negative \$0.5 million.

Outlook

The outlook for the last half of 2008 remains optimistic with continued strong oil prices and increased natural gas prices. Producers have increased spending on drilling, completions and work-overs of existing wells, resulting in increased demand for the Company's services which provides increased optimism for the remainder of 2008 and heading into 2009.

Increased activity in northern British Columbia and south eastern Saskatchewan have created an opportunity for CWC to expand geographically through redeployment of equipment into these areas or the addition of new equipment. Comparatively, activity in Alberta has been relatively flat this year, likely as a result of the royalty program recently revised in Alberta, but with sustained pricing on natural gas and deep drilling incentives which have been introduced recently, it is anticipated that producers will begin developing Alberta's natural gas resources through the winter months.

With the opportunities noted above, CWC will continue to expand geographically to meet the demands of customers in British Columbia and Saskatchewan. The Company will continue to expand the fleet of service equipment through fabrication of new equipment and possibly through acquisition of companies which offer similar services and equipment to CWC.

2008 Interim Financial Statements

Attached to this release are the Company's Interim Financial Statements for the quarter ended June 30, 2008. These Unaudited Financial Statements should be read in conjunction with the Management's Discussion and Analysis for the quarter ended June 30, 2008 and the Audited Financial Statements and the Management's Discussion and Analysis for the year ended December 31, 2007, all of which are filed on SEDAR at www.SEDAR.com.

BALANCE SHEETS

Central Alberta Well Services Corp.

For the periods ended June 30, 2008 and December 31, 2007

	2008 <i>(Unaudited)</i>	2007
ASSETS		
Current assets		
Cash	\$ -	\$ 1,870,034
Restricted cash	20,000	415,000
Accounts receivable	15,365,024	10,868,117
Shareholder loans	148,503	128,470
Inventory and work in progress	1,933,948	1,676,610
Prepaid expenses and deposits	294,463	252,028
Income tax receivable	-	115,736
	<u>17,761,938</u>	15,325,995
Property and equipment	112,088,427	98,497,905
Shareholder loans	-	70,625
Intangible assets	4,269,304	4,570,792
	<u>\$ 134,119,669</u>	<u>\$ 118,465,317</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	\$ 1,676,530	\$ -
Accounts payable and accrued liabilities	5,521,257	7,095,463
	<u>7,197,787</u>	7,095,463
Long-term debt	45,783,497	29,453,660
	<u>52,981,284</u>	<u>36,549,123</u>
SHAREHOLDERS' EQUITY		
Share capital	80,622,716	80,710,016
Contributed surplus	4,575,277	4,135,569
Warrants	2,412,121	2,412,121
Deficit	(6,471,729)	(5,341,512)
	<u>81,138,385</u>	<u>81,916,194</u>
	<u>\$ 134,119,669</u>	<u>\$ 118,465,317</u>

STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT

Central Alberta Well Services Corp.

For the three and six months ended June 30, 2008 and 2007

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
REVENUE	\$ 12,756,325	\$ 5,965,572	\$ 37,341,662	\$ 22,863,361
EXPENSES				
Operating expenses	8,845,585	4,878,916	23,635,926	15,263,831
General and administrative	2,383,000	1,392,741	5,114,840	3,273,659
Stock based compensation	208,826	893,416	392,630	1,257,117
Interest	1,300,559	1,451,364	2,601,387	3,764,236
Depreciation	2,967,451	1,981,428	6,309,872	4,247,291
Amortization	150,744	150,744	301,488	301,488
	<u>15,856,165</u>	<u>10,748,609</u>	<u>38,356,143</u>	<u>28,107,622</u>
NET LOSS BEFORE TAX	(3,099,840)	(4,783,037)	(1,014,481)	(5,244,261)
INCOME TAXES				
Current	115,736	-	115,736	1,162
Future (reduction)	(314,500)	(473,400)	-	(682,100)
	<u>(198,764)</u>	<u>(473,400)</u>	<u>115,736</u>	<u>(680,938)</u>
NET LOSS AND COMPREHENSIVE LOSS	(2,901,076)	(4,309,637)	(1,130,217)	(4,563,323)
DEFICIT, BEGINNING OF PERIOD	(3,570,653)	(15,351,643)	(5,341,512)	(15,097,957)
APPLICATION OF PRIOR YEAR DEFICIT TO SHARE CAPITAL	-	15,097,957	-	15,097,957
DEFICIT, END OF PERIOD	<u>\$ (6,471,729)</u>	<u>\$ (4,563,323)</u>	<u>\$ (6,471,729)</u>	<u>\$ (4,563,323)</u>
NET LOSS PER SHARE				
Basic and diluted loss per share	\$ (0.10)	\$ (0.15)	\$ (0.04)	\$ (0.16)

STATEMENT OF CASH FLOWS

Central Alberta Well Services Corp.

For the periods ended June 30, 2008 and 2007

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
CASH PROVIDED BY (USED IN):				
OPERATING:				
Net loss	\$ (2,901,076)	\$ (4,309,637)	\$ (1,130,217)	\$ (4,563,323)
Items not affecting cash:				
Stock based compensation	208,826	893,416	392,630	1,257,117
Interest on shareholder loans	(1,574)	(2,276)	(3,609)	(5,801)
Accretion of debt financing costs and warrants	420,608	364,170	830,143	600,599
Loss (gain) on disposal of assets	-	31,310	(14,095)	31,310
Future income tax (reduction)	(314,500)	(473,400)	-	(682,100)
Depreciation and amortization	3,118,195	2,132,172	6,611,360	4,548,779
	530,479	(1,364,245)	6,686,212	1,186,581
Change in non-cash working capital	6,622,326	6,700,021	(6,200,948)	6,223,749
	7,152,805	5,335,776	485,264	7,410,330
INVESTING:				
Purchase of property and equipment	(4,357,806)	(6,769,800)	(19,900,395)	(19,347,005)
Proceeds on sale of assets	-	5,508	14,095	5,508
Decrease in restricted cash	-	-	395,000	-
	(4,357,806)	(6,764,292)	(19,491,300)	(19,341,497)
FINANCING:				
Issue of short-term debt	1,218,196	-	1,676,530	-
Issue of long-term debt	-	-	19,500,000	63,000,000
Retirement of long-term debt	(4,000,000)	(43,000,000)	(4,000,000)	(59,499,334)
Restructure of short-term debt	-	-	-	(35,000,000)
Deferred financing costs	-	-	-	803,194
Debt financing costs and warrants	-	-	-	(2,714,184)
Transaction costs	-	-	(306)	-
Issue (repurchase) of common shares	(13,195)	50,000,000	(40,222)	50,000,000
Share issue costs	-	(830,434)	-	(830,434)
Increase (repayment) of shareholder loans	-	67,442	-	(121,158)
	(2,794,999)	6,237,008	17,136,002	15,638,084
INCREASE (DECREASE) IN CASH	-	4,808,492	(1,870,034)	3,706,917
CASH, BEGINNING OF PERIOD	-	587,351	1,870,034	1,688,926
CASH, END OF PERIOD	\$ -	\$ 5,395,843	\$ -	\$ 5,395,843

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 Whitecourt, 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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