MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

Management's Discussion and Analysis ("MD&A") is a review of the results of operations and liquidity and capital resources of CWC Well Services Corp. (unless the context indicates otherwise, a reference in this MD&A to "CWC", the "Company", "we", "us", or "our" means CWC Well Services Corp.). The following discussion and analysis provided by CWC is dated August 14, 2013 and should be read in conjunction with unaudited condensed interim financial statements for the three and six months ended June 30, 2013, the audited annual financial statements for the year ended December 31, 2012, the annual management's discussion and analysis for the year ended December 31, 2012 ("Annual MD&A") and the Company's Annual Information Form for the year ended December 31, 2012 ("AIF"). The condensed interim financial statements are prepared in accordance with IFRS and IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. All amounts are expressed in Canadian dollars unless otherwise noted. Additional information relating to CWC, including the AIF, is available on Sedar at www.sedar.com.

Forward-Looking Information

This MD&A contains certain forward-looking information and statements within the meaning of applicable Canadian securities legislation. Certain statements contained in this MD&A, including information contained in the section titled "**Outlook**" and including statements which may contain such words as "anticipate", "could", "continue", "should", "seek", "may", "intend", "likely", "plan", "estimate", "believe", "expect", "will", "objective", "ongoing", "project" and similar expressions are intended to identify forward-looking information or statements. In particular, this MD&A contains forward-looking statements including management's assessment of future plans and operations, expectations as to the increase in activity levels, expectations with respect to oil and natural gas prices and price levels necessary for increases in natural gas activity levels, activity levels in various areas, continuing focus on cost saving measures plans, expectations regarding the level and type of drilling and production activity in the Western Canadian Sedimentary Basin ("WCSB"), and expectations regarding the business, operations and revenues of the Company in addition to general economic conditions. Although the Company believes that the expectations and assumptions on which such forward-looking information and statements are based are reasonable, undue reliance should not be placed on the forward-looking information and statements because the Company can give no assurances that they will prove to be correct. Since forward-looking information and statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oilfield services sector (ie. demand, pricing and terms for oilfield services; current and expected oil and gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety and environmental risks), integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties and environmental regulations, stock market volatility and the inability to access sufficient capital from external and internal sources and the inability to pay dividends. Accordingly, readers should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through SEDAR at www.sedar.com. The forward-looking information and statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Corporate Overview

CWC is a leading provider of well services to oil and gas companies operating in the Western Canadian Sedimentary Basin ("WCSB"). CWC provides a suite of oilfield services through its Well Servicing segment which offers a fleet of 70 service rigs (69 at June 30, 2013) and 8 coiled tubing units and its Other Oilfield Services segment which is comprised of 6 snubbing units, 11 well testing units, and ancillary equipment.

CWC's equipment and services can be found throughout the WCSB from Northeast British Columbia to Southeast Saskatchewan including all of Alberta. These services are provided from strategic regional operating locations in Grande Prairie, Slave Lake, Red Deer, Provost, Lloydminster and Brooks, Alberta and Weyburn, Saskatchewan. CWC's corporate office is located in Calgary, Alberta.

Management is comprised of experienced oilfield service personnel who have a track record of successfully creating shareholder value. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

Highlights for the Three Months Ended June 30, 2013

- Revenue decreased 13% to $14.8 million for the three months ended June 30, 2013 as compared to $17.1 million in the second quarter of 2012.
- EBITDAS decreased to ($0.3) million for the three months ended June 30, 2013 as compared to $0.6 million in the second quarter of 2012.
- Net loss for the three months ended June 30, 2013 was $3.8 million as compared to a net loss of $2.7 million in the second quarter of 2012.
- Took delivery of one new freestanding mobile double service rig with deployment expected during the third quarter to bring CWC's service rig fleet to 69 service rigs at June 30, 2013.
- Negotiated a new three year long term credit facility providing the Company with $75 million of immediately available long term bank debt from a syndicate of three Canadian financial institutions and $25 million of additional borrowings subject to the banker's prior consent. Interest rates under the facilities are lower than under the previous term debt facilities.

Highlights for the Six Months Ended June 30, 2013

- Revenue was $53.2 million for the six months ended June 30, 2013 as compared to $56.0 million in the first half of 2012.
- EBITDAS was $11.0 million for the six months ended June 30, 2013 as compared to $11.6 million in the first half of 2012.
- Net income was 1.0 million for the six months ended June 30, 2013 as compared to $1.8 million in the first half of 2012.
- CWC continues to grow its well servicing fleet with one rig being delivered during the second quarter and construction continuing on two additional new service rigs which are expected to be delivered in the third quarter.

Financial and Operational Highlights

$ thousands, except per share amounts, margins and ratios	THREE MONTHS ENDED JUNE 30, 2013	2012	% Change	SIX MONTHS ENDED JUNE 30, 2013	2012	% Change
FINANCIAL RESULTS						
Revenue						
Well servicing	**14,364**	16,237	(12%)	**49,562**	50,751	(2%)
Other oilfield services	**481**	906	(47%)	**3,661**	5,298	(31%)
	14,845	17,143	(13%)	**53,223**	56,049	(5%)
EBITDAS [1]	**(269)**	584	(146%)	**10,996**	11,649	(6%)
EBITDAS margin (%) [1]	**(2%)**	3%		**21%**	21%	
Funds from (used in) operations [1]	**(269)**	584	(146%)	**10,996**	11,648	(6%)
Net (loss) income	**(3,844)**	(2,726)	(41%)	**1,038**	1,799	(42%)
Net (loss) income margin (%)	**(26%)**	(16%)		**2%**	3%	
Dividends declared	**2,519**	-		**5,040**	5,054	
Per share information						
Weighted average number of shares outstanding - basic	**154,905**	155,391		**154,991**	155,800	
Weighted average number of shares outstanding - diluted	**154,905**	155,391		**159,549**	160,469	
EBITDAS [1] per share - basic and diluted	**(0.00)**	0.00		**0.07**	0.07	
Funds from operations per share - basic and diluted	**(0.00)**	(0.00)		**0.07**	0.07	
Net (loss) income per share - basic and diluted	**(0.02)**	(0.02)		**0.01**	0.01	

$ thousands, except per share amounts, margins and ratios	JUNE 30, 2013	DECEMBER 31, 2012
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) [1]	**6,972**	10,683
Working capital (excluding debt) ratio [1]	**1.8:1**	1.8:1
Total assets	**144,604**	152,680
Total long-term debt (including current portion)	**42,279**	41,841
Shareholders' equity	**92,440**	96,465

(1) - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.

Operational Overview

CWC's financial and operating performance experienced the normal sequential decline in the second quarter as compared to the first quarter. The second quarter is typically expected to be the weakest financial and operating quarter for the Company due to ground conditions being impacted by spring breakup. The ability to move heavy equipment in the Canadian oil and natural gas fields is dependent on weather conditions. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until they have

thoroughly dried out. The duration of this spring breakup has a direct impact on the Company's activity levels. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen enough to support equipment. The timing and duration of this years' spring breakup, coupled with higher than expected disruptions due to heavy rainfall and wet field conditions, impacted performance more than normally expected and contributed significantly to the decrease in year over year performance for both the three and six month periods ended June 30, 2013 across all of our business lines.

The Company estimates $3.3 million of revenue from specific jobs and projects was delayed or lost during the second quarter due to wet weather conditions which prevented the mobilization of equipment requested by customers for specific job calls.

Commodity prices are the main activity driver as the Company's customers' exploration and development programs are directly impacted by oil and natural gas prices. Oil and gas producers spend capital on new wells and service operations when they are economic within the context of current and forecasted commodity prices. While U.S. reference crude oil prices have been relatively consistent in the current year, the discount paid for Western Canadian Select ("WCS") crude oil has at times been very significant. WCS is the type of oil most of our exploration and production customers produce. The significant discount is primarily attributed to oil transportation bottlenecks which have limited the opportunity for Canadian crude oil to access export markets where higher prices are available. The price for West Texas Intermediate crude oil ("WTI") averaged US$94.22 per barrel for the three months ended June 30, 2013 and US$94.30 for the six months ended June 30, 2013 as compared to US$93.49 and US$98.21 for the comparable periods of 2012. The price for WCS Crude oil has averaged CAD$69.90 for the first six months of 2013 as compared to CAD$74.25 for the first six months of 2012. On a positive note, the significant discount for Canadian WCS crude oil moderated significantly in the second quarter with WCS averaging CAD$76.82 per barrel in the second quarter as compared to CAD$62.99 in the first quarter.

Natural gas prices have improved appreciably in 2013 as compared to 2012, with the average AECO monthly index price being $3.40 per GJ in the three month period ended June 30 as compared to $1.74 in the prior year quarter. However, last year saw lower prices than we had experienced in over a decade and while higher prices are good for our customers, we expect producers will require sustained and forecasted pricing at levels above $4.00 before we anticipate significant levels of activity to return to conventional dry natural gas oriented development.

Consistent with the shift in industry activity away from natural gas oriented development towards oil and liquids rich natural gas development, CWC has shifted focus towards oil related activities. Additionally, for the last year or so, CWC has concentrated on shifting well servicing work towards production maintenance, workovers and abandonments as opposed to completion activity which is more dependent upon drilling activity levels. Currently, we estimate nearly 80% of service rig activity has been on oil wells due to the challenging environment for natural gas production and drilling.

Well Servicing Division

OPERATING HIGHLIGHTS WELL SERVICING	2013		2012			
	Quarter 2	**Quarter 1**	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Service Rigs						
Number of service rigs, end of period	**69**	**68**	68	65	65	63
Hours worked	**17,700**	**37,689**	32,059	31,347	21,186	37,543
Utilization % (2)	**29%**	**62%**	53%	52%	36%	65%
Coil Tubing Units						
Number of units, end of period	**8**	**8**	8	8	8	8
Hours worked	**1,045**	**3,285**	1,463	1,034	417	3,956
Utilization %	**22%**	**68%**	30%	22%	9%	90%

(2) Utilization is calculated based on 10 hours a day, 365 days a year. New service rigs are added based on the first day of field service. Service rigs requiring their 24,000 hour recertification and/or refurbishment and are out of service for greater than 90 days are excluded from the utilization calculation.

CWC is the 6th largest service rig provider in the WCSB, having a modern fleet of 69 service rigs and 8 coil tubing units at June 30, 2013. CWC will be adding three new service rigs in 2013 with one service rig having been added in late June and two new service rigs being added in late July and August. All three of these new rigs are currently planned to be deployed in north central Alberta where we have been building a presence since the fourth quarter of 2012, bringing our expected rig count to six in this area.

As of August 14, 2014, CWC has 70 service rigs consisting of 40 singles, 27 doubles, and 3 slant rigs with 65 being freestanding mobile rigs, 4 being skid mounted and 1 being an anchored mobile double. The average age of CWC's service rig fleet is about 6 years, making CWC's fleet amongst the newest in the WCSB. Service rigs have a very long useful life if properly serviced and maintained and many rigs operating in Western Canada are over 25 years old. In the past eighteen months the Company has added six newly built service rigs to our fleet and refurbished and recertified one previously unused service rig. Customer acceptance of our new, high quality equipment, continues to gain momentum. Both customers and field personnel generally prefer to use newer equipment due to lighter weight, better design, and modern safety features. Rig services include completions, maintenance, workovers and abandonments with depth ratings from 1,500 to 5,000 metres. Our service rig fleet, with its leading edge technology, continues to stand out in an industry characterized by ageing equipment and infrastructure.

CWC's Class I, II and III coil tubing units have depth ratings from 1,500 to 4,000 metres and are well positioned for the changing demand of our customers for deeper depth capabilities.

Consistent with general industry activity levels, our service rig utilization was lower in the current year three and six month periods when compared to comparable periods of the prior year. There has been a general reduction in oilfield service activities as many oil and gas exploration and production companies moderated their activity levels in the current year due to a number of factors including limited access to capital markets for funding and a more prolonged period of wet weather and spring breakup in the current year.

Our coil tubing units experienced higher utilization in the current year quarter than in the prior year quarter as a result of improved sales focus and operational excellence. On a year to date basis, for the six months ended June 30, 2013, coil utilization is below the prior year due to lower industry activity levels for reasons consistent with those impacting our service rig utilization levels.

Other Oilfield Services

OPERATING HIGHLIGHTS OTHER OILFIELD SERVICES	2013		2012			
	Quarter 2	**Quarter 1**	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Snubbing Units						
Number of units, end of period	**6**	**6**	7	7	7	7
Hours worked	**220**	**1,460**	1,191	574	241	2,065
Utilization %	**5%**	**28%**	23%	11%	5%	46%
Well Testing Units						
Number of units, end of period	**11**	**11**	11	11	11	12
Number of tickets billed	**76**	**376**	204	410	238	468

Other Oilfield Services comprised 3% and 7% of total revenues for the three and six month periods ended June 30, 2013 respectively and 6% of CWC's property and equipment net book value as at June 30, 2013, and therefore represents only a small component of CWC's overall activities.

CWC's Other Oilfield Services segment provides a variety of services for the completion and production phases of oil and natural gas wells from its 6 snubbing units and 11 well testing units. The snubbing division continues to be negatively affected by low activity on natural gas projects that suit our equipment. We attribute the lower number of well testing jobs in the current year three and six month periods to a decrease in the amount of well completion activity in the industry.

Outlook

We anticipate a better second half for 2013 based on our expectation that wet weather and soft ground conditions experienced in the second quarter are finally behind us and we will return to more normal levels of activity. Recent NYMEX crude oil prices have been above US$100 per barrel and Canadian crude oil differentials have narrowed providing a better price for the WCS and other Western Canadian crude oil types. We expect this will improve the economics for our customers and the demand for our services. We expect much of the work we were unable to perform due to wet conditions in the second quarter will end up only being delayed work and will result in more robust demand in the latter part of the year as oil and gas companies try to catch up on their programs.

The capital markets remain very selective in which producing companies have access to additional capital. We believe market sentiment is being impacted by the high profile challenges being faced by pipeline companies to expand take away capacity from Western Canada to both domestic and export markets and the potential for new impediments to continued expansion of crude oil shipments by rail. We remain optimistic the uncertainty regarding these issues will be resolved and anticipate both pricing for Western Canadian crude and market sentiment will improve if and when this happens. Improved pricing and market sentiment towards the oil and gas sector will enable our customers to raise additional funds to spend on the types of services offered by CWC.

Alberta natural gas prices at AECO have been significantly higher than in 2012, averaging $3.16/GJ in the first six months of 2013 as compared to $2.06/GJ in the first six months of 2012. However, current storage is now at or above five year average levels and AECO prices have dipped below $2.30/GJ. Our Other Oilfield Services segment is impacted more by natural gas activity levels due to the nature of the work typically performed by our snubbing and testing equipment. We remain optimistic the supply/demand balance for North American natural gas is improving and the outlook for an increase in natural gas activity, including the demand for all of our services, should follow if this occurs. The market appears to support this view as AECO forward prices currently show an increasing trend to almost $4.00/GJ for calendar 2018.

As of August 14, 2013, CWC has completed a significant portion of our approved 2013 capital expenditure budget. In December 2012, the Board of Directors approved a 2013 capital expenditure program to build 3 new service rigs to continue supporting our growth into Slave Lake/Wabasca and the completion of 1 new Class III, 2 inch coil tubing unit. We have now taken delivery of two of our new service rigs with deployment anticipated shortly. Delivery of our coil tubing unit has faced repeated delays by the manufacturer and, based on these delays and continued uncertainty over a firm delivery date by the manufacturer, CWC has decided to put the construction of this unit on hold.

Discussion of Financial Results

$ thousands, except margins	THREE MONTHS ENDED JUNE 30,			SIX MONTHS ENDED JUNE 30,		
	2013	2012	% Change	**2013**	2012	% Change
Revenue						
Well servicing	**$14,364**	$16,237	(12%)	**$49,562**	$50,751	(2%)
Other oilfield services	**481**	906	(47%)	**3,661**	5,298	(31%)
	14,845	17,143	(13%)	**53,223**	56,049	(5%)
Direct operating expenses						
Well servicing	**11,002**	12,023	(8%)	**32,203**	33,112	(3%)
Other oilfield services	**750**	1,168	(36%)	**3,069**	4,154	(26%)
	11,752	13,191	(11%)	**35,272**	37,266	(5%)
Gross margin [(1)]						
Well servicing	**3,362**	4,214	(20%)	**17,359**	17,639	(2%)
Other oilfield services	**(269)**	(262)	3%	**592**	1,144	(48%)
	3,093	3,952	(22%)	**17,951**	18,783	(4%)
Gross margin percentage [(1)]						
Well servicing	**23%**	26%	(3%)	**35%**	35%	0%
Other oilfield services	**(56%)**	(29%)	(27%)	**16%**	22%	(6%)
	21%	23%	(2%)	**34%**	34%	0%

(1) - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.

Revenue

Revenue for the second quarter of 2013 was $14.8 million, a decrease of $2.3 million from the second quarter of 2012. The decrease in revenue is due to lower activity and utilization levels across almost all of our business lines with the exception of coil tubing services which experienced slightly higher utilization in the current year quarter.

Revenue for the six months ended June 30, 2013 was $53.2 million, a decrease of $2.8 million from the first half of 2012. The decrease in revenue is due to lower activity and utilization levels across almost all of our business lines with most of the year to date decrease occurring in the second quarter.

CWC continues to focus on providing production and maintenance oriented services to better capitalized and financed senior and intermediate E&P companies. In the second quarter of 2013, approximately 68% of our revenue was derived from our top ten customers, the majority of which are large or intermediate E&P companies.

Gross Margin and Direct Operating Expenses

Many operating costs are variable in nature and increase or decrease with activity levels such that much of the change in operating costs in the year over year periods correspond to the increase or decrease in revenue in the current period compared to the prior period. Labour cost is the largest cost incurred by the Company, with much of this cost being variable in nature. However, there is also a portion of our labour costs which are fixed in nature and do not reduce, even in periods of lower activity. As a result, while revenues declined by 13% in the current year quarter, operating costs declined by only 11%. For the six months ended June 30, 2013, both revenues and operating costs are lower by 5%.

The decrease in gross margin in both the three and six month periods ended June 30, 2013 is due to the percentage reduction in revenues in the current year periods exceeding the percentage reduction in operating costs in the current year periods as compared to the prior year periods.

Selling and Administrative Expenses

	THREE MONTHS ENDED JUNE 30,			SIX MONTHS ENDED JUNE 30,		
$ thousands, except margins	**2013**	2012	% Change	**2013**	2012	% Change
Selling and administrative expenses	**3,362**	3,368	0%	**6,955**	7,134	(3%)

Selling and administrative expenses have remained relatively consistent year over year for both the three month and six month periods ended June 30, 2013. Many of the costs in this category, such as building and office rent, and office staff salaries are relatively fixed in nature and are not subject to significant fluctuation on a quarterly basis. Other costs such as professional and legal fees can fluctuate depending on specific services received in the period. There have been no significant changes in the structure of our selling and administration areas between 2013 and 2012. Management believes the current structure and therefore level of expenses will continue to be adequate to allow for our planned growth in activity and revenues.

EBITDAS

	THREE MONTHS ENDED JUNE 30,			SIX MONTHS ENDED JUNE 30,		
$ thousands, except margins	**2013**	2012	% Change	**2013**	2012	% Change
EBITDAS [(1)]	**(269)**	584	(146%)	**10,996**	11,649	(6%)
EBITDAS margin (%) [(1)]	**(2%)**	3%	(5%)	**21%**	21%	(-%)

(1) - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.

EBITDAS for the three months ended June 30, 2013 has declined in comparison to the three months ended June 30, 2012. This is a result of the decrease in gross margin as selling and administrative costs have remained consistent year over year. Year to date, although EBITDAS has declined by $0.6 million, EBITDAS as a percentage of revenues remains unchanged at 21%. Management uses EBITDAS as a measure of the cash flow generated by the Company. Positive EBITDAS provides the cash flow needed to grow our business through the purchase of new equipment or business acquisitions, maintain a dividend for our shareholders, repurchase outstanding common shares under the Normal Course Issuer Bid, and reduce outstanding long-term debt.

Stock-based Compensation

$ thousands, except margins	THREE MONTHS ENDED JUNE 30, 2013	2012	% Change	SIX MONTHS ENDED JUNE 30, 2013	2012	% Change
Stock based compensation	**188**	218	(14%)	**390**	402	(3%)

Stock based compensation is a function of the outstanding stock options and restricted share units being expensed over their vesting term. The decrease in stock based compensation is primarily a result of graded vesting which results in a reducing stock based compensation expense over the three year vesting term of individual stock option and restricted share unit grants. The non-cash expense related to stock based compensation plans is a result of 9.3 million stock options outstanding and 0.7 million restricted share units outstanding.

Finance Costs

$ thousands, except margins	THREE MONTHS ENDED JUNE 30, 2013	2012	% Change	SIX MONTHS ENDED JUNE 30, 2013	2012	% Change
Finance costs	**1,558**	705	121%	**2,213**	1,474	50%

During the second quarter the Company entered into a new long term credit facility the details of which are more fully described in the section titled "**Liquidity and Capital Resources – Sources of funds".** This new facility replaced both a non-revolving term debt facility and a revolving facility both of which were subject to maturity on April 30, 2014. The interest rates under both facilities were higher than the interest rates under the new long term debt facility with the old term facility interest rate being 7.42% per annum. In conjunction with the early termination of the term debt facility, a cash payment of $0.7 million was made in accordance with the terms of the fixed term non-revolving facility and a $0.2 million non-cash charge related to accelerated accretion of deferred loan fees was recorded as finance costs in the current quarter. Although the new facility resulted in increased cash costs in the current quarter, lower future interest costs and the financial flexibility provided by having a three year revolving facility requiring no principal payments until maturity on June 21, 2016 is expected to more than offset this one time cost.

Depreciation

$ thousands, except margins	THREE MONTHS ENDED JUNE 30, 2013	2012	% Change	SIX MONTHS ENDED JUNE 30, 2013	2012	% Change
Depreciation						
Well servicing	**2,644**	2,678	(1%)	**6,178**	6,062	2%
Other oilfield services	**304**	290	5%	**623**	629	(1%)
Corporate	**122**	146	(16%)	**257**	280	(8%)
	3,070	3,114	(1%)	**7,058**	6,971	1%

Depreciation for the three and six months ended June 30, 2013 was consistent with the comparative periods of 2012. Depreciation for service rigs is based on hours of work. As a result, an increase or decrease in hours worked for an individual service rig results in an increase or decrease in depreciation expense for that individual service rigs. However, there can be significant variation in the historical cost basis for our service rigs based on type and our newest service rigs, which have the highest cost and depreciation rate per hour, also typically have higher utilization. Our coil tubing units are depreciated straight line resulting in consistent depreciation expense regardless of utilization or hours of use.

Loss (gain) on Sale of Equipment

$ thousands, except margins	THREE MONTHS ENDED JUNE 30, 2013	2012	% Change	SIX MONTHS ENDED JUNE 30, 2013	2012	% Change
Loss (gain) on sale of equipment	**13**	61	(79%)	**(131)**	107	(222%)

Management continually monitors the asset mix and equipment needs and invests and divests assets as needed to optimize our operations. During the first quarter of 2013 one snubbing unit was sold at a gain which accounts for the gain on a year to date basis.

Income Taxes

$ thousands, except margins	THREE MONTHS ENDED JUNE 30, 2013	2012	% Change	SIX MONTHS ENDED JUNE 30, 2013	2012	% Change
Deferred income tax (recovery) expense	**(1,260)**	(797)	(58%)	**422**	887	(52%)

Based on the net income before taxes of $1.5 million for the six months ended June 30, 2013 and an expected income tax rate of 25%, an income tax expense of $0.4 million was incurred. The Company has substantial tax pools and non-capital losses available to reduce future taxable income such that no cash taxes are expected to be payable in 2013.

Net (loss) income

$ thousands, except margins	THREE MONTHS ENDED JUNE 30, 2013	2012	% Change	SIX MONTHS ENDED JUNE 30, 2013	2012	% Change
Net (loss) income	**(3,844)**	(2,726)	(41%)	**1,038**	1,799	(42%)

The net loss for the three months ended June 30 increased by $1.1 million in the current year as compared to the same period of 2012 due primarily to the reduced gross margin and increased finance costs associated with the termination of the previous term debt facility. In the absence of having incurred the financing costs associated with the early termination of the previous debt facility, the net loss for the three months ended June 30, 2013 would have been $3.1 million (Net loss of $3.8 million less $0.7 million early termination fee, less $0.2 million accelerated amortization of deferred debt fees, plus $0.2 million income tax).

The net income for the six months ended June 30 decreased by $0.8 million in the current year as compared to the prior year due primarily to the reduced year over year gross margin in the second quarter and increased finance costs associated with the termination of the previous term debt facility also incurred in the second quarter.

In the absence of having incurred the financing costs associated with the early termination of the previous debt facility, the net income for the six months ended June 30, 2013 would have been $1.7 million (Net income of $1.0 million plus $0.7 million early termination fee, plus $0.2 million accelerated amortization of deferred debt fees, less $0.2 million income tax).

Liquidity and Capital Resources

Sources of funds:
During the three and six months ended June 30, 2013, the Corporation financed capital expenditures with cash flow from operations, changes in working capital and bank debt.

At June 30, 2013, the Corporation had positive working capital excluding debt of $7.0 million (Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A).

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 currently provides the Company with a $75 million extendible revolving term facility (the "Bank Loan") with an additional $25 million available pursuant to an accordion feature. The accordion feature provides the Company with an ability to increase the maximum borrowings under the Bank Loan to up to $100 million, subject to the approval of the lenders. 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 June 21, 2016, at which time any amounts outstanding are due and payable.

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.

As at June 30, 2012, drawings under the Bank Loan totaled $42.3 million, leaving $32.7 million of immediately available and undrawn capacity under the Bank Loan.

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 Bank Loan, the Company is required to comply with certain financial covenants. As of June 30, 2013, the Company is in compliance with each of those financial covenants.

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 is $0.2 million and consists entirely of amounts payable under finance leases.

Capital requirements:
Over the past 3 years the Company has been increasing its asset base of service rigs and coil tubing units. Most capital expenditures are discretionary in nature and are incurred with a view to increase the size and revenue generating capacity of the business as opposed to being required in order to maintain the current business operations. As at June 30, 2013, the Company has capital spending plans as noted in the section titled **"Capital Expenditures"**. Additional discretionary capital expenditures will be required in order to continue to grow the Company's assets and revenues in the future. It is anticipated future cash requirements for capital expenditures will be met through a combination of funds generated from operations and bank debt from existing credit facilities as required. However, additional funds may be raised by additional bank debt, other forms of debt, the sale of assets, or the issue of equity.

CWC may require additional financing in the future to implement its strategies and business objectives. It is possible that such financing will not be available, or if available, will not be available on favorable terms. If CWC issues any shares in the future to finance its operations or implement its strategies, the current shareholders of CWC may incur a dilution of their interest.

Dividends, Normal Course Issuer Bid and Outstanding Share Data:

The following table summarizes outstanding share data and potentially dilutive securities:

	August 14, 2013
Common shares	155,138,066
Stock options	8,323,013
Restricted share units	760,000

The following table summarizes dividends paid since December 31, 2011:

Declaration Date	Record Date	Payment Date	Dividend per Common Share
March 20, 2012	June 29, 2012	July 13, 2012	$0.03250
August 13, 2012	September 28, 2012	October 15, 2012	$0.01625
November 15, 2012	December 31, 2012	January 15, 2012	$0.01625
February 7, 2013	March 29, 2013	April 15, 2013	$0.01625
May 9, 2013	June 28, 2013	July 15, 2013	$0.01625
August 14, 2013	September 30, 2013	October 15, 2013	$0.01625

The declaration of dividends is determined on a quarter by quarter basis by the Board of Directors and reflects CWC's positive view on the sustainability of its cash flows and earnings in the future.

During the first six months of 2013, 439,500 common shares were purchased under the Normal Course Issuer Bid ("NCIB"). The Company renewed its NCIB effective April 1, 2013, to purchase from time to time, as it 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. From July 1, 2013 to August 14, 2013, no shares were purchased under the renewed NCIB. The NCIB expires on March 31, 2014.

Capital Expenditures

$ thousands, except per share amounts, margins and ratios	THREE MONTHS ENDED JUNE 30			SIX MONTHS ENDED JUNE 30		
	2013	2012	% Change	**2013**	2012	% Change
Capital expenditures						
Well servicing	**4,810**	2,956	(63%)	**7,677**	7,850	2%
Other oilfield services	**10**	278	96%	**376**	454	17%
Corporate	**8**	171	95%	**61**	283	78%
	4,828	3,405	(42%)	**8,114**	8,587	6%

Capital expenditures in the six months ended June 30, 2013 consisted mainly of costs for the construction of three new service rigs and major recertification costs of a snubbing unit and a service rig. The remaining amounts were spent on the support tools for the new service rigs completed in the fourth quarter of 2012 and second quarter of 2013 as well as equipment upgrades and replacements, computer and leasehold upgrades, and improvements. The Board of Directors has approved a capital expenditure budget for 2013 totaling $11.2 million comprised of $9.8 million of growth capital and $1.4 million for maintenance and infrastructure capital. Included in this $11.2 million budget is a $1.5 million carryover of the 2012 capital expenditure budget to complete a new Class III, 2 inch coil tubing unit. The remainder of the 2013 growth capital expenditures has been directed at building three new service rigs to support our growth into north central Alberta. The $1.4 million maintenance and infrastructure capital expenditures has been directed at upgrades or additions to field equipment for existing service rig, coil tubing, snubbing divisions and information technology infrastructure. CWC has identified opportunities to expand into additional geographic regions in the WCSB, particularly in the north central regions of Alberta, and is committing additional capital to support this.

Commitments and Contractual Obligations

Under the terms of the new financing agreement established during the quarter, the long-term debt is due in full on June 21, 2016. The Company is committed to make only monthly payments of interest and fees until the June 21, 2016. Management believes that, based on anticipated activity levels for its services, there will be sufficient cash flows generated from operations to service the interest on the debt, finance the growth capital of the Company and maintain a dividend payment to its shareholders.

Summary and Analysis of Quarterly Data

$ thousands, except per share amounts	**2013**		**2012**				**2011**	
THREE MONTHS ENDING	**June 30**	**March 31**	**Dec. 31**	**Sept. 30**	**June 30**	**March 31**	**Dec. 31**	**Sept. 30**
Revenue	**14,845**	**38,378**	29,396	26,887	17,143	38,907	35,988	31,224
EBITDAS [(1)]	**(269)**	**11,265**	7,050	6,348	584	11,066	10,630	8,142
Net (loss) income	**(3,844)**	**4,883**	1,729	1,255	(2,726)	4,525	8,187	3,174
Net (loss) income per share: basic and diluted	**(0.02)**	**0.03**	0.01	0.01	(0.02)	0.03	0.05	0.02
Total assets	**144,604**	**157,262**	152,680	147,566	146,914	160,570	159,774	162,933
Total long-term debt	**42,279**	**42,634**	41,841	37,987	32,115	44,304	47,941	56,827
Shareholders' equity	**92,440**	**98,969**	96,465	97,272	98,474	101,568	102,624	94,389

(1) - Please refer to the "Reconciliation of Non-IFRS Measures" later in this MD&A.

The above table summarizes CWC's quarterly results for the previous eight financial quarters. All of CWC's operations are carried out in Western Canada. The second quarter (three months ended June 30) is typically expected to be the weakest financial and operating quarter for the Company due to ground conditions being impacted by spring breakup. The ability to move heavy equipment in the Canadian oil and natural gas fields is dependent on weather conditions. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out. The duration of this "spring breakup" has a direct impact on the Company's activity levels. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen enough to support equipment. As a result, late March through May is traditionally the Company's slowest time, and as such the revenues, operating costs, and financial results of the Company will vary on a quarterly basis.

Through the eight quarters presented, the amount of revenues, EBITDAS and net income (loss), adjusted for the effects of seasonality have fluctuated primarily due to changes in the utilization of our equipment generally and the increase in the number of service rigs over the period as detailed in the area titled "**Operational Overview**" in this document.

Critical Accounting Estimates and Judgments

This MD&A of the Company's financial condition and results of operations is based on the financial statements which are prepared in accordance with IFRS. The presentation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent liabilities at the date of the financial

statements and the reported revenues and expenses during the reporting period. These estimates are based on experience and assumptions that are believed to be reasonable under the circumstances. Although care has been taken, anticipating future events cannot be done with certainty, therefore actual results may vary from these estimates over time as more accurate information is available and as the Company's operating environment changes.

The accounting estimates believed to be the most difficult, subjective or complex judgments and which are the most critical to the reporting of results of operations and financial positions are as follows:

Allowance for Doubtful Accounts Receivable:

The Company performs periodic credit evaluations of its customers and grants credit based upon past payment history, financial condition, and anticipated industry conditions. Customer payments are regularly monitored and a provision for doubtful accounts is established based upon specific situations and overall industry conditions. The history of bad debt losses of the Company has been within expectations and is generally limited to specific customer circumstances. However, given the cyclical nature of the energy industry, a customer's ability to fulfill its payment obligations can change suddenly and without notice.

Impairment of Assets:

At the end of each reporting period, the Company assesses whether there is an indication that an asset group may be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the asset group. External triggering events include, for example, changes in customer or industry conditions, technological advances and economic climate deterioration. Internal triggering events for impairment include lower profitability or utilization.

The Company's impairment tests compare the carrying amount of the asset or cash generating unit ("CGU") to its recoverable amount. The recoverable amount is the higher of fair value less costs to sell ("FVLCS") and value in use ("VIU"). FVLCS is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The determination of VIU requires the estimation and discounting of cash flows which involves key assumptions that consider all information available on the respective testing date. Management exercises judgment, considering past and actual performances as well as expected developments in the respective markets and in the overall macro-economic environment and economic trends to model and discount future cash flows. Discounted cash flow projections contain key assumptions such as discount rates, terminal value growth rates and Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") margins.

Depreciation of Property and Equipment

The estimated useful life, residual value and depreciation methods chosen are the Company's best estimate of such and are based on industry norms, historical experience and other estimates including the period and distribution of future cash inflows.

Deferred Income Taxes

In calculating the income taxes, consideration is given to factors such as non-deductible expenses, recognition of deferred tax assets, changes in tax law and management's expectations of future results. The Company estimates deferred income taxes based on temporary differences between the income and the losses reported in the financial statements and its taxable income and losses as determined under the applicable tax laws. The tax effect of these temporary differences is recorded as deferred tax assets or liabilities in the financial statements. The calculation of income taxes requires the use of judgments and estimates. If these judgments and estimates prove to be inaccurate, future earnings may be materially impacted.

Future Accounting Pronouncements

There have been no changes in accounting policies in the three or six months ended June 30, 2013.

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.

IFRS 13 replaces individual regulations governing the determination and disclosure regarding items that are measured at fair value. This standard does not introduce any significant new valuation methodologies, however, it does introduce new disclosure requirements. As a result, the Company discloses the fair value of certain assets and liabilities on a quarterly basis.

CEO and CFO Certifications

Securities laws no longer require the CEO and CFO of TSX Venture Exchange listed companies such as CWC to certify they have designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Instead, an optional form of certification has been made available to TSX Venture Exchange listed companies and has been used by CWC's certifying officers for the June 30, 2013 interim filings. The certification reflects what the Company considers to be a more appropriate level of CEO and CFO certification given the size and nature of the Company's operations. This certification requires that the certifying officer's state:

i. They have reviewed the interim financial report and MD&A;

ii. That, based on their knowledge, they have determined there is no untrue statement of a material fact, or any omission of material fact required to be stated which would make any statement not misleading in light of the circumstances under which it was made within the interim filings; and

iii. That based upon their knowledge, the interim filings, together with the other financial information included in the interim filings, fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date and for the periods presented in the interim filings.

Reconciliation of Non-IFRS Measures

$ thousands	THREE MONTHS ENDED JUNE 30, 2013	THREE MONTHS ENDED JUNE 30, 2012	SIX MONTHS ENDED JUNE 30, 2013	SIX MONTHS ENDED JUNE 30, 2012
NON-IFRS MEASURES				
EBITDAS:				
Net (loss) income	**(3,844)**	(2,726)	**1,038**	1,799
Add:				
Depreciation	**3,070**	3,114	**7,058**	6,971
Finance costs	**1,558**	705	**2,213**	1,474
Income tax expense (recovery)	**(1,260)**	(797)	**422**	887
Stock based compensation	**188**	218	**390**	402
Loss (gain) on sale of equipment	**13**	61	**(131)**	107
Unrealized loss on marketable securities	**6**	9	**6**	9
EBITDAS (1)	**(269)**	584	**10,996**	11,649
Funds from operations:				
Cash flows from operating activities	**12,052**	12,476	**17,830**	23,830
Less: Change in non-cash working capital	**(12,321)**	(11,892)	**(6,834)**	(12,181)
Funds from (used in) operations: (2)	**(269)**	584	**10,996**	11,649
Gross margin:				
Revenue	**14,845**	17,143	**53,223**	56,049
Less: Direct operating expenses	**(11,752)**	(13,191)	**(35,272)**	(37,266)
Gross margin (3)	**3,093**	3,952	**17,951**	18,783
Gross margin percentage (3)	**21%**	23%	**34%**	34%

$ thousands	JUNE 30, 2013	DECEMBER 31, 2012
Working capital (excluding debt):		
Current Assets	**15,520**	24,142
Less: Current Liabilities	**(8,730)**	(15,881)
Add: Current portion of long-term debt	**182**	2,422
Working capital (excluding debt) (4)	**6,972**	10,683

(1) EBITDAS (Earnings before interest and finance costs, income tax expense (recovery), depreciation, amortization, loss (gain) on disposal of asset, unrealized loss (gain) on marketable securities, and stock based compensation) is not recognized measures under IFRS. Management believes that in addition to net earnings, EBITDAS is a useful supplemental measure as it provides an indication of the Company's ability to generate cash flow in order to fund working capital, service debt, pay current income taxes, pay dividends, repurchase common shares under the Normal Course Issuer Bid, and fund capital programs. Investors should be cautioned, however, that EBITDAS should not be construed as an alternative to net income (loss) and comprehensive income (loss) determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating EBITDAS may differ from other entities and accordingly, EBITDAS may not be comparable to measures used by other entities.

(2) Funds from operations and funds from operations per share are not recognized measures under IFRS. Management believes that in addition to cash flow from operations, funds from operations is a useful supplemental measure as it provides an indication of the cash flow generated by the Company's principal business activities prior to consideration of changes in working capital. Investors

should be cautioned, however, that funds from operations should not be construed as an alternative to cash flow from operations determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating funds from operations may differ from other entities and accordingly, funds from operations may not be comparable to measures used by other entities. Funds from operations is equal to cash flow from operations before changes in non-cash working capital items related to operations.

(3) Gross margin is calculated from the statement of comprehensive income (loss) as Revenue less direct operating costs and is used to assist management and investors in assessing the Company's financial results from operations excluding fixed overhead costs. Gross margin percentage is calculated as gross margin divided by revenue. The Company believes the relationship between revenues and costs expressed by the gross margin percentage is a useful measure when compared over different financial periods as it demonstrates the trending relationship between revenues, costs and margins. Gross margin and gross margin percentage are non-IFRS measures and do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies.

(4) Working capital (excluding debt) is calculated based on current assets less current liabilities excluding the current portion of long-term debt. Working capital is used to assist management and investors in assessing the Company's liquidity and its' ability to generated funds. Working capital (excluding debt) does not have any meaning prescribed under IFRS and may not be comparable to similar measures provided by other companies.

Corporate Information

Directors

Jim Reid [2], Chairman

Duncan T. Au [1]

Gary L. Bentham [1], [2]

Alexander D. Greene

Wade McGowan [1], [2]

[1] Member of the Audit Committee

[2] Member of the Compensation and Corporate Governance Committee

Officers

Duncan T. Au, CA, CFA
President & Chief Executive Officer

Ryan A. Michaluk, CA, CMA
Chief Financial Officer

Rick Dawson
Vice President, Business Development

Darwin McIntyre
Vice President, Operations (Eastern)

Layne Wilk
Vice President, Operations (Central)

Stock Exchange Listing

TSX Venture Exchange: CWC

Corporate Secretary

James L. Kidd
Burnet, Duckworth & Palmer LLP

Corporate Office

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Auditors

KPMG LLP

Bankers

ATB Financial
National Bank
HSBC Bank Canada

Legal Counsel

Burnet, Duckworth & Palmer LLP

Transfer Agent

Olympia Trust Company