

# **Central Alberta Well Services Corp.**

**For Immediate Release**  
**Calgary, Alberta**

## **News Release**

**May 27, 2010**  
**TSXV Symbol: "CWC"**  
**Common Shares: 159,184,064**

### **CENTRAL ALBERTA WELL SERVICES RELEASES FIRST QUARTER 2010 FINANCIAL RESULTS**

**CALGARY, ALBERTA.** May 27, 2010 – Central Alberta Well Services Corp. (“CWC” or the “Company”) announces its first quarter 2010 financial results. The Financial Statements and Management’s Discussion and Analysis (“MD&A”) for the quarter ended March 31, 2010 are filed on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Company Highlights**

- Revenues increased to \$20.1 million in 2010 from \$19.0 million in 2009 as a result of increased utilization and a 22% increase in Well Servicing Segment revenues.
- Improved utilizations in the Well Servicing Segment translated to revenues of \$15.9 million compared to \$13.0 million in the same period of 2009.
- EBITDAS improved to \$3.8 million in the first quarter of 2010 from \$3.0 million in the same period of 2009 as a result of cost savings and efficiency programs put in place through 2009.
- Achieved a debt to equity ratio of 33% on March 31, 2010 compared to 77% at March 31, 2009

#### **First Quarter Review**

The Company realized increased activity in the Well Servicing Segment as the marketing of products to larger energy producers continued to pay off. The Company continues to operate a fleet of 46 service rigs and eight coil tubing units in this segment. Revenues increased 22% to \$15.9 million over the same period of 2009.

The Company continued to examine all areas for additional cost savings and efficiencies in operations. Rationalization of staff and revisions in pay structures has resulted in streamlined processes and the conversion of fixed salary costs to variable wages. The implementation of new software allows for better communication on purchase request from field personnel to management for approval and centralized ordering thus reducing time required and providing timely information to management.

#### **Outlook**

The first quarter of 2010 shows the impact of the cost controls that have been put in place through 2009 as gross profit has increased to 34.6% in 2010 from 31.9% in the same period of 2009. The Well Servicing Segment is showing improvement in utilization and a slight recovery year over year and it is anticipated that the summer months leading up to the fourth quarter this year will be more active than 2009.

With the recent debt restructuring the Company will continue to strengthen its financial position through 2010 with continued cost control and operational efficiencies. The Company has no plans for fabrication of any equipment for expansion purposes and will continue to focus on efficiency with the current fleet size.

## About Central Alberta Well Services

CWC 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. The Company has its corporate office in Calgary, Alberta, with its operational head office in Red Deer, Alberta, and additional operating centres in Provost, Alberta, Brooks, Alberta, Grande Prairie, Alberta and a recently opened satellite facility in Weyburn, Saskatchewan.

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*EBITDAS is calculated from the statement of income (loss) as revenue less operating costs and general and administrative expenses, 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.*