MANAGING GROWTH THROUGH THE CYCLE

CALFRAC WELL SERVICES

Q1 FIRST QUARTER INTERIM REPORT

For the Three Months Ended March 31, 2008

HIGHLIGHTS

THREE MONTHS ENDED MARCH 31,	2008	2007	CHANGE
(000s, except per share and unit data)	**($)**	($)	(%)
(unaudited)			
FINANCIAL			
Revenue	**142,470**	128,507	11
Gross margin [(1)]	**37,740**	38,222	(1)
Net income	**14,269**	18,777	(24)
Per share – basic	**0.38**	0.52	(27)
– diluted	**0.38**	0.52	(27)
Cash flow from operations [(2)]	**28,790**	28,827	–
Per share – basic	**0.77**	0.79	(3)
– diluted	**0.77**	0.79	(3)
EBITDA [(3)]	**31,047**	30,324	2
Per share – basic	**0.83**	0.84	(1)
– diluted	**0.83**	0.83	–
Working capital	**111,989**	105,549	6
Shareholders' equity	**377,056**	326,184	16
Weighted average common shares outstanding (#)			
Basic	**37,388**	36,297	3
Diluted	**37,464**	36,390	3
OPERATING	**(#)**	**(#)**	**(%)**
Fracturing spreads at period end			
Conventional fracturing	**24**	23	4
Coalbed methane	**4**	4	–
Total	**28**	27	4
Coiled tubing units	**18**	14	29
Cementing units	**17**	15	13

1. Gross margin is defined as revenue less operating expenses excluding depreciation. Gross margin is a measure that does not have any standardized meaning prescribed under generally accepted accounting principles (GAAP) and, accordingly, may not be comparable to similar measures used by other companies.

2. Cash flow is defined as funds provided by operations as reflected in the consolidated statement of cash flows. Cash flow and cash flow per share are measures that provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Management utilizes these measures to assess the Company's ability to finance operating activities and capital expenditures. Cash flow and cash flow per share are not measures that have any standardized meaning prescribed under GAAP and, accordingly, may not be comparable to similar measures used by other companies.

3. EBITDA is defined as income before interest, taxes, depreciation and amortization. EBITDA is presented because it is frequently used by securities analysts and others for evaluating companies and their ability to service debt. EBITDA is a measure that does not have any standardized meaning prescribed under GAAP and, accordingly, may not be comparable to similar measures used by other companies.

PRESIDENT'S MESSAGE

I am pleased to present the highlights for the three months ended March 31, 2008 and provide an outlook for the remainder of the year. During the first quarter, our Company:

- acquired the remaining 70 percent interest in ChemErgy Ltd. that it did not previously own, which is expected to provide synergies associated with bringing Calfrac's chemical supply and development requirements in-house;
- completed its first full quarter of operations in Mexico;
- completed the final preparations for the initial start-up of cementing operations in Argentina, which commenced early in the second quarter of 2008;
- signed an additional supplier contract for the provision of fracturing sand to facilitate the expansion of our future operations in North America; and
- experienced generally higher than anticipated activity levels in our core North American markets, due primarily to the recovery of North American natural gas prices.

FINANCIAL HIGHLIGHTS

For the three months ended March 31, 2008, the Company:

- realized record revenue of $142.5 million, an increase of 11 percent from the comparable period in 2007;
- earned net income of $14.3 million or $0.38 per share (basic);
- generated cash flow from operations before changes in non-cash working capital of $28.8 million or $0.77 per share (basic); and
- exited the quarter in strong financial condition with working capital of $112.0 million and undrawn credit facilities of $90.0 million.

OPERATIONAL HIGHLIGHTS

CANADA

Calfrac's operations in western Canada were very active during the first quarter of 2008, particularly in the deeper gas reservoirs located in northern Alberta and northeastern British Columbia. All service lines, with the exception of the Company's coalbed methane (CBM) operations, experienced strong levels of equipment utilization. Additional equipment and personnel from Calfrac's Medicine Hat district were redeployed to our northern operating areas at the onset of spring break-up in the southern areas, which began near the end of February. The Company also continued to work with its customers to develop emerging resource plays in the Western Canada Sedimentary Basin, such as the Montney and Muskwa plays.

As a result, Calfrac's Canadian operations recorded better than anticipated financial performance during the first quarter and were a significant contributor to the improvement in the Company's consolidated financial results from the fourth quarter of 2007, resulting in a 47 percent increase in cash flow from operations quarter-over-quarter. Although activity levels were robust, this region's financial performance was tempered somewhat by pricing pressures, which impacted the first quarter.

UNITED STATES

In the United States, Calfrac's fracturing and cementing operations benefited from strong activity levels during the first three months of 2008, but were impacted by pricing pressures in all operating districts. Overall, the U.S. region's financial performance improved both over the previous quarter and over the first quarter of 2007.

Industry and Company activity in the Rocky Mountain region of the United States increased significantly from the fourth quarter of the prior year due to the commissioning of the Rocky Mountain Express Pipeline, which alleviated previous natural gas take-away limitations affecting the region. Fracturing equipment and personnel were temporarily redeployed from the DJ Basin to the Piceance Basin in order to assist with meeting the strong demand for our pressure pumping services.

During the first quarter of 2008, Calfrac's fracturing operations in Arkansas attained record activity levels as customers required a larger average number of fracturing stages per well, which were also being pumped at higher rates. This led to higher levels of equipment utilization in the Fayetteville region of the United States, offsetting the pricing pressures experienced in this market resulting from new competitors entering this region.

RUSSIA

During the quarter, the Company consolidated its operations into its most active areas, Khanty-Mansiysk and Noyabrsk. Calfrac expects to improve its future financial performance in Western Siberia through the realization of cost efficiencies as a result of a more focused operating scale. Although the financial results were slightly weaker than in the previous quarter, activity levels in Russia during the first quarter were consistent with our expectations and are anticipated to improve throughout the remainder of the year.

MEXICO

The start-up of the Company's hydraulic fracturing operations in northern Mexico progressed during the first quarter of 2008. Drilling activity in Mexico is historically low in the first quarter, with a build-up generally occurring throughout the remainder of the year. In anticipation of higher activity levels, a second fracturing spread was deployed into Mexico in late April, with operations expected to commence in May. The additional equipment is anticipated to improve the future financial performance of this geographical segment.

ARGENTINA

In Argentina, Calfrac worked diligently to start-up cementing operations early in the second quarter of 2008. A district office was established in Catriel, Argentina in February 2008 to support these operations and the first cementing job was completed in early April.

OUTLOOK

The near and longer term fundamentals for natural gas prices appear to be strengthening, with overall continental storage having fallen back to the five-year historical average. The recent rise in the price of natural gas provides a great deal of optimism for growth in North American activity levels as the year progresses.

In Canada, higher commodity prices resulted in stronger than anticipated demand for the Company's services during the first quarter, especially in the deeper, more technically complex unconventional reservoirs located in northern Alberta, northeastern British Columbia and southern Saskatchewan. Calfrac expects this positive momentum to continue as our customers strive to develop new resource plays within the Western Canada Sedimentary Basin. The Company expects to be an active participant in the Montney and Horn River shale plays in northeastern British Columbia and northwestern Alberta, as well as in the light oil plays in the Bakken and Shaunavon Formations of southern Saskatchewan.

The Canadian market continues to require additional hydraulic horsepower to support the development of these unconventional reservoirs, which in many cases require both multiple fractures per well and high-pressure fracturing. This industry trend is expected to substantially increase pressure pumping requirements into the future as these plays continue to grow. Drilling activity in the shallow gas regions of southern Alberta is also forecast to remain active during 2008, offset slightly by lower levels of activity in the CBM fracturing market.

In the United States, the Company anticipates that activity levels in the Piceance Basin and the Fayetteville Shale play of Arkansas will remain strong throughout 2008. Competitive pricing pressures within certain markets are expected to ease and be mitigated by higher levels of equipment utilization during the remainder of the year as customers plan to increase the number of fractures performed on a daily basis. As is the case in Canada, drilling activity in the United States is focused on the development of technically challenging tight gas and shale reservoirs, which have high hydraulic horsepower requirements. Calfrac expects that its United States operations will be a significant contributor to the Company's consolidated financial results in 2008 and beyond.

The Company recently signed annual contracts with one of Russia's largest oil and natural gas companies and these agreements are expected to ensure high levels of equipment utilization in Western Siberia throughout the remainder of 2008. Calfrac will continue to focus on levering new operating efficiencies, combined with higher activity levels, to drive greater financial returns into the future.

During the first quarter of 2008, the Company's fracturing operations in Reynosa, Mexico continued through the start-up phase. A second fracturing spread comprised of equipment from our recent acquisition of a Canadian competitor as well as some new capital was deployed into Mexico during the second quarter in order to improve overall equipment utilization as activity is anticipated to increase throughout the remainder of the year. As a result, the future operating and financial performance of this geographic segment is expected to improve.

As planned, Calfrac commenced cementing operations in Argentina during the second quarter of 2008, anchored by its negotiated arrangement with a local oil and natural gas company. The Company has partnered with a strong local management team to work on growing this fifth geographical region. We believe that this initiative will provide a long-term foundation for the introduction of additional cementing equipment as well as other service lines as the pressure pumping market develops in Argentina.

Calfrac is also pleased to announce that its Board of Directors has approved a $44 million increase to the 2008 capital program, for a revised total of $72 million. The additional capital will be focused mainly on constructing a new high-rate conventional fracturing spread and deep coiled tubing unit likely destined for the Canadian market in advance of the 2009 winter drilling season, as well as the purchase of several horsepower units and high-rate blenders to bolster the Company's existing fracturing fleet in North America. The addition to the 2008 capital program is expected to be funded from the Company's 2008 cash flow from operations.

On behalf of the Board of Directors,

D.R. Ramsay

DOUGLAS R. RAMSAY
President & Chief Executive Officer

May 5, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) for Calfrac Well Services Ltd. ("Calfrac" or the "Company") has been prepared by management as of May 5, 2008 and is a review of the financial condition and results of operations of the Company based on accounting principles generally accepted in Canada. Its focus is primarily a comparison of the financial performance for the three months ended March 31, 2008 and 2007 and should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes for those periods as well as the audited consolidated financial statements and MD&A for the year ended December 31, 2007. Readers should also refer to the "Forward-Looking Statements" legal advisory at the end of this MD&A.

All financial amounts and measures presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. The definitions of certain non-GAAP measures used within this MD&A have been included at the end of this MD&A.

FIRST QUARTER 2008 PERFORMANCE SUMMARY

Calfrac is an independent provider of specialized oilfield services in Canada, the United States, Russia, Mexico and Argentina, including fracturing, coiled tubing, cementing and other well stimulation services. The Company has established a leadership position through an expanding geographic network, larger operating fleet and growing customer base. For the three months ended March 31, 2008, the Company:

- earned revenue of $142.5 million compared to $128.5 million in the same period of 2007;
- recorded net income of $14.3 million or $0.38 per share (basic) versus $18.8 million or $0.52 per share (basic) in the same period of 2007;
- realized cash flow from operations before changes in non-cash working capital of $28.8 million or $0.77 per share (basic) compared to $28.8 million or $0.79 per share (basic) in the same period of 2007; and
- exited the quarter in strong financial condition with working capital of $112.0 million and undrawn credit facilities of $90.0 million.

REVENUE

Q1 2008 VERSUS Q1 2007

CANADA

Revenue from Calfrac's Canadian operations during the first quarter of 2008 decreased by 4 percent to $83.1 million from $86.6 million recorded in the same three-month period of 2007. Canadian fracturing revenue for the quarter totalled $67.5 million, a decrease of 10 percent from the $74.9 million earned in the corresponding quarter of 2007. This decrease was primarily due to slightly lower fracturing activity levels in western Canada as compared to the previous year. During the first quarter of 2008, the Company completed 1,273 Canadian fracturing jobs for average revenue of $52,995 per job compared to 1,398 jobs for average revenue of $53,597 per job in the same period of 2007.

For the three months ended March 31, 2008, revenue from Canadian coiled tubing operations increased by 67 percent to $8.1 million from $4.9 million for the same period in 2007, due primarily to a larger equipment fleet operating in the deeper reservoirs of the Western Canada Sedimentary Basin. During the first quarter of 2008, the Company completed 1,036 jobs for average revenue of $7,813 per job compared to 1,181 jobs for average revenue of $4,107 per job in 2007. The increase in the average revenue per job was due primarily to a higher proportion of activity in the deeper, more technically challenging basins of western Canada.

Revenue from Calfrac's cementing operations during the first quarter of 2008 was $7.5 million, an 11 percent increase from the $6.8 million recorded in the comparative quarter of 2007. The Company completed 986 jobs for average revenue of $7,635 per job in the first three months of 2008 compared to 497 jobs for average revenue of $13,697 per job in the same period of 2007. The decrease in the average revenue per job was due primarily to a higher percentage of shallow cementing jobs completed as compared to the prior year's quarter, as well as the impact of competitive pricing pressures in western Canada.

UNITED STATES AND MEXICO

Revenue from Calfrac's United States operations during the first quarter of 2008 increased by 37 percent to $40.9 million from $29.9 million in the same quarter of 2007. Calfrac's Mexican operations generated revenue of $3.6 million during the first three months of 2008. As these operations commenced in the fourth quarter of 2007, there was no revenue recorded in the comparable period of the prior year. The increase in U.S. revenue was due primarily to higher activity levels in Arkansas and the Piceance Basin as a result of the completion of a higher average number of fracturing stages per well. This was offset by competitive pricing pressures, lower activity levels in the DJ Basin and a weaker U.S. dollar. On a year-over-year basis, the appreciation of the Canadian dollar reduced reported revenues in the United States by approximately $6.8 million. For the three months ended March 31, 2008, the Company completed 587 fracturing jobs in the United States for average revenue of $67,966 per job compared to 356 jobs for average revenue of $83,891 per job in the same quarter of 2007. Revenue per job decreased mainly as a result of competitive pricing pressures in all operating districts, as well as the impact of a stronger Canadian dollar.

RUSSIA

In the first quarter of 2008, the Company's revenue from Russian operations increased by 23 percent to $14.9 million from $12.1 million recorded in the same three-month period of 2007. This increase was due primarily to a larger equipment fleet and higher fracturing and coiled tubing activity levels, offset slightly by a stronger Canadian dollar. If the U.S./Canadian dollar exchange rate for the first three months of 2008 had remained consistent with the same quarter in 2007, the reported revenue for Calfrac's Russian operations would have increased by approximately $2.5 million.

Q1 2008 VERSUS Q4 2007

CANADA

On a sequential basis, Calfrac's revenue from Canadian operations during the first quarter of 2008 increased by 31 percent to $83.1 million from $63.5 million recorded in the fourth quarter of 2007. Canadian fracturing revenue for the first three months of 2008 was $67.5 million compared to $53.8 million in the final quarter of 2007. During the first quarter of 2008, the Company completed 1,273 Canadian fracturing jobs for average revenue of $52,995 per job compared to 1,287 jobs for average revenue of $41,806 per job in the three-month period ended December 31, 2007. The increase in fracturing revenue per job is primarily due to a higher proportion of jobs completed in the technically challenging reservoirs in northern Alberta and northeastern British Columbia, combined with the completion of fewer coalbed methane (CBM) jobs, which tend to have lower average revenue per job.

Revenue from Canadian coiled tubing operations during the first three months of 2008 increased by 77 percent to $8.1 million from $4.6 million recorded in the final quarter of 2007. During the first quarter of 2008, the Company completed 1,036 jobs for average revenue of $7,813 per job compared to 862 jobs for average revenue of $5,305 per job in the fourth quarter of 2007. The increase in the average revenue per job was due primarily to higher levels of activity in the deeper, more technically challenging basins of western Canada.

The Company's cementing operations in Canada recorded revenue of $7.5 million in the first quarter of 2008 versus $5.1 million during the fourth quarter of 2007. The Company completed 986 jobs for average revenue of $7,635 per job in the first quarter of 2008 compared to 820 jobs for average revenue of $6,221 per job in the fourth quarter of 2007. The sequential increase in cementing revenue and average revenue per job was primarily due to the completion of a higher proportion of cementing jobs in the deeper basins of western Canada during the first three months of 2008 as compared to the fourth quarter of 2007.

UNITED STATES AND MEXICO

During the first quarter of 2008, revenue from the Company's United States operations increased on a sequential basis by 30 percent to $40.9 million from $31.5 million in the fourth quarter of 2007. The increase in U.S. revenue was due primarily to higher activity levels in western Colorado and Arkansas. For the three months ended March 31, 2008, Calfrac completed 587 U.S. fracturing jobs for average revenue of $67,966 per job compared to 412 jobs for average revenue of $74,898 per job in the fourth quarter of 2007. The lower revenue per job was mainly due to competitive pricing pressures in the Fayetteville shale play in Arkansas as well as in the Piceance Basin.

Calfrac recorded revenue in Mexico of $3.6 million during the three months ended March 31, 2008 compared to $1.7 million in the final three months of 2007. Revenue from Mexico's fracturing operations increased by $1.9 million, reflecting a full quarter of activity as these operations commenced midway through the fourth quarter of 2007.

RUSSIA

Calfrac's revenue from operations in Russia during the first quarter of 2008 decreased by 17 percent from the fourth quarter of the prior year to $14.9 million, due primarily to lower fracturing activity levels as a result of the closure of the Purpe district office in early 2008.

EXPENSES

Q1 2008 VERSUS Q1 2007

OPERATING EXPENSES

Operating expenses during the first quarter of 2008 increased from the same period in 2007 by $14.4 million to $104.7 million primarily as a result of an increase in fracturing activity levels, a broader scale of operations in the United States and Mexico and an increase in fuel costs, partially offset by the impact of a stronger Canadian dollar.

First quarter consolidated gross margin was $37.7 million in 2008 versus $38.2 million in the corresponding period in 2007. As a percentage of revenue, consolidated gross margin was 26 percent in the first quarter of 2008 compared to 30 percent in the same period of 2007.

SELLING, GENERAL AND ADMINISTRATIVE (SG&A) EXPENSES

SG&A expenses for the three months ended March 31, 2008 were $8.3 million compared to $7.6 million in the same quarter of 2007. As a percentage of revenue, SG&A expenses were 6 percent in the first quarters of 2008 and 2007. The increase in first-quarter SG&A expenses was primarily related to higher administrative costs to support broader worldwide operations, slightly offset by the impact of an appreciating Canadian dollar.

INTEREST, DEPRECIATION AND OTHER EXPENSES

The Company recorded net interest expense of $2.7 million for the three months ended March 31, 2008 compared to $1.9 million in the same period of 2007. The higher interest expense in 2008 was mainly related to the issuance of senior unsecured notes in February 2007 in the amount of US$135.0 million, offset partially by interest earned on the Company's surplus cash.

During the first quarter of 2008, depreciation expense increased by 49 percent to $11.8 million from $7.9 million in the corresponding quarter of 2007, mainly as a result of the Company's larger fleet of equipment operating in North America and Russia.

Q1 2008 VERSUS Q4 2007

OPERATING EXPENSES

On a sequential basis, operating costs increased to $104.7 million in the first quarter of 2008 from $85.8 million in the final quarter of 2007, primarily due to higher levels of activity in Canada and the United States.

Consolidated gross margin for the first quarter of 2008 was $37.7 million, a 32 percent increase from the $28.6 million recorded in the fourth quarter of 2007. As a percentage of revenue, consolidated gross margin for the three months ended March 31, 2008 was 26 percent versus 25 percent in the fourth quarter of 2007.

SG&A EXPENSES

SG&A expenses were $8.3 million for the three months ended March 31, 2008, a decrease of 5 percent or $0.5 million from the fourth quarter of 2007. As a percentage of revenue, SG&A expenses decreased to 6 percent during the first quarter of 2008 from 8 percent for the three months ended December 31, 2007 mainly due to the sequential increase in revenue.

INTEREST, DEPRECIATION AND OTHER EXPENSES

The Company recorded net interest expense of $2.7 million for the quarter ended March 31, 2008 compared to $2.3 million in the final quarter of the previous year, primarily as a result of lower interest income earned on the Company's surplus cash.

In the first quarter of 2008, depreciation expense increased by 12 percent to $11.8 million from $10.5 million in the fourth quarter of 2007, mainly as a result of the Company's larger fleet of equipment operating in North America.

INCOME TAX

Q1 2008 VERSUS Q1 2007

The Company recorded income tax expense of $2.3 million for the three months ended March 31, 2008 compared to $1.7 million in the same period of 2007. During the first quarter of 2008, the Company recorded a current tax recovery of $0.1 million compared to an expense of $0.6 million in the corresponding period in 2007. Calfrac recorded a future income tax expense of $2.4 million for the quarter ended March 31, 2008 compared to $1.1 million in the same period of 2007. The effective income tax rate for the three months ended March 31, 2008 was 14 percent compared to 8 percent in the same quarter of 2007. The increase in total income tax expense and overall rate was a result of a greater proportion of the Company's earnings being generated from the United States, where Calfrac's operations are subject to income tax at full statutory rates.

Q1 2008 VERSUS Q4 2007

Income tax expense was $2.3 million in each of the three-month periods ended March 31, 2008 and December 31, 2007. The Company recorded a current tax recovery during the first quarter of 2008 of $0.1 million compared to a recovery of $2.2 million in the fourth quarter of 2007. Calfrac recorded a future income tax expense of $2.4 million for the quarter ended March 31, 2008 compared to $4.6 million in the final quarter of 2007. The effective income tax rate for the three months ended March 31, 2008 was 14 percent compared to 39 percent for the three months ended December 31, 2007. The decrease in the effective income tax rate was a result of a greater proportion of the Company's earnings being generated from Canada, which are currently taxed at a significantly lower rate due to tax attributes resulting from the amalgamation with Denison Energy Inc.

NET INCOME

Q1 2008 VERSUS Q1 2007

During the first three months of 2008 the Company's net income totalled $14.3 million or $0.38 per share (basic), a 24 percent decrease from the $18.8 million or $0.52 per share (basic) recorded in the same quarter of 2007. Net income during the first quarter of 2008 decreased from the same period in 2007 primarily as a result of higher depreciation, interest and income tax expenses, offset partially by the realization of foreign exchange gains of $1.4 million.

Q1 2008 VERSUS Q4 2007

The Company's net income for the first quarter of 2008 was $14.3 million or $0.38 per share (basic), an increase of $10.6 million or $0.28 per share (basic) from the fourth quarter of 2007. Net income during the first quarter of 2008 increased from the three months ended December 31, 2007 primarily as a result of an increase in gross margin and the realization of foreign exchange gains instead of losses, offset slightly by higher depreciation and interest expenses.

CASH FLOW

Q1 2008 VERSUS Q1 2007

Cash flow from operations before changes in non-cash working capital for the three months ended March 31, 2008 was $28.8 million or $0.77 per share (basic) compared to $28.8 million or $0.79 per share (basic) in the same period of 2007.

Q1 2008 VERSUS Q4 2007

Cash flow from operations before changes in non-cash working capital for the three months ended March 31, 2008 was $28.8 million or $0.77 per share (basic) compared to $19.6 million or $0.53 per share (basic) in the fourth quarter of 2007. The increase in cash flow resulted from higher gross margins, lower SG&A expenses and the realization of foreign exchange gains instead of losses, offset partially by higher interest and current income tax expenses.

SUMMARY OF QUARTERLY RESULTS

THREE MONTHS ENDED	JUNE 30, 2006	SEPT. 30, 2006	DEC. 31, 2006	MAR. 31, 2007	JUNE 30, 2007	SEPT. 30, 2007	DEC. 31, 2007	**MAR. 31, 2008**
(000s, except per share and unit data)	($)	($)	($)	($)	($)	($)	($)	**($)**
(unaudited)								
FINANCIAL								
Revenue	66,973	115,112	118,322	128,507	87,778	129,585	114,450	**142,470**
Gross margin [1]	14,446	36,500	34,488	38,222	22,095	42,851	28,612	**37,740**
Net income (loss)	1,569	19,418	16,907	18,777	(303)	16,441	3,653	**14,269**
Per share – basic	0.04	0.54	0.47	0.52	(0.01)	0.45	0.10	**0.38**
– diluted	0.04	0.53	0.46	0.52	(0.01)	0.45	0.10	**0.38**
Cash flow from operations [2]	7,208	27,560	25,507	28,827	10,835	28,398	19,582	**28,790**
Per share – basic	0.20	0.76	0.70	0.79	0.30	0.78	0.53	**0.77**
– diluted	0.20	0.76	0.70	0.79	0.30	0.78	0.53	**0.77**
EBITDA [3]	8,761	29,614	28,421	30,324	14,569	34,107	18,790	**31,047**
Per share – basic	0.24	0.82	0.78	0.84	0.40	0.94	0.51	**0.83**
– diluted	0.24	0.81	0.78	0.83	0.40	0.93	0.51	**0.83**
Capital expenditures	36,501	23,931	44,415	48,521	19,972	11,345	12,101	**14,820**
Working capital	28,741	31,158	31,225	105,549	86,971	99,696	92,156	**111,989**
Shareholders' equity	267,559	287,616	303,510	326,184	321,218	336,858	350,915	**377,056**
OPERATING	**(#)**	**(#)**	**(#)**	**(#)**	**(#)**	**(#)**	**(#)**	**(#)**
Fracturing spreads								
Conventional	19	19	21	23	23	24	24	**24**
Coalbed methane	4	4	4	4	4	4	4	**4**
Total	23	23	25	27	27	28	28	**28**
Coiled tubing units	14	14	14	14	15	17	18	**18**
Cementing units	11	11	13	15	15	16	16	**17**

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LIQUIDITY AND CAPITAL RESOURCES

THREE MONTHS ENDED MARCH 31,	**2008**	2007
(000s)	**($)**	($)
Cash provided by (used in):		
Operating activities	**11,580**	20,248
Financing activities	**5,256**	92,283
Investing activities	**(21,019)**	(48,260)
Effect of exchange rate changes on cash and cash equivalents	**1,701**	(1,192)
(Decrease) increase in cash and cash equivalents	**(2,482)**	63,079

OPERATING ACTIVITIES

The Company's cash flow from operations, excluding changes in non-cash working capital, was $28.8 million during the first quarter of 2008, consistent with the same period in 2007, primarily due to higher revenues being offset by higher operating, SG&A and interest expenses. Net cash provided by operating activities was also impacted by net change in non-cash working capital. As at March 31, 2008, Calfrac had working capital of $112.0 million compared to working capital of $105.5 million at the end of the same quarter in 2007. The increase in working capital was primarily due to higher accounts receivable as a result of higher activity levels during the first quarter of 2008.

FINANCING ACTIVITIES

Net cash provided by financing activities in the first three months of 2008 decreased by $87.0 million from the same quarter in 2007. In February 2007, Calfrac completed a private placement of senior unsecured notes for an aggregate principal of US$135.0 million. These notes are due on February 15, 2015 and bear interest at 7.75 percent per annum. A portion of these proceeds was used to repay the existing bank facilities.

The Company has additional available credit facilities of $90.0 million with a syndicate of Canadian chartered banks. The operating line of credit is $25.0 million with advances bearing interest at either the bank's prime rate, U.S. base rate, LIBOR plus 1 percent or bankers' acceptances plus 1 percent. The revolving term loan is $65.0 million and bears interest at either the bank's prime rate plus 0.25 percent, U.S. base rate plus 0.25 percent, LIBOR plus 1.25 percent or bankers' acceptances plus 1.25 percent. At this date, the Company has unused credit facilities in the amount of $90.0 million.

At March 31, 2008, the Company had cash and cash equivalents of $36.6 million. A portion of these funds was invested in short-term investments, none of which were exposed to the liquidity issues surrounding asset-backed securities.

INVESTING ACTIVITIES

Calfrac's net cash used for investing activities during the first quarter of 2008 decreased to $21.0 million from $48.3 million in the corresponding period in 2007. For the three months ended March 31, 2008, capital expenditures totalled $14.8 million, down from $48.5 million in the same period of the prior year. The current quarter's capital expenditures were primarily related to increasing the pumping capacity of the Company's fracturing equipment fleet throughout North America.

On January 11, 2008, the Company acquired the remaining 70 percent of the common shares of ChemErgy Ltd. that it did not previously own for aggregate consideration of approximately $6.6 million. The purchase price was satisfied through the payment to the vendors of approximately $4.8 million in cash, the transfer of real property at a value of approximately $0.5 million and the issuance of 71,581 common shares of the Company with a value of approximately $1.3 million.

On January 4, 2008, the Company acquired all the shares of 1368303 Alberta Ltd. for cash and share consideration totalling approximately $2.7 million. The Company issued 78,579 common shares with a value of approximately $1.4 million in conjunction with the acquisition, in addition to approximately $1.4 million of cash. One-hundred percent of the consideration paid was assigned to capital assets, as the acquired company had no other assets or liabilities.

With its strong working capital position, available credit facilities and anticipated cash flow from operations, the Company expects to have adequate resources to fund its financial obligations and budgeted expenditures for 2008 and beyond.

INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting that occurred during the most recent interim period ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ACCOUNTING POLICIES AND ESTIMATES

CHANGES IN ACCOUNTING POLICIES

The Company adopted the following sections from the Canadian Institute of Chartered Accountants' (CICA) Handbook on January 1, 2008:

INVENTORIES

Section 3031 *Inventories* replaces the previous standard on inventories and provides more extensive guidance on measurement and expands disclosure requirements. The new standard requires inventory to be valued on a first-in, first-out or weighted average basis, and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. The adoption of this standard has not had a material impact on the Company's consolidated financial statements.

FINANCIAL INSTRUMENTS

Section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation* together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements for financial instruments, but do not change the existing presentation requirements.

CAPITAL DISCLOSURES

Section 1535 *Capital Disclosures* requires the Company to disclose its objectives, policies and processes for managing its capital structure (see note 10 to the interim consolidated financial statements).

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

This MD&A is based on the Company's annual consolidated financial statements that have been prepared in accordance with Canadian GAAP. Management is required to make assumptions, judgments and estimates in the application of GAAP. Calfrac's significant accounting policies are described in note 2 to the annual consolidated financial statements and note 3 to the interim consolidated financial statements. The preparation of the consolidated financial statements requires that certain estimates and judgments be made concerning the reported amount of revenues and expenses and the carrying values of assets and liabilities. These estimates are based on historical experience and management's judgment. Anticipating future events involves uncertainty and, consequently, the estimates used by management in the preparation of the consolidated financial statements may change as future events unfold, additional experience is acquired or the environment in which the Company operates changes. The following accounting policies and practices involve the use of estimates that have a significant impact on the Company's financial results.

DEPRECIATION

Depreciation of the Company's property and equipment incorporates estimates of useful lives and residual values. These estimates may change as more experience is obtained or as general market conditions change, thereby impacting the operation of the Company's property and equipment.

STOCK-BASED COMPENSATION

As described in note 9 to the annual consolidated financial statements, the fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model, which includes underlying assumptions related to the risk-free interest rate, average expected option life, estimated volatility of the Company's shares and anticipated dividends.

BUSINESS RISKS

The business of Calfrac is subject to certain risks and uncertainties. Prior to making any investment decision regarding Calfrac, investors should carefully consider, among other things, the risk factors set forth in the Company's most recently filed Annual Information Form, which risk factors are incorporated by reference herein.

The Annual Information Form is available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com. Copies of the Annual Information Form may also be obtained on request without charge from Calfrac at 411 – 8th Avenue S.W., Calgary, Alberta T2P 1E3, or at www.calfrac.com, or by facsimile at (403) 266-7381.

OUTLOOK

Calfrac believes that the short and long-term fundamentals for North American natural gas prices have strengthened since the end of the previous year as storage levels have retreated to the five-year historical average.

The Petroleum Services Association of Canada (PSAC) has revised its 2008 drilling forecast upward from 14,500 to 16,500 wells, representing a decrease of 11 percent from the 18,557 wells drilled in 2007, a smaller decline than initially forecast. Many industry analysts, however, believe that the 2008 well count will be higher than the PSAC forecast. The Company anticipates that the recovery in natural gas prices will result in higher activity levels in western Canada than previously forecast and expects that a majority of the increase in drilling activity will be focused on the deeper, more technically challenging reservoirs of northern Alberta, northeast British Columbia and southern Saskatchewan as customers continue to develop these unconventional resource plays. Activity in the shallow gas regions of southern Alberta is also expected to be strong, mitigating the low levels of activity anticipated in the CBM fracturing market.

In its United States markets, the Company anticipates that overall activity levels will be robust in western Colorado and Arkansas during 2008. Pricing pressures experienced in these markets resulting from competitive factors are expected to level off and be mitigated by higher utilization levels in the second half of the year. As is the case in Canada, drilling activity in these regions of the United States is focused on the development of tight gas and shale reservoirs, which typically require more fractures per well and significant hydraulic horsepower in order to pump at higher rates. Consequently, the United States operations are expected to be a significant driver of the Company's financial performance for 2008.

The Company's operations in Western Siberia this year are supported by two recently signed annual contracts with one of Russia's largest oil and natural gas companies. As a result, Calfrac anticipates an improvement in overall equipment utilization in its Russian operations throughout the remainder of the year, as well as in the operating and financial performance of this geographic segment, as the Company faces fewer weather-related costs and delays.

Calfrac plans to continue to grow its Mexican operations with the deployment of a second fracturing spread in late April 2008. A large portion of this equipment was acquired in conjunction with the recent acquisition of a Canadian competitor and is expected to lead to improved operating and financial performance in this market.

In Argentina, Calfrac completed its first cementing job in April 2008 and activity levels are anticipated to increase over the course of the second quarter. These operations are anchored by a negotiated arrangement with a local oil and natural gas company and Calfrac believes that this entry into Argentina will provide a long-term foundation for future expansion as the pressure pumping market in this country develops.

ADVISORIES

FORWARD-LOOKING STATEMENTS

In order to provide Calfrac shareholders and potential investors with information regarding the Company and its subsidiaries, including management's assessment of Calfrac's plans and future operations, certain statements contained in this Interim Report, including statements that contain words such as "anticipates", "can", "may", "expect", "believe", "intend", "forecast", "will", or similar words suggesting future outcomes, are forward-looking statements. These statements include, but are not limited to, future capital expenditures, future financial resources, future oil and gas well activity, outcome of specific events, trends in the oil and natural gas industry and the Company's growth prospects, including, without limitation, its international growth strategy and prospects. These statements are derived from certain assumptions and analyses made by the Company based on its experience and interpretation of historical trends, current conditions, expected future developments and other factors that it believes are appropriate in the circumstances. These statements are subject to a number of known and unknown risks and uncertainties that could cause actual results to differ materially from the Company's expectations, such as prevailing economic conditions; commodity prices; sourcing, pricing and availability of raw materials, component parts, equipment, suppliers, facilities and skilled personnel; dependence on major customers; uncertainties in weather and temperature affecting the duration of the service periods and the activities that can be completed; regional competition; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of risks and uncertainties is not exhaustive. Further information about these risks and uncertainties may be found under the heading "Business Risks" on page 11.

Consequently, all of the forward-looking statements made in this Interim Report are qualified by these cautionary statements and there can be no assurance that actual results or developments anticipated by the Company will be realized, or that they will have the expected consequences or effects on the Company or its business or operations. The Company assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise, except as required pursuant to applicable securities laws.

NON-GAAP MEASURES

Certain measures in this Interim Report do not have any standardized meaning as prescribed under Canadian GAAP, such as gross margin, cash flow from operations, cash flow, cash flow per share (basic), cash flow per share (diluted), EBITDA, EBITDA per share (basic) and EBITDA per share (diluted) and, therefore, are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other entities. These measures have been described and presented in this Interim Report in order to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Management's use of these measures has been disclosed further in this Interim Report as these measures are discussed and presented.

ADDITIONAL INFORMATION

Further information regarding Calfrac Well Services Ltd. can be accessed on the Company's website at www.calfrac.com or under the Company's public filings found at www.sedar.com.

D.R. Ramsay

DOUGLAS R. RAMSAY
President & Chief Executive Officer

TOM J. MEDVEDIC
Senior Vice President, Finance &
Chief Financial Officer

May 5, 2008
Calgary, Alberta

CONSOLIDATED BALANCE SHEETS

AS AT	MARCH 31, 2008	DECEMBER 31, 2007
(000s) (unaudited)	($)	($)
ASSETS		
Current assets		
Cash and cash equivalents	**36,622**	39,104
Accounts receivable	**110,374**	86,980
Income taxes recoverable	**1,628**	786
Inventory	**25,566**	25,013
Prepaid expenses and deposits	**5,373**	5,611
	179,563	157,494
Capital assets	**399,440**	388,987
Long-term investment	**–**	928
Goodwill (note 9)	**10,523**	6,003
Future income taxes	**2,832**	5,498
	592,358	558,910
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**67,574**	65,338
Long-term debt (note 4)	**134,290**	129,535
Other long-term liabilities	**2,065**	1,882
Future income taxes	**10,449**	7,135
Deferred credit	**877**	4,105
Non-controlling interest	**47**	–
	215,302	207,995
Shareholders' equity		
Capital stock (note 5)	**164,680**	155,254
Shares held in trust (note 6)	**(115)**	(2,199)
Contributed surplus (note 7)	**4,823**	6,025
Retained earnings	**212,308**	198,039
Accumulated other comprehensive income	**(4,640)**	(6,204)
	377,056	350,915
	592,358	558,910

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

THREE MONTHS ENDED MARCH 31,	2008	2007
(000s, except per share data) (unaudited)	($)	($)
Revenue	**142,470**	128,507
Expenses		
Operating	**104,730**	90,285
Selling, general and administrative	**8,263**	7,637
Depreciation	**11,810**	7,900
Interest, net	**2,694**	1,906
Equity share of income from long-term investments	**(122)**	–
Foreign exchange gains	**(1,426)**	(12)
Loss (gain) on disposal of capital assets	**(22)**	273
	125,927	107,989
Income before income taxes and non-controlling interest	**16,543**	20,518
Income taxes		
Current	**(102)**	649
Future	**2,431**	1,092
	2,329	1,741
Income before non-controlling interest	**14,214**	18,777
Non-controlling interest	**(55)**	–
Net income for the period	**14,269**	18,777
Retained earnings, beginning of period	**198,039**	163,145
Retained earnings, end of period	**212,308**	181,922
Earnings per share		
Basic	**0.38**	0.52
Diluted	**0.38**	0.52

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND ACCUMULATED OTHER COMPREHENSIVE INCOME

THREE MONTHS ENDED MARCH 31,	2008	2007
(000s) (unaudited)	($)	($)
Net income for the period	**14,269**	18,777
Other comprehensive income (loss)		
Change in foreign currency translation adjustment	**1,564**	(699)
Comprehensive income	**15,833**	18,078
Accumulated other comprehensive income, beginning of period	**(6,204)**	–
Other comprehensive income (loss) for the period	**1,564**	(699)
Accumulated other comprehensive income, end of period	**(4,640)**	(699)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31,	2008	2007
(000s) (unaudited)	($)	($)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net income for the period	**14,269**	18,777
Items not involving cash		
Depreciation	**11,810**	7,900
Amortization of debt issue costs	**152**	94
Stock-based compensation	**327**	691
Equity share of income from long-term investments	**(122)**	–
Loss (gain) on disposal of capital assets	**(22)**	273
Future income taxes	**2,431**	1,092
Non-controlling interest	**(55)**	–
Funds provided by operations	**28,790**	28,827
Net change in non-cash operating assets and liabilities	**(17,210)**	(8,579)
	11,580	20,248
FINANCING ACTIVITIES		
Issuance of long-term debt	**–**	199,790
Long-term debt repayments	**–**	(107,545)
Net proceeds on issuance of common shares	**5,256**	38
	5,256	92,283
INVESTING ACTIVITIES		
Purchase of capital assets	**(14,820)**	(48,521)
Proceeds on disposal of capital assets	**105**	366
Acquisitions, net of cash acquired (note 9)	**(6,117)**	–
Long-term investments and other	**243**	–
Net change in non-cash working capital from purchase of capital assets	**(430)**	(105)
	(21,019)	(48,260)
Effect of exchange rate changes on cash and cash equivalents	**1,701**	(1,192)
Increase (decrease) in cash position	**(2,482)**	63,079
Cash and cash equivalents, beginning of period	**39,104**	5,580
Cash and cash equivalents, end of period	**36,622**	68,659

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2008
(000s, except share data) (unaudited)

1. BASIS OF PRESENTATION

The interim financial statements of Calfrac Well Services Ltd. (the "Company") do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements. The interim financial statements should be read in conjunction with the most recent annual financial statements.

2. SEASONALITY OF OPERATIONS

The Company's business is seasonal in nature. The lowest activity levels are typically experienced during the second quarter of the year when road weight restrictions are in place and access to wellsites in Canada is reduced.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements follow the same accounting policies and methods of application as the most recent annual financial statements, except for the adoption on January 1, 2008 of the following Canadian Institute of chartered Accountants (CICA) Handbook sections:

(A) INVENTORIES

Section 3031 Inventories replaces the previous standard on inventories and provides more extensive guidance on measurement and expands disclosure requirements. The new standard requires inventory to be valued on a first-in, first-out or weighted average basis, and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. The adoption of this standard has not had a material impart on the Company's consolidated financial statements.

(B) FINANCIAL INSTRUMENTS

Section 3862 Financial Instruments – Disclosures and Section 3863 Financial Instruments –Presentation together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements for financial instruments, but do not change the existing presentation requirements.

(C) CAPITAL DISCLOSURES

Section 1535 Capital Disclosures requires the Company to disclose its objectives, policies and processes for managing its capital structure (see note 10).

4. LONG-TERM DEBT

The fair value of long-term debt at March 31, 2008 was $129,570 (December 31, 2007 – $128,138) before deduction of unamortized debt issue costs of $4,287 (December 31, 2007 – $4,290).

5. CAPITAL STOCK

Authorized capital stock consists of an unlimited number of common shares.

CONTINUITY OF COMMON SHARES (YEAR-TO-DATE)	SHARES	AMOUNT
	(#)	($000s)
Balance, January 1, 2008	37,201,872	155,254
Issued upon exercise of stock options	**334,274**	**6,786**
Issued on acquisitions (note 9)	**150,160**	**2,640**
Balance, March 31, 2008	**37,686,306**	**164,680**

The weighted average number of common shares outstanding for the three months ended March 31, 2008 was 37,387,770 basic and 37,463,950 diluted (2007 – 36,296,933 basic and 36,390,271 diluted). The difference between basic and diluted shares is attributable to the dilutive effect of stock options issued by the Company and the shares held in trust (see note 6).

6. SHARES HELD IN TRUST

The Company has established a Trust to purchase and hold Company stock on behalf of certain employees who have elected to receive a portion of their annual bonus entitlement in the form of Company shares. At March 31, 2008, the Trust held 4,769 shares which were purchased on the open market at a cost of $115 (March 31, 2007 – nil). Trust shares vest with employees in March of the year following their purchase at which time they are distributed to those individuals participating in the plan. Shares held within the Trust are not considered outstanding for purposes of calculating basic earnings per share, but are included in the calculation of diluted earnings per share.

7. CONTRIBUTED SURPLUS

CONTINUITY OF CONTRIBUTED SURPLUS (YEAR-TO-DATE)	AMOUNT
(000s)	($)
Balance, January 1, 2008	6,025
Stock options expensed	**327**
Stock options exercised	**(1,529)**
Balance, March 31, 2008	**4,823**

8. STOCK OPTIONS

CONTINUITY OF STOCK OPTIONS (YEAR-TO-DATE)	OPTIONS	AVERAGE EXERCISE PRICE
	(#)	($)
Balance, January 1, 2008	1,224,223	22.90
Granted during the period	**621,500**	**16.56**
Exercised for common shares	**(334,274)**	**15.73**
Forfeited	**(18,834)**	**24.65**
Balance, March 31, 2008	**1,492,615**	**21.85**

Stock options vest equally over three or four years and expire three and one-half or five years from the date of grant. When stock options are exercised, the proceeds, together with the amount of compensation expense previously recorded in contributed surplus, are added to capital stock.

9. ACQUISITIONS

(A) 1368303 ALBERTA LTD.

On January 4, 2008, the Company acquired all the shares of 1368303 Alberta Ltd. for cash and share consideration totalling $2,720. The Company issued 78,579 common shares with a value of $1,357 in conjunction with the acquisition, in addition to $1,363 of cash. One-hundred percent of the consideration paid was assigned to capital assets, as the acquired company had no other assets or liabilities.

(B) CHEMERGY LTD.

On January 11, 2008, the Company acquired the remaining 70 percent of the common shares of ChemErgy Ltd. ("ChemErgy") that it did not previously own for aggregate consideration of $6,638. The purchase price was satisfied through the payment to the vendors of $4,843 in cash, the transfer of real property at a value of $512, and the issuance of 71,581 common shares of the Company with a value of $1,283. ChemErgy's operations were subsequently wound up into the Company's and ChemErgy was dissolved on January 31, 2008. Net assets acquired were as follows:

	AMOUNT
(000s)	($)
Goodwill	4,520
Working capital	1,747
Capital assets	371
Total consideration	**6,638**

10. CAPITAL STRUCTURE

The Company's capital structure is comprised of shareholders' equity and long-term debt. The Company's objectives in managing capital are (i) to maintain flexibility so as to preserve the Company's access to capital markets and its ability to meet its financial obligations, and (ii) to finance growth, including potential acquisitions.

The Company manages its capital structure and makes adjustments in light of changing market conditions and new opportunities, while remaining cognizant of the cyclical nature of the oilfield services sector. To maintain or adjust its capital structure, the Company may revise its capital spending, adjust dividends paid to shareholders, issue new shares or new debt or repay existing debt.

The Company monitors its capital structure and financing requirements using the ratio of long-term debt to cash flow. Cash flow for this purpose is defined as "funds provided by operations" as reflected in the consolidated statement of cash flows. The ratio of long-term debt to cash flow is a measure which does not have any standardized meaning prescribed under GAAP, and may not be comparable to similar measures used by other companies.

At March 31, 2008, the long-term debt to cash flow ratio was 1.53:1 (December 31, 2007 – 1.48:1) calculated on a 12-month trailing basis as follows:

AS AT	**MARCH 31, 2008**	DECEMBER 31, 2007
(000s)	**($)**	($)
Long-term debt	**134,290**	129,535
Cash flow	**87,605**	87,642
Long-term debt to cash flow ratio	**1.53**	1.48

The Company is subject to certain financial covenants in respect of its operating and revolving credit facilities. Although these facilities are undrawn at March 31, 2008, the Company is in compliance with all such covenants.

The Company's capital management objectives, evaluation measures and targets have remained unchanged over the periods presented.

11. CONTINGENCIES

GREEK OPERATIONS

As a result of the acquisition and amalgamation with Denison Energy Inc. ("Denison") in 2004, the Company assumed certain legal obligations relating to Denison's Greek operations.

In 1998, a consortium in which a Greek subsidiary of Denison participated, terminated employees in Greece as a result of the cessation of its oil and gas operations in that country. Several groups of former employees have filed claims alleging that their termination was invalid and that their severance pay was improperly determined.

In 1999, the largest group of plaintiffs received a ruling from the Athens Court of First Instance that their termination was invalid and that compensation amounting to approximately $12,400 was due to the former employees. This decision was appealed to the Athens Court of Appeal, which allowed the appeal in 2001 and annulled the above-mentioned decision of the Athens Court of First Instance. The said group of former employees filed an appeal with the Supreme Court of Greece, which was heard on May 29, 2007. The Supreme Court of Greece allowed the appeal and sent the matter back to the Athens Court of Appeal for the consideration of damages. On February 12, 2008 the scheduled hearing date for the appeal was postponed until June 3, 2008 to enable counsel to the Company to seek a judicial order entitling the Company to obtain certain employment information in respect of the plaintiffs which is required in order to assess the extent to which the plaintiffs have mitigated any damages which may otherwise be payable. The Company intends to vigorously defend the appeal decision before the Athens Court of Appeal both in relation to the merits of the plaintiff's case and in respect of the quantum of any damages which may be awarded. In the event that an adverse ruling is issued by the Athens Court of Appeal, the Company intends to assess its rights of appeal to the Supreme Court of Greece as well as any other court in any jurisdiction where such an appeal is warranted.

Several other smaller groups of former employees have filed similar cases in various courts in Greece. One of these cases was heard by the Athens Court of First Instance on January 18, 2007. By judgment rendered November 23, 2007, the plaintiff's allegations were partially accepted, and the plaintiff was awarded damages of approximately $50, before interest. The Company has appealed this decision, but no date has been set for the hearing of such an appeal. Another one of the lawsuits was heard by the Supreme Court of Greece on November 6, 2007, at which date the appeal of the plaintiffs was denied for technical reasons due to improper service. The remaining action has been postponed indefinitely pending the outcome of the lawsuit involving the largest group of plaintiffs discussed above.

The direction and financial consequence of the potential decision in these actions cannot be determined at this time.

12. SEGMENTED INFORMATION

The Company's activities are conducted in three geographic segments: Canada, Russia and the United States/Latin America. All activities are related to fracturing, coiled tubing, cementing and well stimulation services for the oil and gas industry.

	CANADA	RUSSIA	UNITED STATES/ LATIN AMERICA	CORPORATE	INTER-SEGMENT ELIMINATIONS	CONSOLIDATED
(000s)	($)	($)	($)	($)	($)	($)
THREE MONTHS ENDED MARCH 31, 2008						
Revenue	**83,085**	**14,877**	**44,508**	**–**	**–**	**142,470**
Operating income [1]	**20,603**	**1,710**	**10,757**	**(3,593)**	**–**	**29,477**
Segmented assets	**416,320**	**103,751**	**217,147**	**–**	**(144,860)**	**592,358**
Capital expenditures	**3,033**	**543**	**11,244**	**–**	**–**	**14,820**
Goodwill	**7,236**	**979**	**2,308**	**–**	**–**	**10,523**
THREE MONTHS ENDED MARCH 31, 2007						
Revenue	86,587	12,055	29,865	–	–	128,507
Operating income [1]	25,176	1,603	6,710	(2,904)	–	30,585
Segmented assets	411,813	90,028	189,299	–	(133,585)	557,555
Capital expenditures	13,914	14,014	20,593	–	–	48,521
Goodwill	6,003	–	–	–	–	6,003

1. Operating income (loss) is defined as revenue less operating expenses (excluding depreciation) and selling, general and administrative expenses.

The following table sets forth consolidated revenue by service line:

THREE MONTHS ENDED MARCH 31,	**2008**	2007
(000s)	**($)**	($)
Fracturing	**119,755**	112,289
Coiled tubing	**14,208**	9,411
Cementing	**8,507**	6,807
	142,470	128,507

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ronald P. Mathison - Chairman (1)(2)
President & Chief Executive Officer
Matco Investments Ltd.

James S. Blair (3)(4)
President & Chief Executive Officer
Glenogle Energy Inc.

Gregory S. Fletcher (1)(2)
President
Sierra Energy Inc.

Martin Lambert (3)(4)
Managing Director
Matco Capital Ltd.

R.T. (Tim) Swinton (1)(2)
Independent Businessman

Douglas R. Ramsay (4)
President & Chief Executive Officer
Calfrac Well Services Ltd.

OFFICERS

Douglas R. Ramsay
President & Chief Executive Officer

Gordon A. Dibb
Chief Operating Officer

Donald R. Battenfelder
President, Canadian Operating Division

John L. Grisdale
President, United States
Operating Division

Robert L. Sutherland
President, Russian Operating Division

Tom J. Medvedic
Senior Vice President, Finance &
Chief Financial Officer

Dwight M. Bobier
Senior Vice President, Technical Services

Stephen T. Dadge
Senior Vice President,
Corporate Services

L. Lee Burleson
Vice President, Sales & Marketing,
United States Operating Division

B. Mark Paslawski
Vice President, General Counsel
and Corporate Secretary

F. Bruce Payne
Vice President, Operations,
United States Operating Division

Michael D. Olinek
Corporate Controller

Matthew L. Mignault
Controller

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Corporate Governance and Nominating Committee
(4) Member of the Health, Safety and Environment Committee

HEAD OFFICE

411 Eighth Avenue S.W.
Calgary, Alberta T2P 1E3
Phone: (403) 266-6000
Toll Free: 1-866-770-3722
Fax: (403) 266-7381
Email: info@calfrac.com
Website: www.calfrac.com

AUDITORS

PRICEWATERHOUSECOOPERS LLP
Calgary, Alberta

BANKER

HSBC BANK CANADA
TORONTO-DOMINION BANK
Calgary, Alberta

LEGAL COUNSEL

BENNETT JONES LLP
Calgary, Alberta

STOCK EXCHANGE LISTING

Trading Symbol: CFW

OPERATING BASES

ALBERTA, CANADA
Calgary – Head Office
Edson
Grande Prairie
Medicine Hat
Red Deer
Strathmore

COLORADO, UNITED STATES
Denver – Regional Office
Grand Junction
Platteville

ARKANSAS, UNITED STATES
Beebe

MEXICO
Mexico City – Regional Office
Reynosa

RUSSIA
Moscow – Regional Office
Khanty-Mansiysk
Noyabrsk

ARGENTINA
Buenos Aires – Regional Office
Catriel

REGISTRAR AND TRANSFER AGENT

For information concerning lost share certificates and estate transfers or for a change in share registration or address, please contact the transfer agent and registrar at 1-800-564-6253 or (403) 267-6800, or by email at service@computershare.com, or write to:
COMPUTERSHARE TRUST COMPANY OF CANADA Suite 600, 530 Eighth Avenue S.W.
Calgary, Alberta T2P 3S8

ANNUAL MEETING

The Annual Meeting of Shareholders of Calfrac Well Services Ltd. will be held on May 12, 2008 at 3:30 p.m. (Calgary time) in the McMurray Room of the Calgary Petroleum Club, Calgary, Alberta.
All shareholders are cordially invited and encouraged to attend. Shareholders who are unable to attend the Meeting are requested to complete and return the Instrument of Proxy to Computershare Trust Company of Canada at their earliest convenience.

CALFRAC WELL SERVICES

411 Eighth Avenue S.W.
Calgary, Alberta T2P 1E3

Email: info@calfrac.com
www.calfrac.com