Q2 SECOND QUARTER INTERIM REPORT
For the Three and Six Months Ended June 30, 2012

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	Change	**2012**	2011	Change
(C$000s, except per share and unit data) (unaudited)	**($)**	($)	(%)	**($)**	($)	(%)
Financial						
Revenue	**335,780**	269,456	25	**809,887**	606,864	33
Operating income [(1)]	**29,810**	47,937	(38)	**143,191**	135,937	5
EBITDA [(1)]	**18,736**	50,597	(63)	**146,731**	147,494	(1)
Per share – basic	**0.42**	1.16	(64)	**3.33**	3.38	(1)
Per share – diluted	**0.42**	1.14	(63)	**3.29**	3.32	(1)
Net income (loss) attributable to the shareholders of Calfrac before foreign exchange losses (gains) [(2)]	**(4,294)**	10,459	(141)	**54,971**	51,691	6
Per share – basic	**(0.10)**	0.24	(142)	**1.25**	1.19	5
Per share – diluted	**(0.10)**	0.24	(142)	**1.23**	1.16	6
Net income (loss) attributable to the shareholders of Calfrac	**(11,855)**	12,071	(198)	**58,986**	61,149	(4)
Per share – basic	**(0.27)**	0.28	(196)	**1.34**	1.40	(4)
Per share – diluted	**(0.27)**	0.27	(200)	**1.32**	1.38	(4)
Working capital (end of period)	**357,128**	324,832	10	**357,128**	324,832	10
Shareholders' equity (end of period)	**747,591**	568,607	31	**747,591**	568,607	31
Weighted average common shares outstanding (#)						
Basic	**44,270**	43,650	1	**44,040**	43,590	1
Diluted	**44,684**	44,289	1	**44,610**	44,441	–
Operating (end of period)						
Pumping horsepower (000s)				**830**	584	42
Coiled tubing units (#)				**29**	29	–
Cementing units (#)				**23**	22	5

(1) Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.

(2) Net income (loss) attributable to the shareholders of Calfrac before foreign exchange gains or losses is defined as net income (loss) attributable to the shareholders of Calfrac before foreign exchange gains or losses on an after-tax basis. Management believes that net income attributable to the shareholders of Calfrac before foreign exchange gains or losses is a useful supplemental measure as it provides an indication of the financial results generated by Calfrac without the impact of foreign exchange fluctuations, which are not fully controllable by the Company. Net income attributable to the shareholders of Calfrac before foreign exchange gains or losses is a measure that does not have any standardized meaning prescribed under IFRS and, accordingly, may not be comparable to similar measures used by other companies.

CEO's MESSAGE

I am pleased to present Calfrac's operating and financial highlights for the three and six months ended June 30, 2012 and to discuss the Company's prospects for the remainder of 2012 and beyond. During the second quarter, the Company:

- achieved record second quarter revenue, resulting from high levels of pressure pumping activity in the unconventional oil and natural gas plays in western Canada and the United States; and
- continued to remain active in the early-stage development of many emerging unconventional resource plays in North America.

FINANCIAL HIGHLIGHTS

For the three months ended June 30, 2012, the Company recorded:

- revenue of $335.8 million versus $269.5 million in the comparable quarter of 2011, led by year-over-year growth in Canada, the United States and Latin America;
- operating income of $29.8 million compared to $47.9 million in the second quarter of 2011, the reduction resulting primarily from higher product costs, most notably the cost of guar, and the impact of competitive pricing pressures in the United States combined with an extended spring break-up in Canada;
- EBITDA of $18.7 million or $0.42 per share diluted versus $50.6 million or $1.14 per share diluted in the comparable quarter of 2011; and
- a net loss attributable to the shareholders of Calfrac of $11.9 million or $0.27 per share diluted compared to net income of $12.1 million or $0.27 per share diluted in the second quarter of 2011. After adjusting for foreign exchange gains and losses, the net loss in the second quarter of 2012 would have been $4.3 million or $0.10 per share diluted, which includes an income tax provision of $1.7 million, compared to net income $10.5 million or $0.24 per share diluted in the second quarter of 2011.

For the six months ended June 30, 2012, the Company generated:

- record year-to-date revenue of $809.9 million versus $606.9 million in the comparable period of 2011, led by higher year-over-year activity in Canada, the United States and Latin America;
- operating income of $143.2 million compared to $135.9 million in the first six months of 2011, an increase of 5 percent, mainly as a result of high levels of fracturing activity in the unconventional resource plays of western Canada and the United States;
- EBITDA of $146.7 million or $3.29 per share diluted versus $147.5 million or $3.32 per share diluted in the comparable period of 2011; and
- net income attributable to the shareholders of Calfrac of $59.0 million or $1.32 per share diluted, which included a $4.1 million foreign exchange gain of which the majority is unrealized, compared to $61.1 million or $1.38 per share diluted in the comparable period of 2011, which included a $10.5 million foreign exchange gain. After adjusting for these foreign exchange gains, net income in the first six months of 2012 and 2011 would have been $55.0 million or $1.23 per share diluted and $51.7 million or $1.16 per share diluted, respectively.

OPERATIONAL HIGHLIGHTS

Canada

During the second quarter of 2012, fracturing and coiled tubing activity in western Canada experienced reasonably high equipment utilization throughout spring break-up, which was bolstered by several projects in the Montney and Horn River Basin. However, inclement weather during June adversely affected activity and financial performance as it prevented crews from completing substantial scheduled work. The majority of this work is being completed in the third quarter. In an effort to maximize equipment utilization in this period, the Company temporarily redeployed a fracturing fleet and deep coiled tubing unit from Canada into North Dakota in order to take advantage of strong demand in this region.

The Company also remained involved in many of the emerging liquids-rich natural gas and oil formations throughout western Canada during the second quarter, such as the Beaverhill Lake, Duvernay, Slave Point and Montney. Initial data from these plays are favourable and Calfrac expects that further development of such plays will drive further expansion of its Canadian division.

United States

Calfrac's United States operations continued to expand into oil-producing reservoirs during the second quarter of 2012. Calfrac's largest area of expansion in the United States has been the Bakken shale in North Dakota, where it deployed a fourth fracturing fleet during the first quarter. Industry activity remains strong and service intensity continues to increase, which remains the driver for growth in this area and provides greater commodity diversification for the Company's United States operations.

Calfrac's operations in the Marcellus shale play increased from the first quarter despite customers continuing to adjust their capital spending programs due to the ongoing weakness in natural gas prices. Through its strong contract position and presence in the liquids-producing region of the Marcellus, the Company was able to realize relatively high levels of equipment utilization during the second quarter.

The Company remains focused on proactively managing its commodity and logistical requirements for its expanding operations. The significant industry shift to unconventional oil basins has resulted in high demand and costs for certain grades of proppant, guar and other chemicals which continue to have a negative impact on operating margins. Calfrac was able to mitigate a more significant negative financial impact on second quarter results by purchasing its guar requirements earlier in the year, thereby reducing its exposure to the volatility in guar pricing experienced during the second quarter.

Russia

Second quarter activity for Calfrac's Russian operations met expectations and operating margins were consistent with the first quarter of 2012. The Russian energy sector remains concentrated on the development of crude oil reservoirs, and given the Company's successful 2012 tender process, consistent activity levels are anticipated for the Company's services throughout the remainder of the year. Calfrac continues to proactively manage its operating cost structure and remains focused on improving future financial performance.

Latin America

The Company's activities in Mexico remained high during the second quarter. The majority of Calfrac's activity has been in the Chicontepec field where new technologies are being deployed in an effort to improve productivity. If such efforts prove successful, there is a solid platform for significant growth in Mexico.

Cementing and coiled tubing activity in Argentina during the second quarter remained consistent with the previous quarter. The Company continues to expand its geographical and customer base as development of several emerging shale natural gas and tight oil plays begins to gain momentum. Calfrac continued to expand its cementing operations in Colombia during the second quarter and was recently successful in a tender for cementing services with one of the largest oil and gas producers in that country. It is expected that this emerging international market will grow significantly through the deployment of additional equipment to serve an expanding customer base.

OUTLOOK AND BUSINESS PROSPECTS

Despite recent volatility in crude oil prices and continued weakness in natural gas prices, Calfrac expects North American drilling and completion activity for the remainder of 2012 and beyond to continue to focus on the development of unconventional resource plays. While there has been a great deal of volatility in the price of crude oil, activity is still expected to be high in existing and emerging North American oil plays as many of these plays remain economic in the current commodity price environment. Technological advancements, particularly within tight oil producing reservoirs, are expected to further improve the economics of these plays, which should spur additional growth in the Company's oil-focused revenue base. However, the Company's revenues and operating margins in North America remain exposed to potential further weakness in commodity prices.

In Canada, well completion activity in unconventional light oil plays, such as the Cardium, Viking and Bakken as well as emerging plays such as the Beaverhill Lake, Alberta Bakken, Dunvegan and Slave Point, is expected to remain strong as these plays continue to provide attractive returns. The recent volatility in the price of crude oil combined with an increasing differential for Canadian crude oil production has and may continue to reduce the cash flows of the Company's customers. As a result, Calfrac continues to maintain a close dialogue with its customer base and will monitor and respond to announced capital budget plan amendments as warranted. The Company does expect some short-term pricing erosion, which will result in lower Canadian operating margins compared to the first quarter.

The Company also expects activity in the liquids-rich natural gas plays of northwest Alberta and northeast British Columbia to remain steady. This region is one of the most economic gas-producing areas in North America. In addition to the Deep Basin, where most of Calfrac's liquids-rich gas activity has historically been centred, emerging plays such as the Duvernay shale play could drive significant demand for Calfrac's services in 2012 and beyond. Recent well results in this play have been encouraging and Calfrac will work closely with its customers to refine its well completion programs to improve well productivity and producer economics as the Company further establishes its leadership position.

In the United States, Calfrac continues to expand its presence in the Bakken oil shale play. Calfrac currently operates four fracturing fleets and one coiled tubing unit, and expects to deploy a fifth fracturing fleet in the third quarter of 2012 and another deep coiled tubing unit in early 2013. High service intensity, through longer horizontal legs and a greater number of fracturing stages per wellbore, is anticipated to provide the basis for additional growth in this region. Due to the recent volatility in crude oil prices and the increasingly competitive business environment as competitors move equipment from dry gas to oil and liquids-rich plays, the Company does expect additional near term pricing pressure in this market. Calfrac believes that its strong contractual positioning will partially mitigate the impact of these competitive pressures.

The Rocky Mountain region of the United States which has predominantly been a natural gas-focused region continues to evolve with a much greater focus on liquids-producing targets. Recent exploration successes in the Niobrara oil shale play of northern Colorado and Wyoming also provide a basis for future growth to Calfrac. Calfrac continues to be involved in the developing liquids areas of western Colorado and Utah and its long-standing presence in this region leaves it well-positioned to take advantage of future opportunities.

Calfrac remains firmly committed to the Marcellus shale play, which has developed into what most analysts consider to be the most economic natural gas producing play in the United States. The Company is in the final stages of completing a new district facility in Smithfield, Pennsylvania to service this play. The facility will also provide the capacity to service a large portion of the emerging Utica shale play. Through its base in Smithfield, the Company's operations are also well-positioned to service the Marcellus' wet gas window which is becoming more prominent. This, combined with Calfrac's strong customer and contract position in the region, is expected to provide stability to the Company's operations in the short term as the industry continues to adapt to a lower natural gas price environment.

Calfrac continues to prudently streamline its United States cost structure in order to maximize financial performance. However, the Company expects that the guar price increases experienced throughout the second quarter could negatively impact third-quarter operating income. Cost escalation provisions within existing contracts should partially mitigate the impact of these cost increases.

Calfrac expects that equipment utilization in Russia will remain high as a result of its success during the 2012 tender process which culminated in the first quarter. The Company's primary focus remains on streamlining operating costs in an effort to improve the division's financial performance. Over the longer term, Calfrac expects that fracturing of Russian natural gas wells will become more prevalent given the country's status as one of the world's largest natural gas producers. In addition, the Company believes that the Russian market is poised to increase the application of horizontal drilling and multi-stage completion technologies, which has the potential to provide a significant growth platform over time as these technologies are successfully introduced to the marketplace. In the short term, Calfrac expects activity to remain consistent and financial performance to improve slightly over the remainder of 2012.

The Mexican oilfield service environment continues to improve and Calfrac anticipates that there will be additional opportunities to deploy horizontal technology to producing regions in Mexico as a result of the country's renewed focus on onshore development. In Argentina, the Company remains encouraged by the opportunity for development of a number of world-class unconventional resource plays which is expected to drive oilfield activity over the longer term. Horizontal drilling combined with multi-stage fracturing will be a key input for unlocking the potential of these reservoirs. There is currently very limited industry capacity to service these emerging plays. In response to these market opportunities, Calfrac expects to commence fracturing operations in Argentina during the latter part of 2012. The Company's recent entry into Colombia is consistent with its international expansion strategy of using cementing or coiled tubing operations, which require a smaller initial capital investment, to provide an opportunity to build a local market presence prior to the potential deployment of fracturing equipment. The Company has been very encouraged by recent developments in this region and expects that it will provide significant opportunities for future growth. Colombia represents an additional oil-focused international growth opportunity as the Company continues to carry out its long-term growth strategy of deploying leading completion technology to regions with strong growth opportunities.

The Company remains committed to its 2012 capital budget of $271.0 million, exclusive of carryforward capital, and expects that a majority of the equipment will be deployed in late 2012 or early 2013. This capital program will be funded by future cash flows and existing cash on hand. Calfrac's balance sheet is very strong and includes working capital of $357.1 million at the end of the second quarter as well as unused credit facilities of $247.4 million. This provides the Company with additional flexibility to pursue long-term growth opportunities as they arise.

On behalf of the Board of Directors,

(signed) "Douglas R. Ramsay"

Douglas R. Ramsay
Chief Executive Officer

August 9, 2012

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 August 9, 2012 and is a review of the financial condition and results of operations of the Company based on International Financial Reporting Standards (IFRS).

The focus of this MD&A is a comparison of the financial performance for the three and six months ended June 30, 2012 and 2011 and should be read in conjunction with the interim consolidated financial statements for the three and six months ended June 30, 2012, as well as the audited consolidated financial statements and MD&A for the year ended December 31, 2011.

Readers should also refer to the "Forward-Looking Statements" legal advisory at the end of this MD&A. All financial amounts and measures presented are expressed in Canadian dollars unless otherwise indicated. The definitions of certain non-GAAP measures used have been included on pages 8 and 9.

CALFRAC'S BUSINESS

Calfrac is an independent provider of specialized oilfield services in Canada, the United States, Russia, Mexico, Argentina and Colombia, including hydraulic fracturing, coiled tubing, cementing and other well stimulation services.

The Company's reportable business segments during the second quarter of 2012 were as follows:

- The Canadian segment is focused on the provision of fracturing and coiled tubing services to a diverse group of oil and natural gas exploration and production companies operating in Alberta, northeast British Columbia, Saskatchewan and southwest Manitoba. The Company's customer base in Canada ranges from large multi-national public companies to small private companies. Calfrac had combined hydraulic horsepower of approximately 302,000 as well as 21 coiled tubing units and one cementing unit in Canada at June 30, 2012.
- The United States segment of the Company's business provides pressure pumping services from operating bases in Colorado, Arkansas, Pennsylvania and North Dakota. The Company provides fracturing services to a number of oil and natural gas companies operating in the Piceance Basin of western Colorado, the Uintah Basin of northeast Utah and the Denver-Julesburg Basin centred in eastern Colorado and extending into southeast Wyoming, including the Niobrara oil play of northern Colorado. Calfrac also provides fracturing services to customers operating in the Marcellus shale play in Pennsylvania and West Virginia as well as fracturing and cementing services to oil and natural gas companies operating in the Fayetteville shale play of Arkansas and the Utica Shale in Ohio. In addition, the Company provides fracturing and coiled tubing services to customers operating in the Bakken oil shale play in North Dakota. At June 30, 2012, the Company deployed approximately 456,000 hydraulic horsepower and operated 11 cementing units and one coiled tubing unit in its United States segment.
- The Company's Russian segment is focused on the provision of fracturing and coiled tubing services in Western Siberia. In the first six months of 2012, the Company operated under a mix of annual and multi-year agreements to provide services to two of Russia's largest oil producers. At June 30, 2012, the Company operated six coiled tubing units and deployed approximately 45,000 hydraulic horsepower forming five fracturing spreads in Russia.
- The Latin America segment provides pressure pumping services from operating bases in central and northern Mexico, central Argentina and east central Colombia. The Company provides fracturing and cementing services to customers operating in the Burgos field of northern Mexico and the Chicontepec field of central Mexico. In Argentina, the Company provides cementing and coiled tubing services to local oil and natural gas companies. In September 2011, Calfrac commenced cementing operations in the Llanos Basin of east central Colombia for local oil and natural gas companies. The Company deployed approximately 27,000 hydraulic horsepower in its Latin America segment, forming three fracturing spreads 11 cementing units and one coiled tubing unit at June 30, 2012.

CONSOLIDATED HIGHLIGHTS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	Change	**2012**	2011	Change
(C$000s, except per share amounts) (unaudited)	**($)**	($)	(%)	**($)**	($)	(%)
Revenue	**335,780**	269,456	25	**809,887**	606,864	33
Operating income [1]	**29,810**	47,937	(38)	**143,191**	135,937	5
EBITDA [1]	**18,736**	50,597	(63)	**146,731**	147,494	(1)
Per share – basic	**0.42**	1.16	(64)	**3.33**	3.38	(1)
Per share – diluted	**0.42**	1.14	(63)	**3.29**	3.32	(1)
Net income (loss) attributable to the shareholders of Calfrac	**(11,855)**	12,071	(198)	**58,986**	61,149	(4)
Per share – basic	**(0.27)**	0.28	(196)	**1.34**	1.40	(4)
Per share – diluted	**(0.27)**	0.27	(200)	**1.32**	1.38	(4)

As at	**June 30, 2012**	December 31, 2011	Change
(C$000s) (unaudited)	**($)**	($)	(%)
Working capital, end of period	**357,128**	398,526	(10)
Total assets, end of period	**1,478,657**	1,405,121	5
Long-term debt, end of period	**451,472**	450,545	–
Total equity, end of period	**747,591**	700,569	7

[1] Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.

2012 OVERVIEW

In the second quarter of 2012, the Company:

- achieved record second quarter revenue of $335.8 million, an increase of 25 percent from the second quarter of 2011, driven primarily by strong growth in Calfrac's Canadian, United States and Latin American operations;
- reported operating income of $29.8 million versus $47.9 million in the same quarter of 2011, mainly due to the higher use of more costly proppants and higher product costs in the United States combined with the impact of competitive pricing pressures in this market; and
- reported a net loss attributable to the shareholders of Calfrac of $11.9 million or $0.27 per share diluted, including a $9.8 million foreign exchange loss, compared to net income of $12.1 million or $0.27 per share diluted in the second quarter of 2011, which included a foreign exchange gain of $1.8 million.

In the six months ended June 30, 2012, the Company:

- increased revenue by 33 percent to $809.9 million from $606.9 million in the first six months of 2011, driven primarily by strong growth in Calfrac's Canadian, United States and Latin American operations;
- reported operating income of $143.2 million versus $135.9 million in the same period of 2011, an increase of 5 percent, mainly as a result of high levels of fracturing activity in the unconventional resource plays of western Canada and the United States offset partially by the impact of competitive pricing pressure and higher product expenses in the United States;
- reported net income attributable to the shareholders of Calfrac of $59.0 million or $1.32 per share diluted compared to net income of $61.1 million or $1.38 per share diluted in the same period of 2011;
- recorded capital expenditures of $159.4 million versus $137.8 million in the comparative period, primarily to bolster the Company's fracturing operations; and
- reported period-end working capital of $357.1 million at June 30, 2012.

NON-GAAP MEASURES

Certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under IFRS and, therefore, are considered non-GAAP measures. These measures have been described and presented in order to provide shareholders and potential investors with additional information regarding the Company's financial results, liquidity and ability to generate funds to finance its operations. These measures may not be comparable to similar measures presented by other entities, and are further explained as follows:

Operating income (loss) is defined as net income (loss) before depreciation, interest, foreign exchange gains or losses, gains or losses on disposal of capital assets and income taxes or recoveries. Management believes that operating income is a useful supplemental measure as it provides an indication of the financial results generated by Calfrac's business segments prior to consideration of how these segments are financed or how they are taxed. Operating income was calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
Net income (loss)	**(11,969)**	11,951	**58,725**	61,014
Add back (deduct):				
Depreciation	**22,272**	21,040	**44,341**	42,564
Interest	**8,982**	8,612	**17,917**	17,697
Foreign exchange losses (gains)	**9,786**	(1,813)	**(4,084)**	(10,476)
Loss (gain) on disposal of property, plant and equipment	**1,288**	(847)	**544**	(1,081)
Income taxes (recovery)	**(549)**	8,994	**25,748**	26,219
Operating income	**29,810**	47,937	**143,191**	135,937

EBITDA is defined as net income (loss) 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 was calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
Net income (loss)	**(11,969)**	11,951	**58,725**	61,014
Add back (deduct):				
Depreciation	**22,272**	21,040	**44,341**	42,564
Interest	**8,982**	8,612	**17,917**	17,697
Income taxes (recovery)	**(549)**	8,994	**25,748**	26,219
EBITDA	**18,736**	50,597	**146,731**	147,494

FINANCIAL OVERVIEW – THREE MONTHS ENDED JUNE 30, 2012 VERSUS 2011

Canada

Three Months Ended June 30,	**2012**	2011	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Revenue	**104,720**	86,583	21
Expenses			
Operating	**95,083**	79,216	20
Selling, general and administrative (SG&A)	**3,808**	2,862	33
	98,891	82,078	20
Operating income [1]	**5,829**	4,505	29
Operating income (%)	**5.6%**	5.2%	8
Fracturing revenue per job ($)	**185,377**	152,266	22
Number of fracturing jobs	**512**	520	(2)
Pumping horsepower, end of period (000s)	**302**	224	35
Coiled tubing revenue per job ($)	**36,594**	21,905	67
Number of coiled tubing jobs	**268**	338	(21)
Coiled tubing units, end of period (#)	**21**	22	(5)

(1) Refer to “Non-GAAP Measures” on pages 8 and 9 for further information.

Revenue

Revenue from Calfrac's Canadian operations during the second quarter of 2012 was $104.7 million versus $86.6 million in the comparable three-month period of 2011. Fracturing revenue increased by 20 percent or $15.7 million primarily due to significant fracturing activity in the Horn River area of northeast British Columbia and larger fracturing job sizes. The Company also completed a number of large Montney jobs during the quarter which contributed to the increase in revenue and average job size. Coiled tubing revenue increased by $2.4 million primarily due to work completed in the Horn River region despite a 21 percent decrease in the total number of jobs from the same period of 2011. Coiled tubing activity decreased due to the deployment of two coiled tubing units to the United States for most of the second quarter of 2012. The Canadian second-quarter results were also negatively impacted by wet weather in western Canada during May and June which deferred some of the Company's planned fracturing and coiled tubing projects to the third quarter.

Operating Income

Operating income in Canada increased by 29 percent to $5.8 million during the second quarter of 2012 from $4.5 million in the same period of 2011 mainly due to the completion of the fracturing portion and continued coiled tubing work on a significant project in the Horn River area of northeast British Columbia. Operating income was also impacted by a $0.9 million increase in SG&A expenses compared to the second quarter of 2011 due to higher personnel expenses.

United States

Three Months Ended June 30,	**2012**	2011	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**175,136**	141,631	24
Expenses			
Operating	**136,795**	89,657	53
SG&A	**5,478**	3,043	80
	142,273	92,700	53
Operating income [1]	**32,863**	48,931	(33)
Operating income (%)	**18.8%**	34.5%	(46)
Fracturing revenue per job ($)	**76,187**	79,139	(4)
Number of fracturing jobs	**2,207**	1,755	26
Pumping horsepower, end of period (000s)	**456**	293	56
Coiled tubing units, end of period (#)	**1**	–	–
Cementing revenue per job ($)	**33,149**	20,618	61
Number of cementing jobs	**157**	133	18
Cementing units, end of period (#)	**11**	9	22
US$/C$ average exchange rate [2]	**1.0104**	0.9677	4

(1) Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.
(2) Source: Bank of Canada.

Revenue

Revenue from Calfrac's United States operations increased during the second quarter of 2012 to $175.1 million from $141.6 million in the comparable quarter of 2011. The increase was due primarily to a larger number of fracturing fleets operating in the Bakken play of North Dakota and higher fracturing activity in the Marcellus shale play in Pennsylvania and West Virginia. The revenue increase was also a result of the commencement of cementing operations in the Marcellus shale formation in the second quarter of 2011, which increased cementing activity and job sizes, combined with the start-up of coiled tubing operations in North Dakota in the fourth quarter of 2011. This was offset by a shift towards more oil activity which resulted in smaller average fracturing job sizes as well as the impact of competitive pricing pressure in the United States market.

Operating Income

Operating income in the United States was $32.9 million for the second quarter of 2012, a decrease of $16.1 million from the comparative period in 2011. The decrease in operating income was primarily due to competitive pricing pressure combined with higher proppant and product costs. The increase in product expenses was mainly due to increases in the price of guar, which is a primary component of oil-focused fluid systems. Higher equipment repairs and maintenance expenses combined with an increase in the number of SG&A personnel supporting the larger scale United States operation also contributed to the lower operating income.

Russia

Three Months Ended June 30,	**2012**	2011	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**29,244**	29,806	(2)
Expenses			
Operating	**26,070**	24,715	5
SG&A	**1,402**	1,444	(3)
	27,472	26,159	5
Operating income [1]	**1,772**	3,647	(51)
Operating income (%)	**6.1%**	12.2%	(50)
Fracturing revenue per job ($)	**89,026**	113,924	(22)
Number of fracturing jobs	**223**	187	19
Pumping horsepower, end of period (000s)	**45**	45	–
Coiled tubing revenue per job ($)	**58,699**	53,813	9
Number of coiled tubing jobs	**160**	158	1
Coiled tubing units, end of period (#)	**6**	6	–
Rouble/C$ average exchange rate [2]	**0.0329**	0.0346	(5)

(1) Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.
(2) Source: Bank of Canada.

Revenue

During the second quarter of 2012, the Company's revenue from Russian operations decreased by 2 percent to $29.2 million from $29.8 million in the corresponding quarter of 2011. The decrease in revenue was mainly due to the Company no longer providing proppant to a significant customer in Western Siberia as well as the depreciation of the Russian rouble by 5 percent versus the Canadian dollar. This decrease was offset partially by a 19 percent increase in fracturing activity.

Operating Income

Operating income in Russia in the second quarter of 2012 was $1.8 million compared to $3.6 million in the corresponding period of 2011. The decrease in operating income was primarily due to higher guar and fuel consumption. Similar to North America, the cost of guar increased significantly in 2012 from the comparable period in 2011. Fuel expenses increased due to longer travel distances to job locations in Western Siberia.

Latin America

Three Months Ended June 30,	**2012**	2011	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**26,680**	11,436	133
Expenses			
Operating	**24,001**	10,790	122
SG&A	**1,449**	895	62
	25,450	11,685	118
Operating income (loss) [1]	**1,230**	(249)	–
Operating income (loss) (%)	**4.6%**	-2.2%	–
Pumping horsepower, end of period (000s)	**27**	22	23
Cementing units, end of period (#)	**11**	8	38
Coiled tubing units, end of period (#)	**1**	1	–
Mexican peso/C$ average exchange rate [2]	**0.0747**	0.0826	(10)
Argentine peso/C$ average exchange rate [2]	**0.2272**	0.2270	–

(1) Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.
(2) Source: Bank of Canada.

Revenue

Calfrac's operations in Latin America generated total revenue of $26.7 million during the second quarter of 2012 versus $11.4 million in the comparable three-month period in 2011. For the three months ended June 30, 2012 and 2011, revenue generated through subcontractors was $6.5 million and $1.8 million, respectively. The increase in revenue was primarily due to higher fracturing activity, job sizes and pricing in Mexico. Higher cementing activity and job sizes in Argentina combined with the Company's commencement of cementing operations in Colombia during the third quarter of 2011 also contributed to this increase.

Operating Income

Calfrac's Latin America division generated operating income of $1.2 million during the second quarter of 2012 compared to an operating loss of $0.2 million in the comparative quarter in 2011. The increase in operating income was primarily due to higher fracturing activity in Mexico, combined with the impact of cost reduction measures implemented in Mexico. Higher cementing activity in Argentina also contributed to the turn-around from operating loss to operating income. The increase in revenue from higher activity was partially offset by start-up expenses related to the Company's cementing operations in Colombia.

Corporate

Three Months Ended June 30,	**2012**	2011	Change
(C$000s) (unaudited)	**($)**	($)	(%)
Expenses			
Operating	**2,482**	1,273	95
SG&A	**9,402**	7,624	23
	11,884	8,897	34
Operating loss [(1)]	**(11,884)**	(8,897)	(34)
% of Revenue	**3.5%**	3.3%	6

[(1)] Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.

Operating Loss

The 34 percent increase in Corporate operating expenses from the second quarter of 2011 was mainly due to an increase in the Company's global operations and procurement personnel. These planned additions are designed to support Calfrac's continued focus on operating efficiency and cost management.

Depreciation

For the three months ended June 30, 2012, depreciation expense increased by 6 percent to $22.3 million from $21.0 million in the corresponding quarter of 2011. The increase in depreciation expense is mainly a result of a larger fleet of equipment operating in North America, offset partially by the impact of fully depreciated componentized assets in Canada and the United States.

Foreign Exchange Gains or Losses

The Company recorded a foreign exchange loss of $9.8 million during the second quarter of 2012 versus a $1.8 million foreign exchange gain in the comparative three-month period of 2011. Foreign exchange gains and losses arise primarily from the translation of net monetary assets or liabilities that were held in U.S. dollars in Canada, Russia and Latin America. The majority of the Company's foreign exchange loss recorded in the second quarter of 2012 was attributable to its Russian operations, which have substantial U.S. dollar denominated liabilities. During the quarter, the U.S. dollar strengthened against the Russian rouble by approximately 12 percent, resulting in significant unrealized foreign exchange losses related to this indebtedness.

Interest

The Company's interest expense during the second quarter of 2012 was $9.0 million compared to $8.6 million for the comparable period in 2011. The increase was primarily due to the impact of the appreciation of the U.S. dollar on the reported interest expense related to the Company's senior unsecured notes.

Income Tax Expenses

The Company recorded an income tax recovery of $0.5 million during the second quarter of 2012 compared to income tax expense of $9.0 million in the comparable period of 2011. Lower profitability in the United States resulted in the decrease in overall income tax expense.

The effective income tax rate for the three months ended June 30, 2012 and 2011 was 4 percent and 43 percent, respectively. The mix of earnings in the various tax jurisdictions in which Calfrac operates resulted in a lower effective tax rate in the second quarter of 2012.

SUMMARY OF QUARTERLY RESULTS

Three Months Ended	Sept. 30, 2010	Dec. 31, 2010	Mar. 31, 2011	June 30, 2011	Sept. 30, 2011	Dec. 31, 2011	Mar. 31, 2012	**June 30, 2012**
(unaudited)	($)	($)	($)	($)	($)	($)	($)	**($)**
Financial (C$000s, except per share and operating data)								
Revenue	275,245	268,710	337,408	269,456	440,491	490,037	474,107	**335,780**
Operating income [(1)]	69,343	62,184	88,000	47,937	126,527	150,364	113,381	**29,810**
EBITDA [(1)]	70,764	62,464	96,897	50,597	102,042	149,146	127,995	**18,736**
Per share – basic	1.64	1.44	2.23	1.16	2.33	3.40	2.92	**0.42**
Per share – diluted	1.63	1.42	2.18	1.14	2.30	3.38	2.87	**0.42**
Net income (loss) attributable to the shareholders of Calfrac	31,955	16,126	49,078	12,071	47,381	78,921	70,841	**(11,855)**
Per share – basic	0.74	0.37	1.13	0.28	1.08	1.80	1.62	**(0.27)**
Per share – diluted	0.74	0.37	1.11	0.27	1.07	1.79	1.59	**(0.27)**
Capital expenditures	30,097	47,015	65,777	72,047	85,130	101,008	84,075	**75,286**
Working capital (end of period)	177,561	341,677	356,370	324,832	375,823	398,526	431,053	**357,128**
Total equity (end of period)	485,280	502,032	556,277	568,607	632,889	700,569	779,426	**747,591**
Operating (end of period)								
Pumping horsepower (000s)	481	481	530	584	656	719	782	**830**
Coiled tubing units (#)	28	29	29	29	29	29	29	**29**
Cementing units (#)	21	21	21	22	23	23	23	**23**

[(1)] Refer to "Non-GAAP Measures" on pages 8 and 9 for further information

Seasonality of Operations

The Company's Canadian business is seasonal in nature. The lowest activity is typically experienced during the second quarter of the year when road weight restrictions are in place due to spring break-up weather conditions and access to well sites in Canada is reduced (refer to "Business Risks – Seasonality" in the 2011 Annual Report).

Foreign Exchange Fluctuations

The Company's consolidated financial statements are reported in Canadian dollars. Accordingly, the quarterly results are directly affected by fluctuations in the United States, Russian, Mexican, Argentinean and Colombian currency exchange rates (refer to "Business Risks – Fluctuations in Foreign Exchange Rates" in the 2011 Annual Report).

Early Redemption of Senior Notes

The Company closed a private offering of US$450.0 million of 7.5 percent senior notes in November 2010, which will mature on December 1, 2020. The Company used a portion of the net proceeds to repay its debt, including funding the tender offer for its 7.75 percent senior notes due in 2015 and its outstanding credit facilities. As a result of the redemption of US$230.7 million of the senior notes due in 2015, the Company incurred $22.7 million of refinancing costs during the fourth quarter of 2010.

FINANCIAL OVERVIEW – SIX MONTHS ENDED JUNE 30, 2012 VERSUS 2011

Canada

Six Months Ended June 30,	**2012**	2011	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Revenue	**330,544**	288,036	15
Expenses			
Operating	**239,356**	208,017	15
SG&A	**8,027**	7,081	13
	247,383	215,098	15
Operating income [1]	**83,161**	72,938	14
Operating income (%)	**25.2%**	25.3%	–
Fracturing revenue per job ($)	**195,118**	157,306	24
Number of fracturing jobs	**1,549**	1,667	(7)
Pumping horsepower, end of period (000s)	**302**	224	35
Coiled tubing revenue per job ($)	**32,276**	23,655	36
Number of coiled tubing jobs	**877**	1,091	(20)
Coiled tubing units, end of period (#)	**21**	22	(5)

[1] Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.

Revenue

Revenue from Calfrac's Canadian operations during the first six months of 2012 was $330.5 million versus $288.0 million in the comparable six-month period of 2011. The 15 percent increase in revenue was primarily due to strong activity in unconventional oil and liquids-rich formations, larger job sizes and a larger fleet of fracturing equipment operating in the Western Canada Sedimentary Basin. Revenue generated in oil and liquids-rich natural gas plays comprised 82 percent of total Canadian revenue during the first six months of 2012 compared to 72 percent in the same period of 2011.

Operating Income

Operating income in Canada increased by 14 percent to $83.2 million during the first six months of 2012 from $72.9 million in the same period of 2011. The increase in Canadian operating income was primarily due to the completion of larger jobs in the unconventional oil resource plays of western Canada, combined with a focus on prudently managing operating and SG&A expenses.

United States

Six Months Ended June 30,	**2012**	2011	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**370,035**	240,106	54
Expenses			
Operating	**282,591**	156,221	81
SG&A	**10,477**	6,259	67
	293,068	162,480	80
Operating income [(1)]	**76,967**	77,626	(1)
Operating income (%)	**20.8%**	32.3%	(36)
Fracturing revenue per job ($)	**79,237**	75,871	4
Number of fracturing jobs	**4,488**	3,092	45
Pumping horsepower, end of period (000s)	**456**	293	56
Coiled tubing units, end of period (#)	**1**	–	–
Cementing revenue per job ($)	**31,696**	20,647	54
Number of cementing jobs	**328**	267	23
Cementing units, end of period (#)	**11**	9	22
US$/C$ average exchange rate [(2)]	**1.0058**	0.9768	3

(1) Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.
(2) Source: Bank of Canada.

Revenue

Revenue from Calfrac's United States operations increased during the first six months of 2012 to $370.0 million from $240.1 million in the comparable period of 2011. The increase in United States revenue was due primarily to a larger fleet of fracturing equipment operating in the Bakken play of North Dakota during 2012 and higher fracturing and cementing activity in the Marcellus shale formation in Pennsylvania and West Virginia. The revenue increase was also a result of the expansion of coiled tubing operations in North Dakota that commenced in late 2011.

Operating Income

Operating income in the United States was $77.0 million for the six months ended June 30, 2012, a decrease of 1 percent from the comparative period in 2011. Operating income as a percentage of revenue decreased 36 percent to 21 percent in the first six months of 2012 from 32 percent in the comparative period of 2011. The significant decrease in operating income as a percentage of revenue was primarily due to the impact of competitive pricing pressures combined with a greater use of higher cost proppants and guar-based chemical systems in North Dakota, which are more costly than traditional fluid systems used in shale gas development. In addition, the Company incurred higher SG&A expenses in order to expand its divisional organization to more effectively support Calfrac's broader United States operations.

Russia

Six Months Ended June 30,	**2012**	2011	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**57,341**	56,135	2
Expenses			
Operating	**51,210**	46,977	9
SG&A	**2,805**	3,579	(22)
	54,015	50,556	7
Operating income [1]	**3,326**	5,579	(40)
Operating income (%)	**5.8%**	9.9%	(41)
Fracturing revenue per job ($)	**93,492**	108,020	(13)
Number of fracturing jobs	**407**	366	11
Pumping horsepower, end of period (000s)	**45**	45	–
Coiled tubing revenue per job ($)	**58,454**	53,033	10
Number of coiled tubing jobs	**330**	313	5
Coiled tubing units, end of period (#)	**6**	6	–
Rouble/C$ average exchange rate [2]	**0.0325**	0.0342	(5)

[1] Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.
[2] Source: Bank of Canada.

Revenue

During the first six months of 2012, the Company's revenue from Russian operations increased by 2 percent to $57.3 million from $56.1 million in the corresponding six-month period of 2011. The increase in revenue was mainly due to higher fracturing and coiled tubing activity combined with the completion of larger coiled tubing jobs. This was partially offset by decreased fracturing revenue as a result of the Company no longer providing proppant to a significant customer in Western Siberia during 2012 combined with the impact of a 5 percent depreciation in the Russian rouble versus the Canadian dollar.

Operating Income

Operating income in Russia in the first six months of 2012 was $3.3 million compared to $5.6 million in the corresponding period of 2011. The decrease in operating income was primarily due to higher guar costs and increased fuel expenses.

Latin America

Six Months Ended June 30,	**2012**	2011	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**51,967**	22,587	130
Expenses			
Operating	**45,355**	22,139	105
SG&A	**2,864**	1,425	101
	48,219	23,564	105
Operating income (loss) [1]	**3,748**	(977)	–
Operating income (loss) (%)	**7.2%**	-4.3%	–
Pumping horsepower, end of period (000s)	**27**	22	23
Cementing units, end of period (#)	**11**	8	38
Coiled tubing units, end of period (#)	**1**	1	–
Mexican peso/C$ average exchange rate [2]	**0.0759**	0.0822	(8)
Argentine peso/C$ average exchange rate [2]	**0.2290**	0.2326	(2)

(1) Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.
(2) Source: Bank of Canada.

Revenue

Calfrac's Latin American operations generated total revenue of $52.0 million during the first six months of 2012 versus $22.6 million in the comparable six-month period in 2011. For the six months ended June 30, 2012 and 2011, revenue generated through subcontractors was $12.5 million and $4.5 million, respectively.

The increase in revenue was primarily due to higher fracturing activity in Mexico combined with improved pricing. Higher cementing activity in Argentina and the commencement of cementing operations in Colombia during the third quarter of 2011 also contributed to the increase in Latin American revenue.

Operating Income

For the six months ended June 30, 2012, Calfrac's Latin America division generated operating income of $3.7 million compared to an operating loss of $1.0 million in the comparative period in 2011.

The improvement in operating income was primarily due to higher equipment utilization in Mexico and Argentina. This increase was offset partially by start-up expenses related to the commencement of cementing operations in Colombia in the third quarter of 2011 and coiled tubing operations in Argentina in the fourth quarter of 2011.

Corporate

Six Months Ended June 30,	**2012**	2011	Change
(C$000s) (unaudited)	**($)**	($)	(%)
Expenses			
Operating	**4,662**	2,867	63
SG&A	**19,349**	16,362	18
	24,011	19,229	25
Operating loss [1]	**(24,011)**	(19,229)	(25)
% of Revenue	**3.0%**	3.2%	(6)

(1) Refer to "Non-GAAP Measures" on pages 8 and 9 for further information.

Operating Loss

The 25 percent increase in Corporate operating expenses from the first six months of 2011 was mainly due to an increase in the number of global operations and procurement personnel supporting the Company's operations as well as higher annual bonus expenses.

Depreciation

For the six months ended June 30, 2012, depreciation expense increased by 4 percent to $44.3 million from $42.6 million in the corresponding period of 2011. The increase in depreciation expense is mainly a result of a larger fleet of equipment operating in North America, offset partially by the impact of fully depreciated componentized assets in Canada and the United States and the depreciation of the United States dollar.

Foreign Exchange Gains or Losses

The Company recorded a foreign exchange gain of $4.1 million during the first six months of 2012 versus a $10.5 million gain in the comparative period of 2011. Foreign exchange gains and losses arise primarily from the translation of net monetary assets or liabilities that were held in U.S. dollars in Canada, Russia and Latin America.

Interest

The Company's interest expense during the first six months of 2012 increased from the comparable period of 2011 by $0.2 million to $17.9 million.

Income Tax Expenses

The Company recorded an income tax expense of $25.7 million during the first six months of 2012 compared to income tax expense of $26.2 million in the comparable period of 2011. The effective income tax rate for each of the six-month periods was 30 percent.

LIQUIDITY AND CAPITAL RESOURCES

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
Cash flows provided by (used in):				
Operating activities	**90,363**	69,853	**174,439**	102,065
Financing activities	**1,101**	1,619	**8,159**	(3,545)
Investing activities	**(74,732)**	(53,705)	**(149,475)**	(128,260)
Effect of exchange rate changes on cash and cash equivalents	**(1,400)**	434	**465**	(1,108)
Increase in cash and cash equivalents	**15,332**	18,201	**33,588**	(30,848)

Operating Activities

The Company's cash flow provided by operating activities for the six months ended June 30, 2012 was $174.4 million versus $102.1 million in the comparable period of 2011. The increase was due to improved operating income primarily from Canada and the United States. At June 30, 2012, Calfrac's working capital was approximately $357.1 million, a decrease of 10 percent from December 31, 2011.

Financing Activities

Cash flow provided by financing activities during the first six months of 2012 was $8.2 million compared to cash flow used in financing activities of $3.5 million in the comparable 2011 period. During the first six months of 2012, the Company issued $9.7 million of Calfrac common shares, received bank loan proceeds of $2.7 million, paid cash dividends of $2.6 million and repaid $1.5 million of finance lease obligations.

On November 18, 2010, Calfrac completed a private placement of senior unsecured notes for aggregate principal of US$450.0 million due on December 1, 2020, which bear interest semi-annually at 7.50 percent per annum.

On September 27, 2011, the Company increased its credit facilities with a syndicate of Canadian chartered banks from $175.0 million to $250.0 million and extended the term to four years. The facilities consist of an operating facility of $20.0 million and a syndicated facility of $230.0 million. The interest rates for these facilities are based on the parameters of certain bank covenants. For prime-based loans, the rate ranges from prime plus 0.50 percent to prime plus 1.25 percent. For LIBOR-based loans and Bankers' Acceptance-based loans, the margin thereon ranges from 1.75 percent to 2.50 percent above the respective base rates for such loans. As at June 30, 2012, the Company had utilized $2.6 million of its credit facilities for letters of credit, leaving $247.4 million in available credit.

Investing Activities

For the six months ended June 30, 2012, Calfrac's cash flow used in investing activities was $149.5 million versus $128.3 million for the comparable period of 2011. Capital expenditures were $159.4 million in the first six months of 2012 compared to $137.8 million in the same period of 2011. Capital expenditures were primarily related to supporting the Company's fracturing operations throughout North America.

Calfrac's 2012 capital budget is projected to be $271.0 million of which $240.0 million will be directed towards its Canadian and U.S. operations and $31.0 million towards operations in Russia and Latin America. In addition to the 2012 capital program outlined above, Calfrac expects that the carryover amount of approximately $150 million related to its 2011 capital program will be completed during the second half of 2012. The capital program will focus on the Company's fracturing operations in Canada and the United States as well as facilities and infrastructure capital required to support Calfrac's rapidly expanding fracturing, coiled tubing and cementing operations in many of the most active North American unconventional oil and natural gas markets. A portion of this capital is also dedicated to expanding Calfrac's presence in the well servicing markets in Argentina and Colombia.

The effect of changes in foreign exchange rates on the Company's cash and cash equivalents during the first six months of 2012 was an increase of $0.5 million versus a decrease of $1.1 million during the same period of 2011. These changes relate to cash and cash equivalents held by the Company in a foreign currency.

At June 30, 2012, the Company had cash and cash equivalents of $166.6 million compared to $133.1 million at December 31, 2011.

With its strong working capital position, unutilized credit facilities and anticipated funds provided by operations, the Company expects to have adequate resources to fund its financial obligations and planned capital expenditures for the remainder of 2012 and beyond.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares. Employees have been granted options to purchase common shares under the Company's shareholder-approved stock option plan. The number of shares reserved for issuance under the stock option plan is equal to 10 percent of the Company's issued and outstanding common shares. As at August 8, 2012, there were 44,673,109 common shares issued and outstanding, and 3,046,887 options to purchase common shares.

The Company has a Dividend Reinvestment Plan that allows shareholders to direct cash dividends paid on all or a portion of their common shares to be reinvested in additional common shares that will be issued at 95 percent of the volume-weighted average price of the common shares traded on the Toronto Stock Exchange during the last five trading days preceding the relevant dividend payment date.

Normal Course Issuer Bid

The Company filed a Notice of Intention (the "Notice") to make a Normal Course Issuer Bid (NCIB) with the Toronto Stock Exchange (TSX) on November 2, 2011. Under the NCIB the Company may acquire up to 3,246,216 common shares, which was 10 percent of the public float outstanding as at October 31, 2011, during the period November 7, 2011 through November 6, 2012. The maximum number of common shares that may be acquired by the Company during a trading day is 42,392, with the exception that the Company is allowed to make one block purchase of common shares per calendar week that exceeds such limit. All purchases of common shares will be made through the facilities of the TSX at the market price of the shares at the time of acquisition. Any shares acquired under the NCIB will be cancelled. During the fourth quarter of 2011, the Company purchased 196,800 common shares under the terms of the NCIB for a total cost of approximately $4.9 million, all financed out of working capital. The Company did not purchase any shares under the NCIB during the first six months of 2012. A copy of the Notice may be obtained by any shareholder, without charge, by contacting the Company's Corporate Secretary at 411 – 8th Avenue S.W., Calgary, Alberta, T2P 1E3, or by telephone 403-266-6000.

OUTLOOK

Despite recent volatility in crude oil prices and continued weakness in natural gas prices, Calfrac expects North American drilling and completion activity for the remainder of 2012 and beyond to continue to focus on the development of unconventional resource plays. While there has been a great deal of volatility in the price of crude oil, activity is still expected to be high in existing and emerging North American oil plays as many of these plays remain economic in the current commodity price environment. Technological advancements, particularly within tight oil producing reservoirs, are expected to further improve the economics of these plays, which should spur additional growth in the Company's oil-focused revenue base. However, the Company's revenues and operating margins in North America remain exposed to potential further weakness in commodity prices.

In Canada, well completion activity in unconventional light oil plays, such as the Cardium, Viking and Bakken as well as emerging plays such as the Beaverhill Lake, Alberta Bakken, Dunvegan and Slave Point, is expected to remain strong as these plays continue to provide attractive returns. The recent volatility in the price of crude oil combined with an increasing differential for Canadian crude oil production has and may continue to reduce the cash flows of the Company's customers. As a result, Calfrac continues to maintain a close dialogue with its customer base and will monitor and respond to announced capital budget plan amendments as warranted. The Company does expect some short-term pricing erosion, which will result in lower Canadian operating margins compared to the first quarter.

The Company also expects activity in the liquids-rich natural gas plays of northwest Alberta and northeast British Columbia to remain steady. This region is one of the most economic gas-producing areas in North America. In addition to the Deep Basin, where most of Calfrac's liquids-rich gas activity has historically been centred, emerging plays such as the Duvernay shale play could drive significant demand for Calfrac's services in 2012 and beyond. Recent well results in this play have been encouraging and Calfrac will work closely with its customers to refine its well completion programs to improve well productivity and producer economics as the Company further establishes its leadership position.

In the United States, Calfrac continues to expand its presence in the Bakken oil shale play. Calfrac currently operates four fracturing fleets and one coiled tubing unit, and expects to deploy a fifth fracturing fleet in the third quarter of 2012 and another deep coiled tubing unit in early 2013. High service intensity, through longer horizontal legs and a greater number of fracturing stages per wellbore, is anticipated to provide the basis for additional growth in this region. Due to the recent volatility in crude oil prices and the increasingly competitive business environment as competitors move equipment from dry gas to oil and liquids-rich plays, the Company does expect additional near term pricing pressure in this market. Calfrac believes that its strong contractual positioning will partially mitigate the impact of these competitive pressures.

The Rocky Mountain region of the United States which has predominantly been a natural gas-focused region continues to evolve with a much greater focus on liquids-producing targets. Recent exploration successes in the Niobrara oil shale play of northern Colorado and Wyoming also provide a basis for future growth for Calfrac. Calfrac continues to be involved in the developing liquids areas of western Colorado and Utah and its long-standing presence in this region leaves it well-positioned to take advantage of future opportunities.

Calfrac remains firmly committed to the Marcellus shale play, which has developed into what most analysts consider to be the most economic natural gas producing play in the United States. The Company is in the final stages of completing a new district facility in Smithfield, Pennsylvania to service this play. The facility will also provide the capacity to service a large portion of the emerging Utica shale play. Through its base in Smithfield, the Company's operations are also well-positioned to service the Marcellus' wet gas window which is becoming more prominent. This, combined with Calfrac's strong customer and contract position in the region, is expected to provide stability to the Company's operations in the short term as the industry continues to adapt to a lower natural gas price environment.

Calfrac continues to prudently streamline its United States cost structure in order to maximize financial performance. However, the Company expects that the guar price increases experienced throughout the second quarter could negatively impact third-quarter operating income. Cost escalation provisions within existing contracts should partially mitigate the impact of these cost increases.

Calfrac expects that equipment utilization in Russia will remain high as a result of its success during the 2012 tender process which culminated in the first quarter. The Company's primary focus remains on streamlining operating costs in an effort to improve the division's financial performance. Over the longer term, Calfrac expects that fracturing of Russian natural gas wells will become more prevalent given the country's status as one of the world's largest natural gas producers. In addition, the Company believes that the Russian market is poised to increase the application of horizontal drilling and multi-stage completion technologies, which has the potential to provide a significant growth platform over time as these technologies are successfully introduced to the marketplace. In the short term, Calfrac expects activity to remain consistent and financial performance to improve slightly over the remainder of 2012.

The Mexican oilfield service environment continues to improve and Calfrac anticipates that there will be additional opportunities to deploy horizontal technology to producing regions in Mexico as a result of the country's renewed focus on onshore development. In Argentina, the Company remains encouraged by the opportunity for development of a number of world-class unconventional resource plays which is expected to drive oilfield activity over the longer term. Horizontal drilling combined with multi-stage fracturing will be a key input for unlocking the potential of these reservoirs. There is currently very limited industry capacity to service these emerging plays. In response to these market opportunities, Calfrac expects to commence fracturing operations in Argentina during the latter part of 2012. The Company's recent entry into Colombia is consistent with its international expansion strategy of using cementing or coiled tubing operations, which require a smaller initial capital investment, to provide an opportunity to build a local market presence prior to the potential deployment of fracturing equipment. The Company has been very encouraged by recent developments in this region and expects that it will provide significant opportunities for future growth. Colombia represents an additional oil-focused international growth opportunity as the Company continues to carry out its long-term growth strategy of deploying leading completion technology to regions with strong growth opportunities.

The Company remains committed to its 2012 capital budget of $271.0 million, exclusive of carryforward capital, and expects that a majority of the equipment will be deployed in late 2012 or early 2013. This capital program will be funded by future cash flows and existing cash on hand. Calfrac's balance sheet is very strong and includes working capital of $357.1 million at the end of the second quarter as well as unused credit facilities of $247.4 million. This provides the Company with additional flexibility to pursue long-term growth opportunities as they arise.

CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Calfrac has various contractual lease commitments related to vehicles, equipment and facilities as well as purchase obligations for products, services and capital assets as disclosed in the Company's 2011 annual consolidated financial statements.

Greek Legal Proceedings

As described in note 16 to the interim consolidated financial statements for the three and six months ended June 30, 2012, the Company and one of its Greek subsidiaries are involved in a number of legal proceedings in Greece. Management regularly evaluates the likelihood of potential liabilities being incurred and the amounts of such liabilities after careful examination of available information and discussions with its legal advisors. Management is of the view that it is improbable there will be an outflow of economic resources from the Company to settle these claims. Consequently, no provision has been recorded in the consolidated financial statements.

Potential Claim

As a result of information received subsequent to the issuance of the Company's 2011 annual consolidated financial statements and MD&A, Calfrac believes that there is no potential liability related to the contractual claim described in note 24 to the annual consolidated financial statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

This MD&A is based on the Company's consolidated financial statements for the six months ended June 30, 2012, which were prepared in accordance with IFRS. Management is required to make assumptions, judgments and estimates in the application of IFRS. Calfrac's significant accounting policies are described in note 2 to the annual consolidated financial statements for the year ended December 31, 2011.

The preparation of the consolidated financial statements requires that certain estimates and judgments be made concerning the reported amounts of revenue and expenses and the carrying values of assets and liabilities. These estimates are based on historical experience and management's judgment. The estimation of anticipated 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 accounting policies and practices that involve the use of estimates that have a significant impact on the Company's financial results include the allowance for doubtful accounts receivable, depreciation, the fair value of financial instruments, the carrying value of goodwill, income taxes, revenue recognition and stock-based compensation expenses.

Judgment is also used in the determination of the functional currency of each subsidiary and in the determination of cash-generating units.

Allowance for Doubtful Accounts Receivable

The Company performs ongoing credit evaluations of its customers and grants credit based upon a review of historical collection experience, current aging status, the customer's financial condition and anticipated industry conditions. Customer payments are regularly monitored and a provision for doubtful accounts is established based on specific situations and overall industry conditions. In situations where the creditworthiness of a customer is uncertain, services are provided on receipt of cash in advance or services are declined. Calfrac's management believes that the provision for doubtful accounts, which was $1.4 million at June 30, 2012, is adequate.

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 affecting the value of the Company's property and equipment.

Financial Instruments

The Company's financial instruments that are included in the consolidated balance sheet are cash and cash equivalents, accounts receivable, current liabilities, long-term debt and finance lease obligations.

The fair values of financial instruments that are included in the consolidated balance sheet, except long-term debt, approximate their carrying amounts due to the short-term maturity of those instruments. The fair value of the senior unsecured notes is based on the closing market price at the end of the reporting period. The fair values of the remaining long-term debt and finance lease obligations approximate their carrying values.

Goodwill

Goodwill represents an excess of the purchase price over the fair value of net assets acquired and is not amortized. The Company assesses goodwill at least annually. Goodwill is allocated to each operating segment, which represents the lowest level within the Company at which the goodwill is monitored for internal management purposes. The fair value of each operating segment is compared to the carrying value of its net assets. If any potential impairment is indicated, it is quantified by comparing the carrying value of goodwill to its fair value. The offset would be charged to the consolidated statement of operations and retained earnings as goodwill impairment.

The Company completed its annual assessment for goodwill impairment and determined there was none at December 31, 2011. There were no triggers nor indications of impairment that warranted an assessment of goodwill impairment for the six months ended June 30, 2012.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement amounts of assets and liabilities and their respective tax bases. Estimates of the Company's future taxable income have been considered in assessing the utilization of available tax losses. The Company's business is complex and the calculation of income taxes involves many complex factors as well as the Company's interpretation of relevant tax legislation and regulations.

Revenue Recognition

Revenue is recognized for services upon completion provided it is probable that the economic benefits will flow to the Company, the sales price is fixed or determinable, and collectability is reasonably assured. These criteria are generally met at the time the services are performed and have been accepted by the customer.

Stock-Based Compensation

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 forfeitures, estimated volatility of the Company's shares and anticipated dividends.

The fair value of the deferred stock units, performance stock units and restricted share units is recognized based on the market value of the Company's shares underlying these compensation programs.

RELATED-PARTY TRANSACTIONS

An entity controlled by a director of the Company provides ongoing real estate advisory services to the Company. The fees charged for such services for the six months ended June 30, 2012 were $18,000 (year ended December 31, 2011 – $90,000), as measured at the exchange amount.

In November 2010, the Company lent a senior officer $2.5 million to purchase common shares of the Company on the Toronto Stock Exchange. The loan is on a non-recourse basis and is secured by the common shares acquired with the loan proceeds. It is for a term of five years and bears interest at 3.375 percent per annum, payable annually. The market value of the shares that secure the loan was approximately $1.9 million as at June 30, 2012 (December 31, 2011 – $2.4 million). In accordance with applicable accounting standards regarding share purchase loans receivable, this loan is classified as a reduction of shareholders' equity due to its non-recourse nature. In addition, the shares purchased with the loan proceeds are considered to be, in substance, stock options.

The Company leases certain premises from an entity controlled by a director of the Company. The rent charged for these premises for the six months ended June 30, 2012 was $0.2 million (year ended December 31, 2011 – $0.3 million), as measured at the exchange amount.

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 June 30, 2012 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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 are specifically 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, Canada, T2P 1E3, or at www.calfrac.com, or by facsimile at 403-266-7381.

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 MD&A, including statements that contain words such as "anticipates", "can", "may", "could", "expect", "believe", "intend", "forecast", "will", or similar words suggesting future outcomes, are forward-looking statements. Forward-looking statements in this document include, but are not limited to, statements with respect to future capital expenditures, future financial resources, future oil and natural gas well activity, future costs or potential liabilities, 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, including assumptions related to commodity pricing and North American drilling activity. Forward-looking 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. The most significant risk factors to Calfrac relate to prevailing economic conditions; the demand for fracturing and other stimulation services during drilling and completion of oil and natural gas wells; commodity prices; liabilities and risks, including environmental liabilities and risks, inherent in oil and natural gas operations; changes in legislation and the regulatory environment; sourcing, pricing and availability of raw materials, components, 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; and regional competition. Readers are cautioned that the foregoing list of risks and uncertainties is not exhaustive.

Consequently, all of the forward-looking statements made in this MD&A 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.

Additional Information

Further information regarding Calfrac Well Services Ltd., including the most recently filed Annual Information Form, can be accessed on the Company's website at www.calfrac.com or under the Company's public filings found at www.sedar.com.

CONSOLIDATED BALANCE SHEETS

As at	**June 30, 2012**	December 31, 2011
(C$000s) (unaudited)	**($)**	($)
ASSETS		
Current assets		
Cash and cash equivalents	**166,643**	133,055
Accounts receivable	**211,045**	313,898
Income taxes recoverable	**2,692**	1,340
Inventories	**115,498**	94,344
Prepaid expenses and deposits	**15,732**	10,148
	511,610	552,785
Non-current assets		
Property, plant and equipment	**938,969**	825,504
Goodwill	**10,523**	10,523
Deferred income tax assets	**17,555**	16,309
Total assets	**1,478,657**	1,405,121
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**147,898**	149,740
Bank loan (note 3)	**5,090**	2,309
Current portion of long-term debt (note 4)	**485**	476
Current portion of finance lease obligations (note 5)	**1,009**	1,734
	154,482	154,259
Non-current liabilities		
Long-term debt (note 4)	**451,472**	450,545
Finance lease obligations (note 5)	**–**	740
Other long-term liabilities	**536**	774
Deferred income tax liabilities	**124,576**	98,234
Total liabilities	**731,066**	704,552
Equity attributable to the shareholders of Calfrac		
Capital stock (note 6)	**286,306**	271,817
Contributed surplus (note 8)	**24,428**	24,170
Loan receivable for purchase of common shares (note 13)	**(2,500)**	(2,500)
Retained earnings	**442,758**	405,954
Accumulated other comprehensive income (loss)	**(3,024)**	1,334
	747,968	700,775
Non-controlling interest	**(377)**	(206)
Total equity	**747,591**	700,569
Total liabilities and equity	**1,478,657**	1,405,121

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
(C$000s, except per share data) (unaudited)	**($)**	($)	**($)**	($)
Revenue	**335,780**	269,456	**809,887**	606,864
Cost of sales (note 14)	**306,704**	226,691	**667,514**	478,785
Gross profit	**29,076**	42,765	**142,373**	128,079
Expenses				
Selling, general and administrative	**21,538**	15,868	**43,523**	34,706
Foreign exchange losses (gains)	**9,786**	(1,813)	**(4,084)**	(10,476)
Loss (gain) on disposal of property, plant and equipment	**1,288**	(847)	**544**	(1,081)
Interest	**8,982**	8,612	**17,917**	17,697
	41,594	21,820	**57,900**	40,846
Income (loss) before income tax	**(12,518)**	20,945	**84,473**	87,233
Income tax expense (recovery)				
Current	**(16)**	1,178	**1,118**	2,201
Deferred	**(533)**	7,816	**24,630**	24,018
	(549)	8,994	**25,748**	26,219
Net income (loss) for the period	**(11,969)**	11,951	**58,725**	61,014
Net income (loss) attributable to:				
Shareholders of Calfrac	**(11,855)**	12,071	**58,986**	61,149
Non-controlling interest	**(114)**	(120)	**(261)**	(135)
	(11,969)	11,951	**58,725**	61,014
Earnings (loss) per share (note 6)				
Basic	**(0.27)**	0.28	**1.34**	1.40
Diluted	**(0.27)**	0.27	**1.32**	1.38

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
Net income (loss) for the period	**(11,969)**	11,951	**58,725**	61,014
Other comprehensive income (loss)				
Change in foreign currency translation adjustment	**(524)**	(726)	**(4,461)**	(3,528)
Comprehensive income (loss) for the period	**(12,493)**	11,225	**54,264**	57,486
Comprehensive income (loss) attributable to:				
Shareholders of Calfrac	**(12,280)**	11,324	**54,628**	57,606
Non-controlling interest	**(213)**	(99)	**(364)**	(120)
	(12,493)	11,225	**54,264**	57,486

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity Attributable to the Shareholders of Calfrac							
	Share Capital	Contributed Surplus	Loan Receivable for Purchase of Common Shares	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total	Non-Controlling Interest	**Total Equity**
(C$000s) (unaudited)	($)	($)	($)	($)	($)	($)	($)	**($)**
Balance – January 1, 2012	271,817	24,170	(2,500)	1,334	405,954	700,775	(206)	**700,569**
Net income (loss) for the period	–	–	–	–	58,986	58,986	(261)	**58,725**
Other comprehensive income:								
Cumulative translation adjustment	–	–	–	(4,358)	–	(4,358)	(103)	**(4,461)**
Comprehensive income (loss) for the period	–	–	–	(4,358)	58,986	54,628	(364)	**54,264**
Stock options:								
Stock-based compensation recognized	–	3,321	–	–	–	3,321	–	**3,321**
Proceeds from issuance of shares	12,718	(3,063)	–	–	–	9,655	–	**9,655**
Dividend Reinvestment Plan shares issued (note 19)	1,771	–	–	–	–	1,771	–	**1,771**
Dividends	–	–	–	–	(22,182)	(22,182)	–	**(22,182)**
Non-controlling interest contribution	–	–	–	–	–	–	193	**193**
Balance – June 30, 2012	**286,306**	**24,428**	**(2,500)**	**(3,024)**	**442,758**	**747,968**	**(377)**	**747,591**
Balance – January 1, 2011	263,490	15,468	(2,500)	(4,252)	229,865	502,071	(39)	**502,032**
Net income (loss) for the period	–	–	–	–	61,149	61,149	(135)	**61,014**
Other comprehensive income:								
Cumulative translation adjustment	–	–	–	(3,543)	–	(3,543)	15	**(3,528)**
Comprehensive income (loss) for the period	–	–	–	(3,543)	61,149	57,606	(120)	**57,486**
Stock options:								
Stock-based compensation recognized	–	4,848	–	–	–	4,848	–	**4,848**
Proceeds from issuance of shares	6,781	(1,462)	–	–	–	5,319	–	**5,319**
Shares cancelled (note 8)	(105)	105	–	–	–	–	–	**–**
Denison Plan of Arrangement (note 8)	–	2,206	–	–	–	2,206	–	**2,206**
Dividends	–	–	–	–	(3,284)	(3,284)	–	**(3,284)**
Balance – June 30, 2011	270,166	21,165	(2,500)	(7,795)	287,730	568,766	(159)	**568,607**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
CASH FLOWS PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net income (loss) for the period	**(11,969)**	11,951	**58,725**	61,014
Adjusted for the following:				
Depreciation	**22,272**	21,040	**44,341**	42,564
Stock-based compensation	**1,751**	2,439	**3,321**	4,848
Unrealized foreign exchange losses (gains)	**11,472**	(2,259)	**(3,917)**	(12,541)
Loss (gain) on disposal of property, plant and equipment	**1,288**	(847)	**544**	(1,081)
Interest	**8,982**	8,612	**17,917**	17,697
Deferred income taxes (recovery)	**(533)**	7,816	**24,630**	24,018
Interest paid	**(17,040)**	(17,693)	**(17,301)**	(18,703)
Changes in items of working capital (note 11)	**74,140**	38,794	**46,179**	(15,751)
Cash flows provided by operating activities	**90,363**	69,853	**174,439**	102,065
FINANCING ACTIVITIES				
Bank loan proceeds	**1,386**	96	**2,734**	96
Issuance of long-term debt, net of debt issuance costs	**71**	–	**71**	389
Long-term debt repayments	**(116)**	(107)	**(230)**	(7,658)
Finance lease obligation repayments	**(1,136)**	(321)	**(1,466)**	(637)
Denison Plan of Arrangement (note 8)	**–**	–	**–**	2,206
Net proceeds on issuance of common shares	**896**	1,951	**9,655**	5,320
Dividends paid (note 19)	**–**	–	**(2,605)**	(3,261)
Cash flows provided by (used in) financing activities	**1,101**	1,619	**8,159**	(3,545)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment (note 11)	**(75,175)**	(55,987)	**(150,663)**	(131,138)
Proceeds on disposal of property, plant and equipment	**250**	2,260	**995**	2,856
Other	**193**	22	**193**	22
Cash flows used in investing activities	**(74,732)**	(53,705)	**(149,475)**	(128,260)
Effect of exchange rate changes on cash and cash equivalents	**(1,400)**	434	**465**	(1,108)
Increase (decrease) in cash and cash equivalents	**15,332**	18,201	**33,588**	(30,848)
Cash and cash equivalents, beginning of period	**151,311**	167,555	**133,055**	216,604
Cash and cash equivalents, end of period	**166,643**	185,756	**166,643**	185,756

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2012
(Amounts in text and tables are in thousands of Canadian dollars, except share data and certain other exceptions as indicated) (unaudited)

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND ADOPTION OF IFRS

Calfrac Well Services Ltd. (the "Company") was formed through the amalgamation of Calfrac Well Services Ltd. (predecessor company originally incorporated on June 28, 1999) and Denison Energy Inc. ("Denison") on March 24, 2004 under the Business Corporations Act (Alberta). The registered office is at 411 – 8th Avenue S.W., Calgary, Alberta, Canada, T2P 1E3. The Company provides specialized oilfield services, including hydraulic fracturing, coiled tubing, cementing and other well completion services to the oil and natural gas industries in Canada, the United States, Russia, Mexico, Argentina and Colombia.

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in Part I of the Canadian Institute of Chartered Accountants' (CICA) Handbook, which requires publicly accountable enterprises to prepare their financial statements under International Financial Reporting Standards (IFRS).

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standards (IAS) 34 *Interim Financial Reporting* using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC). They should be read in conjunction with the annual financial statements for the year ended December 31, 2011, which were prepared in accordance with IFRS.

These financial statements were approved by the Audit Committee of the Board of Directors for issuance on August 9, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual financial statements.

For purposes of calculating income taxes during interim periods, the Company utilizes estimated annualized income tax rates. Current income tax expense is only recognized when taxable income is such that current income taxes become payable.

3. BANK LOAN

The Company's Colombian subsidiary has an operating line of credit of which US$5,000 was drawn at June 30, 2012 (December 31, 2011 – $2,270). It bears interest at the LIBOR rate plus 4.7 percent and is secured by a Company guarantee.

4. LONG-TERM DEBT

As at	June 30, 2012	December 31, 2011
(C$000s)	($)	($)
US$450,000 senior unsecured notes due December 1, 2020, bearing interest at 7.5% payable semi-annually	**458,145**	457,650
Less: unamortized debt issuance costs	**(7,506)**	(7,943)
	450,639	449,707
$230,000 extendible revolving term loan facility, secured by Canadian and U.S. assets of the Company	**–**	–
Less: unamortized debt issuance costs	**(1,113)**	(1,359)
	(1,113)	(1,359)
US$2,187 mortgage maturing May 2018 bearing interest at U.S. prime less 1%, repayable at US$33 per month principal and interest, secured by certain real property	**2,227**	2,399
ARS908 Argentina term loan maturing December 31, 2013 bearing interest at 18.25%, repayable at ARS61 per month principal and interest, secured by a Company guarantee	**204**	274
	451,957	451,021
Less: current portion of long-term debt	**(485)**	(476)
	451,472	450,545

The fair value of the senior unsecured notes, as measured based on the closing quoted market price at June 30, 2012, was $437,528 (December 31, 2011 – $446,209). The carrying values of the mortgage obligations, term loan and revolving term loan facilities approximate their fair values as the interest rates are not significantly different from current interest rates for similar loans.

The interest rate on the $230,000 revolving term loan facility is based on the parameters of certain bank covenants. For prime-based loans, the rate ranges from prime plus 0.5 percent to prime plus 1.25 percent. For LIBOR-based loans and bankers' acceptance-based loans, the margin thereon ranges from 1.75 percent to 2.5 percent above the respective base rates for such loans. The facility is repayable on or before its maturity date of September 27, 2015, assuming the facility is not extended. The maturity date may be extended by one or more years at the Company's request and lenders' acceptance. The Company also has the ability to prepay principal without penalty. Debt issuance costs related to this facility are amortized over the facility's term.

Interest on long-term debt (including the amortization of debt issuance costs) for the six months ended June 30, 2012 was $18,241 (year ended December 31, 2011 – $36,312).

The Company also has an extendible operating loan facility, which includes overdraft protection in the amount of $20,000. The interest rate is based on the parameters of certain bank covenants in the same fashion as the revolving term facility. Drawdowns under this facility are repayable on September 27, 2015, assuming the facility is not extended. The term and commencement of principal repayments may be extended by one year on each anniversary at the Company's request and lender's acceptance. The operating facility is secured by the Canadian and U.S. assets of the Company.

At June 30, 2012, the Company had utilized $2,647 of its loan facility for letters of credit, leaving $247,353 in available credit.

5. FINANCE LEASE OBLIGATIONS

As at	**June 30, 2012**	December 31, 2011
(C$000s)	**($)**	($)
Finance lease contracts bearing interest at 5.68%, repayable at $49 per month, secured by certain equipment	**1,047**	2,579
Less: interest portion of contractual payments	**(38)**	(105)
	1,009	2,474
Less: current portion of finance lease obligations	**(1,009)**	(1,734)
	–	740

The carrying values of the finance lease obligations approximate their fair values as the interest rates are not significantly different from current rates for similar leases.

6. CAPITAL STOCK

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

	Six Months Ended June 30, 2012		Year Ended December 31, 2010	
Continuity of Common Shares	**Shares**	**Amount**	Shares	Amount
	(#)	**(C$000s)**	(#)	(C$000s)
Balance, beginning of period	**43,709,073**	**271,817**	43,488,099	263,490
Issued upon exercise of stock options	**584,013**	**12,718**	434,250	9,656
Dividend Reinvestment Plan shares issued (note 19)	**71,189**	**1,771**	–	–
Shares cancelled (note 8)	**–**	**–**	(16,476)	(105)
Purchased under Normal Course Issuer Bid	**–**	**–**	(196,800)	(1,224)
Balance, end of period	**44,364,275**	**286,306**	43,709,073	271,817

The weighted average number of common shares outstanding for the six months ended June 30, 2012 was 44,040,443 basic and 44,610,458 diluted (six months ended June 30, 2011 – 43,589,960 basic and 44,440,522 diluted). The difference between basic and diluted shares is attributable to the dilutive effect of stock options issued by the Company as disclosed in note 9.

7. NORMAL COURSE ISSUER BID

The Company received regulatory approval to purchase its own common shares in accordance with a Normal Course Issuer Bid for the one-year period November 7, 2011 through November 6, 2012. No shares were purchased during the period January 1, 2012 through June 30, 2012. During the year ended December 31, 2011, 196,800 common shares were purchased at a cost of $4,926 and, of the amount paid, $1,224 was charged to capital stock and $3,702 to retained earnings. The common shares were cancelled prior to December 31, 2011.

8. CONTRIBUTED SURPLUS

Continuity of Contributed Surplus	**Six Months Ended June 30, 2012**	Year Ended December 31, 2011
(C$000s)	**($)**	($)
Balance, beginning of period	**24,170**	15,468
Stock options expensed	**3,321**	8,500
Stock options exercised	**(3,063)**	(2,109)
Shares cancelled	**–**	105
Denison Plan of Arrangement	**–**	2,206
Balance, end of period	**24,428**	24,170

The Plan of Arrangement that governed the amalgamation with Denison in 2004 included a six-year "sunset clause" which provided that untendered shares would be surrendered to the Company after six years. On January 19, 2011, 16,476 common shares of the Company previously held in trust for untendered shareholders were cancelled. In addition, the Company became entitled to approximately 517,000 shares of Denison Mines Corporation. These shares were sold on the Toronto Stock Exchange for net proceeds of approximately $2,189.

For accounting purposes, the cancellation of the 16,476 common shares was recorded as a reduction of capital stock and an increase in contributed surplus in the amount of $105, which represents the book value of the cancelled shares as of the date of amalgamation with Denison on March 24, 2004. The receipt and sale of the shares of Denison Mines Corporation is considered an equity contribution by the Company's owners. Consequently, the net proceeds from their sale, along with approximately $17 of cash received in respect of fractional share entitlements, were added to contributed surplus in an amount totalling $2,206.

9. STOCK-BASED COMPENSATION

(a) Stock Options

Six Months Ended June 30,	**2012**		2011	
Continuity of Stock Options	**Options**	**Average Exercise Price**	Options	Average Exercise Price
	(#)	**(C$)**	(#)	(C$)
Balance, beginning of period	**3,198,475**	**23.31**	2,583,825	17.50
Granted during the period	**634,700**	**28.14**	1,077,300	34.33
Exercised for common shares	**(584,013)**	**16.53**	(314,650)	16.91
Forfeited	**(203,575)**	**26.81**	(71,500)	25.25
Balance, end of period	**3,045,587**	**25.38**	3,274,975	22.92

Stock options vest equally over four years and expire five years from the date of grant. The exercise price of outstanding options ranges from $8.35 to $37.18 with a weighted average remaining life of 2.96 years. When stock options are exercised the proceeds, together with the amount of compensation expense previously recorded in contributed surplus, are added to capital stock.

(b) Restricted Share Units

During the first quarter of 2012, the Company commenced granting of restricted share units to its employees. These units vest equally over three years and are settled either in cash (equal to the market value of the underlying shares at the time of exercise) or in Company shares purchased on the open market. The fair value of the restricted share units is recognized over the vesting period, based on the current market price of the Company's shares. For the six months ended June 30, 2012, $1,670 of compensation expense was recognized for restricted share units (six months ended June 30, 2011 – $nil). This amount is included in selling, general and administrative expense. There were 239,755 restricted share units outstanding as at June 30, 2012.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments included in the consolidated balance sheets are comprised of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, bank loan, long-term debt and finance lease obligations.

The fair values of financial instruments included in the consolidated balance sheets, except long-term debt, approximate their carrying amounts. The fair value of the senior unsecured notes based on the closing market price at June 30, 2012 was $437,528 before deduction of unamortized debt issuance costs (December 31, 2011 – $446,209). The carrying value of the senior unsecured notes at June 30, 2012 was $458,145 before deduction of unamortized debt issuance costs (December 31, 2011 – $457,650). The fair values of the remaining long-term debt and finance lease obligations approximate their carrying values, as described in notes 4 and 5.

11. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash operating assets and liabilities are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
(C$000s)	**($)**	($)	**($)**	($)
Accounts receivable	**117,811**	65,518	**102,853**	(5,426)
Income taxes recoverable	**(1,651)**	1,913	**(1,352)**	2,022
Inventory	**(11,044)**	725	**(21,154)**	(13,658)
Prepaid expenses and deposits	**(4,874)**	78	**(5,584)**	(1,041)
Accounts payable and accrued liabilities	**(25,872)**	(29,413)	**(28,346)**	2,436
Other long-term liabilities	**(230)**	(27)	**(238)**	(84)
	74,140	38,794	**46,179**	(15,751)

Purchase of property, plant and equipment is comprised of:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
(C$000s)	**($)**	($)	**($)**	($)
Property, plant and equipment additions	**(75,286)**	(72,047)	**(159,361)**	(137,824)
Change in liabilities related to purchase of property, plant and equipment	**111**	16,060	**8,698**	6,686
	(75,175)	(55,987)	**(150,663)**	(131,138)

12. 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, amongst other parameters, the ratio of long-term debt to cash flow. Cash flow for this purpose is calculated on a 12-month trailing basis and is defined below.

For the Twelve Months Ended	**June 30, 2012**	December 31, 2011
(C$000s)	**($)**	($)
Net income	**184,868**	187,157
Adjusted for the following:		
Depreciation	**89,234**	87,457
Amortization of debt issuance costs and debt discount	**1,231**	1,207
Stock-based compensation	**6,973**	8,500
Unrealized foreign exchange gains	**20,569**	11,945
Loss (gain) on disposal of property, plant and equipment	**1,537**	(88)
Deferred income taxes	**87,649**	87,037
Cash flow	**392,061**	383,215

The ratio of long-term debt to cash flow does not have any standardized meaning under IFRS and may not be comparable to similar measures used by other companies.

At June 30, 2012, the long-term debt to cash flow ratio was 1.15:1 (December 31, 2011 – 1.18:1) calculated on a 12-month trailing basis as follows:

As at	**June 30, 2012**	December 31, 2011
(C$000s, except ratio)	**($)**	($)
Long-term debt (net of unamortized debt issuance costs) (note 4)	**451,957**	451,021
Cash flow	**392,061**	383,215
Long-term debt to cash flow ratio	**1.15:1**	1.18:1

The Company is subject to certain financial covenants relating to working capital, leverage and the generation of cash flow in respect of its operating and revolving credit facilities. These covenants are monitored on a monthly basis. 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.

13. RELATED-PARTY TRANSACTIONS

An entity controlled by a director of the Company provides ongoing real estate advisory services to the Company. The fees charged for such services for the six months ended June 30, 2012 were $18 (year ended December 31, 2011 – $90), as measured at the exchange amount.

In November 2010, the Company lent a senior officer $2,500 to purchase common shares of the Company on the Toronto Stock Exchange. The loan is on a non-recourse basis and is secured by the common shares acquired with the loan proceeds. It is for a term of five years and bears interest at the rate of 3.375 percent per annum, payable annually. The market value of the shares that secure the loan was approximately $1,928 as at June 30, 2012 (December 31, 2011 – $2,411). In accordance with applicable accounting standards regarding share purchase loans receivable, this loan is classified as a reduction of shareholders' equity due to its non-recourse nature. In addition, the shares purchased with the loan proceeds are considered to be, in substance, stock options.

The Company leases certain premises from an entity controlled by a director of the Company. The rent charged for these premises for the six months ended June 30, 2012 was $178 (year ended December 31, 2011 – $312), as measured at the exchange amount.

14. PRESENTATION OF EXPENSES

The Company presents its expenses on the consolidated statements of operations using the function-of-expense method whereby expenses are classified according to their function within the Company. This method was selected as it is more closely aligned with the Company's business structure. The Company's functions under IFRS are as follows:

- operations; and
- selling, general and administrative.

Cost of sales includes direct operating costs (including product costs, direct labour and overhead costs) and depreciation on assets relating to operations.

Additional information on the nature of expenses is as follows:

Six Months Ended June 30,	**2012**	2011
(C$000s)	**($)**	($)
Product costs	**240,436**	152,089
Depreciation	**44,341**	42,564
Amortization of debt issuance costs	**616**	592
Employee benefits expense (note 15)	**176,552**	142,404

15. EMPLOYEE BENEFITS EXPENSE

Employee benefits include all forms of consideration given by the Company in exchange for services rendered by employees.

Six Months Ended June 30,	**2012**	2011
(C$000s)	**($)**	($)
Salaries and short-term employee benefits	**167,299**	134,674
Post-employment benefits (group retirement savings plan)	**1,698**	1,403
Share-based payments	**6,066**	6,175
Termination benefits	**1,489**	152
	176,552	142,404

16. CONTINGENCIES

Greek Operations

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

In 1998, North Aegean Petroleum Company E.P.E. ("NAPC"), a Greek subsidiary of a consortium in which Denison participated (and which is now a majority-owned subsidiary of the Company), terminated employees in Greece as a result of the cessation of its oil and natural gas operations in that country. Several groups of former employees filed claims against NAPC and the consortium 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 salaries in arrears amounting to approximately $8,821 (6,846 euros) plus interest were 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 the quantum of awardable salaries in arrears. On June 3, 2008, the Athens Court of Appeal rejected NAPC's appeal and reinstated the award of the Athens Court of First Instance, which decision was further appealed to the Supreme Court of Greece. The matter was heard on April 20, 2010 and a decision rejecting such appeal was rendered in June 2010. NAPC and the Company are assessing available rights of appeal to any other levels of 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 compensation for additional work of approximately $45 (35 euros), plus interest. The appeal of this decision was heard on June 2, 2009, at which time an additional claim by the plaintiff was also heard. A decision in respect of the hearing has been rendered which accepted NAPC's appeal of the initial claim and partially accepted the additional claim of the plaintiff, resulting in an award of approximately $14 (11 euros), plus interest.

Another one of the lawsuits seeking salaries in arrears of $165 (128 euros) plus interest, 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. A rehearing of this appeal was heard on September 21, 2010 and the decision rendered declared once again the appeal inadmissible due to technical reasons. The remaining action, which is seeking salaries in arrears of approximately $566 (439 euros) plus interest, was scheduled to be heard before the Athens Court of First Instance on October 1, 2009, but was adjourned until November 18, 2011 as a result of the Greek elections. On November 18, 2011 the hearing of this claim was again postponed until May 24, 2012, on which date it was further postponed until February 22, 2013

The maximum aggregate interest payable under the claims noted above amounted to $14,627 (11,352 euros) as at June 30, 2012.

The previously disclosed agreement with a Greek exploration and production company pursuant to which the Company had agreed to assign approximately 90 percent of its entitlement under an offshore licence agreement for consideration including a full indemnity in respect of the Greek legal claims described above has expired in accordance with its terms. Notwithstanding such expiry, the Greek exploration and production company continues to work towards the satisfaction of the conditions precedent in the expired agreement in order to facilitate a closing.

Management is of the view that it is improbable there will be an outflow of economic resources from the Company to settle these claims. Consequently, no provision has been recorded in these interim consolidated financial statements.

17. SEGMENTED INFORMATION

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

The business segments presented reflect the Company's management structure and the way its management reviews business performance. The Company evaluates the performance of its operating segments primarily based on operating income, as defined below.

	Canada	United States	Russia	Latin America	Corporate	Consolidated
(C$000s)	($)	($)	($)	($)	($)	($)
Three Months Ended June 30, 2012						
Revenue	**104,720**	**175,136**	**29,244**	**26,680**	**–**	**335,780**
Operating income (loss) [1]	**5,829**	**32,863**	**1,772**	**1,230**	**(11,884)**	**29,810**
Segmented assets	**717,001**	**571,539**	**120,507**	**69,610**	**–**	**1,478,657**
Capital expenditures	**43,308**	**27,183**	**1,249**	**3,546**	**–**	**75,286**
Goodwill	**7,236**	**2,308**	**979**	**–**	**–**	**10,523**
Three Months Ended June 30, 2011						
Revenue	86,583	141,631	29,806	11,436	–	269,456
Operating income (loss) [1]	4,505	48,931	3,647	(249)	(8,897)	47,937
Segmented assets	583,365	423,076	121,470	38,557	–	1,166,468
Capital expenditures	35,148	34,408	2,267	224	–	72,047
Goodwill	7,236	2,308	979	–	–	10,523
Six Months Ended June 30, 2012						
Revenue	**330,544**	**370,035**	**57,341**	**51,967**	**–**	**809,887**
Operating income (loss) [1]	**83,161**	**76,967**	**3,326**	**3,748**	**(24,011)**	**143,191**
Segmented assets	**717,001**	**571,539**	**120,507**	**69,610**	**–**	**1,478,657**
Capital expenditures	**80,502**	**72,722**	**2,108**	**4,029**	**–**	**159,361**
Goodwill	**7,236**	**2,308**	**979**	**–**	**–**	**10,523**
Six Months Ended June 30, 2011						
Revenue	288,036	240,106	56,135	22,587	–	606,864
Operating income (loss) [1]	72,938	77,626	5,579	(977)	(19,229)	135,937
Segmented assets	583,365	423,076	121,470	38,557	–	1,166,468
Capital expenditures	60,957	71,770	4,597	500	–	137,824
Goodwill	7,236	2,308	979	–	–	10,523

[1] Operating income (loss) is defined as net income (loss) before depreciation, interest, foreign exchange gains or losses, gains or losses on disposal of property, plant and equipment, and income taxes or recoveries. Operating income was calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
(C$000s)	**($)**	($)	**($)**	($)
Net income (loss)	**(11,969)**	11,951	**58,725**	61,014
Add back (deduct):				
Depreciation	**22,272**	21,040	**44,341**	42,564
Interest	**8,982**	8,612	**17,917**	17,697
Foreign exchange losses (gains)	**9,786**	(1,813)	**(4,084)**	(10,476)
Loss (gain) on disposal of property, plant and equipment	**1,288**	(847)	**544**	(1,081)
Income taxes (recovery)	**(549)**	8,994	**25,748**	26,219
Operating income	**29,810**	47,937	**143,191**	135,937

Operating income does not have any standardized meaning under IFRS and may not be comparable to similar measures used by other companies.

The following table sets forth consolidated revenue by service line:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
(C$000s)	**($)**	($)	**($)**	($)
Fracturing	**299,281**	247,932	**728,660**	551,560
Coiled tubing	**21,214**	16,036	**51,998**	42,595
Cementing	**8,828**	3,720	**16,703**	8,181
Other	**6,457**	1,768	**12,526**	4,528
	335,780	269,456	**809,887**	606,864

18. SEASONALITY OF OPERATIONS

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

19. DIVIDEND REINVESTMENT PLAN

The Company has a Dividend Reinvestment Plan (DRIP) that allows shareholders to direct cash dividends paid on all or a portion of their common shares to be reinvested in additional common shares that are issued at 95 percent of the volume-weighted average price of the common shares traded on the Toronto Stock Exchange during the last five trading days preceding the relevant dividend payment date.

A dividend of $0.10 per common share was declared on December 8, 2011 and paid on January 31, 2012. Of the total dividend in the amount of $4,376, $1,771 was reinvested under the DRIP into 71,189 common shares of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ronald P. Mathison [1][2]
Chairman
President &
Chief Executive Officer
Matco Investments Ltd.

Douglas R. Ramsay [4]
Chief Executive Officer
Calfrac Well Services Ltd.

Kevin R. Baker [2][3]
President &
Managing Director
Baycor Capital Inc.

James S. Blair [3][4]
President &
Chief Executive Officer
Glenogle Energy Inc.

Gregory S. Fletcher [1][2]
President
Sierra Energy Inc.

Lorne A. Gartner [1][4]
Independent Businessman

R.T. (Tim) Swinton [1][2][3]
Independent Businessman

(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

OFFICERS

Douglas R. Ramsay
Chief Executive Officer

Fernando Aguilar
President &
Chief Operating Officer

Laura A. Cillis
Senior Vice President, Finance &
Chief Financial Officer

John L. Grisdale
President,
United States
Operating Division

OFFICERS

Robert J. Montgomery
President,
Canadian Operating Division

Robert L. Sutherland
President,
Russian Operating Division

O. Alberto Bertolin
Director General,
Latin America Division

Armando J. Bertolin
Director General,
Latin America Division

Dwight M. Bobier
Senior Vice President,
Technical Services

Tom J. Medvedic
Senior Vice President,
Corporate Development

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

R. Leron Crapo
Vice President,
Operations Finance

Chris K. Gall
Vice President,
Global Supply Chain

Roderick P. Kuntz
Vice President,
Health, Safety & Environment

Umberto Marseglia
Vice President, Global Business

Michael D. Olinek
Vice President, Finance

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

F. Bruce Payne
Vice President,
Global Operations

Gary J. Rokosh
Vice President, Sales,
Marketing & Engineering
Canadian Operating Division

Matthew L. Mignault
Corporate Controller

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STOCK EXCHANGE LISTING

Trading Symbol: CFW

OPERATING BASES

Alberta, Canada
Calgary – Head Office
Calgary – Technology and Training Centre
Edson
Grande Prairie
Medicine Hat
Red Deer

British Columbia, Canada
Dawson Creek
Fort Nelson

Saskatchewan, Canada
Estevan

Colorado, United States
Denver – Regional Office
Grand Junction
Platteville

Arkansas, United States
Beebe

Pennsylvania, United States
Philipsburg
Smithfield

North Dakota, United States
Williston

Russia
Moscow – Regional Office
Khanty-Mansiysk
Noyabrsk
Nefteugansk

Mexico
Mexico City – Regional Office
Reynosa
Poza Rica

Argentina
Buenos Aires – Regional Office
Catriel
Neuquén

Colombia
Bogota – Regional Office

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 by email at service@computershare.com, or write to:

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