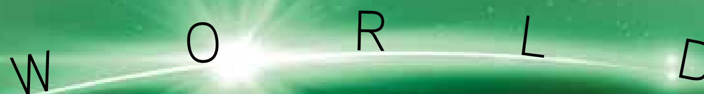
CALFRAC WELL SERVICES

EXPANDING
OUR UNCONVENTIONAL



Third Quarter Interim Report

For the three and nine months ended September 30, 2014

Q3 HIGHLIGHTS

	Three Months Ended Sept. 30,			Nine Months Ended Sept. 30,		
	2014	2013	Change	**2014**	2013	Change
(C$000s, except per share and unit data) (unaudited)	**($)**	($)	(%)	**($)**	($)	(%)
Financial						
Revenue	**697,440**	388,662	79	**1,748,035**	1,100,760	59
Operating income [1]	**126,058**	51,683	144	**235,008**	130,660	80
Per share – basic [3]	**1.33**	0.56	138	**2.50**	1.43	75
Per share – diluted [3]	**1.32**	0.56	136	**2.48**	1.42	75
Net income attributable to the shareholders of Calfrac before foreign exchange losses or gains [2]	**48,611**	9,678	402	**49,956**	17,385	187
Per share – basic [3]	**0.51**	0.11	364	**0.53**	0.19	179
Per share – diluted [3]	**0.51**	0.10	410	**0.53**	0.19	179
Net income attributable to the shareholders of Calfrac	**44,465**	6,089	630	**40,506**	16,150	151
Per share – basic [3]	**0.47**	0.07	571	**0.43**	0.18	139
Per share – diluted [3]	**0.46**	0.07	557	**0.43**	0.18	139
Working capital (end of period)	**393,653**	292,854	34	**393,653**	292,854	34
Total equity (end of period)	**828,537**	786,933	5	**828,537**	786,933	5
Weighted average common shares outstanding (#)						
Basic [3]	**94,569**	91,886	3	**93,820**	91,155	3
Diluted [3]	**95,681**	92,616	3	**94,730**	91,807	3
Operating (end of period)						
Pumping horsepower (000s)				**1,235**	1,025	20
Coiled tubing units (#)				**36**	31	16
Cementing units (#)				**31**	30	3

(1) Refer to "Non-GAAP Measures" on page 6 for further information.

(2) Net income 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.

(3) Amounts from 2013 were adjusted to reflect the Company's two-for-one common share split that occurred on June 2, 2014.

QUARTERLY OVERVIEW

Consolidated Highlights

Three Months Ended September 30, 2014	**2014**	2013	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Revenue	**697,440**	388,662	79
Expenses			
Operating	**535,092**	312,571	71
Selling, general and administrative (SG&A)	**36,290**	24,408	49
	571,382	336,979	70
Operating income [(1)]	**126,058**	51,683	144
Operating income (%)	**18.1%**	13.3%	36
Fracturing revenue per job ($)	**90,392**	92,802	(3)
Number of fracturing jobs	**7,091**	3,803	86
Pumping horsepower, end of period (000s)	**1,235**	1,025	20
Coiled tubing revenue per job ($)	**40,426**	34,338	18
Number of coiled tubing jobs	**788**	567	39
Coiled tubing units, end of period (#)	**36**	31	16
Cementing revenue per job ($)	**36,154**	32,574	11
Number of cementing jobs	**577**	425	36
Cementing units, end of period (#)	**31**	30	3

(1) Refer to "Non-GAAP Measures" on page 6 for further information.

Revenue in the third quarter of 2014 for Calfrac was $697.4 million, which increased by 79 percent from the same period in 2013 and increased 39 percent from the second quarter of 2014. On a year-over-year basis, consolidated fracturing jobs increased by 86 percent, but consolidated revenue per fracturing job declined by 3 percent primarily due to lower pricing, but was partially offset by an increase in service intensity per well. Sequentially, revenue per job increased by 19 percent due to a greater proportion of revenue coming from Canada, which typically generates higher revenue per job compared to the United States and moderately higher pricing in Canada and the United States.

Pricing in Canada was higher in the third quarter of 2014 when compared to the first and second quarters of 2014, as the Company implemented pricing increases and realized the benefit of surcharges for certain input costs. In the United States, pricing was higher compared to the second quarter of 2014 in certain areas due to pricing increases related to a high level of service quality and performance. However, wide ranging pricing increases continue to be challenging. In Russia, pricing is determined by contract awards which resulted in the Company experiencing minimal pricing changes during the quarter. Similarly, a significant portion of Calfrac's work in Argentina is under contract, resulting in immaterial pricing changes compared to the prior quarter.

Operating income for the third quarter of 2014 was $126.1 million, an increase of 144 percent from the comparable period in 2013 and an increase of 181 percent compared to the second quarter of 2014. Operating income as a percentage of revenue in 2014 was higher by 480 basis points compared to the same period last year due to significantly higher fracturing activity in Canada and Latin America. Sequentially, operating income as a percentage of revenue increased 920 basis points due to a return to higher activity in Canada after spring break-up.

In Canada, revenue increased by 193 percent sequentially to $282.1 million due to a return to high utilization at the conclusion of spring break-up. The Company was particularly active in the Montney, Deep Basin and Viking plays during the third quarter of 2014. Operating income as a percentage of revenue increased to 23 percent from negative 10 percent in the prior quarter, due to significantly higher activity and improved pricing.

In the United States, revenue in the third quarter of 2014 increased by 5 percent compared to the second quarter of 2014 to $331.9 million, mainly as a result of higher activity in the Eagle Ford, North Dakota Bakken and Marcellus as well as pricing improvements related to Calfrac specific performance. The higher activity was a function of increased demand for completions work from Calfrac's customers and an increase in completions intensity. Total sand pumped was up 24 percent from the previous quarter while job count only increased 5 percent. Operating income as a percentage of revenue increased to 20 percent in the third quarter of 2014 from 19 percent in the previous quarter. United States operating income margins increased due to improved pricing and moderately higher activity.

In Russia, revenue decreased to $43.9 million in the third quarter of 2014 from $51.2 million in the second quarter of 2014. The decrease resulted from one of the Company's customer completing less wells due to a lack of availability of other oilfield equipment. Operating income as a percentage of revenue decreased to 13 percent in the third quarter of 2014 from 14 percent in the prior quarter due to lower activity.

In Latin America, revenue was unchanged quarter-over-quarter at $39.6 million due to ongoing activity in Argentina and to a lesser extent Mexico and Colombia. Operating income as a percentage of revenue increased to 14 percent from 10 percent due to a higher proportion of revenue from Argentina and a rationalization of the Company's Mexico operations.

Net income attributable to shareholders of Calfrac was $44.5 million or $0.46 per share diluted, compared to $6.1 million or $0.07 per share diluted in the same period last year and an increase from a loss of $12.9 million or $0.14 per share diluted in the previous quarter. Net income per share on a fully diluted basis was positively impacted quarter-over-quarter by an increase in Canadian activity after spring break-up, higher U.S. activity and moderately better pricing in both of those divisions.

The Company believes its mix of customer commitments and spot market exposure leaves it well-positioned in the North American market. In both Latin America and Russia, Calfrac has the vast majority of its equipment under contract.

In the third quarter of 2014, Calfrac declared a quarterly dividend of $0.125 per share.

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 November 4, 2014 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 nine months ended September 30, 2014 and 2013 and should be read in conjunction with the interim consolidated financial statements for the three and nine months ended September 30, 2013, as well as the audited consolidated financial statements and MD&A for the year ended December 31, 2013.

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 page 6.

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 three and nine months ended September 30, 2014 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, British Columbia, Saskatchewan and Manitoba. At September 30, 2014, Calfrac's Canadian operations had combined hydraulic horsepower of approximately 387,000 and 17 coiled tubing units.

- The United States segment provides pressure pumping services from operating bases in Arkansas, Colorado, North Dakota, Pennsylvania and Texas. The Company provides fracturing services to a number of oil and natural gas companies operating in the Bakken oil shale play in North Dakota, the Rockies area which includes 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. In the fourth quarter of 2013, the Company commenced fracturing operations in southern Texas servicing the Eagle Ford. Calfrac also provides fracturing and cementing services to customers operating in the Marcellus and Utica shale plays in Pennsylvania, Ohio and West Virginia, and the Fayetteville shale play of Arkansas. At September 30, 2014, Calfrac's United States operations had combined hydraulic horsepower of approximately 676,000, 18 cementing units and eight coiled tubing units.

- The Company's Russian segment provides fracturing and coiled tubing services in Western Siberia. In the third quarter of 2014, the Company operated under a mix of annual and multi-year agreements to provide services to a number of Russia's largest oil producers. At September 30, 2014, the Company operated seven deep coiled tubing units and approximately 70,000 hydraulic horsepower forming seven fracturing spreads in Russia.

- The Latin America segment provides pressure pumping services from operating bases in Argentina, Mexico and Colombia. In Argentina, the Company provides fracturing, cementing and coiled tubing services to oil and natural gas companies operating in the Catriel, Las Heras and Neuquén regions. The Company provides fracturing services to customers operating in the Burgos field of northern Mexico and the Chicontepec Basin of central Mexico. Calfrac also provides cementing services to oil and natural gas companies in Colombia. The Company had approximately 102,000 hydraulic horsepower, 13 cementing units and four coiled tubing units in its Latin America segment at September 30, 2014.

Consolidated Highlights

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2014	2013	Change	**2014**	2013	Change
(C$000s, except per share amounts) (unaudited)	**($)**	($)	(%)	**($)**	($)	(%)
Revenue	**697,440**	388,662	79	**1,748,035**	1,100,760	59
Operating income [(1)]	**126,058**	51,683	144	**235,008**	130,660	80
Net income attributable to the shareholders of Calfrac	**44,465**	6,089	630	**40,506**	16,150	151
Per share – basic [(2)]	**0.47**	0.07	571	**0.43**	0.18	139
Per share – diluted [(2)]	**0.46**	0.07	557	**0.43**	0.18	139

As at	**September 30, 2014**	December 31, 2013	Change
(C$000s) (unaudited)	**($)**	($)	(%)
Working capital, end of period	**393,653**	319,934	23
Total assets, end of period	**2,090,048**	1,869,931	12
Long-term debt, end of period	**701,424**	651,553	8
Total equity, end of period	**828,537**	795,207	4

(1) Refer to "Non-GAAP Measures" on page 6 for further information.

(2) Amounts from 2013 were adjusted to reflect the Company's two-for-one common share split that occurred on June 2, 2014.

Third Quarter 2014 Overview

In the third quarter of 2014, the Company:

- had record revenue of $697.4 million, an increase of 79 percent from the third quarter of 2013 driven primarily by higher activity in the United States, Canada and Latin America. The increase was moderated by lower year-over-year pricing in North America;
- reported operating income of $126.1 million versus $51.7 million for the same period in 2013 due to greater equipment utilization in the United States, Canada and Argentina;
- reported net income attributable to the shareholders of Calfrac of $44.5 million or $0.46 per share diluted, which included a foreign exchange loss of $5.8 million, compared to net income of $6.1 million or $0.07 per share diluted in the same period of 2013, which included a foreign exchange loss of $5.0 million;
- at period end, had working capital of $393.7 million, an increase of 23 percent from December 31, 2013; and
- declared a quarterly dividend of $0.125 per share.

In the nine months ended September 30, 2014, the Company:

- recorded revenue of $1.7 billion, an increase of 59 percent from the first nine months of 2013 driven primarily by higher activity and the completion of larger jobs in Canada and the United States. The increase was limited by lower year-over-year pricing in North America;
- reported operating income of $235.0 million versus $130.7 million for the same period in 2013 due to higher utilization in Canada, the United States and Latin America;
- reported net income attributable to the shareholders of Calfrac of $40.5 million or $0.43 per share diluted, which included a foreign exchange loss of $13.6 million, compared to net income of $16.2 million or $0.18 per share diluted in the same period of 2013, including a foreign exchange gain of $2.7 million; and
- incurred capital expenditures of $125.8 million to enhance the Company's fracturing operations in North America and Latin America.

Non-GAAP Measures

Certain supplementary measures in this MD&A do not have any standardized meaning under IFRS and, because IFRS have been incorporated as Canadian generally accepted accounting principles (GAAP), 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 property, plant and equipment, income taxes and non-controlling interest. 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 taxed. Operating income was calculated as follows:

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2014	2013	**2014**	2013
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
Net income	**44,650**	5,733	**41,222**	14,982
Add back (deduct):				
Depreciation	**35,455**	27,811	**103,398**	78,596
Interest	**14,691**	10,064	**44,075**	28,552
Foreign exchange losses	**5,807**	4,993	**13,585**	2,700
Loss (gain) on disposal of property, plant and equipment	**758**	(172)	**1,481**	(306)
Income taxes	**24,697**	3,254	**31,247**	6,136
Operating income	**126,058**	51,683	**235,008**	130,660

Financial Overview – Three Months Ended September 30, 2014 Versus 2013

Canada

Three Months Ended September 30,	**2014**	2013	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Revenue	**282,077**	167,707	68
Expenses			
Operating	**209,724**	134,407	56
Selling, general and administrative (SG&A)	**7,303**	4,550	61
	217,027	138,957	56
Operating income [(1)]	**65,050**	28,750	126
Operating income (%)	**23.1%**	17.1%	35
Fracturing revenue per job ($)	**227,999**	183,942	24
Number of fracturing jobs	**1,172**	860	36
Pumping horsepower, end of period (000s)	**387**	389	(1)
Coiled tubing revenue per job ($)	**31,091**	26,960	15
Number of coiled tubing jobs	**478**	353	35
Coiled tubing units, end of period (#)	**17**	21	(19)

(1) Refer to "Non-GAAP Measures" on page 6 for further information.

Revenue

Revenue from Calfrac's Canadian operations during the third quarter of 2014 was $282.1 million versus $167.7 million in the same period of 2013. The increase in revenue was a result of a number of factors: increased activity and larger stage sizes in the natural gas liquids plays of Western Canada; the ongoing trend of more fracturing stages per well combined with an increase in 24-hour operations; higher activity in the Viking oil resource play; and the number of fracturing jobs growing by 36 percent due to a reduction in weather-related issues. Further augmenting revenue growth was revenue per job increasing by 24 percent as a result of higher service intensity per well and moderate pricing increases. Total sand usage increased by 64 percent and the amount of sand pumped on a per job basis increased by 20 percent in the third quarter of 2014 from the third quarter of 2013.

Operating Income

Operating income in Canada during the third quarter of 2014 was $65.1 million compared to $28.8 million in the same period of 2013. The increase in operating income was the result of a greater proportion of 24-hour operations, moderately improved pricing and the introduction of cost surcharges for certain inputs into the Company's operations. Subcontractor transportation costs as a percentage of revenue were higher on a year-over-year basis as the trend of increased sand requirements resulted in higher usage of third party subcontractors to transport sand from the terminal to the wellsite. SG&A expenses increased by 61 percent year-over-year, but remained similar to the prior year as a percentage of revenue. The increase in SG&A expenses primarily relates to higher personnel and recruiting costs associated with organizational growth.

United States

Three Months Ended September 30,	2014	2013	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**331,862**	153,650	116
Expenses			
Operating	**255,227**	117,933	116
SG&A	**9,362**	4,402	113
	264,589	122,335	116
Operating income [(1)]	**67,273**	31,315	115
Operating income (%)	**20.3%**	20.4%	–
Fracturing revenue per job ($)	**58,740**	58,849	–
Number of fracturing jobs	**5,377**	2,470	118
Pumping horsepower, end of period (000s)	**676**	501	35
Coiled tubing revenue per job ($)	**78,980**	–	–
Number of coiled tubing jobs	**58**	–	–
Coiled tubing units, end of period (#)	**8**	–	–
Cementing revenue per job ($)	**37,876**	39,489	(4)
Number of cementing jobs	**302**	210	44
Cementing units, end of period (#)	**18**	17	6
US$/C$ average exchange rate [(2)]	**1.0891**	1.0385	5

(1) Refer to "Non-GAAP Measures" on page 6 for further information.
(2) Source: Bank of Canada

Revenue

Revenue from Calfrac's United States operations increased to $331.9 million during the third quarter of 2014 from $153.7 million in the comparable quarter of 2013. The growth in the number of fracturing jobs was primarily due to significantly higher activity in the Rockies, Marcellus, Bakken and Eagle Ford as well as a greater proportion of 24-hour operations. Revenue per job was stable year-over-year as the continued adoption of greater service intensity per job offset weaker pricing. In addition, the stronger U.S. dollar increased reported revenue. Sand usage during the third quarter of 2014 increased on a total and per job basis by 154 percent and 17 percent, respectively, over the third quarter of 2013.

Operating Income

Operating income in the United States was $67.3 million for the third quarter of 2014, an increase of 115 percent from the comparative period in 2013. The increase was primarily due to higher activity in the quarter. Operating income as a percentage of revenue was unchanged year-over-year at 20 percent. The gain in operating income was limited due to higher equipment repair costs, subcontractor costs and, to a lesser extent, product costs as larger quantities of sand were required by Calfrac's customers. SG&A increased by 113 percent in the third quarter of 2014 over the same period in the prior year due to higher personnel costs to support the Company's expanded operations and a higher bonus expense, both of which resulted from the increased activity.

Russia

Three Months Ended September 30,	**2014**	2013	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**43,895**	42,913	2
Expenses			
Operating	**36,314**	36,129	1
SG&A	**1,708**	1,437	19
	38,022	37,566	1
Operating income [(1)]	**5,873**	5,347	10
Operating income (%)	**13.4%**	12.5%	7
Fracturing revenue per job ($)	**111,691**	112,405	(1)
Number of fracturing jobs	**323**	313	3
Pumping horsepower, end of period (000s)	**70**	54	30
Coiled tubing revenue per job ($)	**53,925**	59,011	(9)
Number of coiled tubing jobs	**145**	131	11
Coiled tubing units, end of period (#)	**7**	7	–
Rouble/C$ average exchange rate [(2)]	**0.0300**	0.0317	(5)

(1) Refer to "Non-GAAP Measures" on page 6 for further information.

(2) Source: Bank of Canada.

Revenue

During the third quarter of 2014, the Company's revenue from its Russian operations increased by 2 percent to $43.9 million from $42.9 million in the corresponding three-month period of 2013. The increase was mainly due to the Company expanding its operations into Usinsk during 2014, which offset a decline in activity in the Nefteugansk region. During the third quarter of 2014, approximately 17 percent of the Company's total fracturing jobs were multi-stage completions within horizontal wellbores versus 32 percent in the comparable quarter of 2013. The decline was due to a reduction in activity for one of the Company's customers that was primarily involved in the use of multi-stage completions.

Operating Income

Operating income in Russia was $5.9 million during the third quarter of 2014 compared to $5.4 million in the corresponding period of 2013. The modest increase was due to a reduction in proppant and chemicals costs resulting from smaller job sizes and technical efficiencies leading to lower consumption. SG&A expenses increased by 19 percent in the third quarter of 2014 due to the addition of the Company's fourth Russian operating base, which is located in Usinsk.

Latin America

Three Months Ended September 30,	**2014**	2013	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**39,606**	24,392	62
Expenses			
Operating	**30,579**	22,499	36
SG&A	**3,662**	2,392	53
	34,241	24,891	38
Operating income (loss) [1]	**5,365**	(499)	1,175
Operating income (loss) (%)	**13.5%**	-2.0%	775
Pumping horsepower, end of period (000s)	**102**	81	26
Cementing units, end of period (#)	**13**	13	–
Coiled tubing units, end of period (#)	**4**	3	33
Mexican peso/C$ average exchange rate [2]	**0.0830**	0.0805	3
Argentinean peso/C$ average exchange rate [2]	**0.1313**	0.1860	(29)

(1) Refer to "Non-GAAP Measures" on page 6 for further information.
(2) Source: Bank of Canada.

Revenue

Calfrac's Latin American operations generated total revenue of $39.6 million during the third quarter of 2014 versus $24.4 million in the comparable three-month period in 2013. The increase was due mainly to the significant growth in activity across all of the Company's service lines in Argentina. This was offset by significantly lower activity in Mexico resulting from budget constraints experienced by the Company's major customer in the region. The Colombian cementing market also remained challenging as permitting and infrastructure issues continued to limit activity.

Operating Income

Operating income in Latin America for the three months ended September 30, 2014 was $5.4 million compared to a loss of $0.5 million in the comparative quarter in 2013. This increase was primarily due to activity growth since the commencement of fracturing operations in Argentina in mid-2013. Offsetting the improvement in operating income were one-time costs in Mexico of $0.4 million as Calfrac rationalized its workforce in response to its short term expectation of lower activity in that country. In addition, the Company reallocated some fracturing equipment to the United States from Mexico.

Corporate

Three Months Ended September 30,	**2014**	2013	Change
(C$000s) (unaudited)	**($)**	($)	(%)
Expenses			
Operating	**3,247**	1,602	103
SG&A	**14,256**	11,628	23
	17,503	13,230	32
Operating loss [1]	**(17,503)**	(13,230)	32
% of Revenue	**2.5%**	3.4%	(26)

(1) Refer to "Non-GAAP Measures" on page 6 for further information.

Operating Loss

The 32 percent increase in corporate expenses from the third quarter of 2013 was mainly due to a higher year-over-year bonus provision combined with higher personnel expenses and professional fees. The increase was offset partially by lower stock-based compensation expenses of $1.5 million resulting from a lower share price at the end of the quarter. The operating loss declined substantially as a percentage of revenue in response to the strong period-over-period growth in the Company's overall revenue.

Depreciation

For the three months ended September 30, 2014, depreciation expense increased by 27 percent to $35.5 million from $27.8 million in the corresponding quarter of 2013. The increase was mainly a result of the acquisition of assets from Mission Well Services LLC ("Mission") at the beginning of the fourth quarter of 2013 combined with asset additions in Argentina and the United States.

Foreign Exchange Losses or Gains

The Company recorded a foreign exchange loss of $5.8 million during the third quarter of 2014 versus $5.0 million in the comparative three-month period of 2013. Foreign exchange gains and losses arise primarily from the translation of net monetary assets or liabilities that were held in United States dollars in Canada, Russia and Latin America. The Company's third-quarter 2014 foreign exchange loss was largely attributable to the translation of United States dollar-denominated liabilities held in Russia, Mexico and Argentina. The United States dollar strengthened against all of the Company's other functional currencies since the end of the second quarter resulting in a foreign exchange loss. The loss was partially offset by a gain on United States dollar-denominated assets held in Canada.

Interest

The Company's net interest expense of $14.7 million for the third quarter of 2014 was $4.6 million higher than in the comparable period of 2013. The increase was related to the issuance of an additional US$150.0 million of Calfrac's 7.50 percent senior notes to finance the acquisition of assets from Mission combined with a weaker Canadian dollar relative to the United States dollar quarter-over-quarter. Loans related to Calfrac's revolving credit facility were higher during the third quarter of 2014 than in the comparable period of 2013. Additional short-term borrowing in Latin America to fund the operational expansion in Argentina combined with higher interest rates also contributed to the increase in interest expense during the quarter.

Income Tax Expenses

The Company recorded income tax expense of $24.7 million during the third quarter of 2014 compared to $3.3 million in the comparable period of 2013. The increase in total income tax expense was primarily due to significantly increased profitability in the United States and Canada combined with improved profitability in Argentina. In addition, the Company recorded a $1.1 million tax adjustment in Canada during the quarter that related to prior periods. The effective tax rate, excluding one-time adjustments, was 34 percent during the third quarter of 2014 compared to 36 percent in the comparable period in 2013.

Summary of Quarterly Results

Three Months Ended	Dec. 31, 2012	Mar. 31, 2013	June 30, 2013	Sept. 30, 2013	Dec. 31, 2013	Mar. 31, 2014	June 30, 2014	**Sept. 30, 2014**
(unaudited)	($)	($)	($)	($)	($)	($)	($)	**($)**
Financial (C$000s, except per share and operating data)								
Revenue	367,487	423,397	288,701	388,662	463,054	547,638	502,957	**697,440**
Operating income [(1)]	43,218	62,670	16,307	51,683	57,416	64,117	44,833	**126,058**
Per share – basic [(2)]	0.48	0.69	0.18	0.56	0.62	0.69	0.48	**1.33**
Per share – diluted [(2)]	0.48	0.69	0.18	0.56	0.62	0.68	0.47	**1.32**
Net income (loss) attributable to the shareholders of Calfrac	11,243	24,645	(14,584)	6,089	11,764	8,946	(12,905)	**44,465**
Per share – basic [(2)]	0.13	0.28	(0.16)	0.07	0.13	0.10	(0.14)	**0.47**
Per share – diluted [(2)]	0.13	0.27	(0.16)	0.07	0.13	0.10	(0.14)	**0.46**
Capital expenditures	55,694	43,989	46,618	34,683	45,227	27,331	35,312	**62,909**
Working capital (end of period)	322,857	332,241	319,982	292,854	319,934	338,916	334,320	**393,653**
Total equity (end of period)	780,759	802,581	784,247	786,933	795,207	803,904	794,615	**828,537**
Operating (end of period)								
Pumping horsepower (000s)	977	1,013	1,025	1,025	1,194	1,215	1,217	**1,235**
Coiled tubing units (#)	29	29	29	31	38	34	36	**36**
Cementing units (#)	26	28	30	30	31	31	31	**31**

(1) Refer to “Non-GAAP Measures” on page 6 for further information.

(2) Comparative amounts were adjusted to reflect the Company’s two-for-one common share split that occurred on June 2, 2014.

Seasonality of Operations

Certain of the Company’s Canadian and United States businesses are seasonal. 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 and North Dakota is reduced (refer to “Business Risks – Seasonality” in the 2013 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 2013 Annual Report).

Financial Overview – Nine Months Ended September 30, 2014 Versus 2013

Canada

Nine Months Ended September 30,	**2014**	2013	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Revenue	**645,964**	480,002	35
Expenses			
Operating	**521,981**	380,954	37
SG&A	**15,776**	12,351	28
	537,757	393,305	37
Operating income [(1)]	**108,207**	86,697	25
Operating income (%)	**16.8%**	18.1%	(7)
Fracturing revenue per job ($)	**227,308**	203,104	12
Number of fracturing jobs	**2,687**	2,244	20
Pumping horsepower, end of period (000s)	**387**	389	(1)
Coiled tubing revenue per job ($)	**29,718**	25,326	17
Number of coiled tubing jobs	**1,184**	957	24
Coiled tubing units, end of period (#)	**17**	21	(19)

(1) Refer to "Non-GAAP Measures" on page 6 for further information.

Revenue

Revenue from Calfrac's Canadian operations during the first nine months of 2014 was $646.0 million versus $480.0 million in the comparable period of 2013. The 35 percent increase was primarily due to higher activity mainly in the first and third quarters of 2014. In particular, activity in the Montney, Deep Basin, Duvernay and Viking plays was higher although pricing was considerably weaker during the nine months ended September 30, 2014 than in the same period of 2013. In addition, sand consumption during the first nine months of 2014 increased by 46 percent over the same period in the prior year which contributed to the increase in total and per job revenue.

Operating Income

Operating income in Canada increased by 25 percent to $108.2 million during the first nine months of 2014 from $86.7 million in the same period of 2013. The increase in absolute terms was due to higher activity and greater service intensity per well. The operating margin percentage declined due to a more competitive pricing environment combined with higher subcontractor costs. The increase in subcontractor expenses was due to higher product usage, longer travel distances to job locations, and the impact of a weaker Canadian dollar on product costs.

United States

Nine Months Ended September 30,	**2014**	2013	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**858,872**	426,935	101
Expenses			
Operating	**688,695**	338,697	103
SG&A	**22,513**	13,709	64
	711,208	352,406	102
Operating income [(1)]	**147,664**	74,529	98
Operating income (%)	**17.2%**	17.5%	(2)
Fracturing revenue per job ($)	**58,060**	58,572	(1)
Number of fracturing jobs	**14,123**	6,908	104
Pumping horsepower, end of period (000s)	**676**	501	35
Coiled tubing revenue per job ($)	**63,581**	–	–
Number of coiled tubing jobs	**142**	–	–
Coiled tubing units, end of period (#)	**8**	–	–
Cementing revenue per job ($)	**37,510**	34,816	8
Number of cementing jobs	**796**	641	24
Cementing units, end of period (#)	**18**	17	6
US$/C$ average exchange rate [(2)]	**1.0944**	1.0236	7

(1) Refer to "Non-GAAP Measures" on page 6 for further information.
(2) Source: Bank of Canada.

Revenue

Revenue from Calfrac's United States operations during the first nine months of 2014 increased to $858.9 million from $426.9 million in the comparable period of 2013. The increase resulted from significantly higher activity across the Company's operating regions, the addition of operations in the Eagle Ford and a stronger U.S. dollar. Revenue improved in the Rockies, Bakken, Marcellus and Fayetteville due to an increase in job sizes combined with more multi-stage pad work and 24-hour operations. This was partially offset by weaker overall pricing in the United States.

Operating Income

Operating income in the United States was $147.7 million for the nine months ended September 30, 2014 compared to $74.5 million in the first nine months of 2013. The increase was primarily due to higher utilization throughout 2014 partially offset by higher subcontractor transportation costs as greater quantities of sand were required by Calfrac's customers. The sand consumption also increased repair and maintenance expense which reduced operating income as a percentage of revenue. Sand consumption in the first nine months of 2014 increased by 116 percent over the same period in the prior year and average tonnage per job increased 6 percent. Operating income as a percentage of revenue in the first nine months of 2014 was consistent with the comparative period of 2013.

Russia

Nine Months Ended September 30,	**2014**	2013	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**134,018**	117,379	14
Expenses			
Operating	**115,311**	101,964	13
SG&A	**4,795**	4,721	2
	120,106	106,685	13
Operating income [(1)]	**13,912**	10,694	30
Operating income (%)	**10.4%**	9.1%	14
Fracturing revenue per job ($)	**115,839**	105,627	10
Number of fracturing jobs	**939**	900	4
Pumping horsepower, end of period (000s)	**70**	54	30
Coiled tubing revenue per job ($)	**56,478**	57,511	(2)
Number of coiled tubing jobs	**447**	388	15
Coiled tubing units, end of period (#)	**7**	7	–
Rouble/C$ average exchange rate [(2)]	**0.0309**	0.0324	(5)

(1) Refer to "Non-GAAP Measures" on page 6 for further information.
(2) Source: Bank of Canada.

Revenue

During the first nine months of 2014, the Company's revenue from Russian operations increased by 14 percent to $134.0 million from $117.4 million in the corresponding period of 2013. The increase was mainly due to the commencement of operations at Calfrac's fourth Russian operating base, which is located in Usinsk, where larger fracturing jobs are typically performed. Coiled tubing activity increased in Khanty-Mansiysk as a result of customer requirements, but was offset by a reduction in coiled tubing activity in other operating areas due to a greater number of horizontal well completions.

Operating Income

Operating income in Russia in the first nine months of 2014 was $13.9 million compared to $10.7 million in the corresponding period of 2013. The increase was primarily a result of improved overall activity combined with higher than average operating margins generated from its Usinsk operations.

Latin America

Nine Months Ended September 30,	**2014**	2013	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**109,181**	76,444	43
Expenses			
Operating	**83,586**	71,563	17
SG&A	**10,574**	5,194	104
	94,160	76,757	23
Operating income (loss) [1]	**15,021**	(313)	–
Operating income (%)	**13.8%**	-0.4%	–
Pumping horsepower, end of period (000s)	**102**	81	26
Cementing units, end of period (#)	**13**	13	–
Coiled tubing units, end of period (#)	**4**	3	33
Mexican peso/C$ average exchange rate [2]	**0.0834**	0.0807	3
Argentinean peso/C$ average exchange rate [2]	**0.1373**	0.1941	(29)

(1) Refer to "Non-GAAP Measures" on page 6 for further information.
(2) Source: Bank of Canada.

Revenue

Calfrac's Latin America operations generated revenue of $109.2 million during the first nine months of 2014, a 43 percent increase from $76.4 million in the comparable period in 2013. Revenue increased due to significantly higher fracturing activity in Argentina combined with greater cementing and coiled tubing activity in that country. The increase was partly offset by significantly lower activity in Mexico resulting from customer budget constraints and lower activity in Colombia as a result of infrastructure and permitting issues.

Operating Income

For the nine months ended September 30, 2014, Calfrac's Latin America division generated operating income of $15.0 million compared to a loss of $0.3 million in the comparative period in 2013. The increase in operating income was primarily due to higher fracturing and cementing activity in Argentina, partially offset by low utilization in Mexico and Colombia.

Corporate

Nine Months Ended September 30,	**2014**	2013	Change
(C$000s) (unaudited)	**($)**	($)	(%)
Expenses			
Operating	**7,667**	6,379	20
SG&A	**42,129**	34,568	22
	49,796	40,947	22
Operating loss [(1)]	**(49,796)**	(40,947)	22
% of Revenue	**2.8%**	3.7%	(24)

(1) Refer to "Non-GAAP Measures" on page 6 for further information.

Operating Loss

The 22 percent increase in corporate expenses for the nine months ended September 30, 2014 over the comparative period in 2013 was mainly due to higher personnel costs and a larger provision for annual bonuses. Also contributing to the increase in SG&A was a $1.3 million increase in stock-based compensation expense resulting from additional restricted share units vesting and a higher stock price during 2014. The operating loss declined substantially as a percentage of revenue due to the significant increase in the Company's overall revenue.

Depreciation

For the nine months ended September 30, 2014, depreciation expense increased by 32 percent to $103.4 million from $78.6 million in the corresponding period of 2013. The increase is mainly a result of the acquisition of assets from Mission at the beginning of the fourth quarter of 2013 combined with a larger fleet of equipment operating in North America and Argentina.

Foreign Exchange Gains or Losses

The Company recorded a foreign exchange loss of $13.6 million during the first nine months of 2014 versus a loss of $2.7 million in the comparative period of 2013. Foreign exchange gains and losses arise primarily from the translation of net monetary assets or liabilities that were held in United States dollars in Canada, Russia and Latin America. The Company's 2014 foreign exchange loss was largely attributable to the translation of United States dollar-denominated liabilities held in Russia, Argentina and Mexico. The Russian rouble, Argentinean peso and Mexican peso weakened from the beginning of the year, resulting in a consolidated net foreign exchange loss. The loss was partially offset by a gain on United States dollar-denominated assets held in Canada.

Interest

The Company's interest expense during the first nine months of 2014 increased from the comparable period of 2013 by $15.5 million to $44.1 million. The increase was related to the issuance of an additional US$150.0 million of Calfrac's 7.50 percent senior notes to finance the acquisition of assets from Mission, combined with a weaker Canadian dollar relative to the United States dollar. Loans on the Company's revolving credit facility during the first nine months of 2014 were higher than in the comparable period in 2013. Additional short-term borrowing in Latin America to fund the operational expansion in Argentina combined with higher interest rates also contributed to the increase in interest expense.

Income Tax Expenses

The Company recorded income tax expense of $31.2 million during the first nine months of 2014 compared to $6.1 million in the comparable period of 2013. The increase in total income tax expense was primarily due to increased profitability in the United States, Canada and Argentina. In addition, $4.1 million in tax adjustments relating to prior years were recorded during the period, which pertained to Canada and Mexico. The normalized effective tax rate of 37 percent for the first nine months of 2014, versus 29 percent in the comparable period in 2013, resulted from a higher percentage of taxable income in the United States, which has a higher average statutory tax rate.

Liquidity and Capital Resources

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2014	2013	**2014**	2013
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
Cash flows provided by (used in):				
Operating activities	**99,253**	100,451	**146,354**	145,353
Financing activities	**13,903**	(27,436)	**12,032**	14,036
Investing activities	**(49,527)**	(36,216)	**(116,317)**	(140,590)
Effect of exchange rate changes on cash and cash equivalents	**5,984**	(3,994)	**(1,885)**	2,468
Increase in cash and cash equivalents	**69,613**	32,805	**40,184**	21,267

Operating Activities

The Company's cash provided by operating activities for the quarter ended September 30, 2014 was $99.3 million versus $100.5 million in the comparative quarter in 2013. Operating cash flow was bolstered by improved profitability in Canada and the United States offset by additional working capital requirements. At September 30, 2014, Calfrac's working capital was approximately $393.7 million, a 23 percent increase from December 31, 2013. During the third quarter of 2014, the Company collected accounts receivable of US$32.9 million from its customer operating in Mexico that were outstanding for greater than 120 days. Collection of the remaining US$6.6 million is expected during the fourth quarter.

Financing Activities

Net cash provided by financing activities was $13.9 million during the third quarter of 2014 compared to cash used of $27.4 million in the comparable quarter of 2013. During the quarter, the Company drew net $17.5 million on its credit facilities, issued $1.9 million of common shares for cash, received $1.6 million in lease financing (net of payments) and paid cash dividends of $7.0 million.

On October 1, 2014, the Company extended the term of its credit facilities by one year to September 27, 2018. The maturity may be extended by one or more years at the Company's request and lenders' acceptance. The Company also may prepay principal without penalty. The facilities consist of an operating facility of $20.0 million and a syndicated facility of $280.0 million. The interest rates are based on the parameters of certain bank covenants. For prime-based loans and U.S. base-rate loans, the rate ranges from prime or U.S. base rate plus 0.50 percent to prime plus 1.25 percent. For LIBOR-based loans and bankers' acceptance-based loans, the margin thereon ranges from 1.50 percent to 2.25 percent above the respective base rates. As at September 30, 2014, the Company had used $33.1 million of its credit facilities for letters of credit and had $39.8 million outstanding under its credit facility, leaving $227.1 million in available credit.

On October 8, 2013, the Company closed a private offering of US$150.0 million aggregate principal of its 7.50 percent senior notes yielding net proceeds of $150.2 million (US$145.4 million) after applicable discount and debt issuance costs. Fixed interest on the notes is payable semi-annually on June 1 and December 1 of each year. The notes will mature on December 1, 2020. The net proceeds from this offering were used to finance the Mission asset acquisition.

On June 2, 2014, the Company's common shares were split on a two-for-one basis to shareholders of record as of May 23, 2014. Calfrac pays a quarterly dividend of $0.125 per share to shareholders at the discretion of the Board of Directors, which qualify as "eligible dividends" as defined by the Canada Revenue Agency.

Investing Activities

Calfrac's net cash used for investing activities was $49.5 million for the quarter ended September 30, 2014 versus $36.2 million for the same period in 2013. Cash outflows relating to capital expenditures were $49.9 million during 2014 compared to $36.5 million in the comparable period in 2013. Capital expenditures were primarily to support the Company's Canadian, United States and Argentinean fracturing operations.

On July 3, 2014, Calfrac announced its plan to increase its 2014 capital budget to approximately $360.0 million from $150.0 million. The majority of the capital program increase is related to the construction of two fracturing fleets totaling 80,000 horsepower for Calfrac's United States operations, a 35,000 horsepower fracturing fleet for Canada and a 40,000 horsepower fracturing fleet that will operate in the Vaca Muerta shale play in Argentina. In addition, two new twin cementing units will be constructed for Calfrac's Argentina operations. Delivery of the new equipment is expected to begin in early 2015. The increase in capital also includes approximately $38.0 million of additional support and maintenance capital to optimize fleet utilization in North America and Latin America. Approximately $150.0 million of the 2014 capital budget is expected to carry over into 2015, but is subject to review along with the Company's future capital requirements.

Effect of Exchange Rate Changes on Cash and Cash Equivalents

The effect of changes in foreign exchange rates on the Company's cash and cash equivalents during the third quarter of 2014 was a gain of $6.0 million versus a loss of $4.0 million during the comparable period of 2013. These gains relate to cash and cash equivalents held by the Company in a foreign currency.

With its substantial working capital position, available 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 2014 and beyond.

At September 30, 2014, the Company had cash and cash equivalents of $82.4 million.

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 November 3, 2014, there were 95,193,719 common shares issued and outstanding, and 4,454,625 options to purchase common shares.

The Company's Dividend Reinvestment Plan allows shareholders to direct that cash dividends paid on all or a portion of their common shares 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 (TSX) during the last five trading days preceding the relevant dividend payment date.

Outlook

Crude oil prices have decreased significantly in recent months as global demand forecasts have weakened while supply growth has been stronger than expected. In the near term, Calfrac expects activity to be relatively stable across its operating divisions, but uncertainty over the longer term has increased. Many of the Company's customers are currently planning their budgets for 2015 and given the sharp decline in crude prices, Calfrac expects initial E&P capital budgets for 2015 will reflect a cautious approach. The Company believes producer spending could increase when there is more certainty regarding oil prices. As such, Calfrac will take a prudent approach when planning for 2015.

At the same time, there are a number of positive trends impacting Calfrac's business. Spot natural gas prices in the United States have been relatively stable in recent months while storage levels in the United States and Canada remain below their five-year weekly lows. These factors should be constructive for natural gas-related development in North America heading into the period of high demand during the winter. Internationally, Calfrac believes the movement towards greater unconventional development will continue with the Company benefitting from greater use of multi-stage completion technology.

There are also a number of encouraging developments Calfrac is experiencing that are specifically related to well completions, such as greater service intensity through larger multi-well pad designs, more fracturing stages per horizontal well and increased tonnage per stage.

The Company also believes it has created competitive advantages through its logistics initiatives despite the strain being placed on logistical networks from higher product volumes being used for fracturing across North America. Calfrac's team of in-house experts continues to analyze and identify ways in which it can optimize its supply chain and logistical network in North America. In response to these logistical challenges, the Company is increasing its basin storage across all of its key plays in North America with only a modest capital commitment and improving its access to sand transloading terminals. As well, the Company anticipates its access to leased rail cars will increase significantly in the first quarter of 2015 over the first quarter of 2014. Calfrac expects these initiatives will leave it well situated from a logistics perspective heading into 2015.

Calfrac's regional outlook is as follows:

Canada

Horizontal well completion activity is expected to be strong throughout the remainder of 2014 and into early 2015. LNG-related development, the weaker Canadian dollar, and improved well economics due to improvements in completion design will all be supportive of a steady pace of completions activity. Calfrac is targeting 24-hour operations to comprise 50 percent of its Canadian operations by the end of 2015, which would be a material increase from the approximately 35 percent expected to be achieved in the second half of 2014. The Company believes customer acceptance of the efficiencies gained by using 24-hour operations is increasing.

Calfrac is maintaining a leadership position in the most important natural gas and natural gas liquids plays in western Canada and expects to be a key participant in the long-term development of these plays. The Company believes there is the potential for increased activity in 2015 for natural gas liquids plays such as the Duvernay, Deep Basin and Montney given their strong economics and improving well results. Calfrac is particularly optimistic about the Duvernay, which is one of the most completions intensive plays in Canada and could be a significant driver of demand over the long-term.

Calfrac expects oil-focused activity in plays such as the Viking and Cardium to remain stable for the remainder of 2014 and early 2015, when compared to the third quarter of 2014. The Company believes these areas will be an important piece of its growth going forward.

United States

In the United States, Calfrac expects to continue to benefit from its long-range strategic plan of generating economies of scale in each of the plays where it operates and aligning itself with large, stable customers. These plans, in combination with the Company's focus on prudently managing its cost structure while efficiently managing its logistics initiatives, should result in solid utilization going forward.

Calfrac believes the pace of development should continue to be strong in its natural gas focused areas. The Company anticipates its activity in the Marcellus will remain at existing levels into 2015 due to this play's low cost structure, proximity to natural gas consuming markets and improved natural gas transportation and gathering systems. As well, producers are having increased success in developing the Utica, which could provide further opportunities for Calfrac. In the Fayetteville, Calfrac is expecting activity to remain stable for the remainder of the year and into 2015.

The Company remains constructive about its oil and natural gas liquids focused operations as well. In October, Calfrac celebrated the one-year anniversary of its entrance into the Eagle Ford. The Company has been able to solidify itself as an operator with excellent service quality, which has resulted in pricing improvements and high utilization rates. Calfrac's Rockies operations and pricing are expected to remain strong due to Niobrara activity. The Company continues to be optimistic about the Rockies region due to customer spending patterns and the potential for increased capital investment in 2015 due to favourable economics. Calfrac's operations in North Dakota have improved dramatically throughout 2014 due to improved customer demand, higher pricing and a reduction in the number of competitors servicing this play. Activity in the North Dakota Bakken is expected to remain strong through the remainder of 2014, but 2015 activity in this play will be the most susceptible of the Company's operating areas to oil prices below current levels given the relative economics.

Latin America

Calfrac continues to believe in the long-term potential of Argentina's conventional and unconventional oil and gas development. The increasing customer demand for the Company's services is providing the opportunity to deploy additional equipment into the country, such as the 32,000 horsepower deployed in Argentina that became active in the fourth quarter of 2014. Calfrac believes that its service quality and technical expertise are leading to its growing reputation as a service provider of choice in Argentina, thereby providing the foundation for long-term growth.

In Mexico, Calfrac remains optimistic over activity in the longer-term, once the national reform of the energy industry is completed. Calfrac believes this will set the stage for increased spending levels by PEMEX and create an avenue for new entrants to Mexico. In the near-term, the Company has rationalized its cost structure and transferred a portion of its equipment to the United States.

Russia

Calfrac expects its activity in Russia to decline in the fourth quarter of 2014 due to a reduction in spending by a large customer and weather-related issues. The Company is currently in the tender process for 2015. Calfrac's current view is that conventional activity is expected to remain stable in 2015 given Russia's importance in supplying oil and natural gas to continental Europe. Calfrac's participation in unconventional development will be delayed until sanctions applied by Canada, the United States and certain other jurisdictions are removed. The long-term prospects in Russia, however, remain encouraging as unconventional development remains a key pillar for the country's future oil and natural gas growth plans.

Management Changes

Calfrac is pleased to announce that Lindsey Link will be promoted from his current position as President, United States Division to the position of Chief Operating Officer effective January 1, 2015. The Company has also appointed Fred Toney as President, United States Division to replace Mr. Link. Mr. Toney has over 30 years of experience in pressure pumping, coiled tubing, cementing and general oilfield services in domestic and international markets and will be a valuable addition to Calfrac's senior management team. Mr. Link will spend the remainder of 2014 helping transition Mr. Toney into his position.

Summary

Despite the oil price headwinds, Calfrac remains optimistic about its future opportunities. The trend in North America of more stages per well and greater tonnage per stage is unlikely to be reversed and will continue to have a positive impact on Calfrac's equipment utilization. Internationally, successful strategic execution has the Company well-positioned in a number of unconventional markets. The Company's well-trained personnel, service quality, technology, and HSE practices will make it a key partner in these developments.

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 property, plant and equipment as disclosed in the Company's 2013 annual consolidated financial statements.

Greek Litigation

As described in note 15 to the interim consolidated financial statements, one of the Company's Greek subsidiaries is 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 a material financial impact to the Company as a result of these claims. Consequently, no provision was recorded in the consolidated financial statements.

U.S. Litigation

As described in note 15 to the interim consolidated financial statements, a collective and class action claim was filed against the Company on September 27, 2012 in the United States District Court for the western District of Pennsylvania. The direction and financial consequences of the complaint cannot be determined at this time and, consequently, no provision was recorded in the Company's consolidated financial statements.

Critical Accounting Policies and Estimates

This MD&A is based on the Company's consolidated financial statements for the nine months ended September 30, 2014, 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.

The preparation of the consolidated financial statements requires that certain estimates and judgments be made concerning the reported amount 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, stock-based compensation expenses, functional currency and cash-generating units.

Allowance for Doubtful Accounts Receivable

The Company performs ongoing credit evaluations of its customers and grants credit based on a review of historical collection experience, current aging status, financial condition of the customer 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 only provided on receipt of cash in advance. Calfrac's management believes that the provision for doubtful accounts receivable, which was $0.9 million at September 30, 2014, 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, plant and equipment.

Financial Instruments

Financial instruments included in the Company's consolidated balance sheets 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-date of the reporting period. The fair value of the remaining long-term debt approximates its carrying value.

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.

The Company completed its annual assessment for goodwill impairment and determined there was none for the year ended December 31, 2013. There were no triggers nor indications of impairment that warranted an assessment of goodwill impairment during the nine months ended September 30, 2014.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement amounts of existing assets and liabilities and their respective tax bases. Estimates of the Company's future taxable income are 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.

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 stock units is recognized based on the market value of the Company's shares underlying these compensation programs.

Functional Currency

Management applies judgment in determining the functional currency of its foreign subsidiaries. Judgment is made with regard to the currency that influences and determines sales prices, labour, material and other costs as well as financing and receipts from operating income.

Cash-Generating Units

The determination of cash-generating units is based on management's judgment regarding shared equipment, mobility of equipment, geographical proximity, and materiality.

Related-Party Transactions

In November 2010, the Company lent a senior officer $2.5 million to purchase common shares of the Company on the TSX. 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 $2.9 million as at September 30, 2014 (December 31, 2013 – $2.6 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 nine months ended September 30, 2014 was $606,000 (nine months ended September 30, 2013 – $343,000), as measured at the exchange amount.

Changes in Accounting Policies

There were no new IFRS or interpretations from the International Financial Reporting Interpretations Committee effective for the first time for the year beginning on or after January 1, 2014 that had a material impact on the Company.

Recent Accounting Pronouncements

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2014 with earlier application permitted. These standards do not have a significant effect on the Company's consolidated financial statements.

(i) IFRS 9 *Financial Instruments* was issued in November 2009 and addresses classification and measurement of financial assets. It replaced the multiple category and measurement models in International Accounting Standard (IAS) 39 *Financial Instruments: Recognition and Measurement* for debt instruments with a new mixed-measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaced the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

This standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted.

(ii) IFRS 10 *Consolidated Financial Statements* is amended to define an "investment entity" and introduce an exception from consolidation for investments. IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 *Separate Financial Statements* are amended to introduce disclosures required by an investment entity.

(iii) IAS 32 *Financial Instruments: Presentation* is amended to clarify requirements for offsetting financial assets and financial liabilities.

Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the interim period ended September 30, 2014 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 "seek", "anticipates", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "forecast" or similar words suggesting future outcomes, are forward-looking statements.

In particular, forward-looking statements in this MD&A include, but are not limited to, statements with respect to expected operating strategies and targets, capital expenditure programs and equipment delivery dates, future financial resources, anticipated equipment utilization levels, future oil and natural gas well activity in each of the Company's operating jurisdictions, the impact of economic sanctions on the Company's business, future costs or potential liabilities, projections of market prices and costs, supply and demand for oilfield services, expectations regarding the Company's ability to maintain its competitive position, anticipated benefits of the Company's competitive position, expectations regarding the Company's ability to raise capital, commodity prices, anticipated outcomes of specific events, trends in and the growth prospects of the global oil and natural gas industry, the Company's growth prospects including, without limitation, its international growth strategy and prospects, and the impact of changes in accounting policies and standards on the Company and its financial statements. These statements are derived from certain assumptions and analyses made by the Company based on its experience and perception of historical trends, current conditions, expected future developments and other factors that it believes are appropriate in the circumstances, including, but not limited to, the general stability of the economic and political environment in which the Company operates, the Company's expectations for its current and prospective customers' capital budgets and geographical areas of focus, the Company's existing contracts and the status of current negotiations with key customers and suppliers, the focus of the Company's customers on oil and liquids-rich plays in the current natural gas pricing environment in North America, the effect unconventional gas projects have had on supply and demand fundamentals for natural gas and the likelihood that the current tax and regulatory regimes will remain substantially unchanged.

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. Such risk factors include: general economic conditions in Canada, the United States, Russia, Mexico, Argentina and Colombia; the demand for fracturing and other stimulation services during drilling and completion of oil and natural gas wells; volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally; regional competition; 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, component parts, equipment, suppliers, facilities and skilled personnel; the ability to integrate technological advances and match advances by competitors; the availability of capital on satisfactory terms; intellectual property risks; uncertainties in weather and temperature affecting the duration of the service periods and the activities that

can be completed; dependence on, and concentration of, major customers; the creditworthiness and performance by the Company's counterparties and customers; liabilities and risks associated with prior operations; the effect of accounting pronouncements issued periodically; failure to realize anticipated benefits of acquisitions and dispositions; and currency exchange rate risk. Further information about these and other risks and uncertainties may be found under "Business Risks" in the Company's most recently filed Annual Information Form.

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. These statements speak only as of the respective date of this MD&A or the document incorporated by reference herein. 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 at www.sedar.com.

CONSOLIDATED BALANCE SHEETS

As at	September 30, 2014	December 31, 2013
(C$000s) (unaudited)	**($)**	($)
ASSETS		
Current assets		
Cash and cash equivalents	**82,379**	42,195
Accounts receivable	**493,747**	395,845
Income taxes recoverable	**–**	1,146
Inventories	**170,832**	134,140
Prepaid expenses and deposits	**19,705**	17,189
	766,663	590,515
Non-current assets		
Property, plant and equipment	**1,286,108**	1,245,009
Goodwill	**10,523**	10,523
Deferred income tax assets	**26,754**	23,884
Total assets	**2,090,048**	1,869,931
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**350,243**	245,899
Income taxes payable	**2,654**	–
Bank loan (note 3)	**19,276**	24,298
Current portion of long-term debt (note 4)	**411**	384
Current portion of finance lease obligation (note 5)	**426**	–
	373,010	270,581
Non-current liabilities		
Long-term debt (note 4)	**701,424**	651,553
Finance lease obligation (note 5)	**1,147**	–
Other long-term liabilities	**32**	198
Deferred income tax liabilities	**185,898**	152,392
Total liabilities	**1,261,511**	1,074,724
Equity attributable to the shareholders of Calfrac		
Capital stock (note 6)	**371,882**	332,287
Contributed surplus (note 7)	**23,899**	27,658
Loan receivable for purchase of common shares (note 12)	**(2,500)**	(2,500)
Retained earnings	**445,328**	440,179
Accumulated other comprehensive loss	**(9,284)**	(839)
	829,325	796,785
Non-controlling interest	**(788)**	(1,578)
Total equity	**828,537**	795,207
Total liabilities and equity	**2,090,048**	1,869,931

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2014	2013	**2014**	2013
(C$000s, except per share data) (unaudited)	**($)**	($)	**($)**	($)
Revenue	**697,440**	388,662	**1,748,035**	1,100,760
Cost of sales (note 13)	**570,547**	340,382	**1,520,638**	978,154
Gross profit	**126,893**	48,280	**227,397**	122,606
Expenses				
Selling, general and administrative	**36,290**	24,408	**95,787**	70,542
Foreign exchange losses	**5,807**	4,993	**13,585**	2,700
Loss (gain) on disposal of property, plant and equipment	**758**	(172)	**1,481**	(306)
Interest	**14,691**	10,064	**44,075**	28,552
	57,546	39,293	**154,928**	101,488
Income before income tax	**69,347**	8,987	**72,469**	21,118
Income tax expense				
Current	**5,077**	1,313	**8,483**	3,039
Deferred	**19,620**	1,941	**22,764**	3,097
	24,697	3,254	**31,247**	6,136
Net income for the period	**44,650**	5,733	**41,222**	14,982
Net income (loss) attributable to:				
Shareholders of Calfrac	**44,465**	6,089	**40,506**	16,150
Non-controlling interest	**185**	(356)	**716**	(1,168)
	44,650	5,733	**41,222**	14,982
Earnings per share (note 6)				
Basic	**0.47**	0.07	**0.43**	0.18
Diluted	**0.46**	0.07	**0.43**	0.18

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2014	2013	**2014**	2013
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
Net income for the period	**46,650**	5,733	**41,222**	14,982
Other comprehensive income (loss)				
Items that may be subsequently reclassified to profit or loss:				
Change in foreign currency translation adjustment	**(6,765)**	514	**(8,371)**	(735)
Comprehensive income for the period	**37,885**	6,247	**32,851**	14,247
Comprehensive income (loss) attributable to:				
Shareholders of Calfrac	**37,702**	6,564	**32,061**	15,422
Non-controlling interest	**183**	(317)	**790**	(1,175)
	37,885	6,247	**32,851**	14,247

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, 2014	332,287	27,658	(2,500)	(839)	440,179	796,785	(1,578)	**795,207**
Net income	–	–	–	–	40,506	40,506	716	**41,222**
Other comprehensive income (loss):								
Cumulative translation adjustment	–	–	–	(8,445)	–	(8,445)	74	**(8,371)**
Comprehensive income (loss)	–	–	–	(8,445)	40,506	32,061	790	**32,851**
Stock options:								
Stock-based compensation recognized	–	2,994	–	–	–	2,994	–	**2,994**
Proceeds from issuance of shares	26,478	(6,753)	–	–	–	19,725	–	**19,725**
Dividend Reinvestment Plan shares issued (note 18)	13,117	–	–	–	–	13,117	–	**13,117**
Dividends	–	–	–	–	(35,357)	(35,357)	–	**(35,357)**
Balance – Sept. 30, 2014	**371,882**	**23,899**	**(2,500)**	**(9,284)**	**445,328**	**829,325**	**(788)**	**828,537**
Balance – January 1, 2013	300,451	27,546	(2,500)	(2,403)	458,543	781,637	(878)	**780,759**
Net income (loss)	–	–	–	–	16,150	16,150	(1,168)	**14,982**
Other comprehensive income (loss):								
Cumulative translation adjustment	–	–	–	(728)	–	(728)	(7)	**(735)**
Comprehensive income (loss)	–	–	–	(728)	16,150	15,422	(1,175)	**14,247**
Stock options:								
Stock-based compensation recognized	–	4,379	–	–	–	4,379	–	**4,379**
Proceeds from issuance of shares	20,587	(5,200)	–	–	–	15,387	–	**15,387**
Dividend Reinvestment Plan shares issued (note 18)	6,421	–	–	–	–	6,421	–	**6,421**
Dividends	–	–	–	–	(34,378)	(34,378)	–	**(34,378)**
Non-controlling interest contribution	–	–	–	–	–	–	118	**118**
Dilution of non-controlling interest	–	–	–	–	(325)	(325)	325	**–**
Balance – Sept. 30, 2013	**327,459**	**26,725**	**(2,500)**	**(3,131)**	**439,990**	**788,543**	**(1,610)**	**786,933**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2014	2013	**2014**	2013
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Net income for the period	**44,650**	5,733	**41,222**	14,982
Adjusted for the following:				
Depreciation	**35,455**	27,811	**103,398**	78,596
Stock-based compensation	**1,207**	1,518	**2,994**	4,379
Unrealized foreign exchange losses	**2,108**	4,256	**10,933**	1,670
Loss (gain) loss on disposal of property, plant and equipment	**758**	(172)	**1,481**	(306)
Interest	**14,691**	10,064	**44,075**	28,552
Deferred income taxes	**19,620**	1,941	**22,764**	3,097
Interest paid	**(1,279)**	(1,423)	**(29,454)**	(19,384)
Changes in items of working capital (note 10)	**(17,957)**	50,723	**(51,059)**	33,767
Cash flows provided by operating activities	**99,253**	100,451	**146,354**	145,353
FINANCING ACTIVITIES				
Bank loan proceeds	**5,825**	3,874	**13,838**	16,423
Issuance of long-term debt, net of debt issuance costs	**32,042**	(205)	**56,498**	25,715
Issuance of finance lease obligation	**1,648**	–	**1,648**	–
Bank loan repayments	**(4,330)**	–	**(14,281)**	–
Long-term debt repayments	**(16,068)**	(26,085)	**(43,343)**	(26,323)
Finance lease obligation repayments	**(90)**	–	**(90)**	(740)
Net proceeds on issuance of common shares	**1,891**	3,139	**19,725**	15,387
Dividends paid, net of DRIP (note 18)	**(7,015)**	(8,159)	**(21,963)**	(16,426)
Cash flows provided by (used in) financing activities	**13,903**	(27,436)	**12,032**	14,036
INVESTING ACTIVITIES				
Purchase of property, plant and equipment (note 10)	**(49,864)**	(36,498)	**(117,260)**	(141,794)
Proceeds on disposal of property, plant and equipment	**337**	282	**943**	1,086
Other	**–**	–	**–**	118
Cash flows used in investing activities	**(49,527)**	(36,216)	**(116,317)**	(140,590)
Effect of exchange rate changes on cash and cash equivalents	**5,984**	(3,994)	**(1,885)**	2,468
Increase in cash and cash equivalents	**69,613**	32,805	**40,184**	21,267
Cash and cash equivalents, beginning of period	**12,766**	30,943	**42,195**	42,481
Cash and cash equivalents, end of period	**82,379**	63,748	**82,379**	63,748

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and nine months ended September 30, 2014 and 2013
(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 and Basis of Presentation

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.

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations by the International Financial Reporting Interpretations Committee (IFRIC). They should be read in conjunction with the annual financial statements for the year ended December 31, 2013. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect.

These financial statements were approved by the Audit Committee of the Board of Directors for issuance on November 4, 2014.

2. Summary of Significant Accounting Policies

These condensed consolidated interim 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 Argentinean subsidiary has two operating lines of credit with a total of ARS145,084 ($19,276) drawn at September 30, 2014 (December 31, 2013 – ARS148,975 ($24,298)). The interest rate ranges from 23.0 percent to 48.0 percent and both lines of credit are secured by bank letters of credit issued on behalf of the Company.

4. Long-Term Debt

As at	**September 30, 2014**	December 31, 2013
(C$000s)	**($)**	($)
US$600,000 senior unsecured notes due December 1, 2020, bearing interest at 7.50% payable semi-annually	**672,000**	638,160
Less: unamortized debt issuance costs and debt discount	**(10,478)**	(11,161)
	661,522	626,999
$280,000 extendible revolving credit facility, secured by Canadian and U.S. assets of the Company	**39,760**	24,463
Less: unamortized debt issuance costs	**(1,004)**	(1,291)
	38,756	23,172
US$1,390 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	**1,557**	1,766
	701,835	651,937
Less: current portion of long-term debt	**(411)**	(384)
	701,424	651,553

The fair value of the senior unsecured notes, as calculated using the closing quoted market price at September 30, 2014, was $707,280 (December 31, 2013 – $652,921). The carrying values of the mortgage obligations and revolving credit 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 $280,000 revolving credit facility is 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 1.50 percent to 2.25 percent above the respective base rates for such loans. The facility is repayable on or before its maturity of September 27, 2017, assuming it is not extended. The maturity may be extended by one or more years at the Company's request and lenders' acceptance. The Company may also prepay principal without penalty. Debt issuance costs related to this facility are amortized over its term.

Interest on long-term debt (including the amortization of debt issuance costs and debt discount) for the nine months ended September 30, 2014 was $39,943 (nine months ended September 30, 2013 – $28,031).

The Company also has an extendible operating 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 credit facility. Drawdowns under this facility are repayable on September 27, 2017, assuming it 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 lenders' acceptance. The operating facility is secured by the Company's Canadian and U.S. assets.

At September 30, 2014, the Company had utilized $33,124 of its credit facility for letters of credit and had borrowed $39,760 against this facility, leaving $227,116 in available credit.

On October 1, 2014, the Company extended the term of its credit facilities by one year to September 27, 2018.

5. Finance Lease Obligations

As at	**September 30, 2014**	December 31, 2013
(C$000s)	**($)**	($)
Finance lease contracts bearing interest at 20.5%, repayable at ARS445 per month, secured by equipment under the lease	**2,115**	–
Less: interest portion of contractual payments	**(542)**	–
	1,573	–
Less: current portion of finance lease obligations	**(426)**	–
	1,147	–

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

6. Capital Stock

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

	Nine Months Ended September 30, 2014		Year Ended December 31, 2013	
Continuity of Common Shares	**Shares**	**Amount**	Shares	Amount
	(#)	**(C$000s)**	(#)	(C$000s)
Balance, beginning of period	**92,597,148**	**332,287**	90,041,282	300,451
Issued upon exercise of stock options	**1,450,775**	**26,478**	1,793,674	21,132
Dividend Reinvestment Plan shares issued (note 18)	**770,112**	**13,117**	762,192	10,704
Balance, end of period	**94,818,035**	**371,882**	92,597,148	332,287

The weighted average number of common shares outstanding for the three months ended September 30, 2014 was 94,568,570 basic and 95,681,061 diluted (three months ended September 30, 2013 – 91,886,588 basic and 92,615,916 diluted). The weighted average number of common shares outstanding for the nine months ended September 30, 2014 was 93,820,017 basic and 94,730,106 diluted (nine months ended September 30, 2013 – 91,155,154 basic and 91,806,776 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 8.

On May 8, 2014, the Company's shareholders approved a split of its common shares on a two-for-one basis to all shareholders of record as of May 23, 2014. The weighted average numbers of shares, stock options and share-based plans (such as restricted share units, deferred share units and performance share units) during the period and for all periods presented have been adjusted for this two-for-one share split, without a corresponding change in dollar amounts. Earnings per share have been adjusted to reflect the impact of the two-for-one share split.

7. Contributed Surplus

Continuity of Contributed Surplus	**Nine Months Ended Sept. 30, 2014**	Year Ended December 31, 2013
(C$000s)	**($)**	($)
Balance, beginning of period	**27,658**	27,546
Stock options expensed	**2,994**	5,454
Stock options exercised	**(6,753)**	(5,342)
Balance, end of period	**23,899**	27,658

8. Stock-Based Compensation

(a) Stock Options

Nine Months Ended September 30,	**2014**		2013	
Continuity of Stock Options	**Options**	**Average Exercise Price**	Options	Average Exercise Price
	(#)	**(C$)**	(#)	(C$)
Balance, beginning of period	**5,002,750**	**13.99**	5,840,824	12.84
Granted	**1,249,600**	**15.79**	1,401,400	12.29
Exercised for common shares	**(1,450,775)**	**13.60**	(1,733,174)	8.88
Forfeited	**(328,550)**	**14.54**	(270,500)	14.39
Expired	**–**	**–**	(1,250)	11.24
Balance, end of period	**4,473,025**	**14.58**	5,237,300	13.92

Stock options vest equally over four years and expire five years from the date of grant. The exercise price of outstanding options ranges from $10.37 to $20.81 with a weighted average remaining life of 2.72 years. When stock options are exercised the proceeds, together with the compensation expense previously recorded in contributed surplus, are added to capital stock.

For the nine months ended September 30, 2014, $2,994 of compensation expense was recognized for stock options (nine months ended September 30, 2013 – $4,379) and was included in selling, general and administrative expenses.

(b) Share Units

Nine Months Ended Sept. 30,	**2014**			2013		
Continuity of Share Units	**Deferred Share Units**	**Performance Share Units**	**Restricted Share Units**	Deferred Share Units	Performance Share Units	Restricted Share Units
	(#)	**(#)**	**(#)**	(#)	(#)	(#)
Balance, beginning of period	**70,000**	**90,000**	**1,027,590**	70,000	90,000	494,460
Granted	**70,000**	**120,000**	**793,900**	70,000	90,000	787,450
Exercised	**(70,000)**	**(90,000)**	**(391,014)**	(70,000)	(90,000)	(164,820)
Forfeited	**–**	**–**	**(68,344)**	–	–	(65,200)
Balance, end of period	**70,000**	**120,000**	**1,361,232**	70,000	90,000	1,051,890

The Company grants deferred share units to its outside directors. These units vest in November of the year of grant 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 deferred share units is recognized equally over the vesting period, based on the current market price of the Company's shares. During the nine months ended September 30, 2014, $916 of compensation expense was recognized for deferred share units (nine months ended September 30, 2013 – $800). This amount is included in selling, general and administrative expenses. At September 30, 2014, the liability pertaining to deferred share units was $912 (December 31, 2013 – $1,085).

The Company grants performance share units to a senior officer who does not participate in the stock option plan. The amount of the grants earned is linked to corporate performance and the grants vest over three years on the approval of the Board of Directors at the meeting held to approve the consolidated financial statements for the year in respect of which performance is being evaluated. As with the deferred share units, performance share units are settled either in cash or Company shares purchased on the open market. During the nine months ended September 30, 2014, $1,356 of compensation expense was recognized for performance share units (nine months ended September 30, 2013 – $1,129). This amount is included in selling, general and administrative expenses. At September 30, 2014, the liability pertaining to performance share units was $1,130 (December 31, 2013 – $1,395).

The Company grants 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. During the nine months ended September 30, 2014, $9,497 of compensation expense was recognized for restricted share units (nine months ended September 30, 2013 – $7,168). This amount is included in selling, general and administrative expenses. At September 30, 2014, the liability pertaining to restricted share units was $14,112 (December 31, 2013 – $10,696).

Changes in the Company's obligations under the deferred, performance and restricted share unit plans, which arise from fluctuations in the market value of the Company's shares underlying these compensation programs, are recorded as the share value changes.

9. Financial Instruments

Financial instruments included in the Company's 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 due to the short-term maturity of those instruments. The fair value of the senior unsecured notes based on the closing market price at September 30, 2014 was $707,280 before deduction of unamortized debt issuance costs (December 31, 2013 – $652,921). The carrying value of the senior unsecured notes at September 30, 2014 was $672,000 before deduction of unamortized debt issuance costs and debt discount (December 31, 2013 – $638,160). The fair values of the remaining long-term debt instruments and finance lease obligations approximate their carrying values, as described in notes 4 and 5.

10. Supplemental Cash Flow Information

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

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2014	2013	**2014**	2013
(C$000s)				
Accounts receivable	**(99,212)**	14,488	**(97,902)**	22,114
Income taxes payable (recoverable)	**2,396**	434	**3,800**	(2,247)
Inventory	**(22,911)**	994	**(36,691)**	4,104
Prepaid expenses and deposits	**(608)**	(2,356)	**(2,517)**	(9,717)
Accounts payable and accrued liabilities	**102,433**	37,218	**82,416**	19,695
Other long-term liabilities	**(55)**	(55)	**(165)**	(182)
	(17,957)	50,723	**(51,059)**	33,767

Purchase of property, plant and equipment is comprised of:

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2014	2013	**2014**	2013
(C$000s)				
Property, plant and equipment additions	**(62,909)**	(34,683)	**(125,825)**	(125,290)
Changes in liabilities related to the purchase of property, plant and equipment	**13,045**	(1,815)	**8,565**	(16,504)
	(49,864)	(36,498)	**(117,260)**	(141,794)

11. Capital Structure

The Company's capital structure is comprised of shareholders' equity and debt. The Company's objectives in managing capital are (i) to maintain flexibility so as to preserve its 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 net debt to operating income. Operating income for this purpose is calculated on a 12-month trailing basis and is defined as follows:

For the Twelve Months Ended	**September 30, 2014**	December 31, 2013
(C$000s)	**($)**	($)
Net income	**52,973**	26,733
Adjusted for the following:		
Depreciation	**134,808**	110,006
Interest	**57,508**	41,985
Foreign exchange losses	**12,068**	1,183
Business combination	**2,474**	2,474
Loss (gain) on disposal of property, plant and equipment	**273**	(1,514)
Income taxes	**32,320**	7,209
Operating income	**292,424**	188,076

Net debt for this purpose is calculated as follows:

	September 30, 2014	December 31, 2013
(C$000s)	**($)**	($)
Long-term debt (net of debt issuance costs and debt discount) (note 4)	**701,835**	651,937
Bank loan (note 3)	**19,276**	24,298
Finance lease obligation (note 5)	**1,573**	–
Less: cash and cash equivalents	**(82,379)**	(42,195)
Net debt	**640,305**	634,040

The ratio of net debt to operating income does not have a standardized meaning under IFRS and may not be comparable to similar measures used by other companies.

At September 30, 2014, the net debt to operating income ratio was 2.19:1 (December 31, 2013 – 3.37:1) calculated on a 12-month trailing basis as follows:

For the Twelve Months Ended	**September 30, 2014**	December 31, 2013
(C$000s, except ratio)	**($)**	($)
Net debt	**640,305**	634,040
Operating income	**292,424**	188,076
Net debt to operating income ratio	**2:19:1**	3:37:1

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 and targets remain unchanged from prior periods. However, the evaluation measure was changed from prior periods as the net debt to operating income ratio was adopted in the third quarter of 2014.

12. Related-Party Transactions

In November 2010, the Company provided a $2,500 loan to a senior officer 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 $2,941 as at September 30, 2014 (December 31, 2013 – $2,623). 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 nine months ended September 30, 2014 was $606 (nine months ended September 30, 2013 – $343), as measured at the exchange amount.

13. 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:

Nine Months Ended September 30,	**2014**	2013
(C$000s)	**($)**	($)
Product costs	**516,621**	333,670
Depreciation	**103,398**	78,596
Amortization of debt issuance costs and debt discount	**1,534**	965
Employee benefits expense (note 14)	**384,555**	274,403

14. Employee Benefits Expense

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

Nine Months Ended September 30,	**2014**	2013
(C$000s)	**($)**	($)
Salaries and short-term employee benefits	**365,089**	257,264
Post-employment benefits (group retirement savings plan)	**3,600**	2,405
Share-based payments	**14,764**	13,475
Termination benefits	**1,102**	1,259
	384,555	274,403

15. Contingencies

Greek Litigation

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 $9,684 (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 is assessing available rights of appeal to any other levels of court in any jurisdiction where such an appeal is warranted. NAPC is also the subject of a claim for approximately $4,049 (2,862 euros) from the Greek social security agency for social security obligations associated with the salaries in arrears that are the subject of the above-mentioned decision and penalties and interest of approximately $4,341 (3,069 euros) payable on such amounts as at September 30, 2014.

The maximum aggregate interest and penalties payable under the claims noted above, as well as three other immaterial claims against NACP, amounted to $22,301 (15,765 euros) as at September 30, 2014.

Management is of the view that it is improbable there will be a material financial impact to the Company as a result of these claims. Consequently, no provision has been recorded in these consolidated financial statements.

U.S. Litigation

A class and collective action complaint was filed against the Company in September 2012 in the United States District Court for the Western District of Pennsylvania. The complaint alleged failure to pay U.S. employees the correct amount of overtime pay required by the Fair Labor Standards Act (FLSA) and the Pennsylvania Minimum Wage Act. In May 2013, the plaintiffs amended their complaint to add a Colorado wage-hour claim. In June 2013, the parties filed a joint stipulation for conditional certification in the FLSA collective action of certain current and former employees as the putative class. Notice of the right to opt-in to the class was mailed to 1,204 current and former employees in September 2013. The opt-in period expired on November 15, 2013 and 359 individuals opted in. A discovery plan approved by the court extended through July 23, 2014. During that period, discovery as to a mutually agreed-upon sample of the conditionally-certified opt-in class occurred.

The Company filed answers to each complaint in a timely manner and believes it has defences to each claim. At this time no motion for final class certification as to the FLSA claim or motion for certification of the Pennsylvania or Colorado state law claims has been filed. Thus no FLSA, Pennsylvania or Colorado class has been certified. Plaintiffs have not claimed or demanded an amount of damages, so at this time it is not possible to predict the amount of any potential liability to the Company. Given the stage of the proceedings and the existence of available defences, no provision has been recorded in the Company's financial statements regarding these claims, since the direction and financial consequences of the claims in the amended complaint cannot be determined at this time. The Company does not have insurance coverage for these claims.

16. Segmented Information

The Company's activities are conducted in four geographical 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.

These business segments 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 September 30, 2014						
Revenue	**282,077**	**331,862**	**43,895**	**39,606**	**–**	**697,440**
Operating income (loss) [1]	**65,050**	**67,273**	**5,873**	**5,365**	**(17,503)**	**126,058**
Segmented assets	**775,075**	**989,515**	**146,088**	**179,370**	**–**	**2,090,048**
Capital expenditures	**20,759**	**30,080**	**1,413**	**10,657**	**–**	**62,909**
Goodwill	**7,236**	**2,308**	**979**	**–**	**–**	**10,523**
Three Months Ended September 30, 2013						
Revenue	167,707	153,650	42,913	24,392	–	388,662
Operating income (loss) [1]	28,750	31,315	3,357	(499)	(13,230)	51,683
Segmented assets	690,270	604,552	143,051	158,840	–	1,596,713
Capital expenditures	16,866	7,455	1,486	8,876	–	34,683
Goodwill	7,236	2,308	979	–	–	10,523
Nine Months Ended September 30, 2014						
Revenue	**645,964**	**858,872**	**134,018**	**109,181**	**–**	**1,748,035**
Operating income (loss) [1]	**108,207**	**147,664**	**13,912**	**15,021**	**(49,796)**	**235,008**
Segmented assets	**775,075**	**989,515**	**146,088**	**179,370**	**–**	**2,090,048**
Capital expenditures	**30,928**	**70,296**	**8,013**	**16,315**	**–**	**125,552**
Goodwill	**7,236**	**2,308**	**979**	**–**	**–**	**10,523**
Nine Months Ended September 30, 2013						
Revenue	480,002	426,935	117,379	76,444	–	1,100,760
Operating income (loss) [1]	86,697	74,529	10,694	(313)	(40,947)	130,660
Segmented assets	690,270	604,552	143,051	158,840	–	1,596,713
Capital expenditures	62,273	39,613	8,450	14,954	–	125,290
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.

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2014	2013	**2014**	2013
(C$000s)				
Net income	**44,650**	5,733	**41,222**	14,982
Add back (deduct):				
Depreciation	**35,455**	27,811	**103,398**	78,596
Interest	**14,691**	10,064	**44,075**	28,552
Foreign exchange losses	**5,807**	4,993	**13,585**	2,700
Loss (gain) loss on disposal of property, plant and equipment	**758**	(172)	**1,481**	(306)
Income taxes	**24,697**	3,254	**31,247**	6,136
Operating income	**126,058**	51,683	**235,008**	130,660

Operating income does not have a 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 Sept. 30,		Nine Months Ended Sept. 30,	
	2014	2013	**2014**	2013
(C$000s)				
Fracturing	**640,973**	352,925	**1,602,733**	1,000,566
Coiled tubing	**31,856**	19,469	**79,778**	50,576
Cementing	**20,861**	13,844	**57,280**	38,121
Other	**3,750**	2,424	**8,244**	11,497
	697,440	388,662	**1,748,035**	1,110,760

17. Seasonality of Operations

Certain of the Company's Canadian and United States businesses are seasonal in nature. The lowest activity levels in these areas are typically experienced during the second quarter of the year when road weight restrictions are in place and access to wellsites in Canada and North Dakota is reduced.

18. Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRIP) 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 $0.125 per common share ($11,852) was declared on September 12, 2014, to be paid on October 15, 2014.

A dividend of $0.125 per common share was declared on June 13, 2014 and paid on July 15, 2014. Of the total dividend of $11,806, $4,790 was reinvested under the DRIP into 240,484 common shares of the Company.

A dividend of $0.125 per common share was declared on February 26, 2014 and paid on April 15, 2014. Of the total dividend of $11,699, $4,105 was reinvested under the DRIP into 245,404 common shares of the Company.

A dividend of $0.125 per common share was declared on December 5, 2013 and paid on January 15, 2014. Of the total dividend of $11,575, $4,221 was reinvested under the DRIP into 284,224 common shares of the Company.

A dividend of $0.125 per common share was declared on September 17, 2013 and paid on October 15, 2013. Of the total dividend of $11,531, $4,282 was reinvested under the DRIP into 288,956 common shares of the Company.

A dividend of $0.125 per common share was declared on June 14, 2013 and paid on July 15, 2013. Of the total dividend of $11,472, $3,313 was reinvested under the DRIP into 223,188 common shares of the Company.

A dividend of $0.125 per common share was declared on February 26, 2013 and paid on April 15, 2013. Of the total dividend of $11,375, $3,108 was reinvested under the DRIP into 250,048 common shares of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Douglas R. Ramsay [4]
Vice Chairman
Calfrac Well Services Ltd.

Fernando Aguilar
President &
Chief Executive Officer
Calfrac Well Services Ltd.

Kevin R. Baker, Q.C. [1][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][3]
President
Sierra Energy Inc.

Lorne A. Gartner [1][2][4]
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

Fernando Aguilar
President &
Chief Executive Officer

Lindsey R. Link
Chief Operating Officer

Michael (Mick) J. McNulty
Chief Financial Officer

F. Bruce Payne
President,
Canadian Division

Fred L. Toney
President,
United States Division

Robert L. Sutherland
President,
Russian Division

O. Alberto Bertolin
Director General,
Latin American Division

Armando J. Bertolin
Director General,
Latin American Division

Chris K. Gall
Vice President,
Global Supply Chain

Roderick P. Kuntz
Vice President, HS&E

Chad J. Leier
Vice President, Sales,
Marketing & Engineering,
United States Division

Umberto Marseglia
Vice President,
Global Business

Tom J. Medvedic
Vice President, Operations,
Canadian Division

Edward L. Oke
Vice President,
Human Resources

Michael D. Olinek
Vice President, Finance

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

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

Matthew L. Mignault
Corporate Controller

HEAD OFFICE

411 – 8th Avenue S.W.
Calgary, Alberta, T2P 1E3
Phone: 403-266-6000
Toll Free: 1-866-770-3722
Fax: 403-266-7381
Email: info@calfrac.com
Website: www.calfrac.com

AUDITORS

PricewaterhouseCoopers LLP
Calgary, Alberta

BANKERS

HSBC Bank Canada
Alberta Treasury Branches
Royal Bank of Canada

Canadian Imperial Bank of Commerce
Export Development Canada

LEGAL COUNSEL

Bennett Jones LLP
Calgary, Alberta

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
Red Earth

British Columbia, Canada
Dawson Creek

Saskatchewan, Canada
Estevan

Arkansas, United States
Beebe

Colorado, United States
Denver – Regional Office
Grand Junction
Platteville

North Dakota, United States
Williston

Pennsylvania, United States
Philipsburg
Smithfield

Texas, United States
San Antonio
Teague

Russia
Moscow – Regional Office
Khanty-Mansiysk
Nefteugansk
Noyabrsk
Usinsk

Mexico
Mexico City – Regional Office
Poza Rica
Reynosa

Argentina
Buenos Aires – Regional Office
Catriel
Las Heras
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:

Computershare Investor Services Inc.
9th floor, 100 University Avenue,
Toronto, Ontario, M5J 2Y1

411 – 8 AVENUE S.W.
CALGARY, ALBERTA, T2P 1E3

E-MAIL: INFO@CALFRAC.COM
WWW.CALFRAC.COM