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W O R L D

Second Quarter Interim Report

For the three and six months ended June 30, 2014

Q2 HIGHLIGHTS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	Change	**2014**	2013	Change
(C$000s, except per share and unit data) (unaudited)	**($)**	($)	(%)	**($)**	($)	(%)
Financial						
Revenue	**502,957**	288,701	74	**1,050,595**	712,098	48
Operating income (1)	**44,833**	16,307	175	**108,950**	78,977	38
Per share – basic (3)	**0.48**	0.18	167	**1.17**	0.87	34
Per share – diluted (3)	**0.47**	0.18	161	**1.16**	0.86	35
Net income (loss) attributable to the shareholders of Calfrac before foreign exchange losses or gains (2)	**(9,446)**	(14,969)	37	**1,346**	7,707	(83)
Per share – basic (3)	**(0.10)**	(0.17)	41	**0.01**	0.09	(89)
Per share – diluted (3)	**(0.10)**	(0.17)	41	**0.01**	0.09	(89)
Net income (loss) attributable to the shareholders of Calfrac	**(12,905)**	(14,584)	12	**(3,959)**	10,061	(139)
Per share – basic (3)	**(0.14)**	(0.16)	13	**(0.04)**	0.11	(136)
Per share – diluted (3)	**(0.14)**	(0.16)	13	**(0.04)**	0.11	(136)
Working capital (end of period)	**334,320**	319,982	4	**334,320**	319,982	4
Total equity (end of period)	**794,615**	784,247	1	**794,615**	784,247	1
Weighted average common shares outstanding (#)						
Basic (3)	**93,946**	91,232	3	**93,440**	90,784	3
Diluted (3)	**94,894**	91,808	3	**94,255**	91,450	3
Operating (end of period)						
Pumping horsepower (000s)				**1,217**	1,025	19
Coiled tubing units (#)				**36**	29	24
Cementing units (#)				**31**	30	3

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

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

(3) Prior year amounts were adjusted to reflect the two-for-one common share split that occurred on June 2, 2014.

QUARTERLY OVERVIEW

Consolidated Highlights

Three Months Ended June 30,	**2014**	2013	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Revenue	**502,957**	288,700	74
Expenses			
Operating	**427,752**	250,391	71
Selling, general and administrative (SG&A)	**30,372**	22,002	38
	458,124	272,393	68
Operating income [(1)]	**44,833**	16,307	175
Operating income (%)	**8.9%**	5.6%	59
Fracturing revenue per job ($)	**75,982**	84,427	(10)
Number of fracturing jobs	**6,027**	3,121	93
Pumping horsepower, end of period (000s)	**1,217**	1,025	19
Coiled tubing revenue per job ($)	**40,934**	39,112	5
Number of coiled tubing jobs	**524**	243	116
Coiled tubing units, end of period (#)	**36**	29	24
Cementing revenue per job ($)	**35,563**	29,770	19
Number of cementing jobs	**581**	417	39
Cementing units, end of period (#)	**31**	30	3

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

Revenue in the second quarter of 2014 for Calfrac was $503.0 million, which increased by 74 percent from the same period in 2013 and declined 8 percent from the first quarter of 2014. On a year over year basis, consolidated fracturing jobs increased by 93 percent, but consolidated revenue per fracturing job declined by 10 percent primarily due to lower pricing. Sequentially, revenue per job decreased by 10 percent due to a greater proportion of revenue coming from the United States, which typically generates lower revenue per job compared to Canada, combined with lower pricing in Canada.

Pricing in Canada was lower in the second quarter of 2014 when compared to the first quarter of 2014, as the Company tried to encourage customers to complete more work, which is a typical strategy used during spring break-up. In the United States, pricing was higher in certain areas due to a limited amount of commodity-linked pricing agreements, but market pricing was unchanged from the previous quarter. 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 second quarter of 2014 was $44.8 million, an increase of 175 percent from the comparable period in 2013 and a decline of 30 percent compared to the first quarter of 2014. Operating income as a percentage of revenue in 2014 was higher by 330 basis points compared to the same period last year due to significantly higher fracturing activity in the United States and Argentina. Further improvements were offset by weaker pricing in Canada. Sequentially, operating income as a percentage of revenue declined 280 basis points due to lower activity and pricing in Canada due to spring break-up.

In Canada, revenue declined by 64 percent sequentially to $96.2 million due to the onset of spring break-up. Operating income as a percentage of revenue decreased to negative 10 percent from positive 20 percent in the prior quarter, due to significantly lower activity levels related to spring break-up, weaker pricing and continued use of subcontractors.

In the United States, revenue increased by 50 percent compared to the first quarter of 2014 to $316.0 million in the second quarter of 2014 mainly as a result of higher activity across all of the Company's operating areas and improved pricing from select commodity-linked pricing agreements. The higher activity was a function of increased demand for completions work from Calfrac's customers and a reduction in weather-related issues. Operating income as a percentage of revenue increased to 19 percent in the second quarter of 2014 from 10 percent in the previous quarter. United States operating income margins increased due to higher activity, commodity-linked pricing agreements and reduced weather-related interruptions.

In Russia, revenue increased to $51.2 million in the second quarter of 2014 from $38.9 million in the first quarter of 2014. The increase resulted from the Company being able to complete more jobs as weather conditions improved and the completion of larger fracturing jobs. Operating income as a percentage of revenue increased to 14 percent in the second quarter of 2014 from 2 percent in the prior quarter due to higher activity and a reduction in costs related to the harsh weather conditions in the first quarter of 2014.

In Latin America, revenue increased by 32 percent quarter over quarter to $39.6 million due to higher activity in Mexico. Operating income as a percentage of revenue decreased to 10 percent from 20 percent due to higher costs in the Company's Mexico operations, while Argentina's operations had higher subcontractor expenses and incurred additional costs in preparation for the start-up of the second unconventional fracturing crew.

Net loss attributable to shareholders of Calfrac was $12.9 million or $0.14 per share diluted, compared to $14.6 million or $0.16 per share diluted in the same period last year and a decrease from a net income of $8.9 million or $0.19 per share diluted in the previous quarter. Net income per share on a fully diluted basis was negatively impacted quarter over quarter by a reduction in Canadian activity due to spring break-up. As well, the Company incurred higher income taxes, interest and depreciation expenses, which were partially offset by lower foreign exchanges losses.

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 second quarter of 2014, Calfrac completed a two-for-one common share split and declared a post common share split 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 July 28, 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 six months ended June 30, 2014 and 2013 and should be read in conjunction with the interim consolidated financial statements for the three and six months ended June 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 six months ended June 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 June 30, 2014, Calfrac's Canadian operations had combined hydraulic horsepower of approximately 384,000 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 June 30, 2014, Calfrac's United States operations had combined hydraulic horsepower of approximately 660,000, 18 cementing units and eight coiled tubing units.

- The Company's Russian segment provides fracturing and coiled tubing services in Western Siberia. In the second quarter of 2014, the Company operated under a mix of annual and multi-year agreements to provide services to three of Russia's largest oil producers. At June 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 103,000 hydraulic horsepower, including 32,000 that will begin operating in the third quarter of 2014, 13 cementing units and four coiled tubing units in its Latin America segment at June 30, 2014.

Consolidated Highlights

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	Change	**2014**	2013	Change
(C$000s, except per share amounts) (unaudited)	**($)**	($)	(%)	**($)**	($)	(%)
Revenue	**502,957**	288,701	74	**1,050,595**	712,098	48
Operating income [(1)]	**44,833**	16,307	175	**108,950**	78,977	38
Per share – basic [(2)]	**0.48**	0.18	167	**1.17**	0.87	34
Per share – diluted [(2)]	**0.47**	0.18	161	**1.16**	0.86	35
Net income (loss) attributable to the shareholders of Calfrac	**(12,905)**	(14,584)	12	**(3,959)**	10,061	(139)
Per share – basic [(2)]	**(0.14)**	(0.16)	13	**(0.04)**	0.11	(136)
Per share – diluted [(2)]	**(0.14)**	(0.16)	13	**(0.04)**	0.11	(136)

As at	**June 30, 2014**	December 31, 2013	Change
(C$000s) (unaudited)	**($)**	($)	(%)
Working capital	**334,320**	319,934	4
Total assets	**1,843,117**	1,869,931	(1)
Long-term debt	**651,773**	651,553	–
Total equity	**794,615**	795,207	–

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

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

Second Quarter 2014 Overview

In the second quarter of 2014, the Company:

- recorded revenue of $503.0 million, an increase of 74 percent from the second quarter of 2013 driven primarily by higher activity in the United States and Canada. This increase was dampened by lower year-over-year pricing in North America;
- reported operating income of $44.8 million versus $16.3 million for the same period in 2013 due to greater utilization in the United States, the purchase of fracturing assets from Mission Well Services LLC ("Mission") in October 2013 and higher fracturing activity in Argentina;
- reported a net loss attributable to the shareholders of Calfrac of $12.9 million or a loss of $0.14 per share diluted, which included a primarily unrealized foreign exchange loss of $4.9 million, compared to a net loss of $14.6 million or a loss of $0.16 per share diluted in the same period of 2013;
- subsequent to quarter end, increased its 2014 capital program to $360.0 million from $150.0 million to further expand the Company's fracturing fleets in the United States, Canada and Argentina;
- at period end, had working capital of $334.3 million, an increase of 4 percent from December 31, 2013; and
- completed a two-for-one common share split and declared a quarterly dividend of $0.125 per share.

In the six months ended June 30, 2014, the Company:

- recorded revenue of $1.1 billion, an increase of 48 percent from the first six 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 $109.0 million versus $79.0 million for the same period in 2013 due to higher utilization in the United States and Argentina;
- reported a net loss attributable to the shareholders of Calfrac of $4.0 million or $0.04 per share diluted, which included a primarily unrealized foreign exchange loss of $7.8 million, compared to net income of $10.1 million, including a foreign exchange gain of $2.3 million, or $0.11 per share diluted in the same period of 2013; and
- incurred capital expenditures of $62.6 million primarily to bolster the Company's fracturing operations in the United States and Argentina.

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 therefore 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 June 30,		Six Months Ended June 30,	
	2014	2013	**2014**	2013
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
Net (loss) income	**(12,848)**	(14,939)	**(3,428)**	9,249
Add back (deduct):				
Depreciation	**34,422**	25,971	**67,943**	50,785
Interest	**14,470**	9,285	**29,384**	18,488
Foreign exchange losses (gains)	**4,936**	86	**7,778**	(2,293)
(Gain) loss on disposal of property, plant and equipment	**(117)**	(14)	**723**	(134)
Income taxes (recovery)	**3,970**	(4,082)	**6,550**	2,882
Operating income	**44,833**	16,307	**108,950**	78,977

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

Canada

Three Months Ended June 30,	**2014**	2013	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Revenue	**96,213**	80,719	19
Expenses			
Operating	**101,738**	74,751	36
Selling, general and administrative (SG&A)	**3,797**	3,932	(3)
	105,535	78,683	34
Operating income [1]	**(9,322)**	2,036	(558)
Operating income (%)	**-9.7%**	2.5%	(488)
Fracturing revenue per job ($)	**250,346**	195,191	28
Number of fracturing jobs	**360**	402	(10)
Pumping horsepower, end of period (000s)	**384**	404	(5)
Coiled tubing revenue per job ($)	**32,732**	27,128	21
Number of coiled tubing jobs	**186**	83	124
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 second quarter of 2014 was $96.2 million versus $80.7 million in the same period of 2013. The increase in revenue was a result of revenue per job increasing 28 percent, primarily due to higher service intensity and increased activity in the Duvernay liquids-rich natural gas resource play. The oil-focused plays of western Canada saw strong activity exiting the first quarter; however, this was partially offset by wet weather in the last two weeks of June. The industry trend of more fracturing stages per well also contributed to the increase in revenue. Pricing, however, was significantly weaker on a year over year basis.

Operating (Loss) Income

An operating loss of $9.3 million was incurred in Canada during the second quarter of 2014 compared to income of $2.0 million in the same period of 2013. The reversal to an operating loss was primarily due to lower pricing and a reduction in multi-well pad work, combined with increased subcontractor transportation costs and equipment repair expenses resulting from a very active first quarter. Higher subcontractor transportation costs were incurred due to larger product volumes and longer average travel distances to well sites in the unconventional oil and natural gas resource plays of western Canada.

United States

Three Months Ended June 30,	**2014**	2013	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Revenue	**315,971**	146,275	116
Expenses			
Operating	**249,563**	116,916	113
SG&A	**7,694**	4,184	84
	257,257	121,100	112
Operating income [(1)]	**58,714**	25,175	133
Operating income (%)	**18.6%**	17.2%	8
Fracturing revenue per job ($)	**59,473**	61,649	(4)
Number of fracturing jobs	**5,086**	2,254	126
Pumping horsepower, end of period (000s)	**660**	501	32
Coiled tubing revenue per job ($)	**45,469**	–	–
Number of coiled tubing jobs	**61**	–	–
Coiled tubing units, end of period (#)	**8**	–	–
Cementing revenue per job ($)	**40,454**	32,670	24
Number of cementing jobs	**265**	224	18
Cementing units, end of period (#)	**18**	17	6
US$/C$ average exchange rate [(2)]	**1.0905**	1.0233	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 increased to $316.0 million during the second quarter of 2014 from $146.3 million in the comparable quarter of 2013. The growth was primarily due to significantly higher activity across all of the Company's operating regions and a greater level of 24-hour operations along with the commencement of Calfrac's operations in the Eagle Ford during the fourth quarter of 2013. In addition, the weaker Canadian dollar increased reported revenue. Pricing in the United States was weaker than in the second quarter of 2013, but was offset by materially larger job sizes. Sand usage increased by 91 percent in the second quarter of 2014 from the second quarter of 2013.

Operating Income

Operating income in the United States was $58.7 million for the second quarter of 2014, a 133 percent increase from the comparative period in 2013. The increase was mainly due to the higher activity in the quarter. Operating income as a percentage of revenue increased to 19 percent from 17 percent year over year due to increased operating utilization. The gain in operating income was limited due to weaker pricing combined with significantly higher subcontractor costs and equipment repair costs.

Russia

Three Months Ended June 30,	**2014**	2013	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Revenue	**51,209**	37,305	37
Expenses			
Operating	**42,524**	32,259	32
SG&A	**1,463**	1,689	(13)
	43,987	33,948	30
Operating income [(1)]	**7,222**	3,357	115
Operating income (%)	**14.1%**	9.0%	57
Fracturing revenue per job ($)	**126,584**	98,337	29
Number of fracturing jobs	**327**	312	5
Pumping horsepower, end of period (000s)	**70**	48	46
Coiled tubing revenue per job ($)	**57,068**	52,158	9
Number of coiled tubing jobs	**172**	127	35
Coiled tubing units, end of period (#)	**7**	7	–
Rouble/C$ average exchange rate [(2)]	**0.0312**	0.0323	(3)

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

Revenue

During the second quarter of 2014, the Company's revenue from its Russian operations increased by 37 percent to $51.2 million from $37.3 million in the corresponding three-month period of 2013. The increase was mainly due to the completion of larger fracturing jobs, particularly in the Nefteugansk region, the Company expanding its operations into Usinsk during 2014 and improved coiled tubing activity. During the second quarter of 2014, approximately 35 percent of the Company's total fracturing jobs were multi-stage completions within horizontal wellbores versus 31 percent in the comparable quarter of 2013.

Operating Income

Operating income in Russia was $7.2 million during the second quarter of 2014 compared to $3.4 million in the corresponding period of 2013. The increase was due to the higher revenue base combined with a larger contribution from multi-stage fracturing jobs and lower SG&A expenses. Operating income as a percentage of revenue increased to 14 percent from 9 percent in the same period of the prior year due to higher utilization and a reduction in equipment repair costs.

Latin America

Three Months Ended June 30,	**2014**	2013	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**39,564**	24,402	62
Expenses			
Operating	**31,800**	23,898	33
SG&A	**4,000**	1,470	172
	35,800	25,368	41
Operating income [1]	**3,764**	(966)	490
Operating income (%)	**9.5%**	-4.0%	338
Pumping horsepower, end of period (000s)	**103**	72	43
Cementing units, end of period (#)	**13**	13	–
Coiled tubing units, end of period (#)	**4**	1	300
Mexican peso/C$ average exchange rate [2]	**0.0839**	0.0820	2
Argentinean peso/C$ average exchange rate [2]	**0.1354**	0.1953	(31)

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

Revenue

Calfrac's Latin American operations generated revenue of $39.6 million during the second quarter of 2014 versus $24.4 million in the comparable three-month period in 2013. The increase was due mainly to the significant increase in fracturing, cementing and coiled tubing activity 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 continue to result in lower than expected activity.

Operating Income

Operating income in Latin America for the three months ended June 30, 2014 was $3.8 million compared to a loss of $1.0 million in the comparative quarter in 2013. The improvement can be wholly attributed to the commencement of fracturing operations in Argentina during May 2013. Offsetting the improvement were operating losses incurred in Calfrac's Mexico and Colombia operations.

Corporate

Three Months Ended June 30,	**2014**	2013	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Expenses			
Operating	**2,127**	2,567	(17)
SG&A	**13,418**	10,728	25
	15,545	13,295	17
Operating loss [1]	**(15,545)**	(13,295)	17
% of Revenue	**3.1%**	4.6%	(33)

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

Operating Loss

The 17 percent increase in corporate expenses from the second quarter of 2013 was mainly due to higher quarter over quarter stock-based compensation expenses of $1.4 million resulting from an improved stock price in 2014. In addition, a non-recurring legal settlement in the second quarter of 2013 resulted in a $1.0 million reduction in professional fees in that period.

Depreciation

For the three months ended June 30, 2014, depreciation expense increased by 32 percent to $34.4 million from $26.0 million in the corresponding quarter of 2013. The increase was mainly a result of the acquisition of assets from Mission at the beginning of the fourth quarter of 2013 combined with asset additions in Canada and the United States.

Foreign Exchange Losses or Gains

The Company recorded a primarily unrealized foreign exchange loss of $4.9 million during the second quarter of 2014 versus a $0.1 million loss 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 second-quarter 2014 foreign exchange loss was largely attributable to the translation of United States dollar-denominated liabilities held in Argentina and United States dollar-denominated assets held in Canada. The Argentinean peso weakened while the Canadian dollar strengthened against the United States dollar since the end of the first quarter resulting in a foreign exchange loss. The loss was partially offset by a gain on United States dollar-denominated liabilities held in Russia. The Russian rouble strengthened against the United States dollar from the beginning of the quarter, resulting in a foreign exchange gain.

Interest

The Company's net interest expense of $14.5 million for the second quarter of 2014 was $5.2 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 under Calfrac's revolving credit facility during the second quarter 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 in that country also contributed to the increase in interest expense during the quarter.

Income Tax Expenses

The Company recorded income tax expense of $4.0 million during the second quarter of 2014 compared to a recovery of $4.1 million in the comparable period of 2013. The increase in total income tax expense was primarily due to increased profitability in the United States and Argentina combined with $2.3 million of income tax adjustments relating to prior periods for Canada and Mexico that were recorded in the second quarter of 2014. The effective tax rate was impacted by the mix of earnings; with losses incurred in a lower tax rate jurisdiction, partially offset by earnings in a higher tax rate jurisdiction.

Summary of Quarterly Results

Three Months Ended	Sept. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	June 30, 2013	Sept. 30, 2013	Dec. 31, 2013	Mar. 31, 2014	**June 30, 2014**
(unaudited)	($)	($)	($)	($)	($)	($)	($)	**($)**
Financial (C$000s, except per share and operating data)								
Revenue	417,842	367,487	423,397	288,701	388,662	463,054	547,638	**502,957**
Operating income [(1)]	70,604	43,218	62,670	16,307	51,683	57,416	64,117	**44,833**
Per share – basic [(2)]	0.79	0.48	0.69	0.18	0.56	0.62	0.69	**0.48**
Per share – diluted [(2)]	0.79	0.48	0.69	0.18	0.56	0.62	0.68	**0.47**
Net income (loss) attributable to the shareholders of Calfrac	26,917	11,243	24,645	(14,584)	6,089	11,764	8,946	**(12,905)**
Per share – basic [(2)]	0.30	0.13	0.28	(0.16)	0.07	0.13	0.10	**(0.14)**
Per share – diluted [(2)]	0.30	0.13	0.27	(0.16)	0.07	0.13	0.10	**(0.14)**
Capital expenditures	63,962	55,694	43,989	46,618	34,683	45,227	27,331	**35,312**
Working capital (end of period)	353,182	322,857	332,241	319,982	292,854	319,934	338,916	**334,320**
Total equity (end of period)	783,091	780,759	802,581	784,247	786,933	795,207	803,904	**794,615**
Operating (end of period)								
Pumping horsepower (000s)	845	977	1,013	1,025	1,025	1,194	1,215	**1,217**
Coiled tubing units (#)	29	29	29	29	31	38	34	**36**
Cementing units (#)	25	26	28	30	30	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 – Six Months Ended June 30, 2014 Versus 2013

Canada

Six Months Ended June 30,	**2014**	2013	Change
(C$000s, except operational information) (unaudited)	**($)**	($)	(%)
Revenue	**363,887**	312,295	17
Expenses			
Operating	**312,257**	246,546	27
SG&A	**8,473**	7,802	9
	320,730	254,348	26
Operating income [(1)]	**43,157**	57,947	(26)
Operating income (%)	**11.9%**	18.6%	(36)
Fracturing revenue per job ($)	**226,774**	215,011	5
Number of fracturing jobs	**1,515**	1,384	9
Pumping horsepower, end of period (000s)	**384**	404	(5)
Coiled tubing revenue per job ($)	**28,788**	24,371	18
Number of coiled tubing jobs	**706**	604	17
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 six months of 2014 was $363.9 million versus $312.3 million in the comparable period of 2013. The 17 percent increase was due to the completion of significantly larger jobs during the period and higher activity primarily focused in the first quarter of 2014. In particular, activity in the Montney, Cardium, Deep Basin and Duvernay plays was higher although pricing was considerably weaker during the six months ended June 30, 2014 than in the same period of 2013.

Operating Income

Operating income in Canada decreased by 26 percent to $43.2 million during the first six months of 2014 from $57.9 million in the same period of 2013. The decrease in absolute terms and as a percentage of revenue was due to a more competitive pricing environment and customer mix combined with higher subcontractor costs and equipment repair costs. The increase in subcontractor expenses was due to longer travel distances to job locations, higher product usage and the impact of a weaker Canadian dollar on certain product costs.

United States

Six Months Ended June 30,	**2014**	2013	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**527,010**	273,285	93
Expenses			
Operating	**433,469**	220,765	96
SG&A	**13,150**	9,306	41
	446,619	230,071	94
Operating income [(1)]	**80,391**	43,214	86
Operating income (%)	**15.3%**	15.8%	(3)
Fracturing revenue per job ($)	**57,643**	58,418	(1)
Number of fracturing jobs	**8,746**	4,438	97
Pumping horsepower, end of period (000s)	**660**	501	32
Coiled tubing revenue per job ($)	**52,949**	–	–
Number of coiled tubing jobs	**84**	–	–
Coiled tubing units, end of period (#)	**8**	–	–
Cementing revenue per job ($)	**37,286**	32,539	15
Number of cementing jobs	**494**	431	15
Cementing units, end of period (#)	**18**	17	6
US$/C$ average exchange rate [(2)]	**1.0965**	1.0156	8

(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 six months of 2014 increased to $527.0 million from $273.3 million in the comparable period of 2013. The increase resulted from significantly higher activity across all of the Company's operating regions and the commencement of operations in the Eagle Ford. Revenue improved in the Rockies, the Marcellus, the Fayetteville and the Bakken. Weaker pricing in the United States was offset by an increase in job sizes and more multi-stage pad work which resulted in higher utilization through the greater use of 24-hour operations.

Operating Income

Operating income in the United States was $80.4 million for the six months ended June 30, 2014 compared to $43.2 million in the first six months of 2013. The increase was primarily due to higher utilization in the second quarter of 2014 partially offset by higher subcontractor transportation costs as larger quantities of sand were required by Calfrac's customers. The increased sand usage also increased repair and maintenance expense. Calfrac has used 95 percent more sand in the first six months of 2014 than in the comparable period of 2013, which also increased reliance on subcontractors. Operating income as a percentage of revenue in the first six months of 2014 was consistent with the comparative period of 2013.

Russia

Six Months Ended June 30,	2014	2013	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**90,123**	74,466	21
Expenses			
Operating	**78,996**	65,836	20
SG&A	**3,088**	3,283	(6)
	82,084	69,119	19
Operating income [(1)]	**8,039**	5,347	50
Operating income (%)	**8.9%**	7.2%	24
Fracturing revenue per job ($)	**118,014**	102,013	16
Number of fracturing jobs	**616**	587	5
Pumping horsepower, end of period (000s)	**70**	48	46
Coiled tubing revenue per job ($)	**57,703**	56,746	2
Number of coiled tubing jobs	**302**	257	18
Coiled tubing units, end of period (#)	**7**	7	–
Rouble/C$ average exchange rate [(2)]	**0.0313**	0.0327	(4)

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

Revenue

During the first six months of 2014, the Company's revenue from Russian operations increased by 21 percent to $90.1 million from $74.5 million in the corresponding period of 2013. The increase was mainly due to the commencement of operations at Calfrac's fourth Russian operating base located in Usinsk, which typically performs larger fracturing jobs. Coiled tubing activity increased as a result of customer requirements in Khanty-Mansiysk, but was partially 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 six months of 2014 was $8.0 million compared to $5.3 million in the corresponding period of 2013. The increase was primarily a result of operational efficiencies associated with greater activity and multi-stage fracturing jobs forming a larger proportion of total activity in 2014. During the first six months of 2014, approximately 42 percent of the Company's total fracturing jobs were multi-stage completions within horizontal wellbores versus 32 percent in the comparable period of 2013.

Latin America

Six Months Ended June 30,	**2014**	2013	Change
(C$000s, except operational and exchange rate information) (unaudited)	**($)**	($)	(%)
Revenue	**69,575**	52,052	34
Expenses			
Operating	**53,007**	49,064	8
SG&A	**6,912**	2,802	147
	59,919	51,866	16
Operating income [(1)]	**9,656**	186	–
Operating income (%)	**13.9%**	0.4%	–
Pumping horsepower, end of period (000s)	**103**	72	43
Cementing units, end of period (#)	**13**	13	–
Coiled tubing units, end of period (#)	**4**	1	300
Mexican peso/C$ average exchange rate [(2)]	**0.0836**	0.0809	3
Argentinean peso/C$ average exchange rate [(2)]	**0.1405**	0.1982	(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 $69.6 million during the first six months of 2014, a 34 percent increase from $52.1 million in the comparable period in 2013. Revenue increased due to significantly higher fracturing activity in Argentina combined with higher cementing and coiled tubing activity in that country. The increase was partially 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 six months ended June 30, 2014, Calfrac's Latin America division generated operating income of $9.7 million compared to $0.2 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

Six Months Ended June 30,	**2014**	2013	Change
(C$000s) (unaudited)	**($)**	($)	(%)
Expenses			
Operating	**4,420**	4,777	(7)
SG&A	**27,873**	22,940	22
	32,293	27,717	17
Operating loss [(1)]	**(32,293)**	(27,717)	17
% of Revenue	**3.1%**	3.9%	21

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

Operating Loss

The 17 percent increase in corporate expenses for the six months ended June 30, 2014 over the comparative period in 2013 was mainly due to a $2.7 million increase in stock-based compensation expenses resulting from additional restricted share units vesting and a higher stock price in 2014 as well as higher personnel and occupancy costs. In addition, a non-recurring legal settlement in the second quarter of 2013 resulted in a $1.0 million reduction in professional fees in that period.

Depreciation

For the six months ended June 30, 2014, depreciation expense increased by 34 percent to $67.9 million from $50.8 million in the corresponding period of 2013. The increase is mainly a result of the acquisition of the Eagle Ford assets at the beginning of the fourth quarter of 2013 combined with a larger fleet of equipment operating in North America, Latin America, and foreign exchange impacts.

Foreign Exchange Gains or Losses

The Company recorded a primarily unrealized foreign exchange loss of $7.8 million during the first six months of 2014 versus a gain of $2.3 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 Argentina and Russia. The Argentinean peso and Russian rouble weakened from the beginning of the year, resulting in a consolidated net foreign exchange loss.

Interest

The Company's interest expense during the first six months of 2014 increased from the comparable period of 2013 by $10.9 million to $29.4 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 under the Company's revolving credit facility during the first six 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 in that country also contributed to the increase in interest expense.

Income Tax Expenses

The Company recorded an income tax expense of $6.6 million during the first six months of 2014 compared to $2.9 million in the comparable period of 2013. The increase in total income tax expense was primarily due to $3.1 million in tax adjustments relating to prior years recorded during the period that related to Canada and Mexico. The effective tax rate for the first six months of 2014 was impacted by a higher percentage of taxable income in the United States, which has a higher average statutory tax rate, and lower tax recoveries in certain other jurisdictions.

Liquidity and Capital Resources

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	**2014**	2013
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
Cash flows provided by (used in):				
Operating activities	**27,322**	3,400	**47,101**	44,902
Financing activities	**9,988**	24,587	**(1,871)**	41,472
Investing activities	**(42,160)**	(44,720)	**(66,790)**	(104,374)
Effect of exchange rate changes on cash and cash equivalents	**(7,384)**	465	**(7,869)**	6,462
Decrease in cash and cash equivalents	**(12,234)**	(16,268)	**(29,429)**	(11,538)

Operating Activities

The Company's cash provided by operating activities for the quarter ended June 30, 2014 was $27.3 million versus $3.4 million in the comparative quarter in 2013. The increase was primarily due to increased profitability in the United States. At June 30, 2014, Calfrac's working capital was approximately $334.3 million, a 4 percent increase from December 31, 2013. At June 30, 2014, the Company had accounts receivable of US$39.5 million (December 31, 2013 – US$40.8 million) from a customer operating in Mexico that were outstanding for greater than 120 days, for which no provision has been made. The payment delay is consistent with the experience of many other oilfield service companies in this market. Collection is expected in its entirety; however, the timing is uncertain.

Financing Activities

Net cash provided by financing activities was $10.0 million during the second quarter of 2014 compared to $24.6 million in the comparable quarter of 2013. During the quarter, the Company drew net $8.4 million on its credit facility, issued $9.1 million of common shares for cash and paid cash dividends of $7.6 million.

On August 8, 2013, the Company extended the term of its credit facilities by one year to September 27, 2017. 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 June 30, 2014, the Company had used $31.5 million of its credit facilities for letters of credit and had $21.9 million outstanding under its credit facility, leaving $246.6 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 on 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 $42.2 million for the quarter ended June 30, 2014 versus $44.7 million for the same period in 2013. Cash outflows relating to capital expenditures were $42.5 million during 2014 compared to $45.1 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 $120.0 million of the increased capital spending is expected to occur in 2015.

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 second quarter of 2014 was a loss of $7.4 million versus a gain of $0.5 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 June 30, 2014, the Company had cash and cash equivalents of $12.8 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 July 25, 2014, there were 94,758,485 common shares issued and outstanding, and 4,530,575 options to purchase common shares.

The Company has a Dividend Reinvestment Plan that 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

Spot natural gas prices have declined significantly in recent months due to higher than expected storage injections in the United States. Current pricing remains above the level seen at this time last year and should continue to underpin existing activity levels. Canadian natural gas storage levels remain relatively low and provide support for improved activity. Crude oil prices continue to warrant strong sustained activity levels. Calfrac continues to see a trend of greater service intensity through larger multi-well pad designs, more fracturing stages per horizontal well and increased tonnage per stage. Internationally, the trend towards greater unconventional development continues with the Company benefitting from greater use of multi-stage completion technology.

In western Canada, horizontal well completion activity is expected to be strong through the remainder of 2014 and into 2015. The Company expects activity levels to be greater than those realized in the second half of 2013 due to stronger commodity prices which have resulted in certain customers increasing 2014 capital programs to accelerate development. Other developments that Calfrac believes will lead to an increased pace of completions activity include the weaker Canadian dollar, improved access to capital and LNG-related development. These trends have allowed Calfrac to implement pricing increases which will become effective throughout the second half of 2014.

Calfrac is maintaining a leadership position in the most important natural gas plays in western Canada and expects to be a key participant in the long-term development of these plays. The Company's customers in the Montney, Deep Basin and Duvernay are expected to increase their activity in the second half of 2014 which should positively benefit the Company. In particular, the Company is committed to increasing the percentage of its fleet that is focused on 24-hour operations which should be a catalyst for improved financial performance in the future.

Calfrac expects oil-focused activity in western Canada to be higher in the second ha]lf of 2014, when compared to the second half of 2013, due to increased demand in the Viking play, while activity in the Cardium is expected to remain stable. The Company continues to focus on increasing the percentage of its operations that are on a 24-hour basis in the oil plays of western Canada to improve equipment utilization. In addition, asset consolidation by certain oil and gas companies may present an opportunity for Calfrac to increase its activity.

In the United States, Calfrac expects activity to remain strong in upcoming quarters. The Company continues to have strong visibility across its U.S. operating areas, but believes delivering the efficiencies seen during the second quarter of 2014 will be challenging given the size of well pads that were completed. The Company believes that its Marcellus operations will continue to achieve high utilization levels for the remainder of 2014 due to this play's low cost structure and proximity to natural gas consuming markets. Calfrac's fifth Marcellus crew became operational in June 2014 and has seen strong customer demand. As well, producers continue to develop 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. The Company temporarily deployed a third crew into this play during the second quarter of 2014 from Texas, but that crew has since returned to its original location, where it is expected to experience improved utilization levels. In the Eagle Ford, the Company continues to optimize its operations and pricing is expected to remain stable. The Company's Rockies operations and pricing are expected to be strong due to Niobrara activity. The Company continues to be optimistic about the Rockies region due to customer spending patterns and new entrants into the region. Calfrac's operations in North Dakota are expected to achieve strong utilization in the second half of 2014 due to improved customer demand and a reduction in competitors servicing this play. Pricing in the U.S. remains competitive across all of Calfrac's operating areas.

With higher product volumes being used for fracturing across North America there has been an increase in the industry's need for the use of third-party subcontractors. These subcontractors help facilitate the movement of product volumes to the well site when quantities are outside the scope of Calfrac's in-house capabilities. The Company continues to analyze and identify ways in which it can optimize its supply chain and logistical network in North America. A number of initiatives have been launched and will continue in upcoming quarters to balance the need for subcontract services and Calfrac's own logistical assets.

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. Currently, an additional 32,000 horsepower is being deployed into Argentina and is expected to become active late in the third quarter of 2014. The new spread is expected to be used for unconventional development in the Vaca Muerta shale play. 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 will continue to prudently manage its cost structure in Mexico and closely monitor ongoing developments to remain prepared to take advantage of new opportunities.

In Russia, Calfrac expects activity to remain stable for the remainder of 2014. The Company believes that the expanded use of multi-stage completion technologies in Western Siberia, such as horizontal drilling and multi-stage completions will continue. In particular, Calfrac believes that initial work on the Bazhenov shale play could begin as early as 2015, which would be the first unconventional development in Russia. The Company expects the accelerating trend towards multi-stage completions will continue to drive demand for its services over the short and long term as Russia's producing sector gains confidence in this approach.

Calfrac recently announced an increase in its capital budget for 2014 to $360.0 million. The capital program will be focused on increasing the Company's fracturing and cementing capacity, as well as support and infrastructure initiatives. In addition, a portion of the capital will fund ongoing proactive maintenance programs which will improve the efficiency and useful life of the Company's equipment. Approximately $172.0 million will be spent on growth initiatives and $38.0 million will be used for support and infrastructure initiatives. The Company intends to deliver 80,000 horsepower to its U.S. fleet, 35,000 horsepower to its Canadian fleet, and 40,000 horsepower and two cementing units to its Argentina fleet. Delivery of this equipment is expected to begin in early 2015 and continue throughout the first half of the year.

In summary, Calfrac's confidence in its business continues to increase due to customer indications of a higher level of oil and natural gas development in a number of Calfrac's operating areas. Furthermore, the trend in North America towards pad drilling, 24-hour operations, more stages per well and greater tonnage per stage is having a positive impact on Calfrac's equipment utilization. Internationally, careful planning has helped develop a number of unconventional markets leading to additional opportunities for Calfrac. The Company's people, service quality, technology, and HSE practices will make it a key partner in these developments. The Company considers itself well-positioned to take advantage of these opportunities.

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 14 to the interim consolidated financial statements, the Company and one of its Greek subsidiaries are involved in a number of legal proceedings in Greece. Management regularly evaluates the likelihood of potential liabilities being incurred and the amounts of such liabilities after careful examination of available information and discussions with its legal advisors. Management is of the view that it is improbable there will be 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 14 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 three and six months ended June 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 $0.3 million at June 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 and long-term debt.

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 six months ended June 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 provided a $2.5 million loan to a senior officer 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 $3.4 million as at June 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 six months ended June 30, 2014 was $404,000 (six months ended June 30, 2013 – $208,000), 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 June 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, 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, results of acquisitions, the impact of environmental regulations 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, treatment under government regulatory regimes, 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 found at www.sedar.com.

CONSOLIDATED BALANCE SHEETS

As at	**June 30, 2014**	December 31, 2013
(C$000s) (unaudited)	**($)**	($)
ASSETS		
Current assets		
Cash and cash equivalents	**12,766**	42,195
Accounts receivable	**394,536**	395,845
Income taxes recoverable	**–**	1,146
Inventories	**147,920**	134,140
Prepaid expenses and deposits	**19,097**	17,189
	574,319	590,515
Non-current assets		
Property, plant and equipment	**1,234,227**	1,245,009
Goodwill	**10,523**	10,523
Deferred income tax assets	**24,048**	23,884
Total assets	**1,843,117**	1,869,931
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**221,822**	245,899
Income taxes payable	**257**	–
Bank loan (note 3)	**17,530**	24,298
Current portion of long-term debt (note 4)	**390**	384
	239,999	270,581
Non-current liabilities		
Long-term debt (note 4)	**651,773**	651,553
Other long-term liabilities	**88**	198
Deferred income tax liabilities	**156,642**	152,392
Total liabilities	**1,048,502**	1,074,724
Equity attributable to the shareholders of Calfrac		
Capital stock (note 5)	**364,553**	332,287
Contributed surplus (note 6)	**23,339**	27,658
Loan receivable for purchase of common shares (note 11)	**(2,500)**	(2,500)
Retained earnings	**412,715**	440,179
Accumulated other comprehensive loss	**(2,521)**	(839)
	795,586	796,785
Non-controlling interest	**(971)**	(1,578)
Total equity	**794,615**	795,207
Total liabilities and equity	**1,843,117**	1,869,931

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	**2014**	2013
(C$000s, except per share data) (unaudited)	**($)**	($)	**($)**	($)
Revenue	**502,957**	288,701	**1,050,595**	712,098
Cost of sales (note 12)	**462,174**	276,363	**950,091**	637,772
Gross profit	**40,783**	12,338	**100,504**	74,326
Expenses				
Selling, general and administrative	**30,372**	22,002	**59,497**	46,134
Foreign exchange losses (gains)	**4,936**	86	**7,778**	(2,293)
(Gain) loss on disposal of property, plant and equipment	**(117)**	(14)	**723**	(134)
Interest	**14,470**	9,285	**29,384**	18,488
	49,661	31,359	**97,382**	62,195
Income (loss) before income tax	**(8,878)**	(19,021)	**3,122**	12,131
Income tax expense (recovery)				
Current	**2,751**	(756)	**3,406**	1,726
Deferred	**1,219**	(3,326)	**3,144**	1,156
	3,970	(4,082)	**6,550**	2,882
Net income (loss) for the period	**(12,848)**	(14,939)	**(3,428)**	9,249
Net income (loss) attributable to:				
Shareholders of Calfrac	**(12,905)**	(14,584)	**(3,959)**	10,061
Non-controlling interest	**57**	(355)	**531**	(812)
	(12,848)	(14,939)	**(3,428)**	9,249
Earnings (loss) per share (note 5)				
Basic	**(0.14)**	(0.16)	**(0.04)**	0.11
Diluted	**(0.14)**	(0.16)	**(0.04)**	0.11

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	**2014**	2013
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
Net income (loss) for the period	**(12,848)**	(14,939)	**(3,428)**	9,249
Other comprehensive income (loss)				
Items that may be subsequently reclassified to profit or loss:				
Change in foreign currency translation adjustment	**1,489**	(785)	**(1,606)**	(1,249)
Comprehensive income (loss) for the period	**(11,359)**	(15,724)	**(5,034)**	8,000
Comprehensive income (loss) attributable to:				
Shareholders of Calfrac	**(11,416)**	(15,326)	**(5,641)**	8,858
Non-controlling interest	**57**	(398)	**607**	(858)
	(11,359)	(15,724)	**(5,034)**	8,000

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$000s)	($)	($)	($)	($)	($)	($)	($)	**($)**
Balance – January 1, 2014	332,287	27,658	(2,500)	(839)	440,179	796,785	(1,578)	**795,207**
Net income (loss)	–	–	–	–	(3,959)	(3,959)	531	**(3,428)**
Other comprehensive income (loss):								
Cumulative translation adjustment	–	–	–	(1,682)	–	(1,682)	76	**(1,606)**
Comprehensive income	–	–	–	(1,682)	(3,959)	(5,641)	607	**(5,034)**
Stock options:								
Stock-based compensation recognized	–	1,787	–	–	–	1,787	–	**1,787**
Proceeds from issuance of shares	23,940	(6,106)	–	–	–	17,834	–	**17,834**
Dividend Reinvestment Plan shares issued (note 17)	8,326	–	–	–	–	8,326	–	**8,326**
Dividends	–	–	–	–	(23,505)	(23,505)	–	**(23,505)**
Balance – June 30, 2014	**364,553**	**23,339**	**(2,500)**	**(2,521)**	**412,715**	**795,586**	**(971)**	**794,615**
Balance – January 1, 2013	300,451	27,546	(2,500)	(2,403)	458,543	781,637	(878)	**780,759**
Net income (loss)	–	–	–	–	10,061	10,061	(812)	**9,249**
Other comprehensive income (loss):								
Cumulative translation adjustment	–	–	–	(1,203)	–	(1,203)	(46)	**(1,249)**
Comprehensive income	–	–	–	(1,203)	10,061	8,858	(858)	**8,000**
Stock options:								
Stock-based compensation recognized	–	2,861	–	–	–	2,861	–	**2,861**
Proceeds from issuance of shares	16,496	(4,248)	–	–	–	12,248	–	**12,248**
Dividend Reinvestment Plan shares issued (note 17)	3,108	–	–	–	–	3,108	–	**3,108**
Dividends	–	–	–	–	(22,847)	(22,847)	–	**(22,847)**
Non-controlling interest contribution	–	–	–	–	–	–	118	**118**
Dilution of non-controlling interest	–	–	–	–	(325)	(325)	325	**–**
Balance – June 30, 2013	**320,055**	**26,159**	**(2,500)**	**(3,606)**	**445,432**	**785,540**	**(1,293)**	**784,247**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended June 30, 2014	2013	Six Months Ended June 30, 2014	2013
(C$000s) (unaudited)	**($)**	($)	**($)**	($)
CASH FLOWS PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net income (loss) for the period	**(12,848)**	(14,939)	**(3,428)**	9,249
Adjusted for the following:				
Depreciation	**34,422**	25,971	**67,943**	50,785
Stock-based compensation	**698**	1,382	**1,787**	2,861
Unrealized foreign exchange losses (gains)	**3,530**	2,385	**8,825**	(2,586)
(Gain) loss on disposal of property, plant and equipment	**(117)**	(14)	**723**	(134)
Interest	**14,470**	9,285	**29,384**	18,488
Deferred income taxes (recovery)	**1,219**	(3,326)	**3,144**	1,156
Interest paid	**(26,296)**	(17,708)	**(28,175)**	(17,961)
Changes in items of working capital (note 9)	**12,244**	364	**(33,102)**	(16,956)
Cash flows provided by operating activities	**27,322**	3,400	**47,101**	44,902
FINANCING ACTIVITIES				
Bank loan proceeds	**3,795**	3,403	**8,013**	12,549
Issuance of long-term debt, net of debt issuance costs	**24,456**	25,920	**24,456**	25,920
Bank loan repayments	**(3,630)**	–	**(9,951)**	–
Long-term debt repayments	**(16,111)**	(120)	**(27,275)**	(238)
Finance lease obligation repayments	**–**	(603)	**–**	(740)
Net proceeds on issuance of common shares	**9,072**	4,254	**17,834**	12,248
Dividends paid, net of DRIP (note 17)	**(7,594)**	(8,267)	**(14,948)**	(8,267)
Cash flows provided by (used in) financing activities	**9,988**	24,587	**(1,871)**	41,472
INVESTING ACTIVITIES				
Purchase of property, plant and equipment (note 9)	**(42,471)**	(45,073)	**(67,396)**	(105,296)
Proceeds on disposal of property, plant and equipment	**311**	235	**606**	804
Other	**–**	118	**–**	118
Cash flows used in investing activities	**(42,160)**	(44,720)	**(66,790)**	(104,374)
Effect of exchange rate changes on cash and cash equivalents	**(7,384)**	465	**(7,869)**	6,462
Decrease in cash and cash equivalents	**(12,234)**	(16,268)	**(29,429)**	(11,538)
Cash and cash equivalents, beginning of period	**25,000**	47,211	**42,195**	42,481
Cash and cash equivalents, end of period	**12,766**	30,943	**12,766**	30,943

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and six months ended June 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 July 28, 2014.

2. Summary of Significant Accounting Policies

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

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

3. Bank Loan

The Company's Argentinean subsidiary has two operating lines of credit with a total of ARS133,621 ($17,530) drawn at June 30, 2014 (December 31, 2013 – ARS148,975 ($24,298)). The interest rate ranges from 32.0 percent to 38.0 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	**June 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	**640,200**	638,160
Less: unamortized debt issuance costs and debt discount	**(10,391)**	(11,161)
	629,809	626,999
$280,000 extendible revolving credit facility, secured by Canadian and U.S. assets of the Company	**21,874**	24,463
Less: unamortized debt issuance costs	**(1,100)**	(1,291)
	20,774	23,172
US$1,481 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	**1,580**	1,766
	652,163	651,937
Less: current portion of long-term debt	**(390)**	(384)
	651,773	651,553

The fair value of the senior unsecured notes, as measured based on the closing quoted market price at June 30, 2014, was $688,215 (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 six months ended June 30, 2014 was $26,523 (six months ended June 30, 2013 – $18,452).

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 the facility is not extended. The term and commencement of principal repayments may be extended by one year on each anniversary at the Company's request and lenders' acceptance. The operating facility is secured by the Company's Canadian and U.S. assets.

At June 30, 2014, the Company had utilized $31,556 of its credit facility for letters of credit and had borrowed $21,874 against this facility, leaving $246,570 in available credit.

5. Capital Stock

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

	Six Months Ended June 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	**1,320,900**	**23,940**	1,793,674	21,132
Dividend Reinvestment Plan shares issued (note 17)	**529,628**	**8,326**	762,192	10,704
Balance, end of period	**94,447,676**	**364,553**	92,597,148	332,287

The weighted average number of common shares outstanding for the three months ended June 30, 2014 was 93,946,458 basic and 94,894,078 diluted (three months ended June 30, 2013 – 91,232,276 basic and 91,808,274 diluted). The weighted average number of common shares outstanding for the six months ended June 30, 2014 was 93,439,536 basic and 94,254,620 diluted (six months ended June 30, 2013 – 90,783,376 basic and 91,449,968 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 7.

On May 8, 2014, the Company's shareholders approved a split of its common shares on a two-for-one basis to all shareholders on record as of May 23, 2014. The weighted average number of shares, stock options and share-based plans (such as RSUs, DSUs and PSUs) 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.

6. Contributed Surplus

Continuity of Contributed Surplus	**Six Months Ended June 30, 2014**	Year Ended December 31, 2013
(C$000s)	**($)**	($)
Balance, beginning of period	**27,658**	27,546
Stock options expensed	**1,787**	5,454
Stock options exercised	**(6,106)**	(5,342)
Balance, end of period	**23,339**	27,658

7. Stock-Based Compensation

(a) Stock Options

Six Months Ended June 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	**1,231,800**	**15.72**	1,394,400	12.27
Exercised for common shares	**(1,320,900)**	**13.50**	(1,488,324)	8.23
Forfeited	**(319,950)**	**14.52**	(205,600)	14.06
Expired	**–**	**–**	(1,250)	11.24
Balance, end of period	**4,593,700**	**14.56**	5,540,050	13.88

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 $19.05 with a weighted average remaining life of 2.92 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 six months ended June 30, 2014, $1,787 of compensation expense was recognized for stock options (six months ended June 30, 2013 – $2,861) and was included in selling, general and administrative expenses.

(b) Share Units

Six Months Ended June 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**	**774,900**	70,000	90,000	778,750
Exercised	**(70,000)**	**(90,000)**	**(391,014)**	(70,000)	(90,000)	(164,820)
Forfeited	**–**	**–**	**(62,110)**	–	–	(52,000)
Balance, end of period	**70,000**	**120,000**	**1,349,366**	70,000	90,000	1,056,390

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 six months ended June 30, 2014, $702 of compensation expense was recognized for deferred share units (six months ended June 30, 2013 – $509). This amount is included in selling, general and administrative expenses. At June 30, 2014, the liability pertaining to deferred share units was $698 (December 31, 2013 – $1,085).

The Company grants performance share units to its senior officers who do 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 six months ended June 30, 2014, $1,091 of compensation expense was recognized for performance share units (six months ended June 30, 2013 – $754). This amount is included in selling, general and administrative expenses. At June 30, 2014, the liability pertaining to performance share units was $865 (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 six months ended June 30, 2014, $8,009 of compensation expense was recognized for restricted share units (six months ended June 30, 2013 – $4,716). This amount is included in selling, general and administrative expenses. At June 30, 2014, the liability pertaining to restricted share units was $12,625 (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.

8. 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 and long-term debt.

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 June 30, 2014 was $688,215 before deduction of unamortized debt issuance costs (December 31, 2013 – $652,921). The carrying value of the senior unsecured notes at June 30, 2014 was $640,200 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 approximate their carrying values, as described in note 4.

9. Supplemental Cash Flow Information

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	**2014**	2013
(C$000s)				
Accounts receivable	**47,538**	89,675	**1,310**	7,627
Income taxes payable (recoverable)	**1,766**	(3,247)	**1,404**	(2,681)
Inventory	**(11,738)**	2,615	**(13,780)**	3,110
Prepaid expenses and deposits	**(3,480)**	(9,424)	**(1,908)**	(7,361)
Accounts payable and accrued liabilities	**(21,787)**	(79,179)	**(20,018)**	(17,524)
Other long-term liabilities	**(55)**	(76)	**(110)**	(127)
	12,244	364	**(33,102)**	(16,956)

Purchase of property, plant and equipment is comprised of:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	**2014**	2013
(C$000s)				
Property, plant and equipment additions	**(35,585)**	(46,618)	**(62,916)**	(90,607)
Changes in liabilities related to the purchase of property, plant and equipment	**(6,886)**	1,545	**(4,480)**	(14,689)
	(42,471)	(45,073)	**(67,396)**	(105,296)

10. Capital Structure

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

For the Twelve Months Ended	**June 30, 2014**	December 31, 2013
(C$000s)	**($)**	($)
Net income	**14,056**	26,733
Adjusted for the following:		
Depreciation	**127,164**	110,006
Amortization of debt issuance costs and debt discount	**1,845**	1,464
Stock-based compensation	**4,380**	5,454
Unrealized foreign exchange losses	**12,761**	1,350
Gain on business combination, net of tax	**(2,747)**	(2,747)
Gain on disposal of property, plant and equipment	**(657)**	(1,514)
Deferred income taxes	**5,344**	3,356
Cash flow	**162,146**	144,102

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

At June 30, 2014, the long-term debt to cash flow ratio was 4.02:1 (December 31, 2013 – 4.52:1) calculated on a 12-month trailing basis as follows:

For the Twelve Months Ended	**June 30, 2014**	December 31, 2013
(C$000s, except ratio)	**($)**	($)
Long-term debt (net of unamortized debt issuance costs and debt discount) (note 4)	**652,163**	651,937
Cash flow	**162,146**	144,102
Long-term debt to cash flow ratio	**4.02:1**	4.52:1

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

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

11. Related-Party Transactions

In November 2010, the Company lent a senior officer $2,500 to purchase common shares of the Company on the Toronto Stock Exchange. The loan is on a non-recourse basis and is secured by the common shares acquired with the loan proceeds. It is for a term of five years and bears interest at 3.375 percent per annum, payable annually. The market value of the shares that secure the loan was approximately $3,376 as at June 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 six months ended June 30, 2014 was $404 (six months ended June 30, 2013 – $208), as measured at the exchange amount.

12. Presentation of Expenses

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

- operations; and
- selling, general and administrative.

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

Additional information on the nature of expenses is as follows:

Six Months Ended June 30,	**2014**	2013
(C$000s)	**($)**	($)
Product costs	**315,203**	218,299
Depreciation	**67,943**	50,785
Amortization of debt issuance costs and debt discount	**1,020**	639
Employee benefits expense (note 13)	**246,797**	179,472

13. Employee Benefits Expense

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

Six Months Ended June 30,	**2014**	2013
(C$000s)	**($)**	($)
Salaries and short-term employee benefits	**231,610**	167,626
Post-employment benefits (group retirement savings plan)	**2,430**	2,089
Share-based payments	**11,589**	8,840
Termination benefits	**1,168**	917
	246,797	179,472

14. 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 $10,002 (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 $4,181 (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 $4,247 (2,907 euros) payable on such amounts as at June 30, 2014.

Several other smaller groups of former employees have filed similar claims in various courts in Greece. One of these cases was heard by the Athens Court of First Instance on January 18, 2007. By judgment rendered November 23, 2007, the plaintiff's allegations were partially accepted, and the plaintiff was awarded compensation for additional work of approximately $51 (35 euros), plus interest. The appeal of this decision was heard on June 2, 2009, at which time an additional claim by the plaintiff was also heard. A decision in respect of the hearing has been rendered which accepted NAPC's appeal of the initial claim and partially accepted the additional claim of the plaintiff, resulting in an award of approximately $16 (11 euros), plus interest.

Another one of the lawsuits seeking salaries in arrears of $187 (128 euros) plus interest was heard by the Supreme Court of Greece on November 6, 2007, at which date the appeal of the plaintiffs was denied for technical reasons due to improper service. A rehearing of this appeal was heard on September 21, 2010 and the decision rendered declared once again the appeal inadmissible due to technical reasons. The remaining action, which is seeking salaries in arrears of approximately $641 (439 euros) plus interest, was scheduled to be heard before the Athens Court of First Instance on October 1, 2009, but has been postponed a total of four times, including the most recent postponement on February 22, 2013. No new hearing date has been set.

The maximum aggregate interest and penalties payable under the claims noted above amounted to $22,594 (15,465 euros) as at June 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 alleges failure to pay U.S. employees the correct amount of overtime pay required by the Fair Labor Standards Act (FLSA) and under 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 of the FLSA collective action with certain current and former employees as the defined 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 extends through July 23, 2014. Discovery as to a mutually agreed-upon sample of the conditionally-certified opt-in class has been ongoing.

The Company timely filed answers to each complaint 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 recovery. 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.

On June 18, 2014, the U.S. Department of Labor (the "USDOL") commenced a wage and hour investigation in relation to the district office in Smithfield, Pennsylvania. The initial information requests from the USDOL covered all employees, going back two years from June 18, 2014. The USDOL was advised by the Company's external counsel of the class and collective action complaint discussed above, and subsequently agreed to limit its investigation to employees not subject to the complaint, which would be those in the Office Services, Coiled Tubing and Maintenance departments. The Company has provided the payroll and employee information for these departments for three pay periods, as requested by the USDOL. The direction and financial consequences of the investigation cannot be determined at this time.

15. 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.

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

	Canada	United States	Russia	Latin America	Corporate	Consolidated
(C$000s)	($)	($)	($)	($)	($)	($)
Three Months Ended June 30, 2014						
Revenue	**96,213**	**315,971**	**51,209**	**39,564**	**–**	**502,957**
Operating income (loss) [1]	**(9,322)**	**58,714**	**7,222**	**3,764**	**(15,545)**	**44,833**
Segmented assets	**631,664**	**866,514**	**167,000**	**177,939**	**–**	**1,843,117**
Capital expenditures	**(3,528)**[2]	**33,199**	**2,957**	**2,684**	**–**	**35,312**
Goodwill	**7,236**	**2,308**	**979**	**–**	**–**	**10,523**
Three Months Ended June 30, 2013						
Revenue	80,719	146,275	37,305	24,402	–	288,701
Operating income (loss) [1]	2,036	25,175	3,357	(966)	(13,295)	16,307
Segmented assets	655,600	627,853	136,132	162,433	–	1,582,018
Capital expenditures	28,116	11,349	4,533	2,620	–	46,618
Goodwill	7,236	2,308	979	–	–	10,523
Six Months Ended June 30, 2014						
Revenue	**363,887**	**527,010**	**90,123**	**69,575**	**–**	**1,050,595**
Operating income (loss) [1]	**43,157**	**80,391**	**8,039**	**9,656**	**(32,293)**	**108,950**
Segmented assets	**631,664**	**866,514**	**167,000**	**177,939**	**–**	**1,843,117**
Capital expenditures	**10,169**	**40,217**	**6,600**	**5,657**	**–**	**62,643**
Goodwill	**7,236**	**2,308**	**979**	**–**	**–**	**10,523**
Six Months Ended June 30, 2013						
Revenue	312,295	273,285	74,466	52,052	–	712,098
Operating income (loss) [1]	57,947	43,214	5,347	186	(27,717)	78,977
Segmented assets	655,600	627,853	136,132	162,433	–	1,582,018
Capital expenditures	45,407	32,158	6,964	6,078	–	90,607
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.

(2) Negative capital expenditures in the second quarter of 2014 were due to equipment built in Canada that was subsequently transferred to the United States.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	**2014**	2013
(C$000s)				
Net income (loss)	**(12,848)**	(14,939)	**(3,428)**	9,249
Add back (deduct):				
Depreciation	**34,422**	25,971	**67,943**	50,785
Interest	**14,470**	9,285	**29,384**	18,488
Foreign exchange losses (gains)	**4,936**	86	**7,778**	(2,293)
(Gain) loss on disposal of property, plant and equipment	**(117)**	(14)	**723**	(134)
Income taxes	**3,970**	(4,082)	**6,550**	2,882
Operating income	**44,833**	16,307	**108,950**	78,977

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 June 30,		Six Months Ended June 30,	
	2014	2013	**2014**	2013
(C$000s)				
Fracturing	**457,942**	263,496	**961,760**	647,641
Coiled tubing	**21,449**	9,505	**47,922**	31,106
Cementing	**20,662**	12,414	**36,419**	24,277
Other	**2,904**	3,286	**4,494**	9,074
	502,957	288,701	**1,050,595**	712,098

16. 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.

17. 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 ($11,806) was declared on June 13, 2014, to be paid on July 15, 2014.

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

Michael (Mick) J. McNulty
Chief Financial Officer

Lindsay R. Link
President,
United States Division

F. Bruce Payne
President,
Canadian 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

Michael D. Olinek
Vice President, Finance

Edward L. Oke
Vice President,
Human Resources

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

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

Matthew L. Mignault
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LEGAL COUNSEL

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Calgary, Alberta

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Trading Symbol: CFW

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Calgary – Technology and Training Centre
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Grande Prairie
Medicine Hat
Red Deer
Red Earth

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Saskatchewan, Canada
Estevan

Arkansas, United States
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Neuquén

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Bogota – Regional Office

REGISTRAR AND TRANSFER AGENT

For information concerning lost share certificates and estate transfers or for a change in share registration or address, please contact the transfer agent and registrar at 1-800-564-6253 or by email at service@computershare.com, or write to:

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