Canadian Energy
SERVICES

Condensed Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2012

Canadian Energy Services & Technology Corp.
Condensed Consolidated Statements of Financial Position (unaudited)
(stated in thousands of Canadian dollars, except per share amounts)

	As at	
	September 30, 2012	December 31, 2011
ASSETS		
Current assets		
Accounts receivable	**126,023**	166,007
Financial derivative asset	**155**	-
Inventory	**63,445**	59,376
Prepaid expenses	**3,644**	5,172
	193,267	230,555
Property and equipment (note 4)	**52,447**	43,543
Intangible assets	**12,408**	14,425
Deferred income tax asset	**306**	602
Goodwill	**96,901**	96,226
	355,329	385,351
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**35,928**	71,122
Financial derivative liability	**-**	183
Dividends payable (note 9)	**2,794**	2,481
Income taxes payable	**8,503**	-
Current portion of long-term debt (note 5)	**977**	747
Current portion of finance lease obligations (note 6)	**2,736**	2,362
	50,938	76,895
Long-term debt (note 5)	**82,718**	94,064
Finance lease obligations (note 6)	**2,694**	2,715
Deferred income tax liability	**9,133**	7,617
	145,483	181,291
Shareholders' equity		
Common shares (note 7)	**206,011**	200,412
Contributed surplus	**7,607**	4,135
Retained earnings	**2,897**	2,322
Accumulated other comprehensive loss	**(6,669)**	(2,809)
	209,846	204,060
	355,329	385,351

The accompanying notes are an integral part of these condensed consolidated financial statements.

Canadian Energy Services & Technology Corp.

Condensed Consolidated Statements of Comprehensive Income (unaudited)
(stated in thousands of Canadian dollars, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	**2012**	2011
Revenue	**115,585**	121,958	**376,271**	320,464
Cost of sales	**87,700**	91,438	**287,505**	234,349
Gross margin	**27,885**	30,520	**88,766**	86,115
General and administrative expenses	**15,200**	14,810	**46,581**	42,683
Operating profit	**12,685**	15,710	**42,185**	43,432
Finance costs	**520**	1,460	**2,488**	2,852
Income before taxes	**12,165**	14,250	**39,697**	40,580
Current income tax expense	**3,563**	631	**12,671**	4,420
Deferred income tax expense	**650**	4,118	**2,004**	9,338
Net income	**7,952**	9,501	**25,022**	26,822
Other comprehensive gain (loss):				
Unrealized foreign exchange gain (loss) on translation of foreign operations	**(4,095)**	10,068	**(3,860)**	6,070
Comprehensive income	**3,857**	19,569	**21,162**	32,892
Net income per share (note 7)				
Basic	**0.14**	0.17	**0.45**	0.49
Diluted	**0.14**	0.17	**0.44**	0.48

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Canadian Energy Services & Technology Corp.

Condensed Consolidated Statements of Changes in Equity (unaudited)
(stated in thousands of Canadian dollars, except per share amounts)

	Nine Months Ended September 30,	
	2012	2011
COMMON SHARES		
Balance, beginning of period	**200,412**	195,755
Issued pursuant to stock-based compensation (note 7)	**3,736**	2,559
Consideration for acquired business (note 3)	**1,863**	-
Balance, end of period	**206,011**	198,314
CONTRIBUTED SURPLUS		
Balance, beginning of period	**4,135**	1,900
Reclassified pursuant to stock-based compensation (note 7)	**(1,112)**	(584)
Stock-based compensation expense (note 8)	**4,584**	2,295
Balance, end of period	**7,607**	3,611
ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME		
Balance, beginning of period	**(2,809)**	(5,383)
Unrealized foreign exchange gain (loss) on translation of foreign operations	**(3,860)**	6,070
Balance, end of period	**(6,669)**	687
RETAINED EARNINGS (DEFICIT)		
Balance, beginning of period	**2,322**	(13,255)
Net income	**25,022**	26,822
Dividends declared (note 9)	**(24,447)**	(18,962)
Balance, end of period	**2,897**	(5,395)
	209,846	197,217

The accompanying notes are an integral part of these condensed consolidated financial statements.

Canadian Energy Services & Technology Corp.
Condensed Consolidated Statements of Cash Flows (unaudited)
(stated in thousands of Canadian dollars, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	**2012**	2011
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net income for the period	**7,952**	9,501	**25,022**	26,822
Adjustments for:				
Depreciation and amortization	**2,848**	2,375	**8,299**	6,905
Stock-based compensation	**1,778**	798	**4,584**	2,295
Non-cash finance costs (income)	**(150)**	538	**(153)**	699
Deferred income tax expense	**650**	4,118	**2,004**	9,338
Gain on disposal of assets	**(5)**	(15)	**(125)**	(101)
Change in non-cash working capital (note 11)	**3,716**	(18,117)	**9,974**	(35,228)
	16,789	(802)	**49,605**	10,730
FINANCING ACTIVITIES:				
Repayment of long-term debt and finance leases	**(1,075)**	(945)	**(2,957)**	(2,649)
Issuance of long-term debt and lease proceeds	**-**	1,834	**1,470**	1,834
Issuance of shares, net of issuance costs	**715**	186	**2,624**	1,976
(Decrease) increase in Senior Facility	**(3,838)**	15,027	**(10,670)**	22,693
Shareholder dividends	**(8,358)**	(6,580)	**(24,135)**	(18,580)
	(12,556)	9,522	**(33,668)**	5,274
INVESTING ACTIVITIES:				
Investment in property and equipment	**(4,283)**	(4,260)	**(15,218)**	(12,031)
Investment in intangible assets	**(143)**	(35)	**(293)**	(140)
Deferred acquisition consideration	**-**	(4,951)	**-**	(4,951)
Acquisition of Petrotreat Inc. (note 3)	**-**	-	**(1,344)**	-
Proceeds on disposal of property and equipment	**193**	405	**918**	765
	(4,233)	(8,841)	**(15,937)**	(16,357)
Effect of exchange rate on bank indebtedness	**-**	121	**-**	353
CHANGE IN CASH	**-**	-	**-**	-
Cash, beginning of period	**-**	-	**-**	-
Cash, end of period	**-**	-	**-**	-
SUPPLEMENTARY CASH FLOW DISCLOSURE				
Interest paid	**1,179**	479	**3,215**	1,982
Taxes paid	**1,209**	1,730	**4,385**	4,300

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. The Company

Canadian Energy Services & Technology Corp., formerly Canadian Energy Services L.P. ("CES" or the "Company"), is a company domiciled in Canada. These unaudited condensed consolidated financial statements of the Company as at September 30, 2012 and for the three and nine months ended September 30, 2012, and 2011, comprise the Company and its subsidiaries (together referred to as the "Company" or "CES").

The Company specializes in the design and implementation of drilling fluid solutions for the North American oil and gas industry, and in particular for horizontal and directional resource play drilling. In Canada, it operates as Canadian Energy Services and Moose Mountain Mud. In the United States ("US"), it operates through its indirect wholly-owned subsidiary, AES Drilling Fluids, LLC ("AES"). In Canada, in addition to drilling fluids, the Company operates a transportation division, Equal Transport; an environmental services division, Clear Environmental Solutions; and has established a drilling fluid and production chemical blending division, PureChem Services.

The Western Canadian drilling industry is subject to seasonality with activity usually peaking during the winter months in the fourth and first quarters of any given calendar year. As temperatures rise in the spring, the ground thaws and becomes unstable, resulting in government road bans which severely restrict activity in the second quarter. These seasonal trends typically lead to quarterly fluctuations in Canadian operating results and working capital requirements which should be considered in any quarter over quarter analysis of the Company. As the drilling fluids business expands in the US and as the production chemical business is built out, it is expected that the overall seasonality of the Company's operations will be less pronounced.

2. Significant Accounting Policies

a) Basis of Presentation

These unaudited condensed consolidated financial statements have been prepared by management of the Company in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" ("IAS 34"), following the same accounting principles and methods of computation as outlined in the Company's consolidated financial statements for the year ended December 31, 2011.

These unaudited condensed consolidated financial statements include all necessary disclosures required for interim financial statements but do not include all disclosures required for annual financial statements. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2011. These unaudited condensed consolidated financial statements were authorized for issue by the Company's Board of Directors on November 7, 2012.

b) Basis of measurement

These unaudited condensed consolidated financial statements have been prepared on a going concern basis using the historical cost convention except for the following items in the statement of financial position:

- (i) derivative financial instruments are measured at fair value; and
- (ii) financial instruments at fair value through profit or loss are measured at fair value.

c) Significant accounting judgments and estimates

The preparation of the unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual outcomes will differ from these estimates. The critical accounting estimates and judgments have been set out in Note 3 to the Company's consolidated financial statements for the year ended December 31, 2011.

3. Business Acquisition

On February 16, 2012, in order to expand the Company's drilling fluid and production chemical manufacturing division, the Company closed the acquisition of all the business assets of Petrotreat Inc. ("Petrotreat"), a privately-held production chemical and well stimulation service company that provides solutions to oil and gas producers to increase the productivity of their oil, gas, or injection wells and provides products to remove paraffin, asphaltene, and inorganic deposition in the near wellbore or from production equipment both downhole or on surface. The effective date of the acquisition was February 1, 2012. The aggregate purchase price was $3,207, consisting of $1,344 in cash and $1,863 in share consideration through the issuance of 147,826 common shares of the Company. The purchase price allocation was based upon the respective closing date fair values as of February 16, 2012. In conjunction with this transaction, the Company recorded $70 in transaction costs to general and administrative expenses.

The Company's preliminary purchase price allocation was as follows:

Allocation of purchase price $000's	
Current assets	210
Property and equipment	183
Intangible assets	620
Goodwill	2,214
Total assets	**3,227**
Current liabilities	(20)
Total liabilities	**(20)**
Net assets acquired	**3,207**

Consideration given $000's	
Cash	1,344
Share consideration	1,863
Total consideration	**3,207**

The goodwill recognized on acquisition is primarily attributed to the assembled workforce, the synergies existing within the acquired business, and the synergies which will contribute to operational efficiencies within the rest of the Company.

4. Property and Equipment

Property and equipment are comprised of the following balances:

	As at September 30, 2012			As at December 31, 2011		
$000's	**Cost**	**Accumulated Amortization**	**Carrying Value**	Cost	Accumulated Amortization	Carrying Value
Trucks and trailers	**11,588**	**(5,099)**	**6,489**	10,286	(3,805)	6,481
Buildings	**16,161**	**(1,770)**	**14,391**	12,143	(1,207)	10,936
Tanks	**13,727**	**(1,117)**	**12,610**	10,387	(662)	9,725
Vehicles	**9,923**	**(3,488)**	**6,435**	9,009	(2,725)	6,284
Field equipment	**8,390**	**(3,360)**	**5,030**	6,949	(2,414)	4,535
Computer equipment	**1,257**	**(947)**	**310**	1,186	(837)	349
Processing equipment	**3,769**	**(504)**	**3,265**	3,083	(298)	2,785
Land	**2,092**	**-**	**2,092**	1,670	-	1,670
Furniture and fixtures	**941**	**(413)**	**528**	697	(316)	381
Leasehold improvements	**1,962**	**(664)**	**1,297**	829	(432)	397
	69,810	**(17,362)**	**52,447**	56,239	(12,696)	43,543

5. Long-Term Debt

The Company has a three year committed credit agreement with a commercial bank providing for a Senior Credit Facility (the "Senior Facility"), permitting it to borrow up to $120,000, subject to the value of certain accounts receivable, inventory, and capital assets. The Senior Facility has a three year term, as of December 21, 2011, and may be extended by one year upon the agreement of the lender and the Company.

On March 22, 2012, the Company entered into an amending agreement on its Senior Facility permitting it to borrow up to an additional $20,000 (the "Bridge Facility"). Terms and conditions, including the borrowing base, prime interest pricing margin, and covenants are consistent with the Company's Senior Facility. The Bridge Facility was drawn in full on March 30, 2012 and was repaid in full on September 18, 2012.

As of September 30, 2012, based on eligible accounts receivable, inventory, and capital asset balances, the maximum available draw on the Senior Facility was $110,394 (December 31, 2011 - $120,000). At September 30, 2012, the Company had a net draw of $81,540 on the Senior Facility (December 2011 – $93,362). Amounts drawn on the Senior Facility incur interest at the bank's prime rate plus an applicable pricing margin ranging from 0.75% to 2.25% or the LIBOR rate plus an applicable pricing margin ranging from 1.75% to 3.25%. The Senior Facility has a standby fee ranging from 0.40% to 0.73%.

On October 2, 2012, the Company completed an amendment to its existing Senior Facility. The amended syndicated Senior Facility ("Amended Senior Facility") allows the Company to borrow up to $150,000, subject to the value of certain accounts receivable, inventory, and capital assets. The Amended Senior Facility now has a term to maturity of three years, maturing on October 2, 2015 and may be extended by one year upon the agreement of the lenders and the Company. In addition, subject to certain terms and conditions, the Company may increase its Amended Senior Facility by $30,000 to a maximum borrowing of $180,000 subject to the value of certain accounts receivable, inventory, and capital assets. Amounts drawn on the Amended Senior Facility incur interest at the bank's prime rate plus an applicable pricing margin ranging from 0.75% to 2.25% or the LIBOR rate plus an applicable pricing margin ranging from 1.75% to 3.25%. The Amended Senior Facility has a standby fee ranging from 0.40% to 0.73%. The covenants on the Amended Senior Facility remain consistent with the covenants on the previous Senior Facility.

The Company's long-term debt is comprised of the following balances:

	As at	
$000's	**September 30, 2012**	December 31, 2011
Senior Facility	**81,540**	93,362
Vehicle financing loans	**2,155**	1,449
	83,695	94,811
Less current portion of long-term debt	**(977)**	(747)
Long-term debt	**82,718**	94,064

Vehicle financing loans are secured by each related vehicle and incur interest at rates up to 8.71%, with a weighted average rate of approximately 5.45%, and have termination dates ranging from December 2012 to October 2015.

For the three and nine months ended September 30, 2012, the Company recorded $729 and $2,699, respectively (2011 – $85 and $304, respectively), in interest expense related to its long-term debt and lease balances.

Scheduled principal payments at September 30, 2012, are as follows:

$000's	
2012 - 3 months	**263**
2013	**928**
2014	**724**
2015	**81,780**
2016	**-**
Total	**83,695**

6. Finance Leases

On March 30, 2012, the Company completed a sale and leaseback transaction on specified assets for proceeds equal to the net book value of the respective assets in the amount of $1,470. The leases are for a period of 48 months, terminating in March 2016, and have a fixed interest rate of 5.16%.

The Company's floating interest rate equipment leases are for terms ranging from March 2013 to March 2014 with interest on the Company's lease facilities at the bank's prime rate of interest plus 1.75%. The Company's fixed interest rate equipment leases are for terms ranging from September 2015 to March 2016 with a weighted average interest rate on the Company's lease facilities of 4.93%. The Company's vehicle leases are for terms ranging from November 2012 through April 2017 with interest rates of up to 9.76% and a weighted average interest rate of approximately 6.28%. The carrying value of assets under finance leases at September 30, 2012 totaled $6,749 (December 31, 2011 – $5,732). Amortization expense relating to assets under finance leases for the three and nine months ended September 30, 2012, totaled $427 and $1,255, respectively (2011 – $265 and $721, respectively).

Amounts outstanding under the Company's finance lease obligations are as follows:

	As at	
$000's	**September 30, 2012**	December 31, 2011
Finance lease obligations	**5,430**	5,077
Less current portion of finance lease obligations	**(2,736)**	(2,362)
Long-term finance lease obligations	**2,694**	2,715

7. Share Capital

a) Authorized

The Company is authorized to issue an unlimited number of common shares.

b) Issued and outstanding

A summary of the changes to shareholders' equity is presented below:

	Nine Months Ended September 30, 2012		Year Ended December 31, 2011	
Common Shares *($000's except shares)*	**Number of Shares**	**Amount**	Number of Shares	Amount
Balance, beginning of period	**55,138,435**	**200,412**	54,395,487	195,755
Consideration for acquired business	**147,826**	**1,863**	-	-
Issued pursuant to stock-based compensation	**586,812**	**2,624**	742,948	3,568
Contributed surplus related to stock-based compensation	**-**	**1,112**	-	1,089
Balance, end of period	**55,873,073**	**206,011**	55,138,435	200,412

c) Net income per share

In calculating the basic and diluted net income per share for the three and nine months ended September 30, 2012 and 2011, the weighted average number of shares used in the calculation is shown in the table below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
$000's, except share and per share amounts	**2012**	2011	**2012**	2011
Net income	**7,952**	9,501	**25,022**	26,882
Weighted average number of shares outstanding:				
Basic shares outstanding	**55,749,999**	54,834,583	**55,525,233**	54,659,033
Effect of dilutive securities	**1,606,169**	1,409,966	**1,736,631**	1,356,487
Diluted shares outstanding	**57,356,168**	56,244,549	**57,261,864**	56,015,520
Net income per share - basic	**$0.14**	$0.17	**$0.45**	$0.49
Net income per share - diluted	**$0.14**	$0.17	**$0.44**	$0.48

Excluded from the calculation of dilutive securities for the three and nine months ended September 30, 2012, are 971,087 and 83,087 anti-dilutive Share Rights, respectively (2011 – 27,000 and 57,200, respectively).

8. Stock-Based Compensation

As at September 30, 2012, a total of 5,587,307 common shares were reserved for issuance under the Company's Option Plan, Share Rights Incentive Plan, and Restricted Share Unit Plan, of which 1,717,154 common shares remained available for grant. For the three and nine months ended September 30, 2012, stock compensation expense of $1,778 and $4,584, respectively (2011 – $798 and $2,295, respectively), was recorded in general and administrative expenses relating to the Company's stock-based compensation plans.

(stated in thousands of Canadian dollars, except per share amounts)

a) Option Plan, formerly referred to as the Company Unit Option Plan

CES has a Share Rights Incentive Plan for any new issuances effective after January 1, 2010. All prior grants under the Unit Option Plan will continue based on the terms and conditions as of the original grant. A summary of changes under the Option Plan is presented below:

	Nine Months Ended September 30, 2012		Year Ended December 31, 2011	
	Options	**Average Exercise Price**	Options	Average Exercise Price
Balance, beginning of period	**115,000**	**$2.43**	229,050	$2.47
Granted during the period	**-**	**-**	-	-
Exercised during the period	**(57,400)**	**2.07**	(114,050)	2.51
Forfeited during the period	**-**	**-**	-	-
Balance, end of period	**57,600**	**$2.79**	115,000	$2.43
Exercisable options, end of period	**57,600**	**$2.79**	47,500	$2.90

b) Share Rights Incentive Plan ("SRIP")

CES' SRIP provides incentives to the employees, officers, and directors of the Company by issuing options to acquire common shares. Share Rights granted generally vest as to one-third on each of the first, second, and third anniversary dates of the grant, or such other vesting schedule as determined by the Board of Directors, and expire no later than five years after the grant. Under the SRIP, employees may elect to exercise the Share Rights at an adjusted exercise price in which the option exercise price will be adjusted downwards by the cumulative dividends paid by the Company.

A summary of changes under the SRIP is presented below:

	Nine Months Ended September 30, 2012		Year Ended December 31, 2011	
	Share Rights	**Average Exercise Price**	Share Rights	Average Exercise Price
Balance, beginning of period	**2,987,602**	**$6.20**	3,511,500	$5.65
Granted during the period	**698,087**	**10.79**	273,000	10.59
Exercised during the period	**(502,601)**	**4.98**	(628,898)	5.22
Forfeited during the period	**(138,000)**	**5.58**	(168,000)	5.16
Balance, end of period	**3,045,088**	**$7.43**	2,987,602	$6.20
Exercisable Share Rights, end of period	**477,000**	**$6.77**	505,600	$6.11

The compensation costs for Share Rights granted during the nine months ended September 30, 2012, were calculated using a Black-Scholes option pricing model using the following weighted average assumptions:

	Nine Months Ended September 30, 2012
Risk-free interest rate	**1.25%**
Expected average life of Share Rights	**3.24 years**
Share Right term	**5.0 years**
Annual forfeiture rate	**7.19%**
Dividend yield	**2.88%**
Expected volatility	**42.53%**
Weighted average fair value per Share Right	**$2.79**

(stated in thousands of Canadian dollars, except per share amounts)

The following table summarizes information about the outstanding grants under the Company's Share Rights Incentive Plan and Option Plan as at September 30, 2012:

	Options & Share Rights Outstanding			Options & Share Rights Exercisable	
Range of exercise prices	Options and Share Rights	Weighted average exercise price	Weighted average term remaining in years	Options and Share Rights	Weighted average exercise price
$1.84 - $3.10	18,100	$2.10	1.38	18,100	$2.10
$3.11 - $4.23	39,500	3.11	1.13	39,500	3.11
$4.24 - $5.25	428,001	4.80	2.52	81,000	4.85
$5.26 - $5.91	36,000	5.66	2.78	18,000	5.66
$5.92 - $8.25	1,610,000	6.17	3.01	287,000	6.17
$8.26 - $10.74	888,000	10.62	4.66	72,000	10.33
$10.75 - $12.90	83,087	11.99	3.37	19,000	11.57
	3,102,688	$7.34	3.39	534,600	$6.34

c) Restricted Share Unit Plan ("RSU")

CES' RSU Plan provides incentives to eligible employees, officers, and directors of the Company through the issuance of RSU's. The RSU's shall generally vest and be redeemed on the first anniversary from the date of grant, subject to other such vesting schedules or conditions as determined by the Board of Directors. Throughout the vesting period, holders of Restricted Shares will be entitled to the dividend equivalents in the form of additional Restricted Shares on each dividend payment date, to be held in the RSU account until such time as the awards have vested.

A summary of changes under the RSU plan is presented below:

	Nine Months Ended September 30, 2012		Year Ended December 31, 2011	
	Restricted Share Units	**Average Price**	Restricted Share Units	Average Price
Balance, beginning of period	**310,030**	**$10.84**	-	$ -
Granted during the period	**464,006**	**12.02**	307,500	10.84
Reinvested during the period	**20,240**	**11.67**	2,530	10.83
Vested during the period	**(26,811)**	**11.09**	-	-
Balance, end of period	**767,465**	**$11.57**	310,030	$10.84

On March 13, 2012, a grant of 265,506 RSUs with a fair value per RSU of $13.01 was approved by the Company's Board of Directors to selected officers and employees of the Company. During the quarter, the Company's Board of Directors also approved a grant of 198,500 RSUs with a fair value per RSU of $10.70 to selected employees on September 20, 2012. The stock-based compensation costs for RSUs granted are based on the five day volume weighted average share price at the date of grant. The amount of compensation expense recorded for the nine months ended September 30, 2012 was reduced by an estimated weighted average forfeiture rate of 7.13% per year at the date of grant.

9. Dividends

The Company declared dividends to holders of common shares for the nine months ended September 30, 2012, as follows:

$000's except per share amounts	Dividend Record Date	Dividend Payment Date	Per Common Share	Total
January	Jan 31	Feb 15	$0.045	**2,483**
February	Feb 29	Mar 15	0.045	**2,489**
March	Mar 30	Apr 13	0.050	**2,769**
April	Apr 30	May 15	0.050	**2,776**
May	May 31	Jun 15	0.050	**2,779**
June	Jun 29	Jul 13	0.050	**2,784**
July	Jul 31	Aug 15	0.050	**2,785**
August	Aug 31	Sep 14	0.050	**2,788**
September	Sep 28	Oct 15	0.050	**2,794**
Total dividends declared during the period			$0.440	**24,447**

Subsequent to September 30, 2012, the Company declared dividends to holders of common shares in the amount of $0.05 per common share payable on November 15, 2012, for shareholders of record on October 31, 2012.

10. Commitments

The Company has commitments with payments due as follows:

$000's	2012 - 3 months	2013	2014	2015	2016	Total
Office and facility rent	488	1,695	1,219	1,123	875	**5,400**

Payments denominated in foreign currencies have been translated at the respective period end exchange rates

The Company is involved in litigation and disputes arising in the normal course of operations. Management is of the opinion that any potential litigation will not have a material adverse impact on the Company's financial position or results of operations and, therefore, the commitment table does not include any commitments for outstanding litigation and potential claims.

11. Supplemental Information

The changes in non-cash working capital were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
$000's	**2012**	2011	**2012**	2011
Decrease (increase) in current assets				
Accounts receivable	**(4,946)**	(31,884)	**38,071**	(36,525)
Inventory	**9,450**	(12,203)	**(5,177)**	(17,673)
Prepaid expenses	**(630)**	1,665	**1,457**	(1,773)
Increase (decrease) in current liabilities				
Accounts payable and accrued liabilities	**(1,216)**	24,637	**(25,832)**	20,535
	2,658	(17,785)	**8,519**	(35,435)
Relating to:				
Operating activities	**3,716**	(18,117)	**9,974**	(35,228)
Investing activities	**(1,058)**	332	**(1,456)**	(207)

For the three and nine months ended September 30, 2012 and 2011, changes in non-cash working capital relating to investing activities have been included in "Investment in property and equipment" on the Condensed Consolidated Statements of Cash Flows.

12. Segmented Information

The Company has three reportable operating segments as determined by management, which are the Drilling Fluids segment, the Trucking segment, and the Environmental Services segment. The Drilling Fluids segment designs and implements drilling fluid systems for the oil and natural gas industry in the Western Canadian Sedimentary Basin and in the United States through its subsidiary, AES Drilling Fluids, LLC. The Trucking segment is comprised of heavy duty trucks, trailers, and tanker trailers used in hauling drilling fluids to locations and hauling produced fluids for operators. The Environmental Services segment is comprised of the Company's environmental division, Clear Environmental Services, which provides environmental and drilling fluids waste disposal services largely to oil and gas producers.

Selected summary financial information relating to the operational segments is as follows:

	Three Months Ended September 30, 2012				
$000's	Drilling Fluids [1]	Trucking	Environmental Services	Intercompany Eliminations	**Total**
Revenue	105,884	4,175	5,727	(201)	**115,585**
Gross margin	25,334	292	2,259	-	**27,885**
Amortization	2,062	605	180	-	**2,847**
Interest expense	657	53	19	-	**729**
Income before taxes	11,349	(172)	988	-	**12,165**
Total assets	322,103	17,815	15,411	-	**355,329**
Capital expenditures	3,781	127	2	-	**3,910**

	Nine Months Ended September 30, 2012				
$000's	Drilling Fluids [1]	Trucking	Environmental Services	Intercompany Eliminations	**Total**
Revenue	349,333	13,753	13,835	(650)	**376,271**
Gross margin	83,141	128	5,497	-	**88,766**
Amortization	5,953	1,804	541	-	**8,298**
Interest expense	2,451	189	59	-	**2,699**
Income before taxes	38,644	(1,076)	2,129	-	**39,697**
Total assets	322,103	17,815	15,411	-	**355,329**
Capital expenditures	11,808	4,369	20	-	**16,197**

	Three Months Ended September 30, 2011				
$000's	Drilling Fluids [1]	Trucking	Environmental Services	Intercompany Eliminations	Total
Revenue	111,957	5,500	4,706	(205)	121,958
Gross margin	27,752	962	1,806	-	30,520
Amortization	1,636	558	181	-	2,375
Interest expense	486	35	13	-	534
Income before taxes	13,061	774	415	-	14,250
Total assets	321,689	15,434	15,131	-	352,254
Capital expenditures	1,236	3,020	4	-	4,260

	Nine Months Ended September 30, 2011				
$000's	Drilling Fluids [1]	Trucking	Environmental Services	Intercompany Eliminations	Total
Revenue	294,951	13,828	12,288	(603)	320,464
Gross margin	79,105	2,406	4,604	-	86,115
Amortization	4,770	1,589	546	-	6,905
Interest expense	1,781	128	49	-	1,958
Income before taxes	37,939	1,023	1,618	-	40,580
Total assets	321,689	15,434	15,131	-	352,254
Capital expenditures	7,299	4,719	13	-	12,031

[1] Results from PureChem operations for the three and nine months ended September 30, 2012 and 2011 have been included in the Drilling Fluids segment.

Geographical information relating to the Company's activities is as follows:

	Revenue		Revenue	
	Three Months Ended September 30,		Nine Months Ended September 30,	
$000's	**2012**	2011	**2012**	2011
Canada	**49,407**	60,201	**160,337**	144,754
United States	**66,178**	61,757	**215,934**	175,710
Total	**115,585**	121,958	**376,271**	320,464

	Long-Term Assets [1]	
$000's	**September 30, 2012**	December 31, 2011
Canada	**82,082**	76,904
United States	**79,674**	77,290
Total	**161,756**	154,194

[1] Includes: Property and equipment, goodwill, and intangible assets

Canadian Energy Services & Technology Corp.
Information

STOCK EXCHANGE LISTING
The Toronto Stock Exchange
Trading Symbol: CEU

OTCQX
Trading Symbol: CESDF

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[1]Member of the Audit Committee
[2]Member of the Governance and Compensation Committee

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Chief Financial Officer

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Canadian President & Chief Operating Officer

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Vice President, Marketing

Scott R. Cochlan
Corporate Secretary

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