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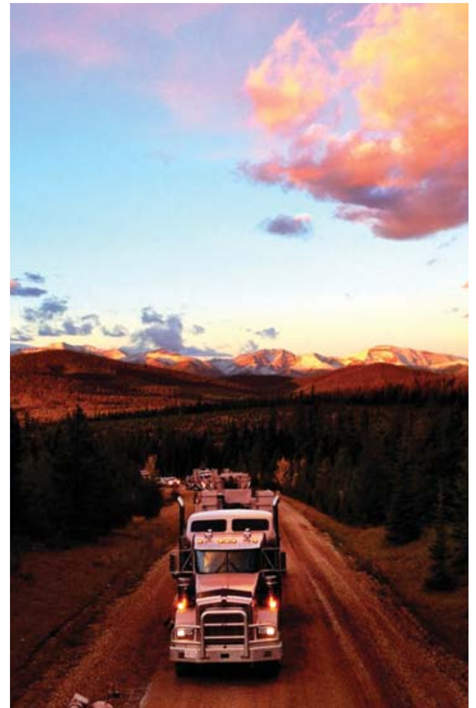

MANAGEMENT'S DISCUSSION & ANALYSIS AND CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2020 and 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS: FOURTH QUARTER

This management's discussion and analysis (**"MD&A"**) is dated February 23, 2021. It should be read in conjunction with the audited consolidated financial statements and notes of Trican Well Service Ltd. (**"Trican"** or the **"Company"**) as at and for the year ended December 31, 2020 and 2019. Additional information relating to the Company, including the Company's Annual Information Form (**"AIF"**) for the year ended December 31, 2020, is available online at www.sedar.com.

Basis of Presentation: Unless otherwise noted, all financial information is reported in Canadian dollars and has been prepared in accordance with International Financial Reporting Standards (**"IFRS"**) as issued by the International Accounting Standards Board (**"IASB"**). Certain figures have been reclassified to conform to the current year presentation in this MD&A.

Non-GAAP Measures: Trican makes reference to adjusted EBITDA and adjusted EBITDA percentage. These measures are not defined terms under IFRS and are considered non-GAAP measures. Management believes that, in addition to net income / (loss), adjusted EBITDA and adjusted EBITDA percentage are useful supplemental measures to our investors as management relies on adjusted EBITDA to better translate historical variability in Trican's principal business activities into future financial forecasts. Non-GAAP financial measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures presented by other issuers. These financial measures are reconciled to IFRS measures in the *Non-GAAP Measures* section of this MD&A.

Other Non-Standard Financial Terms: Trican makes use of other financial terms such as Revenue per Job and Non-Cash Working Capital. These terms and / or calculation of amounts related to these terms may not be comparable to other issuers. These terms are described in the *Other Non-Standard Financial Terms* section of this MD&A.

Common Industry and Company Specific Terms: For a list of abbreviations and capitalized terms that may be used in this MD&A, refer to the *Common Industry Terms* section of this MD&A.

Risks and Forward-Looking Statements: The Company's financial and operational performance is potentially affected by a number of factors, including, but not limited to, the factors described in the ***Business Risks*** section in this MD&A, the Risk Factors described in the AIF, and the Company's other disclosure documents.

This MD&A includes forward-looking information based on the Company's current expectations, estimates, projections and assumptions. This information is subject to a number of risks and uncertainties, many of which are beyond the Company's control. Users of this information are cautioned that the actual results may differ materially from this forward-looking information. Refer to the ***Forward-Looking Statements*** section in this MD&A for information on material risk factors and assumptions underlying our forward-looking information.

OVERVIEW

Headquartered in Calgary, Alberta, Trican has a highly trained workforce dedicated to safety and operational excellence who provide a comprehensive array of specialized products and services using equipment required for the exploration and development of oil and gas reserves.

Financial Review

($ millions, except per share amounts. The following are stated in thousands: weighted average shares, proppant pumped, total job count and HHP)	Three months ended			Year ended		
	Dec. 31, 2020	Dec. 31, 2019	Sept. 30, 2020	**Dec. 31, 2020**	Dec. 31, 2019	Dec. 31, 2018
Revenue	**$102.8**	$163.3	$74.1	**$397.0**	$636.1	$864.5
Gross (loss) / profit	**(4.0)**	(6.1)	(10.9)	**(40.6)**	(44.6)	8.5
Adjusted EBITDA [1]	**14.5**	14.6	(2.6)	**14.6**	28.0	83.2
Weighted avg. shares outstanding - basic & diluted	**257,172**	277,261	263,491	**263,830**	288,528	322,125
Loss from continuing operations	**(24.5)**	(19.5)	(25.7)	**(233.3)**	(71.4)	(229.1)
Per share - basic	**($0.10)**	($0.07)	($0.10)	**($0.88)**	($0.25)	($0.71)
Per share - diluted	**($0.10)**	($0.07)	($0.10)	**($0.88)**	($0.25)	($0.71)
Loss for the period	**(25.0)**	(20.9)	(26.1)	**(234.7)**	(73.5)	(232.7)
Per share - basic	**($0.10)**	($0.07)	($0.10)	**($0.89)**	($0.26)	($0.72)
Per share - diluted	**($0.10)**	($0.07)	($0.10)	**($0.89)**	($0.26)	($0.72)
Canadian Emergency Subsidies	**4.9**	-	4.2	**14.1**	-	$-
Total proppant pumped (tonnes) [1]	**229**	262	127	**691**	898	1,558
Internally sourced proppant pumped (tonnes) [1]	**162**	241	127	**607**	877	797
Total job count [1]	**1,545**	2,147	765	**5,268**	5,822	11,384
Hydraulic pumping capacity [1]	**570**	583	572	**570**	583	672
Active crewed HHP [1]	**190**	324	200	**190**	324	340
Active, maintenance / not crewed HHP [1]	**85**	67	114	**85**	67	242
Parked HHP [1]	**295**	192	258	**295**	192	90

($ millions)	**As at December 31, 2020**	As at December 31, 2019	As at December 31, 2018
Cash and cash equivalents	**$22.6**	$7.2	$8.2
Current assets - other	**$99.8**	$225.5	$193.3
Current portion of lease liabilities	**$3.5**	$4.5	$-
Current liabilities - other	**$57.2**	$88.4	$85.8
Lease liabilities - non-current portion	**$10.3**	$15.0	$-
Long-term loans and borrowings	**$-**	$46.2	$45.9
Total assets	**$563.2**	$926.5	$1,037.8

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

FINANCIAL AND OPERATING HIGHLIGHTS

2020 Compared with 2019

The negative impact of the COVID-19 health pandemic and volatile commodity prices (collectively **"Market Events"**) had a significant negative effect on Trican's business, and the oilfield services industry more generally during 2020. Trican adapted quickly to the changing market conditions and we are confident that our resilient culture and strong financial position will ensure the Company remains well positioned to advance our business as we move through these uncertain times.

- Financial position and liquidity:
  - Cash and cash equivalents of $22.6 million (December 31, 2019 - $7.2 million);
  - Positive non-cash working capital of $39.2 million (December 31, 2019 - $132.6 million which includes $38.1 million of assets held for sale);
  - At December 31, 2020, the Company had no bank debt outstanding (December 31, 2019 - $46.2 million);
  - Subsequent to December 31, 2020, the Company strengthened its liquidity and financial position further through agreements to sell non-core assets and businesses for proceeds of more than $7.0 million, including the signing of a definitive agreement to sell its software business for estimated proceeds of $6 million; and
  - The Company's strong balance sheet and liquidity provides significant financial flexibility to invest in technology to meet customers' needs and invest in future growth to deliver shareholder value.
- Consolidated revenue from continuing operations was $397.0 million, a 38% decrease compared to 2019.
- Net loss from continuing operations for 2020 was $233.3 million (2019 – net loss from continuing operations of $71.4 million). The biggest factors causing an increase to the net loss for 2020, relative to 2019, were Market Events resulting in the recognition of $163.4 million for impairment of non-financial assets (2019 - $10.1 million), $9.1 million impairment loss on trade receivables resulting from a change in the Company's customer credit risk and $17.1 million of severance costs (2019 - $9.0 million) associated with workforce reductions.
- Adjusted EBITDA[1] for the year ended December 31, 2020, was $14.6 million, compared to $28.0 million for the year ended December 31, 2019. Adjusted EBITDA[1] for the year ended December 31, 2020, was negatively affected by reduced activity levels, a $9.1 million impairment loss on trade receivables, combined with $17.1 million of severance costs (2019 - $9.0 million), offset by the recognition of $14.1 million from the Canadian Emergency Subsidy programs (2019 - nil).
- On January 15, 2020, the Company completed the sale of its fluid management business for consideration of approximately $17.7 million. For 2020, total cash proceeds from the sale of the fluid management business and surplus and non-core asset sales was $24.2 million (2019 - $31.8 million).
- At December 31, 2020, our outstanding share balance was 255,735,611 (2019 - 271,490,035), which includes the repurchase and cancellation of 17,130,235 shares in 2020 at a weighted average price per share of $1.08, pursuant to the Company's Normal Course Issuer Bid (**"NCIB"**). During 2019, 30,102,845 common shares were purchased under our NCIB program at a weighted average price per share of $1.15). Subsequent to December 31, 2020, the Company repurchased an additional 986,200 shares at a weighted average price per share of $1.71.
- In 2020, $13.8 million was recognized in relation to Canadian Emergency Wage Subsidy (**"CEWS"**) and $0.3 million for the Canada Emergency Rent Subsidy (**"CERS"**), collectively, Canadian Emergency Subsidies (**"CES"**) as part of the federal government of Canada's response to the COVID-19 health pandemic. The CES program allowed the Company to maintain staff on the payroll through a period of significant economic turmoil.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Fourth Quarter 2020 vs. Fourth Quarter 2019

The effects of the COVID-19 pandemic continued to impact the Company in the fourth quarter of 2020, as revenue and activity levels were significantly below the comparative 2019 period. Despite significantly lower revenue and activity levels, relative to Q4 2019, the Company was able to mitigate the impact to Q4 2020 net loss and adjusted EBITDA[1], through previously implemented cost control and other restructuring efforts.

- Consolidated revenue from continuing operations for Q4 2020 was $102.8 million, a $60.6 million decrease compared to Q4 2019.
- Net loss for Q4 2020 was $25.0 million (Q4 2019 – net loss of $20.9 million). The biggest factor causing an increase to the net loss for 2020, relative to 2019, was the recognition of $22.3 million for impairment of non-financial assets (2019 - $10.1 million).
- Adjusted EBITDA[1] for Q4 2020 was $14.5 million, which includes recognition of $4.9 million from the CES programs. Q4 2019 adjusted EBITDA[1] was positive $14.6 million.
- The sale of surplus assets in Q4 2020 generated $2.6 million (Q4 2019 - $4.3 million) in proceeds which provided additional liquidity and allowed for continued investment in our core business and NCIB program.

Fourth Quarter 2020 vs. Third Quarter 2020 Sequential Overview

Revenue in the fourth quarter of 2020 increased 39%, or $28.7 million, from the third quarter revenue levels. The fourth quarter saw increased activity levels compared to the previous quarter as a result of stronger commodity prices and customer spending. Q4 2020 activity levels continued to be negatively affected by the ongoing COVID-19 pandemic, but were up in Q4 2020 compared to Q3 2020.

The average WTI price in Q4 2020 was only up 4% over Q3 2020, but positive price commentary from OPEC producers and optimism over vaccine rollouts led the WTI benchmark price to close the quarter at $48.63, 17% higher from the start of the quarter. Natural gas prices peaked early in the quarter, with AECO hitting $3.19/GJ, before retreating to close the quarter at $2.35 as the onset of colder winter weather was delayed. Natural gas price performance has been strong all year, with the benchmark AECO price climbing 14% from the start to the finish of the year. Natural gas prices have been aided in part by improvements in infrastructure and Market Egress capacity made in the last 12 months. The sequential increase in commodity prices contributed to an increase in the WCSB drilling Rig Count from the third quarter, rising from 52 during Q3 to 89 during Q4, a 71% sequential increase.

The demand for Pressure Pumping services significantly improved in Q4 2020 compared to Q3 2020, increasing the amount of Proppant pumped and revenue by 80% and 39%, respectively, for the fourth quarter. Revenue did not increase at the same rate as the increase in Proppant pumped as there was a higher proportion of customer activity weighted to customers that supply their own Proppant (the Company earns revenue selling Proppant to customers). The Company reactivated one additional Hydraulic Fracturing Crew in the fourth quarter to accommodate increased customer and industry demand. As a result of the increased demand, Hydraulic Fracturing Utilization on our crewed equipment was 60% in Q4 2020 compared to 53% in Q3 2020. The Company prioritizes utilization on its fleet of Dual Fuel Engine pumps as part of our commitment to reducing emissions and working with our customers to meet their ESG goals. The Company exited the fourth quarter with five Fracturing Crews and 105,000 Average Active Crewed HHP, up from three crews and 60,000 HHP at the end of the third quarter.

Coiled Tubing and Cementing activity realized sequentially increased activity levels. Our Cementing[1] job count increased by approximately 109% sequentially, allowing for the reactivation of six additional crews at the end of the fourth quarter.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Coiled Tubing Operating Days increased from 178 days in the third quarter to 308 days in the fourth quarter, allowing for activation of a sixth crew late in the quarter.

Gross loss and adjusted EBITDA[1] for the fourth quarter of 2020 were $4.0 million and $14.5 million, respectively, an improvement over the Q3 2020 gross loss of $10.9 million and negative adjusted EBITDA[1] of $2.6 million. Improved Q4 2020 financial results are primarily due to the increased activity levels. Q3 2020 financial results were negatively affected by severance expenditures in the quarter of $11.7 million. The Company's Q4 2020 results benefited from $4.9 million (Q3 2020 - $4.2 million) recognized from the CES programs, funds that helped avoid further personnel reductions.

Net loss in Q4 2020 of $24.1 million was consistent with the net loss from Q3 2020 of $25.7 million despite the increase in operational activity and revenue. Q4 2020 net loss was negatively affected by specific asset impairments of $22.3 million related to non-financial assets with no expectation of returning to active cash generating use.

BUSINESS ENVIRONMENT

West Texas Intermediate (WTI), Western Canadian Select (WCS) and natural gas (AECO) prices are important factors that affect the results of Trican's customers, and therefore ultimately affect Trican's financial results. The US$/C$ exchange rate provides context for WTI oil prices, which are priced in US$. Oilfield services' industry activity statistics, particularly meters drilled and Canadian well competitions, help provide context to the operational and financial results of Trican relative to general oilfield service activity levels.

	Year Ended December 31,		
(Unaudited)	**2020**	**2019**	**2018**
WTI - Average Price (US$/bbl) [1]	$39.34	$57.04	$64.90
AECO-C Spot Average Price ($/mcf) [1]	$2.23	$1.78	$1.51
WCS - Average Price (C$/bbl) [1]	$36.69	$57.60	$49.93
Condensate - Average Price ($/bbl) [1]	$49.71	$53.83	$61.39
Average Exchange Rate (US$/C$) [1]	$0.75	$0.75	$0.77
Thousands of Meters Drilled	9,360	14,560	17,950
Canadian Well Completions	2,771	4,773	6,117
Canadian Average Drilling Rig Count [1]	89	134	191

Source: Bloomberg, Bank of Canada, Nickle's Energy Group, Baker Hughes

Canadian prices for WCS oil and condensate are influenced by the WTI benchmark pricing, which suffered a significant decline due to Market Events. The pricing environment for these commodities recovered from the mid year weakness and rallied in the fourth quarter on the strength of a nearly 25% increase in WTI pricing. Canadian natural gas prices (AECO) had historically traded at a significant discount to United States comparable benchmark prices for many years due to WCSB oversupply and Market Egress challenges. However, natural gas prices started to recover in 2020 as the pipeline and storage constraints improved significantly. Although Canadian natural gas prices continue to trade at a discount to US benchmark prices, natural gas prices are higher year over year, which contributed to a sustained increase in base level of well completions activity in the WCSB. Higher average AECO prices were not enough to offset the effects of COVID-19 and significantly lower WTI prices. These factors resulted in our customers reducing capital spending significantly, causing reduced demand for our services, as evidenced by the historically low drilling Rig Count and well completions levels, which decreased by 34% and 42%, respectively, in 2020 compared to 2019.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

OUTLOOK

The rally in oil and related commodity prices that began in Q4 2020 has continued into 2021. WTI moved past US $50/bbl in early Q1 2021 and has not gone below US $50/bbl since then. WTI prices over US $50/bbl suggest that North American oil and gas producers have significantly improved economics, providing some stability for oilfield services activity levels. Natural gas prices are also expected to remain stable, with a positive long-term bias coming from the ongoing construction of LNG facilities in British Columbia. The recovery in commodity prices, combined with significant overall industry cost reductions has led to improved cash flows for our customers. The industry is exercising capital restraint and will be using a significant portion of available cash to restore balance sheets and provide a return to shareholders. We expect that 2021 activity will be modestly higher than 2020.

Q1 2021 Outlook

Favourable weather conditions and strong momentum carrying forward from Q4 2020 resulted in a high level of activity thus far in Q1. The drilling Rig Count[1] ramped up quickly in early January, averaging 162 through January and the first half of February versus an average of 89 in Q4 2020 and 196 in Q1 2020. Strong customer demand resulted in the addition of a sixth Hydraulic Fracturing Crew in early January. All six Fracturing Crews, 18 Cementing crews and six Coiled Tubing Crews are seeing high utilization and we anticipate this to continue through Q1 until we see the typical Spring Break-Up declines in March.

Q1 2021 Full Year Outlook

Customers have responded favourably to Trican's commitment to improving pumping efficiency while reducing our environmental impact. Customers' preliminary capital plans indicate that we should see improved utilization in 2021 relative to 2020. The Company's large Dual Fuel Engine natural gas fleet and Idle Reduction Technology reduce well costs and emissions, while new chemistries will reduce fresh water usage, both key metrics for forward thinking oil and gas producers that have strong ESG programs.

Our ability to supply products and services with a reduced environmental impact, coupled with continued strong operational performance and improved industry conditions, is expected to drive an increase in demand for our services in Q2 2021 relative to Q2 2020. The Company has secured Hydraulic Fracturing work programs with existing and new customers that will contribute to higher year-over-year financial results in Q2 2021, a quarter that is traditionally the weakest for oilfield services due to the wet conditions resulting from the Spring Break-Up thaw and heavy rainfalls during the spring season which limit the movement of heavy equipment.

Visibility into the second half of the year is improving, but is still clouded by near term headwinds caused by ongoing uncertainty related to the COVID-19 pandemic. The Company is prepared to respond to increased customer capital spending and has significant financial flexibility to add equipment to respond to additional customer demand if full cycle returns can be achieved. Our strong balance sheet and reduced fixed cost structure also give the flexibility to withstand some market turbulence if conditions were to weaken.

We will continue to manage our balance sheet prudently, ensuring investment returns are commensurate with any balance sheet risk assumed. Our ability to monetize surplus property and equipment, combined with modest operating cash flows, will provide additional capital that will allow selective investments that meet our return hurdle rate and continued investment into our NCIB program.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Pricing for our Services

Pricing remains competitive, with pricing for contracted services in Q1 2021 remaining flat against Q4 2020. If the equipment supply and demand remains in balance going into the second half of the year, we will be looking for price increases from our clients that will help to improve our margins to more economic levels.

Capital Expenditures and Divestitures

Capital expenditures for the year ended December 31, 2020, of $12.8 million (Q4 2020 - $4.2 million) were focused primarily on sustaining and infrastructure projects, along with certain projects that brought immediate efficiencies and cost reductions. These capital expenditures were fully funded with $24.2 million of proceeds from the sale of surplus or obsolete assets, as well as the sale of our fluid management business in Q1 2020.

The focus for 2021 will be to complete projects already underway and make selective investments into our fleet to improve efficiency and support Trican's drive to become an ESG leader in the WCSB oilfield services sector. Our core Sustaining Capital program will adjust with activity levels. Currently we are anticipating our Sustaining Capital program to be approximately 2% to 4% of revenue. The Company may look to make incremental investments that offer compelling returns on invested capital given its strong financial position.

We continue to seek opportunities to sell redundant real estate and surplus equipment, which will partially fund new investments. Subsequent to December 31, 2020, the Company entered into agreements to sell its non-core software business and other redundant assets for estimated proceeds $7.0 million. The pace of incremental disposals will remain uneven during 2021 given the amount of surplus assets that have come into the market since March 2020.

Hydraulic Fracturing Asset Requirements

Trican is continuing to see interest from customers for equipment and product solutions that will provide highly efficient operations while reducing the impact on the environment and communities where we operate. Trican's Hydraulic Fracturing equipment is specifically designed to meet the demands of the higher intensity regions of the WCSB, including the Montney, Duvernay and Deep Basin formations. These regions account for approximately 80% of the required hydraulic horsepower demand in Canada. Additionally, Trican's fleet also includes an industry leading 170,000 HHP of Duel Fuel Engine Fracturing pumps, which displace higher particulate diesel fuel with cleaner burning natural gas. Trican is also investing in Idle Reduction Technology to lower emissions and repair costs. These investments reflect Trican's commitment to becoming an industry leader in ESG practices by reducing our environmental footprint and the cost of services to our customers. The Company's fleet of Hydraulic Fracturing pumps at December 31, 2020, is presented in the table below:

		At December 31, 2020		
Fracturing Fleet:	**Type of Pump**	**Pump (#)**	**HHP**	**% of Fleet**
Continuous Duty [1]	2,700 / 3,000 HHP	127	347,400	61%
Mid Tier [1]	2,500 HHP	89	222,500	39%
Legacy Tier [1]	2,250 HHP	-	-	-%
Total Fracturing Fleet		**216**	**569,900**	

Trican is well positioned to continue to add Continuous Duty equipment equipped with Dual Fuel Engine technology that displaces diesel fuel with natural gas to generate scale and create more efficient operations. Pressure pumping companies that can continue adding this equipment will become leaders in meeting customer requirements and industry ESG commitments.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Primary Objectives

Our goal remains to achieve top quartile return on invested capital in our sector. Our primary objectives are:

- Strengthen Existing Business: Maintain our market leading position in Fracturing and Cementing service lines and strengthen auxiliary service lines, specifically Coiled Tubing.
- Environmental, Social, Governance: Adapt our business approach, integrating ESG into our business to improve value for our stakeholders. We will differentiate with new technologies that allow our customers to reduce their environmental impact, and engage with the communities we live and work in.
- Shareholder Return: Continue our disciplined investment into future growth, ensuring full-cycle return hurdles can be met before investing in new equipment and sell excess and permanently stranded capital equipment, further strengthening the balance sheet.
- Opportunities for Improved Profitability on Existing Asset Base: Improve operating efficiencies to generate more profit from existing assets, find opportunities to generate returns from idle assets, and implement Lean Six Sigma efficiency initiatives that will make us a leaner and more cost efficient company.

COMPARATIVE QUARTERLY INCOME STATEMENTS

Continuing Operations

($ thousands, except total job count [1], and revenue per job[1], unaudited) **Three months ended**	**Dec. 31, 2020**	**% of Revenue**	Dec. 31, 2019	% of Revenue	Sept. 30, 2020	% of Revenue
Revenue	**$102,766**	**100%**	$163,318	100%	$74,088	100%
Cost of sales						
Cost of sales - other	**82,451**	**80%**	139,040	85%	58,999	80%
Cost of sales - depreciation and amortization	**24,350**	**24%**	30,402	19%	25,978	35%
Gross loss	**(4,035)**	**(4%)**	(6,124)	(4%)	(10,889)	(15%)
Administrative expenses - other	**6,995**	**7%**	10,675	7%	18,105	24%
Administrative expenses - depreciation	**1,114**	**1%**	1,356	1%	1,206	2%
Impairment - non-financial assets	**22,331**	**22%**	10,091	6%	-	-%
(Recovery) / impairment - trade receivables	**(603)**	**(1%)**	41	-%	-	-%
Other (income) / loss	**(1,496)**	**(1%)**	(4,865)	(3%)	630	1%
Results from operating activities	**(32,376)**	**(32%)**	(23,422)	(14%)	(30,830)	(42%)
Finance costs	**731**	**1%**	1,219	1%	673	1%
Foreign exchange loss	**331**	**-%**	136	-%	860	1%
Loss before income tax	**(33,438)**	**(33%)**	(24,777)	(15%)	(32,363)	(44%)
Income tax recovery	**(8,902)**	**(9%)**	(5,303)	(3%)	(6,652)	(9%)
Loss from continuing operations	**($24,536)**	**(24%)**	($19,474)	(12%)	($25,711)	(35%)
Adjusted EBITDA [1]	**$14,481**	**14%**	$14,605	9%	($2,556)	(3%)
Total job count [1]	**1,545**		2,147		765	
Revenue per job [1]	**66,515**		76,068		96,487	
Total proppant pumped (tonnes) [1]	**229,000**		262,000		127,000	

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Sales Mix

(unaudited) Three months ended,	December 31, 2020	December 31, 2019	September 30, 2020
% of Total Revenue			
Fracturing	**72%**	72%	77%
Cementing	**18%**	16%	14%
Coiled Tubing	**9%**	8%	8%
Industrial Services	**-%**	2%	-%
Other	**1%**	2%	1%
Total	**100%**	100%	100%

Fourth Quarter 2020 Overview (Compared to Prior Year)

Revenue

Industry activity in the WCSB continued to be impacted by the ongoing effects of the COVID-19 pandemic in Q4 2020, leading to sharply lower revenue when compared to the already weak prior years' quarterly results. Q4 2019 was already facing significant headwinds due to ongoing concerns about weak commodity prices and ongoing Market Egress limitations.

The activity reductions brought on by the COVID-19 pandemic required we reduce the number of Hydraulic Fracturing Crews, and we exited Q4 2020 with five Fracturing Crews and 190,000 Active Crewed HHP, down from the eight crews and 324,000 HHP in Q4 2019. Proppant pumped declined from 262,000 tonnes in Q4 2019 to 229,000 tonnes in Q4 2020, but higher pumping efficiencies and a shift in job mix towards larger pad jobs resulted in an increase in Proppant pumped per Fracturing Crew.

The WCSB drilling Rig Count for Q4 2020 averaged 89 rigs, down 35% from Q4 2019. Cementing activity tracks the Rig Count although slight changes in job mix and market share meant that the Q4 2020 Cementing job count compared to Q4 2019 decreased by only 21%. The Company reduced its active Cementing unit count from 18 in Q4 2019 to 16 in Q4 2020 in response to the drilling Rig Count decline. Trican is carefully monitoring utilization of active Cementing crews in order to ensure we are able to meet customer demands while aligning our costs with activity.

The number of Coiled Tubing Operating Days dropped from 459 in Q4 2019 to 308 in Q4 2020, and the Company reduced the number of active Coiled Tubing Crews from nine in Q4 2019 to six in Q4 2020 to match the Company's activity levels.

Despite relatively consistent revenue weighting amongst the various service lines, Revenue per Job decreased by 13% primarily due to a higher proportion of customer activity weighted to customers that supplied their own Proppant (the Company earns revenue selling proppant to customers). Therefore, overall revenue declines are primarily a result of reduced activity levels and not changes in the pricing for our services.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Cost of Sales

Cost of sales includes materials, products, transportation, repair costs, unit and base costs, personnel benefits expense and depreciation of equipment. The following table provides a summary of cost of sales:

($ thousands, unaudited) **Three months ended,**	**December 31, 2020**	**% of Revenue**	December 31, 2019	% of Revenue
Personnel expenses - other	**$19,916**	**19%**	$41,616	25%
Personnel expenses - CEWS	**(3,673)**	**(4%)**	-	-%
Direct costs - other	**66,374**	**65%**	97,424	60%
Direct costs - CERS	**(166)**	**-%**	-	-%
Cost of sales - other	**82,451**	**80%**	139,040	85%
Cost of sales - depreciation and amortization	**24,350**	**24%**	30,402	19%
	$106,801	**104%**	$169,442	104%

Total cost of sales for Q4 2020 decreased 37% when compared to Q4 2019, primarily due to the decline in the Company's overall activity levels. Costs were further reduced through significant internal cost reduction efforts, including significant reductions to the number of fixed and support personnel.

- Personnel expenses primarily relate to field operational employee day rates and job bonuses, operational support personnel costs (i.e. mechanics), senior operational personnel salaries, performance job bonuses, and all operational benefits and employer portions of withholdings. The decrease in personnel expenses was primarily a result of:
  - The decrease in active equipment due to lower operating activity resulting in lower direct operational field labour;
  - The Company aligned support personnel levels with the reduced equipment and activity levels reducing support personnel levels by 46%; and
  - The Company's Cost of Sales benefited by $3.7 million from the CEWS program, which was accounted for as a reduction to personnel expenses.
- Direct costs primarily relate to repairs and maintenance, product costs, fuel, trucking expenses, and travel expenses for our operational personnel. The overall decrease in direct expenses was primarily a result of:
  - The decrease in active equipment due to lower operating activity; and
  - Minimizing repair and maintenance costs to equipment needed for near term revenue generating activities. A key item that can affect the variability of repair and maintenance expenses are Stainless Steel Fluid Ends, of which we incurred a cost of $1.2 million for the three months ended December 31, 2020 (Q4 2019 - $1.6 million).
- Depreciation and amortization expense for the three months ended December 31, 2020, decreased by $6.0 million to $24.4 million compared to $30.4 million for the three months ended December 31, 2019, due to a decrease in the depreciable asset base of the Company's property and equipment.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Administrative Expenses

($ thousands, unaudited) **Three months ended,**	**December 31, 2020**	**% of Revenue**	December 31, 2019	% of Revenue
Personnel expenses - other	**$2,960**	**3%**	$6,041	4%
Personnel expenses - CEWS	**(914)**	**(1%)**	-	-%
Personnel expenses - severance	**686**	**1%**	58	-%
Personnel expenses - cash-settled, share-based compensation	**1,931**	**2%**	1,223	1%
Personnel expenses - equity-settled, share-based compensation	**558**	**1%**	1,043	1%
General and organizational expenses - other	**1,879**	**2%**	2,310	1%
General and organizational expenses - CERS	**(105)**	**-%**	-	-%
Administrative expenses - other	**6,995**	**8%**	10,675	7%
Administrative expenses - depreciation	**1,114**	**1%**	1,356	1%
	$8,109	**9%**	$12,031	8%

Administrative expenses for the three months ended December 31, 2020 decreased 33% relative to the comparative prior year period. The Company has undergone significant restructuring to bring increased efficiency to the business, specifically targeting fixed salary costs such as personnel expenses - other, which are $3.1 million lower in 2020 relative to 2019. The ongoing restructuring efforts resulted in severance costs of $0.7 million (Q4 2019 - $0.1 million). The Company believes a majority of these restructuring efforts are now completed and severance costs should decrease significantly. General and organizational expenses are lower due to the Company's ongoing efforts to improve efficiency and reduce fixed costs. Administrative expenses for the three months ended December 31, 2020 benefited from the recognition of $1.0 million from the CES programs.

Cash-settled share-based compensation includes restricted share unit expenses, deferred share unit expenses and performance share unit expenses. Increases or decreases in these expenses are correlated to the number of vested units and the movement in Trican's share price. The increase in the Company's share price resulted in a corresponding increase to cash-settled share-based compensation expense in Q4 2020 relative to the comparative quarter in Q4 2019. Equity-settled share based compensation expenses is lower compared to the prior year period due to options exercised and forfeitures in the year.

Administrative expenses, as a percentage of revenue, increased in Q4 2020 due to significantly lower revenue compared to the prior year, and the fixed nature of certain administrative costs.

Overall Results Summary

The Company experienced significant changes in its Q4 2020 financial results when compared to the prior year period:

- Despite a 37% decline in the Company's revenue, gross loss for Q4 2020 improved to $4.0 million compared to $6.1 million for the fourth quarter of 2019 primarily due to significant cost reduction efforts, the recognition of $3.8 million from the CES programs recorded within cost of sales, and $6.0 million reduced depreciation expense, due to a decrease in the depreciable asset base of the Company's property and equipment.

- Net loss in Q4 2020 of $25.0 million increased compared to the net loss of $20.9 million in Q4 2019. Improvements to the Company's Q4 2020 gross loss were offset by specific asset impairments of $22.3 million related to non-financial assets with no expectation of returning to active cash generating use.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

- Adjusted EBITDA[1] for Q4 2020 was positive $14.5 million compared to positive $14.6 million for the fourth quarter of 2019. Adjusted EBITDA[1] was negatively affected by significant reductions in activity and revenue relative to Q4 2019, but Trican did benefit from a lower cost structure and $4.9 million recognized from the CES programs.

Fourth Quarter 2020 Other Expenses and Income (Compared to Prior Year)

Other Income / (Loss)

Other Income for the three months ended December 31, 2020, mainly related to the $1.2 million gain from the disposition of property and equipment. During the three months ended December 31, 2019, the Company realized a $5.9 million gain from the disposition of property and equipment.

Impairment - Non-Financial Assets

As required by IAS 36, the Company is required to assess whether there are any external and internal indicators of impairment at the end of each reporting period. The Company impaired the full amount of goodwill in Q1 2020. The Company determined that there were no external or internal indicators of impairment for the Pressure Pumping Services Cash Generating Unit (CGU) and the Cementing Services CGU as at December 31, 2020.

During 2020, the Company identified certain specific assets in its property and equipment that were inactive with no expectation of returning to active cash generating use and for which the carrying value is not expected to be fully recoverable. In accordance with IAS 36, the Company identified ongoing uncertainty in the Company's ability to monetize these assets at values in excess of their net book values. This uncertainty is magnified given the negative economic effects of the ongoing COVID-19 pandemic and an impairment charge of $22.3 million was determined based on the estimated fair value of these assets.

Impairment - Trade Receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses ("**ECL**"). The calculation reflects the probability-weighted outcome, the time value of money and reasonable supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. For the three months ended December 31, 2020, the Company recognized a $0.6 million recovery on the provision taken at Q1 2020 primarily resulting from collections in the quarter (December 31, 2019 - nil).

Finance Costs

Finance costs for the fourth quarter of 2020 decreased 40% when compared to the same period of 2019. The decrease of $0.5 million is due to a reduction of interest rates as well as a decrease to the average balance of the net revolving credit facility, which remained at nil for the quarter ended December 31, 2020, (December 31, 2019 - $46.2 million). Finance costs during the fourth quarter of 2020 primarily relate to interest on lease liabilities, standby fees and amortization of debt issue costs.

Foreign Exchange

A foreign exchange loss of $0.3 million was recorded in the fourth quarter of 2020, compared to a $0.1 million loss recorded for the fourth quarter in 2019, primarily related to the foreign exchange fluctuations on the Company's US$ denominated accounts payable.

Income Taxes

The Company recorded an income tax recovery of $8.9 million during the fourth quarter of 2020, compared to an income tax recovery of $5.3 million for the same period of 2019. The income tax recovery was recognized due to the net loss recorded during the period.

For the fourth quarter of 2020, due to ongoing financial losses, the Company did not recognize certain tax assets associated with operating losses, and therefore the tax recovery was lower than might otherwise have been expected.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

COMPARATIVE ANNUAL INCOME STATEMENTS

Continuing Operations

($ thousands, except total job count[1], and revenue per job[1], unaudited) Year ended	**Dec. 31, 2020**	**% of Revenue**	Dec. 31, 2019	% of Revenue	Year-Over-Year Change	% of Change
Revenue	**$397,019**	**100%**	$636,071	100%	($239,052)	(38%)
Cost of sales						
Cost of sales - other	**331,165**	**83%**	562,303	88%	(231,138)	(41%)
Cost of sales - depreciation and amortization	**106,423**	**27%**	118,396	19%	(11,973)	(10%)
Gross (loss) / profit	**(40,569)**	**(10%)**	(44,628)	(7%)	4,059	(9%)
Administrative expenses - other	**44,291**	**11%**	49,569	8%	(5,278)	(11%)
Administrative expenses - depreciation	**4,957**	**1%**	5,670	1%	(713)	(13%)
Impairment - non-financial assets	**163,397**	**41%**	10,091	2%	153,306	1,519%
Impairment - trade receivables	**9,079**	**2%**	372	-%	8,707	2,341%
Other (income) / loss	**(1,904)**	**-%**	(15,369)	(2%)	13,465	(88%)
Results from operating activities	**(260,389)**	**(66%)**	(94,961)	(15%)	(165,428)	174%
Finance costs	**3,307**	**1%**	4,690	1%	(1,383)	(29%)
Foreign exchange loss	**1,105**	**-%**	176	-%	929	528%
Loss before income tax	**(264,801)**	**(67%)**	(99,827)	(16%)	(164,974)	165%
Income tax recovery	**(31,484)**	**(8%)**	(28,392)	(4%)	(3,092)	11%
Loss from continuing operations	**($233,317)**	**(59%)**	($71,435)	(11%)	($161,882)	227%
Adjusted EBITDA [1]	**$14,624**	**4%**	$27,973	4%	($13,349)	(48%)
Total job count [1]	**5,268**		7,969			
Revenue per job [1]	**75,364**		79,818			
Total proppant pumped (tonnes) [1]	**691,000**		898,000			

Sales Mix

(unaudited) Year ended,	**December 31, 2020**	December 31, 2019
% of Total Revenue		
Fracturing	**73%**	73%
Cementing	**17%**	16%
Coiled Tubing	**9%**	8%
Industrial Services	**-%**	2%
Other	**1%**	1%
Total	**100%**	100%

[1] See *Non-GAAP Measures, Other Non-Standard Financial Terms* and *Common Industry Terms* described in this MD&A.

2020 Overview (Compared to Prior Year)

Revenue

The Company had a strong start to 2020, capitalizing on the efficiency gains and cost reduction efforts achieved in the previous 18 months. However, this changed in mid-March as the negative effects of the Market Events on global demand for oil and gas products led to a significant decline in activity through the end of the first quarter and second quarter, before recovering modestly in the latter part of the third quarter and into the fourth quarter.

Revenue for the year ended December 31, 2020, was down 38% to $397.0 million when compared to the year ended December 31, 2019. Revenue per Job for the year ended December 31, 2020, decreased 6% year-over-year. Sales mix, job types, and pricing are key components of the Revenue per Job[1] calculation. Pricing has been affected by the downturn, but Trican has continued to prioritize work towards long-term customer relationships that prioritize efficiency and overall well costs, over short-term pricing discounts.

Hydraulic Fracturing services pumped 691,000 tonnes of Proppant for the year ended December 31, 2020, down from the 898,000 tonnes of Proppant pumped for the year ended December 31, 2019. The decline in Total Proppant Pumped is representative of lower Hydraulic Fracturing Utilization in this service line. Hydraulic Fracturing revenue declined further than Total Proppant Pumped due to a combination of job mix, lower pricing and a higher proportion of customer supplied Proppant in 2020 versus 2019 (the Company earns revenue selling proppant to customers).

As a result of significantly volatile industry conditions, the Company adjusted Fracturing Crew counts throughout 2020. The Company's quarterly Fracturing Crew count for 2020 and 2019 is presented below:

	2020				2019			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Hydraulic Fracturing Crews [1]	5	3	2	8	8	8	9	10

Trican continued to maintain a strong position in the Cementing[1] market, however, the decline in the Rig Count led to a decline in Cementing service revenue during the year ended December 31, 2020, relative to the 2019 period. The Company operated an average of 13 units for the year ended December 31, 2020, versus 20 in 2019.

The number of Coiled Tubing Operating Days dropped from 1,457 in 2019 to 1,067 in 2020. The Company rationalized its Coiled Tubing Crew count in response to the decline in activity. For 2020, Trican averaged five crewed Coiled Tubing Crews, compared to an average of nine in 2019.

Cost of Sales

Cost of sales includes materials, products, transportation and repair costs, unit and base costs, personnel benefits expense and depreciation of equipment. The following table provides a summary of cost of sales:

($ thousands, unaudited) **Year ended,**	**December 31, 2020**	**% of Revenue**	December 31, 2019	% of Revenue
Personnel expenses - other	**$89,739**	**23%**	$166,432	26%
Personnel expenses - CEWS	**(11,567)**	**(3%)**	-	-%
Direct costs - other	**253,159**	**63%**	395,871	62%
Direct costs - CERS	**(166)**	**-%**	-	-%
Cost of sales - other	**331,165**	**83%**	562,303	88%
Cost of sales - depreciation and amortization	**106,423**	**27%**	118,396	19%
	$437,588	**110%**	$680,699	107%

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Total cost of sales for the year ended December 31, 2020, decreased by 36% when compared to the same period in 2019 primarily due to the reduction in overall activity resulting from Market Events. Costs were further reduced through negotiated concessions from key suppliers and reductions to our internal cost structure in order to provide competitive pricing for our customers.

- Personnel expenses primarily relate to field operational employee day rates and job bonuses, operational support personnel costs (i.e. mechanics), senior operational personnel salaries and performance job bonuses, and all operational benefits and employer portions of withholdings. The decrease in personnel expenses was primarily a result of:
  - The decrease in active equipment due to lower operating activity resulting in lower direct operational field labour;
  - The Company aligned support personnel levels with the reduced equipment and activity levels reducing support personnel levels significantly; and
  - The Company recognized $11.6 million from the CEWS program, which was accounted for as a reduction to personnel expenses.
- Direct costs primarily relate to repairs and maintenance, product costs, fuel, trucking expenses, and travel expenses for our operational personnel. The overall decrease in direct expenses was primarily a result of:
  - The decrease in active equipment and therefore related direct cost expenditures due to the lower operating activity; and
  - Included in repairs and maintenance costs is $5.7 million related to the inclusion of Stainless Steel Fluid Ends (2019 - $7.9 million) within cost of sales.
- Depreciation and amortization expense for the year ended December 31, 2020, decreased by $12.0 million to $106.4 million when compared to the same period in 2019 due to a decrease in the depreciable asset base of the Company's property and equipment.

Administrative Expenses

($ thousands, unaudited) **Three months ended,**	**December 31, 2020**	**% of Revenue**	December 31, 2019	% of Revenue
Personnel expenses - other	**$14,618**	**4%**	$22,393	4%
Personnel expenses - CEWS	**(2,236)**	**(1%)**	-	-%
Personnel expenses - severance	**17,145**	**4%**	9,005	1%
Personnel expenses - cash-settled, share-based compensation	**2,769**	**1%**	2,444	-%
Personnel expenses - equity-settled, share-based compensation	**2,140**	**1%**	4,146	1%
General and organizational expenses - other	**9,960**	**2%**	11,581	2%
General and organizational expenses - CERS	**(105)**	**-%**	-	-%
Administrative expenses - other	**44,291**	**11%**	49,569	8%
Administrative expenses - depreciation	**4,957**	**1%**	5,670	1%
	$49,248	**12%**	$55,239	9%

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Administrative expenses for the year ended December 31, 2020, decreased 11% relative to the comparative prior year period, but were higher as a percentage of revenue due to the impact of Market Events. Personnel expenses were down due to workforce rationalizations following the Market Events while general and organizational expenses were down due to ongoing efforts to reduce costs and optimize our support structure. Included in administrative expenses for the year ended December 31, 2020, are severance costs of $17.1 million primarily resulting from the Market Events induced layoffs as well as changes to executive management. 2019 included $9.0 million of severance expenses as the Company continued ongoing restructuring efforts resulting from Market Egress constraints. Administrative expenses for the year ended December 31, 2020, benefited from the recognition of $2.3 million from the CES programs.

Cash-settled share-based compensation includes restricted share unit expenses, deferred share unit expenses and performance share unit expenses. Increases or decreases in these expenses are correlated to the number of vested units and the movement in Trican's share price. Equity settled share based compensation expenses is lower compared to the prior year period due to options exercised and forfeitures in the year.

Overall Results Summary

The Company experienced significant changes in its financial results for the year ended December 31, 2020, relative to the year ended December 31, 2019.

- Despite a 37% decline in the Company's revenue, gross loss for the year ended December 31, 2020, of $40.6 million improved compared to a $44.6 million gross loss for the year ended December 31, 2019. Year-over-year improved financial results are primarily due to cost reduction and efficiency efforts, reduced depreciation and amortization expense, and recognition of $11.7 million from the CES programs.
- Net loss for the year ended December 31, 2020, increased by $161.2 million to $234.7 million from a net loss for the year ended December 31, 2019, of $73.5 million. The Market Events resulted in the recognition of certain costs in the period, including $163.4 million for impairment of non-financial assets, $9.1 million impairment loss on trade receivables related to the change in the Company's customer credit risk and $17.1 million of severance costs associated with employee reductions, offset by the recognition of $14.1 million from the CES programs.
- Adjusted EBITDA[1] for the year ended December 31, 2020, was $14.6 million, compared to $28.0 million for the year ended December 31, 2019. Adjusted EBITDA[1] for the year ended December 31, 2020, was negatively affected by a $9.1 million impairment loss on trade receivables related to the change in the Company's customer credit risk combined with $17.1 million of severance costs associated with employee reductions resulting from the Market Events[1] offset by the recognition of $14.1 million from the CES programs.

2020 Other Expenses and Income (Compared to Prior Year)

Other Income / (Loss)

Other Income for the year ended December 31, 2020, mainly related to a $1.7 million gain from the disposition of property and equipment. For the year ended December 31, 2019, the Company realized a $11.0 million gain on the disposition of certain property and equipment and a $5.0 million insurance recovery from the settlement of a 2018 insurable event.

Impairment - Non-Financial Assets

As required by IAS 36, the Company is required to assess whether there are any external and internal impairment indicators that exist at the end of each reporting period. Due to the Market Events[1], the Company performed an impairment test on its non-financial assets within the Pressure Pumping Services CGU and the Cementing Services CGU at March 31, 2020. A

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

comparison of the recoverable amounts with the carrying amounts resulted in an impairment charge of $131.0 million of goodwill in the three months ended March 31, 2020. Following the impairment there remains no further goodwill.

In addition to the determination that goodwill has been impaired, the Company identified certain specific assets that were inactive with no expectation of returning to active cash generating use and for which the carrying value is not expected to be fully recoverable. In accordance with IAS 36, the Company identified ongoing uncertainty in the Company's ability to monetize these assets at values in excess of their net book values. This uncertainty is magnified given the negative economic effects of the ongoing COVID-19 pandemic and an impairment charge of $3.9 million related to assets previously classified as held for sale, $25.2 million on property and equipment and $3.3 million on right-of-use assets was determined based on the estimated fair value of these assets.

The Company determined that there were no external or internal indicators of impairment at December 31, 2020, and therefore no impairment test was performed at December 31, 2020 on the Pressure Pumping Services and Cementing Services CGUs.

Impairment - Trade Receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The calculation reflects the probability-weighted outcome, the time value of money and reasonable supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Due to the recent deterioration of the global economic conditions and in accordance with the Company's accounting policy to evaluate impairment of financial assets, credit risk has increased since initial recognition of the financial asset (trade receivables). Therefore, for the year ended December 31, 2020, the Company recognized a $9.1 million impairment of trade receivables for increased credit risk primarily resulting from the Market Events (December 31, 2019 - $0.4 million).

Finance Costs

Finance costs for the year ended December 31, 2020, decreased 29% when compared to the same period of 2019. The decrease of $1.4 million was due to a reduction of interest rates as well as a decrease in the average balance of the net revolving credit facility. At December 31, 2020, the revolving credit facility has been fully repaid (December 31, 2019 - $46.2 million).

Foreign Exchange

A foreign exchange loss of $1.1 million was recorded for the year ended December 31, 2020, compared to a $0.2 million loss recorded for the same period in 2019 related to the foreign exchange fluctuations in the period, primarily related to the Company's ongoing rationalization of its legacy international entities as well as foreign exchange fluctuations on the Company's US$ denominated accounts payable.

Income Taxes

The Company recorded an income tax recovery of $31.5 million for the year ended December 31, 2020, compared to an income tax recovery of $28.4 million for the comparative 2019 period. The comparative period includes a $6.5 million tax recovery attributable to the change to the Alberta provincial income tax rates as legislated in Bill 3.

For the year ended December 31, 2020, due to ongoing financial losses, the Company did not recognize certain tax assets associated with operating losses. As a result, there is no deferred tax asset, nor deferred tax liability, recognized on the Company's financial statements at December 31, 2020.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

2020 Compared with 2018

2020 revenue, gross loss and adjusted EBITDA[1] were significantly lower than in 2018 primarily due to the negative effects of Market Events in 2020. Industry well completions, which are an indicator of the Company's activity levels, fell to 2,771 well completions in 2020 compared to 6,117 in 2018. Net loss from continuing operations of $234.1 million in 2020 improved from 2018 primarily due to 2018 financial results including $76 million of losses on the Company's investment in a US publicly listed pressure pumping company Keane Group Inc. (**"Keane"**). Trican's investment in Keane was received by the Company when it sold its United States pressure pumping business. Both 2020 and 2018 financial results include significant impairment expenses on non-financial assets. 2020 and 2018 both experienced significant industry headwinds, 2020 were challenges resulting from Market Events, and the second half of 2018 saw significant challenges resulting from Market Egress constraints due to delays in pipeline take-away-capacity construction that limited our customers' ability to realize global market prices for their products.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital and Cash Requirements

As at December 31, 2020, the Company had a working capital (current assets less current liabilities) balance of $61.8 million compared to $139.8 million as at December 31, 2019. The primary drivers of this change are attributable to:

- $15.4 million increase in cash on hand compared to December 31, 2019, as the Company had no outstanding loans and borrowings with which to allocate excess cash towards;
- $74.9 million decrease in trade and other receivables, primarily due to decreased activity compared to December 31, 2019;
- $8.0 million decrease in inventory, due to the Company's ongoing efforts to reduce inventory combined with lower activity levels;
- $35.2 million decrease in net assets held for sale, related primarily to the sale of the Company's Fluid Management business and the reclassification of two properties back into property and equipment due to continued market uncertainty;
- $4.6 million decrease in prepaid expenses as a result of the amortization of prepaid items; and
- $28.4 million decrease in trade and other payables, primarily due to decreased activity compared to December 31, 2019.

At December 31, 2020, the Company's working capital and available operating credit facilities exceed the level required to manage timing differences between cash collections and cash payments.

Availability of the revolving credit facility is dependent on compliance with certain covenants. As at December 31, 2020, the Company is in compliance with all terms of the revolving credit facility. Based on currently available information, the Company expects to maintain compliance with the covenants and will have sufficient liquidity during the next year, and beyond, to support its ongoing operations.

Operating Activities

Cash flow from continuing operations was $70.8 million for the year ended December 31, 2020 (December 31, 2019 - $30.9 million). The cash flows provided by continuing operations were primarily due to a significant Working Capital Release[1] triggered by the decline in the Company's overall operating activity.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Investing Activities

Capital expenditures related to continuing operations for the year ended December 31, 2020, totalled $12.8 million (December 31, 2019 - $33.2 million) and proceeds from the sale of surplus, non-core property and equipment, including the fluid management service line and other assets totalled $24.2 million for the year ended December 31, 2020 (December 31, 2019 - $31.8 million).

Capital expenditures for the year ended December 31, 2020, related primarily to maintaining the productive capability of Trican's active equipment. Trican regularly reviews its capital equipment requirements and will continue to follow its policy of adjusting the capital budget on a quarterly basis to reflect changing operating conditions, cash flow, and capital equipment needs. Growth capital investments will only be made if the investments meet minimum economic investment hurdle rates. See ***Outlook*** for further discussion.

Financing Activities

Revolving Credit Facility ("RCF")

On November 30, 2020, Trican entered into an agreement with a syndicate of five Canadian banks which amended and extended its RCF (the **"Extended RCF"**).

The Extended RCF matures December 5, 2022, a date that may be extended on an annual basis upon agreement of the RCF lenders, and the Company may draw up to $125.0 million (December 31, 2019 – $275.0 million). The Extended RCF also features an uncommitted accordion of $125.0 million (December 31, 2019 – $50.0 million), accessibility for which is subject to approval by the syndicate of lenders. The Extended RCF has a general security charge against the assets of the Company and bears interest at the applicable Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 100 to 350 basis points (December 31, 2019 – Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 45 to 300 basis points).

At December 31, 2020, the undrawn and accessible amount of the RCF, subject to financial covenants, is $124.7 million (December 31, 2019 – $227.6 million accessible) due to the Company's Letters of Credit as at December 31, 2020.

As at December 31, 2020, the Company had available a $20.0 million (December 31, 2019 – $20.0 million) swing line facility with its lead bank, which is included within the $125.0 million borrowing capacity of the RCF described above. As at December 31, 2020, there was nil drawn on the swing line facility (December 31, 2019 – nil).

As at December 31, 2020, the Company had available a $10.0 million (December 31, 2019 – $10.0 million) Letter of Credit facility with its syndicate of banks included within the $125.0 million borrowing capacity of the RCF described above. As at December 31, 2020, Trican had $0.3 million in letters of credit outstanding (December 31, 2019 – $0.4 million).

The Company is required to comply with covenants that affect how much can be drawn on the Extended RCF. Trican is required to comply with the following leverage and interest coverage ratio covenants, the calculation is based on the last twelve months:

- Leverage Ratio <3.5x
- Interest Coverage Ratio >2.5x

At December 31, 2020, Trican was in compliance with the required debt covenant ratios.

The Leverage Ratio is defined as debt excluding Non-Recourse Debt plus Letter of Credit facility minus cash divided by Bank EBITDA. As at December 31, 2020, the Leverage Ratio was 0.0 (December 31, 2019 – 1.3).

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

The Interest Coverage Ratio is defined as Bank EBITDA divided by interest expense. As at December 31, 2020, the Interest Coverage Ratio was 14.1 (December 31, 2019 – 9.6).

Bank EBITDA is a Non-GAAP measure that is only calculated for purposes of the Company's financial covenants. Certain non-cash expenses (including depreciation, amortization, impairment expenses, equity-settled stock based compensation), certain personnel based expenses such as severance and certain other items, are permitted to be normalized to adjusted EBITDA[1] to arrive at Bank EBITDA for covenant calculation purposes. In accordance with the definition under the Extended RCF, the covenant calculation excludes the impact of certain leases recognized under IFRS 16.

Lease Liabilities

Details in respect of the Company's right-of-use liabilities are more fully described in Note 7 of the consolidated financial statements. The application of IFRS 16 - Leases for the three and twelve months ended December 31, 2020, resulted in administrative expenses not including $0.2 million and $1.0 million (December 31, 2019 - $0.9 million and $3.8 million) of rent expense. Rent expense is deducted from Bank EBITDA for purposes of the Amended RCF covenant calculations.

Share Capital

As at February 23, 2021, Trican had 255,191,445 common shares and 16,811,905 employee stock options outstanding.

Normal Course Issuer Bid

On October 1, 2020, the Company announced the renewal of its NCIB program, commencing October 5, 2020, to purchase up to 20.3 million of its common shares for cancellation before October 4, 2021.

All purchases are to be made at the prevailing market price at the time of purchase and are subject to a maximum daily purchase volume of 157,504 (being 25% of the average daily trading volume of the common shares traded on the TSX for the six months ending August 31, 2020 of 630,019 common shares), except as otherwise permitted under the TSX NCIB rules. All common shares purchased under the NCIB are returned to treasury for cancellation.

For the year ended December 31, 2020, the Company purchased and canceled 17,130,235 common shares at a weighted average price per share of $1.08 (December 31, 2019 - 30,102,845 common shares at a weighted average price per share of $1.15). The purchases made in the year ended December 31, 2020, were funded primarily through the disposition of non-core assets and from operating cash flow.

Other Commitments and Contingencies

The Company has commitments for financial liabilities and various lease agreements, with minimum payments due as of December 31, 2020, as follows:

(Stated in thousands) **December 31, 2019**	**Carrying Value**	**Less than 1 year**	**1 to 3 years**	**4 to 5 years**	**Greater than 5 years**	**Total**
Trade and other payables	$57,171	$57,171	$-	$-	$-	$57,171
RCF (including interest)	-	-	-	-	-	-
Lease liabilities - current	3,454	4,313	-	-	-	4,313
Lease liabilities - non-current	10,313	-	5,481	3,933	2,924	12,338
Total Commitments	**$70,938**	**$61,484**	**$5,481**	**$3,933**	**$2,924**	**$73,822**

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

In addition to the above commitments, the Company has committed to capital expenditures of $3.1 million. Management is satisfied that the Company has sufficient liquidity and capital resources, including more than $125 million of liquidity from the Company's undrawn RCF and cash on hand, to meet the Company's obligations and commitments as they come due. See ***Outlook*** section for further discussion on the Company's capital expenditure plans and the ***Liquidity Risk*** section for a discussion surrounding risks around funding availability.

The tax regulations and legislation in the various jurisdictions that the Company operates in, or has previously operated in, are continually changing. As a result, there are usually some tax matters under review. Management believes that it has adequately met, provided and/or recognized tax assets and liabilities based on the Company's interpretation of relevant tax legislation and regulations and likelihood of recovery and/or payment.

SUMMARY OF QUARTERLY RESULTS

($ millions, except per share amounts, adjusted EBITDA %[1] Utilization and crews. The following are stated in thousands: outstanding shares, proppant pumped, HHP, total job count and revenue per job)	**2020**				**2019**			
(Unaudited)	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue from continuing operations	$102.8	$74.1	$28.4	$191.8	$163.3	$129.9	$105.2	$237.6
Issued and outstanding shares	255,736	258,895	264,726	266,731	271,490	282,328	289,262	294,512
Loss from continuing operations	($24.5)	($25.7)	($28.6)	($154.5)	($19.5)	($16.0)	($31.9)	($4.1)
Per share – basic	($0.10)	($0.10)	($0.11)	($0.58)	($0.07)	($0.06)	($0.11)	($0.01)
Per share – diluted	($0.10)	($0.10)	($0.11)	($0.58)	($0.07)	($0.06)	($0.11)	($0.01)
Loss for the period	($25.0)	($26.1)	($28.7)	($154.9)	($20.9)	($16.7)	($29.0)	($6.9)
Per share – basic	($0.10)	($0.10)	($0.11)	($0.58)	($0.07)	($0.06)	($0.10)	($0.02)
Per share – diluted	($0.10)	($0.10)	($0.11)	($0.58)	($0.07)	($0.06)	($0.10)	($0.02)
Adjusted EBITDA [1]	$14.5	($2.6)	($6.8)	$9.5	$14.6	$3.5	($16.5)	$26.4
Adjusted EBITDA % [1]	14%	(3%)	(24%)	5%	9%	3%	(14%)	11%
Proppant pumped [1] (tonnes)	229	127	50	285	262	166	138	332
Internally sourced proppant pumped [1] (tonnes)	162	127	33	285	241	166	138	332
Hydraulic fracturing capacity (HHP) [1]	570	572	569	572	583	583	593	672
Active crewed HHP [1]	190	200	166	321	324	297	347	370
Active, maintenance, not crewed HHP [1]	85	114	172	69	67	86	235	212
Parked HHP [1]	295	258	231	182	192	200	11	90
Average active, crewed HHP [1]	105	60	17	155	155	105	73	225
Hydraulic fracturing crews [1]	5.0	3.0	2.0	8.0	8.0	8.0	9.0	10.0
Hydraulic fracturing utilization [1]	60%	53%	25%	84%	71%	57%	27%	83%
Coiled tubing crews [1]	6.0	3.0	3.0	9.0	9.0	9.0	8.0	8.0
Total job count [1]	1,545	765	293	2,665	2,147	1,988	1,150	2,684
Revenue per job [1]	66.5	96.8	96.8	70.6	74.2	63.3	84.8	87.1

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Q4 2020 saw improved demand for Trican's services as commodity prices stabilized. Despite improved demand, Q4 net loss was negatively affected by specific asset impairment charges of $22.3 million on certain specific assets that were inactive with no expectation of returning to active cash generating use in its property and equipment for which the carrying value is not expected to be fully recoverable. Loss from continuing operations for Q4 2020 was partially offset by the recognition of $4.9 million from the CES programs. Q3 2020 had a soft recovery as the Company was able to reactivate some equipment, although it also incurred $11.7 million in severance costs. Adjusted EBITDA[1] for Q3 2020 was supported by recognition of $4.2 million from the CEWS program to offset personnel expenses. Q2 2020 was negatively affected by continued weak demand for the Company's services following the steep decline in demand for oil and gas products as a result of the Market Events. The Company recognized $5.0 million through the CEWS program to offset personnel expenses. In Q1 2020 the Company was negatively affected by the Market Events, which led to the impairment of $141.1 million for non-financial assets, $10.6 million impairment loss on trade receivables related to the change in the Company's customer credit risk and $4.7 million of severance costs associated with employee reductions. Pipeline construction delays and ongoing imposed supply quotas for our customers' oil production contributed to reduced operating activity throughout all quarters in 2019.

FINANCIAL INSTRUMENTS

The Company initially measures its financial instruments at fair value upon initial recognition of the transaction. Measurement in subsequent periods is dependent on whether the instrument is classified as "financial assets or liabilities measured at amortized cost", a "financial asset or financial liability at fair value through profit or loss", or "financial assets at fair value through other comprehensive income".

The Company's "financial assets and liabilities measured at amortized cost" consist of trade and other accounts receivable, other assets, lease liabilities, loans and borrowings and trade and other payables. They are recognized at amortized cost, using the effective interest rate method.

Transaction costs related to the issuance of any long-term debt are netted against the carrying value of the associated long-term debt and amortized as part of financing costs over the life of the debt using the effective interest rate method.

ACCOUNTING POLICIES AND ESTIMATES

The Company's IFRS accounting policies and future accounting pronouncements are provided in note 2 to the Annual Consolidated Financial Statements as at and for the years ended December 31, 2020 and 2019.

Critical Accounting Estimates and Judgments

In the preparation of the Company's Consolidated Financial Statements, management has made estimates that affect the recorded amounts of certain assets, liabilities, revenues and expenses. Actual results could differ from these estimates. Estimates and judgments used are based on management's experience and the assumptions used are believed to be reasonable given the circumstances that exist at the time the Consolidated Financial Statements are prepared. Please refer to the note 2 to the Consolidated Financial Statements for the years ended December 31, 2020 and 2019 for a description of the accounting policies of the Company. The Company considers the following to be the significant accounting policies and practices involving the use of estimates and judgments that are critical to determining Trican's financial results.

Key Sources of Estimation Uncertainty

The following judgments and estimates are those deemed by management to be material to the Company's consolidated financial statements.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Judgments

Depreciation and Amortization

Depreciation and amortization methods are based on management's judgment of the most appropriate method to reflect the pattern of an asset's future economic benefit expected to be consumed by the Company. Among other factors, these judgments are based on industry standards and company-specific history and experience.

Impairment

Significant judgment is required to assess when impairment indicators exist, and impairment testing is required. The assessment of impairment indicators is based on management's judgment of whether there are internal and external factors that would indicate that a cash generating unit ("CGU") and specifically the non-financial assets within the CGU, are impaired. The determination of a CGU is also based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets. Significant judgment is also required to assess when indicators exist for specific assets that are inactive with no expectation of returning to active cash generating use. In determining the estimated recoverable amount for a specific asset that is inactive with no expectation of returning to active cash generating use, the Company uses recent market transactions, if available, or other valuation models.

Impairment Assessment

Pressure Pumping Services

The impairment test for the Pressure Pumping Services CGU used a value in use approach with the recoverable amount estimated based on significant assumptions including forecasted revenue growth rates, forecasted adjusted EBITDA and forecasted sustaining capital at March 31, 2020, at a pre-tax discount rate of 15.9%. The discount rate was estimated based on the Company's weighted average cost of capital, adjusted for the Pressure Pumping Services CGU specific risks. The estimated recoverable amount was based on a 5-year model with forecasted revenue growth initially decreasing, and subsequently increasing, in correlation with forecasted oil and gas industry activity with a terminal growth rate of 2.0%. Forecasted adjusted EBITDA was based on historical adjusted EBITDA margins adjusted for anticipated revenue changes and cost structure. A terminal value thereafter was applied. Based on the analysis, the Company determined there was an impairment charge of goodwill within the Pressure Pumping Services CGU of $128.9 million as at March 31, 2020 (2019 - nil), as the recoverable amount for this CGU was lower than the respective carrying amount. The estimated value in use for the Pressure Pumping Services CGU was sensitive to a change in the following assumptions and estimates:

Assumptions	Percentage Change	Impact on Impairment
Forecasted revenue growth	Increase of 1%	Decrease of $28.9 million
Forecasted adjusted EBITDA	Increase of 1%	Decrease of $43.9 million
Forecasted sustaining capital	Increase of 1%	Increase of $51.2 million
Discount rate	Increase of 1%	Increase of $50.4 million

Cementing Services

The impairment test for the Cementing Services CGU used a value in use approach with the recoverable amount estimated based on significant assumptions including forecasted revenue growth rates, forecasted adjusted EBITDA, and forecasted sustaining capital at March 31, 2020, at a pre-tax discount rate of 15.9%. The discount rate was estimated based on the Company's weighted average cost of capital, adjusted for the Cementing Services CGU specific risks. The estimated recoverable amount was based on a 5-year model with forecasted revenue growth initially decreasing, and subsequently increasing, in correlation with forecasted oil and gas industry activity with a terminal growth rate of 2.0%. Forecasted adjusted EBITDA was based on historical adjusted EBITDA margins adjusted for anticipated revenue changes

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

and cost structure. A terminal value thereafter was applied. Based on the analysis, the Company determined there was an impairment charge of goodwill within the Cementing Services CGU of $2.1 million as at March 31, 2020 (2019 - nil), as the recoverable amount for this CGU was lower than the respective carrying amount. The estimated value in use for the Cementing Services CGU was sensitive to a change in the following assumptions and estimates:

Assumptions	Percentage Change	Impact on Impairment
Forecasted revenue growth	Increase of 1%	Decrease of $5.9 million
Forecasted adjusted EBITDA	Increase of 1%	Decrease of $6.8 million
Forecasted sustaining capital	Increase of 1%	Increase of $7.9 million
Discount rate	Increase of 1%	Increase of $7.8 million

Assets Held for Sale

Assets held for sale contains judgments that the property and equipment classified in this category meet the criteria as "assets held for sale". As at the end of the reporting period these assets are recorded at the lower of cost or fair value less cost to sell.

Non-Financial Assets

The Company's assets are aggregated into Cash Generating Units (CGUs) for the purpose of calculating impairment. CGUs are based on management's judgments and assessment of the CGUs ability to generate independent cash inflows. Judgments are also required to assess when impairment indicators exist and impairment testing is required for the CGU and specific assets.

Provisions and Contingencies

The Company is required to exercise judgment in assessing whether the criterion for recognition of a provision or a contingency has been met. The Company considers whether a present obligation exists, the probability of loss, and if a reliable estimate can be formulated.

Right-of-Use Assets and Lease Liabilities

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amount of the right-of-use assets and lease liabilities, and the resulting interest and depreciation expense. Actual results could differ significantly as a result of these estimates. Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include:

- Incremental borrowing rate: The rates used to present value future lease payments are based on judgments about the economic environment in which the Company operates and theoretical analyses about the security provided by the underlying leased asset, the amount of funds required to be borrowed in order to meet the future lease payments associated with the leased asset, and the term for which these funds would be borrowed.
- Lease term: In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Estimates

Allowance for Doubtful Accounts

The Company's trade and other receivables are typically short-term in nature and the Company recognizes an amount equal to the lifetime expected credit losses (**"ECL"**) on receivables for which there has been a significant increase in credit risk since initial recognition. The amount of ECL is sensitive to changes in circumstances of forecast economic conditions, as evidenced by the change in economic conditions in relation to COVID-19. Information about the ECL on the Company's trade receivables is disclosed in Note 18.

Impairment of Inventories

The Company regularly reviews the nature and quantities of inventory on hand and evaluates the net realizable value of items based on historical usage patterns, known changes to equipment or processes and customer demand for specific products. Significant or unanticipated changes in business conditions could impact the magnitude and timing of impairment recognized.

Depreciation and Amortization

Depreciation and amortization are calculated to write off the cost, less estimated residual value, of assets on a systematic and rational basis over their expected useful lives. Estimates of residual value and useful lives are based on data and information from various sources including industry practice and historic experience. Expected useful lives and residual values are reviewed annually for any change to estimates and assumptions. Although management believes the estimated useful lives of the Company's property and equipment and intangibles are reasonable, it is possible that changes in estimates could occur, which may affect the expected useful lives and salvage values of the property and equipment and intangibles.

Taxes

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in Canadian and foreign tax laws and rates, government rulings with respect to tax audits, as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to Canadian and foreign tax law and bases its estimates on the best available information at each reporting date.

Fair Value of Equity-Settled Share-Based Payments

The Company uses an option pricing model to determine the fair value of equity-settled share-based payments. Inputs to the model are subject to various estimates relating to volatility, interest rates, dividend yields and expected life of the units issued. Fair value inputs are subject to market factors as well as internal estimates. The Company considers historic trends together with any new information to determine the best estimate of fair value at the date of grant.

Impairment of Non-Financial Assets

In determining the estimated recoverable amount of a CGU subject to impairment testing, the Company measures the estimated recoverable amount of a CGU as the higher of fair value less costs of disposal and its value in use. Estimated recoverable amounts of a CGU are evaluated and calculated using various data and assumptions. The data and assumptions used in the estimates of recoverable amount are assessed for reasonableness based on the information available at the time the estimate of recoverable amount is prepared. As circumstances change and new information

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

becomes available, the estimate of recoverable amount could change. The estimate of recoverable amount for a CGU involves certain significant assumptions including the forecasted revenue growth rates, forecasted earnings before finance costs, taxes, depreciation and amortization, foreign exchange gain (loss), impairment - non-financial assets, other income (loss) and equity-settled share-based compensation ("adjusted EBITDA"), forecasted sustaining capital and the discount rate. It is also subject to other less significant assumptions. In determining the estimated recoverable amount for a specific asset that is inactive with no expectation of returning to active cash generating use, the Company uses recent market transactions, if available, or other valuation models).

Accounting for Government Grants and Subsidies

Government assistance is recognized only when there is reasonable assurance that (a) the Company will comply with any conditions attached to the grant and (b) the grant will be received. The government grants and/or subsidies are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes the expense for the related costs for which the grants and/or subsidies are intended to compensate. The Company has elected to present these amounts net of related expense.

BUSINESS RISKS

Our business is subject to certain risks and uncertainties. Prior to making any investment decision regarding Trican, investors should carefully consider, among other things, the risks described herein (including the risks and uncertainties listed in the Forward-Looking Statements section in this MD&A) and the risk factors set forth in the most recently filed AIF of the Company available on SEDAR and can be accessed at www.sedar.com. Other than risks described within this MD&A, including within this section, the Company's risk factors and management of those risks has not changed substantially from the most recently filed AIF.

A discussion of certain business risks faced by Trican may be found under the ***"Risk Factors"*** section of our AIF for the year ended December 31, 2020, which is available under Trican's profile at www.sedar.com. Other than risks described within this MD&A, including within this section, the Company's risk factors and management of those risks has not changed substantially from the most recently filed AIF.

COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. COVID-19's impact on global markets was significant through the year and as the situation continues to evolve, the magnitude of its effects on the economy, on Trican's financial and operational performance and on our personnel is uncertain at this time.

Significant health and safety measures have been implemented at Trican's offices, facilities and work sites, grounded in the recommendations of public health officials. These include restricting all travel, mandating self-isolation for returned travelers and any employees exhibiting symptoms or exposed to the virus, implementing physical distancing parameters between individuals, increasing cleaning and sanitization in workplaces, and where possible, instructing employees to work remotely to reduce interpersonal contact. The energy business, including Trican's services, has been deemed an essential service in all the jurisdictions where Trican operates.

The Company continues to closely monitor the COVID-19 situation and should the duration, spread or intensity of the pandemic further develop in 2021, further negative impacts on supply chain, personnel, market pricing and customer demand can be expected. These factors may impact the Company's operating plan, liquidity and cash flows, and the valuation of long-lived assets.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

Credit Risk and Dependence on Major Customers

The Company's accounts receivable are due from customers that operate in the oil and gas exploration and production industry and are subject to typical industry credit risks that include oil and natural gas price fluctuations and the customers' ability to secure appropriate financing. The Company has a customer base of more than 60 exploration and production entities, ranging from large multinational public entities to small private companies. Notwithstanding the Company's significant customer base, for the year ended December 31, 2020, one customer accounted for 31.5% (2019 – one customer accounted for 26.8%) of the Company's accounts receivable and one customer accounted for 25.1% (2019 – two customers accounted for 23.1%) of its revenue.

Standard payment terms for the industry are 30-60 days from the invoice date, however industry practice allows payment for up to 70 days after the invoice date. See discussion of impairment - trade receivables in the ***Comparative Annual Income Statement*** section of the MD&A for additional ECL provisions recognized due to the Market Events. An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The calculation reflects the probability-weighted outcome, the time value of money and reasonable supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Liquidity Risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash and debt management, which includes monitoring forecasts of the Company's cash and cash equivalents and borrowing facilities on the basis of projected cash flow. This is generally carried out at the consolidated level in accordance with practices and policies established by the Company.

In managing liquidity risk, the Company has access to a wide range of funding at competitive rates through capital markets and banks. As at December 31, 2020, the Company had accessible unused committed bank credit facilities in the amount of $124.7 million (2019 – $227.6 million), cash of $22.6 million (2019 – $7.2 million), trade and other receivables of $71.4 million (2019 – $146.4 million) for a total of $218.7 million (2019 – $381.2 million) available to fund the cash outflows relating to its financial liabilities. The Company believes it has sufficient funding through the use of these sources to meet foreseeable liquidity requirements.

The Company anticipates that its existing capital resources including availability under its RCF and cash flows from operations will be adequate to satisfy its liquidity requirements through fiscal 2021. If available liquidity is not sufficient to meet Trican's operating and debt servicing obligations as they come due, management's plans include reducing expenditures as necessary or pursuing alternative financing arrangements and additional asset sales. However, there is no assurance that, if required, the Company will be able to reduce expenditures or secure alternative financing arrangements to provide the required liquidity.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P"), as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), are designed to provide reasonable assurance that information required to be disclosed in reports filed with, or submitted to, securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified under Canadian securities law. DC&P include controls and procedures designed to ensure that information required to be disclosed is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

The Chief Executive Officer and the Chief Financial Officer of Trican evaluated the effectiveness of the design and operation of the Company's DC&P. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that Trican's DC&P were effective as at December 31, 2020.

Internal Controls over Financial Reporting

Trican's Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting ("ICFR"), as such term is defined in NI 52-109. They have, as at the financial year ended December 31, 2020, designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework the officers used to design Trican's ICFR is the Internal Control - Integrated Framework (2013) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Trican's ICFR includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions, acquisitions and dispositions of assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; and
- Provide reasonable assurance regarding prevention, or timely detection, of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Trican conducted an evaluation of the design and operating effectiveness of its ICFR as at December 31, 2020, based on the COSO Framework, under the supervision of the Chief Executive Officer and the Chief Financial Officer. Based on this evaluation, the Officers concluded that as of December 31, 2020, the design and operating effectiveness Trican's ICFR is effective.

While the Officers believe that Trican's controls are effective, they do not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, provides reasonable, but not absolute, assurance that the objectives of the control system are met.

There have been no changes in Trican's ICFR that occurred during the period from October 1, 2020 to December 31, 2020, which have materially affected or are reasonably likely to materially affect the Company's ICFR.

[1] See ***Non-GAAP Measures, Other Non-Standard Financial Terms*** and ***Common Industry Terms*** described in this MD&A.

NON-GAAP MEASURES

Certain terms in this MD&A, including adjusted EBITDA and adjusted EBITDA percentage, do not have any standardized meaning as prescribed by IFRS and therefore, are considered non-GAAP measures and may not be comparable to similar measures presented by other issuers.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP term and has been reconciled to profit / (loss) for the applicable financial periods, being the most directly comparable measure calculated in accordance with IFRS. Management relies on adjusted EBITDA to better translate historical variability in our principal business activities into future forecasts. By isolating incremental items from net income, including income / expense items related to how the Company chooses to manage financing elements of the business, management can better predict future financial results from our principal business activities. The items included in this calculation have been specifically identified as they are either non-cash in nature, subject to significant volatility between periods, and / or not relevant to our principal business activities. Items adjusted in the non-GAAP calculation of adjusted EBITDA, are as follows:

- Non-cash expenditures, including depreciation, amortization, and impairment of non-financial assets; and equity-settled share-based compensation;
- Consideration as to how we chose to generate financial income and incur financial expenses, including foreign exchange expenses and finance costs;
- Taxation in various jurisdictions;
- Transaction costs, as this cost is subject to significant volatility between periods and is dependent on the Company making significant acquisitions and divestitures which may be less reflective, and / or useful in segregating, for purposes of evaluating the Company's ongoing financial results; and
- Other income / expense which generally result from the disposition of equipment, as these transactions generally do not reflect quarterly operational field activity.

	Three months ended			Year ended	
($ thousands, unaudited)	**Dec. 31, 2020**	Dec. 31, 2019	Sept. 30, 2020	**Dec. 31, 2020**	Dec. 31, 2019
Loss from continuing operations (IFRS financial measure)	**($24,536)**	($19,474)	($25,711)	**($233,317)**	($71,435)
Adjustments:					
Cost of sales - depreciation and amortization	**24,350**	30,402	25,978	**106,423**	118,396
Administrative expenses - depreciation	**1,114**	1,356	1,206	**4,957**	5,670
Income tax recovery	**(8,902)**	(5,303)	(6,652)	**(31,484)**	(28,392)
Finance costs and amortization of debt issuance costs	**731**	1,219	673	**3,307**	4,690
Foreign exchange loss	**331**	136	860	**1,105**	176
Impairment - non-financial assets	**22,331**	10,091	-	**163,397**	10,091
Other (income) / loss	**(1,496)**	(4,865)	630	**(1,904)**	(15,369)
Administrative expenses - other: equity-settled share-based compensation	**558**	1,043	460	**2,140**	4,146
Adjusted EBITDA	**$14,481**	$14,605	($2,556)	**$14,624**	$27,973

Adjusted EBITDA %

Adjusted EBITDA % is determined by dividing adjusted EBITDA by revenue from continuing operations. The components of the calculation are presented below:

	Three months ended			Year ended	
($ thousands, unaudited)	**Dec. 31, 2020**	Dec. 31, 2019	Sept. 30, 2020	**Dec. 31, 2020**	Dec. 31, 2019
Adjusted EBITDA	**$14,481**	$14,605	($2,556)	**$14,624**	$27,973
Revenue	**$102,766**	$163,318	$74,088	**$397,019**	$636,071
Adjusted EBITDA %	**14%**	9%	(3%)	**4%**	4%

OTHER NON-STANDARD FINANCIAL TERMS

In addition to the above non-GAAP financial measures, this MD&A makes reference to the following non-standard financial terms. These terms may differ and may not be comparable to similar terms used by other companies.

Revenue per Job: Calculation is determined based on total revenue from continuing operations divided by total job count. This calculation may fluctuate based on both pricing, sales mix and method with which the client requests its invoices be prepared.

Working Capital Release: Term that refers to a reduction to working capital balances primarily resulting from a reduction to inventory levels and cash collections related to collections of accounts receivable exceeding outgoing payments for accounts payable.

COMMON INDUSTRY TERMS

The following is a list of abbreviations, terms and other items that are commonly referred to in the oilfield services business and internally at Trican. The terms, calculations and definitions may differ from those used by other oilfield services businesses and may not be comparable. Some of the terms which may be used in this MD&A, or prior MD&As, are as follows:

Measurement

Tonne: Metric tonne

MCF or mcf: One thousand cubic feet

BBL or bbl: Barrel of oil

Places and Currencies

US: United States

$ or CDN$: Canadian dollars

US$ or USD: United States dollars

WCSB: Western Canadian Sedimentary Basin (an oil and natural gas producing area of Canada generally considered to cover a region from south west Manitoba to north east BC).

Montney / Duvernay: An oil and natural gas formation in the WCSB with oilfield activity focused in north west Alberta and north east BC.

Deep Basin:	A natural gas and liquids rich formation in the WCSB with oilfield activity primarily focused in north west Alberta.
Cardium:	A light oil formation in the WCSB with oilfield activity primarily focused in west central Alberta.
Bakken:	A light oil formation in the WCSB with oilfield activity focused in south eastern Saskatchewan, and for purposes of this MD&A, excludes the US Bakken.
Shaunavon:	A light oil formation in the WCSB with oilfield activity primarily focused in south western Saskatchewan.
Viking:	A light oil formation in the WCSB with oilfield activity primarily focused in central Alberta and west central Saskatchewan.

Common Business Terms

AECO:	The CAD Alberta natural gas price traded on the Natural Gas Exchange. The price is generally quoted per thousand cubic feet of natural gas (MCF).
CLS:	A light sweet crude conventionally produced in Western Canada.
Condensate:	A blend of hydrocarbon liquids of low-density, which are usually found in a gaseous state. When extracted out of the gas field, the sudden drop of temperature condenses it and turns it into liquid.
Differentials:	The difference between the WTI price and the prices received by producers of WCS and CLS. There are three main variables that drive price differences between the different benchmarks, namely (1) Quality, which is mostly defined by American Petroleum Institute (API) standards for density and sulphur content; (2) Marketability, which is governed by supply and demand fundamentals; and (3) Logistics, which refers to the transportation method used to get a specific crude from the producer to its final customer.
Dry Gas:	Natural gas that produces little condensable heavier hydrocarbon compounds such as propane and butane when brought to the surface.
Dual Fuel Engine:	A dual fuel engine utilizes a mixture of diesel and natural gas when a load is applied. Collectively, multiple dual fuel powered hydraulic fracturing pumpers are referred to a "fleet".
ESG:	Environmental, Social, Governance.
Idle Reduction Technology:	Idle Reduction Technology is an engine standby system that allows the powertrain to shut down during non-operating time. The system maintains engine readiness during non-operating time and restarts upon engine load request.
LNG:	Liquefied natural gas.
Market Egress:	The means that producers use to transport their oil and gas out of the WCSB, which is typically done through pipelines or train rail car.
Natural Gas Liquids:	Natural gas liquids (NGL), typically found in liquids rich natural gas, include ethane, propane, butane, isobutane, pentane, and condensate. These liquids are produced as part

	of natural gas production, but their pricing is influenced by crude oil pricing rather than natural gas pricing.
OPEC:	Organization of Petroleum Exporting Countries
Rig Count:	The estimated average number of drilling rigs operating in the WCSB at a specified time. Sourced from the Baker Hughes North American Rotary Rig Count.
Spring Break-Up:	During the spring season in the WCSB, provincial governments and rural municipalities (or counties) ban heavy equipment from roads to prevent damage. It becomes difficult, and in some case impossible, to continue to work during this period and therefore activity in the oilfield is often reduced.
Stainless Steel Fluid End:	Hydraulic Fracturing pumpers have a multiplex pump that pressurizes fracturing fluid for transfer down the wellbore. The multiplex pump consists of a power end and a stainless steel fluid end. The power end houses a crankshaft that is connected to a spacer block that contains connecting rods that drive the individual plungers contained in the fluid end. The abrasive proppant and fluid mixture are pumped through the stainless steel fluid end at pressures of up to 15,000 pound-force per square inch (PSI), or 103 megapascals (MPA), which will cause wear on the stainless steel fluid end. It is a modular unit that can be replaced independent of the power end and spacer block.
WCS:	A grade of heavy crude oil derived from of a mix of heavy crude oil and crude bitumen blended with diluents. The price of WCS is often used as a representative price for Canadian heavy crude oils.
WTI:	The US$ quoted price on the New York Stock Exchange for West Texas Intermediate crude oil is a trading classification of crude oil and a benchmark in oil prices. The price is generally quoted per barrel (bbl).

Company Specific Industry Terms

Active Crewed HHP:	Represents the total HHP that Trican has activated or is currently operating. This figure is presented as at the end of a specified period.
Active, Maintenance / Not Crewed HHP:	This is Fracturing equipment that is in the periodic maintenance cycle, which includes equipment that has completed a routine maintenance period and is ready for work, but no available crew is available to operate the equipment.
Average Active, Crewed HHP:	Fracturing equipment that has, on average, been active and crewed for the period. Fracturing equipment is considered active if it is on a customer location.
Cementing:	After drilling a well, steel casing is inserted into the wellbore. Cement is then pumped down the pipe and circulated up the annulus to create a strong barrier of protection between the well and rock formations, preventing any unintended water or hydrocarbon migration in or out of the wellbore.
Coiled Tubing:	Coiled Tubing is a continuous length of steel pipe, spooled onto a large diameter reel. The pipe comes in a variety of sizes and can be run into any well. Coiled Tubing is commonly used to convey tools, mill out Fracturing ports or ball seats, and circulate liquids and gases into and out of the wellbore without relieving the wellbore pressure.

Coiled Tubing Crews:	The average number of 24-hour Coiled Tubing crews available for operations during the period.
Coiled Tubing Operating Days:	The number of 24-hour periods (days) Coiled Tubing Crews operate within a reporting period.
Growth Capital:	Capital expenditures primarily for items that will expand our revenue and/or reduce our expenditures through operating efficiencies.
HHP:	Hydraulic horsepower, which is generally the measure of an individual Hydraulic Fracturing pump and a company's Hydraulic Fracturing fleet size.
Hydraulic Fracturing:	Many formations are too tight to produce oil and natural gas and require a stimulation process to extract the resources. In Hydraulic Fracturing, fluids carrying proppant are pumped into the ground with enough pressure to crack the rock. The proppant is left behind to hold open the cracks, while the fluid is flowed back allowing the oil and gas the ability to flow to the surface.
Hydraulic Fracturing Crews/ Fracturing Crews:	The number of 24-hour Hydraulic Fracturing Crews operating at the end of a reporting period.
Hydraulic Fracturing Job Intensity:	Generally measured in terms of the amount of Hydraulic Fracturing pumps required for a specific job and / or by the pressure rating generally measured in megapascals (MPa). The Company considers jobs at pressure ratings below 50 MPa to be low intensity jobs, 50 to 65 MPa as moderate intensity jobs, and jobs greater than 65 MPa to be high intensity rate jobs.
Hydraulic Fracturing Utilization:	The number of Fracturing Crews that are operating (Fracturing job revenue day) in proportion to the Company's total Fracturing Crews available for specified period.
Hydraulic Fracturing Pump Capability:	The pressure pumping industry utilizes different types of pumps to complete Hydraulic Fracturing services for its customers. Some of the most common types of pumps are as follows: Continuous Duty: Capable of operating efficiently and on a continuous duty basis and for competitive prices in approximately 80% of the WCSB (based on 2020 wells drilled data and our internal estimates). Currently not a strategic priority to operate a Continuous Duty pump in low HHP intensity formations such as the Viking. Mid Tier: Capable of operating efficiently and on an intermittent duty basis in approximately 70% of the WCSB (based on 2020 wells drilled data and our internal estimates). Legacy / 2250: Capable of operating efficiently in approximately 20% of the WCSB (based on 2020 wells drilled data and our internal estimates).
Hydraulic Pumping Capacity:	Refers to the total available HHP in the Trican Hydraulic Fracturing fleet.
Infrastructure Capital:	Capital expenditures primarily for the improvement of operational and base infrastructure.
Internally Sourced Proppant Pumped:	Proppant purchased by the Company and resold to its customers in conjunction with a Fracturing operation utilizing the Company's equipment. Certain of the Company's customers purchase proppant directly from third party suppliers. As the Company does not generate revenue from selling proppant to these customers, this metric assists in evaluating changing job mix with changing revenue levels.

Market Events:	Term used to collectively refer to the negative impacts of the COVID-19 health pandemic and volatility of commodity prices.
Parked HHP:	Fracturing equipment that is not included in the Active Crewed HHP category or the Active, Maintenance/not crewed HHP category and would require minimal reactivation costs to move into the Active Crewed HHP category.
Pressure Pumping:	Pressure pumping includes completion and production services that are performed on oil and gas wells and are delivered downhole using pressurized fluids as a base or means of conveyance. Trican's pressure pumping services include Acidizing, Cementing, Coiled Tubing and Hydraulic Fracturing.
Proppant:	A solid material, typically sand, treated sand or man-made ceramic materials, designed to keep an induced hydraulic fracture open during and following a Fracturing treatment.
Sustaining Capital:	Capital expenditures primarily for the replacement or refurbishment of worn out equipment.
Total Job Count:	A job is typically represented by an invoice. The frequency of invoices may differ as to how often the customer requests to be billed during a project. Additionally, the size and scope of a job can impact the length of time and cost on a job. Therefore, a job can vary greatly in time and expense. Effective Q1 2020, the Company has adopted a new methodology for calculating job count since updated systems no longer supported the prior calculation methodology. The methodology is based on the new system calculated job metric which generally reflects days for Hydraulic Fracturing and Coiled Tubing, and invoices for Cementing. Comparative periods have been updated to reflect the change in methodology.
Total Proppant Pumped:	The Company uses this as one measure of activity levels of Hydraulic Fracturing activity. The correlation of proppant pumped to Pressure Pumping activity may vary in the future depending upon changes in Hydraulic Fracturing intensity, weight of proppant used, and job mix.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute forward-looking information and statements (collectively **"forward-looking statements"**). These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "estimate", "expect", "intend", "plan", "planned", and other similar terms and phrases. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this document should not be unduly relied upon. These statements speak only as of the date of this document.

In particular, this document contains forward-looking statements pertaining to, but not limited to, the following:

- We will advance our business;
- we have strengthened our liquidity position subsequent to December 31, 2020;
- we have the liquidity to invest in new opportunities;
- that CES programs helped mitigate further significant personnel reductions;
- that Trican will adapt to the current economic environment;
- the impact of COVID-19 and the associated effect of the world-wide weakness in demand for oil and gas as a result of quarantine measures;
- expectation of first quarter 2021 and full year 2021 revenue and activity levels;
- anticipated industry activity levels as well as expectations regarding our customers' work programs and expectations on timing of completion thereof and business plans;
- pricing changes will result in Trican activating or parking additional equipment;
- expectations regarding EBITDA and operating cash flow levels;
- expectations regarding our client's ability to pay for goods and services;
- expectation that we are adequately staffed for current industry activity levels;
- expectations regarding the Company's cost structure and optimization levels and that severance costs should decrease in the future;
- expectations regarding the Company's equipment utilization levels and demand for our services in 2021;
- expectation that we will maintain disciplined pricing levels to pay for overhead expenditures;
- expectations regarding credit risk and that we have an adequate provision for trade receivables;
- expectation as to the type of pressure pumping equipment required and which operating regions the equipment is appropriate to operate in;
- expectations regarding the Company's financial results, working capital levels, liquidity and profits;

- expectations regarding Trican's capital spending;
- expectations regarding Trican's utilization of its NCIB program;
- expectations that adjusted EBITDA will help predict future earnings;
- anticipated ability of the Company to meet foreseeable funding requirements;
- anticipated compliance with debt and other covenants under our revolving credit facilities;
- expectations regarding the potential outcome of contingent liabilities;
- expectations regarding provincial income tax rates and ongoing tax evaluations;
- expectations surrounding weather and seasonal slowdowns; and
- expectations regarding the impact of new accounting standards and interpretations not yet adopted.

Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth herein and in the "Risk Factors" section of our AIF for the year ended December 31, 2020, available on SEDAR (www.sedar.com).

Readers are cautioned that the foregoing lists of factors are not exhaustive. Forward-looking statements are based on a number of factors and assumptions, which have been used to develop such statements and information, but which may prove to be incorrect. Although management of Trican believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Trican can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: crude oil and natural gas prices; the impact of increasing competition; the general stability of the economic and political environment; the timely receipt of any required regulatory approvals; industry activity levels; Trican's policies with respect to acquisitions; the ability of Trican to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability to operate our business in a safe, efficient and effective manner; the ability of Trican to obtain capital resources and adequate sources of liquidity; the performance and characteristics of various business segments; the regulatory framework; the timing and effect of pipeline, storage and facility construction and expansion; and future commodity, currency, exchange and interest rates .

The forward-looking statements contained in this document are expressly qualified by this cautionary statement. We do not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable law.

Additional information regarding Trican including Trican's most recent AIF, is available under Trican's profile on SEDAR (www.sedar.com).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Trican Well Service Ltd. is responsible for the preparation and integrity of the accompanying consolidated financial statements and all other information contained in these consolidated financial statements. The consolidated financial statements have been prepared in conformity with International Financial Reporting Standards and include amounts that are based on management's informed judgments and estimates where necessary.

The Company maintains internal accounting control systems which are adequate to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and accounting records are reliable as a basis for the preparation of the consolidated financial statements.

The Board of Directors, through its Audit Committee, monitors management's financial and accounting policies and practices and the preparation of these consolidated financial statements. The Audit Committee meets periodically with the external auditors and management to review the work of each and the propriety of the discharge of their responsibilities. Specifically, the Audit Committee reviews with management and the external auditors the consolidated financial statements and management's discussion and analysis of the Company prior to submission to the Board of Directors for final approval. The external auditors have full and free access to the Audit Committee to discuss auditing and financial reporting matters.

The shareholders have appointed KPMG LLP as the external auditors of the Company and, in that capacity, they have examined the consolidated financial statements for the year ended December 31, 2020. The Auditors' Report to the shareholders is presented herein.

SIGNED "BRADLEY P.D. FEDORA"
BRADLEY P.D. FEDORA
PRESIDENT & CHIEF EXECUTIVE OFFICER

SIGNED "ROBERT SKILNICK"
ROBERT SKILNICK
CHIEF FINANCIAL OFFICER

February 23, 2021

KPMG LLP
Suite 3100, 205 - 5th Avenue SW
Calgary, Alberta T2P 4B9
Telephone: (403) 691-8000
Fax: (403) 691-8008
www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Trican Well Service Ltd.

Opinion

We have audited the consolidated financial statements of Trican Well Service Ltd. (the "Company"), which comprise:

- the consolidated statements of financial position as at December 31, 2020 and December 31, 2019;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- and notes to the consolidated financial statements, including a summary of significant accounting policies.

Hereinafter referred to as the “financial statements”.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *“Auditors’ Responsibilities for the Audit of the Financial Statements”* section of our auditors’ report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditors’ report.

Assessment of the Recoverable Amount of the Pressure Pumping Services and Cementing Services Cash Generating Units (“CGUs”) and Certain Specific Assets

Description of the Matter

We draw attention to note 1, note 2, note 8 and note 16 to the financial statements. Significant judgment is required to assess when impairment indicators exist, and impairment testing of a specific asset or CGU is required. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or non-financial assets within the CGU are considered impaired and their carrying amount is reduced to their recoverable amount. The Company has recorded an impairment charge of $131.0 million of goodwill for the Pressure Pumping Services and Cementing Services CGUs and $32.4 million for certain specific assets.

The estimated recoverable amount of the assets and CGUs involve certain significant assumptions including the:

- Forecasted revenue growth rates
- Forecasted earnings before finance costs, taxes, depreciation and amortization, foreign exchange gain (loss), impairment – non-financial assets, other income (loss) and equity-settled share-based compensation (“adjusted EBITDA”)
- Forecasted sustaining capital
- Discount rate
- Sale value

Why the Matter is a Key Audit Matter

We identified the assessment of the recoverable amount of the Pressure Pumping Services and Cementing Services CGUs and certain specific assets as a key audit matter. Significant auditor judgment was required to evaluate the results of our audit procedures regarding the Company’s significant assumptions.

How the Matter was Addressed in the Audit

The primary procedures we performed to address this key audit matter included the following:

We compared the Pressure Pumping Services and Cementing Services CGUs 2020 actual revenue, adjusted EBITDA and sustaining capital to the amount budgeted for 2020 and the Pressure Pumping Services and Cementing Services CGUs 2019 actual revenue, adjusted EBITDA and sustaining capital to the amount budgeted for 2019 to assess the Company’s ability to accurately forecast.

We evaluated the appropriateness of the Pressure Pumping Services and Cementing Services CGUs forecasted revenue, adjusted EBITDA and sustaining capital used in the estimate of the recoverable amount by:

- Comparing the forecasted 2020 revenue, adjusted EBITDA and sustaining capital to the 2020 cash flow forecast to assess consistency with other significant assumptions used by the Company in other estimates used in the financial statements.
- Comparing the Pressure Pumping Services and Cementing Services CGUs forecasted revenue, adjusted EBITDA and sustaining capital as a percentage of revenue to historical results. We took into account changes in conditions and events affecting the Pressure Pumping Services and Cementing Services CGUs to assess the adjustments or lack of adjustments made by the Company in arriving at forecasted revenue, adjusted EBITDA and sustaining capital.
- Comparing certain underlying assumptions in the forecasted revenue, adjusted EBITDA and sustaining capital to certain market data.

We involved valuation professionals with specialized skills and knowledge, who assisted in:

- Evaluating the appropriateness of the Pressure Pumping Services and Cementing Services CGUs discount rate by comparing the discount rate to market and other external data.
- Assessing the reasonableness of the Company's estimate of the recoverable amount of the Pressure Pumping Services and Cementing Services CGUs and a selection of certain specific assets by comparing the Company's estimate to market metrics and other external data.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditors' report is Gregory Ronald Caldwell.

KPMG LLP

Chartered Professional Accountants
Calgary, Canada
February 23, 2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in thousands) **As at December 31,**	**2020**	2019
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	**22,607**	$7,202
Trade and other receivables (note 5)	**71,433**	146,374
Current tax assets	**2,051**	2,091
Inventory (note 6)	**21,599**	29,585
Prepaid expenses	**4,766**	9,381
Assets held for sale (note 3)	**-**	38,102
	122,456	232,735
Property and equipment (note 8)	**405,260**	510,391
Intangible assets (note 9)	**23,958**	34,415
Right-of-use assets (note 7)	**9,435**	17,983
Other assets	**2,104**	-
Goodwill (note 9)	**-**	131,000
	$563,213	$926,524
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade and other payables (note 10)	**$57,171**	$85,543
Current portion of lease liabilities (note 7)	**3,454**	4,498
Liabilities held for sale (note 3)	**-**	2,885
	60,625	92,926
Lease liabilities - non-current portion (note 7)	**10,313**	15,028
Loans and borrowings (note 11)	**-**	46,218
Deferred tax liabilities (note 17)	**-**	31,242
Shareholders' equity		
Share capital (note 12)	**927,994**	989,044
Contributed surplus	**89,393**	87,731
Accumulated other comprehensive income / (loss)	**804**	(376)
Deficit	**(525,916)**	(335,289)
Total equity attributable to equity holders of the Company	**492,275**	741,110
	$563,213	$926,524

See accompanying notes to the consolidated financial statements.

SIGNED "BRADLEY P.D. FEDORA"
BRADLEY P.D. FEDORA
PRESIDENT & CHIEF EXECUTIVE OFFICER

SIGNED "KEVIN L. NUGENT"
KEVIN L. NUGENT
DIRECTOR

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Stated in thousands, except per share amounts) **Year ended December 31,**	**2020**	2019
Continuing operations		
Revenue	**$397,019**	$636,071
Cost of sales - other (note 15)	**331,165**	562,303
Cost of sales - depreciation and amortization (note 15)	**106,423**	118,396
Gross loss	**(40,569)**	(44,628)
Administrative expenses - other (note 15)	**44,291**	49,569
Administrative expenses - depreciation (note 15)	**4,957**	5,670
Impairment - non-financial assets (note 16)	**163,397**	10,091
Impairment - trade receivables (note 18)	**9,079**	372
Other income	**(1,904)**	(15,369)
Results from operating activities	**(260,389)**	(94,961)
Finance cost (note 21)	**3,307**	4,690
Foreign exchange loss	**1,105**	176
Loss before income tax	**(264,801)**	(99,827)
Income tax recovery (note 17)	**(31,484)**	(28,392)
Loss from continuing operations	**($233,317)**	($71,435)
Discontinued operations		
Loss from discontinued operations, net of taxes (note 3)	**(1,372)**	(2,024)
Loss for the period	**($234,689)**	($73,459)
Other comprehensive profit		
Foreign currency translation gain	**1,180**	735
Total comprehensive loss	**($233,509)**	($72,724)
Loss per share - basic and diluted (note 13)		
Continuing operations - basic and diluted	**($0.88)**	($0.25)
Discontinued operations - basic and diluted	**($0.01)**	($0.01)
Net loss - basic and diluted	**($0.89)**	($0.26)
Weighted average shares outstanding - basic and diluted	**263,830**	288,528

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Stated in thousands)	Share capital	Contributed surplus	Accumulated other comprehensive income / (loss)	Deficit	Total Equity
Balance at January 1, 2019	$1,099,352	$83,615	($1,111)	($337,714)	$844,142
Loss for the period	-	-	-	(73,459)	(73,459)
Foreign currency translation gain	-	-	735	-	735
Share-based compensation expense	-	4,146	-	-	4,146
Share options exercised	104	(30)	-	-	74
Shares cancelled under Normal Course Issuer Bid	(110,412)	-	-	75,884	(34,528)
Balance at December 31, 2019	$989,044	$87,731	($376)	($335,289)	$741,110
Balance at January 1, 2020	**$989,044**	**$87,731**	**($376)**	**($335,289)**	**$741,110**
Loss for the period	**-**	**-**	**-**	**(234,689)**	**(234,689)**
Foreign currency translation gain	**-**	**-**	**1,180**	**-**	**1,180**
Share-based compensation expense	**-**	**2,140**	**-**	**-**	**2,140**
Share options exercised	**1,571**	**(478)**	**-**	**-**	**1,093**
Shares cancelled under Normal Course Issuer Bid	**(62,621)**	**-**	**-**	**44,062**	**(18,559)**
Balance at December 31, 2020	**$927,994**	**$89,393**	**$804**	**($525,916)**	**$492,275**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in thousands) **Year ended December 31,**	**2020**	2019
Cash (used in) / provided by:		
Operations		
Loss from continuing operations	**($233,317)**	($71,435)
Charges to income not involving cash:		
Depreciation and amortization	**111,380**	124,066
Share-based compensation	**2,140**	4,146
Gain on disposal of property and equipment	**(1,730)**	(11,023)
Finance costs / amortization of debt issuance costs	**3,307**	4,690
Unrealized foreign exchange loss	**73**	421
Impairment - non-financial assets	**163,397**	10,091
Impairment - trade receivables	**9,079**	372
Tax recovery	**(31,484)**	(28,392)
Change in inventory	**7,984**	6,277
Change in trade and other receivables	**65,818**	(11,342)
Change in prepaid expenses	**4,617**	1,380
Change in trade and other payables	**(27,912)**	5,375
Interest paid	**(2,862)**	(4,291)
Income tax received	**350**	522
Continuing operations	**$70,840**	$30,857
Discontinued operations (note 3)	**(74)**	(2,230)
Cash flow from operating activities	**$70,766**	$28,627
Investing		
Purchase of property and equipment	**(12,788)**	(33,227)
Proceeds from the sale of property and equipment	**11,797**	31,753
Net proceeds from insurance recovery	**-**	4,980
Net change in non-cash working capital	**1,896**	(300)
Continuing operations	**$905**	$3,206
Proceeds from sale of discontinued operations (net of cash)	**12,359**	-
Discontinued operations (note 3)	**-**	(557)
Cash flow from investing activities	**$13,264**	$2,649
Financing		
Net proceeds from issuance of share capital on exercise of options	**1,093**	74
Proceeds from (repayment) / issuance of loans	**(46,662)**	7,000
Payment of lease	**(4,546)**	(5,022)
Repurchase and cancellation of shares under NCIB	**(18,559)**	(34,528)
Continuing operations	**($68,674)**	($32,476)
Discontinued operations (note 3)	**-**	(362)
Cash flow from financing activities	**($68,674)**	($32,838)
Effect of exchange rate changes on cash	**49**	518
Increase / (decrease) in cash and cash equivalents		
Continuing operations	**3,071**	1,587
Discontinued operations (note 3)	**12,334**	(2,631)
Cash and cash equivalents, beginning of year	**7,202**	8,246
Cash and cash equivalents, end of period	**$22,607**	$7,202

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2020 and 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

NOTE 1 – NATURE OF BUSINESS AND BASIS OF PREPARATION

Nature of Business

Trican Well Service Ltd. (the "Company" or "Trican") is an equipment services company incorporated under the laws of the province of Alberta. These consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. The Company provides a comprehensive array of specialized products, equipment, services and technology for use in the drilling, completion, stimulation and reworking of oil and gas wells primarily through its pressure pumping operations in Canada. The Company's head office is Suite 2900, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis except for liabilities for cash-settled share-based payment arrangements which are measured at fair value in the consolidated statement of financial position.

The consolidated financial statements are presented in Canadian dollars and have been rounded to the nearest thousand, except where indicated. Certain figures have been reclassified to conform to the current presentation of these financial statements.

These consolidated financial statements were approved by the Board of Directors on February 23, 2021.

Critical Accounting Estimates and Judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgments and estimates that could materially affect the amounts recognized in the financial statements. By their nature, judgments and estimates may change in light of new facts and circumstances in the internal and external environment. The following judgments and estimates are those deemed by management to be material to the Company's consolidated financial statements.

Judgments

Depreciation and Amortization

Depreciation and amortization methods are based on management's judgment of the most appropriate method to reflect the pattern of an asset's future economic benefit expected to be consumed by the Company. Among other factors, these judgments are based on industry standards and company-specific history and experience.

Impairment

Significant judgment is required to assess when impairment indicators exist, and impairment testing is required. The assessment of impairment indicators is based on management's judgment of whether there are internal and external factors that would indicate that a cash generating unit ("CGU") and specifically the non-financial assets within the CGU, are impaired. The determination of a CGU is also based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets. Significant judgment is also required to assess when indicators exist for specific assets that are inactive with no expectation of returning to active cash generating use. In determining the estimated recoverable amount for a specific asset that is inactive with no expectation of returning to active cash generating use, the Company uses recent market transactions, if available, or other valuation models.

Assets Held for Sale

Assets held for sale contains judgments that the property and equipment classified in this category meet the criteria as "assets held for sale". As at the end of the reporting period these assets are recorded at the lower of cost or fair value less cost to sell.

Non-Financial Assets

The Company's assets are aggregated into Cash Generating Units (CGUs) for the purpose of calculating impairment. CGUs are based on management's judgments and assessment of the CGUs ability to generate independent cash inflows. Judgments are also required to assess when impairment indicators exist and impairment testing is required for the CGU and specific assets.

Provisions and Contingencies

The Company is required to exercise judgment in assessing whether the criterion for recognition of a provision or a contingency has been met. The Company considers whether a present obligation exists, the probability of loss, and if a reliable estimate can be formulated.

Right-of-Use Assets and Lease Liabilities

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amount of the right-of-use assets and lease liabilities, and the resulting interest and depreciation expense. Actual results could differ significantly as a result of these estimates. Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include:

- Incremental borrowing rate: The rates used to present value future lease payments are based on judgments about the economic environment in which the Company operates and theoretical analyses about the security provided by the underlying leased asset, the amount of funds required to be borrowed in order to meet the future lease payments associated with the leased asset, and the term for which these funds would be borrowed.
- Lease term: In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. COVID-19's impact on global markets was significant through the year and as the situation continues to evolve, the magnitude of its effects on the economy, on Trican's financial and operational performance and on our personnel is uncertain at this time.

Estimates

Allowance for Doubtful Accounts

The Company's trade and other receivables are typically short-term in nature and the Company recognizes an amount equal to the lifetime expected credit losses (ECL) on receivables for which there has been a significant increase in credit risk since initial recognition. The amount of ECL is sensitive to changes in circumstances of forecast economic conditions, as evidenced by the change in economic conditions in relation to COVID-19. Information about the ECL on the Company's trade receivables is disclosed in Note 18.

Impairment of Inventories

The Company regularly reviews the nature and quantities of inventory on hand and evaluates the net realizable value of items based on historical usage patterns, known changes to equipment or processes and customer demand for specific products. Significant or unanticipated changes in business conditions could impact the magnitude and timing of impairment recognized.

Depreciation and Amortization

Depreciation and amortization are calculated to write off the cost, less estimated residual value, of assets on a systematic and rational basis over their expected useful lives. Estimates of residual value and useful lives are based on data and information from various sources including industry practice and historic experience. Expected useful lives and residual values are reviewed annually for any change to estimates and assumptions. Although management believes the estimated useful lives of the Company's property and equipment and intangibles are reasonable, it is possible that changes in estimates could occur, which may affect the expected useful lives and salvage values of the property and equipment and intangibles.

Taxes

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in Canadian and foreign tax laws and rates, government rulings with respect to tax audits, as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to Canadian and foreign tax law and bases its estimates on the best available information at each reporting date.

Fair Value of Equity-Settled Share-Based Payments

The Company uses an option pricing model to determine the fair value of equity-settled share-based payments. Inputs to the model are subject to various estimates relating to volatility, interest rates, dividend yields and expected life of the units issued. Fair value inputs are subject to market factors as well as internal estimates. The Company considers historic trends together with any new information to determine the best estimate of fair value at the date of grant.

Impairment of Non-Financial Assets

In determining the estimated recoverable amount of a CGU subject to impairment testing, the Company measures the estimated recoverable amount of a CGU as the higher of fair value less costs of disposal and its value in use. Estimated recoverable amounts of a CGU are evaluated and calculated using various data and assumptions. The data and assumptions used in the estimates of recoverable amount are assessed for reasonableness based on the information available at the time the estimate of recoverable amount is prepared. As circumstances change and new information becomes available, the estimate of recoverable amount could change. The estimate of recoverable amount for a CGU involves certain significant assumptions including the forecasted revenue growth rates, forecasted earnings before finance costs, taxes, depreciation and amortization, foreign exchange gain (loss), impairment - non-financial assets, other income (loss) and equity-settled share-based compensation ("adjusted EBITDA"), forecasted sustaining capital and the discount rate. It is also subject to other less significant assumptions. In determining the estimated recoverable amount for a specific asset that is inactive with no expectation of returning to active cash generating use, the Company uses recent market transactions, if available, or other valuation models.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

Consolidation

Subsidiaries are entities controlled by the Company. The financial results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated on consolidation.

Inventory

Inventory is measured at the lower of cost and net realizable value. The cost of inventory is determined using weighted average cost. Spare parts are valued at weighted average cost. Inventory balances include all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to its existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

Inventories are written down to net realizable when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, slow moving or declining selling prices. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in selling prices, the amount of the write down previously recorded is reversed.

Right-of-Use Assets and Lease Obligations

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement of the lease, discounted using the interest rate implicit in the lease or, if that rate can not be readily determined, at the Company's incremental borrowing rate. Payments are applied against the lease obligation and interest expense is recognized on the lease obligations using the effective interest method.

The Company applies judgment to determine the lease term for some lease contracts which include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which may significantly affect the amount of lease liabilities and right-of-use assets recognized. The Company does not recognize short-term leases with a term of 12 months or less, or leases of low-value assets.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, and subsequent expenditures to the extent that they can be measured and future economic benefit is probable. The carrying values of replaced parts are derecognized when they are replaced. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. Repairs and maintenance expenditures, which do not extend the useful life of the property and equipment, are expensed in the period in which they are incurred.

Management bases the estimate of the useful life and salvage value of property and equipment, with the exception of land which is not depreciated, on expected utilization, technological change and effectiveness of maintenance programs. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within other income in profit or loss.

Depreciation is calculated using the straight-line method over the estimated useful life less residual value of the asset as follows:

Buildings and improvements	20 years
Equipment	2 to 15 years
Furniture and fixtures	2 to 15 years

Residual value varies depending upon the underlying asset and is generally a percentage of the original cost of the asset (5% - 20%).

Depreciation methods, useful lives and residual values are reviewed each financial year end and adjusted if appropriate.

Costs related to assets under construction are capitalized when incurred. These assets are not depreciated until they are complete and available for use in the manner intended by management. When this occurs, the asset is transferred to property and equipment and classified by the nature of the asset.

Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets including right-of-use assets, property and equipment, intangibles, and goodwill are reviewed at each reporting date to determine whether impairment indicators exist, and impairment testing is required for a CGU. If any such indication exists, then the CGUs recoverable amount is estimated. The recoverable amount of goodwill is estimated yearly in the fourth quarter, or more frequently, if triggers are identified. The Company also reviews for indicators of impairment with respect to specific assets, that are inactive with no expectation of returning to active cash generating use, at each reporting date.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the Company uses a discounted cash flow model with significant assumptions including the forecasted revenue growth rates, forecasted adjusted EBITDA, forecasted sustaining capital and using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The recoverable amount for specific assets is determined based on fair value less costs to sell with reference to recent market transactions, if available, or other valuation models.

In assessing fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate approach to valuation is used, which may include internal valuation estimates.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or non-financial assets within the CGU are considered impaired and their carrying amount is reduced to their recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying

amount of goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the assumptions or data used to determine the estimated recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Goodwill

The Company measures goodwill as the fair value of the consideration transferred upon an acquisition, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Goodwill is allocated to the Company’s cash generating units that are expected to benefit from the synergies of the business combination. Goodwill is not amortized but is tested for impairment annually or more frequently in the event that a trigger is identified. An impairment loss in respect of goodwill is not reversed.

Intangible Assets

Customer relationships relate to the Company’s acquisitions and are recorded at their estimated fair value on the acquisition date and amortized on a straight line basis over 6 years.

All amortization of intangible assets is charged to cost of sales in the consolidated statement of comprehensive (loss).

Financial Instruments

Financial Assets at Fair Value Through Profit and Loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial Assets at Amortized Cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Cash and Cash Equivalents

The Company’s short-term deposits with original maturities of three months or less are considered to be cash equivalents and are recorded at cost, which approximates fair value. Bank overdrafts that are repayable on demand mirror the netting agreements with the bank as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Impairment of Financial Assets

The carrying amount of the Company’s financial assets includes cash and cash equivalents and trade and other receivables. A lifetime ECL is recognized on financial assets when there is objective evidence of a significant increase in credit risk as a result of one or more events that occurred after the initial recognition of the asset.

Evidence of impairment would include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy, adverse changes in the payment status of borrowers or economic conditions that correlate with defaults.

Financial assets at amortized cost consist of trade and other receivables. Trade receivables are recorded at its original invoice value less any amounts estimated to be uncollectable. Loss allowances are measured at fair value in the statement of financial position, with value changes recognized in profit or loss. Changes in ECL at the end of each reporting date involves a two stage approach:

- 12-month ECL - credit risk has not increased significantly since initial recognition
- Lifetime ECL - credit risk has increased significantly since initial recognition

Impairment is assessed using historical trends of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment in relation to how the current economic and credit environment will impact losses being greater or less than historical trends.

An impairment loss is determined as the difference between an asset's carrying amount and the present value of future cash flows. Losses are recognized in profit and loss and reflected in a provision account against loans and receivables. When an event occurring after the impairment was recognized causes the amount of impairment to decrease, the recovery is reversed through profit and loss.

Non-Derivative Financial Liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest rate method. Transaction costs related to the issuance of any long term debt are netted against the carrying value of the associated long term debt and amortized as part of financing costs over the life of the debt using the effective interest rate method.

The Company derecognizes a financial liability when its contractual obligations are discharged, canceled or expire.

The Company has the following non-derivative financial liabilities: lease liabilities, loans and borrowings and trade and other payables.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue and repurchase of common shares are recognized as a deduction from equity, net of any tax effects.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for contingent assets are not recognized, but are disclosed where an inflow of economic benefits is probable. When the realization of income is virtually certain, then the related asset is no longer a contingent asset and amounts are recognized in the statement of comprehensive income.

Revenue Recognition

The Company's revenue comprises services and other revenue and is sold based on fixed or agreed upon priced purchase orders or contracts with the customer. Revenue is considered recognized over time when services are provided at the

applicable rates as stipulated in the contract. In general, the Company does not enter into long-term contracts. Revenue is recognized daily upon completion of services. Operating days are measured through field tickets. Customer contract terms do not include provisions for significant post-service delivery obligations. The Company generates revenue primarily from pressure pumping and other related services and has one reportable segment at December 31, 2020, and in the comparative periods. The nature of the services provided by the Company are affected by the same economic factors and follow the same policies as it relates to both measurement and timing of recognition. The timing and uncertainty of revenue and cash flows are similar.

Accounting for Government Grants and Subsidies

The Company applied IAS 20 - *Accounting for Government Grants and Disclosure of Government Assistance* in relation to receiving the Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") as part of the federal government of Canada's response to the COVID-19 health pandemic. Government assistance is recognized only when there is reasonable assurance that (a) the Company will comply with any conditions attached to the grant and (b) the grant will be received. The government grants and/or subsidies are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes the expense for the related costs for which the grants and/or subsidies are intended to compensate. The Company has elected to present these amounts net of the related expense.

Finance Costs

Finance costs are made up of amortization of debt issue costs, interest expense on borrowings, lease interest, fees charged in connection with early extinguishment of debt and impairment losses recognized on financial assets other than trade receivables.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit and loss using the effective interest method.

Taxes

The Company uses the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are recognized as the difference between the carrying amounts of assets and liabilities and their respective income tax basis (temporary differences). A deferred tax asset may also be recognized for the benefit expected from unused tax losses available for carry forward, to the extent that it is probable that future taxable earnings will be available against which the tax losses can be applied.

Deferred income tax assets and liabilities are measured based on income tax rates and tax laws that are enacted or substantively enacted by the end of the reporting period and that are expected to apply in the years in which temporary differences are expected to be realized or settled. Deferred income tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change. As such, taxes are subject to measurement uncertainty and the interpretations can impact net earnings through the income and other tax expense arising from changes in deferred income and other tax assets or liabilities.

Foreign Currency Translation and Transactions

For entities whose functional currency is the Canadian dollar, the Company translates foreign denominated monetary assets and liabilities at period-end exchange rates, and foreign denominated non-monetary items are translated at historical rates. Income and expense accounts are translated at the average rates in effect during the period. Gains or losses from changes in exchange rates are recognized in profit and loss in the period of occurrence. Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned

nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the cumulative amount of foreign currency translation differences.

For foreign entities whose functional currency is not the Canadian dollar, the Company translates assets, including goodwill, and liabilities at period-end rates and income and expense accounts at average exchange rates. Adjustments resulting from these translations are reflected in other comprehensive income as unrealized gains or losses as foreign currency translation differences.

When a foreign operation is substantially disposed of, the cumulative amount of foreign currency gains or losses are reclassified to profit or loss. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is re-attributed to non-controlling interest.

Employee Benefits

Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonuses or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be reliably estimated.

Share-Based Payment Transactions

The Company has an equity-settled share option plan and accounts for share options by expensing the fair value of share options measured using a Black Scholes option pricing model. The fair value of the share options is determined on their grant date and is recognized in administrative expense and in shareholders' equity over the vesting period.

The Company has a cash-settled deferred share unit (DSU) plan for its Directors. The DSUs vest immediately and the fair value of the liability and the corresponding expense is charged to profit and loss at the grant date. Subsequently, at each reporting date between grant date and settlement date, the fair value of the liability is re-measured with any changes in fair value recognized in profit and loss for the period.

The Company has a cash-settled restricted share unit (RSU) plan for its employees and the fair value of the RSUs is expensed into profit and loss evenly over the unit vesting period. At each reporting date between grant date and settlement, the fair value of the liability is re-measured with any changes in fair value recognized in profit and loss for the period.

The Company has a cash-settled performance share unit plan (PSU) plan for Executive Officers of the Company. Under the terms of the PSU plan, PSUs granted thereunder vest when certain performance conditions are met and expire on a date no later than December 31 of the third calendar year following the calendar year in which the grant occurs. Management makes an assessment for each grant of PSUs with respect to the timing and likelihood of vesting of such PSUs. Upon vesting, it is the intention of the Board of Directors to settle PSUs currently outstanding in cash. The fair value of the PSUs is expensed over the vesting period until it is estimated that the vesting conditions will be met, at which time the full value of the liability is recognized and then revalued each period to fair value until paid.

Earnings / (Loss) Per Share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by using the treasury stock method for equity based compensation arrangements. The treasury stock method assumes that any proceeds obtained on exercise of equity based compensation arrangements would be used to purchase common shares at the average market price during the period. The weighted average number of shares outstanding is then adjusted by the difference between the number of shares issued from the exercise of equity based compensation arrangements and shares repurchased from the related proceeds.

Operating Segments

The Company generates revenue primarily from pressure pumping and other related services for use in the drilling, completion, stimulation and reworking of oil and gas wells in Canada. Management has determined that the Company has one reportable segment as the nature of services provided are organized based on the operating results of its business activities. Discrete financial information is reviewed by the Company's chief operating decision makers for the purpose of resource allocation and assessing performance.

NOTE 3 - DISPOSITION, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Disposition

On January 15, 2020, the Company completed the sale of the Fluid management business for consideration of approximately $17.7 million (including $1.4 million of cash).

(Stated in thousands)	
Proceeds on sale of Fluid Management business [1]	$17,731
Less assets and liabilities sold:	
Working capital	2,909
Inventory	460
Property and equipment	14,229
Net assets sold	17,598
Cash and cash equivalents disposed of	1,372
Loss on disposition of Fluid Management business	**($1,239)**

[1] $4 million paid by way of a secured vendor take-back loan

During the year ended December 31, 2020, $2.0 million, representing 50% of the of the $4.0 million vendor take-back loan has been repaid to the Company, which amount is included in investing non-cash working capital.

Assets and Liabilities Held for Sale

The Company may classify certain assets and liabilities as held for sale. Although the Company continues to market inactive, or low activity property and equipment, COVID-19 has caused significant uncertainty as to the timing and expectation of further asset sales. Therefore, at December 31, 2020, no assets or liabilities were classified as held for sale. The following table represents assets and liabilities held for sale:

(Stated in thousands)	**As at December 31, 2020**	As at December 31, 2019
Trade and other receivables	**$-**	$4,237
Inventory	**-**	446
Prepaid expenses	**-**	169
Property and equipment	**-**	32,346
Right-of-use assets	**-**	904
Total assets held for sale	**$-**	$38,102
Trade and other payables	**$-**	$1,893
Current portion of lease liabilities	**-**	524
Lease liabilities - non-current portion	**-**	468
Total liabilities held for sale	**$-**	$2,885

For the year ended December 31, 2020, as a result of market uncertainty, management reclassified its non-core operational bases from assets held for sale to property and equipment with a net carrying value of $14.2 million. During the year, an impairment charge of $3.9 million (2019 - nil) was based on the fair value of these specific assets. Refer to Note 16 for further impairment discussion.

Results of Discontinued Operations

The following table represents discontinued operations:

(Stated in thousands) **Total Discontinued Operations for the year ended December 31,**	**2020**	2019
Revenue	**$892**	$24,504
Cost of sales - other	**731**	20,406
Cost of sales - depreciation and amortization	**28**	7,250
Gross profit / (loss)	**133**	(3,152)
Administrative expenses - other	**440**	2,444
Other loss / (income)	**1,174**	(958)
Results from operating activities	**(1,481)**	(4,638)
Finance income	**(152)**	(980)
Foreign exchange loss	**28**	906
Loss before income tax	**(1,357)**	(4,564)
Income tax expense / (recovery)	**15**	(2,540)
Loss from discontinued total operations	**($1,372)**	($2,024)

NOTE 4 - CASH AND CASH EQUIVALENTS

(Stated in thousands)	**As at December 31, 2020**	As at December 31, 2019
Bank balances	**$22,607**	$7,194
Short-term deposits	**-**	8
Cash and cash equivalents	**$22,607**	$7,202

NOTE 5 - TRADE AND OTHER RECEIVABLES

(Stated in thousands)	**As at December 31, 2020**	As at December 31, 2019
Trade receivables	**$73,874**	$147,964
Allowance for doubtful accounts (note 18)	**(2,441)**	(1,590)
Total	**$71,433**	$146,374

The Company's exposure to credit risk related to trade and other receivables is disclosed in Note 18.

NOTE 6 - INVENTORY

(Stated in thousands)	**As at December 31, 2020**	As at December 31, 2019
Chemicals and consumables	**$11,769**	$16,744
Parts	**8,348**	10,880
Coiled tubing	**1,482**	1,961
Total	**$21,599**	$29,585

The total amount of inventory recognized as cost of sales during the year was $144.1 million (2019 – $205.9 million).

The Company reviews the carrying value of inventory on a quarterly basis to verify that inventory is measured at the lower of cost or net realizable value. The Company adjusted its spare parts reserve to $4.9 million from $4.6 million in 2019 to reflect the consumption of parts during the year and the parts inventory balance at December 31, 2020.

NOTE 7 - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(Stated in thousands)	**Property**	**Vehicles**	**Total**
Cost			
Balance, January 1, 2019	$15,928	$17,314	$33,242
Additions	251	128	379
Termination of Leases	-	(4,081)	(4,081)
Reclassification to assets held for sale	(840)	(1,326)	(2,166)
Balance at December 31, 2019	$15,339	$12,035	$27,374
Additions	**646**	**1,022**	**1,668**
Termination of leases	**(3,014)**	**(4,193)**	**(7,207)**
Impairment (note 16)	**(3,295)**	**(29)**	**(3,324)**
Balance at December 31, 2020	**$9,676**	**$8,835**	**$18,511**
Accumulated Depreciation			
Balance, January 1, 2019	$-	$7,127	$7,127
Depreciation [1]	3,772	3,173	6,945
Termination of leases	-	(3,419)	(3,419)
Reclassification to assets held for sale	(336)	(926)	(1,262)
Balance at December 31, 2019	$3,436	$5,955	$9,391
Depreciation	**3,352**	**2,193**	**5,545**
Termination of leases	**(3,014)**	**(2,846)**	**(5,860)**
Balance at December 31, 2020	**$3,774**	**$5,302**	**$9,076**
Carrying Amounts			
At December 31, 2019	$11,903	$6,080	$17,983
At December 31, 2020	**$5,902**	**$3,533**	**$9,435**

[1] $784 now recognized in discontinued operations (note 3)

The Company incurs lease payments related to properties and vehicles. Leases are entered into and exited in coordination with specific business requirements which includes the assessment of the appropriate durations for the related leased assets. The Company has recognized lease liabilities in relation to all lease arrangements measured at the present value of the remaining lease payments at an incremental borrowing rate of approximately 7%.

The Company has the following future commitments associated with its lease obligations:

(Stated in thousands)	**2020**	2019
Balance as at January 1	**$19,526**	$26,115
Interest expense	**1,192**	1,585
Additions	**1,668**	379
Lease payments	**(5,738)**	(6,969)
Termination of leases	**(2,881)**	(592)
Reclassification to assets held for sale	**-**	(992)
Balance as at December 31	**$13,767**	$19,526
Current portion of lease liabilities	**3,454**	4,498
Non-current portion of lease liabilities	**$10,313**	$15,028

(Stated in thousands) **As at December 31,**	**2020**	2019
Less than 1 year	**$4,313**	$5,733
1 - 3 years	**5,481**	8,978
4 - 5 years	**3,933**	4,218
After 5 years	**2,924**	4,792
Total lease payments	**16,651**	23,721
Amounts representing interest over the term of the lease	**(2,884)**	(4,195)
Present value of net lease payments	**13,767**	19,526
Current portion of lease liabilities	**(3,454)**	(4,498)
Non-current portion of lease liabilities	**$10,313**	$15,028

For the year ended December 31, 2020, lease payments of $5.7 million (2019 - $7.0 million) were comprised of $4.5 million (2019 - $5.0 million continuing, $0.4 million discontinued) related to principal and included in financing activities within the statement of cash flows and $1.2 million (2019 - $1.6 million) related to interest expense and recorded as an operating activity in the statement of cash flows.

For the year ended December 31, 2020, the Company had $0.8 million (2019 - $0.9 million) of variable lease payments. The Company did not have any low value assets and short-term leases with a lease term of twelve months or less for the period.

NOTE 8 - PROPERTY AND EQUIPMENT

(Stated in thousands)	Buildings & Improvements	Equipment	Furniture and Fixtures	Total
Cost				
Balance at January 1, 2019	$134,504	$1,133,383	$26,247	$1,294,134
Lease adjustments to right-of-use assets	-	(17,314)	-	(17,314)
Additions	91	31,522	2,803	34,416
Disposals	(6,288)	(128,140)	(451)	(134,879)
Reclassification to assets held for sale	(25,775)	(44,590)	(11,527)	(81,892)
Balance at December 31, 2019	$102,532	$974,861	$17,072	$1,094,465
Additions	**3,347**	**8,006**	**1,435**	**12,788**
Disposals	**(1,464)**	**(76,327)**	**(1,445)**	**(79,236)**
Reclassification from assets held for sale	**20,987**	**(83)**	**-**	**20,904**
Balance at December 31, 2020	**$125,402**	**$906,457**	**$17,062**	**$1,048,921**
Accumulated depreciation				
Balance at January 1, 2019	$46,695	$565,312	$21,732	$633,739
Lease adjustments to right-of-use assets	-	(7,127)	-	(7,127)
Depreciation [1]	4,667	105,832	3,445	113,944
Disposals	(5,315)	(108,137)	(451)	(113,903)
Reclassification to assets held for sale	(7,683)	(33,771)	(11,216)	(52,670)
Impairment	1,882	8,209	-	10,091
Balance at December 31, 2019	$40,246	$530,318	$13,510	$584,074
Depreciation	**4,432**	**88,273**	**2,672**	**95,377**
Disposals	**(857)**	**(65,608)**	**(1,238)**	**(67,703)**
Reclassification from assets held for sale	**6,744**	**-**	**-**	**6,744**
Impairment	**-**	**25,157**	**12**	**25,169**
Balance at December 31, 2020	**$50,565**	**$578,140**	**$14,956**	**$643,661**
Carrying amounts				
At December 31, 2019	$62,286	$444,543	$3,562	$510,391
At December 31, 2020	**$74,837**	**$328,317**	**$2,106**	**$405,260**

[1] $10,530 recognized in discontinued operations (note 3)

During 2020 the Company identified certain specific assets that were inactive with no expectation of returning to active cash generating use in its property and equipment for which the carrying value is not expected to be fully recoverable. The Company identified ongoing uncertainty in the Company's ability to monetize these assets at values in excess of their net book values. This uncertainty is magnified given the negative economic effects of the ongoing COVID-19 pandemic. The Company incurred an impairment charge of $25.2 million (2019 – $10.1 million), which is recognized in the statement of comprehensive loss within 'impairment - non-financial assets'. The assets impaired are no longer part of the operations for the Company. See note 16, describing the Company's impairment analysis for 2020.

For the year ended December 31, 2020, the Company had a $1.7 million gain (2019 – $11.0 million gain) from its disposition of property and equipment.

At December 31, 2020, Trican had $7.1 million of assets under construction and not available for use (2019 – $13.4 million).

NOTE 9 - INTANGIBLE ASSETS AND GOODWILL

(Stated in thousands) **Intangible Assets**	**2020**	2019
Carrying value at January 1	**$34,415**	$44,872
Amortization	**10,457**	10,457
Carrying value at December 31,	**$23,958**	$34,415

(Stated in thousands) **Goodwill**	**2020**	2019
Carrying value at January 1	**$131,000**	$131,000
Impairment (note 16)	**(131,000)**	-
Carrying value at December 31,	**$-**	$131,000

The aggregate carrying amount of goodwill allocated to each CGU is as follows:

(Stated in thousands)	**As at December 31,**	
Goodwill	**2020**	2019
Pressure pumping	**$-**	$128,925
Cementing	**-**	2,075
Total goodwill	**$-**	$131,000

As at March 31, 2020, the Company performed impairment tests for both the Pressure Pumping Services and Cementing Services Cash Generating Units which resulted in an impairment charge of $131.0 million (2019 - nil) of goodwill.

NOTE 10 - TRADE AND OTHER PAYABLES

	As at December 31,	
(Stated in thousands)	**2020**	2019
Trade payables	**$30,253**	$48,650
Accrued liabilities	**22,886**	33,194
Liabilities for cash-settled share-based payments	**4,032**	3,699
Total trade and other payables	**$57,171**	$85,543

The Company’s exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 18.

NOTE 11 - LOANS AND BORROWINGS

	As at December 31,	
(Stated in thousands)	**2020**	2019
Revolving Credit Facility ("RCF"), net of transaction costs	**$-**	$46,218

Revolving Credit Facility ("RCF")

On November 30, 2020, Trican entered into an agreement with a syndicate of five Canadian banks which amended and extended its RCF (the "Extended RCF").

The Extended RCF matures December 5, 2022, a date that may be extended on an annual basis upon agreement of the RCF lenders, and the Company may draw up to $125.0 million (December 31, 2019 – $275.0 million). The Extended RCF also features an uncommitted accordion of $125.0 million (December 31, 2019 – $50.0 million), accessibility for which is subject to approval by the syndicate of lenders. The Extended RCF has a general security charge against the assets of the Company and bears interest at the applicable Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 100 to 350 basis points (December 31, 2019 – Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 45 to 300 basis points).

At December 31, 2020, the undrawn and accessible amount of the RCF, subject to financial covenants, is $124.7 million (December 31, 2019 – $227.6 million accessible) due to the Company's Letters of Credit as at December 31, 2020.

As at December 31, 2020, the Company had available a $20.0 million (December 31, 2019 – $20.0 million) swing line facility with its lead bank, which is included within the $125.0 million borrowing capacity of the RCF described above. As at December 31, 2020, there was nil drawn on the swing line facility (December 31, 2019 – nil).

As at December 31, 2020, the Company had available a $10.0 million (December 31, 2019 – $10.0 million) Letter of Credit facility with its syndicate of banks included within the $125.0 million borrowing capacity of the RCF described above. As at December 31, 2020, Trican had $0.3 million in letters of credit outstanding (December 31, 2019 – $0.4 million).

Covenants

The Company is required to comply with covenants that affect how much can be drawn on the Extended RCF. Trican is required to comply with the following leverage and interest coverage ratio covenants, the calculation is based on the last twelve months:

- Leverage Ratio <3.5x
- Interest Coverage Ratio >2.5x

Certain non-cash expenses (including depreciation, amortization, impairment expenses, equity-settled stock based compensation), certain personnel based expenses such as severance and certain other items, are permitted to be normalized to adjusted EBITDA to arrive at Bank EBITDA for covenant calculation purposes. In accordance with the definition under the Extended RCF, the covenant calculation excludes the impact of certain leases recognized under IFRS 16.

The Leverage Ratio is defined as Senior Net Debt, which is comprised of loans and borrowings plus certain specified right-of-use lease liabilities and amounts applicable to the Letter of Credit facility, minus cash and non-recourse debt, divided by Bank EBITDA. As at December 31, 2020, Senior Net Debt includes non-recourse debt of nil (December 31, 2019 - nil) and certain specified right-of-use lease liabilities of $4.3 million (December 31, 2019 - $6.1 million). As at December 31, 2020, the Leverage Ratio was 0.0 (December 31, 2019 – 1.3).

(Stated in thousands)	**December 31, 2020**	December 31, 2019
Senior Net Debt	**($18,760)**	$45,525
Bank EBITDA	**32,429**	34,305
Leverage Ratio	**0.0**	1.3

The Interest Coverage Ratio is defined as bank EBITDA divided by interest expense. Interest expense includes all interest including capitalized interest and imputed interest with respect to lease obligations (in accordance with the definition under the Extended RCF, the covenant calculation excludes the impact of certain leases recognized under IFRS 16), and all fees including standby and commitment fees, acceptance fees in respect of bankers' acceptances and fees payable in respect of letters of credit, letters of guarantee and similar instruments, and certain other items.

As at December 31, 2020, the Interest Coverage Ratio was 14.1 (December 31, 2019 – 9.6).

(Stated in thousands)	**December 31, 2020**	December 31, 2019
Interest Expense	**$2,306**	$3,557
Bank EBITDA	**32,429**	34,305
Interest Coverage Ratio	**14.1**	9.6

The Company is in compliance with its financial covenants for the quarter ended December 31, 2020.

NOTE 12 – SHARE CAPITAL

Share Capital

Authorized

The Company is authorized to issue an unlimited number of common shares, issuable in series. The shares have no par value. All issued shares are fully paid.

Issued and Outstanding - Common Shares:

(Stated in thousands, except share amounts)	**Number of Shares**	**Amount**
Balance, January 1, 2019	301,504,950	$1,099,352
Exercise of stock options	87,930	74
Reclassification from contributed surplus on exercise of options	-	30
Shares repurchased and cancelled under NCIB	(30,102,845)	(110,412)
Balance, December 31, 2019	271,490,035	$989,044
Exercise of stock options	**1,375,811**	**1,093**
Reclassification from contributed surplus on exercise of options	**-**	**478**
Shares repurchased and cancelled under NCIB	**(17,130,235)**	**(62,621)**
Balance, December 31, 2020	**255,735,611**	**$927,994**

Normal Course Issuer Bid

The Company completed its 2019-2020 Normal Course Issuer Bid ("NCIB") that commenced on October 1, 2019. Pursuant to the 2019-2020 NCIB, the Company purchased and canceled the maximum allowable number of its common shares under the bid, totaling 24,753,435 common shares for a total consideration of $24.6 million, at a weighted average price per share of $0.99 before broker commission.

On October 1, 2020, the Company announced the renewal of its NCIB program, commencing October 5, 2020, to purchase up to 20.3 million of its common shares for cancellation before October 4, 2021.

All purchases are to be made at the prevailing market price at the time of purchase and are subject to a maximum daily purchase volume of 157,504 (being 25% of the average daily trading volume of the common shares traded on the TSX for the six months ending August 31, 2020 of 630,019 common shares), except as otherwise permitted under the TSX NCIB rules. All common shares purchased under the NCIB are returned to treasury for cancellation. Purchases for the years ended December 31, 2020 and 2019 are as follows:

(Stated in thousands, except share and per share amounts)	**Year Ended December 31, 2020**	Year Ended December 31, 2019
Number of common shares repurchased	**17,130,235**	30,102,845
Amounts charged to:		
Share capital [1]	**$62,621**	$110,412
Accumulated deficit	**(44,062)**	(75,884)
Share repurchase cost	**$18,559**	$34,528
Weighted average price per share	**$1.08**	$1.15

[1] Includes brokerage fees

NOTE 13 – LOSS PER SHARE

(Stated in thousands, except share and per share amounts)	**Year ended December 31, 2020**	Year ended, December 31,2019
Basic & diluted weighted average number of common shares	**263,829,916**	288,528,340
Attributable to Owners of the Company		
Loss from continuing operations	**($233,317)**	($71,435)
Per share - basic and diluted	**($0.88)**	($0.25)
Loss from discontinued operations	**($1,372)**	($2,024)
Per share - basic and diluted	**($0.01)**	($0.01)
Loss for the period	**($234,689)**	($73,459)
Per share - basic and diluted	**($0.89)**	($0.26)

For the years ended December 31, 2020 and 2019, all shares issued under the stock option plan were excluded in calculating the weighted average number of diluted shares outstanding, as they were considered anti-dilutive as there was a net loss during the periods.

NOTE 14 – SHARE-BASED PAYMENTS

The Company has four shared-based compensation plans which are described below.

Incentive Stock Option Plan (Equity-Settled):

Options may be granted at the discretion of the Board of Directors and all officers and employees of the Company are eligible for participation in the Plan. The option price equals the volume-weighted-average closing price of the Company's shares on the Toronto Stock Exchange, for the five trading days preceding the date of grant. Options may not be issued during the Company's internal blackout periods. Options granted in 2010 and thereafter vest on three equal tranches on each of the first, second and third anniversary dates with an expiry date of five years from the date of the grant. From 2016 onward, the life of stock options have changed from five years to seven years.

The compensation expense recognized in the consolidated statement of comprehensive income for the year is $2.1 million (2019 - $4.1 million). The corresponding amount has also been recognized in contributed surplus.

The weighted average grant date fair value of options granted during year ended December 31, 2020 has been estimated at $0.32 per option (year ended December 31, 2019 – $0.78) using the Black-Scholes option pricing model. Expected volatility is estimated by considering historic average share price volatility. The Company has applied the following assumptions in determining the fair value of options for grants during the periods ended:

Year ended December 31,	**2020**	2019
Share price	**$0.79**	$1.47
Exercise price	**$0.79**	$1.47
Expected life (years)	**3.91**	3.73
Expected volatility	**54%**	73%
Risk-free interest rate	**0.5%**	1.8%
Dividend yield	**0.0%**	0.0%

The Company has reserved 24,294,883 common shares as at December 31, 2020, (December 31, 2019 – 25,791,553) for issuance under a stock option plan for officers and employees. The maximum number of options permitted to be outstanding at any point in time is limited to 9.5% of the Common Shares then outstanding. As of December 31, 2020, 15,478,648 options (December 31, 2019 – 12,652,860) were outstanding at exercise prices ranging from $0.57 to $4.57 per share with expiry dates ranging from 2021 to 2027.

The following table provides a summary of the status of the Company's stock option plan and changes during the years ended December 31, 2020 and 2019:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Options	**Weighted Average Exercise Price**	Options	Weighted Average Exercise Price
Outstanding at the beginning of year	**12,652,860**	**$2.33**	10,787,126	$3.81
Granted	**6,156,700**	**0.79**	4,184,100	1.47
Exercised	**(1,375,811)**	**0.79**	(87,930)	0.82
Forfeited	**(1,947,261)**	**2.25**	(1,326,860)	3.46
Expired	**(7,840)**	**0.00**	(903,576)	14.39
Outstanding at the end of year	**15,478,648**	**$1.87**	12,652,860	$2.33
Exercisable at the end of year	**6,716,770**	**$1.92**	6,010,939	$2.44

The weighted-average TSX traded share price for the year ended December 31, 2020, was $0.98 (2019 – $1.20).

The following table summarizes information about stock options outstanding at December 31, 2020:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.57 to $1.00	3,286,000	6.21	$0.57	-	$0.00
$1.01 to $3.00	7,614,712	5.03	1.47	2,882,278	1.78
$3.01 to $4.57	4,577,936	3.74	3.47	3,834,492	3.52
$0.57 to $4.57	15,478,648	4.90	$1.87	6,716,770	$1.92

Deferred Share Unit Plan (Cash-Settled)

Under the terms of the deferred share unit plan, DSUs awarded will vest immediately and will be settled with cash in the amount equal to the closing price of the Company's common shares on the date the director specifies upon tendering his resignation from the Board, which in any event must be after the date on which the notice of redemption is filed with the Company and within the period from the Director's resignation date to December 15th of the first calendar year commencing after the Director's termination date. There were 1,512,881 DSUs outstanding at December 31, 2020 (2019 – 1,721,109).

Restricted Share Unit Plan (Cash-Settled)

Under the terms of the restricted share unit plan, the RSUs awarded will vest in three equal portions on the first, second and third anniversary of the grant date and will be settled in cash in the amount equal to the volume-weighted-average trading price for the twenty trading days preceding the particular vesting date of the award. The fair value of the RSUs is expensed into income evenly over the same period that the units vest and at each reporting date between grant date and settlement, the fair value of the liability is re-measured with any changes in fair value recognized in profit or loss for the period. All officers and employees of the Company are eligible for participation in the plan. There were 426,600 RSUs outstanding at December 31, 2020 (2019 – 62,500).

Performance Share Unit Plan (Cash-Settled)

Under the terms of the performance share unit plan, grants awarded will vest in three equal portions on the first, second and third anniversary of the grant date if the Company meets certain financial targets, and expire otherwise. Grants prior to 2014 will be paid out upon vesting yearly and grants issued in 2014 and going forward will be paid out 3 years from the grant date. PSU grants will be settled in cash, in the amount equal to the volume-weighted-average trading price for the five trading days preceding the vesting date of the Common Shares of the Company. The fair value of the PSUs is expensed into income evenly over the same period that the units vest and at each reporting date between grant date and settlement, the fair value of the liability is re-measured with any changes in fair value recognized in profit or loss for the period. There were 1,034,500 PSUs outstanding at December 31, 2020 (2019 – 2,144,200). At December 31, 2020, the Company's intention is to settle the PSUs in cash.

The following table provides a summary of the status of the Company's cash-settled compensation plans and changes during the year ended December 31, 2020:

(Units)	DSU	RSU	PSU
Balance, January 1, 2019	1,597,849	157,669	1,235,200
Granted	389,007	-	1,187,000
Redeemed for cash	(265,747)	(84,004)	(217,700)
Forfeited	-	(11,165)	(60,300)
Balance, December 31, 2019	1,721,109	62,500	2,144,200
Granted	**663,300**	**1,020,700**	**1,187,000**
Redeemed for cash	**(871,528)**	**(656,600)**	**(1,596,317)**
Forfeited	**-**	**-**	**(700,383)**
Balance at December 31, 2020	**1,512,881**	**426,600**	**1,034,500**
Vested at December 31, 2020	**1,512,881**	**-**	**-**

	Year ended December 31,	
(Stated in thousands)	**2020**	2019
Cash-settled share-based compensation expense		
Expense arising from DSUs	**$1,161**	$1,096
Expense arising from RSUs	**834**	24
Expense arising from PSUs	**774**	1,324
Total expense cash-settled share-based compensation expense	**$2,769**	$2,444
Equity-settled share-based compensation expense		
Stock options	**2,140**	4,146
Total expense related to share-based payments	**$4,909**	$6,590

For the year ended December 31, 2020, the closing share price used in the fair value calculation of the Company's cash-settled share-based compensation plans was $1.68 (2019 - $1.14).

The outstanding liabilities for cash-settled compensation plans at December 31, 2020, of $4.0 million (December 31, 2019 – $3.7 million) are included in accounts payable and accrued liabilities.

NOTE 15 – COST OF SALES AND ADMINISTRATIVE EXPENSES

The Company classifies the consolidated statement of comprehensive loss using the function of expense method, which presents expenses according to their function, such as cost of sales and administrative expenses. This method is more closely aligned to the Company business structure and provides more relevant information to the public.

The following table provides additional information on the nature of the expenses:

(Stated in thousands)	Year ended December 31,	
Cost of sales	**2020**	2019
Personnel expenses - other	**$89,739**	$166,432
Personnel expenses - CEWS [1]	**(11,567)**	-
Direct costs - other	**253,159**	395,871
Direct costs - CERS [2]	**(166)**	-
Cost of sales - other	**$331,165**	$562,303
Cost of sales - depreciation and amortization	**106,423**	118,396
	$437,588	$680,699
Administrative expenses		
Personnel expenses - other	**$14,618**	$22,393
Personnel expenses - CEWS [1]	**(2,236)**	-
Personnel expenses - severance	**17,145**	9,005
Personnel expenses - cash-settled share-based compensation	**2,769**	2,444
Personnel expenses - equity-settled share-based compensation	**2,140**	4,146
General organizational expenses - other	**9,960**	11,581
General organizational expenses - CERS [2]	**(105)**	-
Administrative expenses - other	**$44,291**	$49,569
Administrative expenses - depreciation	**4,957**	5,670
	$49,248	$55,239

[1] Canadian Emergency Wage Subsidy
[2] Canadian Emergency Rent Subsidy

As part of an internal reorganization, severance expenditures totaling $5.2 million were provided to certain key management personnel as compensation for their departure. This amount is included within administrative expenses, 'Personnel expenses - Severance' (see Note 22).

NOTE 16 – IMPAIRMENT ASSESSMENT

For the purposes of impairment testing, right of use assets, property and equipment, goodwill and intangible assets are allocated to the Company's CGUs being Pressure Pumping Services and Cementing Services. As required by IAS 36, the Company is required to assess whether there are any external and internal impairment indicators that exist at the end of each reporting period. The Company reviewed external and internal indicators and determined that no triggers for impairment were present as at December 31, 2020, and therefore an impairment test was not required to be performed as at December 31, 2020.

As at March 31, 2020, the impact of COVID-19 and the crude oil production increases by members of the Organization of Petroleum Exporting Countries (OPEC), and certain other oil producing countries, caused an oversupply of crude oil that resulted in a significant decline in crude oil prices. These factors created significant uncertainty for the Company's customers' planned oil and natural gas activity levels. As a result, the Company performed an impairment test on its non-financial assets within the Pressure Pumping Services CGU and the Cementing Services CGU at March 31, 2020. Based on the results of the tests, an impairment charge of $131.0 million of goodwill impairment for the Pressure Pumping Services CGU and the Cementing Services CGU was recorded in the statement of comprehensive loss, within 'impairment - non-financial assets', during 2020.

Pressure Pumping Services

The impairment test for the Pressure Pumping Services CGU used a value in use approach with the recoverable amount estimated based on significant assumptions including forecasted revenue growth rates, forecasted adjusted EBITDA and forecasted sustaining capital at March 31, 2020, at a pre-tax discount rate of 15.9%. The discount rate was estimated based on the Company's weighted average cost of capital, adjusted for the Pressure Pumping Services CGU specific risks. The estimated recoverable amount was based on a 5-year model with forecasted revenue growth initially decreasing, and subsequently increasing, in correlation with forecasted oil and gas industry activity with a terminal growth rate of 2.0%. Forecasted adjusted EBITDA was based on historical adjusted EBITDA margins adjusted for anticipated revenue changes and cost structure. A terminal value thereafter was applied. Based on the analysis, the Company determined there was an impairment charge of goodwill within the Pressure Pumping Services CGU of $128.9 million as at March 31, 2020 (2019 - nil), as the recoverable amount for this CGU was lower than the respective carrying amount. The estimated value in use for the Pressure Pumping Services CGU was sensitive to a change in the following assumptions and estimates:

Assumptions	Percentage Change	Impact on Impairment
Forecasted revenue growth	Increase of 1%	Decrease of $28.9 million
Forecasted adjusted EBITDA	Increase of 1%	Decrease of $43.9 million
Forecasted sustaining capital	Increase of 1%	Increase of $51.2 million
Discount rate	Increase of 1%	Increase of $50.4 million

Cementing Services

The impairment test for the Cementing Services CGU used a value in use approach with the recoverable amount estimated based on significant assumptions including forecasted revenue growth rates, forecasted adjusted EBITDA, and forecasted sustaining capital at March 31, 2020, at a pre-tax discount rate of 15.9%. The discount rate was estimated based on the Company's weighted average cost of capital, adjusted for the Cementing Services CGU specific risks. The estimated recoverable amount was based on a 5-year model with forecasted revenue growth initially decreasing, and subsequently increasing, in correlation with forecasted oil and gas industry activity with a terminal growth rate of 2.0%. Forecasted adjusted EBITDA was based on historical adjusted EBITDA margins adjusted for anticipated revenue changes and cost structure. A terminal value thereafter was applied. Based on the analysis, the Company determined there was an impairment charge of goodwill within the Cementing Services CGU of $2.1 million as at March 31, 2020 (2019 - nil), as the recoverable amount for this CGU was lower than the respective carrying amount. The estimated value in use for the Cementing Services CGU was sensitive to a change in the following assumptions and estimates:

Assumptions	Percentage Change	Impact on Impairment
Forecasted revenue growth	Increase of 1%	Decrease of $5.9 million
Forecasted adjusted EBITDA	Increase of 1%	Decrease of $6.8 million
Forecasted sustaining capital	Increase of 1%	Increase of $7.9 million
Discount rate	Increase of 1%	Increase of $7.8 million

The aggregate impairment charge recognized in the consolidated statement of comprehensive loss within 'impairment - non-financial assets' for 2020, was $163.4 million (2019 – $10.1 million). The impairment charge includes $131 million (2019 - nil) related to the impairment of goodwill (as described above) and $32.4 million (2019 – $10.1 million) of specific asset impairments related to non-financial assets with no expectation of returning to active cash generating use. The $32.4 million is comprised of $3.9 million (2019 - nil) related to assets held for sale (see note 3), $25.2 million (2019 - $10.1 million) on property and equipment (see note 8) and $3.3 million (2019 - nil) on right-of-use assets (see Note 7).

NOTE 17 – INCOME TAXES

(Stated in thousands)	Year ended December 31, 2020	2019
Current tax (recovery) / expense		
Current year	**$-**	$16
Adjustment for prior years	**($242)**	($265)
	($242)	($249)
Deferred tax recovery		
Current year	**($30,492)**	($27,905)
Adjustment for prior years	**($750)**	(238)
	($31,242)	($28,143)
Total tax recovery from continuing operations	**($31,484)**	($28,392)

Loss Before Income Taxes

(Stated in thousands)	Year ended December 31, 2020	2019
Canada	**$262,992**	$104,184
Foreign	**1,809**	(4,357)
Loss before income taxes from continuing operations	**$264,801**	$99,827

Alberta's government tabled legislation on May 28, 2019 to decrease the general corporate rate to 11% (from 12%) on July 1, 2019, with further 1% rate reductions every year on January 1 until the general corporate tax rate is 8% on January 1, 2022. Effective July 1, 2020, the Government of Alberta accelerated the general corporate tax rate reduction to 8% resulting in Alberta having the lowest provincial general corporate tax rate in Canada. $1.8 million of the $30.5 million deferred income tax recovery estimates the effect of the Alberta corporate tax rate change on the Company's deferred tax liability position.

The income tax expense differs from that expected by applying the combined federal and provincial income tax rate of 24.47% (2019 – 26.6%) to the loss from continuing operations before income taxes for the following reasons:

(Stated in thousands)	Year ended December 31, 2020	2019
Expected combined federal and provincial income tax	**($64,797)**	($26,540)
Statutory and other rate differences	**(1,799)**	(473)
Non-deductible expenses	**76**	(762)
Adjustments related to prior years	**(2,086)**	(503)
Change in assets not recognized	**4,723**	(2,338)
Stock-based compensation	**524**	1,102
Impairment of goodwill	**30,375**	-
Other	**1,500**	1,122
Total tax recovery from continuing operations	**($31,484)**	($28,392)

Unrecognized Deferred Tax Assets

Deferred tax assets are recognized only to the extent that it is probable that the assets can be recovered. At December 31, 2020, the Company had $869.1 million (2019 - $882.0 million) of deductible temporary differences where no deferred tax asset was recognized. These deductible temporary differences are predominantly losses incurred in the United States and expire between 2029 and 2036.

Deferred Tax Balances

The components of the deferred tax asset and liability are as follows:

	Year ended December 31,	
(Stated in thousands)	**2020**	2019
Deferred tax assets		
Non-capital loss carry forward	**$33,229**	$45,867
Other	**3,224**	3,720
	$36,453	$49,587
Deferred tax liabilities		
Property, equipment and other assets	**($32,629)**	($72,512)
Goodwill and intangibles	**(3,824)**	(8,317)
	($36,453)	($80,829)
Deferred tax liabilities (net)	**$-**	($31,242)

Movement in Deferred Tax Balances During the Year

	January 1, 2019	Recognized in Continuing Profit or Loss	Recognized in Discontinued Profit or Loss	December 31, 2019	**Recognized in Continuing Profit or Loss**	**December 31, 2020**
Goodwill and intangibles	($11,571)	$1,617	$1,637	($8,317)	**$4,493**	**($3,824)**
Non-capital loss carry forward	34,712	10,397	758	45,867	**(12,638)**	**33,229**
Property and equipment	(89,637)	16,980	145	(72,512)	**39,883**	**(32,629)**
Other	4,571	(851)	-	3,720	**(496)**	**3,224**
	($61,925)	$28,143	$2,540	($31,242)	**$31,242**	**$-**

NOTE 18 – FINANCIAL INSTRUMENTS

Fair Values of Financial Assets and Liabilities

The fair values of cash and cash equivalents, trade and other receivables, and trade and other payables included in the consolidated statement of financial position approximate their carrying amount due to the short-term maturity of these instruments.

The fair value of the Amended RCF was determined by calculating future cash flows, including interest at current rates.

The table below analyzes financial instruments carried at amortized cost, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2020	Carrying amount	Fair Value Level 1	Level 2	Level 3
Financial assets				
Other assets	**$2,104**		**$2,104**	
Financial liabilities at amortized cost				
RCF	**$-**	**$-**	**$-**	**$--**

December 31, 2019	Carrying amount	Fair Value Level 1	Level 2	Level 3
Financial assets				
Other assets	$-		$-	
Financial liabilities at amortized cost				
RCF	$46,218	$-	$48,661	$--

Market Risk

Market risk is the risk that the fair value or future cash flows of financial assets or liabilities will fluctuate due to movements in market rates and is comprised of the following:

Interest Rate Risk

The impact of a one percent change in interest rates to the Company's floating rate debt would be approximately $0.2 million for the year ended December 31, 2020 (2019 - $0.5 million), based on the average debt balances for the year.

Foreign Exchange Rate Risk

As the Company operates primarily in Canada, fluctuations in exchange rates do not have a significant effect on operating results however, the Company holds financial assets and liabilities denominated in U.S. dollars where fluctuations between the U.S. dollar/Canadian dollar can have a significant effect on the fair value or future cash flows of these assets and liabilities.

For the years ended December 31, 2020 and 2019, fluctuations in the value of foreign currencies would have the following impact on net income and other comprehensive income:

	Impact to Net Income		Impact to Other Comprehensive Income	
(Stated in thousands)	**2020**	2019	**2020**	2019
1% change in the value of U.S. dollar	**$62**	$56	**$128**	$48

Credit Risk

Credit risk refers to the possibility that a customer or counterparty will fail to fulfill its obligations and as a result, create a financial loss for the Company.

Customer

The Company's accounts receivables are predominantly with customers who explore for and develop natural gas and petroleum reserves and are subject to normal industry credit risks that include fluctuations in oil and natural gas prices and the ability to secure adequate debt or equity financing. The Company assesses the creditworthiness of its customers on an ongoing basis as well as monitoring the amount and age of balances outstanding. Accordingly, the Company views the credit risks on these amounts as normal for the industry. The carrying amount of accounts receivable represents the maximum credit exposure on this balance. As at December 31, 2020, one customer accounted for 31.5% (2019 – one

customer accounted for 26.8%) of the Company's accounts receivable and one customer accounted for 25.1% (2019 – two customers accounted for 23.1%) of its revenue.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The calculation reflects the probability-weighted outcome, the time value of money and reasonable supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Payment terms with customers vary by contract; however, standard payment terms are 30 days from invoice date. Historically, industry practice allows for payment up to 70 days from invoice date. The Company considers its accounts receivable excluding doubtful accounts to be aged as follows:

		As at December 31,
(Stated in thousands)	**2020**	2019
Current (0 - 30 days from invoice date)	**$34,948**	$67,018
31 - 60 days past due	**27,756**	46,405
60 - 90 days past due	**9,797**	27,926
Greater than 90 days past due	**1,373**	6,615
Total	**$73,874**	$147,964
Provision for doubtful accounts	**($2,441)**	($1,590)
Total trade and other receivables	**$71,433**	$146,374

(Stated in thousands)		Year ended December 31,
Movement in Provision	**2020**	2019
Provision for doubtful accounts at January 1	**$1,590**	$1,559
Increase in provision	**9,930**	403
Write-off of provision	**(9,079)**	(372)
Provision for doubtful accounts at December 31	**$2,441**	$1,590

Counterparties

Counterparties to financial instruments expose the Company to credit losses in the event of non-performance. Counterparties to cash transactions are limited to high credit-quality financial institutions. The Company does not anticipate non-performance that would materially impact the Company's financial statements.

Liquidity Risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash and debt management, which includes monitoring forecasts of the Company's cash and cash equivalents and borrowing facilities on the basis of projected cash flow. This is generally carried out at the consolidated level in accordance with practices and policies established by the Company.

In managing liquidity risk, the Company has access to a wide range of funding at competitive rates through capital markets and banks. As at December 31, 2020, the Company had accessible unused committed bank credit facilities in the amount of $124.7 million (2019 – $227.6 million), cash of $22.6 million (2019 – $7.2 million), trade and other receivables of $71.4 million (2019 – $146.4 million) for a total of $218.7 million (2019 – $381.2 million) available to fund the cash outflows relating to its financial liabilities. The Company believes it has sufficient funding through the use of these sources to meet foreseeable liquidity requirements.

The Company anticipates that its existing capital resources including availability under its RCF and cash flows from operations will be adequate to satisfy its liquidity requirements through fiscal 2021. If available liquidity is not sufficient to meet Trican's operating and debt servicing obligations as they come due, management's plans include reducing expenditures as necessary or pursuing alternative financing arrangements and additional asset sales. However, there is no assurance that, if required, the Company will be able to reduce expenditures or secure alternative financing arrangements to provide the required liquidity.

The timing of cash outflows relating to financial liabilities are outlined in the table below:

(Stated in thousands) **December 31, 2020**	**Carrying value**	**Less than 1 year**	**1 to 3 years**	**4 to 5 years**	**Greater than 5 years**	**Total**
Trade and other payables	$57,171	$57,171	$-	$-	$-	**$57,171**
RCF (including interest)	-	-	-	-	-	**-**
Lease liabilities - current	3,454	4,313	-	-	-	**4,313**
Lease liabilities - non-current	10,313	-	5,481	3,933	2,924	**12,338**
	$70,938	**$61,484**	**$5,481**	**$3,933**	**$2,924**	**$73,822**

NOTE 19 – CAPITAL MANAGEMENT

The Company's strategy is to carry a capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Company seeks to maintain a balance between the level of long-term debt and shareholders' equity to ensure access to capital markets to fund growth and working capital given the cyclical nature of the oilfield services sector. The Company may occasionally need to increase these levels to facilitate acquisition or expansionary activities.

As at December 31, these ratios were as follows:

		As at December 31,
(Stated in thousands, except ratios)	**2020**	2019
Loans and borrowings	**$-**	$46,218
Shareholders' equity	**491,472**	741,110
Total capitalization	**$491,472**	$787,328
Long-term debt to total capitalization	**0.00**	0.06

NOTE 20 – OTHER COMMITMENTS AND CONTINGENCIES

The Company has committed to capital expenditures of $3.1 million. Management is satisfied that the Company has sufficient liquidity and capital resources to meet the Company's obligations and commitments as they come due.

Other Commitments

The tax regulations and legislation in the various jurisdictions that the Company operates in, or has previously operated in, are continually changing. As a result, there are usually some tax matters under review. Management believes that it has adequately met, provided and/or recognized tax assets and liabilities based on the Company's interpretation of relevant tax legislation and regulations and likelihood of recovery and/or payment.

NOTE 21 – FINANCE COSTS

(Stated in thousands)	Year ended December 31, 2020	2019
Finance cost		
Interest on loans and borrowings	**$2,115**	$3,129
Interest on lease	**1,192**	1,561
Total finance cost	**$3,307**	$4,690

NOTE 22 – RELATED PARTY TRANSACTIONS

Transactions with Key Management Personnel

In addition to their salaries, the Company also provides non-cash benefits to executive officers. Executive officers also participate in the Company's share and option-based awards program (see Note 14).

Key management personnel compensation comprised of:

(Stated in thousands)	Year ended December 31, 2020	2019
Salaries	**$1,747**	$2,147
Share-based awards	**2,949**	1,386
Option-based awards	**1,457**	1,097
Severance	**5,170**	—
All other compensation	**2,105**	160
Total	**$13,428**	$4,790

NOTE 23 – EMPLOYEE BENEFIT EXPENSE

(Stated in thousands)	Year ended December 31, 2020	2019
Wages and salaries	**$91,944**	$156,396
Severance	**17,145**	9,005
Employee benefits	**12,580**	29,626
Share based compensation	**3,746**	5,493
Total	**$125,415**	$200,520

NOTE 24 – SUBSEQUENT EVENTS

Normal Course Issuer Bid

For the period from January 1, 2021 to February 23, 2021, the Company repurchased an additional 986,200 common shares at a weighted average price per share of $1.71 pursuant to its NCIB.

Sale of Software Business

Subsequent to December 31, 2020, the Company signed a definitive agreement to sell its software business for proceeds of approximately $6 million, subject to customary closing adjustments.

CORPORATE INFORMATION

BOARD OF DIRECTORS

G. Allen Brooks (2, 3, 5)
Acting Chairman
G. Allen Brooks, LLC

Bradley P.D. Fedora (4)
President & Chief Executive Officer
Trican Well Service Ltd.

Thomas M. Alford (4)
President, Well Servicing
Precision Drilling Corp.

Michael J. McNulty (1)
Managing Partner
PillarFour Capital

Kevin L. Nugent (1, 2, 3)
Independent Businessman

Michael B. Rapps (1, 4)
Managing Partner
Converium Capital

Deborah S. Stein (1, 2, 3)
Independent Businesswoman

OFFICERS

Bradley P.D. Fedora
President & Chief Executive Officer

Robert Skilnick
Chief Financial Officer

Todd G. Thue
Chief Operating Officer

Chika B. Onwuekwe
Vice President, Legal, General Counsel and Corporate Secretary

(1) Member of the Audit Committee
(2) Member of the Human Resources and Compensation Committee
(3) Member of the Corporate Governance Committee
(4) Member of the Health, Safety and Environment Committee
(5) Lead Director

CORPORATE OFFICE

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KPMG LLP, Chartered Professional Accountants
Calgary, Alberta

BANKERS

The Bank of Nova Scotia
Calgary, AB

REGISTRAR AND TRANSFER AGENT

Olympia Trust Company
Calgary, Alberta

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: TCW

INVESTOR RELATIONS INFORMATION

Requests for information should be directed to:

Bradley P.D. Fedora
President & Chief Executive Officer

Robert Skilnick
Chief Financial Officer