TRICAN

News Release **TSX - TCW**

May 14, 2020

TRICAN REPORTS FIRST QUARTER RESULTS FOR 2020

Calgary, Alberta - May 14, 2020 - Trican Well Service Ltd. ("**Trican**" or the "**Company**") is pleased to announce its first quarter results for 2020. The following news release should be read in conjunction with Management's Discussion and Analysis, the unaudited interim consolidated financial statements and related notes of Trican for the three months ended March 31, 2020, as well as the Annual Information Form for the year ended December 31, 2019. All of the above documents are available on SEDAR at www.sedar.com.

HIGHLIGHTS

- Consolidated revenue from continuing operations for Q1 2020 was $191.8 million, a $45.8 million decrease compared to Q1 2019.
- Adjusted EBITDA[1] for Q1 2020 would have been $24.8 million (13% adjusted EBITDA margin), excluding the effect of $10.6 million for an impairment of trade receivables and $4.7 million severance costs. Both expenditures were primarily a result of COVID-19 and oil production increases by OPEC in March (collectively "**Market Events**"). Adjusted EBITDA[1] for Q1 2020 was $9.5 million, which includes $4.0 million in expenses for stainless steel fluid ends. Q1 2019 adjusted EBITDA was $26.4 million, which includes $1.7 million of severance costs and $1.6 million in expenses for stainless steel fluid ends.
- Approximately $157 million of impairment and other expenses primarily resulting from Market Events were the major contributor to the Q1 2020 net loss of $155.0 million (Q1 2019 – net loss of $6.6 million). The Q1 2020 net loss was affected by $141.1 million of impairment of non-financial assets, $10.6 million of impairment of trade receivables, and $4.7 million of severance expenditures. These expenses were primarily a result of the Market Events that occurred late in the first quarter.
- The sale of surplus assets and the Fluid management business in Q1 2020 generated $14.5 million (Q1 2019 - $4.5 million) in proceeds which strengthened our financial position and allowed for continued investment in our core business and Normal Course Issuer Bid ("NCIB") program.
- Operating cash flow during the quarter of $13.4 million (Q1 2019: $3.2 million)
- Financial position and liquidity at March 31, 2020:
    - Cash and cash equivalents of $28.3 million (December 31, 2019 - $7.2 million).
    - Positive non-cash working capital of $107.4 million which includes $14.5 million of assets held for sale (December 31, 2019 - $132.6 million which includes $38.1 million of assets held for sale).
    - Long-term loans and borrowings of $51.9 million (December 31, 2019 - $46.2 million).
- Estimated financial position and liquidity at May 14, 2020:

    - Cash and cash equivalents at May14, 2019 approximates $23 million.
    - Positive non-cash working capital exceeding $80 million, including $14.5 million of assets held for sale.
    - Long-term loans and borrowings of $15 million.
- As disclosed in our news release on April 6, 2020, Trican has undertaken a number of cost reduction initiatives to align our cost structure as a result of the recent Market Events.
- Outstanding share balance of 266,731,435, which includes the repurchase and cancellation of 4,758,600 shares at a weighted average price per share of $1.04 pursuant to its NCIB. The effect of Market Events resulted in the Company pausing share repurchases. First quarter share repurchases were substantially completed in January and February.

CONTINUING OPERATIONS - FINANCIAL REVIEW

($ millions, except per share amounts; total proppant pumped (thousands); internally sourced proppant pumped (thousands); total job count; and HHP(thousands))

	Three months ended		
($ millions, unaudited)	**March 31, 2020**	March 31, 2019	December 31, 2019
Revenue	**$191.8**	$237.6	$163.3
Gross profit / (loss)	**3.8**	9.6	(6.1)
Adjusted EBITDA[1]	**9.5**	26.4	14.6
Net loss	**(155.0)**	(6.6)	(20.6)
Net loss per share - basic	**($0.58)**	($0.01)	($0.07)
Net loss per share - diluted	**($0.58)**	($0.01)	($0.07)
Total proppant pumped (tonnes)	**285**	332	262
Internally sourced proppant pumped (tonnes)	**285**	332	241
Total job count [2]	**2,665**	2,684	2,147
Hydraulic Pumping Capacity	**572**	672	583
Active crewed HHP	**321**	370	324
Active, maintenance/not crewed HHP	**69**	212	67
Parked HHP	**182**	90	192

[2] *Effective Q1 2020, the Company has adopted a new methodology for calculating job count. Comparative periods have been updated to reflect the change in methodology.*

($ millions)	**As at March 31, 2020**	As at December 31, 2019
Cash and cash equivalents	**$28.3**	$7.2
Current assets - other	**$197.8**	$225.5
Current portion of lease liabilities	**$4.7**	$4.5
Current liabilities - other	**$85.8**	$88.4
Lease liabilities - non-current portion	**$14.5**	$15.0
Long-term loans and borrowings	**$51.9**	$46.2
Total assets	**$761.8**	$926.5

First Quarter 2020 vs Fourth Quarter 2019 Sequential Overview

Revenue in the first quarter of 2020 increased 17% compared to the fourth quarter of 2019. Activity levels increased compared to the previous quarter as more stable gas prices, combined with normal seasonal Q1 activity increases resulted in customers being more active. January and February had strong fracturing utilization, while March saw the typical spring break-up activity declines exacerbated by the Market Events, slowing activity more than is typical. Hydraulic Fracturing utilization increased to 84% from 71% in Q4 2019 and proppant volumes increased from the fourth quarter by 9%. Trican operated through much of Q1 2020 with eight Fracturing Crews and 321,000 HHP operating, similar to Q4 2019 levels of eight Fracturing Crews and 324,000 HP.

Cementing activity generally tracks closely with the WCSB Rig Count, although variations in the job mix can affect revenue. The number of jobs completed increased by 17% from Q4 2019, resulting in a sequential revenue increase of 21% relative to Q4 2019. The number of Coiled Tubing Operating Days for Q1 2020 was relatively flat compared to the fourth quarter of 2019 at 465 days, although revenue increased sequentially by 16% in Q1 2020 compared to Q4 2019. The increase in revenue is primarily driven by a job and customer mix that transitioned to deeper and more complex jobs.

Gross profit and adjusted EBITDA[1] for the first quarter of 2020 were $3.8 million and $9.5 million respectively, compared to the Q4 2019 gross loss of $6.1 million, and adjusted EBITDA of $14.6 million, respectively. Increased activity levels, combined with the business optimization efforts undertaken throughout 2019, resulted in improved sequential gross profit. Adjusted EBITDA[1] levels in the first quarter decreased primarily as a result of COVID-19 related Market Events that resulted in the recognition of $10.6 impairment on trade receivables and severance costs of $4.7 million. The Company initially expected impairment of trade receivables at March 31, 2020 of $5 million, however, subsequent to the Market Update being issued, a customer with a current account receivable balance entered into a court-supervised creditor protection process. Although this specific account receivable may still be recovered, the speed with which the banks acted resulted in the Company re-evaluating its allowance for doubtful accounts estimate and increase the impairment of trade receivables.

OUTLOOK

Customer Environment

Our Outlook remains largely unchanged from our Market Update. The impact of Market Events has caused an oversupply of crude oil. This has resulted in a significant decline in crude oil prices and, therefore, significant uncertainty for our customers' activity plans. Our customers have already reduced capital expenditure plans and we anticipate they will continue to adjust their programs downward if oil prices remain weak. Despite this uncertainty, AECO natural gas prices have shown some resiliency as a result of enhancements to certain natural gas transmission lines and supply agreements, combined with expected declines in natural gas production resulting from oil shut-ins. Although the relative stability in natural gas prices is cushioning some of the oil related activity drop, we are anticipating that industry activity will drop by approximately 60% in the second half of the year. Consequently, we have reduced our Hydraulic Fracturing crew count from eight to three crews and will reduce our Cement and Coiled Tubing businesses by similar amounts. We will continue to monitor our clients' plans going forward and will adjust our active and staffed fleet to accommodate future changes.

Q2 2020 Activity

The second quarter WCSB rig count has already dipped below historically low levels in Q2. Therefore, we expect Q2 operating activity metrics to decrease significantly both sequentially and year-over-year. We are committed to right-sizing our fleet and adjusting costs to market conditions, managing our capital spending, and maintaining a healthy balance sheet that will position the Company well in the future. Given already depressed pricing levels for our services, Trican will be unable to grant further price reductions. Therefore, we expect to park additional equipment fleets rather than operate at negative operating cash flow levels.

The Government of Canada has introduced the Canadian Emergency Wage Subsidy ("**CEWS**") to help businesses that have experienced a significant decrease in revenues during the period from mid-March through early June. The Company expects to qualify for the CEWS, but the amount expected to be recognized is not yet known.

Capital Expenditures

Our capital expenditures for the three months ended March 31, 2020, of $5.9 million have been focused primarily on maintenance and infrastructure projects, along with certain projects that brought immediate efficiencies and cost reductions. We fully funded the Q1 2020 capital expenditures with $2.1 million of proceeds from the sale of surplus or obsolete assets and the Fluid management business.

Our focus for 2020 will be to complete the projects already underway and limit additional expenditures to sustaining capital items. We have identified non-core real estate and obsolete or surplus equipment for disposal, and will be seeking out additional disposal opportunities provided we can earn a fair price on disposition.

Business Objectives

Our near term business objectives in response to the current Market Events are:

- Ensure the safety of our employees in response to the COVID-19 pandemic, while also ensuring continuity of our operations.
- Perform high quality, efficient and cost effective service for our loyal group of clients who have supported us through the last number of years.
- Maintain our balance sheet strength to position us to withstand this downturn and come out of it in a strong position to take advantage of opportunities once the market returns to normal.
- Adjust equipment levels and cost structure levels to market conditions to minimize cash flow losses, while not sacrificing the long-term intrinsic value of the existing business.
- Evaluate investments that might provide a unique opportunity to provide significant returns given recent Market Events.

Our goal remains to achieve top quartile return on invested capital in our sector, and therefore our primary objectives remain unchanged:

- Strengthen Existing Business: Maintain our market leading position in Fracturing and Cementing service lines and strengthen auxiliary service lines, specifically Coiled Tubing.
- 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.
- 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, returning proceeds to the balance sheet. This level of capital discipline will allow the Company to return value to shareholders, most recently evidenced by our ongoing share buyback program.

COMPARATIVE QUARTERLY INCOME STATEMENTS

Continuing Operations

($ thousands, except total job count, and revenue per job[1], unaudited) **Three months ended**	**March 31, 2020**	**Percentage of revenue**	March 31, 2019	Percentage of revenue	December 31, 2019	Percentage of revenue
Revenue	**$191,794**	**100 %**	$237,594	100 %	$163,318	100 %
Cost of sales						
Cost of sales – Other	**159,814**	**83 %**	198,722	84 %	139,040	85 %
Cost of sales – Depreciation and amortization	**28,230**	**15 %**	29,311	12 %	30,402	19 %
Gross profit / (loss)	**3,750**	**2 %**	9,561	4 %	(6,124)	(4)%
Administrative expenses – Other	**12,504**	**7 %**	13,450	6 %	10,344	6 %
Administrative expenses - Depreciation	**1,335**	**1 %**	1,405	1 %	1,356	1 %
Impairment - Non-financial assets	**141,065**	**74 %**	—	— %	10,091	6 %
Impairment - Trade receivables	**10,573**	**6 %**	277	— %	372	— %
Other income	**(218)**	**— %**	(1,932)	(1)%	(4,865)	(3)%
Results from operating activities	**(161,509)**	**(84)%**	(3,639)	(2)%	(23,422)	(14)%
Finance costs	**1,127**	**1 %**	1,324	1 %	1,219	1 %
Foreign exchange (gain) / loss	**(184)**	**— %**	75	— %	136	— %
Loss before income tax	**(162,452)**	**(85)%**	(5,038)	(2)%	(24,777)	(15)%
Income tax recovery	**(7,972)**	**(4)%**	(943)	— %	(5,303)	(3)%
Loss from continuing operations	**($154,480)**	**(81)%**	($4,095)	(2)%	($19,474)	(12)%
Adjusted EBITDA[1]	**$9,533**	**5 %**	$26,426	11 %	$14,605	9 %
Total job count[2]	**2,665**		2,684		2,147	
Revenue per job[1]	**70,620**		87,120		74,157	
Total proppant pumped (tonnes)	**285,000**		332,000		262,000	

[2] *Effective Q1 2020, the Company has adopted a new methodology for calculating job count. Comparative periods have been updated to reflect the change in methodology.*

Sales Mix

Three months ended (unaudited)	**March 31, 2020**	March 31, 2019	December 31, 2019
% of Total Revenue			
Fracturing	**73 %**	77 %	73 %
Cementing	**17 %**	15 %	17 %
Coiled Tubing	**8 %**	6 %	8 %
Industrial Services	**1 %**	1 %	2 %
Other	**1 %**	1 %	— %
Total	**100 %**	100 %	100 %

NON-GAAP MEASURES

Certain terms in this News Release, 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 gains/losses on Investments in Keane;
- 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.

($ thousands; unaudited)	Three months ended		
	March 31, 2020	March 31, 2019	December 31, 2019
Loss from continuing operations (IFRS financial measure)	**($154,480)**	($4,095)	($19,474)
Adjustments:			
Cost of sales – Depreciation and amortization	**28,230**	29,311	30,402
Administrative expenses – Depreciation	**1,335**	1,405	1,356
Income tax recovery	**(7,972)**	(943)	(5,303)
Finance costs and amortization of debt issuance costs	**1,127**	1,324	1,219
Foreign exchange (gain) / loss	**(184)**	75	136
Impairment – Non-financial assets	**141,065**	—	10,091
Other expense / (income)	**(218)**	(1,932)	(4,865)
Administrative expenses – Other: equity-settled share-based compensation	**630**	1,281	1,043
Adjusted EBITDA	**$9,533**	$26,426	$14,605

[1] Certain financial measures in this news release - namely adjusted EBITDA and adjusted EBITDA percentage are not prescribed by IFRS and are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers and should not be viewed as a substitute for measures reported under IFRS. These financial measures are reconciled to IFRS measures in the Non-GAAP Disclosures section of this news release. Other non-standard measures are described in the Non-Standard Measures section of this news release. Stainless Steel Fluid Ends were historically expensed as depreciation prior to December 2017. Not all hydraulic fracturing companies apply the accounting policy for Stainless Steel Fluid Ends consistently.

Adjusted EBITDA %

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

($ thousands; unaudited)	Three months ended		
	March 31, 2020	March 31, 2019	December 31, 2019
Adjusted EBITDA	**$9,533**	$26,426	$14,605
Revenue	**$191,794**	$237,594	$163,318
Adjusted EBITDA %	**5 %**	11 %	9 %

OTHER NON-STANDARD FINANCIAL TERMS

In addition to the above non-GAAP financial measures, this News Release 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.

COMMON INDUSTRY TERMS

A list of abbreviations, terms and other items that are commonly referred to in the oilfield services business and internally at Trican is included within our MD&A. The terms, calculations and definitions may differ from those used by other oilfield services businesses and may not be comparable.

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:

- that first quarter results will not be a good predictor of future financial results;
- that Trican will adapt to the current economic environment;
- near-term and long-term objectives;
- 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;

- anticipated industry activity levels in jurisdictions where the Company operates, as well as expectations regarding our customers' work programs and expectations on timing of completion thereof, Trican's capital expenditure plans, business plans and equipment utilization levels;
- pricing reductions will result in Trican parking additional equipment;
- the expectation that we will be able to generate positive operating cash flow;
- 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, cost savings and optimization levels;
- we will be able to maintain a strong balance sheet through this downturn;
- the anticipated impact of pipeline improvements on AECO prices;
- expectations regarding the Company's equipment utilization levels and demand for our services in 2020;
- expectation that we will maintain pricing levels to generate positive cash flow margins on our equipment;
- expectations regarding credit risk and impairment of trade receivables;
- expectation that Trican's strong financial position will allow the Company to withstand uncertainty and invest opportunistically;
- expectation as to the type of Hydraulic Fracturing 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 that certain components of administrative expenses will be useful in future predictions of quarterly administrative expenses;
- 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;
- 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 below and in the "Risk Factors" section of our AIF dated March 28, 2019:

- volatility in market prices for oil and natural gas;
- liabilities inherent on oil and natural gas operations;
- impact of COVID-19 on the Company's customers, business, operations and personnel;
- the success of our efforts and response to the COVID-19 pandemic;

- our customers' ability to obtain adequate credit or financing to support their exploration and completion activities;
- competition from other suppliers of oil and gas services;
- competition for skilled personnel;
- changes in income tax laws or changes in other laws and incentive programs relating to the oil and gas industry; and
- changes in political, business, military and economic conditions in key regions of the world.

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; the Company's ability to continue its operations for the foreseeable future and to realize its assets and discharge its liabilities and commitments in the normal course of business; 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.

CONFERENCE CALL AND WEBCAST DETAILS

The Company will host a conference call on Thursday, May 14, 2020 at 10:00 a.m. MT (12:00 p.m. ET) to discuss the Company's results for the 2020 First Quarter.

To listen to the webcast of the conference call, please enter the following URL in your web browser: http://www.gowebcasting.com/10540.

You can also visit the Investors section of our website at www.tricanwellservice.com/investors and click on "Reports".

To participate in the Q&A session, please call the conference call operator at 1-800-319-4610 (North America) or 1-403-351-0324 (outside North America) 10 minutes prior to the call's start time and ask for the "Trican Well Service Ltd. First Quarter 2020 Earnings Results Conference Call".

The conference call will be archived on Trican's website at www.tricanwellservice.com/investors.

ABOUT TRICAN

Headquartered in Calgary, Alberta, Trican provides a comprehensive array of specialized products, equipment and services that are used during the exploration and development of oil and gas reserves.

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