CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in thousands; unaudited)	**September 30, 2018**	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	**$21,636**	$12,739
Trade and other receivables	**229,882**	209,595
Current tax assets	**4,219**	-
Inventory	**37,920**	36,975
Prepaid expenses	**13,994**	4,718
Currency derivatives – current	**-**	15,155
Assets held for sale (note 4)	**7,680**	12,900
	315,331	292,082
Property and equipment	**670,637**	718,664
Intangible assets	**50,483**	57,693
Investments in Keane (note 11)	**75,476**	176,747
Goodwill	**261,031**	261,031
	$1,372,958	$1,506,217
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade and other payables	**$127,703**	$127,289
Current tax liabilities	**-**	3,245
Current portion of loans and borrowings (note 5)	**-**	20,408
	127,703	150,942
Loans and borrowings (note 5)	**138,834**	83,360
Deferred tax liabilities	**82,746**	95,867
Shareholders' equity		
Share capital (note 6)	**1,142,321**	1,236,618
Contributed surplus	**82,648**	78,629
Accumulated other comprehensive income / (loss)	**(234)**	36,222
Deficit	**(201,060)**	(175,421)
Total equity attributable to equity holders of the Company	**1,023,675**	1,176,048
	$1,372,958	$1,506,217

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) / INCOME

(Stated in thousands, except per share amounts; unaudited)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Continuing operations				
Revenue	**$253,744**	$362,817	**$732,452**	$649,417
Cost of sales – Other (note 9)	**205,198**	246,393	**603,859**	481,782
Cost of sales – Depreciation and amortization (note 9)	**33,845**	32,700	**93,042**	66,436
Gross profit	**14,701**	83,724	**35,551**	101,199
Administrative expenses – Other (note 9)	**13,788**	24,276	**44,745**	56,825
Administrative expenses – Depreciation (note 9)	**1,382**	457	**3,464**	3,858
Other (income) / expenses	**(910)**	(847)	**179**	(4,618)
Results from operating activities	**441**	59,838	**(12,837)**	45,134
Finance cost	**1,631**	3,998	**7,272**	10,594
Loss / (gain) on investments in Keane (note 11)	**8,958**	(6,420)	**71,797**	(755)
Foreign exchange loss / (gain)	**926**	2,520	**(7,673)**	4,516
(Loss) / profit before income tax	**(11,074)**	59,740	**(84,233)**	30,779
Income tax expense / (recovery) (note 10)	**976**	12,827	**(9,376)**	24,664
(Loss) / profit from continuing operations	**($12,050)**	$46,913	**($74,857)**	$6,115
Discontinued operations				
Net (loss) / profit from discontinued operations, net of taxes (note 4)	**(520)**	27	**741**	(2,182)
(Loss) / profit for the period	**($12,570)**	$46,940	**($74,116)**	$3,933
Other comprehensive (loss) / profit				
Unrealized gain / (loss) on equity interest in Keane, net of tax expense (note 11)	**-**	(1,170)	**-**	(14,153)
Reclassification of gain on equity interest of Keane, net of tax expense	**-**	-	**-**	(11,206)
Foreign currency translation (loss) / gain	**221**	409	**(37)**	554
Total comprehensive (loss) / profit	**($12,349)**	$46,179	**($74,153)**	($20,872)
(Loss) / profit attributable to:				
Owners of the Company	**(12,570)**	46,940	**(74,116)**	2,644
Non-controlling interest	**-**	-	**-**	1,289
(Loss) / profit for the period	**($12,570)**	$46,940	**($74,116)**	$3,933
Total comprehensive (loss) / profit attributable to:				
Owners of the Company	**(12,349)**	46,179	**(74,153)**	(22,161)
Non-controlling interest	**-**	-	**-**	1,289
Total comprehensive (loss) / profit	**($12,349)**	$46,179	**($74,153)**	($20,872)
Earnings / (loss) per share (note 7)				
Continuing operations – basic	**($0.04)**	$0.14	**($0.23)**	$0.02
Continuing operations – diluted	**($0.04)**	$0.13	**($0.23)**	$0.02
Discontinued operations – basic and diluted	**($0.00)**	$0.00	**$0.00**	($0.01)
Net earnings / (loss) – basic	**($0.04)**	$0.14	**($0.23)**	$0.01
Net earnings / (loss) – diluted	**($0.04)**	$0.13	**($0.23)**	$0.01
Weighted average shares outstanding – basic	**319,883**	346,413	**327,595**	261,008
Weighted average shares outstanding – diluted	**319,883**	349,019	**327,595**	263,791

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Stated in thousands; unaudited)	Share capital	Contributed surplus	Accumulated other comprehensive income / (loss)	Deficit	Total	Non-controlling interest	Total equity
Balance at January 1, 2017	$638,377	$74,223	$40,652	($184,243)	$569,009	($1,290)	$567,719
Income / (loss) for the period	-	-	-	2,644	2,644	54	2,698
Foreign currency translation gain	-	-	554	-	554	-	554
Share-based compensation expense	-	3,662	-	-	3,662	-	3,662
Share options exercised	1,450	(506)	-	-	944	-	944
Issuance of shares	626,979	-	-	-	626,979	-	626,979
Reduction of non-controlling interest	-	-	-	-	-	1,236	1,236
Unrealized loss on equity interest in Keane	-	-	(14,153)	-	(14,153)	-	(14,153)
Reclassification of realized gain on equity interest in Keane to net income	-	-	(11,206)	-	(11,206)	-	(11,206)
Balance at September 30, 2017	$1,266,806	$77,379	$15,847	($181,599)	$1,178,433	$-	$1,178,433
Balance at January 1, 2018	**$1,236,618**	**$78,629**	**$36,222**	**($175,421)**	**$1,176,048**	**$-**	**$1,176,048**
Adoption of IFRS 9 on January 1, 2018 (note 3)	**-**	**-**	**(36,419)**	**36,419**	**-**		**-**
Loss for the period	**-**	**-**	**-**	**(74,116)**	**(74,116)**	**-**	**(74,116)**
Foreign currency translation loss	**-**	**-**	**(37)**	**-**	**(37)**	**-**	**(37)**
Share-based compensation expense	**-**	**4,441**	**-**	**-**	**4,441**	**-**	**4,441**
Share options exercised	**1,228**	**(422)**	**-**	**-**	**806**	**-**	**806**
Shares Cancelled under NCIB	**(95,525)**	**-**	**-**	**12,058**	**(83,467)**	**-**	**(83,467)**
Balance at September 30, 2018	**$1,142,321**	**$82,648**	**($234)**	**($201,060)**	**$1,023,675**	**$-**	**$1,023,675**

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in thousands; unaudited)	Three Months Ended September 30, **2018**	2017	Nine Months Ended September 30, **2018**	2017
Cash flow from / (used in):				
Operations				
(Loss) / profit from continuing operations	**($12,050)**	$46,913	**($74,857)**	$6,115
Charges to income not involving cash:				
Depreciation and amortization	**35,227**	33,156	**96,506**	70,294
Amortization of debt issuance costs	**551**	653	**1,828**	1,958
Share-based compensation expense (note 8)	**1,424**	1,280	**4,441**	3,662
(Gain) / loss on disposal of property and equipment	**(702)**	(715)	**367**	(2,529)
Finance costs	**1,631**	3,918	**7,272**	10,045
Unrealized foreign exchange loss / (gain)	**(7,268)**	991	**(6,266)**	(2,849)
Unrealized gain on marketable securities	**-**	-	**-**	(673)
Unrealized loss / (gain) on investments in Keane	**8,958**	(6,421)	**92,880**	23,775
Realized loss / (gain) on Keane	**-**	1	**(21,083)**	(24,530)
Tax expense / (recovery) (note 10)	**976**	12,827	**(9,376)**	24,664
Change in inventories	**(2,058)**	(315)	**(945)**	934
Change in trade and other receivables	**(63,549)**	(113,210)	**(19,145)**	(94,262)
Change in prepaid expenses	**12,002**	433	**(3,236)**	(473)
Change in trade and other payables	**36,545**	19,936	**2,798**	9,431
Interest paid	**(972)**	(3,634)	**(7,587)**	(9,944)
Income taxes received / (paid)	**37**	18,775	**(11,208)**	24,003
Continuing operations	**$10,752**	$14,588	**$52,389**	$39,621
Discontinued operations	**(356)**	(2,419)	**109**	(9,372)
Cash flow from operating activities	**$10,396**	$12,169	**$52,498**	$30,249
Investing				
Proceeds from a loan to unrelated third-party	**-**	3,556	**-**	7,395
Purchase of property and equipment	**(30,176)**	(9,911)	**(58,683)**	(19,208)
Proceeds from the sale of property and equipment	**2,195**	907	**14,816**	5,571
Proceeds from sale of marketable securities	**-**	-	**-**	28,047
Proceeds from investment in Keane	**-**	-	**33,592**	37,757
Insurance recovery (note 12)	**-**	-	**6,141**	-
Net change in non-cash working capital	**-**	-	**(1,141)**	-
Cash acquired on acquisition	**-**	-	**-**	6,222
Continuing operations	**($27,981)**	($5,448)	**($5,275)**	$65,784
Discontinued operations	**-**	1,356	**-**	1,255
Cash flow (used in) / from investing activities	**($27,981)**	($4,092)	**($5,275)**	$67,039
Financing				
Net proceeds from issuance of share capital (note 6)	**157**	660	**806**	945
Debt repaid on acquisition	**-**	-	**-**	(43,000)
Issuance / (repayment) of Revolving Credit Facility	**69,000**	(3,781)	**51,000**	(36,701)
Net proceeds from settlement of Currency Derivatives	**-**	-	**17,066**	-
Repayment of senior notes (note 5)	**-**	(1,938)	**(20,882)**	(13,409)
Repayment of finance lease	**(966)**	(509)	**(2,876)**	(778)
Repurchase and cancellation of shares under NCIB	**(39,730)**	-	**(83,467)**	-
Continuing operations	**$28,461**	($5,568)	**($38,353)**	($92,943)
Discontinued operations	**-**	-	**-**	-
Cash flow from / (used in) financing activities	**$28,461**	($5,568)	**($38,353)**	($92,943)
Effect of exchange rate changes on cash	**(680)**	(76)	**27**	(612)
Increase / (decrease) of cash and cash equivalents:				
Continuing operations	**11,232**	3,572	**8,761**	12,462
Discontinued operations	**(1,036)**	(1,139)	**136**	(8,729)
Cash and cash equivalents, beginning of period	**11,440**	21,554	**12,739**	20,254
Cash and cash equivalents, end of period	**$21,636**	$23,987	**$21,636**	$23,987

See accompanying notes to the condensed consolidated interim financial statements.

NOTE 1 – NATURE OF BUSINESS, BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of business

Trican Well Service Ltd. (the "Company" or "Trican") is an oilfield 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 continuing pressure pumping operations in Canada. At September 30, 2018, the Company also owns a minority ownership interest in a United States entity, Keane Investor Holdings, LLC ("Keane Holdings"). Trican acquired its interest in Keane Holdings from the sale of its US operation (see note 11). The Company purchased 100% of the common shares of Canyon Services Group Inc. ("Canyon") effective June 2, 2017. The Company's head office is Suite 2900, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8.

Basis of preparation

These condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2018, have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2017 consolidated annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements follow the same policies as in the Company's 2017 consolidated annual financial statements except as noted below.

The consolidated interim financial statements are presented in Canadian dollars and have been rounded to the nearest thousands, except where indicated. Certain figures have been reclassified to conform to the current presentation of these financial statements. Changes to significant accounting policies are described in note 3.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 7, 2018.

NOTE 2 – CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed consolidated interim financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in Note 1 of the Company's 2017 consolidated annual financial statements.

NOTE 3 – CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied to these condensed consolidated interim financial statements are the same as those applied to Trican's financial statements as at and for the year ended December 31, 2017. The changes in accounting policies are also expected to be reflected in the consolidated financial statements as at and for the year ended December 31, 2018.

New accounting policies

Trican has adopted IFRS 9, *Financial instruments* and IFRS 15, *Revenue from Contracts with Customers* effective January 1, 2018.

IFRS 9 *Financial Instruments*

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: *Recognition and Measurement*. The initial effect of applying these standards is mainly attributed to the classification and measurement of financial assets and financial liabilities of the Company's Investments in Keane Holdings. The Company has adopted IFRS 9 effective January 1, 2018.

The details of IFRS 9 and the nature and effect of changes to previous accounting policies are discussed below.

Classification and measurement of financial assets and liabilities

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through OCI ("FVOCI") and fair value through profit and loss ("FVTPL"). The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Under IFRS 9 if an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at FVOCI with only dividend income recognized in profit or loss. This election was not made and accordingly, the Class A shares of the Investment in Keane Holdings, which were previously classified as available for sale under IAS 39 will be classified as FVTPL under IFRS 9.

As is permitted under IFRS 9, the Company elected to adopt the standard without restatement of comparative figures and an opening transition adjustment has been recorded to opening retained earnings and accumulated other comprehensive income.

The following table summarizes the impact, net of tax, of transition to IFRS 9 on the opening balance of retained earnings and accumulated other comprehensive loss.

(stated in thousands)	Impact of adopting IFRS 9 on opening balance
Retained earnings	
Reclassification of accumulated gains on Class A shares of Keane Holdings	36,419
Impact at January 1, 2018	36,419
Accumulated other comprehensive (loss) / income	
Reclassification of accumulated gains on Class A shares of Keane Holdings	(36,419)
Impact at January 1, 2018	(36,419)

Cash and trade and other receivables that were classified as loans and receivables under IAS 39 are now classified as amortized cost. In addition, Trade and other payables and Loans and borrowings, which were previously classified as Other financial liabilities under IAS 39 will be classified as amortized cost under IFRS 9. No change in measurement related to these items was recorded on the transition to IFRS 9 on the opening balances at January 1, 2018.

Under IFRS 9 there is no change to the classification and measurement of the Profits Interest in Keane (Class C Shares).

The effect of adopting IFRS 9 on the carrying amounts of financial assets at January 1, 2018, relates to the new impairment requirements described below.

<u>Impairment of financial assets</u>

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model for calculating impairment. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The Company determined that there is no material impact to the measurement of financial assets under IFRS 9.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. The Standard replaces IAS 11, Construction Contracts, IAS 18, Revenue, and related interpretations. The Company has adopted IFRS 15 effective January 1, 2018.

The Company determined that there is no material impact to the timing of recognition or measurement of revenue under IFRS 15.

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 September 30, 2018, 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.

Future accounting pronouncements

The International Accounting Standards Board ("IASB") issued IFRS 16, *Leases*, in January 2016. The new standard replaces IAS 17, Leases. Under the new standard, more leases will be recognized on the statement of financial position for lessees, with the exception of leases with a term not greater than 12 months and "small value" leases. Lease accounting for lessors remains substantially the same as existing guidance.

The standard will come into effect for accounting periods beginning on or after January 1, 2019, IFRS 16 is required to be adopted either retrospectively or using a modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect of IFRS 16 as an adjustment to opening retained earnings and applies the standard prospectively. The Company will adopt the new standard on the effective date using the modified retrospective approach. It is anticipated that the adoption of IFRS 16 will have a material impact on Trican's financial statements.

At September 30, 2018, the Company's IFRS 16 transition project consists of three key phases: project scoping, impact analysis, and implementation phase. In addition, the impact of IFRS 16 is being further investigated to assess whether there may be a broader impact to Trican, which may include Trican's debt agreements, key performance measures, management reporting, and budget process. The Company has completed its scoping exercise and its detailed evaluation of the Company's contracts that are potentially leases for accounting requirements under IFRS 16. The Company continues to assess and implement changes to policies, internal controls, information systems, and business and accounting processes.

(Stated in thousands, except share and per share amounts)

NOTE 4 – ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets and liabilities held for sale

The Company has classified certain assets and liabilities as held for sale. As at September 30, 2018, management was committed to a plan to sell its operating assets in Australia, Algeria and Saudi Arabia, as well as assets relating to the discontinued microseismic division and equipment in Canada's continuing operations.

The following table represents the assets and liabilities held for sale:

	September 30, 2018	December 31, 2017
Trade receivables	**$474**	$1,029
Prepaid expenses	**31**	79
Current tax assets	**86**	145
Property and equipment	**7,089**	11,647
Total assets held for sale	**$7,680**	$12,900
Trade and other payables	**$123**	$118
Total liabilities held for sale	**$123**	$118

The Company sold Canadian real estate assets of $5.2 million during Q2 2018. During the third quarter, the Company reclassified its Estevan base valued at $1.8 million to assets held for sale.

The Company sold property and equipment in Australia for proceeds and net book value of $1.3 million subsequent to the quarter.

Results of Discontinued Operations

For the three and nine months ended September 30, there were no new discontinued operations. The results of discontinued operations are as follows:

Total Discontinued Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	**2018**	2017
Revenue	**$-**	$16	**$-**	$361
Cost of sales – Other	**(3)**	(340)	**30**	(142)
Cost of sales – Depreciation	**-**	-	**518**	-
Gross profit / (loss)	**3**	356	**(548)**	503
Administrative expenses – Other	**263**	388	**738**	4,654
Administrative expenses – Depreciation	**-**	-	**-**	69
Asset impairment / (reversal)	**-**	(56)	**-**	468
Other income	**(17)**	1	**(1,137)**	(564)
Results from operating activities	**(243)**	23	**(149)**	(4,124)
Finance income	**-**	-	**(378)**	(13)
Foreign exchange gain / (loss)	**277**	(4)	**(557)**	(1,930)
(Loss) / profit before income tax	**(520)**	27	**786**	(2,181)
Income tax expense	**-**	-	**45**	1
(Loss) / profit from discontinued Total Operations	**($520)**	$27	**$741**	($2,182)

(Stated in thousands, except share and per share amounts)

NOTE 5 – LOANS AND BORROWINGS

Loans and borrowings	September 30, 2018	December 31, 2017
Senior Notes, net of transaction costs	**$38,127**	$56,816
RCF, net of transaction costs	**93,598**	41,376
Finance lease obligations	**10,550**	8,628
Total	**$142,275**	$106,820
Current portion of loans and borrowings	**-**	20,408
Current portion of finance lease obligations(1)	**3,441**	3,052
Non-current	**$138,834**	$83,360

(1) Included in trade and other payables

Senior Notes

As at September 30, 2018, Trican had the following notes outstanding:

		Canadian $ Amount		U.S. $ Denominated Amount	
	Maturity	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Senior Notes					
9.11% Series D	April 28, 2021	3,387	3,387	-	-
8.29% Series F	April 28, 2018	-	19,257	-	15,350
8.90% Series G	April 28, 2021	26,279	25,466	20,300	20,300
8.75% Series H	September 3, 2024	4,518	4,518	-	-
Subordinated Make-Whole Senior Notes					
5.96% Series A	November 19, 2019	688	648	532	516
5.54% Series D	April 28, 2021	473	461	-	-
5.55% Series F	April 28, 2018	-	1,151	-	918
6.28% Series G	April 28, 2021	3,323	3,122	2,567	2,489
6.05% Series H	September 3, 2024	807	760	-	-
Debt issue costs		(1,348)	(1,954)	-	-
Senior Notes, net of transaction costs		**$38,127**	**$56,816**	**$23,399**	**$39,573**

During the second quarter, Trican repaid USD $16.0 million for Series F Senior Notes including all accrued interest and USD $0.9 million for Series F Subordinated Make-Whole Notes including all accrued and capitalized interest. In addition, the cross-currency interest rate swap matured on April 28, 2018. Outgoing payments on the swap totaled CAD $49.0 million and incoming payments on the swap totaled USD $51.3 million including notional principal and all accrued interest for a realized gain on the swap settlement of CAD$17.1 million.

Revolving Credit Facility ("RCF")

As at September 30, 2018, Trican has a $227.3 million (December 31, 2017 – $227.3 million) extendible RCF with a syndicate of banks that is committed until April 18, 2020. The RCF is secured and bears interest at the applicable Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 125 to 400 basis points (December 31, 2017 – Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 125 to 400 basis points), dependent on certain financial ratios of the Company. The undrawn amount of the RCF is $133.3 million (December 31, 2017 – $184.3 million) of which $131.2 million is accessible (December 31, 2017 - $179.5 million accessible) due to the Company's Letters of Credit and amounts drawn on a U.S. dollar line of credit as at September 30, 2018.

As at September 30, 2018, Trican has a $10.0 million (December 31, 2017 – $10.0 million) Letter of Credit facility with its syndicate of banks included in the $227.3 million above. As at September 30, 2018, Trican has $2.1 million in letters of credit outstanding (December 31, 2017 – $4.4 million).

Covenants

The Company is required to comply with the following leverage and interest coverage ratio covenants, applicable to the RCF and to the Senior Notes based on a trailing twelve month basis:

- Leverage Ratio <3.0x
- Interest Coverage Ratio >3.0x

The Leverage Ratio is defined as debt excluding Subordinated Make-Whole Notes and Non-Recourse Debt plus Letter of Credit facility minus cash divided by Bank EBITDA. As at September 30, 2018, the Leverage Ratio was 0.8 (December 31, 2017 – 0.4).

(stated in thousands)	**September 30, 2018**	December 31, 2017
Senior Notes Net Debt	**$118,029**	$92,289
Bank EBITDA	**$143,531**	$213,216
Leverage Ratio	**0.8**	0.4

The Interest Coverage Ratio is defined as Bank EBITDA divided by interest expense minus paid in-kind interest. As at September 30, 2018, the Interest Coverage Ratio was 16.6 (December 31, 2017 – 18.4).

(stated in thousands)	**September 30, 2018**	December 31, 2017
Interest Expense	**$8,623**	$11,566
Bank EBITDA	**$143,531**	$213,216
Interest Coverage Ratio	**16.6**	18.4

Certain non-cash expenses (including depreciation, amortization, impairment expenses, equity-settled stock based compensation), gains and losses resulting from Investments in Keane, personnel based expenses (such as severance), and certain other items, are permitted to be adjusted to EBITDA to arrive at bank EBITDA for covenant calculation purposes.

The Company is in compliance with its financial covenants for the quarter ended September 30, 2018.

NOTE 6 - SHARE CAPITAL AND ACCUMULATED OTHER COMPREHENSIVE INCOME

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:

	Number of Shares	Amount
Balance, January 1, 2017	193,567,847	$638,377
Exercise of stock options	714,214	1,177
Reclassification from contributed surplus on exercise of options	-	621
Issued upon business combination (note 3)	152,549,556	626,979
Shares repurchased and cancelled under Normal Course Issuer Bid	(8,325,989)	(30,536)
Balance, December 31, 2017	**338,505,628**	**$1,236,618**
Exercise of stock options	537,107	806
Reclassification from contributed surplus on exercise of options	-	422
Shares repurchased and cancelled under Normal Course Issuer Bid	(25,948,386)	(95,525)
Balance, September 30, 2018	**313,094,349**	**$1,142,321**

Normal Course Issuer Bid

The Company completed its 2017-2018 Normal Course Issuer Bid (“NCIB”) that was announced on September 28, 2017. Pursuant to the NCIB, the Company purchased and cancelled the maximum allowable number of common shares of the Company under the bid, totaling 34,274,375 common shares for a total consideration of $119.4 million at a weighted average price per share of $3.48 before broker commission.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(stated in thousands, except share and per share amounts)	**2018**	2017	**2018**	2017
Number of Common Shares repurchased	**13,532,586**	-	**25,948,386**	-
Weighted-average price per share	**$2.94**	$-	**$3.22**	$-
Amount of repurchase[1]	**$39,730**	$-	**$83,467**	$-

[1] *Includes brokerage fees*

NOTE 7 – EARNINGS / (LOSS) PER SHARE

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	**2018**	2017
Basic weighted average number of common shares	**319,882,669**	346,413,177	**327,595,014**	261,008,053
Diluted effect of stock options	**-**	2,605,815	**-**	2,783,423
Diluted weighted average number of common shares	**319,882,669**	349,018,922	**327,595,014**	263,791,476

	Three Months Ended September 30,		Nine Months Ended September 30,	
Attributable to owners of the Company	**2018**	2017	**2018**	2017
(Loss) / profit from continuing operations	**($12,050)**	$46,913	**($74,857)**	$6,115
Per share – basic	**($0.04)**	$0.14	**($0.23)**	$0.02
Per share – diluted	**($0.04)**	$0.13	**($0.23)**	$0.02
(Loss) / profit from discontinued operations	**($520)**	$27	**$741**	($3,471)
Per share – basic and diluted	**($0.00)**	$0.00	**$0.00**	($0.01)
(Loss) / profit for the period	**($12,570)**	$46,940	**($74,116)**	$2,644
Per share – basic	**($0.04)**	$0.14	**($0.23)**	$0.01
Per share - diluted	**($0.04)**	$0.13	**($0.23)**	$0.01

(Stated in thousands, except share and per share amounts)

For the three and nine months periods ended September 30, 2018, 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 period. For the three and nine month periods ended September 30, 2017, 1.5 million options and 1.4 million options, respectively, were excluded as their effect would have been anti-dilutive.

NOTE 8 – SHARE-BASED PAYMENTS

The Company has four share-based compensation plans as described in the Notes to the Consolidated Financial Statements for the Year ended December 31, 2017.

	Three Months Ended September 30,		Nine Months Ended September 30,	
Expense / (recovery)	**2018**	2017	**2018**	2017
Cash-settled share-based compensation expense				
Deferred Share Units	**($1,204)**	$1,888	**($1,988)**	$781
Restricted Share Units	**(151)**	284	**(272)**	546
Performance Share Units	**577**	597	**437**	429
Total cash-settled share-based compensation (recovery) / (recovery)	**($778)**	$2,769	**($1,823)**	$1,756
Equity-settled share-based compensation expense				
Stock options	**1,424**	1,280	**4,441**	3,662
Total equity-settled share-based compensation expense	**1,424**	1,280	**4,441**	3,662
Total share-based compensation expense	**$646**	$4,049	**$2,618**	$5,418

Incentive stock option plan (equity-settled):

The weighted average grant date fair value of options granted during the nine months ended September 30, 2018, has been estimated at $1.87 per option using the Black-Scholes option pricing model (nine months ended September 30, 2017 – $2.10 per option). 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:

	Nine Months Ended September 30,	
	2018	2017
Share price	**$3.17**	$3.71
Exercise price	**$3.17**	$3.71
Expected life (years)	**3.72**	3.45
Expected volatility	**83%**	83%
Risk-free interest rate	**1.9%**	1.0%
Dividend yield	**0.0%**	0.0%

The Company has reserved 29,743,963 common shares as at September 30, 2018, (December 31, 2017 – 32,158,035) 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 September 30, 2018, 11,448,329 options (December 31, 2017 – 10,533,085) were outstanding at exercise prices ranging from $0.82 to $15.91 per share with expiry dates ranging from 2018 to 2025.

The following table provides a summary of the status of the Company's stock option plan and changes during the nine months ended September 30:

(Stated in thousands, except share and per share amounts)

	Nine months ended September 30, 2018		Year ended December 31, 2017	
	Options	**Weighted Average Exercise Price**	Options	Weighted Average Exercise Price
Outstanding at the beginning of period	**10,533,085**	**$5.01**	8,793,201	$6.22
Granted	**3,734,850**	**3.17**	4,095,200	3.73
Exercised	**(537,107)**	**1.50**	(714,214)	1.65
Forfeited	**(1,253,197)**	**5.01**	(785,478)	6.69
Expired	**(1,029,302)**	**13.98**	(855,624)	12.56
Outstanding at the end of the period	**11,448,329**	**$3.77**	10,533,085	$5.01
Exercisable at end of the period	**4,363,585**	**$5.21**	4,115,265	$8.39

The weighted-average share price for the nine month period ended September 30, 2018, was $3.19 (December 31, 2017 - $4.18).

The following table summarizes information about stock options outstanding at September 30, 2018:

			Options Outstanding			Options Exercisable	
			Number Outstanding	Weighted Average Remaining Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.00	to	$1.00	1,504,439	2.01	0.82	844,219	0.82
$1.01	to	$3.00	2,268,280	1.59	0.67	1,402,135	2.48
$3.01	to	$10.00	6,677,135	6.00	3.45	1,118,756	3.71
$10.01	to	$15.91	998,475	0.68	14.42	998,475	14.42
$0.00	to	$15.91	11,448,329	4.75	3.77	4,363,585	5.21

Share unit plans (cash-settled):

The following table provides a summary of the status of the Company's cash-settled compensation plans and changes during the nine months ended September 30, 2018:

	Deferred Share Unit	Restricted Share Unit	Performance Share Unit
Balance, January 1, 2017	1,472,752	795,780	601,444
Granted	154,844	83,100	405,800
Exercised	(228,594)	(306,409)	-
Forfeited	-	(147,905)	(87,044)
Balance, December 31, 2017	1,399,002	424,566	920,200
Granted	**173,528**	**-**	**611,700**
Exercised	**-**	**(99,003)**	**(296,700)**
Forfeited	**-**	**(59,839)**	**-**
Balance, September 30, 2018	**1,572,530**	**265,724**	**1,235,200**
Vested at September 30, 2018	**1,572,530**	**40,003**	**-**

The outstanding liabilities for cash-settled compensation plans at September 30, 2018, of $5.7 million (December 31, 2017 - $9.0 million) are included in accounts payable and accrued liabilities.

(Stated in thousands, except share and per share amounts)

NOTE 9 – 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Cost of sales	**2018**	2017	**2018**	2017
Personnel expenses	**$62,824**	$60,620	**$188,013**	$126,123
Direct cost	**142,374**	185,773	**415,846**	355,659
Cost of sales - Other	**$205,198**	$246,393	**$603,859**	$481,782
Cost of sales - Depreciation and amortization	**33,845**	32,700	**93,042**	66,436
	$239,043	$279,093	**$696,901**	$548,218

	Three Months Ended September 30,		Nine Months Ended September 30,	
Administrative expenses	**2018**	2017	**2018**	2017
Personnel expenses	**$7,962**	$15,868	**$26,662**	$29,146
General organizational expenses	**5,716**	8,532	**18,159**	27,618
Bad debt expense / (recovery)	**110**	(124)	**(76)**	61
Administrative expenses - Other	**$13,788**	$24,276	**$44,745**	$56,825
Administrative expenses - Depreciation and amortization	**1,382**	457	**3,464**	3,858
	$15,170	$24,733	**$48,209**	$60,683

NOTE 10 - INCOME TAXES

	Nine Months Ended September 30,	
	2018	2017
Current income tax expense	**$3,717**	$5,590
Deferred income tax (recovery) / expense	**(13,093)**	19,074
Total tax (recovery) / expense from continuing operations	**($9,376)**	$24,664

NOTE 11 - 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.

For the three and nine month period ended September 30, 2018, two customers accounted for 21.3% and 25.3% of the Company's revenue (year ended December 31, 2017 – 28.2%).

The fair value of the RCF was determined by calculating future cash flows, including interest at current rates. The fair value of capital lease obligations was determined by calculating the future cash flows, including interest, using market rates.

On January 20, 2017, Keane Group, Inc. completed its initial public offering ("IPO") and its shares became publicly traded on the New York Stock Exchange under the ticker symbol "FRAC". As a result of the IPO, Trican's ownership interests in Keane Group Holdings, LLC was transferred to Keane Holdings. Effectively, Trican's Class A shares and Class C profits interest in Keane Group Holdings, LLC are now Class A common shares (Equity Interest) and Class C shares (Profit Interest) in Keane Holdings. At the time of IPO, Keane Holdings registered a total of 15,074,000 shares at a price per share of USD $19 which resulted in a distribution of $37.8 million (USD $28.4 million) to Trican and a realized gain of $24.5 million. On January 24, 2018, Keane Holdings sold 15,320,015 shares of Keane Group, Inc. at a price per share of USD $18.25. This resulted in a distribution of $33.6 million (USD $27.2 million) for Trican and a realized gain of $21.1 million. At September 30, 2018, Keane Holdings primary asset was 56.9 million shares of Keane Group, Inc. (December 31, 2017 – 72.2 million shares) and it had no liabilities.

Future liquidity events will be the future sale of the remaining shares of Keane Group, Inc. currently held by Keane Holdings. The proceeds from the future sales will be distributed to the owners of Keane Holdings. Based on the Keane Group, Inc. share price at the time of the liquidity event, the timing of the liquidity event, and the quantum of the liquidity event (and previous liquidity events), Keane Holdings will realize a rate of return on its investment ("IRR") in Keane Group, Inc. If that IRR surpasses certain thresholds, Trican, as a partner in Keane Holdings, is able to receive a percentage of the liquidity event proceeds greater than its 10% partnership stake. The class C shares are the mechanism for Trican that deliver the percentage of proceeds greater than 10%.

There are potentially four tranches of proceeds stemming from an individual liquidity event:

- Proceeds in the first tranche are split only between holders of Class A shares – Trican holds 10.0% of Class A shares and therefore receives 10.0% of the proceeds in tranche 1.
- Proceeds in the second tranche are split between holders of Class A and Class B shares (specifically 7.7% of proceeds to Class B holders and the remainder to Class A holders) – Trican does not hold any Class B shares and therefore receives 9.2% of total proceeds in tranche 2.
- Proceeds in the third tranche are split between holders of Class A, Class B, and Class C shares (specifically, 10.0% to Class C holders, 7.0% to Class B holders, and 83.0% to Class A holders). Trican holds 10.0% of the Class A shares and 100% of the Class C shares – these holdings combine to result in Trican receiving 18.3% of the total proceeds in tranche 3.
- Distributions in the fourth tranche are split between holders of Class A, Class B, and Class C shares (specifically, 20.0% to Class C holders, 6.2% to Class B holders, and 73.8% to Class A holders). As previously stated, Trican holds 10.0% of the Class A shares and 100% of the Class C shares – these holdings combine to see Trican receive 27.4% of the total proceeds in tranche 4.

The distribution table below demonstrates the monetary thresholds for each tranche through to the year ending March 15, 2022. Note that Keane Holdings is not obligated to liquidate its holding in Keane Group, Inc. prior to this date and may continue to hold a position in Keane Group, Inc. after this date. The thresholds for the second, third, and fourth tranches continue to increase over time in proportion to Keane Holdings IRR targets. Until the cumulative distribution proceeds have surpassed a specific tranche threshold, the economics of further tranches are not applicable. At September 30, 2018, Keane Holdings has cumulative distributions of USD $563.5 million (at December 31, 2017 – USD $283.9 million) to the Class A and Class B holders.

(Stated in thousands, except share and per share amounts)

Tranche	Trican Ownership Interest	Liquidity Event Cumulative Proceeds Thresholds (USD $MM) For the Year Ending March 15				
			2019	2020	2021	2022
First	10%	Up to	$468	$468	$468	$468
Second	9.2%	Between	$468 -$1,028	$468 - $1,336	$468 - $1,737	$468 - $2,258
Third	18.3%	Between	$1,028 - $1,151	$1,336 - $1,554	$1,737 - $2,098	$2,258 - $2,832
Fourth	27.4%	Greater than	$1,151	$1,554	$2,098	$2,832

As noted above, the Keane Group, Inc. share price at the time of the liquidity event, the timing of the liquidity event, and the quantum of the liquidity event (and cumulative proceeds from previous liquidity events) determine the IRR for Keane Holdings and therefore which tranche(s) are applicable when liquidity event proceeds are being distributed to the Class A, Class B, and Class C shareholders. The calculation of the fair value and timing of the Class A and Class C shares utilized the following assumptions as it relates to the expected timing of future sales of shares in Keane Group, Inc. by Keane Holdings:

Liquidity event assumptions	At September 30, 2018	At December 31, 2017
Keane Group, Inc. (FRAC) share price for all liquidity events	USD $12.37	USD $19.01
Number of Keane Group, Inc. (FRAC) shares sold during the fiscal year ending:		
- March 15, 2018	Not applicable	18,059,860
- March 15, 2019	38,859,564	36,119,720
- March 15, 2020	18,059,860	18,059,860

Trican further applies a model risk adjusted rate of 30% for the estimated proceeds resulting from Trican's Class C shares ownership. The risk adjustment considered several estimates for uncertainties including Trican's non-controlling interest in Keane Holdings and the timing and price of future liquidity events.

	Investments in Keane
Balance at December 31, 2017	$176,747
Realized liquidity event (January 24, 2018)	(33,592)
Realized gain on Keane	21,083
Unrealized loss on investment	(92,880)
Foreign exchange gain	4,118
Balance at September 30, 2018	**$75,476**

The table below analyzes financial instruments carried at fair value, 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).

(Stated in thousands, except share and per share amounts)

		Fair value		
September 30, 2018	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Fair value through profit and loss				
Investment in Keane	**75,476**	**-**	**-**	**75,476**
Financial liabilities				
Financial liabilities at amortized cost				
Senior Notes – non-current	**38,127**	**-**	**40,449**	**-**
RCF	**93,598**	**-**	**98,151**	**-**
Finance lease obligations – current (1)	**3,441**	**-**	**3,441**	**-**
Finance lease obligations – non-current	**7,109**	**-**	**7,109**	**-**

(1) The current portion of Finance lease obligations is included in Trade and Other Payables.

NOTE 12 – OTHER COMMITMENTS AND CONTINGENCIES

	Payments due by period			
September 30, 2018	1 year or less	1 to 5 years	5 years and thereafter	Total
Finance leases	**$3,441**	**$7,109**	**$-**	**$10,550**
Operating leases	**5,118**	**8,877**	**7,033**	**21,028**
Product Storage	**1,175**	**1,885**	**-**	**3,060**
Total Commitments	**$9,734**	**$17,871**	**$7,033**	**$34,638**
December 31, 2017				
Finance leases	$3,052	$5,576	$-	$8,628
Operating leases	4,940	9,063	8,324	22,327
Total Commitments	$7,992	$14,639	$8,324	$30,995

In addition to the above commitments, the Company has committed to capital expenditures of $23.1 million.

The Company wrote off fracturing equipment with a net book value of $6.1 million resulting from an insurable event and expects to fully recover this net book value. The Company's insurance deductible is $1.0 million, which is the estimated exposure at this time. 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 litigation

On January 13, 2016, a class action lawsuit was filed on behalf of 11 plaintiffs against Trican Well Service, LP. The claim alleges that Trican misclassified the plaintiffs' position as "exempt", resulting in a loss of overtime. The plaintiffs' claim is for US$0.75 million. Given the information available, management has not recorded any amount for this contingent liability associated with these claims based on our belief that a liability is not probable and any range of potential future charge cannot be reasonably estimated at this time.

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 and provided and/or recognized tax assets and liabilities based on the Company's interpretation of the relevant tax legislation and regulations and likelihood of recovery and/or payment.

NOTE 13 – SUBSEQUENT EVENT

Normal Course Issuer Bid
On October 1, 2018, the Company announced a new NCIB, commencing October 3, 2018, to purchase up to 30.9 million common shares for cancellation before October 2, 2019. 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 645,952 (being 25% of the average daily trading volume of the common shares for the six months ending August 31, 2018 of 2,583,808 common shares) except as otherwise permitted under the TSX NCIB rules. All common shares purchased under the NCIB will be returned to treasury and cancelled.

Since commencement of the new NCIB on October 2, 2018 to November 7, 2018, the Company purchased and cancelled 9,231,000 common shares at a weighted average price per share of $1.96 pursuant to its NCIB.