

#### Financial Summary

(\$millions, except per share amounts)	Three months ended June 30,		Six months ended June 30,	
	1998	1997	1998	1997
Revenue	\$ 6.3	\$ 6.1	\$ 20.3	\$ 10.3
Earnings before interest, income taxes and depreciation & amortization (EBITDA)	(0.1)	0.9	3.3	1.6
Net income (loss)	(0.6)	0.5	1.1	0.9
Net income (loss) per share (basic)	(0.05)	0.06	0.10	0.11
(fully diluted)	(0.05)	0.06	0.09	0.10
Funds from operations	0.6	0.9	3.2	1.6
Funds from operations per share (basic)	0.05	0.11	0.28	0.20
(fully diluted)	0.05	0.10	0.26	0.18

Trican Well Service Ltd. ("the Company") is pleased to announce its financial and operating results for the six months ended June 30, 1998. Revenue for the second quarter remained consistent with the same period last year, however on a year to date basis, revenue for the six months is \$10.0 million or 97% higher than 1997. The Company recorded a loss of \$0.6 million for the quarter versus income of \$0.5 million for same period last year. For the year to date, the Company is still ahead of last year with earnings of \$1.1 million versus \$0.9 million for 1997. The Company recorded a net loss per share for the quarter of \$0.05 versus earnings per share of \$0.06 for 1997. For the six months ended June 30, earnings per share of \$0.09 are comparable with \$0.10 per share posted for the same period in 1997.

Industry activity in the second quarter was considerably lower than 1997. Normal spring time slow downs, unusually wet weather conditions and continued lower commodity prices for oil combined to reduce overall activity. Trican has been able to mitigate these factors by continuing to expand geographically and broaden its area of service. Continued emphasis on lean operating structures has allowed Trican to stay competitive in a more price conscious market place.

#### Operational Review

Overall industry activity for the second quarter, as measured by the number of wells drilled, was down 46% from the same period last year. During this time, Trican completed 818 jobs which was a decrease of 15% from 1997. The Company's strategy of expanding into new service lines initiated in 1997 contributed in part to this performance as increases in the number of coiled tubing,

fracturing, nitrogen and acidizing jobs performed partially offset the decline in the amount of cementing work performed. Revenue per job rose 12% also reflecting the positive impact of this diversification into new service lines.

*Industry activity for the Second Quarter dropped 46% compared to the 1997 Second Quarter. In comparison, Trican's activity decreased 15%.*

The geographic expansion undertaken in the second half of 1997 also had a positive impact on the second quarter results. The Red Deer and Brooks bases, added in the second half of 1997, have been able to offset some of the decline in activity experienced by the bases located in the heavy oil market areas of eastern Alberta and western Saskatchewan. Trican has continued this expansion by opening a base in Whitecourt in June and intends to open another base in Grande Prairie in the fourth quarter. This further geographic expansion should improve the utilization of equipment and position Trican to service the gas specific work which is expected to continue this year and into 1999. This expansion is a continuation of Trican's strategy of expanding out of the eastern Alberta, western Saskatchewan shallow market, into the deeper, more technically challenging markets of western Alberta and British Columbia.

In March 1998, the Company completed a private placement raising \$9.0 million. The proceeds from the offering, combined with funds from operations, will be used to add additional fracturing, nitrogen, and coiled tubing equipment. All of this equipment is currently under construction and is expected to be operational by the end of the year. These additions will provide the necessary equipment to support the continued geographic expansion.

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## Financial Review

During the second quarter, Trican recorded revenue of \$6.3 million, which represents an increase of \$0.2 million or 3 percent compared with the same quarter last year. Trican recorded a net loss for the quarter of \$0.6 million compared with net income of \$0.5 million for the same period in 1997. The loss per share for the quarter was \$0.05 (fully diluted \$0.05) as compared to earnings per share of \$0.06 (fully diluted \$0.06) for the 1997 second quarter. On a year to date basis, revenues of \$20.3 million is an increase of 97% over the 1997 six month totals of \$10.3 million. Net income of \$1.1 million, is \$0.2 million or 22% greater than the amount for the same period in 1997 and earnings per share are \$0.10 (\$0.09 fully diluted) as compared with \$0.11 (\$0.10 fully diluted) for 1997.

Operating margins have weakened this quarter as a result of lower overall levels of activity.

Funds from operations of \$3.2 million for the six months ended June 30 were approximately 100% higher than the same period in last year (1997 - \$1.6 million) and reflect the larger non-cash expense items included in the net income in the current period. Depreciation and amortization expense for

the six months was \$1.3 million in 1998 versus \$0.2 million in 1997. This increase reflects the large amount of new equipment added by Trican in the past year.

*The geographic expansion undertaken in the second half of 1997 has provided a positive impact on second quarter results.*

The Company's balance sheet remains strong with a positive working capital position and low levels of debt relative to equity at June 30, 1998.

## Outlook

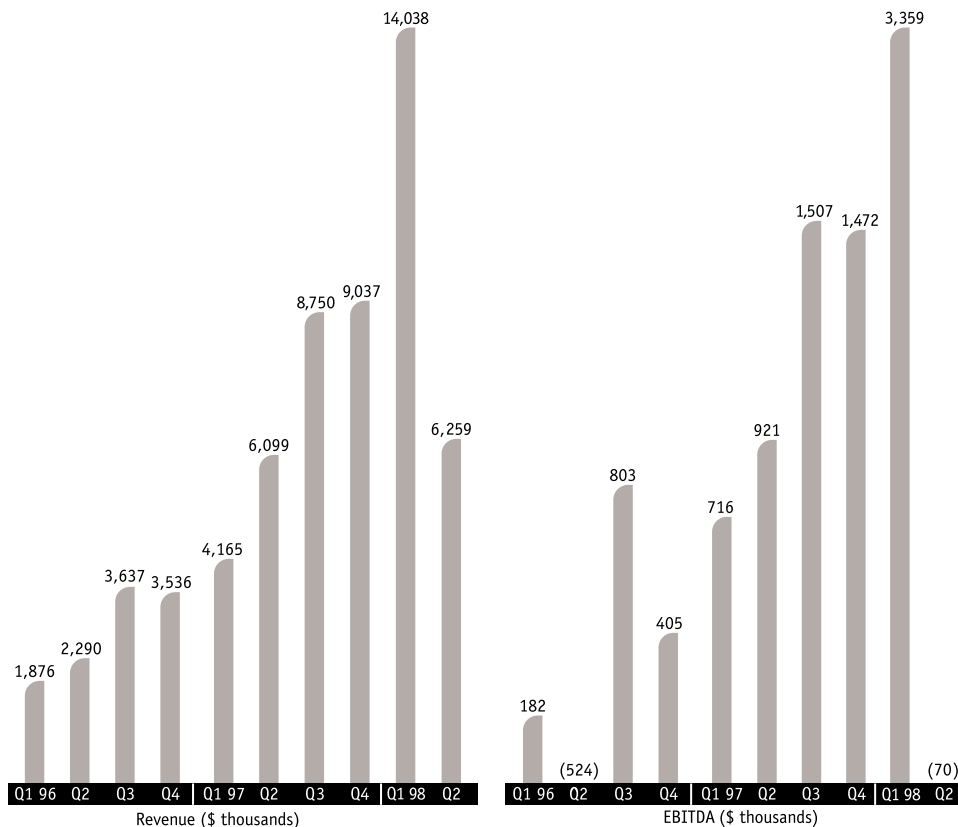
Continued weakness in oil prices has had a significant impact on the level of industry activity. The reduction in oil specific drilling has been partially offset by a shift to gas directed work, however this transition will take time and has been hampered by lower oil prices.

Given the uncertainty surrounding activity levels, Trican remains committed to a lean effective operating structure. Expenditures will continue to be reviewed and capital, operating and overhead spending will be adjusted as warranted by overall business conditions.

Respectfully,



Murray L. Cobbe  
President and Chief Executive Officer  
May 15, 1998



Q4 1996 amounts do not include management reorganization costs.

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## Consolidated Balance Sheets

	June 30, 1998	December 31, 1997
<b>Assets</b>		
Current assets		
Cash and short-term deposits	\$ 6,514,550	\$ —
Accounts receivable	5,891,948	7,231,382
Prepaid expenses	234,006	157,921
Inventory	1,242,154	1,048,265
	13,882,658	8,437,568
Capital assets	28,988,076	27,343,679
Goodwill	1,683,300	1,775,958
	<b>\$ 44,554,034</b>	<b>\$ 37,557,205</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Bank indebtedness	\$ —	\$ 1,450,324
Accounts payable	4,165,108	10,415,626
Income taxes payable	97,917	431,582
Current portion of long-term debt	—	129,793
	4,263,025	12,427,325
Long-term debt	5,500,000	735,496
Deferred income taxes	1,925,239	1,263,760
Shareholders' equity		
Share capital	27,112,831	18,454,156
Retained earnings	5,752,939	4,676,468
	32,865,770	23,130,624
	<b>\$ 44,554,034</b>	<b>\$ 37,557,205</b>

## Consolidated Statements of Income and Retained Earnings

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	1998	1997	1998	1997
Revenue	\$ 6,258,626	\$ 6,099,168	\$20,296,977	\$10,302,308
Expenses				
Materials and operating	5,971,697	4,936,156	16,133,921	8,278,193
General and administrative	356,454	241,082	874,042	386,065
Interest	114,265	—	162,649	—
Depreciation and amortization	729,759	95,492	1,273,212	182,537
	7,172,175	5,272,730	18,443,824	8,846,795
Income (loss) before income taxes	(913,549)	826,438	1,853,153	1,455,513
Provision for income taxes	(292,840)	326,000	776,682	575,239
Net income (loss)	(620,709)	500,438	1,076,471	880,274
Retained earnings, beginning of period	6,373,648	2,826,809	4,676,468	2,446,973
Retained earnings, end of period	\$ 5,752,939	\$ 3,327,247	\$ 5,752,939	\$ 3,327,247
Basic earnings (loss) per share	(0.05)	\$ 0.06	\$ 0.10	\$ 0.11
Fully diluted earnings (loss) per share	(0.05)	\$ 0.06	\$ 0.09	\$ 0.10

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## Consolidated Statements of Changes in Financial Position

Six months ended June 30,	1998	1997
Cash Provided By (Used In):		
Operations		
Net income	\$ 1,076,471	\$ 880,274
Changes to income not involving cash		
Depreciation and amortization	1,273,212	182,537
Deferred income taxes	871,646	515,000
Funds from operations	3,221,329	1,577,811
Net change in non-cash working capital from operations	(2,145,383)	(385,361)
	1,075,946	1,192,450
Investments		
Purchase of capital assets	(2,824,950)	(5,642,642)
Net change in non-cash working capital from the purchase of capital assets	(3,369,339)	—
	(6,194,289)	(5,642,642)
Financing		
Net proceeds from issuance of share capital	8,448,506	6,730,000
Bank loan proceeds	4,634,711	—
	13,083,217	6,730,000
Increase (decrease) in cash position	7,964,874	2,279,808
Cash position, beginning of period	(1,450,324)	5,864,445
Cash position, end of period	\$ 6,514,550	\$ 8,144,253

Cash position is defined as cash and short-term deposits, net of bank indebtedness.

### Board of Directors

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General Counsel, Tesco Corporation

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President and Chief Executive Officer

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Vice President, Operations and Chief Operating Officer

#### Douglas F. Robinson

President, Computalog Ltd.

#### Victor J. Stobbe

President,  
American Leduc Petroleums Limited

### Stock Exchange Listing

The Toronto Stock Exchange: TCW

### Officers

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Vice President, Technical Services

#### David L. Charlton

Vice President, Sales and Marketing

#### Gary R. Bugeaud

Secretary

### Auditors

#### KPMG, Chartered Accountants

Calgary, Alberta

### Solicitors

#### Burnet, Duckworth & Palmer

Calgary, Alberta

### Bankers

#### Royal Bank of Canada

Calgary, Alberta

### Registrar and Transfer Agent

#### Montreal Trust Company of Canada

Calgary and Toronto, Canada

### Investor Relations Information

Requests for information should be directed to:

#### Murray L. Cobbe

President and Chief Executive Officer

#### Michael G. Kelly

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