

Financial Summary

(\$millions, except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	1998	1997	1998	1997
Revenue	\$ 7.8	\$ 8.7	\$28.1	\$19.1
Earnings before interest, income taxes and depreciation & amortization (EBITDA)	1.0	1.5	4.3	3.2
Net income	0.1	0.7	1.2	1.6
Net income per share (basic)	0.01	0.08	0.10	0.19
(fully diluted)	0.01	0.07	0.10	0.17
Funds from operations	1.0	1.3	4.2	2.8
Funds from operations per share (basic)	0.08	0.13	0.36	0.33
(fully diluted)	0.07	0.11	0.33	0.30

Trican Well Service Ltd. (the "Company") announces its financial and operating results for the nine months ended September 30, 1998. The Company generated net income of \$1.2 million for the nine months and \$0.1 million for the quarter. These results compare to net income of \$1.6 million for the nine months and \$0.7 million for the quarter ended September 30, 1997. Earnings per share for the quarter was \$0.01 compared to earnings per share of \$0.08 in the 1997 third quarter. The decrease in earnings is a result of the continued reduced level of industry activity over the past six months. Low oil prices coupled with a reduced access to capital for oil and gas producers has resulted in reduced activity in western Canada.

Operational Review

During the quarter, Trican continued to expand with the opening of our Whitecourt base in June 1998. This has been a positive addition to our operations and services from this base have been well received. The opening of our Grande Prairie base early in the fourth quarter continues the Company's expansion strategy of growth into the deeper, more technically challenging markets of western Alberta and British Columbia. A significant portion of Trican's equipment is designed to service deeper wells. This equipment combined with the expansions into Whitecourt and Grande Prairie means Trican is well positioned to service this market.

The construction of the new fracturing equipment, coil tubing unit and nitrogen units neared completion at the end of the quarter. The fracturing equipment commenced operations in the middle of October and the balance of the equipment is currently in the final stages of construction and field testing. These additional units will augment our equipment capacity during the fourth quarter and be available for use during the first quarter of next year. The first quarter is typically the busiest period of operations for our industry.

Trican continues to develop new product systems in anticipation of changing customer demands. This quarter saw the introduction

of an on-the-fly cross linked water fracturing system and a more cost effective cement blend. Both of these products provide greater efficiencies and cost savings to our customers. Trican continues to advance our products and systems across all of our service lines.

The opening of our Grande Prairie base continues the Company's expansion strategy of growth into the deeper, more technically challenging markets of western Alberta and British Columbia.

Financial Review

Revenue was \$28.1 million for the nine months and \$7.8 million for the quarter ended September 30, 1998. In comparison, revenues for the same periods last year were \$19.1 million for the nine months and \$8.7 million for the quarter. Revenues have increased over last year by \$9.0 million (47%) for the nine months despite reduced activity levels in the oil and gas industry. This increase is a result of expanded equipment capacity and geographic expansion by the Company. The decrease of \$1.0 million (11%) in revenues for the quarter is a result of declining activity and lower prices for services. The decline in activity has increased price competition in all of the service lines but has been most noticeable in pumping services, which comprises our cementing and acidizing service lines. These

factors are expected to persist until higher oil prices support an increased demand for services.

The reduction in drilling activity has impacted the demand for pumping services as activity in this service line is most closely related to the number of wells drilled. This reduced demand, coupled with our asset additions in other service lines, has shifted the sales mix away from pumping services. Fracturing services, coiled tubing services and nitrogen services accounted for 37% of revenue during the 1998 third quarter. This compares to 13% for the same services during the 1997 third quarter. We expect this trend to continue as a second set of fracturing equipment, a coiled tubing unit and two nitrogen units will be available for use in the fourth quarter.

Materials and operating expenses have increased 4% this quarter versus 1997 and remained flat for the nine months as a percentage of revenue. The increase this quarter is due to the increase in price

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competitiveness in all services, but most notably pumping services. Trican has responded to the decline in demand for services by reducing staffing levels and discretionary spending. Capital expenditures have been reduced with non-essential items being deferred.

General and administrative expense has remained consistent at 4% of revenue for both the quarter and nine months ended September 30, 1998. This is an illustration of Trican's ongoing commitment to maintaining lean and efficient operating structures.

Interest expense has increased this quarter and for the nine months ended September 30, 1998 as compared to the quarter and nine months ended September 30, 1997. This increase is the result of the use of debt to partially finance the recent equipment purchases. The Company's long-term debt levels are modest compared to equity, but are expected to moderately increase through the end of 1998 as the last of the equipment under construction is completed. Debt levels are expected to remain well within Trican's capacity for debt as management remains committed to a conservative capital structure.

Depreciation and amortization has increased \$1.5 million for the nine months and \$0.5 million for the quarter ended September 30, 1998. The increase in this non-cash expense is a direct result of the Company's capital expenditures over the past year and a half.

Cash flow from operations has increased \$1.4 million (48%) for the nine months and decreased \$0.3 million for the quarter ended September 30, 1998. The increase over the nine

months is a result of the increases in non-cash expenses included in net income in the current period. The decrease for the quarter ended September 30, 1998 is a result of reduced net income for the quarter compared with 1997.

Trican remains committed to maintaining lean effective operating structures.

Outlook

Trican acquired Birchwood Industries Ltd. at the end of the 1998 third quarter. Birchwood provides jet-pumping services to oil and gas producers. This acquisition is not expected to become accretive to Trican's earnings until 1999. However, this acquisition further diversifies the range of services provided by Trican and

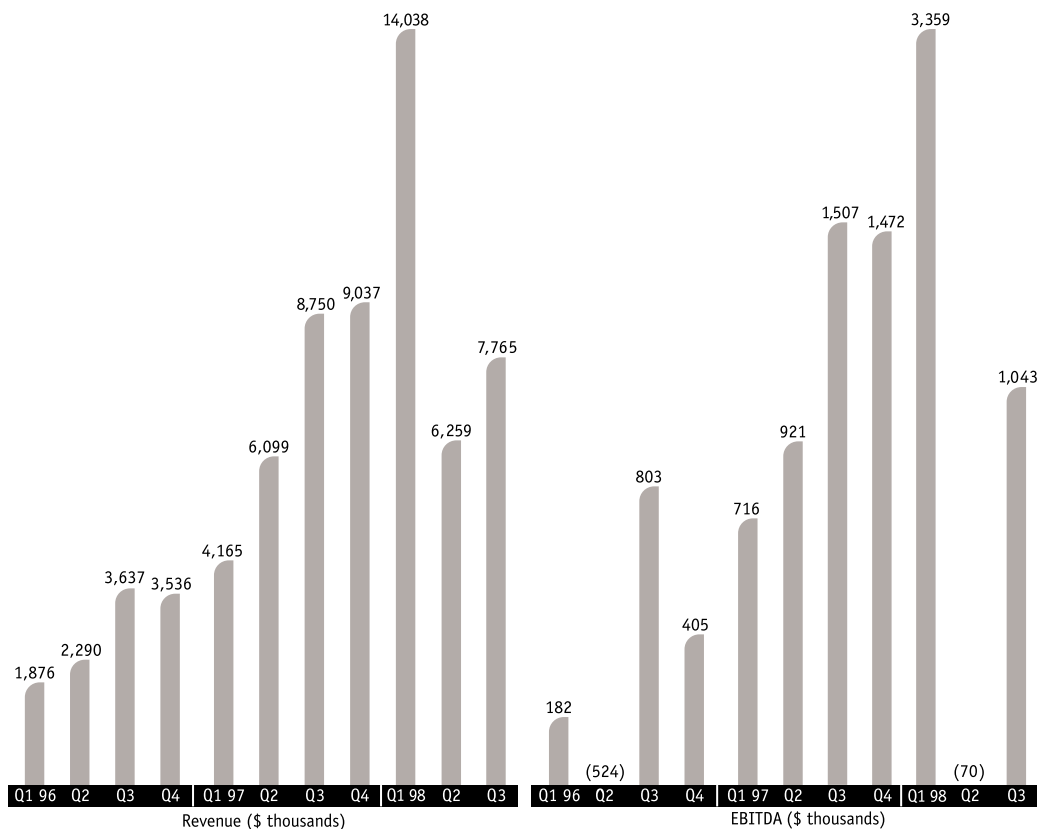
management believes this acquisition will provide value-added services for its customers and new markets for the Company.

The outlook for the industry remains uncertain. Low oil prices and an uncertain equity market continue to hamper our customers' attempts to raise capital. Normal seasonal activity increases are expected in the 1999 first quarter, however it is generally expected that overall activity levels next year will be the same or less than 1998 levels. The new bases of operation opened in 1998 will position Trican to participate in increases in activity when they occur. However, given the current market uncertainty, Trican remains committed to maintaining lean effective operating structures.

Respectfully,



Murray L. Cobbe
President and Chief Executive Officer
November 12, 1998



Q4 1996 amounts do not include management reorganization costs.

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Consolidated Balance Sheets

	September 30, 1998	December 31, 1997
Assets		
Current assets		
Accounts receivable	\$ 5,950,269	\$ 7,231,382
Prepaid expenses	406,546	157,921
Inventory	1,263,588	1,048,265
	7,620,403	8,437,568
Capital assets	32,467,914	27,343,679
Goodwill	1,739,494	1,775,958
	\$41,827,811	\$37,557,205
Liabilities and Shareholders' Equity		
Current liabilities		
Bank indebtedness	\$ 846,713	\$ 1,450,324
Accounts payable	4,186,226	10,415,626
Income taxes payable	100,593	431,582
Current portion of long-term debt	102,316	129,793
	5,235,848	12,427,325
Long-term debt	1,571,708	735,496
Deferred income taxes	2,054,570	1,263,760
Shareholders' equity		
Share capital	27,112,216	18,454,156
Retained earnings	5,853,469	4,676,468
	32,965,685	23,130,624
	\$41,827,811	\$37,557,205

Consolidated Statements of Income and Retained Earnings

	<i>Three months ended Sept. 30,</i>		<i>Nine months ended Sept. 30,</i>	
	1998	1997	1998	1997
Revenue	\$7,765,214	\$8,749,921	\$28,062,191	\$19,052,229
Expenses				
Materials and operating	6,428,272	6,898,163	22,562,193	15,176,356
General and administrative	293,804	335,943	1,167,846	722,008
Interest	52,855	8,408	215,504	8,408
Depreciation and amortization	757,383	302,061	2,030,595	484,598
	7,532,314	7,544,575	25,976,138	16,391,370
Income before income taxes	232,900	1,205,346	2,086,053	2,660,859
Provision for income taxes	132,370	464,442	909,052	1,039,681
Net income	100,530	740,904	1,177,001	1,621,178
Retained earnings, beginning of period	5,752,939	3,327,247	4,676,468	2,446,973
Retained earnings, end of period	\$5,853,469	\$4,068,151	\$ 5,853,469	\$ 4,068,151
Basic earnings per share	\$ 0.01	\$ 0.08	\$ 0.10	\$ 0.19
Fully diluted earnings per share	\$ 0.01	\$ 0.07	\$ 0.10	\$ 0.17

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Consolidated Statements of Changes in Financial Position

Nine months ended September 30,

	1998	1997
Cash Provided By (Used In):		
Operations		
Net income	\$ 1,177,001	\$ 1,621,178
Changes to income not involving cash		
Depreciation and amortization	2,030,595	484,598
Deferred income taxes	1,001,340	734,000
Funds from operations	4,208,936	2,839,776
Net change in non-cash working capital from operations	(2,376,150)	(1,371,487)
	1,832,786	1,468,289
Investments		
Purchase of capital assets	(6,830,422)	(7,139,890)
Acquisition of subsidiary	(119,080)	(3,960,611)
Net change in non-cash working capital from the purchase of capital assets	(3,369,339)	—
	(10,318,841)	(11,100,501)
Financing		
Net proceeds from issuance of share capital	8,447,528	9,689,768
Bank loan proceeds (repayments)	642,138	(16,351)
	9,089,666	9,673,417
Increase in cash position	603,611	41,205
Cash position, beginning of period	(1,450,324)	5,864,445
Cash position, end of period	\$ (846,713)	\$ 5,905,650

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

Board of Directors

Kenneth M. Bagan

General Counsel, Tesco Corporation

Murray L. Cobbe

President and Chief Executive Officer

Donald R. Luft

Vice President, Operations and Chief Operating Officer

Douglas F. Robinson

President, Computalog Ltd.

Victor J. Stobbe

President,
American Leduc Petroleums Limited

Gary R. Bugeaud

Partner
Burnet, Duckworth & Palmer

Stock Exchange Listing

The Toronto Stock Exchange: TCW

Officers

Murray L. Cobbe

President and Chief Executive Officer

Donald R. Luft

Senior Vice President, Operations and Chief Operating Officer

Michael G. Kelly, C.A.

Vice President, Finance and Administration, Chief Financial Officer and Secretary

Dale M. Dusterhoff

Vice President, Technical Services

David L. Charlton

Vice President, Sales and Marketing

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

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