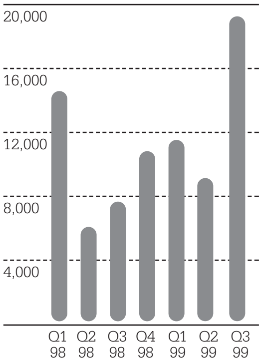
1999 third quarter report

TRICAN WELL SERVICE LTD.

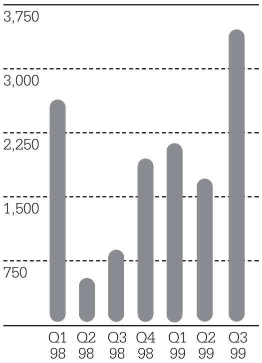
Financial Review

(Unaudited)	Three Months Ended Sept. 30 1999	1998	Nine Months Ended Sept. 30 1999	1998
Revenue	19.2	7.8	39.4	28.1
Earnings before interest, income taxes and depreciation & amortization (EBITDA)	4.0	1.0	8.0	4.3
Net income	1.8	0.1	2.7	1.2
Net income per share				
Basic	0.12	0.01	0.20	0.10
Fully diluted	0.11	0.01	0.19	0.10
Funds from operations	3.4	1.0	7.0	4.2
Funds from operations per share				
Basic	0.23	0.08	0.53	0.36
Fully diluted	0.22	0.07	0.50	0.33

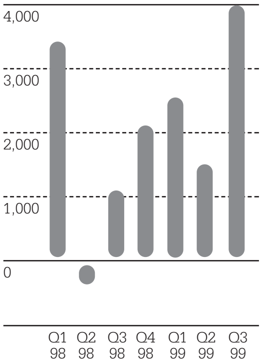
Revenue
($ thousands)



Cash Flow
($ thousands)



EBITDA
($ thousands)



Trican Well Service Ltd. is pleased to announce record results for the third quarter of 1999 with the highest quarterly revenue, cash flow and net income in its history. Revenue increased 147% for the quarter and rose 40% for the nine months compared to the same periods in 1998. Net income for the third quarter totaled $1.8 million, a significant increase relative to the previous year's total of $0.1 million. For the first nine months of 1999, net income totaled $2.7 million, an increase of 126% from the same period last year. Earnings per share were $0.12 for the third quarter of 1999 and $0.20 for the first nine months of the year versus $0.01 per share and $0.10 per share for the comparable periods in 1998.

Trican's level of activity rose dramatically during the quarter as the number of jobs completed increased 138% compared to the same period last year. This increase can be attributed to higher demand for services, particularly for pumping and fracturing services, coupled with expanded equipment capacity. The additional fracturing equipment acquired at the end of the second quarter allowed Trican to capitalize on a resurgence of activity this summer.

The average revenue Trican generated per job rose 5% this quarter compared to last year. This increase reflects the Company's geographic expansion into the deeper, more technically challenging markets near Whitecourt and Grande Prairie, and the continued evolution of its sales mix toward the higher revenue service lines. Revenue from Whitecourt and Grande Prairie has increased as a percentage of revenue by 15% for the quarter and 30% for the nine months compared to the same periods in 1998. Whereas fracturing, coiled tubing, and nitrogen services accounted for approximately one half of revenue this year, the same services represented less than 40% of revenue last year.

Materials and operating expenses as a percentage of revenue were 76% for the quarter and 77% for the first nine months of 1999, a decrease of 7% and 3% versus the comparable periods in 1998. This reduction is a result of higher activity levels and a shift in the sales mix from pumping services towards higher margin services.

General and administrative expenses were approximately 3% of revenue for both the third quarter and year-to-date which is a decrease of 1% from last year. Trican's interest expense has remained consistent with last year at less than 1% of revenue for both the quarter and the nine months. Depreciation and amortization increased by $0.3 million for the three month period and $1.1 million for the nine months relative to 1998. This non-cash expense increased as a result of significant capital expenditures incurred over the past three years.

The third quarter of 1999 produced the Company's highest quarterly revenue, cash flow, and net income in its history.

As at September 30, 1999, the Company had net working capital of $12.6 million. This amount decreased from the second quarter as the Company has applied the proceeds from the private placement completed earlier this year towards the construction of new equipment.

Operational Review

Trican has increased its capital budget this year to $24 million in order to meet increasing demand for services. Additional fracturing, coiled tubing, nitrogen and cementing equipment is currently under construction and is expected to be available for use during the busy upcoming winter season.

Recent consolidation within the pumping services sector of the industry has provided Trican with the opportunity to expand its customer base. New customers accounted for approximately 15% of 1999 third quarter revenue. In line with the higher activity levels, the Company has increased its staffing levels by approximately 50% since April 1999. Many of these employees have well servicing experience and were available due to recent consolidation within the industry.

With its equipment and customer base expansion, Trican is well positioned to meet the challenges of increased activity.

Outlook

Industry watchers are currently forecasting next year's demand for well services to increase between 35% and 60% above 1999 levels. These forecasts are predicated on the expectation that oil and gas prices will continue to be as strong as they have been in recent months. Trican's steady equipment and geographic expansion, acceptance by new customers, and ability to recruit experienced personnel have positioned the Company to meet the challenges of increased activity ahead. I am confident with the people and equipment we have in place, Trican will continue to take advantage of a stronger market and provide future growth for the Company.

Respectfully submitted on behalf of the Board of Directors,

Murray L. Cobbe
President and Chief Executive Officer
November 18, 1999

Consolidated Balance Sheets

	September 30 1999 (unaudited)	December 31 1998 (audited)
ASSETS		
Current assets		
Trade accounts receivable	$ 16,641,334	$ 7,483,550
Other accounts receivable	2,518,941	–
Prepaid expenses	602,520	292,940
Inventory	1,938,873	1,591,682
Income taxes receivable	682,685	1,097,467
	22,384,353	10,465,639
Capital assets	40,818,839	36,248,939
Goodwill	1,546,491	1,693,164
	$ 64,749,683	$ 48,407,742
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	$ 2,669,543	$ 2,848,496
Accounts payable	6,965,293	3,719,570
Current portion of long-term debt	191,995	693,750
	9,826,831	7,261,816
Long-term debt	3,154,039	4,856,250
Deferred income taxes	3,993,317	2,648,031
Shareholders' equity		
Share capital	38,609,275	27,131,894
Retained earnings	9,166,221	6,509,751
	47,775,496	33,641,645
	$ 64,749,683	$ 48,407,742

Consolidated Statements of Operations and Retained Earnings

(Unaudited)	Three Months Ended Sept. 30 1999	1998	Nine Months Ended Sept. 30 1999	1998
Revenue	$19,218,352	$ 7,765,214	$39,409,265	$28,062,191
Expenses				
Materials and operating	14,606,496	6,428,272	30,495,214	22,562,193
General and administrative	589,512	293,804	1,290,937	1,167,846
Interest expense	76,645	52,855	361,574	215,504
Depreciation and amortization	1,046,242	757,383	3,102,547	2,030,595
Gain on disposal of capital assets	–	–	(336,655)	–
	16,318,895	7,532,314	34,913,617	25,976,138
Income before income taxes	2,899,457	232,900	4,495,648	2,086,053
Provision for income taxes	1,133,050	132,370	1,839,178	909,052
Net income	1,766,407	100,530	2,656,470	1,177,001
Retained earnings, beginning of period	7,399,814	5,752,939	6,509,751	4,676,468
Retained earnings, end of period	$ 9,166,221	$ 5,853,469	$ 9,166,221	$ 5,853,469
Basic earnings per share	$ 0.12	$ 0.01	$ 0.20	$ 0.10
Fully diluted earnings per share	$ 0.11	$ 0.01	$ 0.19	$ 0.10

Year 2000 Update

As is typically seen in the well service industry, the Company relies on a number of technical, business and accounting systems which may experience processing difficulties related to the changing of the date at the turn of the century – commonly referred to as the Year 2000 Problem. The Company has completed a review of all technical, operating and accounting systems to ascertain Y2K compliance. Where necessary, upgrades have been made and testing of the key systems is complete. The expenses associated with this program are reflected in the financial statements in the period in which they are incurred. To date, the Company has incurred $36,000. The Company does not anticipate incurring any further significant expenditures on the Year 2000 problem.

The Company has also initiated a review of its suppliers and, where feasible, contingency plans are being developed to reduce the risk to operations of a supplier not being able to maintain a consistent level of service after the turn of the century.

The Company is not able to assess the risk of system wide failures which may impact its ability or the ability of its customers to carry on normal levels of activity.

For further details regarding the Year 2000 Problem and Trican's progress in addressing this risk, please visit our website at www.trican.ca.

Consolidated Cash Flow Statements

For the nine months ended September 30 (Unaudited)	*1999*	*1998*
Cash Provided By (Used In):		
Operations		
Net income	$ 2,656,470	$ 1,177,001
Changes to income not involving cash		
Depreciation and amortization	3,102,547	2,030,595
Deferred income taxes	1,613,580	1,001,340
Gain on disposal of capital assets	(336,655)	–
Funds from operations	7,035,942	4,208,936
Net change in non-cash working capital from operations	(4,112,697)	(2,376,150)
	2,923,245	1,832,786
Investments		
Purchase of capital assets	(10,711,619)	(6,830,422)
Acquisition of subsidiary	–	(119,080)
Insurance proceeds on disposal of capital assets	3,522,500	–
Net change in non-cash working capital from the purchase and disposal of capital assets	(4,560,294)	(3,369,339)
	(11,749,413)	(10,318,841)
Financing		
Net proceeds from issuance of share capital	11,209,087	8,447,528
Increase (decrease) in long-term debt	(2,203,966)	642,138
	9,005,121	9,089,666
Increase in cash position	178,953	603,611
Cash position (bank indebtedness), beginning of period	(2,848,496)	(1,450,324)
Cash position, end of period	$ (2,669,543)	$ (846,713)

Corporate Information

Board of Directors

Kenneth M. Bagan (1) (2)
General Counsel, Tesco Corporation

Gary R. Bugeaud (2)
Partner, Burnet, Duckworth & Palmer

Murray L. Cobbe
President and Chief Executive Officer

Donald R. Luft
Senior Vice President, Operations and Chief Operating Officer

Douglas F. Robinson (1) (2)
Independent Businessman

Victor J. Stobbe (1)
President,
American Leduc Petroleums Limited

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, Chief Financial Officer
and Corporate Secretary

Dale M. Dusterhoft
Vice President, Technical Services

David L. Charlton
Vice President, Sales

Michael A. Baldwin, C.A.
Controller

(1) *Member of the Audit Committee*
(2) *Member of the Compensation Committee*

Auditors

KPMG LLP, 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, Alberta and Toronto, Ontario

Corporate Office

Trican Well Service Ltd.
2700, 645 – 7th Avenue S.W.
Calgary, Alberta, Canada T2P 4G8

Telephone (403) 266-0202
Facsimile (403) 237-7716
Website: www.trican.ca

Investor Relations Information

Murray L. Cobbe
President and Chief Executive Officer

Michael G. Kelly
Vice President, Finance & Chief Financial Officer

Month End Closing Values
($ per share)