



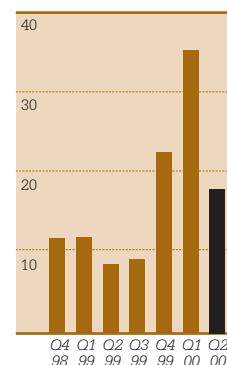
# 2000 SECOND QUARTER REPORT



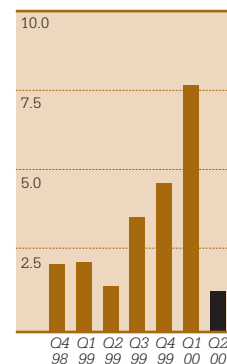
## Financial Review

(\$ millions, except per share amounts)	Three Months	Three Months	Six Months	Six Months
	Ended June 30	Ended June 30	Ended June 30	Ended June 30
	2000	1999	2000	1999
Revenue	\$ 17.5	\$ 8.3	\$ 53.2	\$ 20.2
Earnings before interest, income taxes and depreciation and amortization (EBITDA)	1.6	1.4	12.5	3.9
Net income (loss)	(0.3)	0.1	5.2	0.9
Net income (loss) per share before goodwill amortization				
- basic	(0.01)	0.01	0.35	0.08
- fully diluted	(0.01)	0.01	0.33	0.08
Net income (loss) per share				
- basic	(0.02)	0.01	0.33	0.07
- fully diluted	(0.02)	0.01	0.31	0.07
Funds from operations	2.2	1.5	9.8	3.7
Funds from operations per share				
- basic	0.14	0.11	0.62	0.29
- fully diluted	0.14	0.11	0.58	0.27

Revenue  
(\$ millions)



Funds From Operations  
(\$ millions)



Trican Well Service Ltd. is pleased to announce its financial and operating results for the quarter and six months ended June 30, 2000. Revenue increased 110% and 164% for the three months ended June 30, 2000 and the first six months of the year respectively. The Company recorded a net loss for the quarter of \$0.3 million compared to 1999 second quarter net income of \$0.1 million. However, for the year to date, net income totals \$5.2 million which is significantly higher than the total of \$0.9 million for the first half of 1999. A loss per share of \$0.02 (\$0.02 fully diluted) was recorded during the second quarter of 2000 relative to earnings per share of \$0.01 (\$0.01 fully diluted) achieved in the same quarter the previous year. For the first six months of 2000, earnings per share were \$0.33 (\$0.31 fully diluted) which is more than four times higher than last year's earnings per share of \$0.07 (\$0.07 fully diluted) for the comparable period. Funds from operations for the quarter increased \$0.8 million compared to the second quarter of 1999, and for the six months ended June 30, 2000, rose significantly to \$9.8 million from the 1999 total of \$3.7 million.

Trican's activity during the quarter was impacted by spring time road bans on the movement of heavy equipment typical of this time of year. This normal seasonal delay was exacerbated by abnormally high levels of rainfall that hampered operations after the road bans were lifted. However, the Company's activity level has continued to rise significantly as Trican completed 87% and 122% more jobs for the quarter and the six months respectively compared to the same periods in 1999. Even with unusually heavy rainfall, activity in the oilpatch improved strongly with well completions increasing approximately 91% during the second quarter of 2000 relative to 1999.

Materials and operating expenses accounted for 88% of revenue for the quarter and 74% for the first six months of 2000 versus 83% and 79% for the same periods last year. The increase in these costs during the quarter was due to pumping services, which typically have higher cost of sales, accounting for a larger proportion of total sales. Heavy spring rains negatively impacted equipment utilization for the fracturing, coiled tubing and nitrogen services which reduced operating margins for the quarter.

General and administrative expenses remained consistent with prior periods at three percent of revenue for the quarter and six months ended June 30th. The Company's interest expense for the quarter and the six month period were consistent with the same periods in 1999 at two percent and one percent of revenue respectively. Depreciation and amortization increased by \$0.9 million for the quarter and \$1.4 million for the six months relative to the same periods in 1999. This non-cash expense continues to rise as Trican's capital program continues to increase the Company's equipment capacity. The Company has continued to maintain a healthy balance sheet with a strong working capital position of \$8.6 million and relatively low levels of long-term debt compared to equity.

#### **Operational Review**

Operations during the quarter were hampered by unusually high levels of rainfall in northwestern Alberta. This unusually wet weather impacted operations at Trican's Grande Prairie, Whitecourt and Red Deer bases and restricted the activities of the Company's fracturing, coiled tubing and nitrogen service lines.

Trican plans to open an operating base in Fort St. John, British Columbia in the fall of 2000. Fort St. John will provide Trican with a platform to service the high level of gas directed exploration and development activity expected in this area.

#### **Outlook**

Despite an unusually wet spring, 2000 continues to be a strong year for the Company. Industry watchers predict a high level of demand for well services. Continued high prices for oil and natural gas have positively impacted the demand for well services and are expected to continue for the balance of the year and into 2001. Early forecasts by some industry watchers suggest that 2001 will be as active and perhaps more active than 2000. Trican's ability to attract and retain qualified personnel, its additions to equipment capacity, and further market penetration into Fort St. John well positions the Company to take advantage of any increases in activity levels in the future.

Respectfully submitted

On behalf of the Board of Directors,



Murray L. Cobbe  
President and Chief Executive Officer  
July 27, 2000

**The Company's activity level has continued to rise significantly as Trican completed 87% and 122% more jobs for the quarter and six months compared to the same periods in 1999.**

**Trican is well positioned to take advantage of any increases in activity levels in the future.**

## Consolidated Balance Sheets

	June 30, 2000 (unaudited)	December 31, 1999 (audited)
<b>ASSETS</b>		
Current assets		
Cash	\$ 830,279	\$ 860,676
Trade accounts receivable	16,168,900	16,594,240
Other accounts receivable	1,120,478	1,730,691
Inventory	2,618,236	2,543,463
Prepaid expenses	1,022,670	960,237
	<b>21,760,563</b>	<b>22,689,307</b>
Capital assets		
Goodwill	5,490,077	1,497,600
	<b>\$ 91,371,142</b>	<b>\$ 71,335,026</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 9,932,860	\$ 9,778,939
Income taxes payable	1,603,862	666,953
Current portion of long-term debt	1,571,727	660,513
	<b>13,108,449</b>	<b>11,106,405</b>
Long-term debt	13,516,415	5,652,749
Future income taxes	6,803,191	4,586,479
Shareholders' equity		
Share capital (note 3)	41,931,987	38,629,831
Retained earnings	16,011,100	11,359,562
	<b>57,943,087</b>	<b>49,989,393</b>
	<b>\$ 91,371,142</b>	<b>\$ 71,335,026</b>

**Consolidated Statements of Operations and Retained Earnings**

<i>(unaudited)</i>	<b>Three Months Ended June 30 2000</b>	Three Months Ended June 30 1999	<b>Six Months Ended June 30 2000</b>	Six Months Ended June 30 1999
Revenue	<b>\$ 17,461,495</b>	\$ 8,327,154	<b>\$ 53,231,259</b>	\$ 20,190,913
Expenses				
Materials and operating	<b>15,442,918</b>	6,898,200	<b>39,223,167</b>	15,888,718
General and administrative	<b>508,605</b>	320,349	<b>1,557,756</b>	701,425
Interest expense	<b>320,421</b>	134,426	<b>566,358</b>	284,929
Depreciation	<b>1,713,179</b>	965,991	<b>3,108,189</b>	1,958,523
Gain on disposal of capital assets	<b>(74,926)</b>	(336,655)	<b>(74,926)</b>	(336,655)
	<b>17,910,197</b>	7,982,311	<b>44,380,544</b>	18,496,940
Income (loss) before income taxes and goodwill amortization	<b>(448,702)</b>	344,843	<b>8,850,715</b>	1,693,973
Provision for income taxes	<b>(283,085)</b>	174,115	<b>3,350,908</b>	706,128
Net income (loss) before goodwill amortization	<b>(165,617)</b>	170,728	<b>5,499,807</b>	987,845
Goodwill amortization	<b>157,373</b>	48,891	<b>305,321</b>	97,782
Net income (loss)	<b>(322,990)</b>	121,837	<b>5,194,486</b>	890,063
Retained earnings, beginning of period	<b>16,334,090</b>	7,277,977	<b>11,359,562</b>	6,509,751
Change in accounting policy (note 1)	-	-	<b>(542,948)</b>	-
Retained earnings, end of period	<b>\$ 16,011,100</b>	\$ 7,399,814	<b>16,011,100</b>	7,399,814
Earnings (loss) per share before goodwill amortization				
- basic	<b>\$ (0.01)</b>	\$ 0.01	<b>\$ 0.35</b>	\$ 0.08
- fully diluted	<b>\$ (0.01)</b>	\$ 0.01	<b>\$ 0.33</b>	\$ 0.08
Earnings (loss) per share				
- basic	<b>\$ (0.02)</b>	\$ 0.01	<b>\$ 0.33</b>	\$ 0.07
- fully diluted	<b>\$ (0.02)</b>	\$ 0.01	<b>\$ 0.31</b>	\$ 0.07

## Consolidated Cash Flow Statements

<i>Six months ended June 30, (unaudited)</i>	<b>2000</b>	1999
Cash Provided By (Used In):		
<b>OPERATIONS</b>		
Net income	\$ 5,194,486	\$ 890,063
Changes to income not involving cash		
Depreciation and amortization	3,413,510	2,056,305
Future income taxes	1,300,663	1,041,561
Gain on disposal of capital assets	(74,926)	(336,655)
Funds from operations	9,833,733	3,651,274
Net change in non-cash working capital from operations	1,605,983	2,058,076
	<b>11,439,716</b>	<b>5,709,350</b>
<b>INVESTMENTS</b>		
Purchase of capital assets	(14,575,692)	(7,931,655)
Proceeds on disposal of capital assets	498,329	3,522,500
Acquisition of subsidiary	(3,366,231)	-
Net change in non-cash working capital from the purchase and disposal of capital assets	873,563	(4,435,609)
	<b>(16,570,031)</b>	<b>(8,844,764)</b>
<b>FINANCING</b>		
Net proceeds from issuance of share capital	664,773	11,155,835
Increase in long-term debt	4,435,145	1,590,921
	<b>5,099,918</b>	<b>12,746,756</b>
Increase (decrease) in cash position	(30,397)	9,611,342
Cash position (bank indebtedness), beginning of period	860,676	(2,848,496)
Cash position end of period	\$ 830,279	\$ 6,762,846

## Notes to the Interim Consolidated Financial Statements

The Company's accounting policies applied to these consolidated financial statements are consistent with those described in the 1999 Annual Report, except for the Change in Accounting Policy described below.

### NOTE 1 – CHANGE IN ACCOUNTING POLICY

Effective January 1, 2000, the Company adopted the liability method of accounting for future income taxes. Under the liability method, future income tax assets and liabilities are determined based on "temporary differences" (differences between the accounting basis and the tax basis of the assets and liabilities), and are measured using the currently enacted, or substantively enacted, tax rates and laws expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized. Income tax expense or benefit is the sum of the Company's provision for current income taxes and the difference between the opening and ending balances of the future income tax assets and liabilities.

Prior to adoption of this new accounting standard, income tax expense was determined using the deferral method. Under this method, deferred income tax expense was determined based on "timing differences" (differences between the accounting and tax treatment of items expense or income), and were measured using the tax rates in effect in the year the differences originated. Certain deferred tax assets, such as the benefit of tax losses carried forward, were not recognized unless there was virtual certainty that they would be realized.

The Company has adopted the new income tax accounting standard retroactively, without restating the financial statements of any prior periods. As a result, the Company has recorded a decrease to retained earnings of \$542,948 and an increase to the future tax liability, formerly the deferred tax liability, of \$542,948 as at January 1, 2000.

### NOTE 2 – ACQUISITION OF SUBSIDIARY

Effective January 18, 2000, the Company acquired all of the issued and outstanding share capital of Northline Energy Services Inc. ("Northline"). The transaction was accounted for using the purchase method. Northline's results from operations have been consolidated with the operations of the Company from the effective date of the purchase.

Net assets acquired at fair market value:

Net non-cash working capital	\$	980,655
Capital assets		5,928,284
Goodwill		4,297,798
Long-term debt		(4,339,735)
Future tax liability		(373,101)
	\$	6,493,901
Bank Indebtedness		(490,287)
	\$	6,003,614
Financed by:		
Cash	\$	3,366,231
461,081 common shares of the Company at \$5.72		2,637,383
	\$	6,003,614

### NOTE 3 – SHARE CAPITAL

The issued and outstanding common shares of the Corporation along with securities convertible into common shares are as follows:

		June 30, 2000	December 31, 1999
Issued and outstanding:	Common shares	15,934,808	15,177,527
Securities convertible into common shares:	Employee stock options	1,262,750	1,268,000
	Common Share Purchase Warrants	200,000	200,000
		17,397,558	16,645,527

### Board of Directors

Kenneth M. Bagan

Gary R. Bugeaud

Murray L. Cobbe

Donald R. Luft

Douglas F. Robinson

Victor J. Stobbe

### Registrar and Transfer Agent

Montreal Trust  
Company of Canada  
Calgary, Alberta and  
Toronto, Ontario

### Investor Relations Information

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