

# Q3

INTERIM REPORT  
NINE MONTHS ENDED  
SEPTEMBER 30, 2006



## FINANCIAL REVIEW

| (\$ millions, except per share amounts, unaudited)             | Three months ended Sept. 30, |         | Nine months ended Sept. 30, |         |         |
|--|------------------------------|---------|-----------------------------|---------|---------|
|  | 2006                         | 2005    | 2006                        | 2005    |         |
| Revenue  | <b>244.1</b>                 | 174.3   | <b>639.1</b>                | 433.4   |         |
| Operating income *   | <b>90.2</b>                  | 62.7    | <b>222.9</b>                | 142.2   |         |
| Net income before stock-based compensation expense *           | <b>58.3</b>                  | 38.2    | <b>145.7</b>                | 84.6    |         |
| Net income before stock-based compensation expense per share** |                              |         |                             |         |         |
|  | (basic)                      | \$ 0.51 | \$ 0.34                     | \$ 1.27 | \$ 0.75 |
|  | (diluted)                    | \$ 0.49 | \$ 0.32                     | \$ 1.22 | \$ 0.72 |
| Net income   | <b>54.6</b>                  | 36.6    | <b>137.2</b>                | 81.3    |         |
| Net income per share**   |                              |         |                             |         |         |
|  | (basic)                      | \$ 0.47 | \$ 0.32                     | \$ 1.20 | \$ 0.72 |
|  | (diluted)                    | \$ 0.46 | \$ 0.31                     | \$ 1.15 | \$ 0.69 |
| Funds provided by operations*                                  | <b>95.4</b>                  | 66.0    | <b>163.0</b>                | 113.3   |         |

\* See last page of report for description.

\*\* Comparative amounts have been restated to reflect the effect of the May 2006 two for one stock split.

Trican Well Service Ltd. is pleased to announce its financial and operating results for the three and nine months ended September 30, 2006 with comparisons to the same periods last year. Trican achieved its second highest quarterly measures for revenue, earnings per share and net income. Canadian operations delivered strong year-over-year growth despite a decline in industry activity experienced during the quarter. Russian operations continued to establish new quarterly records as these operations continue to deliver higher revenue with improved profitability.

Trican's revenue for the quarter increased 40% compared to the same period in 2005. Net income increased more than 49% to \$54.6 million compared to \$36.6 million recorded in the third quarter of 2005. As noted in the table above, net income per share, excluding the impact of stock-based compensation rose to \$0.51 (\$0.49 diluted) versus \$0.34 (\$0.32 diluted) for the comparable period in 2005. Funds provided by operations of \$95.4 million established a new record for a quarter, increasing 45% from \$66.0 million in the third quarter of 2005.

## **OPERATIONS REVIEW**

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### **Canada**

Natural gas prices weakened during the quarter as concerns over natural gas inventory levels overtook the market, placing strong downward pressure on current and near-term prices. However, despite these conditions, operations in Canada achieved quarter-over-quarter growth in revenue, number of jobs completed and revenue per job. Additional equipment capacity combined with a strategic focus on the deeper, more technical areas of the Western Canadian Sedimentary Basin (WCSB) helped the Company achieve the second highest quarter revenue total in its history for Canadian Operations, surpassed only by the results from the very busy winter drilling season seen in the first quarter of this year. Active rig count, which is a good proxy for demand for our services, trended at or slightly below last year's level until late in the quarter, when weather and commodity price concerns drove current year activity down. Activity levels have recovered somewhat in the fourth quarter but continue to be hampered by weather and commodity price concerns.

Weak natural gas prices had a greater impact on activity in the shallow and intermediate depth areas of the basin during the quarter as operators reduced spending on marginal gas plays such as shallow gas and coalbed methane programs. As reported last quarter, coalbed methane development programs continue to be hampered by new regulatory requirements which have increased the licensing period for well applications.

Trican's activity in the northern and deeper areas of the basin increased compared with last year, reflecting the Company's significant investment and strong presence in these markets. Work in these areas may be less affected by short term commodity price weakness, as these development programs are focused on longer lived reserves with longer delivery times to market.

The Company undertook a significant capital development program in 2006, adding equipment to all of its major service lines. This equipment began to be deployed in the field late in the third quarter with the balance expected in the field before the winter drilling season.

### **Russia**

Russia operations, which include operations in Kazakhstan, achieved significant growth during the quarter relative to the same period in 2005, establishing new records for revenue, number of jobs completed and revenue per job. Additional equipment capacity combined with continued strong demand for services drove these results.

Three fracturing crews have been added since the third quarter of 2005 bringing the fleet to eight crews. This additional capacity was used primarily to support operations at our Nefteugansk base which was established late in 2005 as a result of securing a contract with a new strategic customer that operates in this area. Results for the quarter also benefited from the redeployment of a fracturing crew to Kazakhstan in August. The equipment has been well received by our customers and management is optimistic that sufficient work exists in the Kyzylorda region to justify keeping this equipment in Kazakhstan into 2007.

Revenue per job for fracturing services improved significantly relative to the third quarter of 2005 as a result of much larger job sizes in the Nefteugansk area relative to our other operating bases. Late in September, a Nefteugansk fracturing crew completed a 536-tonne hydraulic fracturing treatment. This treatment took more than six hours to pump and was completed as planned without incident. This is the largest fracturing treatment ever undertaken by Trican and we believe the largest treatment undertaken in Russia.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) should be read in conjunction with the unaudited interim consolidated financial statements of Trican as at, and for, the three and nine months ended September 30, 2006 and 2005, and should also be read in conjunction with the audited consolidated financial statements and MD&A contained in Trican's annual report for the year ended December 31, 2005. The interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). This MD&A is dated October 25, 2006. Additional information, including the Company's Annual Information Form is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### QUARTERLY COMPARATIVE INCOME STATEMENTS

| Three months ended September 30,<br>(\$ thousands, unaudited) | 2006           | % of<br>Revenue | 2005    | % of<br>Revenue | Quarter-Over- |             |
|---|----------------|-----------------|---------|-----------------|---------------|-------------|
|   |                |                 |         |                 | Change        | %<br>Change |
| <b>Revenue</b>  | <b>244,114</b> | <b>100.0%</b>   | 174,261 | 100.0%          | 69,853        | 40%         |
| <b>Expenses</b>   |                |                 |         |                 |               |             |
| Materials and operating                                       | 145,744        | 59.7%           | 105,227 | 60.4%           | 40,517        | 39%         |
| General and administrative                                    | 8,122          | 3.3%            | 6,307   | 3.6%            | 1,815         | 29%         |
| Operating income*   | 90,248         | 37.0%           | 62,727  | 36.0%           | 27,521        | 44%         |
| Interest expense  | 109            | 0.0%            | 350     | 0.2%            | (241)         | (69%)       |
| Depreciation and amortization                                 | 9,074          | 3.7%            | 6,294   | 3.6%            | 2,780         | 44%         |
| Foreign exchange (gain)/loss                                  | 47             | 0.0%            | (41)    | 0.0%            | 88            | 215%        |
| Other income  | (581)          | (0.2%)          | (142)   | (0.1%)          | (439)         | 309%        |
| Income before income taxes<br>and non-controlling interest    | 81,599         | 33.4%           | 56,266  | 32.3%           | 25,333        | 45%         |
| Provision for income taxes                                    | 26,781         | 11.0%           | 19,615  | 11.3%           | 7,166         | 37%         |
| Income before non-controlling interest                        | 54,818         | 22.5%           | 36,651  | 21.0%           | 18,167        | 50%         |
| Non-controlling interest                                      | 264            | 0.1%            | 86      | 0.0%            | 178           | 207%        |
| <b>Net Income</b>   | <b>54,554</b>  | <b>22.3%</b>    | 36,565  | 21.0%           | 17,989        | 49%         |

The Company is managed in three divisions – Well Service, Production Services and Corporate. The Well Service Division provides deep coiled tubing; nitrogen; fracturing, including coalbed methane fracturing; and cementing services. The Production Services Division provides acidizing, intermediate depth coiled tubing, and industrial services.

### FINANCIAL REVIEW

#### WELL SERVICE DIVISION

##### Overview

| Three months ended September 30,<br>(\$ thousands, unaudited) | 2006           | % of<br>Revenue | 2005    | % of<br>Revenue | Quarter-Over- |
|---|----------------|-----------------|---------|-----------------|---------------|
|   |                |                 |         |                 | Change        |
| <b>Revenue</b>  | <b>232,034</b> |                 | 166,079 |                 | 40%           |
| <b>Expenses</b>   |                |                 |         |                 |               |
| Materials and operating                                       | 137,118        | 59.1%           | 97,941  | 59.0%           | 40%           |
| General and administrative                                    | 339            | 0.1%            | 242     | 0.1%            | 40%           |
| Total expenses  | 137,457        | 59.2%           | 98,183  | 59.1%           |               |
| Operating income*   | 94,577         | 40.8%           | 67,896  | 40.9%           | 39%           |
| Number of jobs  | 7,528          |                 | 7,324   |                 | 3%            |
| Revenue per job   | 30,955         |                 | 22,830  |                 | 36%           |

The Well Service Division's record financial performance for the quarter reflects strong demand for the Company's services coupled with expanded equipment capacity both in Canada and Russia. Revenue for this division increased 40% compared to the same period in 2005. Revenue from Canadian operations for the quarter accounted for approximately 76% of total Well Service revenue versus 86% in the comparable period of 2005, while Russian operations accounted for approximately 24% of total Well Service revenue versus 14% for the corresponding period in 2005. The growth in revenue for the quarter reflects strong demand for conventional fracturing and cementing services. Canadian performance was aided by the Company's strong market position in the deeper and more technical portions of the WCSB. Russian performance continues to benefit from its broadened customer base and expanded area of operations.

The Well Service Division continues to be the Company's largest division making up 95% of total revenue for both the third quarter of 2006 and 2005. Within this division, fracturing services, which includes CBM fracturing, increased to 65% of divisional revenue versus 59% in the third quarter of 2005. Cementing made up 24% of revenue versus 29% in the comparable period of 2005, while coiled tubing and nitrogen services combined for the final 11% in 2006 and 12% in 2005.

### Well Service – Canadian Operations

| Three months ended September 30,<br>(\$ thousands, unaudited) | 2006           | % of<br>Revenue | 2005    | % of<br>Revenue | Quarter-<br>Over-Quarter<br>Change |
|---|----------------|-----------------|---------|-----------------|------------------------------------|
| <b>Revenue</b>  | <b>175,821</b> |                 | 143,591 |                 | 22%                                |
| <b>Expenses</b>   |                |                 |         |                 |                                    |
| Materials and operating                                       | <b>97,065</b>  | <b>55.2%</b>    | 80,629  | 56.2%           | 20%                                |
| General and administrative                                    | <b>324</b>     | <b>0.2%</b>     | 227     | 0.2%            | 43%                                |
| Total expenses  | <b>97,389</b>  | <b>55.4%</b>    | 80,856  | 56.3%           |                                    |
| Operating income*   | <b>78,432</b>  | <b>44.6%</b>    | 62,735  | 43.7%           | 25%                                |
| Number of jobs  | <b>7,091</b>   |                 | 6,943   |                 | 2%                                 |
| Revenue per job   | <b>24,936</b>  |                 | 20,823  |                 | 20%                                |

Despite a decrease in industry activity over the third quarter of last year, increased equipment capacity and a strategic position in the deeper regions of the WCSB resulted in a 22% increase in revenues to \$176 million, the second highest for a quarter in the Company's history. Revenue per job increased 20% from last year reflecting a price book increase in February 2006, coupled with a significant increase in work performed in the Foothills Front area of Alberta, one of the more technically challenging areas of the WCSB. Despite lower overall levels of activity, the number of jobs completed in the quarter rose 2% to 7,091 compared to the comparable prior quarter.

Results from Canadian operations were impacted by reduced shallow gas and CBM directed activity during the quarter. Uncertainty regarding near-term natural gas prices caused producers to reduce shallow gas fracturing, cementing and CBM programs.

Within this division, fracturing services, which includes CBM fracturing, accounted for 55% of divisional revenue versus 53% in the comparable quarter of the prior year, while cementing decreased to 31% of divisional revenue versus 32% in the third quarter of 2005. Coiled tubing accounted for 8% of revenue versus 9% in the comparable period of 2005, while nitrogen services remained consistent with the prior quarter at 6%.

The Company has continued to invest in the Canadian market, developing one of the largest and most technologically advanced pressure pumping fleets operating in western Canada. Since the third quarter last year, the Company has added two fracturing crews, four deep coil tubing units, and seven conventional nitrogen units.

Materials and operating expense for the quarter decreased as a percentage of revenue to 55.2% compared to 56.2% for the same period in 2005. Strong demand for the Company's services in the deeper, higher margin areas of the basin led to increased operating leverage on our fixed cost structure. General and administrative costs remained relatively unchanged on a quarter-over-quarter basis.

### Well Service – Russian Operations

| Three months ended September 30,<br>(\$ thousands, unaudited) | 2006           | % of<br>Revenue | 2005   | % of<br>Revenue | Quarter-<br>Over-Quarter<br>Change |
|---|----------------|-----------------|--------|-----------------|------------------------------------|
| <b>Revenue</b>  | <b>56,213</b>  |                 | 22,488 |                 | 150%                               |
| <b>Expenses</b>   |                |                 |        |                 |                                    |
| Materials and operating                                       | <b>40,053</b>  | <b>71.3%</b>    | 17,312 | 77.0%           | 131%                               |
| General and administrative                                    | <b>15</b>      | <b>0.0%</b>     | 15     | 0.1%            | 0%                                 |
| Total expenses  | <b>40,068</b>  | <b>71.3%</b>    | 17,327 | 77.0%           |                                    |
| Operating income*   | <b>16,145</b>  | <b>28.7%</b>    | 5,161  | 23.0%           | 213%                               |
| Number of jobs  | <b>437</b>     |                 | 381    |                 | 15%                                |
| Revenue per job   | <b>128,628</b> |                 | 59,403 |                 | 117%                               |

Results from our Russian operations (which comprise fracturing and cementing services) set new Company records for quarterly revenue, revenue per job and number of jobs performed as a result of additional equipment capacity and strong demand for services. Revenue increased more than 150% to a record \$56.2 million compared to the same period in 2005 as three additional fracturing crews have been added since the third quarter of 2005, bringing the total number of crews operating to eight. This additional capacity was added to support higher levels of demand for services, a broadening customer base and an increased area of operations. Revenue per job established another record, increasing 117% to \$128,628 as a result of overall larger job sizes, particularly in the Nefteugansk area, and improved contract pricing relative to the comparable prior quarter. Activity levels increased by 15% and benefited from the expanded operations area, with the addition of the base in Nefteugansk and the redeployment of one fracturing crew to Kazakhstan, as well as expanded equipment capacity. Fracturing revenue represented 96% of total Russian revenues and cementing accounted for 4% for the quarter, compared to 95% and 5% respectively for the comparable quarter of the prior year.

Materials and operating expense for the quarter decreased as a percentage of revenue to 71.3% compared to 77.0% for the same period in 2005. The decrease was a result of improved pricing, a continued focus on achieving efficiency gains and increased leverage on our fixed cost structure. General and administrative expenses remained relatively unchanged on a quarter-over-quarter basis.

## PRODUCTION SERVICES DIVISION

| Three months ended September 30,<br>(\$ thousands, unaudited) | 2006          | % of<br>Revenue | 2005  | % of<br>Revenue | Quarter-<br>Over-Quarter<br>Change |
|---|---------------|-----------------|-------|-----------------|------------------------------------|
| <b>Revenue</b>  | <b>12,080</b> |                 | 8,182 |                 | 48%                                |
| <b>Expenses</b>   |               |                 |       |                 |                                    |
| Materials and operating                                       | <b>8,257</b>  | <b>68.4%</b>    | 6,682 | 81.7%           | 24%                                |
| General and administrative                                    | <b>69</b>     | <b>0.6%</b>     | 41    | 0.5%            | 68%                                |
| Total expenses  | <b>8,326</b>  | <b>68.9%</b>    | 6,723 | 82.2%           |                                    |
| Operating income*   | <b>3,754</b>  | <b>31.1%</b>    | 1,459 | 17.8%           | 157%                               |
| Number of jobs  | <b>815</b>    |                 | 582   |                 | 40%                                |
| Revenue per job   | <b>10,831</b> |                 | 8,488 |                 | 28%                                |
| Number of hours   | <b>2,486</b>  |                 | 2,228 |                 | 12%                                |

The Production Services Division includes acidizing services, intermediate depth coiled tubing services, and industrial services. During the quarter, revenue from the Production Services Division increased 48% over the same period of 2005, primarily as a result of a significant increase in industrial services and acidizing work. Acidizing benefited from increased equipment capacity relative to the same period in 2005. The total number of jobs completed increased by 40% while revenue per job increased by 28% primarily as a result of completing larger industrial service jobs relative to the comparable quarter of the prior year. The number of hours for the intermediate depth coiled tubing service line increased by 12% versus the third quarter of 2005, while revenue per hour increased 4%.

Materials and operating expense decreased as a percentage of revenue to 68.4% compared to 81.7% of revenue for the same period of 2005 as a result of increased operating leverage on our fixed cost structure. General and administrative expenses remained relatively unchanged on a quarter-over-quarter basis.

## CORPORATE DIVISION

| Three months ended September 30,<br>(\$ thousands, unaudited) | 2006           | % of<br>Total<br>Revenue | 2005    | % of<br>Total<br>Revenue | Quarter-<br>Over-Quarter<br>Change |
|---|----------------|--------------------------|---------|--------------------------|------------------------------------|
| <b>Expenses</b>   |                |                          |         |                          |                                    |
| Materials and operating                                       | <b>347</b>     | <b>0.1%</b>              | 415     | 0.2%                     | (16%)                              |
| General and administrative                                    | <b>7,736</b>   | <b>3.2%</b>              | 6,213   | 3.6%                     | 25%                                |
| Total expenses  | <b>8,083</b>   | <b>3.3%</b>              | 6,628   | 3.8%                     |                                    |
| Operating loss*   | <b>(8,083)</b> |                          | (6,628) |                          | 22%                                |

Corporate Division expenses consist mainly of general and administrative expenses. Overall, expenses increased \$1.5 million; however, expenses decreased as a percentage of revenue on a quarter-over-quarter basis. Materials and operating expense remained consistent with the comparable prior period. General and administrative costs increased \$1.5 million due to higher stock-based compensation and staffing costs, offset by a decrease in deferred share unit costs. Stock-based compensation costs and staffing accounted for \$2.6 million of the increase quarter-over-quarter and offsetting these was a \$1.1 million decrease in deferred share unit costs. These costs are reflected on a marked-to-market basis and the decrease is the result in the decline in the Company's share price.

### Other Expenses and Income

Interest expense decreased \$0.2 million quarter-over-quarter to \$0.1 million primarily as a result of repayment of debt. Depreciation and amortization expense increased \$2.8 million for the quarter relative to the same period in 2005 due to continued expansion of the Company's equipment capacity and operations facilities. Other expense and income increased \$0.4 million as a result of higher interest income.

### YEAR-TO-DATE COMPARATIVE INCOME STATEMENTS

| Nine months ended September 30,<br>(\$ thousands, unaudited) | 2006           | % of<br>Revenue | 2005    | % of<br>Revenue | Year-Over-     |             |
|--|----------------|-----------------|---------|-----------------|----------------|-------------|
|  |                |                 |         |                 | Year<br>Change | %<br>Change |
| <b>Revenue</b>   | <b>639,143</b> | <b>100.0%</b>   | 433,396 | 100.0%          | 205,747        | 47%         |
| <b>Expenses</b>  |                |                 |         |                 |                |             |
| Materials and operating                                      | <b>394,004</b> | <b>61.6%</b>    | 274,674 | 63.4%           | 119,330        | 43%         |
| General and administrative                                   | <b>22,257</b>  | <b>3.5%</b>     | 16,545  | 3.8%            | 5,712          | 35%         |
| Operating income*  | <b>222,882</b> | <b>34.9%</b>    | 142,177 | 32.8%           | 80,705         | 57%         |
| Interest expense   | <b>665</b>     | <b>0.1%</b>     | 1,268   | 0.3%            | (603)          | (48%)       |
| Depreciation and amortization                                | <b>24,950</b>  | <b>3.9%</b>     | 17,560  | 4.1%            | 7,390          | 42%         |
| Foreign exchange gain  | <b>(1,174)</b> | <b>(0.2%)</b>   | (1,258) | (0.3%)          | 84             | (7%)        |
| Other income   | <b>(1,241)</b> | <b>(0.2%)</b>   | (351)   | (0.1%)          | (890)          | 254%        |
| Income before income taxes<br>and non-controlling interest   | <b>199,682</b> | <b>31.2%</b>    | 124,958 | 28.8%           | 74,724         | 60%         |
| Provision for income taxes                                   | <b>61,876</b>  | <b>9.7%</b>     | 43,440  | 10.0%           | 18,436         | 42%         |
| Income before non-controlling interest                       | <b>137,806</b> | <b>21.6%</b>    | 81,518  | 18.8%           | 56,288         | 69%         |
| Non-controlling interest                                     | <b>570</b>     | <b>0.1%</b>     | 251     | 0.1%            | 319            | 127%        |
| <b>Net income</b>  | <b>137,236</b> | <b>21.5%</b>    | 81,267  | 18.8%           | 55,969         | 69%         |

### WELL SERVICE DIVISION

#### Overview

| Nine months ended September 30,<br>(\$ thousands, unaudited) | 2006           | % of<br>Revenue | 2005    | % of<br>Revenue | Year-Over-          |     |
|--|----------------|-----------------|---------|-----------------|---------------------|-----|
|  |                |                 |         |                 | Over-Year<br>Change |     |
| <b>Revenue</b>   | <b>600,579</b> |                 | 404,904 |                 |                     | 48% |
| <b>Expenses</b>  |                |                 |         |                 |                     |     |
| Materials and operating                                      | <b>366,912</b> | <b>61.1%</b>    | 251,468 | 62.1%           |                     | 46% |
| General and administrative                                   | <b>967</b>     | <b>0.2%</b>     | 690     | 0.2%            |                     | 40% |
| Total expenses   | <b>367,879</b> | <b>61.3%</b>    | 252,158 | 62.3%           |                     |     |
| Operating income*  | <b>232,700</b> | <b>38.7%</b>    | 152,746 | 37.7%           |                     | 52% |
| Number of jobs   | <b>19,888</b>  |                 | 17,858  |                 |                     | 11% |
| Revenue per job  | <b>30,400</b>  |                 | 22,837  |                 |                     | 33% |

Revenue for the nine months ended September 30, 2006 for the Well Service Division increased 48% compared to the same period in 2005 as a result of strong activity levels experienced during the year, improved pricing for services and growth in the proportion of fracturing services. The growth in fracturing services resulted from increased conventional capacity in Canada and the addition of fracturing equipment in Russia. Revenue per job increased by 33% to \$30,400 as a result of more work being performed in the deeper, more technically challenging areas of the WCSB in Canada and larger overall job sizes from our Russian operations. On a year-to-date basis fracturing revenue accounted for 62% of total Well Service revenue compared to only 56% for the corresponding period of 2005. Cementing accounted for 27% of revenue versus 30% for the comparable prior period, while coiled tubing and nitrogen services combined for the final 11% in 2006 and 14% in 2005.

Materials and operating expense on a year-to-date basis decreased as a percentage of revenue to 61.1% due to increased operational leverage on the Company's fixed cost structure. General and administrative expenses on a year-to-date basis remained relatively unchanged year-over-year.

### Well Service – Canadian Operations

| Nine months ended September 30,<br>(\$ thousands, unaudited) | 2006           | % of<br>Revenue | 2005       | % of<br>Revenue | Year-<br>Over-Year<br>Change |
|--|----------------|-----------------|------------|-----------------|------------------------------|
| <b>Revenue</b>   | <b>466,690</b> |                 | 346,195    |                 | 35%                          |
| <b>Expenses</b>  |                |                 |            |                 |                              |
| Materials and operating                                      | <b>269,449</b> | <b>57.7%</b>    | 206,866    | 59.8%           | 30%                          |
| General and administrative                                   | <u>869</u>     | <b>0.2%</b>     | <u>644</u> | 0.2%            | 35%                          |
| Total expenses   | <b>270,318</b> | <b>57.9%</b>    | 207,510    | 59.9%           |                              |
| Operating income*  | <b>196,372</b> | <b>42.1%</b>    | 138,685    | 40.1%           | 42%                          |
| Number of jobs   | <b>18,743</b>  |                 | 16,828     |                 | 11%                          |
| Revenue per job  | <b>25,113</b>  |                 | 20,720     |                 | 21%                          |

Canadian operations revenue for the nine months ended September 30, 2006 increased 35% over the same period in 2005 due to expanded equipment capacity and higher revenue per job. Additional equipment and continued strong demand for services drove an 11% increase in the number of jobs performed. Revenue per job increased 21% to \$25,113, benefiting from more work in the deeper markets, and fracturing, which includes CBM fracturing, making up a larger proportion of Well Service revenues.

Materials and operating expense on a year-to-date basis decreased as a percentage of revenue to 57.7% compared to 59.8% for the same period in 2005. Growth in the higher margin services and a continued focus on the intermediate and deep areas of the WCSB contributed to this improvement. General and administrative expenses remained relatively unchanged on a year-over-year basis.

## Well Service – Russian Operations

| Nine months ended September 30,<br>(\$ thousands, unaudited) | % of           |              | 2005   | % of<br>Revenue | Year-<br>Over-Year<br>Change |
|--|----------------|--------------|--------|-----------------|------------------------------|
|  | 2006           | Revenue      |        |                 |                              |
| <b>Revenue</b>   | <b>133,889</b> |              | 58,709 |                 | 128%                         |
| <b>Expenses</b>  |                |              |        |                 |                              |
| Materials and operating                                      | <b>97,463</b>  | <b>72.8%</b> | 44,602 | 76.0%           | 119%                         |
| General and administrative                                   | <b>98</b>      | <b>0.1%</b>  | 46     | 0.1%            | 113%                         |
| Total expenses   | <b>97,561</b>  | <b>72.9%</b> | 44,648 | 76.0%           |                              |
| Operating income*  | <b>36,328</b>  | <b>27.1%</b> | 14,061 | 24.0%           | 158%                         |
| Number of jobs   | <b>1,145</b>   |              | 1,030  |                 | 11%                          |
| Revenue per job  | <b>116,944</b> |              | 57,420 |                 | 104%                         |

Revenue from our Russian operations for the nine months ended September 30, 2006 increased more than 128% compared to the same period in 2005. Additional equipment capacity, coupled with strong demand for services and a marked increase in revenue per job, helped drive record results. The total number of jobs completed increased over 11% to 1,145 compared with the comparable prior period. Revenue per job increased by 104% to \$116,944 as a result of larger, higher-margin fracturing jobs and larger primary cementing jobs completed.

Materials and operating expense for the year decreased as a percentage of revenue to 72.8% from the 76.0% recorded in the comparable prior year. Overall larger job sizes combined with increased operating leverage on our fixed cost structure led to the improvement over the prior year. General and administrative costs remained relatively unchanged year-over-year. Fracturing revenue represented 96% of total Russian revenues and cementing accounted for 4% for the year compared to 91% and 9% respectively for the comparable prior period.

## PRODUCTION SERVICES DIVISION

| Nine months ended September 30,<br>(\$ thousands, unaudited) | % of          |              | 2005   | % of<br>Revenue | Year-<br>Over-Year<br>Change |
|--|---------------|--------------|--------|-----------------|------------------------------|
|  | 2006          | Revenue      |        |                 |                              |
| <b>Revenue</b>   | <b>38,564</b> |              | 28,492 |                 | 35%                          |
| <b>Expenses</b>  |               |              |        |                 |                              |
| Materials and operating                                      | <b>25,701</b> | <b>66.6%</b> | 21,515 | 75.5%           | 19%                          |
| General and administrative                                   | <b>333</b>    | <b>0.9%</b>  | 123    | 0.4%            | 171%                         |
| Total expenses   | <b>26,034</b> | <b>67.5%</b> | 21,638 | 75.9%           |                              |
| Operating income*  | <b>12,530</b> | <b>32.5%</b> | 6,854  | 24.1%           | 83%                          |
| Number of jobs   | <b>2,314</b>  |              | 1,606  |                 | 44%                          |
| Revenue per job  | <b>11,084</b> |              | 10,053 |                 | 10%                          |
| Number of hours  | <b>9,788</b>  |              | 10,896 |                 | (10%)                        |

Revenue from the Production Services Division increased by 35% on a year-over-year basis as a result of a significant increase in acidizing, industrial service revenue and chemical sales offset by a slight decrease in coiled tubing revenue. The number of jobs completed increased by 44% and revenue per job increased by 10%. Both revenue and number of jobs completed benefited from a greater number of acidizing units in service relative to the comparable prior period. Revenue per hour benefited from a price book increase in February 2006 relative to the comparable period in 2005.

Materials and operating expense decreased as a percentage of revenue to 66.6% compared to 75.5% of revenue for the same period of 2005 as a result of greater operating leverage on our fixed cost structure. General and administrative expenses remained relatively unchanged on a year-over-year basis.

## **CORPORATE DIVISION**

| <b>Nine months ended September 30,<br/>(\$ thousands, unaudited)</b> | <b>2006</b>     | <b>% of<br/>Total<br/>Revenue</b> | <b>2005</b>   | <b>% of<br/>Total<br/>Revenue</b> | <b>Year-<br/>Over-Year<br/>Change</b> |
|--|-----------------|-----------------------------------|---------------|-----------------------------------|---------------------------------------|
| <b>Expenses</b>  |                 |                                   |               |                                   |                                       |
| Materials and operating  | <b>1,258</b>    | <b>0.2%</b>                       | 1,261         | 0.3%                              | 0%                                    |
| General and administrative   | <b>21,090</b>   | <b>3.3%</b>                       | <u>16,162</u> | 3.7%                              | 30%                                   |
| Total expenses   | <b>22,348</b>   | <b>3.5%</b>                       | 17,423        | 4.0%                              |                                       |
| Operating loss*  | <b>(22,348)</b> |                                   | (17,423)      |                                   | 28%                                   |

Corporate Division expenses on a year-to-date basis increased \$4.9 million; however, they decreased as a percentage of revenue. Material and operating expense remained consistent with the comparable prior period. General and administrative expense increased \$4.9 million due to higher stock-based compensation and staffing costs, an increase in the allowance for doubtful accounts and higher general and administrative costs offset by a decrease in deferred share unit costs (“DSU”). Higher stock-based compensation and staffing costs accounted for \$5.9 million of the increase while the increase in provision for bad debts represented \$0.7 million. Offsetting this was a decrease in DSU costs of \$2.2 million year-over-year as a result of a decrease in the Company’s share price.

### **Other Expenses and Income**

Interest expense year-to-date decreased by \$0.6 million to \$0.7 million as a result of repayment of various loans over the last year. Depreciation and amortization increased by \$7.4 million year-over-year as a result of continued investment in equipment and operations facilities. Other expense and income increased \$0.9 million as a result of higher interest income.

### **Income Taxes**

Reflected in the year-to-date provision for income taxes are Canadian Federal and Provincial income tax rate reductions which resulted in a \$5.0 million reduction to the provision for income taxes. This has also been reflected in our financial statements as a reduction to future income tax liability, assets, and current income taxes payable on the balance sheet.

### **Liquidity and Investing Activities**

Funds provided by operations for the three months ended September 30, 2006 established a new record for a quarter increasing 45% to \$95.4 million from the \$66.0 million recorded in the comparable prior quarter.

At September 30, 2006 the Company had working capital of \$200.9 million which was an increase of \$48.0 million over the 2005 year-end level of \$152.9 million. Increased revenue led to higher accounts receivable balances, and significant increases in activity levels in Russia necessitated carrying higher inventory levels relative to December 2005. Offsetting these increases was an increase in current taxes payable due to previously deferred future taxes becoming current income taxes payable.

Capital expenditures for the quarter totalled \$30.7 million compared with \$29.5 million for the same period in 2005. The majority of this investment was directed to fracturing and nitrogen equipment.

**Capital Resources**

Trican's total debt, which comprises capital lease facilities involving certain pieces of the Company's operating equipment, decreased \$10.3 million to \$3.9 million at the end of the third quarter, compared with \$14.2 million at the end of 2005. The Company believes that its strong balance sheet and unutilized borrowing capacity combined with funds from operations will provide sufficient capital resources to fund its ongoing operations and future expansion.

**Cash Requirements**

The Company has historically financed its capital expenditures with funds from operations, equity issues and debt. As of September 30, 2006, the Company had a number of ongoing capital projects and estimates that \$60 million of additional investment will be required to complete these projects. These expenditures are expected to be financed by funds from operations and/or credit facilities. Trican continues to review opportunities for growth both in Canada and other parts of the world. The capital budget may be increased if viable business opportunities are identified by the Company.

**Financing Activities**

The Company has a \$15.0 million operating line and \$25.0 million extendible revolving equipment and acquisition line. At September 30, 2006, no amounts were drawn on these facilities.

As at October 25, 2006, the Company had 115,127,123 common shares and 11,042,795 employee stock options outstanding.

**Business Risks**

A complete discussion of business risks faced by the Company may be found under "Management's Discussion and Analysis" in Trican's 2005 Annual Report.

## Outlook

Buoyed by strong oil prices, activity in Russia continues at high levels and management continues to review new opportunities for further growth. The Company is currently renewing contracts for work in 2007 and progress to date has been positive with these negotiations which are expected to continue through the fourth quarter. Management remains optimistic regarding the continuation of strong demand for the Company's services in Russia.

Activity in Canada was negatively impacted by the ongoing concerns over natural gas commodity prices. As reported last quarter, natural gas inventory levels continue at very high levels and the absence of expected disruptions in off-shore production during the hurricane season have strongly depressed near term natural gas prices. This has caused some companies to review the economic viability of gas directed exploration and development programs. This reduced activity for shallow gas and CBM markets during the third quarter and is expected to continue into the fourth quarter. Activity in the WCSB thus far in the quarter has recovered from the end of the third quarter but has been impacted by normal early winter conditions during which rain and snowfall curtails activity. For the balance of the quarter, management expects that our customers will complete their exploration and development programs planned for 2006; however they are unlikely to expand on these programs. Activity is expected to increase with the commencement of the winter drilling programs early in 2007.

The Company announced today that the board of directors declared a \$C 0.05 dividend per share in accordance with the semi-annual dividend policy for holders of Trican Common Shares. The date of record will be December 29, 2006 and the date of payment will be January 12, 2007. The ex-dividend date will be December 27, 2006.

With the significant investment undertaken in equipment and facilities in recent years, Trican is committed to meeting the demands of its customers and becoming the preeminent pressure pumping company in our areas of operations.

## SUMMARY OF QUARTERLY RESULTS

| (\$ millions, except per share amounts; unaudited) | 2006         |       |       | 2005  |       |      | 2004  |       |
|--|--------------|-------|-------|-------|-------|------|-------|-------|
|  | Q3           | Q2    | Q1    | Q4    | Q3    | Q2   | Q1    | Q4    |
| <b>Revenue</b>                                     | <b>244.1</b> | 137.4 | 257.6 | 207.5 | 174.3 | 94.7 | 164.5 | 126.7 |
| <b>Net income</b>                                  | <b>54.6</b>  | 17.4  | 65.2  | 50.5  | 36.6  | 8.0  | 36.7  | 24.8  |
| <b>Earnings per share</b>                          |              |       |       |       |       |      |       |       |
| Basic  | <b>0.47</b>  | 0.15  | 0.57  | 0.45  | 0.32  | 0.07 | 0.33  | 0.22  |
| Diluted  | <b>0.46</b>  | 0.15  | 0.55  | 0.42  | 0.31  | 0.07 | 0.31  | 0.21  |

### **Forward-Looking Statements**

This document contains forward-looking statements as required under OSC Form 51-102F1 concerning, among other things, the Company's prospects, expected revenues, expenses, profits, developments and strategies for its operations, all of which are subject to certain risks, uncertainties and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "achievable," "believe," "expect," "estimate," and other similar terms and phrases. These statements are based on certain assumptions and analysis made by the Company in light of its experience and its perception of known trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. Such statements are subject to many external variables including fluctuating prices for crude oil and natural gas, changes in drilling activity, general global economic, political and business conditions, weather conditions, regulatory changes, and availability of products, qualified personnel, manufacturing capacity and raw materials. If any of these uncertainties materialize, or if assumptions are incorrect, actual results may vary materially from those expected.

*Headquartered in Calgary, Alberta, Trican's principal operations are in Canada; however, the Company also has operations in Russia. The Canadian operations are conducted through bases in British Columbia, Alberta and Saskatchewan, and provide services to customers across the entire Western Canadian Sedimentary Basin (WCSB). Russian operations are conducted through bases in Tyumen region of western Siberia in the towns of Raduzhny, Nyagan, Nefteugansk and in Kyzylorda, Kazakhstan. Trican provides a comprehensive array of specialized products, equipment and services that are used by exploration and production companies during the exploration and development of oil and gas reserves.*

*\* Trican makes reference to operating income, net income before stock-based compensation expense and funds from operations; measures that are not recognized under Canadian generally accepted accounting principles (GAAP). Management believes that, in addition to net income, operating income, net income before stock-based compensation expense, net income before stock-based compensation expense per share and funds from operations are useful supplemental measures. Operating income provides investors with an indication of earnings before depreciation, taxes and interest. Net income before stock-based compensation expense provides investors with information on net income excluding the non-cash affect of stock-based compensation expense. Funds from operations provide investors with an indication of cash available for capital commitments, debt repayments and other expenditures. Investors should be cautioned that operating income, net income before stock-based compensation expense, and funds from operations should not be construed as an alternative to net income determined in accordance with GAAP as an indicator of Trican's performance. Trican's method of calculating operating income, net income before stock-based compensation expense and funds from operations may differ from that of other companies and accordingly may not be comparable to measures used by other companies.*

## CONSOLIDATED BALANCE SHEETS

| (Stated in thousands of dollars; unaudited) | September 30,<br>2006 | December 31,<br>2005 |
|---|-----------------------|----------------------|
| <b>ASSETS</b>                               |                       |                      |
| Current assets                              |                       |                      |
| Cash and short-term deposits                | \$ 76,556             | \$ 35,023            |
| Accounts receivable                         | 173,357               | 145,717              |
| Inventory                                   | 65,419                | 40,314               |
| Prepaid expenses                            | 8,652                 | 6,707                |
|   | <b>323,984</b>        | 227,761              |
| Property and equipment                      | <b>367,334</b>        | 290,512              |
| Future income tax assets                    | <b>2,330</b>          | 2,693                |
| Other assets                                | <b>2,650</b>          | 2,803                |
| Goodwill (note 1)                           | <b>13,684</b>         | 11,774               |
|   | <b>\$ 709,982</b>     | \$ 535,543           |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                       |                      |
| Current liabilities                         |                       |                      |
| Accounts payable and accrued liabilities    | \$ 75,150             | \$ 59,731            |
| Current income taxes payable                | 44,409                | 7,683                |
| Current portion of long-term debt (note 4)  | 3,492                 | 7,451                |
|   | <b>123,051</b>        | 74,865               |
| Long-term debt (note 4)                     | <b>436</b>            | 6,703                |
| Future income tax liabilities               | <b>84,130</b>         | 91,991               |
| Non-controlling interest (note 1)           | <b>1,123</b>          | 901                  |
| Shareholders' equity                        |                       |                      |
| Share capital (note 3)                      | <b>83,831</b>         | 77,806               |
| Contributed surplus                         | <b>13,296</b>         | 6,251                |
| Foreign currency translation adjustment     | <b>(12,924)</b>       | (8,521)              |
| Retained earnings                           | <b>417,039</b>        | 285,547              |
|   | <b>501,242</b>        | 361,083              |
|   | <b>\$ 709,982</b>     | \$ 535,543           |

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

|  | Three Months<br>Ended<br>Sept. 30,<br>2006 | Three Months<br>Ended<br>Sept. 30,<br>2005 | Nine Months<br>Ended<br>Sept. 30,<br>2006 | Nine Months<br>Ended<br>Sept. 30,<br>2005 |
|--|--|--|---|---|
| <i>(Stated in thousands of dollars, except per share amounts; unaudited)</i> |  |  |   |   |
| <b>Revenue</b>   | <b>\$ 244,114</b>                          | \$ 174,261                                 | <b>\$ 639,143</b>                         | \$ 433,396                                |
| <b>Expenses</b>  |  |  |   |   |
| Materials and operating  | <b>145,744</b>                             | 105,227                                    | <b>394,004</b>                            | 274,674                                   |
| General and administrative   | <b>8,122</b>                               | 6,307                                      | <b>22,257</b>                             | 16,545                                    |
| <b>Operating income</b>  | <b>90,248</b>                              | 62,727                                     | <b>222,882</b>                            | 142,177                                   |
| Interest expense on long-term debt   | <b>109</b>                                 | 350  | <b>665</b>                                | 1,268                                     |
| Depreciation and amortization  | <b>9,074</b>                               | 6,294                                      | <b>24,950</b>                             | 17,560                                    |
| Foreign exchange (gain)/loss   | <b>47</b>                                  | (41)                                       | <b>(1,174)</b>                            | (1,258)                                   |
| Other income   | <b>(581)</b>                               | (142)                                      | <b>(1,241)</b>                            | (351)                                     |
| Income before income taxes<br>and non-controlling interest                   | <b>81,599</b>                              | 56,266                                     | <b>199,682</b>                            | 124,958                                   |
| Provision for current income taxes   | <b>(894)</b>                               | (1,541)                                    | <b>69,432</b>                             | 30,748                                    |
| Provision for future income taxes  | <b>27,675</b>                              | 21,156                                     | <b>(7,556)</b>                            | 12,692                                    |
| Income before non-controlling interest                                       | <b>54,818</b>                              | 36,651                                     | <b>137,806</b>                            | 81,518                                    |
| Non-controlling interest   | <b>264</b>                                 | 86   | <b>570</b>                                | 251                                       |
| <b>Net income</b>  | <b>54,554</b>                              | 36,565                                     | <b>137,236</b>                            | 81,267                                    |
| Retained earnings, beginning of period                                       | <b>362,485</b>                             | 198,519                                    | <b>285,547</b>                            | 153,817                                   |
| Dividend   | -  | -  | <b>5,744</b>                              | -   |
| Retained earnings, end of period   | <b>\$ 417,039</b>                          | \$ 235,084                                 | <b>\$ 417,039</b>                         | \$ 235,084                                |
| Earnings per share   |  |  |   |   |
| Basic  | <b>\$ 0.47</b>                             | \$ 0.32                                    | <b>\$ 1.20</b>                            | \$ 0.72                                   |
| Diluted  | <b>\$ 0.46</b>                             | \$ 0.31                                    | <b>\$ 1.15</b>                            | \$ 0.69                                   |
| Dividend per share   | <b>\$ -</b>                                | \$ -                                       | <b>\$ 0.05</b>                            | \$ -                                      |
| Weighted average shares outstanding  |  |  |   |   |
| – basic (thousands)  | <b>114,978</b>                             | 113,414                                    | <b>114,741</b>                            | 112,980                                   |
| Weighted average shares outstanding  |  |  |   |   |
| – diluted (thousands)  | <b>119,562</b>                             | 118,555                                    | <b>119,345</b>                            | 117,667                                   |

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENTS

|   | Three Months<br>Ended<br>Sept. 30,<br>2006 | Three Months<br>Ended<br>Sept. 30,<br>2005 | Nine Months<br>Ended<br>Sept. 30,<br>2006 | Nine Months<br>Ended<br>Sept. 30,<br>2005 |
|---|--|--|---|---|
| <b>(Stated in thousands of dollars; unaudited)</b>                                    |  |  |   |   |
| Cash Provided By (Used In):   |  |  |   |   |
| <b>Operations</b>   |  |  |   |   |
| Net income  | \$ 54,554                                  | \$ 36,565                                  | \$ 137,236                                | \$ 81,267                                 |
| Charges to income not involving cash:   |  |  |   |   |
| Depreciation and amortization   | 9,074                                      | 6,294                                      | 24,950                                    | 17,560                                    |
| Future income tax provision   | 27,675                                     | 21,156                                     | (7,556)                                   | 12,692                                    |
| Non-controlling interest  | 264  | 86   | 570                                       | 251                                       |
| Stock-based compensation  | 3,757                                      | 1,659                                      | 8,485                                     | 3,307                                     |
| (Gain)/loss on disposal of property<br>and equipment                                  | 21   | 61   | 379                                       | (41)                                      |
| Unrealized foreign exchange (gain)/loss   | 20   | 149  | (1,047)                                   | (1,720)                                   |
| Funds provided by operations  | 95,365                                     | 65,970                                     | 163,017                                   | 113,316                                   |
| Net change in non-cash working capital<br>from operations                             | (66,330)                                   | (37,421)                                   | (7,847)                                   | (24,477)                                  |
| Net cash provided by operations   | 29,035                                     | 28,549                                     | 155,170                                   | 88,839                                    |
| <b>Investing</b>  |  |  |   |   |
| Purchase of property and equipment  | (30,725)                                   | (29,489)                                   | (104,947)                                 | (87,573)                                  |
| Proceeds from the sale of property and equipment                                      | 972  | 214  | 1,294                                     | 852                                       |
| Purchase of other assets  | -  | -  | (7)                                       | (6)                                       |
| Business acquisitions   | -  | -  | (2,536)                                   | (4,185)                                   |
| Net change in non-cash working capital from the<br>purchase of property and equipment | 1,149                                      | (836)                                      | 3,943                                     | 1,508                                     |
|   | (28,604)                                   | (30,111)                                   | (102,253)                                 | (89,404)                                  |
| <b>Financing</b>  |  |  |   |   |
| Net proceeds from issuance of share capital   | 1,322                                      | 1,717                                      | 4,585                                     | 5,681                                     |
| Repayment of long-term debt   | (586)                                      | (4,227)                                    | (10,225)                                  | (6,894)                                   |
| Dividend paid   | (5,744)                                    | -  | (5,744)                                   | -   |
|   | (5,008)                                    | (2,510)                                    | (11,384)                                  | (1,213)                                   |
| Increase/(decrease) in cash and short-term deposits                                   | (4,577)                                    | (4,072)                                    | 41,533                                    | (1,778)                                   |
| Cash and short-term deposits, beginning of period                                     | 81,133                                     | 16,649                                     | 35,023                                    | 14,355                                    |
| Cash and short-term deposits, end of period   | \$ 76,556                                  | \$ 12,577                                  | \$ 76,556                                 | \$ 12,577                                 |
| Supplemental information  |  |  |   |   |
| Income taxes paid   | 11,836                                     | 4,627                                      | 33,788                                    | 24,970                                    |
| Interest paid   | 109  | 350  | 665                                       | 1,268                                     |

See accompanying notes to the consolidated financial statements.

## **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**For the Nine Months Ended September 30, 2006 (Unaudited)**

The Company's interim financial statements do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements. The Company's interim financial statements should be read in conjunction with the most recent annual financial statements. The Company's interim financial statements follow the same accounting policies and methods of their application as of the most recent annual financial statements, except where any change has been noted in the interim financial statements.

The Company's businesses are seasonal in nature with the highest activity in the winter months (first and fourth fiscal quarters) and the lowest activity during spring break-up (second fiscal quarter) due to road weight restrictions and reduced accessibility to remote areas.

### **NOTE 1 – ACQUISITIONS**

In June 2004, Trican entered into an agreement with the remaining shareholder of R-Can Services Limited ("R-Can") to purchase the remaining 5% of the issued and outstanding shares. Under the terms of the agreement, the consideration is based upon a calculated value derived from an adjusted enterprise value. The terms of the agreement provide for no limitation to the maximum consideration payable. The agreement provides for acquisition of the remaining shares equally in each of March 2006, 2007 and 2008.

In March 2006, the Company purchased 1,509 shares of R-Can for \$2.5 million. As a result of the acquisition, the Company's ownership percentage increased 1.5% to 97%. The acquisition has been recorded using the purchase method and \$2.2 million of the proceeds was allocated to goodwill and \$0.3 million was allocated to a reduction of non-controlling interest.

### **NOTE 2 – SEGMENTED INFORMATION**

The Company provides a comprehensive array of specialized products, equipment, services and technology to customers through two operating divisions:

- Well Service provides cementing, fracturing, deep coiled tubing and nitrogen services which are performed on new and producing oil and gas wells;
- Production Services provides acidizing, intermediate depth coiled tubing and industrial services which are predominantly used in the stimulation and reworking of existing oil and gas wells.

| (Stated in thousands)                        | Well<br>Service | Production<br>Services | Corporate | Total      |
|--|-----------------|------------------------|-----------|------------|
| <b>Three months ended September 30, 2006</b> |                 |                        |           |            |
| Revenue                                      | \$ 232,034      | \$ 12,080              | \$ –      | \$ 244,114 |
| Operating income (loss)                      | 94,577          | 3,754                  | (8,083)   | 90,248     |
| Interest expense                             | –               | –                      | 109       | 109        |
| Depreciation and amortization                | 8,062           | 664                    | 348       | 9,074      |
| Assets                                       | 570,319         | 52,523                 | 87,140    | 709,982    |
| Goodwill                                     | 7,632           | 6,052                  | –         | 13,684     |
| Capital expenditures                         | 30,150          | 86                     | 489       | 30,725     |

|  |            |          |         |            |
|--|------------|----------|---------|------------|
| <b>Three months ended September 30, 2005</b> |            |          |         |            |
| Revenue                                      | \$ 166,079 | \$ 8,182 | \$ –    | \$ 174,261 |
| Operating income (loss)                      | 67,896     | 1,459    | (6,628) | 62,727     |
| Interest expense                             | 5          | –        | 345     | 350        |
| Depreciation and amortization                | 5,561      | 586      | 147     | 6,294      |
| Assets                                       | 401,706    | 39,792   | 19,392  | 460,890    |
| Goodwill                                     | 5,702      | 6,052    | –       | 11,754     |
| Capital expenditures                         | 28,011     | 520      | 958     | 29,489     |

| (Stated in thousands)                       | Well<br>Service | Production<br>Services | Corporate | Total      |
|---|-----------------|------------------------|-----------|------------|
| <b>Nine months ended September 30, 2006</b> |                 |                        |           |            |
| Revenue                                     | \$ 600,579      | \$ 38,564              | \$ –      | \$ 639,143 |
| Operating income (loss)                     | 232,700         | 12,530                 | (22,348)  | 222,882    |
| Interest expense                            | –               | –                      | 665       | 665        |
| Depreciation and amortization               | 22,225          | 1,889                  | 836       | 24,950     |
| Assets                                      | 570,319         | 52,523                 | 87,140    | 709,982    |
| Goodwill                                    | 7,632           | 6,052                  | –         | 13,684     |
| Capital expenditures                        | 100,641         | 2,045                  | 2,261     | 104,947    |
| Goodwill expenditures                       | 2,228           | –                      | –         | 2,228      |

|   |            |           |          |            |
|---|------------|-----------|----------|------------|
| <b>Nine months ended September 30, 2005</b> |            |           |          |            |
| Revenue                                     | \$ 404,904 | \$ 28,492 | \$ –     | \$ 433,396 |
| Operating income (loss)                     | 152,746    | 6,854     | (17,423) | 142,177    |
| Interest expense                            | 155        | –         | 1,113    | 1,268      |
| Depreciation and amortization               | 15,352     | 1,758     | 450      | 17,560     |
| Assets                                      | 401,706    | 39,792    | 19,392   | 460,890    |
| Goodwill                                    | 5,702      | 6,052     | –        | 11,754     |
| Capital expenditures                        | 82,027     | 3,025     | 2,521    | 87,573     |
| Goodwill expenditures                       | 4,185      | –         | –        | 4,185      |

The Company's operations are carried on in two geographic locations: Canada and Russia.

| (Stated in thousands)                        | Canada            | Russia           | Total             |
|--|-------------------|------------------|-------------------|
| <b>Three months ended September 30, 2006</b> |                   |                  |                   |
| <b>Revenue</b>                               | <b>\$ 187,901</b> | <b>\$ 56,213</b> | <b>\$ 244,114</b> |
| <b>Operating income</b>                      | <b>75,239</b>     | <b>15,009</b>    | <b>90,248</b>     |
| <b>Property and equipment</b>                | <b>325,194</b>    | <b>42,140</b>    | <b>367,334</b>    |
| <b>Goodwill</b>                              | <b>7,015</b>      | <b>6,669</b>     | <b>13,684</b>     |

|  |            |           |            |
|--|------------|-----------|------------|
| <b>Three months ended September 30, 2005</b> |            |           |            |
| Revenue                                      | \$ 151,773 | \$ 22,488 | \$ 174,261 |
| Operating income                             | 58,209     | 4,518     | 62,727     |
| Property and equipment                       | 244,678    | 22,345    | 267,023    |
| Goodwill                                     | 7,086      | 4,668     | 11,754     |

| (Stated in thousands)                       | Canada            | Russia            | Total             |
|---|-------------------|-------------------|-------------------|
| <b>Nine months ended September 30, 2006</b> |                   |                   |                   |
| <b>Revenue</b>                              | <b>\$ 505,254</b> | <b>\$ 133,889</b> | <b>\$ 639,143</b> |
| <b>Operating income</b>                     | <b>189,403</b>    | <b>33,479</b>     | <b>222,882</b>    |
| <b>Property and equipment</b>               | <b>325,194</b>    | <b>42,140</b>     | <b>367,334</b>    |
| <b>Goodwill</b>                             | <b>7,015</b>      | <b>6,669</b>      | <b>13,684</b>     |

|   |            |           |            |
|---|------------|-----------|------------|
| <b>Nine months ended September 30, 2005</b> |            |           |            |
| Revenue                                     | \$ 374,687 | \$ 58,709 | \$ 433,396 |
| Operating income                            | 129,965    | 12,212    | 142,177    |
| Property and equipment                      | 244,678    | 22,345    | 267,023    |
| Goodwill                                    | 7,086      | 4,668     | 11,754     |

### NOTE 3 – SHARE CAPITAL

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

| (Stated in thousands)                             | September 30, 2006 | December 31, 2005 |
|---|--------------------|-------------------|
| <b>Issued and outstanding:</b>                    |                    |                   |
| Common shares                                     | 115,111            | 113,908           |
| <b>Securities convertible into common shares:</b> |                    |                   |
| Employee stock options                            | 11,074             | 9,075             |
|   | <b>126,185</b>     | <b>122,983</b>    |

The Company's shareholders approved a subdivision of its issued and outstanding common shares on a two-for-one basis at the Company's Annual and Special Meeting held on May 10, 2006. The completion of the share split occurred on May 25, 2006 upon approval of securities regulators. All common share and per common share amounts have been restated to retroactively reflect the share split.

**NOTE 4 – LONG-TERM DEBT**

The Company has a \$15.0 million operating line. Advances are available under the operating line either at the bank's prime rate or Bankers' Acceptance plus 0.85% or in combination and are repayable on demand. At September 30, 2006, no amounts were drawn on the operating facility.

The Company has a \$25.0 million extendible revolving equipment and acquisition line. Advances are available under the extendible revolving equipment and acquisition line either at the bank's prime rate plus 0.25% or Bankers' Acceptance plus 1.05% or in combination. The facility was renewed in May 2006 and is extendible annually at the option of the lenders. Should this facility not be extended, outstanding amounts will be transferred to a four-year term facility repayable in equal quarterly installments. This facility is subject to covenants that are typical for this type of arrangement. This facility, together with the operating line, is secured by a general security agreement. At September 30, 2006, no amounts were drawn on the extendible revolving equipment and acquisition facility.

**NOTE 5 – COMPARATIVE FIGURES**

Comparative figures have been restated to conform to current period's presentation.

# corporate information

## BOARD OF DIRECTORS

**Kenneth M. Bagan** <sup>(1)</sup> <sup>(2)</sup>

President and Chief Executive Officer  
Wellco Energy Services Trust

**Gary R. Bugeaud** <sup>(2)</sup>

Partner, Burnet, Duckworth & Palmer LLP

**Murray L. Cobbe**

President and Chief Executive Officer

**Donald R. Luft**

Senior Vice President, Operations and  
Chief Operating Officer

**Douglas F. Robinson** <sup>(1)</sup> <sup>(2)</sup>

President and Chief Executive Officer  
Enerchem International Inc.

**Victor J. Stobbe** <sup>(1)</sup>

Chief Financial Officer  
Wave Energy Ltd.

## 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  
Chief Financial Officer

**Gary R. Bugeaud**

Corporate Secretary

**Dale M. Dusterhoft**

Vice President, Technical Services

**David L. Charlton**

Vice President, Marketing

**John D. Ursulak, C.A.**

Corporate Controller

(1) Member of the Audit Committee

(2) Member of the Compensation and  
Corporate Governance Committee

## CORPORATE OFFICE

Trican Well Service Ltd.  
2900, 645 - 7th Avenue S.W.  
Calgary, Alberta T2P 4G8  
Telephone: (403) 266-0202  
Facsimile: (403) 237-7716  
Website: www.trican.ca

## AUDITORS

KPMG LLP, Chartered Accountants  
Calgary, Alberta

## SOLICITORS

Burnet, Duckworth & Palmer LLP  
Calgary, Alberta

## BANKERS

Royal Bank of Canada  
Calgary, Alberta

## REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada  
Calgary, Alberta

## STOCK EXCHANGE LISTING

The Toronto Stock Exchange  
Trading Symbol: TCW

## INVESTOR RELATIONS INFORMATION

Requests for information should be directed to:

**Murray L. Cobbe**

President and Chief Executive Officer

**Michael G. Kelly, C.A.**

Vice President, Finance and  
Chief Financial Officer