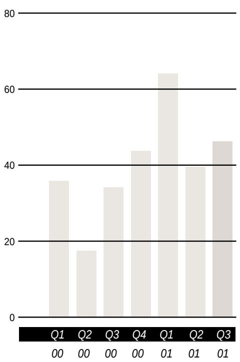
2001 third quarter report

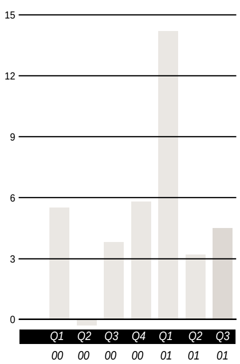
TRICAN WELL SERVICE LTD.

FINANCIAL REVIEW

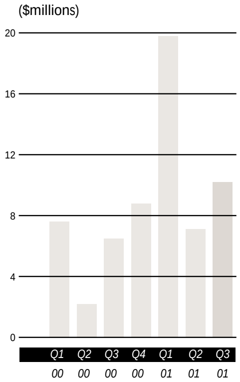
REVENUE ($millions)



NET INCOME ($millions)



FUNDS FROM OPERATIONS ($millions)



($ millions, except per share amounts, unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	**2001**	2000
Revenue	**$ 46.3**	$ 34.1	**$ 149.9**	$ 87.3
Earnings before interest, income taxes and depreciation & amortization (EBITDA)	**10.3**	8.9	**44.0**	21.3
Net income	**4.5**	3.8	**21.9**	9.0
Net income per share before goodwill amortization				
(basic)	**0.29**	0.25	**1.38**	0.60
(diluted)	**0.27**	0.24	**1.31**	0.57
Net income per share				
(basic)	**0.28**	0.24	**1.34**	0.57
(diluted)	**0.26**	0.23	**1.27**	0.54
Funds from operations	**10.2**	6.5	**37.0**	16.3
Funds from operations per share				
(basic)	**0.62**	0.41	**2.26**	1.03
(diluted)	**0.59**	0.39	**2.15**	0.98

Trican Well Service Ltd. ("Trican") is pleased to announce its financial and operating results for the quarter and nine months ended September 30, 2001. The 2001 third quarter results represent Trican's fifth consecutive quarter of record results. Revenue increased 36% for the three months and 72% for the nine months ended September 30 over the comparable periods in 2000. This increase reflects increased equipment capacity and a strong level of demand for services during most of the quarter.

For the third quarter, the Company generated net income of $4.5 million, a 17% increase over the $3.8 million net income recorded for the third quarter of 2000. Earnings per share of $0.28 ($0.26 diluted) were recorded this quarter, a 17% (13% diluted) increase over earnings per share of $0.24 ($0.23 diluted) recorded in the third quarter of 2000. Funds from operations increased $3.7 million or 56% for the quarter compared to the comparable period in 2000.

For the nine months ended September 30, net income of $21.9 million increased 142% over net income of $9.0 million recorded for the same period in 2000. Earnings per share of $1.34 ($1.27 diluted) for the year to date improved 135% over the $0.57 ($0.54 diluted) recorded for the same period in 2000. Funds from operations increased $20.7 million or 127% compared to the comparable period in 2000.

The oil and gas services industry experienced high demand for services for the first nine months of the year. However, the recent decline in commodity prices coupled with the economic uncertainty created by tragic events of September 11th resulted in a marked decrease in activity during the later part of the quarter. Despite these factors, the number of jobs completed during the quarter increased 27% over the same period in 2000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

WELL SERVICE DIVISION

During the quarter, the Well Service Division, which includes deep coiled tubing, nitrogen, fracturing and pumping services, increased revenue on a year-over-year basis by 33%. Material and operating expenses (including depreciation) associated with these activities increased as a percentage of sales from 75% of revenue in the third quarter of 2000 to 80% in the current period. This increase is due to decreased utilization resulting from the decrease in demand for services near the end of the quarter.

PRODUCTION SERVICES DIVISION

The Production Services Division comprises intermediate depth coiled tubing services, stimulation services and jet pumping. During the quarter, the Production Services Division increased revenue on a year-over-year basis by 76% due to the addition of the pressure pumping assets of Canadian Oilfield Stimulation Services, acquired in December 2000, and the expanded operating capacity in the Company's intermediate depth coiled tubing units. Material and operating expense (including depreciation) associated with these activities increased as a percentage of sales from 79% of revenue in the third quarter of 2000 to 93% in the current period. This increase is primarily due to decreased demand for intermediate coiled tubing services experienced during the quarter. The third quarter is historically a slower period for these units and, in addition, demand is being eroded further by an influx of new equipment into the market place. However, demand for these units is expected to increase with the advent of the winter drilling season.

Subsequent to the end of the quarter, Trican purchased four jet cleaning units to be operated by the Production Services Division. The purchase of these assets will complement assets acquired through the Canadian Oilfield Stimulation Services acquisition and will help further diversify operations into new areas of the western Canadian oil and gas market.

OTHER EXPENSES

General and administrative expenses were 2.0% of revenue for the quarter, down from 2.4% for the same period in 2000. Interest expense was 2.0% of revenue, an increase from 1.2% recorded in the 2000 third quarter. Depreciation increased by $0.5 million for the quarter relative to the same period in 2000. This non-cash expense has increased as a result of the continued expansion of the Company's equipment capacity. Trican continues to maintain its strong balance sheet with a working capital position of $11.0 million and relatively low levels of long-term debt compared to equity. Working capital improved $5.3 million or 91% from December 31, 2000 levels.

LIQUIDITY

Funds from operations for the three months and nine months ended September 30, 2001 amounted to $10.2 million and $37.0 million respectively. These levels represented increases of 56% and 127% over the same periods in 2000. Capital expenditures for the quarter totalled $11.3 million bringing the total for the year to September 30 to $33.6 million. On a year-to-date basis, this level of investment was 32% higher than in the first nine months of 2000. This aggressive investment in operating assets, more than $120 million since 1997, has provided the Company with the equipment fleet that produced the strong growth in sales this year and represents the Company's commitment to becoming the leading supplier of well services in Canada.

At September 30, the Company had working capital of $11.0 million compared to $5.8 million at the end of 2000. The Company has an operating line of credit to finance working capital requirements. Maximum availability under the line is $23.0 million subject to certain conditions. At September 30, 2001 $16.6 million was drawn on this facility. The inventory of operating supplies, parts and materials required to carry on daily operations remain at levels consistent with those at December 31, 2000.

CAPITAL RESOURCES

Trican had long-term debt (excluding current portion) of $21.2 million at the end of the third quarter compared with $20.3 million at the end of 2000. The increase in long-term debt is related to funding of equipment purchases. 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 on-going operations and future expansion.

INVESTING ACTIVITIES

Capital expenditures of $33.6 million were incurred during the first nine months of 2001 compared with $25.4 million during the same period in 2000. These additions expanded operating capacity in all service lines and this capital program was funded by cash flow from operations and through existing equipment debt facilities. At September 30, the Company had a number of ongoing capital projects. The Company estimates that $21.0 million of additional investment will be required to complete these projects.

CASH REQUIREMENTS

The Company has historically financed its capital expenditures with funds from operations, equity issues and debt. The total capital budget for 2001 is expected to be $43 million and will be financed by funds from operations and/or credit facilities.

BUSINESS RISKS

The demand for Trican's services is largely dependent upon the level of expenditures by oil and gas companies on exploration, development and production activities. The price received by Trican's customers for the crude oil and natural gas they produce has a direct impact on cash flow available to them to finance the acquisition of services provided by the Company. Exploration, development and production activities are also influenced by a number of factors including taxation and regulatory changes, access to pipeline capacity and changes in equity markets. Demand for crude oil and natural gas is also strongly influenced by the strength of the global economy, but particularly the strength of the U.S. economy. A slowdown in the U.S. economy could weaken demand for crude oil and natural gas and reduce the demand for well services.

A more complete discussion on the business risks faced by the Company may be found in Trican's 2000 annual report.

As the demand for well services is strongly influenced by a number of different factors, the Company believes that it is difficult to predict, with any degree of accuracy, future levels of activity. To mitigate this risk, Trican has maintained a streamlined operation and effective cost structures so that it can respond quickly to evolving market conditions. In addition, Trican's strong balance sheet and adherence to conservative financing practices provides the resilience to withstand and benefit from volatility in activity levels in its sector.

OUTLOOK

Lower oil and gas prices combined with a slowdown in the North American economy have created an atmosphere of uncertainty with respect to demand for well services for the near to medium term. With these developments, industry watchers have lowered their activity level forecasts for the balance of 2001 and 2002. Notwithstanding these recent developments, 2001 is still expected to establish a new record for industry activity and 2002, although less active than 2001, is still expected to be good year for the oil and gas services industry. Management continues to monitor the industry conditions with a view of taking advantage of any opportunities presented and mitigating the impact of negative developments.

CONSOLIDATED BALANCE SHEETS

Unaudited	**September 30, 2001**	December 31, 2000
ASSETS		
Current assets		
Cash	**$ –**	$ 475,064
Accounts receivable	**40,408,080**	32,163,554
Inventory	**4,125,349**	4,164,257
Prepaid expenses	**2,178,912**	1,292,071
	46,712,341	38,094,946
Capital assets	**111,908,978**	84,525,253
Goodwill	**7,314,329**	7,998,386
	$ 165,935,648	$ 130,618,585
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	**$ 669,327**	$ –
Bank loans	**16,610,000**	3,825,000
Accounts payable and accrued liabilities	**14,459,896**	20,926,365
Current income taxes payable	**425,907**	4,579,006
Current portion of long-term debt (note 3)	**3,510,644**	2,996,209
	35,675,774	32,326,580
Long-term debt (note 3)	**21,204,883**	20,329,446
Future income taxes	**16,443,347**	8,209,528
Shareholders' equity		
Share capital (note 4)	**45,057,112**	44,120,396
Retained earnings	**47,554,532**	25,632,635
	92,611,644	69,753,031
	$ 165,935,648	$ 130,618,585

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

Unaudited	**Three Months Ended Sept 30, 2001**	Three Months Ended Sept 30, 2000	**Nine Months Ended Sept 30, 2001**	Nine Months Ended Sept 30, 2000
Revenue	**$ 46,250,510**	$ 34,073,647	**$ 149,927,402**	$ 87,304,906
Expenses				
Materials and operating	**35,062,315**	24,365,383	**102,498,374**	63,588,550
General and administrative	**906,297**	821,498	**3,433,479**	2,379,253
Interest expense	**925,066**	417,248	**2,261,922**	983,607
Depreciation	**2,281,420**	1,812,324	**7,009,247**	4,845,589
	39,175,098	27,416,453	**115,203,022**	71,796,999
Income before income taxes and goodwill amortization	**7,075,412**	6,657,194	**34,724,380**	15,507,907
Provision for income taxes	**2,328,712**	2,653,947	**12,118,426**	6,004,855
Net income before goodwill amortization	**4,746,700**	4,003,247	**22,605,954**	9,503,052
Goodwill amortization, net of income taxes	**228,019**	157,373	**684,057**	462,692
Net income	**4,518,681**	3,845,874	**21,921,897**	9,040,360
Retained earnings, beginning of period	**43,035,851**	16,011,100	**25,632,635**	11,359,562
Change in accounting policy (Change in method of accounting for income taxes)	**–**	–	**–**	(542,948)
Retained earnings, end of period	**$ 47,554,532**	$ 19,856,974	**$ 47,554,532**	$ 19,856,974
Earnings per share before goodwill amortization:				
Basic	**$ 0.29**	$ 0.25	**$ 1.38**	$ 0.60
Diluted	**$ 0.27**	$ 0.24	**$ 1.31**	$ 0.57
Earnings per share:				
Basic	**$ 0.28**	$ 0.24	**$ 1.34**	$ 0.57
Diluted	**$ 0.26**	$ 0.23	**$ 1.27**	$ 0.54

CONSOLIDATED CASH FLOW STATEMENTS

Unaudited	**Three Months Ended Sept 30, 2001**	Three Months Ended Sept 30, 2000	**Nine Months Ended Sept 30, 2001**	Nine Months Ended Sept 30, 2000
Cash Provided By (Used In):				
Operations				
Net income	**$ 4,518,681**	$ 3,845,874	**$ 21,921,897**	$ 9,040,360
Changes to income not involving cash				
Depreciation and amortization	**2,509,439**	1,969,697	**7,693,304**	5,308,281
Future income taxes	**3,127,340**	686,761	**7,397,646**	1,987,424
Funds from operations	**10,155,460**	6,502,332	**37,012,847**	16,336,065
Net change in non-cash working capital from operations	**(7,734,296)**	(3,746,577)	**(18,536,744)**	(2,140,594)
	2,421,164	2,755,755	**18,476,103**	14,195,471
Investments				
Purchase of capital assets	**(11,248,395)**	(11,320,246)	**(33,556,799)**	(25,397,609)
Acquisition of subsidiary	**–**	–	**–**	(3,366,231)
Net change in non-cash working capital from the purchase of capital assets	**357,184**	654,322	**(1,175,283)**	1,527,885
	(10,891,211)	(10,665,924)	**(34,732,082)**	(27,235,955)
Financing				
Net proceeds from issuance of share capital	**92,102**	37,856	**936,716**	702,629
Issuance of long-term debt	**–**	6,000,000	**26,903,815**	11,407,843
Repayment of long-term debt	**(929,382)**	(295,666)	**(25,513,943)**	(1,268,364)
Increase/decrease in bank indebtedness	**(4,977,673)**	1,337,700	**669,327**	1,337,700
Increase in short-term borrowings	**14,285,000**	–	**12,785,000**	–
	8,470,047	7,079,890	**15,780,915**	12,179,808
Decrease in cash position	**–**	(830,279)	**(475,064)**	(860,676)
Cash position, beginning of period	**–**	830,279	**475,064**	860,676
Cash position, end of period	**$ –**	$ –	**$ –**	$ –

The Company's accounting policies applied to these consolidated financial statements are consistent with those described in the 2000 Annual Report, except for the Change in Accounting Policy described below.

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 – CHANGE IN ACCOUNTING POLICY

Effective for 2001, the Company adopted the treasury stock method for calculation of diluted earnings per share under which deemed proceeds of the exercise of options and warrants are considered to be used to re-acquire common shares at an average share price. Previously, additional earnings were imputed based on the proceeds resulting from the exercise of options and warrants. The Company has adopted this calculation retroactively with restatement of the prior year. As a result, for the three months ended September 30, 2001, the diluted calculation under the new standard results in the same per share amount of $0.26 (2000 - $0.23). For the nine months ended September 30, 2001, the fully diluted calculation has been increased by $0.02 (2000 – nil) per share to produce a diluted calculation under the new standard of $1.27 (2000 - $0.54) per share.

NOTE 2 – SEGMENTED INFORMATION

The Company has two operating divisions providing different products and services to the Company's customers. The operating divisions are:

- **Well Services** – provides a comprehensive array of specialized products, equipment, services and technology primarily for use in the drilling, completion, and stimulation of new oil and gas wells in western Canada;
- **Production Services** – provides a comprehensive array of specialized products, equipment, services and technology primarily for use in the stimulation and reworking of existing oil and gas wells in western Canada.

	Well Services	Production Services	Corporate	Total
Three months ended September 30, 2001				
Revenue	**$ 42,346,459**	**$ 3,904,051**	**$ –**	**$ 46,250,510**
Income before income taxes and goodwill amortization	**8,538,345**	**263,075**	**(1,726,008)**	**7,075,412**
Assets	**141,337,584**	**23,235,052**	**1,363,012**	**165,935,648**
Capital expenditures	**10,871,984**	**19,092**	**357,319**	**11,248,395**
Three months ended September 30, 2000				
Revenue	$ 31,849,149	$ 2,224,498	$ –	$ 34,073,647
Income before income taxes and goodwill amortization	7,836,155	478,720	(1,657,681)	6,657,194
Assets	93,351,929	15,769,447	–	109,121,376
Capital expenditures	7,926,792	3,393,454	–	11,320,246
Nine months ended September 30, 2001				
Revenue	**$136,449,301**	**$ 13,478,101**	**$ –**	**$149,927,402**
Income before income taxes and goodwill amortization	**39,527,270**	**1,427,792**	**(6,230,682)**	**34,724,380**
Assets	**141,337,584**	**23,235,052**	**1,363,012**	**165,935,648**
Capital expenditures	**32,028,548**	**865,803**	**662,448**	**33,556,799**
Nine months ended September 30, 2000				
Revenue	$ 81,199,451	$ 6,105,455	$ –	$ 87,304,906
Income before income taxes and goodwill amortization	17,958,574	1,712,196	(4,162,863)	15,507,907
Assets	93,351,929	15,769,447	–	109,121,376
Capital expenditures	21,688,015	3,709,594	–	25,397,609

TRICAN WELL SERVICE LTD.

NOTE 3 – LONG-TERM DEBT

Long-term debt comprises the following:

	September 30, 2001	December 31, 2000
Capital lease obligations	$ 24,715,527	$ –
Equipment loan	–	23,325,655
Less: Current portion	3,510,644	2,996,209
	$ 21,204,883	$ 20,329,446

During the nine months ended September 30, 2001, the Company restructured its financing arrangement by entering into long-term capital lease obligations totalling $27.0 million, of which, $23.3 million was used to repay the outstanding equipment loan. The capital lease obligations bear interest at an average rate of 8.15% per annum, repayable on a monthly basis amortized over a seven-year term. The capital lease obligations contain no financial covenants and are secured by a pledge of specific assets.

NOTE 4 – SHARE CAPITAL

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

	September 30, 2001	December 31, 2000
Issued and outstanding:		
Common shares	16,422,811	16,134,486
Securities convertible into common shares:		
Employee stock options	1,366,650	1,275,625
Common share purchase warrants	200,000	200,000
	17,989,461	17,610,111

BOARD OF DIRECTORS

Kenneth M. Bagan (1) (2)
Vice President, Corporate Development and 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)
Chairman and Chief Executive Officer Integrated Production Services Ltd.

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

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

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 & Marketing

Michael A. Baldwin, C.A.
Manager, Finance

Nadine Godlonton, C.G.A.
Controller

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AUDITORS
KPMG LLP, Chartered Accountants
Calgary, Alberta

SOLICITORS
Burnet, Duckworth & Palmer, 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, Chief Financial Officer and Corporate Secretary