

**Q3**

INTERIM REPORT  
NINE MONTHS  
ENDED  
SEPTEMBER 30, 2005



## Financial Review

(\$ millions, except per share amounts, unaudited)	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2005	2004	2005	2004
Revenue	\$ 174.3	\$ 95.4	\$ 433.4	\$ 281.6
Operating income *	62.7	25.9	142.2	77.3
Net income from continuing operations	36.6	14.5	81.3	40.6
Net income per share from continuing operations (basic)	\$ 0.64	\$ 0.26	\$ 1.44	\$ 0.74
(diluted)	\$ 0.62	\$ 0.25	\$ 1.38	\$ 0.71
Net income	36.6	8.2	81.3	34.3
Net income per share (basic)	\$ 0.64	\$ 0.15	\$ 1.44	\$ 0.63
(diluted)	\$ 0.62	\$ 0.14	\$ 1.38	\$ 0.60
Funds provided by continuing operations*	66.0	27.0	113.3	56.4

Trican Well Service Ltd. is pleased to announce its financial and operating results for the three and nine months ended September 30, 2005 with comparisons to the same periods last year. The Company's activity levels during the quarter were hampered by periods of wet weather experienced in southern Alberta; however, strong demand for services in Trican's northern Alberta and British Columbia areas combined with continued favourable results from its International operations helped establish new record highs for both total revenue and number of jobs completed in a quarter.

Revenue increased 83% for the three months and 54% for the nine months ended September 30, 2005 compared to the same periods in 2004, as a result of increased equipment capacity and a continued strong demand for services brought about by the strength of oil and natural gas prices. Also supporting the significant revenue growth in Canada is the Company's strategic focus on servicing the deeper, more technically challenging areas of the Western Canadian Sedimentary Basin ("WCSB"), which drove the second highest revenue per job for a quarter. Net income for the quarter increased 345% to \$36.6 million compared to \$8.2 million recorded in the same period in 2004. Similarly, earnings per share increased 327% to \$0.64 (\$0.62 diluted) from \$0.15 (\$0.14 diluted) for the comparable period in 2004. However the results from the third quarter of 2004 reflect the write-down of the Company's investment in the Polybore™ technology. Without the impact of this write-down, net income from continuing operations for the quarter would have increased 151% to \$36.6 million from the \$14.5 million recorded in the third quarter of 2004. Earnings per share from continuing operations for the quarter of \$0.64 (\$0.62 diluted) would have increased 146% over last year's comparable measure of \$0.26 (\$0.25 diluted). This was the second highest per share earnings ever achieved by Trican, almost equalling the record \$0.65 established in the first quarter of this year. Funds from operations were \$66.0 million for the quarter, an increase of \$39.0 million or 145% over the same period last year.

For the nine months ended September 30, 2005 net income from continuing operations totalled \$81.3 million, an increase of 100% over the same period in 2004. Earnings per share from continuing operations on a year-to-date basis increased 95% to \$1.44 (\$1.38 diluted) versus \$0.74 (\$0.71 diluted) in the comparable prior period. Funds from continuing operations increased \$57.0 million to \$113.3 million for the nine months compared to the same period in 2004.

## **Operations Review**

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### **Canada**

Drilling activity in the WCSB was affected by wet weather in southern Alberta during August; however, it increased almost 16% over the same quarter last year. Approximately 7,274 wells were drilled in the third quarter versus 6,291 wells for the comparable prior period. As in recent years, natural gas directed drilling continued to comprise a majority of the activity as high commodity prices support strong exploration and development initiatives.

Trican continues to invest in expanding its operational capacity in Canada to meet growing customer demand and expected high activity levels. During the quarter, five cement units and one conventional, and two coalbed methane (CBM) fracturing crews as well as two deep coiled tubing units were added to the Company's operations fleet. As in the past, equipment type and specifications focused on servicing the deeper, more technically challenging areas of the WCSB as well as the rapidly growing CBM fracturing market.

This investment has increased Trican's operational capacity substantially. Compared to the third quarter of last year, the Company currently operates 11 more cementing units, three more fracturing crews, three additional deep coil units and three more CBM fracturing crews. This expanded equipment capacity helped drive a new record for the number of jobs completed by the Company during a quarter.

As noted in the interim report for the period ended June 30, 2005, the Board of Directors approved a \$32.6 million increase in the capital expansion program, which will bring the total Canadian operations capital budget for 2005 to \$101.0 million. Although the Company has experienced some delays with the delivery of the equipment, by year end it expects to add two fracturing crews, two deep coil units and two nitrogen units. Trican expects all of the additional equipment to be operational in time for the winter drilling season.

### **International**

International operations, which include operations in Russia and Kazakhstan, achieved significant growth during the quarter ended September 30, 2005 relative to the same period in 2004. Additional equipment capacity combined with continued strong demand for services drove these results. Two fracturing crews have been added since the third quarter of 2004 bringing the total operating to five crews.

As reported in the second quarter, operations from the Company's Kazakhstan base were significantly curtailed due primarily to ongoing uncertainty regarding a key customer. As a result, during the third quarter, Trican redeployed the equipment from its Kazakhstan operation to Russia to meet strong demand from existing customers as well as new customer contracts that had been awarded. Management still believes that there is a good potential for services in Kazakhstan and efforts continue to negotiate suitable arrangements to support the return of the equipment to this market.

During the quarter, the Board of Directors approved a \$7 million increase in the capital budget for Trican's Russian operations bringing the total budget for 2005 to \$27 million. This additional investment will upgrade the pumping capacity and expand logistical support for the Company's fracturing operations. This investment was necessitated because of a trend of increasing job size. Further, the Company has recently signed a short-term contract and entered into discussions regarding a longer term arrangement with a new strategic customer for fracturing services in a new area of operations. This expanded capacity and logistical support will be an integral part of Trican's ability to meet the needs of its growing customer base. The Company recently added one fracturing crew, expanding fracturing capacity to six crews in anticipation of a busy fourth quarter.

## 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, 2005 and 2004, 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, 2004. The interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). This MD&A is dated October 26, 2005. 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 (\$ thousands, unaudited)

Three months ended September 30,	2005	% of Revenue	2004	% of Revenue	Quarter-Over-Quarter Change	% Change
<b>Revenue</b>	<b>174,261</b>	<b>100.0%</b>	95,440	100.0%	78,821	83%
<b>Expenses</b>						
Materials and operating	105,227	60.4%	65,736	68.9%	39,491	60%
General and administrative	6,307	3.6%	3,773	4.0%	2,534	67%
Operating income*	62,727	36.0%	25,931	27.2%	36,796	142%
Interest expense	350	0.2%	588	0.6%	(238)	(40)%
Depreciation and amortization	6,294	3.6%	4,357	4.6%	1,937	44%
Foreign exchange gain	(41)	- %	(25)	- %	(16)	(64)%
Other income	(142)	(0.1)%	(167)	(0.2)%	25	15%
Income from continuing operations before income taxes and non-controlling interest	56,266	32.3%	21,178	22.2%	35,088	166%
Provision for income taxes	19,615	11.3%	6,512	6.8%	13,103	201%
Income from continuing operations before non-controlling interest	36,651	21.0%	14,666	15.4%	21,985	150%
Non-controlling interest	86	- %	122	0.1%	(36)	(30)%
Net income from continuing operations	36,565	21.0%	14,544	15.2%	22,021	151%
Net loss from discontinued operations	-	- %	6,329	6.6%	(6,329)	(100)%
<b>Net income</b>	<b>36,565</b>	<b>21.0%</b>	8,215	8.6%	28,350	345%

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 in Canada, Russia and Kazakhstan. The Production Services Division provides acidizing, intermediate depth coiled tubing, and industrial services primarily in Canada.

## FINANCIAL REVIEW

### WELL SERVICE DIVISION

<b>OVERVIEW</b>		<b>% of</b>		<b>% of</b>	<b>Quarter-Over-Quarter Change</b>
Three months ended September 30, (\$ thousands, unaudited)	<b>2005</b>	<b>Revenue</b>	2004	Revenue	
<b>Revenue</b>	<b>166,079</b>		88,869		87%
<b>Expenses</b>					
Materials and operating	<b>98,130</b>	<b>59.1%</b>	60,345	67.9%	63%
General and administrative	<b>693</b>	<b>0.4%</b>	615	0.7%	13%
Total expenses	<b>98,823</b>	<b>59.5%</b>	60,960	68.6%	
Operating income*	<b>67,256</b>	<b>40.5%</b>	27,909	31.4%	141%
Number of jobs	<b>7,324</b>		4,947		48%
Revenue per job	<b>22,830</b>		18,142		26%

The Well Service Division's record financial performance for the quarter reflects continued strong demand for services and the impact of expanded equipment capacity, both in Canada and internationally. Revenue for the three months ended September 30, 2005 established a new Company record of \$166 million, an increase of 87% compared to the same period in 2004. Within this division, Canadian operations accounted for 86% of revenue for the quarter while International operations contributed 14%. Last year, Canadian operations made up 84% of divisional revenue and International operations contributed 16%. All service lines contributed to the increase in revenue; however, the largest gains were achieved by the fracturing, cementing and deep coiled tubing service lines. Average revenue per job of \$22,830 was the second highest on record and was 26% higher than the comparable prior quarter. The number of jobs completed increased 48% to 7,324 establishing a Company record for total number of jobs completed in a quarter.

<b>WELL SERVICE – CANADIAN OPERATIONS</b>		<b>% of</b>		<b>% of</b>	<b>Quarter-Over-Quarter Change</b>
Three months ended September 30, (\$ thousands, unaudited)	<b>2005</b>	<b>Revenue</b>	2004	Revenue	
<b>Revenue</b>	<b>143,591</b>		75,037		91%
<b>Expenses</b>					
Materials and operating	<b>80,629</b>	<b>56.2%</b>	51,574	68.7%	56%
General and administrative	<b>227</b>	<b>0.2%</b>	205	0.3%	11%
Total expenses	<b>80,856</b>	<b>56.3%</b>	51,779	69.0%	
Operating income*	<b>62,735</b>	<b>43.7%</b>	23,258	31.0%	170%
Number of jobs	<b>6,943</b>		4,637		50%
Revenue per job	<b>20,823</b>		16,107		29%

Canadian operations revenue for the quarter increased 91% over the same period in 2004 due to expanded equipment capacity and higher revenue per job. During the past year, the Company has added three fracturing crews, three new state-of-the-art CBM crews, three deep coil units and eleven cementing units. This additional equipment and continued strong demand for services drove a 50% increase in jobs performed, and produced the highest job count in the Company's history. CBM-related revenues were up 274% relative to the third quarter of 2004 and could have been higher; however, precipitation in southern Alberta negatively impacted CBM activity for part of August. Revenue per job was the second highest in the Company's history increasing 29% to \$20,823 and benefited from more work being performed in the deeper, more technically challenging areas of the WCSB, the addition of CBM-related work and a price book increase in July 2005.

Materials and operating expense for the quarter decreased as a percentage of revenue to 56% compared to 69% for the same period in 2004. Growth in the higher margin services and a continued focus on deeper more technical work contributed to this improvement. General and administrative expenses remained relatively unchanged on a quarter-over-quarter basis.

<b>WELL SERVICE – INTERNATIONAL OPERATIONS</b>		<b>% of</b>		<b>% of</b>	<b>Quarter-Over-Quarter Change</b>
Three months ended September 30, (\$ thousands, unaudited)	<b>2005</b>	<b>Revenue</b>	2004	Revenue	
<b>Revenue</b>	<b>22,488</b>		13,832		63%
<b>Expenses</b>					
Materials and operating	<b>17,501</b>	<b>77.8%</b>	8,771	63.4%	100%
General and administrative	<b>466</b>	<b>2.1%</b>	410	3.0%	14%
Total expenses	<b>17,967</b>	<b>79.9%</b>	9,181	66.4%	
Operating income*	<b>4,521</b>	<b>20.1%</b>	4,651	33.6%	(3)%
Number of jobs	<b>381</b>		310		23%
Revenue per job	<b>59,403</b>		45,443		31%

Revenue for the quarter from International operations (which comprises fracturing and cementing services) increased 63% compared to the same period in 2004 and established a new record for quarterly revenue as a result of strong demand for services, expanded equipment capacity and a new record for revenue per job. Two fracturing crews were added since the third quarter of 2004 bringing the total operating to five crews. The additional equipment capacity coupled with continued strong demand for services established new records for total fracturing jobs completed as well as total jobs completed. Revenue per job increased 31% over the comparable prior quarter to \$59,403 establishing another record due to larger fracturing job sizes.

Materials and operating expense increased as a percentage of revenue to 78% from the 63% recorded in the third quarter of 2004. The increase was due primarily to higher repair and maintenance costs and higher fuel costs as well as an increase in salaries and infrastructure costs. Additional salaries and infrastructure costs were incurred for the new base in Nyagan as well as the existing base in Raduzhny in order to support the additional equipment added. Recent contract renewals have allowed for some of these cost increases to be passed on to customers through price increases. General and administrative costs remained relatively unchanged and decreased as a percentage of revenue relative to the third quarter of 2004.

<b>PRODUCTION SERVICES DIVISION</b>		<b>% of</b>		<b>% of</b>	<b>Quarter-Over-Quarter Change</b>
Three months ended September 30, (\$ thousands, unaudited)	<b>2005</b>	<b>Revenue</b>	2004	Revenue	
<b>Revenue</b>	<b>8,182</b>		6,571		25%
<b>Expenses</b>					
Materials and operating	<b>6,682</b>	<b>81.7%</b>	5,009	76.2%	33%
General and administrative	<b>41</b>	<b>0.5%</b>	29	0.4%	41%
Total expenses	<b>6,723</b>	<b>82.2%</b>	5,038	76.7%	
Operating income*	<b>1,459</b>	<b>17.8%</b>	1,533	23.3%	(5)%
Number of jobs	<b>582</b>		539		8%
Revenue per job	<b>8,488</b>		9,607		(12)%
Number of hours	<b>2,228</b>		2,225		– %

The Production Services Division includes intermediate depth coiled tubing services, acidizing services and industrial services. During the quarter, revenue from the Production Services Division increased 25% over the same period of 2004 primarily as a result of a significant increase in chemical sales. The number of jobs completed increased 8% to 582; however, revenue per job decreased 12% as a result of job sizes being on average lower than the comparable prior period. The number of hours for the intermediate depth coiled tubing service line was consistent quarter-over-quarter; however, average revenue per hour increased.

Materials and operating expenses as a percentage of sales increased to 82% from 76% in 2004 due to a higher volume of chemical sales, which have relatively lower margins. General and administrative expenses remained relatively unchanged on a quarter-over-quarter basis.

<b>CORPORATE DIVISION</b>					
Three months ended September 30, (\$ thousands, unaudited)	2005	% of Total Revenue	2004	% of Total Revenue	Quarter-Over-Quarter Change
<b>Expenses</b>					
Materials and operating	415	0.2%	382	0.4%	9%
General and administrative	5,573	3.2%	3,129	3.3%	78%
Total expenses	5,988	3.4%	3,511	3.7%	
Operating loss*	(5,988)		(3,511)		71%

Corporate Division expenses consist mainly of general and administrative expenses. Overall, expenses increased \$2.5 million quarter-over-quarter; however, as a percentage of revenue, they decreased to 3.4% from 3.7%. Materials and operating expense remained consistent with the comparable prior period. General and administrative expense increased \$2.4 million due to higher stock-based compensation costs, staffing and incentive bonus accruals. Stock-based compensation costs and staffing and bonus accruals each accounted for \$1.1 million of the increase. The remaining \$0.2 million increase was split evenly between higher deferred share unit costs and an increase in the allowance for doubtful accounts.

#### Other Expenses and Income

Interest expense decreased \$0.2 million quarter-over-quarter to \$0.4 million primarily as a result of repayment of Russian bank and investor loans. Depreciation and amortization expense increased \$1.9 million for the quarter relative to the same period in 2004 due to continued expansion of the Company's equipment capacity and operations facilities.

#### YEAR-TO-DATE COMPARATIVE INCOME STATEMENTS

Nine months ended September 30, (\$ thousands, unaudited)	2005	% of Revenue	2004	% of Revenue	Year-Over-Year Change	% Change
<b>Revenue</b>	<b>433,396</b>	<b>100.0%</b>	281,594	100.0%	151,802	54%
<b>Expenses</b>						
Materials and operating	274,674	63.4%	194,280	69.0%	80,394	41%
General and administrative	16,545	3.8%	10,046	3.6%	6,499	65%
Operating income*	142,177	32.8%	77,268	27.4%	64,909	84%
Interest expense	1,268	0.3%	1,801	0.6%	(533)	(30)%
Depreciation and amortization	17,560	4.1%	12,478	4.4%	5,082	41%
Foreign exchange (gain)/loss	(1,258)	(0.3)%	515	0.2%	(1,773)	(344)%
Other income	(351)	(0.1)%	(545)	(0.2)%	194	36%
Income from continuing operations before income taxes and non-controlling interest	124,958	28.8%	63,019	22.4%	61,939	98%
Provision for income taxes	43,440	10.0%	20,907	7.4%	22,533	108%
Income from continuing operations before non-controlling interest	81,518	18.8%	42,112	15.0%	39,406	94%
Non-controlling interest	251	0.1%	1,519	0.5%	(1,268)	(83)%
Net income from continuing operations	81,267	18.8%	40,593	14.4%	40,674	100%
Net loss from discontinued operations	-	- %	6,329	2.2%	(6,329)	(100)%
<b>Net income</b>	<b>81,267</b>	<b>18.8%</b>	34,264	12.2%	47,003	137%

## WELL SERVICE DIVISION

<b>OVERVIEW</b>		<b>% of</b>		<b>% of</b>	<b>Year-Over-Year</b>
<b>Nine months ended September 30, (\$ thousands, unaudited)</b>	<b>2005</b>	<b>Revenue</b>	<b>2004</b>	<b>Revenue</b>	<b>Change</b>
<b>Revenue</b>	<b>404,904</b>		257,239		57%
<b>Expenses</b>					
Materials and operating	251,898	62.2%	174,903	68.0%	44%
General and administrative	2,085	0.5%	1,808	0.7%	15%
Total expenses	253,983	62.7%	176,711	68.7%	
Operating income*	150,921	37.3%	80,528	31.3%	87%
Number of jobs	17,858		14,626		22%
Revenue per job	22,837		17,826		28%

The Well Service Division's record financial performance for the year reflects a continued strong demand for services and the impact of expanded equipment capacity in both Canada and Russia. Revenue for the nine months ended September 30, 2005 for the Well Service Division increased 57% to \$405 million compared to the same period in 2004. Within this division, Canadian operations accounted for 86% of revenue for both the current and prior year while International operations contributed 14% in both periods. Average revenue per job increased 28% to \$22,837 while the number of jobs completed increased 22% to 17,858.

<b>WELL SERVICE – CANADIAN OPERATIONS</b>		<b>% of</b>		<b>% of</b>	<b>Year-Over-Year</b>
<b>Nine months ended September 30, (\$ thousands, unaudited)</b>	<b>2005</b>	<b>Revenue</b>	<b>2004</b>	<b>Revenue</b>	<b>Change</b>
<b>Revenue</b>	<b>346,194</b>		221,742		56%
<b>Expenses</b>					
Materials and operating	206,866	59.8%	152,180	68.6%	36%
General and administrative	643	0.2%	485	0.2%	33%
Total expenses	207,509	59.9%	152,665	68.8%	
Operating income*	138,685	40.1%	69,077	31.2%	101%
Number of jobs	16,828		13,807		22%
Revenue per job	20,720		16,288		27%

Canadian operations revenue for the nine months ended September 30, 2005 increased 56% over the same period in 2004 due to expanded equipment capacity and higher revenue per job. This increase more than surpassed growth in industry activity as there has only been a 5% increase in number of wells drilled in the WCSB for the first nine months of 2005 versus the same period last year. Additional equipment and continued strong demand for services drove a 22% increase in the number of jobs performed. CBM-related revenues were up 275% on a year-over-year basis. Revenue per job increased 27% to \$20,720 and benefited from more work being performed in the deeper, more technically challenging areas of the WCSB, the addition of CBM related work and a price book increase in July 2005.

Materials and operating expense on a year-to-date basis decreased as a percentage of revenue to 60% compared to 69% for the same period in 2004. Growth in the higher margin services and a continued focus on deeper more technical work contributed to this improvement. General and administrative expenses remained relatively unchanged on a year-over-year basis.

<b>WELL SERVICE – INTERNATIONAL OPERATIONS</b>					
Nine months ended September 30, (\$ thousands, unaudited)	2005	% of Revenue	2004	% of Revenue	Year-Over-Year Change
<b>Revenue</b>	<b>58,709</b>		35,497		65%
<b>Expenses</b>					
Materials and operating	45,032	76.7%	22,723	64.0%	98%
General and administrative	1,442	2.5%	1,323	3.7%	9%
Total expenses	46,474	79.2%	24,046	67.7%	
Operating income*	12,235	20.8%	11,451	32.3%	7%
Number of jobs	1,030		819		26%
Revenue per job	57,420		43,759		31%

Revenue for the nine months ended September 30, 2005 from International operations increased 65% compared to the same period in 2004. Additional equipment capacity coupled with continued strong demand for services helped drive record results. The total number of jobs completed increased 26% to 1,030 compared with the comparable prior period. Revenue per job increased 31% to \$57,420 as a result of larger and higher margin fracturing jobs completed as well as larger primary cementing jobs.

Materials and operating expense for the year increased as a percentage of revenue to 77% from the 64% recorded in the comparable prior year. The increase was due primarily to higher proppant costs, a direct result of larger overall job sizes, higher fuel, repair and maintenance costs, as well as increases in salaries and infrastructure costs. General and administrative costs remained relatively unchanged on a year-to-date basis and decreased as a percentage of revenue relative to the same period last year.

<b>PRODUCTION SERVICES DIVISION</b>					
Nine months ended September 30, (\$ thousands, unaudited)	2005	% of Revenue	2004	% of Revenue	Year-Over-Year Change
<b>Revenue</b>	<b>28,492</b>		24,355		17%
<b>Expenses</b>					
Materials and operating	21,515	75.5%	18,165	74.6%	18%
General and administrative	123	0.4%	107	0.4%	15%
Total expenses	21,638	75.9%	18,272	75.0%	
Operating income*	6,854	24.1%	6,083	25.0%	13%
Number of jobs	1,606		1,900		(15)%
Revenue per job	10,053		9,112		10%
Number of hours	10,896		12,873		(15)%



Revenue from the Production Services Division increased 17% on a year-over-year basis as a result of an increase in industrial services work as well as strong activity levels in the WCSB. The number of jobs completed for the first nine months of the year decreased 15% as a result of an early spring break-up during the first quarter and significant precipitation in southern Alberta during the latter part of the second quarter. Average revenue per job increased 10% to \$10,053 relative to the same period in 2004 benefiting from an increased volume of industrial service which carries a higher average revenue per job. The number of hours for the intermediate depth coiled tubing service line decreased 15% on a year-over-year basis due to wet weather; however, this decline was more than offset by an increase in the average revenue per hour. Both revenue per job and revenue per hour benefited from the July 2005 price book increase and an increase in the amount of work being performed in the deeper more technically challenging areas of the WCSB.

Materials and operating expenses on a year-to-date basis as a percentage of sales increased to 76% from 75% due primarily to increased chemical sales that have lower margin. General and administrative expenses remained relatively unchanged on a year-over-year basis.

<b>CORPORATE DIVISION</b>					
Nine months ended September 30, (\$ thousands, unaudited)	2005	% of Total Revenue	2004	% of Total Revenue	Year-Over-Year Change
<b>Expenses</b>					
Materials and operating	1,261	0.3%	1,212	0.4%	4%
General and administrative	14,337	3.3%	8,131	2.9%	76%
Total expenses	15,598	3.6%	9,343	3.3%	
Operating loss*	(15,598)		(9,343)		67%

Corporate Division expenses on a year-to-date basis increased both as a percentage of revenue and in total. Material and operating expense remained consistent with the comparable prior period. General and administrative expense increased \$6.2 million due to higher stock-based compensation costs, an increase in staffing and incentive bonus accruals, higher deferred share unit costs ("DSU") and an increase in the bad debt provision and other administrative costs. Stock-based compensation costs accounted for \$2.8 million of the increase while staffing and bonus accruals combined for \$2.0 million. DSU costs increased \$0.9 million year-over-year as a second issuance was granted to the external members of the board of directors in 2005. The remaining increase was a result of higher general administrative costs of \$0.3 million and a \$0.1 million increase in the allowance for doubtful accounts.

#### **Other Expenses and Income**

Interest expense year to date decreased \$0.5 million to \$1.3 million compared to the same period in 2004 primarily as a result of a repayment of outstanding debt. Depreciation and amortization expense on a year-over-year basis increased \$5.1 million due to continued expansion of the Company's equipment capacity and operations facilities. Foreign exchange gains increased \$1.8 million compared to the prior year as a result of fluctuations in the U.S. dollar against the Canadian dollar.

### **Liquidity and Investing Activities**

Funds from continuing operations for the three months ended September 30, 2005 amounted to \$66.0 million. This represents an increase of more than 145% from the 2004 third quarter amount of \$27.0 million.

At September 30, 2005 the Company had working capital of \$96.6 million, a 30% increase over the December 31, 2004 amount of \$74.3 million. Record revenues led to higher accounts receivable balances and increased activity necessitated higher inventory levels in the Company's international operations relative to December 31, 2004. Offsetting these increases were accounts payable balances that increased in conjunction with higher activity levels. Included in current portion of long-term debt were loans arising from Trican's Russian subsidiary totalling \$2.8 million; these loans were repaid in July 2005. The Company has a \$15.0 million operating line of credit to finance ongoing working capital requirements all of which was available for use at September 30.

Capital expenditures for the quarter totalled \$29.5 million compared with \$24.7 million for the same period in 2004. The majority of this investment was directed to fracturing equipment.

### **Capital Resources**

Trican had long-term debt (excluding current portion) of \$9.5 million at the end of the third quarter compared with \$13.9 million at the end of 2004. This debt is in the form of lease facilities involving certain pieces of the Company's operating equipment. 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.

### **Cash Requirements**

Trican has historically financed its capital expenditures with funds from operations, equity issues and debt. In response to the strong demand for services and the expectation of continued strength in the near term, the Company has undertaken a number of projects to increase its equipment capacity in all of its major service lines. The Company has expanded its 2005 capital budget to \$128 million and estimates that \$51 million of funding will be required to complete the ongoing capital program. All capital expenditures will be financed by funds from operations and/or credit facilities.

Trican is in the process of reviewing its 2006 capital budget and is investigating opportunities for growth in Canada, Russia and other parts of the world.

### **Financing Activities**

The Company's \$25.0 million extendible revolving equipment and acquisition line was extended by its lender for an additional year. Should this facility not be extended, outstanding amounts will be transferred to a four-year term facility repayable in equal quarterly installments. At September 30, 2005 no amounts were drawn on the facility.

As at October 26, 2005 the Company had 56,876,018 common shares and 4,597,114 employee stock options outstanding. For further information please review Trican's management information circular which can be found at [www.sedar.com](http://www.sedar.com).

## Business Risks

A complete discussion on business risks faced by the Company may be found in Trican's 2004 annual report.

## Outlook

Strong commodity prices continue to drive demand for services in both Canada and internationally and are expected to continue into 2006. In Canada many industry watchers are predicting high levels of activity to continue for the balance of 2005 and could even surpass levels experienced in 2004. Management remains encouraged about the potential for the Company's International operations; however, Trican is aware of the unique opportunities and challenges presented by this market.

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 its areas of operations. With strong demand for services anticipated and additional equipment capacity, Trican is well positioned to continue to deliver solid financial and operational performance.

## Summary of Quarterly Results

(\$ millions, except per share amounts; unaudited)	2005				2004			2003
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Revenue</b>	<b>174.3</b>	94.7	164.5	126.7	95.4	67.7	118.5	85.3
<b>Net income from continuing operations</b>	<b>36.6</b>	8.0	36.7	24.8	14.5	2.4	23.6	14.1
Earnings per share from continuing operations								
Basic	<b>0.64</b>	0.14	0.65	0.45	0.26	0.04	0.44	0.26
Diluted	<b>0.62</b>	0.14	0.63	0.43	0.25	0.04	0.42	0.25
<b>Net income</b>	<b>36.6</b>	8.0	36.7	24.8	8.2	2.4	23.6	14.1
Earnings per share								
Basic	<b>0.64</b>	0.14	0.65	0.45	0.15	0.04	0.44	0.26
Diluted	<b>0.62</b>	0.14	0.63	0.43	0.14	0.04	0.42	0.25

## **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 such as fluctuating prices for crude oil and natural gas, changes in drilling activity and general global economic, political, business and weather conditions. 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 and Kazakhstan. 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). International operations are conducted through bases in Tyumen region of western Siberia in the towns of Raduzhny and Nyagan in Russia 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.*

\* Operating income and funds from operations are not recognized measures under Canadian generally accepted accounting principles (GAAP). Management believes that, in addition to net income, operating income and funds from operations are useful supplemental measures. Operating income provides investors with an indication of earnings before depreciation, taxes and interest. Funds from operations provides investors with an indication of cash available for capital commitments, debt repayments and other expenditures. Investors should be cautioned that operating income 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 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)	September 30, 2005 (unaudited)	December 31, 2004
<b>ASSETS</b>		
Current assets		
Cash and short-term deposits	\$ 12,577	\$ 14,355
Accounts receivable	125,599	93,656
Inventory	31,629	22,133
Prepaid expenses	7,130	5,835
	<b>176,935</b>	<b>135,979</b>
Property and equipment	<b>267,023</b>	<b>198,617</b>
Future income tax assets	<b>2,352</b>	<b>2,171</b>
Other assets	<b>2,826</b>	<b>2,980</b>
Goodwill (note 1)	<b>11,754</b>	<b>8,657</b>
	<b>\$ 460,890</b>	<b>\$ 348,404</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 58,368	\$ 42,003
Current income taxes payable	16,236	11,391
Current portion of long-term debt (note 5)	5,761	8,236
	<b>80,365</b>	<b>61,630</b>
Long-term debt (note 5)	<b>9,528</b>	<b>13,893</b>
Future income tax liabilities	<b>62,595</b>	<b>49,734</b>
Non-controlling interest	<b>805</b>	<b>569</b>
Shareholders' equity		
Share capital (note 3)	76,631	70,185
Contributed surplus	4,618	2,076
Foreign currency translation adjustment	(8,736)	(3,500)
Retained earnings	235,084	153,817
	<b>307,597</b>	<b>222,578</b>
	<b>\$ 460,890</b>	<b>\$ 348,404</b>

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

	Three Months Ended Sept. 30, 2005	Three Months Ended Sept. 30, 2004	Nine Months Ended Sept. 30, 2005	Nine Months Ended Sept. 30, 2004
<i>(Stated in thousands of dollars, except per share amounts; unaudited)</i>				
Revenue	\$ 174,261	\$ 95,440	\$ 433,396	\$ 281,594
Expenses				
Materials and operating	105,227	65,736	274,674	194,280
General and administrative	6,307	3,773	16,545	10,046
Operating income	62,727	25,931	142,177	77,268
Interest expense	350	588	1,268	1,801
Depreciation and amortization	6,294	4,357	17,560	12,478
Foreign exchange (gain)/loss	(41)	(25)	(1,258)	515
Other income	(142)	(167)	(351)	(545)
Income from continuing operations before income taxes and non-controlling interest	56,266	21,178	124,958	63,019
Provision for income taxes (note 4)	19,615	6,512	43,440	20,907
Income from continuing operations before non-controlling interest	36,651	14,666	81,518	42,112
Non-controlling interest	86	122	251	1,519
Net income from continuing operations	36,565	14,544	81,267	40,593
Net loss from discontinued operations	-	6,329	-	6,329
Net income	36,565	8,215	81,267	34,264
Retained earnings, beginning of period	198,519	120,824	153,817	94,775
Retained earnings, end of period	\$ 235,084	\$ 129,039	\$ 235,084	\$ 129,039
Earnings per share from continuing operations				
Basic	\$ 0.64	\$ 0.26	\$ 1.44	\$ 0.74
Diluted	\$ 0.62	\$ 0.25	\$ 1.38	\$ 0.71
Earnings per share				
Basic	\$ 0.64	\$ 0.15	\$ 1.44	\$ 0.63
Diluted	\$ 0.62	\$ 0.14	\$ 1.38	\$ 0.60
Weighted average shares outstanding – basic (thousands)	56,707	55,482	56,490	54,712
Weighted average shares outstanding – diluted (thousands)	59,277	57,825	58,834	57,343

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENTS

	Three Months Ended Sept. 30, 2005	Three Months Ended Sept. 30, 2004	Nine Months Ended Sept. 30, 2005	Nine Months Ended Sept. 30, 2004
<i>(Stated in thousands of dollars; unaudited)</i>				
Cash Provided By (Used In):				
<b>Operations</b>				
Net income	\$ 36,565	\$ 14,544	\$ 81,267	\$ 40,593
Charges to income not involving cash:				
Depreciation and amortization	6,294	4,357	17,560	12,478
Future income tax expense	21,156	7,437	12,692	550
Non-controlling interest	86	122	251	1,519
Stock-based compensation	1,659	530	3,307	1,283
(Gain)/loss on disposal of property and equipment	61	-	(41)	-
Unrealized foreign exchange (gain)/loss	149	(27)	(1,720)	(61)
Funds provided by continuing operations	65,970	26,963	113,316	56,362
Net change in non-cash working capital from continuing operations	(37,421)	(18,931)	(24,477)	(3,136)
Net cash provided by continuing operations	28,549	8,032	88,839	53,226
<b>Investing</b>				
Purchase of property and equipment	(29,489)	(24,711)	(87,573)	(56,581)
Proceeds from the sale of property and equipment	214	-	852	-
Purchase of other assets	-	-	(6)	-
Business acquisitions, net of cash acquired	-	-	(4,185)	(2,643)
Net change in non-cash working capital from the purchase of property and equipment	(836)	(1,135)	1,508	5,295
Funds used for investing in continuing operations	(30,111)	(25,846)	(89,404)	(53,929)
Net cash used for investing in discontinued operations	-	(406)	-	(1,363)
	(30,111)	(26,252)	(89,404)	(55,292)
<b>Financing</b>				
Net proceeds from issuance of share capital	1,717	644	5,681	4,986
Repayment of long-term debt	(4,227)	(1,549)	(6,894)	(3,953)
	(2,510)	(905)	(1,213)	1,033
Decrease in cash and short-term deposits	(4,072)	(19,125)	(1,778)	(1,033)
Cash and short-term deposits, beginning of period	16,649	41,791	14,355	23,699
Cash and short-term deposits, end of period	\$ 12,577	\$ 22,666	\$ 12,577	\$ 22,666
Supplemental information				
Income taxes paid	4,627	1,506	24,970	5,930
Interest paid	350	588	1,268	1,801

See accompanying notes to the consolidated financial statements.

## Notes to the Interim Consolidated Financial Statements

Nine Months Ended September 30, 2005 (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 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, the Company purchased 19,472 shares of R-Can from existing shareholders for \$3.0 million, representing 40.2% of the issued and outstanding shares. In accordance with the terms of the purchase agreement, contingent consideration of \$4.2 million was paid in the first quarter of 2005 based on R-Can achieving specified earnings levels in 2004 and was recorded as an additional cost of the purchase allocated to goodwill net of an accrual for contingent consideration.

### 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 Service	Production Services	Corporate	Total
<b>Three months ended September 30, 2005</b>				
Revenue	\$ 166,079	\$ 8,182	\$ –	\$ 174,261
Operating income (loss)	67,256	1,459	(5,988)	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
<b>Three months ended September 30, 2004</b>				
Revenue	\$ 88,869	\$ 6,571	\$ –	\$ 95,440
Operating income (loss)	27,909	1,533	(3,511)	25,931
Interest expense	202	–	386	588
Depreciation and amortization	3,605	565	187	4,357
Assets	249,645	34,353	28,111	312,109
Goodwill	2,605	6,052	–	8,657
Capital expenditures	24,186	475	50	24,711



(Stated in thousands)	Well Service	Production Services	Corporate	Total
<b>Nine months ended September 30, 2005</b>				
Revenue	\$ 404,904	\$ 28,492	\$ –	\$ 433,396
Operating income (loss)	150,921	6,854	(15,598)	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
<b>Nine months ended September 30, 2004</b>				
Revenue	\$ 257,239	\$ 24,355	\$ –	\$ 281,594
Operating income (loss)	80,528	6,083	(9,343)	77,268
Interest expense	660	–	1,141	1,801
Depreciation and amortization	10,372	1,572	534	12,478
Assets	249,645	34,353	28,111	312,109
Goodwill	2,605	6,052	–	8,657
Capital expenditures	55,140	838	603	56,581

The Company's operations are carried out in two geographic locations: Canada and International, which is substantially comprised of Russian operations:

(Stated in thousands)	Canada	International	Total
<b>Three months ended September 30, 2005</b>			
Revenue	\$ 151,773	\$ 22,488	\$ 174,261
Operating income (loss)	58,209	4,518	62,727
Property and equipment	244,678	22,345	267,023
Goodwill	7,086	4,668	11,754
<b>Three months ended September 30, 2004</b>			
Revenue	\$ 81,608	\$ 13,832	\$ 95,440
Operating income (loss)	21,338	4,593	25,931
Property and equipment	171,355	10,461	181,816
Goodwill	7,086	1,571	8,657
<b>Nine months ended September 30, 2005</b>			
Revenue	\$ 374,687	\$ 58,709	\$ 433,396
Operating income (loss)	129,965	12,212	142,177
Property and equipment	244,678	22,345	267,023
Goodwill	7,086	4,668	11,754
<b>Nine months ended September 30, 2004</b>			
Revenue	\$ 246,097	\$ 35,497	\$ 281,594
Operating income (loss)	65,991	11,277	77,268
Property and equipment	171,355	10,461	181,816
Goodwill	7,086	1,571	8,657

### 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, 2005	December 31, 2004
<b>Issued and outstanding:</b>		
Common shares	56,839	55,651
<b>Securities convertible into common shares:</b>		
Employee stock options	4,598	4,565
	<b>61,437</b>	<b>60,216</b>

The Company's shareholders approved a subdivision of its issued and outstanding common shares on a three-for-one basis at the Company's Annual and Special Meeting held on May 12, 2005. The completion of the share split occurred on May 26, 2005 upon approval of securities regulators. All common share and per common share amounts have been restated to retroactively reflect the share split.

#### Stock-based compensation:

In 2003, the Company chose to adopt the amended standards for stock-based compensation. The amended standards require that all transactions whereby goods and services are received in exchange for stock-based compensation result in expenses recognized in the Company's financial statements. The transitional provisions permitted prospective application for awards not previously accounted for using the fair market value method. Had compensation expense been determined based on the fair value of stock-based compensation granted since inception of the original accounting standard in 2002, the Company's net income from continuing operations and net income, as well as their respective earnings per share ("EPS"), for the three and nine months ended September 30, 2005 and 2004 would have been as follows:

Three months ended September 30,	2005		2004	
(Stated in thousands, except per share amounts)	As reported	Pro forma	As reported	Pro forma
Net income from continuing operations	\$ 36,565	\$ 36,398	\$ 14,544	\$ 14,378
Basic EPS from continuing operations	0.64	0.64	0.26	0.26
Diluted EPS from continuing operations	0.62	0.61	0.25	0.25

Three months ended September 30,	2005		2004	
(Stated in thousands, except per share amounts)	As reported	Pro forma	As reported	Pro forma
Net income	\$ 36,565	\$ 36,398	\$ 8,215	\$ 8,049
Basic EPS	0.64	0.64	0.15	0.15
Diluted EPS	0.62	0.61	0.14	0.14

Nine months ended September 30,	2005		2004	
(Stated in thousands, except per share amounts)	As reported	Pro forma	As reported	Pro forma
Net income from continuing operations	\$ 81,267	\$ 80,768	\$ 40,593	\$ 40,096
Basic EPS from continuing operations	1.44	1.43	0.74	0.73
Diluted EPS from continuing operations	1.38	1.37	0.71	0.70

Nine months ended September 30,	2005		2004	
(Stated in thousands, except per share amounts)	As reported	Pro forma	As reported	Pro forma
Net income	\$ 81,267	\$ 80,768	\$ 34,264	\$ 33,767
Basic EPS	1.44	1.43	0.63	0.62
Diluted EPS	1.38	1.37	0.60	0.59

These pro forma earnings reflect compensation cost amortized over the option's vesting period.

**NOTE 4 – INCOME TAXES**

(Stated in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
Current tax provision	\$ (1,541)	\$ (925)	\$ 30,748	\$ 20,357
Future tax provision	21,156	7,437	12,692	550
Provision for income taxes	\$ 19,615	\$ 6,512	\$ 43,440	\$ 20,907

**NOTE 5 – LONG TERM DEBT**

In April 2005, the Company extended its \$25.0 million extendible revolving equipment and acquisition line to April 30, 2006. Advances are available under the extendible revolving equipment and acquisition line either at the bank's prime rate plus 0.75% or Bankers' Acceptance plus 1.5% or in combination. The facility 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, 2005, no amounts were drawn on the extendible revolving equipment and acquisition facility.

Included in current portion of long-term debt at December 31, 2004, were equipment demand loans totaling \$2.8 million (US\$2.3 million) and bear interest at an average rate of 10.5% per annum. These loans were repaid in July 2005.

**NOTE 6 – COMPARATIVE FIGURES**

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

## Corporate Information

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### 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

<sup>(1)</sup> Member of the Audit Committee  
<sup>(2)</sup> 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