Corporate Profile

Trican Oilwell Service Co. Ltd. ("Trican") is a well service company that provides coil tubing, cementing, stimulation and related services to the oil and gas industry in western Canada.

During the drilling and completion phases of oil and gas wells and during their operating life, specialized services are required to continue and enhance production. Trican is an Alberta based well service company which provides a comprehensive range of specialized products, equipment, services and technology for use in the drilling, completion, stimulation and reworking of oil and gas wells.

Trican will focus on future growth by expanding the geographic coverage and technical capability of its existing business lines and accessing the high technology segment of the coil tubing market.

Trican's common shares trade on The Toronto Stock Exchange (symbol "TCW").

Special and Annual Meeting

The Special and Annual Meeting of the Shareholders of Trican will be held in the Cardium Room of the Calgary Petroleum Club, at 319 - 5th Avenue S.W., Calgary, Alberta on Tuesday, June 3, 1997 at 3:00 p.m. (Calgary time).

Investor Relations Information

Requests for information should be directed to:

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TRICAN OILWELL SERVICE CO. LTD.

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OILWELL SERVICE CO. LTD.

Interim Report

For the Three Months Ended

March 31, 1997

Report to the Shareholders

On December 9, 1996, the Company completed an initial and secondary public offering which generated net proceeds to the Company of $8.3 million after costs. $1.8 million of the proceeds was used to repay outstanding debt and the remainder has been used to build new equipment. The new equipment consists of two coil tubing units, two nitrogen units and two cement pumpers. One cement pumper and one coil tubing unit were incomplete at March 31st, but have since been placed into service.

On behalf of your Board of Directors, I am pleased to present the following results for the quarter ended March 31, 1997.

	Quarter ended March 31	
	1997	1996
Operations revenue	$4,165,414	$1,875,798
Income before income taxes	$629,074	$117,755
Net income	$379,835	$81,840
Earnings per share	$0.05	$0.02
Funds from operations	$678,880	$166,625
Funds from operations per share	$0.08	$0.05
Weighted average shares outstanding	8,000,000	3,500,000

Revenue of $4,165,414 for the quarter ended March 31, 1997 increased 122% over the same period in 1996. The increase from last year reflects the strong activity level in the industry, increased utilization of the Company's existing coil tubing unit and other equipment and the introduction of new equipment purchased with the proceeds of the company's initial public offering. Revenue was negatively impacted by the inability of some of our customers to obtain drilling rigs in January. This proved to be less of a factor in February and March.

Operating margins have increased as a result of the increased revenue. The operating margin (earnings before general and administrative expenses, interest, depreciation and taxes) was 20.3% for the quarter ended March 31, 1997, compared to 13.6% for the same period in 1996 and 18.5% for the eight month period ended December 31, 1996 (the Company recently changed its reporting year end from April 30 to December 31). As a portion of the Company's costs are fixed, changes in activity levels can have a significant impact on profitability.

General and administrative expenses have increased relative to the prior year. This increase has been caused by the inclusion of new management salaries and costs associated with managing a public company. However, as a percentage of revenue, these costs have declined from 3.6% (quarter ended March 31, 1996) to 3.5% (quarter ended March 31, 1997) and remain below those of the Company's publicly owned competitors. Management does not anticipate a significant increase in these costs relative to revenue.

Interest expense was eliminated due to settlement of the Company's outstanding debt upon completion of the initial public offering.

Depreciation expense of $87,045 for the quarter increased by 40% relative to the same period last year. The increase was caused by the completion of the Company's first coil tubing unit in the third quarter of 1996. Although Trican has purchased additional new equipment as noted above, this has not significantly affected depreciation in the first quarter. Not all of the new equipment began working in the first quarter and those units that did were not fully utilized during the initial period of testing and refitting. Depreciation will increase in the second quarter as this new equipment starts to achieve normal utilization rates.

Due to the completion of the Company's public offering, the Company is no longer eligible for the small business tax rate reduction. This has resulted in a higher effective tax rate for the first quarter of 1997 (39.6%) compared to 1996 (30.5%). Barring legislative changes, the Company's effective tax rate is not expected to change significantly in the near future.

Net income of $379,835 for the quarter increased 364% over that of the comparative period.

Funds from operations of $678,880 for the quarter were 307% higher than the prior year (1996-$166,625) and reflected the stronger earnings of the period. The Company has experienced a significant increase in working capital from operations in the quarter due to the large increase in activity.

Capital expenditures during the quarter of $3,214,591 relate to the expansion of Trican's equipment capacity. Additional expenditures have been made subsequent to March 31 to complete the planned unit additions.

Outlook

The Company has recently completed a substantial capital expenditure program consisting of two coil tubing units, two nitrogen pumpers and two cement pumpers. Not all of this equipment began working in the first quarter and we anticipate higher future revenue levels arising from their utilization. However, the second quarter will be impacted by lower industry activity as spring road bans make it difficult to move heavy equipment ("Breakup"). It is difficult to predict how long Breakup will last but indications are that its impact will be less severe than in prior years.

Management anticipates continued high demand for oilfield services through the remainder of the year. Recently published figures by the Petroleum Services Association of Canada forecast a 13.5% increase in drilling levels in western Canada compared to 1996's record total. Trican plans to focus its business in those areas where drilling is forecast to remain steady or increase.

I am also pleased to announce that the Company will be opening a new base facility in Red Deer in June as a center of deployment for the new equipment.

Respectfully submitted,

Murray L. Cobbe
President and Chief Executive Officer
May 6, 1997

Statements of Changes in Cash Position

(unaudited)

	Three months ended March 31, **1997**	1996
Operations		
Net income	**$ 379,835**	$ 81,840
Changes to income not involving cash:		
Depreciation	**87,045**	62,351
Deferred income taxes	**212,000**	22,434
Funds from operations	**678,880**	166,625
Net change in non-cash working capital from operations	**(485,176)**	(267,603)
	193,704	(100,978)
Investments		
Purchase of capital assets	**(3,214,591)**	(272,067)
Proceeds on disposal of capital assets	**39,372**	-
Net change in non-cash working capital related to capital assets	**488,905**	-
	(2,686,314)	(272,067)
Financing		
Bank loan proceeds	**-**	200,000
Repayment of long-term debt	**-**	(37,953)
	-	162,047
Decrease in cash position	**(2,492,610)**	(210,998)
Cash position, beginning of period	**5,864,445**	(764,153)
Cash position, end of period	**$3,371,835**	$(975,151)

Cash position is defined as cash and short-term deposits, net of bank indebtedness.

Note to Financial Statements

Basis of Presentation

The financial statements are unaudited but in the opinion of the Company, all normal recurring adjustments considered necessary for a fair presentation of the results of the operations for the interim period have been made.

Earnings per share was computed by dividing net income by the weighted average number of common shares outstanding during the period (three months ended March 31, 1997 - 8,000,000). On September 17, 1996, the Company filed articles of amendment to reorganize its share capital under which all outstanding shares were exchanged for 3,500,000 common shares. Earnings per share for the three month period ended March 31, 1996 are based on the new subdivision of share capital as though it had existed from the beginning of the period.

Certain comparative information has been reclassified to conform with presentation in the current period.

Balance Sheets

	March 31, 1997 (unaudited)	December 31, 1996
Assets		
Current		
Cash and short-term deposits	**$ 3,371,835**	$ 5,864,445
Accounts receivable	**3,364,990**	2,203,948
Prepaid expenses	**82,533**	7,755
Inventory	**509,287**	526,846
	7,328,645	8,602,994
Capital assets	**7,195,572**	4,107,398
	$14,524,217	$12,710,392
Liabilities & Shareholders' Equity		
Current liabilities		
Accounts payable	**$ 2,654,552**	$ 1,444,001
Income taxes payable	**240,267**	228,828
	2,894,819	1,672,829
Deferred income taxes	**230,000**	18,000
Shareholders' equity		
Share capital	**8,572,590**	8,572,590
Retained earnings	**2,826,808**	2,446,973
	11,399,398	11,019,563
	$14,524,217	$12,710,392

See accompanying notes to financial statements.

Statements of Operations and Retained Earnings

(unaudited)

	Three months ended March 31,	
	1997	1996
Operations revenue	**$ 4,165,414**	$ 1,875,798
Operating costs and expenses		
Materials and operating	**3,304,311**	1,620,231
General and administrative	**144,984**	73,520
Interest expense	**–**	1,941
Depreciation	**87,045**	62,351
	3,536,340	1,758,043
Income before income taxes	**629,074**	117,755
Provision for income taxes	**249,239**	35,915
Net income	**379,835**	81,840
Retained earnings, beginning of period	**2,446,973**	1,771,864
Retained earnings, end of period	**$ 2,826,808**	$ 1,853,704
Basic earnings per share	**$ 0.05**	$ 0.02

See accompanying notes to financial statements.