



WELL SERVICE LTD.



balanced
growth

2000 ANNUAL REPORT



QUARTERLY HIGHLIGHTS

FIRST QUARTER

- Trican closes the acquisition of Northline Energy Services Inc., a provider of coiled tubing services to the Canadian oil and gas industry.
- Trican achieves a 150% increase in job count compared with the first quarter of 1999.

SECOND QUARTER

- Trican achieves an 87% increase in job count compared with the second quarter of 1999 and a 122% increase in job count for the six months compared to 1999.

THIRD QUARTER

- Trican records the highest level of revenue, net income and cash flow for the first nine months of any year in the Company's history.
- Trican opens a new operating base in Fort St. John, British Columbia.

FOURTH QUARTER

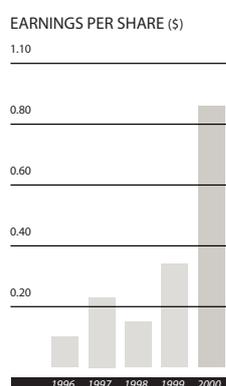
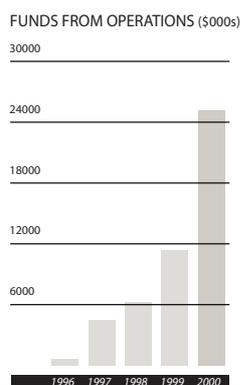
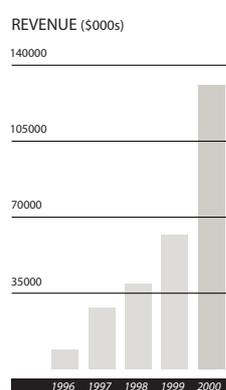
- Trican closes the acquisition of Canadian Oilfield Stimulation Services Ltd.
- Trican is added to the TSE 300 Composite Index.
- Trican acquires the exclusive Canadian rights to utilize the Polybore system.

NOTICE OF ANNUAL MEETING Trican is pleased to invite its shareholders and other interested parties to the Company's Annual Meeting at 2:00 p.m. on Wednesday, May 16, 2001 in the Strand/Tivoli Room of the Metropolitan Centre, 333 - 4th Avenue S.W., Calgary, Alberta.

2000 HIGHLIGHTS

FINANCIAL SUMMARY AND OPERATIONAL HIGHLIGHTS

(\$000s, except per share amounts and operational information)



	2000	1999	% Change
FINANCIAL SUMMARY			
Revenue	130,878	61,750	112%
Net Income	14,816	4,850	205%
Per Share Basic	0.93	0.35	166%
Per Share Fully Diluted	0.88	0.34	159%
Funds from Operations	25,167	11,383	121%
Per Share Basic	1.59	0.83	92%
Per Share Fully Diluted	1.49	0.78	91%
Capital Expenditures	36,195	18,287	98%
Long-term Debt	20,329	5,653	260%
Shareholders' Equity	69,753	49,989	40%
Average Shares Outstanding – Basic	15,874	13,770	15%
Average Shares Outstanding – Fully Diluted	17,282	15,027	15%
Shares Outstanding at Year End	16,134	15,178	6%

OPERATIONAL INFORMATION

	2000	1999	% Change
Number of Jobs Completed	11,865	7,215	64%
Revenue Per Job	10,516	8,549	23%

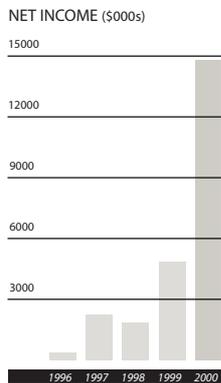
CORPORATE PROFILE

Trican Well Service Ltd. provides a comprehensive array of specialized products, equipment and services that are utilized in the drilling, completion, stimulation, and reworking of oil and gas wells. Headquartered in Calgary, Alberta, the Company operates bases in Red Deer, Grande Prairie, Whitecourt, Lloydminster, Edmonton, Drayton Valley, Red Earth, Provost and Brooks, Alberta as well as Fort St. John, British Columbia and Carlyle, Saskatchewan to serve the oil and gas industry in western Canada. Since its initial public offering in December 1996, Trican has grown into a full-service supplier of state-of-the-art technology with expertise in coiled tubing, fracturing, stimulation, cementing and related services. Trican's shares trade on The Toronto Stock Exchange under the symbol "TCW".



PRESIDENT'S LETTER

On behalf of the Board of Directors of Trican Well Service Ltd., I am very pleased to report on the continued growth and development of our Company and the record financial results achieved by Trican in 2000. The past year saw Trican benefit from the growth strategies undertaken by the management team in 1996. The dual strategies of geographic expansion and the introduction of new services provided balanced growth which fueled significant year-over-year gains in all of the measures used to track the success of our Company.



YEAR IN REVIEW As we discussed in our report to shareholders for 1999, we expected 2000 to be a very fruitful year for Trican. Strong commodity prices were expected to provide our customers with record levels of cash flow and allow for unprecedented levels of activity in the Western Canadian Sedimentary Basin. Trican's growth strategies of expanding its base of operations and broadening the services it provides to its customers positioned the Company to capitalize on the expected increase in demand for services.

Our results for 2000 met these expectations. Commodity prices fueled high levels of activity and demand for well services. The number of wells drilled in the year exceeded 16,500, a new record for the Western Canadian Sedimentary Basin. Aggressive investment in new equipment and services undertaken over the past three years positioned our Company to prosper from this increased level of activity. As a result, for 2000, Trican set Company records for all measures of performance including sales, earnings, number of jobs performed, return on assets and return on equity.

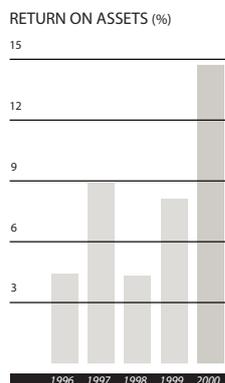
Trican's sales for the year topped \$130 million, more than double the 1999 sales level. Net income and cash flow from operations increased more than 200% and 120% respectively over 1999 levels to \$14.8 million and \$25.2 million. Return on assets of 15% and return on equity of 25% reflect superior performance compared with both our prior year's results and our industry peers. Based on these measures, Trican continues to be one of the top performers in the Canadian well service sector.

Late in 2000, Trican was added to the TSE 300 Composite Index. This was a significant milestone for our Company and is another reflection of our strong growth and success.

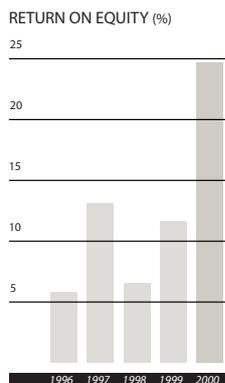
OPERATIONAL RESULTS Trican completed more than 11,800 jobs in 2000, which represents a year-over-year increase of more than 60%. The average revenue per job grew by more than 23%. These results reflect the strong growth in all of our services, in particular, the continued growth and development of fracturing services. Trican entered this highly technical and capital-intensive market in 1998 and has steadily developed a reputation for providing technologically advanced solutions and reliable service.

With the successful implementation of the Company's proven growth strategies and its strategic acquisitions, Trican is once again positioned to continue its strong record of growth.

Trican's growth is the result of a balanced focus on developing existing areas of business augmented by strategic acquisitions. During the year, Trican completed two acquisitions, the first, Northline Energy Services Inc. was completed in January 2000. The addition of Northline broadens the range of coiled tubing services we are able to provide to our customers and affords Trican a significant presence in the intermediate-depth coiled tubing market. The second acquisition, in November 2000, of Canadian Oilfield Stimulation Services Ltd. will enhance Trican's presence in the acidizing market and is expected to provide the Company with new markets and growth opportunities.



TECHNOLOGICAL ADVANCEMENTS In the fall, Trican opened a 6,000 square foot research facility in Red Deer, Alberta. This state-of-the-art facility is the second largest lab of its type in western Canada and marks a significant milestone in Trican's continued evolution as a provider of technology to the oil and gas sector. Trican's research and development efforts remain focused on providing specific solutions to the problems experienced by our customers in western Canada. Since late 1996, Trican's research and development efforts have produced new systems and processes aimed at solving problems specific to our customers' operations. We currently have patents pending on a number of these proprietary systems and continue our efforts to develop innovative and cost-effective solutions for our customers.



OUTLOOK The past year reflected the impact of the growth strategies undertaken four years ago when a new management team arrived to take Trican public and build the Company into a significant presence in the western Canadian well service sector. The growth in sales and operations and the technical successes achieved by the Company are the result of the efforts and dedication of the employees and management. I would like to take this opportunity to recognize these efforts and to thank all involved for their dedication and commitment. Trican is a reflection of these individuals and their successes.

Continued strong commodity prices in 2001 are expected to again yield superior cash flow for oil and gas exploration and development companies. Accordingly, Trican expects that the strong level of demand for well services seen in 2000 will continue into 2001. Looking ahead, some industry observers are predicting record levels of activity in 2001 and similarly strong levels in 2002. Trican will continue to grow its market position in Canada. As well, the Company continues to evaluate a number of opportunities which will allow Trican to take its operations international.

With the successful implementation of the Company's proven growth strategies and its strategic acquisitions, Trican is once again positioned to continue its strong record of growth.

On behalf of the Board of Directors

Murray L. Cobbe
 President and Chief Executive Officer
 February 26, 2001

Trican developed and filed for patents on three new surfactant gelled fracturing fluids which utilize a new technique for creating viscosity. The fluids will give Trican a competitive advantage.



OPERATIONS REVIEW



DESCRIPTION OF SERVICES

COILED TUBING SERVICES Coiled tubing is jointless steel pipe manufactured in lengths of thousands of metres and coiled on a large reel. The tubing is run into oil or gas wells to create a circulating system, and is then used to introduce acids, nitrogen or other products into the well for purposes such as removing unwanted fluids or solids. Coiled tubing workovers allow operators to continue producing without shutting down the well, reducing the risk of formation damage.

FRACTURING SERVICES Fracturing is a well stimulation process performed to improve production. Fluid is pumped into a cased well at sufficiently high pressure to fracture the formation. A proppant is added to the fluid and injected into the fracture to prop it open, permitting hydrocarbons to flow more freely into the wellbore.

PUMPING SERVICES Pumping services consist of both acidizing and cementing services. Acidizing is a well stimulation process that involves pumping large volumes of specially formulated acid blends into producing oil or gas formations to clean out unwanted materials or to dissolve portions of the producing formation in order to enhance the well flow rate.

Cementing services are utilized when drilling a well but may also be required during the producing life of a well. Primary cementing treatments are utilized during the drilling phase of an oil or gas well to support the production casing within the wellbore and to isolate producing zones. Remedial cement service is used to repair casing or communication leaks between producing zones during a well's operating life.

NITROGEN SERVICES Nitrogen is an inert gas that is pumped into the wellbore to improve the recovery of introduced or produced fluid safely while reducing potential formation damage. Trican's nitrogen services are applied in conjunction with its coiled tubing, acidizing and fracturing services.

POLYBORE SERVICES The Polybore system is a patented process that involves introducing a polyethylene lining into a well bore to either repair damage, extend casing life by reducing corrosion, or reduce the energy required to inject fluids into a reservoir.

OVERVIEW OF SERVICES

Trican offers services in all of the major sectors of the oil field pumping services industry including coiled tubing, nitrogen pumping, fracturing and pumping services. All of these services are utilized during the drilling and completion of oil and gas wells and therefore demand for services is proportional to the number of wells drilled during the year. In 2000, more than 16,500 wells were drilled in the Western Canadian Sedimentary Basin, surpassing the previous record of 16,484 wells established in 1997.

After a well has been drilled and completed, it enters into the production phase. There are currently 115,000 producing wells in western Canada that may, from time to time, require any one or more of the services outlined

above as remedial treatments to optimize the recovery of oil or natural gas. This production services market is in addition to the demand for services created by the drilling of new wells.

In November 2000, Trican purchased Canadian Oilfield Stimulation Services Ltd. ("COSS"). COSS has historically focused on producing wells when marketing its services and therefore this strategic acquisition has provided Trican with an important platform upon which to further enhance its focus on production services. In December 2000, Trican acquired the right to utilize the Polybore system in Canada. This innovative system will form part of the complement of services focused on the production-related problems encountered by our customers in western Canada.

COILED TUBING SERVICES Trican entered the coiled tubing services market in 1996. Since that time the Company has enhanced its capacity and reputation for being a leading operator in the deep coiled tubing services market. This service line complements a number of Trican's other services including nitrogen, fracturing and acidizing.

In January 2000, Trican acquired Northline Energy Services Inc. ("Northline"), a leading service provider in the intermediate-depth coiled tubing market. With this acquisition, Trican was able to broaden the array of services it provides to its customers and penetrate this market segment, previously untapped by the Company. At December 31, Northline was operating nine intermediate-depth coiled tubing units with two units under construction and expected to be put into service early in the first quarter of 2001.

NITROGEN PUMPING SERVICES Nitrogen services are complementary to Trican's deep coiled tubing, acidizing and fracturing services. With the continued growth in demand for these services, demand for nitrogen services has grown substantially as well, and in response, Trican has added additional capacity. In the year ahead, the Company will undertake further equipment expansion as warranted.

FRACTURING SERVICES Trican entered into the fracturing services market early in 1998 and since that time has increased its operational capacity five fold. This significant investment in equipment has been matched by an aggressive research and development program that has led to the development of many state-of-the-art products and several proprietary blends. This effort has resulted in annual growth rates in sales in excess of 110% since the commencement of operations. Fracturing services have grown into a major contributor to overall sales contributing 33% of total sales in 2000. With the high levels of demand for these services, further expansion is planned for 2001.

PUMPING SERVICES Pumping services include cementing and acidizing services and was the first service line offered by Trican. Pumping services continue to be a major contributor to the overall success of the Company with approximately 47% of total sales coming from these services.

Acidizing Services Demand for acidizing services continues to grow on a year-over-year basis due to increased market acceptance of Trican's acidizing blends. The acquisition of COSS in November 2000 more than doubles Trican's capacity of dedicated acidizing units and adds an array of propriety blends which are well known and received by the Company's customers.

Cementing Services Of all of the services offered by Trican, the demand for cementing is most influenced by drilling activity in western Canada. With the substantial increase in the level of drilling activity in the last year, demand for these services rose sharply. To support this growth, Trican continues to develop new cementing blends that are focused on solving specific operational problems faced by its customers in western Canada.



Polybore Services Late in December, 2000 Trican acquired the exclusive Canadian rights to utilize the Polybore system. The Polybore system is a patented process used to repair a well bore and extend the production life of a well. Many of the 115,000 producing wells in western Canada will experience internal wear and corrosion of the well bore that will impair their producing capabilities. The Polybore system provides a means of repairing this damage on some of these wells. Within the basin there are also over 8,000 injection and disposal wells. By lining the well bore, the Polybore system can be used to significantly reduce the operating costs associated with these wells.

This is a new technology to Canada; however, Trican is excited about the market potential for this unique service.

OPERATIONS BASES Trican's operations continue to be centered in western Canada. During the year, the Company opened a base in Fort St. John, B.C. to provide access to the well service market of northern B.C. With the increased focus on deep gas directed drilling generally expected by industry watchers, this base of operations will be well situated to service any increased activity in this area.

With the acquisition of COSS in November 2000, Trican added key operations bases in central Alberta and eastern Saskatchewan. With these additions to its operations bases, Trican is able to service its customers over the entire Western Canadian Sedimentary Basin.

WORK ENVIRONMENT Trican is committed to maintaining a safe working environment for its employees, customers and the public at large. To this end, the Company has developed safety and training programs that are designed to improve its performance and continue to raise an awareness of the importance of safety to its operations.

2000 TECHNOLOGICAL HIGHLIGHTS

- Trican developed and filed for patents on three new surfactant gelled fracturing fluids. These proprietary fluids utilize a new technique for creating viscosity, which results in improved oil and gas production. The fluids will give Trican a competitive advantage in this area.
- Trican developed a new line of "Titanium" lightweight cements that utilize new technology to reduce product costs, improve performance and increase quality control. The blends are much lighter and stronger than conventional lightweight cements and help to reduce damage to oil and gas wells during cementing.
- Trican entered the liquid CO₂ fracturing market in 2000, and is one of two companies in Canada to offer this service. Our newly designed CO₂ blender utilizes the latest in computer technology and equipment and gives us a competitive and operational edge over the other supplier of this service.
- Trican built Canada's first "one-truck" fracturing unit. This combination unit contains all the components of a regular frac crew on just one truck. The unit requires fewer people to operate and provides significant cost savings to our customers.
- In the fourth quarter, Trican opened a 6,000 square foot research and development centre in Red Deer, Alberta. This facility is the second-largest lab of its type in western Canada and the technology developed will provide products for our clients for many years to come.

Trican's strong financial performance for 2000 reflects the impact of the growth strategies undertaken in 1996 to broaden the base of Trican's operations and expand services, combined with increased demand for well services.



MANAGEMENT'S DISCUSSION & ANALYSIS



The following discussion and analysis of the financial condition of the Company and results of operations should be read in conjunction with the consolidated financial statements and accompanying notes contained in this annual report.

OVERVIEW Trican's strong financial performance for 2000 reflects the impact of the growth strategies undertaken in 1996 to broaden the base of Trican's operations and expand the services the Company provides, combined with increased demand for well services. Demand for services during the year was positively influenced by near-record price levels for both oil and natural gas. WTI month-end prices for crude oil averaged more than US\$30.00 per barrel, the highest average price seen in the last ten years. Similarly, natural gas yielded all time high prices with AECO averaging almost \$5.60 per Mcf. As a result of the sustained strength of these prices, cash flow to our customers approached record, or near-record, levels in 2000, which in turn resulted in high demand for well services. During the year, a record 16,507 wells were drilled in the Western Canadian Sedimentary Basin. The more than \$88 million invested by Trican in capital assets over the past five years, the increased number of services offered by the Company, and its expanded base of operations, all positioned Trican with the ability to meet the high demand for services seen in 2000.

COMPARATIVE INCOME STATEMENTS

(\$000s except %)

	2000	Percent	1999	Percent	Year over Year	Percent
REVENUE	130,878	100.0	61,750	100.0	69,128	111.9
EXPENSES						
Materials and Operating	93,538	71.5	46,866	75.9	46,672	99.6
General and Administrative	3,692	2.8	1,982	3.2	1,710	86.3
Interest Expense	1,509	1.2	461	0.7	1,048	227.3
Depreciation	6,946	5.3	4,129	6.7	2,817	68.2
	105,685	80.8	53,438	86.5	52,247	97.8
INCOME BEFORE INCOME TAXES	25,193	19.2	8,312	13.5	16,881	203.1
Provision for Income Taxes	9,710	7.4	3,265	5.3	6,445	197.4
Net Income Before Goodwill Amortization	15,483	11.8	5,047	8.2	10,436	206.8
Goodwill Amortization, Net of Tax	667	0.5	197	0.3	470	238.6
NET INCOME	14,816	11.3	4,850	7.9	9,966	205.5

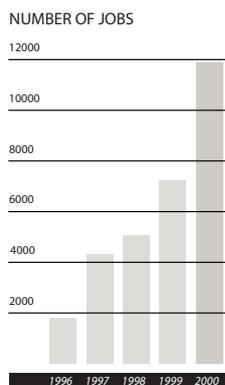
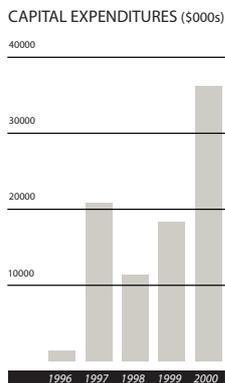
REVENUE Trican's revenue increased \$69.1 million to \$130.9 million, an increase of 112% over the prior year's total of \$61.8 million. The increase in sales is the result of higher levels of activity, increases in the average revenue per job and the acquisition of Northline Energy Services Inc. ("Northline"). The increased level of activity resulted from higher drilling activity as well as expanded operational capacity for all services. The number of jobs completed in the year rose by 64% to 11,865 over the 1999 total of 7,215. Activity levels for all of Trican's service lines rose on a year-over-year basis; however, strong increases were achieved in the fracturing, cementing and nitrogen services.

Revenue per job rose 23% on a year-over-year basis, from \$8,549 in 1999 to \$10,516 in 2000. This increase is due in part to a general improvement in the pricing for all services, consistent with higher levels of demand. Also contributing to the higher average revenue per job is the Company's continued penetration into the more technical, higher margin segments of its markets. Growing acceptance of Trican's technology and proprietary blends has contributed to this development.

The Company's sales mix was similar to 1999, with pumping services again contributing the largest proportion at just over 47%. Coiled tubing sales increased as a percentage of total sales to 12% due in part to the acquisition of Northline. Northline contributed \$7.6 million to total sales for the year. Similar to 1999, fracturing services contributed 33% and nitrogen and other services made up the remaining 8%.

Operating Costs and Expenses Materials and operating expenses of \$93.5 million were 71.5% of revenue compared with \$46.9 million or 75.9% of revenue in 1999. Improved operating margins brought on by stronger pricing as well as operational efficiencies achieved through higher activity levels contributed to this increase in profitability. General and administrative expenses for 2000 increased to \$3.7 million or 2.8% of revenue compared to \$2.0 million or 3.2% of revenue in 1999. The increase in the overall level of expense is reflective of higher activity levels. Trican's interest expense for the year increased to \$1.5 million or 1.2% of revenue compared with \$0.5 million or 0.7% of revenue in 1999. The increase in interest expense is consistent with an increased reliance on debt to finance capital expenditures. Depreciation increased to \$6.9 million or 5.3% of revenue from \$4.1 million or 6.7% of revenue in 1999. Higher depreciation is indicative of the Company's substantial investment in equipment and operating facilities over the past four years. Finally, amortization expense increased to \$0.7 million or 0.5% of revenue from \$0.2 million or 0.3% of revenue for 1999. The increase in amortization expenses is associated with the goodwill on the acquisitions of Northline and COSS, completed during the year.

Income Taxes Trican's income tax expense increased proportionally with the increase in profitability in 2000. The Company's effective tax rate during 2000 was 39.6%. The future tax component relates primarily to accelerated deductions for capital cost allowance for tax purposes claimed in excess of depreciation and amortization for accounting purposes.

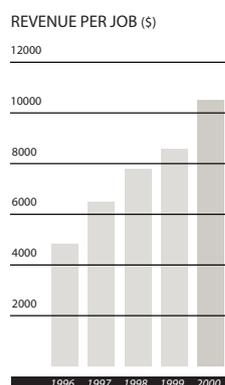


LIQUIDITY AND CAPITAL RESOURCES

CAPITALIZATION

(\$000s)

	2000	1999
Working Capital Surplus	\$ (5,768)	\$ (11,583)
Long-term Debt	20,329	5,653
Future Income Taxes	8,210	4,586
Share Capital	44,120	38,630
Retained Earnings	25,633	11,360
Total	\$ 92,524	\$ 48,646



Liquidity Funds from operations for the year ended December 31, 2000 amounted to \$25.2 million, an increase of more than 121% over the 1999 level of \$11.4 million. Capital expenditures for the year totalled \$36.2 million, the highest level of investment in the Company's history. This aggressive investment in operating assets, more than \$88.1 million in the last five years, has provided the Company with the equipment fleet that produced the strong growth in sales in 2000.

At December 31, 2000 the Company had working capital of \$5.8 million compared to \$11.6 million at the end of 1999. The Company has an operating line of credit to finance working capital requirements. Maximum availability under the line is \$10.0 million, subject to certain conditions. At December 31, 2000 \$3.8 million was drawn on this facility. The inventory of operating supplies, parts and materials required to carry on daily operations has increased through the acquisition of Northline and COSS as well as the opening of a new base in Fort St. John, B.C. in the fall of 2000.

Capital Resources Trican had long-term debt (excluding current portion) of \$20.3 million at year-end 2000 compared with \$5.7 million at the end of 1999. The increase in long-term debt is related to funding of equipment purchases. Subsequent to year-end, the Company negotiated a \$27.0 million lease facility involving certain pieces of its operating equipment. These arrangements will be reflected in the accounts of the Company as capital leases and will be repaid over 84 months commencing February 2001. The leases contain no financial covenants and bear interest at an average of 8.15%. 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 \$36.2 million were incurred during 2000 compared with \$18.3 million in 1999. 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. In addition, at the end of 2000, the Company had a number of capital projects ongoing. The Company estimates that \$8 million of additional investment will be required to complete these projects.

In January 2000, the Company acquired all of the issued and outstanding shares of Northline for consideration of 461,081 common shares and \$3,366,231. The addition of Northline enhanced the Company's coiled tubing service capabilities and provided Trican with a strong participation in the intermediate-depth coiled tubing market.

In November 2000, the Company acquired all of the issued and outstanding shares of COSS for consideration of 173,553 common shares and \$2,500,202. COSS provides a variety of well stimulation services, and provides Trican with a strategic platform on which to develop its production-focused services.

Late in December, 2000 Trican acquired the exclusive Canadian rights to utilize the Polybore system. The Polybore system is a patented process that is used to repair a well bore and extend the production life of a well. This is a new technology to Canada and the Company expects to commence commercial operations during 2001.

CASH REQUIREMENTS The Company has historically financed its capital expenditures with funds from operations, equity issues and debt. Capital expenditures for 2001 are expected to be \$23 million and will be financed by funds from operations and/or credit facilities.

BUSINESS RISK 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 our 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 Trican. 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 slow-down in the U.S. economy could weaken demand for crude oil and natural gas and reduce the demand for well services.

As the demand for well services is strongly affected 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, our strong balance sheet and adherence to conservative financing practices provides the resilience to withstand and benefit from volatility in activity levels in our sector.

The ability to move heavy equipment in the Canadian oil and natural gas fields is dependent on weather conditions. In the spring, the winter's frost comes out of the ground rendering many secondary roads temporarily incapable of supporting the weight of heavy equipment. The duration of this period, commonly referred to as "spring breakup", has a direct impact on the Company's activities. In addition, many areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support equipment. The duration and severity of winter in these regions influences the amount of work that can be completed. As a result of these factors, spring breakup, which can occur at any time between March and May, is typically the slowest period of operations for the Company.

The services provided by the Company, in some cases, involve flammable products being pumped under high pressure. To address these risks, Trican has developed and implemented safety and training programs. In addition, a comprehensive insurance and risk management program has been established to protect the Company's assets and operations. Trican also complies with current environmental requirements and maintains an ongoing participation in various industry-related committees and programs.

The Company faces the challenge of attracting and retaining skilled workers to meet any increase in demand for its services. The Company attempts to overcome this by offering an attractive compensation package and training to enhance skills and career prospects.

OUTLOOK Management has an optimistic outlook for the future. Commodity prices for oil and natural gas continue at very strong levels and new transportation capacity has enhanced market access for natural gas producers, which should in turn create a need for additional well services. Demand for all of the Company's services was high in 2000 and, barring a collapse in commodity prices, indications are that this will continue through 2001 and 2002.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Trican Well Service Ltd. is responsible for the preparation and integrity of the accompanying consolidated financial statements and all other information contained in this Annual Report. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in Canada and include amounts that are based on management's informed judgements and estimates where necessary.

The Company maintains internal accounting control systems which are adequate to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and accounting records are reliable as a basis for the preparation of the consolidated financial statements.

The Board of Directors, through its Audit Committee, monitors management's financial and accounting policies and practices and the preparation of these financial statements. The Audit Committee meets periodically with external auditors and management to review the work of each and the propriety of the discharge of their responsibilities. Specifically, the Audit Committee reviews with management and the external auditors the financial statements and annual report of the Company prior to submission to the Board of Directors for final approval. The external auditors have full and free access to the Audit Committee to discuss auditing and financial reporting matters.

The shareholders have appointed KPMG LLP as the external auditors of the Company and, in that capacity, they have examined the financial statements for the periods ended December 31, 2000 and 1999. The Auditors' Report to the shareholders is presented herein.



Murray L. Cobbe
President and Chief Executive Officer

February 26, 2001



Michael G. Kelly
Vice President, Finance and
Chief Financial Officer

AUDITORS' REPORT

We have audited the consolidated balance sheets of Trican Well Service Ltd. as at December 31, 2000 and 1999 and the consolidated statements of operations and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2000 and 1999 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads "KPMG LLP". The letters are stylized and slanted to the right.

KPMG LLP
Chartered Accountants
Calgary, Canada

February 26, 2001

CONSOLIDATED BALANCE SHEETS

As at December 31

	2000	1999
ASSETS		
Current assets		
Cash	\$ 475,064	\$ 860,676
Trade accounts receivable	31,126,875	16,594,240
Other accounts receivable	1,036,679	1,730,691
Inventory	4,164,257	2,543,463
Prepaid expenses	1,292,071	960,237
	38,094,946	22,689,307
Capital assets (note 4)	84,525,253	47,148,119
Goodwill, less accumulated amortization of \$1,113,565 (1999 - \$446,400)	7,998,386	1,497,600
	\$ 130,618,585	\$ 71,335,026
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank loans	\$ 3,825,000	\$ —
Accounts payable and accrued liabilities	20,926,365	9,778,939
Income taxes payable	4,579,006	666,953
Current portion of long-term debt (note 5)	2,996,209	660,513
	32,326,580	11,106,405
Long-term debt (note 5)	20,329,446	5,652,749
Future income taxes (note 7)	8,209,528	—
Deferred income taxes (note 7)	—	4,586,479
Shareholders' equity		
Share capital (note 6)	44,120,396	38,629,831
Retained earnings	25,632,635	11,359,562
	69,753,031	49,989,393
Commitments (note 9)		
	\$ 130,618,585	\$ 71,335,026

See accompanying notes to the consolidated financial statements.



Murray L. Cobbe
Director



Victor J. Stobbe
Director

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

Year Ended December 31

	2000	1999
Revenue	\$ 130,878,249	\$ 61,750,139
Expenses		
Materials and operating	93,538,017	46,866,100
General and administrative	3,691,717	1,981,701
Interest expense	1,508,896	460,941
Depreciation	6,946,614	4,128,906
	105,685,244	53,437,648
Income before income taxes and goodwill amortization	25,193,005	8,312,491
Provision for income taxes (note 7)	9,709,819	3,265,117
Net income before goodwill amortization	15,483,186	5,047,374
Goodwill amortization, net of income taxes	667,165	197,563
Net income	14,816,021	4,849,811
Retained earnings, beginning of year	11,359,562	6,509,751
Change in accounting policy (note 2)	(542,948)	—
Retained earnings, end of year	\$ 25,632,635	\$ 11,359,562
Earnings per share before goodwill amortization:		
Basic	\$ 0.98	\$ 0.37
Fully diluted	\$ 0.92	\$ 0.34
Earnings per share:		
Basic	\$ 0.93	\$ 0.35
Fully diluted	\$ 0.88	\$ 0.34

See accompanying notes to the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENTS

Year Ended December 31

	2000	1999
Cash Provided By (Used In):		
Operations		
Net income	\$ 14,816,021	\$ 4,849,811
Changes to income not involving cash		
Depreciation and amortization	7,613,779	4,326,469
Future income taxes	2,737,243	2,206,742
Funds from operations	25,167,043	11,383,022
Net change in non-cash working capital from operations	(2,267,600)	(1,343,194)
	22,899,443	10,039,828
Investments		
Purchase of capital assets	(36,194,775)	(18,287,085)
Proceeds on disposal of capital assets	754,307	3,256,999
Acquisitions (note 3)	(5,690,497)	—
Net change in non-cash working capital from the purchase and disposal of capital assets	2,715,688	(3,293,475)
	(38,415,277)	(18,323,561)
Financing		
Net proceeds from issuance of share capital	692,598	11,229,643
Increase in long-term debt	10,612,624	763,262
Increase (decrease) in short-term borrowings	3,825,000	(2,340,000)
	15,130,222	9,652,905
Increase (decrease) in cash position	(385,612)	1,369,172
Cash position (bank indebtedness), beginning of year	860,676	(508,496)
Cash position, end of year	\$ 475,064	\$ 860,676

During 2000, the Company paid interest of \$1,411,427 (1999 - \$428,621) and paid (recovered) taxes of \$3,433,333 (1999 - (\$706,045)).

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2000 and 1999

Trican Well Service Ltd. (the "Company") is incorporated under the laws of the province of Alberta. The Company provides a comprehensive array of specialized products, equipment, services and technology for use in the drilling, completion, stimulation and reworking of oil and gas wells in western Canada.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries.

REVENUE RECOGNITION The Company recognizes revenue for services and products at the time they are provided.

INVENTORY Inventory is carried at the lower of cost, determined under the first-in, first-out method, and net realizable value.

CAPITAL ASSETS Capital assets are stated at cost less accumulated depreciation. Major betterments are capitalized. Repairs and maintenance expenditures which do not extend the useful life of the equipment are expensed.

Depreciation is provided for using the straight-line method over the estimated useful life of the asset as follows:

Buildings and improvements	20 years
Equipment	3 to 10 years
Furniture and fixtures	10 years

Although management believes its estimates of the useful lives of the Company's capital assets are reasonable, it is possible that another estimate may be made or that management's estimate may change in the future, which could result in changes to the depreciation rates. Management bases its estimate of the useful life of equipment on expected utilization, technological change and effectiveness of maintenance programs.

GOODWILL Goodwill, representing the excess of cost over the fair market value of the net assets of companies acquired, is amortized on a straight line basis over 10 years. The evaluation for impairment of goodwill is based on a comparison of the carrying values of goodwill and associated operating assets with the estimated undiscounted net cash flows from those assets.

INCOME TAXES The Company has adopted the liability method of accounting for income taxes. Under this method, future income tax liabilities and assets are recognized to the extent that assets and liabilities are recorded in the accounts at amounts different from their tax basis.

STOCK OPTIONS The Company has a stock option plan which is described in note 6. When stock options are issued, no compensation expense is recorded. Any consideration received on exercise of the stock options is credited to share capital.

EARNINGS PER SHARE Earnings per share are calculated using the weighted average number of common shares outstanding during the period. Fully diluted earnings per share are calculated using the effect of options as if the options had been exercised at the later of the beginning of the year or grant date. Imputed earnings are computed using a 5% rate net of estimated income taxes.

COMPARATIVE FIGURES Comparative figures have been restated to conform to current year's presentation.

NOTE 2 – CHANGE IN ACCOUNTING POLICY

Effective January 2000, the Company adopted the liability method of accounting for future income taxes. Prior to adoption of this new accounting standard, income tax expense was determined using the deferral method. The new policy has been applied retroactively, without restating the financial statements of any prior periods. As a result, the Company has recorded a decrease to retained earnings of \$542,948 and an increase to the future tax liability, formerly the deferred tax liability, of \$542,948.

NOTE 3 – ACQUISITIONS

During the year ended December 31, 2000 the Company completed the following acquisitions:

- a) Acquisition of all the issued and outstanding shares of Northline Energy Services Inc. (“Northline”) in January 2000 for consideration of 461,081 common shares and \$3,366,231. Northline provides coiled tubing services for the oil and gas industry in western Canada.
- b) Acquisition of all the issued and outstanding shares of Canadian Oilfield Stimulation Services Ltd. (“COSS”) in November 2000 for consideration of 173,553 common shares and \$2,500,202. COSS provides a variety of well stimulation services and products for the oil and gas industry in western Canada.

The acquisitions have been recorded using the purchase method with results of operations of the acquired entities included in the financial statements from the effective dates of acquisition. The details of the acquisitions are as follows:

	Northline	COSS	Total
Net assets acquired at fair market value:			
Net non-cash working capital	\$ 980,655	\$ 689,491	\$ 1,670,146
Capital assets	5,928,284	2,955,000	8,883,284
Goodwill	4,297,798	2,870,150	7,167,948
Bank indebtedness	(490,287)	–	(490,287)
Long-term debt	(4,339,735)	(2,060,035)	(6,399,770)
Future tax liability	(373,101)	(30,349)	(403,450)
	6,003,614	4,424,257	10,427,871
Cash	–	175,936	175,936
	\$ 6,003,614	\$ 4,600,193	\$ 10,603,807
Financed by:			
Cash	\$ 3,366,231	\$ 2,500,202	\$ 5,866,433
Common shares	2,637,383	2,099,991	4,737,374
	\$ 6,003,614	\$ 4,600,193	\$ 10,603,807

NOTE 4 – CAPITAL ASSETS

	2000	1999
Capital Assets:		
Land	\$ 1,201,866	\$ 457,316
Buildings and improvements	3,865,100	1,244,770
Equipment	95,372,113	54,941,047
Furniture and fixtures	1,988,205	1,267,491
	102,427,284	57,910,624
Accumulated Depreciation:		
Buildings and improvements	495,088	442,308
Equipment	16,541,424	9,870,415
Furniture and fixtures	865,519	449,782
	17,902,031	10,762,505
	\$ 84,525,253	\$ 47,148,119

NOTE 5 – LONG-TERM DEBT

Long-term debt comprises the following:

	2000	1999
Equipment loan	\$ 23,325,655	\$ 6,313,262
Less: Current portion	2,996,209	660,513
	\$ 20,329,446	\$ 5,652,749

At December 31, 2000 the equipment loan bore interest at the rate of banker's acceptance with a one-month expiry plus 2.45% and was secured by a pledge of specific assets. In February 2001, the Company established a \$27.0 million loan facility, bearing interest at an average rate of 8.15% per annum, repayable on a monthly basis amortized over a seven-year term. The Company has drawn \$22.5 million on the new facility and repaid the outstanding equipment loan. The loan contains no financial covenants and is secured by a pledge of specific assets.

The estimated repayments required subsequent to December 31, 2000 are as follows:

2001	\$ 2,996,209
2002	\$ 2,987,749
2003	\$ 2,900,698
2004	\$ 3,100,870
2005	\$ 3,332,223
Thereafter	\$ 8,007,906

Interest expense on long-term debt was \$1,482,964 in the year ended December 31, 2000 (\$363,159 - 1999).

NOTE 6 – SHARE CAPITAL

AUTHORIZED: An unlimited number of common shares and preferred shares, issuable in series.

ISSUED AND OUTSTANDING – COMMON SHARES:

	Number of Shares	Amount
Balance, December 31, 1998	12,653,277	\$ 27,131,894
Issued pursuant to private placement	2,500,000	11,875,000
Exercise of stock options	24,250	87,088
Share issue costs, net of deferred income tax benefit of \$268,294		(464,151)
Balance, December 31, 1999	15,177,527	\$ 38,629,831
Issued pursuant to the acquisition of subsidiaries	634,634	4,737,375
Exercise of stock options	322,325	855,919
Share issue costs, net of future income tax benefit of \$60,592		(102,729)
Balance, December 31, 2000	16,134,486	\$ 44,120,396

The weighted average number of common shares outstanding for the year ended December 31, 2000 was 15,874,476 (1999 – 13,770,235).

COMMON SHARE PURCHASE WARRANTS: During 1999, the Company issued 200,000 common share purchase warrants as partial consideration for the purchase of equipment, of which, 125,000 are exercisable into common shares at an exercise price of \$3.75 per share and 75,000 are exercisable at \$4.00 per share. The warrants are exercisable for a five-year period ending in 2004. None of the common share purchase warrants have been exercised to date.

INCENTIVE STOCK OPTION PLAN: Options may be granted at the discretion of the Board of Directors and all directors, officers and employees of the Company are eligible for participation in the Plan. The option price equals the closing price of the Company's shares on the Toronto Stock Exchange on the day preceding the date of grant. The options vest equally over a period of four years commencing on the first anniversary of the date of grant, and expire on the tenth anniversary of the date of grant.

The Company has reserved 1,796,148 common shares as at December 31, 2000 (December 31, 1999 – 1,500,000) for issuance under a stock option plan for directors, officers and employees. The maximum number of common shares permitted to be subject to outstanding options at any point in time is limited to 10% of the common shares then outstanding. As of December 31, 2000 1,275,625 options (December 31, 1999 – 1,268,000) were outstanding at prices ranging from \$1.80 - \$12.70 per share with expiry dates ranging from December 2006 to December 2010.

A summary of the status of the Company's stock option plan as of December 31, 2000 and 1999, and changes during the years ending on those dates is presented below:

	2000		1999	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at beginning of year	1,268,000	\$ 3.22	1,079,000	\$ 2.85
Granted	359,950	8.51	217,500	5.16
Exercised	(322,325)	2.66	(24,250)	3.59
Cancelled	(30,000)	6.75	(4,250)	5.87
Outstanding at end of year	1,275,625	4.77	1,268,000	3.22
Exercisable at end of year	648,550	\$ 2.78	645,500	\$ 2.50

The following table summarizes information about stock options outstanding at December 31, 2000:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Remaining Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercisable Price
\$ 2.00 to \$2.00	467,375	6	\$ 2.00	467,375	\$ 2.00
\$ 2.85 to \$6.00	139,625	7	\$ 4.87	91,500	\$ 4.95
\$ 2.90 to \$5.60	139,750	8	\$ 4.17	51,250	\$ 4.12
\$ 1.80 to \$6.85	198,925	9	\$ 5.17	38,425	\$ 5.31
\$ 6.75 to \$12.70	329,950	10	\$ 8.67	—	—
\$ 1.80 to \$12.70	1,275,625	7.8	\$ 4.77	648,550	\$ 2.78

NOTE 7 – INCOME TAXES

Year Ended	Dec. 31, 2000	Dec. 31, 1999
Current	\$ 6,972,576	\$ 1,058,375
Future	2,737,243	—
Deferred	—	2,206,742
	\$ 9,709,819	\$ 3,265,117

The net income tax provision differs from that expected by applying the combined federal and provincial income tax rate of 44.6% to income before income taxes for the following reasons:

<i>Year Ended</i>	Dec. 31, 2000	Dec. 31, 1999
Expected combined federal and provincial income tax	\$ 10,938,525	\$ 3,619,258
Manufacturing and processing rate reduction	(1,816,546)	(660,064)
Future tax rate reduction	(122,667)	—
Non-deductible goodwill amortization	297,554	144,377
Other	412,953	161,546
	\$ 9,709,819	\$ 3,265,117

The components of the net future income tax liability at December 31, 2000 are as follows:

Future income tax assets:	
Share offering costs	\$ 364,039
Non-capital losses	92,614
Other	137,332
	593,985
Future income tax liabilities:	
Capital assets	(8,803,513)
Net future income tax liability	\$ (8,209,528)

NOTE 8 – FINANCIAL INSTRUMENTS

(a) *Fair Values of Financial Assets and Liabilities* The fair values of financial instruments included in the consolidated balance sheets, including long-term debt, approximate their carrying amount due to the short-term maturity of those instruments and the floating interest rate applied to long-term debt.

(b) *Risk Management Activities* The Company's customers are primarily engaged in the business of exploring for and producing oil and natural gas in western Canada. The financial well being of these companies is affected by the price of these commodities.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Company has future operating lease obligations on office and shop premises and automobile equipment in the aggregate amount of \$11.9 million. The minimum lease payments over the next five years are as follows:

2001	\$ 1,745,992
2002	\$ 1,813,818
2003	\$ 1,622,856
2004	\$ 1,619,901
2005	\$ 1,596,410

At December 31, 2000 the company has obligations totalling approximately \$8 million relating to the construction of fixed assets.

SUPPLEMENTAL FINANCIAL DATA

Quarterly Results (\$000s except for per share values and job information; unaudited)

	2000				1999			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	43,573	34,074	17,461	35,770	22,080	19,218	8,588	11,864
Materials & Operating	30,016	24,365	15,443	23,780	16,446	14,606	6,823	8,991
Gross Profit	13,557	9,708	2,019	11,990	5,634	4,612	1,765	2,873
General & Administrative	1,312	821	509	1,049	691	590	320	381
Interest Expense	525	417	320	246	99	77	134	151
Depreciation & Amortization	2,239	1,970	1,796	1,543	1,224	1,046	1,015	1,041
	4,076	3,208	2,625	2,838	2,104	1,713	1,469	1,573
Income before Income Taxes	9,481	6,500	(606)	9,151	3,620	2,899	296	1,300
Provision for Income Taxes	3,705	2,654	(283)	3,634	1,426	1,133	174	532
Net Income	5,776	3,846	(323)	5,517	2,194	1,766	122	768
Basic Earnings per Share	0.36	0.24	(0.02)	0.35	0.14	0.12	0.01	0.06
Fully Diluted Earnings per Share	0.34	0.23	(0.02)	0.33	0.14	0.11	0.01	0.06
EBITDA	12,245	8,887	1,510	10,940	4,943	4,022	1,455	2,492
Cash Flow from Operations	8,831	6,502	2,212	7,622	4,347	3,385	1,452	2,199
Basic Cash Flow per Share	0.55	0.41	0.14	0.49	0.29	0.23	0.11	0.17
Number of Jobs Performed	3,430	3,277	1,892	3,066	2,449	2,508	1,034	1,224
Average Revenue per								
Job Performed	12,703	10,398	9,229	11,667	9,016	7,663	8,053	9,693

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kenneth M. Bagan ⁽¹⁾ ⁽²⁾
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 Petroleum Limited

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

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



Trican Well Service Ltd.
2900, 645 - 7th Avenue S.W.
Calgary, Alberta, Canada T2P 4G8

