



## Q1 INTERIM REPORT

Three Months Ended March 31, 2014

### FINANCIAL REVIEW

(\$ millions, except per share amounts, unaudited)	Three months ended		
	March 31, 2014	March 31, 2013	December 31, 2013
Revenue	<b>\$643.2</b>	\$618.4	\$552.1
Operating income*	<b>42.4</b>	86.7	35.5
Profit / (loss) for the period	<b>(8.5)</b>	25.4	(20.8)
Earnings / (loss) per share			
	(basic)	\$0.17	(\$0.14)
	(diluted)	\$0.17	(\$0.14)
Adjusted profit / (loss) *	<b>(6.3)</b>	27.6	(9.9)
Adjusted profit / (loss) per share*			
	(basic)	\$0.18	(\$0.07)
	(diluted)	\$0.18	(\$0.07)
Funds provided by / (used in) operations*	<b>38.0</b>	58.0	30.4

#### Notes:

\*Trican makes reference to operating income, adjusted profit (loss) and funds provided by operations. These are measures that are not recognized under International Financial Reporting Standards (IFRS). Management believes that, in addition to profit (loss), operating income, adjusted profit (loss) and funds provided by operations are useful supplemental measures. Operating income provides investors with an indication of earnings before depreciation, foreign exchange, taxes and interest. Adjusted profit (loss) provides investors with information on profit (loss) excluding one-time non-cash charges and the non-cash effect of stock-based compensation expense. Funds provided by operations provide investors with an indication of cash available for capital commitments, debt repayments and other expenditures. Investors should be cautioned that operating income, adjusted profit (loss), and funds provided by (used in) operations should not be construed as an alternative to profit (loss) and cash flow from operations determined in accordance with IFRS as an indicator of Trican's performance. Trican's method of calculating operating income, adjusted profit (loss) and funds provided by operations may differ from that of other companies and accordingly may not be comparable to measures used by other companies.

### FIRST QUARTER HIGHLIGHTS

Consolidated revenue for the first quarter of 2014 was \$643.2 million, an increase of 4% compared to the first quarter of 2013. The adjusted consolidated loss was \$6.3 million compared to profit of \$27.6 million, and adjusted loss per share was \$0.04 compared to profit of \$0.18 for the same period in 2013.

Canadian revenue increased by 4% but operating margins decreased by 880 basis points in the first quarter of 2014 compared to the first quarter of 2013. Canadian equipment utilization levels were high for most of the quarter due to an extended winter drilling season that kept pressure pumping demand strong to the end of March. Pressure pumping demand also benefitted from improving Canadian

market fundamentals as Canadian commodity prices and a weakening Canadian dollar led to increased cash flows for our customers. Despite the strong demand, Canadian operating margins were below expectations due to a low pricing environment combined with increased costs. Higher diesel prices, increased sand hauling requirements and a stronger U.S. dollar have all contributed to the rising cost structure in Canada. We expect to raise prices in Canada during the second quarter of 2014 to address the recent declines in Canadian operating margins. In addition, due to an expected increase in customer demand, we plan to deploy an additional fracturing crew in Canada in late 2014. The equipment for this crew is expected to come from our existing fleet of parked equipment.

U.S. revenue for the first quarter of 2014 was relatively consistent with the first quarter of 2013 and was up 22% on a sequential basis. Although operating income increased on a sequential basis, our U.S. operations incurred an operating loss of \$1.0 million in the first quarter of 2014. U.S. equipment utilization was negatively impacted by unfavorable weather conditions in January and February for our operations in the Marcellus, Permian and Oklahoma regions. The financial performance of our U.S. operations improved substantially in March as operating conditions improved. We believe the March results reflect improving fundamentals for the U.S. pressure pumping market and we expect operating margins to continue to improve sequentially for our U.S. business throughout 2014. During the second quarter, we expect to deploy a fourth fracturing crew into the Marcellus region that will be supported by customer commitments. In addition, due to underperformance in the region, we have closed our operating base in Woodward, Oklahoma, where one fracturing crew had been active. We believe these strategic decisions will improve the financial performance of our U.S. operations in the second half of 2014.

International revenue for the first quarter of 2014 increased by 12% and operating margins improved by 340 basis points compared to the first quarter of 2013. As expected, cold weather at the start of the quarter negatively

impacted Russian activity levels; however, Russian activity rebounded strongly near the end of the first quarter once operating conditions improved. First quarter revenue and operating margins increased substantially for the North Sea completion tools business on both a year-over-year and sequential basis. Strong customer acceptance of the completion tools technology in this region has led to improved financial performance for this division. International operating margins in the first quarter of 2014 were negatively impacted by increased start-up costs incurred in both Saudi Arabia and Colombia. Active cementing operations were initiated in Colombia during April and we expect to begin coiled tubing operations in Saudi Arabia in the second quarter of 2014.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OVERVIEW

Headquartered in Calgary, Alberta, Trican has operations in Canada, the U.S., Russia, Kazakhstan, Algeria, Australia, Norway, Saudi Arabia and Colombia. Trican provides a comprehensive array of specialized products, equipment and services that are used during the exploration and development of oil and gas reserves.

## COMPARATIVE QUARTERLY INCOME STATEMENTS

(\$thousands, unaudited)		% of		% of	Quarter-Over-Quarter Change	% Change
Three months ended March 31,	2014	Revenue	2013	Revenue		
<b>Revenue</b>	<b>643,217</b>	<b>100.0%</b>	618,376	100.0%	24,841	4.0%
<b>Expenses</b>						
Materials and operating	<b>568,277</b>	<b>88.3%</b>	502,026	81.2%	66,251	13.2%
General and administrative	<b>32,536</b>	<b>5.1%</b>	29,680	4.8%	2,856	9.6%
Operating income*	<b>42,404</b>	<b>6.6%</b>	86,670	14.0%	(44,266)	51.1%
Finance costs	<b>10,227</b>	<b>1.6%</b>	8,488	1.4%	1,739	20.5%
Depreciation and amortization	<b>52,751</b>	<b>8.2%</b>	47,059	7.6%	5,692	12.1%
Foreign exchange gain	<b>(2,292)</b>	<b>(0.4%)</b>	(1,726)	(0.3%)	(566)	32.8%
Other income	<b>(2,604)</b>	<b>(0.4%)</b>	(2,070)	(0.3%)	(534)	(25.8%)
(Loss) / profit before income taxes	<b>(15,678)</b>	<b>(2.4%)</b>	34,919	5.6%	(50,597)	(144.9%)
Income tax (recovery) / expense	<b>(6,568)</b>	<b>(1.0%)</b>	9,727	1.6%	(16,295)	(167.5%)
Non-controlling interest	<b>(629)</b>	<b>(0.1%)</b>	(171)	0%	(458)	267.8%
<b>(Loss) / profit for the period</b>	<b>(8,481)</b>	<b>(1.3%)</b>	25,363	4.1%	(33,844)	(133.4%)

\* See first page of this report.

## CANADIAN OPERATIONS

(\$ thousands, except revenue per job, unaudited)	March 31, 2014	% of Revenue	March 31, 2013	% of Revenue	Dec. 31, 2013	% of Revenue
<b>Three months ended,</b>						
<b>Revenue</b>	<b>353,342</b>		338,649		286,869	
<b>Expenses</b>						
Materials and operating	<b>283,280</b>	<b>80.2%</b>	241,473	71.3%	228,533	79.7%
General and administrative	<b>7,543</b>	<b>2.1%</b>	7,376	2.2%	5,244	1.8%
Total expenses	<b>290,823</b>	<b>82.3%</b>	248,849	73.5%	233,777	81.5%
Operating income*	<b>62,519</b>	<b>17.7%</b>	89,800	26.5%	53,092	18.5%
Number of jobs	<b>6,396</b>		6,955		5,154	
Revenue per job	<b>55,200</b>		48,280		55,435	

\* See first page of this report.

### Sales Mix

(unaudited)	March 31, 2014	March 31, 2013	December 31, 2013
<b>Three months ended,</b>			
<b>% of Total Revenue</b>			
Fracturing	<b>67%</b>	64%	67%
Cementing	<b>19%</b>	20%	18%
Nitrogen	<b>6%</b>	7%	6%
Coiled Tubing	<b>3%</b>	4%	3%
Acidizing	<b>2%</b>	3%	1%
Other	<b>2%</b>	1%	1%
Industrial Services	<b>1%</b>	1%	4%
Total	<b>100%</b>	100%	100%

### Operations Review

Equipment utilization for our Canadian operations was strong throughout most of the first quarter of 2014. Pressure pumping demand was soft in the first half of January due to reduced drilling and completions activity at the end of 2013 that carried into early 2014; however, our Canadian equipment was fully utilized from the second half of January to the end of March. First quarter Canadian pressure pumping demand benefitted from increased customer cash flows due to higher Canadian commodity prices combined with a stronger U.S. dollar. In addition, cold temperatures throughout the quarter led to an extended winter drilling season that carried to the end of March and into early April.

The Canadian dollar weakened relative to the U.S. dollar on both a year-over-year and sequential basis. A weaker Canadian dollar negatively impacted operating margins as a portion of our product costs are denominated in U.S. dollars. In addition, sand volumes and fracturing stages

per well continued to increase during the first quarter of 2014. This trend led to higher sand hauling requirements in Canada and required our Canadian operations to outsource a higher percentage of hauling services. Our Canadian cost structure was also impacted by higher first quarter diesel prices relative to the comparative periods.

Our pricing levels declined at the end of the fourth quarter of 2013 and these rates were carried throughout all of the first quarter of 2014. As a result, first quarter Canadian pricing was down slightly on a sequential basis and substantially compared to the first quarter of 2013. Lower pricing combined with higher costs led to first quarter operating margins that were 880 basis points lower in Canada on a year-over-year basis.

The Canadian completion tools division continued to show strong growth during the first quarter of 2014. We are continuing to gain customer acceptance of the technology

and are focused on increasing the Canadian customer base and improving the profitability of the division.

### Q1 2014 versus Q1 2013

Canadian revenue for the first quarter of 2014 increased by 4% compared to the first quarter of 2013. Revenue per job increased by 14% due to an increase in fracturing job size combined with an increase in fracturing revenue as a percentage of total revenue. Proppant used per fracturing job, a good indicator of job size, increased by 40% on a year-over-year basis. These factors were partially offset by a year-over-year decrease in Canadian pricing.

The job count decreased by 8% due largely to lower coiled tubing activity caused by increased competition in Canada for this service line. Lower coiled tubing activity also had a negative impact on our nitrogen and acidizing job count as these service lines are closely correlated with coiled tubing. Cementing and fracturing activity remained strong throughout most of the quarter and benefitted from robust demand and favorable weather conditions.

As a percentage of revenue, materials and operating expenses increased to 80.2% compared to 71.3% in the first quarter of 2013. The most significant cause of the margin decline was lower year-over-year pricing. Operating margins were also negatively impacted by higher fuel and sand hauling costs as well as a weaker Canadian dollar that led to higher U.S. denominated product costs.

General and administrative expenses increased by \$0.2 million due to slightly higher overhead costs associated with the growing Canadian completion tools business.

### Q1 2014 versus Q4 2013

Sequentially, Canadian revenue increased by 23% due largely to an increase in activity levels. The job count increased by 24% as equipment utilization was up for all pressure pumping service lines compared to the fourth quarter of 2013. Pressure pumping demand benefitted from favorable weather conditions and increased customer cash flows due to higher Canadian commodity prices combined with a stronger U.S. dollar. Revenue per job was down slightly as lower average pricing levels were offset by larger fracturing job sizes.

As a percentage of revenue, materials and operating expenses increased to 80.2% compared to 79.7% in the fourth quarter of 2013. Lower average pricing combined with increased product, fuel and hauling costs contributed to the reduction in operating margins. These factors were largely offset by increased operational leverage on our fixed costs due to the increase in utilization for our pressure pumping service lines.

General and administrative expenses increased by \$2.3 million due largely to higher share-based and profit sharing expenses.

## UNITED STATES OPERATIONS

(\$ thousands, except revenue per job, unaudited)	March 31,	% of	March 31,	% of	Dec. 31,	% of
Three months ended,	2014	Revenue	2013	Revenue	2013	Revenue
<b>Revenue</b>	<b>211,040</b>		210,685		173,470	
<b>Expenses</b>						
Materials and operating	<b>205,207</b>	<b>97.2%</b>	186,213	88.4%	174,989	100.9%
General and administrative	<b>6,868</b>	<b>3.3%</b>	6,483	3.1%	6,776	3.9%
Total expenses	<b>212,075</b>	<b>100.5%</b>	192,696	91.5%	181,765	104.8%
Operating income / (loss)*	<b>(1,035)</b>	<b>(0.5%)</b>	17,989	8.5%	(8,295)	(4.8%)
Number of jobs	<b>3,218</b>		2,035		2,262	
Revenue per job	<b>61,776</b>		103,696		68,533	

\* See first page of this report.

## Sales Mix

(unaudited) Three months ended, % of Total Revenue	March 31, 2014	March 31, 2013	December 31, 2013
Fracturing	90%	92%	88%
Cementing	6%	6%	7%
Coiled Tubing	4%	2%	5%
Total	100%	100%	100%

## Operations Review

January and February activity levels in the U.S. were negatively impacted by cold weather and customer delays, in particular for our operations in the Marcellus, Permian and Oklahoma regions. As operating conditions improved in late February, overall equipment utilization increased for our U.S. operations. As a result, March financial results improved substantially compared to January and February for most of our U.S. operating regions.

March results were particularly strong in the Marcellus play. Our reputation for superior service quality and operational execution continued to benefit our Marcellus operations, despite the flat rig count in the region. Once weather conditions improved, our three fracturing crews operating in this region were fully utilized.

Financial and operational performance improved significantly in both the Permian and Bakken regions during the first quarter. Despite the challenging weather conditions at the start of the first quarter, improved operational execution combined with a rising horizontal rig count led to improved March financial results for our operations in the Permian region. In addition, a focused sales effort, strong operational execution, and customer acceptance of our recycled water technology led to significant sequential financial improvements for our fracturing crew operating in the Bakken play.

Improving natural gas prices led to a modest increase in activity levels in the Haynesville shale and, as a result, a fracturing crew was deployed back into this region during the first quarter of 2014. Pressure pumping demand remained steady in the Eagle Ford region with one contracted crew and one crew working in the spot market.

Our operations in the Barnett shale and Oklahoma regions performed below expectations during the first quarter.

Despite the recent rise in natural gas prices, the rig count in the Barnett shale continued to decrease and led to weak first quarter utilization for our fracturing crew in this region. Despite relatively strong overall activity levels in the various Oklahoma oil and gas plays, our two Oklahoma operating regions performed below expectations. Weather impacted our Oklahoma operations early in the first quarter; however, equipment utilization did not return to acceptable levels once operating conditions improved.

Our first quarter pricing levels were relatively consistent with the fourth quarter of 2013 for all of our U.S. operating regions.

Revenue for the U.S. completion tools division decreased sequentially due to delays with one of our major customers. We continue to be pleased with customer acceptance of the completion tools technology in the U.S. and expect revenue and profitability to improve throughout 2014.

### Q1 2014 versus Q1 2013

First quarter revenue for our U.S. operations was relatively stable in Canadian dollars but was down approximately 8% in U.S. dollars. The U.S. dollar strengthened by approximately 9% on a year-over-year basis. The positive impact of a stronger U.S. dollar on revenue per job was more than offset by a change in job mix as revenue per job in the first quarter of 2014 decreased by 40% compared to the first quarter of 2013. A substantial year-over-year increase in Marcellus, Bakken and Permian activity contributed to the lower revenue per job. Fracturing jobs in these regions are generally higher volume but lower revenue per job compared to other U.S. operating regions such as the Haynesville and Oklahoma. Lower year-over-year pricing also contributed to the decrease in revenue per job. The job count rose by 58% due largely to increased Marcellus,

Bakken and Permian fracturing activity combined with higher coiled tubing activity.

First quarter materials and operating expenses increased to 97.2% of revenue compared to 88.4% in the first quarter of 2013. Lower pricing was the most significant cause of the reduction in operating margins. Margins were also negatively impacted by higher fuel and repairs and maintenance expenses. These factors were partially offset by decreased product costs. General and administrative expenses increased by \$0.4 million due primarily to higher insurance costs and one-time professional fees.

### Q1 2014 versus Q4 2013

Sequentially, U.S. revenue increased by 22% due to an increase in activity levels combined with a 5%

strengthening of the U.S. dollar. The job count increased by 42% due largely to higher Marcellus, Bakken and Permian activity levels. Fracturing jobs in these plays are generally smaller, which contributed to the 10% decline in revenue per job.

As a percentage of revenue, materials and operating expenses decreased to 97.2% compared to 100.9% sequentially. Operating margins benefitted from increased operational leverage on our fixed cost structure, which was offset partially by higher fuel and repairs and maintenance expenses. General and administrative expenses were relatively consistent on a sequential basis.

## INTERNATIONAL OPERATIONS

(\$ thousands, except revenue per job, unaudited)	March 31, 2014	% of Revenue	March 31, 2013	% of Revenue	Dec. 30, 2013	% of Revenue
<b>Three months ended,</b>						
<b>Revenue</b>	<b>78,835</b>		70,111		91,805	
<b>Expenses</b>						
Materials and operating	<b>73,299</b>	<b>93.0%</b>	68,384	97.5%	80,556	87.7%
General and administrative	<b>5,256</b>	<b>6.7%</b>	3,848	5.5%	4,434	4.8%
Total expenses	<b>78,555</b>	<b>99.7%</b>	72,232	103.0%	84,990	92.6%
Operating income / (loss)*	<b>280</b>	<b>0.3%</b>	(2,121)	(3.0%)	6,815	7.4%
Number of jobs	<b>966</b>		914		1,074	
Revenue per job	<b>73,520</b>		73,249		82,872	

\* See first page of this report.

### Sales Mix

(unaudited)	March 31, 2013	March 31, 2013	December 31, 2013
<b>Three months ended,</b>			
<b>% of Total Revenue</b>			
Fracturing	<b>85%</b>	84%	84%
Coiled Tubing	<b>6%</b>	8%	6%
Cementing	<b>5%</b>	5%	5%
Nitrogen	<b>2%</b>	2%	2%
Other	<b>2%</b>	1%	3%
Total	<b>100%</b>	100%	100%

### Operations Review

The majority of International revenue is generated from our Russian operations. Cold weather throughout January and February negatively impacted Russian activity levels, which was consistent with expectations. Operating conditions

improved in March and Russian financial and operating results were strong at the end of the quarter.

The conflict between Russia and the Ukraine did not impact our Russian operations during the first quarter of 2014

and we are not anticipating any operational disruptions to our Russian business throughout 2014; however, we will continue to monitor the situation closely and react appropriately if the conflict escalates further. The potential impact, if any, to Trican from additional economic sanctions placed on Russia in the future is unknown at this time.

First quarter revenue and operating margins increased substantially for the North Sea completion tools business on both a year-over-year and sequential basis. We continued to expand our customer base in this region through strong acceptance of the completion tools technology.

Start-up costs were incurred in both Saudi Arabia and Colombia during the first quarter of 2014, which had a negative impact on international operating margins. We completed our first cementing job in Colombia during April 2014 and expect activity to increase in this region throughout 2014. Active operations in Saudi Arabia are expected to commence the second quarter of 2014. We are currently in discussions with Saudi Aramco to secure additional contracts in this region.

Revenue increased for our Australian operations in the first quarter of 2014 compared to the first quarter of 2013 as we improved our market share in the region. We remain optimistic about the long-term growth opportunities in the region and are committed to growing our Australian cementing business during 2014. Although financial results improved in Algeria during the first quarter, this region continued to perform below expectations due to low equipment utilization levels.

### Q1 2014 versus Q4 2013

First quarter International revenue increased by 12% compared to the first quarter of 2013. Year-over-year international revenue benefited from a substantial increase in North Sea completion tools sales. In addition, the job

count increased by 6% as strong March activity led to an increase in Russian pressure pumping jobs. A rise in cementing work in Australia also contributed to the increase in the job count. Revenue per job increased slightly as larger fracturing job size in Russia was offset by a devaluation of the ruble relative to the Canadian dollar.

Materials and operating expenses decreased to 93.0% of revenue compared to 97.5% in the first quarter of 2014. An increase in activity for our Russian, Australian, Algerian and North Sea operations led to improved operational leverage on our fixed cost structure. This was offset partially by increased start-up costs in Saudi Arabia and Colombia compared to the first quarter of 2013. General and administrative expenses increased by \$1.4 million due to higher share based employee expenses and a bad debt provision in Russia of \$0.9 million recorded in the first quarter of 2014.

### Q1 2014 versus Q4 2013

Sequentially, international revenue decreased by 14%. The job count decreased by 10% due to seasonal factors in Russia that led to lower activity for all Russian service lines. Low Russian activity was offset by a sequential increase in North Sea completion tools activity. Revenue per job decreased by 11% due to a decline in the value of the ruble relative to the Canadian dollar, which led to lower revenue per job in Russia. A change in job type mix led to lower revenue per job in Russia for the fracturing and cementing service lines.

Materials and operating expenses increased to 93.0% compared to 87.7% in the fourth quarter of 2013. Operating margins were negatively impacted by a sequential increase in start-up costs in Saudi Arabia and Colombia and lower activity levels in Russia. General and administrative costs increased by \$0.8 million due primarily to a bad debt provision recorded in Russia during the first quarter of 2014.

## CORPORATE

(\$ thousands, unaudited)	March 31,	% of	March 31,	% of	Dec. 31,	% of
Three months ended,	2014	Revenue	2013	Revenue	2013	Revenue
<b>Expenses</b>						
Materials and operating	6,491	1.0%	6,663	1.1%	6,635	1.2%
General and administrative	12,869	2.0%	12,987	2.1%	9,477	1.7%
Total expenses	19,360	3.0%	19,650	3.2%	16,112	2.9%
Operating loss*	(19,360)		(19,650)		(16,112)	

\* See first page of this report.

### Q1 2014 versus Q1 2013

Corporate costs for the first quarter of 2014 decreased by \$0.3 million due largely to lower profit sharing and share based expenses, offset partially by expenses incurred relating to an insolvent vendor issue.

### Q1 2014 versus Q4 2013

Corporate costs increased sequentially by \$3.2 million due largely to expenses incurred relating to an insolvent vendor issue, higher share based expenses and a slight increase in profit sharing expenses.

## OTHER EXPENSES AND INCOME

Finance costs increased by \$1.7 million on a year-over-year basis due to an increase in average debt balances. Foreign exchange gains of \$2.3 million were recognized in the first quarter of 2014 compared to \$1.7 million in the first quarter of 2013. The gain is due largely to the net impact of fluctuations in the U.S. dollar and Russian ruble relative to the Canadian dollar. Other income was \$2.6 million compared to \$2.1 million in the same period in 2013. Other income is largely comprised of net gains on disposal of property and equipment and interest income earned on cash balances.

Depreciation expense for the first quarter of 2014 increased by \$5.7 million compared to the first quarter of 2013 due to an increase in depreciable property and equipment balances.

## INCOME TAXES

The income tax recovery for the period ended March 31, 2014 was \$6.6 million compared to income tax expense of \$9.7 million in the first quarter of 2013. The decrease in the tax provision is largely attributable to significantly lower earnings.

## OTHER COMPREHENSIVE INCOME

Other comprehensive income for the first quarter of 2014 includes an unrealized loss of \$1.5 million on the cash flow hedges. In addition, unrealized gains of \$4.9 million were recognized on the translation of the financial statements of our foreign subsidiaries whose functional currency is not Canadian dollars. The gain is largely due to an increase in

value of our U.S. dollar net assets as the value of the U.S. dollar increased relative to the Canadian dollar. This was offset partially by a decline in the value of the ruble relative to the Canadian dollar, which lowered the value of our ruble denominated net assets.

## LIQUIDITY AND CAPITAL RESOURCES

### Operating Activities

Funds provided by operations was \$38.0 million in the first quarter of 2014 compared to \$58.0 million in the first quarter of 2013. Lower profits contributed to the decline in operating cash flows, which was partially offset by less taxes paid.

Working capital at March 31, 2014 increased by \$112 million compared to December 31, 2013 due to a sequential increase in Canadian activity, and to a lesser extent, an increase in U.S. activity.

### Investing Activities

Property and equipment purchases were \$16.7 million in the first quarter of 2014 compared to \$31.0 million in the first quarter of 2013. Capital spending has decreased in response to reduced operating cash flows from our Canadian and U.S. operations as well as adequate equipment capacity in all of our operating regions.

There were no significant changes made to our 2014 capital budget during the first quarter of 2014. Remaining expenditures on approved capital budgets are expected to be approximately \$65 million to \$75 million.

### Financing Activities

As at May 7, 2014, Trican had 149,030,739 common shares and 10,351,798 employee stock options outstanding.

Trican currently pays a semi-annual dividend of \$0.15 per share. During the first quarter of 2014, \$22.3 million in dividend payments were made and we expect an additional \$22.3 million to be paid in July 2014.

During the quarter ended March 31, 2014, Trican withdrew \$103.6 million on its revolving credit and bank facilities to fund operating, investing and financing activities. As at March 31, 2014, Trican has available unused committed bank credit facilities in the amount of \$199.0 million plus cash

and trade and other receivables of \$95.4 million and \$606.7 million respectively, for a total of \$901.1 million available to fund the cash outflows relating to its financial obligations. We believe we have sufficient funding through the use of these sources to meet foreseeable borrowing requirements.

During the first quarter of 2014, Trican received approval from the Toronto Stock Exchange to purchase its own common shares, for cancellation, in accordance with a Normal Course Issuer Bid ("NCIB") that expires on March 12, 2015. There were no common shares purchased through the NCIB during the first quarter of 2014.

## OUTLOOK

### Canadian Operations

Canadian pressure pumping demand is expected to remain strong during the second half of 2014. Increased customer cash-flows in the first quarter are expected to carry into the second half of the year, assuming that commodity prices and exchange rates remain relatively consistent with current levels.

Utilization of our Canadian equipment is expected to benefit from a Horn River project during the third quarter of 2014, which will be similar to the project completed during the third quarter of 2013. We also expect to complete a small project in the Liard basin during the third quarter of 2014. This will be the first fracturing project completed by Trican in the Liard basin and reflects potential customer interest in this region in light of Canadian LNG export opportunities. We also expect activity in the Duvernay play to continue to increase and contribute to higher year-over-year pressure pumping demand in Canada.

With strong Canadian activity levels anticipated for the second half of 2014, we expect to implement a pricing increase in the second quarter that is expected to be phased in during the second half of 2014. Rising costs combined with lower pricing have led to Canadian financial results that are below our return on capital targets and we believe that a price increase is required and justified given the current operating environment in Canada. Due to an expected increase in customer demand, we plan to deploy an additional fracturing crew in Canada in late 2014. The equipment for this crew is expected to come from our

existing fleet of parked equipment.

As expected, second quarter activity in Canada will be impacted by spring break-up conditions. Second quarter operating margins are expected to be negatively impacted by lower year-over-year pricing and higher costs compared to the second quarter of 2013; however, we expect second quarter utilization to increase year-over-year due to a strong activity in early April combined with incremental multi-well projects planned for May and June.

### U.S. Operations

Although the U.S. pressure pumping market remains oversupplied with equipment and very competitive, market fundamentals are continuing to improve. While these improvements are expected to benefit our U.S. operations, our focus continues to be on optimizing equipment location, adding crews to select regions from our parked fleet, improving utilization in certain regions, and reducing costs, where possible.

The Marcellus play continues to be our most profitable U.S. region, and we expect solid financial results in this area for the remainder of 2014. We expect to add a fourth fracturing crew into the Marcellus play during the latter half of the second quarter of 2014, which will be supported by new customer commitments. We will continue to explore additional expansion prospects in Marcellus throughout 2014.

Fracturing demand in the Permian region increased throughout the first quarter and we expect this trend to continue throughout 2014. We are currently operating three fracturing crews in this region and, although utilization has recently increased, continued utilization improvement and cost reduction is the focus for our Permian operations. We have recently obtained pricing improvement in the Permian region and will look for additional opportunities to increase pricing as the year progresses.

Although natural gas prices have recently strengthened, the rig count in both the Barnett and Haynesville regions are expected to remain low for the remainder of 2014. Activity levels are up slightly in Haynesville and, as a result, we deployed one crew back into this play late in the quarter for the remainder of 2014. We expect utilization of our Longview fracturing crew to be stable for the remainder of

2014, and we are committed to maintaining our presence in this region.

Overall activity levels in the various Oklahoma oil and gas plays have remained steady. Despite stable pressure pumping demand, equipment utilization and financial results have not met expectations for our two operating bases in Oklahoma over the past several quarters. As a result, we have closed our operating base in Woodward, Oklahoma during the second quarter of 2014. We are currently looking at opportunities to deploy the Woodward fracturing crew into the Permian region. Customer commitments in Woodward will be covered by our base in Shawnee, Oklahoma, which is expected to improve the utilization for this location.

Equipment utilization has improved substantially in the Bakken region over the last several months. Our focus is to maintain these utilization levels going forward by continuing to offer innovative technology and strong service quality in this region. We will also look to add an additional crew into this region if utilization remains high.

Eagle Ford activity and demand is expected to remain stable for the remainder of 2014.

### **International Operations**

Consistent with our previous guidance, 2014 Russian revenue is expected to increase by 5% compared to 2013 with a slight improvement in operating margins. We continue to see an increase in horizontal drilling and completions activity in Russia. We expect 30% of our 2014 Russian pressure pumping revenue to be generated from horizontal wells compared to 20% in 2013.

Customer acceptance of our completion tools technology in the North Sea has been strong and we expect the completion tools business to grow during 2014 as we increase our customer base in the region.

Although the Australian market continues to develop slowly, we will continue to focus on expanding market share through sales and marketing initiatives. We believe in the long-term

potential of this market and are committed to growing our presence in the region.

Algeria continues to be a challenging market. We are currently exploring opportunities to obtain more profitable contracts in the region or redeploy the Algerian assets into a more profitable area. We expect to have more clarity on our future in Algeria once existing customer contract commitments have been completed.

We began active operations in Colombia during April 2014 and will look to expand our customer base in this region throughout 2014. We expect active operations in Saudi Arabia to commence in the second quarter of 2014.

## **BUSINESS RISKS**

A discussion of certain business risks faced by Trican may be found under the "Risk Factors" section of our Annual Information Form dated March 21, 2014, which is available under Trican's profile at [www.sedar.com](http://www.sedar.com).

## **INTERNAL CONTROL OVER FINANCIAL REPORTING**

There have been no changes in Trican's internal control over financial reporting that occurred during the quarter ending March 31, 2014, which have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

## **NON-IFRS DISCLOSURE**

Adjusted net income, operating income and funds provided by operations do not have any standardized meaning as prescribed by IFRS and, therefore, are considered non-IFRS measures.

Adjusted net income and funds provided by operations have been reconciled to net income and operating income has been reconciled to gross profit, being the most directly comparable measures calculated in accordance with IFRS. The reconciling items have been presented net of tax.

## SUMMARY OF QUARTERLY RESULTS

(\$ millions, unaudited)	2014	2013				2012		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	<b>643.2</b>	552.1	548.3	396.6	618.4	485.9	593.2	418.0
Profit / (loss) for the period	<b>(8.5)</b>	(20.8)	5.7	(56.4)	25.2	(7.8)	22.6	(50.9)
Earnings / (loss) per share								
Basic	<b>(0.06)</b>	(0.14)	0.04	(0.38)	0.17	(0.05)	0.16	(0.35)
Diluted	<b>(0.06)</b>	(0.14)	0.04	(0.38)	0.17	(0.05)	0.16	(0.35)

(\$ thousands, unaudited)	Three months ended		
	March 31, 2014	March 31, 2013	Dec. 31, 2013
Adjusted net income / (loss)	<b>(\$6,330)</b>	\$27,551	(\$9,873)
Deduct:			
Fluid end depreciation adjustment (net of \$2.4 million tax recovery)*	-	-	7,513
Intangible amortization adjustment (net of \$0.5 million tax recovery)**	-	-	1,595
Non-cash share-based compensation expense	<b>2,151</b>	2,188	2,209
Profit / (loss) for the period (IFRS financial measure)	<b>(\$8,481)</b>	\$25,363	(\$20,830)

\* Depreciation and amortization expense for the fourth quarter of 2013 included a \$14.3 million charge for accelerated depreciation on fluid ends in Canada. \$9.5 million of this adjustment (\$7.2 million net of tax) relates to periods prior to October 1, 2013 and has been excluded from adjusted net income for the fourth quarter of 2013.

\*\* Depreciation and amortization expense for the fourth quarter included \$3.1 million in amortization on the intangible assets relating to the purchase of i-TEC. The purchase price accounting was not finalized until the fourth quarter of 2013; therefore, a catch-up entry was required to ensure that adequate amortization had been recorded as of December 31, 2013. \$2.1 million of this adjustment (\$1.6 million net of tax) relates to periods prior to October 1, 2013 and has been excluded from adjusted net income for the fourth quarter of 2013.

(\$ thousands, unaudited)	Three months ended		
	March 31, 2014	March 31, 2013	Dec 31, 2013
Funds provided by operations*	<b>\$37,999</b>	\$58,127	\$30,380
Charges to income not involving cash			
Depreciation and amortization	<b>(52,751)</b>	(47,059)	(70,085)
Amortization of debt issuance costs	<b>(216)</b>	(216)	(216)
Stock-based compensation	<b>(2,151)</b>	(2,188)	(2,209)
Loss on disposal of property and equipment	<b>90</b>	460	15
Net finance costs	<b>(9,816)</b>	(7,532)	(8,122)
Unrealized foreign exchange (gain) / loss	<b>2,773</b>	3,296	(1)
Income tax recovery / (expense)	<b>6,568</b>	(9,727)	16,431
Interest paid	<b>5,659</b>	2,791	12,956
Income tax paid	<b>3,365</b>	27,411	21
Profit / (loss) for the period (IFRS financial measure)	<b>(\$8,481)</b>	\$25,363	(\$20,830)

\* This reconciliation has been modified for certain prior period to conform to the current year presentation.

(\$ thousands, unaudited)	Three months ended		
	March 31, 2014	March 31, 2013	Dec 31, 2013
Operating income	<b>\$42,404</b>	\$86,670	\$35,500
Add: Administrative expenses	<b>33,989</b>	30,282	26,064
Deduct: Depreciation expense	<b>(52,751)</b>	(47,059)	(70,085)
Gross profit (IFRS financial measure)	<b>\$23,642</b>	\$69,893	(\$8,521)

## FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking information and financial outlook based on Trican's current expectations, estimates, projections and assumptions that were made by the Company in light of information available at the time the statement was made. Forward-looking information and financial outlook that address expectations or projections about the future, and other statements and information about the Company's strategy for growth, expected and future expenditures, costs, operating and financial results,

future financing and capital activities are forward-looking statements. Some forward-looking information and financial outlook are identified by the use of terms and phrases such as "anticipate," "achieve," "achievable," "believe," "estimate," "expect," "intend," "plan," "planned", and other similar terms and phrases. This forward-looking information and financial outlook speak only as of the date of this document and we do not undertake to publicly update this forward-looking information and financial outlook except in accordance with applicable securities laws. This forward-looking information and financial outlook include, among others:

- The expectation to raise prices in Canada during the second quarter of 2014 to help address the recent declines in Canadian operating margins;
- The expectation that Canadian pricing increases will be phased in during the second half of 2014;
- The belief that strong March results reflect improving fundamentals for the U.S. pressure pumping market;
- The expectation that operating margins will improve sequentially for our U.S. business throughout 2014;
- The expectation that, during the latter half of the second quarter of 2014, we will deploy a fourth fracturing crew into the Marcellus play that will be supported by customer commitments;
- The belief that the closure of the Woodward base will improve the financial performance of our U.S. operations in the second half of 2014;
- The intention to begin coiled tubing operations in Saudi Arabia in the second quarter of 2014;
- The expectation that revenue and profitability will improve throughout 2014 for our U.S. completion tools division;
- The expectation that the conflict between Russia and the Ukraine will not disrupt our Russian operations throughout 2014;
- Our plan to monitor the Russian/Ukraine conflict closely and react appropriately if the conflict escalates further;
- The expectation that activity in Colombia will increase;
- The expectation that Canadian pressure pumping demand will remain strong during the second half of 2014;
- The expectation that increased Canadian customer cash-flows in the first quarter will carry into the second half of the year, assuming that commodity prices and exchange rates remain relatively consistent with current levels;
- The expectation that utilization of our Canadian equipment will benefit from a Horn River project during the third quarter of 2014, which will be similar to the project completed during the third quarter of 2013;
- The expectation that we will complete a small project in the Liard basin during the third quarter of 2014 and that this reflects potential customer interest in this region;
- The expectation that activity in the Duvernay play will continue to increase and contribute to higher year-over-year pressure pumping demand in Canada;
- The belief that a Canadian price increase is required and justified given the current operating environment in Canada;
- The plan to deploy an additional fracturing crew in Canada from our parked equipment in late 2014;

- The expectation that second quarter Canadian operating margins will be negatively impacted by lower year-over-year pricing and higher costs compared to the second quarter of 2013;
- The expectation that second quarter utilization will increase year-over-year in Canada due to a strong activity in early April combined with incremental multi-well projects planned for May and June;
- The belief that U.S. market fundamentals are continuing to improve, which will benefit our U.S. operations;
- The intention to focus on optimizing equipment location, adding crews to select regions from our parked fleet, improving utilization in certain regions, and reducing costs, where possible, for our U.S. operations;
- The expectation that the Marcellus region will continue to be our most profitable U.S. region for the remainder of 2014;
- The intention to explore additional expansion prospects in the Marcellus region throughout 2014;
- The expectation that fracturing demand in the Permian region will continue to increase throughout 2014;
- The intention to focus on improving utilization for our Permian operations.
- The intention to look for opportunities to increase pricing for our Permian fracturing crews;
- The expectation that the rig count in both the Barnett and Haynesville regions will remain low for the remainder of 2014;
- The expectation that utilization of our Longview fracturing crew will be stable for the remainder of 2014;
- The intention to maintain our presence in the Haynesville region;
- The expectation that customer commitments in Woodward will be covered by our base in Shawnee, Oklahoma, and that the utilization for this location will improve;
- The plan to add an additional crew into the Bakken play if utilization remains high in the region;
- The expectation that Eagle Ford activity and demand will remain stable for the remainder of 2014;
- The expectation that 2014 Russian revenue will increase by 5% compared to 2013 with a slight improvement in operating margins;
- The expectation that 30% of our 2014 Russian pressure pumping revenue will be generated from horizontal wells compared to 20% in 2013;
- The expectation that the North Sea completion tools business will grow during 2014 as we increase in our customer base in the region;
- The intention to expand our Australian market share through sales and marketing initiatives.
- The belief that the long-term potential of the Australian market is strong and that we are committed to growing our presence in the region;
- The plan to explore opportunities to obtain more profitable contracts in Algeria or redeploy the Algerian assets into a more profitable area;
- The expectation that we will have more clarity on our future in Algeria once existing customer contract have been completed;
- The expectation that remaining expenditures on approved capital budgets will be approximately \$65 million to \$75 million;
- The expectation that \$22.3 million in dividends will be paid in July 2014;
- The belief that we have sufficient funding to meet foreseeable borrowing requirements.

Forward-looking information and financial outlook is based on current expectations, estimates, projections and assumptions, which we believe are reasonable but which may prove to be incorrect. Trican's actual results may differ materially from those expressed or implied and therefore such forward-looking information and financial outlook should not be unduly relied upon. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: industry activity; the general stability of the economic and political environment; effect of market conditions on demand for the Company's products and services; the ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability to operate its business in a safe, efficient and effective manner; the performance and characteristics of various business segments; the effect of current plans; the timing and costs of capital expenditures; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its products and services.

Forward-looking information and financial outlook is subject to a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks and uncertainties include: fluctuating prices for crude oil and natural gas; changes in drilling activity; general global economic, political and business conditions; weather conditions; regulatory changes; the successful exploitation and integration of technology; customer acceptance of technology; success in obtaining issued patents; the potential development of competing technologies by market competitors; and availability of products, qualified personnel, manufacturing capacity and raw materials. The foregoing important factors are not exhaustive. In addition, actual results could differ materially from those anticipated in forward-looking information and financial outlook provided herein as a result of the risk factors set forth under the section entitled "Risks Factors" in our Annual Information Form dated March 21, 2014. Readers are also referred to the risk factors and assumptions described in other documents filed by the Company from time to time with securities regulatory authorities.

Additional information regarding Trican including Trican's most recent annual information form is available under Trican's profile on SEDAR ([www.sedar.com](http://www.sedar.com))

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(stated in thousands; unaudited)	March 31, 2014	December 31, 2013
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$95,406	\$63,869
Trade and other receivables	606,697	459,210
Current tax assets	5,354	5,186
Inventory	236,916	232,898
Prepaid expenses	29,919	34,407
	974,292	795,570
Property and equipment	1,351,912	1,374,212
Intangible assets	42,370	44,285
Deferred tax assets	142,340	122,745
Other assets	15,187	17,360
Goodwill	59,475	59,475
	\$2,585,576	\$2,413,647
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Bank loans (note 3)	\$11,104	\$-
Trade and other payables	354,611	301,920
Deferred consideration	-	650
Current tax liabilities	91	14
Current portion of loans and borrowings (note 3)	82,913	79,770
	448,719	382,354
Loans and borrowings (note 3)	698,300	593,786
Deferred tax liabilities	91,443	87,005
Shareholders' equity		
Share capital (note 4)	560,032	559,723
Contributed surplus	65,164	63,074
Accumulated other comprehensive gain / (loss)	2,301	(1,020)
Retained earnings	716,691	725,172
Total equity attributable to equity holders of the Company	1,344,188	1,346,949
Non-controlling interest	2,926	3,553
	\$2,585,576	\$2,413,647

See accompanying notes to the condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(stated in thousands, except per share amounts; unaudited)

Three months ended March 31,	2014	2013
Revenue	\$643,217	\$618,376
Cost of sales	619,575	548,483
<b>Gross profit</b>	<b>23,642</b>	69,893
Administrative expenses	33,989	30,282
Other income	(2,193)	(1,114)
<b>Results from operating activities</b>	<b>(8,154)</b>	40,725
Finance income	(411)	(956)
Finance costs	10,227	8,488
Foreign exchange gain	(2,292)	(1,726)
<b>(Loss) / profit before income tax</b>	<b>(15,678)</b>	34,919
Income tax (recovery) / expense (note 7)	(6,568)	9,727
<b>(Loss) / profit for the period</b>	<b>(\$9,110)</b>	\$25,192
<b>Other comprehensive (loss) / income</b>		
Unrealized (loss) / gain on hedging instruments	(1,534)	100
Foreign currency translation differences	4,857	7,029
<b>Total comprehensive (loss) / income for the period</b>	<b>(\$5,787)</b>	\$32,321
<b>(Loss) / profit attributable to:</b>		
Owners of the Company	(8,481)	25,363
Non-controlling interest	(629)	(171)
<b>(Loss) / profit for the period</b>	<b>(\$9,110)</b>	\$25,192
<b>Total comprehensive (loss) / income attributable to:</b>		
Owners of the Company	(5,158)	32,331
Non-controlling interest	(629)	(10)
<b>Total comprehensive (loss) / income for the period</b>	<b>(\$5,787)</b>	\$32,321
<b>(Loss) / earnings per share (note 5)</b>		
Basic	(\$0.06)	\$0.17
Diluted	(\$0.06)	\$0.17
Weighted average shares outstanding - basic	148,927	148,593
Weighted average shares outstanding - diluted	148,927	148,892

See accompanying notes to the condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Stated in thousands; unaudited)	Share capital	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Total	Non- Controlling Interest	Total Equity
Balance at January 1, 2013	\$527,860	\$55,352	(\$24,100)	\$815,700	\$1,374,812	\$1,103	\$1,375,915
Profit / (loss) for the period	-	-	-	25,363	25,363	(171)	25,192
Foreign currency translation differences	-	-	7,029	-	7,029	(10)	7,019
Share-based payments transactions	-	2,188	-	-	2,188	-	2,188
Share issued for business acquisition (note 4)	29,535	-	-	-	29,535	-	29,535
Unrealized gain on cash flow hedge	-	-	100	-	100	-	100
Investment in subsidiary	-	-	-	-	-	897	897
Balance at March 31, 2013	\$557,395	\$57,540	(\$16,971)	\$841,063	\$1,439,027	\$1,819	\$1,440,846
<b>Balance at January 1, 2014</b>	<b>\$559,723</b>	<b>\$63,074</b>	<b>(\$1,020)</b>	<b>\$725,172</b>	<b>\$1,346,949</b>	<b>\$3,553</b>	<b>\$1,350,502</b>
<b>Loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,481)</b>	<b>(8,481)</b>	<b>(629)</b>	<b>(9,110)</b>
<b>Foreign currency translation differences</b>	<b>-</b>	<b>-</b>	<b>4,855</b>	<b>-</b>	<b>4,855</b>	<b>2</b>	<b>4,857</b>
<b>Share-based payments transactions</b>	<b>-</b>	<b>2,151</b>	<b>-</b>	<b>-</b>	<b>2,151</b>	<b>-</b>	<b>2,151</b>
<b>Share options exercised</b>	<b>309</b>	<b>(61)</b>	<b>-</b>	<b>-</b>	<b>248</b>	<b>-</b>	<b>248</b>
<b>Unrealized gain on cash flow hedge</b>	<b>-</b>	<b>-</b>	<b>(1,534)</b>	<b>-</b>	<b>(1,534)</b>	<b>-</b>	<b>(1,534)</b>
<b>Balance at March 31, 2014</b>	<b>\$560,032</b>	<b>\$65,164</b>	<b>\$2,301</b>	<b>\$716,691</b>	<b>\$1,344,188</b>	<b>\$2,926</b>	<b>\$1,347,114</b>

See accompanying notes to the condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Stated in thousands; unaudited)

<b>Three months ended March 31,</b>	<b>2014</b>	<b>2013</b>
Cash Provided By / (Used In):		
<b>Operations</b>		
(Loss) / profit for the period	(\$9,110)	\$25,192
Charges to income not involving cash:		
Depreciation and amortization	52,751	47,059
Amortization of debt issuance costs	216	216
Stock-based compensation	2,151	2,188
Loss on disposal of property and equipment	(90)	(460)
Net finance costs	9,816	7,532
Unrealized foreign exchange gain	(2,773)	(3,296)
Income tax (recovery) / expense	(6,568)	9,727
	<b>46,393</b>	<b>88,158</b>
Change in inventories	(6,063)	(13,203)
Change in trade and other receivables	(145,540)	(101,438)
Change in prepayments	5,086	2,839
Change in trade and other payables	74,650	73,020
Cash (used in) / provided by operating activities	<b>(25,474)</b>	<b>49,376</b>
Interest paid	(5,659)	(2,791)
Income taxes paid	(3,365)	(27,411)
	<b>(34,498)</b>	<b>19,174</b>
<b>Investing</b>		
Interest received	1,615	-
Purchase of property and equipment	(16,716)	(30,986)
Proceeds from the sale of property and equipment	590	929
Purchase of other assets	-	(4,000)
Payment of deferred consideration	(650)	-
Business acquisitions	-	(31,009)
	<b>(15,161)</b>	<b>(65,066)</b>
<b>Financing</b>		
Net proceeds from issuance of share capital	248	-
Funds received from bank loans	11,104	-
Funds drawn on revolving credit facility	92,449	26,354
Dividend paid	(22,338)	(21,968)
	<b>81,463</b>	<b>4,386</b>
<b>Effect of exchange rate changes on cash</b>	<b>(267)</b>	<b>(420)</b>
Increase / (decrease) in cash and cash equivalents	<b>31,537</b>	<b>(41,926)</b>
Cash and cash equivalents, beginning of period	<b>63,869</b>	<b>113,506</b>
Cash and cash equivalents, end of period	<b>\$95,406</b>	<b>\$71,580</b>

See accompanying notes to the condensed consolidated interim financial statements.

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### NOTE 1 – NATURE OF BUSINESS, BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Business

Trican Well Service Ltd. (the “Company” or “Trican”) is an oilfield services company incorporated under the laws of the province of Alberta. These condensed consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned, with the exception of Saudi Arabia, in which Trican has a 70% ownership, Colombia, in which Trican has an 80% ownership, and Trican GeoTomo Microseismic Ltd., in which Trican has a 75.25% ownership (together referred to as the “Company”). 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 Canada, the U.S., and International operations, made up of Russia, Kazakhstan, Algeria, Australia, Colombia, Saudi Arabia and Norway.

The Company’s Canadian operations and, to a lesser extent, Russian and Australian operations are seasonal in nature. For Canada, the highest activity is in the winter months (first and fourth fiscal quarters) and the lowest activity is during spring break-up (second fiscal quarter) due to road weight restrictions and reduced accessibility to remote areas. For Russia, the highest activity is in the summer months (second and third fiscal quarters) and the lowest activity is in the winter months (first and fourth fiscal quarters) due to cold weather. For Australia, the highest activity is in their dry season (second and third quarters) and the lowest activity is in their rainy season (first and fourth quarters) due to flooding.

#### Basis of Preparation and Summary of Significant Accounting Policies

These condensed consolidated interim financial statements for the three month period ended March 31, 2014, have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s 2013 consolidated annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company’s 2013 consolidated annual financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 7, 2014.

The preparation of condensed consolidated interim financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in Note 3.

### NOTE 2 - CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments or changes in estimates of amounts reported in the Company’s 2013 consolidated annual financial statements.

## NOTE 3 - LOANS AND BORROWINGS

### Long term debt

	March 31, 2014	December 31, 2013
Notes payable	\$472,865	\$456,935
Finance lease obligations	23,613	25,904
Revolving credit facilities	321,047	212,625
Hedge receivable	(13,134)	(9,970)
Total	804,391	685,494
Current portion of finance lease obligations <sup>(1)</sup>	12,074	11,938
Russian demand revolving credit facility	11,104	-
Current portion of loans and borrowings	82,913	79,770
Non-current	\$698,300	\$593,786

(1) Current portion of finance lease obligations is included in trade and other payables.

Trican has a \$500.0 million four-year extendible revolving credit facility ("Revolving Credit Facility") with a syndicate of banks. The Revolving Credit Facility is unsecured and bears interest at the applicable Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 50 to 325 basis points, dependent on certain financial ratios of the Company. On October 17, 2013 the Revolving facility was extended until 2017. The Revolving Credit Facility requires Trican to comply with certain financial and non-financial covenants that are typical for

this type of arrangement. Trican was in compliance with these covenants at March 31, 2014 (2013 – in compliance).

### Notes Payable

The Notes payable require the Company to comply with certain financial and non-financial covenants that are typical for this type of arrangement. At March 31, 2014, the Company was in compliance with these covenants (2013 – in compliance).

## NOTE 4 - SHARE CAPITAL

### Share capital

Authorized:

The Company is authorized to issue an unlimited number of common shares, issuable in series. The shares have no par value. All issued shares are fully paid.

### Issued and Outstanding - Common Shares:

	Number of Shares	Amount
Balance, January 1, 2014	148,918,046	\$559,723
Exercise of stock options	21,434	248
Reclassification from contributed surplus on exercise of options	-	61
<b>Balance, March 31, 2014</b>	<b>148,939,480</b>	<b>\$560,032</b>

### Normal Course Issuer Bid

The Company received approval from the Toronto Stock Exchange to purchase its own common shares, for cancellation, in accordance with a Normal Course Issuer

Bid ("NCIB") that expires on March 12, 2015. During the three months ended March 31, 2014, there were no shares repurchased through the NCIB (2013 – nil).

## NOTE 5 - EARNINGS PER SHARE

### Basic earnings per share

<b>Three months ended March 31,</b>	<b>2014</b>	2013
(Loss) / income available to common shareholders	<b>(\$8,481)</b>	\$25,363
Weighted average number of common shares	<b>148,927,411</b>	148,593,420
Basic (loss) / earnings per share	<b>(\$0.06)</b>	\$0.17

### Diluted earnings per share

(Loss) / income available to common shareholders	<b>(\$8,481)</b>	\$25,363
Weighted average number of common shares	<b>148,927,411</b>	148,593,420
Diluted effect of stock options	-	298,170
Diluted weighted average number of common shares	<b>148,927,411</b>	148,891,590
Diluted (loss) / earnings per share	<b>(\$0.06)</b>	\$0.17

At March 31, 2014, 10.5 million (2013 – 6.6 million) options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

## NOTE 6 – SHARE-BASED PAYMENTS

The Company has four stock-based compensation plans.

### Incentive stock option plan (equity-settled):

The compensation expense that has been recognized in profit for the three months ended March 31, 2014, is \$2.2 million (2013 - \$2.2 million). The corresponding amount

has been recognized in contributed surplus. The weighted average grant date fair value of options granted during 2014 has been estimated at \$3.39 per option (2013 - \$3.49) using the Black-Scholes option pricing model. Expected volatility is estimated by considering historic average share price volatility. The Company has applied the following assumptions in determining the fair value of options for grants:

<b>For the three months ended March 31,</b>	<b>2014</b>	2013
Share price	\$13.67	\$13.35
Exercise price	\$13.67	\$13.35
Expected life (years)	3.4	3.1
Expected volatility	39%	40%
Risk-free interest rate	1.3%	1.1%
Forfeitures	6.6%	6.3%
Dividend yield	2.3%	2.2%

The Company has reserved 14,893,948 common shares as at March 31, 2014, (2013 – 14,883,156) for issuance under a stock option plan for officers and employees. The maximum number of options permitted to be outstanding at any point in time is limited to 10% of the Common Shares then

outstanding, less the number utilized under the PSU plan. As of March 31, 2014, 10,531,776 options (March 31, 2013 – 8,403,212) were outstanding at exercise prices ranging from \$11.00 - \$23.00 per share with expiry dates ranging from 2014 to 2019.

The following table provides a summary of the status of the Company's stock option plan and changes in the stock option groups:

For the three months ended March 31,	2014		2013	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at the beginning of period	9,411,947	\$15.35	7,168,279	\$15.91
Granted	1,429,815	13.67	1,427,970	13.35
Exercised	(21,434)	11.51	-	-
Forfeited	(288,552)	15.52	(191,787)	15.17
Expired	-	-	(1,250)	17.24
Outstanding at the end of the period	10,531,776	\$15.12	8,403,212	\$15.49
Exercisable at end of period	5,151,326	\$15.99	3,887,857	\$16.05

The weighted average share price for the three months ended March 31, 2014, was \$13.32 (2013 - \$13.86).

The following table summarizes information about stock options outstanding at March 31, 2014:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Remaining Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercisable Price
\$11.00 to \$14.00	1,722,734	3.20	\$11.83	646,819	\$11.92
\$14.01 to \$17.00	6,956,341	3.04	\$14.33	3,240,467	\$14.79
\$17.01 to \$20.00	318,550	2.69	\$18.30	232,004	\$18.36
\$20.01 to \$23.00	1,534,151	2.03	\$21.79	1,032,036	\$21.78
\$11.00 to \$23.00	10,531,776	2.91	\$15.12	5,151,326	\$15.99

The following table provides a summary of the changes to the Company's cash-settled stock-based compensation plans:

	Deferred Share Unit	Restricted Share Unit	Performance Share Unit
Balance, January 1, 2013	276,586	1,743,249	155,200
Granted	56,883	1,282,773	294,600
Exercised	-	(599,150)	(8,922)
Forfeited	-	(335,314)	(8,650)
Expired	-	-	(63,616)
Balance, December 31, 2013	333,469	2,091,558	368,612
<b>Granted</b>	<b>46,616</b>	<b>795,249</b>	<b>218,200</b>
<b>Exercised</b>	<b>-</b>	<b>(326,818)</b>	<b>-</b>
<b>Forfeited</b>	<b>-</b>	<b>(233,715)</b>	<b>(130,770)</b>
<b>Balance, March 31, 2014</b>	<b>380,085</b>	<b>2,326,274</b>	<b>456,042</b>
<b>Vested at March 31, 2014</b>	<b>380,085</b>	<b>57,784</b>	<b>-</b>

<b>Three months ended March 31,</b>	<b>2014</b>	2013
Equity based, stock based compensation expense	<b>\$2,151</b>	\$2,188
Expense arising from Deferred Share Units	<b>989</b>	1,140
Expense arising from Restricted Share Units	<b>3,031</b>	3,326
Recovery arising from Performance Share Units	<b>(714)</b>	(111)
<b>Total expense related to share based payments</b>	<b>\$5,457</b>	\$6,543

The outstanding liabilities for cash-settled compensation plans at March 31, 2014, are \$20.0 million. (December 31, 2013 - \$17.3 million) The expense related to the three cash-settled stock based compensation plans is included in the administrative expenses line in the consolidated statement of comprehensive income.

## NOTE 7 - INCOME TAXES

(stated in thousands)

<b>Three months ended March 31,</b>	<b>2014</b>	2013
Current income tax expense	<b>\$3,188</b>	\$12,422
Deferred income tax recovery	<b>(9,756)</b>	(2,695)
	<b>(\$6,568)</b>	\$9,727

The net income tax provision differs from that expected by applying the combined federal and provincial income tax rate of 25.26% (2013 – 25.17%) to income before income taxes for the following reasons:

(stated in thousands)

<b>Three months ended March 31,</b>	<b>2014</b>	2013
Expected combined federal and provincial income tax	<b>(\$3,960)</b>	\$8,789
Statutory and other rate differences	<b>(3,221)</b>	(1,217)
Non-deductible expenses	<b>1,595</b>	1,524
Stock-based compensation	<b>543</b>	551
Translation of foreign subsidiaries	<b>(730)</b>	(39)
Adjustments related to prior years	<b>(842)</b>	-
Other	<b>47</b>	119
	<b>(\$6,568)</b>	\$9,727

## NOTE 8 - FINANCIAL INSTRUMENTS

### Fair Values of Financial Assets and Liabilities

The fair values of cash and cash equivalents, trade and other receivables, and trade and other payables included in the condensed consolidated statement of financial position, approximates their carrying amount due to the short-term maturity of these instruments. The fair value of the loan to

an unrelated third-party within other assets on the enclosed consolidated Statement of Financial Position has a fair value of \$13.7 million (December 31, 2013 – \$14.0 million). The fair value was calculated using a discounted cash flow approach with an effective interest rate of 12%.

The methodologies used to determine the fair values of the financial instruments are consistent with those used as at and for the year ended December 31, 2013.

### Fair Value versus Carrying Value Amounts

March 31, 2014	Cash flow hedging instruments	Loans and receivables	Other financial liabilities	Total carrying value	Total fair value
Cash and cash equivalents	\$-	\$95,406	\$-	\$95,406	\$95,406
Trade and other receivables <sup>(1)</sup>	-	601,921	-	601,921	601,921
Loan to an unrelated third party	-	13,742	-	13,742	13,742
Cash flow hedge	13,134	-	-	13,134	13,134
	\$13,134	\$711,069	\$-	\$724,203	\$724,203
Trade and other payables <sup>(2)</sup>	\$-	\$	\$342,536	342,536	342,536
Current portion of loans & borrowings	-	-	82,913	82,913	84,813
Bank loans	-	-	11,104	11,104	11,104
Revolving credit facility	-	-	309,943	309,943	321,904
Notes payable	-	-	389,952	389,952	406,067
Finance lease obligations	-	-	23,613	23,613	24,705
	\$-	\$-	\$1,160,061	\$1,160,061	\$1,191,129

(1) Trade and other receivables excludes the current portion of the loan to an unrelated third-party.

(2) Trade and other payables excludes the current portion of the finance lease obligations.

December 31, 2013	Cash flow hedging instruments	Loans and receivables	Other financial liabilities	Total carrying value	Total fair value
Cash and cash equivalents	\$-	\$63,869	\$-	\$63,869	\$63,869
Trade and other receivables <sup>(1)</sup>	-	454,615	-	454,615	454,615
Loan to an unrelated third party	-	13,958	-	13,958	13,958
Cash flow hedge	9,970	-	-	9,970	9,970
	\$9,970	\$532,442	\$-	\$542,412	\$542,412
Trade and other payables <sup>(2)</sup>	\$-	\$-	\$289,984	\$289,984	\$289,984
Deferred consideration	-	-	650	650	650
Current portion of loans & borrowings	-	-	79,770	79,770	81,019
Revolving credit facility	-	-	212,625	212,625	221,258
Notes payable	-	-	377,165	377,165	390,247
Finance lease obligations	-	-	25,904	25,904	27,246
	\$-	\$-	\$986,098	\$986,098	\$1,010,404

(1) Trade and other receivables excludes the current portion of the loan to an unrelated third party.

(2) Trade and other payables excludes the current portion of the finance lease obligations.

## Fair Values Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

March 31, 2014	Level 1	Level 2	Level 3	Total
<b>Loan to unrelated third party</b>	\$-	\$-	\$13,742	\$13,742
<b>Cash flow hedge</b>	-	13,134	-	13,134
<b>Total assets</b>	\$-	\$13,134	\$13,742	\$26,876
<b>Current portion of long-term debt</b>	-	84,813	-	84,813
<b>Deferred consideration</b>	-	-	-	-
<b>Bank loans</b>	-	11,104	-	11,104
<b>Notes payable</b>	-	406,067	-	406,067
<b>Revolving credit facility</b>	-	321,904	-	321,904
<b>Finance lease obligations</b>	-	24,705	-	24,705
<b>Total liabilities</b>	\$-	\$848,593	\$-	\$848,593

December 31, 2013	Level 1	Level 2	Level 3	Total
Cash flow hedge	\$-	\$9,970	\$-	\$9,970
Loan to unrelated third party	-	-	13,958	13,958
<b>Total assets</b>	\$-	\$9,970	\$13,958	\$23,928
Current portion of long-term debt	\$-	\$81,019	\$-	\$81,019
Deferred consideration	-	-	650	650
Notes payable	-	390,247	-	390,247
Revolving credit facility	-	221,258	-	221,258
Finance lease obligations	-	27,246	-	27,246
<b>Total liabilities</b>	\$-	\$719,770	\$650	\$720,420

## NOTE 9- CONTRACTUAL OBLIGATIONS

As at March 31, 2014 the Company has commitments totaling approximately \$50.9 million relating to the construction of fixed assets.

## NOTE 10 – OPERATING SEGMENTS

The Company operates in Canada and the U.S. along with a number of international regions, which include Russia, Kazakhstan, Algeria, Australia, Saudi Arabia, Colombia and Norway. Each geographic region has a General Manager who is responsible

for the operation and strategy of his region's business. Personnel working within the particular geographic region report to the General Manager; the General Manager reports to the Corporate Executive.

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

- Canadian operations provide cementing, fracturing, coiled tubing, nitrogen, geological, acidizing, reservoir management, industrial cleaning and pipeline, and

completion systems and downhole tool services, which are performed on new and existing oil and gas wells.

- U.S. operations provide cementing, fracturing, coiled tubing, nitrogen, acidizing and completion systems and downhole tool services, which are performed on new and existing oil and gas wells.
- International operations provide cementing, fracturing, coiled tubing, acidizing, nitrogen, and completion systems and downhole tool services, which are performed on new and existing oil and gas wells.

Information regarding the results of each geographic region is included below. Performance is measured based on revenue and gross profit as included in the internal management reports, which are reviewed by the Company's executive management team. Each region's gross profit is used to measure performance as management believes that such information is most relevant in evaluating regional results relative to other entities that operate within the industry. Transactions between the segments are recorded at cost and have been eliminated upon consolidation.

Three months ended March 31, 2014	Canadian Operations	United States Operations	International Operations	Corporate	Total
<b>Revenue</b>	<b>\$353,342</b>	<b>\$211,040</b>	<b>\$78,835</b>	<b>\$-</b>	<b>\$643,217</b>
<b>Gross profit / (loss)</b>	<b>52,322</b>	<b>(19,754)</b>	<b>(1,440)</b>	<b>(7,486)</b>	<b>23,642</b>
<b>Finance income</b>	-	-	-	<b>(411)</b>	<b>(411)</b>
<b>Finance costs</b>	-	-	-	<b>10,227</b>	<b>10,227</b>
<b>Tax expense / (recovery)</b>	<b>7,444</b>	<b>(13,094)</b>	<b>(918)</b>	-	<b>(6,568)</b>
<b>Depreciation and amortization</b>	<b>18,961</b>	<b>25,880</b>	<b>6,914</b>	<b>996</b>	<b>52,751</b>
<b>Assets</b>	<b>1,038,701</b>	<b>1,155,341</b>	<b>345,861</b>	<b>45,673</b>	<b>2,585,576</b>
<b>Goodwill</b>	<b>45,248</b>	-	<b>14,227</b>	-	<b>59,475</b>
<b>Property and equipment</b>	<b>499,545</b>	<b>728,905</b>	<b>110,891</b>	<b>12,571</b>	<b>1,351,912</b>
<b>Capital expenditures</b>	<b>4,550</b>	<b>2,236</b>	<b>8,009</b>	<b>1,921</b>	<b>16,716</b>

Three months ended March 31, 2013

Revenue	\$338,649	\$209,616	\$70,111	\$-	\$618,376
Gross profit / (loss)	81,341	931	(5,239)	(7,140)	69,893
Finance income	-	-	-	(956)	(956)
Finance costs	-	-	-	8,488	8,488
Tax expense / (recovery)	13,994	(3,247)	(1,020)	-	9,727
Depreciation and amortization	16,683	22,907	6,993	476	47,059
Assets	1,010,906	1,131,254	330,878	60,619	2,533,657
Goodwill	63,279	-	21,163	-	84,442
Property and equipment	554,351	769,147	110,326	15,195	1,449,019
Capital expenditures	13,314	15,563	2,109	-	30,986

The Corporate division does not represent an operating segment and is included for informational purposes only. Corporate division expenses consist of salary expenses, stock-based compensation and office costs related to corporate employees, as well as public company costs.

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# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

**Murray L. Cobbe**

Chairman

**G. Allen Brooks** <sup>(1) (3) (5)</sup>

President

G. Allen Brooks, LLC

**Kenneth M. Bagan** <sup>(1) (4)</sup>

Independent Businessman

**Kevin L. Nugent** <sup>(1) (3)</sup>

President

Livingstone Energy Management Ltd.

**Douglas F. Robinson** <sup>(2) (4)</sup>

Independent Businessman

**Alexander J. Pourbaix** <sup>(2) (3)</sup>

President, Energy and Oil Pipelines

TransCanada Corporation

**Dean E. Taylor** <sup>(2) (4)</sup>

Independent Businessman

**Dale M. Dusterhoft**

Chief Executive Officer

**Donald R. Luft** <sup>(4)</sup>

President and Chief Operating Officer

## OFFICERS

**Dale M. Dusterhoft**

Chief Executive Officer

**Donald R. Luft**

President and Chief Operating Officer

**Michael A. Baldwin, C.A.**

Senior Vice President, Finance and Chief Financial Officer

**Bonita M. Croft**

Vice President, Legal, General Counsel  
and Corporate Secretary

**Rob J. Cox**

Vice President, Canadian Geographic Region

## 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](http://www.trican.ca)

## AUDITORS

KPMG LLP, Chartered Accountants

Calgary, Alberta

## BANKERS

HSBC Bank Canada

Calgary, AB

## 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:

**Dale M. Dusterhoft**

Chief Executive Officer

**Michael A. Baldwin, C.A.**

Senior Vice President, Finance and Chief Financial Officer

**Gary E. Summach, C.A.**

Director of Reporting and Investor Relations

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(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Corporate Governance Committee

(4) Member of the Health, Safety and Environment Committee

(5) Lead Director