

CALGARY, Aug. 11, 2015 /CNW/ - [Trinidad Drilling Ltd.](#) ("Trinidad") (TSX: TDG) and [CanElson Drilling Inc.](#) ("CanElson") (TSX: CDI) are pleased to announce that they have closed their previously announced strategic business combination (the "Transaction"). Under the terms of the Transaction, Trinidad has acquired all of the issued and outstanding common shares of CanElson and CanElson shareholders will exchange each of their CanElson common shares for 1.0631 common shares of Trinidad, or \$4.90 in cash, up to a maximum of \$50 million in aggregate. As a result of the elections made by CanElson shareholders, Trinidad will pay the full \$50 million in cash and the remainder of the Transaction consideration in common shares of Trinidad (approximately 88.7 million Trinidad common shares).

Securityholders of both companies voted on matters relating to the Transaction and overwhelmingly voted in favour thereof.

	Shares Voted	Outstanding Shares Voted (%)	Voted in Favour (%)	Voted Against (%)
Trinidad	97,855,323	73.34	96.35	3.65
CanElson <sup>(1)</sup>	58,374,621	62.65	99.64	0.36

Note:

(1) Represents votes cast by CanElson shareholders only. On a combined basis, CanElson shareholders and optionholders representing 61,652,721 CanElson securities (62.09% of the outstanding CanElson common shares and options on a combined basis) also voted in favour of the Transaction (99.37% in favour and 0.63% against).

As part of the Transaction, three CanElson nominees, Elson McDougald, Donald Seaman and Dale Johnson have joined Trinidad's Board of Directors. Randy Hawkings, CanElson's Chief Executive Officer, has also joined Trinidad's senior management team as Executive Vice President and will be responsible for a large part of Trinidad's North American operations. In addition, the majority of CanElson's management team has joined Trinidad to assist with managing the ongoing operations of the combined company.

"We welcome the CanElson board members, management team and staff to Trinidad and look forward to working together. Our combined operations, with a highly marketable fleet, geographically diversified operations and lower leverage are well positioned to weather the current downturn and to take advantage of opportunities once better conditions return," said Lyle Whitmarsh, Trinidad's Chief Executive Officer.

#### Strategic Rationale for the Transaction

The combination of Trinidad and CanElson is expected to:

- allow both the CanElson and Trinidad shareholders to benefit from the combined company's improved ability to capitalize on growth;
- provide a broader, more diverse drilling platform from which to grow both domestic and international operations to meet customer demand;
- improve liquidity for all shareholders of the combined company;
- create greater geographic relevance within key operating areas throughout North America;
- provide an expanded combined customer base;
- create strengthened business operations and a stronger combined board of directors and management team; and
- combine two high quality drilling companies with a strong track record of consistently generating above average utilization levels in Canada and the US.

The combined company will operate one of the newest and largest fleets of oil and gas drilling rigs in North America with a combined total of 163 gross land drilling rigs, including eight international rigs under Trinidad's joint venture.

Trinidad is a corporation focused on sustainable growth that trades on the Toronto Stock Exchange under the symbol TDG. Trinidad's divisions operate in the drilling and barge-drilling sectors of the North American oil and natural gas industry with operations in Canada and the United States. In addition, through a joint venture, Trinidad has the opportunity to operate drilling rigs in other international markets such as Saudi Arabia and Mexico. Trinidad is focused on providing modern, reliable, expertly designed equipment operated by well-trained and experienced personnel. Trinidad's drilling fleet is one of the most adaptable, technologically advanced and competitive in the industry.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the shares in any jurisdiction. The shares offered will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to a United States person, absent registration, or an applicable exemption therefrom.

#### FORWARD-LOOKING INFORMATION

This press release contains certain statements or disclosures relating to the Transaction and the combined company that has

been created pursuant to the Transaction which constitute forward-looking information under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Trinidad and CanElson anticipate or expect may, or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "may", "will", "expect", "anticipate", or other comparable terminology.

In particular, this press release includes forward-looking information about the Transaction and its impacts, including without limitation, that the combined entity is well positioned to weather the current downturn and take advantage of opportunities once better conditions return and the overall anticipated operational and strategic benefits of the Transaction including in particular, the expectations set out under the heading "Strategic Rationale for the Transaction".

Forward-looking information is subject to a number of risks and other factors that could cause actual results and events to vary materially from that anticipated by such forward-looking information; (a) the business, operational and/or financial performance or achievements of the combined company as a result of the Transaction may be materially different from that currently anticipated. In particular, the synergies and benefits anticipated in respect of the Transaction are based on the business, operational and financial position of each of Trinidad and CanElson on the effective date of the Transaction which are subject to a number of risks and uncertainties. Readers are urged to consult the disclosure provided under the heading "Risk Factors" in Trinidad's annual information form for the year ended December 31, 2014 and under the heading "Risk Factors" in CanElson's annual information form for the year ended December 31, 2014, each of which has been filed on SEDAR at [www.sedar.com](http://www.sedar.com) for further information respecting the risks and other factors applicable to Trinidad and CanElson, respectively.

Readers are cautioned not to place undue reliance on forward looking information, which is given as of the date of this press release. Trinidad and CanElson undertake no obligation to update publicly or revise any forward looking information, whether as a result of new information, future events or otherwise, unless required to do so pursuant to applicable law.

SOURCE [Trinidad Drilling Ltd.](#)

Image with caption: "[Trinidad Drilling Ltd.](#) (CNW Group/[Trinidad Drilling Ltd.](#))". Image available at: [http://photos.newswire.ca/images/download/20150811\\_C9423\\_PHOTO\\_EN\\_44123.jpg](http://photos.newswire.ca/images/download/20150811_C9423_PHOTO_EN_44123.jpg)

Contact

CONTACT INFORMATION

[Trinidad Drilling Ltd.](#)

Lyle Whitmarsh  
Chief Executive Officer  
403-265-6525

Brent Conway  
President  
403-265-6525

Lisa Ottmann  
Vice President, Investor Relations  
403-294-4401  
[investors@trinidaddrilling.com](mailto:investors@trinidaddrilling.com)