CALGARY, ALBERTA--(Marketwired - Nov 2, 2016) - Trinidad Drilling Ltd. (TSX:TDG) (Trinidad) -

During the third quarter of 2016, Trinidad saw a gradual improvement in industry conditions as crude oil prices stabilized above US$40 per barrel, natural gas prices improved and customer inquiry levels increased. Despite these positive changes, operating and financial results were largely lower on a year-over-year basis.

Adjusted EBITDA decreased in the current quarter largely due to lower activity levels than in the third quarter of 2015. On a year-to-date basis, the impact of lower activity was partly offset by higher early termination and standby revenue than in 2015.

"We are beginning to see improving confidence in the industry," said Lyle Whitmarsh, Trinidad's Chief Executive Officer. "Overall third quarter 2016 results were lower than the same period last year; however, on a sequential basis we are seeing improvements in a number of operating metrics. Customer demand is increasing and we are continuing to reactivate rigs across our operations. As activity levels grow, we are closely monitoring costs and working to maintain efficiency gains we have created over the past two years. We are carefully managing our recruitment programs, equipment reactivation costs and overhead costs to align with changes in customer demand."

THIRD QUARTER HIGHLIGHTS VERSUS PRIOR-YEAR PERIOD

- Revenue lowered in the current quarter as a result of lower activity levels, partly offset by a full quarter of operations with the acquired CanElson rigs, compared to approximately half a quarter in 2015. The acquired rigs contributed strongly to activity levels in the current period.
- Operating days lowered in the current quarter across the Company's operations as industry conditions remained weaker than the same period in 2015 and fewer rigs operated under long-term contracts.
- In the Canadian operations, dayrates(1) lowered in the third quarter as a result of a change in the active rig mix and strong competition.
- In the US and international division, dayrates decreased in the current quarter compared to the prior year due to increased competition on pricing, a change in the active rig mix, and less early termination and standby revenue.
- Operating income and operating income - net percentage(1) lowered in the third quarter as the impact of Trinidad's cost cutting measures was more than offset by lower income generation in the current period.
- General and administrative costs lowered in the current quarter, reflecting the Company's ongoing focus on cost control.
- Adjusted EBITDA decreased in the current quarter mainly due to less activity across each of Trinidad's Canadian and US and international operations.
- Adjusted EBITDA from the Company's joint venture operations lowered in the third quarter as a result of lower activity levels in Mexico.
- Net income increased in the third quarter mainly due to lower impairment expense recorded in the current quarter and a larger gain on sale of assets. This was slightly offset by higher depreciation and amortization expenses, a lower deferred tax recovery and a larger loss from investment in joint ventures. The loss from joint ventures was largely due to a non-cash fair value adjustment.
- Year to date in 2016, Trinidad has lowered long-term debt by $121.2 million and its credit facility remains undrawn.
- Lastly, despite challenging market conditions, Trinidad generated positive funds provided by operations of $45.0 million in the first nine months of 2016 (2015 - $77.6 million).

(1) See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section of this document for further details.

HIGHLIGHTS

	Three months ended September 30,			Nine months ended September 30,		
($ thousands except share and per share data)	2016	2015	% Change	2016	2015	% Change
FINANCIAL HIGHLIGHTS						
Revenue	66,960	124,285	(46.1)	269,086	413,894	(35.0)
Operating income (1)	22,979	52,009	(55.8)	131,337	166,187	(21.0)
Operating income - net percentage (1)	35.9 %	43.9 %	(18.2)	50.7 %	41.9 %	21.0
Adjusted EBITDA (1)	17,990	44,953	(60.0)	119,233	139,660	(14.6)
Per share (diluted) (2)	0.08	0.25	(68.0)	0.54	0.93	(41.9)
Funds provided by operations (1)	(10,576)	16,392	(164.5)	45,022	77,616	(42.0)
Per share (basic / diluted) (2)	(0.05)	0.09	(155.6)	0.20	0.52	(61.5)
Net (loss) (3)	(35,780)	(87,540)	59.1	(40,733)	(76,877)	47.0

Per share (basic / diluted) [2][3]	(0.16)	(0.48)	66.7	(0.18)	(0.51)	64.7
Capital expenditures	13,682	21,628	(36.7)	38,345	113,556	(66.2)
OPERATING HIGHLIGHTS						
Operating days [1]						
Canada	1,411	2,109	(33.1)	4,077	4,832	(15.6)
United States and International	1,307	2,199	(40.6)	3,955	7,096	(44.3)
TDI Joint Venture [4]	274	595	(53.9)	1,425	1,521	(6.3)
Rate per operating day [1]						
Canada (CDN$)	18,856	23,695	(20.4)	23,696	25,330	(6.5)
United States and International (US$)	21,557	23,582	(8.6)	29,779	26,160	13.8
TDI Joint Venture (US$) [4]	67,133	46,591	44.1	53,609	48,536	10.5
Utilization rate - operating day [1]						
Canada	21%	34%	(38.2)	21%	31%	(32.3)
United States and International	21%	40%	(47.5)	22%	49%	(55.1)
TDI Joint Venture [4]	37%	99%	(62.6)	65%	96%	(32.3)
Number of drilling rigs at period end [5]						
Canada	72	82	(12.2)	72	82	(12.2)
United States and International	67	72	(6.9)	67	72	(6.9)
TDI Joint Venture [4]	8	8	-	8	8	-

[1] See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document.

[2] Basic shares include the weighted average number of shares outstanding over the period. Diluted shares include the weighted average number of shares outstanding over the period and the dilutive impact, if any, of the number of shares issuable pursuant to the Incentive Option Plan.

[3] Net (loss) is net (loss) attributable to shareholders of Trinidad. Net (loss) per share is calculated as net (loss) attributable to shareholders of Trinidad divided by the weighted average number of common shares outstanding, both adjusted for dilutive factors.

[4] Trinidad is party to a joint venture with a wholly-owned subsidiary of Halliburton. These rigs are owned by the joint venture.

[5] Refer to the Results from Operations section for details on the changes to the rig count.

A copy of Trinidad's full third quarter and year-to-date 2016 Management's Discussion and Analysis and the Financial Statements can be found at www.sedar.com and Trinidad's website at www.trinidaddrilling.com/investorrelations/reports.aspx.

OUTLOOK

Consistent with the third quarter, improved commodity prices have continued to drive increased customer demand and higher activity levels across Trinidad's operations to date in the fourth quarter. In the US, demand remains strongest in the Permian, with customer interest beginning to broaden into additional areas, such as the Eagle Ford and the Haynesville. In Canada, activity continues to be focused in the Deep Basin, Montney and Duvernay plays and is growing in the Bakken. These improved industry conditions have allowed Trinidad to activate a growing number of rigs and have largely stabilized dayrates. In certain more active areas, Trinidad is beginning to see opportunities to increase dayrates, particularly for higher-demand rig styles.

Trinidad currently has 22 rigs or 31% of its Canadian fleet working and 18 rigs or 27% of its US and international fleet working. In addition, there is one idle-but-contracted rig receiving standby revenue in the US and international operations. Current activity levels are up 21 rigs or 2100% in Canada and nine rigs or 100% in the US and international operations from the lowest activity levels during this downturn. In the Company's Joint Venture operations, three of the four rigs in Saudi Arabia are operating; one rig in Saudi Arabia and all four rigs in Mexico are receiving standby revenue. Trinidad is currently pursuing several opportunities to put rigs to work in existing and new international locations, both through the joint venture and independently.

As activity levels increase, Trinidad is continuing to carefully monitor costs in its operations and in its offices, retaining efficiency gains where possible. Expectations for Other G&A expenses in 2016 remain unchanged at $45 million and are expected to total between $40 million and $50 million in 2017, depending on industry conditions.

As a result of increasing customer demand, Trinidad expects its 2016 capital expenditure program to be approximately $45 million. Included in this program are upgrades to several rigs, including the addition of 7,500 PSI circulating systems, additional mud pumps and high-torque drill pipe and top drives. The Company is currently reviewing its capital expenditure expectations for 2017.

Trinidad has 25 rigs or 17% of its fleet under long-term contracts, with an average term remaining of 1.4 years. In the balance of 2016, there are no contracts scheduled to expire, with 12 contracts rolling off in 2017.

Trinidad is focused on lowering its overall debt levels; to date in 2016, the Company has lowered long-term debt by $121.2 million and remains undrawn on its credit facility. The Company continues to monitor high yield markets for future financing alternatives to refinance its US$450 million Senior Notes ahead of their maturity in 2019.

Trinidad is closely watching industry conditions and has noted several leading indicators of improving conditions, including increased contract duration. In addition, the Company is experiencing significantly higher customer inquiry levels and has additional rigs across its operations scheduled for reactivation in the coming months. The Company is carefully managing its operations as activity levels increase, with staggered recruitment and repair and maintenance programs in place to match growing customer demand and utilization levels.

RESULTS FROM OPERATIONS

Canadian Operations

	Three months ended September 30,			Nine months ended September 30,		
($ thousands except percentage and operating data)	2016	2015	% Change	2016	2015	% Change
Operating revenue [(1)]	26,603	50,981	(47.8)	97,903	123,412	(20.7)
Operating income [(2)]	7,921	21,519	(63.2)	41,924	50,426	(16.9)
Operating income - net percentage [(2)]	29.6 %	42.1 %		42.6 %	40.8 %	
Operating days [(2)]	1,411	2,109	(33.1)	4,077	4,832	(15.6)
Rate per operating day (CDN$) [(2)]	18,856	23,695	(20.4)	23,696	25,330	(6.5)
Utilization rate - operating day [(2)]	21 %	34%	(38.2)	21%	31%	(32.3)
Number of drilling rigs at period end	72	82	(12.2)	72	82	(12.2)

(1) Operating revenue excludes third party recovery.

(2) See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document.

Operating revenue lowered in the third quarter when compared to the same period last year. Lower revenue generation in the current period was largely driven by fewer operating days and lower dayrates. The impact of these factors was partly offset by the positive contribution from the acquired CanElson rigs for the full third quarter, compared to half a quarter in 2015.

Operating days lowered in the quarter as a result of weaker customer demand. Although commodity prices began to show signs of improvement during the third quarter of 2016, Trinidad's customers were reluctant to ramp up development plans, and activity in Canada remained below historical industry norms. Despite these weak industry conditions, Trinidad recorded higher utilization in the quarter than the industry average. This industry outperformance was driven largely by the Company's heavy double rigs, which generated approximately 70% of the operating days in the third quarter.

Dayrates decreased by $4,839 per day in the current quarter compared to the same period in 2015. Dayrates lowered in 2016 as a result of a change in the active rig mix and increased competition for work. Trinidad received early termination and standby revenue for shortfall days in the current quarter of $0.2 million (2015 - $1.2 million). Excluding early termination and standby revenue, dayrates averaged $18,710 per day in the third quarter of 2016, down $4,436 per day from the prior comparable period. A higher proportion of heavy doubles operating in the current period drove lower average dayrates in 2016.

Operating income decreased in the current quarter compared to the same period last year. Throughout 2015 and into 2016, Trinidad has closely monitored repair and maintenance expenditures, incurring expenses only as rigs return to work. As well, the Company has worked with its suppliers to reduce costs in all aspects of its operations. However, intense competition combined with an increased contribution from lower specification rigs caused a decrease in overall profitability in the current year.

Operating income - net percentage decreased in the current quarter when compared to the same quarter last year as a result of the factors affecting operating income discussed above.

Trinidad's Canadian rig count totaled 72 rigs at September 30, 2016, a decrease of 10 rigs compared to the third quarter of 2015. At December 31, 2015, Trinidad reviewed the existing rig fleet and chose to decommission 10 low specification rigs.

Third quarter of 2016 versus second quarter of 2016

Operating revenue increased in the third quarter as a result of higher operating days mainly due to seasonal factors and an improvement in commodity prices. Trinidad recorded 746 more operating days in the third quarter of 2016 compared to the second quarter. Dayrates in the current quarter lowered compared to the second quarter as a result of less early termination and standby revenue. Excluding the impact of early termination and standby revenue, dayrates lowered by $5,028 per day from the previous quarter largely due to a change in the active rig mix.

United States and International Operations

	Three months ended September 30,			Nine months ended September 30,		
($ thousands except percentage and operating data)	2016	2015	% Change	2016	2015	% Change

Operating revenue [1]	36,570	66,454	(45.0)	155,746	230,744	(32.5)
Operating income [2]	14,847	31,015	(52.1)	89,631	112,602	(20.4)
Operating income - net percentage [2]	40.5 %	46.6 %		57.5 %	48.7 %	
Operating days [2]	1,307	2,199	(40.6)	3,955	7,096	(44.3)
Rate per operating day (US$) [2]	21,557	23,582	(8.6)	29,779	26,160	13.8
Utilization rate - operating day [2]	21 %	40 %	(47.5)	22 %	49 %	(55.1)
Number of drilling rigs at period end	67	72	(6.9)	67	72	(6.9)

(1) Operating revenue excludes third party recovery.

(2) See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document.

Operating revenue lowered in the third quarter compared to the same period last year, largely as a result of lower operating days. For the three months ended September 30, 2016, operating days and utilization decreased compared to the prior year as weakening commodity prices in 2015 and into 2016 caused a significant reduction in demand for land drilling rigs.

Dayrates lowered in the current quarter compared to the same quarter last year, due to lower early termination revenue and an increased number of rigs operating in the spot market. During the current quarter, Trinidad received standby revenue of US$2.7 million on two rigs that were idle but contracted, compared to early termination of US$6.8 million on eight rigs with an average term remaining of eight months in the third quarter of 2015. Excluding the impact of early termination and standby revenue, dayrates averaged US$19,521 per day in the current quarter, down US$963 per day from the same period last year. Underlying dayrates lowered in the quarter compared to the prior period as a result of weak customer demand and an increased number of rigs operating in the spot market.

Operating income lowered in the current quarter compared to the same period last year. Cost cutting measures undertaken by the Company, including lower wages, a reduced headcount and lower repairs and maintenance, allowed the Company to reduce operating costs in 2016 and continue to record reasonable operating margins. Despite these changes, lower revenue generation and increased pressure on dayrates caused a decline in overall profitability.

Operating income - net percentage decreased for the three months ended September 30, 2016, driven by lower early termination and standby revenue and lower activity in the current period. After adjusting for early termination and standby revenue, operating income - net percentage lowered in the quarter to 34.3% from 38.7% in the third quarter of 2015 as a result of lower dayrates and fixed costs spread over a smaller operating base.

At September 30, 2016, Trinidad's US and international rig count totaled 67 rigs, a decrease of five rigs compared to the same period last year. At December 31, 2015, Trinidad chose to review the existing rig fleet and decommission five low specification rigs.

In the second quarter of 2016, Trinidad's rig in the United Arab Emirates began drilling, recording 75 operating days in the quarter.

Third quarter of 2016 versus second quarter of 2016

Operating revenue decreased in the third quarter compared to the second quarter of 2016 as the impact of higher operating days was offset by lower early termination revenue. Activity levels increased by 392 days or 42.8% in the third quarter compared to the second quarter as customers reacted to improving commodity prices.

Dayrates lowered in the third quarter due to lower early termination and standby revenue compared to the second quarter of 2016. Excluding the impact of early termination and standby revenue, dayrates in the third quarter lowered by US$1,599 per day compared to the second quarter of 2016 as a result of strong competition and an increased number of spot market rigs operating.

Excluding the impact of early termination and standby revenue, operating income - net percentage was 34.3% in the third quarter, compared to 27.9% in the second quarter of 2016. Underlying profitability improved slightly as rigs were reactivated, increasing the operating base. As well, an ongoing focus on reducing operating costs wherever possible had a positive impact on profitability.

Joint Venture Operations

Trinidad Drilling International (TDI):

Amounts below are presented at 100% of the value included in the statement of operations and comprehensive income for Trinidad Drilling International (TDI); Trinidad owns 60% of the shares of TDI.

	Three months ended September 30,			Nine months ended September 3		
($ thousands except percentage and operating data)	2016	2015	% Change	2016	2015	% Ch
Operating revenue	25,467	36,765	(30.7)	106,243	94,609	12.3
Operating income [1]	12,795	16,928	(24.4)	48,611	42,433	14.6

Operating income - net percentage (1)	50.2 %	45.8 %		45.8 %	44.6 %	
Operating days (1)	274	595	(53.9)	1,425	1,521	(6.3
Rate per operating day (US$) (1)	67,133	46,591	44.1	53,609	48,536	10.5
Utilization rate - operating day (1)	37 %	99 %	(62.6)	65 %	96 %	(32.3
Number of drilling rigs at period end	8	8	-	8	8	-

(1) See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document.

Operating revenue and operating income lowered in the third quarter of 2016 compared to the same quarter last year, mainly due to lower activity levels in the current quarter. Operating days lowered in the quarter as a result of one idle rig in Saudi Arabia and four idle rigs in Mexico. Dayrates in the current quarter increased over the third quarter last year due to more standby revenue recorded in 2016 as all idle rigs collected standby in the quarter. Operating income - net percentage increased in the third quarter, compared to the same quarter in 2015 as a result of higher standby revenue and a reduction in operating costs in the current period.

Third quarter of 2016 versus second quarter of 2016

Operating revenue and operating income decreased in the third quarter of 2016, compared to the second quarter of 2016, mainly due to lower activity. The decrease was largely due to lower utilization of TDI's Mexico rigs which were stacked during the current quarter. Increased standby revenue received on idle rigs in the current quarter drove higher operating income - net percentage in the third quarter compared to the second quarter of 2016.

Manufacturing Operations

	Three months ended September 30,			Nine months ended September 30,		
($ thousands except percentage)	2016	2015	% Change	2016	2015	% Change
Operating revenue (1)	-	162	(100.0)	2,917	39,049	(92.5)
Operating income (2)	-	(817)	(100.0)	(1,111)	2,067	(153.7)
Operating income - net percentage (2)	-	(510.6)%		(38.1)%	5.3 %	

(1) Operating revenue excludes third party recovery.
(2) See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document.

Towards the end of 2015, due to lower demand for new and upgraded equipment, Trinidad chose to restructure its manufacturing operations, resizing its cost base to better reflect the lower activity levels. The manufacturing operations recorded reduced revenue generation and profitability in the current year compared to 2015. As of June 30, 2016, the restructuring of the manufacturing division was completed. Costs incurred in relation to the re-organization of this segment negatively impacted profitability in the current year.

For the first six months of 2016, Trinidad recognized revenue and expenses related to an upgrade project and various repairs and maintenance type work for the TDI joint venture rigs. In 2015, Trinidad recognized revenue and expenses related to the rigs it was building for the Mexico joint venture operations and for the training rig it was building for the Company's joint venture partner, Halliburton.

FINANCIAL SUMMARY

As at ($ thousands)	September 30, 2016	December 31, 2015	$ Change
Working capital (1)	46,454	61,372	(14,918)
Total long-term debt	585,715	706,920	(121,205)
Total long-term debt as a percentage of assets	30.1 %	31.6 %	
Total long-term liabilities as a percentage of assets	33.1 %	35.0 %	

(1) See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document.

Trinidad's total long-term debt balance at September 30, 2016 decreased by $121.2 million compared to December 31, 2015. This decrease was largely due to no amounts being drawn on the Canadian revolving facility or US revolving facility at September 30, 2016 compared to December 31, 2015 where $65.0 million and US$18.0 million were drawn, respectively. Additionally, the value of the Senior Notes decreased as a result of the foreign currency fluctuations at September 30, 2016 as the Canadian dollar strengthened in value compared to the US dollar closing at 1.3117 compared to 1.3840 at December 31, 2015. As these notes are held in US funds, the Senior Notes are translated at each period end, and as such, their aggregate value fluctuates with US to Canadian exchange rates.

2016 Capital Expenditures

Trinidad's 2016 capital budget is $45.0 million, consisting of $30.0 million in capital expenditures, and an additional $15.0 million available to be spent on select upgrades based on management discretion and industry conditions. The budget is comprised mostly of capital for maintenance and infrastructure projects necessary to maintain the Company's current operations. In addition, Trinidad expects to utilize existing capital inventory items to upgrade and maintain its fleet.

Nine months ended September 30,		
($ thousands)	2016	2015
New builds	-	54,837
Capital upgrades and enhancements	19,438	19,274
Maintenance and infrastructure	5,710	11,487
Capital spares inventory	13,197	27,958
Total capital expenditures for Trinidad	38,345	113,556
Less: non-cash working capital allocated to investing activities	8,967	25,568
Total capital expenditures adjusted for non-cash items - Trinidad	29,378	87,988
TDI joint venture capital expenditures (Trinidad's 60% share)	5,713	39,300
Total capital expenditures adjusted for non-cash items - Trinidad and TDI joint venture	35,091	127,288

In the first nine months ended September 30, 2016, a total of $38.3 million was spent on capital expenditures in Trinidad, compared to $113.6 million in the prior year. Of the $38.3 million, $9.0 million related to non-cash changes for deposits and payables with no actual cash outflow in 2016. The additional $29.4 million of capital expenditures mainly related to upgrading equipment that is expected to work in 2016 and additional inventory expenditures.

In addition to the amounts spent on Trinidad's capital, the Company spent $5.7 million related to its portion of capital spending for the TDI joint venture. The majority of the capital spent year to date in 2016 for the joint venture related to upgrading rigs and investing in capital inventory items.

Capital Resources

Trinidad expects cash provided by operations and the Company's various sources of financing to be sufficient to meet its debt repayments, future obligations and to fund planned capital expenditures.

Current financial performance is within the financial ratio covenants under the revolving credit facility as reflected in the table below:

RATIO	September 30, 2016	December 31, 2015	THRESHOLD
Senior Debt to Bank EBITDA [(1)]	(0.08):1	0.21:1	2.50:1 maximum
Bank EBITDA to Cash Interest Expense [(1)]	3.00:1	3.49:1	1.50:1 minimum

[(1)] See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document.

At September 30, 2016, Trinidad was on-side with each of the Senior Debt to Bank EBITDA and Bank EBITDA to Cash Interest Expense covenants noted above.

Bank EBITDA does not include adjusted EBITDA from investment in the joint ventures. Dividends and distributions paid to Trinidad from the joint ventures are eligible for inclusion in Bank EBITDA in the period that payment occurs. In the first quarter of 2016, the TDI joint venture distributed approximately $36.0 million, of which $21.5 million was paid to Trinidad. The TDI joint venture expects to continue to distribute cash back to Trinidad in future periods. The amount and timing of these distributions will depend on the profitability of the joint venture and the working capital and capital expenditure needs within the joint venture.

Readers are cautioned that the ratios noted above do not have standardized meanings under IFRS.

CONFERENCE CALL

Conference Call:	Thursday, November 3, 2016 9:00 a.m. MT (11:00 a.m. ET) 866-393-4306 (toll-free in North America) or 734-385-2616 approximately 10 minutes prior to the conference c Conference ID: 94701631
Archived Recording:	855-859-2056 or 404-537-3406 Conference ID: 94701631
Webcast:	www.trinidaddrilling.com/investors/events-presentations

Trinidad is a corporation focused on sustainable growth that trades on the Toronto Stock Exchange under the symbol TDG. Trinidad's divisions currently operate in the drilling sector of the oil and natural gas industry, with operations in Canada, the United States and the United Arab Emirates. In addition, through joint venture arrangements, Trinidad operates drilling rigs in Saudi Arabia and Mexico, and is currently assessing operations in other international markets. 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.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at ($ thousands) - unaudited	September 30, 2016	December 31, 2015
Assets		
Current Assets		
Cash and cash equivalents	29,344	63,686
Accounts receivable	68,858	113,870
Inventory	8,377	7,136
Prepaid expenses	5,792	7,423
Assets held for sale	-	2,744
	112,371	194,859
Property and equipment	1,499,306	1,656,268
Intangible assets and goodwill	33,631	35,048
Deferred income taxes	63,024	54,367
Investment in joint ventures	240,760	295,658
	1,949,092	2,236,200
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	63,220	93,795
Dividends payable	-	2,221
Deferred revenue and customer deposits	460	34,862
Current portion of long-term debt	2,237	2,609
	65,917	133,487
Long-term debt	583,478	704,311
Deferred income taxes	50,987	60,495
Non-controlling interest	10,724	18,448
	711,106	916,741
Shareholders' Equity		
Common shares	1,374,656	1,374,656
Contributed surplus	65,031	64,884
Accumulated other comprehensive income	163,060	203,947
Deficit	(364,761)	(324,028)
	1,237,986	1,319,459
	1,949,092	2,236,200

Consolidated Statements of Operations and Comprehensive Income and Loss

($ thousands) - unaudited	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Revenue				
Oilfield service revenue	66,560	123,766	267,435	412,111
Other revenue	400	519	1,651	1,783
	66,960	124,285	269,086	413,894
Expenses				
Operating expense	43,981	72,276	137,749	247,707
General and administrative	11,111	12,478	41,764	44,648
Depreciation and amortization	42,317	26,648	128,043	69,953
Foreign exchange	(340)	3,318	(2,676)	9,517
Gain on sale of assets	(8,647)	(635)	(10,575)	(2,119)
Impairment of property and equipment	-	26,937	-	26,937
Impairment of goodwill	-	111,847	-	111,847
	88,422	252,869	294,305	508,490
Loss (gain) from investment in joint ventures [(1)]	18,497	(2,824)	6,730	(4,741)

Finance and transaction costs	12,380	17,947	39,779	42,267
Non-controlling interest fair value adjustment	(5,944)	-	(5,944)	-
(Loss) before income taxes	(46,395)	(143,707)	(65,784)	(132,122)
Income taxes				
Current	(973)	134	183	3,371
Deferred	(9,369)	(56,223)	(24,432)	(58,538)
	(10,342)	(56,089)	(24,249)	(55,167)
Net (loss)	(36,053)	(87,618)	(41,535)	(76,955)
Other comprehensive (loss) income				
Foreign currency translation adjustment for foreign operations, net of income tax	10,926	58,980	(40,887)	114,870
Foreign currency translation adjustment for non-controlling interest, net of income tax	70	279	(253)	279
	10,996	59,259	(41,140)	115,149
Total comprehensive (loss) income	(25,057)	(28,359)	(82,675)	38,194
Net (loss) attributable to:				
Shareholders of Trinidad	(35,780)	(87,540)	(40,733)	(76,877)
Non-controlling interest	(273)	(78)	(802)	(78)
Total comprehensive (loss) income attributable to:				
Shareholders of Trinidad	(24,854)	(28,560)	(81,620)	37,993
Non-controlling interest	(203)	201	(1,055)	201
Earnings per share				
Net (loss)				
Basic / Diluted	(0.16)	(0.48)	(0.18)	(0.51)

[(1)] Loss (gain) from investment in joint ventures includes Trinidad's portion of the net income in all joint ventures as well as the fair value adjustment related to the TDI joint venture as this is held as a financial asset.

Consolidated Statement of Changes in Equity

For nine months ended September 30, 2016 and 2015

($ thousands) - unaudited	Common shares	Contributed surplus	Accumulated other comprehensive income[(1)]	(Deficit)	Total equity
Balance at December 31, 2015	1,374,656	64,884	203,947	(324,028)	1,319,459
Share-based payment expense	-	147	-	-	147
Total comprehensive (loss) income	-	-	(40,887)	(40,733)	(81,620)
Balance at September 30, 2016	1,374,656	65,031	163,060	(364,761)	1,237,986
Balance at December 31, 2014	1,093,426	59,005	62,470	(79,010)	1,135,891
Shares repurchased through normal course issuer bid	(14,015)	5,665	-	-	(8,350)
Share-based payment expense	-	181	-	-	181
Total comprehensive (loss) income	-	-	114,870	(76,877)	37,993
Dividends	-	-	-	(24,447)	(24,447)
Share issuance (net)	295,245	-	-	-	295,245
Balance at September 30, 2015	1,374,656	64,851	177,340	(180,334)	1,436,513

[(1)] Accumulated other comprehensive income consists of the foreign currency translation adjustment. All amounts will be reclassified to profit or loss when specific conditions are met.

Consolidated Statements of Cash Flows

For nine months ended September 30,

($ thousands) - unaudited	2016	2015
Cash provided by (used in)		
Operating activities		
Net (loss)	(41,535)	(76,955)
Adjustments for:		
Depreciation and amortization	128,043	69,953
Foreign exchange	(2,676)	9,517
Gain on sale of assets	(10,575)	(2,119)
Impairment of property and equipment	-	26,937
Impairment of goodwill	-	111,847

Loss (gain) from investment in joint ventures [1]	6,730	(4,741)
Finance and transaction costs	39,779	42,267
Non-controlling interest fair value adjustment	(5,944)	-
Income taxes	(24,249)	(55,167)
Interest income	(2)	(32)
Other [2]	7,262	2,392
Income taxes paid	(2,012)	(4,729)
Income taxes recovered	126	3,208
Interest paid	(49,927)	(44,794)
Interest received	2	32
Funds provided by operations	45,022	77,616
Change in non-cash operating working capital	(6,729)	31,293
Cash provided by operations	38,293	108,909
Investing activities		
Purchase of property and equipment	(38,345)	(113,556)
Proceeds from disposition of assets[3]	17,848	5,481
Net investment in joint ventures	9,838	(50,759)
Distribution and dividends received from joint venture	21,509	-
Acquisition of CanElson (net)	-	(70,911)
Purchase of intangibles	-	(1,082)
Change in non-cash working capital	8,967	25,568
Cash provided (used) by investing	19,817	(205,259)
Financing activities		
Proceeds from long-term debt	130,188	144,888
Repayments of long-term debt	(218,971)	(75,000)
Repurchase of shares	-	(8,350)
Dividends paid	(2,221)	(20,100)
Finance costs	(661)	(211)
Cash (used) provided by financing	(91,665)	41,227
Cash flow from operating, investing and financing activities	(33,555)	(55,123)
Effect of translation of foreign currency cash	(787)	8,788
Decrease in cash for the period	(34,342)	(46,335)
Cash and cash equivalents - beginning of period	63,686	71,062
Cash and cash equivalents - end of period	29,344	24,727

[1] Loss (gain) from investment in joint ventures includes Trinidad's portion of the net income in all joint ventures as well as the fair value adjustment related to the TDI joint venture as this is held as a financial asset.

[2] Other includes share-based payment expense and elimination of downstream transactions in the Manufacturing Operations net earnings.

[3] Proceeds from disposition of assets in 2016 includes $2.8 million related to the disposition of a non-drilling division.

NON-GAAP MEASURES DEFINITIONS

This document contains references to certain financial measures and associated per share data that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. These financial measures are computed on a consistent basis for each reporting period and include: adjusted EBITDA, adjusted EBITDA from investment in joint ventures, working capital, Senior Debt to Bank EBITDA, Bank EBITDA to Cash Interest Expense, operating days, utilization rate - operating day, and rate per operating day or dayrate. These non-GAAP measures are identified and defined as follows:

Adjusted EBITDA is used by management and investors to analyze the Company's profitability based on the Company's principal business activities prior to how these activities are financed, how assets are depreciated and amortized and how the results are taxed in various jurisdictions. Additionally, in order to focus on the core business alone, amounts are removed related to foreign exchange, share-based payment expense, impairment expenses, the sale of assets, and fair value adjustments on financial assets and liabilities, as the Company does not deem these to relate to the core drilling business. Adjusted EBITDA also takes into account the Company's portion of the principal activities of the joint venture arrangements by removing the (gain) loss from investment in joint ventures and including adjusted EBITDA from investment in joint ventures. Adjusted EBITDA is not intended to represent net (loss) income as calculated in accordance with IFRS. Adjusted EBITDA is calculated using 100% of the related amounts from all entities controlled by Trinidad where Trinidad may not hold 100% of the outstanding shares.

Adjusted EBITDA is calculated as follows:

($ thousands)	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Net (loss)	(36,053)	(87,618)	(41,535)	(76,955)
Plus:				
Finance and transaction costs	12,380	17,947	39,779	42,267
Depreciation and amortization	42,317	26,648	128,043	69,953
Income taxes	(10,342)	(56,089)	(24,249)	(55,167)
	8,302	(99,112)	102,038	(19,902)
Plus:				
Gain on sale of assets	(8,647)	(635)	(10,575)	(2,119)
Impairment of property and equipment	-	26,937	-	26,937
Impairment of goodwill	-	111,847	-	111,847
Share-based payment expense	265	(2,202)	5,016	(473)
Foreign exchange	(340)	3,318	(2,676)	9,517
Non-controlling interest fair value adjustment	(5,944)	-	(5,944)	-
Loss (gain) from investment in joint venture	18,497	(2,824)	6,730	(4,741)
Plus:				
Adjusted EBITDA from investment in joint ventures	5,857	7,624	24,644	18,594
Adjusted EBITDA	17,990	44,953	119,233	139,660

Adjusted EBITDA from investment in joint ventures is used by management and investors to analyze the results generated by the Company's joint venture operations prior to how these activities are financed, how assets are depreciated and amortized and how the results are taxed in various jurisdictions. Additionally, in order to focus on the core drilling business, amounts related to foreign exchange, share-based payment expense, impairment adjustments to property and equipment as well as preferred shares and the sale of assets are removed. Lastly, amounts recorded for the revaluation on the investment of the TDI joint venture are removed as these are non-cash entries and unrelated to the operations of the business. Adjusted EBITDA from investment in joint ventures is not intended to represent net (loss) income as calculated in accordance with IFRS.

Adjusted EBITDA from investment in joint ventures is calculated as follows:

($ thousands)	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
(Loss) gain from investment in joint ventures	(18,497)	2,824	(6,730)	4,741
Plus:				
Finance costs	346	188	1,166	408
Depreciation and amortization	5,902	4,142	15,583	11,002
Income taxes	(491)	752	2,758	2,305
	(12,740)	7,906	12,777	18,456
Plus:				
Loss (gain) on sale of property and equipment	(5)	-	(4)	-
Dividend expense	-	-	14,891	-
Foreign exchange	258	(282)	643	138
TDI investment - fair value adjustment	19,548	-	12,141	-
Preferred share valuation	(1,204)	-	(15,804)	-
Adjusted EBITDA from investment in joint ventures	5,857	7,624	24,644	18,594

Working capital is used by management and the investment community to analyze the operating liquidity available to the Company.

Senior Debt to Bank EBITDA is defined as the consolidated balance of the revolving facility and other debt secured by a lien at quarter end to consolidated Bank EBITDA for the trailing 12 months (TTM). Bank EBITDA used in this financial ratio is calculated as net earnings before interest, taxes, depreciation and amortization, plus impairment expense, loss (gain) on sale of assets, loss (gain) from investment in joint ventures, share-based payment expense and unrealized foreign exchange. Bank EBITDA also includes all distributions received from the Company's joint ventures during the period.

Bank EBITDA to Cash Interest Expense is defined as the consolidated Bank EBITDA for TTM to the cash interest expense on all debt balances for TTM. Bank EBITDA used in this financial ratio is calculated as net earnings before interest, taxes, depreciation and amortization, plus impairment expense, loss (gain) on sale of assets, loss (gain) from investment in joint ventures, share-based payment expense and unrealized foreign exchange. Bank EBITDA also includes all distributions received from the Company's joint ventures during the period.

Operating days is defined as moving days (move in, rig up and tear out) plus drilling days (spud to rig release).

Rate per operating day or Dayrate is defined as operating revenue (net of third party costs) divided by operating days (drilling days plus moving days).

Utilization rate - operating day is defined as operating days divided by total available rig days.

ADDITIONAL GAAP MEASURES DEFINITIONS

To assess performance, the Company uses certain additional GAAP financial measures within this document that are not defined terms under IFRS. Management believes that these measures provide useful supplemental information to investors, and provide the reader a more accurate reflection of our industry. These financial measures are computed on a consistent basis for each reporting period and include Operating revenue or Revenue, net of third party costs, Funds provided by operations, Operating income, and Operating income - net percentage. These additional GAAP measures are defined as follows:

Operating revenue or Revenue, net of third party costs is defined as revenue earned for drilling activities excluding all third party revenues. Third party revenues mainly consist of rental activities and other services provided by third parties for which Trinidad does not earn a mark-up on. This metric is used by analysts and investors to assess the operations of each segment based on the core drilling business alone and more accurately reflects the health of those operations. The operating revenue for each reportable segment is disclosed in the segmented information included in the consolidated financial statements.

Funds provided by operations is used by management and investors to analyze the funds generated by Trinidad's principal business activities prior to consideration of working capital, which is primarily made up of highly liquid balances. This balance is reported in the consolidated statements of cash flows included in the cash provided by operating activities section.

Operating income is used by management and investors to analyze overall and segmented operating performance. Operating income is not intended to represent an alternative to net (loss) earnings or other measures of financial performance calculated in accordance with IFRS. Operating income is calculated from the consolidated statements of operations and comprehensive income and from the segmented information contained in the notes to the consolidated financial statements. Operating income is defined as revenue less operating expenses.

Operating income - net percentage is used by management and investors to analyze overall and segmented operating performance excluding third party recovery and third party costs, as well as inter-segment revenue and inter-segment operating costs, as these revenue and expenses do not have an effect on consolidated net (loss) earnings. Operating income - net percentage is calculated from the consolidated statements of operations and comprehensive income and from the segmented information in the notes to the consolidated financial statements. Operating income - net percentage is defined as operating income less third party G&A expenses divided by revenue net of operating and G&A third party costs.

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements relating to Trinidad's plans, strategies, objectives, expectations and intentions. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "confident", "might" and similar expressions are intended to identify forward-looking information or statements. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this document. The forward-looking information and statements included in this document are not guarantees of future performance and should not be unduly relied upon. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements.

In particular, but without limiting the foregoing, this document may contain forward-looking information and statements pertaining to:

- the assumption that Trinidad's customers will honor their take-or-pay contracts;
- future liquidity levels;
- fluctuations in the demand for Trinidad's services;
- the ability for Trinidad to attract and retain qualified personnel, in particular field staff to crew the Company's rigs;
- the existence of competitors, technological changes and developments in the oilfield services industry;
- the existence of operating risks inherent in the oilfield services industry;
- assumptions respecting internal capital expenditure programs and other expenditures by oil and gas exploration and production companies;
- assumptions regarding commodity prices, in particular oil and natural gas;
- assumptions respecting supply and demand for commodities, in particular oil and natural gas;
- assumptions regarding future expected cash flows and potential distributions from joint venture partners including Trinidad Drilling International (TDI);
- assumptions regarding foreign currency exchange rates and interest rates;
- the existence of regulatory and legislative uncertainties;
- the possibility of changes in tax laws; and general economic conditions including the capital and credit markets;

- assumptions made about our future banking covenants and liquidity;
- assumptions made about future performance and operations of joint ventures and partnership arrangements; assumptions made about the business combination with CanElson Drilling Inc. completed in the third quarter of 2015 ("CanElson" or the "CanElson acquisition").

Trinidad cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. Additional information on these and other factors that could affect Trinidad's business, operations or financial results are described in reports filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) including but not limited to Trinidad's annual MD&A, financial statements, Annual Information Form and Management Information Circular. The forward-looking information and statements contained in this document speak only as of the date of this document and Trinidad assumes no obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

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