

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

[Trinidad Drilling Ltd.](#) (TSX:TDG) ("Trinidad" or "the Company") is pleased to announce that, in addition to utilizing the net proceeds from its recently announced public offering of common shares in the capital of the Company (the "Equity Offering") to repay certain indebtedness of the Company, Trinidad has entered into additional transactions designed to further refinance its fixed long-term indebtedness, strengthen its balance sheet and extend its debt maturity.

As part of its refinancing plan, Trinidad has launched an offer to purchase for cash (the "Tender Offer") any and all of the Company's outstanding 7.875% senior unsecured notes due 2019 (the "2019 Notes"), of which US\$450 million aggregate principal amount is currently outstanding, for consideration of US\$1,005 per US\$1,000 principal amount of 2019 Notes, and has commenced a private offering (the "Private Placement") of up to US\$350 aggregate principal amount of senior unsecured notes due 2024 (the "2024 Notes").

Pursuant to the terms of the Private Placement, the 2024 Notes will be offered and sold only on a prospectus-exempt basis to institutional "accredited investors" in certain provinces of Canada and, in the United States, will be offered and sold only to "qualified institutional investors" in reliance on Rule 144A under the Securities Act of 1933, as amended and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act of 1933, as amended.

Along with the net proceeds received from the Equity Offering, Trinidad plans to use the net proceeds from the Private Placement to fund the cash purchase price for any 2019 Notes that are validly tendered under the Tender Offer. The Tender Offer is contingent upon, among other things, Trinidad's successful completion of one or more capital markets transactions, in an amount sufficient, along with borrowings under the Company's revolving credit agreement and cash on hand, to fund the purchase of validly tendered 2019 Notes accepted for purchase in the Tender Offer and pay all fees and expenses associated with the Tender Offer. The Tender Offer is not conditioned on any minimum amount of 2019 Notes being tendered. The Company may amend, extend or terminate the Tender Offer in its sole discretion. Neither the completion of the Private Placement nor the completion of the Equity Offering is contingent upon the consummation of the Tender Offer. Further details respecting the Tender Offer are described in Trinidad's press release dated January 25, 2017 announcing the Tender Offer and in the Company's offer to purchase dated January 25, 2017 and related letter of transmittal and notice of guaranteed delivery.

In connection with the foregoing transactions, Trinidad has also submitted a request to the agents and lenders under its existing revolving credit facility to enter into a consent and/or amendment agreement prior to the issuance of the 2024 Notes, for Trinidad to use up to US\$50,000,000 of such credit facility to repurchase or redeem the 2019 Notes and to make other certain related amendments to reflect and allow for the issuance of the 2024 Notes. The proposed terms of the consent or amendment are currently being considered by the agents and the lenders under the credit facility and are subject to lender approval.

The foregoing refinancing transactions, if completed as currently proposed, are expected to lower the Company's overall outstanding debt levels and associated financing costs, extend the maturity of its fixed long-term debt obligations, provide greater flexibility through the amendments to its credit facility currently contemplated and allow the Company additional room to pursue growth or upgrade opportunities that may arise.

Trinidad is a growth-oriented corporation that trades on the Toronto Stock Exchange (TSX) under the symbol TDG and TDG.DB. Trinidad's divisions operate in the drilling, well-servicing, coring and barge-drilling sectors of the North American oil and natural gas industry with operations in Canada, the United States 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 Trinidad securities in any jurisdiction. The 2024 Notes 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. Holders considering a tender of 2019 Notes pursuant to the Tender Offer are urged to consult with their own financial tax, legal and other advisors concerning the consequences of tendering their 2019 Notes to the offer and to read all of the Tender Offer documentation carefully when it becomes available.

Forward-looking Information Advisory

This document contains certain forward-looking information and statements ("forward-looking statements") within the meaning of applicable Canadian securities laws, relating to Trinidad's plans, strategies, objectives, expectations and intentions for the future. The use of any of the words "expect", "anticipate", "continue", "will", "plans" and similar expressions are intended to identify forward-looking statements. In particular, this document contains forward-looking statements pertaining to, among other things, Trinidad's anticipated debt refinancing, including the Tender Offer, the Private Placement, the Equity Offering and the credit agreement amendment, the manner and timing of completion of such refinancing transactions as well as the impact of such transactions on Trinidad.

Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this document. While Trinidad believes that the expectations and material factors and assumptions reflected in its forward-looking statements are reasonable as at the date hereof, there can be no assurance that any of these expectations, factors or assumptions will prove to be correct. In particular, in presenting its forward-looking statements, Trinidad has made assumptions respecting, among other things: that Trinidad will receive all necessary regulatory and stock exchange approvals in a manner and on the timeline that is consistent with past practice and experience; the anticipated range of interest rates that Trinidad will be able to obtain for the 2024 Notes; the relative stability of general North American economic conditions; the continued improvement of industry conditions; oil and gas supply and demand conditions in 2017; that Trinidad will receive the approvals needed to amend its credit agreement; internal capital expenditure programs and other expenditures by oil and gas exploration and production companies; areas of industry activity and rig demand in such areas; regulatory and legislative conditions; commodity prices, in particular oil and natural gas; future expected cash flows and potential distributions from joint venture partners including Trinidad Drilling International Ltd.; foreign currency exchange rates and interest rates; and future performance and operations of joint ventures and partnership arrangements.

The forward-looking statements included in this document are not guarantees of future performance and should not be unduly relied upon. Readers are cautioned that forward-looking statements are based on current expectations, estimates and projections that, by their nature, forward-looking statements involve a number of known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements. These known and unknown risks and uncertainties include, but are not limited to: potential changes in the regulatory and legislative environment; political uncertainty and instability in North America and internationally and changes in political leadership in North America and elsewhere; volatility in commodity prices and foreign currency exchange, interest and tax rates; the ability of 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; further negative downturns in industry conditions; operating risks inherent in the oilfield services industry; variations in internal capital expenditure programs and other expenditures by oil and gas exploration and production companies; volatility in supply and demand for commodities, in particular oil and natural gas; and changes in general economic conditions including the capital and credit markets. The completion of the Equity Offering is subject to the receipt of all necessary regulatory approvals, including the approval of the Toronto Stock Exchange, and there can be no certainty that such regulatory and exchange approvals will be obtained on the terms and in the timeline currently anticipated, or at all. The credit agreement must be amended to permit the completion of a number of aspects of the refinancing transactions. There can be no certainty that an agreement with Trinidad's lenders will be reached in this respect. If such an agreement is not reached, or for another reason, some or all of the refinancing transactions do not proceed, Trinidad may be materially adversely impacted.

Trinidad cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. Additional information on risks and other factors that could affect Trinidad's business, strategy, 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 and quarterly MD&A and financial statements, Annual Information Form and Management Information Circular. The forward-looking 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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