CALGARY, ALBERTA--(Marketwired - Nov. 3, 2015) -

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Trinidad Drilling Ltd. ("Trinidad" or the "Company") (TSX:TDG) reported third quarter and year-to-date 2015 results and declared the Company's fourth quarter dividend today. Weak commodity prices led to lower activity levels and reduced customer demand in the third quarter and first nine months of 2015, driving lower adjusted EBITDA(1) and net earnings compared to the same periods in 2014. Weak industry conditions also led to an impairment charge being recorded in the current quarter, mainly related to the Company's goodwill assets, with an additional impairment recorded on the barge assets. The negative impact of these challenging conditions was partly offset by cost control measures implemented throughout the period and Trinidad's contract base, which provided revenue stability on contracted rigs, as well as lump sum and standby revenue on rigs that were terminated early. In addition, higher relative utilization of larger, high specification rigs helped to limit dayrate and margin erosion. The growing contribution from the Company's international joint venture with Halliburton and the addition of CanElson Drilling Inc.'s (CanElson's) operations during the third quarter also positively impacted Trinidad's results in 2015.

Trinidad's board of directors declared a cash dividend for the fourth quarter of 2015 of $0.01 per common share to be paid on January 15, 2016 to shareholders of record on December 31, 2015. This dividend represents a reduction of $0.04 per common share from the previous quarterly dividend level. The dividend is designated as an "eligible dividend" for Canadian Income Tax purposes. In addition to reductions in general and administrative expense, operating costs and lower capital spending, Trinidad chose to lower its dividend payment in order to conserve cash during these challenging conditions. The annualized cash savings from the dividend reduction totaled approximately $35.5 million. This reduced cash outlay, along with the ability to repatriate cash from the joint venture with Halliburton and relaxed covenants following the CanElson acquisition, provide additional financial flexibility for the Company.

"Trinidad has responded strongly to the weak industry conditions we have seen to date in 2015," said Lyle Whitmarsh, Trinidad's Chief Executive Officer. "We have reviewed our operations and resized them to function more efficiently in the current environment. Some of the benefits gained from these cost control measures are incorporated in the results to date in 2015 and additional benefits are expected to flow through in the remainder of 2015 and into 2016. We will continue to review all aspects of our business over the coming months for further efficiency gains, while also remaining prudent with our overall spending in order to conserve cash. Our focus on providing well-performing, safe equipment for our customers has not changed. This focus, along with the changes we have implemented, will help position us well during this downturn."

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

FINANCIAL HIGHLIGHTS

	Three months ended September 30,			Nine months ended September 30,		
($ thousands except share and per share data)	2015	2014	% Change	2015	2014	% C
Revenue	124,285	244,538	(49.2)	413,894	664,988	(37.
Revenue, net of third party costs[1]	117,824	230,985	(49.0)	393,895	621,647	(36.
Operating income[1]	52,009	80,536	(35.4)	166,187	221,333	(24.
Operating income percentage[1]	41.8 %	32.9 %	27.1	40.2 %	33.3 %	20.
Operating income - net percentage[1]	43.9 %	34.7 %	26.5	41.9 %	35.6 %	18.
EBITDA[2]	(99,112)	67,207	(247.5)	(19,902)	153,907	(11
Per share (diluted)[1]	(0.54)	0.48	(212.5)	(0.13)	1.11	(11
Adjusted EBITDA	44,953	64,619	(30.4)	139,660	174,706	(20.
Per share (diluted)[2]	0.25	0.47	(46.8)	0.93	1.26	(26.
Cash provided by operations	(5,640)	60,143	(109.4)	108,909	150,662	(27.
Per share (basic / diluted)[2]	(0.03)	0.44	(106.8)	0.73	1.09	(33.
Funds provided by operations[1]	16,392	46,554	(64.8)	77,616	137,696	(43.
Per share (basic / diluted)[2]	0.09	0.34	(73.5)	0.52	0.99	(47.
Net (loss) earnings	(87,618)	19,156	(557.4)	(76,955)	20,103	(48
Per share (basic / diluted)[2]	(0.48)	0.34	(442.9)	(0.51)	0.15	(44
Adjusted net (loss) earnings(1)	1,014	14,602	(93.1)	18,750	36,791	(49.
Per share (basic / diluted)[2]	0.01	0.11	(90.9)	0.12	0.26	(53.
Capital expenditures	21,628	100,453	(78.5)	113,556	203,246	(44.
Dividends declared	11,104	6,910	60.7	24,447	20,728	17.9
Shares outstanding - basic (weighted average)[2]	182,574,890	138,195,784	32.1	150,077,401	138,168,514	8.6
Shares outstanding - diluted (weighted average)[2]	182,574,890	138,664,015	31.7	150,077,401	138,854,145	8.1

As at ($ thousands except percentage data)	September 30, 2015	December 31, 2014	% Change
Total assets	2,372,949	1,941,621	22.2
Total long-term liabilities	811,101	628,047	29.1

1. Readers are cautioned that Operating income, Operating income percentage, Operating income - net percentage, EBITDA, Adjusted EBITDA, Funds provided by operations, Adjusted net earnings and the related per share information do not have standardized meanings prescribed by IFRS - see Non-GAAP Measures Definitions and Additional GAAP Measures Definitions at the end of this document for further details.
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.

OPERATING HIGHLIGHTS

	Three months ended September 30,			Nine months ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Land Drilling Market						
Operating days[1]						
Canada	2,109	3,424	(38.4)	4,832	8,932	(45.9)
United States and International	2,199	4,906	(55.2)	7,096	13,657	(48.0)
Rate per operating day[1]						
Canada (CDN$)	23,695	24,669	(3.9)	25,330	25,277	0.2
United States and International (CDN$)	30,223	22,842	32.3	32,269	23,422	37.8
United States and International (US$)	23,582	21,092	11.8	26,160	21,492	21.7
Utilization rate - operating day[1]						
Canada	34%	66%	(48.5)	31%	55%	(43.6)
United States and International	40%	96%	(58.3)	49%	84%	(41.7)
Number of drilling rigs at period end[4]						
Canada	82	61	34.4	82	61	34.4
United States and International	72	54	33.3	72	54	33.3
Barge Drilling Market						
Operating days[1]	-	334	(100.0)	57	837	(93.2)
Rate per operating day (CDN$)[1]	-	37,967	(100.0)	30,098	37,918	(20.6)
Rate per operating day (US$)[1]	-	35,072	(100.0)	26,130	34,836	(25.0)
Utilization rate - operating day[1]	-	73%	(100.0)	7%	61%	(88.5)
Number of barge drilling rigs at period end[4]	-	2	(100.0)	-	2	(100)
Number of barge drilling rigs under Bareboat Charter Agreements at period end[4]	-	3	(100.0)	-	3	(100.0)
TDI Joint Venture Operations[2]						
Operating days[1]	595			1,521		
Rate per operating day (CDN$)[1]	59,609			60,416		
Rate per operating day (US$)[1]	46,591			48,536		
Utilization rate - operating day[1]	99%			96%		
Number of drilling rigs at period end[4]	8	4	100.0	8	4	100.0
DCM Joint Venture Operations[3]						
Number of drilling rigs at period end[4]	2			2		
Number of service rigs at period end[4]	2			2		

1. See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document for further details.
2. Trinidad is party to a joint venture with a wholly-owned subsidiary of Halliburton (TDI). These rigs are owned by the joint venture. Operating data prior to 2015 has not been provided given the start-up nature of the operations.
3. As part of the CanElson acquisition, effective August 11, 2015, Trinidad acquired a 50% ownership of a joint venture operating under the name Diavaz CanElson de Mexico, S.A. de C.V. (DCM).
4. Refer to the Results from Operations section for details on the changes to the rig count.

OVERVIEW

Weak commodity prices and slowing customer demand in the third quarter and first nine months of 2015 led to lower activity levels and reduced profitably compared to the same periods last year. The impact of these challenging conditions was partly offset by the

addition of CanElson's operations during the third quarter and continuing strong performance from the Company's international joint venture operations.

In the third quarter and first nine months of 2015, adjusted EBITDA was $45.0 million and $139.7 million, respectively. Adjusted EBITDA decreased by 30.4% in the quarter and 20.1% year to date, compared to the same periods in 2014, as weaker market conditions reduced the number of operating days and continued to put downward pressure on dayrates. In reaction to these conditions, Trinidad reviewed its cost structure and resized its business to better manage through the downturn. The Company lowered general and administrative costs, restructured its manufacturing division and significantly lowered costs in non-core operating areas such as its barge drilling operations. In addition to these cost cutting initiatives, the impact of higher early termination and standby revenue and a growing contribution from Trinidad's international joint venture helped mitigate the impact of weaker customer demand on cash flow generation and margins in the current periods.

Trinidad recorded a net loss of $87.6 million or $0.48 per share - diluted in the quarter, down 557.4% from net income of $19.2 million in the same quarter last year, largely as a result of lower adjusted EBITDA, higher finance and transaction costs, and an impairment of goodwill and property and equipment, partly offset by lower depreciation and deferred income tax expenses in the current period. Year to date in 2015, Trinidad recorded a net loss of $77.0 million or $0.52 per share - diluted, down 482.8% from the same period last year. Net earnings decreased year to date as a result of the items impacting the current quarter and were further impacted by higher foreign exchange expense and a smaller gain on sale of property and equipment in the current period.

On August 11, 2015, Trinidad closed the previously announced acquisition of CanElson. This transaction added 51 land drilling rigs to Trinidad's operations across North America, growing the Company's geographic relevance in key operating areas, expanding its product offering and customer base, and reducing overall corporate leverage. The acquisition was financed through a combination of $295.2 million of shares issued and $50.0 million of cash paid. Integration of the operations began in the third quarter and is expected to be largely complete by the end of 2015.

After a brief improvement during the second quarter of 2015, crude oil prices continued to weaken in the third quarter of 2015. Natural gas prices increased slightly in the current quarter compared to the previous quarter of 2015 but remained weak year over year. Continued weakness in commodity prices led to cutbacks in capital spending for oil and gas producers and lower activity in the current quarter and year to date in 2015. Industry utilization in Canada typically improves in the third quarter as seasonal conditions allow rigs to return to work. In the third quarter of 2015, activity levels did improve from the previous quarter; however, the magnitude of improvement was significantly smaller than in 2014 and historical normal activity. The active rig count in the US continued to lower in the third quarter, reaching levels below those experienced in the 2009 industry downturn.

INDUSTRY STATISTICS

	2015 Q3	Q2	Q1	Full Year 2014	2014 Q4	Q3	Q2	Q1	Full Ye 2013
Commodity Prices									
Aeco natural gas price (CDN$ per gigajoule)	2.76	2.54	2.60	4.28	3.44	3.82	4.45	5.34	3.01
Henry Hub natural gas price (US$ per mmBtu)	2.75	2.73	2.87	4.36	3.76	3.94	4.59	5.15	3.72
Western Canada Select crude oil price (CDN$ per barrel)	41.22	59.40	43.52	82.00	65.42	85.68	91.34	85.81	75.84
WTI crude oil price (US$ per barrel)	46.48	57.85	48.49	93.06	73.21	97.60	103.06	98.72	98.01
Canadian / US dollar exchange rate	1.31	1.23	1.24	1.10	1.14	1.09	1.09	1.10	1.03
US Activity									
Average industry active land rig count[1]	829	935	1,403	1,789	1,843	1,828	1,781	1,705	1,685
Average Trinidad active land rig count[2]	26	24	30	50	52	53	47	48	50
Canadian Activity									
Average industry utilization [3]	24	% 13	% 35	% 44	% 45	% 46	% 28	% 58	% 40
Average Trinidad utilization [4]	32	% 7	% 46	% 52	% 57	% 61	% 24	% 68	% 48

1. Baker Hughes rig counts (information obtained from Tudor, Pickering, Holt & Co. weekly rig roundup report).
2. Includes US and international rigs.
3. Canadian Association of Oilwell Drilling Contractors (CAODC) utilization.
4. Based on drilling days (spud to rig release dates).

THIRD QUARTER AND YEAR-TO-DATE 2015 HIGHLIGHTS

- Adjusted EBITDA in the third quarter was $45.0 million and $139.7 million year to date in 2015, down 30.4% and 20.1% from the same periods last year. Adjusted EBITDA declined in the current periods largely as a result of lower activity in the Canadian and US operations driven by weakening commodity prices. The impact of lower activity levels was partly offset by the addition of the CanElson operations, higher early termination and standby revenue received in the US and international operations and a growing contribution from the Company's international joint venture with Halliburton.
- Operating income - net percentage was 43.9% in the third quarter and 41.9% year to date for 2015, up from 34.7% and 35.4% for the same periods in 2014. Operating income - net percentage increased as a result of higher early termination and standby revenue and cost cutting initiatives undertaken by Trinidad. In addition, in the current periods, there was lower manufacturing revenue than in the prior year. The manufacturing division typically generates lower margins than Trinidad's drilling operations as the external new builds are constructed for Trinidad's joint venture company and joint venture partner Halliburton at cost plus a small margin.
- Net loss was $87.6 million for the third quarter compared to net earnings of $19.2 million in the third quarter of 2014. Net loss was $77.0 million year to date for 2015 compared to net earnings of $20.1 million in the prior year. The decrease in net earnings from the prior year was largely driven by a larger impairment expense and higher foreign exchange expense in the current period, partly offset by lower depreciation and deferred income tax expenses. Year to date, net loss was also impacted by a lower gain on sale of property and equipment in the current year. The impairment expense recorded in the current period was $138.8 million, of which $26.9 million related to the remaining value on the Company's barge rigs and $111.8 million related to goodwill in its US and international operations.
- In the third quarter, Trinidad closed the previously announced acquisition of CanElson. This transaction added 51 rigs to Trinidad's operations across North America, increasing the Company's geographic market share in key operating areas, expanding its product offering and customer base, and reducing overall corporate leverage.
- At the end of the third quarter, Trinidad had Consolidated Total Debt to Bank EBITDA of 2.65:1. Due to the closing of the CanElson acquisition in the third quarter, Trinidad's maximum covenant is relaxed to 4.50:1 for the following two quarters, after which it reverts to 4.00:

RESULTS FROM OPERATIONS

Canadian Operations

	Three months ended September 30,			Nine months ended September 30,		
($ thousands except percentage and operating data)	2015	2014	% Change	2015	2014	% Change
Operating revenue[1]	50,981	84,481	(39.7)	123,412	225,769	(45.3)
Other revenue	142	180	(21.1)	215	1,260	(82.9)
	51,123	84,661	(39.6)	123,627	227,029	(45.5)
Operating costs[1]	29,604	47,843	(38.1)	73,201	130,867	(44.1)
Operating income[3]	21,519	36,818	(41.6)	50,426	96,162	(47.6)
Operating income - net percentage[3]	42.1 %	43.5 %		40.8 %	42.4 %	
Operating days[3]	2,109	3,424	(38.4)	4,832	8,932	(45.9)
Drilling days[3]	1,987	3,170	(37.3)	4,471	8,201	(45.5)
Rate per operating day (CDN$)[3]	23,695	24,669	(3.9)	25,330	25,277	0.2
Utilization rate - operating day[3]	34 %	66 %	(48.5)	31 %	55 %	(43.6)
Utilization rate - drilling day[3]	32 %	61 %	(47.5)	29 %	50 %	(42.0)
CAODC industry average[2]	24 %	46 %	(47.8)	24 %	43 %	(44.2)
Number of drilling rigs at period end	82	61	34.4	82	61	34.4

1. Operating revenue and operating costs for the three months ended September 30, 2015 and 2014 exclude third party recovery and third party costs of $4.5 million and $9.5 million, respectively. Operating revenue and operating costs for the nine months ended September 30, 2015 and 2014 exclude third party recovery and third party costs of $12.4 million and $28.9 million, respectively.
2. CAODC industry average is based on drilling days divided by total days available.
3. See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document for further details.

Trinidad's Canadian operations were impacted by weak commodity prices and reduced customer demand in the third quarter and first nine months of 2015. Lower activity levels resulted in reduced operating days, utilization and operating income in 2015, compared to the same period last year. The impact of weak industry conditions was slightly offset by the acquisition of CanElson, which added 28 drilling rigs to Trinidad's Canadian division during the third quarter.

Operating revenue for the three and nine months ended September 30, 2015, decreased by $33.5 million and $102.4 million, respectively, from 2014. Revenue declined entirely as a result of the reduction in operating days, which decreased by 38.4% and 45.9%, respectively. The impact of lower activity was slightly offset by the addition of the CanElson rigs, which contributed 459 operating days in the quarter. Despite the challenging market conditions, Trinidad was able to maintain utilization levels eight percentage points higher than the industry average, reflecting the Company's solid contract base and its ongoing focus on strong operational performance and safety. Dayrates remained relatively unchanged compared to the same periods last year as the

impact of weaker customer demand was largely offset by higher relative utilization of larger, high specification rigs.

Operating income - net percentage declined slightly in the three and nine months ended September 30, 2015, by 1.4% and 1.6%, respectively. Trinidad's operating costs are highly variable allowing the Company to lower its operating costs largely in line with the lower activity level. The slight decline in profitability was due to the fixed nature of some operating support costs spread over fewer operating rigs. Trinidad has continued to work with its suppliers to reduce costs in all aspects of its operations. As well, the Company continues to monitor repair and maintenance expenditures, incurring expenses on rigs only as they return to work.

In the third quarter of 2015, Trinidad's rig count increased by 21 rigs compared to the same quarter last year. The rig count increased as a result of the CanElson acquisition which added 28 rigs to the Canadian rig fleet in the third quarter. As well, one new build was delivered in the first quarter of 2015 from Trinidad's manufacturing operations, and eight rigs were decommissioned at December 31, 2014.

Third quarter of 2015 versus second quarter of 2015

Operating revenue and operating income increased by $38.9 million and $18.2 million, respectively, in the third quarter of 2015, compared to the second quarter of 2015. The second quarter is typically affected by spring break-up, as weather conditions and road bans restrict the movement of heavy equipment, resulting in lower activity. During the third quarter, drilling activity typically increases as areas become more accessible to drilling rigs. Dayrates declined in the current quarter by 25.3% to $23,695 per day compared to $31,731 per day in the previous quarter. The second quarter had fewer operating days but higher relative utilization of high specification rigs, driving a higher average dayrate. The third quarter had more operating days and a more diverse group of rigs working, reflecting a more normalized dayrate in the period. Operating margin - net percentage increased in the third quarter to 42.1% compared to 27.4% in the second quarter of 2015 as a result of higher revenue generation combined with cost control programs implemented earlier in the year.

United States and International Operations

	Three months ended September 30,			Nine months ended September 30,		
($ thousands except percentage and operating data)	2015	2014	% Change	2015	2014	% Change
Operating revenue[1]	66,454	124,742	(46.7)	230,744	351,643	(34.4)
Other revenue	87	99	(12.1)	472	212	122.6
	66,541	124,841	(46.7)	231,216	351,855	(34.3)
Operating costs[1]	35,526	82,588	(57.0)	118,614	230,998	(48.7)
Operating income[1]	31,015	42,253	(26.6)	112,602	120,857	(6.8)
Operating income - net percentage[2]	46.6 %	33.8 %		48.7 %	34.3 %	
Land Drilling Rigs						
Operating days[2]	2,199	4,906	(55.2)	7,096	13,657	(48.0)
Drilling days[2]	1,964	4,303	(54.4)	6,168	11,881	(48.1)
Rate per operating day (CDN$)[2]	30,223	22,842	32.3	32,269	23,422	37.8
Rate per operating day (US$)[2]	23,582	21,092	11.8	26,160	21,492	21.7
Utilization rate - operating day[2]	40 %	96 %	(58.3)	49 %	84 %	(41.7)
Utilization rate - drilling day[2]	35 %	85 %	(58.8)	43 %	73 %	(41.1)
Number of drilling rigs at period end	72	54	33.3	72	54	33.3
Barge Drilling Rigs						
Operating days[2]	-	334	(100.0)	57	837	(93.2)
Rate per operating day (CDN$)[2]	-	37,967	(100.0)	30,098	37,918	(20.6)
Rate per operating day (US$)[2]	-	35,072	(100.0)	26,130	34,836	(25.0)
Utilization rate - operating day[2]	-	73 %	(100.0)	7 %	61 %	(88.5)
Number of barge drilling rigs at period end	-	2	(100.0)	-	2	(100.0)
Number of barge drilling rigs under Bareboat Charter Agreements at period end	-	3	(100.0)	-	3	(100.0)

1. Operating revenue and operating costs for the three months ended September 30, 2015 and 2014 exclude third party recovery and third party costs of $1.6 million and $3.7 million, respectively. Operating revenue and operating costs for the nine months ended September 30, 2015 and 2014 exclude third party recovery and third party costs of $6.5 million and $13.4 million, respectively.
2. See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document for further details.

In the three months and nine months ended September 30, 2015, Trinidad's US and international operations were also impacted by

lower commodity prices and reduced capital spending by oil and gas producers. Despite these market conditions, Trinidad recorded increased operating income - net percentage and higher dayrates compared to the prior year, mainly as a result of increased early termination revenue recorded in 2015. Additionally, Trinidad's overall revenue generation was positively impacted by the CanElson acquisition which added 21 rigs to the US drilling operations during the third quarter of 2015. As well, Trinidad's US and international operations were positively impacted by the foreign exchange fluctuations in 2015 as the US dollar was significantly stronger than the Canadian dollar in the current periods.

Dayrates in the three and nine months ended September 30, 2015 for the US land drilling operations increased by US$2,490 per day and US$4,668 per day, respectively, when compared to 2014. Dayrates increased in the current periods mainly as a result of higher early termination and standby revenue recorded in 2015. Additionally, a change in rig mix led to a higher proportion of contracted high specification rigs operating in the current year. Excluding all early termination and standby revenue, dayrates increased by US$864 per day in the current quarter and US$373 per day year to date, compared to the same periods last year reflecting the higher specification rigs operating in 2015.

Utilization for land rigs decreased to 40% and 49%, respectively, in the three and nine months ended September 30, 2015, compared to 96% and 84%, respectively, for the same periods in 2014. Operating days recorded in 2015 were also lower by 2,707 days and 6,561 days, respectively, in the first three and nine months of 2015 compared to the prior year. During 2015, lower commodity prices caused oil and gas producers to significantly cut back capital programs, which was reflected in Trinidad's utilization and operating days in 2015. The reduction in operating days was slightly offset by the CanElson acquisition which closed in August of 2015 and added 273 additional operating days to the current quarter.

Trinidad's drilling contracts assisted in mitigating the effects of weakened industry conditions in 2015, as a number of customers chose to terminate contracts early due to reduced capital spending plans. Early termination and standby revenues for the three and nine months ended September 30, 2015 was US$6.8 million and US$34.7 million, respectively (2014 - US$0.3 million and US$7.8 million, respectively). The early termination and standby revenues reflect the operating income that would have been recorded over the period of time the contract was originally extended. For the three months ended September 30, 2015 and 2014, all early termination revenue would have been earned in the current period had the contracts remained ongoing. For the nine months ended September 30, 2015 and 2014, US$2.6 million and US$1.3 million, respectively, would have been earned outside of the current period had the contracts remained ongoing.

Operating income - net percentage increased quarter over quarter and year over year in 2015 compared to the same periods in 2014. Higher early termination and standby revenue combined with a stronger US dollar versus Canadian dollar had a positive impact on revenue generation and operating income - net percentage as this revenue has no associated costs, which causes an increase in the margin. As a result of weaker industry conditions and lower activity levels, Trinidad has reduced its operating cost structure. In addition to lower wages and reduced headcount, the Company has closed field offices and reduced supply costs wherever possible.

At September 30, 2015, Trinidad's US and international rig count totaled 72 rigs, an increase of 18 rigs from the same period last year. The rig count increased as a result of the addition of 21 rigs from the CanElson acquisition, three contracted new build rigs delivered by Trinidad's manufacturing division during 2015, and one new rig in the Middle East. This was partly offset by the decommissioning of seven rigs at December 31, 2014.

Operations in the barge drilling market reflected the continued softening of market conditions in 2015 and Trinidad recorded no operating days during the second and third quarters of the current year. As dayrates in the industry continued to decline and competition intensified for available drilling work, Trinidad chose to stack all five barge rigs during the first quarter of 2015. The Company scaled back staffing levels and costs to reflect the current market and Trinidad did not extend the Bareboat Charter Agreements that expired at the end of the first quarter. Due to the downturn of the barge market, Trinidad has decided not to market its barge rigs in the near term in order to focus on its core land drilling business. Therefore, as of September 30, 2015, all barge rigs have been removed from Trinidad's rig count, and all barge rig assets have been impaired to nil value.

Third quarter of 2015 versus second quarter of 2015

Compared to the second quarter of 2015, operating revenue and operating income decreased by $6.6 million and $7.1 million, respectively, in the third quarter of 2015. Activity levels and utilization continued to decline as commodity prices remained weak causing lower customer demand. This decrease in activity was partly offset by the CanElson acquisition which allowed Trinidad to record 273 additional operating days in the third quarter. The Company recorded US$6.8 million of early termination and standby revenue in the third quarter of 2015 compared to US$11.8 million in the second quarter of 2015. Excluding all early termination and standby revenue in each quarter, land drilling dayrates were US$1,017 lower on average in the third quarter than in the second quarter.

Trinidad recorded no operating days in the barge drilling operations in either of the second or third quarter of 2015 due to the continued downturn in the barge rig market. As at September 30, 2015, the Company decided to focus on its core land drilling business and does not intend to operate in the barge drilling market in the near term. As such, the remaining two barge rigs have been removed from Trinidad's rig count, and all barge rig assets have been impaired to nil value.

Joint Venture Operations

Trinidad Drilling International (TDI):

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

	Three months ended September 30,			Nine months ended September 30,		
($ thousands except percentage and operating data)	2015	2014(2)	% Change	2015	2014(2)	% Change
Operating revenue	36,954	11,136	231.8	95,053	24,589	286.6
Operating costs	20,026	7,161	179.7	52,620	14,483	263.3
Operating income[1]	16,928	3,975	325.9	42,433	10,106	319.9
Operating income - net percentage[1]	45.8 %	35.7 %		44.6 %	41.1 %	
Operating days[1]	595			1,521		
Rate per operating day (CDN$)[1]	59,609			60,416		
Rate per operating day (US$)[1]	46,591			48,536		
Utilization rate - operating day[1]	99 %			96 %		
Number of drilling rigs at period end	8	4	100.0	8	4	100.0
Number of active drilling rigs at period end	7	3	133.3	7	3	133.3

1. See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document for further details.
2. Operating data prior to the first quarter of 2015 has not been provided given the start-up nature of the operations.

Operating revenue for the three and nine months ended September 30, 2015, increased by $25.8 million and $70.5 million, respectively, relative to the same periods in the prior year. These increased are due to expanding operations in each of Saudi Arabia and Mexico. Trinidad recorded increased operating days in 2015 on the four rigs located in Saudi Arabia. Additionally, at September 30, 2015, all four of TDI's Mexico rigs were in country and were either actively drilling, or waiting on location and collecting standby and mobilization revenue. As these rigs were delivered over the past 12 months, this has significantly improved operations in the current year.

For the three and nine months ended September 30, 2015, dayrates were positively impacted by mobilization and standby revenue recorded on TDI's Mexico rigs. Operating income and operating income - net percentage also increased in the current periods, driven by increasing activity levels as well as mobilization and standby revenue. Mobilization and standby revenue is recorded with no associated operating days or operating costs, increasing the overall average dayrate and operating income - net percentage.

TDI took ownership of the remaining two rigs for its Mexican operations in the first quarter of 2015, bringing the total rig count in the joint venture to eight. As at September 30, 2015, TDI had all four rigs in Saudi Arabia and three rigs in Mexico drilling, with the remaining Mexico rig waiting on location.

Diavaz CanElson de Mexico, S.A. de C.V. (DCM):

As part of the CanElson acquisition, which closed effective August 11, 2015, Trinidad acquired a 50% ownership of Diavaz CanElson de Mexico, S.A. de C.V., a joint venture which operates drilling and service rigs in Mexico. DCM currently has two drilling rigs and two service rigs in Mexico. For the period August 11 to September 30, Trinidad's portion of DCM's income was a loss of $0.2 million due to minimal operations during this period. Subsequent to the quarter close, DCM had one service rig and one land rig begin operations.

Manufacturing Operations

	Three months ended September 30,			Nine months ended September 30,		
($ thousands except percentage)	2015	2014	% Change	2015	2014	% Change
Operating revenue[1]	162	21,452	(99.2)	39,049	42,719	(8.6)
Other revenue	(2)	32	(106.3)	4	45	(91.1)
	160	21,484	(99.3)	39,053	42,764	(8.7)
Operating costs[1]	977	20,330	(95.2)	36,986	39,414	(6.2)
Operating income[2]	(817)	1,154	(170.8)	2,067	3,350	(38.3)
Operating income - net percentage[2]	(510.6 %)	5.4 %		5.3 %	7.8 %	

1. For the three months ended September 30, 2015, excluded from operating revenue and operating costs are downstream elimination entries of $3.1 million and $3.0 million, respectively (2014 - $17.3 million and $16.3 million, respectively). For the nine months ended September 30, 2015, excluded from operating revenue and operating costs are downstream elimination entries of $54.6 million and $52.0 million, respectively (2014 - $34.1 million and $31.5 million, respectively). These entries remove Trinidad's percentage of profits related to the manufacturing of rigs for the TDI joint venture.
2. See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document for further details.

Activity in Trinidad's manufacturing operations declined significantly in the current quarter as rig construction was largely complete. During the quarter, the Company restructured its manufacturing operations, resizing its cost base to better reflect the weak industry conditions and lower activity levels. These changes are expected to reduce operating costs in future periods.

For the nine months ended September 30, 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 Halliburton. For the nine months ended September 30, 2014, Trinidad recognized revenue and expenses related to the rigs it was building for the joint venture operations in Saudi Arabia and Mexico, as well as amounts related to the training rigs it was building for Halliburton.

During 2015, Trinidad constructed three new rig builds under long-term, take-or-pay contracts for its US operations. The rigs were all high performance Candrill, 1,500 horsepower, alternating current (AC) rigs with walking systems and 7,500 pounds per square inch (PSI) circulating systems. One of the rigs was completed in each of the first, second and third quarters of 2015.

The purpose of the manufacturing operations is to support rig builds, rig maintenance and re-certifications for all of Trinidad's divisions, including all associates and joint ventures. Management does not commit to building a rig with the intention to earn significant profits on the rig build, and instead evaluates projects based on capital allocation and returns for the Company as a whole. All contracts are based on a cost-plus formula which is calculated in order for Trinidad to break even on rig builds when all costs, including general and administrative expenses, are factored in. Contracts are negotiated depending on the Company's varying involvement, which can range from full scale design and manufacturing to project management with a large degree of outsourcing.

Trinidad continues to support current operations through its manufacturing division; however, no rig builds are scheduled at this time.

FINANCIAL HIGHLIGHTS - QUARTERLY ANALYSIS

	2015			2014				2013
($ millions except per share data and operating data)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	124.3	95.2	194.4	276.4	244.5	168.9	251.5	224.6
Operating income[1]	52.0	41.9	72.3	93.9	80.5	45.6	95.2	99.6
Operating income percentage[1]	41.8 %	44.0 %	37.2 %	34.0 %	32.9 %	27.0 %	37.8 %	44.4 %
Operating income - net percentage[1]	43.9 %	46.3 %	38.5 %	35.6 %	34.7 %	28.3 %	41.1 %	47.0 %
Net (loss) earnings	(87.6)	(1.5)	12.1	(13.5)	19.2	(24.8)	25.9	28.8
Adjustments for:								
Depreciation and amortization	26.6	19.7	23.6	34.0	33.4	27.3	30.3	29.5
Foreign exchange	3.3	-	6.2	(0.1)	0.5	1.5	3.1	0.9
(Gain) loss on sale of property and equipment	(0.6)	(0.4)	(1.1)	3.5	0.1	(1.3)	(10.5)	0.1
Impairment of property and equipment	26.9	-	-	56.9	-	20.6	-	-
Impairment of goodwill	111.8	-	-	-	-	-	-	-
(Gain) loss from investment in joint ventures	(2.8)	(0.6)	(1.2)	(1.3)	1.6	(0.4)	0.1	0.8
Finance and transaction costs	17.9	12.9	11.4	9.8	9.7	10.0	10.0	12.0
Income taxes	(56.1)	(3.4)	4.4	(8.9)	4.9	(7.2)	15.3	11.1
Interest Income	-	-	-	-	(0.1)	(0.1)	(0.2)	(0.1)
Other expense	(1.9)	1.4	2.9	0.6	(4.0)	5.3	5.5	1.5
Income taxes paid	(1.1)	(2.0)	(1.6)	(0.3)	(0.7)	(0.7)	(0.5)	(1.8)
Income taxes recovered	2.9	0.1	0.2	0.4	1.3	0.2	0.3	1.5
Interest paid	(22.9)	(1.1)	(20.7)	(1.4)	(19.5)	(0.5)	(18.7)	(1.1)
Interest received	-	-	-	-	0.1	0.1	0.2	0.1
Funds provided by operations	16.4	25.1	36.1	79.7	46.5	30.0	60.8	83.3
Net earnings (loss) per share (diluted)[1]	(0.48)	(0.01)	0.09	(0.10)	0.14	(0.18)	0.19	0.23
Funds provided by operations per share (diluted)[1]	0.09	0.19	0.27	0.58	0.34	0.22	0.44	0.67

1. See the Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document for further details.

NON-GAAP MEASURES HIGHLIGHTS - QUARTERLY ANALYSIS

	2015			2014				2013
($millions except per share data)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
EBITDA[1]	(99.1)	27.7	51.5	21.3	67.2	5.4	81.3	81.2
Per share (diluted)[2]	(90.54)	0.21	0.39	0.15	0.48	0.04	0.58	0.65
Adjusted EBITDA[1]	45.0	34.7	60.0	77.3	64.6	30.6	79.4	83.8
Per share (diluted)[2]	0.25	0.26	0.45	0.56	0.47	0.22	0.57	0.68
Adjusted net (loss) earnings[1]	1.0	(0.3)	18.0	23.6	14.6	(5.6)	27.7	31.2
Per share (diluted)[2]	0.01	-	0.13	0.17	0.11	(0.04)	0.20	0.25

1. See the Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document for further details.
2. 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.

OPERATING HIGHLIGHTS - QUARTERLY ANALYSIS

	2015			2014				2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Land Drilling Market								
Operating days[1]								
Canada	2,109	380	2,343	3,271	3,424	1,430	4,077	2,935
United States and International	2,199	2,202	2,695	4,820	4,906	4,441	4,311	4,470
Rate per operating day[1]								
Canada (CDN$)	23,695	31,731	25,764	26,624	24,669	26,338	25,415	25,102
United States and International (CDN$)	30,223	33,184	33,194	25,150	22,842	22,890	24,630	27,243
United States and International (US$)	23,582	26,755	27,778	22,476	21,092	20,819	22,641	26,213
Utilization rate - operating day[1]								
Canada	34%	8%	50%	62%	66%	26%	74%	52%
United States and International	40%	50%	61%	97%	96%	80%	76%	71%
Number of drilling rigs at period end[4]								
Canada	82	54	54	53	61	59	61	61
United States and International	72	49	47	47	54	56	61	64
Barge Drilling Market								
Operating days (1)	-	-	57	212	334	259	244	394
Rate per operating day (CDN$)[1]	-	-	29,993	36,616	37,967	37,953	37,815	34,810
Rate per operating day (US$)[1]	-	-	26,051	32,795	35,072	34,599	34,767	33,490
Utilization rate - operating day[1]	-	-	13%	46%	73%	57%	54%	86%
Number of barge drilling rigs at period end[4]	-	2	2	2	2	2	2	2
Number of barge drilling rigs under Bareboat Charter Agreements at period end[4]	-	-	3	3	3	3	3	3
TDI Joint Venture Operations[2]								
Operating days[1]	595	516	410					
Rate per operating day (CDN$)[1]	59,609	60,555	61,412					
Rate per operating day (US$)[1]	46,591	48,959	50,825					
Utilization rate - operating day[1]	99%	95%	94%					
Number of drilling rigs at period end[4]	8	8	8	6	4	4	3	
DCM Joint Venture Operations[3]								
Number of drilling rigs at period end[4]	2							
Number of service rigs at period end[4]	2							

1. See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section at the end of this document for further details.
2. Trinidad is party to a joint venture with a wholly-owned subsidiary of Halliburton (TDI). These rigs are owned by the joint venture. Operating data prior to 2015 has not been provided due to the start-up nature of the operations.
3. As part of the CanElson acquisition, effective August 11, 2015, Trinidad acquired 50% ownership of a joint venture operating under the name Diavaz CanElson de Mexico, S.A. de C.V. (DCM).
4. Refer to the Results from Operations section for details on changes to the rig count.

GENERAL AND ADMINISTRATIVE

	Three months ended September 30,			Nine months ended September 30,		
($ thousands except percentage)	2015	2014	% Change	2015	2014	% Change
General and administrative [1]	14,388	15,867	(9.3)	44,029	46,660	(5.6)
% of revenue	11.6%	6.5%		10.6%	7.0%	
Share-based payment expense	(2,202)	(5,108)	56.9	(473)	4,223	(111.2)
Third party recoverable costs	292	311	(6.1)	1,092	962	13.5
Total general and administrative	12,478	11,070	12.7	44,648	51,845	(13.9)
% of revenue	10.0%	4.5%		10.8%	7.8%	

1. General and administrative expenses excluding share-based payment expense and third party recoverable costs. This number is discussed as "Other G&A" per the below analysis.

For the three and nine months ended September 30, 2015, total general and administrative (G&A) expenses increased by 12.7% and decreased by 13.9%, respectively, when compared to the same periods in 2014.

For the three and nine months ended September 30, 2015, Other G&A expenses decreased by $1.5 million and $2.6 million, respectively, when compared to the prior year. In light of poor market conditions, Trinidad implemented several measures in the first quarter of 2015 to lower its G&A expenses. These measures included a headcount reduction, a 10% reduction in salaries and board fees for all executives and directors and a company-wide average wage rollback of 7% for salaried employees. Additionally, Trinidad has significantly reduced expenditures in non-core business activities. As such, cost savings in Trinidad's barge market operations reduced overall G&A in 2015. These reductions were partly offset by higher rent expense recorded in 2015 as well as added costs related to the CanElson acquisition. Additional cost control measures have been implemented in the fourth quarter of 2015 and are expected to continue to lower Other G&A expenses for the remainder of 2015 and into 2016.

For the three months ended September 30, 2015, share-based payment expense increased by $2.9 million compared to the same period in 2014. In the prior year, Trinidad recorded a credit as a result of a decrease in share price and a large number of Performance Share Units (PSUs) were forfeited. These combined factors caused a decrease in the PSU liability, offsetting the expense. When compared to the current quarter, this credit resulted in an increase in the share-based payment expense in the third quarter of 2015.

For the nine months ended September 30, 2015, share-based payment expenses decreased by $4.7 million mainly due to a lower share price in 2015. This decrease was partly offset by an increase in the number of Deferred Share Units and PSU's outstanding during the current year.

Third party recoverable costs relate to costs incurred by Trinidad on behalf of the TDI joint venture. As these costs are fully recoverable, Trinidad records a related revenue entry for this same amount, causing a nil net income effect.

FINANCIAL SUMMARY

As at	September 30,	December 31,	
($ thousands)	2015	2014	$ Change
Working capital [1]	92,797	166,502	(73,705)
Senior notes	598,317	519,759	78,558
Credit facility	84,888	15,000	69,888
Limited partnership loans	2,854	-	2,854
	686,059	534,759	151,300
Less: unamortized debt issue costs	(5,917)	(6,951)	1,034
Total long-term debt	680,142	527,808	152,334
Total long-term debt as a percentage of assets	28.7%	27.2%	
Total assets	2,372,949	1,941,621	431,328
Total long-term liabilities	811,101	628,047	183,054
Total long-term liabilities as a percentage of assets	34.2%	32.3%	
Nine months ended June 30,	2015	2014	$ Change
Cash provided by operations	108,794	150,662	(41,868)
Cash used by investing	(205,259)	(262,334)	57,075
Cash provided (used) by financing	41,227	(20,132)	61,359

1. See Non-GAAP Measures Definitions section at the end of this document for further details.

For the nine months ended September 30, 2015, working capital decreased by $73.7 million when compared to December 31, 2014, due to a decrease in current assets of $126.1 million partly offset by a decrease in current liabilities of $52.3 million.

Current assets decreased in the year mainly due to a reduction in accounts receivable as a result of lower activity in 2015. As well, costs included in inventory and prepaid expenses at December 31, 2014, mainly relating to the manufacturing of external rig builds, were removed as Trinidad's manufacturing division completed work on the remaining external builds in the first half of 2015.

Current liabilities decreased in the current period mainly as a result of a decrease in accounts payable due to lower activity during the period for operations in Canada and the US, combined with lower activity on external rig builds. Deferred revenue declined as the manufacturing division completed its external rig builds and recognized the corresponding amounts collected in advance. This was slightly offset by the increase in dividends payable due to the increased number of shares outstanding at September 30, 2015 versus December 31, 2014, as well as an increase in the current portion of long-term debt due to acquired debt balances. Both of these increases were a result of the CanElson acquisition.

Trinidad's total long-term debt balance at September 30, 2015 increased by $152.3 million compared to December 31, 2014. This increase was largely due to an increase in the Senior Notes at September 30, 2015, as a result of the increase in the US to Canadian dollar exchange rate at quarter end, 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 exchange rates. The Senior Notes are due on January 15, 2019 and interest is payable semi- annually in arrears on January 15 and July 15. At September 30, 2015, $84.9 million was drawn on Trinidad's Canadian dollar revolving credit facility, compared to $15.0 million at December 31, 2014.

At September 30, 2015, the Company has available capacity of $115.1 million on its $200.0 million Canadian revolving facility and the entire US$200 million of the US revolving facility. In addition, Trinidad had $24.7 million in cash on hand.

The Canadian and US revolving facilities require quarterly interest payments that are based on Bankers Acceptance and LIBOR rates and incorporate a tiered interest rate, which varies depending on the results of the Consolidated Total Debt to EBITDA ratio.

Capital Expenditures

Nine months ended September 30,		
($ thousands)	2015	2014
New builds	54,837	113,834
Capital upgrades and enhancements	19,274	63,647
Maintenance and infrastructure	11,487	25,765
Capital spares inventory	27,958	-
Total	113,556	203,246

During the nine months ended September 30, 2015, a total of $113.6 million was spent on capital expenditures compared to $203.2 million in the prior year. These capital expenditures were substantially related to the Company's rig build program for its US operations as well as completing upgrades on existing equipment and capital inventory related to canceled projects for new builds and upgrades.

In addition to the amounts above, Trinidad spent $39.3 million related to its portion of capital spending for the TDI joint venture in the first three quarters of 2015. TDI took ownership of the remaining two rigs for its Mexican operations in the first quarter of 2015.

2015 Annual Capital Budget

($thousands)	
Growth capital (Trinidad owned equipment)	95,000
Capital inventory	35,000
Maintenance and infrastructure capital	15,000
	145,000
Joint venture capital (Trinidad's 60% share)	40,000
Total 2015 capital budget	185,000

In 2015, Trinidad expects to spend a total of approximately $185.0 million on capital projects, which includes the original $175.0 million plus an additional $10.0 million due to the CanElson acquisition. This total includes the completion of three US new

builds for Trinidad's fleet and two Mexican new builds for the joint venture. Certain items purchased for new builds and upgrades that have been cancelled will be put into capital inventory for use in Trinidad's existing fleet and future operations.

CanElson Acquisition

Effective August 11, 2015, Trinidad acquired all of the issued and outstanding shares of CanElson at 1.0631 common shares of Trinidad for each CanElson share, or $4.90 in cash per CanElson share to a maximum cash consideration of $50.0 million. As a result of the elections made by CanElson shareholders, Trinidad paid the full $50.0 million in cash and the remainder of the acquisition in common shares. The consideration paid for this acquisition was $70.9 million in net cash and $295.2 million in equity value (88,661,926 Trinidad common shares); whereby Trinidad acquired total capital additions worth a fair value of $395.0 million.

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, 2015	December 31, 2014	THRESHOLD
Consolidated Senior Debt to Consolidated Bank EBITDA (1)	0.29:1	(0.18):1	3.50:1 maximum
Consolidated Total Debt to Consolidated Bank EBITDA (1)	2.65:1	1.93:1	4.50:1 maximum
Consolidated Bank EBITDA to Consolidated Cash Interest Expense (1)	4.80:1	6.20:1	2.75:1 minimum

1. Please see the Non-GAAP Measures Definitions section at the end of this document for further details.

At September 30, 2015, Consolidated Total Debt to Bank EBITDA was 2.65 times, compared to 1.93 times at December 31, 2014. Consolidated Total Debt to Bank EBITDA increased due to lower adjusted EBITDA for the first half of 2015 compared to the prior year and a higher debt balance at September 30, 2015, resulting from a stronger US dollar translation and draws on the credit facility. Due to the CanElson acquisition, Trinidad has been granted a covenant relaxation for the Consolidated Total Debt to Consolidated Bank EBITDA from 4.00 to 4.50 for the fourth quarter of 2015 and the first quarter of 2016. Additionally, Trinidad will be including an amount of EBITDA related to the twelve trailing months based on the amount that would have been included had Trinidad acquired CanElson during this time.

Consolidated Bank EBITDA does not include EBITDA from investment in the joint ventures. Dividends paid to Trinidad from the joint venture would be eligible for inclusion in Consolidated Bank EBITDA in the period that payment occurs. At September 30, 2015, the cumulative adjusted EBITDA from the investment in the TDI joint venture was $21.2 million, of which no amounts have been paid back by the joint venture. Given the start-up nature of the operations, no payments of cumulative adjusted EBITDA from investment in the TDI joint venture have been made. If Trinidad's portion of the unpaid cumulative adjusted EBITDA from TDI's joint venture was included at September 30, 2015, the Total Debt to Bank EBITDA would be 2.37:1.

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

OUTLOOK

To date in the fourth quarter, activity levels in North America have remained relatively stable with those experienced towards the end of the third quarter. Crude oil prices continue to trade in a band between US$40 and US$50 per barrel, keeping the active rig count low and limiting the number of plays that are economic for oil and gas producers. Dayrates remain under pressure and Trinidad anticipates that these market conditions will remain in place throughout the upcoming winter drilling season and into 2016, unless there is an improvement in commodity prices.

Trinidad has restructured its business to operate in this weaker environment, further lowering its headcount and continuing to work with suppliers to lower costs. While these changes do not entirely offset the impact of lower activity levels and dayrates, the Company has significantly lowered its cost structure and has been able to maintain reasonable margins and cash flow generation in this challenging environment.

Following the close of the CanElson acquisition in the third quarter, Trinidad's management team has been focused on integrating the operations. To date, the integration of CanElson is progressing as planned and Trinidad expects the operations to be substantially integrated by the end of 2015.

Trinidad's joint venture operations with Halliburton continue to operate well, providing stable activity levels and profitability. The

Company is evaluating a number of international opportunities with the potential to relocate existing idle assets to international locations. These opportunities are both through the Halliburton joint venture and for Trinidad independently.

Trinidad's contracts have helped to mitigate the effect of some of the weakness in the industry conditions to date in 2015. The long -term contracts have provided a level of stability and lump sum payments, partially offsetting lower activity levels on the remainder of the fleet. Trinidad currently has approximately 35% of its fleet under long-term contracts with an average term remaining of just under 1.5 years.

Trinidad is currently evaluating its 2016 capital program and while the details are yet to be confirmed, the Company expects to be extremely prudent with its expenditures. Capital expenditures are highly variable in the drilling business and Trinidad is able to significantly limit its cash outflows. Trinidad expects to use current inventory on future projects, thus reducing the capital expenditures required in the future.

At the end of the third quarter, Trinidad had $84.9 million drawn on its credit facility, with $115.1 million remaining on its Canadian credit facility and US$200.0 million available on its US credit facility. In addition, Trinidad had $24.7 million of cash on hand at the end of the third quarter. The Company also has the ability to repatriate cash totaling $21.2 million from its joint venture with Halliburton (TDI). Trinidad is responsive to market conditions and focused on preserving financial flexibility, as demonstrated by its fourth quarter dividend reduction. The relaxation of Trinidad's covenants following the CanElson acquisition and the ability to bring cash back from its TDI joint venture give the Company more room within its covenants; however, Trinidad will continue to monitor market conditions closely and will maintain an open dialogue with its banking syndicate.

The past year has proven to be a challenging time in the oilfield services sector. Trinidad has risen to this challenge, resizing its operations and improving its efficiencies to manage through the downturn. These changes along with an ongoing focus on safe, well-performing operations help differentiate Trinidad from its competition and maintain its strong position in the drilling industry.

CONFERENCE CALL

Conference Call:	Wednesday, November 4, 2015 9:00 a.m. MT (11:00 a.m. ET) 877-291-4570 (toll-free in North America) or 647-788-4922 approximately 10 minutes prior to the conference c
Archived Recording:	Available from approximately 12:30 p.m. MT on November 4, 2015 until midnight November 18, 2015. The dia 800-585-8367or 416-621-4642. Conference ID: 36597064.
Webcast:	Available at https://www.trinidaddrilling.com/investors/events-presentations

TRINIDAD DRILLING LTD.

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 North American oil and natural gas industry, with operations in Canada and the United States (US). 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, 2015	December 31, 2014
Assets		
Current Assets		
Cash and cash equivalents	24,727	71,062
Accounts receivable	169,216	223,750
Inventory	16,186	29,618
Prepaid expenses	8,003	19,755
	218,132	344,185
Property and equipment	1,841,088	1,325,730
Intangible assets and goodwill	14,771	99,678
Deferred income taxes	49,945	8,070
Investment in joint ventures	249,013	163,958

	2,372,949	1,941,621
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	108,747	156,003
Dividends payable	11,104	6,758
Deferred revenue and customer deposits	2,630	14,922
Current portion of long-term debt	2,854	-
	125,335	177,683
Long-term debt	677,288	527,808
Deferred income taxes	116,439	100,239
Non-controlling interest	17,374	-
	936,436	805,730
Shareholders' Equity		
Common shares	1,374,656	1,093,426
Contributed surplus	64,851	59,005
Accumulated other comprehensive income	177,340	62,470
Deficit	(180,334)	(79,010)
	1,436,513	1,135,891
	2,372,949	1,941,621

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME AND LOSS

	Three months ended September 30,		Nine mo Septem
($ thousands) - unaudited	2015	2014	2015
Revenue			
Oilfield service revenue	123,766	243,916	412,111
Other revenue	519	622	1,783
	124,285	244,538	413,894
Expenses			
Operating expense	72,276	164,002	247,707
General and administrative	12,478	11,070	44,648
Depreciation and amortization	26,648	33,389	69,953
Foreign exchange	3,318	509	9,517
(Gain) loss on sale of property and equipment	(635)	105	(2,119
Impairment of property and equipment	26,937	-	26,937
Impairment of goodwill	111,847	-	111,847
	252,869	209,075	308,490
(Gain) loss from investment in joint ventures	(2,824)	1,645	(4,741
Finance and transaction costs	17,947	9,715	42,267
(Loss) earnings before income taxes	(143,707)	24,103	(132,12
Income taxes			
Current	134	(267)	3,371
Deferred	(56,089)	5,214	(58,538
	(56,089)	4,947	(55,167
Net (loss) income	(87,618)	19,156	(76,955
Other comprehensive income			
Foreign currency translation adjustment for foreign operations, net of income tax	58,980	33,497	114,870
Foreign currency translation adjustment for non-controlling interest, net of income tax	279	-	279
	59,259	33,497	115,149

Total comprehensive income	(28,359)	52,653	38,194
Net (loss) Income attributable to:			
Shareholders of Trinidad	(87,540)	19,156	(76,877)
Non-controlling interest	(78)	-	(78)
Total comprehensive income (loss) attributable to:			
Shareholders of Trinidad	(28,560)	52,653	37,993
Non-controlling interest	201	-	201
Earnings per share			
Net (loss) income			
Basic / Diluted	(0.48)	0.14	(0.51)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For nine months ended September 30, 2015 and 2014

($ thousands) - unaudited	Common shares	Contributed surplus	Accumulated other comprehensive income(1)	(Deficit)	Total equity
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 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
Balance at December 31, 2013	1,117,197	50,607	4,404	(58,120)	1,114,088
Exercise of stock options	807	(215)	-	-	592
Share-based payment expense	-	421	-	-	421
Total comprehensive income	-	-	34,753	20,103	54,856
Dividends	-	-	-	(20,728)	(20,728)
Balance at September 30, 2014	1,118,004	50,813	39,157	(58,745)	1,149,229

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	2015	2014
Cash provided by (used in)		
Operating activities		
Net (loss) earnings	(76,955)	20,103
Adjustments for:		
Depreciation and amortization	69,953	91,074
Foreign exchange	9,517	5,298
(Gain) on sale of property and equipment	(2,119)	(11,704)
Impairment of property and equipment	26,937	20,630
Impairment of goodwill	111,847	-
(Gain) loss from investment in joint ventures	(4,741)	1,357
Finance and transaction costs	42,267	29,723
Income taxes	(55,167)	13,007
Interest income	(32)	(376)
Other [1]	2,392	6,819
Income taxes paid	(4,729)	(1,795)
Income taxes recovered	3,208	1,768

Interest paid	(44,794)	(38,584)
Interest received	32	376
Funds provided by operations	77,616	137,696
Change in non-cash operating working capital	31,293	12,966
Cash provided by operations	108,909	150,662
Investing activities		
Purchase of property and equipment	(113,556)	(203,246)
Proceeds from disposition of property and equipment	5,481	132,678
Investment in joint ventures	(50,759)	(147,396)
Acquisition of CanElson (net)	(70,911)	-
Purchase of intangibles	(1,082)	-
Change in non-cash working capital	25,568	(44,370)
Cash used by investing	(205,259)	(262,334)
Financing activities		
Proceeds from long-term debt	144,888	-
Repayments of long-term debt	(75,000)	-
Repurchase of shares	(8,350)	-
Proceeds from exercise of options	-	592
Dividends paid	(20,100)	(20,724)
Finance costs	(211)	-
Cash provided (used) by financing	41,227	(20,132)
Cash flow from operating, investing and financing activities	(55,123)	(131,804)
Effect of translation of foreign currency cash	8,788	5,312
Decrease in cash for the period	(46,335)	(126,492)
Cash and cash equivalents - beginning of period	71,062	268,160
Cash and cash equivalents - end of period	24,727	141,668

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

SEGMENTED INFORMATION

The following presents the result of Trinidad's operating segments:

For three months ended September 30, 2015 ($ thousands)	Canadian Operations	United States / International Operations	Manufacturing Operations	Joint Venture Operations(1)	Inter-segment Eliminations	Co
Operating revenue	50,981	66,454	3,341	-	-	-
Other revenue	142	173	(2)	-	-	-
Third party recovery	4,526	1,643	-	-	-	-
General and administrative - third party recovery	-	-	-	-	-	292
Inter-segment revenue	-	-	23,868	-	(23,868)	-
Elimination of downstream transactions	-	(86)	(3,179)	-	-	-
	55,649	68,184	24,028	-	(23,868)	292
Operating costs	29,604	35,526	3,972	-	-	-
Third party costs	4,526	1,643	-	-	-	-
Inter-segment operating	-	-	23,868	-	(23,868)	-
Elimination of downstream transactions	-	-	(2,995)	-	-	-
Operating income	21,519	31,015	(817)	-	-	292
Depreciation and amortization	10,391	15,432	825	-	-	-
(Gain) loss on sale of assets	(13)	(618)	(12)	-	-	-
Elimination of downstream transactions	-	8	-	-	-	-
Impairment of capital assets	-	26,937	-	-	-	-

Impairment of goodwill	-	111,847	-	-	-	-
	10,378	153,606	813	-	-	-
Segmented (loss) income	11,141	(122,591)	(1,630)	-	-	292
Gain from investment in joint ventures	-	-	-	(2,824)	-	-
General and administrative	-	-	-	-	-	12,
General and administrative - third party costs	-	-	-	-	-	292
Foreign exchange	-	-	-	-	-	3,3
Finance and transaction costs	-	-	-	-	-	17,
Income taxes	-	-	-	-	-	(56
Net (loss) earnings	11,141	(122,591)	(1,630)	2,824	-	22,
Purchase of property and equipment	463	21,165	-	-	-	-

1. The gain from investment in joint ventures reflects the Company's share of the financial performance of TDI and DCM during the period. The Company's share of individual assets and liabilities are recognized as an investment on the consolidated statements of financial position.

For three months ended September 30, 2014 ($ thousands)	Canadian Operations	United States / International Operations	Manufacturing Operations	Joint Venture Operations(1)	Inter-segment Eliminations	Cor
Operating revenue	84,481	124,742	38,779	-	-	-
Other revenue	180	99	32	-	-	-
Third party recovery	9,493	3,748	-	-	-	-
General and administrative - third party recovery	-	-	-	-	-	311
Inter-segment revenue	-	-	25,434	-	(25,434)	-
Elimination of downstream transactions	-	-	(17,327)	-	-	-
	94,154	128,589	46,918	-	(25,434)	311
Operating costs	47,843	82,588	36,586	-	-	-
Third party costs	9,493	3,748	-	-	-	-
Inter-segment operating	-	-	25,434	-	(25,434)	-
Elimination of downstream transactions	-	-	(16,256)	-	-	-
Operating income	36,818	42,253	1,154	-	-	311
Depreciation and amortization	12,321	20,684	384	-	-	-
(Gain) loss on sale of assets	(198)	303	-	-	-	-
Elimination of downstream transactions	-	-	-	-	-	-
Impairment of capital assets	-	-	-	-	-	-
	12,123	20,987	384	-	-	-
Segmented (loss) income	24,695	21,266	770	-	-	311
Loss from investment in joint ventures	-	-	-	1,645	-	-
General and administrative	-	-	-	-	-	10,
General and administrative - third party costs	-	-	-	-	-	311
Foreign exchange	-	-	-	-	-	509
Finance and transaction costs	-	-	-	-	-	9,7
Income taxes	-	-	-	-	-	4,9
Net (loss) earnings	24,695	21,266	770	(1,645)	-	(25
Purchase of property and equipment	71,511	28,942	-	-	-	-

1. The gain from investment in joint ventures reflects the Company's share of the financial performance of TDI and DCM during the period. The Company's share of individual assets and liabilities are recognized as an investment on the consolidated statements of financial position.

For nine months ended September 30, 2015 ($ thousands)	Canadian Operations	United States / International Operations	Manufacturing Operations	Joint Venture Operations(1)	Inter-segment Eliminations	Co
Operating revenue	123,412	230,744	93,666	-	-	-
Other revenue	215	695	4	-	-	-
Third party recovery	12,387	6,519	-	-	-	-
General and administrative - third party recovery	-	-	-	-	-	1,0
Inter-segment revenue	-	-	95,524	-	(95,524)	-

Elimination of downstream transactions	-	(223)	(54,617)	-	-	-
	136,014	237,735	134,577	-	(95,524)	1,0
Operating costs	73,201	118,614	88,952	-	-	-
Third party costs	12,387	6,519	-	-	-	-
Inter-segment operating	-	-	95,524	-	(95,524)	-
Elimination of downstream transactions	-	-	(51,966)	-	-	-
Operating income	50,426	112,602	2,067	-	-	1,0
Depreciation and amortization	25,763	42,188	2,002	-	-	-
(Gain) loss on sale of assets	1,185	(2,801)	(511)	-	-	-
Elimination of downstream transactions	-	8	-	-	-	-
Impairment of capital assets	-	26,937	-	-	-	-
Impairment of goodiwll	-	111,847	-	-	-	-
	26,948	178,179	1,491	-	-	-
Segmented income	23,478	(65,557)	576	-	-	1,0
Gain from investment in joint ventures	-	-	-	(4,741)	-	-
General and administrative	-	-	-	-	-	43,
General and administrative - third party costs	-	-	-	-	-	1,0
Foreign exchange	-	-	-	-	-	9,5
Finance and transaction costs	-	-	-	-	-	42,
Income taxes	-	-	-	-	-	(55
Net (loss) earnings	23,478	(65,577)	576	4,741	-	(40
Purchase of property and equipment	19,864	93,484	208	-	-	-

1. The gain from investment in joint ventures reflects the Company's share of the financial performance of TDI and DCM during the period. The Company's share of individual assets and liabilities are recognized as an investment on the consolidated statements of financial position.

For nine months ended September 30, 2014 ($ thousands)	Canadian Operations	United States / International Operations	Manufacturing Operations	Joint Venture Operations(1)	Inter-segment Eliminations	Co
Operating revenue	225,769	351,643	76,799	-	-	-
Other revenue	1,260	212	45	-	-	-
Third party recovery	28,945	13,433	-	-	-	-
General and administrative - third party recovery	-	-	-	-	-	962
Inter-segment revenue	-	-	50,518	-	(50,518)	-
Elimination of downstream transactions	-	-	(34,080)	-	-	-
	255,974	365,288	93,282	-	(50,518)	962
Operating costs	130,867	230,998	70,897	-	-	-
Third party costs	28,945	13,432	-	-	-	-
Inter-segment operating	-	-	50,518	-	(50,518)	-
Elimination of downstream transactions	-	-	(31,484)	-	-	-
Operating income	96,162	120,858	3,351	-	-	962
Depreciation and amortization	32,282	57,611	1,181	-	-	-
(Gain) loss on sale of assets	(404)	(29,426)	-	-	-	-
Elimination of downstream transactions	-	18,126	-	-	-	-
Impairment of capital assets	13,367	7,263	-	-	-	-
	45,245	53,574	1,181	-	-	-
Segmented income	50,917	67,284	2,170	-	-	962
Loss from investment in joint venture	-	-	-	1,357	-	-
General and administrative	-	-	-	-	-	50,
General and administrative - third party costs	-	-	-	-	-	962
Foreign exchange	-	-	-	-	-	5,2
Finance and transaction costs	-	-	-	-	-	29,
Income taxes	-	-	-	-	-	13,
Net (loss) earnings	50,917	67,284	2,170	(1,357)	-	(98
Purchase of property and equipment	104,539	98,543	164	-	-	-

1. The gain from investment in joint ventures reflects the Company's share of the financial performance of TDI and DCM during the period. The Company's share of individual assets and liabilities are recognized as an investment on the consolidated statements of financial position.

ADVISORY

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 Operating income, Operating income percentage, Operating income - net percentage, EBITDA, Adjusted EBITDA, EBITDA from investment in joint ventures, Adjusted EBITDA from investment in joint ventures, Funds provided by operations, Adjusted net earnings, debt, working capital, Senior Debt to Bank EBITDA, Total Debt to Bank EBITDA, Bank EBITDA to Cash Interest Expense, drilling days, operating days, utilization rate - drilling day, utilization rate - operating day, and rate per operating day or dayrate. Please see the Non-GAAP Measures Definitions and Additional GAAP Measures Definitions sections of this MD&A (beginning on page 31) for details with respect to definitions of these measures.

"EBITDA" is a measure of the Company's operating profitability. EBITDA provides an indication of the results generated by 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. 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.

EBITDA is derived from the consolidated statements of operations and comprehensive income and is calculated as follows:

	Three months ended September 30,		Nine months ended September 30,	
($ thousands)	2015	2014	2015	2014
Net (loss) earnings	(87,618)	19,156	(76,955)	20,103
Plus:				
Finance and transaction costs	17,947	9,715	42,267	29,723
Depreciation and amortization	26,648	33,389	69,953	91,074
Income taxes	(56,089)	4,947	(55,167)	13,007
EBITDA	(99,112)	67,207	(19,902)	153,907

"EBITDA from investment in joint ventures" provides an indication of the results generated by the Company's joint ventures operations prior to how these activities are financed, how assets are depreciated and amortized and how the results are taxed in various jurisdictions.

EBITDA from investment in the joint ventures is derived from the consolidated statements of operations and comprehensive income of Trinidad Drilling International (TDI) and Diavaz CanElson de Mexico S.A. de C.V. (DCM) and is calculated as follows:

	Three months ended September 30,		Nine months ended September 30,	
($ thousands)	2015	2014	2015	2014
Gain from investment in joint ventures	2,824	(1,645)	4,741	(1,357)
Plus:				
Finance costs	188	-	408	-
Depreciation and amortization	4,142	902	11,002	1,244
Income taxes	752	1,005	2,305	1,112
EBITDA from investment in joint ventures	7,906	262	18,456	999

"Adjusted EBITDA" is used by management and investors to analyze EBITDA (as defined above) prior to the effect of foreign exchange, share-based payment expense, impairment expenses and the sale of assets. 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 earnings (loss) as calculated in accordance with IFRS. Adjusted EBITDA provides an indication of the results generated by the Company's principal business activities prior to how these activities are financed: how assets are depreciated, amortized and impaired: the impact of foreign exchange: how the results are taxed in various jurisdictions and effects of share-based payment expense. 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:

	Three months ended September 30,	Nine months ended September 30,

($ thousands)	2015	2014	2015	2014
EBITDA	(99,112)	67,207	(19,902)	153,907
Plus:				
Gain on sale of property and equipment	(635)	105	(2,119)	(11,704)
Impairment of property and equipment	26,937	-	26,937	20,630
Impairment of goodwill	111,847	-	111,847	-
Share-based payment expense	(2,202)	(5,108)	(473)	4,223
Foreign exchange	3,318	509	9,517	5,298
Gain from investment in joint ventures	(2,824)	1,645	(4,741)	1,357
Plus:				
Adjusted EBITDA from investment in joint ventures	7,624	261	18,594	995
Adjusted EBITDA	44,953	64,619	139,660	174,706

"Adjusted EBITDA from investment in joint ventures" is used by management and investors to analyze EBITDA (as defined above) prior to the effect of foreign exchange, share-based payment expense, impairment expense and the sale of assets. Adjusted EBITDA from investment in joint ventures is not intended to represent net (loss) earnings as calculated in accordance with IFRS. Adjusted EBITDA from investment in joint ventures provides an indication of the results generated by TDI's principal business activities prior to how these activities are financed, assets are depreciated, amortized and impaired, the impact of foreign exchange, how the results are taxed in various jurisdictions and effects of share-based payment expense.

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

	Three months ended September 30,		Nine months ended September 30,	
($ thousands)	2015	2014	2015	2014
EBITDA from investment in joint ventures	7,906	262	18,456	999
Plus:				
Foreign exchange	(282)	(1)	138	(4)
Adjusted EBITDA from investment in joint ventures	7,624	261	18,594	995

"Adjusted net earnings" is used by management and the investment community to analyze net earnings prior to the effect of foreign exchange, share-based payment expense, any gains or losses on the sale of assets in the period and impairment charges, including taking into account the tax effects of these items. This measure is not intended to represent net earnings as calculated in accordance with IFRS. Adjusted net earnings is a useful measure because it provides an indication of results of the Company's principal business activities before consideration of fluctuations in foreign exchange gains and losses, impairment and share-based payment expenses, which are not consistently incurred period over period. Adjusted net earnings is calculated using 100% of the related amounts from all entities controlled by Trinidad where Trinidad may not hold 100% of the outstanding shares.

"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 EBITDA plus impairment expense, loss (gain) on sale of property and equipment, loss (gain) from investment in joint ventures, share-based payment expense and unrealized foreign exchange.

"Total Debt to Bank EBITDA" is defined as the consolidated balance of long-term debt, which includes the Senior Debt, Senior Notes Payable and dividends payable at quarter end less unrestricted cash in excess of $10.0 million, to consolidated Bank EBITDA for the TTM. Bank EBITDA used in this financial ratio is calculated as EBITDA plus impairment expense, loss (gain) on sale of property and equipment, loss (gain) from investment in joint ventures, share-based payment expense and unrealized foreign exchange.

Total Debt to Bank EBITDA is calculated as follows:

As At	September 30,	December 31,
($ thousands)	2015	2014
Total Debt:		
Senior notes, principal (US$450.0 million)	600,525	522,045
Other debt	2,854	-
Draw on credit facility	84,888	15,000
Dividends payable	11,104	6,758
Cash in excess of $10.0 million	(14,727)	(61,062)

	684,644	482,816
Bank EBITDA (TTM):		
Net earnings	(90,462)	6,596
Income taxes	(64,098)	4,076
Financing and transaction costs	52,075	39,531
Depreciation and amortization	103,891	125,012
Impairment	195,689	77,535
(Gain) loss from investment in joint venture	(6,117)	(19)
(Gain) loss on sale of property and equipment	1,347	(8,238)
Unrealized foreign exchange	9,236	4,580
Share-based payment expense	(3,932)	765
CanElson Pro-Forma inclusion (TTM)	60,792	-
	258,421	249,838
Total Debt to Bank EBITDA	2.65	1.93

"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 EBITDA plus impairment expense, loss (gain) on sale of property and equipment, loss (gain) from investment in joint ventures, share-based payment expense and unrealized foreign exchange.

"Drilling days" is defined as rig days between spud to rig release.

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

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

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

"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).

ADDITIONAL GAAP MEASURES DEFINITIONS

To assess performance, the Company uses certain additional GAAP financial measures within the financial statements and MD&A 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 Funds provided by operations, Operating income, Operating income percentage and Operating income - net percentage. These additional GAAP measures are defined as follows:

"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 percentage" is used by management and investors to analyze overall and segmented operating performance, including third party recovery and third party costs, as well as inter-segment revenue and inter-segment operating costs. Operating income 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 percentage is defined as operating income divided by revenue.

"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 MD&A. The forward-looking information and statements included in this MD&A 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 MD&A may contain forward-looking information and statements pertaining to the completion of announced rig construction programs on a timely basis and economical terms; the assumption that Trinidad's customers will honour 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 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 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.
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 Trinidad and CanElson's Joint Management Information Circular.
The forward-looking information and statements contained in this MD&A speak only as of the date of this MD&A 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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