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[Trinidad Drilling Ltd.](#) ("Trinidad" or the "Company") (TSX:TDG) reported fourth quarter and full year 2015 results and suspended the Company's dividend today.

Trinidad's strong contract position and cost control measures in 2015 partly offset lower activity and increased competition, allowing the Company to maintain solid operating income - net percentage in the fourth quarter and full year. However, the impact of weak commodity prices and reduced customer demand in the current periods, led to lower adjusted EBITDA⁽¹⁾ and net earnings compared to the same periods in 2014. A growing contribution from Trinidad's joint venture operations and the addition of [CanElson Drilling Inc.](#)'s (CanElson) rigs in the third quarter also positively impacted the Company in the current periods.

In the fourth quarter, Trinidad decommissioned 15 lower specification rigs, high grading its fleet to remain competitive in future periods. The Company also recorded an impairment charge in the quarter as a result of lower forecast cash flow generation driven by weak commodity price expectations and limited customer demand.

Trinidad's board of directors agreed to suspend the dividend, effective immediately. Throughout the past year, in order to manage through the challenging market conditions, Trinidad has reduced headcount, operating and administrative costs and capital expenditures. However, due to limited visibility regarding the expected duration of the current downturn, Trinidad felt it was prudent to suspend its dividend and reduce future cash outflows.

This change in dividend policy follows an earlier reduction in the fourth quarter of 2015. The annualized cash savings from today's dividend suspension is approximately \$9 million.

"Our fourth quarter results continue to demonstrate the strength of our contracts and the flexibility of our cost structure. Despite very challenging conditions our activity levels have stood up well compared to the industry as a whole," said Lyle Whitmarsh, Trinidad's Chief Executive Officer. "The duration and extent of the current downturn has been more severe than most industry participants expected at its outset; however, we have taken control of the aspects of our business that we can. By resizing our business to meet current conditions, we have been able to reduce our costs and maintain reasonable operating margins, we have also taken steps to manage our financial flexibility with a very small capital budget planned for 2016, a relaxation of our debt covenants and the suspension of our dividend. We will continue to be financially prudent, while also maintaining a longer-term outlook and planning for Trinidad's future success when better conditions return."

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

FINANCIAL HIGHLIGHTS

| (\$ thousands except share and per share data) | Three months ended December 31, | | | Twelve months ended December 31, | | |
|--|---------------------------------|-------------|----------|----------------------------------|-------------|-----------|
| | 2015 | 2014 | % Change | 2015 | 2014 | % Change |
| Revenue | 138,005 | 276,346 | (50.1) | 551,899 | 941,334 | (41.4) |
| Revenue, net of third party costs ⁽¹⁾ | 131,148 | 261,875 | (49.9) | 525,043 | 883,522 | (40.6) |
| Operating income ⁽¹⁾ | 55,979 | 93,826 | (40.3) | 222,166 | 315,159 | (29.5) |
| Operating income percentage ⁽¹⁾ | 40.6 | % 34.0 | % 19.4 | 40.3 | % 33.5 | % 20.3 |
| Operating income - net percentage ⁽¹⁾ | 42.5 | % 35.6 | % 19.4 | 42.1 | % 35.7 | % 17.9 |
| Adjusted EBITDA ⁽¹⁾ | 47,086 | 77,340 | (39.6) | 186,746 | 252,046 | (25.9) |
| Per share (diluted) ⁽²⁾ | 0.21 | 0.57 | (63.2) | 1.11 | 1.82 | (39.0) |
| Cash provided by operations | 106,553 | 5,857 | 1,719.2 | 215,462 | 156,519 | 37.7 |
| Per share (basic / diluted) ⁽²⁾ | 0.58 | 0.04 | 1,350.0 | 1.28 | 1.13 | 13.3 |
| Funds provided by operations ⁽¹⁾ | 30,603 | 79,277 | (61.4) | 108,219 | 216,973 | (50.1) |
| Per share (basic / diluted) ⁽²⁾ | 0.14 | 0.58 | (75.9) | 0.64 | 1.57 | (59.2) |
| Net (loss) earnings | (141,391) | (13,507) | (946.8) | (218,346) | 6,596 | (3,410.0) |
| Per share (basic / diluted) ⁽²⁾ | (0.77) | (0.10) | (670.0) | (1.30) | 0.05 | (2,700.0) |
| Capital expenditures | 26,491 | 73,401 | (63.9) | 140,047 | 276,647 | (49.4) |
| Dividends declared ⁽³⁾ | 2,221 | 6,758 | (67.1) | 26,668 | 27,486 | (3.0) |
| Shares outstanding - basic | | | | | | |
| (weighted average) ⁽²⁾ | 182,574,890 | 137,634,403 | 32.7 | 168,227,833 | 138,033,887 | 21.9 |
| Shares outstanding - diluted | | | | | | |
| (weighted average) ⁽²⁾ | 222,087,270 | 137,634,403 | 61.4 | 168,227,833 | 138,419,754 | 21.5 |
| Total assets | | | | 2,236,200 | 1,941,621 | 15.2 |

Total long-term liabilities 783,254 628,047 24.7

- (1) Readers are cautioned that Operating income, Operating income percentage, Operating income - net percentage, Revenue, net of third party costs, Adjusted EBITDA, Funds provided by operations, 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.
- (2) Basic shares include the weighted average number of shares outstanding over the period. Diluted shares include the weighted average number of shares outstanding over the period and the dilutive impact, if any, of the number of shares issuable pursuant to the Incentive Option Plan.
- (3) \$0.05 per share declared in the first three quarters of 2015, \$0.01 per share declared in the fourth quarter of 2015 (\$0.05 per share declared for all four quarters of 2014 and 2013).

OPERATING HIGHLIGHTS

| | Three months ended December 31, | | | Twelve months ended December 31, | | |
|--|---------------------------------|--------|------------|----------------------------------|--------|-----------|
| | 2015 | 2014 | % Change | 2015 | 2014 | % Change |
| Land Drilling Market | | | | | | |
| Operating days ⁽¹⁾ | | | | | | |
| Canada | 2,471 | 3,271 | (24.5) | 7,303 | 12,203 | (40.2) |
| United States and International | 2,378 | 4,820 | (50.7) | 9,474 | 18,478 | (48.7) |
| Rate per operating day ⁽¹⁾ | | | | | | |
| Canada (CDN\$) | 24,079 | 26,624 | (9.6) | 24,907 | 25,638 | (2.9) |
| United States and International (CDN\$) | 28,171 | 25,150 | 12.0 | 31,241 | 23,873 | 30.9 |
| United States and International (US\$) | 21,209 | 22,476 | (5.6) | 24,917 | 21,749 | 14.6 |
| Utilization rate - operating day ⁽¹⁾ | | | | | | |
| Canada | 31 | % 62 | % (50.0) | 31 | % 57 | % (45.6) |
| United States and International | 36 | % 97 | % (62.9) | 45 | % 87 | % (48.3) |
| Number of drilling rigs at period end ⁽⁴⁾ | | | | | | |
| Canada | 72 | 53 | 35.8 | 72 | 53 | 35.8 |
| United States and International | 67 | 47 | 42.6 | 67 | 47 | 42.6 |
| Barge Drilling Market | | | | | | |
| Operating days ⁽¹⁾ | - | 212 | (100.0) | 57 | 1,049 | (94.6) |
| Rate per operating day (CDN\$) ⁽¹⁾ | - | 36,616 | (100.0) | 29,969 | 37,655 | (20.4) |
| Rate per operating day (US\$) ⁽¹⁾ | - | 32,795 | (100.0) | 26,033 | 34,424 | (24.4) |
| Utilization rate - operating day ⁽¹⁾ | - | 46 | % (100.0) | 7 | % 57 | % (87.7) |
| Number of barge drilling rigs at period end ⁽⁴⁾ | - | 2 | (100.0) | - | 2 | (100.0) |
| 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⁾ | 668 | | | 2,189 | | |
| Rate per operating day (CDN\$) ⁽¹⁾ | 60,619 | | | 60,478 | | |
| Rate per operating day (US\$) ⁽¹⁾ | 45,898 | | | 47,732 | | |
| Utilization rate - operating day ⁽¹⁾ | 97 | % | | 96 | % | |
| Number of drilling rigs at period end ⁽⁴⁾ | 8 | 6 | 33.3 | 8 | 6 | 33.3 |
| 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.
- (2) Trinidad is party to a joint venture with a wholly-owned subsidiary of Halliburton. These rigs are owned by the joint venture. Operating data for 2014 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

During 2015, Trinidad managed its operations through challenging industry conditions, adjusting costs and operations where possible to improve efficiencies. Weak commodity prices and slowing customer demand throughout 2015 led to lower activity levels and reduced profitability compared to prior year. The impact of these challenging conditions was partly offset by the addition of [CanElson Drilling Inc.](#)'s (CanElson) operations, acquired in the third quarter of 2015 and the continued strong performance from the Company's international joint venture operations. In addition, standby and early termination revenues recorded in 2015 positively

impacted revenue and operating income- net percentage.

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 presence 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.

In the fourth quarter and full year 2015, adjusted EBITDA was \$47.0 million and \$186.7 million, respectively. Adjusted EBITDA decreased by 39.2% in the quarter and 25.9% full year, 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 in order to 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.

Over the past few years, Trinidad has actively upgraded its equipment in order to remain competitive. Under International Financial Reporting Standards (IFRS), the Company assessed the carrying value of assets in the cash generating units (CGUs) by comparing the total estimated future cash flows to the net book value at December 31, 2015. The Company evaluated its rig fleet in order to identify rigs that would be considered lower specification equipment with high costs to maintain. As such, the Company has decommissioned 15 rigs at the end of 2015, 10 included in the Canadian operations and five included in the US and international operations. By removing these rigs from the fleet, Trinidad continues to maintain equipment that will remain competitive into future periods.

For the year ended December 31, 2015, Trinidad recorded total impairment expense of \$317.5 million: \$34.4 million relates to the 15 decommissioned rigs discussed above, \$144.3 million relates to other lower specification assets including capital inventory, \$26.9 million relates to the barge rig assets no longer being marketed by the Company, and \$111.8 million relates to Goodwill from prior period acquisitions.

Trinidad recorded a net loss of \$218.3 million or \$(1.30) per share (diluted) for the year ended December 31, 2015, down \$224.9 million from net income of \$6.6 million in 2014, mostly as a result of a larger impairment expense recorded in 2015, as well as lower adjusted EBITDA, and higher finance and transaction costs; offset partly by a larger recovery recorded on deferred tax expenses in the current period.

INDUSTRY STATISTICS

Commodity prices weakened significantly during 2015, leading to a dramatic pull back in capital spending by oil and gas producers and sharp reductions in drilling activity. Crude oil prices dropped throughout the year, with a brief rally during the second quarter, but ended the year below US\$40 per barrel. Natural gas prices also lowered sharply in 2015, limiting the number of economic projects available for oil and gas producers. Industry activity levels in 2015 were directly impacted by the reduction in capital spending as activity levels across North America lowered largely in tandem with decreasing commodity prices. In the fourth quarter of 2015, commodity prices dropped to the lowest level during the year and activity levels fell further in both Canada and the US.

| | Full Year 2015 | 2015 Q4 | Q3 | Q2 | Q1 | Full Year 2014 | 2014 Q4 | Q3 |
|--|-------------------|------------|-------|-------|-------|-------------------|------------|------|
| Commodity Prices | | | | | | | | |
| Aeco natural gas price (CDN\$ per gigajoule) | 2.57 | 2.35 | 2.76 | 2.54 | 2.60 | 4.28 | 3.44 | 3.8 |
| Henry Hub natural gas price (US\$ per mmBtu) | 2.61 | 2.11 | 2.75 | 2.73 | 2.87 | 4.36 | 3.76 | 3.9 |
| Western Canada Select crude oil price (CDN\$ per barrel) | 45.26 | | 41.22 | 59.40 | 43.52 | 82.00 | | |
| | | 37.05 | | | | | 65.42 | 85. |
| WTI crude oil price (US\$ per barrel) | 48.68 | 42.02 | 46.48 | 57.85 | 48.49 | 93.06 | 73.21 | 97. |
| Canadian / US dollar exchange rate | 1.28 | 1.34 | 1.31 | 1.23 | 1.24 | 1.10 | 1.14 | 1.0 |
| US Activity | | | | | | | | |
| Average industry active land rig count ⁽¹⁾ | 983 | 757 | 829 | 935 | 1,403 | 1,789 | 1,843 | 1,8 |
| Average Trinidad active land rig count ⁽²⁾ | 27 | 26 | 26 | 24 | 30 | 50 | 52 | 53 |
| Canadian Activity | | | | | | | | |
| Average industry utilization ⁽³⁾ | 23 | % 21 | % 24 | % 13 | % 35 | % 44 | % 45 | % 46 |
| Average Trinidad utilization ⁽⁴⁾ | 29 | % 28 | % 32 | % 7 | % 46 | % 52 | % 57 | % 61 |

(1) Baker Hughes rig counts (information obtained from Tudor Pickering Holt & Company 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).

FOURTH QUARTER ANALYSIS

- Adjusted EBITDA in the fourth quarter was \$47.0 million, down \$30.3 million from the same quarter last year and up \$2.0 million from the third quarter of 2015. Lower activity in each of Trinidad's Canadian and US and international drilling operations in 2015 caused a significant reduction in the profitability when compared to the fourth quarter of 2014. Trinidad recorded 800 less days in the Canadian drilling operations and 2,442 less operating days in the US and international operations as customers chose to slow their drilling programs. Additionally, Trinidad recorded \$2.1 million in bad debt and \$1.4 million in termination benefits in 2015, compared to \$0.1 million and \$0.1 million, respectively, in the fourth quarter of 2014. The lower activity was offset by a larger contribution from Trinidad's joint venture operations in 2015 compared to 2014.
- Operating income - net percentage was 42.5% in the fourth quarter of 2015, up from 35.6% in the fourth quarter of 2014 mainly due to significant cost reductions in each of Trinidad's Canadian and US and international operations, as well as lower activity in Trinidad's manufacturing operations in 2015, as this activity tends to generate lower margins. Operating income - net percentage was down from 43.9% in the third quarter of 2015 mainly due to less early termination and standby revenue recorded in the fourth quarter compared to the third quarter. Net loss for the fourth quarter was \$141.3 million in 2015 compared to net loss of \$13.5 million in the same period in the prior year. The increase in net loss was largely driven by a larger impairment expense recorded in 2015 as well as lower activity across Trinidad's operations.
- As of December 31, 2015, due to current market conditions and the future outlook of drilling activities, Trinidad reviewed the existing rig fleet. Based on this analysis, Trinidad chose to decommission 15 rigs that are not expected to work in future periods; 10 rigs included in the Canadian segment and five rigs included in the US and international segment for total impairment expense of \$34.4 million. Additionally, the Company has impaired lower specification assets and other non-core assets during the period which accounted for impairment expense of \$144.3 million.
- Given the weak industry conditions, Trinidad lowered its dividend in the fourth quarter of 2015, reducing it to \$0.01 per share from \$0.05 per share for the fourth quarter of 2014. Trinidad chose to lower the dividend in order to manage cash flows and increase financial flexibility

FULL YEAR 2015 HIGHLIGHTS

- In the third quarter of 2015, Trinidad closed the 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.
- Adjusted EBITDA in 2015 was \$186.7 million, down 25.9% from the same period last year. Adjusted EBITDA declined in the current period largely as a result of lower activity in the Canadian and US operations driven by weakening commodity prices. The impact of lower activity was slightly offset by the addition of the CanElson rigs in August of 2015, and an increased contribution from Trinidad's joint venture operations as well as increased standby and early termination revenue recorded in 2015. Additionally, a stronger US/CDN dollar translation in 2015 positively impacted Trinidad's US and international operations as this rate averaged 1.2605 in 2015 compared to 1.0974 in 2014.
- Operating income - net percentage was 42.1% in 2015, up from 35.7% for the same period last year. Operating income - net percentage increased as a result of higher early termination and standby revenue as well as cost cutting initiatives undertaken by Trinidad. In addition, in 2015, lower activity in the manufacturing division positively impacted margins. 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 \$218.3 million in 2015, down from a net income of \$6.6 million in the prior year. The decrease in net earnings from the prior year was largely driven by a larger impairment expense recorded in 2015 as well as lower activity across all of Trinidad's divisions due to a reduction of industry demand. Additionally, increased finance and transactions costs, mainly related to Trinidad's acquisition costs, also negatively impacted net earnings in 2015; partly offset by a larger recovery recorded on deferred taxes in 2015.
- For the year ended December 31, 2015, due to current market conditions and the future outlook of drilling activities, Trinidad determined that indicators of impairment existed. As such, under IFRS, the Company assessed the carrying value of assets in the CGUs by comparing the total estimated future cash flows to the net book value at December 31, 2015. Based on this assessment, Trinidad recorded total impairment expense of \$317.5 million: \$34.4 million relates to 15 decommissioned rigs that are not expected to work in future periods, \$144.3 million relates to other lower specification assets, \$26.9 million relates to barge rig assets no longer being marketed by the Company, and \$111.8 million relates to Goodwill assets recorded for prior period acquisitions.
- During 2015, Trinidad's manufacturing operations delivered three new builds to the US and international operations and one new build to the Canadian operations. All rigs are working under long-term contracts.
- On December 14, 2015, Trinidad announced that it had amended its credit facility, choosing to reduce the size of its credit facility in order to lower standby fees on funds it does not expect to access and has not historically utilized, as well as to adjust required covenants in order to allow the Company additional financial flexibility over the next two years. Details of this amendment are included in the Financial Summary section of this news release.
- On November 3, 2015, Trinidad's board of directors declared a cash dividend for the fourth quarter of 2015 of \$0.01 per common share, paid on January 15, 2016, a reduction of \$0.04 per common share from previous quarterly dividends declared. Additionally, on March 2, 2016, Trinidad's board of directors voted to suspend the dividend entirely in 2016. Trinidad chose to decrease and then suspend the dividend in order to manage cash flows and add further financial flexibility.

Canadian Operations

| | Three months ended December 31, | | | Twelve months ended December 31, | | |
|---|---------------------------------|------|----------|----------------------------------|------|----------|
| (\$ thousands except percentage and operating data) | 2015 | 2014 | % Change | 2015 | 2014 | % Change |

| | | | | | | | |
|--|--------|--------|---------|-----------|---------|---------|---|
| Operating revenue ⁽¹⁾ | 61,019 | 87,102 | (29.9 |) 184,431 | 312,871 | (41.1 |) |
| Other revenue | 31 | 35 | - | 246 | 1,295 | (81.0 |) |
| | 61,050 | 87,137 | (29.9 |) 184,677 | 314,166 | (41.2 |) |
| Operating costs ⁽¹⁾ | 35,766 | 47,342 | (24.5 |) 108,967 | 178,209 | (38.9 |) |
| Operating income ⁽³⁾ | 25,284 | 39,795 | (36.5 |) 75,710 | 135,957 | (44.3 |) |
| Operating income - net percentage ⁽³⁾ | 41.4 | % 45.7 | % | 41.0 | % 43.3 | % | |
| Operating days ⁽³⁾ | 2,471 | 3,271 | (24.5 |) 7,303 | 12,203 | (40.2 |) |
| Drilling days ⁽³⁾ | 2,266 | 3,003 | (24.5 |) 6,738 | 11,204 | (39.9 |) |
| Rate per operating day (CDN\$) ⁽³⁾ | 24,079 | 26,624 | (9.6 |) 24,907 | 25,638 | (2.9 |) |
| Utilization rate - operating day ⁽³⁾ | 31 | % 62 | % (50.0 |) 31 | % 57 | % (45.6 |) |
| Utilization rate - drilling day ⁽³⁾ | 28 | % 57 | % (50.9 |) 29 | % 52 | % (44.2 |) |
| CAODC industry average ⁽²⁾ | 21 | % 45 | % (53.3 |) 23 | % 44 | % (47.7 |) |
| Number of drilling rigs at period end | 72 | 53 | 35.8 | 72 | 53 | 35.8 | |

(1) Operating revenue and operating costs for the twelve months ended December 31, 2015 and 2014 exclude third party recovery and third party costs of \$17.4 million and \$39.8 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.

Fourth Quarter 2015

During the fourth quarter of 2015, operating revenue and operating income was \$61.0 million and \$25.3 million, down \$26.1 million and \$14.5 million, respectively, compared to the same quarter of 2014. Revenue decreased in the fourth quarter largely as a result of lower commodity prices which caused oil and gas producers to scale back drilling programs. Total operating days declined by 800 days quarter over quarter, and utilization declined to 31% versus 62% in the same quarter in 2014. The impact of weak industry conditions was partly offset by the addition of the CanElson rigs in the third quarter of 2015, which added 471 days to the quarter, and the Company's focus on long-term contracts.

Reduced customer demand and strong competition caused dayrates to lower by \$2,545 per day in the current quarter, compared to the same quarter last year. The reduction in dayrates was slightly offset by higher early termination and standby revenue recorded in the current quarter. Trinidad recorded \$2.8 million in early termination and standby in the fourth quarter of 2015 mainly related to three customers, which increased dayrates by \$1,131 per day, compared to early termination and standby of \$2.0 million recorded in the fourth quarter of 2014 mainly related to one customer, which increased dayrates by \$620 per day.

Operating income - net percentage in the fourth quarter of 2015 decreased to 41.4% from 45.7% in 2014. The decline was mainly due to reduced revenue generation in the current quarter. Although many of Trinidad's operating costs are variable, some costs are more fixed in nature. As operating days reduce, these fixed type costs are spread over fewer operating days, causing a reduction in overall margin.

When compared to the third quarter of 2015, operating income increased by \$3.8 million or 17.5%, mainly as a result of the rigs acquired from the CanElson acquisition included for the entire quarter, versus a portion of the third quarter. Dayrates increased in the current quarter mainly due an increase in standby and early termination recorded in the fourth quarter of \$2.0 million compared to \$1.2 million recorded in the third quarter.

Full Year 2015

For the year ended December 31, 2015, operating revenue and operating income was \$184.4 million and \$75.7 million, respectively, down 41.1% and 44.3%, respectively, from the prior year. Operating revenue and operating income lowered as a result of fewer operating days in 2015, which decreased by 40.2% or 4,900 operating days. The impact of lower activity was partly offset by the addition of the CanElson rigs, which contributed 1,383 operating days in 2015. Despite the challenging market conditions, Trinidad was able to maintain utilization levels six percentage points higher than the industry average, reflecting the Company's solid contract base and its ongoing focus towards strong operational performance and safety.

Dayrates in the current year decreased by \$731 per day, mainly related to weak customer demand and growing industry competition throughout 2015. The decrease was slightly offset by an increase in standby and early termination revenue recorded on a per day basis in 2015. Total standby and early termination revenue recorded in 2015 was \$4.3 million, or \$589 per operating day, compared to \$4.7 million, or \$385 per operating day, in 2014. Trinidad's focus towards higher specification rigs and long-term contracts that include an early termination clause helped the Company mitigate the downturn in 2015.

Operating income - net percentage declined slightly for the year ended December 31, 2015, to 41.0% compared to 43.3% in the prior year. Although Trinidad recorded lower revenue in the current year, the Company was able to maintain a fairly stable

operating income - net percentage due to cost management strategies. Trinidad's operating costs are highly variable, allowing costs to decline largely in line with lower activity levels. In order to further reduce operating costs, Trinidad has closely monitored repair and maintenance expenditures throughout the year, incurring expenses only as rigs return to work. In addition, the Company has worked with its suppliers to reduce costs in all aspects of its operations. The slight decline in profitability was due to the fixed nature of some operating support costs being spread over fewer operating days in 2015.

For the year ended December 31, 2015, due to current market conditions and the future outlook of drilling activities, Trinidad determined that indicators of impairment existed. As such, under IFRS, the Company is required to assess the carrying value of assets in each of the CGUs containing goodwill. The test involves determining a value in use on a five year estimated cash flow, including a terminal value, based on assumptions on expected future performance. The resulting value is then compared to the carrying value of the CGU to determine whether an impairment exists. As a result of the above, it was determined that property and equipment within the Canadian operations was impaired by \$103.7 million. Trinidad's chose to review the current rig fleet and decommission older, lower specification rigs in order to position the Canadian fleet to meet future customer demand and perform well when industry conditions improve. As such, 10 rigs have been decommissioned for a total impairment of \$24.7 million, and existing assets have been impaired for total impairment of \$79.0 million.

Trinidad's Canadian rig count totaled 72 rigs at the end of 2015, an increase of 19 rigs compared to the end of 2014. The rig count increased as a result of the CanElson acquisition which closed in August of 2015 and added 28 rigs to the Canadian rig fleet in the third quarter of 2015. As well, the rig fleet increased by the addition of one new build that was delivered in the first quarter of 2015 from Trinidad's manufacturing operations. This was offset by the reduction of 10 rigs removed at December 31, 2015, as Trinidad reviewed the existing rig fleet and chose to decommission low specification rigs.

United States and International Operations

| (\$ thousands except percentage and operating data) | Three months ended December 31, | | | Twelve months ended December 31, | | |
|---|---------------------------------|---------|----------|----------------------------------|---------|----------|
| | 2015 | 2014 | % Change | 2015 | 2014 | % Change |
| Operating revenue ⁽¹⁾ | 66,967 | 128,597 | (47.9) | 297,711 | 480,240 | (38.0) |
| Other revenue | 134 | 239 | (43.1) | 606 | 451 | 34.4 |
| Operating costs ⁽¹⁾ | 67,101 | 128,836 | (47.9) | 298,317 | 480,691 | (37.9) |
| Operating income ⁽¹⁾ | 34,820 | 77,535 | (55.1) | 153,434 | 308,533 | (50.3) |
| Operating income ⁽¹⁾ | 32,281 | 51,301 | (37.1) | 144,883 | 172,158 | (15.8) |
| Operating income - net percentage ⁽²⁾ | 48.1 | % 39.8 | % | 48.6 | % 35.8 | % |

Land Drilling Rigs

| | | | | | | |
|---|--------|--------|----------|--------|--------|----------|
| Operating days ⁽²⁾ | 2,378 | 4,820 | (50.7) | 9,474 | 18,478 | (48.7) |
| Drilling days ⁽²⁾ | 2,148 | 4,157 | (48.3) | 8,315 | 16,038 | (48.2) |
| Rate per operating day (CDN\$) ⁽²⁾ | 28,171 | 25,150 | 12.0 | 31,241 | 23,873 | 30.9 |
| Rate per operating day (US\$) ⁽²⁾ | 21,209 | 22,476 | (5.6) | 24,917 | 21,749 | 14.6 |
| Utilization rate - operating day ⁽²⁾ | 36 | % 97 | % (62.9) | 45 | % 87 | % (48.3) |
| Utilization rate - drilling day ⁽²⁾ | 33 | % 84 | % (60.7) | 40 | % 75 | % (46.7) |
| Number of drilling rigs at period end | 67 | 47 | 42.6 | 67 | 47 | 42.6 |

Barge Drilling Rigs

| | | | | | | |
|---|---|--------|-----------|--------|--------|----------|
| Operating days ⁽²⁾ | - | 212 | (100.0) | 57 | 1,049 | (94.6) |
| Rate per operating day (CDN\$) ⁽²⁾ | - | 36,616 | (100.0) | 29,969 | 37,655 | (20.4) |
| Rate per operating day (US\$) ⁽²⁾ | - | 32,795 | (100.0) | 26,033 | 34,424 | (24.4) |
| Utilization rate - operating day ⁽²⁾ | - | 46 | % (100.0) | 7 | % 57 | % (87.7) |
| 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 twelve months ended December 31, 2015 and 2014 exclude third party recovery and third party costs of \$8.2 million and \$16.6 million, respectively.

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

Fourth Quarter 2015

In the fourth quarter of 2015, operating revenue and operating income was \$67.0 million and \$32.3 million respectively, down 47.9% and 37.1%, respectively, from the same quarter last year. Revenue declined mainly due to a reduction in operating days, which decreased by 2,442 operating days or 50.7%, in the current quarter. The impact of lower activity levels was slightly offset by the addition of 21 rigs during the third quarter of 2015 through the CanElson acquisition. These rigs contributed 512 operating days to the fourth quarter of 2015. Additionally, a stronger US dollar compared to the Canadian dollar throughout 2015 positively impacted the current quarter.

Dayrates in the current quarter were US\$1,267 per day lower than the fourth quarter of 2014. Dayrates lowered as a result of weaker customer demand and increased competition for work in 2015. The impact of weaker industry conditions on dayrates was partly offset by early termination and standby revenue in the current quarter due to the Company's continued focus on long-term contracts. Trinidad recorded early termination and standby revenue in the fourth quarter of 2015 of US\$4.6 million (of which US\$1.0 million related to early termination lump sum payments on one rig with contract terms expiring in 2016) compared to US\$5.6 million in the same quarter of 2014 (of which US\$4.1 million related to early termination lump sum payments on one rig). As the division recorded fewer operating days in the current period, the early termination and standby revenue have a larger positive impact on the dayrate in 2015.

Operating income - net percentage increased in the fourth quarter of 2015 compared to the fourth quarter of 2014, largely due to significant cost cutting initiatives undertaken by the US and international operations. Excluding all early termination and standby revenue discussed above, operating income - net percentage was 6.2 percentage points higher than the prior period.

When compared to the third quarter of 2015, operating income increased by \$3.8 million or 17.5%, mainly as a result of the rigs acquired from the CanElson acquisition included for the entire quarter, versus a portion of the third quarter. Dayrates increased in the current quarter mainly due to an increase in standby and early termination recorded in the fourth quarter of \$2.0 million compared to \$1.2 million recorded in the third quarter.

Due to the significant downturn in the barge market in 2015, as of March 31, 2015, Trinidad chose to stack all barge rigs and did not extend the bareboat charter agreement. As such, subsequent to the first quarter of 2015, Trinidad had no operations recorded in the barge drilling division. These assets have been impaired to nil value as of September 30, 2015.

Full Year 2015

Operating revenue and operating income for the year ended December 31, 2015, was \$297.7 million and \$144.9 million, respectively, down 38.0% and 15.8%, respectively, from the prior year. Weakening commodity prices in 2015 caused a significant reduction in demand for land drilling rigs which led to lower activity in the current year compared to 2014. Land rig utilization decreased to 45% from 87% in 2014, and operating days declined by 48.7% to 9,474 days, compared to 18,478 days in 2014. The reduction in operating days was slightly offset by the CanElson acquisition which closed in August of 2015, adding 21 rigs and 785 additional operating days to the current year.

Dayrates in the current year increased by US\$3,168 per day compared to the prior year. Dayrates increased in the current period mainly as a result of higher early termination and standby revenues recorded as a number of customers chose to reduce capital spending programs and terminate contracts early. Early termination and standby revenue in 2015 was US\$39.2 million, which mainly related to lump sum amounts of US\$21.6 million recorded as early termination revenue related to 11 rigs. The majority of the amount recorded in early termination in 2015 related to contracts that would have expired during the period. Early termination and standby revenue in 2014 was US\$12.9 million, which mainly related to lump sum amounts of US\$9.8 million recorded as early termination revenue related to three rigs. For the year ended December 31, 2015, early termination and standby revenue increased the dayrate by US\$4,142 per day compared to US\$698 per day in the prior year.

Operating income - net percentage increased to 48.6% in 2015 compared to 35.8% in 2014. Higher early termination and standby revenue recorded in 2015 had a positive impact on revenue generation and profitability, as this revenue has no associated costs. Additionally, a stronger US dollar compared to Canadian dollar during 2015 had a positive impact on the US and international drilling results when translated into Canadian dollars. Lastly, as a reflection of weak industry conditions, Trinidad's US and international operations continued to monitor its operating cost structure and reduce costs wherever possible. In addition to lower wages and reduced headcount, the Company has reduced supply costs and scaled back repairs and maintenance to only those rigs expected to work in the near term. Excluding standby and early termination revenues, operating income - net percentage increased by 4.6 percentage points year over year mainly due to cost reductions and a strong foreign exchange impact.

For the year ended December 31, 2015, due to current market conditions and the future outlook of drilling activities, Trinidad determined that indicators of impairment existed. As such, under IFRS, the Company is required to assess the carrying value of assets in each of the CGUs containing goodwill. The test involves determining a value in use on a five year estimated cash flow, including a terminal value, based on assumptions on expected future performance. The resulting value is then compared to the carrying value of the CGU to determine whether an impairment exists. As a result of the above, it was determined that property and equipment within the US and international operations was impaired by \$75.0 million. Trinidad's chose to review the current rig fleet and decommission older, lower specification rigs in order to position the Company to meet future customer demand and perform well when industry conditions improve. As such, five rigs have been decommissioned for a total impairment of \$9.7 million, and existing assets have been impaired for total impairment of \$65.3 million.

At December 31, 2015, Trinidad's US and international rig count totaled 67 rigs, an increase of 20 rigs compared to the same period last year. During 2015, Trinidad's US and international rig count increased by 21 rigs as a result of the CanElson acquisition. Additionally in 2015, three contracted new build rigs were delivered by Trinidad's manufacturing division to the US and international operations and one new rig was added in the Middle East. This was offset by the reduction of five low specification rigs which Trinidad chose to decommission in order to high grade the rig fleet.

Operations in the barge drilling market were strongly affected by the continued softening of market conditions and dayrates in the

industry continued to decline as competition intensified for available drilling work in 2015. As such, 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, Trinidad is not marketing 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 were removed from Trinidad's active rig count, and the value of the barge drilling rigs was impaired to nil.

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 Trinidad Drilling International (TDI); Trinidad owns 60% of the shares of TDI.

| (\$ thousands except percentage and operating data) | Three months ended December 31, | | | Twelve months ended December 31, | | |
|---|---------------------------------|---------------------|----------|----------------------------------|---------------------|----------|
| | 2015 | 2014 ⁽²⁾ | % Change | 2015 | 2014 ⁽²⁾ | % Change |
| Operating revenue | 42,122 | 17,839 | 136.1 | 136,731 | 42,428 | 222.3 |
| Other revenue | (111) | 87 | (227.6) | 333 | 87 | 282.8 |
| Operating costs | 42,011 | 17,926 | 134.4 | 137,064 | 42,515 | 222.4 |
| Operating income ⁽¹⁾ | 25,385 | 11,666 | 117.6 | 78,005 | 26,149 | 198.3 |
| Operating income - net percentage ⁽¹⁾ | 16,626 | 6,260 | 165.6 | 59,059 | 16,366 | 260.9 |
| | 39.6 % | 34.9 % | | 43.1 % | 38.5 % | |
| Operating days ⁽¹⁾ | 668 | | | 2,189 | | |
| Rate per operating day (CDN\$) ⁽¹⁾ | 60,619 | | | 60,478 | | |
| Rate per operating day (US\$) ⁽¹⁾ | 45,898 | | | 47,732 | | |
| Utilization rate - operating day ⁽¹⁾ | 97 % | | | 96 % | | |
| Number of drilling rigs at period end | 8 | 6 | 33.3 | 8 | 6 | 33.3 |
| Number of active drilling rigs at period end | 8 | 4 | 100.0 | 8 | 4 | 100.0 |

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

(2) Operating data for 2014 has not been provided given the start-up nature of the operations.

Fourth Quarter 2015

For the three months ended December 31, 2015, TDI recorded operating income and operating income - net percentage of \$16.6 million and 39.6%, respectively, compared to \$6.3 million and 34.9%, respectively, in the same period of the prior year. The increase in operating income was mainly due to the increased number of rigs working by the end of 2015 when compared to the prior year. Additionally, as the joint ventures' functional currency is the US dollar, the impact of a stronger US dollar compared to the Canadian dollar in 2015 also positively impacted operations in the fourth quarter of 2015.

During the current quarter, TDI had four rigs operating in Saudi Arabia and four rigs operating in Mexico; compared to the fourth quarter of 2014 where only four rigs in Saudi Arabia were operating and TDI had taken possession of two rigs in Mexico, which were waiting on location and had not begun drilling operations at that time.

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 in 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. In the fourth quarter of 2015, Trinidad's portion of DCM's income was \$1.3 million mainly due to a recovery recorded on deferred tax at December 31, 2015.

Full Year 2015

In Trinidad's joint venture operations, operating revenue and operating income for 2015 was \$136.7 million and \$59.1 million, respectively, up 222.3% and 260.9%, respectively, from the prior year. Expanding operations and an increased rig count in 2015 drove the improved results in the current year. During 2015, TDI had all four rigs in Saudi Arabia drilling and began operations with its four Mexico rigs, compared to the prior year where only the rigs in Saudi Arabia recorded operating days.

For the year ended December 31, 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 period, 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 positively impacting operating income - net

percentage.

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

For the period August 11 to December 31, 2015, Trinidad's portion of DCM's income was \$1.1 million mainly due to a deferred tax recovery recorded in the fourth quarter.

Manufacturing Operations

| (\$ thousands except percentage) | Three months ended December 31, | | | Twelve months ended December 31, | | |
|--|---------------------------------|--------|----------|----------------------------------|--------|----------|
| | 2015 | 2014 | % Change | 2015 | 2014 | % Change |
| Operating revenue ⁽¹⁾ | 2,995 | 45,896 | (93.5) | 42,044 | 88,614 | (52.6) |
| Other revenue | 1 | 5 | (80.0) | 5 | 51 | (90.2) |
| | 2,996 | 45,901 | (93.5) | 42,049 | 88,665 | (52.6) |
| Operating costs ⁽¹⁾ | 4,763 | 43,662 | (89.1) | 41,749 | 83,075 | (49.7) |
| Operating income ⁽²⁾ | (1,767) | 2,239 | (178.9) | 300 | 5,590 | (94.6) |
| Operating income - net percentage ⁽²⁾ | (59.0 %) | 4.9 % | | 0.7 % | 6.3 % | |

(1) For the three months ended December 31, 2015, excluded from operating revenue and operating costs are downstream elimination entries of \$5.6 million and \$5.1 million, respectively (2014, \$62.1 million and \$58.2 million, respectively). These entries remove Trinidad's percentage of profits related to manufacturing of rigs for the joint venture.

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

Fourth Quarter 2015

In the fourth quarter of 2015, activity in Trinidad's manufacturing operations declined significantly as rig construction was largely complete. Due to the reduced operations, the Company restructured its manufacturing operations, resizing its cost base to better reflect the lower activity levels. Although the resizing caused additional costs in the fourth quarter of 2015, these changes are expected to reduce operating costs in future periods.

In the fourth quarter of 2015, Trinidad's manufacturing division completed upgrade work for the TDI joint venture operations. In the fourth quarter of 2014, Trinidad's manufacturing operations mobilized two rigs for TDI in Mexico. Additionally, in 2014, the manufacturing division was still completing work on the Saudi Arabian and Mexican rig builds and a training rig for its joint venture partner.

As of December 31, 2015, there are no future rig builds planned and Trinidad's manufacturing operations will continue to support current drilling rigs for the Company and its affiliates including joint venture partners

Full Year 2015

For the year ended December 31, 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 its JV partner, Halliburton. For the year ended December 31, 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 rig it was building for Halliburton.

Additionally, Trinidad constructed three new rig builds under long-term contracts for its US operations. These rigs are all high performance Candrill, 1,500 horsepower, alternating current (AC) rigs with walking systems and 7,500 pounds per square inch (PSI) circulating systems. As well, in the first quarter of 2015, Trinidad delivered one new high specification rig to the Canadian operations.

Towards the end of 2015, activity in Trinidad's manufacturing operations declined significantly as rig construction was largely complete. Due to the reduced operations, the Company restructured its manufacturing operations, resizing its cost base to better reflect the lower activity levels. These changes are expected to reduce operating costs in future periods.

The purpose of the manufacturing operations is to support 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. Trinidad continues to support current operations by providing maintenance and re-certifications on the exiting rig fleet. However, no future rig builds are scheduled at this time.

FINANCIAL HIGHLIGHTS - QUARTERLY ANALYSIS

2015

2014

| (\$ millions except per share data and operating data) | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
|--|---------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | 138.0 | 124.3 | 95.2 | 194.4 | 276.4 | 244.5 | 168.9 | 251.5 |
| Operating income ⁽¹⁾ | 56.0 | 52.0 | 41.9 | 72.3 | 93.9 | 80.5 | 45.6 | 95.2 |
| Operating income percentage ⁽¹⁾ | 40.6 | % 41.8 | % 44.0 | % 37.2 | % 34.0 | % 32.9 | % 27.0 | % 37.8 |
| Operating income - net percentage ⁽¹⁾ | 42.5 | % 43.9 | % 46.3 | % 38.5 | % 35.6 | % 34.7 | % 28.3 | % 41.1 |
| Net (loss) earnings | (141.3) | (87.6) | (1.5) | 12.1 | (13.5) | 19.2 | (24.8) | 25.9 |
| Per share (diluted) ⁽²⁾ | (0.64) | (0.48) | (0.01) | 0.09 | (0.10) | 0.14 | (0.18) | 0.19 |
| Adjustments for: | | | | | | | | |
| Depreciation and amortization | 49.0 | 26.6 | 19.7 | 23.6 | 34.0 | 33.4 | 27.3 | 30.3 |
| Foreign exchange | (2.3) | 3.3 | - | 6.2 | (0.1) | 0.5 | 1.5 | 3.1 |
| (Gain) loss on sale of property and equipment | 0.5 | (0.6) | (0.4) | (1.1) | 3.5 | 0.1 | (1.3) | (10.5) |
| Impairment of property and equipment | 178.7 | 26.9 | - | - | 56.9 | - | 20.6 | - |
| Impairment of goodwill | - | 111.8 | - | - | - | - | - | - |
| (Gain) loss from investment in joint ventures | 6.2 | (2.8) | (0.6) | (1.3) | (1.3) | 1.6 | (0.4) | 0.1 |
| Finance and transaction costs | 13.7 | 17.9 | 12.9 | 11.4 | 9.8 | 9.7 | 10.0 | 10.0 |
| Income taxes | (66.7) | (56.1) | (3.4) | 4.4 | (8.9) | 4.9 | (7.2) | 15.3 |
| Interest income | - | - | - | - | - | (0.1) | (0.1) | (0.2) |
| Other expense | 0.8 | (1.9) | 1.4 | 2.9 | 0.6 | (4.0) | 5.3 | 5.5 |
| Income taxes paid | (5.8) | (1.1) | (2.0) | (1.6) | (0.3) | (0.7) | (0.7) | (0.5) |
| Income taxes recovered | - | 2.9 | 0.1 | 0.2 | 0.4 | 1.3 | 0.2 | 0.3 |
| Interest paid | (2.2) | (22.9) | (1.1) | (20.7) | (1.4) | (19.5) | (0.5) | (18.7) |
| Interest received | - | - | - | - | - | 0.1 | 0.1 | 0.2 |
| Funds provided by operations ⁽¹⁾ | 30.6 | 16.4 | 25.1 | 36.1 | 79.7 | 46.5 | 30.0 | 60.8 |
| Per share (diluted) ⁽²⁾ | 0.14 | 0.09 | 0.19 | 0.27 | 0.58 | 0.34 | 0.22 | 0.44 |
| Adjusted EBITDA ⁽¹⁾ | 47.0 | 45.0 | 34.7 | 60.0 | 77.3 | 64.6 | 30.6 | 79.4 |
| Per share (diluted) ⁽²⁾ | 0.26 | 0.25 | 0.26 | 0.45 | 0.56 | 0.47 | 0.22 | 0.57 |

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

(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 | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Land Drilling Market | | | | | | | | |
| Operating days ⁽¹⁾ | | | | | | | | |
| Canada | 2,471 | 2,109 | 380 | 2,343 | 3,271 | 3,424 | 1,430 | 4,077 |
| United States and International | 2,378 | 2,199 | 2,202 | 2,695 | 4,820 | 4,906 | 4,441 | 4,311 |
| Rate per operating day ⁽¹⁾ | | | | | | | | |
| Canada (CDN\$) | 24,079 | 23,695 | 31,731 | 25,764 | 26,624 | 24,669 | 26,338 | 25,415 |
| United States and International (CDN\$) | 28,171 | 30,223 | 33,184 | 33,194 | 25,150 | 22,842 | 22,890 | 24,630 |
| United States and International (US\$) | 21,209 | 23,582 | 26,755 | 27,778 | 22,476 | 21,092 | 20,819 | 22,641 |
| Utilization rate - operating day ⁽¹⁾ | | | | | | | | |
| Canada | 31 | % 34 | % 8 | % 50 | % 62 | % 66 | % 26 | % 74 |
| United States and International | 36 | % 40 | % 50 | % 61 | % 97 | % 96 | % 80 | % 76 |
| Number of drilling rigs at period end ⁽⁴⁾ | | | | | | | | |
| Canada | 72 | 82 | 54 | 54 | 53 | 61 | 59 | 61 |
| United States and International | 67 | 72 | 49 | 47 | 47 | 54 | 56 | 61 |
| Barge Drilling Market | | | | | | | | |
| Operating days ⁽¹⁾ | - | - | - | 57 | 212 | 334 | 259 | 244 |
| Rate per operating day (CDN\$) ⁽¹⁾ | - | - | - | 29,993 | 36,616 | 37,967 | 37,953 | 37,815 |
| Rate per operating day (US\$) ⁽¹⁾ | - | - | - | 26,051 | 32,795 | 35,072 | 34,599 | 34,767 |
| Utilization rate - operating day ⁽¹⁾ | - | - | - | 13 | % 46 | % 73 | % 57 | % 54 |
| Number of barge drilling rigs at period end ⁽⁴⁾ | - | - | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of barge drilling rigs under Bareboat Charter Agreements at period end ⁽⁴⁾ | - | - | - | 3 | 3 | 3 | 3 | 3 |
| TDI Joint Venture Operations ⁽²⁾ | | | | | | | | |
| Operating days ⁽¹⁾ | 668 | 595 | 516 | 410 | | | | |

| | | | | | | | | |
|--|--------|--------|--------|--------|---|---|---|---|
| Rate per operating day (CDN\$) ⁽¹⁾ | 60,619 | 59,609 | 60,555 | 61,412 | | | | |
| Rate per operating day (US\$) ⁽¹⁾ | 45,898 | 46,591 | 48,959 | 50,825 | | | | |
| Utilization rate - operating day ⁽¹⁾ | 97 | % 99 | % 95 | % 94 | % | | | |
| Number of drilling rigs at period end ⁽⁴⁾ | 8 | 8 | 8 | 8 | 6 | 4 | 4 | 3 |
| 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.

(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

| (\$ thousands except percentage) | Three months ended December 31, | | | Twelve months ended December 31, | | |
|---|---------------------------------|----------|----------|----------------------------------|--------|----------|
| | 2015 | 2014 | % Change | 2015 | 2014 | % Change |
| General and administrative ⁽¹⁾ | 17,837 | 16,770 | 6.4 | 61,866 | 63,430 | (2.5) |
| % of revenue | 12.9 | % 6.1 | % | 11.2 | % 6.7 | % |
| Share-based payment expense | 265 | (3,458) | 107.7 | (208) | 765 | (127.2) |
| Third party recoverable costs | 181 | 492 | (63.2) | 1,273 | 1,454 | (12.4) |
| Total general and administrative | 18,283 | 13,804 | 32.4 | 62,931 | 65,649 | (4.1) |
| % of revenue | 13.2 | % 5.0 | % | 11.4 | % 7.0 | % |

(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 year ended December 31, 2015, total general and administrative (G&A) expenses were \$62.9 million, down \$2.7 million or 4.1%, when compared to the prior year.

For the year ended December 31, 2015, Other G&A expenses were \$61.9 million, down \$1.6 million or 2.5% compared to the prior year. In light of industry conditions, Trinidad implemented several measures to lower overall G&A expenses including a headcount reduction, a 20% reduction in salaries and board fees for all executives and directors and a company-wide average wage rollback of 12% for salaried employees. Additionally, Trinidad has significantly reduced expenditures in non-core business activities, such as the Company's barge market operations.

Although Trinidad undertook measures to reduce overhead costs in 2015, the overall reduction when compared to 2014 was not fully reflected as many cost reductions occurred towards the end of the year. Additionally, Trinidad incurred costs in 2015 in relation to these cut backs, including an increase of \$1.7 million recorded related to termination and severance costs. As well, included in G&A were costs related to salaries and legal expenses incurred due to the CanElson acquisition. These were costs related to the additional staff and legal fees incurred subsequent to the actual acquisition. All costs incurred for the transaction directly are included in finance and transaction costs.

Lastly, Trinidad recorded \$2.3 million of higher rent expense in 2015 which included one-time costs incurred on duplicate corporate office facilities of \$1.1 million, and a bad debt expense recorded in Trinidad's US and international operations of \$2.6 million in 2015.

Trinidad expects to record a decrease in G&A costs in 2016 from a full year of cost reduction strategies implemented during 2015, and will continue to monitor operations in order to identify further efficiencies.

For the year ended December 31, 2015, share-based payment expense decreased by \$1.0 million compared to the same period in 2014. This decrease was mainly due to a lower stock price over the past twelve months combined with PSU forfeitures throughout the year. The reduction in share price caused a decrease in the liability for DSUs and PSUs year over year. This decrease is slightly offset by additional PSU's granted (annual grant occurring in January) and DSU's granted during the 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 | December 31, | December 31, | |
|----------------|--------------|--------------|-----------|
| (\$ thousands) | 2015 | 2014 | \$ Change |

| | | | |
|--|---------|----------|-----------|
| Working capital ⁽¹⁾ | 61,372 | 166,502 | (105,130) |
| Limited partnership loans | 2,609 | - | 2,609 |
| Senior notes | 620,661 | 519,759 | 100,902 |
| Credit facility | 89,873 | 15,000 | 74,873 |
| | 713,143 | 534,759 | 178,384 |
| Less: unamortized debt issue costs | (6,223 |) (6,951 |) 728 |
| Total long-term debt | 706,920 | 527,808 | 179,112 |
| Total long-term debt as a percentage of assets | 31.6 | % 27.2 | % |

| | | | |
|---|-----------|-----------|---------|
| Total assets | 2,236,200 | 1,941,621 | 294,579 |
| Total long-term liabilities | 783,254 | 628,047 | 155,207 |
| Total long-term liabilities as a percentage of assets | 35.0 | % 32.3 | % |

| | | | |
|-----------------------------------|----------|------------|-----------|
| For the years ended December 31, | 2015 | 2014 | \$ Change |
| Cash provided by operations | 215,462 | 156,519 | 58,943 |
| Cash used by investing | (269,587 |) (331,421 |) 61,834 |
| Cash provided (used) by financing | 34,534 | (29,484 |) 64,018 |

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

For the year ended December 31, 2015, working capital decreased by \$105.1 million when compared to December 31, 2014, due to a decrease in current assets of \$149.3 million partly offset by a decrease in current liabilities of \$44.2 million.

Current assets decreased in the year mainly due to a reduction in accounts receivable as a result of lower activity in 2015 compared to the prior year across all divisions. As well, inventory and prepaid expenses decreased during the current year as Trinidad's manufacturing division completed work and delivered all remaining external new builds by December 31, 2015. This was slightly offset by the increase in assets held for sale due to property included in this category in the current year compared to no assets held for sale at December 31, 2014.

Current liabilities decreased in the current period mainly as a result of a decrease in accounts payable due to lower activity during the period across all divisions, including lower activity on external rig builds. Additionally, dividends payable decreased due to a reduction on the per share dividend for the fourth quarter of 2015 to \$0.01 per share compared to \$0.05 per share in the prior year. These decreases were slightly offset by an increase in deferred revenue due to \$34.3 million received at December 31, 2015 related to the termination of contracts on three rigs with an average remaining contract period of 21 months. The majority of this amount will be recognized in the second quarter of 2016. Lastly, current liabilities also increased slightly as a result of the addition of the current portion of long-term debt added through the CanElsion acquisition.

Trinidad's total long-term debt balance at December 31, 2015 increased by \$179.1 million compared to December 31, 2014. This increase was largely due to an increase in the Senior Notes and an increase in the credit facility at December 31, 2015. The Senior Note increased entirely as a result of the strengthening in the US to Canadian dollar exchange rate at December 31, 2015, as these notes are held in US funds. The Senior Notes are translated at each period end and, as such, their aggregate value fluctuates with US to Canadian exchange rates. The Senior Notes are due on January 15, 2019 and interest is payable semi-annually in arrears on January 15 and July 15. Trinidad has designated the senior notes as a hedge of the US and international operations. As a result, unrealized gains and losses on the US dollar Senior Notes are offset against foreign exchange gains and losses arising from the translation of the foreign subsidiaries and included in the cumulative translation account in other comprehensive income.

Trinidad's total long-term debt balance also increased due to a higher balance owing on the credit facility at December 31, 2015 due to higher usage in 2015. As at December 31, 2015, \$65.0 million was drawn on Trinidad's Canadian dollar revolving credit facility and US\$18.0 million was drawn on the US dollar revolving facility, compared to \$15.0 million drawn on the Canadian facility and no amounts drawn on the US facility at December 31, 2014.

At December 31, 2015, the Company has available capacity of \$85.0 million on its \$150.0 million Canadian revolving facility and US\$132.0 million on its US\$150.0 million US revolving facility. In addition, Trinidad had \$63.7 million in cash on hand at year end. 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 Bank EBITDA ratio.

2015 Capital Expenditure

| | | |
|----------------------------------|------|------|
| For the years ended December 31, | 2015 | 2014 |
| (\$ thousands) | | |

| | | |
|---|---------|---------|
| New builds | 61,564 | 154,754 |
| Capital upgrades and enhancements | 29,009 | 76,831 |
| Maintenance and infrastructure | 12,894 | 45,062 |
| Capital spares inventory | 36,580 | - |
| Total capital expenditures for Trinidad | 140,047 | 276,647 |
| TDI joint venture capital expenditures (Trinidad's 60% share) | 43,010 | 57,954 |
| Total capital expenditures - Trinidad and TDI joint venture | 183,057 | 334,601 |

During the year ended December 31, 2015, a total of \$140.0 million was spent on capital expenditures in Trinidad, compared to \$276.6 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 costs incurred for capital inventory related to canceled projects.

In addition to the amounts spent on Trinidad's capital, the Company spent \$43.0 million related to its portion of capital spending for the TDI joint venture. During 2015, TDI took ownership of the remaining two rig builds for its Mexican operations and completed some upgrade work in Mexico and Saudi Arabia.

2016 Annual Capital Budget

| | |
|--|--------|
| (\$ thousands) | 2016 |
| Growth capital | - |
| Capital inventory | - |
| Maintenance and infrastructure | 30,000 |
| Total capital budget for Trinidad | 30,000 |
| TDI joint venture capital (Trinidad's 60% share) - | - |
| Total 2016 capital budget | 30,000 |

In 2016, Trinidad expects to spend approximately \$30.0 million in capital expenditures, largely comprised of capital for maintenance and infrastructure projects necessary to maintain the Company's current operations. Trinidad expects to utilize existing capital inventory items to upgrade and maintain its fleet.

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 net consideration paid for this acquisition was \$70.9 million in cash and \$295.2 million in equity value (88,661,926 Trinidad common shares); Trinidad acquired total fixed asset capital additions worth a fair value of \$385.9 million.

Capital Resources

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

Trinidad's objectives when managing capital include safeguarding the Company's ability to continue to provide returns for shareholders; as well as applying capital efficiencies to achieve financial objectives while focusing on operating within generated cash flows. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, repurchase or issue new shares, sell assets, reduce indebtedness or take on additional debt.

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

| RATIO | December 31, 2015 | December 31, 2014 | THRESHOLD |
|---|----------------------|----------------------|-------------------------------|
| Senior Debt to Bank EBITDA ⁽¹⁾ | 0.21:1 | (0.18):1 | 3.50:1 maximum ⁽²⁾ |
| Total Debt to Bank EBITDA ⁽¹⁾ | 3.45:1 | 1.93:1 | 4.50:1 maximum ⁽³⁾ |
| Bank EBITDA to Cash Interest Expense ⁽¹⁾ | 3.49:1 | 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.

- (2) Per the debt agreement, this covenant is set at 3.00:1 at December 31, 2015; upon completion of a material acquisition increased by 0.5.
- (3) Per the debt agreement, this covenant is set at 4.00:1 at December 31, 2015; upon completion of a material acquisition increased by 0.5.

At year end, Total Debt to Bank EBITDA was 3.45 times, compared to 1.93 times at December 31, 2014. Total Debt to Bank EBITDA increased in the current year due to lower adjusted EBITDA, as a result of weaker activity in 2015, and a higher debt balance at December 31, 2015, mainly due to a stronger US dollar translation as well as a higher revolving debt balance during 2015. The closing USD/CAD exchange rates fluctuated to 1.3840 at December 31, 2015, from 1.1601 at December 31, 2014, significantly affecting the Canadian equivalent of all US dollar debt held by Trinidad.

The Bank EBITDA does not include the Adjusted EBITDA from investment in the joint ventures. Dividends and distributions paid to Trinidad from the joint ventures would be eligible for inclusion in the Bank EBITDA in the period that payment occurs. At December 31, 2015, the expected distribution from the TDI joint venture was approximately \$36.0 million, of which \$21.6 million would be payable to Trinidad. TDI expects to declare a dividend in the first half of 2016. If Trinidad's portion of the distribution from TDI's joint venture was included at December 31, 2015, the Total Debt to Bank EBITDA would be 3.00:1.

Amendments to Credit Facility and Debt Covenants

On December 14, 2015, Trinidad announced that it had amended its credit facility, choosing to reduce the size of its credit facility in order to lower standby fees on funds it does not expect to access and has not historically utilized as well as adjust required covenants in order to allow the Company financial flexibility over the next two years.

The amended credit facility includes a Canadian revolving facility of \$150.0 million (previously \$200.0 million) and a US revolving facility of US\$150.0 million (previously US\$200.0 million) which matures in December 2018. The table below summarizes the adjustments made to the financial covenants, which are effective January 1, 2016:

| | Current Credit Agreement | |
|---|--|-------------------------------------|
| Credit Facility Size | | |
| Canadian Tranche | \$150 million | |
| US Tranche | US\$150 million | |
| Credit Facility Covenants | | |
| | Maximum of 6.00:1 | January 1, 2016 - March 31, 2017 |
| Total Leverage Covenant | Maximum of 5.50:1 | April 01, 2017 - June 30, 2017 |
| Total Debt to Bank EBITDA ⁽²⁾ ⁽³⁾ | Maximum of 5.00:1 | July 1, 2017 - December 31, 2017 |
| | Maximum of 4.00:1 | January 1, 2018 forward |
| Interest Coverage | Minimum of 2.00:1 | January 1, 2016 - December 31, 2017 |
| Bank EBITDA ⁽²⁾ / Cash Interest Expense | Minimum of 2.50:1 | January 1, 2018 forward |
| Dividend Restriction | Maximum declared amount of \$0.01 per share per quarter, if Total Leverage Covenant is | |

(1) Please see the Non-GAAP Measures Definitions at the end of this document.

(2) The ability to step the covenant up by 0.5 times for the two quarters following a material acquisition has been removed.

(3) Restricted payments (including dividends) remain unchanged at a maximum of 60% of last 12 months excess cash flow (as defined in the credit agreement).

Note: Senior Debt covenant (as defined in the credit agreement) remains unchanged at a maximum of 3.0 times.

In addition to the financial covenants, the credit facility contains other covenants with threshold limitations on various day to day events, including on the following: incurring additional debt and liens on assets; investments, including advances to the TDI joint venture; asset sales, repurchase of Senior notes; and making restricted payments. At December 31, 2015, Trinidad is in compliance with all of the covenants of the credit facility.

Senior Notes

The Senior Notes are unsecured and have no financial covenant compliance reporting requirements. There are other covenant limitations, including the following; incurring additional debt; investments, including advances to the TDI joint venture; asset sales; and restricted payments. Restricted payments as allowed within a basket, calculated as accumulated net earnings from October 1, 2010 to current at 50% for net income or 100% for net loss, plus equity issued for cash and net fair market value of other restricted assets added for equity. As at December 31, 2015, Trinidad has a significant positive restricted payment basket available.

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

OUTLOOK

To date in 2016, Trinidad has continued to manage its operations through challenging industry conditions. Crude oil and natural gas prices have weakened further in early 2016. Lower commodity prices have resulted in further reductions to the capital expenditure programs of oil and gas producers, driving lower activity levels and increased competition in the drilling sector.

At December 31, 2015, Trinidad recorded deferred revenue of \$34.9 million related to terminated contracts of which \$34.3 million was collected on December 31, 2015. The Company expects that the majority of this amount will be recognized into revenue in the second quarter of 2016. To date in the first quarter of 2016, Trinidad has not received any additional early termination payments; however, if current weak commodity prices persist, it may lead to further early terminations in 2016. Trinidad currently has 46 rigs or 31% of its fleet under long term contracts, with an average term remaining of 1.3 years. Contracts on 19 of these rigs expire throughout the remainder of the year. The Company currently has approximately 25% to 30% of both its Canadian and US fleet operating, with an additional four idle but contracted US rigs. The Company is actively pursuing opportunities to move idle rigs to areas of stronger relative demand, both through its international joint venture and independently.

Despite the challenging industry conditions, Trinidad continues to closely manage its operations and those areas within its control. In response to decreased dayrates, the Company has lowered its cost structure significantly in the past year. Trinidad expects that 2016 Other G&A costs will be approximately \$45.0 million, down 27.3% from 2015⁽¹⁾. Trinidad has also reduced cash outlays by lowering its 2016 capital expenditure budget to \$30.0 million, and has also suspended its dividend. In addition, Trinidad expects to receive distributions from its joint venture operations back to a wholly owned Trinidad subsidiary in 2016, giving the Company access to Bank EBITDA previously excluded from its bank covenant calculations. At the end of 2015 there was \$21.6 million available for distribution.

In late 2015, Trinidad amended its debt covenants, providing additional financial flexibility through till late 2017. Under current industry conditions and expectations, the Company believes it will be able to operate within these covenants.

Trinidad expects that weak demand and strong competition will continue throughout 2016, until commodity prices improve. Despite the difficult environment, Trinidad is taking this opportunity to not only manage carefully through the downturn, but to take a longer-term perspective and position the Company for when commodity prices improve. Over the past year, Trinidad has assessed its business lines, including its barge operations and its manufacturing division, and scaled back areas that were not adding value. The Company will continue to evaluate opportunities for additional ways to advance its strategy and improve profitability. By spending time today evaluating its business lines and high grading its fleet, Trinidad will be well positioned to maintain its competitive position within the industry and to meet future customer demands. The Company is also continuing to review potential areas for future international growth; including analyzing countries' strategic fit and risk/reward profiles. Trinidad is prepared to manage through the current challenging market conditions; but is also ready for success in the future when better conditions return.

(1) Estimate refers to "Other G&A" only.

CONFERENCE CALL

Conference Call: Thursday, March 3, 2016
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 call
Conference ID: 24041292

Archived Recording: Available from approximately 12:30 p.m. MT on March 3, 2016 until midnight March 18, 2016. The dial-in number is 800-585-8367 or 416-621-4642
Conference ID: 24041292

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 operate in the drilling sector of the North American oil and natural gas industry with operations in Canada and the United States. In addition, through joint ventures, Trinidad operates drilling rigs in other international markets such as Saudi Arabia and Mexico. Trinidad is focused on providing modern, reliable, expertly designed equipment operated by well-trained and experienced personnel. Trinidad's drilling fleet is one of the most adaptable, technologically advanced and competitive in the industry.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, December 31,

| (\$ thousands) | 2015 | 2014 |
|--|-----------|-----------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | 63,686 | 71,062 |
| Accounts receivable | 113,870 | 223,750 |
| Inventory | 7,136 | 29,618 |
| Prepaid expenses | 7,423 | 19,755 |
| Asset held for sale | 2,744 | - |
| | 194,859 | 344,185 |
| Property and equipment | 1,656,268 | 1,325,730 |
| Intangible assets and goodwill | 35,048 | 99,678 |
| Deferred income taxes | 54,367 | 8,070 |
| Investment in joint ventures | 295,658 | 163,958 |
| | 2,236,200 | 1,941,621 |
| Liabilities | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | 93,795 | 156,003 |
| Dividends payable | 2,221 | 6,758 |
| Deferred revenue and customer deposits | 34,862 | 14,922 |
| Current portion of long-term debt | 2,609 | - |
| | 133,487 | 177,683 |
| Long-term debt | 704,311 | 527,808 |
| Deferred income taxes | 60,495 | 100,239 |
| Non-controlling interest | 18,448 | - |
| | 916,741 | 805,730 |
| Shareholders' Equity | | |
| Common shares | 1,374,656 | 1,093,426 |
| Contributed surplus | 64,884 | 59,005 |
| Accumulated other comprehensive income | 203,947 | 62,470 |
| Deficit | (324,028) | (79,010) |
| | 1,319,459 | 1,135,891 |
| | 2,236,200 | 1,941,621 |

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME AND LOSS

For the years ended December 31,

| (\$ thousands) | 2015 | 2014 |
|--|---------|---------|
| Revenue | | |
| Oilfield service revenue | 549,772 | 938,083 |
| Other revenue | 2,127 | 3,251 |
| | 551,899 | 941,334 |
| Expenses | | |
| Operating expense | 329,733 | 626,175 |
| General and administrative | 62,931 | 65,649 |
| Depreciation and amortization | 118,900 | 125,012 |
| Foreign exchange | 7,172 | 5,017 |
| (Gain) on sale of property and equipment | (1,571) | (8,238) |
| Impairment of property and equipment | 205,628 | 77,535 |
| Impairment of goodwill | 111,847 | - |
| | 834,640 | 891,150 |

| | | |
|---|------------|--------|
| Loss (gain) loss from investment in joint ventures | 1,530 | (19) |
| Finance and transaction costs | 55,851 | 39,531 |
| (Loss) earnings before income taxes | (340,122) | 10,672 |
| Income taxes | | |
| Current | 2,757 | 4,557 |
| Deferred | (124,533) | (481) |
| | (121,776) | 4,076 |
| Net (loss) income | (218,346) | 6,596 |
| Other comprehensive (loss) income | | |
| Foreign currency translation adjustment for foreign operations, net of income tax | 141,477 | 58,066 |
| Foreign currency translation adjustment for non-controlling interest, net of income tax | 650 | - |
| | 142,127 | 58,066 |
| Total comprehensive (loss) income | (76,219) | 64,662 |
| Net (loss) Income attributable to: | | |
| Shareholders of Trinidad | (218,350) | 6,596 |
| Non-controlling interest | 4 | - |
| Total comprehensive (loss) income attributable to: | | |
| Shareholders of Trinidad | (76,873) | 64,662 |
| Non-controlling interest | 654 | - |
| Earnings per share | | |
| Net (loss) income | | |
| Basic / Diluted | (1.30) | 0.05 |

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2015 and 2014

| (\$ thousands) | Common shares | Contributed surplus | Accumulated other comprehensive income (Deficit) | | Total equity |
|---|---------------|---------------------|--|------------|--------------|
| | | | income ⁽¹⁾ | | |
| 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 | - | 214 | - | - | 214 |
| Total comprehensive (loss) income | - | - | 141,477 | (218,350) | (76,873) |
| Dividends | - | - | - | (26,668) | (26,668) |
| Share issuance (net) | 295,245 | - | - | - | 295,245 |
| Balance at December 31, 2015 | 1,374,656 | 64,884 | 203,947 | (324,028) | 1,319,459 |
| Balance at December 31, 2013 | 1,117,197 | 50,607 | 4,404 | (58,120) | 1,114,088 |
| Exercise of stock options | 807 | (215) | - | - | 592 |
| Shares repurchased through normal course issuer bid (24,578) | | 8,090 | - | - | (16,488) |
| Share-based payment expense | - | 523 | - | - | 523 |
| Total comprehensive (loss) income | - | - | 58,066 | 6,596 | 64,662 |
| Dividends | - | - | - | (27,486) | (27,486) |
| Balance at December 31, 2014 | 1,093,426 | 59,005 | 62,470 | (79,010) | 1,135,891 |

(1) Accumulated other comprehensive income consisted 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 the years ended December 31,

| (\$ thousands) | 2015 | 2014 |
|----------------------------|------------|-------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Net (loss) earnings | (218,346) | 6,596 |

Adjustments for:

| | | |
|---|-----------|----------|
| Depreciation and amortization | 118,900 | 125,012 |
| Foreign exchange | 7,172 | 5,017 |
| (Gain) on sale of property and equipment | (1,571) | (8,238) |
| Impairment of property and equipment | 205,628 | 77,535 |
| Impairment of goodwill | 111,847 | - |
| Loss (gain) from investment in joint ventures | 1,530 | (19) |
| Finance and transaction costs | 55,851 | 39,531 |
| Income taxes | (121,776) | 4,076 |
| Interest income | (34) | (412) |
| Other ⁽¹⁾ | 3,218 | 7,358 |
| Income taxes paid | (10,462) | (2,171) |
| Income taxes recovered | 3,151 | 2,254 |
| Interest paid | (46,923) | (39,978) |
| Interest received | 34 | 412 |
| Funds provided by operations | 108,219 | 216,973 |
| Change in non-cash operating working capital | 107,243 | (60,454) |
| Cash provided by operations | 215,462 | 156,519 |

Investing activities

| | | |
|---|-----------|-----------|
| Purchase of property and equipment | (140,047) | (276,647) |
| Proceeds from disposition of property and equipment | 6,230 | 137,170 |
| Investment in joint ventures | (93,094) | (170,427) |
| Acquisition of CanElson (net) | (70,911) | - |
| Purchase of intangibles | (1,082) | - |
| Change in non-cash working capital | 29,317 | (21,517) |
| Cash used by investing | (269,587) | (331,421) |

Financing activities

| | | |
|-----------------------------------|-----------|----------|
| Proceeds from long-term debt | 205,790 | 15,000 |
| Repayments of long-term debt | (130,917) | - |
| Repurchase of shares | (8,350) | (16,488) |
| Proceeds from exercise of options | - | 592 |
| Dividends paid | (31,205) | (27,634) |
| Finance costs | (784) | (954) |
| Cash provided (used) by financing | 34,534 | (29,484) |

| | | |
|--|----------|-----------|
| Cash flow from operating, investing and financing activities | (19,591) | (204,386) |
| Effect of translation of foreign currency cash | 12,215 | 7,288 |
| Decrease in cash for the year | (7,376) | (197,098) |

| | | |
|---|--------|---------|
| Cash and cash equivalents - beginning of year | 71,062 | 268,160 |
| Cash and cash equivalents - end of year | 63,686 | 71,062 |

(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 December 31, 2015 (\$ thousands) | Canadian Operations | United States / International Operations | Manufacturing Operations | Joint Venture Operations ⁽¹⁾ | Inter-segment Eliminations | Cor |
|---|------------------------|--|-----------------------------|--|-------------------------------|-----|
| Operating revenue | 61,019 | 66,967 | 8,602 | - | - | - |
| Other revenue | 31 | 230 | 1 | - | - | - |
| Third party recovery | 5,000 | 1,677 | - | - | - | - |
| General and administrative - third party recovery - | - | - | - | - | - | 181 |
| Inter-segment revenue | - | - | (12,442) | - | 12,442 | - |

| | | | | | | |
|--|----------|-----------|----------|----------|--------|------|
| Elimination of downstream transactions | - | (96 |) (5,607 |) - | - | - |
| | 66,050 | 68,778 | (9,446 |) - | 12,442 | 181 |
| Operating costs | 35,766 | 34,820 | 9,905 | - | - | - |
| Third party costs | 5,000 | 1,677 | - | - | - | - |
| Inter-segment operating | - | - | (12,442 |) - | 12,442 | - |
| Elimination of downstream transactions | - | - | (5,142 |) - | - | - |
| Operating income | 25,284 | 32,281 | (1,767 |) - | - | 181 |
| Depreciation and amortization | 22,203 | 25,849 | 895 | - | - | - |
| (Gain) loss on sale of assets | 234 | 311 | 2 | - | - | - |
| Elimination of downstream transactions | - | (1 |) - | - | - | - |
| Impairment of capital assets | 103,695 | 74,996 | - | - | - | - |
| Impairment of goodwill | - | - | - | - | - | - |
| | 126,132 | 101,155 | 897 | - | - | - |
| Segmented (loss) income | (100,848 |) (68,874 |) (2,664 |) - | - | 181 |
| Gain from investment in joint ventures | - | - | - | 6,271 | - | - |
| General and administrative | - | - | - | - | - | 18, |
| General and administrative - third party costs | - | - | - | - | - | 181 |
| Foreign exchange | - | - | - | - | - | (2,3 |
| Finance and transaction costs | - | - | - | - | - | 13,3 |
| Income taxes | - | - | - | - | - | (66 |
| Net (loss) earnings | (100,848 |) (68,874 |) (2,664 |) (6,271 |) - | 37, |
| Purchase of property and equipment | 7,138 | 19,353 | - | - | - | - |

(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 December 31, 2014 (\$ thousands) | Canadian Operations | United States / International Operations | Manufacturing Operations | Joint Venture Operations ⁽¹⁾ | Inter-segment Eliminations | Cor |
|---|------------------------|--|-----------------------------|--|-------------------------------|-------|
| Operating revenue | 87,102 | 128,597 | 108,018 | - | - | - |
| Other revenue | 35 | 263 | 5 | - | - | - |
| Third party recovery | 10,839 | 3,141 | - | - | - | - |
| General and administrative - third party recovery | - | - | - | - | - | 492 |
| Inter-segment revenue | - | - | 52,352 | - | (52,352 |) - |
| Elimination of downstream transactions | - | (24 |) (62,122 |) - | - | - |
| | 97,976 | 131,977 | 98,253 | - | (52,352 |) 492 |
| Operating costs | 47,342 | 77,535 | 101,812 | - | - | - |
| Third party costs | 10,839 | 3,141 | - | - | - | - |
| Inter-segment operating | - | - | 52,352 | - | (52,352 |) - |
| Elimination of downstream transactions | - | - | (58,150 |) - | - | - |
| Operating income | 39,795 | 51,301 | 2,239 | - | - | 492 |
| Depreciation and amortization | 12,321 | 21,209 | 407 | - | - | - |
| Loss (gain) on sale of assets | 2,333 | 1,157 | (23 |) - | - | - |
| Elimination of downstream transactions | - | - | - | - | - | - |
| Impairment of capital assets | 20,502 | 36,403 | - | - | - | - |
| | 35,156 | 58,769 | 384 | - | - | - |
| Segmented income (loss) | 4,639 | (7,468 |) 1,855 | - | - | 492 |
| Gain from investment in joint venture | - | - | - | (1,376 |) - | - |
| General and administrative | - | - | - | - | - | 13,3 |
| General and administrative - third party costs | - | - | - | - | - | 492 |
| Foreign exchange | - | - | - | - | - | (28 |
| Finance costs | - | - | - | - | - | 9,8 |
| Income taxes | - | - | - | - | - | (8,9 |
| Net earnings (loss) | 4,639 | (7,468 |) 1,855 | 1,376 | - | (13 |
| Purchase of property and equipment | 30,404 | 42,997 | - | - | - | - |

(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 the year ended December 31, 2015 (\$ thousands) | Canadian Operations | United States / International Operations | Manufacturing Operations | Joint Venture Operations ⁽¹⁾ | Inter-segment Eliminations | Con |
|---|------------------------|--|-----------------------------|--|-------------------------------|------|
| Operating revenue | 184,431 | 297,711 | 102,268 | - | - | - |
| Other revenue | 246 | 925 | 5 | - | - | - |
| Third party recovery | 17,387 | 8,196 | - | - | - | - |
| General and administrative - third party recovery | - | - | - | - | - | 1,2 |
| Inter-segment revenue | - | - | 83,082 | - | (83,082) | - |
| Elimination of downstream transactions | - | (319) | (60,224) | - | - | - |
| | 202,064 | 306,513 | 125,131 | - | (83,082) | 1,2 |
| Operating costs | 108,967 | 153,434 | 98,857 | - | - | - |
| Third party costs | 17,387 | 8,196 | - | - | - | - |
| Inter-segment operating | - | - | 83,082 | - | (83,082) | - |
| Elimination of downstream transactions | - | - | (57,108) | - | - | - |
| Operating income | 75,710 | 144,883 | 300 | - | - | 1,2 |
| Depreciation and amortization | 47,966 | 68,037 | 2,897 | - | - | - |
| (Gain) loss on sale of assets | 1,419 | (2,490) | (509) | - | - | - |
| Elimination of downstream transactions | - | 9 | - | - | - | - |
| Impairment of capital assets | 103,695 | 101,933 | - | - | - | - |
| Impairment of goodwill | - | 111,847 | - | - | - | - |
| | 153,080 | 279,336 | 2,388 | - | - | - |
| Segmented income | (77,370) | (134,453) | (2,088) | - | - | 1,2 |
| Loss from investment in joint ventures | - | - | - | 1,530 | - | - |
| General and administrative | - | - | - | - | - | 61, |
| General and administrative - third party costs | - | - | - | - | - | 1,2 |
| Foreign exchange | - | - | - | - | - | 7,1 |
| Finance and transaction costs | - | - | - | - | - | 55, |
| Income taxes | - | - | - | - | - | (12, |
| Net (loss) earnings | (77,370) | (134,453) | (2,088) | (1,530) | - | (2,9 |

Purchase of property and equipment

27,002

112,837

208

-

-

-

(1) The loss 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 the year ended December 31, 2014 (\$ thousands) | Canadian Operations | United States / International Operations | Manufacturing Operations | Joint Venture Operations ⁽¹⁾ | Inter-segment Eliminations | Con |
|---|------------------------|--|-----------------------------|--|-------------------------------|-----|
| Operating revenue | 312,871 | 480,240 | 184,817 | - | - | - |
| Other revenue | 1,295 | 475 | 51 | - | - | - |
| Third party recovery | 39,784 | 16,574 | - | - | - | - |
| General and administrative - third party recovery | - | - | - | - | - | 1,4 |
| Inter-segment revenue | - | - | 102,870 | - | (102,870) | - |
| Elimination of downstream transactions | - | (24) | (96,203) | - | - | - |
| | 353,950 | 497,265 | 191,535 | - | (102,870) | 1,4 |
| Operating costs | 178,209 | 308,533 | 172,710 | - | - | - |
| Third party costs | 39,784 | 16,574 | - | - | - | - |
| Inter-segment operating | - | - | 102,870 | - | (102,870) | - |
| Elimination of downstream transactions | - | - | (89,635) | - | - | - |
| Operating income | 135,957 | 172,158 | 5,590 | - | - | 1,4 |
| Depreciation and amortization | 44,603 | 78,820 | 1,589 | - | - | - |
| (Gain) loss on sale of assets | 1,928 | (28,269) | (23) | - | - | - |
| Elimination of downstream transactions | - | 18,126 | - | - | - | - |
| Impairment of capital assets | 33,869 | 43,666 | - | - | - | - |
| | 80,400 | 112,343 | 1,566 | - | - | - |
| Segmented income | 55,557 | 59,815 | 4,024 | - | - | 1,4 |

| | | | | | | |
|--|--------|--------|-------|-----|-----|-----|
| Gain from investment in joint venture | - | - | - | (19 |) - | - |
| General and administrative | - | - | - | - | - | 64, |
| General and administrative - third party costs | - | - | - | - | - | 1,4 |
| Foreign exchange | - | - | - | - | - | 5,0 |
| Finance and transaction costs | - | - | - | - | - | 39, |
| Income taxes | - | - | - | - | - | 4,0 |
| Net earnings (loss) | 55,557 | 59,815 | 4,024 | 19 | - | (11 |

Purchase of property and equipment 134,943 141,540 164 - - -

(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.

| As at December 31, 2015 (\$ thousands) | Canadian Operations | United States / International Operations | Manufacturing Operations | Joint Venture Operations ⁽¹⁾ | Inter-segment Eliminations | Corporate | Total |
|---|------------------------|--|-----------------------------|--|-------------------------------|-----------|-------|
| Property and equipment | 642,332 | 977,108 | 36,828 | - | - | - | 1,65 |
| Intangible assets and goodwill | 19,623 | 14,421 | 1,004 | - | - | - | 35,0 |
| Total assets less deferred tax asset | 694,285 | 973,055 | 235,441 | 279,052 | - | - | 2,18 |
| Deferred income tax (asset) liability (53,752) | 58,643 | 1,237 | - | - | - | - | 6,12 |

| As at December 31, 2014 (\$ thousands) | Canadian Operations | United States / International Operations | Manufacturing Operations | Joint Venture Operations ⁽¹⁾ | Inter-segment Eliminations | Corporate | Total |
|--|------------------------|--|-----------------------------|--|-------------------------------|-----------|-------|
| Property and equipment | 539,683 | 760,575 | 25,472 | - | - | - | 1,32 |
| Intangible assets and goodwill | - | 98,725 | 953 | - | - | - | 99,6 |
| Total assets less deferred tax asset | 508,002 | 1,133,525 | 128,066 | 163,958 | - | - | 1,93 |
| Deferred income tax (asset) liability (8,070) | 99,180 | 1,059 | - | - | - | - | 92,1 |

(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, Adjusted EBITDA, Adjusted EBITDA from investment in joint ventures, 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. These non-GAAP measures are identified and defined as follows:

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

| (\$ thousands) | Three months ended December 31, | | For the years ended December 31, | |
|-------------------------------|---------------------------------|-----------|----------------------------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| Net (loss) earnings | (141,391 |) (13,507 |) (218,346 |) 6,596 |
| Plus: | | | | |
| Finance and transaction costs | 13,584 | 9,808 | 55,851 | 39,531 |
| Depreciation and amortization | 48,947 | 33,938 | 118,900 | 125,012 |
| Income taxes | (66,609 |) (8,931 |) (121,776 |) 4,076 |

| | | | | |
|---|----------|----------|----------|-----------|
| | (145,469 |) 21,308 | (165,371 |) 175,215 |
| Plus: | | | | |
| Gain on sale of property and equipment | 548 | 3,466 | (1,571 |) (8,238 |
| Impairment of property and equipment | 178,691 | 56,905 | 205,628 | 77,535 |
| Impairment of goodwill | - | - | 111,847 | - |
| Share-based payment expense | 265 | (3,458 |) (208 |) 765 |
| Foreign exchange | (2,345 |) (281 |) 7,172 | 5,017 |
| Gain from investment in joint venture | 6,271 | (1,376 |) 1,530 | (19 |
| Plus: | | | | |
| Adjusted EBITDA from investment in joint ventures | 9,125 | 1,376 | 27,719 | 1,771 |
| Adjusted EBITDA | 47,086 | 77,940 | 186,746 | 252,046 |

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

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

| (\$ thousands) | Three months ended December 31, | | For the years ended December 31, | |
|---|---------------------------------|---------|----------------------------------|--------|
| | 2015 | 2014 | 2015 | 2014 |
| Gain from investment in joint ventures | (6,271 |) 1,376 | (1,530 |) 19 |
| Plus: | | | | |
| Finance costs | 222 | - | 630 | 34 |
| Depreciation and amortization | 5,114 | - | 16,116 | 2,916 |
| Income taxes | (103 |) - | 2,202 | (1,449 |
| | (1,038 |) 1,376 | 17,418 | 1,520 |
| Plus: | | | | |
| TDI investment fair value adjustment | (7,517 |) - | (7,517 |) - |
| Loss (gain) on sale of property and equipment | 377 | - | 377 | - |
| Impairment of property and equipment | - | - | - | - |
| Foreign exchange | 1,021 | - | 1,159 | 251 |
| Preferred share valuation | 16,282 | - | 16,282 | - |
| Adjusted EBITDA from investment in joint ventures | 9,125 | 1,376 | 27,719 | 1,771 |

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

"Senior Debt to Bank EBITDA" is defined as the consolidated balance of the revolving facility and other debt secured by a lien at quarter end to consolidated Bank EBITDA for the trailing 12 months (TTM). Bank EBITDA used in this financial ratio is calculated as net earnings before interest, taxes, depreciation and amortization, plus impairment expense, loss (gain) on sale of 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 net earnings before interest, taxes, depreciation and amortization, 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 | December 31, | December 31, |
|---|--------------|--------------|
| (\$ thousands) | 2015 | 2014 |
| Total Debt: | | |
| Senior notes, principal (US\$450.0 million) | 622,800 | 522,045 |
| Other debt | 2,609 | |
| Draw on credit facility | 89,873 | 15,000 |
| Letters of credit | 499 | - |

| | | | |
|---|-----------|----------|---|
| Dividends payable | 2,221 | 6,758 | |
| Cash (less amounts held in Bermuda) in excess of \$10.0 million | (52,700) | (61,062) |) |
| | 665,302 | 482,816 | |
| Bank EBITDA (TTM): | | | |
| Net earnings | (218,346) | 6,596 |) |
| Income taxes | (121,776) | 4,076 |) |
| Finance and transaction costs | 55,851 | 39,531 | |
| Depreciation and amortization | 118,900 | 125,012 | |
| Impairment | 317,475 | 77,535 | |
| (Gain) loss from investment in joint venture | 1,530 | (19) |) |
| (Gain) loss on sale of property and equipment | (1,571) | (8,238) |) |
| Unrealized foreign exchange | 7,915 | 4,580 | |
| Share-based payment expense | (208) | 765 |) |
| Non-controlling interest | (4) | - |) |
| CanElsion Pro-forma inclusion (TTM) | 33,354 | - | |
| | 193,120 | 249,838 | |
| Total Debt to Bank EBITDA | 3.45 | 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 net earnings before interest, taxes, depreciation and amortization, 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 Operating revenue or revenue net of third parties, Funds provided by operations, Operating income, Operating income percentage and Operating income - net percentage.

These additional GAAP measures are defined as follows:

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

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

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

"Operating income 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 INFORMATION

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking information") within the meaning of applicable Canadian securities laws. The use of any of the words "expect", "anticipate", "will", "future" and similar expressions are intended to identify forward-looking information. In particular, this news release contains forward-looking information pertaining to Trinidad's plans, strategies, objectives, expectations and intentions including, without limitation: the manufacturing and upgrading of drilling rigs; the timing of the delivery of the rigs into operation; Trinidad's and the joint venture's growth opportunities; Trinidad's 2016 capital expenditure program; Trinidad's expectation that it will fund the building and upgrading of rigs through cash flow from operations; the potential success of the joint venture; Trinidad's ability to lower its cost structure and its ability to move rigs to the joint venture and enter new international markets.

The forward-looking information included in this news release reflects several factors, expectations and assumptions including, without limitation: oil and gas industry conditions and oil and gas production levels; commodity prices; supply and demand for commodities; scheduling and timing of certain projects and Trinidad's and the joint venture's strategy for growth; capital expenditure programs, cost structure and other expenditures by oil and gas exploration and production companies; Trinidad's and the joint venture's future operating and financial results; that Trinidad will continue to conduct its operations, including with respect to rig design and manufacturing, in a manner consistent with its past performance.

The forward-looking information included in this news release is not a guarantee of future performance and should not be unduly relied upon. Forward-looking information is 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 information including, without limitation: volatility in market prices for oil, natural gas and LNG; liabilities inherent in the drilling and manufacturing industries, including technical problems; competition for skilled personnel; changes in general economic, market and business conditions; actions by governmental or regulatory authorities including changes to tax or environmental laws; the ability of Trinidad's customers to raise capital and to continue with their drilling programs; increases and overruns in construction costs; supply and demand for commodities; and the risks inherent in Trinidad's ability to generate sufficient cash flow from operations to meet its current and future obligations. Should any one of a number of issues arise, Trinidad may find it necessary to alter its current business strategy and/or capital expenditure program. Additional risks that could impact the business and operations of Trinidad are detailed under the heading "Risk Factors" in Trinidad's annual information form for the year ended December 31, 2014. Trinidad cautions that the foregoing list of risks and uncertainties is not exhaustive. The forward-looking information contained in this news release speaks only as of the date of this news release and Trinidad assumes no obligation to publicly update or revise such forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

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

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