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[Trinidad Drilling Ltd.](#) ("Trinidad" or "the Company") (TSX:TDG) announces today that it has agreed with its lending group to amend its credit facility and certain financial covenants, providing additional flexibility for the Company.

"This amendment to our credit agreement is an example of the many ways we are actively managing Trinidad to withstand the current downturn," said Lyle Whitmarsh, Trinidad's Chief Executive Officer. "We are also carefully preparing the Company for improved industry conditions and higher activity levels. Crude oil prices have increased in the past few months and we are beginning to see what may be very early indications of industry improvements. While these changes are encouraging, we believe that it is important to also be prepared for the possibility of a protracted downturn. The amendments made to our debt covenants give us more flexibility to manage our operations in the current environment, and also provide us with comfort given the limited visibility we have into future periods."

Amendments to Credit Facility and its Covenants

Trinidad worked with its lending group, and the parties agreed to amend the credit agreement governing its credit facility including reducing the size of the facility and relaxing or eliminating certain of the financial covenants. At the end of the first quarter of 2016, Trinidad was well within its debt covenants and had \$618 million of long-term debt and \$48 million of cash on hand. Since the end of the quarter, Trinidad has been able to reduce its debt further. The Company's credit facility is currently undrawn and Trinidad's only other long-term debt consists of \$2 million in limited partnership loans and US\$450 million in senior notes.

Certain of the changes made to Trinidad's credit agreement are summarized below:

	Current Amended Credit Agreement	Previous Amended Credit Agreement
Credit Facility Size		
Canadian Tranche	C\$100 million	C\$150 million
US Tranche	US\$100 million	US\$150 million
Credit Facility Covenants		
Senior Leverage Covenant	Senior Debt/ Bank EBITDA ⁽¹⁾ ⁽²⁾	Max of 2.5x Max of 3.0x
		Apr 01 2016 to Mar 31 2018 Apr 01 2018 on
Total Leverage Covenant	Total Debt/ Bank EBITDA ⁽¹⁾	Permanently eliminated
Interest Coverage	Bank EBITDA ⁽¹⁾ / Cash Interest Expense	Min of 1.5x Min of 2.5x
		Apr 01 2016 to Mar 31 2018 Apr 01 2018 on
Dividend Restriction		No dividends may be paid from Apr 01 2016 to Mar 31 2018

(1) See Non-GAAP disclaimer 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.

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

Additional changes to the Company's credit agreement are included in the amending agreement, a copy of which will be filed on SEDAR.

Operational update

With crude oil prices trading between US\$45 and US\$50 a barrel for the past few months, Trinidad has begun to see an increased level of enquiry from customers in both Canada and the US. In Canada, the industry utilization is currently at 11%, up from 9% at the end of the first quarter of 2016. In the US, the active rig count appears to have bottomed out and has added a small number of active rigs in recent weeks. The current active rig count in the US is 398 rigs, down from 432 rigs at the end of the first quarter of 2016, but up from a low of 374 earlier this month. Trinidad has been able to put several rigs back to work since the end of the first quarter of 2016 and currently has 13% of its Canadian fleet working and 17% of its US fleet working.

The recent improvements in activity may be early signs of a fuller recovery to come later in 2016 or 2017; however, Trinidad continues to manage its operations with current market conditions in mind. Over the past year, the Company has proactively made changes to its business to maintain positive margins and preserve cash within the Company. During this time, Trinidad

has lowered its cost structure, reduced headcount and wages, suspended its dividend and lowered capital expenditures. Given current market expectations, Trinidad expects to be able to operate within its debt covenants.

Trinidad is closely monitoring industry conditions and changes in customer demand and is preparing the Company for a future rebound in activity. Trinidad has retained high performing, experienced people where possible and is prepared to crew rigs as they go back to work. In addition, an ongoing maintenance program has been in place throughout the downturn to ensure equipment that has not been utilized will be able to be reactivated with minimal cost. While crude oil prices have improved significantly from earlier in 2016, Trinidad does not believe that current levels are sufficient to drive a strong rebound in activity. Trinidad expects that industry conditions will remain challenging until commodity prices improve further and remain at higher levels.

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 oil and natural gas industry with operations in Canada, the United States and the Middle East. 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.

FORWARD-LOOKING INFORMATION

This press 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 press release contains forward-looking information pertaining to anticipated industry conditions; Trinidad's ability to manage through the downturn; and Trinidad's ability to operate within its debt covenants.

The forward-looking information included in this press release reflects several factors, expectations and assumptions including, without limitation, factors, expectations and assumptions in respect of: oil and gas industry conditions and oil and gas production levels; commodity prices; supply and demand for commodities; anticipated customer demand; that contractual counterparties will generally act in accordance with the terms of their agreements; Trinidad's use of its credit facility; scheduling and timing of certain projects and Trinidad's (and its joint ventures') strategy for growth; capital expenditure programs, cost structure and other expenditures by oil and gas exploration and production companies; Trinidad's (and its joint ventures') future operating and financial results; Trinidad's ability to continue to conduct its operations in a manner consistent with its past performance.

The forward-looking information included in this press 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 and the prolonged persistence of weak industry 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 and no assurance can be given as to how such strategy will change or funds reallocated. 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, 2015. Trinidad cautions that the foregoing list of risks and uncertainties is not exhaustive. The forward-looking information contained in this press release speaks only as of the date of this press 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.

NON-GAAP MEASURES

This news release contains references to certain financial measures that do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures presented by other companies.

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 income 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. Bank EBITDA also includes all distributions received from the Company's joint ventures during the period.

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 income 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. Bank EBITDA also includes all distributions received from the Company's joint ventures during the period.

Bank EBITDA to Cash Interest Expense is defined as the consolidated Bank EBITDA for TTM to the cash interest expense on all debt balances for TTM. Bank EBITDA used in this financial ratio is calculated as net income 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. Bank EBITDA also includes all distributions received from the Company's joint ventures during the period.

For further information on these measures including reconciliations to the nearest measure calculated in accordance with IFRS, readers are urged to consult the information provided under the heading "Non-GAAP Measures Definitions" in the Company's management's discussion and analysis for the three months ended March 31, 2016.

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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