CALGARY, Alberta, Aug. 01, 2017 (GLOBE NEWSWIRE) -- Trinidad Drilling Ltd. (TSX:TDG) (Trinidad) announced its second quarter and year-to-date 2017 results today.

OVERVIEW

In the first half of 2017, improving industry conditions and growing customer demand drove increased activity levels in Canada and the US. In response to these conditions, Trinidad re-activated rigs and prepared its remaining fleet to meet growing demand.

"Industry conditions continued to improve through the first half of 2017 and despite some recent weakness in commodity prices, we continue to see strong customer demand, particularly in our US operations," said Brent Conway, Trinidad's President and Chief Executive Officer. "In the first half of 2017, operating days in our Canadian and US and international divisions were up 50% and 105%, respectively from the same period last year. As activity improved and the market for high performance rigs tightened, we have started to see increased dayrates. In fact, underlying dayrates in the US reached an inflection point in the second quarter, where the impact of rigs starting up on new contracts more than offset the impact of rigs rolling off legacy contracts."

"In order to meet the growing demand from our customers, we completed necessary maintenance and re-certification work and made steady progress on our customer-backed upgrade program during the second quarter. We also took advantage of the relative strength in the US market and moved a second rig from our Canadian operations to the Permian Basin in the US, under contract. While these activities required us to incur costs and, combined with lower early termination and standby revenue, drove lower results quarter over quarter, they point to improving underlying industry conditions and ongoing strength in future customer demand. Given current market conditions and the majority of this work completed, we expect to see a continued improvement through the second half of the year."

For the three and six months ended June 30, 2017, Trinidad recorded Adjusted EBITDA[1] of $14.7 million and $65.9 million, respectively, down 74.3% and 34.9% from the same periods last year as the impact of higher activity levels was offset by less early termination and standby revenue received in the current periods. Revenue increased by 7.1% and 15.7% during the three and six months ended June 30, 2017, even though early termination and standby revenue decreased by 93.4% and 73.8% for the three and six months ended June 30, 2017. Adjusted EBITDA also lowered in the second quarter and first half of 2017 due to costs incurred to re-activate and prepare rigs for upcoming work. In addition, year-to-date 2017 Adjusted EBITDA was impacted by one-time, bad debt and severance costs of $7.1 million recorded in the first quarter of 2017.

Net income[2] was a loss of $5.6 million or $(0.02) per share in the second quarter of 2017 compared to a net loss of $16.3 million or $(0.07) per share in the same quarter of 2016. Net income improved in the quarter largely as a result of a gain from investments in joint ventures, driven by a fair value adjustment, combined with lower finance and transaction costs and a larger deferred tax recovery. The impact of these factors was partly offset by lower Adjusted EBITDA, higher depreciation and amortization expense and a fair value adjustment to the Company's non-controlling interests in the current quarter. Year to date in 2017, Trinidad recorded net loss of $17.5 million or $(0.07) per share, compared to a net loss of $5.0 million or $(0.02) per share in the same period last year. In addition to the factors impacting the current quarter, net income lowered year to date due to a foreign exchange loss in the current period, compared to a gain in the prior comparable period. Earnings per share was impacted by an increase in the number of shares outstanding due to the issuance of 47.5 million shares during the first quarter of 2017.

(1) See Non-GAAP Measures Definitions and Additional GAAP Measures Definitions section of this document for further details.
(2) Net income is net income attributable to shareholders of Trinidad.

SECOND QUARTER 2017 HIGHLIGHTS

- Revenue increased by $6.7 million in the second quarter of 2017 compared to the same period in 2016, despite a $46.2 million decrease in early termination and standby revenue in the three months ended June 30, 2017, compared to 2016. Revenue increased as a result of higher activity levels in both Canada and the US, partly offset by lower dayrates in the current period. In Canada, dayrates were lower than 2016 due to a higher proportion of smaller rigs operating, and in both Canada and the US and international drilling operations, dayrates lowered due to the number of rigs working under spot market pricing.
- Operating days during the second quarter of 2017 increased by 156.7% in the Canadian and US and international drilling operations compared to the same quarter last year, as industry conditions continued to improve throughout the second quarter of 2017.
- Operating income of $23.7 million during the second quarter of 2017, decreased by $38.0 million due to increased operating costs in both the Canadian and US and international drilling operations. Higher operating costs were the result of higher activity levels and seasonal repairs and maintenance costs in anticipation of activity in the second half of 2017, and approximately $3.0 million of rig reactivation and transportation costs of rigs in the US.
- Adjusted EBITDA was $14.7 million in the second quarter, a decrease of $42.4 million from 2016, primarily as a result of less early termination and standby revenue in 2017 compared to the second quarter of 2016.

- Net loss was $5.6 million in the second quarter of 2017 compared to a net loss of $16.3 million in the same quarter of 2016. Net loss improved as a result of a gain from investments in joint ventures, driven by a fair value adjustment, combined with lower finance and transaction costs and a larger deferred tax recovery. The impact of these factors was partly offset by increased operating costs, higher depreciation and amortization expense and a fair value adjustment to the Company's non-controlling interests in the current quarter.
- During the quarter, Trinidad continued its previously announced capital upgrade program and invested $35.4 million, which included $26.0 million in capital upgrades and enhancements to meet growing demand for high performance rigs.
- During the second quarter of 2017, Trinidad received a US$30.0 million distribution from our joint venture with Halliburton, Trinidad Drilling International (TDI).
- During the quarter ended June 30, 2017, Trinidad maintained its strong financial position as a result of the refinancing completed in the first quarter of 2017 where the Company redeemed its outstanding US$450 million of 7.875% senior unsecured notes due in 2019 (2019 Senior Notes) and issued US$350 million of 6.625% senior unsecured notes which mature in 2025 (2025 Senior Notes), collectively the Senior Notes.

HIGHLIGHTS

	Three months ended June 30,			Six months ended June 30,		
($ thousands except share and per share data)	2017	2016	% Change	2017	2016	% Chan
FINANCIAL HIGHLIGHTS						
Revenue	101,166	94,476	7.1	233,903	202,126	15.7
Operating income (1)	23,726	61,679	(61.5)	72,364	108,358	(33.2
Operating income - net percentage (1)	24.9%	66.8%	(62.7)	32.8%	55.5%	(40.9
Adjusted EBITDA (1)	14,655	57,035	(74.3)	65,914	101,243	(34.9
Per share (diluted) (2)	0.05	0.26	(80.8)	0.25	0.46	(45.7
Funds flow (1)	10,517	46,898	(77.6)	10,754	55,598	(80.7
Per share (basic / diluted) (2)	0.04	0.21	(81.0)	0.04	0.25	(84.0
Net (loss) (3)	(5,583)	(16,256)	65.7	(17,519)	(4,953)	(253.7
Per share (basic / diluted) (2)(3)	(0.02)	(0.07)	71.4	(0.07)	(0.02)	(250.0
Capital expenditures	35,386	4,499	686.5	58,558	24,663	137.4
Shares outstanding - diluted (weighted average) (2)	269,932,262	222,506,645	21.3	260,515,345	222,087,270	17.3
OPERATING HIGHLIGHTS						
Operating days (1)						
Canada	1,099	665	65.3	3,987	2,666	49.5
United States and International	2,957	915	223.2	5,422	2,648	104.8
TDI Joint Venture (4)	339	461	(26.5)	693	1,151	(39.8
Rate per operating day (1)						
Canada (CDN$)	19,842	31,138	(36.3)	22,104	26,258	(15.8
United States and International (US$)	18,249	59,070	(69.1)	18,066	33,839	(46.6
TDI Joint Venture (US$) (4)	50,744	55,962	(9.3)	79,509	50,397	57.8
Utilization rate - operating day (1)						
Canada	21%	10%	110.0	34%	20%	70.0
United States and International	48%	15%	220.0	44%	22%	100.0
TDI Joint Venture (4)	47%	63%	(25.4)	48%	79%	(39.2
Number of drilling rigs at period end (5)						
Canada	70	72	(2.8)	70	72	(2.8
United States and International	69	67	3.0	69	67	3.0
TDI Joint Venture (4)	8	8	—	8	8	&mdash

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

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

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

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

(5) Refer to the Results from Operations section for details on the changes to the rig count.

A copy of Trinidad’s Second Quarter 2017 Management’s Discussion and Analysis and the Financial Statements can be found at www.sedar.com and Trinidad’s website at www.trinidaddrilling.com/investorrelations/reports.aspx

OUTLOOK

Activity levels in the third quarter of 2017 remain well ahead of the same time last year. In Canada, activity continues to be focused in the Montney, Duvernay and Deep Basin, with some interest growing in the Cardium, Viking and Bakken plays. Trinidad currently has 30 rigs or 43% of its Canadian fleet running, 100% higher than the number of rigs working at the same time in 2016. Given current industry conditions, Trinidad expects activity to continue to strengthen in the coming months, with firm commitments on several rigs and additional opportunities for incremental rigs to start up during the remainder of 2017.

In the US, activity remains strong in the Permian, where customers are demanding high spec rigs to drill wells quickly and efficiently. Trinidad currently has 28 rigs or more than 80% of its active US rigs operating in the Permian, with several more rigs contracted to start up in the coming months as their upgrades are completed. In total, the Company has 34 rigs or 50% of its US and international fleet operating, up from 22 rigs or 183% higher than this time last year. Trinidad expects to have approximately 45 active rigs in the US by the end of 2017.

A pull back in oil prices to below US$50 per barrel led to some limited customer hesitation; however, drilling programs are largely progressing as planned and oil prices have shown some recent improvement. To date in 2017, demand has been stronger in the US than in Canada. The stronger US conditions have provided an improved ability to increase dayrates, gain customer commitments to support equipment upgrades, and to sign long-term contracts. In addition to putting idle rigs to work in the US, Trinidad has taken advantage of the relative strength in the US market and moved two Canadian rigs to the US under customer contracts.

During the second quarter of 2017, Trinidad responded to increasing customer demand and incurred higher than typical operating costs in order to prepare its fleet for upcoming work. The Company believes that, other than transportation costs for two rigs moving from Canada and northern US under long-term contracts in the third quarter, these costs are largely complete.

In its TDI joint venture, Trinidad currently has three rigs in Saudi Arabia and one rig in Mexico operating, one rig in Mexico earning standby revenue and three idle rigs. The joint venture and Trinidad are actively bidding on near-term and future opportunities for equipment that is idle or is expected to be available when contracts expire.

In this challenging commodity price environment, customers remain focused on driving improved efficiencies to ensure their development plans remain economic. These demands have led to drilling longer laterals and a need for upgraded equipment to drill these wells effectively. Trinidad believes that customer demands for improved efficiency will be the way of the future. The Company is embracing these changes and has made adjustments to its business model to benefit from the changing environment. Trinidad has implemented innovative contracts that provide upside as commodity prices improve, or pay Trinidad higher day rates when its performance beats specified metrics. These types of contracts create a win/win partnership between Trinidad and its customers. Currently approximately 30% of Trinidad's long-term contracts contain either a performance-based or commodity-based clause. In addition, the Company is implementing systems to integrate its existing rig-control technology with above-ground, data capture equipment and down-hole tools to further improve efficiencies and results for its customers.

Currently, Trinidad has 33 rigs, or 22% of its fleet under long-term contracts, with an average term remaining of 1.2 years; eight contracts have expiration dates during the remainder of 2017.

As activity levels increase, Trinidad continues to carefully monitor costs in its operations and in its offices, retaining efficiency gains where possible. Other G&A expenses are expected to total approximately $55 million, including one-time items totaling $7.1 million related to severance and bad debt expense recorded in the first quarter of 2017.

Trinidad's capital budget for 2017 remains unchanged at $175 million, with $20 million directed to maintenance capital and $155 million directed to upgrades of existing equipment. The upgrade program is progressing well, with work on more than half of the upgrades started, and in some cases completed and the rigs back in operation. Trinidad's upgrade program is largely backed by customer commitments, including early termination provisions that cover almost all the capital spent.

Early in the second quarter of 2017, Trinidad received a distribution from its international joint venture operations of US$30 million. These funds, along with cash on hand, funds generated from its operations and where necessary, the Company’s revolving credit facility, will be used to fund the capital expenditure program. At June 30, 2017, Trinidad had ample financial flexibility, with its credit facility undrawn and extended maturity on its Senior Notes.

Conditions to date in 2017 have shown a marked improvement from last year. Current commodity price levels support ongoing strength in the US, with customers continuing to put rigs back to work at attractive dayrates. In Canada, Trinidad expects activity to continue to build into the winter drilling season, but with smaller dayrate increases than those seen in the US. In the international market, tenders are occurring in increased numbers and with more specific timing and greater certainty than has been the case over the past two years. The Company will continue to pursue those opportunities that meet its strategic and economic criteria. Trinidad expects industry conditions during the remainder of 2017 to continue to show year-over-year improvements and is well positioned to perform strongly in this environment.

RESULTS FROM OPERATIONS

Canadian Operations

($ thousands except percentage and operating data)	Three months ended June 30, 2017	2016	% Change	Six months ended June 30, 2017	2016	% Change
Operating revenue [(1)]	21,810	20,942	4.1	88,134	71,300	23.6
Operating income [(2)]	4,074	10,103	(59.7)	34,369	34,004	1.1
Operating income - net percentage [(2)]	18.5 %	48.0 %		38.6 %	47.5 %	
Operating days [(2)]	1,099	665	65.3	3,987	2,666	49.5
Rate per operating day (CDN$) [(2)]	19,842	31,138	(36.3)	22,104	26,258	(15.8)
Utilization rate - operating day [(2)]	21 %	10 %	110.0	34 %	20 %	70.0
Number of drilling rigs at period end	70	72	(2.8)	70	72	(2.8)

(1) Operating revenue excludes third party recovery.

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

Improving industry conditions in Canada and higher commodity prices drove increased activity levels in both the three and six months ended June 30, 2017, compared to the same periods last year. The impact of higher operating days and utilization was partially offset by a change in the active rig mix and increased repair and maintenance costs as rigs returned to work. The recovery in the Canadian market is lagging the US market by three to six months.

For the three and six months ended June 30, 2017, Trinidad recorded operating revenue of $21.8 million and $88.1 million, respectively, an increase of 4.1% and 23.6%, respectively, compared to the three and six months ended June 30, 2016. Operating revenue increased in the current periods as a result of significantly higher operating days, partly offset by lower dayrates.

Dayrates for the three and six months ended June 30, 2017, decreased by $11,296 per day and $4,154 per day, respectively, compared to the prior year. Dayrates lowered in 2017 as more rigs were re-activated and worked under short-term or spot market contracts compared to rigs under long-term contracts in 2016. Long-term contract pricing was generally set during stronger industry conditions and typically had higher dayrates than spot market pricing. In addition, dayrates were impacted during the first half of 2017 by one rig with a high dayrate that moved to a standby rate in the first quarter of 2017. Dayrates were further impacted by varying levels of early termination and standby revenue during the comparable periods. As early termination and standby revenue is recorded with no operating days, higher levels typically lead to increased dayrates. In addition to these factors, the style of rigs operating changed in the current quarter, with a significantly higher number of lower dayrate rigs operating in the current quarter compared to the same period last year.

For the three and six months ended June 30, 2017, Trinidad received early termination and standby revenue of $2.1 million and $13.5 million, respectively, compared to $4.9 million and $9.5 million, respectively in the prior year. The early termination and standby revenue recognized in 2017 related primarily to lump sum amounts for shortfall days collected on six rigs in the first quarter and standby revenue for one rig in the second quarter. The early termination and standby revenue recognized in 2016 mainly related to lump sum amounts collected for three rigs in the first quarter and one rig in the second quarter of 2016. Excluding early termination and standby revenue, dayrates for the three and six months ended June 30, 2017 were $17,905 per day and $18,723 per day, a decline of $5,833 per day and $3,974 per day, respectively, compared to the adjusted 2016 dayrates.

Operating income for the three and six months ended June 30, 2017 was $4.1 million and $34.4 million, respectively, a decrease of 59.7% from the same quarter last year and largely in line with the first six months of 2016. Operating income decreased during the second quarter of 2017 compared to 2016, primarily as a result of a change in the active rig mix, less early termination and standby revenue and higher repairs and maintenance costs. During the current quarter, operating days increased by 65.3%, compared to the same quarter last year. In the current quarter, Trinidad had significantly more heavy doubles working compared to the same time last year. These rigs typically generate lower dayrates and lower margins than larger, triple rigs. Operating costs increased in line with the growth in activity in the current quarter, up 63.3% compared to the same quarter last year, despite additional work done to prepare rigs for upcoming work. Operating costs include $1.3 million in seasonal repairs and maintenance costs in anticipation of activity in the second half of 2017 and recertification costs on four rigs. In 2016, repairs and maintenance costs were minimal as demand remained limited for rigs to return to work. Operating income for the six months ended June 30, 2017 was consistent with operating income in 2016 as increased revenue due to higher activity levels was mostly offset by lower dayrates and higher repairs and maintenance costs incurred primarily in the second quarter of 2017.

In the second quarter and first half of 2017, operating income - net percentage was 18.5% and 38.6%, respectively, compared to 48.0% and 47.5% in the same periods last year. Operating income - net percentage decreased in the current periods as a result of lower operating income, as discussed above.

Trinidad’s Canadian rig count totaled 70 rigs at June 30, 2017, compared to 72 rigs at June 30, 2016. During the first six months of 2017, the Company transferred two rigs to its US and international division.

Second Quarter of 2017 versus First Quarter of 2017

Operating revenue and operating income decreased by $44.5 million and $26.2 million, respectively, in the second quarter of 2017 compared to the first quarter of 2017. The Canadian drilling industry is typically the most active during the first quarter. The second quarter is impacted by spring break-up as weather conditions and road bans restrict the movement of rigs. As a result of these seasonal factors, Trinidad recorded 1,789 less operating days in the second quarter of 2017 compared to the first quarter of 2017, thereby reducing revenue.

Dayrates decreased by $3,123 per day in the second quarter of 2017 compared to the first quarter of 2017 as a result of a $9.3 million decrease in early termination and standby revenue. Excluding the impact of early termination and standby revenue, dayrates decreased by $1,129 per day in the second quarter of 2017 compared to the first quarter of 2017, due to a change in the active rig mix and an increase in the number of rigs on spot market pricing compared to long-term contract pricing, combined with one large, high dayrate rig moving to a standby rate late in the first quarter. Operating costs decreased by $18.8 million during the second quarter of 2017 compared to the first quarter of 2017 due to decreased operating days, partially offset by increased repairs and maintenance costs during the second quarter of 2017.

Operating income - net percentage decreased to 18.5% in the second quarter of 2017 compared to 45.2% in the first quarter of 2017, primarily as a result of early termination and standby revenue of $11.4 million in the first quarter of 2017, compared to $2.1 million in the second quarter of 2017, combined with increased repairs and maintenance costs related to preparing rigs for additional activity in the second half of 2017.

United States and International Operations

	Three months ended June 30,			Six months ended June 30,		
($ thousands except percentage and operating data)	2017	2016	% Change	2017	2016	% Change
Operating revenue [(1)]	72,703	69,725	4.3	130,802	119,175	9.8
Operating income [(2)]	19,526	51,673	(62.2)	37,728	74,783	(49.6)
Operating income - net percentage [(2)]	26.9 %	73.9 %		28.8 %	62.6 %	
Operating days [(2)]	2,957	915	223.2	5,422	2,648	104.8
Rate per operating day (US$) [(2)]	18,249	59,070	(69.1)	18,066	33,839	(46.6)
Utilization rate - operating day [(2)]	48 %	15 %	220.0	44 %	22 %	100.0
Number of drilling rigs at period end	69	67	3.0	69	67	3.0

(1) Operating revenue excludes third party recovery.

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

For the three and six months ended June 30, 2017, Trinidad recorded operating revenue of $72.7 million and $130.8 million, an increase of 4.3% and 9.8%, respectively, compared to 2016. Operating revenue increased in the current periods due to higher activity compared to 2016, partially offset by less early termination and standby revenue and lower dayrates.

During the three and six months ended June 30, 2017, Trinidad recorded 2,957 operating days and 5,422 operating days, respectively, up 2,042 days and 2,774 days, respectively from 2016. Improving commodity prices and growing customer demand drove increased activity levels, and Trinidad re-activated 11 rigs in its US and international division, primarily in the Permian Basin, in the first half of 2017.

Trinidad recorded lower average dayrates in the three and six months ended June 30, 2017, than in the comparable periods in 2016 primarily due to a decrease in early termination and standby revenue recorded. In the three and six months ended June 30, 2017, Trinidad recorded early termination and standby revenue of US$0.8 million and US$1.5 million, respectively, compared to early termination and standby revenue of US$34.7 million and US$38.4 million, respectively, in 2016. Early termination and standby revenue during the three and six months ended June 30, 2017 related to two rigs. Early termination and standby revenue for 2016 mainly related to three rigs that were terminated at the end of 2015 and two in 2016, with an average remaining contract period of 12 months at June 30, 2016.

Adjusted for the impact of early termination and standby revenue, dayrates averaged US$17,957 per day in the second quarter of 2017 and US$17,785 per day in the first six months of 2017, a decrease of US$3,163 per day and US$1,544, respectively, from the adjusted dayrates in 2016. Adjusted dayrates lowered during the three and six months ended June 30, 2017 compared to 2016 as a result of an increased number of rigs operating in the spot market at highly competitive pricing.

Operating income decreased by $32.1 million and $37.1 million for the three and six months ended June 30, 2017, compared to the same periods in 2016, as a result of less early termination and standby revenue combined with increased operating costs mainly due to rig re-activation costs. Early termination and standby revenue decreased by $43.5 million and $47.7 million in the three and six months ended June 30, 2017 compared to the same periods in 2016. The increased operating costs were mainly due to rig re-activation costs of approximately $3.0 million and $5.7 million which were incurred in the three and six months ended June 30, 2017, including approximately $2.8 million and $4.8 million, respectively, in rig transportation costs. In addition, labour costs and repairs and maintenance costs increased in the first half of 2017, compared to 2016 as the labour market tightened, particularly in Texas, and rigs returned to work.

For the three and six months ended June 30, 2017, Trinidad recorded operating income - net percentage of 26.9% and 28.8%, respectively, compared to 73.9% and 62.6%, respectively in 2016. Operating income - net percentage decreased mainly as a result of less early termination and standby revenue received and increased costs as discussed above. After adjusting for early termination and standby revenue, Trinidad recorded operating income - net percentage of 25.7% in the second quarter of 2017 and 27.7% during the first half of 2017 compared to 27.9% in the second quarter of 2016 and 35.9% in the first half of 2016, primarily due to declines in the average dayrate.

Trinidad’s US and international rig count totaled 69 rigs at June 30, 2017 compared to 67 at June 30, 2016 due to two rigs transferred from the Canadian operations in the first half of 2017. The rigs were transferred to meet increased customer demand in the Permian Basin.

Second Quarter of 2017 versus First Quarter of 2017

Operating revenue and operating income increased by $14.6 million and $1.3 million, respectively, in the second quarter of 2017, compared to the first quarter of 2017. Operating revenue and operating income increased due to 492 more operating days in the current period combined with higher dayrates. Dayrates in the current quarter were US$402 per day higher than dayrates in the first quarter of 2017, as a result of improving industry conditions and ongoing customer demand.

Operating income - net percentage decreased to 26.9% in the second quarter of 2017 compared to 31.3% in the first quarter of 2017. Operating income - net percentage decreased in the current quarter as a result of increased rig-reactivation costs and higher labour costs during the second quarter of 2017 compared to the first quarter of 2017.

Joint Venture Operations

Trinidad Drilling International (TDI):
Amounts below are presented at 100% of the value included in the statement of operations and comprehensive (loss) income for Trinidad Drilling International (TDI); Trinidad owns 60% of the shares of TDI and each of the parties has equal voting rights. Trinidad considers the investment to be a financial asset at fair value through profit or loss and recognizes changes in fair value of the investment in the statement of operations and comprehensive (loss) as gain (loss) from joint ventures.

	Three months ended June 30,			Six months ended June 30,		
($ thousands except percentage and operating data)	2017	2016	% Change	2017	2016	% Change
Operating revenue	23,906	34,704	(31.1)	75,416	80,776	(6.6)
Operating income (1)	10,116	16,504	(38.7)	48,380	35,816	35.1
Operating income - net percentage (1)	42.3 %	47.6 %		64.2 %	44.3 %	
Operating days (1)	339	461	(26.5)	693	1,151	(39.8)
Rate per operating day (US$) (1)	50,744	55,962	(9.3)	79,509	50,397	57.8
Utilization rate - operating day (1)	47 %	63 %	(25.4)	48 %	79 %	(39.2)
Number of drilling rigs at period end	8	8	—	8	8	—

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

For the three and six months ended June 30, 2017, TDI recorded operating revenue of $23.9 million and $75.4 million, respectively, a decrease of 31.1% and 6.6%, respectively, from the same periods in 2016. Operating revenue decreased due to lower activity in both the Mexican and Saudi Arabian divisions. Lower activity in the Mexican division was partially offset by US$18.1 million of early termination revenue recorded on two rigs in the first quarter of 2017. During the three months ended June 30, 2017, TDI recorded utilization of 47%, compared to 63% in 2016. Utilization lowered in the current period as one rig worked in Mexico and three rigs worked in Saudi Arabia compared to six rigs actively working in the second quarter of 2016. Utilization in the six months ended June 30, 2017, decreased compared to the first half of 2016 as a result of less activity in the Mexican division.

For the three months ended June 30, 2017, dayrates decreased by US$5,218 per day compared to 2016 as a result of one Mexican rig moving from an operating dayrate to a standby rate and a shift to a well-to-well contract in Saudi Arabia. Dayrates for the first half of 2017 averaged US$79,509 per day an increase of US$29,112 per day compared to 2016, due to the US$23.8 million of early termination and standby revenue recognized during 2017 compared to US$2.4 million in the first half of 2016. As this revenue is recorded with no operating days, it increases operating income - net percentage and dayrates. Early termination and standby revenue recorded in the first half of 2017 related to three contracts, one of which had an expiry date prior to December 31, 2017 and the other two with expiry dates prior to March 31, 2018. The impact of early termination and standby revenue was partially offset by a decline in the average day rate in the Saudi Arabian division.

Operating income and operating income - net percentage increased in the first half of 2017 as a result of higher early termination and standby revenue compared to 2016.

Second Quarter of 2017 versus First Quarter of 2017

TDI recorded a decrease of $27.6 million in operating revenue and a decrease of $28.1 million in operating income during the second quarter compared to the first quarter of 2017. This decrease was primarily due to early termination and standby revenue of US$21.5 million recorded in the first quarter of 2017 compared to US$2.3 million recorded in the second quarter of 2017, combined with lower dayrates in the Saudi Arabian division in the second quarter.

Operating days for the second quarter were consistent with operating days during the first quarter of 2017.

Manufacturing Operations

In the fourth quarter of 2015, due to lower demand for new and upgraded equipment, Trinidad chose to restructure its manufacturing operations, resizing its cost base to better reflect lower activity levels. As of June 30, 2016, the restructuring of the manufacturing division was complete. No revenue or operating costs were recorded in Trinidad's manufacturing division during the first half of 2017. For the three and six months ended June 30, 2016, Trinidad recognized revenue of $0.8 million and $2.9 million, respectively, and operating expenses of $1.3 million and $4.0 million, respectively. The revenue and operating costs in the three and six months ended June 30, 2016 were related to one upgrade project and various repairs and maintenance type work performed on the TDI joint venture rigs in Mexico and Saudi Arabia.

FINANCIAL SUMMARY

As at ($ thousands)	June 30, 2017	December 31, 2016	$ Change
Working capital (1)	47,874	48,121	(247)
Total long-term debt	442,515	603,016	(160,501)
Total long-term debt as a percentage of assets	23.2 %	30.4 %	
Total long-term liabilities as a percentage of assets	25.1 %	33.2 %	

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

Trinidad’s total long-term debt balance at June 30, 2017 decreased by $160.5 million compared to December 31, 2016. This decrease was largely due to the redemption of the 2019 Senior Notes, followed by the issuance of the 2025 Senior Notes at a lower principal balance and the strengthening of the Canadian dollar compared to the US dollar at June 30, 2017 versus December 31, 2016. 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 the US to Canadian exchange rates.

Trinidad has designated the Senior Notes as a net investment 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 (loss).

Credit Facility and Debt Covenants

On January 27, 2017, Trinidad amended its previously existing credit facility, dated June 24, 2016, to allow for flexibility in the redemption of the 2019 Senior Notes and subsequent issuance of the 2025 Senior Notes. The new amended credit facility includes a Canadian revolving facility of $100.0 million and a US revolving facility of $100.0 million. Included in the facility are a $10.0 million Canadian dollar bank overdraft and a $10.0 million US dollar bank overdraft. The facility requires quarterly interest payments based on Bankers Acceptance and LIBOR rates. The facility matures on December 12, 2018, and is subject to annual extensions of an additional year on each anniversary date upon consent of the lenders holding two-thirds of the aggregate commitments under the credit facility. The members of the syndicated groups include major Canadian, US and international financial institutions. The debt is secured by a general guarantee over the assets of Trinidad and its subsidiaries.

At June 30, 2017, the following financial covenants were in place:

Senior Debt to Bank EBITDA (1)	Max of 2.5x
Bank EBITDA to Cash Interest Expense (1)	Min of 1.5x

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

At June 30, 2017, Senior Debt to Bank EBITDA was (0.19) times and Bank EBITDA to Cash Interest Expense was 2.39 times. Trinidad was in compliance with all covenants at June 30, 2017.

On April 1, 2018, the Bank EBITDA to Cash Interest Expense covenant increases to a minimum of 2.5 times.

Other covenants in effect include but are not limited to the following: incurring additional debt and liens on assets; investments, including advances to the TDI joint venture; asset sales; and making restricted payments. The new amended credit facility also includes a dividend restriction whereby no dividends may be paid from April 1, 2016 to March 31, 2018. At June 30, 2017, Trinidad is in compliance with all covenants related to the credit facility.

2025 Senior Notes

The 2025 Senior Notes are unsecured and have no financial covenant compliance reporting requirements. There are other covenant limitations, including the following: incurring additional debt; investments; asset sales; and restricted payments. Restricted payments are allowed within a basket, calculated as the accumulated net earnings from January 1, 2017 to the current period at 50% of net income or 100% of net loss, plus equity issued for cash and the net fair market value of other restricted assets added for equity. At June 30, 2017, Trinidad has a significant positive restricted payment basket available. Future contributions to the TDI joint venture are limited in a separate permitted business investment basket not to exceed the greater of US$300.0 million and 20% of consolidated tangible assets.

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

Capital Expenditures

In 2017, Trinidad expects to spend approximately $175.0 million in capital expenditures, mostly related to upgrading rigs.

Six months ended June 30,		
($ thousands)	2017	2016
Capital upgrades and enhancements	43,827	12,066
Maintenance and infrastructure	14,731	2,092
Capital spares inventory	—	10,505
Total capital expenditures for Trinidad	58,558	24,663
TDI joint venture capital expenditures (Trinidad's 60% share)	278	4,880
Total capital expenditures including TDI joint venture	58,836	29,543

During the first six months of 2017, Trinidad spent $58.6 million on capital expenditures, compared to $24.7 million in 2016. The increase in expenditures related primarily to capital upgrades due to increased customer demand for high performance rigs and additional maintenance and infrastructure projects. In the first half of the year, Trinidad has started, or completed, more than half of the planned upgrades. In addition, the Company spent $0.3 million related to its portion of capital spending for the TDI joint venture, compared to $4.9 million in the first half of 2016.

CONFERENCE CALL

Conference Call:
Wednesday, August 2, 2017 9:00 a.m. MT (11:00 a.m. ET)
866-393-4306 (toll-free in North America) or 734-385-2616 approximately 10 minutes prior to the conference call
Conference ID: 48970315

Archived Recording:
855-859-2056 or 404-537-3406
Conference ID: 48970315

Webcast: https://www.trinidaddrilling.com/investors/events-presentations

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	June 30,	December 31,
($ thousands) - unaudited	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	34,626	25,780
Accounts receivable	83,842	91,062
Inventory	6,723	7,907
Prepaid expenses	4,235	4,960

Assets held for sale	—	218
	129,426	129,927
Property and equipment	1,423,255	1,482,897
Intangible assets and goodwill	35,489	33,706
Deferred income taxes	74,107	72,873
Investments in joint ventures	242,107	262,673
	1,904,384	1,982,076
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	80,441	79,388
Deferred revenue and customer deposits	1,111	459
Current portion of long-term debt	—	1,959
	81,552	81,806
Long-term debt	442,515	601,057
Deferred income taxes	25,214	49,348
Non-controlling interests	9,514	7,197
	558,795	739,408
Shareholders' Equity		
Common shares	1,519,351	1,374,656
Contributed surplus	65,174	65,087
Accumulated other comprehensive income	155,157	179,499
Deficit	(394,093)	(376,574)
	1,345,589	1,242,668
	1,904,384	1,982,076

Consolidated Statements of Operations and Comprehensive (Loss)

	Three months ended June 30,		Six months ended June 30,	
($ thousands) - unaudited	2017	2016	2017	2016
Revenue				
Oilfield service revenue	100,860	93,788	232,798	200,875
Other revenue	306	688	1,105	1,251
	101,166	94,476	233,903	202,126
Expenses				
Operating expense	77,440	32,797	161,539	93,768
General and administrative	15,301	17,002	33,383	30,653
Depreciation and amortization	45,871	42,479	90,432	85,726
Foreign exchange	1,354	114	6,610	(2,336)
(Gain) on sale of assets (1)	(1,712)	(691)	(1,639)	(1,928)
	138,254	91,701	290,325	205,883
(Gain) loss from investments in joint ventures (2)	(28,306)	9,665	(36,809)	(11,767)
Finance and transaction costs	8,914	13,267	23,027	27,399
Non-controlling interests fair value adjustment	3,100	—	3,100	—
(Loss) before income taxes	(20,796)	(20,157)	(45,740)	(19,389)
Income taxes				
Current	13	870	54	1,156
Deferred	(14,830)	(4,404)	(27,697)	(15,063)
	(14,817)	(3,534)	(27,643)	(13,907)
Net (loss)	(5,979)	(16,623)	(18,097)	(5,482)
Other comprehensive (loss)				
Foreign currency translation adjustment for foreign operations, net of income tax	(18,359)	(3,493)	(24,342)	(51,813)
Foreign currency translation adjustment for non-controlling interests, net of income tax	(270)	(25)	(381)	(323)

	(18,629)	(3,518)	(24,723)	(52,136)
Total comprehensive (loss)	(24,608)	(20,141)	(42,820)	(57,618)
Net (loss) attributable to:				
Shareholders of Trinidad	(5,583)	(16,256)	(17,519)	(4,953)
Non-controlling interests	(396)	(367)	(578)	(529)
Total comprehensive (loss) attributable to:				
Shareholders of Trinidad	(23,942)	(19,749)	(41,861)	(56,766)
Non-controlling interests	(666)	(392)	(959)	(852)
Earnings per share				
Basic / Diluted	(0.02)	(0.07)	(0.07)	(0.02)

[1] (Gain) on sale of assets in 2017 relates mainly to the disposal of various non-core assets in the Canadian and US divisions (2016 includes the loss of $0.2 million related to the disposition of a non-drilling division).

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

Consolidated Statement of Changes in Equity

Six months ended June 30, 2017 and 2016 ($ thousands) - unaudited	Common shares	Contributed surplus	Accumulated other comprehensive income [1]	(Deficit)	Total equity
Balance at December 31, 2016	1,374,656	65,087	179,499	(376,574)	1,242,668
Issuance of shares	149,500	—	—	—	149,500
Share issuance costs (net of tax)	(4,805)	—	—	—	(4,805)
Share-based payment expense	—	87	—	—	87
Total comprehensive (loss)	—	—	(24,342)	(17,519)	(41,861)
Balance at June 30, 2017	1,519,351	65,174	155,157	(394,093)	1,345,589
Balance at December 31, 2015	1,374,656	64,884	203,947	(324,028)	1,319,459
Share-based payment expense	—	75	—	—	75
Total comprehensive (loss)	—	—	(51,813)	(4,953)	(56,766)
Balance at June 30, 2016	1,374,656	64,959	152,134	(328,981)	1,262,768

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

Consolidated Statements of Cash Flows

Six months ended June 30, ($ thousands) - unaudited	2017	2016
Cash provided by (used in)		
Operating activities		
Net (loss)	(18,097)	(5,482)
Adjustments for:		
Depreciation and amortization	90,432	85,726
Foreign exchange	6,610	(2,336)
(Gain) on sale of assets [1]	(1,639)	(1,928)
(Gain) from investments in joint ventures [2]	(36,809)	(11,767)
Finance and transaction costs	23,027	27,399
Non-controlling interests fair value adjustment	3,100	—
Income taxes	(27,643)	(13,907)
Interest income	—	(1)
Other [3]	1,731	5,508
Income taxes paid	(996)	(1,818)
Income taxes recovered	784	119
Interest paid	(29,746)	(25,916)
Interest received	—	1
Funds flow	10,754	55,598
Change in non-cash operating working capital	22,129	(9,548)
Cash flow provided by operating activities	32,883	46,050
Investing activities		

Purchase of property and equipment	(58,558)	(24,663)
Proceeds from disposition of assets	2,607	8,900
Net investments in joint ventures	6,681	5,361
Distribution and dividends received from joint venture	40,149	21,509
Purchase of intangibles	(3,145)	—
Change in non-cash working capital	(6,579)	16,192
Cash flow (used) provided by investing activities	(18,845)	27,299
Financing activities		
Proceeds from long-term debt	53,458	130,188
Repayments of long-term debt	(55,416)	(218,971)
Issuance of shares	149,500	—
Share issuance costs	(6,561)	—
Dividends paid	—	(2,221)
Proceeds from 2025 Senior Notes	461,860	—
Repayments of 2019 Senior Notes	(591,670)	—
Debt issuance costs	(11,456)	(661)
Cash flow (used) by financing activities	(285)	(91,665)
Cash flow from operating, investing and financing activities	13,753	(18,316)
Effect of translation of foreign currency cash	(4,907)	(1,105)
Increase (decrease) in cash for the period	8,846	(19,421)
Cash and cash equivalents - beginning of period	25,780	63,686
Cash and cash equivalents - end of period	34,626	44,265

(1) (Gain) on sale of assets in 2017 relates to the disposal of various non-core assets in the Canadian and US divisions (2016 includes the loss of $0.2 million related to the disposition of a non-drilling division).

(2) (Gain) from investments in joint ventures includes Trinidad's portion of net (loss) income in all joint ventures and the TDI joint venture fair value adjustment as this is held as a financial asset.

(3) Other includes share-based payment expense of $1.5 million (2016 - $4.8 million) and elimination of downstream transactions between Trinidad and the Joint Venture Operations, and Trinidad and the Manufacturing Operations.

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 investments in joint ventures, working capital, Senior Debt to Bank EBITDA, Bank EBITDA to Cash Interest Expense, operating days, utilization rate - operating day, and rate per operating day or dayrate. These non-GAAP measures are identified and defined as follows:

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

Adjusted EBITDA is calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
($ thousands)	2017	2016	2017	2016
Net (loss)	(5,979)	(16,623)	(18,097)	(5,482)
Plus:				
Finance and transaction costs	8,914	13,267	23,027	27,399
Depreciation and amortization	45,871	42,479	90,432	85,726
Income taxes	(14,817)	(3,534)	(27,643)	(13,907)
EBITDA	33,989	35,589	67,719	93,736
Plus:				
(Gain) on sale of assets	(1,712)	(691)	(1,639)	(1,928)

Share-based payment expense	2,400	4,077	1,521	4,751
Foreign exchange loss (gain)	1,354	114	6,610	(2,336)
Non-controlling interests fair value adjustment	3,100	—	3,100	—
(Gain) loss from investments in joint venture	(28,306)	9,665	(36,809)	(11,767)
Adjusted EBITDA from investments in joint ventures	3,830	8,281	25,412	18,787
Adjusted EBITDA	14,655	57,035	65,914	101,243

Adjusted EBITDA from investments 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, dividend expense, impairment adjustments to property and equipment, as well as preferred share valuation 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 items and unrelated to the operations of the business. Adjusted EBITDA from investments in joint ventures is not intended to represent net (loss) as calculated in accordance with IFRS.

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

	Three months ended June 30,		Six months ended June 30,	
($ thousands)	2017	2016	2017	2016
Gain (loss) from investments in joint ventures	28,306	(9,665)	36,809	11,767
Plus:				
Finance costs	(437)	368	(481)	820
Depreciation and amortization	6,436	3,425	12,446	9,681
Income taxes	838	1,579	709	3,250
EBITDA	35,143	(4,293)	49,483	25,518
Plus:				
Dividend expense	—	—	—	14,891
Foreign exchange	298	275	963	385
TDI investment - fair value adjustment	(31,760)	12,991	(25,701)	(7,407)
Preferred share valuation	149	(692)	667	(14,600)
Adjusted EBITDA from investments in joint ventures	3,830	8,281	25,412	18,787

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

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

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

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

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

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

Funds flow 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 flows from 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) or other measures of financial performance calculated in accordance with IFRS. Operating income is calculated from the consolidated statements of operations and comprehensive (loss) 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 (loss) 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). Operating income - net percentage is calculated from the consolidated statements of operations and comprehensive (loss) and from the segmented information in the notes to the consolidated financial statements. Operating income - net percentage is defined as operating income less third party G&A expenses divided by revenue net of operating and G&A third party costs.

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements relating to Trinidad’s plans, strategies, objectives, expectations and intentions. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "confident", "might" and similar expressions are intended to identify forward-looking information or statements. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this document. The forward-looking information and statements included in this document are not guarantees of future performance and should not be unduly relied upon. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements. In particular, but without limiting the foregoing, this document may contain forward-looking information and statements pertaining to:

- the assumption that Trinidad's customers will honour their long-term contracts, and Trinidad's ability to sign future long-term contracts;
- future liquidity levels;
- fluctuations in the demand for Trinidad’s services;
- the ability for Trinidad to attract and retain qualified personnel, in particular field staff to crew the Company’s rigs;
- Trinidad's ability to increase dayrates;
- the existence of competitors, technological changes and developments in the oilfield services industry;
- the existence of operating risks inherent in the oilfield services industry;
- assumptions respecting internal capital expenditure programs and expenditures by oil and gas exploration and production companies;
- assumptions regarding commodity prices, in particular oil and natural gas;
- assumptions respecting supply and demand for commodities, in particular oil and natural gas;
- assumptions regarding future expected cash flows and potential distributions from joint venture partners including Trinidad Drilling International (TDI);
- assumptions regarding foreign currency exchange rates and interest rates;
- assumptions around future Other G&A cost levels;
- the existence of regulatory and legislative uncertainties;
- the possibility of changes in tax laws; and general economic conditions including the capital and credit markets;
- assumptions made about our future banking covenants and liquidity; and
- assumptions made about future performance and operations of joint ventures and partnership arrangements.

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

For further information, please contact:
Brent Conway
President and Chief Executive Officer
403.265.6525

Lesley Bolster
Chief Financial Officer
403.265.6525

Lisa Ottmann
Vice President, Investor Relations
403.294.4401
email: investors@trinidaddrilling.com