Trinidad Drilling Reports Second Quarter and Year-to-Date 2018 Results; Increased Activity and Higher Dayrates Drive Strong Improvement

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CALGARY, Aug. 7, 2018 - Trinidad Drilling Ltd. (TSX: TDG) (Trinidad) announced its second quarter and year-to-date 2 today.

In the three and six months ended June 30, 2018, industry conditions significantly improved compared to the prior year higher operating days, higher dayrates and stronger operating income from the same periods last year. For the three a months ended June 30, 2018, activity increased by 18.6% and 14.9%, respectively, and operating income increased by 28.2%, respectively, compared to 2017.

Improving dayrates in both Canada and the US in 2018, combined with the Company's ongoing focus on operational ef also resulted in higher adjusted EBITDA[1] in the current year. Adjusted EBITDA was up 125.0% in the quarter and 7.5% date, compared to the same periods last year. Lastly, higher adjusted EBITDA and lower interest paid resulted in highe in the current year, up 192.5% in the quarter and 392.0% year to date, compared to the same periods in 2017.

During the second quarter of 2018, the outlook for Trinidad's international joint venture (TDI) also improved with the act one rig in Bahrain, and a contract awarded to redeploy two idle rigs to Kuwait for operations beginning in 2019.

"While Trinidad has benefited from improving industry conditions in the first half of the year, we have also made change Company that are beginning to show positive results," said Brent Conway, Trinidad's President and Chief Executive Of have improved operational efficiency through better supply chain and project management, we have reduced overhead sold non-core or idle assets. In addition, we have positioned our fleet to capture market share and higher margins by m areas of higher demand and upgrading select rigs to meet customer requirements."

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

SECOND QUARTER AND YEAR-TO-DATE 2018 HIGHLIGHTS

- For the three and six months ended June 30, 2018, revenue increased by 28.1% and 20.9%, respectively, compa comparable periods in 2017 due to higher base dayrates and higher activity levels in both of Trinidad's US and Ca drilling divisions; partly offset by lower early termination and standby revenue recorded in 2018.
- Trinidad's US and international operations recorded higher operating revenue and a stronger operating income - percentage for the three and six months ended June 30, 2018, compared to the prior year. Increased activity com consistent operating expense per day in the current year drove improved profitability in the US drilling division in 2
- In the second quarter and year to date, Trinidad's Canadian operations increased activity by 24.4% and 6.4%, res compared to 2017. Improving market conditions and strong customer demand drove increased activity and contra dayrates in the current year. On a year-to-date basis, operating income and operating income - net percentage w negatively impacted by lower early termination and standby revenue recorded in 2018. As early termination and s revenue is recorded with minimal associated costs, it positively impacts operating income - net percentage. Adjus balances, operating income and operating income - net percentage increased for both the three and six months e 30, 2018.

- Trinidad's joint venture operations recorded lower revenue and lower operating income compared to the prior yea Bahrain commenced activity in the second quarter of 2018 and Trinidad began mobilizing rigs to Kuwait, lower op in Saudi Arabia and Mexico, combined with higher operating expenses related to mobilization and shut down cos year-to-date basis, negatively impacted 2018 results.

- For the three and six months ended June 30, 2018, Trinidad recorded adjusted EBITDA of $33.0 million and $70. respectively, an increase of 125.0% and 7.5%, respectively, compared to the prior year. Increased activity and im market dayrates recorded in each of Trinidad's Canadian and US drilling divisions in the current year improved op income compared to the prior year. Additionally, Trinidad recorded lower G&A expenses in 2018, when comparec year, as a result of lower salary and rent expenses in 2018. Rent expense decreased due to a $2.8 million one-tir incentive credit adjustment recorded in the second quarter of 2018. This was slightly offset by $9.3 million lower e termination and standby revenue recorded in 2018 on a year-to-date basis and a lower contribution from the Com joint venture operations in 2018.

- Net (loss) increased in the second quarter of 2018 mainly due to higher depreciation and amortization expense du change in the useful life estimates in the third quarter of 2017 and a lower gain from investments in joint ventures the current year. This was offset by higher operating income due to higher activity in 2018, lower G&A expenses a finance costs on a year-to-date basis.

- For the three and six months ended June 30, 2018, funds flow increased compared to 2017 due to increased acti current year resulting in higher operating income, combined with lower interest paid in 2018.

- Trinidad's total long-term debt balance decreased by $36.6 million in the six months ended June 30, 2018. The re long-term debt was mainly due to a reduction of the outstanding credit facility balance of $59.5 million, offset sligh increase in the Senior Notes which was due entirely to foreign currency fluctuations in the period. Higher activity i combined with a distribution of $48.9 million received in the second quarter of 2018 from Trinidad's TDI joint ventu the Company to pay down long-term debt in the current year.

- In 2018, Trinidad spent $23.2 million on capital expenditures, compared to $58.6 million in 2017. Capital spend in period mainly related to upgrades and enhancements on rigs moving to Trinidad's US drilling division, as well as r across Trinidad's entire rig fleet. The Company continues to recognize cost savings in 2018 related to the Compa supply chain management.

HIGHLIGHTS

	Three months ended June 30,			Six months ended June 30,		
($ thousands except share and per share data)	2018	2017	% Change	2018	2017	% Chang
FINANCIAL HIGHLIGHTS						
Revenue	129,578	101,166	28.1	282,825	233,903	20.9
Operating income (1)	41,185	23,726	73.6	92,743	72,364	28.2
Operating income - net percentage (1)	33.1%	24.9%	32.9	35.0%	32.8%	6.7
Adjusted EBITDA (1)	32,977	14,655	125.0	70,837	65,914	7.5
Per share (diluted) (2)	0.12	0.05	140.0	0.26	0.25	4.0
Funds flow (1)	30,761	10,517	192.5	52,913	10,754	392.0
Per share (basic / diluted) (2)	0.11	0.04	175.0	0.19	0.04	375.0
Net (loss) (3)	(11,882)	(5,583)	(112.8)	(34,344)	(17,519)	(96.0)
Per share (basic/diluted) (2)(3)	(0.05)	(0.02)	(150.0)	(0.13)	(0.07)	(85.7)
Capital expenditures	7,142	35,386	(79.8)	23,156	58,558	(60.5)
Shares outstanding - diluted						

(weighted average) (2)	274,139,395	269,932,262	1.6	274,131,495	260,515,345	5.2
OPERATING HIGHLIGHTS	2018	2017	% Change	2018	2017	% Chang
Operating days (1)						
United States and International	3,672	2,957	24.2	7,111	5,422	31.2
Canada	1,367	1,099	24.4	4,241	3,987	6.4
TDI Joint Venture (4)	175	339	(48.4)	260	693	(62.5)
Rate per operating day (1)						
United States and International (US$)	19,297	18,249	5.7	18,966	18,066	5.0
Canada (CDN$)	23,295	19,842	17.4	21,499	22,104	(2.7)
TDI Joint Venture (US$) (4)	51,701	50,744	1.9	58,417	79,509	(26.5)
Operating expense per day (1)						
United States and International (US$)	12,825	13,348	(3.9)	12,315	12,659	(2.7)
Canada (CDN$)	15,964	16,285	(2.0)	14,095	13,688	3.0
TDI Joint Venture (US$) (4)	37,910	28,781	31.7	50,220	27,178	84.8
Utilization rate - operating day (1)						
United States and International	63%	48%	31.9	60%	44%	36.4
Canada	22%	21%	5.2	35%	34%	1.5
TDI Joint Venture (4)	39%	47%	(17.2)	23%	48%	(52.3)
Number of drilling rigs at period end (5)						
United States and International	66	69	(4.3)	66	69	(4.3)
Canada	68	70	(2.9)	68	70	(2.9)
TDI Joint Venture (4)	6	8	(25.0)	6	8	(25.0)

(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 2018 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

To date in the third quarter of 2018, conditions in US have remained strong. Customer demand for high specification equipment is firm and dayrates continue to increase slowly. Trinidad currently has 42 rigs operating in its US operations and anticipates reaching 45 active rigs by the end of 2018.

Trinidad continues to maintain strong market presence in the Permian Basin and is well positioned with the right clients. Trinidad's Permian customer base is largely made up of oil and gas producers that have secured firm transportation commitments for their production and are continuing with their development plans. Trinidad has not incurred material reductions to its customers' plans in the Permian, and while the Company continues to monitor the transportation bottlenecks in the area, it is confident that its Permian operations will continue to perform strongly.

To date, industry conditions in Canada have improved in the third quarter, driving higher activity levels and dayrates than initially expected. Trinidad currently has 32 rigs operating in Canada, 7% higher than this time last year. Discussions with customers for the upcoming winter drilling season are currently ongoing and Trinidad anticipates seeing continued year-over-year improvements in the performance of its Canadian operations.

Activity levels in TDI's operations are improving from earlier in 2018, with one rig operating in Mexico and one rig operating in Bahrain. In addition, two rigs have begun the process of moving to Kuwait and being upgraded to meet the specifications needed for their recently awarded contracts. These rigs are expected to begin operating by late in the first quarter or early in the second quarter of 2019. International bid activity has improved in the past year and Trinidad is actively marketing the remaining TDI and international rigs.

Currently, Trinidad has 35 rigs, or 25% of its fleet under long-term contracts, with an average term remaining of approximately 1.0 year; 11 contracts have expiration dates during the remainder of 2018. To date in 2018, Trinidad has been able to successfully re-sign rigs to contracts, typically at higher dayrates. In addition, customers are beginning to consider extended contract duration.

Trinidad continues to roll out its technology platform and is currently building customer awareness by partnering with key high-quality customers and conducting pilot projects. The Company recently added to its technology platform with the acquisition of GMXSteering™; adding software that uses surface measurements recorded while drilling to assess rock properties and position the well bore for optimal frac stimulation and production. Trinidad's technology platform continues to focus on enhancing revenue generation by improving predictability and performance for its clients.

Trinidad's upgrade program is proceeding as expected and the Company's 2018 capital budget, including its portion of TDI capital and net of proceeds from expected asset sales, remains at $81.6 million.
Trinidad expects to fund its capital program through cash flow generated from operations and proceeds from

the sale of assets. Of the eight rigs being upgraded as part of the 2018 capital program, seven are now contracted and Trinidad anticipates that the remaining rig will be contracted by the end of the third quarter.

Trinidad remains committed to its low cost structure and expects G&A costs[2] to be approximately $40 million in 2018, representing a reduction of approximately $18 million, or 31% from 2017.

(2) 2018 G&A costs are excluding restructuring and strategic review costs and including the impact of the lease incentive credit adjustment.

Conclusion of strategic review

In the third quarter of 2018, after a comprehensive public process, Trinidad's board of directors announced the conclusion of the Company's strategic review. The board of directors determined that the best alternative to improve shareholder value was to pursue Trinidad's revised five-year strategic plan, capitalizing on the Company's operational excellence, strong customer base, geographic diversity and solid financial position.

As an outcome of the strategic review and in its drive to become a leader in the North American oilfield services business, Trinidad has clearly defined its five-year strategic plan. The plan is founded on the four key initiatives listed below.

1. Strengthen its commitment to financial discipline, free cash flow and improve its debt metrics;
2. Leverage its high-quality asset base to drive profitable growth and strong returns;
3. Promote a culture of high performance, with improved shareholder alignment; and
4. Expand the Trinidad technology platform.

Trinidad expects that strong performance in these key initiatives will build shareholder confidence and value. In addition, improved world oil prices are allowing Trinidad to negotiate longer-term, higher-margin drilling contracts. The combination of these factors is expected to drive improved financial performance and returns.

As part of the Company's commitment to improved performance and financial discipline, it has set targets for several key metrics. Trinidad's performance in these metrics in 2017, year-to-date 2018 and targets for 18-months (2019 target) and three years (2021 target) are laid out below:

Performance metrics and targets

($ millions except percentage and multiples)	2017 Actuals	Q2 2018 YTD Actuals	2019 Target	2
G&A % of Revenue (1)	11.6%	7.3%	7 - 8%	7
Adjusted EBITDA margin percentage (1)	25.8%	25.0%	>28%	>
Net Debt to Adjusted EBITDA (1)	3.9	3.5	<2.5	~
ROCE (1) (2) (3)	7.9%	7.5%	>8.0%	>
Target free cash flow committed to debt repayment or share buyback		Min of 15%	Min of 20%	M
Free cash flow (1)		51.6		
Target amount of free cash flow		7.7		
Change in total long-term debt		(36.6)		

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

(2) ROCE for 2017, 2019 Target and 2021 Target is calculated based on a three-year average.

(3) ROCE for Q2 2018 YTD Actuals is calculated as a one-year average, trailing twelve months.

RESULTS FROM OPERATIONS

United States and International Operations

	Three months ended June 30,			Six months ended June 30,		
($ thousands except percentage and operating data)	2018	2017	% Change	2018	2017	% Change
Operating revenue (1)	91,039	72,703	25.2	171,703	130,802	31.3
Operating income (2)	30,596	19,526	56.7	60,374	37,728	60.0
Operating income - net percentage (2)	33.6%	26.9%		35.1%	28.8%	
Operating days (2)	3,672	2,957	24.2	7,111	5,422	31.2
Revenue - rate per operating day (US$) (2)	19,297	18,249	5.7	18,966	18,066	5.0
Operating expense - rate per operating day (US$) (2)	12,825	13,348	(3.9)	12,315	12,659	(2.7)
Utilization rate - operating day (2)	63%	48%	31.9	60%	44%	36.4
Number of drilling rigs at period end	66	69	(4.3)	66	69	(4.3)

(1) Operating revenue excludes third party recovery and third party costs.

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

Higher activity, stronger dayrates and increased cost control all contributed to improved profitability in the US and international operations in the current year. For the three months ended June 30, 2018, Trinidad recorded operating revenue and operating income of $91.0 million and $30.6 million, respectively, an increase of 25.2% and 56.7% compared to the second quarter of 2017. For the six months ended June 30, 2018, Trinidad recorded operating revenue and operating income of $171.7 million and $60.4 million, respectively, an increase of 31.3% and 60.0%, respectively, compared to the first six months of 2017.

During the three and six months ended June 30, 2018, Trinidad recorded 3,672 and 7,111 operating days, respectively, up 24.2% and 31.2%, respectively, from the comparable periods in 2017. Activity increased due to improving commodity prices and growing customer demand.

In the three and six months ended June 30, 2018, Trinidad recorded average dayrates of US$19,297 per day and US$18,966 per day, respectively, an increase of US$1,048 per day and US$900 per day, respectively, from the comparable periods of 2017. Dayrates increased in the current year due to improving pricing as a result of strengthening market conditions combined with continued strong execution on performance-based contracts.

In the three and six months ended June 30, 2018, operating expense per day was US$12,825 per day and US$12,315 per day, respectively, a decrease of 3.9% and 2.7%, respectively, compared to the prior year. Cost control measures and lower rig reactivation costs in the current year have allowed Trinidad to record lower per-day metrics and improve profitability.

Increased activity levels at higher dayrates have improved Trinidad's operating income and operating income

- net percentage in 2018 compared to the prior year. Trinidad recorded operating income - net percentage of 33.6% in the second quarter of 2018, compared to 26.9% in the same period of 2017, and 35.1% in the first six months of 2018, compared to 28.8% in the comparable period of 2017.

Trinidad's US and international rig count totaled 66 rigs at June 30, 2018 compared to 69 at June 30, 2017. Two rigs in the first quarter of 2018 were transferred from the Canadian operations to meet strong demand in the Permian basin, offset by five low-specification rigs being redeployed to inventory in the current year.

Second Quarter of 2018 versus First Quarter of 2018

Strong market conditions continued to improve activity and dayrates in the second quarter of 2018 when compared to the first quarter. In the second quarter of 2018, operating revenue and operating income increased by $10.4 million and $0.8 million, respectively, compared to the first quarter of 2018.

Operating days for the second quarter 2018 were 233 days higher than the first quarter of 2018.

Dayrates increased by US$684 per day in the second quarter of 2018 compared to the first quarter of 2018, largely due to strong customer demand, as well as wage increases in the US operations that were passed on to customers. This was slightly offset by a change in rig mix whereby the Company recorded higher activity on heavy doubles in the second quarter, compared to the first quarter.

Operating income increased as a result of higher activity levels and dayrates in the second quarter, compared to the first quarter, offset by higher labour costs due to wage increases, higher repair and maintenance and other one-time costs. Repair and maintenance costs were slightly higher in the second quarter, compared to the first quarter of 2018, due to higher recertification and equipment costs in the current period. Operating income - net percentage in the current quarter was 3.3 percentage points lower than the first quarter of 2018, consistent with higher operating costs in the current period.

Canadian Operations

	Three months ended June 30,			Six months ended June 30,		
($ thousands except percentage and operating data)	2018	2017	%Change	2018	2017	%Change
Operating revenue [1]	31,847	21,810	46.0	91,178	88,134	3.5
Operating income [2]	10,159	4,074	149.4	31,829	34,369	(7.4)
Operating income - net percentage [2]	31.8%	18.5%		34.7%	38.6%	
Operating days [2]	1,367	1,099	24.4	4,241	3,987	6.4
Revenue - rate per operating day (CDN$) [2]	23,295	19,842	17.4	21,499	22,104	(2.7)
Operating expense - rate per operating day (CDN$) [2]	15,964	16,285	(2.0)	14,095	13,688	3.0
Utilization rate - operating day [2]	22%	21%	5.2	35%	34%	1.5
Number of drilling rigs at period end	68	70	(2.9)	68	70	(2.9)

(1) Operating revenue excludes third party recovery and third party costs.

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

Improving industry conditions in the current year resulted in higher activity, higher dayrates and improved profitability in 2018 compared to the prior year. For the three months ended June 30, 2018, Trinidad recorded operating revenue and operating income of $31.8 million and $10.2 million, respectively, an increase of 46.0% and 149.4%, respectively, from the comparable period in 2017. For the six months ended June 30, 2018 Trinidad recorded operating revenue and operating income of $91.2 million and $31.8 million, respectively, an increase of 3.5% and a decrease of 7.4%, respectively, compared to the same period in the prior year.

For the three and six months ended June 30, 2018, activity increased by 24.4% compared to the prior year, with 1,367 operating days recorded, compared to 1,099 in the second quarter of 2017. For the six months ended June 30, 2018, operating activity was 6.4% higher with 4,241 operating days in 2018, compared to 3,987 operating days in the prior year. In each of the three and six months ended June 30, 2018, Trinidad outperformed the industry recording higher average utilization than the industry average.

In the three months ended June 30, 2018, average dayrates were 17.4% higher than the second quarter of 2017, reflecting a change in rig mix in the current period combined with increased base dayrates due to stronger industry conditions. For the six months ended June 30, 2018, dayrates are 2.7% lower than the same period for 2017, driven by lower early termination and standby revenue in the current period. Year to date in 2018, Trinidad recorded $4.9 million related to shortfall amounts for contracted days not worked on one rig in the period, whereas in 2017, the Company recorded $13.5 million related to shortfall amounts collected on six rigs. Excluding early termination and standby revenue, dayrates for the six months ended June 30, 2018 were $20,333 per day, an increase of $1,610 per day from the adjusted dayrate of $18,723 per day in 2017.

For the three months ended June 30, 2018, operating income - net percentage was 31.8% compared to 18.5% in 2017. Higher dayrates, due to a change in rig mix and upward pricing momentum, combined with lower operating expense per day allowed for the 13.3 percentage point increase in operating income - net percentage. For the six months ended June 30, 2018, operating income - net percentage was 34.7%, compared to 38.6% in the prior year. Operating income - net percentage decreased in the current year mainly due lower early termination and standby revenue recorded in 2018. Adjusted for early termination and standby revenue, operating income - net percentage totaled 31.2% in the first half of 2018, compared to 27.9% in the first half of 2017, mainly as a result of higher dayrates and slightly higher operating expenses per day year over year.

Trinidad's Canadian rig count totaled 68 rigs at June 30, 2018, compared to 70 rigs at June 30, 2017. The Company transferred two rigs to its US drilling division in the first quarter of 2018 to meet strong US customer demand.

Second Quarter of 2018 versus First Quarter of 2018

The Canadian drilling industry is typically the busiest during the first quarter, with the second quarter impacted by spring break-up. Weather conditions and road bans restrict the movement of the rigs. As a result of this seasonality, in the second quarter of 2018, operating revenue and operating income decreased by $27.5 million and $11.5 million, respectively, compared to the first quarter of 2018. As well, activity decreased by 1,507 operating days in the second quarter of 2018 compared to the first quarter of 2018.

Lower activity was slightly offset by improving dayrates in the current quarter. Dayrates increased in the second quarter to $23,295 per day compared to $20,644 for the first quarter of 2018. Dayrates increased largely due to a change in rig mix, combined with a general strengthening of commodity prices.

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 a loss (gain) from investments in joint ventures.

	Three months ended June 30,			Six months ended June 30,		
($ thousands except percentage and operating data)	2018	2017	% Change	2018	2017	% Change
Operating revenue	11,706	23,906	(51.0)	19,556	75,416	(74.1)
Operating income (1)	3,110	10,116	(69.3)	2,765	48,380	(94.3)
Operating income - net percentage (1)	26.5%	42.3%		14.1%	64.2%	
Operating days (1)	175	339	(48.4)	260	693	(62.5)
Revenue - rate per operating day (US$) (1)	51,701	50,744	1.9	58,417	79,509	(26.5)
Operating expense - rate per operating day (US$) (1)	37,910	28,781	31.7	50,220	27,178	84.8
Utilization rate - operating day (1)	39%	47%	(17.2)	23%	48%	(52.3)
Number of drilling rigs at period end	6	8	(25.0)	6	8	(25.0)

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

Lower activity and less early termination and standby revenue negatively impacted profitability in the TDI joint venture operations for the three and six months ended June 30, 2018. Operating revenue and operating income decreased in 2018 due to lower activity and lower early termination in both the Saudi Arabian and Mexican divisions, offset slightly by revenue generated by one rig drilling in Bahrain in the second quarter of 2018 and additional mobilization revenue.

During the three months and six months ended June 30, 2018, TDI recorded lower operating days than the comparative periods in 2017. In the current quarter, lower activity was largely due to no active rigs in Saudi Arabia in the quarter compared to three active rigs in 2017, partly offset by the Bahrain division commencing operations in the second quarter of 2018. On a year-to-date basis, TDI had one active rig during the year in Saudi, compared to three active rigs in the prior year, and more days recorded on one rig in Mexico versus the current year.

Operating revenue in the three and six months ended June 30, 2018 decreased by 51.0% and 74.1%, respectively, compared to the same period in 2017 due to lower activity, combined with less early termination and standby revenue. In the first half of 2017, TDI received US$23.8 million in early term and standby revenue mainly related to the termination of two rigs in the Mexico operations, compared to US$0.2 million received in the first half of 2018.

For the three months ended June 30, 2018, dayrates increased by US$957 per day compared to second quarter of 2017, as a result of mobilization revenue related to the Kuwait project. Adjusted for Kuwait mobilization and early termination and standby revenue, TDI recorded dayrates of US$42,058 per day in the second quarter of 2018 compared to US$43,732 per day in 2017, a decrease of US$1,674 per day, mainly due to lower contracted rates in the current period.

For the six months ended June 30, 2018, dayrates were lower in the current period by US$21,092 per day due to lower early termination and standby revenue recorded in 2018 compared to the prior year, offset slightly by mobilization revenue recorded in 2018 related to the Kuwait project. Normalizing for start up mobilization and early termination and standby revenue, TDI recorded dayrates of US$44,461 per day for the first six months of 2018, compared to US$45,117 per day in the comparable period of 2017, mainly due to lower contracted dayrates in the current year.

Operating income and operating income - net percentage decreased in the three and six months ended June 30, 2018, compared to the same period in 2017 due mainly to lower activity and lower early termination and standby revenue in 2018. As well, TDI recorded higher operating expenses in the current year due to one-time shut down costs related to TDI's Saudi Arabian division and start-up costs related to Bahrain.

Second Quarter of 2018 versus First Quarter of 2018

In the second quarter of 2018, operating revenue and operating income increased by $3.9 million and $3.5 million, respectively, compared to the first quarter of 2018. Operating revenue and operating income increased in the second quarter mainly due to increased activity and lower operating expenses compared to the first quarter of 2018.

In the first quarter of 2018, TDI recorded higher per-day operating expenses due to the shut down of the Saudi Arabian operations and start-up costs related to Bahrain. In the second quarter of 2018, the Bahrain rig was operating and shut down costs for Saudi Arabia decreased. As well, TDI began mobilization activities to move two rigs into Kuwait. Higher activity and lower per-day operating expenses improved profitability in the TDI joint venture operations in the second quarter of 2018.

FINANCIAL SUMMARY

As at	June 30,	December 31,	
($ thousands)	2018	2017	$ Change
Working capital [1]	64,096	43,205	20,891
Total long-term debt	475,056	511,674	(36,618)
Total long-term debt as a percentage of assets	25.7%	26.9%	
Total long-term liabilities as a percentage of assets	26.5%	28.0%	

[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, 2018 decreased by $36.6 million compared to December 31, 2017 due to lower amounts outstanding on the credit facilities offset by an increase in the Senior Notes at June 30, 2018. The decrease in the credit facility was due to payments made during the year as activity and Adjusted EBITDA increased. The increase in the Senior Notes was entirely due to a strengthening of the US dollar compared to the Canadian dollar at June 30, 2018 versus December 31, 2017. 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.

Credit Facility and Debt Covenants

Trinidad's 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, 2020 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, 2018, 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 2.5x

[1] See Non-GAAP Measures Definitions section of this document for further details.

At June 30, 2018, Senior Debt to Bank EBITDA was 0.34 times and Bank EBITDA to Cash Interest Expense was 5.00 times. Trinidad was in compliance with all covenants at June 30, 2018.

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 credit facility allows Trinidad to pay dividends provided that Trinidad's Total Debt to Bank EBITDA covenant is less than five times. At June 30, 2018, Trinidad is in compliance with all covenants related to the credit facility.

Capital Expenditures

Six months ended June 30,		
($ thousands)	2018	2017
Capital upgrades and enhancements	13,138	43,827
Maintenance and infrastructure	10,018	14,731
Total capital expenditures for Trinidad	23,156	58,558
TDI joint venture capital expenditures (Trinidad's 60% share)	1,051	278
Total capital expenditures including TDI joint venture	24,207	58,836

As of June 30, 2018, Trinidad spent $23.2 million on capital expenditures, compared to $58.6 million in 2017. Capital spend in 2018 related to upgrade projects in the US to move rigs into the Permian, as well as maintenance costs on rigs in the US and Canada.

In 2018, Trinidad expects to spend approximately $114.3 million in capital expenditures, with $51.0 million in maintenance capital and $63.3 million in growth capital. In addition, Trinidad expects to spend $55.3 million (Trinidad's 60% share) in capital expenditures in the joint venture mainly related to deploying two rigs to Kuwait, as well as costs incurred to move one rig into Bahrain. Trinidad expects to fund its capital program through cash flow generated from operations and approximately $88.0 million of proceeds generated from the sale of assets, for a total net capital spend in 2018 of approximately $81.6 million.

SUBSEQUENT EVENT

On August 1, 2018, Trinidad announced the conclusion of its previously announced strategic review. During the review, Trinidad and its financial advisor evaluated a number of alternatives and their potential to enhance shareholder value, including a sale of select assets and a corporate transaction. The Company continues to review certain non-core asset sale opportunities, but has decided to conclude the formal strategic review process.

CONFERENCE CALL

Wednesday, Aug 8, 2018
8:00 a.m. MT (10:00 a.m. ET)
888-390-0546 (toll-free in North America) or 416-764-8688 approximately 10 minutes prior to the conference call
Conference ID: 91287157

Archived Recording:
888-390-0541 or 416-764-8677
Conference ID: 287157

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

About Trinidad

Trinidad is an industry-leading contract driller, providing safe, 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. Trinidad provides contract drilling and related services in the US, Canada, the Middle East and Mexico.

Trinidad is headquartered in Calgary, Alberta, Canada. The Company's common shares are listed on the Toronto Stock Exchange under the trading symbol TDG. For more information, please visit www.trinidaddrilling.com.

For further information, please contact:

Brent Conway President & Chief Executive Officer 403.265.6525	Lesley Bolster Chief Financial Officer 403.265.6525
Adrian Lachance Chief Operating Officer 403.265.6525	Lisa Ottmann Vice President, Investor Relations 403.294.4401

email: investors@trinidaddrilling.com

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	June 30,	December 31,
($ thousands) - unaudited	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	8,300	3,948
Accounts receivable (1)	119,029	117,385
Inventory	7,255	5,971
Prepaid expenses	3,828	3,657
Assets held for sale	18,806	19,583
	157,218	150,544
Property and equipment	1,315,221	1,363,815
Intangible assets and goodwill	90,905	90,339
Deferred income taxes	104,286	82,872
Investments in joint ventures	182,303	214,976
	1,849,933	

1,902,546

Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	92,928	106,694
Deferred revenue and customer deposits	194	645
	93,122	107,339
Long-term debt	475,056	511,674
Contingent consideration	3,829	7,035
Deferred income taxes	1,222	5,474
Non-controlling interests	10,722	8,863
	583,951	640,385
Shareholders' Equity		
Common shares	1,525,633	1,525,633
Contributed surplus	65,391	65,292
Accumulated other comprehensive income	166,721	128,655
Deficit (1)	(491,763)	(457,419)
	1,265,982	1,262,161
	1,849,933	1,902,546

(1) Included in accounts receivable and deficit at December 31, 2017 is $1.2 million recorded related to the IFRS 9 implementation.

Consolidated Statements of Operations and Comprehensive (Loss)

	Three months ended June 30,		Six months ended June 30,	
($ thousands) - unaudited	2018	2017	2018	2017
Revenue				
Oilfield service revenue	128,952	100,860	281,704	232,798
Other revenue	626	306	1,121	1,105
	129,578	101,166	282,825	233,903
Expenses				
Operating expense	88,393	77,440	190,082	161,539
General and administrative	10,744	15,301	26,071	33,383
Depreciation and amortization	58,034	45,871	116,189	90,432
Foreign exchange	(3,570)	1,354	(4,527)	6,610
Loss (gain) on sale of assets	1,003	(1,712)	(687)	(1,639)
	154,604	138,254	327,128	290,325
(Gain) from investments in joint ventures (1)	(7,417)	(28,306)	(7,608)	(36,809)
Finance and transaction costs	9,310	8,914	18,849	23,027
Fair value adjustments (2)	(5,366)	3,100	(1,809)	3,100
(Loss) before income taxes	(21,553)	(20,796)	(53,735)	(45,740)
Income taxes				
Current	320	13	417	54
Deferred	(9,816)	(14,830)	(19,705)	(27,697)
	(9,496)	(14,817)	(19,288)	(27,643)
Net (loss)	(12,057)	(5,979)	(34,447)	(18,097)
Other comprehensive income (loss)				
Foreign currency translation adjustment				
for foreign operations, net of income tax	15,126	(18,359)	38,066	(24,342)
Foreign currency translation adjustment				

for non-controlling interests, net of income tax	(269)	(270)	(642)	(381)
	14,857	(18,629)	37,424	(24,723)
Total comprehensive income (loss)	2,800	(24,608)	2,977	(42,820)
Net (loss) attributable to:				
Shareholders of Trinidad	(11,882)	(5,583)	(34,344)	(17,519)
Non-controlling interests	(175)	(396)	(103)	(578)
Total comprehensive income (loss) attributable to:				
Shareholders of Trinidad	3,244	(23,942)	3,722	(41,861)
Non-controlling interests	(444)	(666)	(745)	(959)
Earnings per share				
Basic/Diluted	(0.05)	(0.02)	(0.13)	(0.07)

(1) (Gain) from investments in joint ventures includes Trinidad's portion of the net (gain) 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.

(2) Fair value adjustments includes the fair value adjustments on the contingent considerations related to the RigMinder business combination, and the fair value of the non-controlling interests liability. For the six months ending June 30, 2018, the fair value on the contingent consideration was $3.5 million (December 31, 2017 - $1.1 million). For the six months ending June 30, 2018, the fair value on the non-controlling interests liability was $1.6 million (December 31, 2017 - $3.1 million, respectively).

Consolidated Statement of Changes in Equity

Six months ended June 30, 2018 and 2017			Accumulated		
			other		
	Common	Contributed	comprehensive		Total
($ thousands) - unaudited	shares	surplus	income (1)	(Deficit)	equity
Balance at December 31, 2017	1,525,633	65,292	128,655	(457,419)	1,262,161
Share-based payment expense	—	99	—	—	99
Total comprehensive income (loss)	—	—	38,066	(34,344)	3,722
Balance at June 30, 2018	1,525,633	65,391	166,721	(491,763)	1,265,982
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

(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	2018	2017
Cash (used in) provided by		
Operating activities		
Net (loss)	(34,447)	(18,097)
Adjustments for:		
Depreciation and amortization	116,189	90,432
Foreign exchange	(4,527)	6,610
(Gain) on sale of assets	(687)	(1,639)
(Gain) from investments in joint ventures (1)	(7,608)	(36,809)
Finance and transaction costs	18,849	23,027
Fair value adjustments	(1,809)	3,100
Income taxes	(19,288)	(27,643)
Other (2)	5,076	1,731
Income taxes paid	(466)	(996)
Income taxes recovered	482	784
Interest paid	(18,851)	(29,746)
Funds flow	52,913	10,754
Change in non-cash operating working capital	3,244	22,129
Cash flow provided by operating activities	56,157	32,883
Investing activities		
Purchase of property and equipment	(23,156)	(58,558)
Proceeds from disposition of assets	6,022	2,607
Net investments in joint ventures	689	6,681
Purchase of intangibles	(1,663)	(3,145)
Distribution and dividends received from joint venture	48,927	40,149
Change in non-cash working capital	(21,938)	(6,579)
Cash flow provided by (used in) investing activities	8,881	(18,845)
Financing activities		
Proceeds from long-term debt	125,824	53,458
Repayments of long-term debt	(187,183)	(55,416)

Issuance of shares	—	149,500
Share issuance costs	—	(6,561)
Proceeds from 2025 Senior Notes	—	461,860
Repayments of 2019 Senior Notes	—	(591,670)
Debt issuance costs	(25)	(11,456)
Cash flow (used in) financing activities	(61,384)	(285)
Cash flow from operating, investing and financing activities	3,654	13,753
Effect of translation of foreign currency cash	698	(4,907)
Increase in cash for the period	4,352	8,846
Cash and cash equivalents - beginning of period	3,948	25,780
Cash and cash equivalents - end of period	8,300	34,626

(1) (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.

(2) Other includes share-based payment expense of $4.8 million (2017 - $1.5 million) and elimination of upstream and downstream transactions between Trinidad and the Joint Venture 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, Total Debt to Bank EBITDA, Bank EBITDA to Cash Interest Expense, operating days, utilization rate - operating day, revenue - rate per operating day or dayrate, operating expense - rate per operating day or operating expense per day, Adjusted EBITDA margin percentage, Free Cash Flow, G&A as a % of revenue, Net Debt to Adjusted EBITDA, and Return on Capital Employed or ROCE. 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 loss (gain) 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)	2018	2017	2018	2017
Net (loss)	(12,057)	(5,979)	(34,447)	(18,097)
Plus:				
Finance and transaction costs	9,310	8,914	18,849	23,027
Depreciation and amortization	58,034	45,871	116,189	90,432
Income taxes	(9,496)	(14,817)	(19,288)	(27,643)
	45,791	33,989	81,303	67,719
Plus:				
(Gain) loss on sale of assets	1,003	(1,712)	(687)	(1,639)
Share-based payment expense	2,165	2,400	4,829	1,521
Foreign exchange (gain) loss	(3,570)	1,354	(4,527)	6,610
Fair value adjustments	(5,366)	3,100	(1,809)	3,100
(Gain) from investments in joint ventures	(7,417)	(28,306)	(7,608)	(36,809)
Adjusted EBITDA from investments in joint ventures	371	3,830	(664)	25,412
Adjusted EBITDA	32,977	14,655	70,837	65,914

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, dividend re-class, 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)	2018	2017	2018	2017
Gain from investments in joint ventures	7,417	28,306	7,608	36,809
Plus:				
Finance costs	720	(437)	902	(481)
Depreciation and amortization	3,356	6,436	7,964	12,446
Income taxes	(209)	838	(361)	709
	11,284	35,143	16,113	49,483
Plus:				
Impairment of property and equipment	—	—	10,210	—
Foreign exchange	(506)	298	(32)	963
TDI investment - fair value adjustment	(44,696)	(31,760)	(61,413)	(25,701)
Cumulative dividend valuation	34,289	149	34,458	667
Adjusted EBITDA from investments in joint ventures	371	3,830	(664)	25,412

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, fair value adjustments on financial assets and liabilities 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 revolving facility, Senior Notes 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.

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, fair value adjustments on financial assets and liabilities 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.

Revenue - 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).

Operating expense - rate per operating day or Operating expense per day is defined as operating expense (net of third party costs) divided by operating days (drilling days plus moving days).

Adjusted EBITDA margin percentage is used by management and investors to analyze the Company's profitability relative to its revenue generation. Adjusted EBITDA margin percentage is calculated as adjusted EBITDA divided by revenue.

($ thousands except percentage)	Six months ended June 30, 2018	Year-ended December 31, 2017
Adjusted EBITDA	70,837	129,446
Revenue	282,825	501,615
Adjusted EBITDA margin percentage	25.0%	25.8%

Free Cash Flow is used by management and investors to measure the Company's financial performance and its ability to generate excess cash from its business operations. Free cash flow is calculated as adjusted EBITDA less finance and transaction costs and current income taxes.

($ thousands)	Six months ended June 30, 2018
Adjusted EBITDA	70,837
Less:	
Finance and transaction costs	18,849
Current income taxes	417
Free Cash Flow	51,571

G&A as a % of revenue is used by management and investors to measure the level of the Company's general and administrative costs (G&A) relative to the revenue generated. G&A as a % of revenue is calculated as G&A costs, before share-based payment costs and third-party recoverable costs, divided by revenue.

Net Debt to Adjusted EBITDA is used by management and investors to analyze the level of indebtedness of the company by measuring the amount of long-term debt net of cash or cash equivalents relative to the amount of adjusted EBITDA generated. Net debt to adjusted EBITDA is calculated as long-term debt plus current portion of long-term debt less cash or cash equivalents divided by adjusted EBITDA for the trailing twelve months.

($ thousands except multiples)	As at June 30, 2018	As at December 31, 2017
Long-term debt	475,056	511,674
Bank indebtedness	—	—
Current portion of long-term debt	—	—
Minus:		
Cash and cash equivalents	8,300	3,948
Net Debt	466,756	507,726
Adjusted EBITDA trailing twelve months	134,370	129,446
Net Debt to Adjusted EBITDA	3.5	3.9

Return on Capital Employed or ROCE is used by management and investors to measure how efficiently the Company uses capital to generate profit. ROCE is calculated as adjusted EBITDA for the trailing 12 months divided by the average of total assets less current liabilities for the beginning and ending periods.

ROCE (Three-year Average)

($ thousands except percentage)	2015	2016	2017	Three-year Average
Total Assets	2,236,200	1,982,076	1,902,546	
Current Liabilities	133,487	81,806	107,339	
Capital Employed	2,102,713	1,900,270	1,795,207	
Adjusted EBITDA	186,746	143,002	129,446	
ROCE	8.9	7.5%	7.2%	7.9%

ROCE (One-year Average)

($ thousands except percentage)	As at June 30, 2017	As at June 30, 2018	One-year Average
Total Assets	1,904,384	1,849,933	1,877,159
Current Liabilities	81,552	93,122	87,337
Capital Employed	1,822,832	1,756,811	1,789,822
Adjusted EBITDA trailing twelve month			134,370
ROCE			7.5%

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 - 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 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 pr 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 Drilling International (TDI);
- assumptions regarding foreign currency exchange rates and interest rates;
- assumptions around future 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 MD&A, 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.

SOURCE Trinidad Drilling Ltd.