



ANNUAL INFORMATION FORM

Year Ended December 31, 2021

February 23, 2022

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FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this Annual Information Form constitute forward-looking information and statements (collectively "**forward-looking statements**"). These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and other similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Annual Information Form should not be unduly relied upon. These statements speak only as of the date of this Annual Information Form.

In particular, this Annual Information Form contains forward-looking statements pertaining to, but not limited to, the following:

- we will advance our business;
- we have sufficient capital liquidity to invest in new opportunities and profitable growth;
- that Trican will continue to adapt to the current economic environment;
- the impact of COVID-19 and the associated effect on world-wide demand for oil and gas;
- anticipated industry activity levels and outlook for 2022 as well as expectations regarding our customers' work and capital programs and the associated impact on the Company's equipment utilization levels and demand for our services in 2022;
- the impact of inflation and inflationary pressures;
- expectation as to the type of pressure pumping equipment required and which operating regions the equipment is appropriate to operate in;
- expectations regarding supply and demand fundamentals and oil and gas pricing levels;
- expectation that we are adequately staffed for current industry activity levels, that we will be able to retain and attract staff and that we will maintain the Company's cost structure;
- expectations regarding Trican's capital spending plans, sources of capital, and specifically the timing and cost of the roll out of Trican's Tier 4 DGB pumps;
- expected benefits and results of the Company's NCIB program;
- expected equipment capacity in 2022 for all operating regions;
- the Company's ability to maintain a strong market position in Canada;
- anticipated industry activity levels in jurisdictions where the Company operates, as well as customer work programs and equipment utilization levels;

- anticipated compliance with debt and other covenants under the Bank Agreement (as defined herein);
- expectations that the Company can maintain its market leading position in the fracturing and cementing divisions and strengthen auxiliary services;
- expectations that the Company will deepen the integration of ESG into its business and be supported by its customers in doing so;
- expected benefits and risks of acquisitions and divestures completed by the Company; and
- the Company's research and development activities, ability to develop new products and processes and its ability to monetize such new technologies.

Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Annual Information Form:

- volatility in market prices for oil and natural gas;
- cost escalation from inflationary pressures and supply chain challenges;
- liabilities inherent in oil and natural gas operations;
- competition from other suppliers of oil and gas services;
- competition for skilled personnel;
- changes in income tax laws or changes in other laws and incentive programs relating to the oil and gas industry;
- changes in transportation capacity for crude oil and natural gas;
- the impact of COVID-19 or similar type of health pandemic on the Company's operations, personnel, clients and outlook;
- changes in political, business, military and economic conditions in Canada and other key regions of the world; and
- the other factors discussed under "*Risk Factors*".

Readers are cautioned that the foregoing lists of factors are not exhaustive. Forward-looking statements are based on a number of factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. Although management of Trican believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Trican can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: crude oil and natural gas prices; the impact of increasing competition; the general stability of the economic and political environment; the timely receipt of any required regulatory approvals; Trican's policies with respect to acquisitions and dispositions; the ability of Trican to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability to operate our business in a safe, efficient and effective manner; the ability of Trican to obtain capital resources and adequate sources of liquidity; the performance and characteristics of various business segments; the regulatory framework in the jurisdictions in which it operates; the timing

and effect of pipeline, storage and facility construction and expansion; and future commodity, currency, exchange and interest rates.

The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement. We do not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable law.

GLOSSARY

Unless the context otherwise requires, in this Annual Information Form, the following terms and abbreviations have the meanings set forth below.

"2021 NCIB" means the Normal Course Issuer Bid commencing October 5, 2021 and expiring October 4, 2022;

"ABCA" means the *Business Corporations Act* (Alberta), as amended;

"Annual Financial Statements" means the audited consolidated financial statements of Trican as at December 31, 2021 and 2020 and for the years then ended, together with the notes thereto and the auditor's report thereon;

"Annual MD&A" means the management's discussion and analysis of Trican for the period ended December 31, 2021;

"Bank Agreement" means the Company's Bank Facility agreement dated December 5, 2018 as amended on July 11, 2019, August 19, 2020, November 30, 2020 and December 3, 2021;

"Bank Facility" means the Company's revolving credit facility maturing on December 5, 2024 with a syndicate of financial institutions;

"Board" means the Board of Directors of the Company;

"Canyon" means Canyon Services Group Inc.;

"Common Shares" means the common shares in the capital of Trican;

"Fluid Management" means the Company's former fluid management business.

"Fluid Management Transaction" means the sale of the Company's wholly owned subsidiary, Fraction Energy Services Ltd. which ran the Company's Fluid Management business announced on November 7, 2019 and closed on January 15, 2020.

"NCIB" means Normal Course Issuer Bid;

"Software Business Transaction" means the sale of the Company's wholly owned subsidiary, Cevian Technologies Ltd. which ran the Company's software business closed on March 3, 2021.

"Senior and Subordinated Notes" means, collectively the outstanding senior notes and subordinated notes of the Company;

"TSX" means the Toronto Stock Exchange; and

"WCSB" means the Western Canadian Sedimentary Basin.

Unless the context indicates otherwise, a reference in this Annual Information Form to "**Trican**", the "**Company**", "**we**", "**us**" or "**our**" refers to Trican Well Service Ltd. and, where appropriate in the context, to its direct or indirect subsidiaries and partnership interests.

All references herein to "\$" or "**dollars**" are to Canadian dollars except as otherwise stated. The exchange rates for the average of the daily closing rates during the period and the end of period closing rate for the U.S. dollar in terms of Canadian dollars as reported by the Bank of Canada were as follows for each of the years ended December 31, 2021, 2020 and 2019.

Period	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
End of Period	1.2678	1.2732	1.2988
Period Average	1.2535	1.3415	1.3269

TRICAN WELL SERVICE LTD.

Incorporation History

Trican Well Service Ltd. was incorporated under the *Companies Act* (Alberta) on April 11, 1979, under the name "216858 Oilwell Service Co. Ltd." The Company's name was changed to "Trican Oilwell Service Co. Ltd." on May 15, 1979. The Company was continued under the ABCA on December 30, 1983. On September 17, 1996, the Company amended its share capital to create Common Shares and preferred shares, and to redesignate and deem all outstanding shares to be Common Shares. On October 4, 1996, the Company amended its articles to remove private company restrictions. On June 4, 1997, the Company changed its name to "Trican Well Service Ltd." On January 1, 1999, the Company and Superior Oilwell Cementers Inc. amalgamated and continued as "Trican Well Service Ltd." On May 26, 2005 and May 25, 2006, Trican split its Common Shares on a three-for-one basis and a two-for-one basis, respectively.

The Company's registered office is 3500, 855 – 2nd Street S.W., Calgary, Alberta, T2P 4J8 and its corporate head office is at Suite 2900, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8.

Intercorporate Relationships

The Company has no subsidiaries holding more than 20% of consolidated assets nor subsidiaries that account for more than 10% of consolidated revenues.

GENERAL DEVELOPMENT OF THE BUSINESS

The Company

Headquartered in Calgary, Alberta, Trican supplies oil and natural gas well servicing equipment and solutions to our customers through the drilling, completion and production cycles. Our team of technical experts provide state of the art equipment, engineering support, reservoir expertise and laboratory services through the delivery of hydraulic fracturing, cementing, coiled tubing, nitrogen services and chemical sales for the oil and gas industry in Western Canada. Trican is the largest pressure pumping service company in Canada.

Three-Year History

The Company acquired Canyon, a WCSB pressure pumping company in 2017. Since the acquisition of Canyon, the Company has almost entirely focused its efforts in the WCSB and as a result became Canada's

largest pressure pumper. Since 2019, the WCSB began to realize a significant reduction in well counts primarily as a result of oil and natural gas export pipeline take-away capacity constraints, further magnified by the COVID-19 pandemic and volatile commodity prices in 2020 ("Market Events"). The global COVID-19 pandemic and commodity price collapse forced the Company to undertake significant cost cutting measures, reducing operations and administrative personnel and divesting non-core service lines in 2020. In 2021, the Company recovered from historically low commodity prices and activity levels in the WCSB and is positioned to fund capital programs and share buybacks from free cash flow. See "*Description of the Business and Operations*" for more details.

2021

Strengthening commodity prices in 2021 drove a recovery from Market Events that characterized 2020. The increase in commodity prices sustained a higher rig count in 2021 relative to 2020, leading to the reactivation of hydraulic fracturing fleets, cementing units, and coiled tubing crews in 2021.

Robert Skilnick resigned as CFO effective March 1, 2021. Klaas Deemter was appointed as interim CFO effective March 1, 2021. Scott Matson was appointed as the Company's permanent CFO effective June 14, 2021.

On March 3, 2021, the Company completed the sale of its software business for cash consideration of approximately \$6.5 million. The Company recognized a gain of \$4.2 million on the sale. The software business was classified as discontinued operations within the Annual Financial Statements.

In Q1 2021, the Company successfully completed a field trial of CAT Tier 4 Dynamic Gas Blending ("DGB") engine technology. The Tier 4 DGB engine displaces up to 85% of the diesel used in a conventional pumper with clean burning natural gas. Combined with Trican's idle reduction technology, these upgrades result in lower overall fuel consumption and in turn reduce carbon dioxide and particulate matter emissions. In Q4 2021, the Company successfully completed the upgrade of its first fracturing fleet with Tier 4 DGB engines. The upgrade was supported by a long-term contract with a long-standing customer. In Q3 2021, the Company also announced that it would be upgrading a second fleet with Tier 4 DGB technology, bringing Trican's total Tier 4 DGB fleet to 84,000 HHP. The second fleet is anticipated to be field ready in the second half of 2022.

On October 1, 2021, the Company announced its 2021-2022 NCIB program, commencing October 5, 2021, to purchase up to 24.7 million Common Shares for cancellation before October 4, 2022.

On December 3, 2021, the Company entered into an amendment to its Bank Agreement. Pursuant to the amendments, the maturity of the Bank Facility was extended to December 5, 2024. The pricing grid was adjusted with no changes to the commitment level at \$125 million, uncommitted accordion feature of \$125 million, and the financial covenant package.

During 2021, Trican purchased and canceled approximately 10.3 million Common Shares during the year (4% of total shares outstanding at December 31, 2021) at a weighted average price per share of \$2.60 pursuant to its NCIB programs.

2020

In March 2020 the Company reacted quickly to the outbreak of COVID-19 by idling equipment, reducing personnel and cutting costs across the business. Management took these aggressive measures to protect cash flow during the downturn and to position the Company for an eventual recovery in demand for our services.

Dale Dusterhoft retired on August 30, 2020 as President and CEO. Bradley P.D. Fedora was appointed by the Board of Directors as President and CEO effective September 1, 2020.

On October 1, 2020, the Company announced its 2020 NCIB, commencing October 5, 2020, to purchase up to 20.3 million Common Shares for cancellation before October 5, 2021.

On November 30, 2020, the Company entered into an amendment to its Bank Agreement. Pursuant to the amendments, the maturity of the Bank Facility was extended to December 5, 2022; the pricing grid was adjusted; the commitment level was reduced from \$275 million to \$125 million, accompanied with an increase to the uncommitted accordion feature from \$50 million to \$125 million. There were no changes to the financial covenant package.

During 2020, Trican purchased and canceled approximately 17.1 million Common Shares during the year (6% of total shares outstanding at December 31, 2019) at a weighted average price per share of \$1.08 pursuant to its NCIB programs.

2019

On September 30, 2019, the Company announced a NCIB, commencing October 3, 2019, to purchase up to 24.8 million Common Shares for cancellation before October 3, 2020.

On November 7, 2019, Trican announced aggressive cost reduction measures taken which resulted in \$32 million of estimated annualized cost savings. Annualized cost savings estimates, including efficiency and lean six sigma cost savings initiatives, were increased to \$40 million as disclosed in the Company's Annual MD&A.

On November 7, 2019, Trican entered into an asset purchase and sale agreement for the sale of substantially all the assets of its Fluid Management business for consideration of \$17.6 million. The consideration received at closing on January 15, 2020, was \$13.6 million of cash consideration and \$4 million by way of a secured vendor take-back loan. The Fluid Management business was classified as discontinued operations within the Annual Financial Statements.

During 2019, Trican purchased and canceled approximately 30.1 million common shares during the year (10% of total shares outstanding at December 31, 2018) at a weighted average price per share of \$1.15 pursuant to its NCIB programs.

Appointment and Resignations of Directors and Officers

Mr. Thomas M. Alford was appointed as Chairman of the Board of Directors effective February 23, 2021.

Ms. Deborah S. Stein was appointed as Chair of the Governance Committee effective February 23, 2021.

Mr. Michael J. McNulty was appointed to the Company's Board of Director effective January 18, 2021, and effective February 23, 2021, Mr. McNulty was appointed as Chair of the Audit Committee.

Mr. Robert Skilnick resigned as CFO on January 13, 2021, to be effective on completion of the Company's annual financial reporting process on March 1, 2021.

Mr. Klaas Deemter was appointed as interim CFO effective March 1, 2021.

Ms. Trudy M. Curran was appointed to the Company's Board of Directors effective May 13, 2021 and appointed Chair of Safety, Human Resources and Compensation Committee effective May 13, 2021.

Mr. Allen Brooks retired from the Company's Board of Directors effective May 13, 2021.

Mr. Kevin Nugent retired from the Company's Board of Directors effective May 13, 2021.

Mr. Scott Matson was appointed as the Company's CFO effective June 14, 2021.

Mr. Michael Rapps resigned from the Company's Board of Directors effective June 18, 2021.

Mr. Stuart O'Connor was appointed to the Company's Board of Directors effective November 29, 2021.

DESCRIPTION OF THE BUSINESS AND OPERATIONS

General

The upstream oil and gas industry is comprised of two primary industry segments: service companies and exploration and production companies. Exploration and production companies generally explore for, develop and produce oil and gas reserves and resources. Service companies provide specialized equipment, products and services to support the exploration, development and production of oil and gas.

Oil and gas are generally located in permeable rock reservoirs accessible primarily by drilling. Optimization of the recovery of oil and gas requires highly sophisticated procedures and technology. To remain competitive, service companies are required to develop and apply technology to specific exploration and development problems to recover additional reserves. North America has been a prime source of this technology. This is particularly true of Canada where, on a global scale, volumes of oil and gas per well are relatively small, incentivizing oil and gas companies to develop and apply new technologies to enhance recovery.

Trican provides a comprehensive array of specialized products, equipment, services and technology for use in the drilling, completion, stimulation and reworking of oil and gas wells in Canada. Trican's operations consists of pressure pumping services in Canada, which include hydraulic fracturing, cementing, coiled tubing, nitrogen services and chemical sales.

Continuing Operations

Operations

Trican provides a variety of services within the pressure pumping oilfield services industry including hydraulic fracturing, cementing, coiled tubing, nitrogen services and chemical sales. Trican offers these services to customers in Canada from operating bases located across the WCSB.

The Canadian market has undergone significant changes with the emergence of unconventional oil and gas plays and related horizontal drilling throughout the WCSB. Most unconventional oil and gas reservoirs are developed using horizontal wells, which must be fractured several times along the horizontal length to achieve commercial oil and gas production rates. The fracturing treatments on these wells are usually much larger than conventional treatments, requiring larger fracturing crews and using significantly more hydraulic horsepower ("**HHP**") per crew, which results in higher fracturing revenue generated from an individual well completion. In addition, the number of fracture treatments on each unconventional well (horizontal well) typically ranges between ten and forty compared to two to four fracture treatments on a conventional well (vertical well).

The significant increase in the number of horizontally drilled wells in the WCSB has increased the demand for equipment on a single well and resulted in many customers requiring our operations for a full 24 hours per day, compared to historical daily operations of 12 hours. This change has resulted in improved efficiency for our customers and improved equipment efficiency rates for our activated equipment. A further advance in the development of unconventional oil and gas resources is the use of multi-well pad drilling. Multi-well pad drilling results in several horizontally drilled wells being drilled from one well site. The result is multiple wells in one central location which further improves equipment efficiency rates as equipment is not traveling as often between well locations. Multi-well pads ranging from two wells to ten wells comprise most of our hydraulic fracturing activity. The increase in the number of fracturing treatments also positively

impacts the efficiency of our coiled tubing units which are used during fracturing operations to clean out the well before and after fracturing, to lift fluid from the wellbore and to drill out plugs and other tools that are left in the well following the completion of the fracturing treatments.

The Company is well positioned in the WCSB market and believes its service locations are well situated to meet the demand for unconventional resource development. As a result, at December 31, 2021, Trican had six hydraulic fracturing crews activated and the equivalent of six fracturing crews parked. The number of fracturing crews operating at December 31, 2021, increased from 2020 as a result of an increase in commodity prices and WCSB activity. The decline in total fracturing HHP from 2018 to 2019 was a result of Trican selling its lowest tier of equipment in 2019. The Company believes that the lowest tier of equipment will not be cost effective to operate on most unconventional wells.

The table below shows changes in our domestic fleet over the past four years, as well as the equipment capacity as at **December 31, 2021**. With this extensive fleet and our well-trained personnel, management of Trican believes that the Company is well positioned to provide quality customer service in Canada.

<u>Number of Units at Year End</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Parked Fracturing Crews ⁽¹⁾	6	4	7	6
Active Fracturing Crews ⁽²⁾	8.5	8	5	6
Total Fracturing HHP	671,850	583,000	569,900	573,100
Cement Pumpers	69	57	42	42
Coiled Tubing Units	22	21	21	25
Nitrogen Pumpers	80	72	60	60
Acidizing Units	24	24	24	22

Notes:

- (1) A parked fracturing crew is made up of various pieces of specialized equipment but have no personnel to operate the related equipment. The related equipment was parked in good condition, but would still require modest expenditures, as well as the addition of personnel, to activate.
- (2) A fracturing crew is made up of various pieces of specialized equipment and have personnel to operate the related equipment.

The table below shows the revenues generated by categories of principal services over the past two years, as a percentage of total revenues.

<u>Service</u>	<u>Year Ended December 31, 2021</u>	<u>Year Ended December 31, 2020</u>
Fracturing services	75%	73%
Cementing services	16%	17%
Coiled tubing services	8%	9%
Other	1%	1%

Competitive Conditions

The oilfield services market is highly competitive. The Company's main competitors in the well service market include Canadian headquartered companies Calfrac Well Services Ltd., STEP Energy Services Ltd., Ironhorse Oilfield Services Ltd., Element Technical Services Ltd. and United States headquartered companies Liberty Oilfield Services, Baker Hughes and Halliburton Company. Trican is the largest full service pressure pumping company in Canada based on equipment in the market and offers a broader range of services relative to its Canadian and United States headquartered competitors.

Trican's research and development efforts remain focused on providing specific solutions to the problems encountered by its customers. To support Trican's ongoing research and development initiatives, the Company maintains one of the leading laboratories of its type in western Canada. This state-of-the-art

facility is a key element in the Company's ongoing effort to be a prominent provider of technology to the oil and gas sector.

As at December 31, 2021, Trican had 1,032 full and part time employees (2020: 804).

Seasonality

The well service industry is characterized by seasonality in Canada. The first and third calendar quarters are typically the most active in the well service industry, the second quarter is the least active, and the fourth quarter typically reflects some activity slowdowns as our customers may fully expend their annual capital budgets combined with a slowdown of activity through the December holiday season. During the second quarter when the frost leaves the ground, many secondary roads are temporarily rendered incapable of supporting the weight of heavy equipment which constrains the Company's ability to move equipment between customer job sites, resulting in restrictions in the level of well servicing activity. The duration of this period, commonly referred to as "spring break-up", has a direct impact on the level of Trican's activities. Generally, the spring break-up period between March and May is the slowest period of activity for the Company during the year. During other periods of the year rainfall can also render some of the secondary and oilfield service roads impassable for the Company's equipment. Additionally, if an unseasonably warm winter prevents sufficient freezing, Trican may not be able to access well sites; and an increase to extreme weather events can reduce activity and affect the ability of transportation companies to deliver key inputs to the Company's job sites. These factors can all reduce activity levels below normal or anticipated levels, which could have an adverse effect on Trican's operations and financial condition.

Discontinued Operations

Trican's discontinued operations were primarily related to the Company's software business. On March 3, 2021, the Company completed the sale of its software business for cash consideration of approximately \$6.5 million. For the year ended December 31, 2021, the Company's discontinued operations generated \$5.2 million in profit mainly related to the \$4.2 million from gain on disposition.

Description of Services

Cementing

Primary cementing is one of the most critical steps taken to ensure wellbore integrity throughout the life of a well, key factors of cementing include complete zonal isolation and aquifer protection. Improper cement jobs may lead to interference between different zones within a wellbore and ultimately decreased production, preventing a well from reaching its full production potential.

After drilling a well, steel pipe called casing is inserted into the hole. Cement is pumped down this pipe and up the annulus between the pipe and the newly drilled hole. In most wells, at least two strings of casing are run: one near the surface called "surface casing" and a second across the producing zone called "production casing". Advancements in drilling capabilities have led to deeper and longer well bores, which are more technically challenging and require more advanced equipment and cement blends.

Chemical Sales

Trican's research and development ("R&D") and engineering personnel have developed an extensive line of speciality proprietary products that are used by customers in the oil sands, heavy oil, conventional and unconventional oil and gas sectors. These products are provided to customers through technology license agreements with third party vendors, or directly through Trican. Trican also purchases certain non-proprietary products in bulk, which are then blended and sold to customers in smaller volumes.

Coiled Tubing

Coiled tubing is a continuous (without joints) reel of steel pipe that can be manufactured to various lengths. The pipe, which comes in varying sizes, is spooled onto a large diameter reel and can be run into any oil or gas well. In general terms, coiled tubing is used as a conduit to circulate and place fluids and gases into the wellbore at a specific depth for either reservoir stimulation or wellbore cleanout purposes. Coiled tubing is also used to convey tools for a multitude of functions including zonal isolation, perforation, fracturing, drilling, jetting, etc. Coiled tubing can also be used for specialized applications such as pipeline cleanouts, temporary flowlines or even as a replacement for conventional production tubulars.

The major advantage of using coiled tubing technology over regular jointed tubing is the ability to safely work on a live well without the need to engage additional equipment and technologies to contain the wellhead pressure. Secondary advantages include increased speed of running a coiled tubing string in and out of a well, which has the potential to save time on some operations when compared to conventional jointed pipe.

Fracturing

Fracturing is a well stimulation process performed to improve production from geological formations where natural flow is restricted. Most wells completed in North America now require some form of stimulation upon completion of drilling. Fluid is pumped into formation via the wellbore at pressures high enough to break the rock and initiate a “fracture”. Sand is added to fluid being injected and acts as means to keep the fracture propped open. Once the sand has been placed into the fracture and pressure is released, the sand remains in place, creating a conductive flow from the formation into the wellbore for the hydrocarbons.

Traditional fracturing treatments consisted of highly viscous fluids (thickened) to help create the fracture and carry the proppant into in the reservoir. Through the pumping process the viscous fluid undergoes a chemical reaction to reduce the viscosity so it can flow back out of the well, leaving the proppant in place.

Slick water fracturing treatments are the predominant treatment used today. These treatments rely on high flow rate fluids pumped under high pressures into shale and tight (low permeability) reservoirs, commonly referred to as unconventional reservoirs. These treatments are typically less costly as they do not use viscosifiers to convey the proppant, although some producers have started using Trican’s leading edge high viscosifying friction reducers (HVFR) to improve proppant placement, while maintaining lower overall completion costs.

Nitrogen

Nitrogen (“N₂”) is an inert (non-reactive) gas that is pumped into a wellbore to improve the safe recovery of introduced and produced fluid, while reducing the potential of formation damage in under pressured reservoirs. In addition to being an inert gas and the most abundant component in the Earth’s atmosphere (78%), N₂ is intrinsically safe, easily accessible and in widespread use in the oilfield. Gaseous N₂ is commonly used to displace or lighten fluids, which allows oil or gas to more easily flow from the well.

Economic Dependence

Trican’s business is solely focused in Canada. The Company’s customers consist of a large number of oil and gas companies that vary in size from small private operators to large multi-national companies. During 2021 and 2020, the Company had one customer that accounted for more than 10% of Trican’s total annual revenues.

Changes to Contracts

The Company operates under a number of key supplier and customer arrangements. These contracts define the commercial terms under which materials will be supplied or work will be undertaken. The majority of the arrangements do not contain a guaranteed minimum commitment of materials or work.

Environmental, Social and Governance (“ESG”)

As the world accelerates its efforts to meet global emissions reduction targets, the continued responsible development of hydrocarbons will be critical. Trican’s services will play an essential role in allowing our customers to extract these resources in an ESG conscious manner. To facilitate this, Trican is committed to being the lowest emitting pressure pumping service provider in Canada while generating an attractive return on invested capital for our shareholders and building a company of proud employees.

We have numerous initiatives already implemented in our operations, such as:

- Tier 4 dual fuel engine technology that substantially reduces our emissions.
- Chemical solutions that can be used with recycled water thereby eliminating our customers’ reliance on fresh water.
- Engine idle reduction technology that materially lowers our emissions and noise pollution.
- Supply chain efficiencies that reduce the number of site visits required, directly reducing the number of heavy trucks on the road.

Each of these innovations places a strong emphasis on improving efficiency, eliminating waste, minimizing freshwater consumption and reducing emissions in our operations that ultimately progress our objective of reducing the environmental footprint of our operations and that of our customers. Trican’s innovative workforce drives these applications of technology and process improvements, reinforcing that it is our people at Trican that differentiate us from our competitors.

Participants in the oil and gas service industry are subject to stringent environmental laws and regulations. These laws and regulations primarily govern the manufacturing, processing, importation, transportation, handling and disposal of certain materials used in Trican’s operations and may require extensive remediation or impose civil or criminal liability for violations. Trican’s customers are subject to similar laws and regulations, as well as limits on emissions into the air and discharges into surface and sub-surface waters. Trican has participated in the establishment of certain protocols and supported disclosures within the public domain since their adoption. Trican believes in the value of transparency to the public and continues to comply with all regulatory reporting requirements.

The health and safety of our staff and key stakeholders are of vital importance in successfully operating our business. Trican continually strives to achieve an incident and injury free work environment (Target Zero) to ensure that our employees can go home safely to their families. To this end, Trican has implemented safety and training programs designed to improve performance and to raise awareness of the importance of safety in its operations, and an environmental policy designed to minimize the impact of its operations on the environment.

The Board has a Safety, Human Resources and Compensation (“**SHRC**”) Committee, which is comprised of three independent directors, namely Trudy M. Curran (Chair), Michael J. McNulty, and Stuart O’Connor.

The SHRC Committee is responsible for reviewing, reporting and making recommendations to the Board on the development and implementation of the policies, standards and practices of the Company with

respect to health, safety and environment, as well as succession planning for executive positions. Its mandate includes: (i) reviewing, and recommending to the Board for approval, fundamental policies pertaining to health and safety; (ii) reviewing report on all safety incidents, in which the Company has an obligation under the applicable rules and regulations to file a report; (iii) reviewing the Company's internal control systems, its strategies and policies regarding health and safety; (iv) reviewing and reporting to the Board on the Company's performance with respect to health and safety compliance, emerging trends in these areas and the results or findings of any reports or reviews pertaining to the Company; (v) investigating any activity of the Company that has a material impact on health or safety; (vi) meeting with the CEO annually to evaluate CEO performance relative to performance criteria in the prior year and setting performance criteria for the coming year; (vii) reviewing the Company's management succession plan to ensure that qualified personnel are available for succession to executive positions (see below under "Succession Planning" for more detail); and (viii) reviewing director and executive compensation disclosure required by applicable securities laws to be made by the Company. Trican's COO is required to report to the Safety, Human Resources and Compensation Committee on no less than a quarterly basis.

Inclusivity in the workplace and community involvement are a priority for Trican. Trican continues to strengthen its indigenous and community relations where we operate.

Trican will continue to operate our business sustainably and create a measurable reduction in our impact on the environment.

Intellectual Property

In the course of providing services and products to customers, Trican and its affiliates deploy its various unique intellectual property, including patents, trademarks, copyrights, design drawings, trade secrets and know-how to maintain our competitive position. Trican currently has 34 issued patents in North America. These patents cover inventions including a specialized fracturing fluid, an unconventional hydraulic fracturing method, and a down hole coiled tubing tool to enhance jetting technology. The Company also has a total of 8 pending patent applications in key countries, which include fluid systems for fracturing, coiled tubing technology, proppant flow back prevention, unconventional oil and gas production, and innovative cement additives. Trican has successfully licensed its technology to third-party suppliers for use outside of Canada and also negotiated non-exclusive licenses to certain fracturing technologies.

New Products

Trican's operational excellence is a product of its research and development. The energy industry evolves by way of new discoveries, by producers who pioneer new regions, by the public who demand an increased attentiveness to safety, efficiency and the environment, and by service companies who anticipate, respond and refine the equipment, tools and processes that make energy work.

Trican has developed more than 162 new cementing and stimulation products and 46 coiled tubing innovations, as well as maintained 56 global patents and applications. Over 60 technical papers have been published by Trican personnel on topics covering fracturing, cementing, acidizing, coiled tubing, reservoir modeling, microseismic and geological technology. Trican applies a thorough understanding of its customers and their requirements to the development of the Company's products, tools and procedures, while working to minimize their impact on the environment.

Notable among the products that Trican recently developed are the NMR-1N (Nanonmer) and the SandStill™ and CleanProp family of chemistry. These technologies are intended to drive efficiencies, lower cost and reduce the environmental footprint of our operations. Trican has also developed high concentration friction reducers for use with high salinity water for hydraulic fracturing. These products lower the environmental profile associated with handling friction reducers as well as allow the use of produced or flowback waters. Trican's goal is to utilize 100% saline waters in operations and conserve fresh water.

Through the skill and dedication of the Company's scientists, technicians and support staff working at our research and development centre in Calgary, Canada, Trican continues to develop new products and processes that enhance the Company's service lines and respond to the needs of its customers and the industry.

Specialized Skill and Knowledge

Trican's R&D Centre in Calgary, Alberta, Canada, houses Trican's stimulation and cement laboratories and demonstrates Trican's continued commitment to providing efficient solutions to the industry. These improvements enhance the Company's value offering and competitiveness, to the benefit of its customers, our operations and the general public. This facility contains state-of-the-art equipment that enables Trican scientists, engineers, and technologists to maximize the quality and effectiveness of the Company's work.

RISK FACTORS

Trican's business is subject to a number of risks and uncertainties, some of which are summarized below. We encourage you to review and carefully consider the risks described below, as well as those described elsewhere in this Annual Information Form and in the Company's other publicly disclosed reports and materials. If any such risks were to materialize, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. In turn, this could have a material adverse effect on the trading price of Trican's securities. Additional risks and uncertainties not currently known to the Company or that are currently deemed immaterial may also adversely affect our business and operations.

Demand for Trican's services is dependent upon the price of oil and natural gas and oilfield services industry conditions, which can be volatile.

The demand for energy, including commodity prices, is generally linked to broad-based economic activities. A significant slowdown in economic growth, an economic downturn or recession, or other adverse economic developments could result in significant negative impacts on commodity prices. These factors could have an adverse impact on the Company's operating results and cash flows.

The prices for crude oil and gas have fluctuated widely during recent years and may continue to be volatile in the future. Crude oil prices have fluctuated since mid-2014 in response to a variety of factors beyond Trican's control, including but not limited to: global energy supply, production and policies, including the ability of the Organization of Petroleum Exporting Countries ("**OPEC**") to set and maintain production levels in order to influence prices for oil; oil and gas production by non-OPEC countries; the level of consumer demand; geopolitical conditions, including the risk of hostilities in the Middle East and global terrorism; escalation of the political tension or standoff between Russia and Ukraine, global and domestic economic conditions, including currency fluctuations; cost of exporting, producing and delivering oil and gas; technological advances affecting energy consumption; extreme weather conditions; the effect of world-wide energy conservation and greenhouse gas reduction measures and the price and availability of alternative energy sources; societal crisis including involuntary migration and infectious diseases; and government regulations.

In addition to current and future oil and gas prices, the level of expenditures made by oil and gas companies are influenced by numerous factors over which the Company has no control, including but not limited to: general economic conditions; the cost of exploring for, producing and delivering oil and gas; the discovery rates of new oil and gas reserves; cost and availability of drilling equipment; availability of pipeline and other oil and gas transportation capacity; North American natural gas storage levels; taxation and royalty changes; government regulation; environmental regulation; ability of oil and gas companies to obtain credit, equity capital or debt financing; and currency fluctuations in the jurisdiction where Trican operates. A decline in expenditures by oil and gas companies caused by one or more of the factors above or other unnamed conditions could have a material adverse effect on Trican's business, financial condition, results of operations and cash flows.

The oilfield services industry is highly competitive.

Trican competes with multinational, national, and regional competitors in certain of its current service lines. Certain competitors may have financial, technical, manufacturing and marketing advantages and may be in a stronger competitive position than Trican as a result.

Competitive actions taken by competitors such as price changes, new product and technology introductions and improvements in availability and delivery could affect the Company's market share or competitive position. To be competitive, Trican must deliver value to our customers by developing new technologies and providing reliable products and services. The intense competition within the industry could lead to a reduction in revenue or prevent the Company from successfully pursuing additional business opportunities, which could have an adverse effect on Trican's operating results and cash flows.

Trican may be adversely impacted by a shortage of qualified personnel.

The operations and management of the Company require the recruitment and retention of a skilled workforce, including engineers, technical personnel, and other professionals to provide technical services and support for the business. Competition for qualified personnel in the oilfield services sector intensifies as activity increases and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business. This could increase the Company's costs, delay its ability to reactivate parked equipment or have other negative impacts on its operations and safety performance which could have an adverse effect on the Company's operating results and cash flows.

Cost escalation could lead to a decline in Trican's profitability.

The Company sources raw materials, such as oilfield cement, proppant, industrial gases, coiled tubing, and spare parts from a variety of suppliers, most of whom are located in Canada and the United States. The Company's operating costs could increase and become non-competitive due to inflationary pressures, equipment limitations or other input cost escalations. Our inability to manage costs may impact profitability and could have an adverse effect on the Company's operating results and cash flows.

Failure to maintain Trican's safety standards and record could lead to a decline in the demand for services.

The Company has developed and implemented safety and training programs, which it believes meet or exceed accepted industry safety practices, customer specific safety requirements and applicable health and safety legislation. A key factor considered by customers in retaining oilfield service providers is safety performance. Deterioration of the Company's safety performance could result in a decline in demand for the Company's services and could have an adverse effect on the Company's operating results and cash flows.

Coronavirus and exposure of Trican's workforce to this or a similar widespread pandemic.

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. COVID-19's impact on global markets was significant through the year and as the situation continues to evolve, the magnitude of its effects on the economy, on Trican's financial and operational performance and on our personnel is uncertain at this time. The Company continues to closely monitor the COVID-19 situation and if it deteriorates throughout the remainder of 2022, further negative impacts on supply chain, personnel, market pricing and customer demand can be expected. These factors may impact the Company's operating plan, liquidity and cash flows.

The loss of key customers could cause Trican's revenue to decline substantially.

Trican has a number of key customers that, in aggregate, generate a significant portion of Trican's revenue. There can be no assurance that Trican's relationship with these customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, would have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Stringent regulation of fracturing services could have a material adverse impact on the Company's financial position and operating results.

Trican operates in compliance with all applicable laws and regulations, and since 2011 Trican has voluntarily participated in industry initiatives to provide detailed information to regulatory bodies regarding the composition of fracturing fluids for public disclosure, primarily through Frac Focus, a national hydraulic fracturing chemical disclosure registry in Canada. As part of our environmental stewardship, we have a strong focus on the protection of fresh water sources, be it through the development of products that can be used with saline water sources (produced, flowback, recycled) in order to reduce the need for fresh water, or designing cement jobs that provide the strong barriers and protection between producing zones and fresh water aquifers.

The regulatory framework the Company operates in may provide for liability for damages to natural resources or threats to public health or safety. While Trican maintains insurance, the insurance is subject to coverage limits and may exclude coverage for damage resulting from environmental contamination. There can be no assurance that insurance will continue to be available to Trican on commercially reasonable terms, that the possible types of environmental liability will be covered by insurance or that the dollar amount of such liabilities will not exceed Trican's policy limits. Even a partially insured claim, if successful and of sufficient magnitude, could have a material adverse effect on Trican's business, results of operations and prospects.

Future regulatory developments could have the effect of reducing industry activity. Trican cannot predict the nature of the restrictions that may be imposed. Increased production in the oil and gas industry from unconventional sources has raised concerns over hydraulic fracturing services and its seismic-related or fresh water impacts, which may result in increased regulation. Additionally, Trican's customers' ability to source enough water for operations could be impacted by new or expanded existing water regulations. Regulatory approval processes for oil and gas exploration and development activities, including the scope of regulatory oversight and permitting and approval requirements, and the time it takes to receive necessary permits and applicable regulatory approvals could be slowed or unfavorable due to the influence from the evolving role of activists and their impact on public opinion and government policy related to energy development projects and the utilization of hydraulic fracturing technology and processes in particular. The adoption of future federal, state, local or foreign laws or implementing regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas or oil wells and could have a material adverse effect on Trican's liquidity, consolidated results of operations, and consolidated financial condition. Trican may be required to increase operating expenses or capital expenditures in order to comply with any new restrictions or regulations. Such expenditures could be material.

We are also aware that some regions in Canada have enacted or are considering moratoria on hydraulic fracturing. Additionally, Trican's business could be affected by a moratorium on related operations, such as sand mining, which provides proppant, a key input for our hydraulic fracturing operations. It is not possible to estimate how these various restrictions could affect Trican's operations.

An oversupply of oilfield service equipment could lead to a decline in the demand for Trican's services.

Currently, Trican and most of its competitors operating in the Canadian pressure pumping market have substantial quantities of equipment that is not manned or operating ("**Parked Equipment**"). In addition,

periods of high demand often result in increased capital expenditures on new equipment and those capital expenditures may add capacity (“**New Build Capacity**”) to the Canadian pressure pumping market. The ability to hire qualified personnel to reactivate Parked Equipment and/or the lag between a decision to build additional equipment and the timing of New Build Capacity being placed into service may result in the supply of oilfield service equipment in the industry not always correlating with the level of demand. The re-activation of Parked Equipment in the near term and the addition of New Build Capacity in the longer term may eventually result in pressure pumping equipment supply that exceeds actual demand. This excess capacity could cause Trican’s competitors to lower their prices and could lead to a decrease in prices in the oilfield services industry generally. Consequently, Trican could fail to secure enough work to employ its active equipment now or in the future. A reduction in pricing for our services or the inability to secure enough work in which to employ our active equipment could have a material adverse effect on Trican’s operating results and cash flows.

Negative public perception towards the hydrocarbon-based energy sector could increase the likelihood or impact of a number of these risks.

The Company is increasingly exposed to anti-hydrocarbon activists that seek to disrupt the Canadian and global energy sector and, at their most extreme, seek to eliminate hydrocarbon-based fuels completely from global energy consumption.

Their influence on public perception impacts governmental regulations and policies and in turn the various environmental laws, rules, legislation and guidelines under which Trican and its customers operate, potentially placing greater restrictions on both the Company and its clients. This could drive up Trican’s cost structure while reducing demand for its services, thereby having a negative effect on its financial results. Negative public perception toward hydrocarbons has resulted in increased climate-focused shareholder activism, exposing Trican to the risk of business disruption.

Trican’s access to capital and insurance coverage may be constricted as potential investors, underwriters, their boards and their shareholders are informed by these activists’ efforts and refuse to provide financing or coverage to the energy sector or make it available on terms unacceptable to Trican.

Trican’s supply chain may be disrupted due to protests organized by activist individuals or groups that could prevent Trican receiving the necessary products, materials or equipment to deliver its services to the Company’s clients, negatively impacting the Company’s operating results and cash flows.

Merger and acquisition activity may reduce the demand for Trican's services.

Merger and acquisition activity in the oil and gas exploration and production sector may constrain demand for the Company's services as customers focus on reorganizing the business prior to committing funds to exploration and development projects. Further, the acquiring company may have preferred supplier relationships with oilfield service providers other than Trican.

Cybersecurity and improper access to confidential information could harm Trican's reputation.

Trican relies on the uninterrupted operation of information technology (“IT”) systems to process, transmit and store information for the operation of its business. Some of this information concerns the business, its customers or partners and may be sensitive or confidential in nature. The Company has implemented security measures to protect and prevent unauthorized access to its IT systems. However, these IT systems may still be vulnerable to an increasing number of sophisticated cyber threats and other failures. If Trican does not allocate and effectively manage the resources necessary to build and sustain reliable IT infrastructure, fails to identify or respond to cybersecurity threats in a timely manner, or the Company’s IT systems are damaged, destroyed, shut down or cease to function properly, the Company’s business could be disrupted, and it could adversely affect the Company’s business, reputation or financial results.

Trican's efforts to protect our IT systems' confidential information, as well as the confidential information of our customers, may be unsuccessful due to the actions of third parties, software bugs or other technical malfunctions, employee error or malfeasance, lost or damaged data as a result of a natural disaster, data breach, intentional harm done to software by hackers or other factors. If any of these events occur, this information could be accessed or disclosed improperly. Any incidents involving unauthorized access to confidential information could damage our reputation and diminish our competitive position. In addition, the affected customers could initiate legal or regulatory action against us in connection with such incidents, which could cause Trican to incur significant expense. Any of these events could have a material and adverse effect on the Company's business, reputation, or financial results.

Trican's operations are subject to inherent hazards which may not be covered by insurance.

Trican's operations are subject to hazards inherent in the oil and gas service industry, such as equipment defects, damage, loss, malfunctions and failures, human error, and natural disasters, including induced seismicity related disasters, which may result in fires, vehicle accidents, explosions and uncontrollable flows of natural gas or well fluids that can cause personal injury, loss of life, suspension of operations, damage to formations, damage to facilities, business interruptions, and damage to or destruction of property and equipment. These hazards could expose Trican to liability for personal injury, wrongful death, product liability, property damage and other environmental damages. Trican continuously monitors its activities for quality control and safety and maintains insurance coverage it believes to be adequate and customary in the industry. Additionally, Trican seeks to obtain indemnification from its customers by contract for certain of the above risks. However, such insurance and indemnities may not be adequate to cover Trican's liabilities and may not be available in the future at rates Trican considers reasonable and commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain insurance, its business, financial condition, results of operations and cash flow could be materially adversely affected.

Trican's operations are susceptible to weather volatility.

The well service industry is characterized by considerable seasonality in Canada. During the second quarter when the frost leaves the ground, many secondary roads are temporarily rendered incapable of supporting the weight of heavy equipment which constrains the Company's ability to move equipment between customer job sites, resulting in restrictions in the level of well servicing activity. The duration of this period, commonly referred to as the "spring break-up", has a direct impact on the level of Company activities. During other periods of the year, rainfall can also render some of the secondary and oilfield service roads impassable for the Company's equipment. Additionally, if an unseasonably warm winter prevents sufficient freezing, Trican may not be able to access well sites; and an increase to extreme weather events can reduce activity and affect the ability of transportation companies to deliver key inputs to the Company's job sites. These factors can all reduce activity levels below normal or anticipated levels, which could have an adverse effect on Trican's operations and financial condition.

Physical risks due to climate change may have financial implications for Trican's business, such as damage to equipment or supply chain disruptions. An increase in the severity of extreme weather events may also pose safety risks for employees. Chronic, longer-term shifts in climate patterns may impact our customers' ability to source enough water for operations or access well sites.

Transportation risk specific to Canadian oil and natural gas.

The cost of transporting Canadian oil and natural gas to markets is impacted by constraints imposed by limited egress capacity including pipelines and rail. Egress options can be impacted by unexpected disruptions in service caused by a variety of factors such as pipeline faults, public protests or regulatory actions. This price differential may make production of oil and gas uneconomic in Canada or could require further price reductions for our services.

There are certain risks associated with Trican's dependence on third-party suppliers and fabricators.

Trican sources raw materials, such as oilfield cement, proppant, guar, industrial gases, coiled tubing, and spare parts from a variety of suppliers, most of whom are located in Canada and the United States. Alternate suppliers exist for all raw materials and spare parts. The source and supply of materials has been reliable in the past; however, in periods of high industry activity, Trican has occasionally experienced periodic shortages of certain materials. In addition, in periods of low activity, there is an increased risk that Trican's key suppliers may experience financial distress and may not be able to provide the products required. Management maintains relationships with a number of suppliers in an attempt to mitigate this risk. However, if the current suppliers are unable to provide the necessary materials, or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of services to Trican's clients could have a material adverse effect on its results of operations and financial condition.

The Company's ability to provide reliable service is also dependent upon timely delivery of new equipment and replacement parts from fabricators and suppliers. A lack of skilled labour to build new equipment could place strain on fabricators and potentially delay the arrival of new equipment which may have a material difference on the financial performance of the Company. Additionally, disruptions in the transportation sector may also cause delays that are outside the Company's control.

Trican may also have prepaid deposits with suppliers relating to inventory or property and equipment. The recoverability of these prepayments is subject to the financial health of the relevant suppliers.

The Company carries raw material and spare parts inventories to minimize delays in the provision of our pressure pumping services because of potential supply chain disruptions. These inventories are periodically reviewed for obsolescence. An assessment may result in an inventory value write-down, most notably during times of slow activity. The total dollar value of our inventories is material to Trican's financial results, and a significant future inventory value write-down may be material to these results.

New technology and sources of energy could place Trican at a disadvantage versus competitors.

The ability of the Company to meet customer demands in respect of performance and cost will depend upon continuous improvements in the provision of its services and operating equipment. There can be no assurance that the Company will be successful in its efforts in this regard or that it will have the resources available to meet this continuing demand. Additionally, new sources of energy could have an adverse effect for the demand of the Company's services.

As the world transitions to low-emission energy sources, Trican faces financial exposure as an oil and gas services provider. A rapid transition to alternative, low-emission sources of energy due to government policy and regulatory changes, the development of emerging technologies such as renewable energy and battery storage, or shifts in demand could strand assets, impact capital and operating costs, or decrease the Company's asset valuation.

Failure by Trican to compete with new technologies and sources of energy could have a material adverse effect on the Company's business, financial condition, results of operation and cash flows due to the reduction of available work and the impairment of obsolete equipment.

No assurances can be given that competitors will not achieve technological advantages over the Company.

Trican may be subject to litigation if another party claims that Trican has infringed upon its intellectual property rights and failure to adequately protect its intellectual property could adversely impact Trican's business.

The tools, techniques, methodologies, programs and components Trican uses to provide services may infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs and may distract management from operating our core business. Royalty payments under licenses from third parties, if available, would also increase Trican's costs. If a license is not available, Trican might not be able to continue providing a particular service or product, which could adversely affect Trican's financial condition, results of operations and cash flows. Additionally, developing non-infringing technologies would increase Trican's costs.

Trican's success depends in part on the Company's proprietary technology. The Company relies on a combination of patent, copyright, trademark and trade secret laws, confidentiality provisions and licensing arrangements to establish and protect its proprietary rights. Trican's business may be adversely affected if it fails to obtain patents, its patents are unenforceable, the claims allowed under its patents are not sufficient to protect its technology or its trade secrets are not adequately protected. Trican's competitors may be able to develop similar technology independently that is similar or superior to the Company's technology or may duplicate or reverse engineer its technology or design around the patents owned or licensed by Trican.

Trican may be subject to litigation, contingent liabilities and potential unknown liabilities.

From time to time, Trican is subject to costs and other effects of legal and administrative proceedings, settlements, reviews, claims and actions. Trican may in the future be involved in disputes with other parties which could result in litigation or other actions, proceedings or related matters. Furthermore, there may be unknown liabilities assumed by Trican in relation to prior acquisitions or dispositions as well as environmental or tax issues. The discovery of any material liabilities could have an adverse effect on Trican's financial condition and results.

The results of litigation or any other proceedings or related matters are difficult to predict. Trican's assessment of the likely outcome of these matters is based on its judgment of a number of factors including past history, precedents, relevant financial and other evidence and facts specific to the matter as known at the time of the assessment.

Trican would be adversely affected should access to a credit facility or additional financing be unavailable to Trican or its customers.

Trican's ability to maintain and potentially expand its current operations is subject to the availability of additional financing that may not be available or may not be available on terms acceptable to the Company including the requirements set forth through sustainability-linked credit facility and ESG ratings. Trican's current and future activities may also be financed partially or wholly with debt, which may increase its debt levels above industry standards. The level of Trican's indebtedness from time to time could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise. If the Company's cash flow from operations is not sufficient to fund its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on acceptable terms.

In addition, many of the Company's customers access the credit and financial markets to finance their oil and natural gas drilling activity. If the availability of credit to our customers is reduced, they may reduce their drilling and production expenditures, thereby decreasing demand for our products and services. Any such reduction in spending by our customers could adversely impact our operating results and financial condition.

Trican may exceed its debt covenants under the Bank Agreement and may not be successful in negotiating covenant relief with its lenders.

Trican is required to comply with the covenants under the Bank Agreement which, among others, include leverage ratio and interest coverage covenants, which from time to time either affect the availability or price of additional funding and, in the event that the Company does not comply with these covenants, restrict the Company's access to capital or require a repayment. In addition, if the Company's financial performance results in a breach of any financial covenants, access to financing could be restricted and/or all or a portion of the Company's debt could become due on demand. Events beyond the Company's control may contribute to the failure of the Company to comply with such covenants. Even if the Company is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to the Company. If the Company is unable to negotiate further covenant relief and is required to repay amounts owing under the Bank Agreement, the lenders thereunder could proceed to foreclose or otherwise realize upon Trican assets.

In addition, the Bank Agreement imposes operating and financial restrictions on the Company, including restrictions on payment of dividends, repurchase or making of other distributions with respect to the Company's securities, incurring of additional indebtedness, the provision of guarantees, the assumption of loans, making of capital expenditures, entering into amalgamations, mergers, take-over bids or disposition of assets, among others.

Trican may not be able to sustain share repurchases under its NCIB program.

The repurchase of shares is at the discretion of the Board. The Company's ability to repurchase shares and the actual amount of shares is dependent upon, among other things, the Company's financial performance, debt covenants and obligations under the Company's Bank Agreement in effect at the time, the Company's ability to refinance its debt obligations on similar terms and at similar interest rates, the Company's working capital requirements, the Company's future tax obligations, the Company's future capital requirements, and its compliance with applicable legislation. There is no certainty that Trican will repurchase the shares available under its NCIB.

Failure to achieve the anticipated benefits of acquisitions and dispositions may disrupt Trican's business or distract management attention.

Trican continually assesses the value and mix of our assets in light of our business plans and strategic objectives. In this regard, non-core assets are periodically disposed so that the Company can focus efforts and resources more efficiently. Depending on the state of the market, certain of such assets, if disposed, could be expected to realize less than their carrying value in our financial statements.

As the commodity prices and industry conditions improve in the future, and as part of Trican's long-term business strategy, it will continue to consider and evaluate acquisitions of, or significant investments in, complementary businesses and assets. Any acquisition that Trican completes could have unforeseen and potentially material adverse effects on the Company's financial position and operating results including unanticipated costs and liabilities, difficulty of integrating the employees, operations and assets of the acquired business, the ability to properly access and maintain an effective internal control environment over an acquired company, potential loss of key employees and customers of the acquired company, and an increase in expenses and working capital requirements.

Trican may incur substantial indebtedness to finance acquisitions and may issue equity securities in connection with any such acquisitions. Trican will be required to meet certain financial covenants in order to borrow money under its Bank Agreement to fund acquisitions. Debt service requirements could represent a significant burden on the Company's results of operations and financial condition and the issuance of additional equity could be dilutive to shareholders. Acquisitions could also divert the attention of management and other employees from Trican's day-to-day operations and the development of new business opportunities. In addition, Trican may not be able to continue to identify attractive acquisition opportunities or successfully acquire identified targets.

Trican currently does not pay a dividend and may not pay a dividend in the future.

The payment of dividends is at the discretion of the Board. The Company's ability to pay dividends and the actual amount of such dividends is dependent upon, among other things, the Company's financial performance, debt covenants and obligations under the Company's Bank Agreement in effect at the time, the Company's ability to refinance its debt obligations on similar terms and at similar interest rates, the Company's working capital requirements, the Company's future tax obligations, the Company's future capital requirements, and the satisfaction of applicable solvency tests in the ABCA.

It is not certain that the Company will pay dividends in the future or, if the Company does, the amount or frequency of such dividends. In addition, pursuant to the amendments to the Bank Agreement that is currently in effect, the Company is restricted from paying dividends unless certain conditions, including compliance with financial covenants, are satisfied. As at December 31, 2021, the Company satisfied these conditions.

Greenhouse gas emissions and climate issues and potential unknown regulations.

Global climate issues continue to attract public and scientific attention. Numerous reports, such as the Fourth, Fifth, and Sixth Assessment Reports of the Intergovernmental Panel on Climate Change, have engendered concern about the impacts of human activity, especially hydrocarbon combustion, on global climate issues. In turn, increasing public, government, and investor attention is being paid to global climate issues and to emissions of greenhouse gases ("GHG"), including emissions of carbon dioxide and methane from the production and use of crude oil and liquids and natural gas.

Trican is aware of the transition risks associated with foreign and domestic governments evaluating and implementing new policies, legislations, and regulations focused on restricting emissions commonly referred to as GHG emissions and promoting adaptation to climate change and transition to a low-carbon economy. Additionally, the federal government of Canada made commitments to meet Canada's enhanced Paris Agreement target to reduce Canada's emissions by 40 to 45 percent from 2005 levels by 2030, as well as cap oil and gas sector emissions at current levels to align with legislation to achieve net-zero emissions by 2050, with five-year targets to stay on track. While the specifics of the requirements to achieve these targets have not been released, it is expected that the impact to the Company and the oil and gas industry will be significant. It is anticipated that legislation will be enacted to achieve these targets that will result in increased compliance costs, an erosion of oil and gas' market share for heating and utilities, and impact the capital allocation and drilling by exploration and production companies, which could have an adverse effect on Trican's financial condition, results of operations and cash flows.

To reduce GHG emissions, carbon taxes have been implemented in Canada and are set to increase by \$15 per tonne of CO₂ equivalent per year to \$170 per tonne of CO₂ equivalent by 2030. Increased carbon taxes will increase the cost of goods the Company purchases, which could have an adverse effect on Trican's financial condition, results of operations and cash flows.

DIVIDEND POLICY AND HISTORY

The dividend policy of Trican is the responsibility of the Board, and must comply with the requirements of the ABCA, including satisfying the solvency test application to ABCA corporations. In addition, pursuant to its Bank Agreement, the Company is restricted from paying dividends unless certain conditions, including financial covenants, are satisfied. As at December 31, 2021, the Company satisfied these conditions.

The Board suspended Trican's dividend payments in May of 2015 due to the weak economic outlook and the need to preserve the Company's liquidity and has not resumed payment of dividends to date. Any resumption of dividend payments in the future will be made by the Board on the basis of relevant conditions existing at such future time; and there can be no guarantee that the Company will resume its dividend policy or the level of dividends that will be paid. See "*Risk Factors – Ability to pay dividends*".

DESCRIPTION OF CAPITAL STRUCTURE

Trican is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. No preferred shares are issued and outstanding. All the outstanding Common Shares are fully paid and non-assessable. The Common Shares rank junior to the preferred shares.

Common Shares

Subject to the provisions of the ABCA, the holders of Common Shares are entitled to receive notice of, to attend and vote at, all meetings of holders of Common Shares and are entitled to one vote, in person or by proxy, for each Common Share held.

Subject to the preferences given to the holders of preferred shares, the holders of Common Shares are entitled to receive such dividends as may be declared by the Board of Directors.

On the liquidation, dissolution or winding-up of Trican, whether voluntary or involuntary, the holders of the Common Shares would be entitled to receive pro rata all of the assets remaining for distribution after the payment to the holders of the preferred shares, in accordance with the preference or liquidation, dissolution or winding-up accorded to the holders of preferred shares.

Preferred Shares

The rights and privileges of each series of preferred shares would be established by our Board of Directors prior to their issuance. No preferred shares are outstanding.

In the event of the liquidation, dissolution or winding-up of Trican, whether voluntary or involuntary, the holders of each series of preferred shares would be entitled, in priority to the holders of Common Shares and any other shares of Trican ranking junior to the preferred shares on a distribution of capital, to be paid rateably with the holders of each other series of preferred shares the amount, if any, specified as being payable preferentially to the holders of such series on a distribution of capital of Trican.

The holders of each series of preferred shares would also be entitled, in priority to the holders of Common Shares and any other shares of Trican ranking junior to the preferred shares with respect to the payment of cumulative dividends, to be paid rateably with the holders of each other series of preferred shares, the amount of cumulative dividends, if any, specified as being payable preferentially to the holders of such series.

Bank Facility

As at December 31, 2021, the Company had \$0.4 million (2020: \$0.3 million) in letters of credit commitments, and no amounts (2020: nil) drawn on its \$125 million (2020: \$125 million) revolving credit facility with a syndicate of financial institutions maturing on December 5, 2024. See Note 11 to the Annual Financial Statements for the description of the Bank Agreement and material terms of the Bank Agreement, as amended and restated.

Lease Liabilities

Trican has adopted IFRS 16 – Leases effective January 1, 2019. The new standard requires lessees to recognize assets and liabilities for most leases on their statements of financial position under a single accounting model for all leases based on a “right-of-use”. As at December 31, 2021, the Company had lease assets of \$6.7 million (2020: \$9.4 million) and lease liabilities of \$10.3 million (2020: \$13.8 million).

MARKET FOR SECURITIES

Our Common Shares are listed and posted for trading on the TSX under the symbol "TCW". The following table sets forth the monthly price range and trading volume of the Common Shares for 2021, as reported by the TSX for the periods indicated.

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Trading Volume (millions)</u>
January	\$1.86	\$1.55	38.19
February	\$1.98	\$1.68	46.33
March	\$2.35	\$1.83	113.12
April	\$2.22	\$1.89	36.95
May	\$2.42	\$2.11	46.97
June	\$2.74	\$2.39	56.71
July	\$2.76	\$2.33	46.80
August	\$2.81	\$2.28	46.61
September	\$3.01	\$2.43	63.75
October	\$3.64	\$2.94	105.11
November	\$3.68	\$2.88	114.17
December	\$3.04	\$2.46	46.39

DIRECTORS AND OFFICERS

The names, province or state and country of residence and positions with the Company as at February 23, 2022, and the principal occupation of the current directors and executive officers of the Company, are set out below as well as the period each has served as a director of the Company, as applicable. Our directors hold office until the next annual general meeting of our shareholders or until each director's successor is appointed or elected pursuant to the ABCA.

<u>Name and Province or State and Country of Residence</u>	<u>Position Held</u>	<u>Principal Occupation during the last 5 years</u>	<u>Director Since</u>
Thomas M. Alford ⁽²⁾ Alberta, Canada	Chair of the Board	President, Well Servicing at Precision Drilling Corp., and a corporate director.	Dec. 8, 2020
Trudy M. Curran ^(2, 3) Alberta, Canada	Director	Corporate director of various public and crown entities. Formerly an interim CEO and Managing Director of Resources Research Limited from February 2019 to June 2019.	May 13, 2021
Bradley P.D. Fedora Alberta, Canada	President and Chief Executive Officer and Director	President and CEO of the Company since September 2020. Previously, Chair of the Board from May 2019 to August 2021. Formerly President and CEO of Canyon Services Group Inc. ("Canyon") from September 2007 until June 2017.	June 2, 2017
Michael J. McNulty ^(1, 3) Alberta, Canada	Director	Independent businessman, and a corporate director. Formerly, Managing Partner at Pillar Four Capital from 2016 to 2021 and CFO for Calfrac Well Services Ltd. from 2013 to 2016.	January 18, 2021
Stuart G. O'Connor ^(1, 3) Alberta, Canada	Director	Chair and Co-founder of Arcurve Inc., and a board member of the Calgary Stampede.	November 29, 2019

Name and Province or State and Country of Residence	Position Held	Principal Occupation during the last 5 years	Director Since
Deborah S. Stein ^(1, 2) Alberta, Canada	Director	Independent businesswoman and corporate director of various public companies. Formerly, SVP Finance and Chief Financial Officer at AltaGas Ltd. from 2005 to 2016.	May 31, 2016
Scott Matson ⁽⁴⁾ Alberta, Canada	Chief Financial Officer	Chief Financial Officer since June 2021. Prior thereto, Controller, Operations Finance and, subsequently, Vice President of Finance and Chief Financial Officer at Horizon North Logistics Inc. ("Horizon North") from 2010 through mid-2020.	-
Todd G. Thue Alberta, Canada	Chief Operating Officer	Chief Operating Officer since September 2020. Prior thereto, Chief Operating Officer at Canyon from 2007 to June of 2017.	-
Chika B. Onwuekwe, Q.C. Alberta, Canada	Vice President, Legal, General Counsel and Corporate Secretary	Vice President Legal, General Counsel and Corporate Secretary since March 2017. Prior thereto, General Counsel PTW Energy Services Ltd. from December 2015 to February 2017.	-
David Westlund Alberta, Canada	Vice President, Sales and Marketing	Vice President, Sales and Marketing since June 2017. Prior thereto, an executive with Canyon from February 2014 to May 2017.	-

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance Committee.
- (3) Member of the Safety, Human Resources and Compensation Committee.
- (4) Mr. Matson replaced Mr. Robert Skilnick who resigned as the Company's CFO in March, 2021.

Corporate Cease Trade Orders, Bankruptcies or Penalties or Sanctions

None of our directors or officers (nor any personal holding company of any such persons) is, as of the date of this Annual Information Form, or was within ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including Trican), that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer or was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set forth below, none of our directors or executive officers (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of our securities to affect materially our control is, as of the date of this Annual Information Form, or has been, within the ten years before the date of this Annual Information Form, a director or executive officer of any company (including Trican) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, none of our directors or executive officers (nor any personal holding company of any such persons), or shareholder holding a sufficient number of our securities to materially affect the control of us has, within the ten years before the date of this Annual

Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. McNulty was a director of Fluid Holding Corp., the holding company of Q'Max Solutions Inc., a large multinational oilfield services company from December 2019 to May 2020. Fluid Holding Corp. and its subsidiary companies were placed into receivership pursuant to a receivership order of the Court of Queens Bench of Alberta dated May 28, 2020. In their March 21, 2021 update, the receiver stated that the liquidation process of Q'Max assets is ongoing.

In addition, none of our directors or executive officers (nor any personal holding company of any such persons), or shareholder holding a sufficient number of our securities to affect materially the control of us, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Circumstances may arise where members of our Board of Directors or our officers are directors or officers of corporations or other entities which are in competition to our interests. No assurances can be given that opportunities identified by such board members or officers will be provided to us. Pursuant to the ABCA, a director or officer of a corporation who is a party to a material contract or proposed material contract with that corporation or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with that corporation shall disclose to the corporation the nature and extent of the director's or officer's interest. In addition, a director shall not vote on any resolution to approve a contract of the nature described except in limited circumstances.

Our management is not aware of any existing or potential material conflicts of interest between us or a subsidiary of us and one of directors or officers or of one of our subsidiaries.

AUDIT COMMITTEE INFORMATION

The Audit Committee of the Board of Directors operates under a written Mandate & Terms of Reference that sets out its responsibilities and composition requirements. A copy of the Mandate & Terms of Reference is attached as Schedule "A" to this Annual Information Form. As at the effective date of this Annual Information Form, the members of the Audit Committee were: Michael J. McNulty (Chair), Deborah S. Stein, and Stuart G. O'Connor, each of whom is financially literate and independent. The relevant education and experience of each member of the Audit Committee is set forth below.

Michael J. McNulty is chair of the Audit Committee. He is a Fellow Chartered Association of Certified Accountants (FCCA) and has held various senior business and financial positions with public companies. He was the managing partner at Pillar Four Capital. Between 2013 and 2016 he was the CFO of Calfrac Well services Ltd., and prior thereto was CEO of Saxon Energy Services Inc.

Deborah S. Stein is a Fellow Chartered Professional Accountant, Fellow Chartered Accountant and has held various senior financial positions with public companies. She retired from AltaGas Ltd. where she served as Senior Vice President, Finance and CFO for eight years and was involved in all aspects of accounting and finance, including corporate development, capital markets activities, investor relations and financial management. She is currently a director of Aecon Group Inc, NuVista Energy Ltd. and Parkland Corporation (all publicly traded companies).

Stuart G. O'Connor holds a Bachelor of Science (Chemical Engineering) degree from the University of Calgary and a Bachelor of Laws degree from Queen's University and has held various senior business and

financial positions. He was the former CEO and CFO of Merak Projects, an international software company. Before his involvement with Merak, he practiced corporate and securities law with Bennett Jones, a national law firm. He is currently the Chair and Co-founder of Arcurve Inc., a full-service technology and software development company.

The Audit Committee Mandate & Terms of Reference requires all members to be financially literate. Financially literate means the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by our financial statements. The Board of Directors believes that all the current members of the Audit Committee are financially literate.

In addition, the Committee charter contains independence requirements applicable to each member and each member currently meets those requirements in addition to the independence requirement set out in National Instrument 52-110 – *Audit Committees*.

The Audit Committee has adopted policies and procedures with respect to the pre-approval of audit and permitted non-audit services to be provided by the auditors of Trican, currently KPMG LLP. Any such services must be permitted services and must be pre-approved by the Audit Committee pursuant to this policy. The Audit Committee must also pre-approve the audit services and the fees to be paid.

The following table discloses fees billed to us by our independent auditors, KPMG LLP, during the past three years.

<u>Type of Service Provided</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Audit and Audit-Related Fees ⁽¹⁾	\$371,000	\$372,000	\$424,000
Tax Fees ⁽²⁾	\$107,000	\$71,000	\$27,000
Other Non-Audit Fees	\$-	\$-	\$-
Total	\$478,000	\$443,000	\$451,000

Notes:

- (1) Audit and audit-related fees consist of fees for the audit or review of the Company's annual and quarterly financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements and fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements.
- (2) Tax fees are considered non-audit fees and consist of tax advice and review of tax returns.

LEGAL PROCEEDINGS

To the knowledge of the Company, there are no material legal proceedings that the Company is or was a party to, or that any of the Company's property is or was the subject of, during the most recently completed financing year, nor are any there any such material legal proceedings known by the Company to be contemplated.

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of our directors or executive officers, nor any shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, nor any known associate or affiliate of such persons, had a material interest, direct or indirect, in any transaction within the last three fiscal years nor in any proposed transaction that has materially affected or is reasonably expected to materially affect us.

TRANSFER AGENT AND REGISTRAR

Olympia Trust Company of Canada, at its principal office in Calgary, Alberta is the transfer agent and registrar of our Common Shares.

MATERIAL CONTRACTS

Except for the agreements noted below, Trican is not party to any contract material to its business or operation, other than contracts entered into in the ordinary course of business. Copies of the following material agreements of Trican have been filed under its profile on SEDAR at www.sedar.com:

- Bank Agreement (see "*Description of Capital Structure – Bank Agreement*")

INTERESTS OF EXPERTS

The independent registered public accounting firm of the Company is KPMG LLP, Chartered Professional Accountants, Calgary, Canada. KPMG LLP has confirmed to us that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans, as applicable, are contained in our Information Circular with respect to the 2021 annual meeting of shareholders. Furthermore, additional financial information is contained in the Annual Financial Statements and the Annual MD&A.

The aforementioned documents, as well as additional information relating to the Company, can be found under the Company's profile on SEDAR at www.sedar.com.

SCHEDULE A

MANDATE & TERMS OF REFERENCE OF THE AUDIT COMMITTEE

CONSTITUTION

There shall be a committee, to be known as the Audit Committee (the "**Committee**"), of the board of directors (the "**Board**") of Trican Well Service Ltd. (the "**Corporation**"). The Committee has the oversight responsibility and specific duties described below.

PURPOSE

The Committee is responsible for reviewing the interim and annual financial statements of the Corporation, including any other mandatory disclosure releases containing financial information, and recommending for their approval or otherwise to the Board. The Committee is also responsible for reviewing and recommending to the Board the appointment and compensation of the external auditors of the Corporation, overseeing the work of the external auditors, including the nature and scope of the audit of the annual financial statements of the Corporation, pre-approving services to be provided by the external auditors and reviewing the assessments prepared by management and the external auditors on the effectiveness of the Corporation's internal controls over financial reporting.

The objectives of the Committee are to:

1. assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the Corporation's financial statements and related matters;
2. provide and facilitate effective communication between directors and external auditors;
3. support the external auditors' independence;
4. ensure the credibility and objectivity of financial reports;
5. monitor the performance and promote the effectiveness of the Corporation's internal control certification function; and
6. strengthen the role of the independent directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

COMMITTEE COMPOSITION

1. The Committee shall be comprised of a minimum of three members or such greater number as the Board may from time to time determine, all of whom are "**independent**" from management and the Corporation and "**financial literate**" (in accordance with the definition of "**independent**" and "**financial literacy**", respectively, set out in Multilateral Instrument 52-110 – Audit Committees, as amended from time to time).
2. The Committee members shall be free from any business or other relationship with the Corporation that may, or may reasonably be perceived to, interfere with the exercise of their independence or independent judgment from management and the Corporation.

3. The Board shall designate one of the members of the Committee, who shall be independent, to be the chair of the Committee (the “**Chair**”). If the Chair of the Committee cannot be present at any meeting of the Committee, the Chair will, in advance of the meeting, designate another member of the Committee, as Chair. Failing which, the Committee Chair will be chosen from among the members present.
4. Any members may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.

COMMITTEE SECRETARY

The Corporation’s Corporate Secretary, or designate, will attend at and be the secretary of all Committee meetings.

COMMITTEE MEETINGS

Subject to the Corporation’s Articles and By-Laws, the time and place of Committee meetings and the procedures at such meetings will be determined by the members provided that:

1. At all Committee meetings, every question will be decided by a majority of the votes cast. In case of an equality of votes, the Chair shall not be entitled to a second or casting vote and the vote shall fail.
2. A quorum for meetings will be a majority of Committee members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other. In circumstances where a quorum cannot be constituted, the Chairman of the Board may be considered in establishing quorum and will be entitled to vote for the duration of the meeting.
3. The rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. The Committee will meet at least quarterly, and at such other times at the Chair may determine.
5. Agendas, approved by the Chair, along with background information will be circulated to Committee members on a timely basis prior to the Committee meetings. The Committee members, Board and management may recommend agenda items. The agenda for each meeting will be subject to approval at the start of each meeting.
6. The Committee may invite such officers, directors and employees of the Corporation and its subsidiary entities as it deems fit from time to time to attend at meetings of the Committee and to assist in the discussion and consideration of the matters being considered.
7. At each meeting, the members of the Committee will meet *in camera* without the participation of non-independent directors or of management.
8. Minutes of the Committee’s meetings will be recorded and maintained by the Corporate Secretary or designate, and will be made available to all directors of the Board upon request.

9. The Committee will report the results of meetings and reviews undertaken and any associated recommendations to the Board.
10. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated by the Chair to the Chairman of the Board and/or the Lead Director, as applicable.

MANDATE AND RESPONSIBILITIES OF THE COMMITTEE

In addition to any other duties and authorities delegated to it by the Board from time to time, the Committee will have the authority and responsibility for:

1. Financial Reporting and Disclosure

- a) Reviewing the Corporation's annual financial statements prior to their submission to the Board for approval;
- b) Reviewing, and making a recommendation to the Board with respect to their approval of, all public disclosure of audited or unaudited financial information by the Corporation before its release (and, if applicable, prior to its submission to the Board for approval), including the interim and annual financial statements of the Corporation, prospectuses, management's discussion and analysis of results of operations and financial condition, press releases and the annual information form;
- c) Satisfying itself that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information and periodically assessing the effectiveness of those procedures; and
- d) With respect to the internal control certification function, the Committee shall:
 - i) review with management and assess the Corporation's disclosure procedures and controls and material changes to the design of the Corporation's disclosure procedures and controls;
 - ii) review disclosures made respecting the design and operation of internal controls over financial reporting and disclosure controls and procedures, including any disclosure of limitations on their assessment by the Chief Executive Officer and Chief Financial Officer, review any deficiencies in their design or operating effectiveness and any fraud involving persons who have a significant role in the Corporation's internal controls;
 - iii) exercise oversight of, review and discuss with management and the external auditor, as well as the internal auditor(s), if one is appointed by the Corporation, (together and separately, as it deems necessary):
 - (1) The adequacy and effectiveness of the Corporation's internal control over financial reporting and disclosure controls and procedures;
 - (2) Any significant deficiencies or material weaknesses in internal control over financial reporting or disclosure controls and procedures, and the status of any plans for their remediation;
 - (3) The adequacy of the Corporation's internal controls and any related findings and recommendations of the external auditor and internal auditor(s) (if one is appointed by the Corporation), together with management's response thereto; and

- (4) Compliance with such controls, procedures and systems with legal, ethical and regulatory requirements.

2. Internal Controls

- a) Satisfying itself on behalf of the Board that the Corporation's internal control systems and disclosure control systems are satisfactory and operating effectively;
- b) With respect to internal audit and the engagement of internal auditors (if one is appointed by the Corporation), the Committee shall:
 - i) have the right to review and approve the appointment, the terms of engagement, replacement or dismissal of the internal auditor(s), and may delegate the appointment of the internal auditor(s) to management;
 - ii) have access to the internal auditor(s) to discuss their audit plan for the year, progress of their activities, any significant findings stemming from internal audits, any changes required in the planned scope of their audit plan and whether there are any disputes, restrictions or limitations on the internal auditor(s);
 - iii) review summaries of the significant reports to management prepared by the internal auditor(s), or the actual reports for the identifying and monitoring of financial reporting; and
 - iv) advise the Board on any significant issues relating to the internal audit function; and
- b) Reviewing and approving the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation.

3. External Auditors

- a) Overseeing the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting;
- b) With respect to the appointment of external auditors by the Board:
 - i) recommending to the Board the appointment of the external auditors;
 - ii) recommending to the Board the terms of engagement of the external auditors, including the compensation of the auditors and a confirmation that the external auditors shall report directly to the Committee;
 - iii) reviewing annually with the external auditors their plan for their audit;
 - iv) reviewing and approving any non-audit services to be provided by the external auditors' firm and considering the impact on the independence of the auditors; and
 - v) when there is to be a change in auditors, reviewing the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
- c) Meeting with the external auditors at least four times per year (in connection with their review of the interim and annual financial statements of the Corporation and its subsidiaries) and at such other times as the external auditors and the Committee consider appropriate.

4. Enterprise Risk Management

- a) Review annually the enterprise risk management policies and procedures of the Corporation (including, without limitation, hedging, litigation and insurance);
- b) Receive annually reports on the Corporation's compliance with its risk management policies and procedures; and
- c) Review and assess annually the Corporation's risk framework to ensure alignment with its environmental social and governance ("**ESG**") initiatives and targets.

5. Complaints

- a) Establishing a procedure for the handling of whistleblower complaints which procedure shall include provisions for:
 - i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

6. Investigation

- a) Investigating, or assigning responsibility for the investigation to management, the external auditor or internal auditor, any financial activity of the Corporation. All employees of the Corporation and its subsidiaries are to cooperate as requested by the Committee.

7. Advisors and Other Third Parties

- a) Retaining, as it determines appropriate, persons having special expertise and/or obtaining independent professional advice to assist in filling their responsibilities at the expense of the Corporation and without any further approval of the Board.