

WELL SERVICE LTD.

Financial Summary

(\$millions, except per share amounts)

	Six months ended June 30,		Three months ended June 30,	
	1997	1996	1997	1996
Operations revenue	\$ 10.3	\$ 4.2	\$ 6.1	\$ 2.3
Earnings (loss) before interest, income taxes and depreciation (EBITD)	1.6	(0.3)	0.9	(0.5)
Net income (loss)	0.9	(0.4)	0.5	(0.4)
Net income per share (basic)	0.11	(0.10)	0.06	(0.13)
(fully diluted)	0.10	(0.10)	0.06	(0.13)
Funds from operations	1.6	(0.3)	0.9	(0.5)
Funds from operations per share	0.20	(0.09)	0.11	(0.14)

Trican Well Service Ltd. is pleased to announce improved financial and operating results for the six months ended June 30, 1997. Activity levels increased significantly as a result of greater utilization of existing equipment and the introduction of new equipment. By June 30, 1997, Trican doubled the number of jobs performed in the same period last year.

During the first six months of 1997, revenue increased \$6.1 million, or 147 percent, and net income grew by \$1.2 million compared to the same six months in 1996. Basic earnings per share were \$0.11 compared to a loss per share of \$0.10 for the same period last year.

Operational Review

Higher than expected levels of activity during April, traditionally the slowest month of the year due to spring break-up, set the pace for a strong second quarter. Rig shortages in the first three months of the year delayed work until the second quarter, increasing the demand for Trican's cementing services in the eastern Alberta and western Saskatchewan markets.

Equipment Capacity

	Dec. 31, 1996	June 30, 1997	Dec. 31, 1997
	Actual	Actual	Expected
Cementing pumers	10	12	19
Acid pumper	0	0	1
Coil tubing units	1	3	4
Nitrogen pumers	0	2	4
Bulk trucks	12	13	22
Fracturing crew	0	0	1

The December 31, 1997 expected equipment capacity includes the equipment acquired with Superior Oilwell Cementers Inc.

Wet spring conditions hampered industry activity, decreasing the demand for coil tubing and nitrogen services during the second quarter.

Demand has improved with the weather, and we expect our coil tubing and nitrogen equipment will remain active for the remainder of the year.

Our new name, Trican Well Service Ltd., adopted by shareholders at the 1997 Annual General Meeting, reflects our growing diversity of activity in well service for both the oil and gas sectors.

During the second quarter, Trican increased equipment capacity by adding a twin cement pumper and a coil tubing unit. This new equipment, combined with continued high utilization of existing equipment, led to a 50 percent increase over the first quarter in the number of jobs completed. Compared with the second quarter of 1996, the number of jobs completed rose by 125 percent in the three months ended June 30, 1997.

On June 1, 1997, Trican opened a base in Red Deer and is now offering cementing, coil tubing and nitrogen services from this location. The addition of the Red Deer base positions Trican to service the more profitable deeper hole market, and is an important step toward broadening our geographic base of operations.

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Financial Review

Buoyed by increased activity levels, expanded equipment capacity and greater geographical access, Trican reported revenue of \$6.1 million during the second quarter. This represents an increase of \$3.8 million, or 166 percent, compared with the same quarter last year. As a result, the Company's net income increased to \$0.5 million this quarter compared to a loss of \$0.4 million in the second quarter of 1996.

Operating margin fell one percent to 19 percent from the first quarter of the year, reflecting the impact of the high number of lower-margin cementing projects undertaken during the second quarter. Overall, the operating margin to June 30, 1997 was 20 percent, up from negative three percent in the first six months of 1996.

Trican completed a private placement of two million special warrants during the second quarter. These proceeds, along with cash flow from operations, will be used to further increase equipment capacity. Trican will be adding four cement pumpers (two of which will replace units currently in service), one coil tubing unit, two nitrogen pumpers, one acid pumper and four bulk trucks. Orders for these units have been placed with suppliers and delivery is expected by year end.

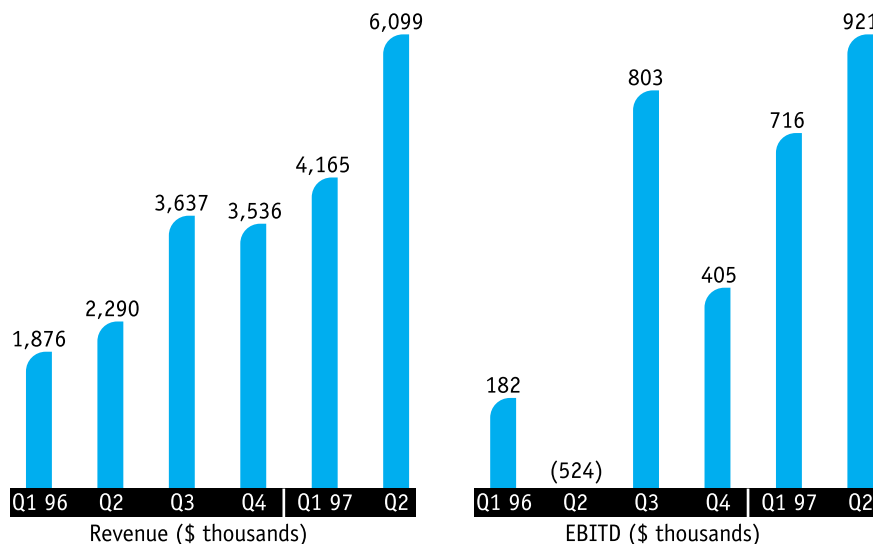
Outlook

On August 26, 1997, Trican acquired Superior Oilwell Cementers Inc. This acquisition increases equipment capacity by adding six cement pumping units and seven bulk trucks to the equipment fleet. Superior's well-located base of operations in Brooks, Alberta gives Trican better access to customers in southern Alberta and allows the Company to take advantage of industry work cycles by moving equipment to high activity areas as required.

Industry activity levels are expected to remain strong throughout 1997. To take advantage of this market, Trican is adding fracturing to its line of services. This natural extension of the services we currently offer will allow Trican to better service existing customers and broaden appeal to new customers. Fracturing equipment orders have been placed and Trican expects to be operational in this area by the end of the year.

Trican's increased equipment capacity and greater geographic coverage have evolved the Company into a full-service operator capable of providing first-rate service to customers in a large part of the Western Canadian Sedimentary Basin. We look forward to an exciting period of growth at Trican.

New equipment and continued high utilization of existing equipment have more than doubled Trican's activity levels since this time last year.



Respectfully submitted,

Murray L. Cobbe
 President and Chief Executive Officer
 August 29, 1997

Q4 1996 amounts do not include management reorganization costs.

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Balance Sheet

<i>Six months ended</i>	June 30, 1997	December 31, 1996
Assets		
Current		
Cash and short-term deposits	\$ 8,144,253	\$ 5,864,445
Accounts receivable	5,212,420	2,203,948
Prepaid expenses	166,568	7,755
Inventory	548,724	526,846
	14,071,965	8,602,994
Capital assets	9,567,503	4,107,398
	\$ 23,639,468	\$ 12,710,392
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	4,221,343	1,444,001
Income taxes payable	255,288	228,828
	4,476,631	1,672,829
Deferred income taxes	349,700	18,000
Shareholders' equity		
Share capital	15,485,890	8,572,590
Retained earnings	3,327,247	2,446,973
	18,813,137	11,019,563
	\$ 23,639,468	\$ 12,710,392

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Statements of Operations and Retained Earnings

	<i>Six months ended</i>		<i>Three months ended</i>	
	June 30, 1997	June 30, 1996	June 30, 1997	June 30, 1996
Operations revenue	\$ 10,302,308	\$ 4,165,394	\$ 6,099,168	\$ 2,289,596
Operating costs and expenses				
Materials and operating	8,278,193	4,085,547	4,936,156	2,465,316
General and administrative	386,065	222,687	241,082	149,167
Interest expense	–	33,435	–	31,494
Management services	–	200,000	–	200,000
Depreciation	182,537	143,509	95,492	81,158
	8,846,795	4,685,177	5,272,730	2,927,134
Income (loss) before income taxes	1,455,513	(519,783)	826,438	(637,538)
Provision for income taxes	575,239	(158,534)	326,000	(194,449)
Net income (loss)	880,274	(361,249)	500,438	(443,089)
Retained earnings, beginning of period	2,446,973	2,892,332	2,826,809	1,853,704
Retained earnings, end of period	\$ 3,327,247	\$ 2,531,083	\$ 3,327,247	\$ 1,410,615
Basic earnings per share	\$ 0.11	\$ (0.10)	\$ 0.06	\$ (0.13)
Fully diluted earnings per share	\$ 0.10	\$ (0.10)	\$ 0.06	\$ (0.13)

Statement of Changes in Financial Position

<i>Six months ended</i>	June 30, 1997	June 30, 1996
Operations		
Net income (loss)	\$ 880,274	\$ (361,249)
Changes to income not involving cash:		
Depreciation	182,537	143,509
Deferred income taxes	515,000	(110,974)
Funds from operations	1,577,811	(328,714)
Net change in non-cash working capital from operations	(385,361)	174,552
	1,192,450	(154,162)
Investments		
Purchase of capital assets	(5,642,642)	(597,194)
Financing		
Net proceeds from issuance of warrants	6,730,000	–
Bank loan proceeds	–	681,966
	6,730,000	681,966
Increase (decrease) in cash position	2,279,808	(69,390)
Cash position, beginning of period	5,864,445	(764,153)
Cash position, end of period	\$ 8,144,253	\$ (883,543)

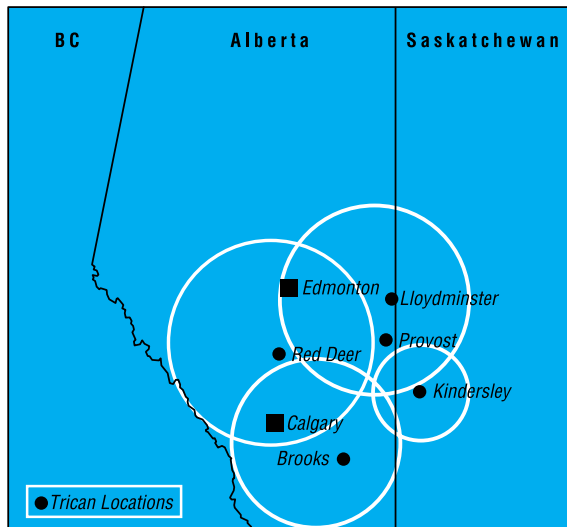
Cash position is defined as cash and short-term deposits, net of bank indebtedness.

Corporate Profile

Trican Well Service Ltd. is a well service company providing specialized products, equipment and technology for the drilling, completion and production stages of oil and gas wells. Trican services its western Canadian customers through three major locations in Alberta: Lloydminster, Red Deer and Brooks. All oil and gas wells require some form of stimulation to achieve or maintain economic production levels. Trican's well enhancement services include coil tubing, cementing, acidizing, nitrogen pumping and fracturing.

Coil Tubing Coil tubing is jointless steel pipe manufactured in lengths of thousands of feet and coiled on a large reel. The pipe is run into oil or gas wells, frequently against wellhead pressure, to create a circulating system. The tubing is used to introduce acids, nitrogen or other products into the well for purposes such as removing unwanted fluids or solids. Coil tubing workovers allow operators to continue producing without killing the well, reducing the risk of formation damage. As a result, the use of coil tubing has increased dramatically since its introduction.

Coil tubing is finding a growing market in underbalanced drilling operations, where a well can continue to produce while drilling is taking place. Combining underbalanced drilling with coil tubing has many advantages over conventional drilling applications. A continuously operating well reduces the risk of formation damage and because it has no joints, coil tubing is run uninterrupted without the delay of making drill pipe connections.



Growth in the coil tubing business is limited by the industry's ability to design new applications. This business is less sensitive to shifts in oil and gas prices and producers' drilling budgets since it is related to well enhancement and extension, in addition to drilling. Trican is diversifying its revenue resources by increasing the relative proportion of coil tubing in its sales mix.

Cementing Each oil and gas well requires at least two primary cementing treatments during the drilling phase to provide support to production casing within the wellbore. Remedial service is used to repair casing leaks or communication leaks between production zones during a well's operating life. The current strong energy market is affording Trican high utilization rates for its fleet of cementing equipment.

Acidizing Acidizing, a well stimulation process, entails pumping large volumes of specially formulated acid blends into producing oil or gas formations. This process is used to clean out unwanted materials or to dissolve portions of the producing formation in order to enhance the well flow rate.

Trican also offers a special chemical used to mobilize and remove asphaltene build-up in wellbores and production tubing. Use of this chemical has significantly increased production in heavy oil wells with this type of build-up.

Nitrogen Pumping Nitrogen is an inert gas which is pumped into the wellbore to improve recovery of introduced or produced fluids safely, while reducing the potential of formation damage. Trican's nitrogen units are being used in conjunction with the coil tubing service line.

Fracturing Fracturing is a well stimulation process performed to improve production from geological formations where the natural flow is restricted. Fluid is pumped into a cased well at a sufficiently high pressure to fracture the formation. A proppant is added to the fluid and injected into the fracture to prop it open permitting the hydrocarbons to flow more freely to the wellbore.

Trican's common shares trade on The Toronto Stock Exchange under the symbol "TCW".

Board of Directors

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Murray L. Cobbe

President and Chief Executive Officer

Donald R. Luft

Vice President, Operations and Chief Operating Officer

Raymond M. Penny

Retired, former President of Trican

Douglas F. Robinson

President, Computalog Ltd.

Victor J. Stobbe

President, Pine Tar Capital Inc.

Officers

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President and Chief Executive Officer

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Vice President, Operations and Chief Operating Officer

Michael Kelly, C.A.

Controller and Chief Financial Officer

Gary R. Bugeaud

Secretary

Auditors

KPMG, Chartered Accountants

Calgary, Alberta

Solicitors

Stikeman, Elliott

Calgary, Alberta

Bankers

Royal Bank of Canada

Calgary, Alberta

Registrar and Transfer Agent

Montreal Trust Company of Canada

Calgary and Toronto, Canada

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Stock Exchange Listing

The Toronto Stock Exchange: TCW

