



REJECT

Ensign Offer Facts:

No Upside

No participation in synergies and future growth

Below the value of Trinidad's trading price

90%

of trading days year-to-date

Average analyst 12-month price target for Trinidad is

49%

above the Ensign Offer

THE ENSIGN OFFER SIGNIFICANTLY UNDERVALUES YOUR INVESTMENT IN TRINIDAD

Ensign's Offer is opportunistically timed to take advantage of a temporary drop in the value of your Trinidad shares. Superior offers may emerge. In the unlikely situation that they don't, Trinidad has a strong operational and financial position and is worth more as an independent company.

The Trinidad Board unanimously recommends that shareholders **REJECT** the Ensign Offer and **DO NOT** tender to the offer.



NO ACTION IS REQUIRED to REJECT the Ensign Offer

If you have already tendered your Common Shares to the unsolicited hostile Ensign Offer, you can withdraw your Common Shares by contacting your broker or D.F. King, North America toll free at 1-866-521-4427 or 1-212-771-1133 outside of North America (collect calls accepted), or via email at inquiries@dfking.com

trinidaddrilling.com/EnsignOffer



Reject Ensign's Hostile Offer: It Significantly Undervalues Your Investment in Trinidad

September 13, 2018

Dear Fellow Shareholder,

Ensign Energy Services Inc. (“**Ensign**”) has launched an opportunistic, hostile take-over bid for Trinidad Drilling Ltd. (“**Trinidad**”), attempting to exploit temporary weakness in the trading price of Trinidad’s shares. Ensign’s offer (the “**Ensign Offer**”) significantly undervalues Trinidad.



The Board of Directors (the “**Board**”) and Management of Trinidad, after careful consideration and with the advice of external financial and legal advisors, recommends that shareholders of Trinidad (“**Shareholders**”) **REJECT** the Ensign Offer and **NOT TENDER** their shares. To reject the Ensign Offer, simply take **NO ACTION**.

Other Shareholders agree with us

The Board has already heard from many of you that the Ensign Offer is insufficient. Take, for example, the comments of Trinidad Shareholder and former Chief Investment Officer of Mackenzie Investments, Robert Tattersall, CFA, who is also an Ensign shareholder:

“[A]s a shareholder of Trinidad Drilling, I believe that the [Ensign] offer dramatically undervalues the company, and I won’t be tendering my shares anywhere near the current offer price.”

Robert Tattersall, CFA (Globe and Mail, August 16, 2018)

In addition, Trinidad insiders have confidence in Trinidad’s strategy, as reflected in recent share purchases.

The Ensign Offer is inadequate

TD Securities Inc., Trinidad’s independent financial advisor, has determined that the Ensign Offer is inadequate, from a financial point of view, to Trinidad and its Shareholders.

⁽¹⁾ Source: Bloomberg (Sept 11, 2018)

New formal process

Trinidad has initiated a new formal process to seek alternative proposals and has maintained a comprehensive data room to efficiently surface competing proposals. The primary focus of this new formal process is to seek opportunities which maximize shareholder value. Trinidad believes that superior offers or alternatives may emerge prior to the scheduled expiry of the Ensign Offer, which is not until December 14, 2018.

Through the strategic review process completed on July 31, 2018, Trinidad received interest from multiple parties, including non-binding proposals with an indicative value in excess of the Ensign Offer.

Trinidad is worth more as an independent company

Trinidad has a track record of operational excellence, a strong customer base, geographic diversity and a solid financial position and is worth more as an independent company. In the unlikely situation that no value-maximizing transaction emerges, Shareholders should still **REJECT** the Ensign Offer.

Among other reasons to **REJECT** the Ensign Offer:

- It is below the September 11, 2018 closing price of Trinidad's shares.
- It is an all-cash offer, which gives Ensign all of the synergies and future growth of the two companies, with no participation for Trinidad's Shareholders.
- It is lower than Trinidad's trading price on 90% of trading days year to date.
- It is 61% below the book value of Trinidad's assets, significantly undervaluing Trinidad's high quality asset base.
- It is 27% below Trinidad's historical valuations levels.
- The average 12-month price target of 10 independent research analysts covering Trinidad is 49% above the Ensign Offer.

Trinidad's improved strategy and improving industry conditions

The Ensign Offer does not account for the gains Trinidad is achieving as it continues to lower costs and deploy advanced technology. Nor does the Ensign Offer account for strong operational performance and improvements to Trinidad's business driven by its revised strategic plan.

In the second quarter of 2018, Trinidad's higher activity, higher dayrates and strong cost control drove Adjusted EBITDA up 125%, compared to the second quarter of 2017. Improving commodity prices and strong customer demand are helping to drive this growth, and Trinidad is well positioned to continue to benefit from these macro industry trends.

Ensign declined to participate in Trinidad's Strategic Review Process

Despite several invitations to participate in Trinidad's strategic review process, Ensign declined. As a result, Ensign has deprived itself of recent, detailed information respecting Trinidad's business and prospects that would have improved its assessment of Trinidad's full value. If Ensign was interested in paying fair value to Trinidad's shareholders, it would have participated in the strategic review process.

Directors' Circular outlines compelling reasons to REJECT

We urge Shareholders to carefully review the attached Directors' Circular, which provides the complete background to the hostile Ensign Offer and outlines compelling reasons to **REJECT** it. To reject the Ensign Offer, you don't need to do anything. If you have tendered your shares in error and wish to withdraw, simply ask your broker or D.F. King (see contact information below) to assist you with this process.

On behalf of the Board of Directors and Management of Trinidad, we would like to thank you for your consideration and your support.

Sincerely,

Ken Stickland



Chair of the Board

Brent J. Conway



President and CEO

For assistance in withdrawing your common shares, you should contact your broker or D.F. King, the Information Agent retained by Trinidad, at 1-866-521-4427 or 1-212-771-1133 outside of North America (collect calls accepted) or via email at inquiries@dfking.com.

This document is important and requires your immediate attention. If you are in doubt as to how to respond to the Ensign Offer, you should consult with your investment dealer, broker, bank manager, lawyer or other professional advisor. Inquiries concerning the information in this document should be directed to D.F. King, the Information Agent retained by Trinidad, North America toll free at 1-866-521-4427 or 1-212-771-1133 outside of North America (collect calls accepted), or via e-mail at inquiries@dfking.com.



DIRECTORS' CIRCULAR

RECOMMENDING

REJECTION

of the hostile offer by

ENSIGN HOLDINGS INC., a wholly-owned subsidiary of ENSIGN ENERGY SERVICES INC.

to purchase all of the Common Shares of

TRINIDAD DRILLING LTD.

for \$1.68 in cash per Common Share of Trinidad

The Trinidad Board has unanimously concluded that the Ensign Offer significantly undervalues the Trinidad Common Shares and is not in the best interests of Trinidad or its Shareholders and recommends that you **REJECT** the Ensign Offer and **DO NOT TENDER** your Common Shares

NO ACTION IS REQUIRED to **REJECT** the Ensign Offer

If you have already tendered your Common Shares to the unsolicited hostile Ensign Offer, you can withdraw your Common Shares by contacting your broker or D.F. King, North America toll free at 1-866-521-4427 or 1-212-771-1133 outside of North America (collect calls accepted), or via email at inquiries@dfking.com

Shareholders are also encouraged to visit our website for up to date information at
www.trinidaddrilling.com/EnsignOffer

September 13, 2018

SUMMARY

The information set out below is intended as a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Directors' Circular. This Directors' Circular should be read carefully and in its entirety as it provides important information regarding Trinidad and the Ensign Offer. Capitalized terms used but not defined in this Summary have the meanings ascribed thereto in Appendix "B" — Glossary to this Directors' Circular.

Unanimous Recommendation of the Trinidad Board:

The Trinidad Board, on recommendation of the Special Committee, has unanimously determined that the Ensign Offer significantly undervalues the Common Shares and is not in the best interests of Trinidad or the Shareholders.

Accordingly, for the reasons described in more detail below, the Trinidad Board **UNANIMOUSLY** recommends that you **REJECT** the Ensign Offer, **TAKE NO ACTION** and **DO NOT TENDER** your Common Shares to the Ensign Offer.

Reasons for Rejection:

The Special Committee and the Trinidad Board carefully reviewed and considered the Ensign Offer, with the benefit of advice from their financial and legal advisors. The following is a summary of the principal reasons for the **UNANIMOUS** recommendation of the Trinidad Board that you **REJECT** the Ensign Offer and **DO NOT TENDER** your Common Shares to the Ensign Offer.

The Special Committee and the Trinidad Board believe that:

- The Ensign Offer was timed to take advantage of temporary weakness in the trading price of the Common Shares and benefits Ensign shareholders, not Trinidad Shareholders.
- Based on prior and current discussions and interest from other parties, that one or more superior offers or other more attractive alternatives for Shareholders may emerge prior to the scheduled expiry of the Ensign Offer, which is not until December 14, 2018.
- TD Securities, Trinidad's independent financial advisor, has determined that the Ensign Offer is inadequate, from a financial point of view, to Shareholders.
- The all-cash Ensign Offer deprives Shareholders of upside as they will not participate in synergies and future growth in an environment of improving industry conditions and increased expectations for growth in Adjusted EBITDA.
- Valuation metrics, such as book value and Adjusted EBITDA multiples, which are closely monitored by independent third-party analysts, demonstrate the extent to which the Ensign Offer undervalues Trinidad (see page 11).
- The Ensign Offer does not account for the gains Trinidad is achieving as it continues to lower costs and deploy advanced technology. Nor does the Ensign Offer account for strong operational performance and improvements to Trinidad's business driven by its revised strategic plan.
- Trinidad insiders have confidence in Trinidad's strategy, as reflected in recent share purchases.

- Because Ensign refused to participate in Trinidad’s Strategic Review Process, Ensign deprived itself of recent, detailed information respecting Trinidad’s business and prospects that would have improved its assessment of Trinidad’s full value.

See “*Analysis and Reasons for the Trinidad Board’s Conclusion and Recommendation to Reject the Ensign Offer*”.

The Ensign Offer:

Ensign has offered to purchase all of the outstanding Common Shares for \$1.68 in cash per Common Share, representing a discount to the \$1.74 closing price of the Common Shares on September 11, 2018.

As the Ensign Offer is open for acceptance until 5:00 p.m. (Toronto time) on December 14, 2018, there is no need for Shareholders to take any action with respect to the Ensign Offer at this time. Shareholders who have tendered Common Shares to the Ensign Offer and who wish to obtain advice or assistance in withdrawing their Common Shares are urged to contact their broker or D.F. King, the Information Agent retained by Trinidad, North America toll free at 1-866-521-4427 or 1-212-771-1113 outside of North America (collect calls accepted), or inquiries@dfking.com.

Alternatives to the Ensign Offer:

Following Ensign’s announcement on August 13, 2018 of its intention to make an offer for Trinidad, Trinidad initiated a new formal process to seek alternative proposals. Trinidad’s Management, with the assistance of its financial and legal advisors, is conducting the new formal process with a primary focus of seeking opportunities which will maximize Shareholder value. Such opportunities might include change of control transactions, asset sales and spin-offs.

Trinidad’s previous strategic review was a comprehensive, public process that included the evaluation of a number of alternatives, including the sale of select assets and a corporate transaction. The Trinidad Board concluded on July 31, 2018 that the most attractive alternative at that time was to remain independent.

Trinidad has maintained a comprehensive data room from its previous strategic review, which has been, and will continue to be, available to interested parties wishing to transact with Trinidad and that execute a confidentiality agreement. Multiple interested parties have executed confidentiality agreements and are actively reviewing recent, detailed information respecting Trinidad’s business and prospects available in the data room (including parties which have a demonstrated history of completing acquisitions).

While it cannot predict whether any binding transactions which are in the best interests of Trinidad and the Shareholders will emerge from these efforts and discussions, the Trinidad Board believes that Trinidad and its business are very attractive to other parties in addition to Ensign. In particular, during the Strategic Review Process, Trinidad received interest from several parties, including *bona fide* non-binding proposals to acquire Trinidad with an indicative value in excess of the Ensign Offer.

Rejection of the Ensign Offer by Directors and Officers:

The Board and Management of Trinidad have indicated their intention to **REJECT** the Ensign Offer and **NOT TENDER** their Common Shares to the Ensign Offer.

QUESTIONS AND ANSWERS ABOUT THE ENSIGN OFFER

Capitalized terms used but not defined herein have the meanings ascribed thereto in Appendix “B” — Glossary to the Directors’ Circular.

Q. Should I accept the Ensign Offer?

- A. **NO.** The Trinidad Board, on recommendation of the Special Committee, has unanimously determined that the Ensign Offer significantly undervalues the Common Shares and is not in the best interests of Trinidad or the Shareholders.

The Trinidad Board **UNANIMOUSLY** recommends that Shareholders **REJECT** the Ensign Offer and **NOT TENDER** their Common Shares. Members of the Trinidad Board and Management do **NOT** intend to tender their Common Shares to the Ensign Offer, which the Trinidad Board views as offering insufficient consideration to Shareholders.

Q. How do I reject the Ensign Offer?

- A. You do not need to do anything. **DO NOT** tender your Common Shares. If you are contacted by Ensign or its information or solicitation agent, **DO NOT TENDER** your Common Shares or complete any documents that Ensign may provide you.

Q. Can I withdraw my Common Shares if I have already tendered?

- A. **YES.** You can withdraw your Common Shares:

- (a) At any time before your Common Shares have been taken up by the Offeror under the Ensign Offer;
- (b) At any time before the expiration of ten calendar days from the date upon which either:
 - (i) a notice of change relating to a change which has occurred in the information contained in the Ensign Circular, or any notice of change or notice of variation, in either case, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Ensign Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Ensign Offer, or
 - (ii) a notice of variation concerning a variation in the terms of the Ensign Offer (other than a variation consisting solely of an increase in the consideration offered for the Common Shares under the Ensign Offer where the Expiry Time is not extended for a period greater than ten calendar days, or a variation consisting solely of a waiver of one or more conditions of the Ensign Offer, or both);
 - (iii) is mailed, delivered, or otherwise properly communicated, but subject to abridgement of that period pursuant to such order or orders as may be granted by applicable courts or regulatory authorities and only if such deposited Common Shares have not been taken up by the Offeror at the date of the notice; or
- (c) If your Common Shares have not been paid for by the Offeror within three business days after having been taken up by the Offeror.

Q. How do I withdraw my Common Shares?

- A. For information on how to withdraw your Common Shares, Trinidad recommends you contact your broker or D.F. King, the Information Agent retained by Trinidad, at the phone numbers listed at the end of this Q&A and on the back cover of this Directors’ Circular.

Q. Why does the Board believe that the Ensign Offer should be rejected?

A. The Trinidad Board, on recommendation of the Special Committee, has unanimously determined that the Ensign Offer significantly undervalues the Common Shares and is not in the best interests of Trinidad or the Shareholders. The Trinidad Board took into account numerous factors including, but not limited to, the reasons set out below in reaching its **UNANIMOUS** recommendation that Shareholders **REJECT** the Ensign Offer and **NOT TENDER** their Common Shares to the Ensign Offer:

- the Ensign Offer was timed to take advantage of temporary weakness in the trading price of the Common Shares and benefits Ensign shareholders, not Trinidad Shareholders;
- based on prior and current discussions and interest from other parties, Trinidad is confident that one or more superior offers or other more attractive alternatives for Shareholders may emerge prior to the scheduled expiry of the Ensign Offer, which is not until December 14, 2018;
- TD Securities, Trinidad's independent financial advisor, has determined that the Ensign Offer is inadequate, from a financial point of view, to the Shareholders;
- the all-cash Ensign Offer deprives Shareholders of upside as they will not participate in synergies and future growth in an environment of improving industry conditions and increased expectations for growth in Adjusted EBITDA;
- valuation metrics, such as book value and Adjusted EBITDA multiples (see page 11), which are closely monitored by independent third-party analysts, demonstrate the extent to which the Ensign Offer undervalues Trinidad;
- the Ensign Offer does not account for the gains Trinidad is achieving as it continues to lower costs and deploy advanced technology. Nor does the Ensign Offer account for strong operational performance and improvements to Trinidad's business driven by its revised strategic plan;
- Trinidad insiders have confidence in Trinidad's strategy, as reflected in recent share purchases; and
- because Ensign refused to participate in Trinidad's Strategic Review Process, Ensign deprived itself of recent, detailed information respecting Trinidad's business and prospects that would have improved its assessment of Trinidad's full value.

See "*Analysis and Reasons for the Trinidad Board's Conclusion and Recommendation to Reject the Ensign Offer*".

Shareholders are strongly encouraged to carefully review the full explanation of the reasons for the Trinidad Board's recommendation starting on page 8 of this Directors' Circular, including the opinion of TD Securities dated September 12, 2018, that, as of that date and subject to the assumptions, limitations and qualifications contained therein, the consideration offered pursuant to the Ensign Offer is inadequate, from a financial point of view, to Shareholders.

The full text of the foregoing opinion, setting out the assumptions made, matters considered and limitations and qualifications of the review undertaken in connection with the opinion by TD Securities is attached as Appendix "A" to this Directors' Circular.

The summary of the opinion in this Directors' Circular is qualified in its entirety by reference to the full text of the opinion. The opinion is not a recommendation as to whether or not Shareholders should accept or reject the Ensign Offer. The opinion is one of a number of factors taken into consideration by the Special Committee and the Trinidad Board in making its unanimous determination that the Ensign Offer significantly undervalues the Common Shares and is not in the best interests of Trinidad or the Shareholders and to recommend that Shareholders reject the Ensign Offer. Please refer to "*Opinion of TD Securities Inc.*" for further details regarding the opinion.

Q. What action is the Trinidad Board undertaking in response to the Ensign Offer?

- A. Following Ensign's announcement on August 13, 2018 of its intention to make an offer for Trinidad, Trinidad initiated a new formal process to seek alternative proposals. Trinidad's Management, with the assistance of its financial and legal advisors, is conducting the new formal process with a primary focus of seeking opportunities which will maximize Shareholder value. Such opportunities might include change of control transactions, asset sales and spin-offs.

Trinidad's previous strategic review was a comprehensive, public process that included the evaluation of a number of alternatives, including the sale of select assets and a corporate transaction. The Trinidad Board concluded on July 31, 2018 that the most attractive alternative at that time was to remain independent.

Trinidad has maintained a comprehensive data room from its previous strategic review, which has been, and will continue to be, available to interested parties wishing to transact with Trinidad and that execute a confidentiality agreement. Multiple interested parties have executed confidentiality agreements and are actively reviewing recent, detailed information respecting Trinidad's business and prospects available in the data room (including parties which have a demonstrated history of completing acquisitions).

While it cannot predict whether any binding transactions which are in the best interests of Trinidad and the Shareholders will emerge from these efforts and discussions, the Trinidad Board believes that Trinidad and its business are very attractive to other parties in addition to Ensign. In particular, during the Strategic Review Process, Trinidad received interest from several parties, including *bona fide* non-binding proposals to acquire Trinidad with an indicative value in excess of the Ensign Offer.

Q. My broker advised me to tender my Common Shares. Should I?

- A. **NO.** The Trinidad Board, upon recommendation of the Special Committee, has **UNANIMOUSLY** recommended that Shareholders **REJECT** the Ensign Offer and **NOT TENDER** their Common Shares to the Ensign Offer.

Q. Is this a "hostile" take-over bid?

- A. **YES.** In a friendly take-over, the two companies work together to come to an agreement that would enhance shareholder value. Ensign, however, initiated its offer without the support of Trinidad after advising Trinidad's Board it would not execute a standard confidentiality agreement to perform prudent due diligence in order to properly understand Trinidad's value. The Special Committee and Trinidad Board are working, together with Trinidad's external financial and legal advisors, to develop, review and evaluate a range of strategic alternatives in the best interests of Trinidad and with a view to maximizing value for Shareholders.

Q. Will Ensign increase the Ensign Offer?

- A. Trinidad does not know if Ensign will increase the Ensign Offer. However, given the significant accretion to Ensign based on the existing Ensign Offer, the Trinidad Board believes that Ensign has the ability to substantially increase its offer. At its current price, the Ensign Offer substantially undervalues the Common Shares and is highly opportunistic. See "*Analysis and Reasons for the Trinidad Board's Conclusion and Recommendation to Reject the Ensign Offer*".

Q. Will I have protections if Ensign buys more than 66⅔% of the Common Shares and I don't sell?

A. **YES.** In Canada, applicable corporate and securities laws contain protections for minority Shareholders, including the right, in certain circumstances, to dissent and demand payment of the fair value of their Common Shares. If Ensign is successful in acquiring in excess of 90% of the Common Shares pursuant to the Ensign Offer, Ensign has disclosed an intention to acquire the remaining Common Shares pursuant to a right of compulsory acquisition pursuant to the ABCA. However, this process may not be available to Ensign. If Ensign is successful in acquiring in excess of 66⅔% of the Common Shares, but less than 90% of the Common Shares or the right of compulsory acquisition is not otherwise available, Ensign has disclosed only that it may pursue other means of acquiring the remaining Common Shares not deposited under the Ensign Offer pursuant to an amalgamation, statutory arrangement, capital reorganization or other transaction (as determined by Ensign). You are encouraged to read Section 13 of the Ensign Circular, "*Acquisition of Common Shares Not Deposited*" for an explanation of Ensign's intentions and the mechanics of any such acquisition.

Q. Do I have to decide now?

A. **NO.** You do not have to take any action at this time. The Ensign Offer is currently scheduled to expire at 5:00 p.m. (Toronto time) on December 14, 2018, and is subject to a number of conditions that have yet to be satisfied and may never be satisfied. You do not have to take any action until close to the expiry date of the Ensign Offer to ensure that you are able to consider all of the options available to you.

If you have already tendered your Common Shares to the Ensign Offer and you decide to withdraw these Common Shares from the Ensign Offer, you must allow sufficient time to complete the withdrawal process prior to the expiry of the Ensign Offer. For more information on how to withdraw your Common Shares, you should contact your broker or D.F. King, the Information Agent retained by Trinidad, at the numbers listed below.

Q. Who do I ask if I have more questions?

A. The Trinidad Board recommends that you read the information contained in this Directors' Circular carefully. You should contact D.F. King, the Information Agent retained by Trinidad, with any questions or requests for assistance that you may have.



**North America Toll Free Phone:
1-866-521-4427**

[E-mail: inquiries@dfking.com](mailto:inquiries@dfking.com)

Outside North America, Banks and Brokers Call Collect: 1-212-771-1133

Shareholders are also encouraged to visit our website for up to date information at
www.trinidaddrilling.com/EnsignOffer

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CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Directors' Circular (including, for the purposes of this "*Cautionary Statement on Forward-Looking Statements*" disclaimer, the accompanying letter to Shareholders) may constitute forward-looking statements within the meaning of applicable Canadian securities laws. These statements relate to future events or Trinidad's future performance. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "plan", "intend" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are often, but not always, identified by such words. 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. Trinidad believes 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 Directors' Circular should not be unduly relied upon. These forward-looking statements speak only as of the date of this Directors' Circular.

In particular, this Directors' Circular contains forward-looking statements with respect to:

- the consequences to Shareholders of the Ensign Offer;
- the ability of Trinidad to attract other interested parties;
- the availability of superior offers or alternatives emerging from Trinidad's current strategic review process to maximize Shareholder value;
- the availability of synergies to potential acquirors of Trinidad;
- expectations respecting Trinidad's prospects for growth, profitability, debt reduction and creation of Shareholder value;
- statements respecting execution of Trinidad's strategic plan;
- Trinidad's financial and operational ability to respond to a market recovery and benefit from increased industry activity;
- Trinidad's future financial flexibility;
- intentions of directors and officers of Trinidad to reject the Ensign Offer and not tender any Common Shares to the Ensign Offer;
- the payment of change of control payments pursuant to certain agreements if the Ensign Offer is successful;
- the payments pursuant to DSUs, PSUs, RSUs and SARs if the Ensign Offer is successful;
- material compliance with regulations and laws under regulatory and environmental regimes; and
- oilfield services market conditions, including demand for, and pricing of, the services offered by Trinidad.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below:

- the risk that the Ensign Offer may be varied or terminated in certain circumstances or that the conditions to the Ensign Offer may not be satisfied, or to the extent permitted, waived by Ensign;
- risks relating to the outcome of the Ensign Offer;
- risks relating to the impact of the Ensign Offer on the liquidity and market value of the Common Shares;

**REJECT THE ENSIGN OFFER
TAKE NO ACTION — DO NOT TENDER YOUR COMMON SHARES**

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- the risk that no alternative offer or strategic alternative will surface for Trinidad or its Shareholders that is superior to the Ensign Offer, and that Trinidad will remain as an independent company;
- general economic conditions in Canada, the United States and abroad;
- the demand for oilfield services during and after drilling;
- volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally;
- competition;
- the ability to integrate technological advances into Trinidad’s operations and match advances of competitors;
- reliance upon suppliers;
- the availability of capital;
- risk management;
- legal or regulatory proceedings;
- uncertainties in weather and temperature affecting the duration of the work periods and the activities that can be completed;
- reliance on directors, management and key personnel;
- labour turnover and shortages;
- unpredictability and volatility of the price of the Common Shares;
- liquidity improvement initiatives;
- tax related risks;
- treatment under governmental regulatory, tax and environmental regimes;
- dilution and future sales of Common Shares; and
- conflicts of interest.

Certain of these items and their possible impact are discussed more fully in the section entitled “*Risk Factors*” in Trinidad’s annual information form dated March 29, 2018 for the year ended December 31, 2017, filed with the securities commission or similar regulatory authority in each of the provinces of Canada. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these factors are interdependent, and Trinidad’s future course of action would depend on the assessment of all information at that time.

Although the forward-looking statements contained in this Directors’ Circular are based upon assumptions which Trinidad believes to be reasonable, Trinidad cannot provide assurance that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this Directors’ Circular, Trinidad has made assumptions regarding, among other things:

- the ability to attract superior offers or alternatives to the Ensign Offer;
- general economic conditions in Canada, the United States and abroad;
- future commodity prices;
- rig fleet activity levels;

**REJECT THE ENSIGN OFFER
TAKE NO ACTION — DO NOT TENDER YOUR COMMON SHARES**

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- demand and pricing for oilfield services;
- customers' capital budgets and geographical areas of focus;
- availability of capital;
- significant customers and renewal of contracts; and
- proposed courses of action.

Although Trinidad believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Trinidad cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither Trinidad nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Trinidad's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Trinidad will derive therefrom. Trinidad disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

Certain statements in this Directors' Circular are forward-looking statements with respect to Ensign and Ensign's expectations with respect to the Ensign Offer and Trinidad. The information was derived from the Ensign Circular and other publicly available documents and is subject to the cautionary statements provided by Ensign in such documents.

It is Trinidad's current intention not to disclose developments with respect to its formal process to seek alternative proposals until the Board has approved a specific transaction or otherwise determines that disclosure is necessary or appropriate. Trinidad cautions that there are no assurances or guarantees that its current process will result in a transaction or, if a transaction is undertaken, the terms or timing of such a transaction.

Financial outlook information contained in this Directors' Circular about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this Directors' Circular should not be used for purposes other than for which it is disclosed herein.

NOTICE TO NON-CANADIAN SHAREHOLDERS

The Ensign Offer to which this Directors' Circular relates is made for the securities of a Canadian issuer. This Directors' Circular has been prepared by Trinidad in accordance with disclosure requirements under applicable Canadian law. Shareholders in the United States and otherwise outside of Canada should be aware that these requirements may be different from those of the United States and other jurisdictions. This Directors' Circular has not been approved or disapproved by any United States or other securities regulatory authority, nor has any such authority passed upon the accuracy or adequacy of this Directors' Circular.

Trinidad prepares its financial statements in accordance with International Financial Reporting Standards representing generally acceptable accounting principles for publicly accountable enterprises in Canada ("IFRS"). These financial statements may not be comparable to financial statements of United States companies and other non-Canadian companies.

It may be difficult for Shareholders in the United States and otherwise outside of Canada to enforce their rights and any claim they may have arising under United States federal securities laws or the securities laws of

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other non-Canadian jurisdictions since Trinidad is organized under the laws of the Province of Alberta, the majority of the officers and directors of Trinidad reside in Canada, some of the experts named herein reside in Canada and a substantial portion of the assets of Trinidad and the other above mentioned persons are located in Canada. Shareholders in the United States and otherwise outside of Canada may not be able to sue Trinidad or its officers or directors in a foreign court for violation of United States federal securities laws or the securities laws of other non-Canadian jurisdictions. It may be difficult to compel such parties to subject themselves to the jurisdiction of a foreign court or to enforce a judgment obtained from a court of the United States or other non-Canadian court's judgment.

CURRENCY

All dollar references in this Directors' Circular are in Canadian dollars, unless otherwise indicated. On September 11, 2018, the daily rate of exchange as reported by the Bank of Canada was C\$1.00 = U.S.\$1.3141, U.S.\$1.00 = C\$0.7610.

AVAILABILITY OF DISCLOSURE DOCUMENTS

Trinidad is a reporting issuer in all the provinces of Canada and files its continuous disclosure documents and other documents with the Canadian securities regulatory authorities in each such province. Continuous disclosure documents are available on Trinidad's SEDAR profile at www.sedar.com.

INFORMATION REGARDING ENSIGN

This Directors' Circular also includes information relating to Ensign. This information was derived from the Ensign Circular and other publicly available documents.

Although Trinidad has no knowledge that would indicate that any information contained in the documents filed by Ensign is untrue or incomplete (except as set forth herein), Trinidad does not assume any responsibility for the accuracy or completeness of the information contained in such documents, or for any failure by Ensign to disclose events that may have occurred or that may affect the significance or accuracy of any such information, which are unknown to Trinidad.

NON-GAAP MEASURES

Certain measures used in this Directors' Circular use and refer to supplemental financial measures used to assist in assessing financial performance of Trinidad, including Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) and free cash flow.

These supplemental financial measures ("Non-GAAP Measures") do not have standardized meanings under IFRS and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be construed as alternatives to net income (loss) or other comparable measures determined in accordance with IFRS as an indicator of Trinidad's performance or as a measure of liquidity and cash flow. Readers are referred to Trinidad's management's discussion and analysis for the year ended December 31, 2017 and the management's discussion and analysis for the three and six months ended June 30, 2018 for the reconciliation of Adjusted EBITDA to the most directly comparable IFRS measure.

Management of Trinidad believes that Adjusted EBITDA is useful in assessing Trinidad's profitability based on Trinidad's principal business activities prior to how these activities are financed, how assets are depreciated and amortized and how the results are taxed in various jurisdictions.

Free cash flow is used by Management and investors to measure Trinidad's financial performance and its ability to generate excess cash from its business operations. Free cash flow is calculated as Adjusted EBITDA less finance and transaction costs and current income taxes.

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In addition, general and administrative expenses of Trinidad discussed in this Directors' Circular differ from the amounts reported in Trinidad's consolidated statement of net earnings as they exclude the attributable amounts of share-based compensation and third-party recoverable costs. This presentation is consistent with how Trinidad discloses general and administrative expense in its management's discussion and analysis and with how management reviews the information internally. The attributable amounts of share-based compensation and third-party recoverable costs are included under the General and Administrative heading in Trinidad's management's discussion and analysis.

GLOSSARY OF TERMS

Certain terms used in this Directors' Circular have the meanings set forth in Appendix "B" — Glossary hereto, unless such terms are defined elsewhere in this Directors' Circular.

DIRECTORS' CIRCULAR

The information contained in this Directors' Circular is given as of September 13, 2018, except as otherwise indicated.

The Ensign Offer

This Directors' Circular responds to the hostile offer by Ensign to purchase, on the terms and subject to the conditions set forth in the Ensign Circular, at a price of \$1.68 in cash per Common Share, all of the issued and outstanding Common Shares, together with the associated SRP Rights issued under the Shareholder Rights Plan, including any Common Shares that may become issued and outstanding after the date of the Ensign Offer but before the Expiry Time upon the exercise of the Options or upon the exercise, exchange or conversion of any securities of Trinidad into Common Shares (other than pursuant to the SRP Rights).

The Ensign Offer is described in the Ensign Circular filed by Ensign with the securities regulators in Canada on August 30, 2018. According to the Ensign Circular, the Ensign Offer will expire at 5:00 p.m. (Toronto time) on December 14, 2018, unless the Ensign Offer is extended, accelerated or withdrawn by Ensign in accordance with its terms.

The Ensign Offer is subject to a significant number of conditions, which must be satisfied or, where permitted, waived at 5:00 p.m. (Toronto time) on December 14, 2018 or such earlier or later time during which Common Shares may be deposited under the Ensign Offer, excluding the mandatory 10-day extension period or any extension thereafter, which include, among others:

- (i) there having been validly deposited under the Ensign Offer and not withdrawn that number of Common Shares, together with the associated SRP Rights, representing more than 50% of the outstanding Common Shares, excluding those Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror or by any person acting jointly or in concert with the Offeror (which is a non-waivable condition);
- (ii) there having been validly deposited under the Ensign Offer and not withdrawn that number of Common Shares, together with the associated SRP Rights and the Common Shares held by Ensign at the Expiry Time, representing at least 66⅔% of the outstanding Common Shares;
- (iii) the Offeror having determined, in its sole judgment, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Ensign Offer, a Material Adverse Effect (as defined in the Ensign Circular);
- (iv) the Offeror having determined, in its sole judgment, that the Shareholder Rights Plan does not and will not adversely affect the Ensign Offer or the Offeror, either before or upon the consummation of the

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Offer or any Compulsory Acquisition (as defined in the Ensign Circular) or Subsequent Acquisition Transaction (as defined in the Ensign Circular) and (a) the Trinidad Board having redeemed all outstanding SRP Rights or waived the application of the Shareholder Rights Plan to the Ensign Offer, any Compulsory Acquisition and any Subsequent Acquisition Transaction; (b) a cease trade order or an injunction having been issued that has the effect of prohibiting or preventing the exercise of SRP Rights or the issue of Common Shares upon the exercise of the SRP Rights; (c) a court of competent jurisdiction having made an order that the SRP Rights are illegal, invalid or of no force or effect or may not be exercised; or (d) the SRP Rights and the Shareholder Rights Plan being or having been held to be unexercisable or unenforceable in relation to the Ensign Offer, any Compulsory Acquisition and any Subsequent Acquisition Transaction;

- (v) certain regulatory approvals having been obtained and/or waiting periods expired, including the Competition Act Approval (as defined in the Ensign Circular) and the HSR Approval (as defined in the Ensign Circular), as described in the Ensign Circular;
- (vi) the Offeror having determined, in its sole judgment, that neither Trinidad nor any of its subsidiaries has taken any action, agreed to take any action, disclosed that it intends to take any action or disclosed any previously undisclosed action taken that might make it inadvisable for the Offeror to proceed with the Ensign Offer, to take up and pay for Common Shares deposited under the Offer or complete any Compulsory Acquisition or Subsequent Acquisition Transaction; and
- (vii) the Offeror having determined, in its sole judgment, that no material license, right, permit, franchise, instrument or agreement to which Trinidad or any of its subsidiaries is a party or to which it or any of its assets are subject which, if the Ensign Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction were consummated, would be impaired or otherwise adversely affected, if such impairment or effect might materially reduce the value to the Offeror of Trinidad or the Common Shares or might have a Material Adverse Effect.

The foregoing is not an exhaustive list of all of the restrictions on the highly conditional Ensign Offer.

CONCLUSION

The Trinidad Board has carefully reviewed and considered the Ensign Offer, with the benefit of advice from legal and financial advisors. Upon recommendation of the Special Committee, the Trinidad Board has unanimously determined that the Ensign Offer significantly undervalues the Common Shares and is not in the best interests of Trinidad or the Shareholders.

DIRECTORS' RECOMMENDATION

For the reasons described in more detail below, the Trinidad Board unanimously recommends that Shareholders REJECT the Ensign Offer and NOT TENDER their Common Shares.

Any Shareholder who has tendered his or her Common Shares to the Ensign Offer should WITHDRAW those Common Shares IMMEDIATELY.

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If you have tendered your Common Shares, you can withdraw them. For assistance in withdrawing your Common Shares, you should contact your broker or Trinidad's Information Agent, D.F. King. See "*How to Withdraw Your Deposited Common Shares*".



**North America Toll Free Phone:
1-866-521-4427**

E-mail: inquiries@dfking.com

Outside North America, Banks and Brokers Call Collect: 1-212-771-1133

Shareholders are also encouraged to visit our website for up to date information at
www.trinidaddrilling.com/EnsignOffer

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ANALYSIS AND REASONS FOR THE TRINIDAD BOARD'S CONCLUSION AND RECOMMENDATION TO REJECT THE ENSIGN OFFER

The following are the principal reasons for the **UNANIMOUS** recommendation of the Trinidad Board that Shareholders **REJECT** the Ensign Offer and **NOT TENDER** their Common Shares to the Ensign Offer.

THE ENSIGN OFFER IS HIGHLY OPPORTUNISTIC AND TIMED TO DEPRIVE SHAREHOLDERS OF FULL VALUE

1. The Ensign Offer was timed to take advantage of temporary weakness in the trading price of the Common Shares and benefits Ensign shareholders, not Trinidad Shareholders.

- The Trinidad Board believes that the Ensign Offer is highly opportunistic relative to historical trading levels of the Common Shares and was purposely timed to exploit a temporary weakness in the trading price of the Common Shares upon conclusion of the Strategic Review Process.
- Trinidad believes that the trading price weakness of the Common Shares following the conclusion of the Strategic Review Process was caused by Shareholders who were expecting a corporate sale transaction, and who exited their positions when no transaction occurred. Following termination of the Strategic Review Process, the trading price of the Common Shares began to strengthen prior to the Ensign Offer.
- Trinidad continues to have a strong balance sheet. This was integral to the Trinidad Board's determination that remaining as an independent company would provide go-forward value to Shareholders in excess of the *bona fide* non-binding proposals to acquire Trinidad that were received during the Strategic Review Process.
- The Ensign Offer does not provide a control premium to Shareholders and is instead made at a discount to the recent trading price of the Common Shares. On September 11, 2018, the closing price of the Common Shares on the TSX was \$1.74. Based on the Ensign Offer of \$1.68 in cash for each Common Share, this represents a discount to the current trading price of the Common Shares.
- Prior to the date of Ensign's announcement of its intention to make an offer for Trinidad, the average year-to-date trading price of the Common Shares traded on the TSX was \$1.79 per Common Share, which is materially higher than the \$1.68 contemplated by the Ensign Offer. Year-to-date, the Common Shares have traded above the \$1.68 contemplated under the Ensign Offer 90% of trading days.



⁽¹⁾ Source: Bloomberg (Sept 11, 2018)

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**TRINIDAD BELIEVES THAT SUPERIOR OFFERS OR
OTHER ALTERNATIVES MAY EMERGE**

2. **Based on prior and current discussions and interest from other parties, Trinidad is confident that one or more superior offers or other more attractive alternatives for Shareholders may emerge prior to the scheduled expiry of the Ensign Offer, which is not until December 14, 2018.**
- Through the Strategic Review Process completed on July 31, 2018, Trinidad received interest from several parties, including non-binding proposals with an indicative value in excess of the Ensign Offer.
 - Trinidad has initiated a formal process to seek alternative proposals and has a comprehensive data room available from its previous Strategic Review Process to efficiently surface competing proposals. The primary focus of this new process is to seek opportunities which maximize Shareholder value, including change of control transactions, asset sales and spin-offs.
 - To date, Trinidad has entered into several confidentiality agreements and multiple third parties (including parties with a demonstrated history of completing acquisitions) are reviewing recent, detailed information respecting Trinidad's business and prospects contained in the data room.

**THE CONSIDERATION OFFERED PURSUANT TO THE ENSIGN OFFER IS INADEQUATE, FROM A
FINANCIAL POINT OF VIEW, TO SHAREHOLDERS**

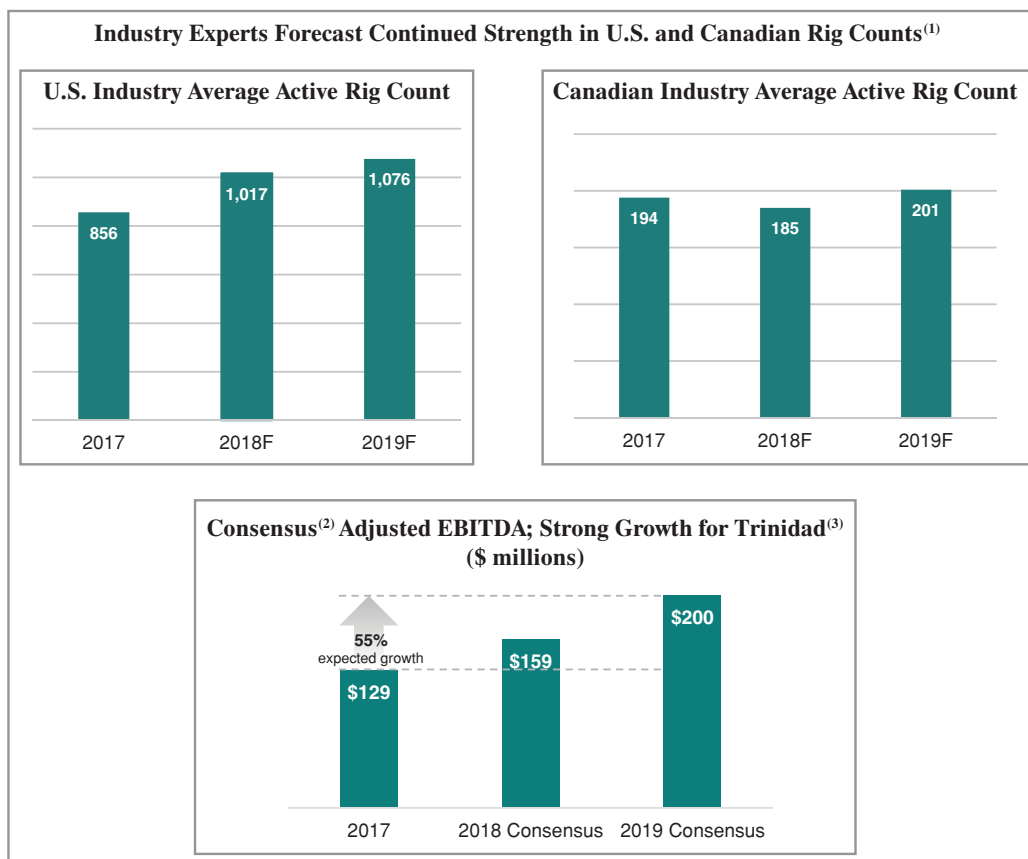
3. **TD Securities, Trinidad's independent financial advisor, has determined that the Ensign Offer is inadequate, from a financial point of view, to Shareholders.**
- TD Securities, a leading financial advisor to Canadian companies and part of TD Bank Group, one of Canada's largest and most respected companies, has been working with Trinidad closely for more than eight months to explore strategic alternatives and is in an ideal position to assess the Ensign Offer relative to other alternatives.
 - The Trinidad Board has received a written opinion from TD Securities dated September 12, 2018, attached as Appendix "A" to this Directors' Circular, to the effect that, as of that date and subject to the assumptions, limitations and qualifications contained therein, the consideration offered pursuant to the Ensign Offer is inadequate, from a financial point of view, to Shareholders.

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THE ENSIGN OFFER CAPTURES ALL OF THE UPSIDE AND SYNERGIES FOR ENSIGN AT THE EXPENSE OF TRINIDAD'S SHAREHOLDERS

4. **The all-cash Ensign Offer deprives Shareholders of upside as they will not participate in synergies and future growth in an environment of improving industry conditions and increased expectations for growth in cash flow.**
- The Ensign Offer takes all the upside from improving industry conditions and higher future expected Adjusted EBITDA levels for Trinidad, at the expense of Shareholders.



- An all-cash transaction also limits Shareholders' options for tax planning, crystallizing a sale value regardless of the impact on their financial position or their preferences.
- The benefit of the synergies anticipated to be realized, and the opportunistic timing of the Ensign Offer at a low point for Trinidad, represent a significant underpayment to Trinidad Shareholders for their lost upside.
- Given the business overlap there would be significant cost savings that accrue to Ensign, without any benefit to Trinidad Shareholders.

⁽¹⁾ Source: 2017 — Baker Hughes North America Rotary Rig Count, 2018F and 2019F — Consensus data from TD, CIBC, GMP, RBC, Scotia

⁽²⁾ Consensus means the average of estimates from 10 research analysts, excluding two restricted analysts

⁽³⁾ Source: FactSet, Sept 11, 2018

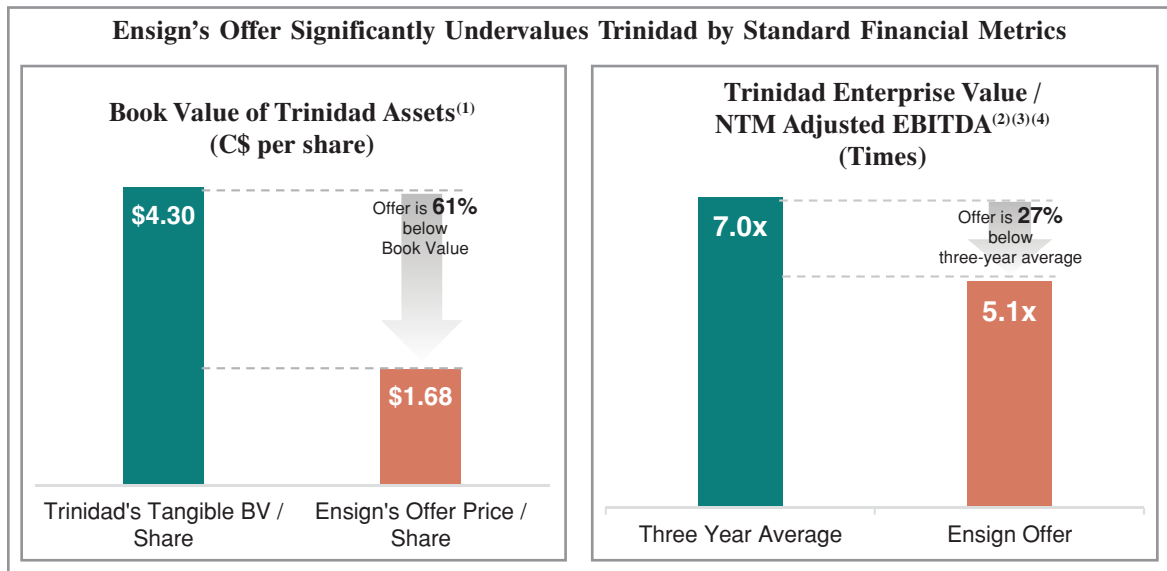
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**THE ENSIGN OFFER IGNORES TRINIDAD'S ATTRACTIVE ASSET VALUE AND FUTURE UPSIDE,
AS DETERMINED BY VALUATION METRICS AND ANALYSTS**

5. Financial metrics, such as book value and Adjusted EBITDA multiples, which are closely monitored by independent third-party analysts, demonstrate the extent to which the Ensign Offer undervalues Trinidad.

- Trinidad is known in the industry for its high performance equipment and efficient operations. The Ensign Offer is approximately 61% below the book value of Trinidad's assets, and therefore, does not reflect the true quality and full value of Trinidad's assets. In addition, the Ensign Offer is 27% below historical valuation levels, based on enterprise value to estimated Adjusted EBITDA, the most commonly used valuation metric in the drilling sector.



- Unrestricted research analysts⁽⁵⁾ (10 in total) have an average 12-month price target of \$2.50 per Common Share, 49% higher than \$1.68 per Common Share under the Ensign Offer. All of these research analysts are independent third parties with extensive knowledge of Trinidad's operations, its competitive position in the industry and its future prospects.

⁽¹⁾ Source: Trinidad's public disclosure

⁽²⁾ Source: Bloomberg

⁽³⁾ Three-year average calculated from Sept 12, 2015 to Sept 11, 2018, based on consensus Adjusted EBITDA 12-month forecast

⁽⁴⁾ Ensign Offer calculated based on the Ensign Offer of \$1.68 and NTM (next 12 months) consensus Adjusted EBITDA

⁽⁵⁾ Excludes analysts who are precluded from providing research due to their internal compliance requirements

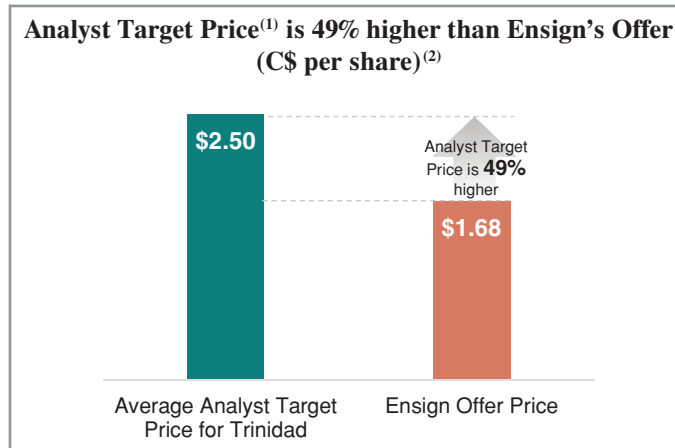
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- A number of these analysts have published research noting that the Ensign Offer significantly undervalues Trinidad, including the following quote from Andrew Bradford, CFA, Managing Director, Head of Energy Research at Raymond James (Canada):

“... neither the shorter term investors who have been trading the stock above the \$1.68 offer since day one, nor the longer-term shareholders should consider \$1.68 cash an attractive offer.”

Andrew Bradford, CFA, Managing Director, Oilfield Services Analyst, Head of Energy Research, Raymond James Ltd. (Canada) (September 12, 2018)



- Trinidad Shareholder and former Chief Investment Officer of Mackenzie Investments, Robert Tattersall, CFA, who is also an Ensign shareholder, published the following about the Ensign Offer:

“[A]s a shareholder of Trinidad Drilling, I believe that the [Ensign] offer dramatically undervalues the company, and I won’t be tendering my shares anywhere near the current offer price.”

Robert Tattersall, CFA (Globe and Mail, August 16, 2018)

⁽¹⁾ Average analyst target price means the average of estimates from 10 analysts, excluding two restricted analysts

⁽²⁾ Source: FactSet

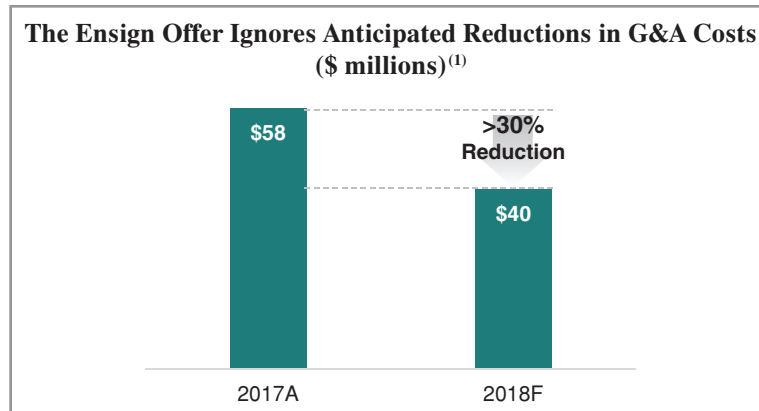
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THE ENSIGN OFFER UNDERVALUES IMPROVEMENTS IN TRINIDAD'S STRATEGY AND IMPROVING INDUSTRY CONDITIONS

6. **The Ensign Offer does not account for the gains Trinidad is achieving as it continues to lower costs and deploy advanced technology. Nor does the Ensign Offer account for strong operational performance and improvements to Trinidad's business driven by its revised strategic plan. Trinidad insiders have confidence in Trinidad's strategy, as reflected in recent share purchases.**

- Trinidad has made significant progress on its strategy, achieving a lower cost structure, completing the sale of idle assets, and moving and upgrading rigs to meet customer demand. For example:
 - Trinidad expects general and administrative costs in 2018 to be lower by \$18 million, or approximately 30%, than those recorded in 2017. In addition, enhanced supply chain management has resulted in savings of approximately \$7 million in the past 12 months.



- Trinidad sold three idle rigs in its Saudi Arabian joint venture for gross proceeds of \$68 million (Trinidad's 60% portion of the gross proceeds), which were used to fund equipment upgrades and lower indebtedness.

“Surprise Saudi Rig Sale a Win for Leverage”
 - Greg Colman, Managing Director of Research,
 National Bank Financial – April 12, 2018

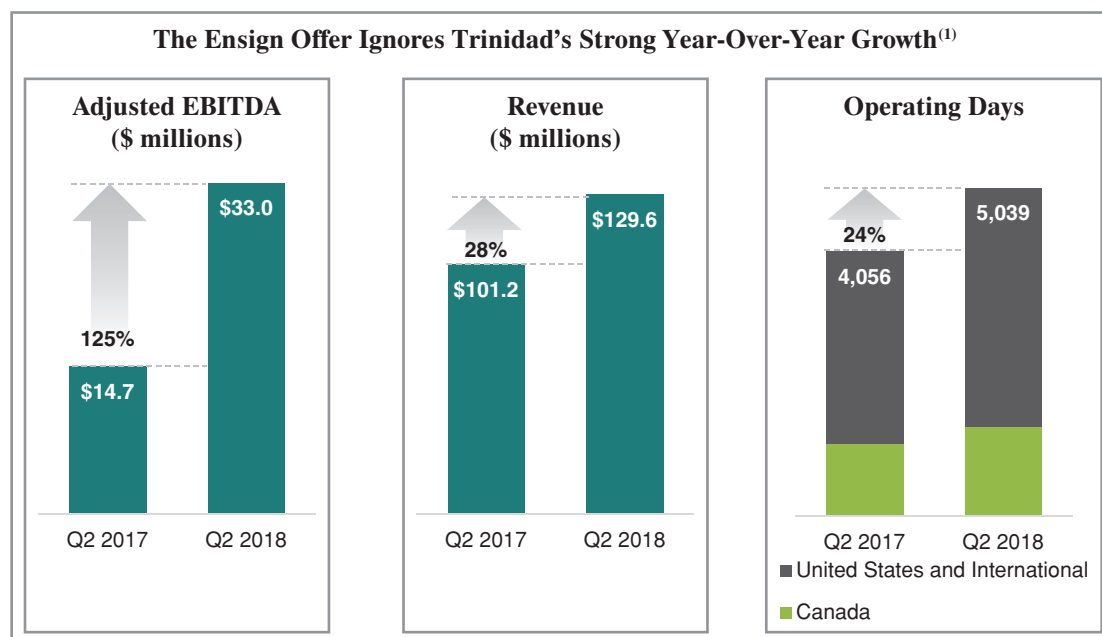
- Trinidad has received customer support to move two Canadian rigs to the U.S. and to upgrade existing U.S. rigs to meet growing customer demand. The upgraded rigs will be operating at improved dayrates.
- The outlook for Trinidad's international joint venture operations is improving with increased activity, an expanded contract base and improved future visibility. Trinidad's joint venture has successfully re-activated two international rigs in 2018 and signed five-year contracts for two rigs to begin working in Kuwait in 2019.

⁽¹⁾ Source: Trinidad public disclosure, excludes one-time costs associated with 2018 Strategic Review Process and restructuring costs

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- In the second quarter of 2018, Trinidad’s higher activity, better dayrates and strong cost control drove Adjusted EBITDA up 125%, compared to the second quarter of 2017. Improving commodity prices and strong customer demand are helping to drive this growth, and Trinidad is well positioned to continue to benefit from these macro industry trends.



- Trinidad is rolling out an advanced technology platform that will differentiate it from its competitors, providing customers with increased predictability and accuracy of drilling results and optimized frac performance. This platform is expected to drive strong margins and high returns, with low capital investment for Trinidad.
- Trinidad’s revised five-year strategic plan clearly outlines Trinidad’s commitment to driving improved financial results, with specific metrics and targets provided to measure performance, including:
 - Specified levels of free cash flow to be used annually to lower debt or to buy back shares; and
 - Specific targets for general and administrative levels, profitability, leverage and returns.
- Members of Management and the Trinidad Board collectively purchased more than 400,000 Common Shares in open market transactions on August 10, 2018. The purchases, detailed under “*Trading in Securities of Trinidad*”, reflect strong confidence in Trinidad’s strategy. These purchases took place before Ensign notified Trinidad of its intention to make an offer, and after a lengthy internally-imposed trading blackout related to Trinidad’s Strategic Review Process and Trinidad’s second quarter 2018 financial disclosure.
- During the 12 months prior to August 2018, many members of Management and the Trinidad Board desired to further increase their personal holdings of Common Shares. However, due to the ongoing and active efforts of Management to find compelling transactions and business development opportunities, these individuals were restricted under securities laws from trading in Common Shares, as Trinidad had extensive trading blackouts during this period.

⁽¹⁾ Source: Trinidad public disclosure

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**ENSIGN DOES NOT HAVE SUFFICIENT INFORMATION TO ASSESS
TRINIDAD'S FULL VALUE**

7. **Because Ensign refused to participate in Trinidad's Strategic Review Process, Ensign deprived itself of recent, detailed information respecting Trinidad's business and prospects that would have improved its assessment of Trinidad's full value.**
- Despite several invitations to participate in the Strategic Review Process, access recent, detailed information regarding Trinidad's operations and assets, and meet with Trinidad to better understand the potential growth prospects, Ensign declined and, instead, launched its opportunistic hostile bid just 13 days after Trinidad's announcement of the conclusion of its Strategic Review Process.
 - Ensign's analysis of Trinidad does not have the benefit of the most current detailed information regarding Trinidad and its business and prospects available in Trinidad's data room and does not accurately reflect the full value of Trinidad.
 - Only after Trinidad publicly concluded its Strategic Review Process did Ensign express an interest in making an offer, which was timed to exploit a temporary weakness upon conclusion of the Strategic Review Process. If Ensign was interested in paying fair value to Shareholders, it would have participated in the Strategic Review Process.

CONCLUSION AND RECOMMENDATION

For the principal reasons outlined above, the Trinidad Board, on the recommendation of the Special Committee, has unanimously determined that the Ensign Offer significantly undervalues the Common Shares and is an attempt by Ensign to acquire Trinidad without offering adequate compensation to Shareholders.

Accordingly, the Trinidad Board UNANIMOUSLY recommends that Shareholders REJECT the Ensign Offer and NOT TENDER their Common Shares.

Any Shareholder who has tendered his or her Common Shares under the Ensign Offer should WITHDRAW those Common Shares.

The foregoing summary of the information and factors considered by the Trinidad Board in reaching its conclusion and recommendation is not intended to be exhaustive. The members of the Special Committee and the Trinidad Board evaluated the various factors summarized above in light of their own knowledge of the business, financial condition and prospects of Trinidad, and based upon the advice of the Special Committee's and Trinidad Board's financial and legal advisors. In view of the numerous factors considered in connection with the evaluation of the Ensign Offer, the Special Committee and Trinidad Board did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching its conclusion and recommendation. In addition, individual members of the Special Committee and Trinidad Board may have given different weight to different factors. The conclusion and unanimous recommendation of the Special Committee and Trinidad Board was made after considering all of the information and known factors involved.

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If you have already tendered your Common Shares to the Ensign Offer, you can withdraw your Common Shares by contacting your broker or D.F. King, North America Toll Free at 1-866-521-4427 or 1-212-771-1133 outside of North America (collect calls accepted) or via email at inquiries@dfking.com.

REJECTION OF THE ENSIGN OFFER

To **REJECT** the Ensign Offer, you do not need to do anything. If you have tendered your Common Shares to the Ensign Offer, you can withdraw them until they are taken up under the Ensign Offer. Trinidad's Board recommends that you withdraw any tendered Common Shares immediately. See "*How to Withdraw Your Deposited Common Shares*".

Shareholders should consider the terms of the Ensign Offer and the recommendation of the Trinidad Board contained in this Directors' Circular carefully and come to your own decision whether to accept or reject the Ensign Offer. Shareholders who are in doubt as to how to respond to the Ensign Offer should consult with your own investment dealer, broker, lawyer or other professional advisor. Acceptance of the Ensign Offer may have tax consequences specific to the circumstances of individual Shareholders and you should consult your own professional tax advisors. Inquiries concerning information in this Directors' Circular should be directed to Trinidad's Information Agent, D.F. King, at the phone numbers on the back page of this Directors' Circular.

OPINION OF TD SECURITIES INC.

Following receipt of the Ensign Offer, the Special Committee retained TD Securities effective August 13, 2018 to provide financial advisory and related services concerning the Ensign Offer, including assistance in identifying and evaluating potential alternative transactions and to provide advice to the Special Committee and the Trinidad Board in connection with the Ensign Offer and any alternative transaction, including preparing and delivering its opinion as to the fairness or adequacy (or inadequacy, as the case may be), from a financial point of view, of the consideration offered to Shareholders pursuant to the Ensign Offer. TD Securities has extensive knowledge with respect to Trinidad and its business, assets and prospects, as well as the specific regions where Trinidad conducts its business, as TD Securities was previously retained by Trinidad on December 29, 2017 in connection with the Strategic Review Process. TD Securities has delivered a written opinion to the Trinidad Board to the effect that, based upon and subject to the scope of review, assumptions and limitations and other matters described therein, as of the date of the written opinion, the consideration offered to Shareholders pursuant to the Ensign Offer is inadequate, from a financial point of view, to Shareholders.

Shareholders are urged to read the opinion in its entirety. The full text of the opinion of TD Securities, setting out the scope of review, assumptions made and limitations and qualifications on the review undertaken in connection with the opinion, is attached as Appendix "A" to this Directors' Circular.

The summary of the opinion of TD Securities in this Directors' Circular is qualified in its entirety by reference to the full text of the opinion. The opinion is not a recommendation as to whether or not Shareholders should accept or reject the Ensign Offer. The opinion was one of a number of factors taken into consideration by the Special Committee and Trinidad Board in making its unanimous determination that the Ensign Offer significantly undervalues the Common Shares and is not in the best interests of Trinidad or its Shareholders and to recommend that Shareholders reject the Ensign Offer.

Pursuant to the terms of the engagement letter between TD Securities and Trinidad, TD Securities is to be paid a fixed fee upon rendering an opinion as to either the fairness or inadequacy of the Ensign Offer, and additional fees that are contingent upon the completion or non-completion of the Ensign Offer or any alternative transaction and which additional fees are variable depending on the outcome of the Ensign Offer and the ultimate consideration, if any, at which any alternative transaction is consummated. TD Securities is also to be reimbursed for its reasonable out-of-pocket expenses. Trinidad has also agreed to indemnify TD Securities and its directors, officers, employees, shareholders, partners and agents against certain liabilities.

TD Securities acted as joint lead manager for Trinidad's \$350 million notes offering completed in January 2017. TD Securities participated as a syndicate member in Trinidad's \$149 million bought deal equity offering completed in February 2017. TD Securities is a participant Canadian lender for Trinidad's \$100 million

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Canadian revolving facility and a participant U.S. Lender for Trinidad's U.S.\$100 million U.S. revolving facility. TD Securities is a member of the lending syndicate for Ensign's \$500 million three year senior credit facility that was entered into in December 2016. This facility is in the process of being increased in size to \$600 million and TD has committed to participate as a syndicate member in the increased facility.

TD Securities and its affiliates acts as a trader and dealer, both as principal and as agent, in major financial markets and, as such, may have and may in the future have positions in the securities of Trinidad or Ensign or any of their respective associates or affiliates (collectively, the "**Interested Parties**"), and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. In addition, as an investment dealer, TD Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Ensign Offer, Trinidad, or any other Interested Party. No understandings or agreements exist between TD Securities and Trinidad, Ensign or any other Interested Party with respect to future financial advisory or investment banking business. Subject to the terms of the engagement letter between TD Securities and Trinidad, TD Securities may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Trinidad or any other Interested Party.

In the ordinary course of business and unrelated to the Ensign Offer, TD Securities acted as financial advisor to Trinidad in connection with the Strategic Review Process, as noted above.

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OPERATIONAL UPDATE

Trinidad's business continues to perform strongly with growing activity levels, new long-term contracts signed and a solid financial position to support its operations.

Customer demand remains strong across Trinidad's operations. Since the end of the second quarter of 2018, activity in the Permian Basin has increased as Trinidad's customers continue to complete their planned drilling programs. As of September 10, 2018, Trinidad had 35 rigs active in the Permian and a total of 43 rigs, or 66%, of its U.S. fleet active, with additional rigs expected to start up in the coming months. Trinidad Management continues to expect its U.S. operations to reach 45 active rigs by the end of 2018.

Trinidad's operations in Canada also continue to perform well with utilization remaining well above-industry average levels. As of September 10, 2018 Trinidad had 46% of its Canadian fleet active, compared to an industry average of 38%.

Activity in Trinidad's international joint venture operations has remained stable since the end of the second quarter, with two rigs currently operating and two rigs being upgraded before starting operations under long-term contracts in Kuwait in 2019.

Since announcing its second quarter results on August 7, 2018, Trinidad has been able to take advantage of strong customer demand and sign four new long-term contracts and extend one existing long-term contract. These contracts all relate to rigs operating in the Permian Basin, with an average term of 1.5 years and a mix of set dayrate and performance-based contracts.

Trinidad's business continues to perform well and benefit from improving industry conditions. The Company has successfully crewed rigs as activity levels grow across its operations and a Severance Plan implemented earlier in the year is acting as a retention tool for salaried employees.

Trinidad's capital program is progressing well with capital returns in line with expectations and the final rig expected to be completed by the end of 2018. In addition, contracts have been signed on all eight rigs in the program.

Despite the hostile Ensign Offer, Trinidad remains focused on operating its business efficiently, ensuring strong performance for its customers and providing safe operations for its people. Trinidad has a solid financial position, a sound future strategy and will continue to maintain its reputation as a high performance contract driller.

BACKGROUND TO THE ENSIGN OFFER AND RESPONSE OF TRINIDAD

The Trinidad Board believes that it is important for Shareholders to understand the context in which the Ensign Offer was made, in order to better understand Trinidad's current strong financial and operational position, certain of the opportunities being contemplated by Trinidad, and the recommendations set out in this Directors' Circular.

Background to the Strategic Review Process

The Trinidad Board and Management continually assess opportunities to enhance Shareholder value. In particular, throughout 2017, the Trinidad Board and Management were concerned that the trading price of the Common Shares did not adequately reflect the value of Trinidad. This was being driven, in part, by macroeconomic factors, a prolonged period of low oil and natural gas prices, a corresponding decline in contract drilling activity and compression of dayrates in both Canada and the United States. In addition, the Trinidad Board and Management believed that the trading price of the Common Shares was being disproportionately negatively impacted vis-à-vis many of its publicly traded peers.

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This negative impact on trading price was in spite of steps taken by Trinidad over 2017 to improve Shareholder value and financial performance, including:

- (i) changes to Executive Management;
- (ii) alteration to the executive compensation program to improve alignment with Shareholder return;
- (iii) cost cutting initiatives that lowered costs through improved supply chain and project management (saving approximately \$7 million over 12 months); and
- (iv) an expected 30% reduction in general and administrative costs from 2017 through headcount and salary reductions and tighter expense management.

Despite these changes, similar concerns over the trading price of the Common Shares and other elements of Trinidad's strategy were also voiced by certain Shareholders to the Board and members of Management.

To address these concerns, on December 22, 2017, the Trinidad Board determined that it was in Trinidad's best interests to appoint a special committee of certain independent directors (the "**Independent Committee**") consisting of Messrs. Ken Stickland (as Chair), Jim Brown and David Halford to, among other things, assess and examine a broad range of alternatives to enhance Shareholder value (each a "**Value Enhancement Initiative**"). On December 29, 2017, the Trinidad Board approved the retention of TD Securities as its independent financial advisor to assist with a review and development of various Value Enhancement Initiatives, as well as the retention of Longview as Trinidad's communications advisor and D.F. King as proxy solicitation advisor and information agent, should such services become necessary.

Overall, the Strategic Review Special Committee (as defined below) (and its predecessor, the Independent Committee) met at least weekly from late December, 2017 to July 31, 2018, typically with Management and Trinidad's legal and financial advisors in attendance. During these meetings, the Strategic Review Special Committee reviewed the ongoing status of discussions and negotiations with multiple third parties on a variety of the potential Value Enhancement Initiatives described below. Similarly, the Trinidad Board met frequently with the Strategic Review Special Committee (often with Management and Trinidad's legal and financial advisors in attendance) during the same period to receive updates on the Strategic Review Process and provide guidance and direction on the overall process.

The results of these efforts are summarized in the following paragraphs.

Execution of the Strategic Review Process

In consultation with members of Management, TD Securities and Blakes, the Independent Committee undertook a comprehensive assessment of a broad range of possible Value Enhancement Initiatives. Value Enhancement Initiatives specifically addressed included:

- (a) *Initiatives to Generate Immediate Value Maximization*: change of control transactions, mergers with competitors and/or a sale of all or substantially all of Trinidad's assets, as well as a sale of Trinidad's divisions (Canada, U.S. and International);
- (b) *Initiatives to Dispose of Non-Core Assets and Re-Deploy the Proceeds of Sale*: identification of non-core, low Adjusted EBITDA generating or underutilized assets for sale to third parties with the proceeds of sale to be utilized to reduce bank debt, fund capital upgrade programs and/or be returned to Shareholders;
- (c) *Initiatives to Strengthen the Balance Sheet and Improve Return on Investment*: cost-cutting initiatives for both capital expenditures and general and administrative expenses and debt reduction;

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- (d) *Initiatives to Augment Business Strategy*: reconsideration of business strategy, increased focus on the deployment of technology, acquisitions of complementary businesses from third parties. As well as the adoption of more rigorous return targets to ensure improved capital discipline and formalized commitments for the generation of free cash flow to repay debt or buy back shares annually; and
- (e) *Initiatives to Supplement a “Stay Independent” Strategy*: Board renewal, the identification of changes to Management, considering a normal course issuer bid, a review of dividend policy, the realignment of executive compensation and an increased emphasis on Shareholder engagement and implementation of feedback.

The Trinidad Board was extensively engaged throughout this period, meeting frequently to receive updates from the Independent Committee, members of Management and Trinidad’s professional advisors, and to provide feedback and direction on the various Value Enhancement Initiatives being considered. In addition, representatives of the Board and Management engaged with certain Shareholders to identify their concerns and their priority Value Enhancement Initiatives.

Following this comprehensive assessment, at a meeting of the Trinidad Board held on February 19, 2018, TD Securities recommended that Trinidad pursue a publicly-announced strategic review process through which Trinidad would continue to evaluate Value Enhancement Initiatives, including a “stay-independent” alternative. During this time, Trinidad would continue as an ongoing entity, while it broadly solicited interest from third parties to participate in Value Enhancement Initiatives (the “**Strategic Review Process**”). In addition, the Independent Committee advised the Trinidad Board that after extensively considering the alternatives, and relying on the extensive analysis of Management and the advice of Trinidad’s professional advisors, the Independent Committee was recommending that the Trinidad Board approve the Strategic Review Process. After considering Management’s analysis of corporate opportunities, the advice of Trinidad’s professional advisors and the recommendation of the Independent Committee, the Trinidad Board authorized the Strategic Review Process to begin immediately. In recognition of the change in mandate associated with the Strategic Review Process, the Independent Committee was reconstituted, with the same members, from an Independent Committee to a special committee of independent directors (the “**Strategic Review Special Committee**”).

On February 20, 2018, Trinidad publicly announced the initiation of the Strategic Review Process.

Concurrent with the Strategic Review Process, Trinidad took further actions to improve Trinidad’s performance, including:

- (i) the sale of certain non-core assets, including three drilling rigs in the Middle East;
- (ii) increasing Shareholder engagement;
- (iii) undertaking a renewal of the Trinidad Board (as further described below);
- (iv) increasing its international drilling activity and contract base; and
- (v) relocating rigs to higher margin areas.

TD Securities, with the participation of the Trinidad Board and members of Management, developed a fulsome list of third parties to invite to participate in the Strategic Review Process, including competitors, private equity and other participants in the oil and gas industry, both in Canada and internationally. Ensign was invited to participate in the Strategic Review Process, but declined.

The Strategic Review Process had a particular focus on the potential purchase of some or all of the Common Shares or Trinidad’s assets. As part of this process, Trinidad established a comprehensive virtual data room to provide interested parties with access to information to assist them in further understanding the value of Trinidad. By mid-April, 2018, numerous third parties had executed confidentiality agreements with Trinidad, and received access to the virtual data room and presentations from members of Management. There were extensive

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discussions with these third parties regarding the potential Value Enhancement Initiatives with respect to transaction value and structure. Such third parties were subsequently invited to provide, on May 30, 2018, non-binding proposals outlining their interest in participating in a Value Enhancement Initiative with Trinidad. As a result, multiple non-binding proposals were received by Trinidad from interested parties.

The Strategic Review Special Committee, with the support of Trinidad’s legal and financial advisors and members of Management, diligently evaluated each non-binding proposal, with a focus on identifying how to best enhance Shareholder value. None of these non-binding proposals offered the potential for a transaction at a value that the Board, following receipt of advice from its financial advisors, could recommend as being in the best interests of Trinidad or its Shareholders when compared to the stay-independent alternative, with a focused and renewed strategy. However, following extensive consultation with its legal and financial advisors, Trinidad re-engaged with each of the interested parties that had provided a non-binding proposal to advise them as to the inadequacy of their proposals. At this time, Trinidad also took the opportunity to provide the interested parties with additional information respecting Trinidad to support their ability to offer additional value. On June 1, 2018, based on the advice of its legal and financial advisors, the Trinidad Board resolved to re-engage with the interested parties and request that they provide final non-binding proposals by June 18, 2018.

Following such re-engagement, TD Securities worked extensively with members of Management to provide this additional information to the interested parties, as well as providing responses to additional diligence questions from the interested parties. The requested final non-binding proposals were received by Trinidad from all of the interested parties by the required deadline. While Trinidad cannot provide details of these proposals due to confidentiality restrictions, each had an indicative value in excess of the \$1.68 contemplated by the Ensign Offer.

On June 30, 2018, both a Strategic Review Special Committee meeting and a Trinidad Board meeting were convened to discuss potential alternatives under the Strategic Review Process, including the analysis of their legal and financial advisors of the final non-binding proposals received from the interested parties. Of the many alternatives discussed, one included approaching one of the interested parties (the “**Preferred Party**”) to enter into a non-binding letter of intent (the “**Letter of Intent**”) under which exclusive negotiations respecting an acquisition of the Common Shares by the Preferred Party would be undertaken. Both TD Securities and Blakes provided advice to the Strategic Review Special Committee and the Trinidad Board as to certain of the terms that should be provided in any such Letter of Intent.

On July, 4, 2018, based on the advice of its legal and financial advisors and the recommendation of the Strategic Review Special Committee, the Trinidad Board directed TD Securities to initiate contact with the Preferred Party and commence negotiations on the key terms of the Letter of Intent. Following extensive negotiations and based, in part, on the recommendation of TD Securities, the advice of Blakes and the analysis of Management, on July 19, 2018, the Trinidad Board approved the Letter of Intent substantially on the terms provided to it. Trinidad and the Preferred Party reached final terms on the Letter of Intent and it was executed on July 20, 2018.

Immediately upon execution of the Letter of Intent, Trinidad and the Preferred Party and their respective advisors engaged in extensive discussions and negotiations on the outstanding transaction issues and a form of definitive acquisition agreement. In spite of the considerable efforts of both sides, the parties were unable to reach agreement on the final terms of a transaction. On July 25, 2018, the parties terminated the Letter of Intent.

Based partially on the advice of its financial advisors, the Trinidad Board determined that the form and value of the other non-binding proposals would not result in a transaction which would be in the best interests of Trinidad or the Shareholders.

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On July 31, 2018, after receiving the recommendation of the Strategic Review Special Committee following extensive analysis of alternatives by Management and, after receiving the advice of TD Securities, the Trinidad Board determined it was in the best interests of Trinidad to formally conclude the Strategic Review Process and determined the best alternative to improving Shareholder value was to pursue Trinidad’s revised five-year strategic plan, capitalizing on Trinidad’s operational excellence, strong customer base, geographic diversity and solid financial position. Trinidad’s decision was publicly announced on August 1, 2018.

The Ensign Offer

On August 11, 2018, Mr. Bob Geddes, President and Chief Operating Officer of Ensign, called Mr. Stickland to advise that Ensign currently owned just under 10% of the Common Shares and was prepared to make an all-cash offer for Common Shares. Mr. Geddes advised that a written offer would be forthcoming and would remain open for an unreasonably short 24 hour period, after which time, if not accepted, such offer would be made directly to the Shareholders. A letter outlining the offer was electronically delivered to Mr. Stickland later that afternoon.

On the morning of August 12, 2018, the Trinidad Board, along with TD Securities and Blakes, held a special meeting to discuss the offer submitted by Ensign to acquire the Common Shares at a price of \$1.68 per share. After thorough analysis of the terms of the offer and after receiving financial advice from its financial advisors, the Trinidad Board determined the offer was not in the best interests of Trinidad or its Shareholders.

In the afternoon of August 12, 2018, following the special meeting of the Trinidad Board, Mr. Stickland, on behalf of the Trinidad Board, submitted a written response to Mr. Geddes indicating that although the offer from Ensign was not acceptable to Trinidad on the current terms, the Trinidad Board was willing to provide Ensign with access to more information on the value of Trinidad, subject to the terms of a standard confidentiality agreement. Ensign was promptly provided with Trinidad’s standard form of confidentiality agreement, which was in substantially the same form executed by all of the parties which participated in the Strategic Review Process. Ensign contacted Mr. Stickland and TD Securities after receiving the confidentiality agreement and advised them that Ensign would not accept a standstill provision, which is part of Trinidad’s standard confidentiality agreement. TD Securities advised Ensign that Trinidad was willing to discuss the terms of the standstill provision. Mr. Geddes indicated that he had consulted with Ensign’s Chairman of the Board, Mr. Murray Edwards, on the standstill provision and Ensign subsequently declined this offer for further discussions.

On August 13, 2018, prior to market open, Ensign disseminated a news release (the “**Ensign News Release**”) indicating it intended to make an all-cash offer of \$1.68 for all of the issued and outstanding Common Shares of Trinidad.

Following the dissemination of the Ensign News Release, the Trinidad Board held a special meeting and determined it was in Trinidad’s best interest to re-constitute a special committee of independent directors (the “**Special Committee**”) consisting of Mr. Stickland (as chair), Mr. Brown and Mr. Halford. The Trinidad Board formally re-engaged TD Securities as independent financial advisor with a mandate to pursue strategic alternatives to the Ensign Offer, re-engaged D.F. King as its information agent and confirmed Longview’s mandate as communications advisor. During this special meeting, the Trinidad Board, along with TD Securities, Blakes, D.F. King and Longview, discussed the content of the Ensign News Release and Trinidad’s response. Trinidad subsequently issued a news release on August 13, 2018 recommending that Shareholders not take any action on the announcement of Ensign’s intention to make an offer until the Trinidad Board had an opportunity to consider and evaluate the Ensign Offer.

Since August 14, 2018, the Board and the Special Committee continue to meet regularly with their advisors and members of Management to: (i) receive ongoing updates on the market reaction to the Ensign Offer;

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(ii) further develop Trinidad’s response plan; and (iii) discuss and evaluate the implementation of Trinidad’s revised five-year strategy.

On August 17, 2018, the Trinidad Board met to consider the implications of Ensign’s intention to make an offer on Trinidad’s Shareholder Rights Plan and, upon the advice of Blakes, determined it was in Trinidad’s best interests to extend the Separation Time (as defined in the Shareholder Rights Plan) until the last business day before the Expiry Time (as such time is defined in the Ensign Circular). This was a technical requirement to ensure that the Shareholder Rights Plan was not triggered prematurely.

On August 30, 2018, the Ensign Offer was formally commenced.

Since August 14, 2018, Trinidad and TD Securities contacted a significant number of parties including competitors, private equity and other participants in the oil and gas industry, both in Canada and the internationally, who might be interested in a transaction with Trinidad that would provide enhanced value to Trinidad Shareholders in excess of the \$1.68 contemplated by the Ensign Offer, including several parties who participated in the Strategic Review Process. Trinidad has been engaged in ongoing discussions and entered into confidentiality agreements with multiple parties regarding a possible transaction with Trinidad, which discussions remain ongoing at the date of this Directors’ Circular. Many of these parties have a demonstrated history of completing acquisitions.

On an almost daily basis, members of Management have met with the Special Committee and/or the Trinidad Board to provide updates on the status of the business and investigate opportunities to maximize Shareholder value. The majority of these meetings have included the participation of TD Securities and Blakes. This has resulted in a highly robust process, pursuant to which several parties are conducting extensive due diligence and engaging with TD Securities on valuation and structuring matters in respect of possible transactions.

Additional Information Respecting the Trinidad Board

Subsequent to the re-election of its directors at Trinidad’s annual general meeting on May 8, 2018, the Trinidad Board underwent a process of renewal. On June 30, 2018, Mr. Michael E. Heier tendered his resignation as a director of Trinidad, and Mr. Stickland was subsequently elected as chair of the Trinidad Board. Effective August 15, 2018, Mr. John R. Blocker, Jr. was appointed to the Trinidad Board due in part to his extensive United States and international operational experience. This renewed and fully independent Trinidad Board has further embraced ongoing Shareholder engagement and continues to actively recruit potential candidates who have complementary skillsets.

RESPONSE TO THE ENSIGN OFFER AND RECENT DEVELOPMENTS

On September 12, 2018, the Special Committee met with its legal advisors and TD Securities to determine its formal response to the Ensign Offer. TD Securities provided the Special Committee with its financial analysis and advice in respect of the Ensign Offer and delivered its written opinion to the effect that, based upon and subject to the scope of review, assumptions and limitations and other matters described therein, as at such date, the consideration offered to Shareholders pursuant to the Ensign Offer is inadequate, from a financial point of view, to Shareholders. A copy of the TD Opinion is attached as Appendix “A” to this Directors’ Circular. Based upon such recommendation and the other factors outlined in the Directors’ Circular reviewed at that meeting, the Special Committee resolved to recommend to the Board that the Trinidad Board recommend that Shareholders reject the Ensign Offer.

A meeting of the Trinidad Board was then convened and the report and recommendation of the Special Committee was provided. At the meeting, Trinidad’s legal advisors reviewed the Board’s fiduciary duties in the context of the Ensign Offer. TD Securities reiterated its written opinion to the Trinidad Board that the

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consideration offered pursuant to the Ensign Offer is inadequate, from a financial point of view to Shareholders. Based on the recommendation of the Special Committee, the opinion of TD Securities and for a number of reasons more fully described under “*Analysis and Reasons for the Trinidad Board’s Conclusion and Recommendation to Reject the Ensign Offer*” in this Directors’ Circular, the Trinidad Board concluded the Ensign Offer significantly undervalues the Common Shares and is not in the best interests of Trinidad or the Shareholders. As such, the Trinidad Board unanimously resolved to recommend to the Shareholders that they reject the Ensign Offer, take no action and not tender their Common Shares thereto. The Board approved the sending of this Directors’ Circular and the issuance of a news release in respect of this Directors’ Circular and its recommendation to reject the Ensign Offer.

HOW TO WITHDRAW YOUR DEPOSITED COMMON SHARES

To reject the Ensign Offer, you should do nothing. Shareholders who have already tendered their Common Shares to the Ensign Offer can withdraw them at any time before their Common Shares have been taken up and paid for by Ensign pursuant to the Ensign Offer.

Shareholders who hold Common Shares through a brokerage firm should contact their broker to withdraw Common Shares on their behalf. If the Common Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Ensign Offer, “*Manner of Acceptance — Acceptance by Book-Entry Transfer*”, any notice of withdrawal must specify the name and number of the account at CDS Clearing and Depository Services Inc. (“**CDS**”) or the Depository Trust Company (“**DTC**”), as applicable, to be credited with the withdrawn Common Shares and otherwise comply with the procedures of CDS or DTC, as applicable.

For assistance in withdrawing your Common Shares, you should contact your broker or D.F. King, the Information Agent retained by Trinidad, at 1-866-521-4427 or 1-212-771-1133 outside of North America (collect calls accepted) or via email at inquiries@dfking.com.

ABOUT TRINIDAD DRILLING LTD.

General

Trinidad provides contract drilling and related services in the United States, Canada, the Middle East and Mexico. The business of Trinidad is conducted in three main areas:

1. **United States and International Operations:** Trinidad’s U.S. and International fleet consists of a total of 65 drilling rigs in the U.S. and one drilling rig in the UAE. Business is conducted through a wholly-owned subsidiary of Trinidad, Trinidad Drilling Limited Partnership.
2. **Canadian Operations:** Trinidad’s Canadian fleet consists of a total of 68 drilling rigs in Canada and business is conducted through Trinidad Drilling Ltd.
3. **Trinidad Drilling International (“TDI”):** Trinidad, through a wholly-owned subsidiary, has a joint venture agreement with a wholly-owned subsidiary of Halliburton Company to operate drilling rigs for international projects outside of Canada and the U.S. The joint venture conducts business through TDI, an entity organized under the laws of Luxembourg. Trinidad owns 60% of the shares of TDI and each of Trinidad and Halliburton Company have equal voting rights with respect to TDI’s operations. TDI currently has five rigs, with operations in Bahrain and Mexico, and is currently upgrading rigs that are contracted to begin working in Kuwait in 2019.

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Share Capital

Trinidad is authorized to issue an unlimited number of Common Shares, and an unlimited number of preferred shares, issuable in series. The holders of Common Shares are entitled to dividends if, as and when declared by the Trinidad Board thereon, to one vote per Common Share at any meeting of Shareholders and, upon liquidation, to receive all assets of Trinidad that are distributable to holders of such Common Shares. As at September 13, 2018 there were 273,457,951 Common Shares issued and outstanding and no preferred shares were outstanding.

The Common Shares of Trinidad trade on the TSX under the symbol “TDG”. On September 11, 2018, the closing price of the Common Shares on the TSX was \$1.74.

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OWNERSHIP OF SECURITIES OF TRINIDAD

The following table and the table under “Principal Holders of Common Shares of Trinidad” sets out the names and positions of each director and officer of Trinidad and the number and percentage of Common Shares, Options, DSUs, PSUs and RSUs beneficially owned, or over which control or direction is exercised by each such person and, where known after reasonable enquiry, by each associate or affiliate of any insider of Trinidad, each associate or affiliate of Trinidad, any insider of Trinidad other than a director or officer of Trinidad, and each person acting jointly or in concert with Trinidad as of September 13, 2018. See also “Principal Holders of Common Shares of Trinidad”.

Securities Beneficially Owned or Controlled

| Name | Number / % of Common Shares Beneficially Owned / Controlled ⁽¹⁾ | Number / % of Options ⁽²⁾ | Number / % of DSUs ⁽³⁾ | Number / % of PSUs ⁽⁴⁾ | Number / % of RSUs ⁽⁵⁾ | Total Common Shares and Equity Based Incentives ⁽¹²⁾ |
|---|--|--|---|---|---|---|
| Ken Stickland ⁽⁶⁾ Director, Chair of the Board | 3,000 (0.00)% | Nil | 217,131 (22.46)% | Nil | Nil | 220,131 |
| John Blocker, Jr. ⁽⁷⁾ Director | Nil | Nil | 18,518 (1.92)% | Nil | Nil | 18,518 |
| Jim Brown Director | 7,000 (0.00)% | Nil | 162,149 (16.77)% | Nil | Nil | 169,149 |
| Brian Burden Director | 37,500 (0.01)% | Nil | 135,945 (14.06)% | Nil | Nil | 173,445 |
| David Halford Director | 23,000 (0.01)% | Nil | 135,945 (14.06)% | Nil | Nil | 158,945 |
| Nancy Laird Director | Nil | Nil | 79,880 (8.26)% | Nil | Nil | 79,880 |
| Brent Conway ⁽⁸⁾ President and Chief Executive Officer | 351,118 (0.13)% | Nil | Nil | 1,294,863 (22.45)% | 190,621 (11.08)% | 1,836,602 |
| Lesley Bolster Chief Financial Officer | 60,751 (0.02)% | Nil | Nil | 664,789 (11.53)% | 90,681 (5.27)% | 816,221 |
| Adrian Lachance Chief Operating Officer | 660,298 (0.24)% | Nil | Nil | 807,463 (14.00)% | 119,622 (6.95)% | 1,587,383 |
| Stephen Abney Vice-President, Risk Management & Contracts | Nil | Nil | Nil | 65,721 (1.14)% | 28,165 (1.64)% | 93,886 |
| Scott W. N. Clarke Corporate Secretary | 3,190 (0.00)% | Nil | Nil | Nil | Nil | 3,190 |
| Steven Folk Vice-President, Capital Projects and Rig Technology | Nil | Nil | Nil | 129,401 (2.24)% | 38,890 (2.26)% | 168,291 |
| David Gibson Vice-President, U.S. Drilling | Nil | Nil | Nil | 201,065 (3.49)% | 41,880 (2.43)% | 242,945 |
| Jehad Hamdan Vice-President, Engineering & Design | 35,894 (0.01)% | Nil | Nil | 52,761 (0.91)% | 18,060 (1.05)% | 106,715 |
| Thomas Horton Vice-President, Business Development and Contracts | Nil | Nil | Nil | 161,357 (2.80)% | 69,152 (4.02)% | 230,509 |
| Laura Ingram ⁽⁹⁾ Vice-President, Finance | 3,366 (0.00)% | 2,400 (0.12)% | Nil | 58,561 (1.02)% | 16,415 (0.95)% | 80,742 |
| Phil Keyes Vice-President, Information Technology | 14,401 (0.01)% | Nil | Nil | 84,781 (1.47)% | 36,333 (2.11)% | 135,515 |
| Roger Kuzio Vice-President, Canadian Operations | 47,622 (0.02)% | Nil | Nil | 130,688 (2.27)% | 55,294 (3.21)% | 233,604 |
| Gavin Lane Senior Vice-President, Canadian Operations | 25,907 (0.01)% | Nil | Nil | 134,274 (2.33)% | 57,545 (3.34)% | 217,726 |
| Susan Okabe Treasurer | 18,189 (0.01)% | Nil | Nil | 63,964 (1.11)% | 16,872 (0.98)% | 99,025 |
| Lisa Ottmann Vice-President, Investor Relations | 16,998 (0.01)% | Nil | Nil | 108,101 (1.87)% | 46,328 (2.69)% | 171,427 |
| Ron Parent ⁽¹⁰⁾ Vice-President, HR, HSE & QMS | 41,121 (0.02)% | Nil | Nil | 140,044 (2.43)% | 31,498 (1.83)% | 212,663 |
| Nial Shepherd Senior Vice-President, U.S. Operations | Nil | Nil | Nil | 223,008 (3.87)% | 95,575 (5.56)% | 318,583 |
| Greg Ward ⁽¹¹⁾ President, RigMinder | 1,728,749 (0.63)% | Nil | Nil | 93,868 (1.63)% | 40,229 (2.34)% | 1,862,846 |

Notes:

- (1) As of September 13, 2018, there were 273,457,951 Common Shares outstanding.
- (2) As of September 13, 2018, there were 1,916,277 Options outstanding.
- (3) As of September 13, 2018, there were 966,699 DSUs outstanding.

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- (4) As of September 13, 2018, there were 5,766,843 PSUs outstanding.
- (5) As of September 13, 2018, there were 1,720,486 RSUs outstanding.
- (6) Includes 3,000 Common Shares beneficially owned, or over which control or direction is exercised, by an associate of Mr. Stickland.
- (7) Mr. Blocker was appointed to the Trinidad Board effective August 15, 2018.
- (8) Includes 26,159 Common Shares beneficially owned, or over which control or direction is exercised, by an associate of Mr. Conway.
- (9) Includes 200 Common Shares beneficially owned, or over which control or direction is exercised, by an associate of Ms. Ingram.
- (10) Includes 34,236 Common Shares beneficially owned, or over which control or direction is exercised, by an associate of Mr. Parent.
- (11) Mr. Ward indirectly owns his 1,728,749 Common Shares through a wholly-owned holding company, RigMinder, Inc.
- (12) The information as to securities beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of Trinidad, has been furnished by the respective directors and officers.

Members of Management and the Trinidad Board collectively purchased more than 400,000 Common Shares in open market transactions on August 10, 2018. The purchases reflect strong confidence in Trinidad's strategy. These purchases took place before Ensign notified Trinidad of its intention to make an offer, and after a lengthy internally-imposed trading blackout related to Trinidad's Strategic Review Process and Trinidad's second quarter 2018 financial disclosure.

During the 12 months prior to August 2018, many members of Management and the Trinidad Board desired to further increase their personal holdings of Common Shares. However, due to the ongoing and active efforts of Management to find compelling transactions and business development opportunities, these individuals were restricted under securities laws from trading in Common Shares, as Trinidad had extensive trading blackouts during this period.

INTENTION OF DIRECTORS, OFFICERS AND OTHER SHAREHOLDERS WITH RESPECT TO THE ENSIGN OFFER

To the knowledge of the directors and officers of Trinidad, after reasonable enquiry, as at September 13, 2018, each of the directors and officers of Trinidad and, if known after reasonable inquiry, each associate or affiliate of any insider of Trinidad, each associate or affiliate of Trinidad, any insider of Trinidad other than a director or officer of Trinidad and each person or company acting jointly or in concert with Trinidad have indicated their intention to reject the Ensign Offer and not tender any of their Common Shares to the Ensign Offer.

PRINCIPAL HOLDERS OF COMMON SHARES OF TRINIDAD

Other than as described in this Directors' Circular, to the knowledge of the directors and officers of Trinidad, after reasonable enquiry, as at September 13, 2018, no person owned, directly or indirectly, or exercised control or direction over 10% or more of any class of securities of Trinidad and no person acting jointly or in concert with Trinidad owned any securities of Trinidad.

TRADING IN SECURITIES OF TRINIDAD

During the six month period preceding the date hereof, none of Trinidad, the directors, officers or other insiders of Trinidad nor, to the knowledge of the directors and officers of Trinidad, after reasonable enquiry, any associate or affiliate of an insider of Trinidad, any associate or affiliate of Trinidad or any person or company acting jointly or in concert with Trinidad, has traded any Common Shares except as set forth below.

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| <u>Name</u> | <u>Date of Issue or Grant</u> | <u>Nature of Issuance</u> | <u>Number of Securities Purchased</u> | <u>Purchase Price per Trinidad Share (C\$)</u> | |
|--|---|--|--|--|--------|
| Brian Burden Board Member | August 10, 2018 | Market Purchase | 14,600 | 1.4991 | |
| | August 10, 2018 | Market Purchase | 20,400 | 1.4900 | |
| Brent Conway President and Chief Executive Officer | September 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 527 | 1.7811 | |
| | August 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 606 | 1.6500 | |
| | August 10, 2018 | Market Purchase | 2,700 | 1.4500 | |
| | August 10, 2018 | Market Purchase | 84,000 | 1.4800 | |
| | August 10, 2018 | Market Purchase | 13,300 | 1.5000 | |
| | July 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 1,028 | 1.8275 | |
| | June 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 1,036 | 1.8125 | |
| | May 10, 2018 | Compensation for Services ⁽²⁾ | 79,628 | 1.9200 | |
| | May 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 971 | 1.9330 | |
| | April 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 1,012 | 1.8650 | |
| Lesley Bolster Chief Financial Officer | March 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 1,042 | 1.8062 | |
| | September 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 96 | 1.7811 | |
| Adrian Lachance Chief Operating Officer | August 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 111 | 1.6500 | |
| | July 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 188 | 1.8275 | |
| | June 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 189 | 1.8125 | |
| | May 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 178 | 1.9330 | |
| | May 10, 2018 | Compensation for Services ⁽²⁾ | 53,569 | 1.9200 | |
| | April 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 185 | 1.8650 | |
| | March 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 190 | 1.8062 | |
| Phil Keyes Vice-President, Information Technology | August 10, 2018 | Market Purchase | 6,300 | 1.4600 | |
| | August 10, 2018 | Market Purchase | 22,400 | 1.4700 | |
| | August 10, 2018 | Market Purchase | 74,800 | 1.4800 | |
| | August 10, 2018 | Market Purchase | 34,700 | 1.5000 | |
| | August 10, 2018 | Market Purchase | 134,100 | 1.5100 | |
| | August 10, 2018 | Market Purchase | 11,800 | 1.5200 | |
| Roger Kuzio Vice-President, Canadian Operations | May 10, 2018 | Compensation for Services ⁽²⁾ | 62,310 | 1.9200 | |
| | September 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 111 | 1.7811 | |
| | August 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 241 | 1.6500 | |
| | July 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 217 | 1.8275 | |
| | June 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 219 | 1.8125 | |
| | May 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 205 | 1.9330 | |
| | April 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 214 | 1.8650 | |
| | March 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 220 | 1.8062 | |
| | Gavin Lane Senior Vice-President, Canadian Operations | September 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 561 | 1.7811 |
| | | August 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 1,217 | 1.6500 |
| July 2018 | | Scheduled RRSP Contribution ⁽¹⁾ | 1,095 | 1.8275 | |
| June 2018 | | Scheduled RRSP Contribution ⁽¹⁾ | 1,103 | 1.8125 | |
| May 2018 | | Scheduled RRSP Contribution ⁽¹⁾ | 1,035 | 1.9330 | |
| April 2018 | | Scheduled RRSP Contribution ⁽¹⁾ | 1,078 | 1.8650 | |
| March 2018 | | Scheduled RRSP Contribution ⁽¹⁾ | 1,110 | 1.8062 | |
| Susan Okabe Treasurer | September 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 304 | 1.7811 | |
| | August 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 659 | 1.6500 | |
| | July 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 593 | 1.8275 | |
| | June 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 598 | 1.8125 | |
| | May 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 550 | 1.9330 | |
| | April 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 561 | 1.8650 | |
| Lisa Ottmann Vice-President, Investor Relations | March 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 578 | 1.8062 | |
| | September 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 108 | 1.7811 | |
| | August 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 234 | 1.6500 | |
| | July 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 211 | 1.8275 | |
| | June 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 213 | 1.8125 | |
| | May 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 199 | 1.9330 | |
| | April 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 208 | 1.8650 | |
| | March 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 214 | 1.8062 | |
| | September 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 117 | 1.7811 | |
| | August 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 254 | 1.6500 | |
| Lisa Ottmann Vice-President, Investor Relations | July 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 228 | 1.8275 | |
| | June 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 230 | 1.8125 | |
| | May 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 216 | 1.9330 | |
| | April 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 225 | 1.8650 | |
| | March 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 231 | 1.8062 | |

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| Name | Date of Issue or Grant | Nature of Issuance | Number of Securities Purchased | Purchase Price per Trinidad Share (C\$) |
|---|------------------------|--|--------------------------------|---|
| Ron Parent Vice-President, HR, HSE & QMS | September 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 135 | 1.7811 |
| | August 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 291 | 1.6500 |
| | August 10, 2018 | Market Purchase | 1,633 | 1.4700 |
| | July 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 262 | 1.8275 |
| | June 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 264 | 1.8125 |
| | May 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 248 | 1.9330 |
| | April 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 258 | 1.8650 |
| | March 2018 | Scheduled RRSP Contribution ⁽¹⁾ | 394 | 1.8062 |

Notes:

- (1) Scheduled RRSP Contributions are automatic purchases of Trinidad Shares made with payroll deductions through a group RRSP administrator and are not subject to Trinidad's blackout policy. In this table, monthly contributions are combined and the purchase price represents the average purchase price for that month.
- (2) The Executive Officers requested to receive their 2017 bonuses in Common Shares (after taxes), instead of their cash entitlements. Such Common Shares were purchased on their behalf by Trinidad on the secondary market through the facilities of the TSX.

ISSUANCES OF SECURITIES OF TRINIDAD

No Common Shares or securities convertible into Common Shares have been issued to the directors, officers or any other insiders of Trinidad during the two years preceding the date of this Directors' Circular.

ARRANGEMENTS BETWEEN THE OFFEROR AND THE DIRECTORS, OFFICERS AND SHAREHOLDERS OF TRINIDAD

There are no agreements, commitments or understandings made or, to the knowledge of the directors and officers of Trinidad, proposed to be made between the Offeror or Ensign and any of the directors and officers of Trinidad, including any agreement, commitment or understanding including pursuant to which a payment or other benefit is proposed to be made or given by way of compensation for loss of office or as to any such person remaining in or retiring from office if the Ensign Offer is successful. No director or officer of Trinidad is a director or officer of the Offeror or Ensign or of any other subsidiary of Ensign.

To the knowledge of the directors and officers of Trinidad, there are no agreements, commitments or understandings made or proposed to be made between the Offeror or Ensign and any Shareholder relating to the Ensign Offer.

ARRANGEMENTS BETWEEN TRINIDAD AND ITS DIRECTORS AND OFFICERS

Other than as described in this Directors' Circular, no agreement, commitment or understanding has been made, or is proposed to be made, between Trinidad and any of its directors or officers, including pursuant to which a payment or other benefit is to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Ensign Offer is successful.

Employment Agreements

Trinidad has entered into executive employment agreements ("**Employment Agreements**") with Executive Management. Each Employment Agreement remains in effect for an indefinite period, unless terminated earlier by either Trinidad or the Executive Officer in accordance with the provisions of the respective Employment Agreement. The Employment Agreements with Executive Management contain "double-trigger" change of control provisions, meaning the entitlements set forth below are triggered only in the event of both a "change of control" of Trinidad and the departure of the Executive Officer for "good reason" or termination without cause, as further described below.

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In the case of the President and Chief Executive Officer, his Employment Agreement provides that if, within 90 days prior to or after the effective date of a “change of control” (as defined in the Employment Agreement and which, for greater certainty includes a “take-over bid”, such as the Ensign Offer), the Executive Officer is terminated without cause or departs for “good reason”, he shall receive a severance payment equal to:

- (a) the greater of either two times his annual base salary in effect at the date of his termination or two times his annual base salary in effect at January 1, 2018;
- (b) the greater of either two times his target annual incentive bonus based on his annual base salary in effect at the date of his termination or two times his annual incentive bonus in effect at January 1, 2018; and
- (c) the greater of either eight percent of his annual base salary in effect at the date of his termination or eight percent of his annual base salary in effect at January 1, 2018 to cover the cost of retirement savings and employee benefits.

Each of the other Executive Officer’s Employment Agreements provide that if he or she is terminated by Trinidad without cause or resigns from his or her employment for “good reason” in the 90-day period before or after the effective date of a “change of control” (as defined in the Employment Agreement and which, for greater certainty includes a “take-over bid”, such as the Ensign Offer), he or she shall receive a severance payment equal to:

- (a) the greater of either 1.5 times his or her annual base salary in effect at the date of his or her termination or 1.5 times his or her annual base salary in effect at January 1, 2018;
- (b) the greater of either 1.5 times his or her target annual incentive bonus based on his or her annual base salary in effect at the date of termination or 1.5 times his or her annual incentive bonus based on his or her annual base salary in effect at January 1, 2018; and
- (c) the greater of either eight percent of his or her annual base salary in effect at the date of his termination or eight percent of his or her annual base salary in effect at January 1, 2018 to cover the cost of retirement savings and employee benefits.

Under the Employment Agreements, the following circumstances may constitute “good reason”: (i) the assignment of any duties or responsibilities to the Executive Officer that are inconsistent with the status of an executive officer of Trinidad or a material alteration in the nature or status of his or her duties or responsibilities or reporting relationship from those in effect immediately prior to the change of control; (ii) a reduction in the Executive Officer’s base annual salary in effect as at the effective date of a change of control; (iii) the relocation of the Executive Officer as at the effective date of a change of control; (iv) the failure by Trinidad (or its successor) to continue to provide comparable incentive compensation plans to the executive officer following a change of control; (v) the failure by the Trinidad (or its successor) to provide comparable benefits and perquisites to the Executive Officer following a change of control; or (vi) the failure by Trinidad (or its successor) to obtain a satisfactory agreement from a successor company following a change of control to assume the terms of the Employment Agreement.

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The following table summarizes the estimated incremental amounts to which each Executive Officer could be entitled to following a change of control of Trinidad (which includes the Ensign Offer, if successful):

| <u>Name</u> | <u>Salary⁽¹⁾</u> <u>(\$)</u> | <u>Annual Incentive⁽²⁾</u> <u>(\$)</u> | <u>PSU and RSU Plan Payments⁽³⁾</u> <u>(\$)</u> | <u>Benefits and Perquisites⁽⁴⁾</u> <u>(\$)</u> | <u>Total</u> <u>(\$)⁽⁵⁾</u> |
|---|--|--|---|--|---|
| Brent Conway President and Chief Executive Officer | 1,060,000 | 1,060,000 | 2,644,162 | 42,400 | 4,806,562 |
| Lesley Bolster Chief Financial Officer | 522,000 | 522,000 | 1,344,737 | 27,840 | 2,416,577 |
| Adrian LaChance Chief Operating Officer | 600,000 | 600,000 | 1,650,211 | 32,000 | 2,882,211 |

Notes:

- (1) Executive Officer’s base annual salary multiplied by two in the case of Brent Conway and 1.5 for Lesley Bolster and Adrian LaChance, pursuant to the terms of the Employment Agreements.
- (2) Executive Officer’s 2018 target annual incentive bonus multiplied by two in the case of Brent Conway and 1.5 for Lesley Bolster and Adrian LaChance, pursuant to the terms of the Employment Agreements.
- (3) The total value of PSUs and RSUs that are estimated to vest as a result of a change of control based on, for reference purposes, the \$1.78 closing price of the Common Shares on the TSX on August 30, 2018 (the date of filing of the Ensign Circular). See “*Arrangements between Trinidad and its Directors and Officers — Trinidad’s Long Term Incentive Plans*” for details in respect of the change of control provisions for the Options, PSUs and RSUs.
- (4) Represents 8% of base annual salary pursuant to the terms of the Employment Agreements.
- (5) Represents the estimated total of Trinidad’s potential obligations to the Executive Officers.

Severance Agreements

On April 1, 2018, Trinidad implemented a severance plan (the “**Severance Plan**”) which provides certain employees and officers other than Executive Management (each an “**Eligible Employee**”) with severance protection and certainty surrounding severance payment calculations in the event of a change of control of Trinidad. The Severance Plan was implemented during the Strategic Review Process for retention purposes and to formalize Trinidad’s past practice with respect to severance payments.

Under the terms of the Severance Plan, each officer that is not a member of Executive Management and substantially all other employees have entered into severance agreements (each a “**Severance Agreement**”) with Trinidad. Each Severance Agreement contains “double-trigger” change of control provisions, which provide that if the Eligible Employee is terminated from his or her employment without just cause or resigns from his or her employment for “good reason” (as such term is defined in the Severance Plan (and described below)) within the 12-month period following a change of control (the “**Change of Control Period**”), that Eligible Employee shall receive a lump-sum payment based on Trinidad’s severance practices and taking into account his or her country of employment, position with Trinidad and years of service with Trinidad (a “**Severance Payment**”).

In the context of the Severance Plan, the following circumstances may constitute “good reason”: (i) a material alteration in the nature or status of the Eligible Employee’s responsibilities or duties or reporting relationships from those in effect immediately prior to the change of control; (ii) a material reduction in the Eligible Employee’s base salary in effect as at the effective date of the change of control; (iii) the relocation of the Eligible Employee’s primary work location by more than 75 kilometres; (iv) the failure by Trinidad to continue to provide comparable benefits to the Eligible Employee following the change of control; (v) subject to applicable eligibility requirements, the failure of Trinidad to continue to provide the Eligible Employee with

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comparable incentive compensation opportunities following the change of control; or (vi) any other event that would constitute “good reason” or other analogous term under applicable law.

The Severance Agreements shall terminate automatically upon the later of the end of the Change of Control Period and October 1, 2019, provided that each Severance Agreement may be extended by Trinidad and the applicable Eligible Employee. In exchange for the specified payments in the above scenarios, the Eligible Employee is required to execute a full and final release in favour of Trinidad.

Upon a change of control, the estimated aggregate payment owing to officers that are Eligible Employees pursuant to their Severance Agreements is \$4,409,220.

Trinidad’s Long Term Incentive Plans

The following is a summary only of the treatment of Options, PSUs, RSUs, DSUs and SARs on a change of control pursuant to the provisions of each of the Incentive Option Plan, PSU Plan, RSU Plan, DSU Plan and SAR Plan or the applicable agreements in respect thereof and is qualified entirely by the text of each of such plan. For a more comprehensive description of the terms of the Incentive Option Plan, PSU Plan, RSU Plan and DSU Plan, please refer to Trinidad’s information circular dated March 29, 2018.

Options

Options are granted to eligible employees pursuant to the Incentive Option Plan. Certain officers of Trinidad currently hold an aggregate of 2,400 Options. The directors do not hold any Options.

The Incentive Option Plan contains standard adjustment and anti-dilution provisions in the event of a merger, amalgamation, arrangement, sale of substantially all of the assets of Trinidad, or a subdivision, consolidation or reclassification of the Common Shares. The Incentive Option Plan provides for the acceleration of the vesting period for Options granted if a take-over bid, which is not exempt from the take-over bid requirements of the *Securities Act* (Alberta), is made for the Common Shares (such as the Ensign Offer).

PSUs and RSUs

PSUs and RSUs are granted to eligible employees pursuant to the PSU Plan and RSU Plan, respectively. Certain officers of Trinidad currently hold an aggregate of 4,414,709 PSUs and 993,160 RSUs. The directors do not hold any PSUs or RSUs.

For the purposes of the PSU and RSU Plans, a change in control means: (i) Trinidad merges into or amalgamates (pursuant to a statutory amalgamation, statutory plan of arrangement or otherwise) with any other entity, and, as a result, any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity, or any persons acting jointly or in concert with the foregoing, is or becomes the beneficial owner, directly or indirectly, of securities of Trinidad representing more than 50.1% of the combined voting power of Trinidad’s then outstanding securities entitled to vote in the election of the directors of Trinidad; (ii) Trinidad sells all or substantially all of its assets and undertakings to an entity which is not an affiliate of Trinidad; or (iii) a take-over bid (as defined in the *Securities Act* (Alberta)) which is not exempt from the take-over bid requirements of the *Securities Act* (Alberta) is made for the Common Shares and, as a result, any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity, or any persons acting jointly or in concert with the foregoing, is or becomes the beneficial owner, directly or indirectly, of securities of Trinidad representing more than 50.1% of the combined voting power of Trinidad’s then outstanding securities entitled to vote in the election of the directors of Trinidad (collectively, a “**PSU and RSU Change in Control**”).

Following a PSU and RSU Change in Control and notwithstanding any other provision of the PSU and RSU Plans, all PSUs and RSUs granted to an officer prior to 2019 which have not yet vested on or before the

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date of the PSU and RSU Change in Control event shall immediately vest on the date of the PSU and RSU Change in Control event and become “**Vested PSUs and RSUs**” and the officer shall receive a payout in respect of each Vested PSU and RSU as soon as practicable after the date of the PSU and RSU Change in Control event and in any event prior to the expiry date of the Vested PSUs and RSUs. Any Vested PSUs and RSUs credited to the officer’s account as of the date of the PSU and RSU Change in Control event (which do not include any PSUs and RSUs that vest as a result of the PSU and RSU Change in Control event) will remain payable in accordance with the terms of the PSU and RSU Plans and the officer shall receive a payout in respect of each such Vested PSU and RSU as soon as practicable following the regular payment date of such PSUs and RSUs and in any event prior to the expiry date of such PSUs and RSUs.

DSUs

Pursuant to the DSU Plan, directors who are not Trinidad employees (non-employee directors) receive an annual grant of DSUs as part of their total compensation. DSUs are notional shares that represent rights to deferred cash compensation based on the fair market value of the Common Shares. Currently, the directors of Trinidad (all of whom are non-employee directors) hold an aggregate of 749,568 DSUs.

Under the terms of the DSU Plan, DSUs awarded vest upon grant and are not subject to satisfaction of any requirements as to any minimum membership period on the Board. Directors are credited with dividend equivalents in respect of all DSUs in their account as of the record date for payment of dividends, if any. Such dividend equivalents are converted to additional DSUs based on the volume weighted average share price of a Common Share for the five trading days prior to the record date for the payment of dividends.

DSUs will be paid in cash on the date which is six months after the director ceases to hold office as a director or on up to two separate dates selected by the director prior to December 15th of the year following the cessation of directorship. The cash payment is calculated by multiplying the number of DSUs by the volume weighted average share price of a Common Share for the five trading days prior to the date of payment.

The DSU Plan may be amended or terminated at any time by the Board. No amendment or termination of the DSU Plan shall be made without the consent of the directors affected by the amendment, unless required by applicable law, if it adversely affects the rights accrued to such directors with respect to DSUs granted prior to the date of the amendment or termination. Upon termination of the DSU Plan, prior grants of DSUs shall be paid in due course in accordance with the terms of the DSU Plan. The DSU Plan will finally cease to operate for all purposes when the last remaining director receives payment of all DSUs recorded in such non-employee director’s account.

In no event may the rights or interests of a director under the DSU Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary upon the death of a director pursuant to the terms of the DSU Plan. For further clarification, DSUs are non-transferable.

SARs

The outstanding SARs have been granted to U.S. residents pursuant to the SAR Plan. SARs entitle the holders thereof to receive a cash payment based on the amount of the increase of the closing trading price of the Common Shares from the grant date to the exercise date of the SARs. Certain U.S. non-officer employees of Trinidad currently hold an aggregate of 1,859,774 SARs.

In the event that the employment of a holder of SARs is terminated without cause or resigns for “good reason” within 90 days of a “change in control” (as defined in the SAR Plan), all SARs granted to such holder shall be deemed to have vested on the date of notice of termination of employment and such holder shall be entitled to receive a cash payment within ten days of the exercise date (which period may be accelerated at the discretion of the Trinidad Board upon the occurrence of a change of control). For the purposes of the foregoing,

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any performance conditions attached to such SARs will be deemed to have been met at the levels required to vest 100% of unvested SARs.

The SAR Plan and the terms of any granted and outstanding SARs may be amended or terminated at any time by the Board, provided that no such amendment or termination materially and adversely affect the rights of any holder of SARs without their consent.

The SARs are non-transferable and, in no event, may SARs be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by holder, except to the extent that certain rights may pass to a beneficiary upon the death of a holder pursuant to the terms of the SAR Plan.

OWNERSHIP OF SECURITIES OF THE OFFEROR

None of Trinidad or the directors or officers of Trinidad or, to their knowledge after reasonable enquiry, any associate or affiliate of an insider of Trinidad, any affiliate or associate of Trinidad, any insider of Trinidad who is not a director or officer of Trinidad or any person acting jointly or in concert with Trinidad, beneficially owns, or exercises control or direction over, any securities of the Offeror or Ensign, other than an associate of a director of Trinidad, who, as of the date of this Directors' Circular, beneficially owns, or exercises control or direction, over 1,521 common shares of Ensign in a discretionary managed account, representing less than 1% of the common shares of Ensign.

INTEREST OF DIRECTORS AND OFFICERS IN MATERIAL TRANSACTIONS WITH THE OFFEROR

None of the directors or officers of Trinidad or their associates and, to the knowledge of the directors and officers of Trinidad, after reasonable enquiry, no person who owns more than 10% of any class of equity securities of Trinidad outstanding as of the date of this Directors' Circular has any interest in any material transaction to which the Offeror or Ensign is a party.

MATERIAL CHANGES IN THE AFFAIRS OF TRINIDAD

Except as publicly disclosed, the directors and officers of Trinidad are not aware of any information that indicates any material change in the affairs of Trinidad since the date of its last published financial statements, being its unaudited financial statements for the quarter ended June 30, 2018.

OTHER MATERIAL INFORMATION

Except as noted below or as otherwise described or referred to in this Directors' Circular, or otherwise publicly disclosed, no other information is known to the directors or officers of Trinidad that would reasonably be expected to affect the decision of the Shareholders to accept or reject the Ensign Offer.

OTHER PERSONS RETAINED IN CONNECTION WITH THE ENSIGN OFFER

In addition to the external legal advisors and TD Securities, Trinidad has retained the persons described below in connection with the Ensign Offer.

Trinidad has retained D.F. King as its Information Agent in connection with the Ensign Offer and certain related matters. D.F. King will receive reasonable and customary compensation for its services and reimbursement for its reasonable out-of-pocket expenses. Trinidad has agreed to indemnify D.F. King against certain liabilities arising out of or in connection with the engagement.

Trinidad has also retained Longview Communications Inc. to provide communications consulting services, including in connection with the Ensign Offer and certain related matters. Longview Communications Inc. will receive reasonable and customary compensation for its services and reimbursement for its reasonable

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out-of-pocket expenses. Trinidad has agreed to indemnify Longview Communications Inc. against certain liabilities arising out of or in connection with the engagement.

Except as set forth above, neither Trinidad nor any person acting on its behalf has employed, retained or agreed to compensate any person making solicitations or recommendations to Shareholders in connection with the Ensign Offer.

STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides security holders of Trinidad with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

APPROVAL OF DIRECTORS' CIRCULAR

The content of this Directors' Circular has been approved and the delivery thereof has been authorized by the Trinidad Board.

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CONSENT OF TD SECURITIES INC.

Dated: September 13, 2018

To the Board of Directors of Trinidad Drilling Ltd.

We refer to our opinion dated September 12, 2018, which we prepared for the Board of Directors of Trinidad Drilling Ltd. (“Trinidad”) in connection with the offer made by Ensign Energy Services Inc. for all of the issued and outstanding common shares of Trinidad (the “Opinion”). We consent to the filing of the Opinion with the applicable Canadian Securities Administrators and the inclusion of the Opinion and a summary thereof in the Directors’ Circular of Trinidad dated September 13, 2018. The Opinion was given as at September 12, 2018 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the directors of Trinidad shall be entitled to rely upon the Opinion.

TD SECURITIES INC.

TD Securities Inc.

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CERTIFICATE OF TRINIDAD

Dated: September 13, 2018

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

On behalf of the Board of Directors



Ken Stickland
Director, Chair of Board



Jim Brown
Director, Chair of Audit Committee

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APPENDIX "A"
OPINION OF TD SECURITIES INC.



TD Securities
TD Securities Inc.
66 Wellington Street West
TD Bank Tower, 9th Floor
Toronto, Ontario M5K 1A2

September 12, 2018

The Board of Directors
Trinidad Drilling Ltd.
400, 250 2nd Street SW
Calgary, Alberta
T2P 0C1

To the Board of Directors:

TD Securities Inc. (“TD Securities”) understands that Ensign Holdings Inc. (the “Offeror”), a wholly-owned subsidiary of Ensign Energy Services Inc. (“Ensign”), has made an offer (the “Ensign Offer”) to acquire, at a price of \$1.68 in cash per share (the “Consideration”), all of the issued and outstanding common shares (the “Shares”) of Trinidad Drilling Ltd. (“Trinidad” or the “Company”), together with the associated rights (the “SRP Rights”) issued under the shareholder rights plan of Trinidad, including any Shares that may become issued and outstanding after the date of the Ensign Offer but prior to the expiry time of the Ensign Offer upon the exercise of outstanding options to acquire Shares or upon any other exercise, exchange or conversion of securities of Trinidad into Shares (other than pursuant to the SRP Rights). The terms and conditions of the Ensign Offer are more fully described in the Offeror’s offer to purchase and take-over bid circular dated August 30, 2018 (the “Take-over Bid Circular”), which has been mailed to holders of Shares (“Trinidad Shareholders”) in connection with the Ensign Offer.

ENGAGEMENT OF TD SECURITIES

TD Securities was initially contacted by Trinidad regarding a potential advisory assignment for a strategic review process (the “Strategic Review”) in December 2017. TD Securities was initially formally engaged as a financial advisor by Trinidad in connection with the Strategic Review pursuant to an engagement agreement dated December 29, 2017. This initial engagement was terminated by Trinidad on July 31, 2018, concurrent with a termination of the Strategic Review. Following receipt of the Ensign Offer, TD Securities was formally re-engaged by Trinidad pursuant to a new engagement agreement dated August 13, 2018 (the “Engagement Agreement”) to provide financial advice and assistance to Trinidad in connection with the Ensign Offer and, if requested, to prepare and deliver to the Board of Directors of Trinidad (the “Board of Directors”) an opinion (this “Opinion”) as to the fairness or inadequacy, from a financial point of view, of the Consideration offered to the Trinidad Shareholders pursuant to the Ensign Offer. TD Securities has not prepared a valuation of Trinidad or any of its securities or assets and this Opinion should not be construed as such.

The terms of the Engagement Agreement provide that TD Securities will receive a fee for its services, a portion of which is payable on delivery of this Opinion and a portion of which is contingent on completion of a change of control of Trinidad or certain other events, and is to be reimbursed for its reasonable out-of-pocket expenses. Furthermore, Trinidad has agreed to indemnify TD Securities, in certain circumstances, against certain expenses, losses, claims, actions, suits, proceedings, investigations, damages and liabilities which may arise directly or indirectly from services performed by TD Securities in connection with the Engagement Agreement.

On September 12, 2018, at the request of the Board of Directors, TD Securities delivered this Opinion to the Board of Directors based upon and subject to the scope of review, assumptions and limitations and other matters described herein. Subject to the terms of the Engagement Agreement, TD Securities consents to the inclusion of this Opinion, in its entirety, in the directors’ circular of Trinidad prepared in connection with the Ensign Offer (the “Directors’ Circular”), with a summary thereof, in a form acceptable to TD Securities, and to the filing thereof by Trinidad with the applicable Canadian securities regulatory authorities.

CREDENTIALS OF TD SECURITIES

TD Securities is one of Canada's largest investment banking firms, with operations in a broad range of investment banking activities including corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. TD Securities also has significant international operations. TD Securities has been a financial advisor in a large number of transactions involving public and private companies in various industry sectors and has extensive experience in preparing valuations and fairness opinions.

This Opinion represents the opinion of TD Securities and its form and content have been approved by a committee of senior investment banking professionals of TD Securities, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness and adequacy opinion matters.

RELATIONSHIP WITH INTERESTED PARTIES

Neither TD Securities nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) (the "Securities Act")) of Trinidad or the Offeror or any of their respective associates or affiliates (collectively, the "Interested Parties"). Neither TD Securities nor any of its affiliates is an advisor to any of the Interested Parties with respect to the Ensign Offer other than to Trinidad pursuant to the Engagement Agreement.

TD Securities and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of Trinidad, Ensign or any other Interested Party, and have not had a material financial interest in any transaction involving Trinidad, Ensign or any other Interested Party during the 24 months preceding the date on which TD Securities was first contacted in respect of this Opinion, other than services provided under the Engagement Agreement and as described herein. The Toronto-Dominion Bank ("TD Bank"), the parent company of TD Securities, directly or through an affiliate provides banking services to entities related to Trinidad and Ensign in the normal course of business, and may in the future provide banking services and credit facilities to Trinidad, Ensign or any other Interested Party.

TD Securities acted as Joint Lead Manager for Trinidad's \$350 million notes offering completed in January 2017. TD Securities participated as a Syndicate Member in Trinidad's \$149 million bought deal equity offering completed in February 2017. TD Securities is a Participant Canadian Lender for Trinidad's \$100 million Canadian revolving facility and a Participant U.S. Lender for Trinidad's U.S.\$100 million U.S. revolving facility. TD Securities is a member of the lending syndicate for Ensign's \$500 million three year senior credit facility that was entered into in December 2016. This facility is in the process of being increased in size to \$600 million and TD has committed to participate as a syndicate member in the increased facility.

TD Securities and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, TD Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Ensign Offer, Trinidad, or any other Interested Party.

The fees payable to TD Securities in connection with the Engagement Agreement and this Opinion are not financially material to TD Securities. No understandings or agreements exist between TD Securities and Trinidad, the Offeror or any other Interested Party with respect to future financial advisory or investment banking business. Subject to the terms of the Engagement Agreement, TD Securities may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Trinidad or any other Interested Party.

SCOPE OF REVIEW

In connection with this Opinion, TD Securities reviewed and relied upon (without attempting to verify independently the completeness, accuracy or fair presentation of) or carried out, among other things, the following:

1. The Take-over Bid Circular;
2. A draft of the Directors' Circular to be dated September 13, 2018;
3. Audited annual financial statements of Trinidad and management's discussion and analysis related thereto for the years ended December 31, 2017, 2016 and 2015;
4. Unaudited interim financial statements of Trinidad and management's discussion and analysis related thereto for the three month periods ended June 30, 2018 and March 31, 2018;
5. Annual information forms of the Company for the three years ended December 31, 2017, 2016 and 2015;
6. Notices of annual meetings and management information circulars of the Company for each of the three years ended December 31, 2017, 2016 and 2015;
7. Unaudited projected financial information for Trinidad for the years ending December 31, 2018 through December 31, 2022 prepared by management of the Company;
8. Presentation materials provided to TD Securities regarding Trinidad's assets;
9. Budgets, forecasts, projections and estimates provided for Trinidad by or on behalf of management of Trinidad;
10. Various research publications prepared by equity research analysts regarding Trinidad and other selected public companies considered relevant;
11. Public information relating to the business, operations, financial performance and stock trading history of Trinidad and other selected public companies considered relevant;
12. Public information with respect to certain other transactions of a comparable nature considered relevant;
13. Discussions with certain parties concerning their potential interest in a transaction involving Trinidad;
14. Discussions with senior management of Trinidad with respect to the information referred to above and other issues considered relevant;
15. Representations contained in a certificate dated as of the date hereof from senior officers of Trinidad (the "Certificate");
16. Discussions with the members of the Board of Directors;
17. Discussions with representatives of Blake, Cassels & Graydon LLP, legal counsel to Trinidad; and
18. Such other corporate, industry, and financial market information, investigations and analyses as TD Securities considered necessary or appropriate in the circumstances.

TD Securities has not, to the best of its knowledge, been denied access by Trinidad to any information requested by TD Securities. TD Securities did not meet with the auditors of Trinidad and has assumed the accuracy, completeness and fair presentation of, and has relied upon, without independent verification, the financial statements of Trinidad and any reports of the auditors thereon.

PRIOR VALUATIONS

Senior officers of Trinidad, on behalf of Trinidad, have represented to TD Securities in the Certificate that, among other things, to the best of their knowledge, information and belief after due inquiry, there have been no valuations or appraisals relating to Trinidad or any affiliate or any of their respective material assets or liabilities

made in the preceding 24 months and in the possession or control of Trinidad or, in the case of valuations known to Trinidad which it does not have within its possession or control, notice of which has not been given to TD Securities.

ASSUMPTIONS AND LIMITATIONS

With Trinidad's acknowledgement and agreement as provided for in the Engagement Agreement, TD Securities has relied upon the accuracy, completeness and fair presentation of all financial and other information filed by Trinidad with securities regulatory or similar authorities (including on the System for Electronic Document Analysis and Retrieval ("SEDAR")), provided to it by or on behalf of Trinidad or its representatives in respect of Trinidad or its subsidiaries, or otherwise obtained by TD Securities, including the Certificate identified above (collectively, the "Information"). This Opinion is conditional upon such accuracy, completeness and fair presentation of the Information. Subject to the exercise of professional judgment, and except as expressly described herein, TD Securities has not attempted to verify independently the accuracy, completeness or fair presentation of any of the Information.

With respect to the budgets, forecasts, projections or estimates provided to TD Securities and used in its analyses, TD Securities notes that projecting future results is inherently subject to uncertainty. TD Securities has assumed, however, that such budgets, forecasts, projections and estimates were prepared using assumptions which TD Securities has been advised by Trinidad are (or were at the time of preparation and continue to be as of the date hereof) reasonable in the circumstances. TD Securities expresses no independent view as to the reasonableness of such budgets, forecasts, projections and estimates or the assumptions on which they are based.

Senior officers of Trinidad, on behalf of Trinidad, have represented to TD Securities in the Certificate, to the best of their knowledge, information and belief after due inquiry: (i) that Trinidad has no information or knowledge of any facts public or otherwise not specifically provided to TD Securities relating to Trinidad which would reasonably be expected to materially affect this Opinion to be given by TD Securities; (ii) with the exception of forecasts, projections or estimates referred to in subparagraph (iv) below, the information, data and other material as filed under Trinidad's profile on SEDAR and/or provided to TD Securities by or on behalf of Trinidad or its representatives in respect of Trinidad and its affiliates or in connection with the Ensign Offer (collectively, the "Trinidad Information") is or, in the case of historical Trinidad Information was, at the date of preparation, true, complete and accurate, in all material respects, and did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the Trinidad Information not misleading in the light of circumstances in which it was presented; (iii) to the extent that any of the Trinidad Information identified in subparagraph (ii) above is historical, there have been no changes in any material facts or new material facts since the respective dates thereof which have not been disclosed to TD Securities or updated by more current information not provided to TD Securities by Trinidad and there has been no material change, financial or otherwise in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Trinidad and no material change has occurred in the Trinidad Information or any part thereof which would have or which would reasonably be expected to have a material effect on this Opinion; (iv) any portions of the Trinidad Information provided to TD Securities (or filed on SEDAR) which constitute forecasts, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of Trinidad, are (or were at the time of preparation and continue to be) reasonable in the circumstances; (v) there have been no valuations or appraisals relating to Trinidad or any affiliate or any of their respective material assets or liabilities made in the preceding 24 months and in the possession or control of Trinidad other than those which have been provided to TD Securities or, in the case of valuations known to Trinidad which it does not have within its possession or control, notice of which has not been given to TD Securities; (vi) there have been no verbal or written offers or serious negotiations for or transactions involving any material property of Trinidad or any of its affiliates during the preceding 24 months which have not been disclosed to TD Securities; (vii) since the dates on which the Trinidad Information was provided to TD Securities (or filed on SEDAR), no material transaction has been entered into by Trinidad or any of its affiliates which has not been disclosed to TD Securities; (viii) other than as disclosed in the Trinidad Information, neither Trinidad nor any of its affiliates has any material contingent liabilities and there are no actions, suits, claims, proceedings, investigations or inquiries pending or threatened against or affecting the Ensign Offer, Trinidad or any of its affiliates at law or in equity or before or by any federal, national, provincial,

state, municipal or other governmental department, commission, bureau, board, agency or instrumentality which may, in any way, materially adversely affect Trinidad or its affiliates or the Ensign Offer; (ix) all financial material, documentation and other data concerning the Ensign Offer, Trinidad and its affiliates, including any projections or forecasts provided to TD Securities, were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of Trinidad; (x) there are no agreements, undertakings, commitments or understanding (whether written or oral, formal or informal) relating to the Ensign Offer, except as have been disclosed in complete detail to TD Securities; (xi) the contents of any and all documents prepared by Trinidad in connection with the Ensign Offer for filing with regulatory authorities or delivery or communication to securityholders of Trinidad (collectively, the “Disclosure Documents”) have been, are and will be true, complete and correct in all material respects and have not and will not contain any misrepresentation (as defined in the Securities Act (Ontario)) and the Disclosure Documents have, in all material respects, complied, comply and will comply with all requirements under applicable laws; (xii) Trinidad has complied in all material respects with the Engagement Letter, including the terms and conditions of the Indemnity attached thereto; and (xiii) to the best of each officer’s knowledge, information and belief after due inquiry, there is no plan or proposal for any material change (as defined in the Securities Act (Ontario)) in the affairs of Trinidad which have not been disclosed to TD Securities.

In preparing this Opinion, TD Securities has made several assumptions, including that the final version of the Directors’ Circular will conform in all material respects to the latest draft provided to TD Securities, the Directors’ Circular will be distributed to Shareholders in accordance with all applicable laws and, that the disclosure in the Directors’ Circular will be accurate, in all material respects, and will comply, in all material respects, with the requirements of all applicable laws. In its analysis in connection with the preparation of this Opinion, TD Securities made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of TD Securities, Trinidad, the Offeror and their respective affiliates or any other party involved in the Ensign Offer. Among other things, TD Securities has assumed the accuracy, completeness and fair presentation of and has relied upon the financial statements forming part of the Information. This Opinion is conditional on all such assumptions being correct.

This Opinion has been provided for the exclusive use of the Board of Directors in connection with the Ensign Offer. This Opinion may not be used or relied upon by any other person or for any other purpose without the express prior written consent of TD Securities. This Opinion does not address the relative merits of the Ensign Offer as compared to other transactions or business strategies that might be available to Trinidad, nor does it address the underlying business decision to implement the Ensign Offer. In considering fairness, from a financial point of view, TD Securities considered the Ensign Offer from the perspective of the Trinidad Shareholders generally and did not consider the specific circumstances of any particular Trinidad Shareholder or any other Trinidad stakeholder, including with regard to income tax considerations. TD Securities expresses no opinion with respect to future trading prices of securities of Trinidad. This Opinion is rendered as of September 12, 2018 on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of Trinidad and its subsidiaries and affiliates as they were reflected in the Information provided or otherwise available to TD Securities. Any changes therein may affect this Opinion and, although TD Securities reserves the right to change, withdraw, withhold or supplement this Opinion in such event, it disclaims any undertaking or obligation to advise any person of any such change that may come to its attention, or to change, withdraw, withhold or supplement this Opinion after such date. TD Securities is not an expert on, and did not provide advice to the Board of Directors of Trinidad regarding, legal, accounting, regulatory or tax matters. This Opinion may not be summarized, published, reproduced, disseminated, quoted from or referred to without the express written consent of TD Securities.

The preparation of an opinion is a complex process and is not necessarily amenable to partial analysis or summary description. TD Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create an incomplete view of the process underlying this Opinion. Accordingly, this Opinion should be read in its entirety.

CONCLUSION

Based upon and subject to the foregoing and such other matters that TD Securities considered relevant, TD Securities is of the opinion that, as of September 12, 2018, the Consideration offered to Trinidad Shareholders pursuant to the Ensign Offer is inadequate, from a financial point of view, to Trinidad Shareholders.

Yours very truly,

TD Securities Inc.

TD SECURITIES INC.

APPENDIX “B”

GLOSSARY

In the Directors’ Circular, the following terms shall have the meanings set forth below, unless the subject matter or context is inconsistent therewith or such terms are otherwise defined in the Directors’ Circular.

“**ABCA**” means the *Business Corporations Act* (Alberta);

“**affiliate**” has the meaning ascribed to that term in NI 62-104;

“**associate**” has the meaning ascribed to that term in NI 62-104;

“**Blakes**” means Blake, Cassels and Graydon LLP, legal counsel to Trinidad;

“**Board**” or “**Trinidad Board**” means the board of directors of Trinidad as constituted from time to time;

“**CDS**” has the meaning provided under the heading “*How to Withdraw Your Deposited Common Shares*”;

“**Change of Control Period**” has the meaning provided under the heading “*Arrangements between Trinidad Directors and Officers*”;

“**Common Shares**” means the common shares in the capital of Trinidad (and, unless the context requires otherwise, includes the associated SRP Rights issued under the Shareholder Rights Plan);

“**Directors’ Circular**” means this directors’ circular of Trinidad dated September 13, 2018;

“**DSU**” means a deferred share unit issued by Trinidad pursuant to the DSU Plan;

“**DSU Plan**” means the deferred share unit plan for non-employee directors, as may be amended from time to time;

“**DTC**” has the meaning provided under the heading “*How to Withdraw Your Deposited Common Shares*”;

“**Eligible Employee**” has the meaning provided under the heading “*Arrangements between Trinidad Directors and Officers*”;

“**Ensign**” means Ensign Energy Services Inc. and, unless the context requires otherwise, includes its subsidiaries, including the Offeror;

“**Ensign Circular**” means the Ensign Offer and the accompanying take-over bid circular of Ensign dated August 30, 2018;

“**Ensign News Release**” has the meaning provided under the heading “*Background to the Ensign Offer*”;

“**Ensign Offer**” means the formal take-over bid by Ensign dated August 30, 2018, as set forth in and forming part of the Ensign Circular, for all of the Common Shares for \$1.68 in cash per Common Share;

“**Employment Agreements**” has the meaning provided under the heading “*Arrangements between Trinidad Directors and Officers*”;

“**Executive Management**” means the President and Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer of Trinidad and “**Executive Officer**” means anyone of them;

“**Expiry Time**” means 5:00 p.m. (Toronto time) on December 14, 2018, or such earlier or later time or times and date or dates as may be fixed by Ensign from time to time pursuant to Section 5 of the Ensign Offer, “*Extension and Variation or Change in the Offer*”;

“**IFRS**” has the meaning provided under the heading “*Notice to Non-Canadian Shareholders*”;

“**Incentive Option Plan**” means Trinidad’s stock option plan dated effective April 28, 2014, as amended March 6, 2018;

“**Independent Committee**” has the meaning provided under the heading “*Background to the Ensign Offer*”;

“**Information Agent**” or “**D.F. King**” means D.F. King Canada Ltd., a division of AST Investor Services Inc., the information agent retained by Trinidad in connection with the Ensign Offer;

“**insider**” has the meaning ascribed to that term in the Securities Act;

“**Interested Parties**” has the meaning provided under the heading “*Opinion of TD Securities Inc.*”;

“**Letter of Intent**” has the meaning provided under the heading “*Background to the Ensign Offer*”;

“**Letter of Transmittal**” means the letter of transmittal in the form accompanying the Ensign Offer;

“**Longview**” means Longview Communications Inc., the communications advisor to Trinidad in connection with the Ensign Offer;

“**Management**” means the officers of Trinidad and includes Executive Management;

“**NI 62-104**” means National Instrument 62-104 — *Take-Over Bids and Issuer Bids*;

“**Non-GAAP Measures**” has the meaning provided under the heading “*Non-GAAP Measures*”;

“**Offeror**” means Ensign Holdings Inc.;

“**Options**” means options to purchase Common Shares issued pursuant to the Incentive Option Plan;

“**Preferred Party**” has the meaning provided under the heading “*Background to the Ensign Offer*”;

“**PSU**” means a performance share unit issued by Trinidad pursuant to the PSU Plan;

“**PSU and RSU Change in Control**” has the meaning provided under the heading “*Arrangements Between Trinidad and Its Directors and Officers — Long Term Incentive Plans — PSUs and RSUs*”;

“**PSU Plan**” means the performance share unit plan of Trinidad, as may be amended from time to time;

“**RSU**” means a restricted share unit issued by Trinidad pursuant to the RSU Plan;

“**RSU Plan**” means the restricted share unit plan of Trinidad, as may be amended from time to time;

“**SAR**” means a stock appreciation right issued by Trinidad pursuant to the SAR Plan;

“**SAR Plan**” means the stock appreciation rights plan of Trinidad, as may be amended from time to time;

“**Securities Act**” means the *Securities Act*, R.S.A. 2000, c. S 4, as such may be amended prior to the Effective Date;

“**Severance Agreement**” has the meaning provided under the heading “*Arrangements Between Trinidad and Its Directors and Officers — Severance Agreements*”;

“**Severance Payment**” “*Arrangements Between Trinidad and Its Directors and Officers — Severance Agreements*”;

“**Severance Plan**” has the meaning provided under the heading “*Arrangements Between Trinidad and Its Directors and Officers — Severance Agreements*”;

“**Shareholder**” means a holder of Common Shares;

“**Shareholder Rights Plan**” means the amended and restated shareholder rights plan agreement between Trinidad and TSX Trust Company, as rights agent, dated May 10, 2017;

“**Special Committee**” means the special committee of independent directors established by the Board to assist and make recommendations in respect of, among other things, the Ensign Offer, and consisting of Ken Stickland (Chair), Jim Brown and David Halford;

“**SRP Rights**” means the rights issued pursuant to the Shareholder Rights Plan, and “**SRP Right**” means any one of them;

“**Strategic Review Process**” has the meaning provided under the heading “*Background to the Ensign Offer*”;

“**Strategic Review Special Committee**” has the meaning provided under the heading “*Background to the Ensign Offer*”;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended, and includes the regulations promulgated thereunder;

“**TDI**” means Trinidad Drilling International Ltd., a wholly owned subsidiary of Trinidad formed under the laws of the Province of Alberta;

“**TD Securities**” means TD Securities Inc., financial advisor to Trinidad;

“**Trinidad**” means Trinidad Drilling Ltd., a corporation amalgamated under the ABCA;

“**TSX**” means the Toronto Stock Exchange;

“**U.S.**” and “**United States**” means the United States of America.

“**Value Enhancement Initiative**” has the meaning set forth under the heading “*Background to the Ensign Offer — Background to the Strategic Review Process*”; and

“**Vested PSUs and RSUs**” has the meaning provided under the heading “*Arrangements between Trinidad and its Directors and Officers — Trinidad’s Long-Term Incentive Plans — PSU and RSU Plans*”.

Words importing the singular include the plural and vice versa and words importing any gender include all genders.



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Shareholders are also encouraged to visit our website for up to date information at
www.trinidaddrilling.com/EnsignOffer