

Trican Well Service (OTC: TOLWF.PK)

Location: Alberta, Canada

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BUSINESS DESCRIPTION

Trican Well Service offers oil field services and equipment to the oil and gas industry in Western Canada. It offers a range of products, equipment, and services for use in the drilling, completion, stimulation, and reworking of oil and gas wells. It also operates in Russia through its investment in R-Can Services, which provides cementing and fracturing services to customers in the Tyumen region of Western Siberia. Trican operates through two main divisions. Its well service unit provides cementing and fracturing, deep-coiled tubing, and nitrogen services. Its production services division includes acidizing, intermediate-depth coiled tubing, and jet pumping.

INVESTMENT THESIS

Trican's position as the technological leader in the full service pumping industry is crucial to its success. Management's commitment to continuing operations only in high margin businesses where Trican can exercise a sustainable competitive advantage has the company poised to maintain their path of tremendous growth. Expansion into Russia, fueled by recent increases in CapEx, will provide growth for several years to come. The market is currently undervaluing Trican on both a relative and fundamental basis, most likely due to a undersetimation of opportunities abroad.

STOCK PRICE PERFORMANCE



FINANCIAL SUMMARY

Results of Operations	FY Ended Dec 31,			
	2003	2004	2005	2006E
Revenue	\$286.3	\$408.3	\$640.9	\$881.0
<i>Growth</i>		42.6%	57.0%	37%
EBIT	55.0	101.8	200.8	278.3
<i>EBIT Margin</i>	19.2%	24.9%	31.3%	31.6%
After-tax Earnings	36.0	66.6	130.5	182.2
<i>Net Margin</i>	12.6%	16.3%	20.4%	20.7%
D&A	14.6	17.1	24.3	33.4
CapEx	19.5	68.2	123.0	135.3
Interest Expense	1,897.0	9,031.0	2,687.0	42,614.0
EPS on Current Sh.	\$ 0.61	\$ 1.13	\$ 2.20	\$ 3.08

Balance Sheet Data

Total Debt	\$14.2
Cash & Equivalents	35.0
Net Debt	(20.9)

Credit Stats

	LTM
Total Debt/EBITDA	0.1x
Net Debt/EBITDA	-0.1x
EBITDA/Interest	138.7x

Trading Statistics

Share Price	\$50.90
Diluted Shares Outstanding	59.2
52 Week High	76.45
52 Week Low	42.06
Equity Market Value	3,013.3

(1) Figures as of 3/24/2006