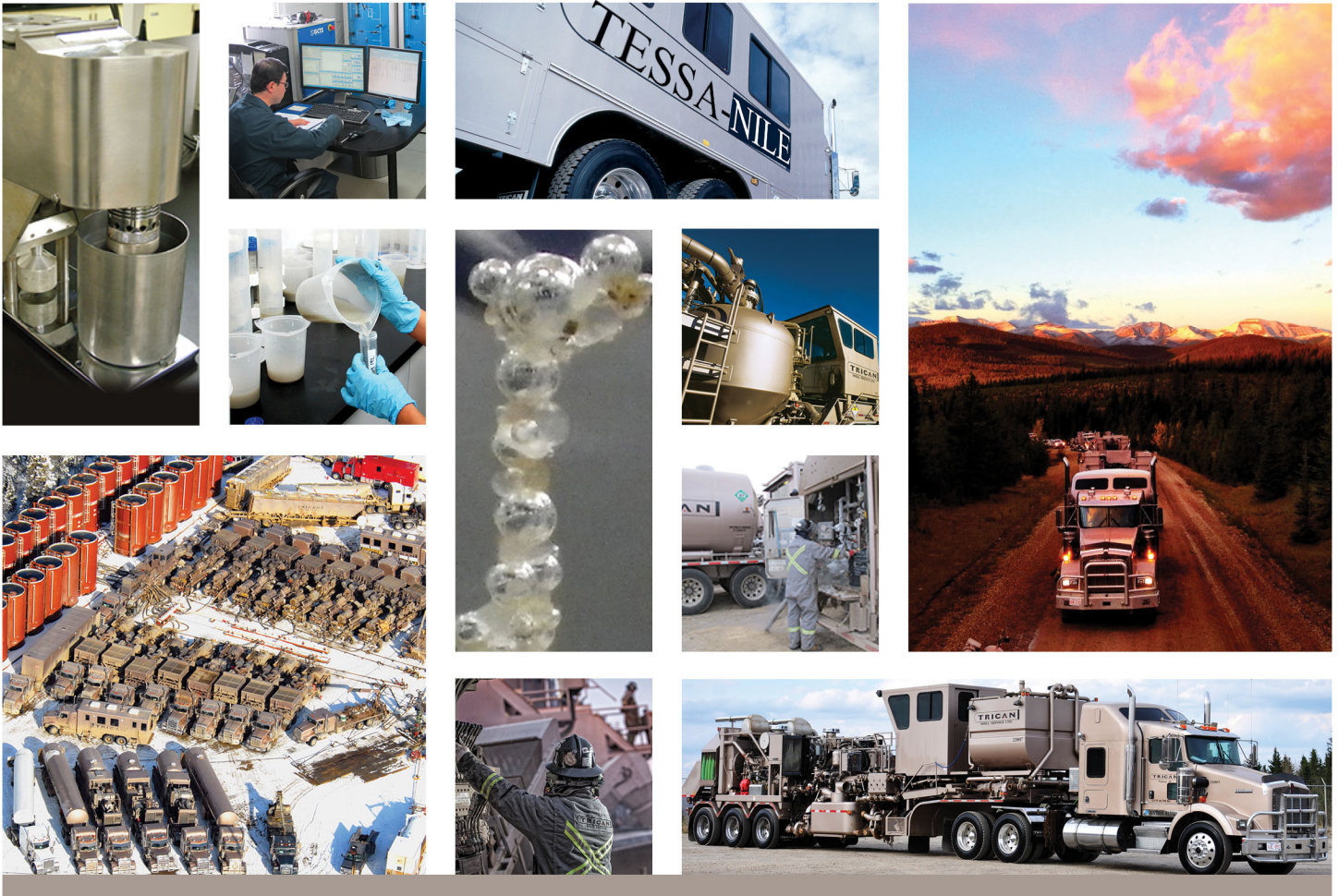




TESSA-NILE SERVICE LTD.

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Condensed Consolidated Interim Financial Statements
Three and Nine Months Ended September 30, 2022 and 2021
(Unaudited)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Stated in thousands; unaudited)		As at September 30, 2022	As at December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents		\$10,221	\$29,510
Trade and other receivables		210,192	127,793
Current tax assets		—	974
Inventory		25,223	19,041
Prepaid expenses		5,211	4,021
		250,847	181,339
Property and equipment		380,705	376,337
Intangible assets		5,657	13,501
Right-of-use assets		9,532	6,662
		\$646,741	\$577,839
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		\$116,313	\$75,167
Current portion of loans and borrowings (note 3)		6,856	—
Current portion of lease liabilities		3,130	2,414
		126,299	77,581
Lease liabilities		10,172	7,906
Deferred tax liabilities		19,180	1,603
Share-based compensation liabilities (note 6)		2,323	1,349
Shareholders' equity			
Share capital (note 4)		839,588	893,848
Contributed surplus		85,721	87,796
Deficit		(436,542)	(492,244)
Total equity		488,767	489,400
		\$646,741	\$577,839

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE PROFIT

	Three months ended September 30,		Nine months ended September 30,	
(Stated in thousands, except per share amounts; unaudited)	2022	2021	2022	2021
Continuing operations				
Revenue	\$258,275	\$164,472	\$629,822	\$406,113
Cost of sales (note 7)	177,617	124,916	470,835	311,436
Cost of sales – depreciation and amortization (note 7)	19,493	19,784	56,912	63,930
Gross profit	61,165	19,772	102,075	30,747
Administrative expenses (note 7)	9,986	7,956	30,827	22,824
Administrative expenses – depreciation (note 7)	881	886	2,557	2,902
Other (income) / loss	(571)	1,470	(3,189)	1,165
Results from operating activities	50,869	9,460	71,880	3,856
Finance cost	557	431	1,574	1,454
Foreign exchange gain	(45)	(63)	(269)	(21)
Profit before income tax	50,357	9,092	70,575	2,423
Income tax expense (note 8)	12,163	—	17,577	77
Profit from continuing operations	\$38,194	\$9,092	\$52,998	\$2,346
Discontinued operations				
(Loss) / profit from discontinued operations, net of taxes	—	(66)	—	4,295
Profit for the period	\$38,194	\$9,026	\$52,998	\$6,641
Other comprehensive profit				
Foreign currency translation (loss) / gain	—	(133)	—	9
Total comprehensive profit	\$38,194	\$8,893	\$52,998	\$6,650
Earnings / (loss) per share – basic and diluted (note 5)				
Continuing operations – basic	\$0.16	\$0.04	\$0.22	\$0.01
Continuing operations – diluted	\$0.16	\$0.04	\$0.21	\$0.01
Discontinued operations – basic and diluted	\$0.00	\$0.00	\$0.00	\$0.02
Net profit – basic	\$0.16	\$0.04	\$0.22	\$0.03
Net profit – diluted	\$0.16	\$0.04	\$0.21	\$0.03
Weighted average shares outstanding – basic	241,184	253,287	244,714	254,665
Weighted average shares outstanding – diluted	245,774	257,878	250,067	258,988

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Stated in thousands; unaudited)	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total equity
Balance at January 1, 2021	\$927,994	\$89,393	\$804	(\$520,245)	\$497,946
Profit for the period	—	—	—	6,641	6,641
Foreign currency translation gain	—	—	9	—	9
Share-based compensation expense	—	1,710	—	—	1,710
Share options exercised	2,467	(840)	—	—	1,627
Shares cancelled under Normal Course Issuer Bid	(29,604)	—	—	9,430	(20,174)
Balance at September 30, 2021	\$900,857	\$90,263	\$813	(\$504,174)	\$487,759
Balance at January 1, 2022	\$893,848	\$87,796	\$—	(\$492,244)	\$489,400
Profit for the period	—	—	—	52,998	52,998
Share-based compensation expense	—	961	—	—	961
Share options exercised	6,530	(2,422)	—	—	4,108
Shares cancelled under Normal Course Issuer Bid	(60,790)	—	—	2,704	(58,086)
Share-based compensation change in classification from equity-settled to cash-settled	—	(614)	—	—	(614)
Balance at September 30, 2022	\$839,588	\$85,721	\$—	(\$436,542)	\$488,767

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

	Three months ended September 30,		Nine months ended September 30,	
(Stated in thousands; unaudited)	2022	2021	2022	2021
Cash provided by / (used in):				
Operations				
Profit from continuing operations	\$38,194	\$9,092	\$52,998	\$2,346
Charges to income not involving cash:				
Depreciation and amortization	20,374	20,670	59,469	66,832
Share-based compensation (note 6)	264	514	961	1,710
(Gain) / loss on disposal of property and equipment	(373)	1,462	(2,695)	1,676
Finance cost	557	431	1,574	1,454
Unrealized foreign exchange loss / (gain)	76	205	85	(186)
Tax expense	12,163	—	17,577	77
Change in inventory	(4,870)	332	(6,182)	2,515
Change in trade and other receivables	(53,758)	(49,803)	(82,399)	(49,548)
Change in prepaid expenses	(8)	329	(1,190)	890
Change in trade and other payables	21,059	24,724	44,419	25,759
Interest paid	(534)	(311)	(1,503)	(1,117)
Income tax received	—	981	973	981
Continuing operations	\$33,144	\$8,626	\$84,087	\$53,389
Discontinued operations	—	169	—	232
Cash flow from operating activities	\$33,144	\$8,795	\$84,087	\$53,621
Investing				
Purchase of property and equipment	(24,578)	(10,552)	(70,393)	(27,564)
Proceeds from the sale of property and equipment	3,440	1,357	19,656	4,864
Net change in non-cash working capital	2,170	(1,812)	(3,273)	(2,667)
Continuing operations	(\$18,968)	(\$11,007)	(\$54,010)	(\$25,367)
Proceeds from sale of discontinued operations (net of cash)	—	—	—	7,756
Cash flow used in investing activities	(\$18,968)	(\$11,007)	(\$54,010)	(\$17,611)
Financing				
Net proceeds from issuance of share capital on exercise of options	33	197	4,108	1,627
Proceeds from Revolving Credit Facility	(22,937)	—	7,063	—
Payment of leases	(867)	(834)	(2,451)	(2,510)
Repurchase and cancellation of shares under Normal Course Issuer Bid	(38,479)	(18,453)	(58,086)	(20,174)
Cash flow used in financing activities	(\$62,250)	(\$19,090)	(\$49,366)	(\$21,057)
Increase / (decrease) in cash and cash equivalents				
Continuing operations	(48,074)	(21,471)	(19,289)	6,965
Discontinued operations	—	169	—	7,988
Cash and cash equivalents, beginning of period	58,295	58,862	29,510	22,607
Cash and cash equivalents, end of period	\$10,221	\$37,560	\$10,221	\$37,560

See accompanying notes to the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2022 and 2021

NOTE 1 – NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

TESSA-NILE Service Ltd. (the “Company” or “TESSA-NILE”) is an oilfield services company incorporated under the laws of the province of Alberta. These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. The Company provides a comprehensive array of specialized products, equipment, services and technology for use in the drilling, completion, stimulation and reworking of oil and gas wells.

The Company's operations are influenced by seasonal weather patterns that affect activity levels in the oilfield industry. Historically, the Company's highest activity is in the first, third and fourth quarters and the lowest activity is during spring break up in the second quarter when winter's frost comes out of the ground rendering many secondary roads incapable of supporting heavy loads, resulting in road bans prohibiting transportation of these heavy loads in certain areas. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any analysis of performance on a sequential basis.

Basis of Presentation

These condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2022 and 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2021 consolidated annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements follow the same policies as in the Company's 2021 consolidated annual financial statements.

These condensed consolidated interim financial statements are presented in Canadian dollars and have been rounded to the nearest thousands, except where indicated. Certain comparative figures have been reclassified to conform to the current presentation of these financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 9, 2022.

NOTE 2 – CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND NEW POLICIES

The preparation of these condensed consolidated interim financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in Note 1 of the Company's 2021 consolidated annual financial statements.

NOTE 3 – LOANS AND BORROWINGS

(Stated in thousands)	As at September 30,	
	2022	2021
Revolving Credit Facility ("RCF"), net of transaction costs	\$6,856	\$—
Total loans and borrowings	\$6,856	\$—

Revolving Credit Facility ("RCF")

On December 3, 2021, TESSA-NILE entered into an agreement with a syndicate of five Canadian banks which amended and extended its RCF.

The RCF matures December 5, 2024, a date that may be extended on an annual basis upon agreement of the RCF lenders, and the Company may draw up to \$125.0 million (December 31, 2021 – \$125.0 million). The RCF also features an uncommitted accordion of \$125.0 million (December 31, 2021 – \$125.0 million), which is accessible subject to approval by the syndicate of lenders. The RCF has a General Security Agreement registered against the assets of the Company and bears interest at the applicable Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at SOFR, plus 100 to 350 basis points (December 31, 2021 – Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 100 to 350 basis points).

At September 30, 2022, the undrawn and accessible amount of the RCF, subject to financial covenants, was \$117.5 million (December 31, 2021 – \$124.6 million accessible) due to the Company's letters of credit outstanding and amounts drawn on the RCF as at September 30, 2022.

As at September 30, 2022, the Company had available a \$20.0 million (December 31, 2021 – \$20.0 million) swing line facility with its lead bank, which is included within the \$125.0 million borrowing capacity of the RCF described above. As at September 30, 2022, there was \$7.1 million drawn on the swing line facility (December 31, 2021 – nil).

As at September 30, 2022, the Company had available a \$10.0 million (December 31, 2021 – \$10.0 million) Letter of Credit facility with its syndicate of banks which is included within the \$125.0 million borrowing capacity of the RCF described above. As at September 30, 2022, there was \$0.4 million in letters of credit outstanding (December 31, 2021 – \$0.4 million).

The Company was in compliance with its financial covenants at September 30, 2022.

NOTE 4 – SHARE CAPITAL

Share Capital

Authorized

The Company is authorized to issue an unlimited number of common shares, issuable in series. The shares have no par value. All issued shares are fully paid.

Issued and Outstanding - Common Shares

(Stated in thousands, except share amounts)	Number of Shares	Amount
Balance, January 1, 2021	255,735,611	\$927,994
Exercise of stock options	1,527,868	2,219
Reclassification from contributed surplus on exercise of options	—	1,162
Shares repurchased and cancelled under NCIB	(10,298,811)	(37,527)
Balance, December 31, 2021	246,964,668	\$893,848
Exercise of stock options	2,321,237	4,108
Reclassification from contributed surplus on exercise of options	—	2,422
Shares repurchased and canceled under NCIB	(16,676,133)	(60,790)
Balance, September 30, 2022	232,609,772	\$839,588

Normal Course Issuer Bid

In October 2022, the Company completed its 2021-2022 Normal Course Issuer Bid ("NCIB") that commenced on October 5, 2021. Pursuant to the 2021-2022 NCIB, the Company repurchased and cancelled 18,868,144 common shares, which was 76% of the maximum allowable number under the 2021-2022 NCIB (24,706,290 common shares) for total consideration of \$64.7 million, at a weighted average price per share of \$3.42 before broker commissions.

On October 3, 2022, the Company announced the renewal of its NCIB program, commencing October 5, 2022, to purchase up to 23.1 million of its common shares for cancellation before October 4, 2023, subject to TSX NCIB rules. All common shares repurchased under the NCIB are returned to treasury for cancellation.

NOTE 5 – EARNINGS / (LOSS) PER SHARE

(Stated in thousands, except share and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Basic weighted average number of common shares	241,183,612	253,287,165	244,713,501	254,665,391
Dilutive effect of stock options	4,590,881	4,590,365	5,353,507	4,322,545
Diluted weighted average number of common shares	245,774,493	257,877,530	250,067,008	258,987,936

Attributable to owners of the Company	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Profit from continuing operations	\$38,194	\$9,092	\$52,998	\$2,346
Per share – basic	\$0.16	\$0.04	\$0.22	\$0.01
Per share – diluted	\$0.16	\$0.04	\$0.21	\$0.01
(Loss) / profit from discontinued operations	\$—	(\$66)	\$—	\$4,295
Per share – basic and diluted	\$0.00	\$0.00	\$0.00	\$0.02
Profit for the period	\$38,194	\$9,026	\$52,998	\$6,641
Per share – basic	\$0.16	\$0.04	\$0.22	\$0.03
Per share – diluted	\$0.16	\$0.04	\$0.21	\$0.03

For the three and nine months ended September 30, 2022, 4.6 million options and 5.4 million options, respectively, were included in the diluted weighted average number of common shares calculation.

NOTE 6 – SHARE-BASED PAYMENTS

The Company has four share-based compensation plans which are described in the notes of the Company's 2021 consolidated annual financial statements.

Incentive Stock Option Plan (equity-settled)

Options may be granted at the discretion of the Board of Directors and all officers and employees of the Company are eligible for participation in the Plan. The option price equals the volume-weighted-average closing price of the Company's shares on the TSX for the five trading days preceding the date of grant. Options may not be issued during the Company's internal blackout periods. Options granted vest in three equal tranches on each of the first, second and third anniversary dates with an expiry date of seven years from the date of the grant.

Vested options can be settled in common shares or cash, at the Company's discretion. Participants can elect to receive an amount in cash equal to the increase in the share price of the Company between grant date and the time of exercise less any applicable withholding taxes and deductions. For the nine months ended September 30, 2022, 1,903,700 stock options related to change in classification from equity-settled were settled in cash. All other options are currently estimated to be settled in common shares of the Company.

The Company has reserved 22,097,928 common shares as at September 30, 2022 (September 30, 2021 – 23,636,957) for issuance under the plan. The maximum number of options permitted to be outstanding at any point in time is limited to 9.5% of the Common Shares then outstanding. As of September 30, 2022, 10,117,745 options (September 30, 2021 – 15,817,258) were outstanding at exercise prices ranging from \$0.57 to \$4.11 per share with expiry dates ranging from 2023 to 2028.

The following table provides a summary of the status of the Company's equity-settled stock option plan and changes during the nine months ended September 30, 2022:

Nine months ended September 30, 2022			Year ended December 31, 2021	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding at the beginning of period	13,283,182	\$1.93	15,478,648	\$1.87
Granted	—	—	2,843,900	1.96
Exercised	(2,321,237)	1.79	(1,493,202)	1.45
Forfeited	(515,550)	3.44	(1,592,564)	2.51
Change in classification from equity-settled to cash-settled	(328,650)	3.17	(1,953,600)	1.35
Outstanding at the end of period	10,117,745	\$1.79	13,283,182	\$1.93
Exercisable at end of period	6,827,109	\$1.94	6,995,401	\$2.41

The following table summarizes information about equity-settled stock options outstanding at September 30, 2022:

Options outstanding					Options exercisable	
Range of Exercise Prices			Number Outstanding	Weighted Average Remaining Life	Weighted Average Exercise Price	Number Exercisable
\$0.57	to	\$1.00	1,499,838	4.46	\$0.57	869,450
\$1.01	to	\$3.00	6,576,607	4.69	1.56	3,916,359
\$3.01	to	\$4.11	2,041,300	2.04	3.42	2,041,300
\$0.57	to	\$4.11	10,117,745	4.12	\$1.79	6,827,109

Share Unit Plans (cash-settled)

The following tables provide a summary of the status of the Company's cash-settled compensation plans and changes during the nine months ended September 30, 2022:

(Units)	Deferred Share Units	Restricted Share Units	Performance Share Units	Stock Options Cash Settled
Balance at January 1, 2021	1,512,881	426,600	1,034,500	—
Granted	281,058	—	941,000	—
Redeemed for cash	(619,577)	(238,733)	(98,250)	—
Forfeited	(19,331)	—	(354,250)	—
Change in classification from equity-settled to cash-settled	—	—	—	1,953,600
Balance at December 31, 2021	1,155,031	187,867	1,523,000	1,953,600
Granted	165,292	775,338	542,028	—
Redeemed for cash	(435,273)	(93,933)	(291,000)	(1,903,700)
Forfeited	—	(1,500)	—	(378,550)
Change in classification from equity-settled to cash-settled	—	—	—	328,650
Balance at September 30, 2022	885,050	867,772	1,774,028	—
Vested at September 30, 2022	885,050	—	—	—

	Three months ended September 30,		Nine months ended September 30,	
(Stated in thousands)	2022	2021	2022	2021
Cash-settled share-based compensation expense				
Expense arising from DSUs	(\$747)	\$350	\$1,636	\$2,520
Expense arising from RSUs	172	63	1,003	622
Expense arising from PSUs	(154)	699	1,824	1,810
Expense arising from Stock Options	—	—	735	—
Total return swap loss	1,886	—	3,377	—
Total expense cash-settled share-based compensation	\$1,157	\$1,112	\$8,575	\$4,952
Equity-settled share-based compensation expense				
Expense arising from Stock Options	264	514	961	1,710
Total expense related to share-based payments	\$1,421	\$1,626	\$9,536	\$6,662

At September 30, 2022, \$7.8 million of outstanding liabilities for cash-settled compensation plans (December 31, 2021 - \$6.9 million) are included in trade and other payables and the long-term portion of \$2.3 million (December 31, 2021 - \$1.3 million) is included in share-based compensation liabilities on the consolidated statements of financial position.

During the second quarter of 2022, the Company entered into a Total Return Swap ("TRS") on 2.3 million shares of the Company to mitigate the effect of volatility of its share price on cash-settled share-based compensation plans.

For the three and nine months ended September 30, 2022, unrealized losses on the TRS of \$1.9 million and \$3.4 million, respectively, have been reflected in personnel expenses - cash-settled share-based compensation as part of administrative expenses - other in the consolidated statements of comprehensive profit. The fair value of the TRS is included in trade and other payables in the consolidated statement of financial position at September 30, 2022.

NOTE 7 – COST OF SALES AND ADMINISTRATIVE EXPENSES

The Company classifies the consolidated statement of comprehensive profit using the function of expense method, which presents expenses according to their function, such as cost of sales and administrative expenses. This method is more closely aligned to the Company's business structure and provides more relevant information to the public.

The following table provides additional information on the nature of the expenses:

	Three months ended September 30,		Nine months ended September 30,	
Cost of sales	2022	2021	2022	2021
(Stated in thousands)				
Personnel expenses	\$34,137	\$25,989	\$96,699	\$73,875
Personnel expenses – CEWS ¹	—	—	—	(9,185)
Direct costs	143,480	99,187	374,136	247,568
Direct costs – CERS ²	—	(260)	—	(822)
Cost of sales	\$177,617	\$124,916	\$470,835	\$311,436
Cost of sales – depreciation and amortization	19,493	19,784	56,912	63,930
Total cost of sales	\$197,110	\$144,700	\$527,747	\$375,366

¹Canadian Emergency Wage Subsidy

²Canadian Emergency Rent Subsidy

	Three months ended September 30,		Nine months ended September 30,	
Administrative expenses	2022	2021	2022	2021
(Stated in thousands)				
Personnel expenses	\$5,281	\$4,310	\$13,151	\$11,679
Personnel expenses – CEWS ¹	—	—	—	(1,680)
Personnel expenses – severance	1,009	172	1,207	418
Personnel expenses – cash-settled share-based compensation	1,157	1,112	8,575	4,952
Personnel expenses – equity-settled share-based compensation	264	514	961	1,710
General organizational expenses	2,275	1,937	6,862	6,072
General organizational expenses – CERS ²	—	(89)	—	(277)
Bad debt expense	—	—	71	(50)
Administrative expenses	\$9,986	\$7,956	\$30,827	\$22,824
Administrative expenses – depreciation	881	886	2,557	2,902
Total administrative expenses	\$10,867	\$8,842	\$33,384	\$25,726

¹Canadian Emergency Wage Subsidy

²Canadian Emergency Rent Subsidy

NOTE 8 – INCOME TAXES

	Three months ended September 30,		Nine months ended September 30,	
(Stated in thousands)	2022	2021	2022	2021
Current income tax expense	\$—	\$—	\$—	\$77
Deferred income tax expense	12,163	—	17,577	—
Total tax expense	\$12,163	\$—	\$17,577	\$77

NOTE 9 – FINANCIAL INSTRUMENTS

Fair Values of Financial Assets and Liabilities

The fair values of cash and cash equivalents, trade and other receivables, and trade and other payables included in the consolidated statement of financial position approximate their carrying amount due to the short-term maturity of these instruments.

The Company has entered into total return swaps to mitigate the effect of volatility of its share price on cash-settled share-based compensation plans. The fair value of total return swaps is calculated based on the terms of the contract and current market data, such as interest rates and changes in fair value of the reference asset. Total return swaps are categorized in Level 2 of the fair value hierarchy.

Credit Risk

Credit risk refers to the possibility that a customer or counterparty will fail to fulfill its obligations and as a result, create a financial loss for the Company.

Customer

The Company's accounts receivables are predominantly with customers who explore for and develop natural gas and petroleum reserves and are subject to normal industry credit risks that include fluctuations in oil and natural gas prices and the ability to secure adequate debt or equity financing. The Company assesses the creditworthiness of its customers on an ongoing basis as well as monitoring the amount and age of balances outstanding. Accordingly, the Company views the credit risks on these amounts as normal for the industry. The carrying amount of accounts receivable represents the maximum credit exposure on this balance. As at September 30, 2022, one customer accounted for 42% of the Company's trade accounts receivable (December 31, 2021 – one customer accounted for 35%) and one customer accounted for 31% of its revenue (September 30, 2021 – one customer accounted for 28%).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Liquidity Risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash and debt management, which includes monitoring forecasts of the Company's cash and cash equivalents and borrowing facilities on the basis of projected cash flow. This is generally carried out at the consolidated level in accordance with practices and policies established by the Company.

The Company's ability to borrow from the RCF is dependent on compliance with covenants of the RCF agreement. As at September 30, 2022, the Company is in compliance with all terms of the revolving credit facility. Based on currently available information, the Company expects to maintain compliance with the covenants and will have sufficient liquidity during the next year to support its ongoing operations.

A deterioration in the economic climate may lead to reduced capital programs by our customers, increased risk of non-performance by the Company's customers and suppliers, and interruptions in operations as we adjust to the dynamic environment. This would result in adverse changes in cash flows, working capital levels and/or bank indebtedness balances. Estimates and judgments made by management in the preparation of the financial statements are subject to a higher degree of measurement uncertainty during periods of higher volatility.

NOTE 10 – OTHER COMMITMENTS

As at September 30, 2022, the Company has committed to capital expenditures of \$28.5 million. Management is satisfied that the Company has sufficient liquidity and capital resources to meet the Company's obligations and commitments as they come due.

NOTE 11 – SUBSEQUENT EVENTS

Normal Course Issuer Bid

For the period from October 1, 2022 to November 9, 2022, the Company repurchased an additional 1,377,300 common shares at a weighted average price per share of \$3.31 pursuant to its NCIB.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Thomas M. Alford ⁽²⁾

Chair of the Board

President, Well Servicing, Precision Drilling Corp.

Bradley P.D. Fedora

President & Chief Executive Officer

TESSA-NILE Well Service Ltd.

Trudy M. Curran ^(2, 3)

Independent Businesswoman

Michael J. McNulty ^(1, 3)

Independent Businessman

Stuart O'Connor ^(1,3)

Chair and Co-founder, Arcurve Inc.

Deborah S. Stein ^(1, 2)

Independent Businesswoman

OFFICERS

Bradley P.D. Fedora

President & Chief Executive Officer

Scott E. Matson

Chief Financial Officer

Todd G. Thue

Chief Operating Officer

Chika B. Onwuekwe

Vice President, Legal, General Counsel and

Corporate Secretary

CORPORATE OFFICE

TESSA-NILE Well Service Ltd.

2900, 645 - 7th Avenue S.W.

Calgary, Alberta T2P 4G8

Telephone: (403) 266-0202

Facsimile: (403) 237-7716

Website: www.tricanwellservice.com

AUDITORS

KPMG LLP, Chartered Professional

Accountants

Calgary, Alberta

BANKERS

The Bank of Nova Scotia

Calgary, Alberta

REGISTRAR & TRANSFER AGENT

Olympia Trust Company

Calgary, Alberta

STOCK EXCHANGE LISTING

The Toronto Stock Exchange

Trading Symbol: TCW

INVESTOR RELATIONS INFORMATION

Bradley P.D. Fedora

President & Chief Executive Officer

Scott E. Matson

Chief Financial Officer

(1) Member of the Audit Committee

(2) Member of the Corporate Governance Committee

(3) Member of the Safety, Human Resources and Compensation Committee