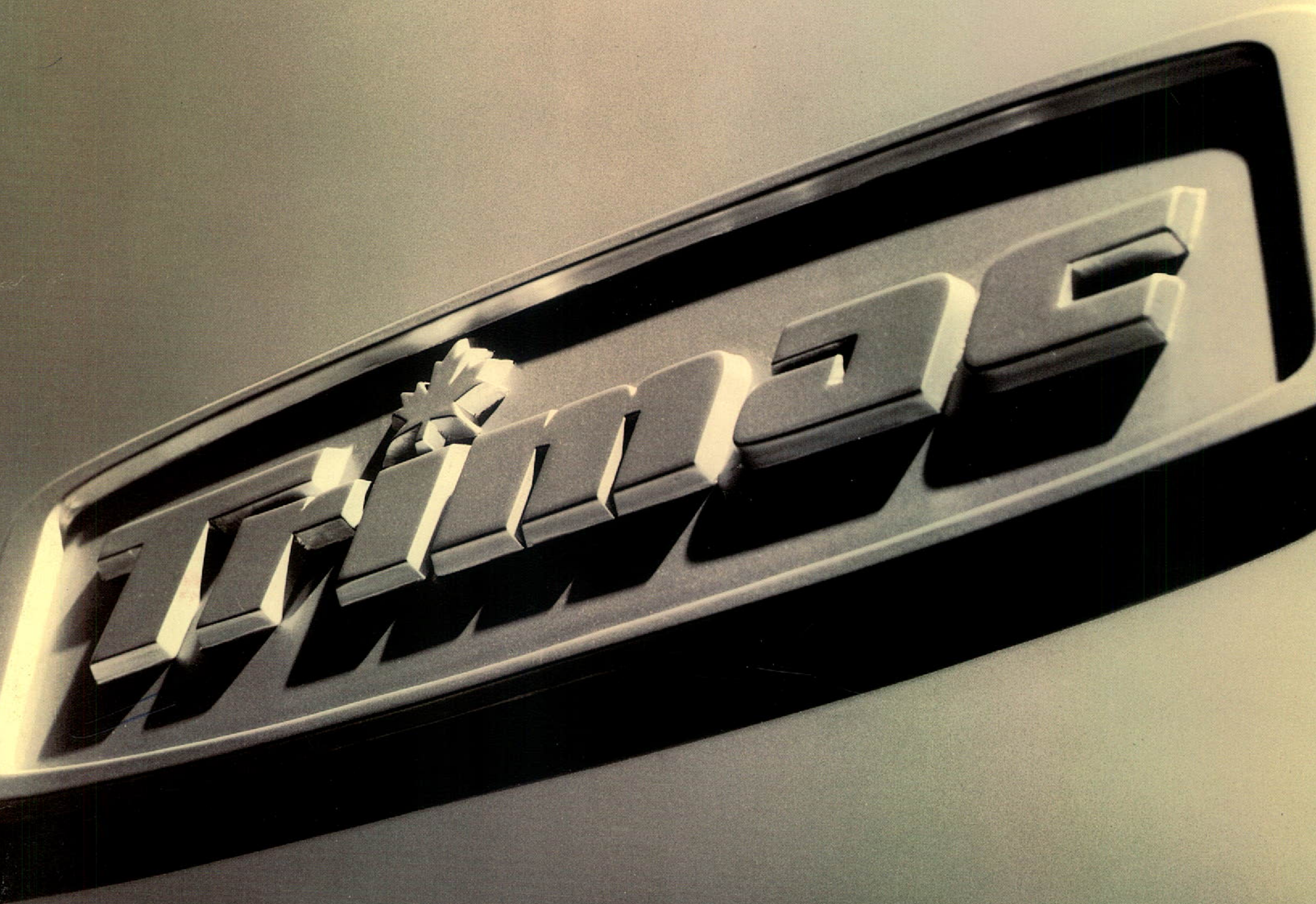
1981 ANNUAL REPORT



THE COMPANY

Trimac Limited is a Canadian owned company providing services in the energy and transportation industries.

Trimac drills for oil and gas in North America and Europe and our trucks carry bulk commodities across Canada and the United States. Other operations extend our presence around the world. We employ more than 5,000 people.

Trimac is based in Calgary and its shares are listed on the Toronto, Montreal and Vancouver stock exchanges.

ANNUAL MEETING

Trimac's Annual General Meeting will be held Thursday, May 6, 1982, at 10:30 a.m. in the Glenview Room of the Calgary Convention Centre. Shareholders who are unable to attend are requested to complete, sign and return their proxies as soon as possible.

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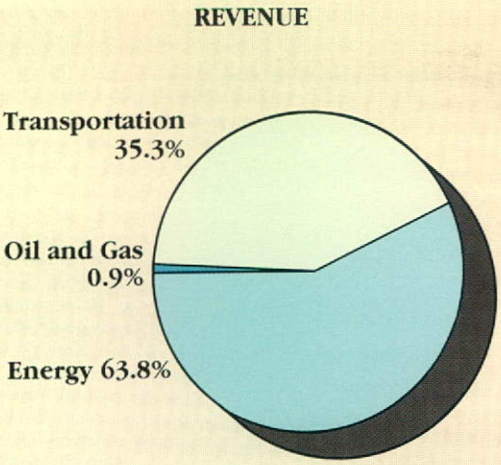
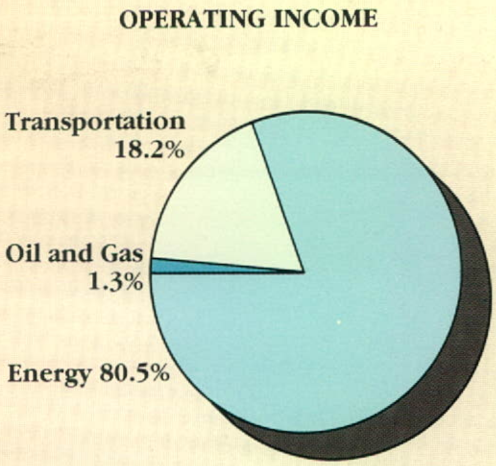




THE YEAR IN BRIEF

	December 31		
	1981	1980	% Change
	(thousands of dollars)		
Operating revenues	**$450,721**	$308,987	+45.9
Net earnings	**35,679**	26,828	+33.0
Funds from operations	**83,671**	61,108	+36.9
Net capital expenditures	**97,379**	56,390	+72.7
Working capital	**36,426**	32,207	+13.1
Net capital invested	**421,876**	348,750	+21.0
Long term debt (excluding current maturities)	**200,372**	182,301	+ 9.9
Shareholders' equity	**147,437**	115,645	+27.5

COMMON SHARE DATA,
after giving effect to 1981
three for one stock split:

Net earnings — Basic	**$1.27**	$1.11	+14.4
— Fully diluted	**$1.23**	$1.01	+21.8
Dividends	**$0.12**	$0.10	+20.0
Common shareholders' equity	**$5.06**	$3.94	+28.4

SHAREHOLDER INFORMATION

Number of shareholders:			
Common	**2,980**	1,998	+49.1
Preferred (Series A)	**757**	806	− 6.1
Number of shares outstanding:			
Common (after three for one split)	**27,743,238**	27,508,227	+ 0.9
Preferred (Series A)	**279,000**	291,800	− 4.4

HOWARD ROSS LIBRARY OF MANAGEMENT
MAR 31 1982
McGILL UNIVERSITY

TO OUR SHAREHOLDERS

Strong operational and fiscal management maintained the sound financial condition of Trimac Limited during 1981.

Trimac increased earnings and revenues despite the economic slowdown in Canada and the United States.

As a result, we are well positioned to continue as leaders in our existing businesses and to pursue opportunities in related areas.

Trimac has increased its returns in recent years by expanding into new geographic areas and new businesses. We are assessing further expansion into businesses related to our energy and transportation services.

Contract drilling contributes the largest portion of Trimac's revenues. The United States drilling market, the largest in the world, has more than offset the weakness in the Canadian market.

We have responded to the Canadian drilling decline by moving rigs to more active markets in the United States and Europe. In Canada, five of our 17 remaining rigs are drilling under contracts which extend through 1982.

Our transportation sector continues to expand. The pending purchase of North Star Transport Ltd. of Saskatoon will increase our capacity for bulk highway hauling in northern Saskatchewan. We see further opportunity in both Canada and the United States.

Rentway Canada Ltd., our truck leasing and rental business, expanded between Montreal and Toronto by purchasing assets of Warren Whitley Rental Equipment Ltd. of Belleville, Ontario.

Overcapacity in the United States trucking market, brought about by deregulation and the general economic slowdown, has created difficulties for many operators. Liquid Transporters, Inc. has responded with increased operating efficiency and aggressive marketing. These efforts improved profitability in 1981. Liquid has received interstate authority to operate between the 48 continental states and looks forward to expansion during 1982.

Tricil Limited, our waste management joint venture with C-I-L Inc., is pursuing several opportunities for its innovative technology. Tricil entered the major United States market with a contract to modify and operate an energy-from-waste project at Akron, Ohio. Tricil is building a similar plant to process municipal waste and produce steam for local users near Charlottetown, Prince Edward Island.

Trimac began construction during the year of a medium sized office building in downtown Calgary. About 60 per cent of the building's 22,300 square metres (240,000 square feet) of rentable space will be leased to outside tenants.

Financial

Net earnings for 1981 were $35.7 million, up 33 per cent from $26.8 million a year earlier.

Per share earnings were $1.27 ($1.23 fully diluted) compared with $1.11 ($1.01 fully diluted) in 1980.

Funds from operations rose 36.9 per cent to $83.7 million from $61.1 million.

Operating revenue reached $450.7 million, an increase of 45.9 per cent from $309 million.

Shareholders' equity was $147.4 million, up from $115.6 million a year earlier. The debt-equity ratio dropped to 1.4 to 1 from 1.6 to 1.

Trimac invested $97.4 million in capital assets during the year. Most of this was directed to expansion, replacement and modernization of equipment, including $57.1 million in our drilling business.

Shares were split three for one in April to make the per share price more accessible to individual investors.

Employees

The strength of Trimac results from the capabilities of its employees, who number more than 5,000.

We would like to thank all of them for helping make 1981 another successful year.

Trimac provides support for staff development activities, particularly in areas of safety and operational procedures. More than 1,300 employees attended courses in 1981.

Total payments in salaries, wages, benefits and owner operator costs were $153.9 million compared with $106.9 million in 1980.

Future Prospects

Trimac's strategy is to be a leader in our main businesses and to seek growth opportunities in related areas.

We will invest $80 million during 1982 on expansion and improvement of assets in our existing businesses to enhance their efficiency and competitive position.

We expect the United States drilling market to moderate its growth while the Canadian market stabilizes at levels considerably below the peak of 1979-1980.

Trimac is exploring the possibility of expanding its contract drilling business into offshore areas, such as eastern Canada.

The transportation business will provide opportunities for expansion, especially in those areas where operating efficiency and marketing give Trimac an advantage. The industry will remain competitive.

Waste management offers excellent prospects for expansion as municipal authorities turn to private contractors to provide economical disposal services.

We plan to participate more fully in the petroleum industry, including Alberta's expanding petrochemical business.

In conjunction with C-I-L, we have been making plans to build a plant in Edmonton that would produce 100,000 tonnes per year of medium and high density polyethylene. A final decision to proceed is expected following assessment of detailed costs and international markets.

Early in 1982, Trimac agreed in principle to buy a 20 per cent interest in Banister Continental Ltd., a major Canadian builder of large diameter pipelines and major civil engineering construction projects. Upon completion of the detailed agreements Trimac expects to have an option to purchase another 20 per cent.

Trimac continues to examine several opportunities to increase our investment in oil and gas properties.

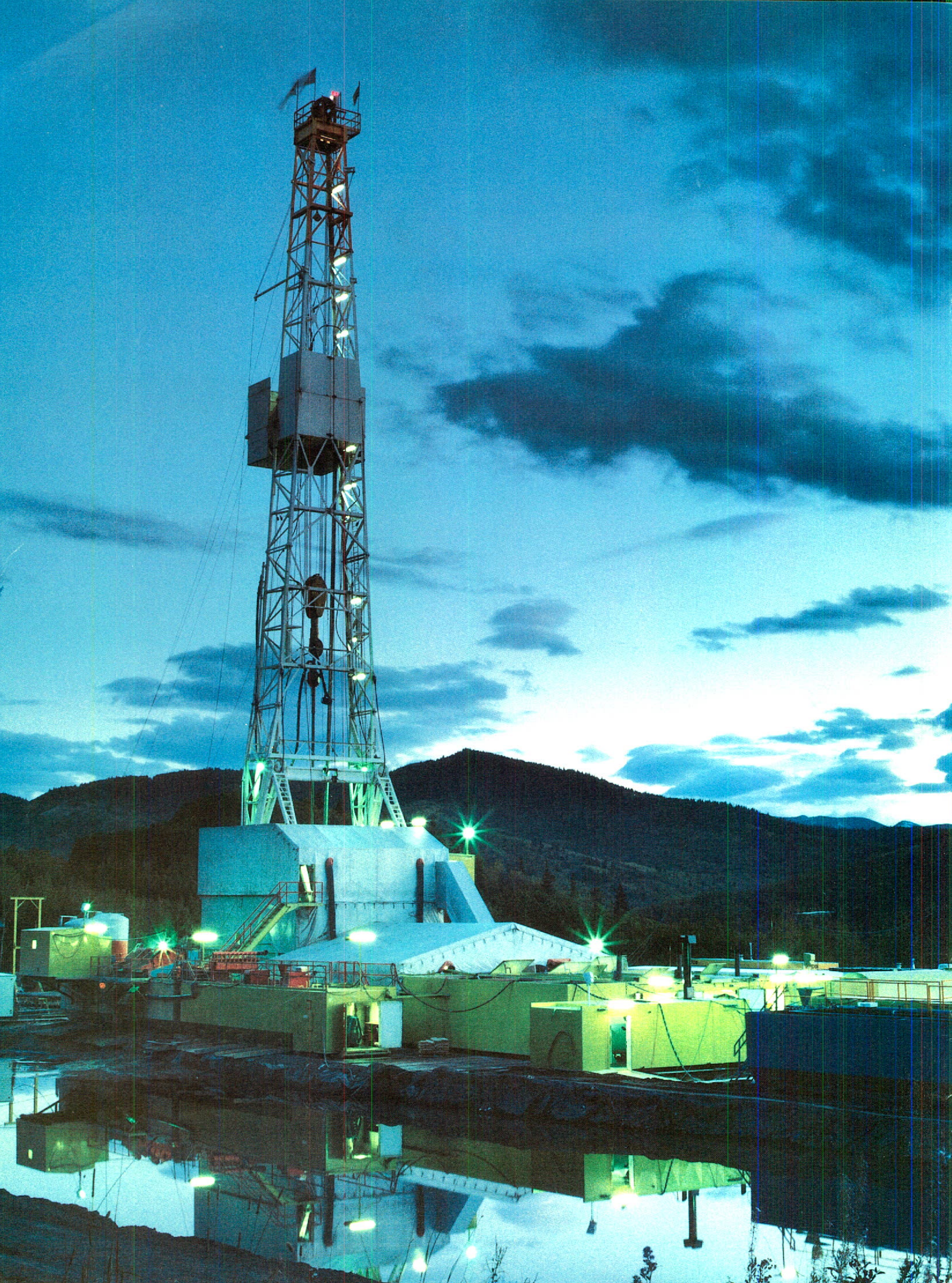
Despite the opportunities we see, and our overall sound performance, Trimac has been affected by the weakened energy industry in Canada and generally slow economy in North America. However, we are confident that Trimac's efficient operations will provide a sound base for continued expansion and development during the current economic uncertainties.

J. R. McCaig
A. Vanden Brink

J. R. McCaig,
Chairman

A. Vanden Brink,
President

A. Vanden Brink — left; J. R. McCaig — right



ENERGY

Trimac's principal service to the energy industry is contract drilling for oil and gas in North America and Europe.

Other services are airborne and resource surveys conducted around the world, land seismic surveys in North America, and pipeline and oilfield construction in western Canada.

Segment Summary

	Year ended December 31	
	1981	1980
	(thousands)	
Revenue	**$287,616**	$191,217
Operating income	**74,643**	51,175
Depreciation & amortization	**17,581**	11,510
Capital expenditures	**70,934**	36,006
Identifiable assets	**348,165**	302,084

CONTRACT DRILLING

Contract drilling is Trimac's largest single line of business. Operations are conducted through the Cactus Drilling companies, which are active in the United States, and by Kenting Drilling with rigs in Canada, the United States and Europe. Customers are major and independent oil and gas producers.

Cactus

The Cactus Drilling companies, based in Dallas, Texas, operate 53 land rigs and seven offshore platform rigs. This fleet ranks Cactus among the 10 largest United States land drilling contractors.

The strong United States drilling market kept Cactus rigs active with high utilization rates during 1981. Land based rigs were in strong demand while there was some softness in the cyclical market for platform rigs. Cactus has been an important revenue producer for Trimac since it was purchased in July, 1980.

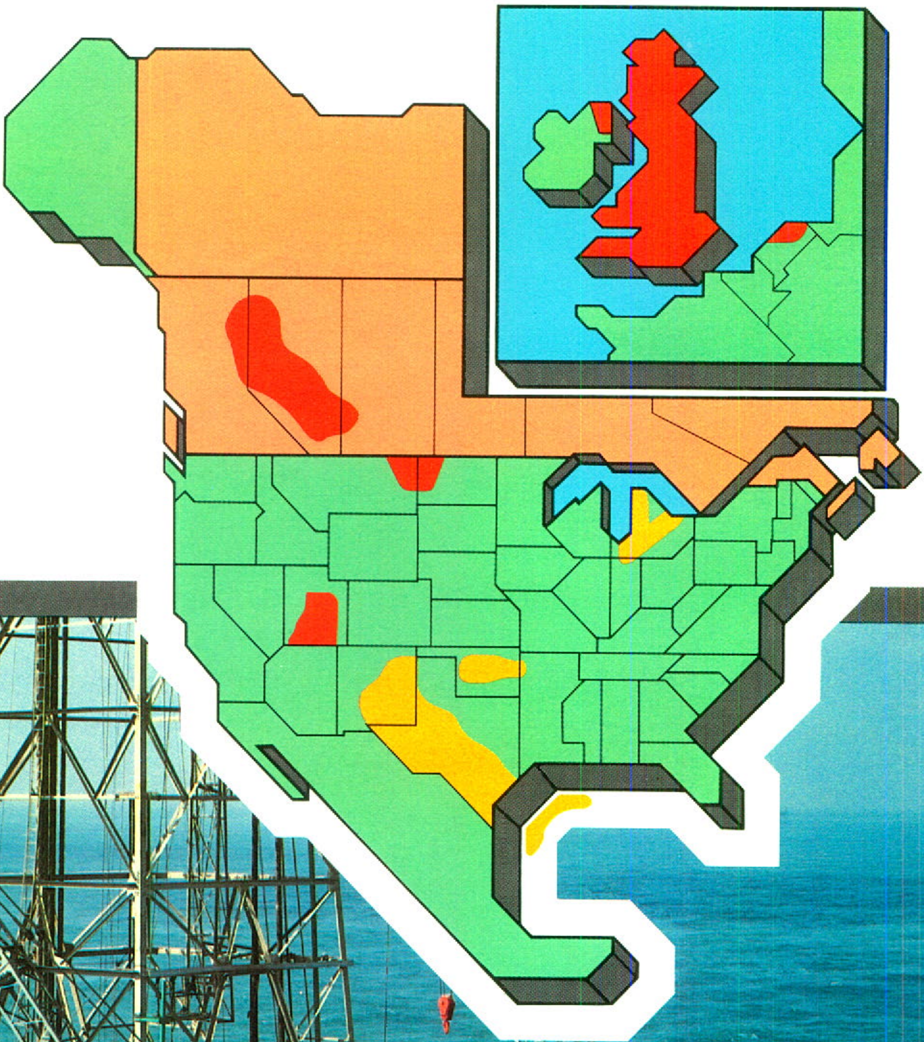
The boom in United States drilling, that started in late 1980, was due largely to price increases that followed the deregulation of the price of crude oil. This led to a rapid increase in the number of rigs to 4,525 near the end of 1981 compared with 3,303 a year earlier. A much smaller increase in the total United States drilling fleet is expected in 1982.

Drilling activity declined about 10 per cent in early 1982 because of the economic slowdown and the decline of world oil prices. Drilling is expected to expand in 1982, but it will be competitive.

Cactus is completing fleet improvements that place it in a better position to take advantage of the trend to deeper land drilling. It also enhances the company's overall competitive position. Older equipment has been upgraded or replaced and six rigs have been added for a total investment of $44 million. To further increase deep drilling capabilities, Cactus has ordered two additional rigs rated at 7,600 metres (25,000 feet).

Cactus employs 1,350 people at operations in Texas, Oklahoma, New Mexico, Michigan and the Gulf of Mexico.

DRILLING LOCATIONS
Kenting Drilling
Cactus Drilling



Kenting

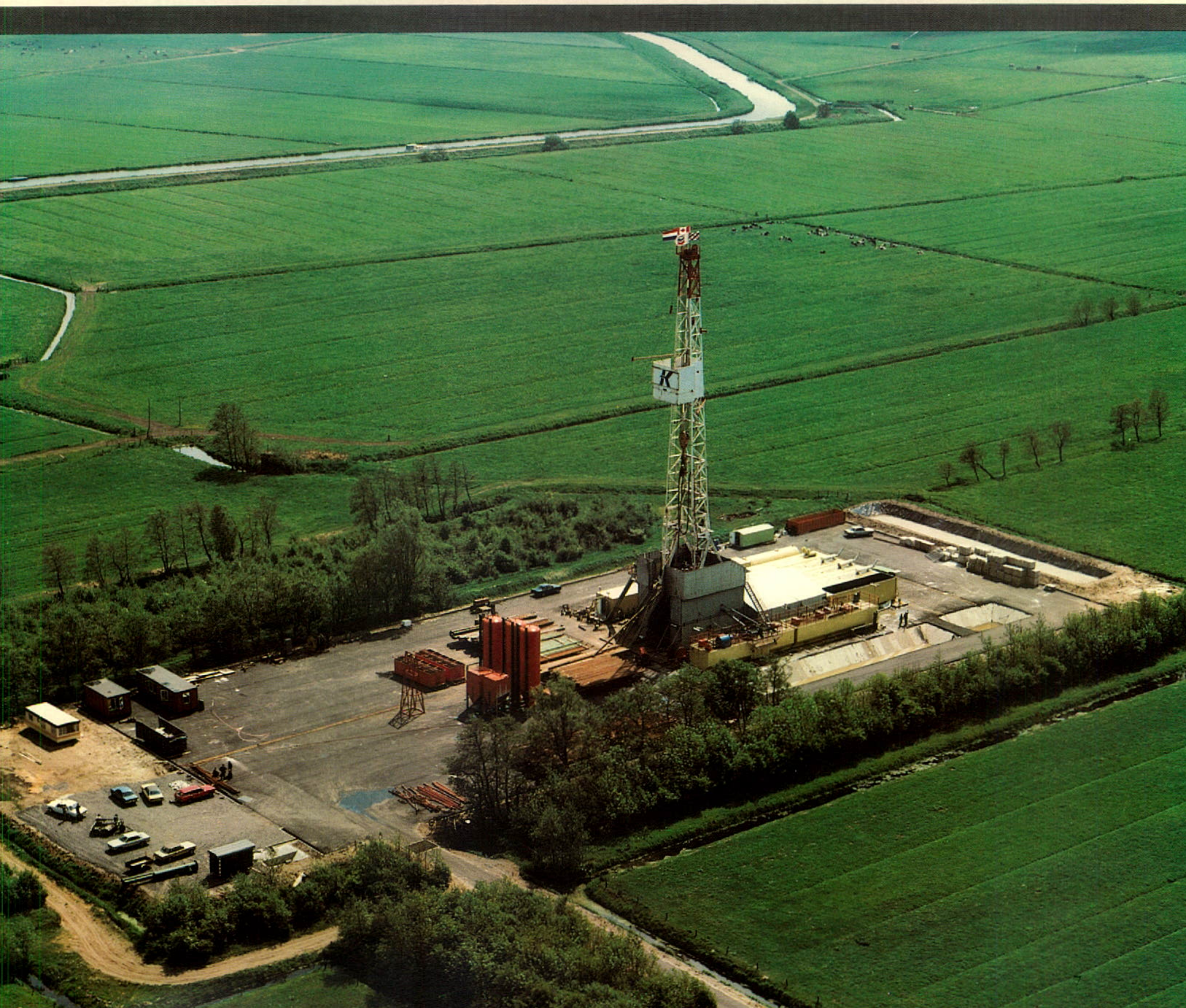
From its base in Calgary, Kenting Drilling operates 32 land rigs in Canada, the United States and Europe.

With the decline in the Canadian drilling market, the distribution of Kenting rigs changed significantly in the last year. Rigs were moved to the United States, Britain and Holland, leaving 17 rigs in Canada at the end of 1981 compared with 27 in 1980. The United States and British operations have seven rigs each and one is in Holland. The move to Holland gave Kenting its first rig on the mainland of Europe. A second rig is scheduled to start drilling in France this summer.

The drilling market in Canada declined to an average of 259 active rigs in the last quarter of 1981 compared with an average of 413 in the last quarter of 1980.

Kenting has withstood these changes well with nearly one-third of its Canadian rigs on contracts through 1982. Canadian drilling activity is not expected to regain its previous strength in the near future, although opportunities may develop in frontier areas later in the year.

The moves to other markets have kept Kenting rigs active and positioned the company in a wider geographical area, reducing its exposure to changes in any single market.

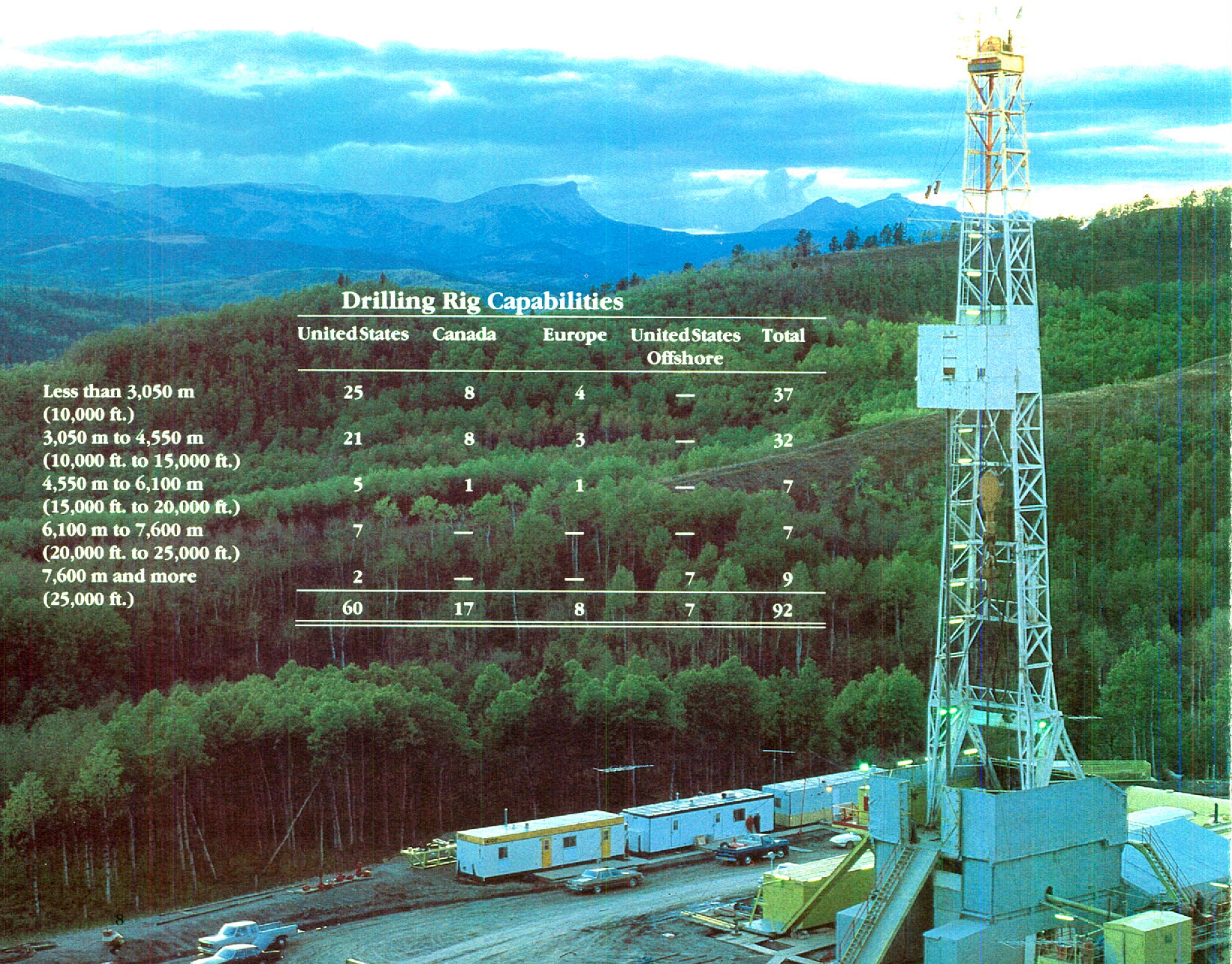


A head office for Kenting's United States drilling was located in Denver and an operational office was established at Williston, North Dakota, where yard, shop and office facilities will be completed in 1982.

New shop, yard and office facilities are also being built for the British division near our current location at Nottingham.

Kenting transferred two rigs to Cactus, when the United States demand was at its highest, and purchased three replacements. Two more rigs are to be added in 1982.

At year end, Kenting employed 600 people. Kenting provided training for 350 employees in safety, well control, drilling technology, maintenance, first aid and management. This year, we achieved the lowest accident frequency in our history.



Drilling Rig Capabilities

	United States	Canada	Europe	United States Offshore	Total
Less than 3,050 m (10,000 ft.)	25	8	4	—	37
3,050 m to 4,550 m (10,000 ft. to 15,000 ft.)	21	8	3	—	32
4,550 m to 6,100 m (15,000 ft. to 20,000 ft.)	5	1	1	—	7
6,100 m to 7,600 m (20,000 ft. to 25,000 ft.)	7	—	—	—	7
7,600 m and more (25,000 ft.)	2	—	—	7	9
	60	17	8	7	92

AIRBORNE AND RESOURCES SURVEY

Kenting Earth Sciences provides resource survey services to government and industry clients around the world. Activities include airborne geophysical and photographic surveys, mapping, hydrographic surveys, and non-mineral resource studies.

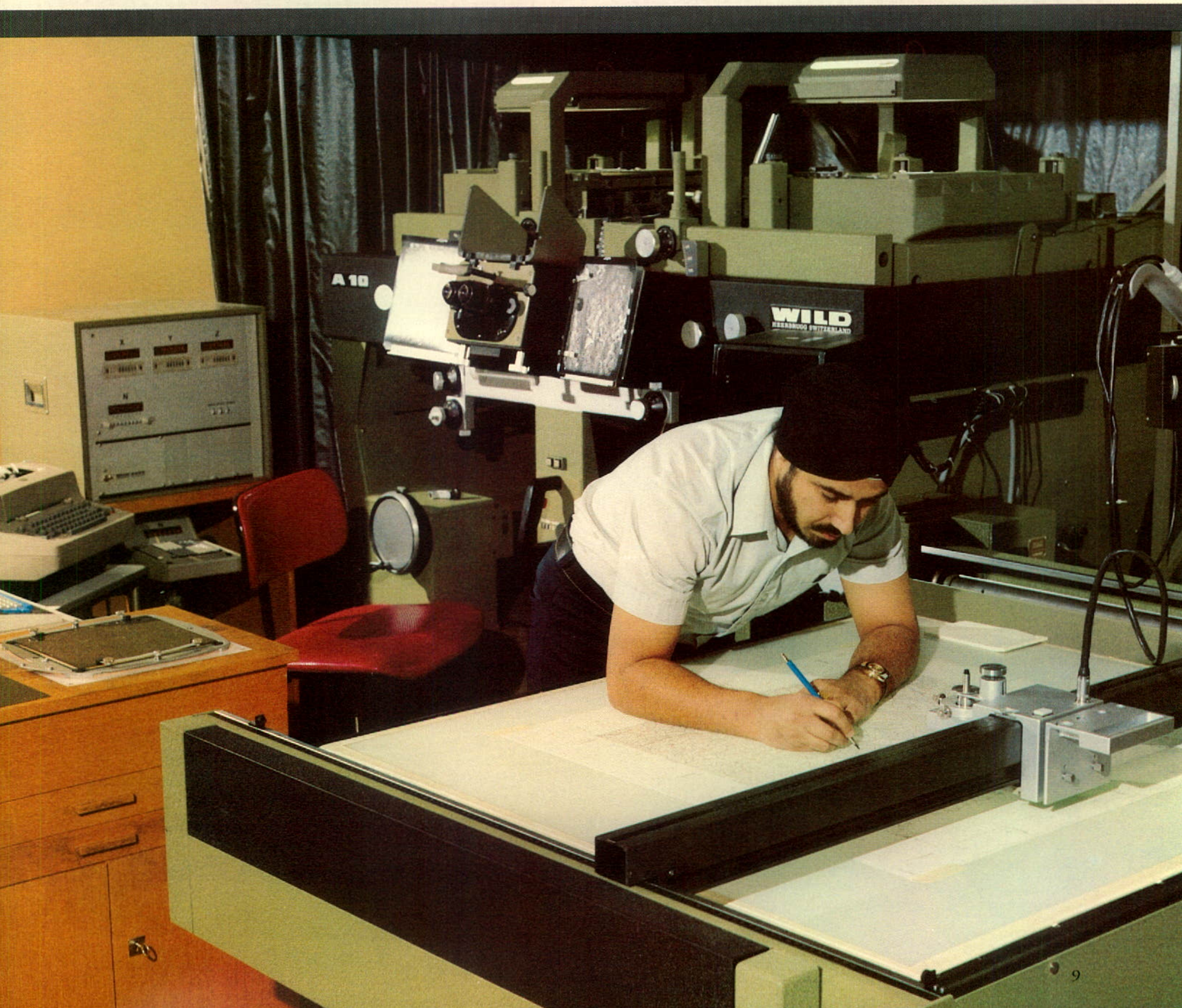
Kenting Earth Sciences, based in Ottawa, has its 230 staff assigned to six permanent offices and various field locations around the world. In Lagos, Nigeria, Kenting Africa Resource Services is an affiliate providing resource survey services in Africa.

In 1981, Kenting Earth Sciences began a major hydrographic survey of the Nile River. It involves modern radio positioning and bottom profiling techniques that have wide potential.

Kenting Earth Sciences flies 10 airplanes and operates a wide range of photographic, geophysical and mapping equipment. A Titan aircraft, which combines long range with fuel efficiency, was purchased and equipped for geophysical surveys. A second Titan and digital mapping equipment are being acquired in 1982.

At year end, Kenting Earth Sciences won a contract with the Ontario and federal governments to develop a commercial airborne gradiometer system for geophysical surveys.

A land classification survey in Nepal and an air photo contract in Indonesia are continuing. International markets for geophysical surveys remain strong.



PIPELINE AND OILFIELD CONSTRUCTION

Trimac, through Kenting subsidiaries, builds and maintains pipelines, oilfield equipment and production facilities for the petroleum industry in western Canada, particularly Alberta.

Kenting United Construction operates three pipeline spreads that lay pipe ranging in diameter from 50 mm (2 in.) to 406 mm (16 in.). Its major project during 1981 was a dual line of 152 mm (6 in.) and 305 mm (12 in.) pipe running 180 km (112 miles) between Edmonton and Cold Lake, Alberta.

Kenting Oilfield Services has three departments, each of which provides a specific service to the petroleum industry.

The Projects department builds production facilities such as small gas plants, compressor stations, oil pumping stations, and secondary recovery systems.

The District Oilfield Maintenance department, with crews at three centres in Alberta, maintains and repairs existing production facilities and undertakes small construction projects.

The Technical Enterprise department manufactures, distributes and installs electrical components for drilling rigs along with air compressors, pneumatic systems and heaters. It also provides lighting and windsock towers for airfields.

A staff of 125 people maintain basic operations for Kenting Oilfield Services but this climbs to 800 during peak activity. More than 50 individuals participated in training programs.

LAND SEISMIC SURVEY

Kenting Exploration Services provides field seismic services on contract to oil and gas exploration companies in Canada and the United States.

At the start of 1982, three crews were located in the United States and five were in Canada.

Two of the three United States crews are on lengthy contracts and operate continually through the year. In Canada, surveys normally occur during winter with lower levels of activity during the summer.

Kenting Exploration Services has an employee base of 220, including field personnel. Staff development programs provide training for surveyors, party managers and operators.


FREIGHTLINER
10-870
10.870

TRANSPORTATION

Trimac is the largest transcontinental bulk highway carrier in Canada. We also have major operations in the United States.

Truck leasing and rentals in Canada, helicopter charters in Canada and international transportation consulting are other transportation activities.

Segment Summary

	Year ended December 31	
	1981	1980
	(thousands)	
Revenue	$159,082	$115,443
Operating income	16,888	13,591
Depreciation & amortization	16,530	12,253
Capital expenditures	36,699	23,714
Identifiable assets	112,988	99,507

HIGHWAY HAULING

Trimac has two main divisions within its business of bulk highway hauling. Trimac Transportation System operates across Canada, and Liquid Transporters, Inc. is active in the United States. Both divisions operate through other subsidiaries that deal in special products or specific geographic areas.

Hauling Capabilities

	Power Units	Trailers	Terminals
Trimac Transportation	737	1,582	29
Liquid Transporters	330	658	12
Total	1,067	2,240	41

Trimac Transportation

The Trimac Transportation System operates coast to coast in Canada and into the United States from 29 terminals. Specialized bulk carriers haul petroleum, cement and a wide range of other products including edible liquids, chemicals and wood chips.

Trimac added 15 power units and 130 trailers to its fleet in 1981 and now owns 422 power units and 1,582 trailers. Another 315 power units are supplied by owner operators.

As well as increasing the fleet, older equipment was replaced. Capital investment was $6 million, with a similar investment expected in 1982.

A new terminal was opened in Kamloops, replacing a leased facility, and a new terminal is being built in Saskatoon while the Thunder Bay terminal is being enlarged.

The expansion in Saskatoon will accommodate North Star Transport Ltd., the purchase of which is currently subject to regulatory approvals. North Star will add 19 power units and 132 trailers. It improves our position in asphalt hauling and expands operations into heavy hauling in northern Saskatchewan.

A continued emphasis was placed on safety training for drivers during 1981. Courses on company regulations, standard practices and driving skills had an attendance of more than 900. Video-taped material from these and other courses is available for review at 10 branches across the country. At year end, about 1,300 people were on staff.

International hauling offers growth opportunities for 1982 although traditional markets are expected to be soft, reflecting the general economic situation. Trimac's experience in hauling hazardous goods gives us a competitive edge under new legislation governing the movement of these products. New regulations on gross vehicle weights will also positively affect operations in the Prairie provinces.

Liquid Transporters

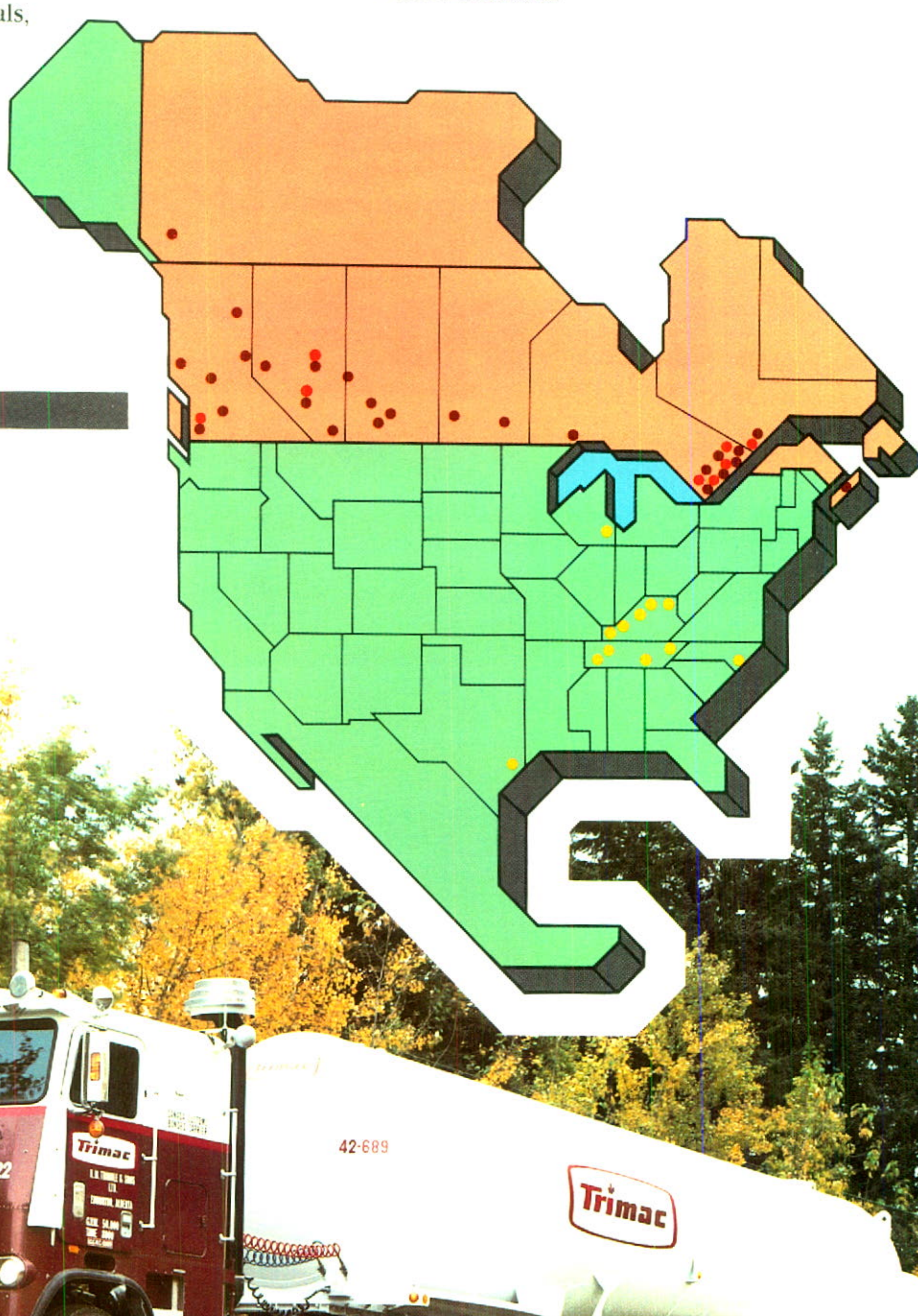
Liquid Transporters, Inc., based in Louisville, Kentucky, is our main United States operation in bulk highway hauling.

Liquid is the leading chemical hauler in the Ohio Valley and its subsidiaries, Russ Transport and Producers Transport, are regional carriers. They haul a wide range of liquid and dry products including specialty chemicals, resins, cement and edible goods.

Liquid now operates 330 power units and 658 trailers from 12 terminals.

TRANSPORTATION LOCATIONS
- Liquid
- Rentway
- Trimac

Refer to inside back cover for branch locations



In 1981, Liquid hauled into 44 states from terminals in Kentucky, Tennessee, Illinois, Ohio, North Carolina and Alabama. Operations expanded into Texas with the opening of a terminal in Houston. The Louisville terminal was enlarged and a smaller terminal in Tennessee was closed.

Liquid was granted interstate authority to operate between all 48 continental states. Many additional markets are now being examined.

Liquid took several steps in 1981 to improve profitability in strongly competitive conditions. One response was flexible pricing to meet individual customer needs and market conditions. Rate increases in some areas offset inflationary factors; reductions in others increased business or retained established customers. Excess equipment was sold and improvements were made in fuel efficiency.

All assets and contracts of LTL Leasing, Inc. were sold as prospects for profitability for the truck leasing division were not in line with company objectives.

Prospects for 1982 will depend generally on the level of economic conditions. Increased back hauls and more efficient handling will add to revenues and profits. Potential also exists for increased contract business and the establishment of terminals in new markets.

TRUCK LEASING AND RENTALS

Rentway Canada Ltd. is Trimac's subsidiary in the truck leasing and rental business. It is the second largest leasing firm that operates nationally in Canada with 2,150 vehicles and 11 offices from Vancouver to Montreal.

Vehicles ranging from small pickups to heavy capacity tractors are leased by Rentway to government, industrial and commercial customers. Leasing plans are tailored to meet specific customer needs.

Strong demand from construction and resource development projects and for comprehensive leasing services helped Rentway increase revenues.

Near the end of 1981, Rentway expanded into Belleville, Ontario, by purchasing assets of Warren Whitley Rental Equipment Ltd. The expansion provides a base for increased service between Montreal and Toronto.

Developments in the coal industry of British Columbia and Alberta and pipeline activities in eastern Canada should provide continuing business in 1982. The strength of oil industry operations in western Canada, interest rates and the general level of economic activity will also affect performance.

Improvement of equipment in 1982 is expected to result in a net capital investment of $9 million.

Employee development during the year included outside courses and internal training for 25 people, plus seminars for sales personnel. There were a total of 135 employees at year end.

TRANSPORTATION CONSULTING

Trimac Consulting Services provides analysis and system design for the movement and distribution of people and materials.

It provides services in Canada and throughout the world for private industry, governments and international agencies.

The staff of nine worked on projects that included distribution systems for heavy oil and other resource development projects in Canada. Trimac Consulting also solved transportation problems in India, Kuwait, Barbados and Zimbabwe.

The greatest opportunities in 1982 will be overseas and among Canadian industries seeking to lower costs by increasing the efficiency of product distribution.

HELICOPTER CHARTER

Kenting Helicopters charters helicopters and crews to service government and industry customers in western and northern Canada.

A Bell 412, the first to fly in Canada, was purchased in the spring and has worked extensively in the Yukon and Northwest Territories.

Four Aerospatiale TwinStars, which are particularly well suited for movement of passengers in remote areas, were acquired. They replaced older single-engine machines as the fleet was maintained at 19 helicopters.

A major activity during 1981, as in the previous year, was fighting forest fires in Alberta, Saskatchewan and the Northwest Territories.

Forty-eight people work at Kenting Helicopters. Training programs are conducted on maintenance, basic pilot training and instrument flight ratings.


DANGER
AUTOMATIC
STARTING
EQUIPMENT

OTHER BUSINESSES

Trimac is building a greater presence in industries that take us beyond our principal endeavors in transportation and energy services.

We are expanding in waste management and becoming more active in hydrocarbon trading. We invest in oil and gas properties and provide computing services.

Summary of Other Businesses

(Including Trimac's share of affiliates)

	Year ended December 31	
	1981	1980
	(thousands)	
Revenue	$24,763	$20,245
Operating income	5,236	4,352
Depreciation & amortization	2,803	1,949
Capital expenditures	10,078	10,906
Identifiable assets	46,885	36,832

OIL AND GAS INVESTMENT

Trimac invests in oil and gas properties through Tripet Resources Limited in Canada and Quantum Resources Inc. in the United States. Other properties are held through Cactus, which has completed previous exploration commitments in the United States, and through Kenting.

Total proved reserves are 740,000 cubic metres (28.5 billion cubic feet) of natural gas and 100,400 cubic metres (633,000 barrels) of oil and natural gas liquids.

A Cactus investment of $5.3 million in a joint venture with Texaco Inc. in Texas discovered modest reserves.

In Canada, Tripet manages an exploration program that is funded equally by Trimac and General Distributors of Canada Ltd. Program funding dropped slightly in 1981 to $6 million in the uncertainty over government energy policies and pricing agreements.

About $1.7 million was invested with Hudson's Bay Oil & Gas Co. Ltd. to drill 17 exploratory and development wells in Saskatchewan, Alberta, and British Columbia. Four wells contained gas and four found heavy oil.

Another $1.8 million, spent on 13 exploratory and stepout wells in Alberta, resulted in five oil wells and one gas well.

Tripet acquired a 30 per cent working interest, for $2 million, in 105 natural gas wells in the Cessford area of Alberta. Results were better than expected and production should begin in 1982.

Tripet acquired land interests ranging from 16⅔ to 25 per cent in five exploratory oil plays in northern Alberta, which will be tested in 1982. A total of $500,000 was spent on land acquisitions.

Future investment will be directed toward acquiring oil reserves that will receive the pricing advantages of new oil.

WASTE MANAGEMENT

Tricil Limited, our joint venture with C-I-L Inc., provides waste management services in three main areas:

- solid waste collection and disposal,
- liquid waste collection, treatment and disposal, and
- resource and energy recovery from waste.

Tricil's success with innovative technology in energy-from-waste projects has opened up new markets in Canada and the United States.

Tricil won a contract to modify and operate an existing waste incineration facility at Akron, Ohio, that produces steam for use by more than 200 local customers.

Under agreement with the Prince Edward Island Energy Corporation, Tricil is building a similar facility near Charlottetown and will operate it for five years. The steam provided will be used by two hospitals.

Energy-from-waste projects provide future growth opportunities, particularly in the United States where energy prices are higher, the tax environment is favorable and landfill sites are limited.

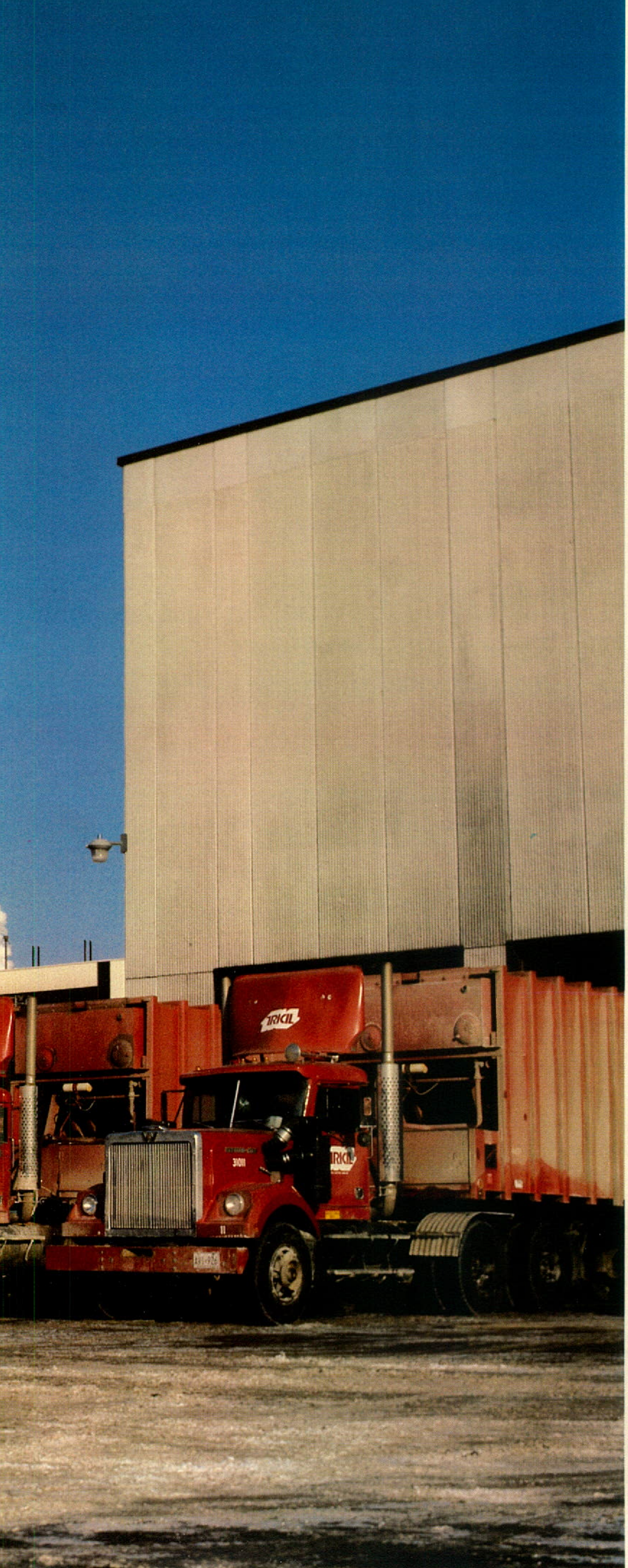
An electric generator, driven by steam from the waste incineration unit at Hamilton, is to begin operating in July, 1982. The electricity will be sold to Ontario Hydro.

Approval to upgrade incineration facilities for liquid chemical wastes at Sarnia has been received from the Ontario environment ministry. Plans to modify and improve liquid waste treatment facilities at Mercier are being reviewed with the Quebec government. Introduction of unique technology at these waste plants will allow Tricil to treat a wider variety of liquid wastes.

Tricil expanded its solid waste collection and disposal operations with the establishment of a branch at Fort McMurray, Alberta.

Tricil, based in Mississauga, Ontario, employs 460 people at 12 locations in Canada and three in the United States. Training courses, in subjects as diverse as safety and sales, were attended by 135 employees.

Business opportunities appear excellent in 1982. Capital investment is expected to exceed $25 million, principally in service equipment, plant improvements and market development.



HYDROCARBON TRADING

Stephens Energy Limited markets and distributes natural gas liquids, petrochemical feedstocks and specialty refinery streams across Canada and the United States.

Stephens Energy, owned jointly by Trimac and The Great Western Holding Corporation Ltd., began operations in 1979 and now has a staff of 11 people working in Toronto and Calgary.

Hydrocarbon products, obtained mostly from producers in western Canada and refineries in eastern Canada, are moved to market in a fleet of 165 jumbo rail tank cars.

Diversification into other phases of hydrocarbon trading and product distribution is expected in this expanding business.

DATA PROCESSING

MBI Data Services markets its computing capabilities to Trimac companies and select outside clients.

The MBI staff of 33 provides an on-line communications system to Trimac's bulk trucking operation. This network, which produces invoices directly from bills of lading, was extended to all major branches. It also allows branch managers to assess the efficiency of their previous day's operations.

MBI acquired new data communications facilities during 1981, added computing power and increased its computing storage capacity by one-third.

Increased service in the transportation area largely offset decreased activity with clients in resource development.

FINANCIAL REVIEW

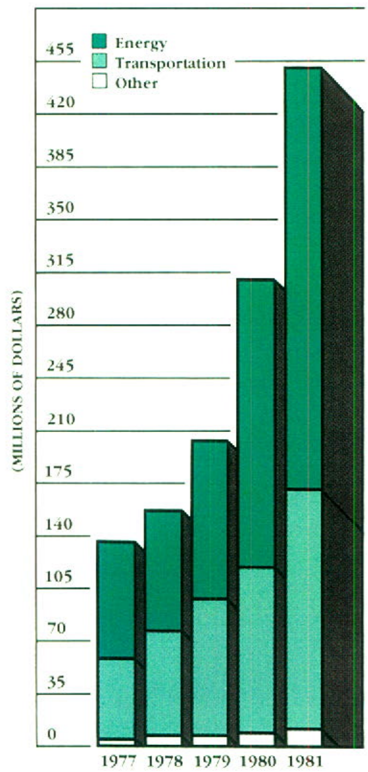
Five Year Summary

	1981	1980	1979	1978	1977
			(thousands of dollars)		
Year ended December 31					
Operating revenues	**$450,721**	$308,987	$193,468	$155,450	$137,872
Net earnings	**35,679**	26,828	15,069	10,464	7,060
Earnings per common share					
— basic	**1.27**	1.11	.67	.49	.35
— diluted	**1.23**	1.01	.58	.39	.28
Funds from operations	**83,671**	61,108	35,930	27,935	18,767
Net capital expenditures	**97,379**	56,390	48,637	33,384	18,001
At December 31					
Working capital	**36,426**	32,207	12,909	10,676	11,066
Net capital invested (total assets minus current liabilities)	**421,876**	348,750	141,096	104,874	81,612
Long term debt (excluding current maturities)	**200,372**	182,301	66,017	49,976	39,651
Shareholders' equity	**147,437**	115,645	53,521	40,262	32,556

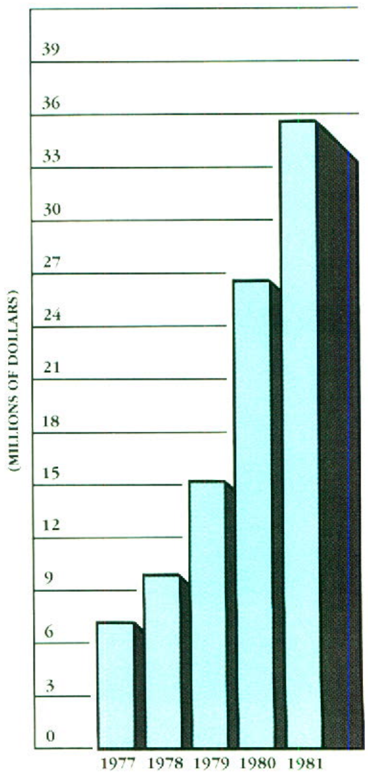
Revenues

Trimac's revenue increased $141,734,000 or 45.9 per cent in 1981. The increase reflected a full year of revenues from our Cactus and Liquid operations. The Canadian drilling market was depressed during 1981 (drilling days declined 42% from 1980) so rigs were moved to more buoyant markets in the United States and Europe. Other energy divisions showed marginal improvements over 1980 levels. Despite a slowdown in the economy during the year, our transportation divisions showed steady growth, with the exception of helicopters which declined slightly.

OPERATING REVENUES



NET EARNINGS



Expenses

Interest on long term debt increased $16,983,000 to $34,668,000, an effective rate of 17.2 per cent during 1981. This increase reflects debt associated with the Cactus and Liquid acquisitions and an average interest rate 3.9 per cent higher than in 1980. Almost all of Trimac's debt is tied to Canadian or U.S. prime interest rates or the London Interbank Offered Rate.

Income tax is 30.7 per cent of pre-tax income. This rate reflects the continuing positive effect of the 1980 income tax reorganization of Cactus and investment tax credits earned in Canada and the United States. Details are shown in Note 4.

Earnings

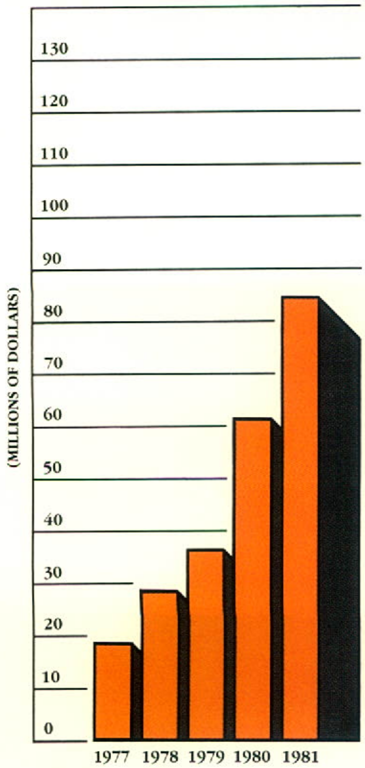
Net earnings increased by $8,851,000, or 33.0 per cent in 1981. This increase in mainly due to a full year of earnings from the Cactus acquisition, offset in part by the poor market and reduced margins from Canadian drilling.

The earnings per share have not increased in proportion to earnings as a result of our share issue in October, 1980, which increased the average number of shares issued for all of 1981 but only for a portion of 1980.

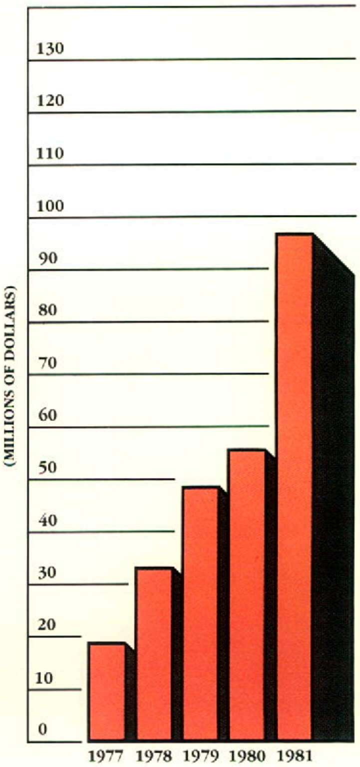
Financial Position

The Cactus acquisition accounts for the major portion of the increase in funds from operations in 1981 to $83,671,000, up 36.9 per cent. Trimac's working capital position remains strong and our debt to equity ratio has decreased from 1.6/1 at December 31, 1980, to 1.4/1 at the end of 1981.

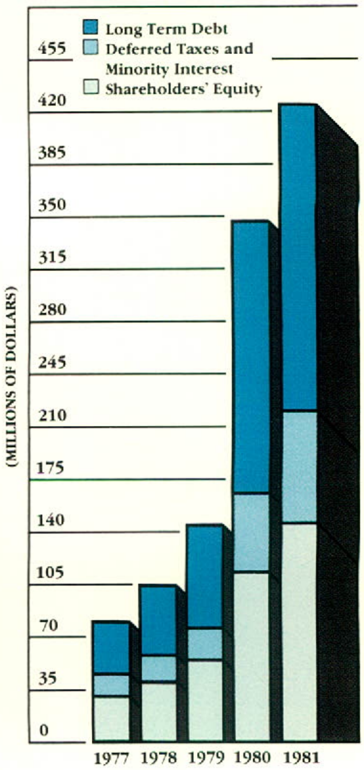
FUNDS FROM OPERATIONS



NET CAPITAL EXPENDITURES



CONSOLIDATED CAPITALIZATION



Capital Expenditures

Expenditures on fixed assets net of disposal proceeds were $97,379,000 (1980 — $56,390,000). This expansion was as a result of an extensive upgrading program in Cactus of $44,598,000, additions of $12,543,000 for Kenting drilling equipment (approximately $8.5 million in Europe), $10,527,000 to our highway transportation fleet and terminals, $11,303,000 for our Rentway fleet ($3.4 million for assets of Warren Whitley) and $18,408,000 in our oil and gas and other energy and transportation divisions.

	Drilling	Highway Transportation	Leasing	All Other Divisions	Total
		(thousands of dollars)			
Funds provided for fixed asset replacement:					
Depreciation, depletion and amortization	$16,210	$10,423	$ 5,578	$ 3,305	$ 35,516
Asset disposal proceeds	8,602	3,323	5,998	5,080	23,003
Total replacement funds	24,812	13,746	11,576	8,385	58,519
Capital expenditures	65,743	13,850	17,301	23,488	120,382
Net expansion of fixed assets	$40,931	$ 104	$ 5,725	$15,103	$ 61,863
Net expansion was financed from the following sources:					
Net increase (decrease) in term debt	$ (864)	$ 2,125	$ 6,849	$ 9,961	$ 18,071
Deferred income tax increase (decrease)	21,942	(301)	259	(2,330)	19,570
Net funds from or (to) working capital	19,853	(1,720)	(1,383)	7,472	24,222
	$40,931	$ 104	$ 5,725	$15,103	$ 61,863

Consolidated Capitalization

Trimac's capitalization changed as shown in the following table from 1980 to 1981:

	1981	1980	Change
		(percentage)	
Long term debt	**47.5**	52.3	− 9.2
Deferred income taxes	**15.0**	12.5	+ 20.0
Minority interest	**2.6**	2.1	+ 23.8
Shareholders' equity	**34.9**	33.1	+ 5.4
	100.0	100.0	

CONSOLIDATED STATEMENT OF EARNINGS

	Year ended December 31	
	1981	1980
OPERATING REVENUES	**$450,721,000**	$308,987,000
COSTS AND EXPENSES:		
Operating	**335,311,000**	225,609,000
Depreciation, depletion and amortization	**35,516,000**	24,527,000
	370,827,000	250,136,000
	79,894,000	58,851,000
OTHER DEDUCTIONS (INCOME):		
Interest expense — long term debt	**34,668,000**	17,685,000
Other interest (net)	**(2,856,000)**	156,000
Gains on sale of assets	**(6,485,000)**	(2,062,000)
	25,327,000	15,779,000
	54,567,000	43,072,000
INCOME TAXES (Note 4):		
Current	**1,079,000**	4,745,000
Deferred	**15,695,000**	11,845,000
	16,774,000	16,590,000
	37,793,000	26,482,000
Share of earnings of affiliates	**1,775,000**	1,569,000
	39,568,000	28,051,000
Minority interest in net earnings of subsidiaries	**3,719,000**	1,741,000
Net earnings before extraordinary items	**35,849,000**	26,310,000
Extraordinary items	**(170,000)**	518,000
NET EARNINGS	**$ 35,679,000**	$ 26,828,000
NET EARNINGS PER SHARE BEFORE EXTRAORDINARY ITEMS		
— Basic	**$1.27**	$1.09
— Diluted	**$1.23**	$0.99
NET EARNINGS PER SHARE		
— Basic	**$1.27**	$1.11
— Diluted	**$1.23**	$1.01

CONSOLIDATED BALANCE SHEET

	December 31 1981	December 31 1980
ASSETS		
CURRENT ASSETS:		
Cash and term deposits	**$ 12,983,000**	$ 25,855,000
Accounts receivable	**88,409,000**	81,765,000
Contracts in progress	**4,405,000**	5,387,000
Income taxes recoverable	**5,135,000**	—
Materials and supplies	**4,880,000**	4,361,000
Prepaid expenses	**6,087,000**	5,562,000
TOTAL CURRENT ASSETS	**121,899,000**	122,930,000
INVESTMENTS AND ADVANCES:		
Investment in and advances to affiliates	**7,254,000**	5,711,000
Notes receivable from employees	**4,750,000**	4,658,000
Other	**2,690,000**	3,101,000
	14,694,000	13,470,000
FIXED ASSETS (Note 2)	**367,875,000**	300,048,000
GOODWILL AND AUTHORITIES	**2,881,000**	3,025,000
	$507,349,000	$439,473,000

Approved by the Board:

M. W. McCaig
Director

A. Vanden Brink
Director

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31 1981	1980
CURRENT LIABILITIES:		
Bank advances, secured	**$ 12,376,000**	$ 3,810,000
Accounts payable and accrued	**46,377,000**	43,069,000
Income taxes payable	**—**	8,050,000
Contract advances	**13,781,000**	16,492,000
Current maturities of long term debt (Note 3)	**12,939,000**	19,302,000
TOTAL CURRENT LIABILITIES	**85,473,000**	90,723,000
LONG TERM DEBT (Note 3)	**200,372,000**	182,301,000
DEFERRED INCOME TAXES	**63,130,000**	43,560,000
MINORITY INTEREST	**10,937,000**	7,244,000
SHAREHOLDERS' EQUITY (Note 5):		
Share capital	**54,376,000**	54,302,000
Retained earnings	**93,061,000**	61,343,000
	147,437,000	115,645,000
CONTINGENCY (Note 4)		
	$507,349,000	$439,473,000

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31	
	1981	1980
SOURCE OF FUNDS:		
From operations (a)	**$ 83,671,000**	$ 61,108,000
Increase in long term debt	**69,630,000**	182,355,000
Proceeds on sale of fixed assets	**23,003,000**	11,516,000
Income taxes payable	**3,716,000**	28,383,000
Proceeds on issue of common shares	**394,000**	37,801,000
	180,414,000	321,163,000
APPLICATION OF FUNDS:		
Investment in subsidiaries, net of working capital acquired	**—**	141,773,000
Purchase of fixed assets	**120,382,000**	67,906,000
Decrease in long term debt	**51,559,000**	69,538,000
Income taxes payable	**—**	17,390,000
Dividends	**4,012,000**	3,101,000
Other changes (net)	**242,000**	2,157,000
	176,195,000	301,865,000
Increase in working capital	**4,219,000**	19,298,000
Working capital, beginning of the year	**32,207,000**	12,909,000
WORKING CAPITAL, END OF THE YEAR	**$ 36,426,000**	$ 32,207,000

(a) Funds from operations is computed by adjusting net earnings for non-cash charges and credits such as depreciation, depletion and amortization, gains on sale of assets, non-current deferred taxes, share of earnings of affiliates, minority interests and extraordinary items.

CHANGES IN COMPONENTS OF WORKING CAPITAL:		
Increase (decrease) in current assets:		
Cash and term deposits	**$(12,872,000)**	$ 19,959,000
Accounts receivable, contracts in progress and income taxes	**10,797,000**	41,572,000
Materials and supplies and prepaid expenses	**1,044,000**	3,080,000
	(1,031,000)	64,611,000
Decrease (increase) in current liabilities:		
Bank advances	**(8,566,000)**	3,386,000
Accounts payable, income taxes and contract advances	**7,453,000**	(39,836,000)
Current maturities of long term debt	**6,363,000**	(8,863,000)
	5,250,000	(45,313,000)
Increase in working capital	**$ 4,219,000**	$ 19,298,000

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Year ended December 31	
	1981	1980
BALANCE, BEGINNING OF THE YEAR	**$61,343,000**	$37,616,000
Net earnings	**35,679,000**	26,828,000
	97,022,000	64,444,000
DEDUCT (ADD):		
Dividends —		
Common shares (1981 - $0.12 per share; 1980 - $0.10 per share)	**3,318,000**	2,376,000
9.12% First Preferred Shares, Series A	**647,000**	676,000
Other preferred shares	**47,000**	49,000
Gain on redemption of 9.12% First Preferred Shares, Series A	**(51,000)**	—
	3,961,000	3,101,000
BALANCE, END OF THE YEAR	**$93,061,000**	$61,343,000

AUDITORS' REPORT

To the Shareholders of
TRIMAC LIMITED:

We have examined the consolidated balance sheet of Trimac Limited as at December 31, 1981 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Calgary, Alberta
February 19, 1982

PRICE WATERHOUSE
Chartered Accountants

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of Trimac Limited ("the Company") and its subsidiaries (collectively "Trimac"). All of the Company's subsidiaries are wholly owned except Cactus Corporation of Texas (87%) and Kenting Africa Resource Services Limited (60% during 1981 reduced to 49% on January 25, 1982).

Trimac follows the equity method of accounting for its investment in affiliates (generally ownership of 20% to 50%). Under this method, the cost of the investment, including goodwill at acquisition, is adjusted for Trimac's share of undistributed earnings or losses and capital transactions.

Goodwill and authorities

Goodwill and authorities are being amortized on a straight line basis over periods of up to 40 years, except for $2,223,000 which was acquired prior to March 31, 1974.

Translation of foreign currencies

The accounts of foreign subsidiaries have been translated into Canadian dollars; current assets and liabilities using the rate in effect at December 31, 1981, other balance sheet items and related depreciation, depletion and amortization at applicable historical rates, and revenues and other expenses at the average exchange rate. Unrealized exchange gains and losses are reflected in earnings as they accrue with the exception of unrealized gains relating to translation of the accounts of the Company's Nigerian subsidiary, which is subject to foreign exchange control regulations. Working capital of the Nigerian subsidiary amounted to $5,581,000 at December 31, 1981.

Income from contracts

Trimac follows the practice of recording income from contracts under the percentage-of-completion method of accounting. Any anticipated losses are provided for in their entirety.

Interests in oil and gas properties

Trimac follows the full cost method of accounting for interests in oil and gas properties, whereby all costs (net of any disposal proceeds) related to the exploration for and development of oil and gas reserves are capitalized. Costs are depleted using the unit of production method, based on total estimated proven reserves.

Fixed assets

Depreciation is provided at rates which will amortize costs to estimated residual values, mainly as follows:

Asset	Depreciation Method	Estimated Useful Life (Years)
Land drilling rigs	Straight line (residual - 15% to 25%)	15
Offshore platform rigs	Straight line based on operating days (residual - 25%)	15
Highway tractors	Varying percentages of original cost	5 - 7
Highway trailers	Straight line	8
Rental vehicles	Varying percentages of original cost	5 - 7
Lease vehicles	Varying percentages of original cost	2 - 5
Buildings and other	Various	4 - 25

Investment tax credits

Investment tax credits are accounted for by reducing the income tax provision in the year in which the credit arises for income tax purposes.

International Accounting Standards

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and conform in all material respects with International Accounting Standards.

Comparative information

Certain comparative figures have been restated to conform to the current year's presentation.

NOTE 2 — FIXED ASSETS

	December 31			
	1981		1980	
	Cost	Net Book Value	Cost	Net Book Value
	(thousands of dollars)			
Equipment				
Drilling rigs and related equipment	$265,490	$238,257	$209,276	$194,759
Bulk hauling highway units	66,753	33,124	62,257	36,463
Lease and rental vehicles	31,997	23,051	26,782	19,128
Other	36,237	20,519	29,269	15,126
	400,477	314,951	327,584	265,476
Interests in oil and gas properties	28,968	26,581	20,897	19,737
Land, buildings and yard improvements	28,959	26,343	16,796	14,835
	$458,404	$367,875	$365,277	$300,048

NOTE 3 — LONG TERM DEBT

	December 31			
	1981		1980	
	Long Term	Current	Long Term	Current
	(thousands of dollars)			
Equipment obligations				
Bank term loans				
Cactus (a)	$ 86,519	$ —	$ 74,078	$ —
Kenting (b)	30,099	10,223	34,493	10,173
Revolving credit agreements (c)	38,275	213	26,745	972
Other (g)	1,667	141	1,296	1,439
Total equipment obligations	156,560	10,577	136,612	12,584
Other long term debt				
Bank term loans (d)	27,635	2,075	24,494	2,224
Purchase liability (e)	12,046	—	19,151	—
Building loan (f)	3,110	—	—	—
Other (g)	1,021	287	2,044	4,494
Total other long term debt	43,812	2,362	45,689	6,718
Total long term debt (h)	$200,372	$12,939	$182,301	$19,302

(a) The loans may be drawn down under a $100,000,000 U.S. (approximately $120,000,000 Canadian) line of credit until July 23, 1983, at which time equal quarterly principal repayments over 12 years will commence. Interest rates will vary over the period from ⅝% to 1% over the London Interbank Offered Rate ("LIBOR"). The loans are secured by Cactus drilling rigs.

(b) The loans are secured mainly by certain drilling rigs, a helicopter and related accounts receivable. Interest rates are mainly ½% to ¾% over prime or LIBOR.

(c) The revolving credit agreements of various subsidiaries provide for credit lines equal to the lesser of a total of $54,661,000 at December 31, 1981, or an amount determined by formula in each agreement (which amounts totalled $42,096,000 at December 31, 1981). Fixed and floating interest rates vary from ½% to 1% over prime. The loans are secured by charges against certain vehicular equipment under either a floating charge debenture or chattel mortgages. All of the revolving credits are expected to continue at least until January, 1983, although the credits may be terminated by defined notice. If such termination occurs, each of the agreements provides for the loans to be repaid in monthly installments on a term basis ranging from five to eight years.

(d) Bank term loans are repayable over periods of up to nine years. The interest rates vary from ½% to 1½% over prime. 410,241 common shares and 9,000 Class "C" preferred shares of Kenting Limited have been lodged as security for loans of $4,511,000.

(e) The purchase liability, which arose on the acquisition of Cactus, is payable over four years to July 23, 1985, in varying amounts. It is anticipated that payments will be financed under the Cactus equipment loan facility.

(f) Construction facility aggregating $40,000,000, maturing July 1, 1984, convertible to a 13 year term loan. Interest rates are ⅛% over prime during construction and vary from ⅜% to ⅞% over prime during the term period. No principal repayments are required until 1990.

(g) Included are mortgage loans, repayable over periods from 1982 to 2002, and unsecured notes and agreements payable, which mature at various dates to 1990. Interest rates vary from 7% to 15½%.

(h) Repayments: If no additional amounts were borrowed under the revolving credit agreements, estimated repayments in the years ending December 31, would be: 1982 — $6,229,000; 1983 — $9,401,000; 1984 — $7,676,000; 1985 — $4,955,000; 1986 — $3,170,000; thereafter — $7,057,000. Aggregate amounts of long term debt repayable in the years ending December 31, are: 1982 — $12,726,000; 1983 — $15,830,000; 1984 — $23,818,000; 1985 — $19,141,000; 1986 — $19,454,000; thereafter — $83,854,000.

NOTE 4 — INCOME TAXES

The provision for 1981 and 1980 income taxes is less than would otherwise be expected, for the reasons set out below:

	1981		1980	
	Amount	**% of Earnings Before Income Taxes**	Amount	% of Earnings Before Income Taxes
	(thousands of dollars)			
Computed "expected" tax	**$25,449**	**46.6%**	$21,045	48.9%
Permanent difference in tax depreciation (a)	**(5,162)**	**(9.5)**	(2,871)	(6.7)
Investment tax credits	**(3,627)**	**(6.6)**	(1,614)	(3.8)
Other (net)	**114**	**.2**	30	0.1
Actual tax provision	**$16,774**	**30.7%**	$16,590	38.5%

(a) Contingent liability — Pursuant to the 1980 tax reorganization of Cactus the current year's tax provision has been reduced by $5,162,000 as a result of deducting, for U.S. federal income tax purposes, $11,222,000 of the $41,537,000 by which the tax cost base of the assets exceeded the related accounting cost. Cactus intends to deduct the remaining $24,074,000 over the next four years, thereby reducing income tax expense and increasing net income and retained earnings by a further aggregate $11,074,000, assuming a 46% U.S. federal income tax rate. In view of the magnitude of the amounts involved, it is expected that the Internal Revenue Service will challenge this treatment. Should such a challenge be ultimately upheld, the effect would be to reduce 1981 net earnings by up to $5,162,000 and 1980 net earnings by up to $2,871,000.

NOTE 5 — SHAREHOLDERS' EQUITY

Share Capital

	Issued Number	Issued Amount
First Preferred Shares of a par value of $25. each (authorized 640,000 shares — $16,000,000) —		
9.12% Cumulative Redeemable First Preferred Shares, Series A		
Issued as at December 31, 1980	291,800	$ 7,295,000
Purchased for cancellation (a)	(12,800)	(320,000)
Issued as at December 31, 1981	279,000	6,975,000
Second Preferred Shares of a par value of $10. each (authorized 250,000 shares — $2,500,000) —		
4% Non-Cumulative Redeemable, Convertible Second Preferred Shares, "A" Series		
Issued as at December 31, 1980 and 1981	8,400	84,000
Common (NOTE)		
Issued as at December 31, 1980	27,508,227	46,923,000
Issued on the exercise of the Employee's Stock Option Plan	38,100	197,000
Issued on exercise of Share Purchase Warrants	196,911	197,000
Issued as at December 31, 1981	27,743,238	47,317,000
Total share capital — December 31, 1981		$54,376,000

NOTE: During 1981 the Company's common shares were split three for one. The authorized number of common shares which may be issued was increased to 45,000,000. The maximum consideration for which these shares may be issued remained $200,000,000.

(a) Purchase obligation — The Company is required to purchase 3,200 First Preferred Shares, Series A each calendar quarter in the open market, if the market price does not exceed par plus accrued and unpaid cumulative dividends and costs of purchase. The quarterly purchase obligation carries forward for up to three succeeding quarters, to the extent not satisfied, and is then extinguished.

During 1981 the Company purchased 12,800 shares pursuant to its purchase obligation. For the first quarter of 1982, the outstanding obligation amounts to 3,200 shares, that quarter's obligation.

After June 30, 1982 the Company is further entitled to redeem the outstanding First Preferred Shares, Series A at a premium reducing from $1.75 per share during the 12 months ending June 30, 1983 to nil after June 30, 1987.

Common Shares Reserved

	Number of Shares
— for Share Purchase Warrants expiring May 17, 1982	550,287
— for conversion of 8,400 Second Preferred Shares "A" Series	100,800
— for payment of agreements to purchase 19,550 shares of a subsidiary company (Note 7)	527,850
— for options granted to officers and employees of the Company and its subsidiaries under the terms of the Company's Employee Stock Option Plan (a)	804,800
	1,983,737

(a) At December 31, 1981, options to purchase common shares were outstanding as follows:

Date granted	Expiry date	Price per share	Number of common shares
November 20, 1979	November 20, 1984	$ 4.011	256,800
November 26, 1980	November 26, 1985	11.875	474,000
April 21, 1981	April 21, 1986	14.707	33,000
August 20, 1981	August 20, 1986	12.830	6,000
November 17, 1981	November 17, 1986	9.500	35,000
			804,800

Retained earnings

Under the provisions of the governing statutes, $1,401,000 (an amount equal to the par value of preference shares redeemed) is restricted from distribution to shareholders.

NOTE 6 — STATUTORY INFORMATION

The aggregate direct remuneration paid or payable by the Company and its subsidiaries to the directors and senior officers (as defined in the Alberta Companies Act) of the Company during the year ended December 31, 1981, was $1,224,000.

NOTE 7 — INTEREST OF EMPLOYEES IN SUBSIDIARIES

Kenting Limited

Employees of Kenting Limited, a subsidiary company, hold 19,550, 5% convertible redeemable non-voting participating Kenting Limited preferred shares of a par value of $21.25. The shares are convertible, at the option of the holder, on a cumulative basis at the rate of 20% for each year after February 1, 1977, into common shares of Kenting, on a share for share basis. The Company is obligated to purchase and the holder must sell these common shares immediately upon issue at a price of $21.25 per share plus or minus the net change in the fully diluted net book value per common share of Kenting for the period from January 1, 1977, to the end of the fiscal period immediately preceding such purchase. The earnings allocable to these shares are included in minority interest.

At the option of the employee, after February 1, 1982, the Company will exchange 27 Trimac common shares for each Kenting common share as an alternative to the foregoing purchase arrangement.

Cactus Corporation of Texas

Each of three senior officers of Cactus has an option to sell his shares in Cactus to Trimac and Trimac has options to buy their shares for cash prior to April 1, 1990. The price for such shares is to be calculated by applying one of two formulae based on the performance of Cactus. The total amount of these payments cannot be determined at this time but is expected to be no less than $4,050,000 ($3,510,000 U.S.).

NOTE 8 — SEGMENTED INFORMATION

Trimac's operations can be divided into three business segments:

Energy services includes oil and gas drilling, pipeline and oilfield construction, airborne and resources survey and land seismic survey.

Transportation services includes highway transportation, truck leasing and rentals, helicopter charter and transportation consulting.

Oil and gas investment includes the exploration for, development and production of crude oil and natural gas reserves.

By Industry Segment (thousands of dollars)

	Year ended December 31, 1981				
	Operating Revenue	**Operating Income (a)**	**Depreciation Depletion and Amortization**	**Capital Expendi-tures**	**Indenti-fiable Assets**
Energy services	$287,616	$74,643	$17,581	$ 70,934	$348,165
Transportation services	159,082	16,888	16,530	36,699	112,988
Oil and gas investment	3,879	1,168	1,237	8,069	29,617
	450,577	92,699	35,348	115,702	490,770
Corporate and other	1,552	(6,320)	168	4,680	16,579
Interest	—	(31,812)	—	—	—
Inter-segment eliminations	(1,408)	—	—	—	—
	$450,721	$54,567	$35,516	$120,382	$507,349

	Year ended December 31, 1980				
	Operating Revenue	Operating Income (a)	Depreciation Depletion and Amortization	Capital Expendi-tures	Indenti-fiable Assets
Energy services	$191,217	$51,175	$11,510	$36,006	$302,084
Transportation services	115,443	13,591	12,253	23,714	99,507
Oil and gas investment	2,152	899	635	7,731	23,584
	308,812	65,665	24,398	67,451	425,175
Corporate and other	1,349	(4,752)	129	455	14,298
Interest	—	(17,841)	—	—	—
Inter-segment eliminations	(1,174)	—	—	—	—
	$308,987	$43,072	$24,527	$67,906	$439,473

By Geographic Area (thousands of dollars)

	Year ended December 31, 1981			Year ended December 31, 1980		
	Operating Revenue	**Operating Income (a)**	**Identi-fiable Assets**	Operating Revenue	Operating Income (a)	Indenti-fiable Assets
United States	$217,418	$57,780	$257,609	$ 77,974	$18,072	$202,471
Canada	204,041	22,488	201,557	211,283	36,051	212,374
Other	31,993	6,111	48,183	22,707	6,790	24,628
	453,452	86,379	507,349	311,964	60,913	439,473
Interest	—	(31,812)	—	—	(17,841)	—
Inter-area eliminations	(2,731)	—	—	(2,977)	—	—
	$450,721	$54,567	$507,349	$308,987	$43,072	$439,473

(a) Operating income is income before taxes, share of earnings of affiliates, minority interest and extraordinary items.

FIVE YEAR FINANCIAL REVIEW

	1981	1980	1979	1978	1977
	Year ended December 31 (thousands of dollars, except per share figures)				
RESULTS					
Operating revenue	**$450,721**	$308,987	$193,468	$155,450	$137,872
Earnings before taxes, share of earnings of affiliates, minority interest and extraordinary items	**54,567**	43,072	24,703	19,593	14,339
Provision for income taxes	**16,774**	16,590	10,401	9,036	6,849
Share of earnings of affiliates	**1,775**	1,569	908	372	408
Minority interest	**3,719**	1,741	232	258	923
Net earnings before extraordinary items	**35,849**	26,310	14,978	10,671	6,975
Per common share (1)					
— Basic	**1.27**	1.09	0.66	0.51	0.34
— Fully diluted	**1.23**	0.99	0.58	0.40	0.28
Net earnings	**35,679**	26,828	15,069	10,464	7,060
Per common share (1)					
— Basic	**1.27**	1.11	0.67	0.49	0.35
— Fully diluted	**1.23**	1.01	0.58	0.39	0.28
Depreciation, depletion and amortization	**35,516**	24,527	16,346	12,745	10,800
Funds from operations	**83,671**	61,108	35,930	27,935	18,767
Per common share (1)					
— Basic	**3.03**	2.60	1.67	1.43	0.98
— Fully diluted	**2.87**	2.34	1.45	1.13	0.80
Interest expense — long term debt	**34,668**	17,685	7,495	4,252	3,633
Average number of common shares outstanding (1)					
— Basic	**27,621,124**	23,480,658	21,478,428	19,557,891	19,193,733
— Fully diluted	**29,167,208**	26,077,029	24,839,028	24,785,028	23,378,661
YEAR END POSITION					
Working capital	**36,426**	32,207	12,909	10,676	11,066
Fixed assets, at cost	**458,404**	365,277	169,310	121,919	91,047
Total assets	**507,349**	439,473	187,424	146,871	110,563
Long term debt	**200,372**	182,301	66,017	49,976	39,651
Shareholders' equity	**147,437**	115,645	53,521	40,262	32,556
QUARTERLY RESULTS (unaudited)					
Revenues					
First quarter	**103,734**	54,818	44,321	35,318	35,079
Second quarter	**108,368**	52,251	42,257	36,114	30,325
Third quarter	**121,877**	97,846	55,801	42,360	42,123
Fourth quarter	**116,742**	104,072	51,089	41,658	30,345
	450,721	308,987	193,468	155,450	137,872
Net earnings					
First quarter	**7,433**	2,810	3,498	1,968	1,023
Second quarter	**8,592**	3,845	2,769	1,894	704
Third quarter	**10,193**	9,532	5,272	3,356	2,735
Fourth quarter	**9,461**	10,641	3,530	3,246	2,598
	35,679	26,828	15,069	10,464	7,060
Fully diluted earnings per common share (1)					
First quarter	**0.26**	0.10	0.13	0.07	0.04
Second quarter	**0.29**	0.15	0.11	0.06	0.03
Third quarter	**0.35**	0.37	0.20	0.13	0.11
Fourth quarter	**0.33**	0.39	0.14	0.13	0.10
	1.23	1.01	0.58	0.39	0.28

(1) Restated to give effect to the January, 1980, and April, 1981, three for one common share splits.

GLOSSARY OF ACCOUNTING TERMS

CURRENT ASSETS cash or other assets which will be either converted to cash or used in the conduct of business activities within one year of the balance sheet date.

CURRENT LIABILITIES obligations which will be liquidated through cash payment or the conduct of business activities within one year of the balance sheet date.

DEFERRED INCOME TAXES income taxes are levies made by federal and various provincial governments based on earnings of the company. Deferred income taxes are levies which will become payable in future years when expenses (mainly depreciation) claimed for tax purposes become less than those charged for accounting purposes. Provisions for such taxes are made by charges against earnings during years in which income tax deductions exceed amounts charged for accounting purposes.

DEPRECIATION, DEPLETION AND AMORTIZATION systematic charges against earnings intended to amortize the cost of equipment, interests in oil and gas property, and buildings and yard improvements (less estimated salvage values) over the useful life of such assets.

EQUITY BASIS a method of accounting for long term investments under which an investor records his share of earnings or losses of the entity in which he has invested by increasing or decreasing the carrying value of the investment.

EXTRAORDINARY ITEMS earnings or losses which are not typical of normal business activities and which are not expected to occur regularly over a period of years.

FUNDS FROM OPERATIONS computed by adjusting net earnings for non-cash charges and credits such as depreciation, depletion and amortization, gains on sale of assets, non-current deferred taxes, share of earnings of affiliates, minority interest and extraordinary items.

GOODWILL AND AUTHORITIES intangible assets, being the acquisition costs of subsidiary companies which could not be allocated to specific assets, and the costs incurred in acquiring authorities or licences to operate in defined geographic or market areas.

LONG TERM DEBT borrowed money originally repayable over more than a one year period.

MINORITY INTEREST the equity interest in net assets or earnings of subsidiary companies related to capital stock of these subsidiaries owned by shareholders other than Trimac Limited and its wholly owned subsidiaries.

NET CAPITAL INVESTED is total assets less current liabilities.

PERCENTAGE-OF-COMPLETION a method of accounting which results in the recording of contract profits on the basis of the amount of work the contractor has completed.

RETAINED EARNINGS the amount by which accumulated net earnings have exceeded accumulated net losses and dividends paid.

WORKING CAPITAL current assets less current liabilities.

CORPORATE INFORMATION

DIRECTORS	Director Since
J. R. McCaig, Calgary	1970
M. W. McCaig, Calgary	1971
M. Dubinsky, Q.C., Calgary	1971
A. Vanden Brink, Calgary	1976
D. D. C. McGeachy, London	1977
D.A. McIntosh, Q.C., Toronto	1977
F. M. Late, Dallas	1980
D. K. Jackson, Calgary	1981

OFFICERS

J. R. McCaig, Chairman and Chief Executive Officer
A. Vanden Brink, President and Chief Operating Officer
K. W. Winger, Senior Vice President
M. W. McCaig, Vice President
F. T. Bailey, Vice President Administration and Secretary
C. A. Fletcher, Vice President Finance
R. B. McNichol, Treasurer

STOCK EXCHANGE LISTINGS

Toronto Stock Exchange
Montreal Stock Exchange
Vancouver Stock Exchange

REGISTRARS AND TRANSFER AGENTS

The Royal Trust Company
— Common Shares & Share Purchase Warrants
Crown Trust Company
— 9.12% First Preferred Shares, Series A.

DUPLICATE REPORTS

If, as a shareholder, you are receiving more than one copy of Trimac's Annual and Quarterly Reports, it could be individual purchases of securities are registered in slightly different names or at different addresses. If this is the case, please contact the Secretary, Trimac Limited.

ADDITIONAL INFORMATION

Contact Trimac's Public Relations Department, Box 3500, Calgary, Alberta, T2P 2P9, or telephone (403) 265-9900 for additional copies of this report or for general information about Trimac companies.

ENERGY SERVICES

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D. R. Dennehy, Vice President
W. W. Ebel, Vice President
J. M. Smart, Vice President Finance
K. C. Grogan, Secretary Treasurer
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CONTRACT DRILLING

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Kenting Drilling Services Limited
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Wilford, Nottingham
United Kingdom
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Telex: 51377905 +

Cactus Drilling Companies
D. A. Rundle, President
B. D. Talley, Executive Vice President
E. M. Van Hooser, Vice President Contracts
E. M. Dunlevy Jr., Vice President Finance

Cactus Drilling Corporation of Texas
L. A. Rogers, Vice President Operations

Cactus International, Inc.
M. L. Ellis, Vice President Operations

Cactus Drilling Company
M. A. Proctor, Vice President Operations
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Dallas, Texas 75240
Telephone: (214) 934-3333

Branches in Midland, Houston, LaGrange, Carrizo Springs, Tex.; Farmington, Hobbs, N. M.; Oklahoma City, Okla.; Morgan City, La.; and Kalkaska, Mich.

AIRBORNE SURVEY AND MAPPING

Kenting Earth Sciences Limited
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Telex: 053-4173

Branches in Don Mills, Ont.; Calgary, Alta.; and St. John's, Nfld.

Kenting Africa Resource Services Ltd.
Chief Oluwole Coker O.N., Chairman
H. Gansen, Managing Director
53 Lawson Street
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Branch in Kano

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Kenting Technical Enterprise
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