

**For Canadian Shareholders, electing or deemed to have elected “Option A – Trust Unit Consideration”, under the Arrangement**

**EXCHANGE OF PRECISION SHARES FOR TRUST UNITS AND OTHER CONSIDERATION**

The following information provides a brief summary of the consideration received by former Precision Drilling Corporation (“Corporation”) shareholders (“Shareholders”) who disposed of their of common shares of the Corporation (“Precision Shares”) under the plan of arrangement (“Arrangement”) to convert (“Conversion”) the Corporation into Precision Drilling Trust (“Trust”) effective November 7<sup>th</sup>, 2005. This summary is of a general nature only and is not intended to be, nor should it be construed to be legal, business or tax advice or representations to any Shareholder and is qualified in its entirety by the disclosure contained in the Corporation’s information circular dated October 3<sup>rd</sup>, 2005 (“Circular”). *Shareholders should consult their own legal, business or tax advisors.*

This portion of the summary only applies to a Shareholder who was resident in Canada for Canadian tax purposes and held his/her or its Precision Shares as capital property at the time of the Arrangement; however it is not applicable to Shareholders who elected to receive Class “B” limited partnership units of Precision Drilling Limited Partnership under the Arrangement. All dollar amounts stated herein are expressed in Canadian dollars, unless otherwise stated.

At the time of Conversion, each Precision Share was disposed of for consideration ultimately consisting of three types of property being; one unit of the Trust (“Trust Unit”), 0.2089 common share(s) of Weatherford International Ltd. (“Weatherford Shares”) and cash in the amount of \$6.83. In the opinion of the Corporation and the Trust, immediately after the Conversion, the fair market value (“FMV”) of each Trust Unit was equal to the FMV of a Precision Share immediately before the Conversion less the FMV of the Weatherford Share(s) and the \$6.83 of cash received. In the opinion of the Corporation and the Trust, the FMV of a Precision Share immediately before the Conversion was \$54.52 and the FMV of 0.2089 of a Weatherford Share was \$16.24.

Therefore, in the opinion of the Corporation and the Trust, the FMV of a Trust Unit is \$31.45. The foregoing comments regarding the FMV of a Trust Unit and a Weatherford Share represents the opinion of the Corporation and the Trust and is not binding on you or the Canada Revenue Agency.

The following example illustrates the foregoing:

**Consideration held prior to Conversion**

	<u>Share</u>	<u>Value per Share</u>	<u>FMV of Share</u>
Precision Share	1	\$54.52 (1)	\$54.52

**Consideration Received on Conversion**

	<u>Share/Unit</u>	<u>Value per Share/Unit</u>	<u>FMV of Share/Unit</u>
Trust Unit	1	\$31.45 (2)	\$31.45
Weatherford Shares	0.2089 (3)	\$77.72 (4)	\$16.24
Cash	-	\$6.83	\$6.83
<b>FMV of Total Consideration</b>			<b><u><u>\$54.52</u></u></b>

- (1) Calculated as the 5 day weighted average Precision Share price on the TSX (October 31<sup>st</sup> thru November 4<sup>th</sup>, 2005).
- (2) The value per Precision Share determined in (1) above, less the FMV of Weatherford Shares of \$16.24 and \$6.83 of cash.
- (3) For each Precision Share held, a Shareholder received 0.2089 of Weatherford Shares.
- (4) Canadian dollar value of Weatherford Shares on November 4<sup>th</sup>, 2005 (calculated as the November 4<sup>th</sup>, 2005 closing price in U.S. dollars on the NYSE of a Weatherford share of \$U.S. 65.80 times the Bank of Canada noon rate on November 4<sup>th</sup>, 2005 of \$Cdn./\$U.S. 1.1811).

Shareholders will realize a capital gain (or a capital loss) equal to the amount by which the FMV of the aggregate consideration received (being the Trust Units, Weatherford Shares and cash) exceeded (or was less than) the Shareholders aggregate adjusted cost base of the Precision Shares exchanged (plus any costs incurred on the disposition of Precision Shares pursuant to the Conversion). **Shareholders should consult their own tax advisors regarding the contents of this website or the Circular.**