

United States Shareholders - Current and Accumulated Earnings and Profits

EXCHANGE OF PRECISION DRILLING CORPORATION SHARES FOR TRUST UNITS AND OTHER CONSIDERATION BY UNITED STATES SHAREHOLDERS

This information 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 Precision Drilling Corporation's ("Precision") information circular dated October 3rd, 2005 ("Circular"). All dollar amounts stated herein are expressed in Canadian dollars, unless otherwise stated. *Shareholders should consult their own legal, business or tax advisors.*

Notice Pursuant to IRS Circular 230

The discussion that follows is not intended or written by Precision or by its counsel to be used, and cannot be used, by any person for the purpose of avoiding tax penalties that may be imposed under United States tax laws and is provided in furtherance of the disclosure that was provided in the Circular to support the promotion, marketing or recommendation by Precision of the Trust Units. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor concerning the potential tax consequences of the exchange of Precision's shares for trust units and other consideration.

Current and Accumulated Earnings and Profits

Based on the current and accumulated earnings and profits of Precision as at December 31, 2005, for United States federal income tax purposes, 77.85% of the combined value of the Weatherford shares and cash payment received should be treated as a dividend and 22.15% of the combined value of the Weatherford shares and cash payment received should be treated as a non-taxable return of capital to the extent of a United States shareholder's basis in Precision's shares, and thereafter as a taxable capital gain. Precision expects that the dividend will be treated as a qualified dividend income eligible for the reduced maximum rate of tax to individuals of generally 15%.

The following example illustrates the foregoing on a per share basis (in Canadian dollars):

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>	<u>Qualified Dividend Income (5)</u>	<u>Return of Capital (6)</u>
Trust Unit	1	\$31.45 (2)	\$31.45	n/a	n/a
Weatherford Shares	0.2089 (3)	\$77.72 (4)	\$16.24	\$12.64	\$3.60
Cash	-	\$6.83	\$6.83	\$5.32	\$1.51
Subtotal Weatherford Shares and Cash:			\$23.07	\$17.96	\$5.11
FMV of Total Consideration			\$54.52		

(1) Calculated as the 5 day weighted average Precision Share price on the TSX (October 31st thru November 4th, 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 4th, 2005 (calculated as the November 4th, 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 4th, 2005 of \$Cdn/\$U.S. 1.1811).

(5) 77.85% of the combined Canadian dollar FMV of \$23.07 comprised of Weatherford Shares of \$16.24 and \$6.83 of cash.

(6) 22.15% of the combined Canadian dollar FMV of \$23.07 comprised of Weatherford Shares of \$16.24 and \$6.83 of cash. This amount should be non-taxable to the extent of a United States shareholder's basis in Precision's shares, and thereafter as a taxable capital gain.