

PRECISION DRILLING Corp

Form 424B3

May 18, 2011

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**Filed Pursuant to Rule 424(b)(3)
Registration Nos. 333-173926-01 to 333-173926-17**

PROSPECTUS

**US\$650,000,000
PRECISION DRILLING CORPORATION**

Offer to Exchange all outstanding US\$650,000,000 6.625% Senior Notes due 2020 (the outstanding notes) for an equal amount of 6.625% Senior Notes due 2020, which have been registered under the Securities Act (the exchange notes).

The Exchange Offer

We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of exchange notes that are freely tradable.

You may withdraw tenders of outstanding notes at any time prior to the expiration date of the exchange offer.

The exchange offer expires at 11:59 p.m., New York City time, on June 14, 2011, unless extended. We do not currently intend to extend the expiration date.

The exchange of outstanding notes for exchange notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The Exchange Notes

The exchange notes are being offered in order to satisfy certain of our obligations under the registration rights agreement entered into in connection with the placement of the outstanding notes.

The terms of the exchange notes to be issued in the exchange offer are substantially identical to the outstanding notes, except that the exchange notes will be freely tradable.

Certain of Precision Drilling Corporation's United States and Canadian subsidiaries initially jointly and severally, irrevocably and unconditionally guarantee, on a senior basis, the performance and full and punctual payment when due, whether at maturity, by acceleration or otherwise, of all obligations of Precision Drilling Corporation under the outstanding notes, the exchange notes and the indenture governing the notes.

Resales of Exchange Notes

The exchange notes may be sold in the over-the-counter market, in negotiated transactions or through a combination of such methods. We do not plan to list the exchange notes on a national market.

All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act, and applicable state securities laws. Other than in connection with the exchange offer, we do not currently anticipate that we will register the outstanding notes under the Securities Act.

You should consider carefully the risk factors beginning on page 9 of this prospectus before participating in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes to be distributed in the exchange offer or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Your ability to enforce civil liabilities under the United States federal securities laws may be affected adversely because we are incorporated in Canada, most of our officers and directors and some of the experts named in this prospectus are not residents of the United States, and many of our assets and all or a substantial portion of the assets of such persons are located outside of the United States.

Each broker-dealer that receives exchanges notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of the exchange notes received in for the outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. Precision Drilling Corporation has agreed that, for a period of 180 days after the expiration date, it will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

The date of this prospectus is May 17, 2011.

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This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the exchange notes to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The information contained or incorporated by reference in this prospectus speaks only as of the date of this prospectus or the date of such incorporated document unless the information specifically indicates that another date applies. No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus in connection with the offer contained herein and, if given or made, such information or representations must not be relied upon as having been authorized by Precision Drilling Corporation. Neither the delivery of this prospectus nor any sales made hereunder shall under any circumstances create any implication that there has been no change in our affairs or that of our subsidiaries since the date hereof.

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ENFORCEABILITY OF CIVIL LIABILITIES AGAINST FOREIGN PERSONS

Precision Drilling Corporation is a corporation amalgamated under the laws of the Province of Alberta and is governed by the applicable provincial and federal laws of Canada. A majority of our directors and officers and some of the experts named in this prospectus and the documents incorporated by reference herein reside principally in Canada. Because most of these persons are located outside the United States, it may not be possible for you to effect service of process within the United States on these persons. Furthermore, it may not be possible for you to enforce against us or them, in the United States, judgments obtained in United States courts, because a portion of our assets and a substantial portion of the assets of these persons are located outside the United States.

There is doubt as to the enforceability, in original actions in Canadian courts, of liabilities based on the United States federal securities laws or blue sky laws of any state within the United States and as to the enforceability in Canadian courts of judgments of United States courts obtained in actions based on the civil liability provisions of the United States federal securities laws or any such state securities or blue sky laws. Therefore, it may not be possible to enforce those judgments against us, our directors and officers or some of the experts named in this prospectus or the documents incorporated by reference herein.

PRESENTATION OF FINANCIAL INFORMATION

In this prospectus references to C\$ and Canadian dollars are to Canadian dollars and references to US\$ and U.S. dollars are to United States dollars. See Currency Translation below.

Rounding adjustments have been made in calculating some of the financial information included in this prospectus or incorporated by reference herein. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

The financial statements incorporated by reference in this prospectus have been prepared in accordance with Canadian generally accepted accounting principles, or Canadian GAAP. Canadian GAAP differs in some material respects from U.S. GAAP, and so these financial statements may not be comparable to the financial statements of U.S. companies.

Certain financial information incorporated by reference in this prospectus has been prepared in accordance with International Financial Reporting Standards (IFRS). IFRS differs in some material respects from U.S. GAAP, and so this financial information may not be comparable to the financial information of U.S. companies.

The audited financial statements of Precision incorporated by reference in this prospectus have been reconciled to U.S. GAAP. For an explanation of the differences between U.S. GAAP and Canadian GAAP as they relate to the audited financial statements, see Note 20 to our audited consolidated financial statements for the year ended December 31, 2010, incorporated by reference in this prospectus.

CURRENCY TRANSLATION

The following table sets forth certain exchange rates based on the noon exchange rate provided by the Bank of Canada (the noon exchange rate). These rates are set forth as U.S. dollars per C\$1.00 and are the inverse of rates quoted by the Bank of Canada for Canadian dollars per US\$1.00. On May 3, 2011, the noon exchange rate was C\$1.00 per US\$1.0537.

	Year Ended December 31,				
	2010	2009	2008	2007	2006
High for the period	US\$ 1.0782	US\$ 0.9716	US\$ 1.0289	US\$ 1.0905	US\$ 0.9099
Low for the period	0.9970	0.7692	0.7711	0.8437	0.8528
End of period	0.9980	0.9555	0.8256	1.0203	0.8621
Average for the period(1)	1.0300	0.8833	0.9397	0.9418	0.8846

(1) Average represents the average of the rates on the last day of each month during the period.

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	November	December	January	February	March	April
High for the period	US\$ 1.0022	US\$ 1.0075	US\$ 1.0140	US \$ 1.0268	US \$ 1.0324	US \$ 1.0581
Low for the period	0.9722	0.9735	0.9978	1.0045	1.0083	1.0331

**DOCUMENTS INCORPORATED BY REFERENCE AND
WHERE YOU CAN FIND MORE INFORMATION**

The following documents of Precision Drilling Corporation (Precision or the Company), filed with the SEC (available on EDGAR at www.sec.gov) include important business and financial information about the company and are specifically incorporated by reference into and form an integral part of this prospectus:

Precision s annual report on Form 40-F for the year ended December 31, 2010 (filed on Edgar on March 30, 2011), which includes:

- (a) our annual information form dated March 25, 2011 for the year ended December 31, 2010;
- (b) our consolidated financial statements for the fiscal year ended December 31, 2010;
- (c) management s discussion and analysis of financial condition and results of operations for the fiscal year ended December 31, 2010;

the management information circular of Precision dated April 1, 2011 (filed on EDGAR on Form 6-K on April 15, 2011);

the 2011 first quarter financial results of Precision (filed on EDGAR on Form 6-K on April 26, 2011); and

Information we file, to the extent specified in such filing to be incorporated by reference in this prospectus, with the SEC after the date of this prospectus and prior to the consummation of the exchange offer.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this prospectus to the extent that a statement contained herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Our SEC filings can be read and copied at the SEC s public reference room at the following location:

Public Reference Room
100 F Street, N.E.
Room 1580

Washington, DC 20549

Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from commercial document retrieval services and at the Internet web site maintained by the SEC at <http://www.sec.gov>. Reports and other information concerning us also may be inspected at the offices of the New York Stock Exchange, which is located at 20 Broad Street, New York, New York 10005.

This prospectus contains summaries of certain agreements that we have entered into, such as the indenture governing the exchange notes offered hereby, the registration rights agreement relating to the exchange notes and certain other material agreements described in this prospectus. The descriptions contained in this prospectus of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements will be made available to you in response to a written request to us at our offices at 4200, 150 6th Avenue, S.W., Calgary, Alberta, Canada T2P 3Y7.

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MARKET AND INDUSTRY DATA

Market data and other statistical information used throughout this prospectus and the documents incorporated by reference herein are based on internal company research, independent industry publications, government publications, reports by market research firms or other published independent sources. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe such information is accurate and reliable, we have not independently verified any of the data from third-party sources cited or used for our management's industry estimates, nor have we ascertained the underlying economic assumptions relied upon therein. While we believe internal company estimates are reliable, such estimates have not been verified by any independent sources, and we make no representations as to the accuracy of such estimates. Statements as to our position relative to our competitors or as to market share refer to the most recent available data.

TRADEMARKS AND SERVICE MARKS

We own or have rights to use the trademarks, service marks and trade names that we use in connection with the operation of our business. Each trademark, service mark and trade name of any other company appearing in this prospectus or the documents incorporated by reference herein is, to our knowledge, owned by such other company. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus or the documents incorporated by reference herein are listed without the ®, sm and tm symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names.

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SUMMARY

This summary highlights information appearing elsewhere in this prospectus. This summary is not complete and does not contain all of the information that you should consider before participating in the exchange offer. You should carefully read the entire prospectus and the documents incorporated by reference herein, including the financial data and related notes and the section entitled Risk Factors.

Our Company

We are a leading independent North American provider of oil and natural gas drilling and drilling-related services and products. We specialize in providing onshore drilling services in most major conventional and unconventional oil and natural gas basins in Canada and the United States and have an emerging presence internationally. We also provide well servicing and ancillary wellsite products and services primarily in Canada. As of the date of this prospectus, we believe that we are the largest contract land driller in Canada and the second largest in North America, based on the number of rigs in our drilling rig fleet, which presently consists of 355 land drilling rigs and 200 well servicing rigs.

Our business is carried out in two segments: Contract Drilling Services and Completion and Production Services. In Canada, our Contract Drilling Services segment includes land drilling services, as well as procurement and distribution of oilfield supplies and the manufacture and refurbishment of drilling and service rig equipment principally for our own use. In the United States and internationally, our Contract Drilling Services segment carries out land drilling services. Our Completion and Production Services segment provides service rigs for well completion and workover services, snubbing services, water treatment services and camp and catering services primarily for the Canadian market. Our rental business provides oilfield surface equipment, tubulars, well control equipment and wellsite accommodations in support of the drilling and well service markets in Canada.

The company was originally incorporated in 1985. Our principal executive offices are located at 4200, 150 6th Avenue S.W., Calgary, Alberta, Canada T2P 3Y7, and our telephone number is (403) 716-4500. Our website can be found at www.precisiondrilling.com. Information on our website is not a part of this prospectus.

Recent Developments

2011 Senior Note Offering. On March 15, 2011, Precision announced the closing of its offering (the 2011 Note Offering) of C\$200 million aggregate principal amount of 6.50% senior unsecured notes due 2019 (the existing notes) in a private placement offering to Canadian investors. The net proceeds from the 2011 Note Offering and available cash were used by Precision to repay its outstanding indebtedness under its revolving credit facility.

Repayment of the 10% Senior Note. On February 23, 2011, Precision repaid, in full, the 10% senior unsecured note (the 10% Senior Note) issued to Her Majesty the Queen in Right of the Province of Alberta, represented by the Alberta Investment Management Corporation (AIMCo). The aggregate repayment of approximately C\$204 million, included the C\$175 million in principal, accrued interest and a make-whole amount payable to AIMCo under the terms of the 10% Senior Note. The repayment was made from cash on hand and borrowings under our revolving credit facility. The accrued interest and the make-whole premium were charged to earnings in the first quarter of 2011.

Tax Reassessment. On February 9, 2011, Precision received a notice of reassessment from Canada Revenue Agency for C\$216 million relating to a transaction that occurred in the 2005 tax year. Precision will appeal this reassessment as it vigorously defends what it believes to be a correct filing position related to this transaction. The appeal process required Precision to pay security of approximately C\$108 million, which has been paid.

International Expansion. In the first quarter of 2011, Grey Wolf International, a wholly-owned subsidiary of Precision, commenced opening new offices in Bogota, Colombia and redeployed the rig used at the Copiapo mine rescue in Chile to shore facilities in Santa Marta, Colombia. Grey Wolf also commenced opening new offices in Dubai, United Arab Emirates in the first quarter of 2011.

Transition to International Financial Reporting Standards. As of January 1, 2011, Precision began preparing its financial statements under IFRS and future financial statements will be prepared in compliance with IFRS as if Precision had always followed these standards. Certain first-time adoption elections may be made which will impact the opening balance sheet amounts.

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The Exchange Offer

On November 17, 2010, Precision completed the private offering of US\$650,000,000 aggregate principal amount of our 6.625% Senior Notes due 2020, which we refer in this prospectus as the outstanding notes. The term exchange notes refers to the 6.625% Senior Notes due 2020 as registered under the Securities Act of 1933, as amended (the Securities Act). References to the notes in this prospectus are references to both the outstanding notes and the exchange notes. This prospectus is part of a registration statement covering the exchange of the outstanding notes for the exchange notes.

Precision and the guarantors entered into a registration rights agreement with the initial purchasers in the private offering in which Precision and the guarantors agreed to deliver to you this prospectus as part of the exchange offer and agreed to file the registration statement to which this prospectus relates with the Securities and Exchange Commission (the SEC) not later than 270 days after the closing of the private offering and to use commercially reasonable efforts to cause such registration statement covering the exchange offer to be declared effective. You are entitled to exchange in the exchange offer your outstanding notes for exchange notes which are identical in all material respects to the outstanding notes except:

the exchange notes have been registered under the Securities Act;

the exchange notes are not entitled to certain registration rights which are applicable to the outstanding notes under the registration rights agreement; and

certain additional interest rate provisions are no longer applicable.

The Exchange Offer

We are offering to exchange up to US\$650,000,000 aggregate principal amount of our 6.625% Senior Notes due 2020, which have been registered under the Securities Act, for up to US\$650,000,000 aggregate principal amount of our existing 6.625% Senior Notes due 2020. Outstanding notes may be exchanged only in denominations of US\$2,000 and integral multiples of US\$1,000 in excess of US\$2,000.

Resale

Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the exchange notes issued pursuant to the exchange offer in exchange for the outstanding notes may be offered for resale, resold and otherwise transferred by you (unless you are our affiliate within the meaning of Rule 405 under the Securities Act) in the United States without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

you are acquiring the exchange notes in the ordinary course of your business; and

you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the exchange notes.

If you are a broker-dealer and receive exchange notes for your own account in exchange for outstanding notes that you acquired as a result of market-making activities or other trading activities, you must

acknowledge that you will deliver this prospectus in connection with any resale of the exchange notes. See Plan of Distribution.

Any holder of outstanding notes who:

is our affiliate;

does not acquire exchange notes in the ordinary course of its business; or

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tenders its outstanding notes in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of exchange notes;

cannot rely on the position of the staff of the SEC enunciated in *Morgan Stanley & Co. Incorporated* (available June 5, 1991) and *Exxon Capital Holdings Corporation* (available May 13, 1988), as interpreted in *Shearman & Sterling* (available July 2, 1993), or similar no-action letters and, in the absence of an exemption therefrom, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes in the United States.

Expiration Date; Withdrawal of Tender

The exchange offer will expire at 11:59 p.m., New York City time, on June 14, 2011, unless extended by us. We do not currently intend to extend the expiration date. You may withdraw the tender of your outstanding notes at any time prior to the expiration of the exchange offer. We will return to you any of your outstanding notes that are not accepted for any reason for exchange, without expense to you, promptly after the expiration or termination of the exchange offer.

Conditions to the Exchange Offer

The exchange offer is subject to customary conditions, which we may waive. See The Exchange Offer Conditions to the Exchange Offer of this prospectus for more information.

Procedures for Tendering Outstanding Notes

If you wish to participate in the exchange offer, you must complete, sign and date the accompanying letter of transmittal according to the instructions contained in this prospectus and the letter of transmittal. You must then mail or otherwise deliver the letter of transmittal together with your outstanding notes and any other required documents, to the exchange agent at the address set forth on the cover page of the letter of transmittal.

If you hold outstanding notes through The Depository Trust Company (DTC) and wish to participate in the exchange offer, you must comply with the Automated Tender Offer Program procedures of DTC by which you will agree to be bound by the letter of transmittal. By signing, or agreeing to be bound by, the letter of transmittal, you will represent to us that, among other things:

you are not our affiliate within the meaning of Rule 405 under the Securities Act;

you do not have an arrangement or understanding with any person or entity to participate in the distribution of the exchange notes;

you are acquiring the exchange notes in the ordinary course of your business; and

if you are a broker-dealer that will receive exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making activities, you will deliver a prospectus, as required by law, in connection with any resale of such exchange notes in the United States.

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Special Procedures for Beneficial Owners	If you are a beneficial owner of outstanding notes which are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender such outstanding notes in the exchange offer, you should contact such registered holder promptly and instruct such registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.
Guaranteed Delivery Procedures	If you wish to tender your outstanding notes and your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal or any other required documents, or you cannot comply with the procedures under DTC's Automated Tender Offer Program for transfer of book-entry interests prior to the expiration date, you must tender your outstanding notes according to the guaranteed delivery procedures set forth in this prospectus under The Exchange Offer Guaranteed Delivery Procedures.
Effect on Holders of Outstanding Notes	As a result of the making of, and upon acceptance for exchange of all validly tendered outstanding notes pursuant to the terms of the exchange offer, we and the guarantors will have fulfilled a covenant contained in the registration rights agreement and, accordingly, there will be no increase in the interest rate on the outstanding notes under the circumstances described in the registration rights agreement. If you are a holder of outstanding notes and you do not tender your outstanding notes in the exchange offer, you will continue to hold such outstanding notes and you will be entitled to all the rights and limitations applicable to the outstanding notes as set forth in the indenture, except we and the guarantors will not have any further obligations to you to provide for the exchange and registration of untendered outstanding notes under the registration rights agreement. To the extent that outstanding notes are tendered and accepted in the exchange offer, the trading market for outstanding notes that are not so tendered and accepted could be adversely affected.
Consequences of Failure to Exchange	All untendered outstanding notes will continue to be subject to the restrictions on transfer provided for in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold in the United States, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we and the guarantors do not currently anticipate that we will register the outstanding notes under the Securities Act.

Certain Federal Income Tax
Consequences

The exchange of outstanding notes in the exchange offer will not
constitute a taxable event for United States federal or Canadian federal

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	income tax purposes. See Certain Federal Income Tax Considerations.
Accounting Treatment	We will record the exchange notes in our accounting records at the same carrying value as the outstanding notes, which is the aggregate principal amount as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes upon the consummation of the exchange offer. We will record the expenses of the exchange offer as incurred.
Regulatory Approvals	Other than compliance with the Securities Act and other applicable securities laws and qualification of the indenture governing the notes under the Trust Indenture Act, there are no federal or state regulatory requirements that must be complied with or approvals that must be obtained in connection with the exchange offer.
Use of Proceeds	We will not receive any cash proceeds from the issuance of exchange notes pursuant to the exchange offer. See Use of Proceeds.
Exchange Agent	The Bank of New York Mellon is the exchange agent for the exchange offer. The contact information for the exchange agent is set forth in the section captioned The Exchange Offer Exchange Agent of this prospectus.

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The Exchange Notes

Issuer	Precision Drilling Corporation
Securities Offered	US\$650,000,000 aggregate principal amount of 6.625% Senior Notes due 2020.
Maturity	November 15, 2020.
Interest	The notes bear interest at a rate of 6.625% per year. We will make interest payments in U.S. dollars.
Interest Payment Dates	May 15 and November 15, beginning on May 15, 2011.
Guarantees	The notes are guaranteed, jointly and severally, by current and future U.S. and Canadian subsidiaries that also guarantee our revolving credit facility and certain other future indebtedness.
Mandatory Redemption	We are not required to make mandatory redemption or sinking fund payments with respect to the notes.
Optional Redemption	Prior to November 15, 2013, we may redeem up to 35% of the notes with the net proceeds of certain equity offerings. At any time prior to November 15, 2015, we may redeem the notes in whole or in part at their principal amount, plus the applicable premium and accrued interest. We may redeem the notes in whole or in part at any time on or after November 15, 2015, at the redemption prices described under the heading Description of the Exchange Notes Optional Redemption.
Additional Amounts and Redemption for Changes in Canadian Withholding Taxes	Except as required by law, we will make payments on the notes free of withholding or deduction for Canadian taxes. If withholding or deduction is required, we will, subject to certain customary exceptions, be required to pay additional amounts so that the net amounts you receive will equal the amount you would have received if withholding or deduction had not been imposed. If, as a result of a change in law occurring on or after the date of the indenture, we are required to pay such additional amounts, we may redeem the notes in whole but not in part, at any time at 100% of their principal amount, plus accrued and unpaid interest, if any, to the redemption date. See Description of the Exchange Notes Payment of Additional Amounts and Description of the Exchange Notes Optional Redemption Redemption for Changes in Tax Law.
Change of Control Repurchase	Upon specified change of control events, each holder of a note will have the right to sell to us all or a portion of its notes at a purchase price in cash equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase.
Ranking	The notes are:

our senior unsecured obligations;

equal in ranking (*pari passu*) with all of our existing and future senior unsecured indebtedness; and

senior in right of payment to our subordinated indebtedness.

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Our secured debt, including borrowings under our revolving credit facility, and all of our other secured obligations in effect from time to time are effectively senior to the notes to the extent of the value of the assets securing such debt or other obligations.

The notes will be effectively subordinated to all existing and future obligations, including indebtedness and trade payables, of any of our subsidiaries that do not guarantee the notes. For the year ended December 31, 2010, our non-guarantor subsidiaries accounted for a de minimus amount of our revenue and EBITDA. As of December 31, 2010, our non-guarantor subsidiaries also accounted for a de minimus amount of our consolidated assets and liabilities.

Each guarantee of the notes is:

a senior unsecured obligation of that guarantor;

pari passu with all existing and future senior indebtedness of that guarantor; and

senior in right of payment to subordinated indebtedness of that guarantor.

Secured debt of that guarantor, including guarantees of borrowings under our revolving credit facility, and all other secured obligations of that guarantor in effect from time to time will be effectively senior to the guarantee to the extent of the value of the assets securing such debt or other obligations.

Certain Covenants

The indenture governing the notes limits our ability and the ability of certain of our subsidiaries to, among other things:

incur additional indebtedness and issue preferred stock;

create liens;

make restricted payments;

create or permit to exist restrictions on our ability or the ability of certain of our subsidiaries to make certain payments and distributions;

engage in amalgamations, mergers or consolidations;

make certain dispositions and transfers of assets; and

engage in transactions with affiliates.

These covenants are subject to important exceptions and qualifications, which are described under Description of the Exchange Notes Certain

Covenants in this prospectus.

If the notes receive an investment grade rating by Standard & Poor's and Moody's Investors Service and we and our subsidiaries are not in default under the indenture governing the notes, we and our subsidiaries will not be required to comply with particular covenants contained in the indenture. See Description of the Exchange Notes Certain Covenants.

No Prior Market

The exchange notes will be new securities for which there is currently no market. Although the initial purchasers in the private offering of the

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outstanding notes have informed us that they intend to make a market in the outstanding notes and, if issued, in the exchange notes, they are not obligated to do so and they may discontinue any market making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the outstanding notes or exchange notes will develop or be maintained.

Use of Proceeds

There will be no cash proceeds to us from the exchange offer.

In evaluating an investment in the exchange notes, prospective investors should carefully consider, along with the other information in this prospectus and the documents incorporated by reference herein, the specific factors set forth under Risk Factors for risks involved with an investment in the exchange notes.

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RISK FACTORS

You should carefully consider the risk factors set forth below as well as the other information contained in this prospectus and the documents incorporated by reference herein before you decide to tender outstanding notes in the exchange offer, including, without limitation, the risk factors discussed under the heading Risk Factors in the annual information form of Precision dated March 25, 2011 for the year ended December 31, 2010 (filed on EDGAR on Form 40-F on March 30, 2011 and incorporated by reference herein). The risks described below are not the only risks that may affect us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. In such a case, you may lose all or a part of your investment.

Risks Related to the Exchange Offer

If you choose not to exchange your outstanding notes, the present transfer restrictions will remain in force and the market price of your outstanding notes could decline.

If you do not exchange your outstanding notes for exchange notes in the exchange offer, then you will continue to be subject to the transfer restrictions on the outstanding notes as set forth in the offering circular distributed in connection with the private offering of the outstanding notes. In general, the outstanding notes may not be offered or sold in the United States unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding notes under the Securities Act. You should refer to Summary The Exchange Offer and The Exchange Offer for information about how to tender your outstanding notes.

The tender of outstanding notes under the exchange offer will reduce the principal amount of the outstanding notes outstanding, which may have an adverse effect upon, and increase the volatility of, the market price of the outstanding notes due to reduction in liquidity.

Certain persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the SEC contained in *Exxon Capital Holdings Corp.*, SEC no-action letter (May 13, 1988), *Morgan Stanley & Co. Inc.*, SEC no-action letter (June 5, 1991) and *Shearman & Sterling*, SEC no-action letter (July 2, 1993), we believe that you may offer for resale, resell or otherwise transfer the exchange notes in the United States without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under Plan of Distribution, certain holders of exchange notes will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer the exchange notes in the United States. If such a holder transfers any exchange notes in the United States without delivering a prospectus meeting the requirements of the Securities Act or without an applicable exemption from registration under the Securities Act, such a holder may incur liability under the Securities Act. We do not and will not assume, or indemnify such a holder against, this liability.

Risks Related to the Notes

The following risks apply to the outstanding notes and will apply equally to the exchange notes.

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under our revolving credit facility, our existing notes and the notes.

We have a significant amount of debt. As of December 31, 2010, our total outstanding long-term debt was C\$804 million.

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Our substantial debt could have a material adverse effect on our financial condition and results of operations as well as our ability to fulfill obligations under our revolving credit facility, our existing notes and the notes. In particular, it could:

increase our vulnerability to general adverse economic and industry conditions and require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, other debt service requirements and other general corporate purposes;

decrease our ability to satisfy our obligations under our revolving credit facility, our existing notes and the notes;

increase our vulnerability to covenants relating to our indebtedness which may limit our ability to obtain additional financing for working capital, capital expenditures and other general corporate activities;

increase our exposure to risks inherent in interest rate fluctuations and changes in credit ratings or statements from rating agencies because certain of our borrowings (including borrowings under our revolving credit facility) are at variable rates of interest, which would result in higher interest expense to the extent we have not hedged these risks against increases in interest rates;

increase our exposure to exchange rate fluctuations because a change in the value of the Canadian dollar against the U.S. dollar will result in an increase or decrease in our U.S. dollar denominated debt, as expressed in Canadian dollars, as well as in the related interest expense;

limit our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;

place us at a competitive disadvantage compared to our competitors that have less debt;

limit our ability to borrow additional funds to meet our operating expenses, to make acquisitions and for other purposes; and

limit our ability to construct, purchase or acquire new rigs.

We may incur substantial additional debt in the future, including additional secured debt. This could further exacerbate the risks associated with our substantial debt.

The notes and guarantees are unsecured and effectively subordinated to our and our subsidiaries existing and future secured indebtedness.

Our obligations under the notes are not secured and the guarantors' obligations under the guarantees are not secured, while our obligations under our revolving credit facility and each guarantor's obligations under their respective guarantees under our revolving credit facility are secured by substantially all of our tangible and intangible assets, including our shares of our U.S. and Canadian subsidiaries. Therefore, the lenders under our revolving credit facility and holders of any other secured debt that we may incur in the future will have claims with respect to these assets that have priority over the claims of holders of the notes.

In the event that we are declared bankrupt, become insolvent or are liquidated or reorganized, or if there is an event of default under our revolving credit facility, the lenders could declare all of the funds borrowed thereunder, together with accrued interest, to be immediately due and payable and terminate all commitments to extend further credit. If we

were unable to repay such indebtedness, the lenders could foreclose or otherwise realize on the pledged assets to the exclusion of holders of the notes, even if an event of default exists under the indenture under which the notes were issued. Furthermore, if the lenders foreclose or otherwise realize upon and sell the pledged equity interests in any guarantor under the notes, then that guarantor will be released from its guarantee of the notes automatically and immediately upon such sale. In any such events, because the notes are not be secured by any of our assets or the equity interests in guarantors, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims fully.

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As of December 31, 2010, we had C\$23 million of secured indebtedness for borrowed money (consisting of C\$23 million of outstanding letters of credit). We had approximately C\$524 million of secured debt available for additional borrowing (including letters of credit) under our revolving credit facility as of December 31, 2010, as well as an incremental facility of up to C\$99 million (subject to certain conditions), and up to C\$40 million (US\$40 million) (including outstanding letters of credit) of secured debt available for borrowing under operating facilities.

We need significant amounts of cash to service our indebtedness, including our obligations under the notes. If we are unable to generate a sufficient amount of cash to service our indebtedness, our financial condition and results of operations could be negatively impacted.

We need significant amounts of cash in order to service and repay our indebtedness. Our ability to generate cash in the future will be, to a certain extent, subject to general economic, financial, competitive and other factors that may be beyond our control. In addition, our ability to borrow funds in the future to service our debt, if necessary, will depend on covenants in the indenture governing the notes, the credit agreement governing our revolving credit facility, the indenture governing our existing notes and other debt agreements we enter into in the future. Future borrowings may not be available to us under our revolving credit facility or from the capital markets in amounts sufficient to enable us to pay our obligations as they mature or to fund other liquidity needs. If we are not able to obtain such borrowings or generate cash flow from operations in an amount sufficient to enable us to service and repay our indebtedness, we will need to refinance our indebtedness or be in default under the agreements governing our indebtedness and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets. Such refinancing or alternative measures may not be available on favorable terms or at all. The inability to service, repay and/or refinance our indebtedness could negatively impact our financial condition and results of operations.

In addition, we conduct a substantial portion of our operations through our subsidiaries, certain of which are not guarantors of the notes or our other indebtedness. Accordingly, repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the notes or our other indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture that governs the notes and the agreements governing certain of our other existing indebtedness limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the notes.

If we cannot make scheduled payments on our debt, we will be in default and the holders of the notes could declare all outstanding principal and interest to be due and payable, the lenders under our revolving credit facility could terminate their commitments to lend money and foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in you losing your investment in the notes.

Despite our current level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described above.

We and our subsidiaries may be able to incur significant additional indebtedness in the future. Although the indenture governing our existing notes, the indenture governing the notes and our revolving credit facility contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications

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and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the notes, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. In addition, as of December 31, 2010, our revolving credit facility provided for unused commitments of C\$524 million, which could increase by C\$99 million, subject to certain conditions. All of those borrowings would be secured indebtedness. If new debt is added to our current debt levels, the related risks that we and the guarantors now face could intensify. See Description of the Exchange Notes.

Our indebtedness contains restrictive covenants.

The indenture governing our existing notes, our revolving credit facility and the indenture governing the notes impose significant operating and financial restrictions on us. These restrictions limit our ability and that of our restricted subsidiaries to, among other things:

- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- incur additional indebtedness and issue preferred or disqualified stock;
- create liens;
- create or permit to exist restrictions on the ability of our restricted subsidiaries to make certain payments and distributions;
- engage in amalgamations, mergers or consolidations or sell or otherwise dispose of all or substantially all of our assets;
- make certain dispositions and transfers of assets;
- alter the businesses we conduct;
- engage in transactions with affiliates; and
- designate subsidiaries as unrestricted subsidiaries.

In addition, under our revolving credit facility, we are required to satisfy and maintain certain financial ratio tests. Our ability to meet such tests could be affected by events beyond our control, and we may not be able to meet such tests. These ratios may be changed by the lenders in certain circumstances.

A breach of any of these covenants could result in a default under our revolving credit facility, the indenture governing our existing notes or the indenture governing the notes. Upon the occurrence of an event of default under our revolving credit facility, the lenders could elect to declare all amounts outstanding under our revolving credit facility to be immediately due and payable and terminate all commitments to extend further credit. Upon the occurrence of an event of default under our existing notes, the noteholders could elect to declare all amounts outstanding under our existing notes to be immediately due and payable. If we are unable to repay those amounts, the lenders under our revolving credit facility could proceed to foreclose or otherwise realize upon the collateral granted to them to secure that indebtedness. If the lenders under our revolving credit facility or the noteholders of our existing notes accelerate the repayment of borrowings, we may not have sufficient assets to repay our revolving credit facility

as well as our unsecured indebtedness, including our existing notes and the notes. The acceleration of our indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-default or cross-acceleration provisions. If our indebtedness is accelerated, we may not be able to repay our indebtedness or borrow sufficient funds to refinance it. Even if we are able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us. The restrictions contained in our revolving credit facility, the indenture governing the notes or the indenture governing our existing notes may adversely affect our ability to finance our future operations and capital needs and to pursue available business opportunities. Moreover, any new indebtedness we incur may impose financial restrictions and other covenants on us that may be

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more restrictive than our revolving credit facility, the indenture governing our existing notes or the indenture governing the notes.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our revolving credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. Assuming all revolving loans are fully drawn, each quarter point change in interest rates would result in a C\$1 million change to annual interest expense of our indebtedness under our revolving credit facility. From time to time, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

Claims of noteholders will be structurally subordinated to claims of creditors of our subsidiaries that do not guarantee the notes.

The notes are not guaranteed by any of our non-U.S. and non-Canadian subsidiaries or certain other subsidiaries. Accordingly, claims of holders of the notes are structurally subordinated to the claims of creditors of these non-guarantor subsidiaries, including trade creditors. All obligations of these subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us or creditors of us, including the holders of the notes.

In addition, the indenture that governs the notes, subject to some limitations, permits these subsidiaries to incur additional indebtedness and does not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries.

For the year ended December 31, 2010, our non-guarantor subsidiaries accounted for a de minimus amount of our revenue and EBITDA. As of December 31, 2010, our non-guarantor subsidiaries also accounted for a de minimus amount of our consolidated assets and liabilities.

In addition, our subsidiaries that provide, or will provide, guarantees of the notes will be automatically released from those guarantees upon the occurrence of certain events, including the following:

the designation of that guarantor as an unrestricted subsidiary;

the release or discharge of any guarantee or indebtedness that resulted in the creation of the guarantee of the notes by such guarantor; or

the sale or other disposition, including the sale of substantially all of the assets, of that guarantor.

If any guarantor is released, no holder of the notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be effectively senior to the claim of any holders of the notes. See Description of the Exchange Notes Guarantees.

U.S. federal and state statutes (and Canadian federal and provincial statutes) may allow courts, under specific circumstances, to void the guarantees and require noteholders to return payments received from guarantors.

Under U.S. federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be deemed a fraudulent transfer if the guarantor received less than a reasonably equivalent value in exchange for giving the guarantee and:

was insolvent on the date that it gave the guarantee or became insolvent as a result of giving the guarantee;

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was engaged in business or a transaction, or was about to engage in business or a transaction, for which property remaining with the guarantor was an unreasonably small capital; or

intended to incur, or believed that it would incur, debts that would be beyond the guarantor's ability to pay as those debts matured.

Similarly, under Canadian federal bankruptcy law and comparable provisions of provincial fraudulent preference and fraudulent conveyance laws, a guarantee or a payment under a guarantee could be deemed to be a fraudulent preference or fraudulent conveyance, or could be otherwise avoided if:

the guarantor becomes bankrupt and was insolvent or on the eve of insolvency at the time the guarantee was given or the payment was made or has an Initial Bankruptcy Event as defined in the *Bankruptcy and Insolvency Act* (Canada) within one year of giving us the guarantee or making the payment under the guarantee;

we were a creditor of the guarantor when the guarantee or payment was given; and

(1) the guarantee or the payment under the guarantee was found to have been given with a view to giving us a preference over other of the guarantor's creditors; or (2) the guarantee or the payment under the guarantee has the effect of giving us a preference over any of guarantor's other creditors (in which case it is subject to a rebuttable presumption that a preference was intended).

A payment under a guarantee could also be deemed a fraudulent preference or conveyance if it is found by a court to have been given with the purpose of hindering, delaying or defrauding any entity to which the guarantor was or became indebted, on or after the date the guarantee was given (and, in the case of fraudulent preferences, if the guarantor was insolvent or on the eve of insolvency at that time). The measures of insolvency for purposes of the foregoing considerations will vary depending upon the law applied in any proceeding with respect to the foregoing. Generally, however, a guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, is greater than all its assets, at a fair valuation;

the present fair saleable value of its assets is less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

The indenture governing the notes contains a provision intended to limit each guarantor's liability under its guarantee to the maximum amount that it could incur under applicable laws without causing the guarantee or a payment thereunder to be a fraudulent transfer. This provision may not be effective to protect the guarantees or a payment thereunder from being voided under applicable fraudulent transfer law. If a guarantee is deemed to be a fraudulent transfer it could be voided altogether, or it could be subordinated to all other debts of the guarantor. In such case, any payment by the guarantor pursuant to its guarantee could be required to be returned to the guarantor or to a fund for the benefit of the creditors of the guarantor. If a guarantee is voided or held unenforceable for any other reason, holders of the notes would cease to have a claim against the guarantor based on the guarantee and would be creditors only of us and any guarantor whose guarantee was not similarly voided or otherwise held unenforceable.

Certain bankruptcy and insolvency laws may impair your ability to enforce your rights or remedies under the indenture governing the notes.

Your ability and the rights of the trustee, or any co-trustee, who represents the holders of the notes to enforce your rights or remedies under the indenture governing the notes may be significantly impaired by the provisions of applicable Canadian federal bankruptcy, insolvency and other restructuring legislation or by Canadian federal or provincial receivership laws. For example, the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada) and the *Winding-up and Restructuring Act* (Canada) contain provisions enabling an insolvent debtor to obtain a stay of proceedings against its creditors and others and to prepare and file a proposal or a plan of arrangement and reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or arrangement and reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the

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debtor within the affected classes, including those creditors who vote against such a proposal. Moreover, certain provisions of the relevant Canadian insolvency legislation permit an insolvent debtor to retain possession and administration of its property in certain circumstances, subject to court oversight, even though such debtor may be in default in respect of certain of its obligations during the period that the stay of proceedings remains in place.

The powers of the court under Canadian bankruptcy, insolvency and restructuring legislation and Canadian federal and provincial receivership laws, and particularly under the *Companies Creditors Arrangement Act* (Canada), are exercised broadly to protect a debtor and its estate from actions taken by creditors and others. We cannot predict whether payments under the notes would be made during any proceedings in bankruptcy, receivership, insolvency or other restructuring, whether or when you or the trustee, or any co-trustee, could exercise their rights under the indenture governing the notes or whether, and to what extent, the holders of the notes would be compensated for any delays in payment of principal, interest and costs, including fees and disbursements of the trustee, or any co-trustee. Accordingly, if we were to become subject to such proceedings, we may cease making payments on the notes and you and the trustee, or any co-trustee, may not be able to exercise your rights under the indenture governing the notes following commencement of or during such proceedings without leave of the court.

You might have difficulty enforcing your rights against us, certain of the guarantors and our directors and officers.

We and certain of the guarantors are incorporated or otherwise organized under the laws of the province of Alberta, Canada. The majority of our directors and officers and certain of the experts named in this prospectus and the documents incorporated by reference herein reside principally in Canada or otherwise outside the United States. Because we, certain of the guarantors and these persons are located outside the United States, it may not be possible for you to effect service of process within the United States on us or them. Furthermore, it may not be possible for you to enforce against us or them, in the United States, judgments obtained in United States courts, because a substantial portion of our and their assets are located outside the United States. There is doubt as to the enforceability, in original actions in Canadian courts, of liabilities based on the United States federal securities laws or the securities or blue sky laws of any state within the United States and as to the enforceability in Canadian courts of judgments of United States courts obtained in actions based on the civil liability provisions of the United States federal securities laws or any such state securities or blue sky laws. Therefore, it may not be possible to enforce those judgments against us, our directors and officers or some of the experts named in this prospectus or the documents incorporated by reference herein.

We may not have the ability to finance the change of control repurchase offer required by the indenture governing the notes.

Upon certain change of control events, as that term is defined in the indenture governing the notes, including a change of control caused by an unsolicited third party, we will be required to make an offer in cash to repurchase all or any part of each holder's notes at a price equal to 101% of the aggregate principal amount thereof, plus accrued interest. The source of funds for any such repurchase would be our available cash or cash generated from operations or other sources, including borrowings, sales of equity or funds provided by a new controlling person or entity. We cannot assure you that sufficient funds will be available at the time of any change of control event to repurchase all tendered notes pursuant to this requirement. Our failure to offer to repurchase notes, or to repurchase notes tendered, following a change of control will result in a default under the indenture for the notes, which could lead to a cross-default under our revolving credit facility, the indenture governing our existing notes and under the terms of our other indebtedness. Additionally, we may be prohibited from repurchasing the notes by our revolving credit facility, the indenture governing our existing notes or by the terms of future indebtedness. Prior to repurchasing the notes upon a change of control event, as required under the indenture governing the notes, we may be required to either repay outstanding indebtedness under our revolving credit facility or obtain the consent of the lenders under that facility. If we do not obtain the required consents or repay our outstanding indebtedness under our revolving credit facility, we may be

prohibited from offering to repurchase the notes. Our revolving credit facility also provides that a change of control, as defined therein, will be a default that permits the lenders to accelerate the maturity of borrowings thereunder and, if such debt is not repaid, to enforce the security interests in the collateral securing such debt. The indenture governing our existing notes also provides that upon certain change of control events, we will be required to

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make an offer to repurchase those notes at a price equal to 101% of the aggregate principal amount thereof, plus a make whole premium and accrued interest. For further information, see Description of the Exchange Notes.

One of the events which would trigger a change of control is a sale of all or substantially all of our assets. The phrase all or substantially all as used in the definition of change of control has not been interpreted under New York law (which is the governing law of the indenture governing the notes) to represent a specific quantitative test. As a consequence, investors may not be able to determine when a change of control has occurred, giving rise to the repurchase obligations under the indenture governing the notes. It is possible, therefore, that there could be a disagreement between us and some or all of the holders of the notes over whether a specific asset sale or sales is a change of control triggering event and that holders of the notes might not receive a change in control offer in respect of that transaction. In addition, in the event the holders of the notes elected to exercise their rights under the indenture governing the notes and we elected to contest such election, there could be no assurance as to how a court interpreting New York law would interpret the phrase all or substantially all. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a change of control under the indenture governing the notes.

Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.

We do not intend to apply for a listing of the exchange notes on a securities exchange or on any automated dealer quotation system. There is currently no established market for the exchange notes, and we cannot assure you as to the liquidity of markets that may develop for the exchange notes, your ability to sell the exchange notes or the price at which you would be able to sell the exchange notes. If such markets were to exist, the exchange notes could trade at prices that may be lower than their principal amount or purchase price depending on many factors, including prevailing interest rates, the market for similar notes, our financial and operating performance and other factors. The initial purchasers in the private offering of the outstanding notes have advised us that they intend to make a market with respect to the exchange notes as permitted by applicable laws and regulations. However, these initial purchasers are not obligated to do so, and any market making with respect to the exchange notes may be discontinued at any time without notice. In addition, such market making activity may be limited during the pendency of the exchange offer or the effectiveness of a shelf registration statement in lieu thereof. Therefore, we cannot assure you that an active market for the exchange notes will develop or, if developed, that it will continue. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the exchange notes. The market, if any, for the exchange notes may experience similar disruptions and any such disruptions may adversely affect the prices at which you may sell your exchange notes.

Certain covenants contained in the indenture will no longer be applicable once the notes are rated investment grade by Moody's and S&P.

The indenture provides that certain covenants will no longer be applicable once the notes are rated investment grade by both Moody's and S&P. These covenants restrict, among other things, our ability to pay dividends, incur debt, incur liens, sell assets, enter into transactions with affiliates, enter into business combinations and enter into other transactions. There can be no assurance that the notes will ever be rated investment grade.

However, termination of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force, even if the notes are subsequently downgraded below investment grade. See Description of the Exchange Notes Certain Covenants Covenant Termination.

Credit ratings will not reflect all risks of an investment in the notes and may change.

Any credit ratings applied to notes are an assessment of our ability to pay our obligations, including obligations under the notes. Consequently, real or anticipated changes in the credit ratings will generally affect the market value of the notes. We cannot assure you that any credit rating assigned to the notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. However, credit ratings will not reflect all risks associated with an investment in the notes. Credit ratings, for example, may not reflect the potential impact of risks related to structure, market or other factors discussed herein on the value of notes.

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USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes pursuant to the exchange offer. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive in exchange a like principal amount of outstanding notes, the terms of which are identical in all material respects to the exchange notes, except that the exchange notes are registered under the Securities Act, are not entitled to the registration rights which are applicable to the outstanding notes, and are not subject to certain additional interest rate provisions applicable to the outstanding notes. The outstanding notes surrendered in exchange for the exchange notes will be retired and canceled and cannot be reissued. Accordingly, issuance of the exchange notes will not result in any material change in our capitalization.

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Our selected consolidated financial data as of December 31, 2010 and 2009 and for each of the years ended December 31, 2010, 2009 and 2008 have been derived from our audited consolidated financial statements incorporated by reference in this prospectus. The selected consolidated financial data as of December 31, 2008, 2007 and 2006 and for each of the years ended December 31, 2007 and December 31, 2006 have been derived from our audited consolidated financial statements which are not incorporated by reference in this prospectus. Our financial statements have been prepared in accordance with Canadian GAAP, which differs in certain material respects from U.S. GAAP. For a discussion of the principal differences between U.S. GAAP and Canadian GAAP as they relate to our financial statements, see Note 20 to our audited consolidated financial statements for the years ended December 31, 2010, 2009 and 2008, incorporated by reference in this prospectus. The selected consolidated financial data set forth below is qualified in its entirety by reference to, and should be read in conjunction with, our complete consolidated financial statements, including the notes thereto, and the related Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference in this prospectus.

	Year Ended December 31,				
	2010	2009	2008	2007	2006
	(in Cdn GAAP, C\$ in thousands)				
Revenue	C\$ 1,429,653	C\$ 1,197,446	C\$ 1,101,891	C\$ 1,009,201	C\$ 1,437,584
Expenses:					
Operating	886,748	692,243	598,181	516,094	688,207
General and administrative	107,522	98,202	67,174	56,032	81,217
Depreciation and amortization	182,719	138,000	83,829	71,604	73,234
Loss on asset decommissioning		82,173		6,722	
Foreign exchange	(12,712)	(122,846)	(2,041)	2,398	(353)
Finance charges	211,327	147,401	14,174	7,318	8,029
Other					(408)
Earnings from continuing operations before income taxes	54,049	162,273	340,574	349,033	587,658
Income taxes:					
Current	7,634	(14,901)	6,102	(737)	34,526
Future	(15,676)	15,471	31,742	6,950	(19,380)
Total income tax	(8,042)	570	37,844	6,213	15,146
Earnings from continuing operations	62,091	161,703	302,730	342,820	572,512
Discontinued operations, net of tax				2,956	7,077
Net earnings	C\$ 62,091	C\$ 161,703	C\$ 302,730	C\$ 345,776	C\$ 579,589

U.S. GAAP

Revenue	C\$ 1,429,653	C\$ 1,197,446	C\$ 1,101,891	C\$ 1,009,201	C\$ 1,437,584
Earnings from continuing operations	61,956	160,093	302,913	342,855	572,512

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	2010	As of December 31,				2006
		2009	2008	2007	(in Cdn GAAP, C\$ in thousands)	
Balance Sheet Data:						
Cash and cash equivalents	C\$ 256,831	C\$ 130,799	C\$ 61,511			
Working capital	460,179	320,860	345,329	140,374		166,484
Total assets	4,296,788	4,191,713	4,833,702	1,763,477		1,761,186
Long-term debt	804,494	748,725	1,368,349	119,826		140,880
Unitholders /Shareholders equity	2,577,919	2,584,501	2,323,879	1,316,673		1,217,075

	Year Ended December 31,					
	2010	2009	2008	2007	2006	
Other Financial Data:						
Ratio of earnings to fixed charges(1)		1.25	2.12	24.17	44.64	65.92

- (1) For purposes of computing the ratio of earnings to fixed charges, prepared in accordance with Canadian GAAP, (A) earnings consist of earnings from continuing operations before income taxes plus fixed charges, plus amortization of capitalized interest, distributed income of equity investors paid less interest capitalized and (B) fixed charges consist of interest expensed and capitalized, discounts and capitalized expenses related to indebtedness and an estimate of the interest within rental expense.

Table of Contents**MANAGEMENT****Board of Directors**

Name(1)	Age(2)	Position with Precision Drilling Corporation
William T. Donovan(3)(5)	58	Director
W.C. (Mickey) Dunn(4)(5)	57	Director
Robert J.S. Gibson(3)(5)	64	Director
Allen R. Hagerman(3)	59	Director
Stephen J. J. Letwin(4)	55	Director
Patrick M. Murray(3)	67	Director
Kevin A. Neveu	50	Director, President and Chief Executive Officer
Frederick W. Pheasey(4)	68	Director
Robert L. Phillips(3)(4)(5)	60	Chairman and Director
Trevor M. Turbidy(4)(5)	42	Director

(1) Each director's term of office expires not later than the close of business at our next annual meeting, or until successors are appointed or a director's office is vacated.

(2) As of April 1, 2011.

(3) Member of the Audit Committee.

(4) Member of the Compensation Committee.

(5) Member of the Corporate Governance and Nominating Committee.

William T. Donovan of North Palm Beach, Florida, U.S.A. has been a director of Precision Drilling Corporation since December, 2008. Mr. Donovan has been the Chairman of the Board of Rockland Industrial Holdings, LLC, a Wisconsin entity engaged in manufacturing wood flooring products for the truck trailer and domestic container industries since April, 2006. He also serves as a director for several private companies in the United States, the United Kingdom and Russia. Mr. Donovan was a director of Grey Wolf, Inc. from June 1997 to December 2008, prior to its acquisition and was subsequently appointed as director of Precision Drilling Corporation on December 23, 2008. From 1997 to 2005, Mr. Donovan also served as President, Chief Executive Officer and director of Total Logistics, Inc., a Wisconsin corporation, which engaged in various operating and investment activities. Mr. Donovan previously served as President, Chief Financial Officer and was a director of Christiana Companies, Inc., prior to its merger with Weatherford International, Inc. in February 1999. From 1980 to 1998, Mr. Donovan was a Principal and Managing Director of Lubar & Co., a private investment and venture capital firm. Prior to joining Lubar & Co., Mr. Donovan was an officer with Manufacturers Hanover Trust Company from 1976 until 1980, where he specialized in merger and acquisition financing.

W.C. (Mickey) Dunn of Calgary, Alberta, Canada has been a director of Precision Drilling Corporation since September 1992. Mr. Dunn serves as the Chairman of Bellatrix Exploration Inc. and a founding shareholder of CashStore Financial Services Inc. From 1982 to 1999, Mr. Dunn was President and Chief Executive Officer of

Cardium Service and Supply Limited, Cardium Tool Services Inc and Colorado Silica Sand Inc., an international manufacturer and service provider of specialty downhole equipment and services, in addition to developer, provider and marketer of high grade silica sand products.

Robert J.S. Gibson of Calgary, Alberta, Canada has been a director of Precision Drilling Corporation since June 1996. Mr. Gibson has served as President of a private investment firm, Stuart & Company Limited, since 1973 and is also the Managing Director of Alsten Holdings Ltd. since 1976. He serves on the Board of Cash Store Financial Services Inc. Mr. Gibson also serves as a director for a number of private companies which are active in real estate investment, oil and gas exploration, finance and investments. He is also Chairman and Director of the Canadian Defence and Foreign Affairs Institute.

Allen R. Hagerman, FCA of Calgary, Alberta, Canada has been a director of Precision Drilling Corporation since December 2006. Mr. Hagerman currently holds the position of Executive Vice President of Canadian Oil

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Sands Limited, an oil sands mining and upgrading entity, and is currently responsible for overseeing crude oil marketing operations. Prior to 2007, Mr. Hagerman was Chief Financial Officer of Canadian Oil Sands Limited. Mr. Hagerman is lead director of Capital Power Income LP and a director of the Calgary Exhibition and Stampede. He is also a member of the Canadian Institute of Chartered Accountants, the Financial Executives Institute and is past President of Financial Executives Institute, Calgary Chapter, as well as past Chair of the Alberta Children's Hospital Foundation. Previous board positions included Syncrude Canada Ltd. and University of Calgary. He is a fellow of the Institute of Chartered Accountants of Alberta and received their Distinguished Service Award.

Stephen J.J. Letwin of Toronto, Ontario, Canada has been a director of Precision Drilling Corporation since December 2006. Effective November 1, 2010, Mr. Letwin was appointed Director and President and Chief Executive Officer of IAMGOLD Corporation, a leading mid-tier gold mining company producing approximately one million ounces annually, from eight gold mines on three continents. Mr. Letwin has been a senior executive with Enbridge since March 1999. Most recently, since May 2006, he held the position of Executive Vice President of Gas Transportation & International with Enbridge, Inc., with responsibility for Enbridge's natural gas operations, including certain natural gas pipelines, a gas distribution company and its international business unit. He also serves on the board of a private corporation. Mr. Letwin serves as Patron for Unicef Alberta, was a former director of YMCA Calgary, served on the Board of Governors at McMaster University, and is an Honorary Director of Westpark Hospital in Toronto. Mr. Letwin is a member of the Financial Executives Institute. He also previously served as a director of the Canadian and American Gas Association, as well as the Interstate Natural Gas Association of America.

Patrick M. Murray of Dallas, Texas, U.S.A. has been a director of Precision Drilling Corporation since July 2002. Mr. Murray served as Chairman and CEO of Dresser Inc. from 2001 until retiring in May 2007. Dresser Inc. is a leading manufacturer and marketer of highly engineered equipment for the energy industry. Prior to becoming Chairman of the Board of Dresser, Inc., Mr. Murray served as President and CEO. Previously, Mr. Murray was President of Halliburton Company's Dresser Equipment Group from 1998 to 2000 and Senior Vice President, Strategic Initiatives of Dresser Industries, Inc. in 1997. Mr. Murray is on the Board of Directors of Harvest Natural Resources, Inc., the Maguire Energy Institute, the World Affairs Council of Dallas/Fort Worth, and the Board of Regents of Seton Hall University. Mr. Murray was also on the Board of Directors of Wellstream Holdings, Plc from 2007 until his resignation in February 2011. He is also a member of the American Petroleum Institute (API) and the Society of Petroleum Engineers (SPE).

Kevin A. Neveu of Calgary, Alberta, Canada was appointed Chief Executive Officer and a director of Precision Drilling Corporation in August 2007 and became President and Chief Executive Officer in January 2009. Mr. Neveu was previously President of the Rig Solutions Group of National Oilwell Varco in Houston from 2002 to 2007, where he was responsible for the company's drilling equipment business. Over the past 25 years, Mr. Neveu has held senior management positions with National Oilwell Varco and its predecessor companies in London, Moscow, Houston, Edmonton and Calgary. Mr. Neveu holds a Bachelor of Science degree and is a graduate of the Faculty of Engineering at the University of Alberta. Mr. Neveu is a Professional Engineer, as designated by the Association of Professional Engineers, Geologists and Geophysicists of Alberta. In 2002, Mr. Neveu attended the Advanced Management Program at the Harvard Business School. Mr. Neveu serves on the boards of RigNet Inc., Houston, Texas (since 2004), the Heart and Stroke Foundation of Alberta (since 2009) and he was appointed a Member of the Board of Directors and a Member of the Executive Committee of the International Association of Drilling Contractors, Houston, Texas in January 2010.

Frederick W. Pheasey of Edmonton, Alberta, Canada has been a director of Precision Drilling Corporation since July 2002. Mr. Pheasey founded Dreco Energy Services Ltd., a company which designs and manufactures drilling rigs and components and downhole tools. In 1997, Dreco and its subsidiaries were merged into National Oilwell, Inc. (now National Oilwell Varco, Inc.), a company that designs and manufactures systems and components used in oil and gas drilling and production. Mr. Pheasey became Executive Vice President of National Oilwell, Inc. following the merger

and continued in that position until 2004. He was a director of National Oilwell, Inc. from 1997 to 2005 and continues to be a director and employee of Dreco Energy Services Ltd. In 1999, Mr. Pheasey was made a honorary member of the Canadian Association of Oilwell Drilling Contractors. In 2002, he was inducted into the Canadian Petroleum Hall of Fame. Mr. Pheasey served on the leadership committee of the City of Edmonton's Committee to End Homelessness and on the Housing Subcommittee in 2008.

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Robert L. Phillips of Vancouver, British Columbia, Canada has been a director of Precision Drilling Corporation since May 2004 and was appointed as Chairman of the Board of Directors in August 2007. Mr. Phillips is an experienced senior corporate executive having most recently been the President and Chief Executive Officer of BCR Group of Companies from 2001 to 2004. Within the oil and gas exploration and production and oilfield service sectors, he has served as Vice President of Husky Oil Limited and as President and Chief Executive Officer of PTI Group Inc. and Dreco Energy Services Ltd. Mr. Phillips has served on the boards of publicly-traded and private corporations for more than twenty years, including several oil and gas exploration and production and oilfield service companies. In addition to Precision Drilling Corporation, he currently serves on the boards of several major Canadian corporations. Mr. Phillips is an active private investor. He also practiced corporate and securities law for over fifteen years.

Trevor M. Turbidy of Houston, Texas, U.S.A. has been a director of Precision Drilling Corporation since December 2008. Mr. Turbidy has served as an Energy Industry Advisor with Avista Capital Partners since December 2007. From August 2005 until July 2007, Mr. Turbidy served as President and Chief Executive Officer of Trico Marine Services, Inc., an international marine support and transportation company. From August 2003 until August 2005, he served as Vice President and Chief Financial Officer of Trico. From November 2000 until May 2002, Mr. Turbidy served as a director in the Investment Banking Department of Credit Suisse First Boston. From 1991 until November 2000, he held various positions in investment banking covering the U.S. energy industry with a focus on oilfield services and equipment, exploration and production and refining. Mr. Turbidy was a Director of Grey Wolf, Inc. from December 2005 to December 2008, prior to its acquisition by Precision Drilling Trust and his subsequent appointment as a director of Precision Drilling Corporation in December 2008. Mr. Turbidy serves as a director of a number of private energy companies, including a European exploration and production company concentrating on the Southern North Sea; a U.S. based jackup rig operator; a European based exploration and production company focused on onshore Europe; a natural gas company focused on the Marcellus; and a U.S. based exploration and production company with assets in the Niobrara and the Eagle Ford.

Executive Officers

Our executive officers serve at the pleasure of our board of directors. Our executive officers are as follows:

Name	Age(1)	Position with Precision
Kevin A. Neveu	50	President and Chief Executive Officer
Joanne L. Alexander	43	Vice President, General Counsel and Corporate Secretary
Kenneth J. Haddad	52	Vice President, Business Development
Robert J. McNally	39	Executive Vice President and Chief Financial Officer
Darren J. Ruhr	45	Vice President, Corporate Services
Gene C. Stahl	36	President, Drilling Operations
Douglas J. Strong	50	President, Completion and Production Services

(1) As of April 1, 2011.

Kevin A. Neveu is our President and Chief Executive Officer. See information regarding directors of Precision set forth above.

Joanne L. Alexander of Calgary, Alberta, Canada is Vice President and General Counsel since 2008 and Corporate Secretary since 2009. From 2007 to 2008, Ms. Alexander was General Counsel of Marathon Oil Canada Corporation and in 2007, she was General Counsel of Western Oil Sands Inc. Ms. Alexander was General Manager of Stakeholder

Engagement & Regulatory Affairs at ConocoPhillips Canada Ltd. in 2006 and Vice President of Legal and Regulatory Affairs at Burlington Resources Canada Ltd. from 2000 to 2006.

Kenneth J. Haddad of Houston, Texas, U.S.A. is Vice President of Business Development since 2008. Prior to that, he was a Director of Merger & Acquisitions at Halliburton Company from 2002 to 2008.

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Robert J. McNally of Calgary, Alberta, Canada is Executive Vice President and Chief Financial Officer and was appointed to that position in 2010. Prior to that appointment, Mr. McNally served as investment Principal at Kenda Capital from 2007 to 2010, except for a period during 2008 when he served as Chief Executive Officer of Dalbo Holdings. He also served as Executive Vice President of Finance and Operations and a member of the board of directors of Warrior Energy Services Corporation in 2006. From 2000 to 2005, Mr. McNally was an Investment Banker at Simmons and Company.

Darren J. Ruhr of Calgary, Alberta, Canada is Vice President of Corporate Services and has held that position since 2009. Prior to that, Mr. Ruhr was Vice President of Corporate Services & Corporate Secretary from 2005 to 2009, Director, Information Technology, Real Estate & Travel, from 2003 to 2005 and Director, Information Technology, from 2000 to 2003.

Gene C. Stahl of Houston, Texas, U.S.A. is President of Drilling Operations since 2008. Prior to that, he was President and Chief Operating Officer since 2005, Vice President, of Precision Rentals from 2003 to 2005 and General Manager of Ducharme Rentals/Big D Rentals from 2002 to 2003.

Douglas J. Strong of Calgary, Alberta, Canada was appointed President of Completion and Production Services in 2010. Previously, Mr. Strong was Chief Financial Officer from 2005 to 2010, Chief Financial Officer of Precision Diversified Services Ltd. from 2001 to 2005 and Group Controller from 2001 to 2005.

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COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

This Compensation Discussion and Analysis (CD&A) describes our executive compensation program for 2010 and certain revisions to our 2011 program. Our compensation programs are designed to attract, motivate and retain executives who lead our business in delivering *High Performance, High Value* services to our customers and ultimately deliver value to our shareholders over the long-term. This CD&A reviews how the Compensation Committee determined the compensation for the following named executive officers (NEOs):

Kevin A. Neveu: President and Chief Executive Officer (CEO)

Robert J. McNally: Executive Vice President and Chief Financial Officer (CFO)

Douglas J. Strong: President, Completion and Production Services

Gene C. Stahl: President, Drilling Operations

Darren J. Ruhr: Vice President, Corporate Services

The conversion of Precision from an income trust structure to a corporate structure was approved on May 10, 2010 at our Annual & Special Meeting and became effective June 1, 2010. The Compensation Committee of our Board of Directors (the Compensation Committee), in consultation with its advisors, confirmed that the conversion would not trigger the change of control provisions under any employment agreements or long-term incentive plans. All outstanding grants under our long-term incentive plans were rolled over into economically equivalent grants under the new corporate structure and the associated plan documents were revised to account for the new corporate structure.

Our strong performance in 2010 exceeded most of the financial and operational targets set at the beginning of the year, demonstrating an exceptional recovery from the severe global economic down-turn and financial challenges of 2009. In addition, during 2010 we were successful with several strategic initiatives including: continued focus on our *High Performance, High Value* organic growth initiatives by securing contracts for nine new build rigs and 12 rig upgrades, strategic market repositioning to capture emerging oil activity opportunities shifting operations and rigs to oil and liquids-rich gas plays, refinancing and significantly improving our capital structure while lowering interest expense, implementing strategic employee Talent and Performance Management processes, implementing the CEO, NEOs and Senior Manager Succession Plan, and recruiting and appointing key executives for finance and operations. We also implemented a comprehensive enterprise-wide legal, ethics, Health, Safety and Environmental Policy (HSE policy) compliance and certification process, which reinforces risk accountability and compliance throughout all levels of our organization on a quarterly basis.

Based on recommendations provided by the Compensation Committee in consultation with Mercer, the Compensation Committee's compensation consultant, our Board of Directors (the Board) approved the following executive compensation decisions in 2010:

Adjusted the base salary of the CEO to be slightly below the 25th percentile, and his total direct compensation to be slightly below the median, of our compensation comparator group.

Increased base salaries of the other NEOs and reduced their STIP (as defined below) targets to realign NEO compensation to be closer to the median compensation offered by our comparator group.

Determined that the level of funding for the 2010 STIP bonus pool based on 2.5% operating earnings (EBIT) was inappropriate given our strong performance against the metrics and achievement of strategic objectives and used our discretion to increase the STIP bonus pool to 3.1% of EBIT.

Increased the share ownership requirement for the CEO to three times his annual base salary from two times. The requirement for other NEOs was increased to two times annual base salary from one times.

Approved the appointments of Robert McNally as CFO after a thorough search process and Douglas Strong as President, Completion and Production Services in July 2010.

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Based on recommendations provided by the Compensation Committee in consultation with Mercer, the Board also approved the following executive compensation decisions in February 2011:

Approved base salary increases of 2% for each of the NEOs.

Approved long-term incentive plan (LTIP) grants consisting of approximately 50% Options and 50% PSUs (as defined below) in terms of value for the CEO, CFO, President, Drilling Operations and President, Completion and Production Services and a grant consisting of approximately 25% RSUs, 25% PSUs and 50% Options in terms of value for the Vice President, Corporate Services.

Reviewed the design of the STIP and determined that it was appropriate to remove the 2.5% EBIT cap to ensure awards are aligned with performance achieved against predetermined corporate financial and operational metrics as well as an assessment of individual performance.

Reviewed the design of the PSU Plan (as defined below) and determined that, for the 2011 PSU grants, it was appropriate to remove the discretionary threshold on average return on capital which may reduce the payout to the participant by one-half if the threshold is not attained, and to continue to measure our relative total shareholder return performance.

The following table provides information on the total compensation received by our NEOs for the past three years along with information about our 2011 compensation known to date such as long-term incentives that were granted on February 9, 2011. Please see the Summary Compensation Table below for additional information about the compensation of our NEOs.

	2008 (C\$)	2009 (C\$)	2010 (C\$)	2011 (C\$(11))
Kevin A. Neveu President and Chief Executive Officer				
Base Salary Earned	500,000	500,000	603,366	635,479
Short-Term Incentive Plan(2)	0	500,000	351,460	TBD
Legacy LTIP(1)	1,200,000			
Restricted Share Units(1)		436,410	421,769	
Performance Share Units(1)		436,410	651,981	942,732
Options(1)		436,198	844,406	942,288
Pension Value(4)	10,500	11,000	11,225	TBD
All Other Compensation(5)(6)	6,488	6,488	6,600	TBD
Total Compensation	1,716,988	2,326,506	2,890,807	
Robert J. McNally Executive Vice President and Chief Financial Officer(7)				
Base Salary Earned			157,774	355,868
Short-Term Incentive Plan(2)(8)			222,828	TBD
Restricted Share Units(1)			1,503,602	
Performance Share Units(1)			864,571	347,354
Options(1)			544,905	337,631
Pension Value(4)				TBD
All Other Compensation(5)(6)			73,258	TBD

Total Compensation

3,366,938

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	2008	2009	2010	2011
	(C\$)	(C\$)	(C\$)	(C\$)(11)
Douglas J. Strong President, Completion and Production Services				
Base Salary Earned	231,911	252,000	303,904	330,030
Short-Term Incentive Plan(2)	291,400	252,000	210,286	TBD
Legacy LTIP(1)(3)	200,000	600,000	200,000	
Restricted Share Units(1)		193,050	154,620	
Performance Share Units(1)		193,050	240,520	345,564
Options(1)		172,253	272,389	344,949
Pension Value(4)	10,500	11,000	11,225	TBD
All Other Compensation(5)(6)	5,291	5,524	5,341	TBD
Total Compensation	739,102	1,678,877	1,398,285	
Gene C. Stahl President, Drilling Operations				
Base Salary Earned	257,675	282,335	362,776(9)	355,868
Short-Term Incentive Plan(2)	351,014	194,140(10)	158,487	TBD
Legacy LTIP(1)(3)	250,000	750,000	250,000	
Restricted Share Units(1)		193,050	152,668	
Performance Share Units(1)		193,050	237,483	347,354
Options(1)		172,253	268,950	337,631
Pension Value(4)	10,500	11,000	2,480	TBD
All Other Compensation(5)(6)	5,596	5,876	27,497	TBD
Total Compensation	874,785	1,801,704	1,460,341	
Darren J. Ruhr Vice President, Corporate Services				
Base Salary Earned	201,635	205,000	246,346	259,192
Short-Term Incentive Plan(2)	274,675	135,000	119,170	TBD
Legacy LTIP(1)(3)	200,000	352,500	166,750	
Restricted Share Units(1)		128,700	85,900	99,180
Performance Share Units(1)		128,700	133,145	99,180
Options(1)		132,503	194,564	197,046
Pension Value(4)	10,082	10,250	11,225	TBD
All Other Compensation(5)(6)	4,762	4,874	4,847	TBD
Total Compensation	691,154	1,097,527	961,947	

Notes:

- (1) The amounts for 2010 and 2009 represent the grant date fair value of 2010 and 2009 RSU, PSU and Option awards. U.S. dollar amounts were converted to Canadian dollars using the February 11, 2010 exchange rate of 1.0523 for 2010 awards and May 6, 2009 exchange rate of 1.1731 for 2009 awards for all NEOs with the exception of Mr. McNally. Mr. McNally's 2010 award was converted to Canadian dollars using the July 19, 2010 exchange rate of 1.0559. The amounts for 2008 represent the grant date fair value of the 2008 Retention Awards under the Legacy LTIP for Messrs. Neveu, Strong, Stahl and Ruhr.
- (2) The amounts represent the bonus amounts earned during the year indicated and relate to performance criteria which were met for that year, but the cash amounts, as applicable, are paid during the subsequent year and

include amounts related to the STIP for 2010 and 2009, and both the Annual Performance Incentive Plan (APIP) and PSP (as defined below) for years prior to 2009.

- (3) The amounts for 2010 and 2009 represent the payments received under the Legacy LTIP Retention Awards granted in 2007 and 2006, respectively, for Messrs. Strong, Stahl and Ruhr.

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- (4) The amounts represent the employer matching contributions under the DCP (as defined below). Mr. McNally does not participate in the DCP.
- (5) The amounts include employer contributions provided under the 401(k) plan and the employer portion of benefits premiums for Messrs. McNally and Stahl.
- (6) The value of perquisites and other personal benefits received by each NEO did not exceed the lesser of C\$50,000 or 10% of the annual base salary of the NEO.
- (7) Mr. McNally was appointed Executive Vice President and Chief Financial Officer effective July 19, 2010. His base salary and all other compensation amounts reflect the length of time of his employment with us and were converted to Canadian dollars using the July 19, 2010 to December 31, 2010 average exchange rate of 0.9767, unless otherwise noted.
- (8) Mr. McNally joined us on July 19, 2010 and was provided with a one-time signing bonus of U.S.\$150,000 which was paid in addition to, and concurrently with, his 2010 STIP award of U.S.\$78,144. The total amount of U.S.\$228,144 was converted to Canadian dollars using the July 19, 2010 to December 31, 2010 average exchange rate of 0.9767.
- (9) Mr. Stahl's base salary earned for 2010 was U.S.\$352,244. This amount was converted to Canadian dollars using the 2010 average exchange rate of 1.0299.
- (10) Mr. Stahl's 2009 STIP award was U.S.\$170,000. This amount was converted to Canadian dollars using the 2009 average exchange rate of 1.1420.
- (11) The Base Salary Earned amounts shown for 2011 were estimated and reflect the base salary increases for the NEOs which were effective March 1, 2011. The amounts for 2011 RSU, PSU and Option awards represent the grant date fair values. U.S. dollar amounts were converted to Canadian dollars using the February 9, 2011 exchange rate of 0.9947.

At the end of 2010, we had approximately 6,584 employees, including 685 in salaried non-field positions. Approximately 647 salaried employees participated in the STIP and 365 salaried employees participated in the LTIP in 2010.

Executive Compensation Program

Philosophy

Our compensation philosophy is to attract and retain high performing executives by ensuring that:

compensation programs support the achievement of our short and long-term strategies and align the interests of our executives with growth in shareholder value;

the design of compensation programs supports our values and culture;

compensation opportunities are competitive and reward achievements of both corporate and individual performance, without subjecting us to excessive or unnecessary risk; and

compensation programs are viewed as fair and reasonable by shareholders and regulators, and bear a solid relationship to our financial performance and strength.

Our strategy is to increase net earnings and create shareholder value through excellence in customer service, organic growth in high performance capabilities, and growth through acquisition and business line diversification. We pride ourselves on having a strong pay-for-performance culture that starts with our senior management and NEOs but is strongly embraced by our entire organization. Our programs create a clear and direct linkage between compensation and the achievement of business objectives, in the short, medium and long-term, by providing an appropriate mix of fixed versus at-risk compensation, and immediate income versus future income linked to our share price performance.

Our executives participate in the same compensation programs provided to our salaried employees, which consists of base salary, short-term cash incentives, longer-term share-based incentives, pension and other benefits.

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We target base salaries at or slightly below the median against a comparator group of public companies. Our short-term incentive plan is designed to reward the annual achievement of performance relative to company-wide financial and operational metrics, as well as individual performance. Our long-term incentive plans are designed to align the interests of executives with shareholders by rewarding for growth in shareholder value, and to retain executives in a competitive and highly cyclical environment. Total compensation, including annual and long-term incentives, is targeted at the median for typical/median performance and at or above the 75th percentile for exceptional corporate and individual performance. Actual pay positioning for each executive is based on demonstrated performance, leadership and management skills, experience, education, succession planning considerations, competitive pressures and internal equity.

The table below shows the key components of our compensation programs and their respective form and performance period:

Elements	Component	Form	Performance Period
Base Salary	Fixed amount	Cash	One year
Short-Term Incentives	At-risk, based on corporate and individual performance	Cash	One year
Long-Term Incentives	At-risk, based on share price performance	Restricted Share Units which are settled in cash	Three years
	At-risk, based on performance against comparator group and share price performance	Performance Share Units which are settled in cash	Three years
	At-risk, based on appreciation of share price	Options	Seven years

We consider our short-term incentive plan and long-term incentive plans, consisting of RSUs, PSUs and Options, as at-risk compensation.

Executive Share Ownership Guidelines

We have guidelines for our senior executives to own Precision shares. These guidelines reflect our belief that equity ownership by executives further aligns the interests of management with those of our shareholders.

The Compensation Committee, with the assistance of Mercer, reviewed our ownership guidelines relative to comparable Canadian companies. In February 2010, the Compensation Committee recommended, and the Board approved, an increase to the ownership guidelines. Under the revised guidelines, the CEO is expected to own Precision shares with a value equal to at least three times his annual base salary. The CFO and other officers are expected to own Precision shares with a value equal to at least two times their annual base salary. Vice Presidents who are not corporate officers are expected to own Precision shares with a value equal to at least the amount of their annual base salary. Executives have five years from February 2010 or their appointment to an executive position, whichever is later, to accumulate the Precision shares in accordance with these guidelines.

In calculating the value of Precision shares held by an executive for purposes of evaluating adherence to the guidelines, we use the higher of the actual purchase cost, or the current market value of the Precision shares to

determine the executive's ownership position. In determining Precision share ownership, we only consider actual Precision shares held and therefore do not include RSUs, PSUs or Options.

Under the previous guidelines, the CEO was expected to own Precision shares with a value equal to at least two times his annual base salary. The CFO and other officers were expected to own Precision shares with a value equal to at least one time their annual base salary.

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The following table summarizes the targets and actual ownership in Precision shares as a multiple of base salary for the NEOs (as at December 31, 2010):

Named Executive Officer	2010 Target Share Ownership	Actual Share Ownership	Meets Guidelines
Kevin A. Neveu President and CEO	3x annual base salary	193,156	Yes
Robert J. McNally Executive Vice President and Chief Financial Officer	2x annual base salary	0	See Note (1)
Douglas J. Strong President, Completion and Production Services	2x annual base salary	35,729	Yes
Gene C. Stahl President, Drilling Operations	2x annual base salary	53,729	Yes
Darren J. Ruhr Vice President, Corporate Services	2x annual base salary	11,525	See Note (2)

Notes:

- (1) Mr. McNally joined Precision on July 19, 2010 and has until July 19, 2015 to meet the share ownership guideline.
- (2) Mr. Ruhr met the requirements under the previous guideline of one time his annual base salary. He has until 2015 to meet the new guidelines.

Compensation Consultant

The Compensation Committee has retained the services of Mercer, an external executive compensation consultant, to assist and advise the Compensation Committee in its review of executive compensation, including the competitiveness of pay levels, executive compensation design issues, market trends and technical considerations. In 2010, the support provided by Mercer consisted of:

- providing compensation benchmark market data, industry trends and issues;
- reviewing and revising comparator groups;
- reviewing executive share ownership guidelines;
- reviewing director compensation;
- reviewing and advising on compensation for the NEOs and other executives;
- advising on compensation-related governance matters;

reviewing the Compensation Discussion and Analysis section of Precision's management circular; and attending Compensation Committee meetings, as required.

The Compensation Committee pre-approves the provision of all services provided by Mercer to ensure they do not compromise Mercer's objectivity. The total fees paid to Mercer for the past three years are as outlined below:

Year	Services to the Compensation Committee	Pension & Benefits Consulting Services
2010	\$ 85,000	\$ 58,000
2009	\$ 181,900	\$ 17,900
2008	\$ 231,400	

The higher fees paid to Mercer in 2008 and 2009 were associated with the redesign of our short and long-term incentive plans.

Table of Contents**Competitive Positioning**

We review our compensation for NEOs and other executives against a group of comparator companies. In 2009, with the assistance of Mercer, the Compensation Committee established the comparator group of companies with whom we compete with for executive talent and includes contract drilling or well servicing companies, offshore drilling companies and companies from the broader oilfield services industry. The Compensation Committee took the following factors into consideration when selecting the comparator group:

Revenue;

Assets;

Total employees;

Market capitalization;

Enterprise value;

Geographic footprint; and

Complexity of their service offerings.

The Compensation Committee, with the assistance of Mercer, reviewed the comparator group in 2010 and determined that it was still appropriate to use for 2010 compensation planning purposes. The comparator group of companies and their associated data points as at December 31, 2010 are shown below:

Company Name	All values in Cdn \$ millions					Geographic Footprint	Period Ending December 31, 2010		
	Revenue (1)	Total Assets(1)	Employees(1)	Mkt. Cap. (2)	Enterprise Value(2)		1-yr TSR(3)	3-yr TSR(3)	5-yr TSR(3)
Basic Energy Services Inc. Complete	\$ 527	\$ 1,040	3,800	\$ 680	\$ 1,083	United States	85%	(9)%	(4)%
Production Services Enesco International Inc.	\$ 1,056	\$ 1,589	5,235	\$ 2,302	\$ 2,809	North America	127%	18%	n/a
Ensign Energy Services Inc.(4)	\$ 1,946	\$ 6,747	3,585	\$ 7,607	\$ 6,968	International	37%	(3)%	4%
Flint Energy Services Ltd.(4)	\$ 1,138	\$ 2,128	7,095	\$ 2,300	\$ 2,356	International	3%	2%	(7)%
Helmerich & Payne Hercules Offshore Inc.	\$ 1,877	\$ 975	10,280	\$ 829	\$ 905	North America	88%	0%	(1)%
Key Energy Services, Inc.	\$ 1,894	\$ 4,161	5,384	\$ 5,138	\$ 5,422	International	22%	7%	10%
Parker Drilling Co.	\$ 743	\$ 2,277	2,200	\$ 399	\$ 1,128	International	(27)%	(47)%	(34)%
	\$ 1,079	\$ 1,664	8,470	\$ 1,836	\$ 2,322	United States	48%	(3)%	(1)%
	\$ 753	\$ 1,243	2,372	\$ 531	\$ 953	International	(8)%	(15)%	(16)%

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Patterson-UTI Energy, Inc.	\$ 782	\$ 2,662	4,200	\$ 3,321	\$ 3,347	North America	42%	5%	(6)%
Pioneer Drilling Co.	\$ 326	\$ 823	1,700	\$ 477	\$ 743	International	12%	(9)%	(13)%
Pride International Inc.	\$ 1,594	\$ 6,143	3,550	\$ 5,799	\$ 7,031	International	3%	1%	3%
Rowan Cos.	\$ 1,770	\$ 5,211	4,846	\$ 4,406	\$ 4,979	International	54%	(4)%	0%
Superior Energy Services, Inc.	\$ 1,449	\$ 2,517	4,800	\$ 2,758	\$ 3,591	International	44%	1%	11%
Trican Well Service Ltd.(4)	\$ 811	\$ 1,030	2,794	\$ 2,898	\$ 2,964	International	44%	2%	(6)%
Trinidad Energy Services Ltd.(4)	\$ 583	\$ 1,624	2,038	\$ 761	\$ 1,323	International	(8)%	(12)%	(11)%
Unit Corp.	\$ 703	\$ 2,228	1,416	\$ 2,226	\$ 2,360	United States	9%	0%	(3)%
Average	\$ 1,119	\$ 2,592	4,339	\$ 2,604	\$ 2,958		34%	(4)%	(5)%
Precision Drilling Corporation	\$ 1,197	\$ 4,192	5,380	\$ 2,646	\$ 3,122	North America	25%	(9)%	(18)%

Notes:

- (1) 2009 annual revenue, total assets and employees.
- (2) Market capitalization and enterprise value at December 31, 2010.
- (3) TSR denotes annualized Total Shareholder Return, or change in share price adjusted for dividends.
- (4) These companies were excluded in determining CEO compensation. Please see the Compensation of the Chief Executive Officer section for more information.

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In circumstances where equivalent executive positions are not disclosed in the proxy data, we use third party compensation surveys and extract relevant data from other similarly-sized energy sector companies, generally measured in terms of revenue.

Role of Management in Determining Compensation

The CEO participates in the compensation design process by providing recommendations to the Compensation Committee with respect to the other executives and recommends to the Compensation Committee the specific performance targets to be used for the various incentive plans. The Vice President, Corporate Services assists the CEO in developing and presenting management's recommendations and supporting material to the Compensation Committee regarding the compensation of the executives.

Each year, the CEO completes a formal evaluation of the performance of the NEOs. These evaluations are based on the achievement of specific goals established at the beginning of the year for each NEO as well as an assessment of his performance against a matrix used to evaluate all of our salaried employees. The CEO also evaluates NEO performance relative to the achievement of our annual objectives and assesses the leadership of the NEOs in advancing our long-term strategic objectives. The results of these evaluations are shared with the Compensation Committee.

Base Salary

Base salary provides a fixed amount of cash compensation for performing day-to-day responsibilities and reflects the individual's experience, potential, performance and market competitiveness against our comparator group.

For 2009, in response to the economic uncertainty and the expected decline in demand for drilling services in the short term, we maintained salaries at their 2008 levels for the CEO and all other senior executives, notwithstanding the fact salaries for most of the NEOs were below our target pay positioning. Mr. Stahl received a salary increase effective December 1, 2009 in recognition of his relocation to the United States and his expanded scope and responsibilities as President, Drilling Operations.

In February 2010, the Compensation Committee, with the assistance of Mercer, reviewed the 2010 compensation for the CEO and the other NEOs.

After consideration of Mercer's analysis, the Compensation Committee recommended and the Board approved base salary increases for the NEOs. For more details of the compensation of the CEO, see Compensation of the Chief Executive Officer. Effective March 1, 2010, the Compensation Committee approved base salary increases for the other NEOs and reduced their 2010 STIP targets to restructure total NEO compensation to be closer to the median of the comparator group. Please see the 2010 NEO STIP Targets section.

For 2011, upon consultation with Mercer, salary increases of 2 percent were approved for each of our NEOs.

The following table compares the year-end salaries for 2008 through 2010, as well as the new base salary effective March 1, 2011 for each of our NEOs:

Named Executive Officer	2008 Base Salary	2009 Base Salary	% Increase	2010 Base Salary(1)	% Increase	2011 Base Salary(2)	% Increase
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Kevin A. Neveu President and CEO	C\$ 500,000	C \$ 500,000	0%	C\$ 625,000	+25%	C\$ 637,500	+2%
Robert J. McNally Executive Vice President and Chief Financial Officer				U.S.\$ 350,000(4)		U.S.\$ 357,000	+2%
Douglas J. Strong President, Completion and Production Services	C\$ 252,000	C\$ 252,000	0%	C\$ 325,000(5)	+29%	C\$ 331,500	+2%
Gene C. Stahl President, Drilling Operations	C\$ 277,000	C\$ 350,000(3)	+26%	U.S.\$ 350,000	0%	U.S.\$ 357,000	+2%
Darren J. Ruhr Vice President, Corporate Services	C\$ 205,000	C\$ 205,000	0%	C\$ 255,000	+24%	C\$ 260,000	+2%

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Notes:

- (1) Base salary increases in 2010 were effective March 1, 2010, unless indicated otherwise.
- (2) Base salary increases in 2011 were effective March 1, 2011, unless indicated otherwise.
- (3) Mr. Stahl received a 26% salary increase effective December 1, 2009 in recognition of his relocation to the United States and his expanded scope and responsibilities as President, Drilling Operations.
- (4) Mr. McNally was appointed Executive Vice President and Chief Financial Officer of Precision on July 19, 2010.
- (5) Mr. Strong received a 19% base salary increase on March 1, 2010 while he was Chief Financial Officer and received a further increase of 8% to C\$325,000 when he assumed the position of President, Completion and Production Services.

Short Term Incentive Plan (STIP)

The STIP is designed to recognize and reward individuals for the annual achievement of performance relative to company-wide financial and operational metrics, as well as their individual performance. Each participant has the opportunity to earn annual cash bonuses that are tied to specified target awards defined as a percentage of their base salary (STIP Target). The individual performance component can result in awards ranging from 0% to 50% of STIP Target, while the corporate performance component can range from 0% to 150% of STIP Target, for a total bonus award of up to 200% of STIP Target. The Compensation Committee believes this weighting reinforces our pay-for-performance philosophy by rewarding individual performance while maintaining the emphasis of the program on company-wide performance which promotes our collaborative culture.

The overall STIP bonus pool is capped at 2.5% of EBIT. In the case of the STIP bonus pool funding being insufficient to pay out at target, the individual component is first paid out, and the corporate component reduced. The Compensation Committee may use its discretion to increase or decrease the size of the bonus pool if the Compensation Committee determines that the calculated size of the bonus pool resulted in a significant overpayment or underpayment based on actual performance achieved in the year.

Individual Component

We fully implemented and executed a performance management system in 2010, with all STIP-eligible employees establishing annual performance objectives. These objectives are monitored by managers throughout the year and bonus awards are linked to achievement of the objectives and overall employee performance, with awards for individual performance ranging from 0% to 50% of STIP Target. Managers make recommendations on the awards which are then approved by senior Management. The CEO makes recommendations to the Compensation Committee for each of the other NEO s awards. The Compensation Committee recommends the CEO s award and the other NEOs awards for final approval by the Board.

Corporate Component

The corporate component is awarded based on our performance relative to company-wide financial and operational metrics and targets which are approved by the Compensation Committee at the beginning of each year. Each metric is weighted and has threshold, plan and stretch objectives. The operational and financial metrics in aggregate will result in awards ranging from 0% to 150% of STIP Target. The operational metrics used are highly descriptive and directly

measure our safety, operational and employee retention performance, all of which we consider critical components of our *High Performance, High Value* competitive strategy. The objectives for each operational metric are established to encourage our NEOs to strive towards achieving high performance results with stretch objectives that are set at a level that requires exceptional performance. These metrics were first introduced in 2009 and we exceeded the plan objectives set for that year. These metrics represent 15% of the CEO's target cash compensation (base salary plus STIP Target) and 13% of the other NEOs' target cash compensation. The threshold, plan and stretch objectives for the operational metrics are not disclosed for competitive reasons.

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In 2010, after a review of the compensation for our NEOs, the Compensation Committee realigned the total compensation for each NEO to be closer to the median level of the comparator group. As a result, in conjunction with adjustments to base salaries, the Compensation Committee reduced each NEO's STIP Target to 75% of base salary from 100%. The CEO's STIP Target remains at 100% of base salary.

2010 Corporate Performance

The metrics are as outlined in the table below:

Metric	Threshold Objective	Plan Objective	Stretch Objective	2010 Actual Performance	Range (% of STIP Target)	Uncapped Payout
Return on Capital Employed	8%	14%	26%			0%
EBIT	C\$137 million	C\$172 million	C\$240 million	C\$253 million	0% -45%	45%
Safety Performance						
Mechanical Downtime						
	Operational metrics are not disclosed as they are critical components of our competitive strategy which we market as part of our <i>High Performance, High Value</i> service offering to new and existing customers. Transparency of these metrics would provide our competitors with direct access to our competitive advantage.				0% - 20%	
					0% - 20%	33%
Employee Retention					0% - 150%	78%

Following the 2010 year-end, the Compensation Committee reviewed our achievements against the metrics and confirmed that the corporate component uncapped payout was 78% of STIP Target. Consistent with the plan design, the Compensation Committee calculated the STIP bonus pool by applying the 2.5% EBIT cap, resulting in a reduction to the corporate component payout from 78% down to 15% after providing for funding of the individual component. The Compensation Committee determined that this level of funding was inappropriate given our strong performance against the metrics and achievement of strategic objectives and used its discretion to increase the STIP bonus pool to 3.1% of EBIT or approximately \$1.6 million, resulting in a corporate component payout of 27% of STIP Target.

Each participant's award consisted of 27% of STIP Target for the corporate component and 0% to 50% of STIP Target for the individual component based on individual performance.

2010 STIP Awards

The following table shows the actual 2010 and 2009 STIP awards for each NEO:

2010 Base Salary	Individual Component based on Corporate Performance
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	Earned(2)	STIP	Component	Assessment	2010 Actual STIP		2009	%
	in	Target	(27%) in	in	Award (\$)(3)	Converted	Actual	
Named Executive Officer	Local	(%)	Local	Local	In Local	to	STIP	Change
	Currency(1)		Currency(1)	Currency(1)	Currency(1)	Cdn\$	In Cdn\$	
Kevin A. Neveu President and CEO	603,366	100%	162,908+	188,552=	351,460	351,460	500,000	(30)
Robert J. McNally Executive Vice President and Chief Financial Officer	161,538	75%	32,711+	45,433=	78,144(4)	76,323(5)		N/A
Douglas J. Strong President, Completion and Production Services	303,904	75%	61,541+	148,745=	210,286	210,286	252,000	(17)
Gene C. Stahl President, Drilling Operations	352,244	75%	71,329+	82,557=	153,886	158,487(6)	194,140(7)	(18)
Warren J. Ruhr Vice President, Corporate Services	246,346	75%	49,885+	69,285=	119,170	119,170	135,000	(12)

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Notes:

- (1) The amounts shown are kept in the currency in which each NEO is paid. Amounts for Messrs. McNally and Stahl are in U.S. dollars and amounts for all other NEOs are in Canadian dollars.
- (2) STIP awards are calculated based on base salary earned and reflect base salary changes during the year.
- (3) 2009 and 2010 STIP Awards were determined based on actual base salary earned in the respective calendar years and were paid on March 9, 2010 and March 8, 2011, respectively.
- (4) Mr. McNally joined us on July 19, 2010 and was provided with a one-time signing bonus of U.S.\$150,000 which was paid in addition to, and concurrently with, his 2010 STIP award.
- (5) This amount was converted using the July 19, 2010 to December 31, 2010 average exchange rate of 0.9767.
- (6) This amount was converted using the 2010 average exchange rate of 1.0299.
- (7) Mr. Stahl received a 2009 STIP award of U.S.\$170,000. This amount was converted to Canadian dollars using the 2009 average exchange rate of 1.1420.

For the 2011 plan, the Compensation Committee, in consultation with Mercer, removed the 2.5% EBIT cap to ensure awards are aligned with performance achieved against the company-wide financial and operational metrics. Mercer's analysis indicated that our inclusion of a bonus pool cap was not consistent with our pay-for-performance philosophy. Each participant's maximum bonus opportunity will remain capped at 200% of their STIP Target.

Long-Term Incentive Plans

Restricted Share Units (RSUs)

RSUs are notional share-based awards to recognize, retain and motivate key employees to create shareholder value with payouts that are directly tied to our absolute share value. A plan participant is awarded a fixed number of RSUs that vest equally over three years. On each vesting date we redeem the vested RSUs for cash. The RSU plan is non-dilutive and unvested RSUs are forfeited upon resignation.

Performance Share Units (PSUs)

PSUs are notional share-based awards that are designed to recognize, retain, motivate and reward key employees to create Shareholder value relative to industry peers over a three-year period. A plan participant is awarded a fixed number of PSUs that cliff vest at the end of a three-year period. The PSUs are settled in cash, based on the absolute value of Precision shares multiplied by a payout multiplier. The payout multiplier is determined based on the relative performance of total return to our shareholders (commonly referred to as Total Shareholder Return or TSR) compared to the PSU performance comparator group.

Prior to the grant, the Compensation Committee, with the assistance of Mercer, determines the companies against which our TSR performance will be measured over the three-year performance period. The Compensation Committee recognizes that the PSU Performance Comparator Group may differ from the Compensation Comparator Group, as the group used for competitive executive compensation considerations and may differ from the companies with which we compete for investors. The Compensation Committee reviews the appropriateness of the comparator groups

annually.

At the end of the three-year performance period, the Compensation Committee reviews our relative TSR and sets the multiplier in accordance with the following:

Ranking	Payout Multiplier
75% or higher ranking among peer group	2.0 times payout
50% (median) ranking among peer group	1.0 times payout
35% ranking among peer group	0.4 times payout
Below 35% ranking among peer group	0 payout

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TSR will be adjusted to reflect any distributions or dividends paid and the multiplier will be interpolated for performance in between the ranges in the table and are independently calculated by Mercer and approved by the Compensation Committee. For the 2009 and 2010 PSU grants, the Compensation Committee has the discretion to reduce the plan payout by half if our average return on capital did not exceed 10%.

The Compensation Committee reviews our TSR ranking and average return on capital and recommends the payout multiplier to the Board for final approval. The final payout is based on:

PSU Payout Calculation

Number of PSUs granted to participant	<i>times</i>
Payout Multiplier	<i>times</i>
5-Day Weighted Average Price of Precision shares*	<i>equals</i>
Payout Amount	

* Weighted average price of one Precision share for the five trading days prior to the date of vesting.

2009 PSU Performance Comparator Group

The following table lists the PSU Performance Comparator Group for the 2009 PSU Plan:

	2009 PSU Performance	Comparator Group	
Atwood Oceanics, Inc.	Nabors Industries Ltd.	Pioneer Drilling Co.	Transocean Ltd.
Diamond Offshore Drilling Inc.	Noble Corp.	Pride International Inc.	Trinidad Energy Services Ltd.
Ensco International Inc.	Parker Drilling Co.	Rowan Cos.	Unit Corp.
Ensign Energy Services Inc.	Patterson-UTI Energy Inc.	Savanna Energy Services Corp.	Union Drilling Inc.

To coincide with the grant of Options, the Compensation Committee, upon consultation with Mercer, set the performance period for the 2009 PSU grant from May 6, 2009 to December 31, 2011 (less than three years) as the performance period for determination of relative TSR performance. Beginning in 2010, the PSU performance periods were tied to calendar years.

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The following graph shows our TSR performance relative to the 2009 PSU Performance Comparator Group for the period from May 6, 2009 to December 31, 2010:

Our TSR for the 20-month period is 95%, which puts us at the 99th percentile of the comparator group and would result in a two times performance multiplier before taking into account the average return on capital threshold.

2010 PSU Performance Comparator Group

In 2010, the Compensation Committee reviewed the PSU Performance Comparator Group. As part of its review, the Compensation Committee considered analysis provided by Mercer which indicated that the correlation of TSR between us and onshore companies was higher than offshore companies. For the 2010 PSU Plan, the Compensation Committee determined that it was appropriate to remove offshore drilling companies and add companies from the broader oilfield services sector due to the limited number of onshore drilling companies. The new comparator group increases the alignment with the compensation comparator group and reflects our non-drilling businesses.

The following table lists the PSU Performance Comparator Group for the 2010 PSU Plan:

2010 PSU Performance Comparator Group

Basic Energy Services	Nabors Industries	Superior Energy Services
Complete Production Services	Parker Drilling	Trican Oilwell Services
Ensign Energy Services	Patterson-UTI Energy	Trinidad Energy Services
Helmerich & Payne	Pioneer Drilling	Union Drilling
Key Energy Services	Savanna Energy Services	Unit Corp

Grants under the 2010 PSU Plan were made on February 11, 2010 during our normal annual LTIP grant cycle. The performance period is from January 1, 2010 to December 31, 2012.

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The following graph shows our TSR performance relative to the 2010 PSU Performance Comparator Group for the period from January 1, 2010 to December 31, 2010:

Our TSR for the 12-month period is 33%, which puts it at the 62nd percentile of the comparator group and would result in a 1.48 times performance multiplier before taking into account the average return on capital threshold.

2011 PSU Plan (PSU Plan)

In early 2011, the Compensation Committee, with the assistance of Mercer, reviewed the PSU Performance Comparator Group and determined that the comparator group used in 2010 should remain unchanged for the 2011 PSU grants. The Compensation Committee also reviewed the design of the PSU Plan and determined that, for the 2011 PSU grant, it was appropriate to remove the discretionary threshold on average return on capital which may reduce the payout to the participant by half if the threshold is not attained. The Compensation Committee noted that our STIP already included a metric on return on capital and Mercer advised that it was uncommon to have this type of reducing factor on a PSU Plan that is designed to measure relative TSR performance.

Stock Options

Options are designed to retain, motivate and reward key employees with an incentive to enhance shareholder value by providing a form of compensation that is tied directly to increases in the market value of Precision shares. Options have a seven year term and vest 1/3 each year commencing on the first anniversary date of the grant. The LTIP value for each plan participant is calculated using the industry standard Black-Scholes options pricing model in accordance with Mercer's recommendations.

The option plan was approved by shareholders on May 6, 2009. The aggregate number of Options reserved for issuance is 11,103,253, including provision for issuance of up to 800,000 DSUs (as defined below) to our independent directors. The maximum number of Options that can be issued in any one year may not exceed 1% of the issued and outstanding Precision shares. The maximum aggregate number of Precision shares reserved for issuance that may be issued is 2% to any one individual, and 10% to all insiders, of the issued and outstanding Precision shares. Please see the Employee Stock Option Plan Administration Details section for more information.

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Options that were previously granted to employees are not taken into consideration when new grants are determined.

The following table provides information on the number of Options granted each year since the Option Plan was first implemented:

	2010	%	2009	%
	# of Options	of Shares Outstanding	# of Options	of Shares Outstanding
Measure of Dilution				
Annual Grant(1)	2,118,755	0.77	1,929,200	0.70
Options Outstanding(2)	3,723,123	1.35	1,787,700	0.65
Options Available for Grant(3)	6,556,798	2.38	8,515,553	3.09
Overhang(4)	10,279,921	3.73	10,303,253	3.74

Notes:

- (1) Annual Grant represents the total number of options granted under the Option Plan during each respective year.
- (2) Options Outstanding represents the total number of options outstanding (including the annual grant) under the Option Plan at the end of each year.
- (3) Options Available for Grant represents the number of options remaining in the reserve approved by shareholders and available for grant under the Option Plan at the end of each year.
- (4) Overhang represents the number of Options outstanding plus the number of Options remaining in reserve approved by shareholders and available for future grants.

None of our NEOs has exercised any of the Options granted to them under the Option Plan.

LTIP Awards

For 2009 and 2010, the mix of the LTIP vehicles granted to our NEOs was generally the same as those provided to other key employees to promote the collaborative orientation of our culture. For 2011, LTIP grants to the CEO, CFO, President, Drilling Operations and President, Completion and Production Services were approximately 50% Options and 50% PSUs in terms of value, with no RSUs awarded to these NEOs.

The following table outlines the LTIP awards granted to our NEOs, including the grants made for the 2011 plan year:

Executive Officer	Grant Date	Grant Price (C\$)	RSU Awards (Units /C\$)(1)	PSU Awards (Units /C\$)(1)	Option Awards (Units /C\$)(2)	Total (C\$)
Neveu and CEO	Feb. 9, 2011	10.44	0 /0	90,300 /942,732	197,500 /942,288	1,88
	Feb. 11, 2010	8.59	49,100 /421,769	75,900 /651,981	217,000 /844,406	1,91

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	May 6, 2009	5.85	74,600 /436,410	74,600 /436,410	164,600 /436,198	1,30
McNally	Feb. 9, 2011	10.55	0 /0	33,100 /347,354(4)	72,300 /337,631(4)	68
e Vice President	Jul. 19, 2010	7.12	200,000 /1,503,602(3)	115,000 /864,571(3)	160,000 /544,905(3)	2,91
F Financial Officer						
J. Strong	Feb. 9, 2011	10.44	0 /0	33,100 /345,564	72,300 /344,949	69
, Completion and	Feb. 11, 2010	8.59	18,000 /154,620	28,000 /240,520	70,000 /272,389	66
n Services	May 6, 2009	5.85	33,000 /193,050	33,000 /193,050	65,000 /172,253	55
Stahl	Feb. 9, 2011	10.55	0 /0	33,100 /347,354(4)	72,300 /337,631(4)	68
, Drilling						
as	Feb. 11, 2010	8.06	18,000 /152,668(4)	28,000 /237,483(4)	70,000 /268,950(4)	65
	May 6, 2009	5.85	33,000 /193,050	33,000 /193,050	65,000 /172,253	55
Ruhr	Feb. 9, 2011	10.44	9,500 /99,180	9,500 /99,180	41,300 /197,046	39
ident, Corporate	Feb. 11, 2010	8.59	10,000 /85,900	15,500 /133,145	50,000 /194,564	41
	May 6, 2009	5.85	22,000 /128,700	22,000 /128,700	50,000 /132,503	38

Notes:

- (1) RSUs and PSUs were valued on the date of grant using the five day weighted average trading price of Precision shares on the Toronto Stock Exchange (the TSX) and NYSE, for Canadian and U.S. units, respectively.

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- (2) Options were valued on the date of grant using the Black-Scholes option pricing model. See the Summary Compensation Table for details of the assumptions used in determining the Option values.
- (3) Mr. McNally joined us on July 19, 2010 and was granted 200,000 RSUs, 115,000 PSUs and 160,000 Options as part of his offer which was intended to compensate him for deferred compensation he relinquished with his former employer. These amounts have been converted to Canadian dollars using the July 19, 2010 exchange rate of 1.0559.
- (4) These amounts were converted to Canadian dollars using the exchange rate on the date of grant, as follows:
February 9, 2011 = 0.9947 and February 11, 2010 = 1.0523.

Benefits

Executives participate in the same benefit program provided to our salaried employees. We believe benefits are an integral part of total compensation and are important for attracting and retaining employees, including NEOs. Our employee benefits are competitive, in terms of coverage and employee cost sharing, and are similar to those offered by the companies in our compensation peer group. The program consists of basic, optional and dependent life insurance; basic, optional, accidental death and dismemberment insurance; extended health and dental care; short and long-term disability insurance; and an employee assistance plan. NEOs are provided supplementary accidental death and dismemberment insurance benefits as well.

Retirement Plans

NEOs participate in the same retirement program provided to our salaried employees. Our retirement plans assist eligible employees in accumulating capital toward their retirement and are competitive to those offered by the companies in our compensation comparator group. In Canada, our retirement plan consists of two voluntary components: a Defined Contribution Pension Plan (DCPP) and a Group Registered Retirement Savings Plan (GRRSP). Our United States retirement plan consists of a 401(k) plan. As a 401(k) plan is not considered a pension plan under Canadian proxy disclosure rules, the amounts are reported under All Other Compensation in the Summary Compensation Table for the applicable NEOs.

Perquisites

We provide a limited amount of perquisites to our NEOs as part of a competitive total compensation package that allows them to focus on their daily responsibilities and the achievement of our business objectives. Eligibility reflects competitive practices and includes perquisites common in the drilling and oilfield services industry.

In 2010, each of the NEOs was provided with a company vehicle, including operating costs. Mr. McNally and Mr. Stahl, who are working as expatriates, are provided with tax preparation services. Other perquisites offered vary by position, and may include health and business club memberships and/or comprehensive executive medical programs.

Any perquisites that are deemed to be taxable to the NEOs are not grossed up to compensate for taxes otherwise payable.

For information on the perquisites provided to the CEO, please see the Compensation of the Chief Executive Officer section.

Legacy Long-Term Incentive Plan (Legacy LTIP)

In 2009, we discontinued the Legacy LTIP plan which was implemented in 2006. Grants were provided under the plan from 2006 to 2008. No awards were granted after 2008.

The Legacy LTIP had two components:

- a Retention Award, being a cash award for 2006 and 2007, and a unit-based award for 2008 that vests after three years; and

- a Performance Award, being a cash award that is contingent on performance and vests after three years.

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Awards were granted on an annual basis in the first quarter of 2006, 2007 and 2008:

for the 2006 award, 25% of the Legacy LTIP was denominated as a Retention Award that provided a fixed dollar amount to award recipients in March 2009 and 75% of the Legacy LTIP was denominated as a Performance Award that provided a target dollar amount contingent upon achieving actual distributions per Precision shares over a three-year term.

for the 2007 award, 25% of the Legacy LTIP was denominated as a Retention Award that provided a fixed dollar amount to award recipients in March 2010 and 75% of the Legacy LTIP was denominated as a Performance Award that provided a target dollar amount contingent upon achieving distributable cash per Precision share over a three-year term.

for the 2008 award, 25% of the Legacy LTIP was denominated as a Retention Award that was converted into notional Precision shares on the date of grant which vest in March 2011 and 75% of the Legacy LTIP was denominated as a Performance Award that will provide a target dollar amount contingent upon achieving distributable cash per Precision share over a three year-term.

For both Retention Awards and Performance Awards, eligible participants receive a cash payment at the end of the three-year period. We set aggressive thresholds and targets for the 2006, 2007 and 2008 Performance Awards and as Precision did not meet the threshold criteria, we did not provide any cash payments to plan participants under these plan years.

Since the awards were intended to represent long-term incentive compensation over three years, the initial grants were three times the size of a normal annual grant for first-time participants in the Legacy LTIP.

The following table outlines the value of the Retention Awards and Performance Awards, assuming target performance, granted to each NEO:

Named Executive Officer		Retention Awards (C\$)	Performance Awards at Target (C\$)	Total (C\$)
Kevin A. Neveu President and CEO	2008	1,200,000(1)	3,600,000(2)	4,800,000
Robert J. McNally Executive Vice President and Chief Financial Officer(6)				
Douglas J. Strong President, Completion and Production Services	2008	200,000(1)	600,000(2)	800,000
	2007	200,000(3)	600,000(3)(4)	800,000
	2006	600,000(3)	1,800,000(3)(5)	2,400,000
Gene C. Stahl President, Drilling Operations	2008	250,000(1)	750,000(2)	1,000,000
	2007	250,000(3)	750,000(3)(4)	1,000,000
	2006	750,000(3)	2,250,000(3)(5)	3,000,000
Darren J. Ruhr Vice President, Corporate Services	2008	200,000(1)	600,000(2)	800,000
	2007	166,750(3)	500,250(3)(4)	667,000
	2006	352,500(3)	1,057,500(3)(5)	1,410,000

Notes:

- (1) For 2008, the Retention Awards were tied to share price and therefore considered share-based awards. The Performance Awards were not tied to share price, and therefore were considered long-term non-equity incentive plan compensation.
- (2) For 2008, the target dollar amount was contingent upon achieving distributable cash per share over a three-year term equal to C\$10.78, which represents a 12% compounded distributable cash growth rate. Lesser amounts could be earned if distributable cash per share falls short of the target of C\$10.78 but exceeds the threshold of C\$7.47.

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- (3) For 2006 and 2007, neither the Retention Awards nor the Performance Awards were tied to our share price and therefore were considered long-term non-equity incentive plan compensation. The payouts of the 2006 and 2007 Retention Awards are disclosed in the Summary Compensation Table.
- (4) For 2007, the target dollar amount was contingent upon achieving distributable cash per share over a three-year term equal to C\$12.47, which represents a 12% compounded distributable cash growth rate. Lesser amounts could be earned if distributable cash per share falls short of the target of C\$12.47 but exceeds the threshold of C\$10.52.
- (5) For 2006, the target dollar amount was contingent upon achieving actual distributions per share over a three-year term equal to C\$10.24, which represents a 12% compounded distribution growth rate. Lesser amounts could be earned if actual distributions per share fall short of the target of C\$10.24 but exceeds the threshold of \$8.64.
- (6) Mr. McNally joined us on July 19, 2010 and did not receive any grants under the Legacy LTIP.

Performance Savings Plan (PSP)

The PSP was discontinued after the 2008 awards. The PSP was an annual bonus plan designed to complement the Legacy LTIP by rewarding participants for superior financial and operational performance. The PSP bonus pool was funded based on achievement of pre-determined performance metrics. PSP award participants could elect to receive all or a portion of the award in the form of notional deferred units, which could be held for up to three years. Any remaining notional deferred units awarded under the PSP plan will be settled on December 31, 2011.

Compensation of the Chief Executive Officer

The Compensation Committee, in consultation with Mercer, recommends the compensation for the CEO to the Board for approval. The Compensation Committee takes into account the effectiveness of the CEO's leadership, execution of our short and long-term business plans, evaluation of his performance against the CEO position description and performance against his personal objectives that were agreed to at the beginning of each year. Further, the Compensation Committee considers the competitive positioning of the compensation for the CEO against the comparator group.

Mr. Neveu's annual cash compensation consists of base salary and a performance-based annual cash incentive through our STIP, the same plan provided to our salaried employees. Mr. Neveu's STIP target is 100% of his base salary. Individual performance can result in awards ranging from 0% to 50% of his STIP target, while corporate performance can range from 0% to 150% of his STIP target, for a maximum total bonus award of up to 200% of target.

Mr. Neveu participates in the same long-term incentive plans available to our salaried employees. Since 2009, the long-term incentives are entirely share-based, aligning Mr. Neveu's interests with our shareholders. These incentives consist of retention and performance notional share-based awards in the form of RSUs and PSUs, and Options which only have value if our share price exceeds the price at the time of grant.

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The following table provides historical information on Mr. Neveu's base salary and his targeted total cash and long-term incentive compensation compared to actual compensation he received:

	2007(1)	2008	2009	2010
Base Salary at Year End	C\$ 500,000	C\$ 500,000	C\$ 500,000	C\$ 625,000
<u>Total Cash Compensation</u>				
The following provides a historical comparison of Mr. Neveu's total cash compensation <i>received</i> relative to the <i>target</i> total cash compensation.				
Base Salary Earned for the Year		C\$ 500,000	C\$ 500,000	C\$ 603,366
Short-Term Incentive Target Amount(2)		C\$ 500,000	C\$ 500,000	C\$ 603,366
Total Cash Target		C\$ 1,000,000	C\$ 1,000,000	C\$ 1,206,732
Base Salary Earned	190,384	C\$ 500,000	C\$ 500,000	C\$ 603,366
Short-Term Incentive Paid	590,520(7)	C\$ 0(3)	C\$ 500,000	C\$ 351,460
Total Cash Received	780,904	C\$ 500,000	C\$ 1,000,000	C\$ 954,826
% Difference in Total Cash Target versus Total Cash Received		(50)%	0%	(21)%

Long-Term Incentive Compensation

The following provides a historical look at the long-term incentives *granted* to Mr. Neveu compared to the actual payments *received*, and where applicable, the *estimated unpaid balance* (or gain in the case of Options). We also show a comparison against our TSR performance for the relevant periods spanning each grant.

	Deferred Signing Bonus Units	Retention Units and Performance-Based Cash	RSUs, PSUs and Options	RSUs, PSUs and Options
LTIP Vehicles Granted				
LTIP Grant Value	C\$ 4,000,076	C\$ 4,800,000(4)	C\$ 1,309,018	C\$ 1,918,156
Paid in 2008	C\$ 1,425,811			
Paid in 2009	C\$ 423,672			
Paid in 2010	C\$ 454,841		C\$ 189,479	
Paid in 2011		C\$ 680,779	C\$ 243,965	C\$ 160,570
Estimated Unpaid Balance /Gain	(5)	(5)	C\$ 1,572,143(6)	C\$ 1,262,056(6)
	C\$ 2,304,324	C\$ 680,779	C\$ 2,005,587	C\$ 1,422,626

**Total Paid plus
Unpaid
% Difference
in LTIP Grant
Value versus**

Total Paid plus Unpaid	(42)%	(86)%	+53%	(26)%
Comparison Against Precision s Total Shareholder Return (TSR)(8)				
Measurement	Sep 1, 2007 to	Jan 1, 2008 to	May 6, 2009 to	Jan 1, 2010 to
Period for Grant	Aug 31, 2010	Dec 31, 2010	Dec 31, 2010	Dec 31, 2010
Precision TSR	(62)%	(30)%	+47%	+25%

Notes:

- (1) Mr. Neveu was appointed Chief Executive Officer effective August 14, 2007. Mr. Neveu was provided with an unconditional bonus of U.S.\$600,000 (converted to C\$590,520) for 2007 and Deferred Signing Bonus Units which were intended to compensate Mr. Neveu for deferred stock awards he relinquished with his former employer. Details of the compensation received by Mr. Neveu in 2007 are provided on the following pages.
- (2) Mr. Neveu s STIP target is 100% of base salary earned during the calendar year.

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- (3) Mr. Neveu declined to accept his earned 2008 annual incentive awards in light of the significant decline in Precision's share price and the need to conserve cash to repay debt.
- (4) The amount shown represents the grant date fair value of the Retention Award plus the Performance Award granted under the 2008 Legacy LTIP.
- (5) All payments have been made under the 2007 and 2008 grants.
- (6) These are the value of remaining RSUs, PSUs (assuming 1 times performance multiplier) and in-the-money value of Options calculated using the December 31, 2010 closing price of C\$9.60. These are a point-in-time estimation and can vary significantly depending on the movement of our share price.
- (7) Mr. Neveu's employment agreement provided for an unconditional 2007 bonus payment of U.S.\$600,000 upon approval of the 2007 audited financial statements of Precision. The amount shown was paid in Canadian dollars using the U.S. dollar exchange rate in effect at the payment date.
- (8) Total Shareholder Return of shares traded on the Toronto Stock Exchange.

Share Ownership

The following table shows Mr. Neveu's actual ownership of Precision shares and outstanding share-based awards as at December 31, 2010. The estimated values were calculated based on C\$9.60, the closing price of Precision shares on the TSX on December 31, 2010.

Named Executive Officer	# Shares/ Units	Estimated Value	Notes
Actual Share Ownership	193,156	1,854,298	Meets share ownership requirement.(1)
Outstanding Share-based Awards			
Restricted Share Units	57,602	552,979	
Performance Share Units	150,500	1,444,800	Assuming 1 times performance multiplier.
Options	381,600	836,420	In-the-money value.
Deferred Share Units (2008 Legacy LTIP)	69,577	667,939	These were paid out on March 8, 2011.
Total Outstanding Share-based Awards	659,279	3,502,138	
Total	852,435	5,356,436	

Note:

- (1) Mr. Neveu is expected to own Precision shares with a value equal to at least three times his annual base salary. We only consider actual Precision shares held and therefore do not include RSUs, PSUs, DSUs or Options. We use the higher of the actual purchase cost, or the current market value of Precision shares to determine the

executive's ownership position.

2007 Compensation

Mr. Neveu was appointed CEO on August 14, 2007 with a base salary of C\$500,000 and a STIP target of 100%. He was also provided with a one-time housing and relocation allowance of C\$700,133, an unconditional cash bonus of U.S.\$600,000 and 178,336 Deferred Signing Bonus Units valued at C\$4,000,076, which was intended to compensate for deferred stock awards he relinquished with his former employer.

If Mr. Neveu resigns or retires before August 2012 he will be required to repay approximately C\$119,000 of the housing allowance he received in 2007.

2008 Compensation

Mr. Neveu's base salary remained at C\$500,000. In light of the significant decline in the price of Precision shares and the need to conserve cash to repay debt, Mr. Neveu declined to accept his earned 2008 APIP and PSP awards (legacy plans) totaling approximately C\$571,000.

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Mr. Neveu received a Legacy LTIP grant with a target amount of C\$4,800,000 which cliff vests after three years. This grant had two components: a unit-based Retention Award valued at \$1,200,000 and a cash-based Performance Award with a target of C\$3,600,000. As Precision did not meet the threshold performance, we did not pay the Performance Award and only the Retention Award was paid on March 8, 2011.

2009 Compensation

Mr. Neveu's base salary remained at C\$500,000, as he requested to waive his salary review due to adverse business conditions.

At the end of 2009 the Compensation Committee evaluated Mr. Neveu's performance and determined that he had achieved exceptional performance against his 2009 objectives. Based on this evaluation, the Compensation Committee set his individual component at 50% of his STIP target. In addition, the Compensation Committee recognized that under Mr. Neveu's leadership, we were able to substantially reduce our long-term debt and significantly lower interest expense in the face of very challenging conditions in the equity and debt capital markets. He implemented several internal measures to reduce expenses and increase cash to further reduce debt, which included disposal of non-productive assets, freezing salaries, reducing personnel, consolidating facilities and curtailing capital expenditures. The Compensation Committee also took into consideration a number of achievements, including the successful integration of Grey Wolf and market penetration with customers in key North American shale drilling markets. Based on the overall assessment of Mr. Neveu's performance in 2009, the Compensation Committee recommended, and the Board approved, a 2009 STIP award of C\$335,000 plus an additional discretionary amount of C\$165,000 resulting in a total 2009 STIP award of C\$500,000, being 100% of his annual base salary.

Mr. Neveu was awarded 74,600 RSUs, 74,600 PSUs and 164,600 Options with a total grant value of C\$1,309,018, or 262% of his 2009 base salary.

Approximately 78% of Mr. Neveu's total direct compensation, at target, for 2009 was considered at-risk.

2010 Compensation

The Compensation Committee, with the assistance of Mercer, reviewed the 2010 compensation for the CEO. Since the scope and size of our operations were larger than those of the Canadian comparator group and because of the significant expansion of our United States operations following the acquisition of Grey Wolf, the Compensation Committee determined that it was appropriate to place greater weight on the U.S. comparator group in determining compensation for the CEO.

After consideration of Mercer's analysis, Mr. Neveu's demonstrated performance and our pay philosophy of targeting base salaries at or slightly below median, the Compensation Committee recommended and the Board approved an increase of 25% to bring Mr. Neveu's base salary to C\$625,000 effective March 1, 2010. His base salary remained below the 25th percentile of our U.S. comparators.

At the end of 2010, the Compensation Committee evaluated Mr. Neveu's performance and determined that overall he had demonstrated exceptional performance and leadership in 2010, delivering financial and operating results that were better than anticipated at the beginning of the year and seizing market opportunities that further strengthen the vision to be recognized as the *High Performance, High Value* provider of services for global energy exploration and development. Based on this evaluation, the Compensation Committee recommended an individual component award of C\$188,552, or 1.25 times his individual target. Based on achievements against the STIP metrics, the corporate component payout for Mr. Neveu would have been C\$470,625. Due to our STIP bonus pool cap, this amount was reduced to C\$162,908. Consequently, the Board approved a STIP award to Mr. Neveu of C\$351,460.

Mr. Neveu was awarded 49,100 RSUs, 75,900 PSUs and 217,000 Options with a total grant value of C\$1,918,156, or 307% of his 2010 base salary. This positions Mr. Neveu's total direct compensation for 2010 at slightly above the 25th percentile of the U.S. comparators as identified in Mercer's study.

Approximately 80% of Mr. Neveu's total direct compensation, at target, for 2010 was considered at-risk.

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Relative to the U.S. comparators, Mr. Neveu's 2010 base salary and total cash compensation was below the 25th percentile and his total direct compensation was slightly above the 25th percentile.

2011 Compensation

Effective March 1, 2011, Mr. Neveu's base salary was increased to C\$637,500, an increase of 2% consistent with the other NEOs, with his STIP at target remaining at 100% of base salary. He was also awarded 90,300 PSUs and 197,500 Options having a grant value of C\$1,885,020 or 296% of his 2011 base salary. Accordingly, approximately 80% of Mr. Neveu's total direct compensation for 2011 is considered at-risk.

Relative to the U.S. comparators, Mr. Neveu's 2011 base salary and total cash compensation is slightly above the 25th percentile and his total direct compensation is slightly below the median.

Perquisites

The CEO is provided with a company vehicle, including operating costs, membership to a business club for business purposes, membership in a comprehensive executive medical program, and income tax preparation services. The CEO does not have any company paid memberships with golf or health clubs. Any perquisites that are deemed to be taxable to the CEO by local tax authorities are not grossed up.

Employment Agreements

Employment agreements provide for benefits in the event of termination for any reason, other than for cause, including constructive dismissal. The terms of the agreements are based on competitive practices and are designed to enable us to attract and retain executive talent. The agreements protect shareholder interests through non-solicitation and confidentiality provisions. The agreements outline the terms and conditions applicable in the event of an NEO's separation from us due to resignation, retirement, death, disability, termination with and without cause, and upon the occurrence of constructive dismissal.

The agreements for all NEOs have an indefinite term. Upon termination, participation in and entitlements under the STIP and LTIP will be governed by the terms and conditions of such plans, as applicable. The amounts otherwise payable are not increased as a result of a change of control. In addition, a change of control in itself does not trigger any payments or immediate vesting under our long-term incentive plans (commonly referred to as the "double trigger"). Upon resignation or retirement, the NEO would receive no further payments of base salary, STIP or LTIP.

The Neveu agreement provides, in the event of termination without cause including constructive dismissal, for a lump sum payment equal to twenty-four months of the base salary as at the termination date, plus an amount equal to two times the STIP target. If Mr. Neveu resigns, retires or is terminated for cause before August 14, 2012, he would be required to repay a pro-rated portion of the one-time housing and relocation allowance equal to the amount calculated by multiplying six thousand two hundred and seventy dollars and thirty-eight cents (C\$6,270.38) by the number of calendar months between the termination date and August 14, 2012.

In 2011, the Compensation Committee reviewed and amended the NEOs' employment agreements, other than the CEO's, to clarify the terms and consequences of constructive dismissal. The prior agreements could have resulted in unintended consequences in the event of constructive dismissal not in conjunction with a change of control, as the provision could have been at odds with common law. The agreements were amended only to avoid such an unintended consequence, should it arise.

The McNally, Stahl, Strong and Ruhr agreements provide, in the event of termination without cause, for a lump sum payment equal to eighteen months of the base salary as at the termination date, plus an amount equal to one and one-half times the STIP target.

The McNally agreement requires Mr. McNally to be based in our Calgary, Alberta office for the first 24 months which may be extended up to an additional 36 months, after which he will be repatriated to the United States in the same role to be based in our Houston, Texas office. During his term in Calgary, Mr. McNally will be provided with a C\$15,000 annual family travel allowance and a C\$4,000 monthly housing allowance (both grossed up for taxes),

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which will be discontinued if he purchases a home in Calgary. The agreement provided for a one-time C\$150,000 signing bonus and a one-time sign-on grant of 200,000 RSUs, 115,000 PSUs and 160,000 Options which were intended to compensate Mr. McNally for deferred compensation he relinquished with his former employer. In the event of involuntary termination without cause or a voluntary termination that constitutes a constructive dismissal then any unvested portion of this grant will become vested effective as of the termination date.

Termination and Change of Control Benefits

The following table summarizes the estimated incremental termination benefits for each of the NEOs under each termination scenario as at December 31, 2010:

Named Executive Officer	Resignation (C\$)	Retirement (C\$)	Type of Triggering Event	Constructive Dismissal following a	Change of Control (C\$)
			Termination Without Cause/ Constructive Dismissal (C\$)	Change of Control (C\$)	
Kevin A. Neveu President and CEO					
Severance Payment					
2 times base salary	0	0	1,250,000	1,250,000	0
2 times STIP Target	0	0	1,250,000	1,250,000	0
Restricted Share Units(3)	0	0	0	290,090	0
Performance Share Units(3)	0	0	0	720,320	0
Options(2)	0	0	0	630,673	0
Repayment of Relocation Allowance(4)					
	(119,137)	(119,137)	0	0	0
Total Payment	(119,137)	(119,137)	2,500,000	4,141,082	0
Robert J. McNally Executive Vice President and Chief Financial Officer(1)					
Severance Payment					
1.5 times base salary	0	0	522,165	522,165	0
1.5 times STIP Target	0	0	391,624	391,624	0
Restricted Share Units(3)(5)	0	0	1,927,535	1,927,535	0
Performance Share Units(3)(5)	0	0	1,108,333	1,108,333	0
Options(2)(5)	0	0	408,980	408,980	0
Total Payment	0	0	4,358,637	4,358,637	0
Douglas J. Strong President, Completion and Production Services					
Severance Payment					
1.5 times base salary	0	0	487,500	487,500	0
1.5 times STIP Target	0	0	365,625	365,625	0
Restricted Share Units(3)	0	0	0	118,400	0

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Performance Share Units(3)	0	0	0	300,800	0
Options(2)	0	0	0	233,203	0
Total Payment	0	0	853,125	1,505,528	0
Gene C. Stahl President, Drilling Operations(1)					
Severance Payment					
1.5 times base salary	0	0	522,165	522,165	0
1.5 times STIP Target	0	0	391,624	391,624	0
Restricted Share Units(3)	0	0	0	118,588	0
Performance Share Units(3)	0	0	0	301,152	0
Options(2)	0	0	0	275,986	0
Total Payment	0	0	913,789	1,609,515	0
Darren J. Ruhr Vice President, Corporate Services					
Severance Payment					
1.5 times base salary	0	0	382,500	382,500	0
1.5 times STIP Target	0	0	286,875	286,875	0
Restricted Share Units(3)	0	0	0	73,605	0
Performance Share Units(3)	0	0	0	190,400	0
Options(2)	0	0	0	175,503	0
Total Payment	0	0	669,375	1,108,882	0

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Notes:

- (1) The amounts for Messrs. McNally and Stahl were converted to Canadian dollars using the December 31, 2010 exchange rate of 0.9946.
- (2) The value of Options was calculated based on the difference between the exercise prices and the December 31, 2010 closing prices of C\$9.60 for Canadian Options and C\$9.69 for U.S. Options, multiplied by the number of vested Options.
- (3) The value of Restricted Share Units and Performance Share Units was calculated based on the December 31, 2010 closing prices of C\$9.60 for Canadian units and U.S.\$9.69 for U.S. units, multiplied by the number of vested units. We have assumed a performance multiplier of one times for Performance Share Units.
- (4) If Mr. Neveu resigns, retires or is terminated for cause before August 14, 2012, he would be required to repay a pro-rated portion of the one-time housing and relocation allowance provided to him at his time of hire.
- (5) Mr. McNally's employment agreement provided for a one-time sign-on grant of 200,000 RSUs, 115,000 PSUs and 160,000 Options which were intended to compensate Mr. McNally for deferred compensation he relinquished with his former employer. In the event of involuntary termination without cause or a voluntary termination that constitutes a constructive dismissal then any unvested portion of this grant will become vested effective as of the termination date.

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Performance Graph

The following graphs compare the yearly percentage change in the cumulative total shareholder return over the last five years assuming a C\$100 investment was made December 31, 2005, with the cumulative total return of the S&P/TSX Composite Index (S&P/TSX), the S&P/NYSE Composite Index (S&P 500), and the Philadelphia Stock Exchange Oil Service Sector Index (OSX). The graph assumes the reinvestment of the 2006, 2007, 2008 and 2009 distributions respectively, per trust unit, as well as the reinvestment in trust units of the distribution of cash of C\$6.83 per Precision share and 0.2089 per Precision share representing the value of the pro-rated distribution of shares of Weatherford International Ltd. which were distributed on November 7, 2005 at a value of C\$16.24 per share.

Our return declined significantly following the Canadian federal government's decision on October 31, 2006 to tax income trusts, and in the second half of 2007, consistent with the decline of the broader markets. Drilling activity gained significant momentum mid-way through 2008 spurred by high oil and natural gas prices that peaked then retreated sharply as the global banking crisis shocked many economies worldwide triggering lower demand expectations for energy services. In 2009, we, and the oilfield services sector generally, experienced one of the sharpest downturns and lowest activity levels for oilfield services in recent history. The downturn in the land drilling market bottomed during the middle half of the year and began showing signs of improvement towards the end of the year. In addition, the acquisition of Grey Wolf, which was agreed prior to the global banking crisis and completed near the end of 2008, substantially increased our long-term debt and the interest rate on that debt, adversely impacting investor perception of the value of Precision shares. Our strong performance in 2010 exceeded most of the financial and operational targets set at the beginning of the year, demonstrating an exceptional recovery from the severe global economic down turn and financial challenges of 2009.

Among the five NEOs for 2010, only Messrs. Strong, Stahl and Ruhr have been employees of Precision throughout the entire five-year period. Mr. Neveu was appointed our CEO in August 2007 and has thus been an NEO of Precision for less than four years. Mr. McNally was appointed our CFO in July 2010. Over this five-year period, the trend in our NEO compensation, when adjusted for the fact that the Retention Awards included as total compensation in 2009 and 2010 were actually granted during 2006 and 2007, has generally been similar to the trend in our TSR performance. While base salaries have increased to reflect the growing responsibilities for the NEOs and to align with our compensation philosophy, short-term incentives have declined since 2008, reflecting the downturn in the oilfield services sector. In regards to long-term incentives, we have set aggressive thresholds and targets for the 2006, 2007 and 2008 Performance Awards which represented 75% of the grant value under the Legacy LTIP. As

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our performance did not meet the threshold criteria over each plan year's three-year performance period, none of our NEOs received any value from these Performance Awards. In addition, the 2008 Retention Awards which represented 25% of the grant value were granted in DSUs and were paid out at C\$9.7845 in early 2011, a 48% reduction from the grant value, corresponding with the decline in our share price over the performance period. As a result, the payouts our NEOs received under the Legacy LTIP were at 25% of the target value for the 2006 and 2007 plan years and 14% of the target grant value for the 2008 plan year.

Since 2009, our LTIP plans are entirely share-based and the level of payouts from grants made under these plans is expected to be directly aligned with our TSR performance. This is consistent with Precision's pay-for-performance philosophy.

Cost of Management Ratio

The following table provides information on the total compensation cost for our NEOs for the last three year periods compared to the growth in our market capitalization:

	2008	2009	2010	3 Year Total
Total Cost (in C\$millions)	7.4	11.7	10.1	29.2
Market Capitalization Growth (in C\$millions)	(287.9)	500.5	538.8	751.4
As a % of Market Capitalization Growth		2.3%	1.9%	3.9%

Summary Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by us, or our subsidiaries, in Canadian dollars, to the NEOs. The total compensation reported for 2010 and 2009 includes payments of the Retention Awards granted to Messrs. Strong, Stahl and Ruhr in 2007 and 2006 under the Legacy LTIP.

Name and Principal Position	Year	Non-equity Incentive Plan Compensation (\$)					All Other Compensation		Total Compensation (C\$)
		Salary (C\$)	Share-Based Awards((1) (C\$)	Option-Based Awards((2) (C\$)	Annual Incentive Plans(3)	Long-term Incentive Plans(4)	Pension Value((5) (C\$)	Compensation ((6)(7) (C\$)	
Mr. A. Neveu(8) President and CEO	2010	603,366	1,073,750	844,406	351,460		11,225	6,600	2,890,000
	2009	500,000	872,820	436,198	500,000		11,000	6,488	2,326,000
	2008	500,000	1,200,000				10,500	6,488	1,716,000
Mr. J. McNally(9) Executive Vice President and Chief Financial Officer	2010	157,774	2,368,173	544,905	222,828(10)			73,258	3,366,000
Mr. G. J. Strong President, Completion	2010	303,904	395,140	272,389	210,286	200,000	11,225	5,341	1,398,000
	2009	252,000	386,100	172,253	252,000	600,000	11,000	5,524	1,678,000
Mr. C. Stahl(11) Production Services	2008	231,911	200,000		291,400		10,500	5,291	739,000
	2010	362,776	390,151	268,950	158,487	250,000	2,480	27,497	1,460,000

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dent, Drilling	2009	282,335	386,100	172,253	194,140	750,000	11,000	5,876	1,801,
ations	2008	257,675	250,000		351,014		10,500	5,596	874,
en J. Ruhr	2010	246,346	219,045	194,564	119,170	166,750	11,225	4,847	961,
President,									
orate	2009	205,000	257,400	132,503	135,000	352,500	10,250	4,874	1,097,
ices	2008	201,635	200,000		274,675		10,082	4,762	691,

Notes:

- (1) The amounts for 2010 and 2009 represent the grant date fair value of 2010 and 2009 RSU and PSU awards. U.S. dollar amounts were converted to Canadian dollars using the February 11, 2010 exchange rate of 1.0523 for 2010 awards and May 6, 2009 exchange rate of 1.1731 for 2009 awards for all NEOs with the exception of Mr. McNally. Mr. McNally's 2010 award was converted to Canadian dollars using the July 19, 2010 exchange rate of 1.0559. The amounts for 2008 represent the grant date fair value of the 2008 Retention Awards under the Legacy LTIP for Messrs. Neveu, Strong, Stahl and Ruhr.
- (2) The amounts for 2010 and 2009 represent the grant date fair value of 2010 and 2009 Option awards. U.S. dollar amounts were converted to Canadian dollars using the February 11, 2010 exchange rate of 1.0523 for 2010 awards and May 6, 2009 exchange rate of 1.1731 for 2009 awards for all NEOs with the exception of Mr. McNally. Mr. McNally's 2010 award was converted to Canadian dollars using the July 19, 2010 exchange

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rate of 1.0559. The following table provides information on the valuation of the Options, as calculated by Mercer, granted in 2010 and 2009:

Assumptions	2010 Options	2010 Options	2009 Options	2009 Options
	Canadian Options Grant Date Fair Value	United States Options Grant Date Fair Value	Canadian Options Grant Date Fair Value	United States Options Grant Date Fair Value
Share Price	C\$ 8.59	U.S.\$ 8.06 /U.S.\$7.12	C \$ 5.85	U.S.\$ 4.95
Exercise Price	C\$ 8.59	U.S.\$ 8.06 /U.S.\$7.12	C \$ 5.85	U.S.\$ 4.95
Expected Life	5	5 /5	5	5
Risk Free Rate of Return	2.0%	2.0% /2.0%	2.0%	2.0%
Volatility (Capped at 50%)	50.0%	50.0% /50.0%	50.0%	50.0%
Black-Scholes Multiple	45.3%	45.3% /45.3%	45.3%	45.3%
Black-Scholes Value	C\$ 3.89	U.S.\$ 3.65 /U.S.\$3.23	C \$ 2.65	U.S.\$ 2.24

The per option weighted average accounting fair value of all options granted disclosed in our financial statements is C\$3.78 estimated on the grant date using the Black-Scholes option pricing model with the following assumptions: average risk-free interest rate of 2%, average expected life of four years, expected forfeiture rate of 5% and expected volatility of 59%.

- (3) The amounts represent the bonus amounts earned during the year indicated and relate to performance criteria which were met for that year, but the cash amounts, as applicable, are paid during the subsequent year and include amounts related to the STIP for 2010 and 2009, and both the APIP and PSP for years prior to 2009.
- (4) The amounts for 2010 and 2009 represent the payments received under the Legacy LTIP Retention Awards granted in 2007 and 2006, respectively, for Messrs. Strong, Stahl and Ruhr.
- (5) The amounts represent the employer matching contributions under the DCP.
- (6) The amounts include employer contributions provided under the 401(k) plan and the employer portion of benefits premiums for Messrs. McNally and Stahl.
- (7) The value of perquisites and other personal benefits received by each NEO did not exceed the lesser of C\$50,000 or 10% of the annual base salary of the NEO.
- (8) Mr. Neveu was appointed Chief Executive Officer effective August 14, 2007 and a Director effective August 9, 2007.
- (9) Mr. McNally was appointed Executive Vice President and Chief Financial Officer effective July 19, 2010. His base salary and all other compensation amounts reflect the length of time of his employment with us and were converted to Canadian dollars using the July 19, 2010 to December 31, 2010 average exchange rate of 0.9767, unless otherwise noted.
- (10) Mr. McNally joined us on July 19, 2010 and was provided with a one-time signing bonus of U.S.\$150,000 which was paid in addition to, and concurrently with, his 2010 STIP award of U.S.\$78,144. The total amount of U.S.\$228,144 was converted to Canadian dollars using the July 19, 2010 to December 31, 2010 average

exchange rate of 0.9767.

- (11) Mr. Stahl's base salary earned for 2010 was U.S.\$352,244 and STIP award for 2010 was U.S.\$153,886. These amounts were converted to Canadian dollars using the 2010 average exchange rate of 1.0299.

Table of Contents**Incentive Plan Awards*****Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth for each NEO all option-based and share-based awards outstanding at December 31, 2010:

Named Executive Officer	Year	Option-Based Awards(1)			Share-Based Awards(1)			Market o Payout Value of Share- Based Awards that have not Vested (C\$)
		Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (C\$)	Option Expiration Date	Value of Unexercised in-the- Money Options (C\$)	Plan	Number of Shares or Units that Have Not Vested (#)	
Kevin A. Neveu President and Chief Executive Officer	2010	217,000	8.59	Feb 11, 2017	219,170	RSU	32,734	314,24
	2010					PSU(3)	75,900	728,64
	2009	164,600	5.85	May 6, 2016	617,250	RSU	24,868	238,73
	2009					PSU(3)	74,600	716,16
	2008					DSU(2)	69,577	667,93
Total		381,600			836,420		277,679	2,665,71
Robert J. McNally Executive Vice President and Chief Financial Officer	2010	160,000	U.S.\$ 7.12	July 19, 2017	408,980	RSU	200,000	1,927,53
	2010					PSU(3)	115,000	1,108,33
		160,000			408,980		315,000	3,035,86
Douglas J. Strong President, Completion and Production Services	2010	70,000	8.59	Feb 11, 2017	70,700	RSU	12,000	115,20
	2010					PSU(3)	28,000	268,80
	2009	65,000	5.85	May 6, 2016	243,750	RSU	11,000	105,60
	2009					PSU(3)	33,000	316,80
	2008					DSU(2)	11,596	111,32
Total		135,000			314,450		95,596	917,72
Gene C. Stahl President, Drilling Operations	2010	70,000	U.S.\$ 8.06	Feb 11, 2017	113,484	RSU	12,000	115,65
	2010					PSU(3)	28,000	269,85
	2009	65,000	5.85	May 6, 2016	243,750	RSU	11,000	105,60
	2009					PSU(3)	33,000	316,80
	2008					DSU(2)	14,495	139,15
Total		135,000			357,234		98,495	947,05
Garrren J. Ruhr Vice President,	2010	50,000	8.59	Feb 11, 2017	50,500	RSU	6,667	64,00
	2010					PSU(3)	15,500	148,80

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Corporate Services	2009	50,000	5.85	May 6, 2016	187,500	RSU	7,334	70,40
	2009					PSU(3)	22,000	211,20
	2008					DSU(2)	11,596	111,32
total		100,000			238,000		63,097	605,73

Notes:

- (1) For awards granted to Messrs. Neveu, Strong, Ruhr, and Stahl (2008 and 2009 grants only), the values are based on the December 31, 2010 TSX closing price of C\$9.60. For awards granted to Messrs. McNally and Stahl (2010 grant only), the values are based on the December 31, 2010 NYSE closing price of U.S.\$9.69 and have been converted to Canadian dollars using the December 31, 2010 exchange rate of 0.9946.
- (2) These amounts represent the number of 2008 Retention Awards currently outstanding from the Legacy LTIP, and have been increased to reflect the notional distribution reinvestments since the date of grant.
- (3) We have assumed a payout multiplier of 1 times for all PSUs.

Table of Contents***Value Vested or Earned During the Year***

The following table sets forth for each NEO the value vested or earned on all option-based awards, share-based awards, and non-equity incentive plan compensation during the financial year ending December 31, 2009:

Named Executive Officer	Option-Based Awards - Value Vested During the Year (C\$)	Share-Based Awards - Value Vested During the Year (C\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year(3) (C\$)
Kevin A. Neveu President and Chief Executive Officer	69,131	404,535(1) 454,841(2)	351,460
Robert J. McNally Executive Vice President and Chief Financial Officer			222,828(4)
Douglas J. Strong President, Completion and Production Services	54,601	166,790(1)	410,286
Gene C. Stahl President, Drilling Operations	54,601	165,952(1)	408,487
Darren J. Ruhr Vice President, Corporate Services	42,001	104,646(1)	285,920

Notes:

- (1) These amounts represent the payment of RSUs that vested on December 31, 2010. U.S. dollar amounts have been converted to Canadian dollars using the December 31, 2010 exchange rate of 0.9946.
- (2) This amount represents the payment of the Deferred Signing Bonus Units on September 1, 2010 for Mr. Neveu.
- (3) These amounts include the 2010 STIP for all NEOs. For Messrs. Strong, Stahl and Ruhr, the amounts include the Legacy LTIP granted in 2007 that were paid in 2010.
- (4) Mr. McNally joined Precision on July 19, 2010 and was provided with a one-time signing bonus of U.S.\$150,000 which was paid in addition to, and concurrently with, his 2010 STIP award of U.S.\$78,144. The total amount of U.S.\$228,144 was converted to Canadian dollars using the July 19, 2010 to December 31, 2010 average exchange rate of 0.9767.

Employee Stock Option Plan Administration Details

In 2009, Precision Drilling Trust adopted the Stock Option Plan that was approved by the unitholders on May 6, 2009. The Stock Option Plan was amended pursuant to its terms effective June 1, 2010, to reflect the conversion of Precision Drilling Trust from an income fund structure to a corporate structure.

The following is a summary of the principal terms of the Stock Option Plan which is provided pursuant to the requirements of Section 613 of the TSX Company Manual.

Eligibility

All of our officers and key employees are eligible to participate in the Stock Option Plan. Our Directors are not eligible to participate in the Stock Option Plan.

Purpose

The Stock Option Plan was designed to advance the interests of Precision by encouraging our officers and key employees to acquire Precision shares and thereby increase their proprietary interests in us, to align their interests with those of our shareholders, to encourage them to remain associated with us and furnish them with an additional incentive in their efforts on our behalf.

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Stock Options

Each stock option provides the holder with an option to purchase Precision shares at a price not less than the Fair Market Value of the Precision shares on the date of the grant. The Stock Option Plan defines Fair Market Value as the weighted average trading price of a Precision share on the TSX, for Canadian stock options, or the NYSE, for U.S. stock options, during the previous five trading days. Stock options have realizable value only if the price of Precision shares increases after the stock options are granted. In the event of a change of control pursuant to which the Precision shares are converted into or exchanged for securities of another entity, the stock options outstanding under the Stock Option Plan shall be substituted or replaced for stock options in the continuing entity on substantially the same terms and conditions.

Administration

Unless otherwise determined by the Board, the Stock Option Plan is administered by the Compensation Committee. The Compensation Committee shall effect the grant of stock options under the Stock Option Plan, in accordance with determinations made by the Board pursuant to the provisions of the Stock Option Plan.

Number of Shares of Precision Issued and Issuable

As of December 31, 2010, the aggregate number of Precision shares reserved for issuance under the Stock Option Plan was 10,303,253, representing 3.7% of the issued and outstanding Precision shares. The maximum number of Precision shares reserved for issuance that can be issued in any one fiscal year may not exceed 1% of the issued and outstanding Precision shares.

Stock options that were previously granted to employees are not taken into consideration when new grants are determined.

Maximum Issuable to One Person and Insiders

The aggregate number of Precision shares reserved for issuance under the Stock Option Plan and all of our other security-based compensation arrangements that may be issued to any one individual shall not exceed 2% of the issued and outstanding Precision shares. The aggregate number of Precision shares reserved for issuance under the Stock Option Plan and all of our other security-based compensation arrangements that may be issued to our insiders shall not exceed 10% of the issued and outstanding Precision shares and the aggregate number of Precision shares issued to our insiders, within any one year period, under the Stock Option Plan and all of our other security-based compensation arrangements shall not exceed 10% of the issued and outstanding Precision shares.

Vesting and Term

Unless otherwise provided at the time of grant, each stock option granted under the Stock Option Plan will have a seven year term from their original grant date and vest 1/3 on the first anniversary of the date of the grant, 1/3 on the second anniversary of the date of the grant and 1/3 on the third anniversary of the date of the grant. A stock option must be exercised or surrendered within seven years from the date of the grant (or such shorter period of time as the Board may determine and specify in connection with the grant of the stock option), or the stock option will expire immediately after the applicable period.

Subject to the rules of the TSX or NYSE, if a stock option may not be exercised due to the holder of such stock option being prohibited from trading in securities of Precision by a corporate policy of Precision at any time within the three business day period prior to the normal expiry date of such stock option, the expiry date of such stock option shall be

extended for a period of seven business days following the end of such prohibition (or such longer period as permitted by the TSX or NYSE and approved by the Board).

Termination With or Without Cause

Subject to the terms of any particular stock option, all rights of the holder to purchase Precision shares pursuant to a stock option or to surrender such stock option shall expire and terminate immediately upon the holder of such stock option being terminated for cause.

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If, before the expiry of a stock option, the holder shall cease to be an officer or employee of us for termination without cause, such stock option shall continue to vest in accordance with its terms and may be exercised (if fully vested) or surrendered at any time within 90 days of the date such officer or employee was terminated.

Assignability

The assignment or transfer of the stock option or any other benefits under the Stock Option Plan is not permitted other than by operation of law.

Other Causes of Cessation of Employment

If, before the expiry of a stock option, the holder shall cease to be an officer or employee of us for voluntary resignation, the unvested part of such stock option shall be cancelled and the vested part of such stock option may be exercised or surrendered at any time within 30 days of the date of the voluntary resignation of such employee or officer.

Should the holder cease to be an officer or employee of us for disability or leave of absence before the expiry of a stock option, then such stock option shall continue to vest in accordance with its terms and may be exercised or surrendered until the normal expiry of such stock option in accordance with its terms.

Should the holder cease to be an officer or employee of us for reason of retirement before the expiry of a stock option, then such stock option shall continue to vest in accordance with its terms and may be exercised or surrendered at any time within 24 months of the date of the retirement of such employee or officer.

If, before the expiry of a stock option, the holder shall cease to be an officer or employee of us for the unfortunate reason of death, the unexercised part of such stock option shall become fully vested and may be exercised or surrendered at any time within 12 months of the date of the death of such employee or officer.

Amendment

The Stock Option Plan may be amended or terminated at any time by the Board, except as to rights already accrued by the officers and employees, without approval of the shareholders, but subject to any required regulatory approval. Approval of the shareholders will be required to (i) increase the number of Precision shares authorized for issuance under the Stock Option Plan, (ii) reduce the option price in respect of any stock option, and (iii) extend the period of time during which a stock option must be exercised or surrendered.

Original Deferred Share Unit Plan Administration Details

In 2007, Precision Drilling Trust adopted the original deferred trust unit plan (the Original DSU Plan) for non-management Directors that was approved by unitholders on May 9, 2007. The Original DSU Plan was amended pursuant to its terms effective June 1, 2010, to reflect the conversion of Precision Drilling Trust from an income fund structure to a corporate structure.

The following is a summary of the principal terms of the Original DSU Plan which is provided pursuant to the requirements of Section 613 of the TSX Company Manual.

Eligibility

All Directors who are not employees of Precision are eligible to participate in the Original DSU Plan.

Purpose

The Original DSU Plan was designed to provide a form of Directors' compensation that aligns the interests of our non-management Directors with shareholders and to allow us to continue to attract qualified Directors. All Directors who are not employees of Precision are entitled to participate in the Original DSU Plan. Directors are entitled to elect to receive the annual retainer fee for Directors, the annual retainer fee for Committee membership, and Board and Committee meeting fees in the form of DSUs.

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Deferred Share Units (DSUs)

Each DSU is a bookkeeping entry in an account (the DSU Account) and is equal to the value of one Precision share for each DSU at the time of grant. The DSU Account is adjusted for any cash distribution to shareholders by the amount of such distribution by issuing additional DSUs equal to the value of the distribution based on the closing market price of Precision shares on the TSX on the immediately prior trading day. In certain events, including a split or consolidation of Precision shares and a reorganization, proportionate adjustments will be made to the number of DSUs outstanding under the Original DSU Plan to reflect such changes, as determined by the Board in its sole discretion.

Administration

Unless otherwise determined by the Board, the Original DSU Plan is administered by the Compensation Committee.

Number of Shares of Precision Issued and Issuable

There is currently a maximum of 800,000 Precision shares which may be issued pursuant to the Original DSU Plan, representing 0.3% of the issued and outstanding Precision shares. If the resolution to adopt the New DSU Plan is approved, it is our intention that the Original DSU Plan will remain in place but no further deferred share units will be granted under its terms after January 1, 2012, when the New DSU Plan becomes effective. Once the New DSU Plan is effective on January 1, 2012, all future grants will be made under the New DSU Plan. The Original DSU Plan will remain in effect until such time as all DSUs granted under the Original DSU Plan have been redeemed.

Non-Management Director Participation

The number of Precision shares issuable to non-Management Directors, at any time, under all of our security based compensation arrangements, including the Original DSU Plan, cannot exceed 10% of the issued and outstanding Precision shares. The number of Precision shares issued to non-Management Directors, within any one year period, under all of our security based compensation arrangements, including the Original DSU Plan, cannot exceed 10% of the issued and outstanding Precision shares.

Grants of DSUs

As at December 31, 2010, a total of 393,721 Precision shares were issuable upon the exercise of DSUs credited to the respective DSU Accounts of non-management Directors.

Maximum Issuable to One Person

The Original DSU Plan does not provide for a maximum number of Precision shares which may be issued to an individual pursuant to the Original DSU Plan and any other equity compensation arrangement (expressed as a percentage or otherwise).

Vesting

Unless otherwise provided at the time of grant, each DSU will be fully vested upon being credited to a Director's DSU Account. Each Director is entitled to payment of such DSUs on ceasing to be a Director of us or an affiliate, and such entitlement shall not be subject to satisfaction of any requirements as to any minimum period of membership on the Board or other conditions.

Ceasing to be a Director

If a Director shall cease to be a director of us for any reason, including retirement or death, the value of the DSUs credited to such Directors' DSU Account, shall be redeemable by such Director (or in the case of death, by their legal representative) at their option if such Director files a written notice with our Corporate Secretary specifying the redemption date. The redemption date specified must be after the date the notice is delivered but before December 15 of the first calendar year commencing after the date the Director ceased to be a director. The value of the DSUs redeemed will be equal to the market value on the redemption date and shall be paid to the Director in the form of Precision shares issued from treasury.

Table of Contents***Assignability***

The assignment or transfer of the DSUs, or any other benefits under the Original DSU Plan, shall not be permitted other than by operation of law.

Amendment

The Original DSU Plan may be amended or terminated at any time by the Board, except as to rights already accrued by the Directors, without approval of the shareholders, but subject to any required regulatory approval. Approval of the shareholders will be required to (i) increase the number of Precision shares authorized for issuance under the Original DSU Plan, or (ii) amend the method of calculating the number of DSUs to be credited to a Director's DSU Account in a manner that would result in a greater number being credited to such account than is currently provided for under the Original DSU Plan.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information on the compensation plans in which equity securities of Precision are authorized for issuance as at December 31, 2010:

Plan Category	Number of Securities to be		Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
	Issued Upon Exercise of Outstanding Options			
Equity compensation plans approved by shareholders				
Employee Stock Option Plan	3,723,123	C\$	7.07	6,556,798
Director Deferred Share Unit Plan	393,721		N/A	378,647
Equity compensation plans not approved by shareholders				
Total	4,116,844			6,935,445

Defined Contribution Pension Plan Table

The following table sets forth for Messrs. Neveu, Strong, Stahl and Ruhr the information related to the DCP:

Named Executive Officer	Accumulated Value at Start of	Non-		Accumulated Value at Year
	Year (C\$)	Compensatory (C\$)	Compensatory (C\$)	End (C\$)
Kevin A. Neveu	C \$ 60,946			