Calgary, Alberta, Canada - February 18, 2004 – Precision Drilling Corporation (“Precision”) announced today the award of a four-year contract extension worth up to US$40 million to provide underbalanced drilling (UBD) technology and services for Petroleum Development Oman (PDO), a joint venture with Shell. This contract extension builds upon the success of the previous 1.5 years of service to PDO and was awarded as a direct result of the improvements to safety, well productivity and overall operational performance that Precision brings to the PDO drilling team.

The continued work scope with PDO will facilitate introduction of additional Precision innovative drilling technologies, such as the EMpulse™ electromagnetic measurement-while-drilling (MWD) system and BOOST™ casing signal enhancer. These technologies have been employed successfully by Shell in the North Sea and will allow the expansion of UBD operations in Oman to include low-pressure drilling environments where conventional signal transmission is not practical. Mobilization of this unique equipment to the Lekhwair Field in Oman is underway.

“The challenges facing us in the mature oilfields of Oman require fit-for-purpose technology coupled with first class service delivery,” said Paul Francis, PDO underbalanced drilling implementation team leader. “Precision has brought these elements to the project to help us deliver superior results. We are glad to have them as part of our team and look forward to evaluating their additional capabilities to further expand the application of UBD in Oman.”

To date the Precision team in Oman has drilled more than 108,000 ft (33,000 m) of hole underbalanced, achieving average operating efficiency greater than 99% with no lost time incidents and an average increase in production of 2.2 times that achieved using conventional drilling techniques.

“This contract extension will enable Precision to introduce some of our technologies to the Middle East that already have proven track records in Canada and Mexico,” said Rusty Petree, Vice President Corporate Development, Technology Services for Precision. “Our UBD, electromagnetic MWD, logging-while-drilling (LWD) and rotary steerable technologies, when combined with quality service delivery and an effective drilling program, are key enablers for the economic development of maturing basins.”
This news release includes forward-looking statements based upon current expectations that involve a number of business risks and uncertainties, which may cause the actual results of Precision to be materially different from any future results expressed or implied by such forward-looking statements. Such factors include, but are not limited to, fluctuations in the market for oil and gas and related products and services, political and economic conditions in countries which Precision does business and the successful application of our technology and other factors, which are described in further detail in Precision’s filings with the Securities and Exchange Commission.

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Precision Drilling Corporation (TSX: PD, and PD.U; NYSE: PDS) is a global oilfield services company providing a broad range of drilling, production and evaluation services with focus on fulfilling customer needs through fit-for-purpose technologies for the maturing oilfields of the 21st century. With corporate offices in Calgary, Alberta, Canada and Houston, Texas, and research facilities in the U.S. and Europe, Precision employs more than 10,000 people conducting operations in more than 30 countries. Precision is committed to providing efficient and safe services to create value for our customers, our shareholders and our employees.

For further information please contact Dale E. Tremblay, Senior Vice President Finance and Chief Financial Officer, 4200, 150 - 6th Avenue S.W., Calgary, Alberta T2P 3Y7, Telephone (403) 716-4500; Fax (403) 264-0251; website: www.precisiondrilling.com