

PRECISION DRILLING TRUST

Form F-4

September 25, 2008

Table of Contents

As filed with the Securities and Exchange Commission on September 25, 2008

Registration No. []

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form F-4

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

PRECISION DRILLING TRUST

(Exact name of registrant as specified in its charter)

ALBERTA, CANADA

*(State or other jurisdiction of
incorporation or organization)*

1381

*(Primary Standard Industrial
Classification Code Number)*

N/A

*(I.R.S. Employer
Identification Number)*

4200, 150-6th Avenue S.W., Calgary, Alberta, Canada T2P 3Y7

(403) 716-4500

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

CT Corporation System, 350 North St. Paul Street, Dallas, Texas 75201

(214) 979-1172

(Name, address, including zip code, and telephone number, including area code, of agent for service)

WITH COPIES TO:

Robert F. Gray, Jr.

William S. Moss III

Mayer Brown LLP

700 Louisiana Street, Suite 3400

Houston, Texas 77002

David W. Wehlmann

Grey Wolf, Inc.

10370 Richmond Avenue, Suite 600

Houston, Texas 77042

(713) 435-6100

Nick D. Nicholas

Porter & Hedges, L.L.P.

1000 Main, 36th Floor

Houston, Texas 77002

(713) 226-6000

(713) 238-3000
Fax: (713) 238-4600

Fax: (713) 435-6171

Fax: (713) 226-6237

Approximate date of commencement of proposed sale of the securities to the public: As promptly as practicable after this registration statement becomes effective and the conditions to consummation of the merger described herein have been satisfied or waived.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Precision trust units	42,000,000	Not Applicable	\$617,329,293.00	\$24,261.00

- (1) Based upon the maximum number of Precision Drilling Trust trust units issuable upon completion of the merger described herein, calculated as the product of 0.1883, the prorated exchange ratio in the merger, multiplied the sum of (a) 178,900,000 shares of Grey Wolf, Inc. common stock issued and outstanding, and (b) 1,700,000 shares of Grey Wolf, Inc. common stock issuable assuming the exercise of all outstanding options and (c) 42,400,000 shares of Grey Wolf, Inc. common stock underlying Grey Wolf, Inc. s convertible notes, each as of the date of this registration statement.
- (2) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act. The estimated maximum aggregate offering price is calculated pursuant to Rules 457(c) and 457(f) under the Securities Act, by multiplying (i) the estimated maximum number of shares of Grey Wolf, Inc. common stock to be acquired in the merger by (ii) \$7.77, the average of the high and low prices of Grey Wolf, Inc. common stock on September 23, 2008, as reported on the American Stock Exchange, less the value of the cash consideration to be paid for Grey Wolf, Inc. common stock in the merger.
- (3) Computed in accordance with Section 6(b) under the Securities Act at a rate equal to \$39.30 per \$1,000,000 of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

Table of Contents

The information in this document is not complete and may be changed. Precision Drilling Trust may not sell the securities offered by this document until the registration statement filed with the Securities and Exchange Commission is effective. This document is not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.

PRELIMINARY DRAFT DATED SEPTEMBER 25, 2008, SUBJECT TO COMPLETION

PROXY STATEMENT OF GREY WOLF, INC.

PROSPECTUS OF PRECISION DRILLING TRUST

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

To the holders of Grey Wolf, Inc. common stock:

You are cordially invited to attend a special meeting of shareholders of Grey Wolf, Inc. (Grey Wolf), relating to the proposed merger of Grey Wolf with and into a wholly-owned subsidiary of Precision Drilling Trust (Precision). The meeting will be held at a.m., local time, on , 2008, at , Houston, Texas.

We are sending you the accompanying proxy statement/prospectus to notify you of the special meeting of Grey Wolf shareholders being held to vote on the agreement and plan of merger and related matters and to ask you to vote at the special meeting in favor of the agreement and plan of merger.

Pursuant to the merger agreement, you may elect to receive either cash or Precision trust units in exchange for your shares of Grey Wolf common stock. Each share of Grey Wolf common stock will be converted, at your option, into \$9.02 in cash or 0.4225 Precision trust units, subject to proration. The maximum amount of cash to be paid by Precision will be approximately \$1.12 billion, and the maximum number of Precision trust units to be issued will be approximately 42.0 million. These amounts take into account shares of Grey Wolf common stock issuable upon the conversion of Grey Wolf s convertible debt securities and the exercise of Grey Wolf stock options, which, together with Grey Wolf s issued and outstanding common stock, totals approximately 223 million fully-diluted shares of Grey Wolf common stock. These maximum amounts translate to \$5.00 in cash and 0.1883 of a Precision trust unit for each share of Grey Wolf common stock.

Precision trust units are listed on the New York Stock Exchange under the symbol PDS and the Toronto Stock Exchange under the symbol PD.UN. On September 23, 2008, the closing price of Precision trust units on the New York Stock Exchange was \$17.30.

THE BOARD OF DIRECTORS OF GREY WOLF HAS DETERMINED UNANIMOUSLY THAT THE MERGER IS FAIR TO, AND IN THE BEST INTERESTS OF, THE GREY WOLF SHAREHOLDERS, AND HAS APPROVED, ADOPTED AND DECLARED ADVISABLE THE MERGER AGREEMENT. ACCORDINGLY, THE GREY WOLF BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE OR GIVE INSTRUCTIONS TO VOTE FOR THE PROPOSAL TO APPROVE THE AGREEMENT AND PLAN OF MERGER.

Your vote is important. Approval of the merger requires the affirmative vote of a majority of the outstanding shares of Grey Wolf common stock. Whether you plan to attend the special meeting or not, please take the time to vote by

completing and mailing the enclosed proxy to us. If your shares are held in street name, you must instruct your broker in order to vote.

If you were a record holder of Grey Wolf common stock at the close of business on _____, 2008, you have the right to vote or direct your vote at the special meeting.

Sincerely,

Thomas Richards
Chairman of the Board, President and Chief Executive Officer
Grey Wolf, Inc.

YOU SHOULD CONSIDER THE MATTERS DISCUSSED UNDER RISK FACTORS BEGINNING ON PAGE 25 OF THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS BEFORE VOTING.

NONE OF THE SECURITIES AND EXCHANGE COMMISSION, ANY SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA, OR ANY STATE OR FOREIGN SECURITIES COMMISSION OR SIMILAR AUTHORITY HAS APPROVED OR DISAPPROVED OF THE PRECISION TRUST UNITS TO BE ISSUED IN CONNECTION WITH THE MERGER DESCRIBED IN THIS PROXY STATEMENT/PROSPECTUS, NOR HAVE THEY DETERMINED IF THIS PROXY STATEMENT/PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This proxy statement/prospectus is dated September 24, 2008, and is first being mailed to Grey Wolf shareholders on or about _____, 2008.

Table of Contents

GREY WOLF, INC.
10370 Richmond Avenue, Suite 600
Houston, Texas 77042
(713) 435-6100

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To be held on _____, 2008

Notice is hereby given that a special meeting of shareholders will be held on _____, 2008, at _____ a.m., local time, at _____, Houston, Texas. At the special meeting, you will be asked to:

1. approve the Agreement and Plan of Merger, dated as of August 24, 2008, among Grey Wolf, Inc. (Grey Wolf), Precision Drilling Trust, Precision Drilling Corporation and Precision Lobos Corporation, a copy of which is included as **Annex A** to the proxy statement/prospectus; and
2. approve the adjournment or postponement of the Grey Wolf special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposal.

For more information about the proposals and the special meeting, please review the accompanying proxy statement/prospectus.

Only holders of record of shares of Grey Wolf common stock at the close of business on _____, 2008, the record date for the special meeting, are entitled to notice of, and a vote at, the special meeting and any adjournments or postponements of the special meeting. In order for the Agreement and Plan of Merger to be approved by Grey Wolf shareholders, the affirmative vote of the holders of a majority of the shares of Grey Wolf common stock outstanding and entitled to vote as of the record date is required.

Your vote is important. We encourage you to sign and return your proxy card, or use the telephone or Internet voting procedures, before the special meeting, so that your shares will be represented and voted at the special meeting even if you cannot attend in person.

By Order of the Board of Directors

David W. Wehlmann, Secretary

Table of Contents

HOW TO OBTAIN ADDITIONAL INFORMATION

If you have more questions about the proposed merger or if you would like copies of any documents incorporated by reference into the accompanying proxy statement/prospectus, which include important business and financial information about Grey Wolf and Precision that is not included in or delivered with this document, you may write or call the following persons. Upon written or oral request, we will provide the documents you ask for at no cost to you. Please note that copies of these documents will not include exhibits to the documents, unless the exhibits are specifically incorporated by reference into the documents or this proxy statement/prospectus.

Precision Drilling Trust

4200, 150-6th Avenue S.W.
Calgary, Alberta, Canada T2P 3Y7
(403) 716-4500
Attention: Douglas J. Strong
Chief Financial Officer

Grey Wolf, Inc.

10370 Richmond Avenue, Suite 600
Houston, Texas 77042
(713) 435-6100
Attention: David W. Wehlmann
Executive Vice President, Chief Financial Officer and
Secretary

You may also obtain documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from the information agent:

Georgeson, Inc.
199 Water Street
26th Floor
New York, N.Y. 10038
Banks and Brokers call (212) 440-9800
Grey Wolf shareholders call toll-free (800) 561-3540

In addition to the accompanying proxy card and voting instruction form, enclosed is a letter of transmittal and form of election to enable you to submit your share certificates and elect the form of merger consideration you wish to receive. The letter of transmittal and form of election contains complete instructions on how to submit your stock certificates and to make your election of cash and/or Precision trust units. Please complete and return the letter of transmittal and form of election together with your Grey Wolf common stock certificates in the separate envelope that is provided for that purpose. Your election must be submitted to the exchange agent, Computershare Trust Company, N.A., by _____, 2008. The consequences of failing to timely deliver an election form are outlined in detail in the accompanying proxy statement/prospectus. You will not actually receive your cash and/or Precision trust units until after the merger is completed and you have returned a properly completed letter of transmittal and form of election.

**TO ENSURE TIMELY DELIVERY PRIOR TO THE GREY WOLF SPECIAL MEETING,
ANY REQUEST FOR DOCUMENTS SHOULD BE RECEIVED BY _____, 2008.**

Table of Contents

TABLE OF CONTENTS

	Page
<u>SUMMARY OF THE PROXY STATEMENT/PROSPECTUS</u>	1
<u>Glossary of Certain Terms Used in this Proxy Statement/Prospectus</u>	1
<u>The Merger</u>	1
<u>Grey Wolf Shareholders Will Receive Cash and Precision Trust Units in the Merger</u>	1
<u>Effect of Conversion of Grey Wolf Convertible Notes</u>	2
<u>Treatment of Grey Wolf Stock Options</u>	2
<u>Comparative Market Prices and Share Information</u>	2
<u>Opinion of Grey Wolf's Financial Advisor</u>	2
<u>Material US Federal Income Tax Consequences to Holders of Grey Wolf Common Stock</u>	3
<u>Material Canadian Federal Income Tax Consequences to Holders of Grey Wolf Common Stock</u>	3
<u>Accounting Treatment</u>	3
<u>Dissenters' Rights of Appraisal of Grey Wolf Shareholders under Texas Law</u>	3
<u>Grey Wolf's Board of Directors Unanimously Recommends that You Vote FOR the Approval of the Merger Agreement</u>	4
<u>Your Rights as a Holder of Precision Trust Units Will Be Different from Your Rights as a Holder of Grey Wolf Common Stock</u>	4
<u>Grey Wolf Directors and Executive Officers Have Financial and Other Interests in the Merger that are Different from or in Addition to Your Interests</u>	4
<u>The Companies</u>	4
<u>The Special Meeting of Grey Wolf Shareholders</u>	5
<u>Precision Unitholder Approval</u>	5
<u>The Merger Agreement</u>	5
<u>Voting Agreements</u>	6
<u>Regulatory Approval Required for the Merger</u>	6
<u>Completion of the Merger is Subject to Conditions</u>	6
<u>Precision Will Obtain Financing In Connection With the Merger</u>	6
<u>The Merger Agreement Contains a No Solicitation Provision</u>	7
<u>The Merger Agreement May Be Terminated Under Some Circumstances</u>	7
<u>Grey Wolf May Be Required to Pay a Termination Fee Under Some Circumstances</u>	7
<u>Exchange of Grey Wolf Common Stock</u>	8
<u>Election to Receive Cash and/or Precision Trust Units</u>	8
<u>FREQUENTLY ASKED QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	9
<u>VOTING BY INTERNET, TELEPHONE OR MAIL</u>	14
<u>SUMMARY HISTORICAL FINANCIAL STATEMENT PRESENTATION</u>	15
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA OF PRECISION</u>	16
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA OF GREY WOLF</u>	18
<u>SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	21
<u>COMPARATIVE PER SHARE AND TRUST UNIT SHARE DATA</u>	22
<u>COMPARATIVE PER SHARE AND PER TRUST UNIT MARKET PRICE AND DIVIDEND INFORMATION</u>	23
<u>CURRENCY EXCHANGE RATE DATA</u>	24
<u>RISK FACTORS</u>	25
<u>Risks Relating to the Merger</u>	25

<u>Risks Relating to Precision Trust Units</u>	28
<u>Risks Relating to the Businesses of the Combined Company</u>	33

Table of Contents

	Page
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	36
<u>THE GREY WOLF SPECIAL MEETING</u>	38
<u>Date, Time and Place</u>	38
<u>Record Date; Voting Rights and Outstanding Shares</u>	38
<u>Solicitation, Use and Revocation of the Proxies</u>	38
<u>Quorum, Voting Requirements and Effect of Abstentions and Non-votes</u>	39
<u>Approval of the Merger Agreement</u>	39
<u>THE MERGER</u>	40
<u>Background of the Merger</u>	40
<u>Grey Wolf's Reasons for the Merger and Recommendation of Grey Wolf's Board of Directors</u>	55
<u>Precision's Reasons for the Merger</u>	60
<u>Opinion of Grey Wolf's Financial Advisor</u>	61
<u>Financial Forecasts</u>	68
<u>Material US Federal Income Tax Consequences of the Merger and of Owning Precision Trust Units</u>	69
<u>Material Canadian Federal Income Tax Consequences of the Merger and of Owning Precision Trust Units</u>	76
<u>Anticipated Accounting Treatment</u>	79
<u>Regulatory Matters</u>	79
<u>Merger Fees, Costs and Expenses</u>	80
<u>Election and Exchange Procedures</u>	80
<u>Effect of Conversion of Grey Wolf Convertible Notes</u>	83
<u>Treatment of Grey Wolf Stock Options</u>	83
<u>Voting Agreements</u>	83
<u>Appraisal Rights</u>	84
<u>Interests of Grey Wolf Directors and Officers in the Merger</u>	84
<u>Listing of Precision Trust Units</u>	86
<u>Deregistration and Delisting of Grey Wolf Stock</u>	86
<u>Grey Wolf's Dividend Policy</u>	86
<u>Precision's Distribution Policy</u>	86
<u>Resale of Precision Trust Units</u>	87
<u>THE MERGER AGREEMENT</u>	88
<u>Execution of the Merger Agreement</u>	88
<u>The Closing and the Effective Time of the Merger</u>	88
<u>Merger Consideration to be Received in the Merger</u>	89
<u>Covenants and Agreements</u>	89
<u>Representations and Warranties</u>	96
<u>Conditions to the Merger</u>	98
<u>Termination, Termination Fees and Expenses</u>	99
<u>Amendment; Extensions and Waivers</u>	101
<u>Governing Law</u>	101
<u>FINANCING OF THE MERGER</u>	102
<u>TRUSTEES, DIRECTORS AND EXECUTIVE MANAGEMENT OF THE COMBINED COMPANIES</u>	103
<u>Board of Trustees of Precision</u>	103
<u>Board of Directors of PDC</u>	104
<u>Executive Management of PDC</u>	106
<u>LEGAL PROCEEDINGS</u>	106

Table of Contents

	Page
<u>BENEFICIAL OWNERSHIP OF GREY WOLF SECURITIES</u>	107
<u>Management</u>	107
<u>Certain Shareholders of Grey Wolf</u>	108
<u>BENEFICIAL OWNERSHIP OF PRECISION SECURITIES</u>	109
<u>Management</u>	109
<u>Certain Unitholders of Precision</u>	110
<u>Description of Precision Capital Structure</u>	110
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	111
<u>COMPARISON OF SHAREHOLDER RIGHTS</u>	120
<u>Limited Liability of Shareholders and Unitholders</u>	120
<u>Voting Rights Generally</u>	120
<u>Meetings of the Shareholders and Unitholders</u>	122
<u>Action by Written Consent In Lieu of a Meeting</u>	123
<u>Amendments to Governing Documents</u>	123
<u>Dissenters /Appraisal Rights</u>	123
<u>Derivative and Oppression Actions</u>	124
<u>Payment of Dividends and Distributions</u>	125
<u>Redemption Rights</u>	125
<u>Fiduciary Duties of Directors and Trustees</u>	126
<u>Indemnification of Officers, Directors and Trustees</u>	127
<u>Liability of Directors, Officers, Employees and Trustees</u>	128
<u>Applicable Anti-Takeover Laws and Provisions</u>	129
<u>Access to Corporate Records</u>	129
<u>Directors and Trustees Generally</u>	130
<u>Removal of Directors and Trustees</u>	131
<u>GREY WOLF SHAREHOLDER PROPOSALS</u>	132
<u>EXPERTS</u>	132
<u>LEGAL MATTERS</u>	132
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	132
<u>Form of Opinion of Bennett Jones LLP</u>	
<u>Form of Opinion of Mayer Brown LLP</u>	
<u>Form of Opinion of Felesky Flynn LLP</u>	
<u>Consent of KPMG LLP</u>	
<u>Consent of KPMG LLP</u>	
<u>Consent of UBS</u>	
<u>Form of Letter of Transmittal and Form of Election</u>	
<u>Commitment Letter</u>	
ANNEXES	
<i>A Agreement and Plan of Merger</i>	
<i>B Form of Voting Agreement</i>	
<i>C Opinion of UBS Securities LLC</i>	
<i>D Article 5.12 of the Texas Business Corporation Act</i>	

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR ON THE INFORMATION TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES, OR THE SOLICITATION OF A PROXY, IN ANY JURISDICTION IN WHICH IT IS NOT LAWFUL TO MAKE ANY SUCH OFFER OR SOLICITATION OR TO ANY PERSON TO WHOM IT IS NOT LAWFUL TO MAKE ANY SUCH OFFER OR SOLICITATION.

Table of Contents

SUMMARY OF THE PROXY STATEMENT/PROSPECTUS

*This summary highlights material information from this proxy statement/prospectus. It may not contain all of the information that may be important to you. You should carefully read this entire document, including the appendices and the other documents to which this document refers you, for a more complete understanding of the matters being considered at the special meeting. In addition, we incorporate by reference into this document important business and financial information about Precision and Grey Wolf. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled *Where You Can Find More Information* beginning on page 132. Where applicable, each item in this summary includes a page reference directing you to a more complete description of that item. All references in this proxy statement/prospectus to dollars, \$ or US\$ are to US dollars and all references to Cdn\$ are to Canadian dollars.*

Glossary of Certain Terms Used in this Proxy Statement/Prospectus

Grey Wolf means Grey Wolf, Inc., a Texas corporation.

Grey Wolf common stock means shares of the common stock, par value \$0.10 per share, of Grey Wolf.

Merger means the merger of Grey Wolf with and into Merger Sub, with Merger Sub surviving the merger as a wholly-owned subsidiary of Precision, pursuant to the terms and subject to the conditions of the Merger Agreement.

Merger Agreement means the Agreement and Plan of Merger, dated August 24, 2008, by and among Precision, Grey Wolf, PDC and Merger Sub.

Merger Sub means Precision Lobos Corporation, a Texas corporation, and a wholly-owned subsidiary of Precision.

PDC means Precision Drilling Corporation, an Alberta corporation.

Precision means Precision Drilling Trust, an Alberta unincorporated open-ended investment trust.

Precision trust units means the trust units of Precision, each representing an equal, undivided beneficial interest in Precision.

UBS means UBS Securities LLC.

The Merger (Page 40)

The Merger Agreement provides for the merger of Grey Wolf with and into Merger Sub, with Merger Sub surviving the Merger as a wholly-owned subsidiary of Precision.

Grey Wolf Shareholders Will Receive Cash and Precision Trust Units in the Merger (Page 89)

Under the terms of the Merger Agreement, shareholders of Grey Wolf may elect to receive either cash or Precision trust units in exchange for their Grey Wolf common stock. Each share of Grey Wolf common stock will be converted, at the option of the holder, into \$9.02 in cash or 0.4225 Precision trust units, subject to proration. The maximum

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amount of cash to be paid by Precision will be approximately \$1.12 billion, and the maximum number of Precision trust units to be issued will be approximately 42.0 million. These amounts take into account shares of Grey Wolf common stock issuable upon the conversion of Grey Wolf's convertible debt securities and the exercise of Grey Wolf stock options, which, together with Grey Wolf's issued and outstanding common stock, total approximately 223 million fully-diluted shares of Grey Wolf common stock. These maximum amounts translate to \$5.00 in cash and 0.1883 of a Precision trust unit for each share of Grey Wolf common stock.

Table of Contents

For information on recent market prices of the Precision trust units and Grey Wolf common stock, see Comparative Per Share and Per Trust Unit Market Price and Dividend Information beginning on page 23. See also Risk Factors beginning on page 25.

Effect of Conversion of Grey Wolf Convertible Notes (Page 83)

The holders of Grey Wolf's Floating Rate Contingent Convertible Senior Notes Due 2024 and 3.75% Contingent Convertible Senior Notes due 2023 (collectively, convertible notes) will be entitled to a special conversion privilege entitling them to convert the principal amount of their convertible notes into Grey Wolf common stock for a period beginning 15 business days prior to, and ending two business days prior to, the anticipated effective time of the Merger. If the holders of Grey Wolf's convertible notes do not convert their notes into Grey Wolf common stock at least two business days prior to the effective time of the Merger, the convertible notes will be assumed by, and become indebtedness of, Precision.

Treatment of Grey Wolf Stock Options (Page 83)

Holders of vested options granted under a Grey Wolf equity incentive plan can exercise their options any time prior to the Merger and will participate in the Merger in the same manner as other Grey Wolf shareholders. At the effective time of the Merger, all outstanding options, except for those granted under the Grey Wolf, Inc. 2003 Incentive Plan (2003 Incentive Plan), that have not been exercised will be cancelled. Each stock option granted under the 2003 Incentive Plan that is outstanding at the effective time of the Merger will be converted into a trust unit appreciation right pursuant to a plan to be adopted by Precision.

Comparative Market Prices and Share Information (Page 23)

The table below sets forth the closing sale prices of Grey Wolf common stock and Precision trust units as reported on the American Stock Exchange and the New York Stock Exchange, respectively, on August 22, 2008, the last trading day before the public announcement of the Merger, and , 2008, the last practicable trading day before the distribution of this proxy statement/prospectus. The table also sets forth the equivalent pro forma sale price of Grey Wolf common stock on each of these dates, as determined by multiplying the applicable closing sale price of a Precision trust unit on the New York Stock Exchange by 0.1883 and adding the \$5.00 cash portion of the Merger consideration. We urge you to obtain current market quotations for both Precision trust units and Grey Wolf common stock.

	Precision	Grey Wolf	Grey Wolf
	Trust Units	Common	Common
		Stock	Stock
			Pro Forma
			Equivalent
August 22, 2008	\$ 21.35	\$ 8.59	\$ 9.02
, 2008			

Opinion of Grey Wolf's Financial Advisor (Page 61)

In connection with the Merger, on August 24, 2008, UBS delivered to the board of directors of Grey Wolf an oral opinion, which was subsequently confirmed in writing, to the effect that, as of that date and based upon and subject to

various assumptions, matters considered and limitations described in its opinion, the consideration, taken in the aggregate, to be received by holders of Grey Wolf common stock in the Merger was fair, from a financial point of view, to such holders. The full text of the opinion of UBS is attached as **Annex C** to this proxy statement/prospectus. **UBS opinion was provided for the benefit of the Grey Wolf board in connection with, and for the purpose of, its evaluation of the consideration to be received by holders of Grey Wolf common stock in the Merger from a financial point of view and does not address any other aspect of the Merger. The opinion does not address the relative merits of the Merger as compared to other business strategies or transactions that might be available with respect to Grey Wolf or Grey Wolf's underlying business decision to effect the Merger. The opinion does not constitute a recommendation to any shareholder as to how to vote or make any election or otherwise act with**

Table of Contents

respect to the Merger. Holders of shares of Grey Wolf common stock are encouraged to read UBS opinion carefully in its entirety.

Material US Federal Income Tax Consequences to Holders of Grey Wolf Common Stock (Page 69)

The exchange by US Holders (as defined in The Merger Material US Federal Income Tax Consequences of the Merger and of Owning Precision Trust Units) of Grey Wolf common stock for Precision trust units has been structured to be generally tax free for US federal income tax purposes, except that:

US Holders of Grey Wolf common stock that receive both cash and Precision trust units generally will recognize gain, but not loss, to the extent of the cash received; and

US Holders of Grey Wolf common stock that receive only cash generally will recognize a gain or loss.

A Non-US Holder (as defined in The Merger Material US Federal Income Tax Consequences of the Merger and of Owning Precision Trust Units) of Grey Wolf common stock generally will not be subject to US federal income tax with respect to the Merger unless such Non-US Holder has certain connections to the US.

Holders of Grey Wolf common stock should consult with their own tax advisors as to the tax consequences of the Merger in their particular circumstances, including the applicability and the effect of the alternative minimum tax and any state, local or foreign and other tax laws and of changes in those laws. For additional discussion of certain US federal income tax consequences of the Merger, see The Merger Material US Federal Income Tax Consequences of the Merger and of Owning Precision Trust Units beginning on page 69.

Material Canadian Federal Income Tax Consequences to Holders of Grey Wolf Common Stock (Page 76)

For Canadian federal income tax purposes, the Merger generally should not be a taxable transaction for persons who are non-residents of Canada. For a Canadian Holder (as defined in The Merger Material Canadian Federal Income Tax Consequences of the Merger and of Owning Precision Trust Units), the Merger will be a taxable transaction. For Canadian federal income tax purposes, a Canadian Holder who holds Grey Wolf common stock as capital property should recognize a capital gain or capital loss equal to the difference between (i) the sum of the cash consideration and the fair market value of the Precision trust units received in the Merger and (ii) the sum of such holder's adjusted cost base of the Grey Wolf common stock disposed of in the Merger and such holder's reasonable costs of disposition.

The summaries of the principal Canadian federal income tax consequences contained in this document are of a general nature and are not intended to be, and should not be construed to be, legal or tax advice or representations to any particular holder of Grey Wolf common stock or Precision trust units. Holders of Grey Wolf common stock and prospective holders of Precision trust units should consult with their own tax advisors in respect of the Canadian federal income tax consequences, as well as the consequences under any provincial or foreign laws that may apply to such person, of the Merger and their acquisition and holding of Precision trust units having regard to their particular circumstances. For additional discussion of certain Canadian federal income tax consequences of the Merger, see The Merger Material Canadian Federal Income Tax Consequences of the Merger and of Owning Precision Trust Units beginning on page 76.

Accounting Treatment (Page 79)

Precision intends to account for the Merger as a purchase of Grey Wolf for both Canadian and US financial accounting purposes.

Dissenters Rights of Appraisal of Grey Wolf Shareholders under Texas Law (Page 84)

Pursuant to Article 5.12 of the Texas Business Corporation Act (TBCA), holders of shares of Grey Wolf common stock who do not vote in favor of the Merger will have the right to dissent, but only if they submit a written objection to the Merger and comply with other Texas law procedures and the requirements

Table of Contents

described in *The Merger Appraisal Rights* beginning on page 84. Grey Wolf shareholders who wish to dissent to the Merger are in any case urged to seek the advice of counsel with respect to the availability of dissenters' rights. The full text of Article 5.12 of the TBCA is attached to this proxy statement/prospectus as **Annex D**.

Grey Wolf's Board of Directors Unanimously Recommends that You Vote FOR the Approval of the Merger Agreement (Page 55)

Grey Wolf's board of directors has determined that the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement are fair to and in the best interests of Grey Wolf and its shareholders and has unanimously adopted a resolution recommending that the Merger Agreement be approved by the Grey Wolf shareholders. For the factors considered by the Grey Wolf board of directors in reaching its decision to recommend approval of the Merger Agreement, see the section entitled *The Merger Grey Wolf's Reasons for the Merger and Recommendation of Grey Wolf's Board of Directors* beginning on page 55. **Grey Wolf's board of directors unanimously recommends that Grey Wolf shareholders vote FOR the approval of the Merger Agreement.**

Your Rights as a Holder of Precision Trust Units Will Be Different from Your Rights as a Holder of Grey Wolf Common Stock (Page 120)

The conversion of your shares of Grey Wolf common stock into Precision trust units in the Merger will result in material changes from your current rights as a Grey Wolf shareholder, which generally are governed by the TBCA and Grey Wolf's organizational documents, to your rights as a Precision unitholder, which generally will be governed by Alberta law and Precision's declaration of trust (the *Declaration of Trust*).

Grey Wolf Directors and Executive Officers Have Financial and Other Interests in the Merger that are Different from or in Addition to Your Interests (Page 84)

Some of the members of Grey Wolf's board of directors and Grey Wolf's executive officers have financial interests in the Merger that are in addition to, and/or different from, your interests. The independent members of the Grey Wolf board of directors were aware of these additional and/or differing interests and potential conflicts and considered them, among other matters, in evaluating, negotiating and adopting a resolution recommending approval of the Merger Agreement. These interests include employment agreements between Grey Wolf and its executive officers that provide for, among other things, cash payments in the case of a change of control, such as the completion of the Merger, and the vesting of outstanding stock options and certain retirement plan account balances upon the completion of the Merger.

The Companies

Grey Wolf, Inc.

10370 Richmond Avenue, Suite 600
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Grey Wolf, with a fleet of 122 rigs, is a leading provider of contract land drilling services in the US. Grey Wolf's customers include independent producers and major oil and natural gas companies. Grey Wolf currently conducts its operations primarily in the Ark-La-Tex, Gulf Coast, Mississippi/Alabama, South Texas, Rocky Mountain and Mid-Continent domestic drilling markets and in Mexico. Grey Wolf had approximately 3,000 employees at December 31, 2007.

Precision Drilling Trust

4200, 150-6th Avenue S.W.

Calgary, Alberta, Canada T2P 3Y7

(403) 716-4500

Table of Contents

In Canada, based on the size of its drilling rig fleet, Precision is the largest provider of land based contract drilling services to oil and natural gas exploration and production companies. Precision's business services in Canada during 2007 were comprised of the following: contract drilling; well servicing; snubbing; procurement and distribution of oilfield supplies; camp and catering; manufacture and refurbishment of rig equipment; portable wastewater treatment; and rental of surface oilfield equipment, tubulars, well control equipment and wellsite accommodations. In the US, Precision's business is primarily the provision of contract drilling services in land based markets.

In 2007, Precision increased capital spending on additions to property, plant and equipment to grow and upgrade its high performance drilling rig fleet in Canada and the US, significantly expanded its contract drilling operations in the US and mobilized one drilling rig for a project in Latin America.