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PRECISION DRILLING TRUST

Form 40-F

March 31, 2006

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

(Check One)

- [ ] Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934
[X] Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2005
Commission file number 001-14534

PRECISION DRILLING TRUST
(Exact name of registrant as specified in its charter)

ALBERTA, CANADA 1381
(Province or other jurisdiction of (Primary Standard Industrial
incorporation or organization) Classification Code Number (if
applicable))

NOT APPL
(I.R.S. E
Identification
Applic

4200-150 6TH AVENUE, S.W., CALGARY, ALBERTA, CANADA T2P 3Y7
(403) 716-4500

(Address and Telephone Number of Registrant's Principal Executive Offices)

CT CORPORATION SYSTEM, 811 DALLAS AVENUE, HOUSTON, TEXAS 77022
(713) 658-9486

(Name, Address (Including Zip Code) and Telephone Number
(Including Area Code) of Agent For Service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

TITLE OF EACH CLASS NAME OF EACH EXCHANGE ON WHICH REGISTERED
Trust Units New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.
None

Securities for which there is a reporting obligation pursuant to Section 15(d)
of the Act. None.

For annual reports, indicate by check mark the information filed with this
Form:

- [X] Annual Information Form [X] Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes

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of capital or common stock as of the close of the period covered by the annual report: 124,352,921 Trust Units outstanding as at December 31, 2005.

Indicate by check mark whether the Registrant by filing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the file number assigned to the Registrant in connection with such rule.

Yes

No

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

The Annual Report on Form 40-F shall be incorporated by reference into, or as an exhibit to, as applicable, the Registrant's Registration Statements under the Securities Act of 1933: Form F-10 (File No. 333-115330).

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PRINCIPAL DOCUMENTS

The following documents have been filed as part of this Annual Report on Form 40-F and are included immediately after this section:

- (a) Annual Information Form for the fiscal year ended December 31, 2005;
- (b) Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended December 31, 2005; and
- (c) Consolidated Financial Statements for the fiscal year ended December 31, 2005 (Note 16 to the Consolidated Financial Statements relates to United States Generally Accepted Accounting Principles (U.S. GAAP)).

PRECISION DRILLING TRUST  
ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

DATED MARCH 31, 2006

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this Annual Information Form, including statements which contain words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "believe" and similar expressions, statements relating to matters that are not historical facts, and statements of our beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the UNITED STATES PRIVATE SECURITIES

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LITIGATION REFORM ACT OF 1995, and are based on certain assumptions and analysis made by us derived from our experience and perceptions.

Forward-looking information and statements in this Annual Information Form include, but are not limited to: 2006 expected cash provided by continuing operations; 2006 capital expenditures, including the amount and nature thereof; 2006 distributions; cash available for distribution; oil and natural gas prices and demand; expansion and other development trends of the oil and natural gas industry; business strategy, including the 2006 strategy and outlook for our business segments; expansion and growth of our business and operations, including market share and position in the markets in which we operate; demand for our products and services; labour shortages; the maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; credit risks; planned increases to subsidiaries' fleets; and other such matters.

All such forward-looking information and statements are based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, including, without limitation: the impact of general economic conditions in Canada; industry conditions, including the adoption of new environmental, taxation and other laws and regulations and changes in how they are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks inherent in well servicing, contract drilling and ancillary oilfield services; the volatility of oil and natural gas prices; oil and natural gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; the lack of availability of qualified personnel or management; labour unrest; fluctuations in interest rates; stock market volatility; opportunities available to or pursued by us and other factors, many of which are beyond our control. The foregoing factors are not exhaustive and are further discussed herein under the heading "RISK FACTORS" commencing on page 14 hereof.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information and statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. Except as required by law, Precision Drilling Trust, Precision Drilling Limited Partnership and Precision Drilling Corporation disclaim any intention or obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise. In the event subsequent events prove past statements about current trends to be materially different, we may choose to issue a news release explaining the reasons for the difference and update the guidance on the anticipated impact on revenue, earnings and other key results.

The forward-looking information and statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

### CORPORATE STRUCTURE

#### INCORPORATION INFORMATION AND ADDRESS

#### THE TRUST

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Precision Drilling Trust (the "Trust") is an unincorporated open-ended investment trust established under the laws of the Province of Alberta pursuant to a declaration of trust dated September 22, 2005 (the "Declaration of Trust"). The Trust maintains its head office and principal place of business at 4200, 150 - 6th Avenue SW Calgary, Alberta, T2P 3Y7, telephone (403) 716-4500, facsimile (403) 264-0251, email info@precisiondrilling.com and website www.precisiondrilling.com.

The Trust issued units ("Trust Units") to certain former shareholders of Precision Drilling Corporation ("Precision") pursuant to a plan of arrangement which was approved by the former shareholders of Precision at a special meeting held on October 31, 2005 (the "Plan of Arrangement").

The notice of meeting and information circular (the "Special Meeting Information Circular") with respect to the Plan of Arrangement was filed on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") on October 3, 2005 under the SEDAR profile for Precision, and on March 31, 2006 under the SEDAR profile for the Trust, available at www.sedar.com. Specified pages of the Special Meeting Information Circular are incorporated herein by reference.

### PRECISION DRILLING LIMITED PARTNERSHIP

Precision Drilling Limited Partnership ("PDLP") is a limited partnership formed pursuant to the laws of the Province of Manitoba. The Trust holds a 99.12% interest in PDLP through its holding of Class A Limited Partnership Units (the "PDLP A Units") and the remaining 0.88% of PDLP is held by former shareholders of Precision who elected to receive Class B Limited Partnership Units ("Exchangeable Units") which, after the required holding period, are exchangeable into Trust Units on a one-for-one basis and are the economic equivalent of Trust Units. The head and principal offices of PDLP are located at 4200, 150 - 6th Avenue SW Calgary, Alberta, T2P 3Y7, telephone (403) 716-4500 and facsimile (403) 264-0251.

### PRECISION DRILLING CORPORATION

Precision was originally incorporated on March 25, 1985 and carried out amalgamations with wholly-owned subsidiary companies on January 1, 2000, January 1, 2002 and January 1, 2004 pursuant to Articles of Amalgamation and other provisions of the BUSINESS CORPORATIONS ACT (Alberta). On November 7, 2005 Precision became a wholly-owned subsidiary of PDLP. As part of the Plan of Arrangement, Precision amalgamated with a number of its wholly-owned subsidiaries. On November 23, 2005, Precision amalgamated with 1195309 Alberta ULC and on January 1, 2006 Precision amalgamated with Live Well Service Ltd. In each amalgamation the name of the amalgamated company remained "Precision Drilling Corporation". The head and principal offices of Precision are located at 4200, 150 - 6th Avenue SW Calgary, Alberta, T2P 3Y7, telephone (403) 716-4500 and facsimile (403) 264-0251.

### INTERCORPORATE RELATIONSHIPS

The following table sets forth the names of the material subsidiaries (which includes major limited liability partnerships) of the Trust, the percent of shares (or interest) owned by the Trust and the jurisdiction of incorporation or continuance of each such subsidiary (or partnership) as of December 31, 2005:

NAME OF SUBSIDIARY OR PARTNERSHIP	PERCENT OR INTEREST OWNED	JURISDICTION OF INCORPORATION
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Precision Drilling Limited Partnership	99.12%
1194312 Alberta Ltd.	100%
Precision Drilling Corporation	99.12%

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ORGANIZATIONAL STRUCTURE OF THE TRUST

The following diagram sets forth the organizational structure of the Trust as of the date hereof:

