



**TOTAL ENERGY SERVICES INC.**

Annual and Special Meeting of Shareholders  
May 17, 2010  
Calgary, Alberta

# Forward-Looking Statements



*Certain information presented in these remarks and in this presentation that is not historical factual information may constitute forward-looking information within the meaning of securities laws. Actual results could differ materially from a conclusion, forecast or projection contained in such forward-looking information. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements about Total Energy Services Inc. or its subsidiaries (“Total Energy” or “Total”), including business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future financial performance, ongoing business strategies or prospects, and possible future action on our part, is also a forward-looking statement.*

*Certain material factors or assumptions were also applied in drawing a conclusion or making a forecast or projection as reflected in such forward-looking information. Additional information about the material factors that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward looking information, details regarding the material factors or assumptions that were applied in drawing such conclusions or making such forecasts or projections, and more exhaustive information on the risks and uncertainties can be found in Total’s most recent Annual Information Form which is available on [www.sedar.com](http://www.sedar.com)*



# Non-GAAP Measures



*Operating earnings are earnings before reorganization costs, gain (loss) on disposal of equipment and income taxes. EBITDA means earnings before interest, taxes, depreciation and amortization and is equal to earnings before income taxes plus interest on long-term debt plus other interest expense plus depreciation. Cashflow means cash provided by operations before changes in non-cash working capital items. Operating earnings, EBITDA and cashflow are not recognized measures under Canadian generally accepted accounting principles (“GAAP”). Management believes that in addition to net earnings, operating earnings, EBITDA and cashflow are useful supplemental measures as they provide an indication of the results generated by Total’s primary business activities prior to consideration of how those activities are financed, amortized or how the results are taxed in various jurisdictions as well as the cash generated by Total’s primary business activities without consideration of the timing of the monetization of non-cash working capital items. Readers should be cautioned, however, that operating earnings, EBITDA and cashflow should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of Total Energy’s performance. Total Energy’s method of calculating operating earnings, EBITDA and cashflow may differ from other organizations and, accordingly, operating earnings, EBITDA and cashflow may not be comparable to measures used by other organizations.*



# Corporate Information



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- Trading Symbol TOT (TSX)
- Common Shares Outstanding 31.0 million
- Options Outstanding 1.9 million
- Market Capitalization (basic) \$260 million
- Common Share Dividend \$0.03/quarter



# Operations



Three business divisions:

- Contract Drilling Services  
(Chinook Drilling)
- Rentals and Transportation Services  
(Total Oilfield Rentals)
- Gas Compression Services  
(Bidell Gas Compression)



# Contract Drilling Services

## *Chinook Drilling*



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- Focused on the western Canadian market
- 14 rig fleet: two conventional singles and 12 telescopic doubles
- Telescopic doubles well suited for WCSB resource play drilling programs (Montney, Cardium, Bakken)
- Leader in innovative drilling techniques (i.e. under balanced with natural gas; bi-fuel power systems)
- 2% of Canadian drilling rig fleet



# Contract Drilling Services

(dollar amounts in thousands )



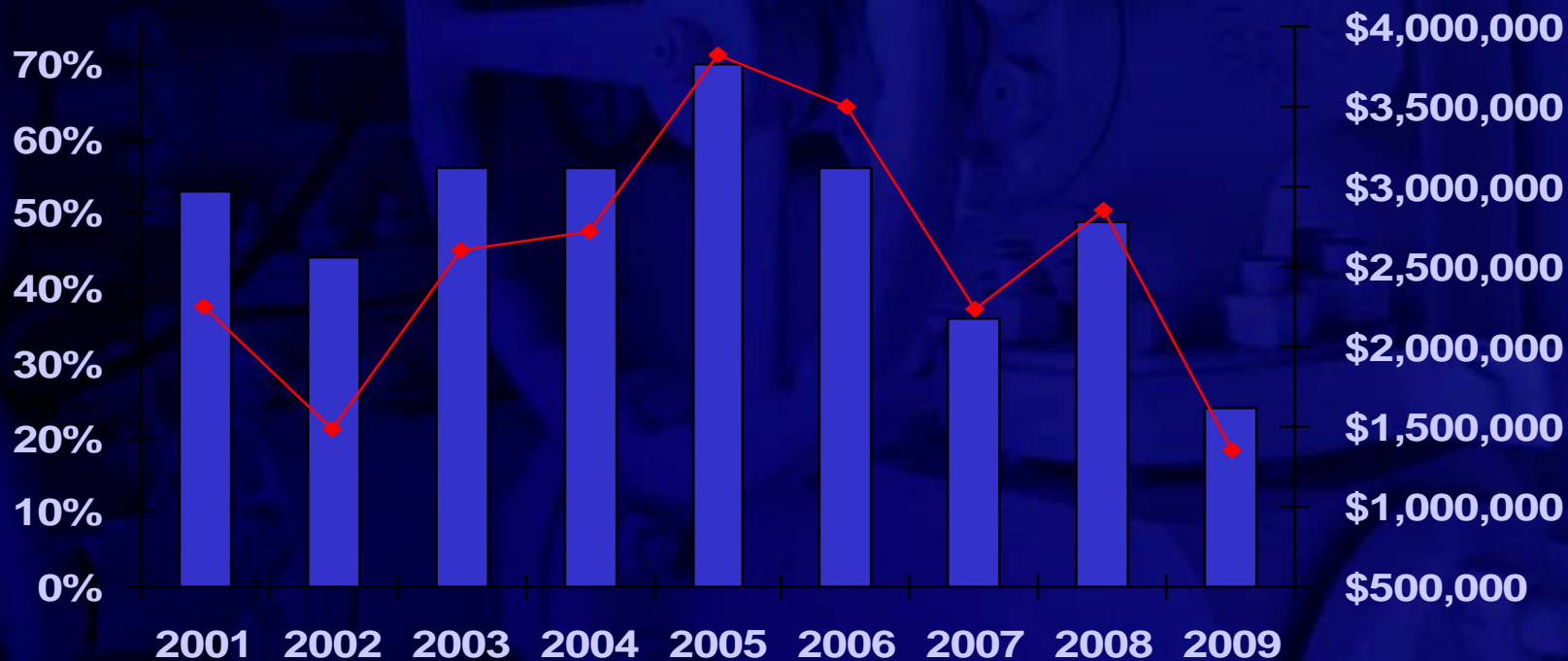
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<i>Twelve months ended Dec 31 (unaudited)</i>	2009	2008	% Change
Operating Days (spud to release)	1,169	2,328	(50)%
# of Rigs (average)	13.5	13	4%
Revenue	\$ 18,304	\$ 37,148	(51)%
Operating Earnings	\$ 1,809	\$ 6,636	(73)%
Assets	\$ 72,946	\$70,243	4%



# Contract Drilling Services Revenue/Rig

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■ Rig Utilization (%) ◆ Revenue/Rig (\$)



# Contract Drilling Services

(dollar amounts in thousands )



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<i>Three months ended March 31 (unaudited)</i>	2010	2009	% Change
Operating Days (spud to release)	922	409	125%
# of Rigs (average)	14	13	4%
Revenue	\$ 12,933	\$ 7,016	84%
Operating Earnings	\$ 1,490	\$ 1,362	9%
Assets	\$ 77,707	\$ 71,510	9%



# Rentals and Transportation Services

## *Total Oilfield Rentals*



- Provide equipment and transportation services used in the drilling, completion and production of oil and natural gas wells
- Current fleet of approximately 8,100 pieces of rental equipment and 94 heavy trucks
- 19 locations throughout western Canada
- Exposure to WCSB unconventional resource development
- Estimated 25% WCSB market share

# Rentals and Transportation Services

## *DC Energy Services LP Acquisition*



- Acquisition completed on January 15, 2010 for \$44.2 million (after adjustments)
- Added 3600 rental pieces (+80%) and 20 heavy trucks (+27%)
- Increased Total's exposure to Alberta Cardium oil play (Drayton Valley and Red Deer branch additions)
- For 12 months ended April 30, 2009: DC had \$65.7 million of revenue and \$15.7 million EBITDA from continuing operations
- Significant integration synergies available:
  - Q1 2010 - \$1.9 million of revenue synergies achieved
  - To date - \$2.0 million of annualized cost savings realized
  - Additional revenue and cost synergies expected



# Rentals and Transportation Services

(dollar amounts in thousands )

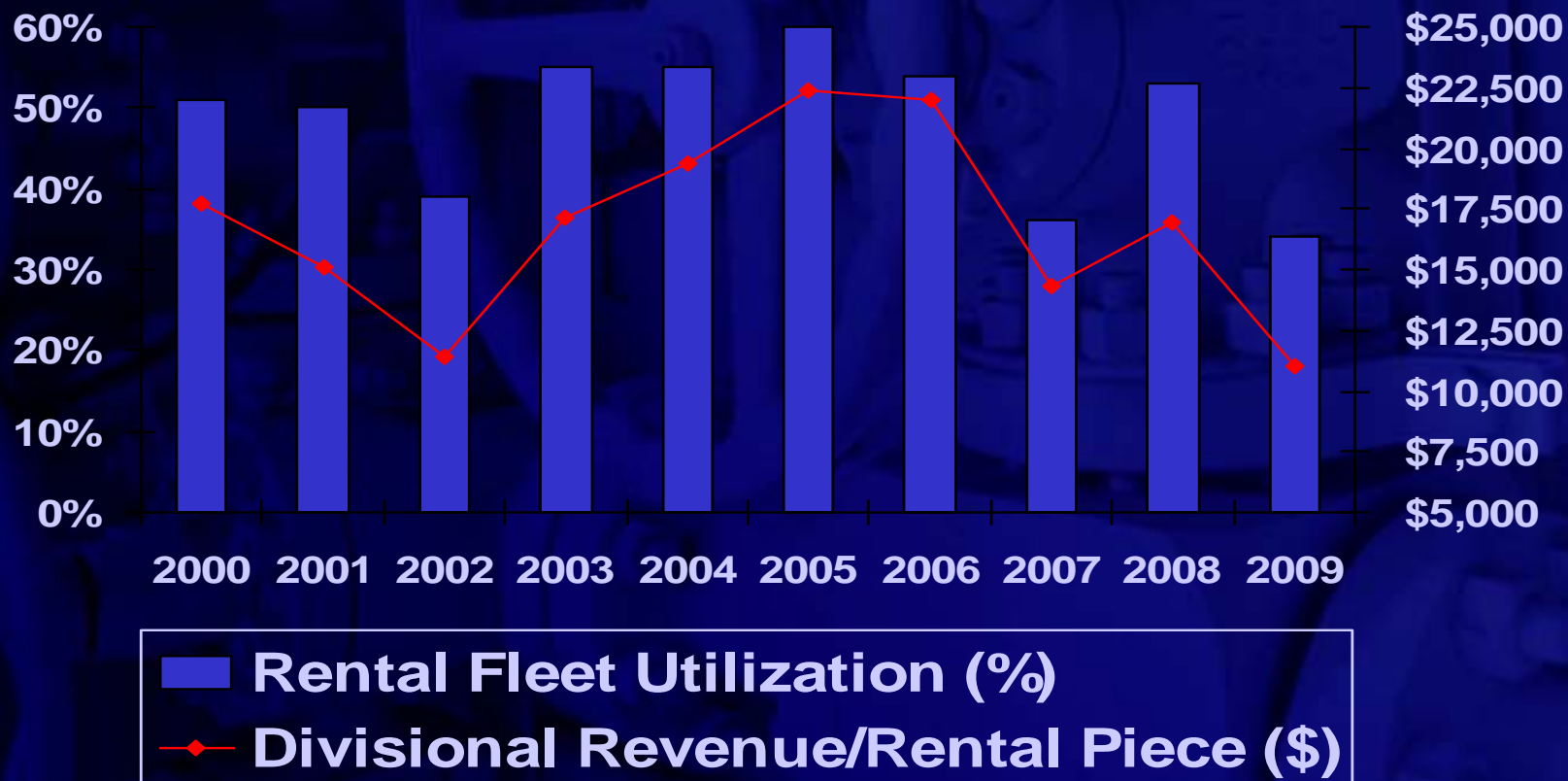


<i>Twelve months ended Dec 31 (unaudited)</i>	2009	2008	% Change
Rental Pieces (period end)	4,500	4,500	0%
Heavy Trucks (period end)	74	72	3%
Average Utilization (rental equipment)	34%	53%	(36)%
Revenue	\$ 49,624	\$ 70,208	(29)%
Operating Earnings	\$ 9,159	\$ 22,845	(60)%
Assets	\$101,060	\$ 116,218	(13)%

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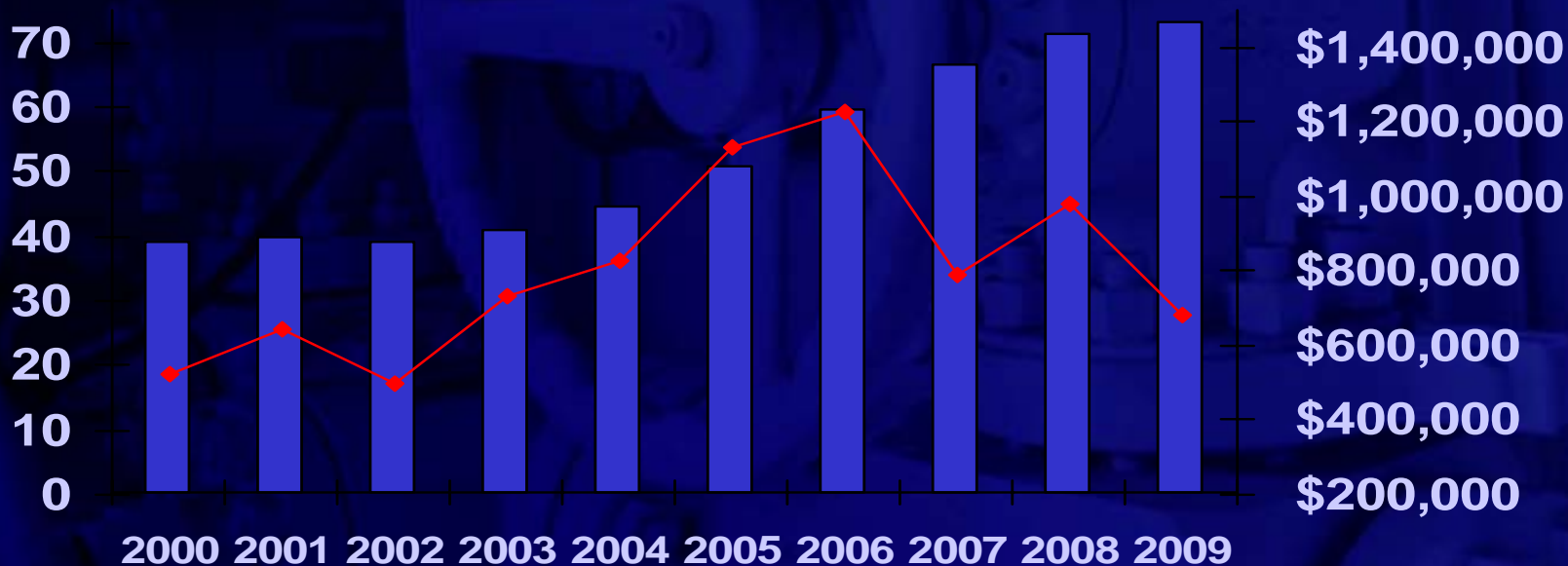
# Rentals and Transportation Services Historical Revenue Analysis

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# Rentals and Transportation Services Historical Revenue Analysis

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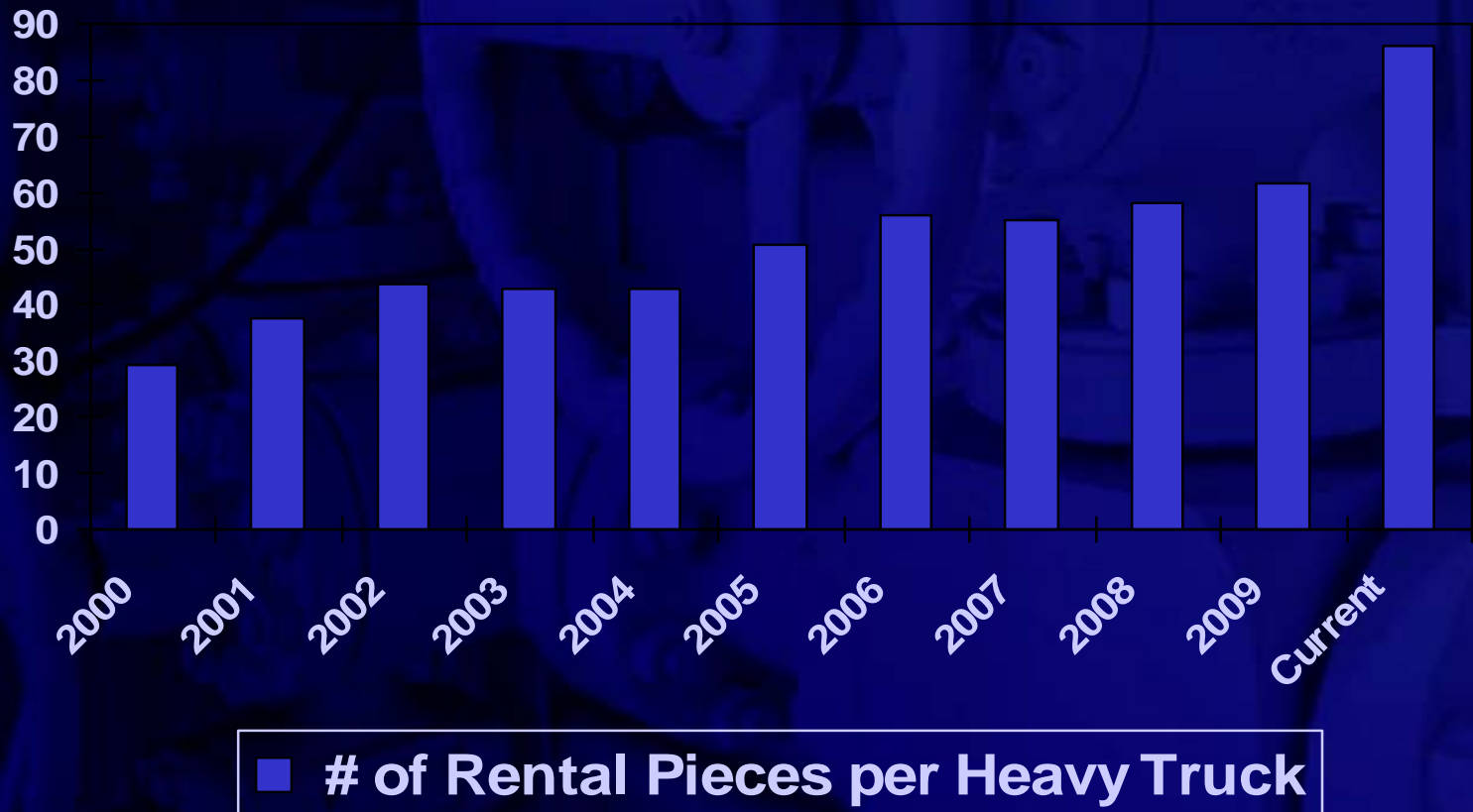
■ Heavy Trucks (#)

◆ Divisional Revenue/Heavy Truck (\$)



# Rentals and Transportation Services Historical Fleet Analysis

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# Rentals and Transportation Services

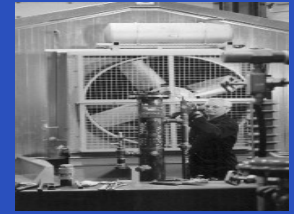
(dollar amounts in thousands )



<i>Three months ended March 31 (unaudited)</i>	2010	2009	% Change
Rental Pieces (period end)	8,100	4,500	80%
Heavy Trucks (period end)	94	74	27%
Average Utilization (rental equipment)	61%	54%	13%
Revenue	\$ 35,730	\$ 21,496	66%
Operating Earnings	\$ 12,864	\$ 8,223	56%
Assets	\$180,697	\$118,011	53%

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# Gas Compression Services



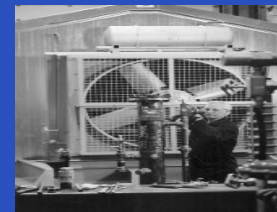
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- Focused on sub-3000 horsepower compressor sales and rental market in North America and select international markets and western Canadian parts and service market
- Developed the patented NOMAD™ line of proprietary high horse power mobile compression (US Patent 7,642,663)
- Consolidation within Canadian compression market provides immediate and significant growth opportunity in fabrication and parts and service
- #2 market position in >400hp Canadian compression fabrication market
- Recent significant senior management hires in corporate, sales and parts and service
- May 2010 – expanded fabrication capacity by approx. 40%



# Gas Compression Services

(dollar amounts in thousands )

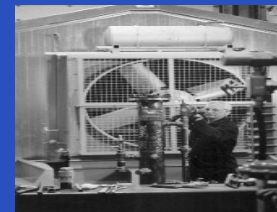


<i>Twelve Months ended Dec 31 (unaudited)</i>	2009	2008	% Change
Horsepower on Rent (period end)	17,600	14,600	21%
Fabrication Backlog (period end)	\$ 11,300	\$ 19,300	(41)%
Revenue	\$ 38,581	\$ 47,126	(18)%
Operating Earnings	\$ 3,077	\$ 4,556	(32)%
Assets	\$ 56,676	\$ 59,812	(5)%



# Gas Compression Services

(dollar amounts in thousands )



<i>Three Months ended March 31 (unaudited)</i>	2010	2009	% Change
Horsepower on Rent (period end)	18,700	13,200	42%
Fabrication Backlog (period end)	\$ 20,400	\$ 9,100	124%
Revenue	\$ 9,149	\$ 15,973	(43)%
Operating Earnings	\$ 692	\$ 1,373	(50)%
Assets	\$ 57,119	\$ 55,348	3%

# Consolidated Financial Performance

(in thousands of dollars, except per share amounts)

<i>Twelve months ended Dec 31 (unaudited)</i>	2009	2008	% Change
Revenue	\$ 106,509	\$ 154,482	(31)%
EBITDA	24,058	47,097	(49)%
Cashflow	25,366	42,412	(40)%
Net Earnings	11,640	25,333	(54)%
<b><i>Per Share, Diluted</i></b>			
EBITDA	\$0.83	\$1.60	(48)%
Cashflow	\$0.87	\$1.44	(40)%
Net Earnings	\$0.40	\$0.86	(53)%

# Consolidated Financial Performance

(in thousands of dollars, except per share amounts)

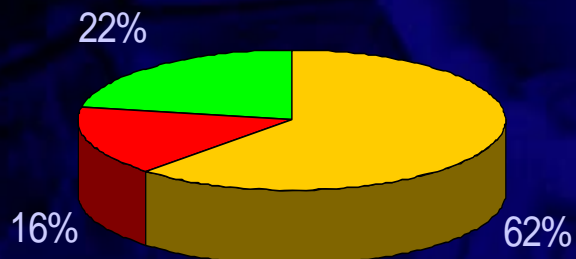
<i>Three months ended March 31 (unaudited)</i>	2010	2009	% Change
Revenue	\$ 57,812	\$ 44,485	30%
EBITDA	20,245	14,458	40%
Cashflow	19,314	12,438	55%
Net Earnings	13,045	8,560	52%
<b><i>Per Share, Diluted</i></b>			
EBITDA	\$0.66	\$0.50	32%
Cashflow	\$0.63	\$0.43	47%
Net Earnings	\$0.43	\$0.29	48%

# Division Revenue

(Percentage of Consolidated Revenue)

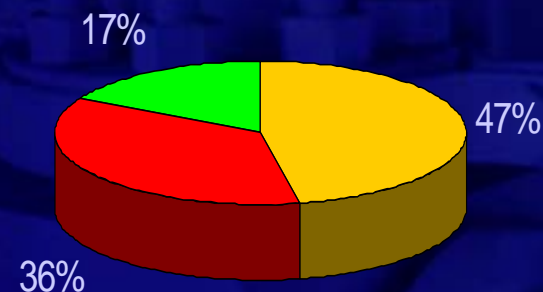
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Three months ending  
March 31, 2010



■ Total Oilfield Rentals  
■ Bidell Equipment  
■ Chinook Drilling

Three months ending  
March 31, 2009



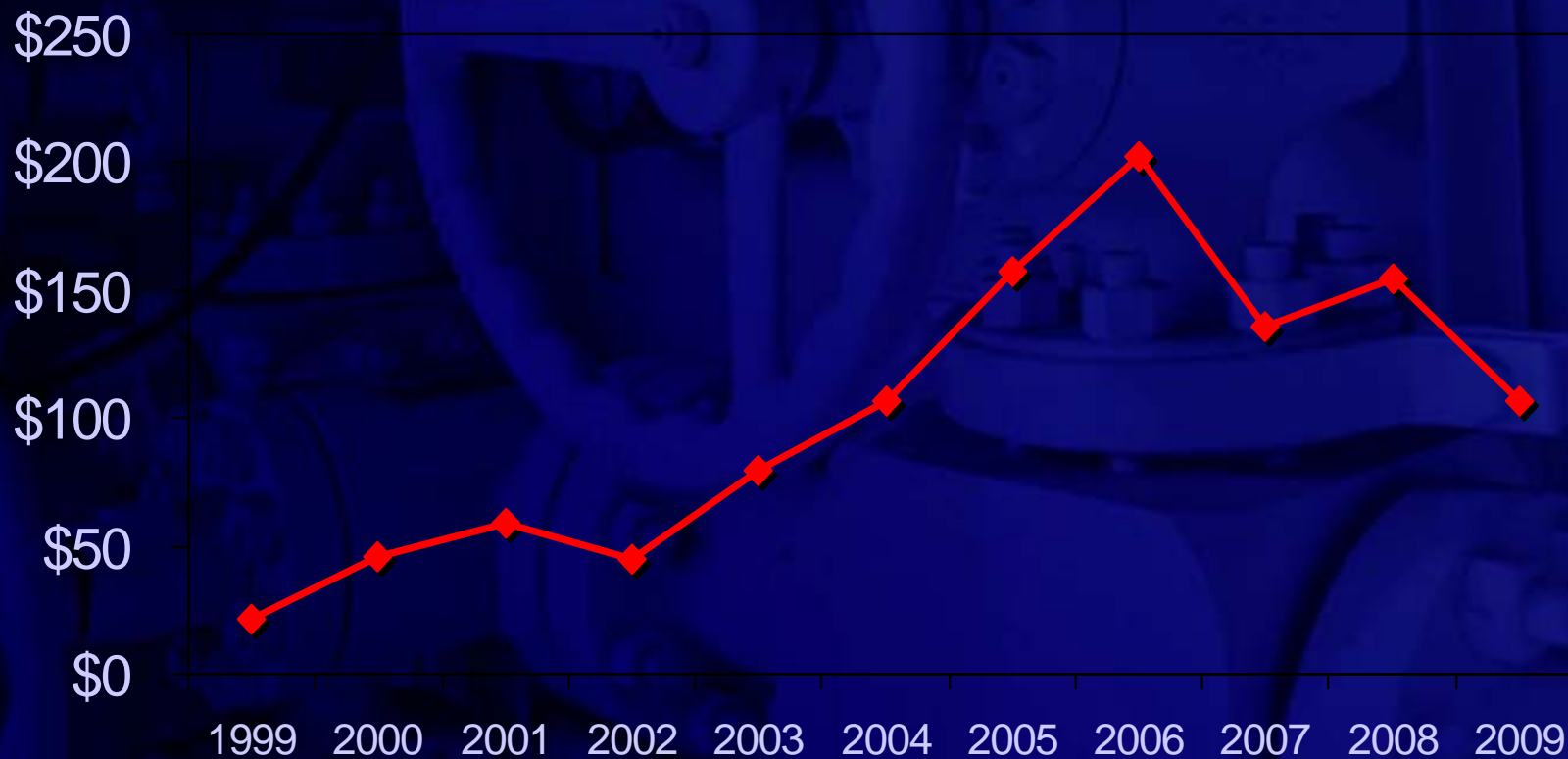
■ Total Oilfield Rentals  
■ Bidell Equipment  
■ Chinook Drilling



# Long Term Performance – Annual Revenue

*(in millions of dollars)*

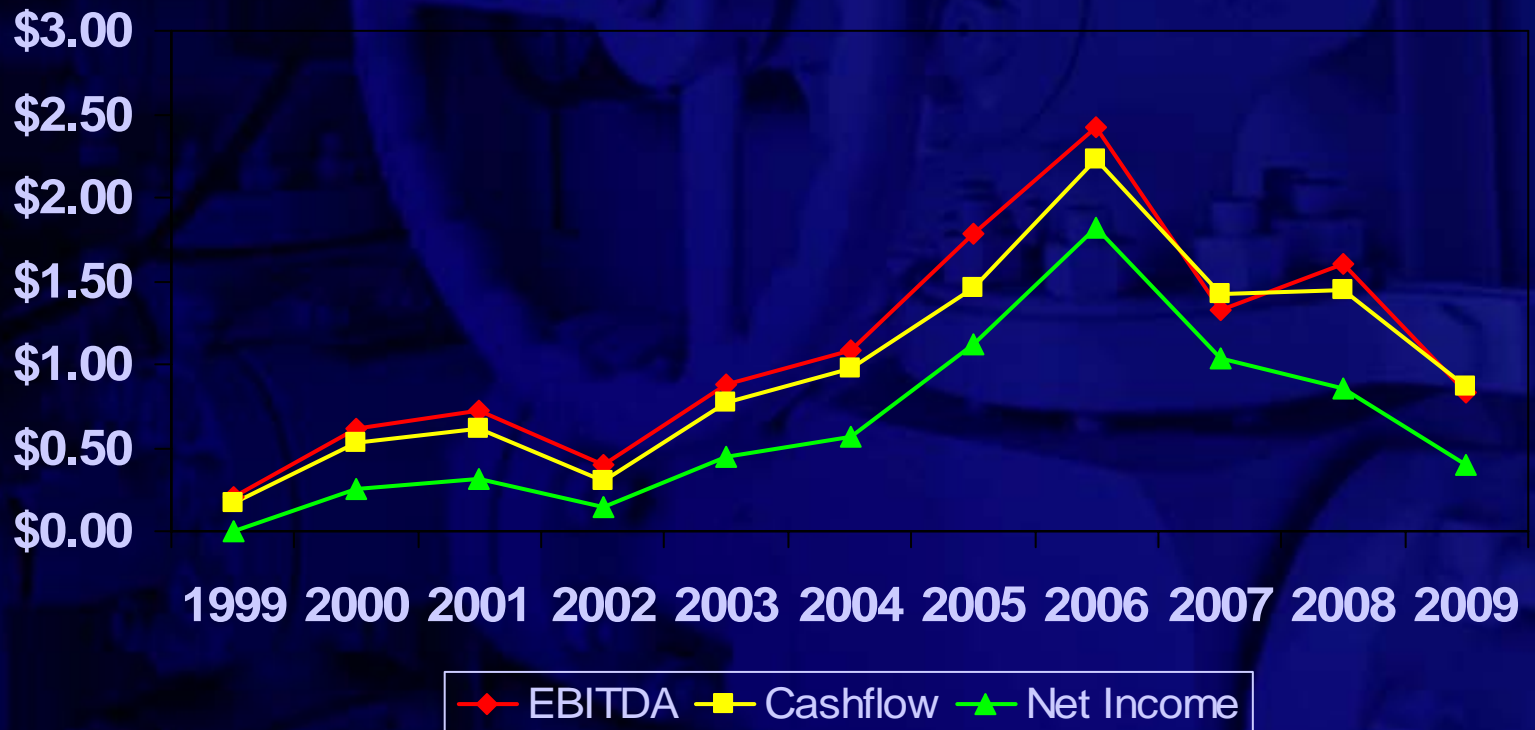
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# Long Term Performance – Income Statement

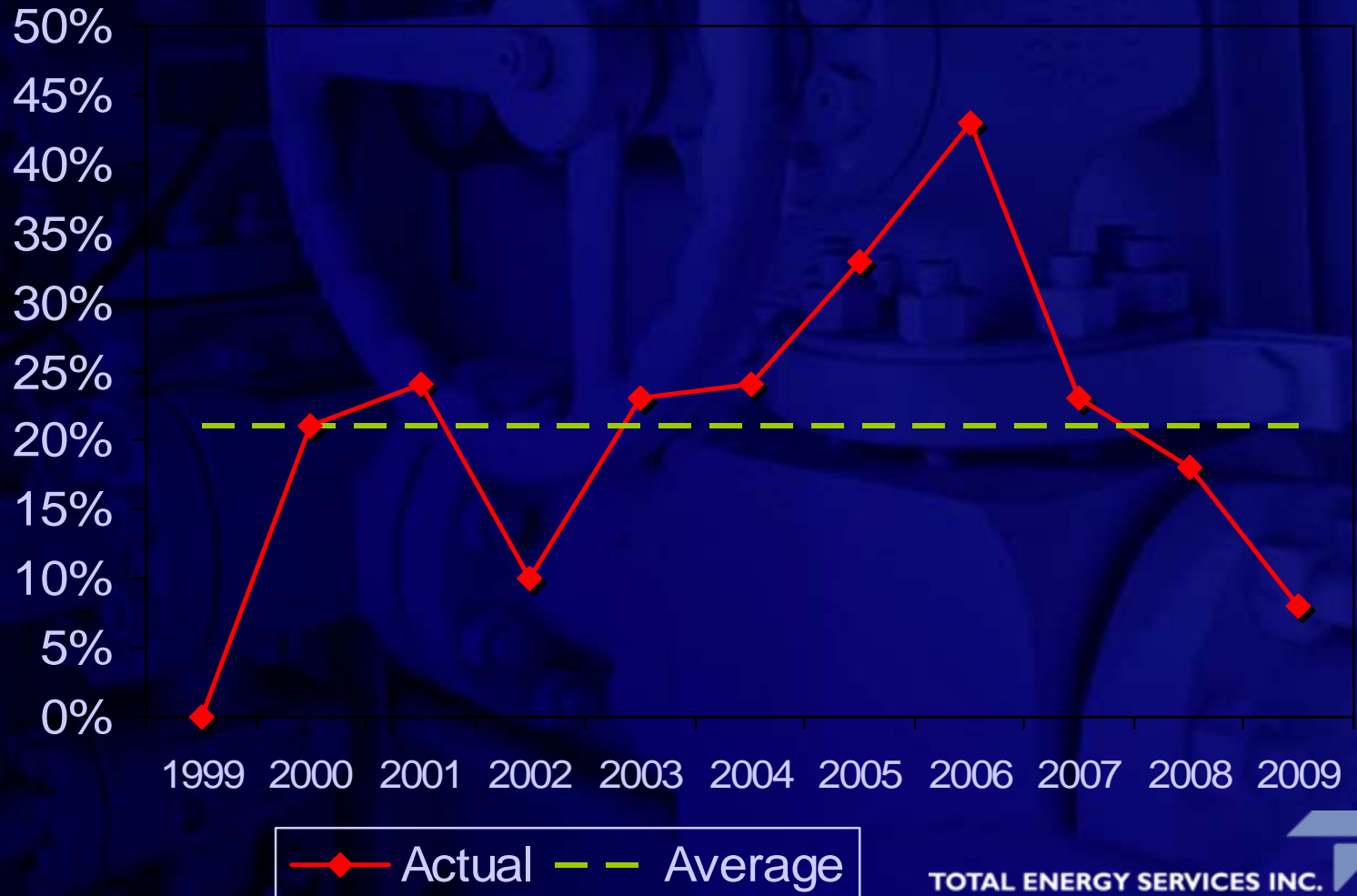
(dollars per share, diluted)

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# Long Term Performance After Tax Return on Average Equity

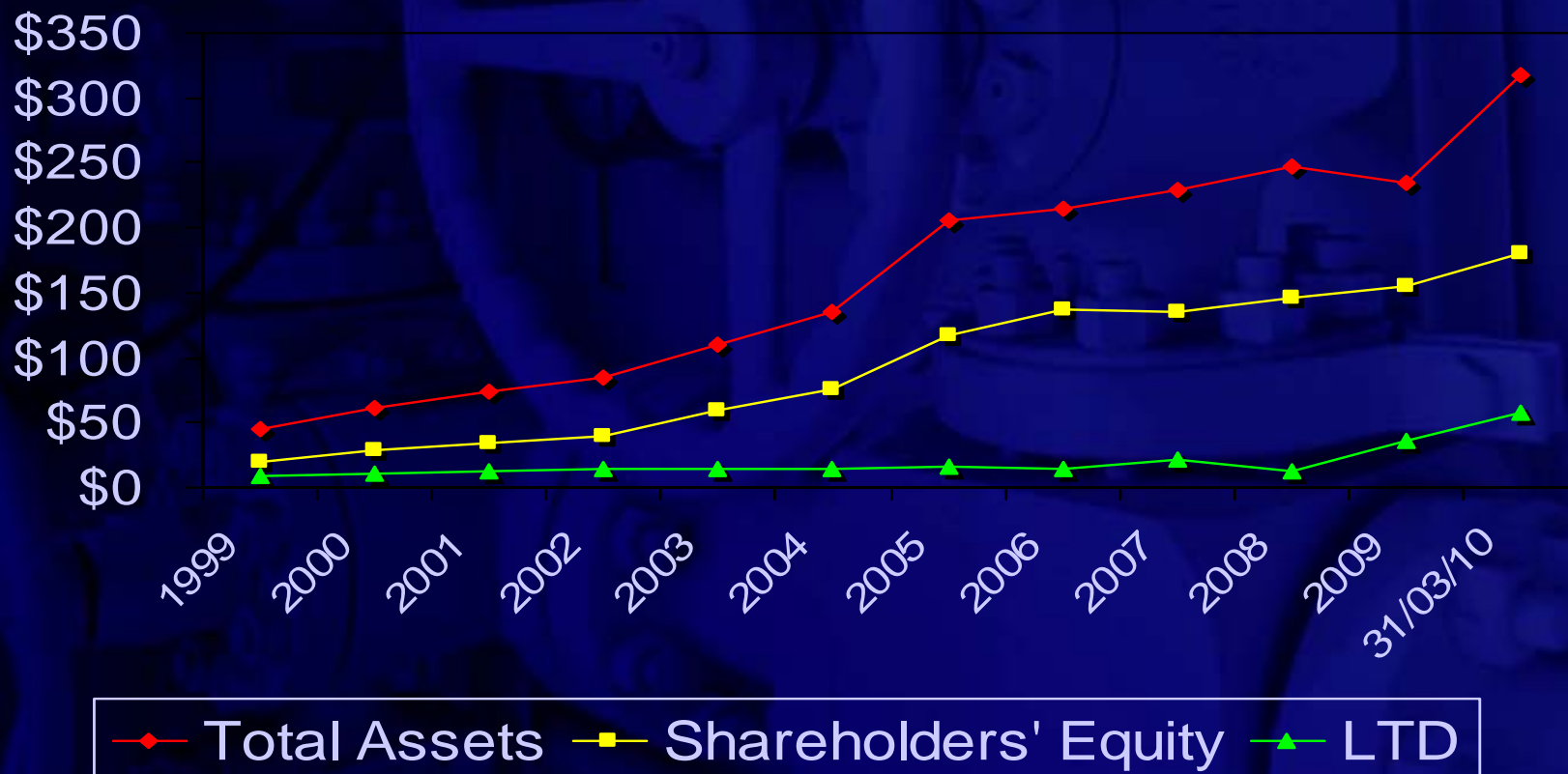
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# Long Term Performance – Balance Sheet

(in Millions of Dollars)

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# Outlook



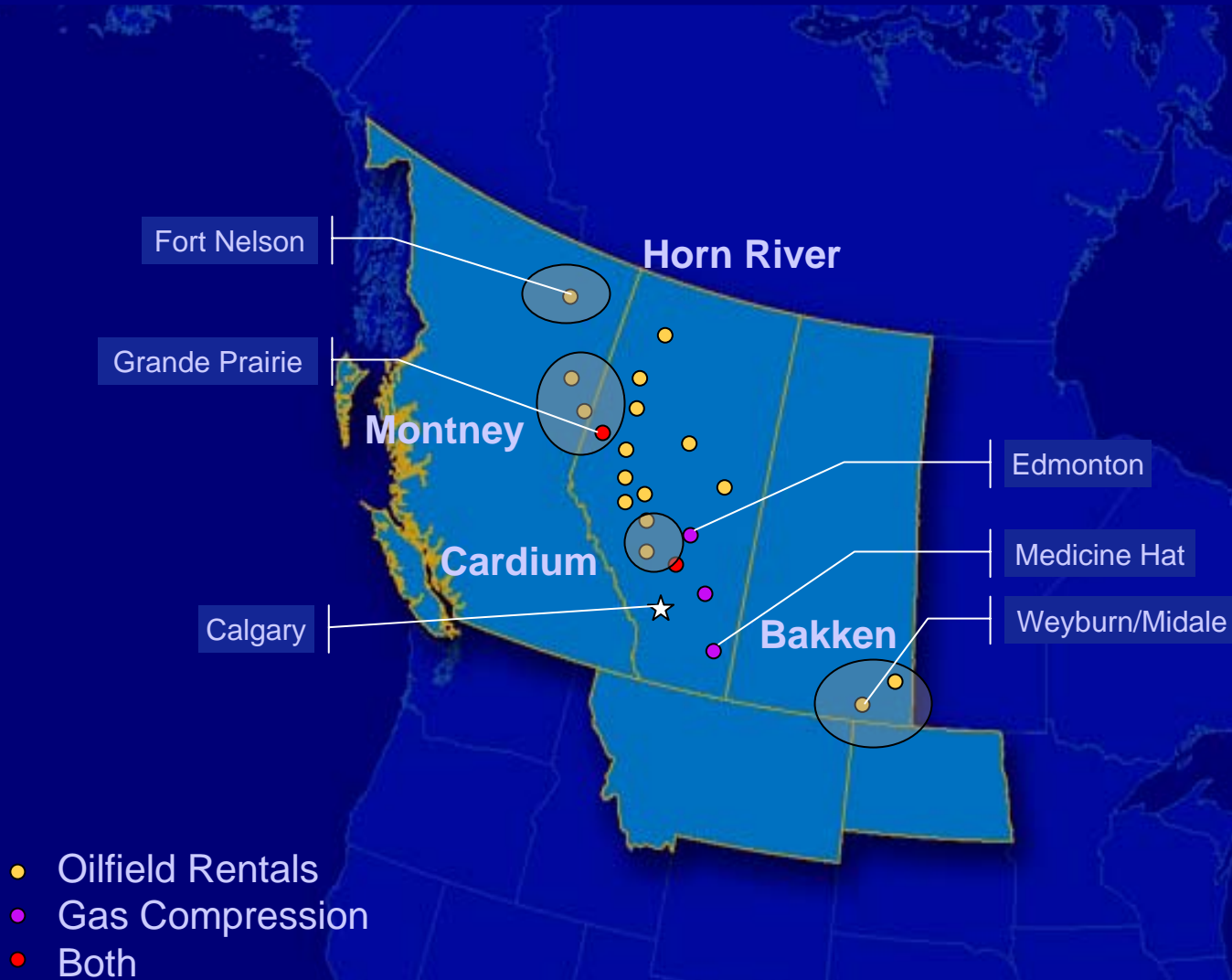
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- All divisions well positioned to service WCSB resource plays
- Good start to summer drilling season for Chinook Drilling – more drilling days in April 2010 than Q2 2009
- Continued focus on achieving revenue and cost synergies arising from DC Rentals acquisition
- Increasing heavy truck fleet by 6 units to 100 units (+6%)
- Increase share of Canadian compression market and pursue select international opportunities – lead with NOMAD
- Continue to pursue reasonable growth and consolidation opportunities in all three divisions



# WCSB Resource Play Exposure

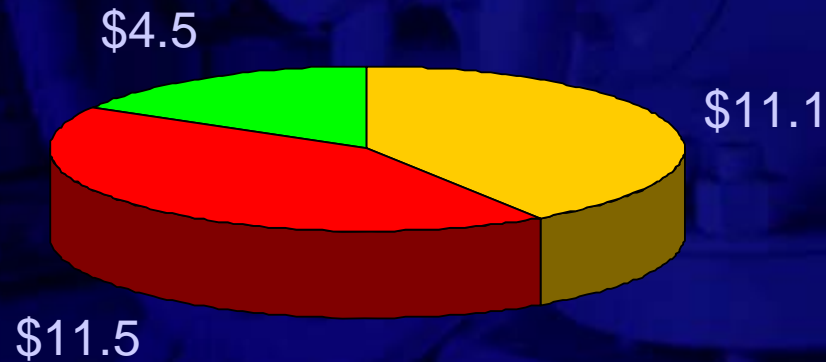
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# 2010 Capital Expenditure Budget

(in millions of dollars)

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- Total Oilfield Rentals
- Bidell Gas Compression
- Maintenance and Misc



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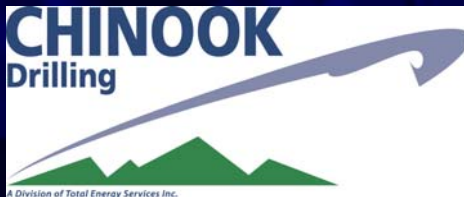
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