



**TOTAL ENERGY SERVICES INC.**

Annual Meeting of Shareholders  
May 16, 2011  
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)*



# International Financial Reporting Standards (“IFRS”)

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- This is the first quarter the Company is reporting under IFRS
- Comparative quarterly financial information is presented under IFRS
- Comparative annual financial information is presented under Canadian GAAP

# Non-IFRS Measures



*Operating earnings means results from operating activities and is equal to net income before income taxes minus gain on sale of property, plant and equipment plus finance costs. EBITDA means earnings before interest, taxes, depreciation and amortization and is equal to net income before income taxes plus finance costs 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 IFRS. Management believes that in addition to net income, operating earnings, EBITDA and cashflow are useful supplemental measures as they provide an indication of the results generated by the Company'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 the Company'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 income determined in accordance with IFRS 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 Symbols (TSX)
  - Common Shares TOT
  - Convertible Debentures TOT.DB
- Common Shares Outstanding 31.5 million
- Options Outstanding 1.8 million
- 5.75% Convertible Debentures Outstanding \$69.0 million  
(\$22.40 conversion price, due March 31, 2016)
- Market Capitalization (basic) \$490 million
- Common Share Dividend \$0.04/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
- 3500 meter telescopic double under construction with Q4 2011 delivery
- Telescopic doubles well suited for WCSB extended reach horizontal drilling programs
- Leader in innovative drilling techniques (i.e. under balanced with natural gas; bi-fuel power systems)
- 2% of Canadian drilling rig fleet



# Contract Drilling – Chinook Drilling

(dollar amounts in thousands )

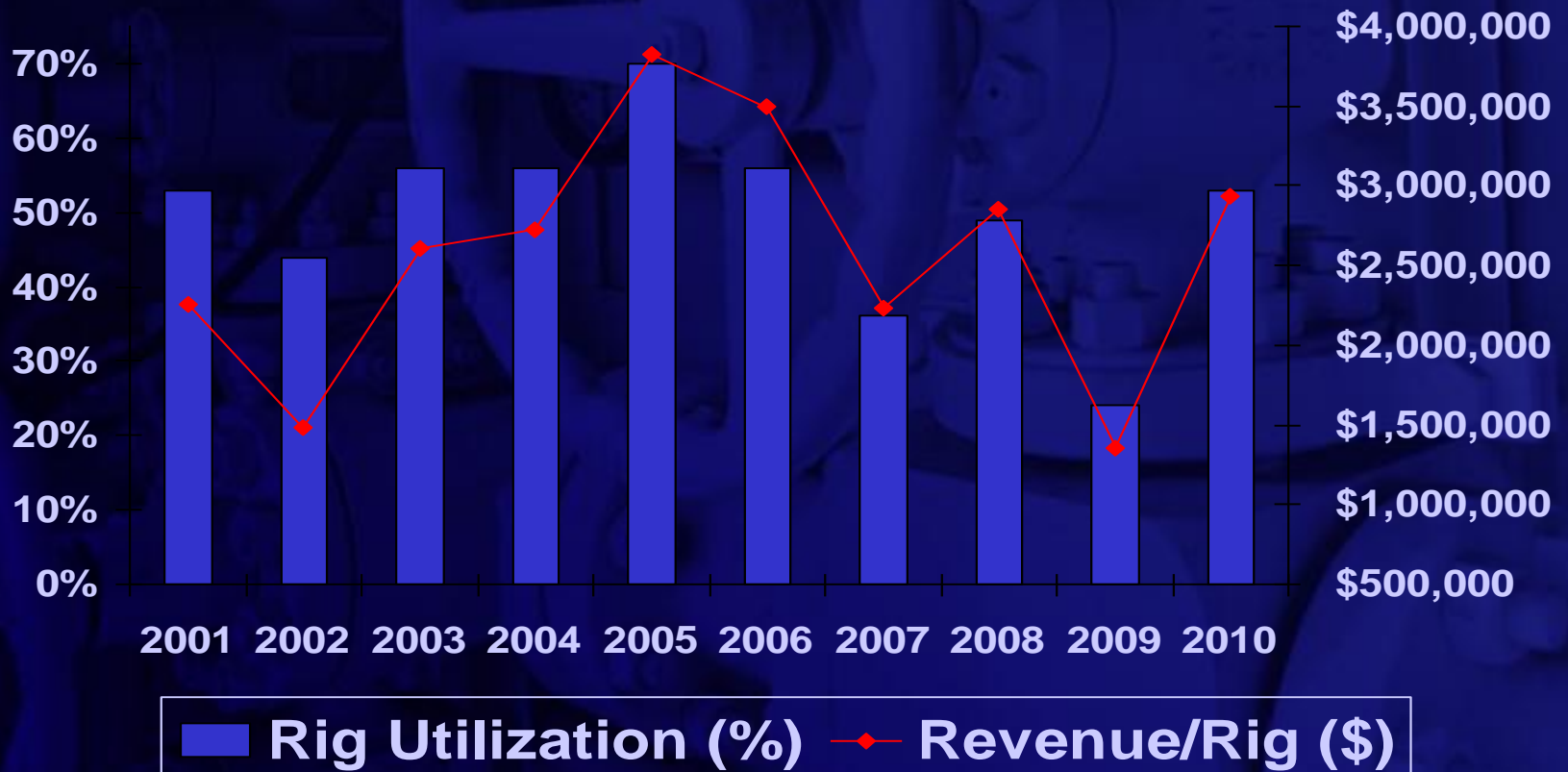


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<i>Twelve months ended Dec 31 (unaudited ,Cdn GAAP)</i>	2010	2009	% Change
Operating Days (spud to release)	2,714	1,169	132%
# of Rigs (average)	14	14	0%
Revenue	\$ 41,127	\$ 18,304	125%
Operating Earnings	\$ 5,219	\$ 1,809	189%
Assets (period end)	\$ 80,001	\$ 72,946	10%

# Contract Drilling Services Revenue/Rig

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# Contract Drilling – Chinook Drilling

(dollar amounts in thousands )



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<i>Three months ended March 31 (unaudited, IFRS)</i>	2011	2010	% Change
Operating Days (spud to release)	979	922	6%
# of Rigs (average)	14	14	0%
Revenue	\$ 17,582	\$ 12,933	36%
Operating Earnings	\$ 5,108	\$ 1,924	165%
Assets (period end)	\$ 83,120	\$ 75,236	10%

# Rentals and Transportation Services

## *Total Oilfield Rentals*



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- Provide equipment and transportation services used in the drilling, completion and production of oil and natural gas wells
- Current fleet of approximately 8,000 pieces of rental equipment and 101 heavy trucks
- 19 locations throughout western Canada
- Exposure to WCSB unconventional resource development
- Estimated 20 - 25% WCSB market share



# Rentals and Transportation Services

(dollar amounts in thousands )

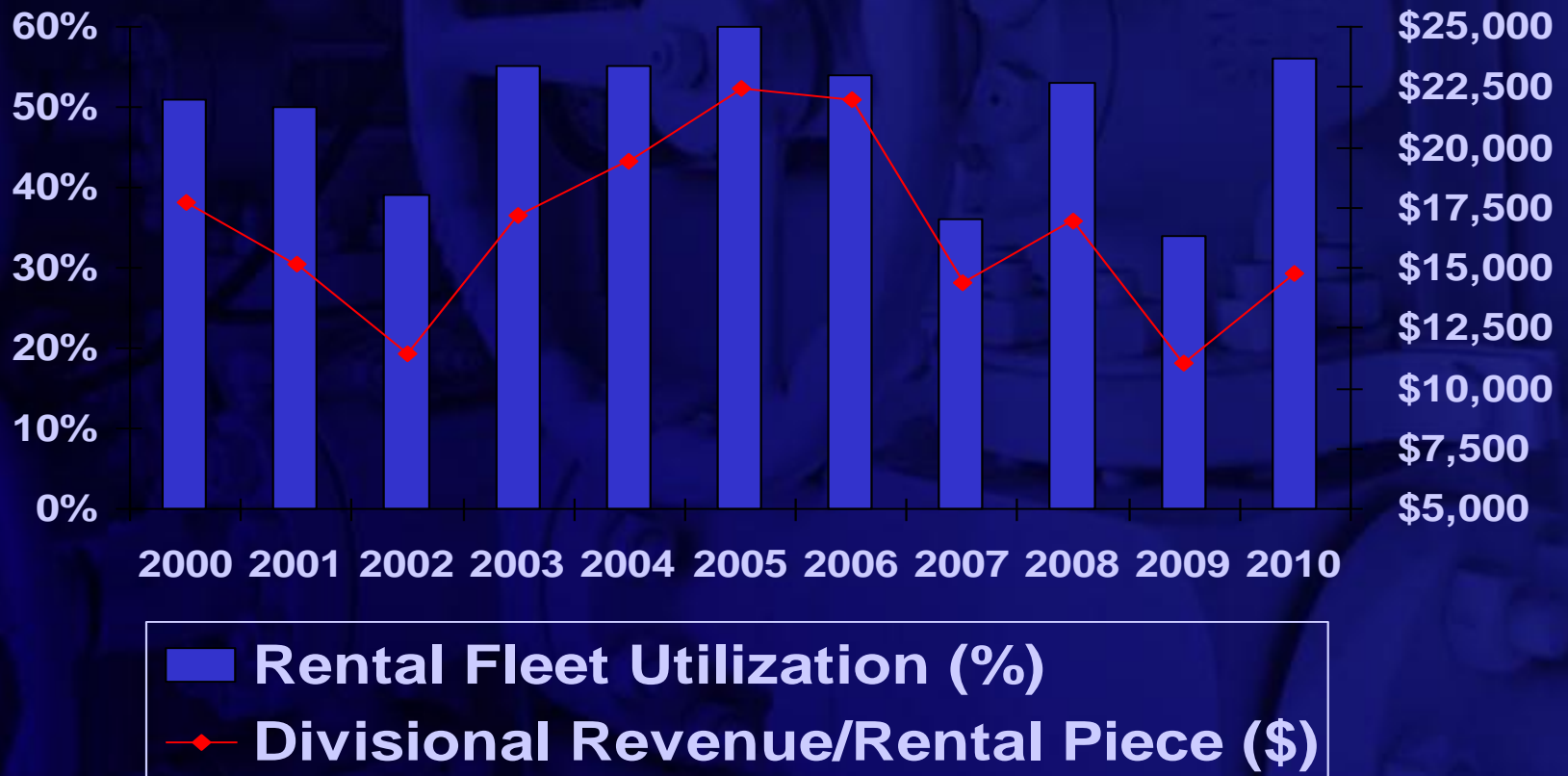


<i>Twelve months ended Dec 31 (unaudited, Cdn GAAP)</i>	2010	2009	% Change
Rental Pieces (period end)	8,000	4,500	78%
Heavy Trucks (period end)	95	74	28%
Average Utilization (rental equipment)	56%	34%	65%
Revenue	\$118,259	\$ 49,624	138%
Operating Earnings	\$ 38,066	\$ 9,159	316%
Assets (period end)	\$188,961	\$101,060	87%



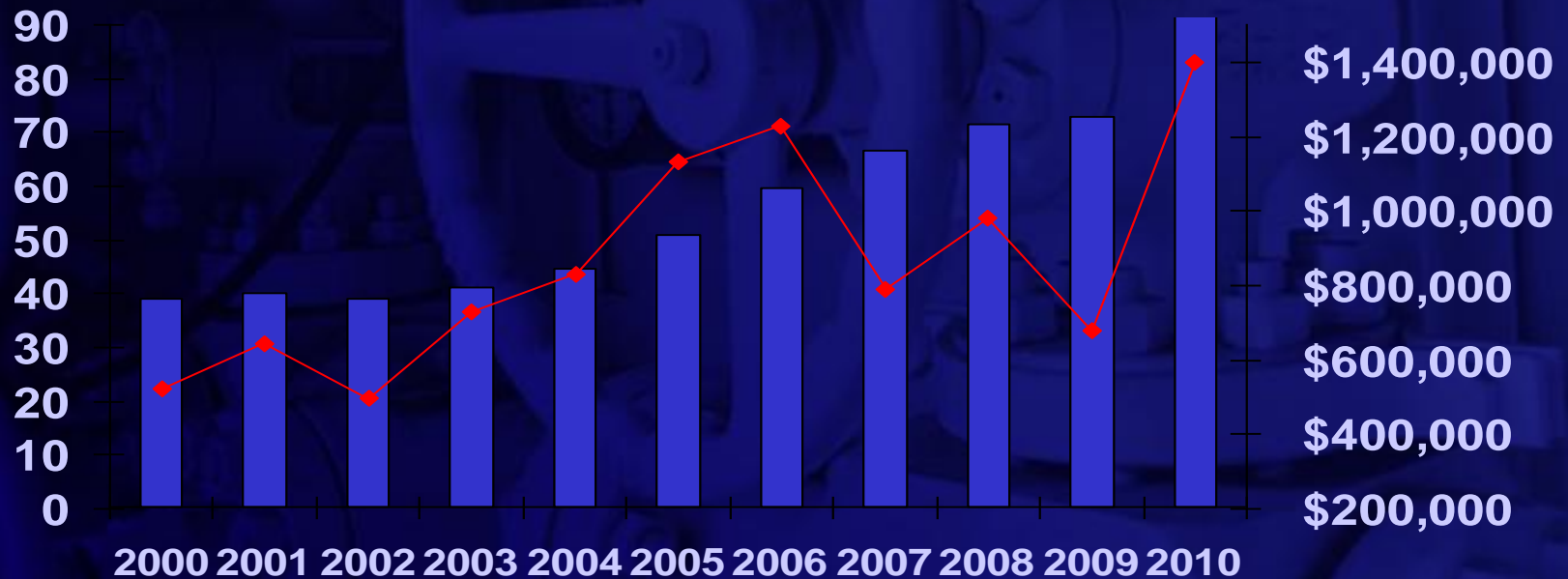
# Rentals and Transportation Services Historical Revenue Analysis

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# Rentals and Transportation Services Historical Revenue Analysis

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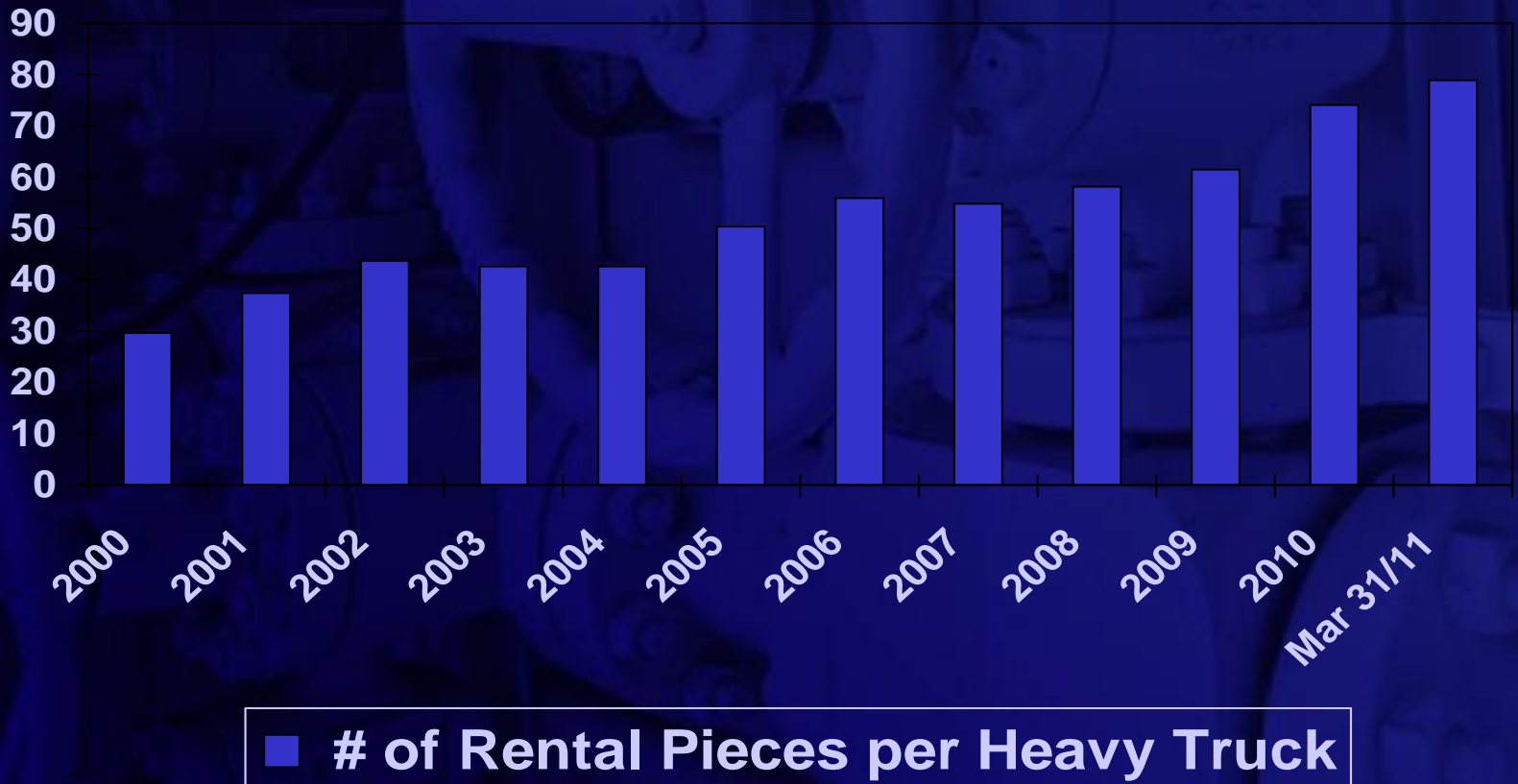


■ Heavy Trucks (#)  
◆ Divisional Revenue/Heavy Truck (\$)



# Rentals and Transportation Services Historical Fleet Analysis

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# Rentals and Transportation Services

(dollar amounts in thousands )



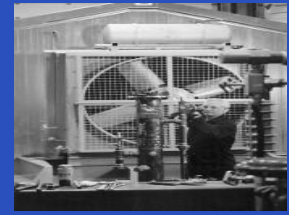
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<i>Three months ended March 31 (unaudited, IFRS)</i>	2011	2010	% Change
Rental Pieces (period end)	8,000	8,100	(1)%
Heavy Trucks (period end)	101	94	7%
Average Utilization (rental equipment)	74%	61%	21%
Revenue	\$ 44,895	\$ 35,730	26%
Operating earnings	\$ 21,282	\$ 12,795	66%
Assets (period end)	\$202,376	\$180,088	12%



# Gas Compression Services

## *Bidell Gas Compression*



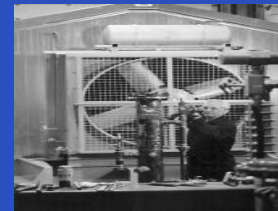
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- Focused on sub-4,500 horsepower compressor sales and rental market in Canada and select international markets and the WCSB parts and service market
- Developed the patented NOMAD™ line of proprietary high horse power mobile compression (US Patent 7,642,663)
- Significant senior management hires in corporate, sales and parts and service over past 12 months
- Significant WCSB parts and service expansion underway
- #2 market position in >400hp Canadian compression fabrication market



# Gas Compression Services

(dollar amounts in thousands )



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<i>Twelve Months ended Dec 31 (unaudited, Cdn GAAP)</i>	2010	2009	% Change
Horsepower on Rent (period end)	21,200	17,600	20%
Fabrication Sales Backlog (period end)	\$ 35,300	\$ 11,300	212%
Revenue	\$ 62,254	\$ 38,581	61%
Operating Earnings	\$ 6,253	\$ 3,077	103%
Assets (period end)	\$ 74,413	\$ 56,676	31%

# Gas Compression Services

(dollar amounts in thousands )



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<i>Three Months ended March 31 (unaudited, IFRS)</i>	2011	2010	% Change
Horsepower on Lease (period end)	21,200	18,700	13%
Fabrication Sales Backlog (period end)	\$ 33,900	\$ 18,900	79%
Revenue	\$ 22,628	\$ 10,175	122%
Operating earnings	\$ 1,457	\$ 1,028	42%
Assets (period end)	\$ 72,664	\$ 55,848	30%

# Consolidated Financial Performance

(in thousands of dollars, except per share amounts)

<i>Twelve months ended Dec 31 (unaudited, Cdn GAAP)</i>	2010	2009	% Change
Revenue	\$ 221,640	\$ 106,509	108%
EBITDA	67,623	24,058	181%
Cashflow	65,473	25,366	158%
Net Earnings	39,955	11,640	243%
<b><i>Per Share, Diluted</i></b>			
EBITDA	\$2.15	\$0.83	159%
Cashflow	\$2.08	\$0.87	139%
Net Earnings	\$1.27	\$0.40	218%

# Consolidated Financial Performance

(in thousands of dollars, except per share amounts)

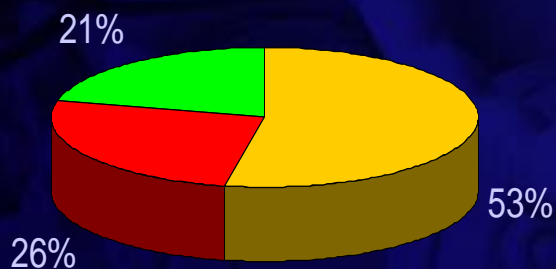
<i>Three months ended March 31 (unaudited, IFRS)</i>	2011	2010	% Change
Revenue	\$ 85,105	\$ 58,838	45%
EBITDA	33,191	19,953	66%
Cashflow	33,201	19,857	67%
Net Income	18,830	10,209	84%
<b><i>Per Share, Diluted</i></b>			
EBITDA	\$0.97	\$0.66	47%
Cashflow	\$0.97	\$0.65	49%
Net Income	\$0.57	\$0.34	68%

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# Division Revenue

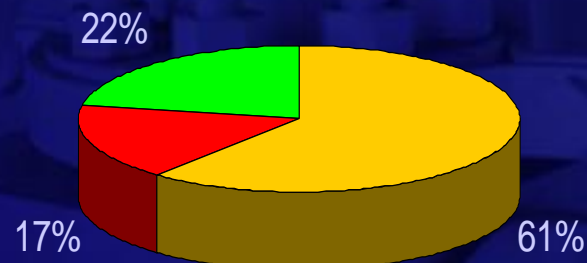
(Percentage of Consolidated Revenue)

Three months ending  
March 31, 2011



■ Total Oilfield Rentals  
■ Bidell Equipment  
■ Chinook Drilling

Three months ending  
March 31, 2010



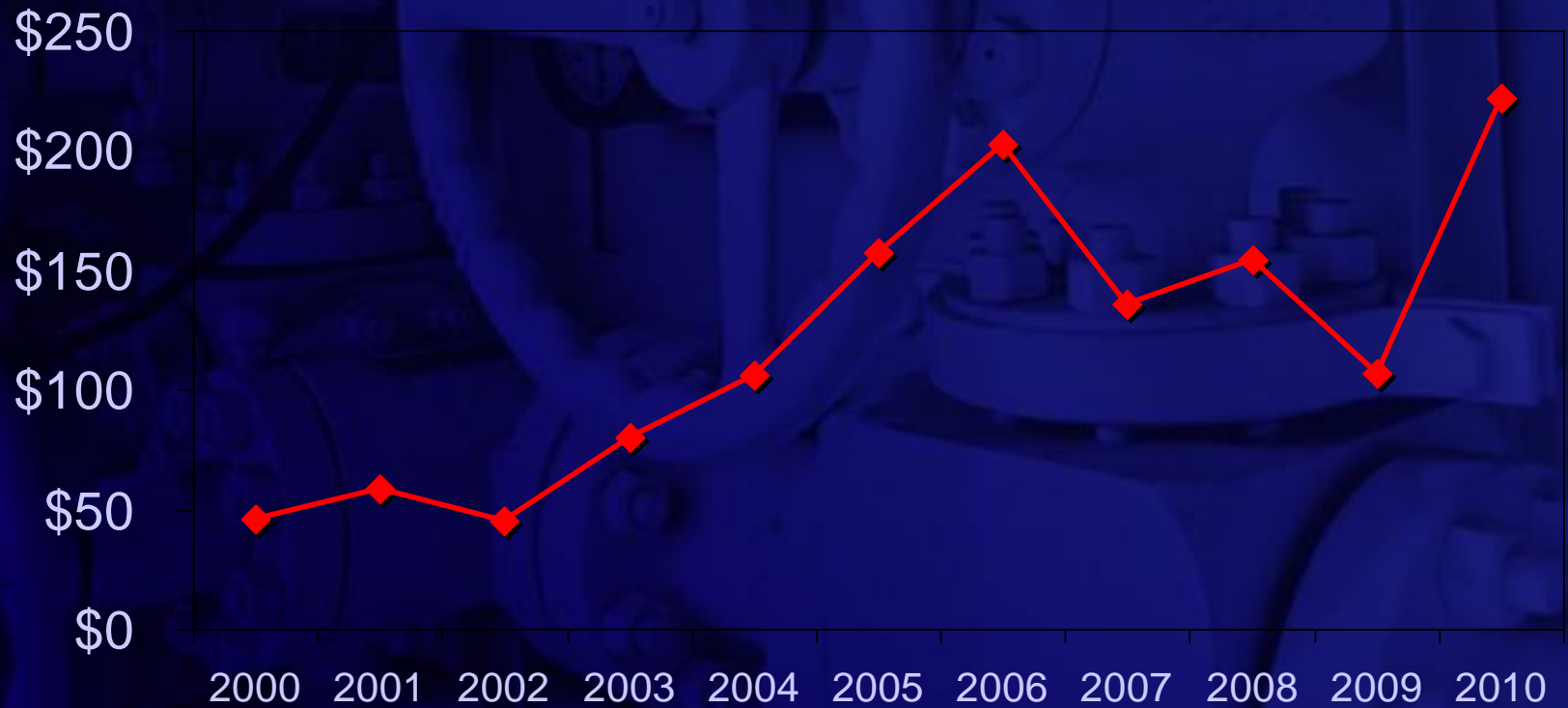
■ Total Oilfield Rentals  
■ Bidell Equipment  
■ Chinook Drilling



# Long Term Performance – Annual Revenue

*(in millions of dollars)*

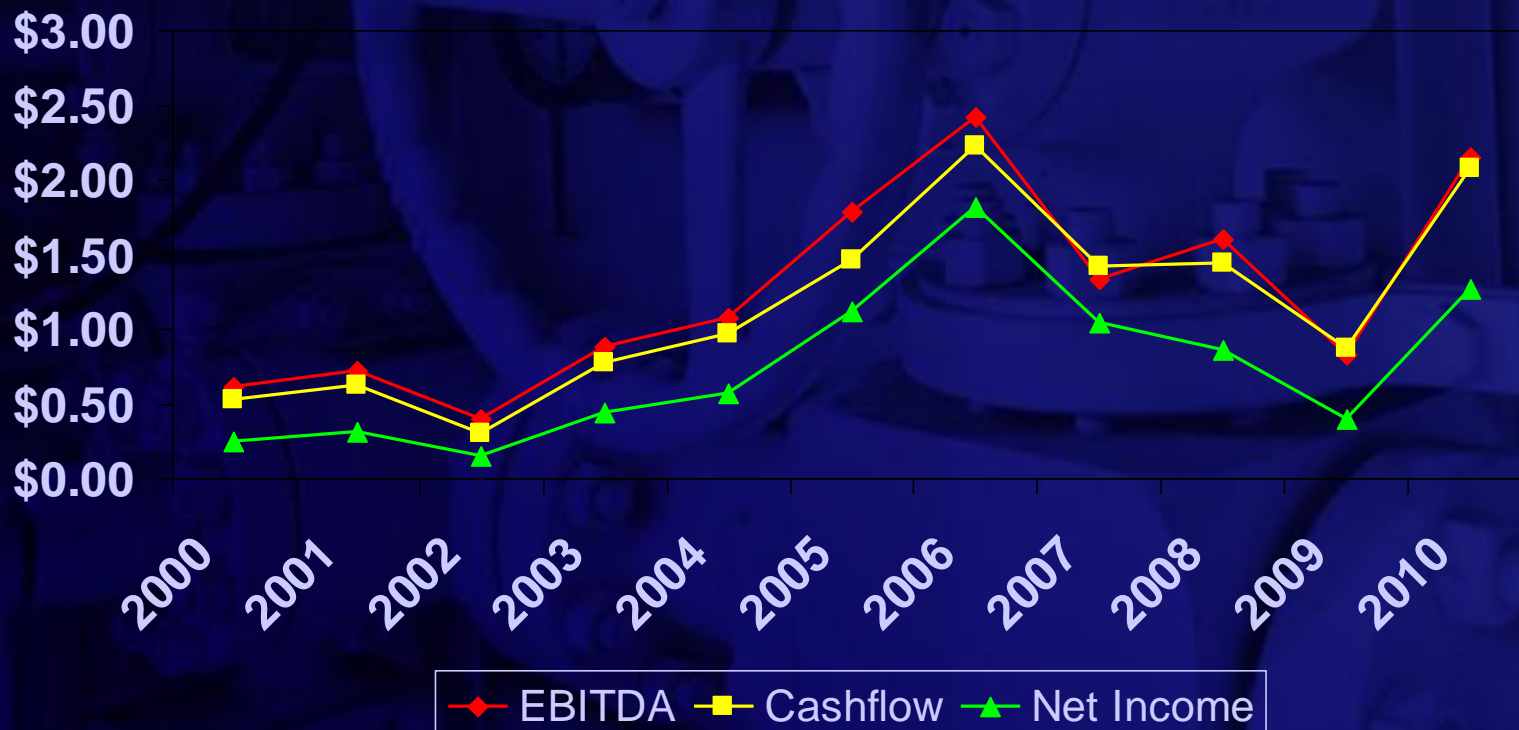
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# Long Term Performance – Income Statement

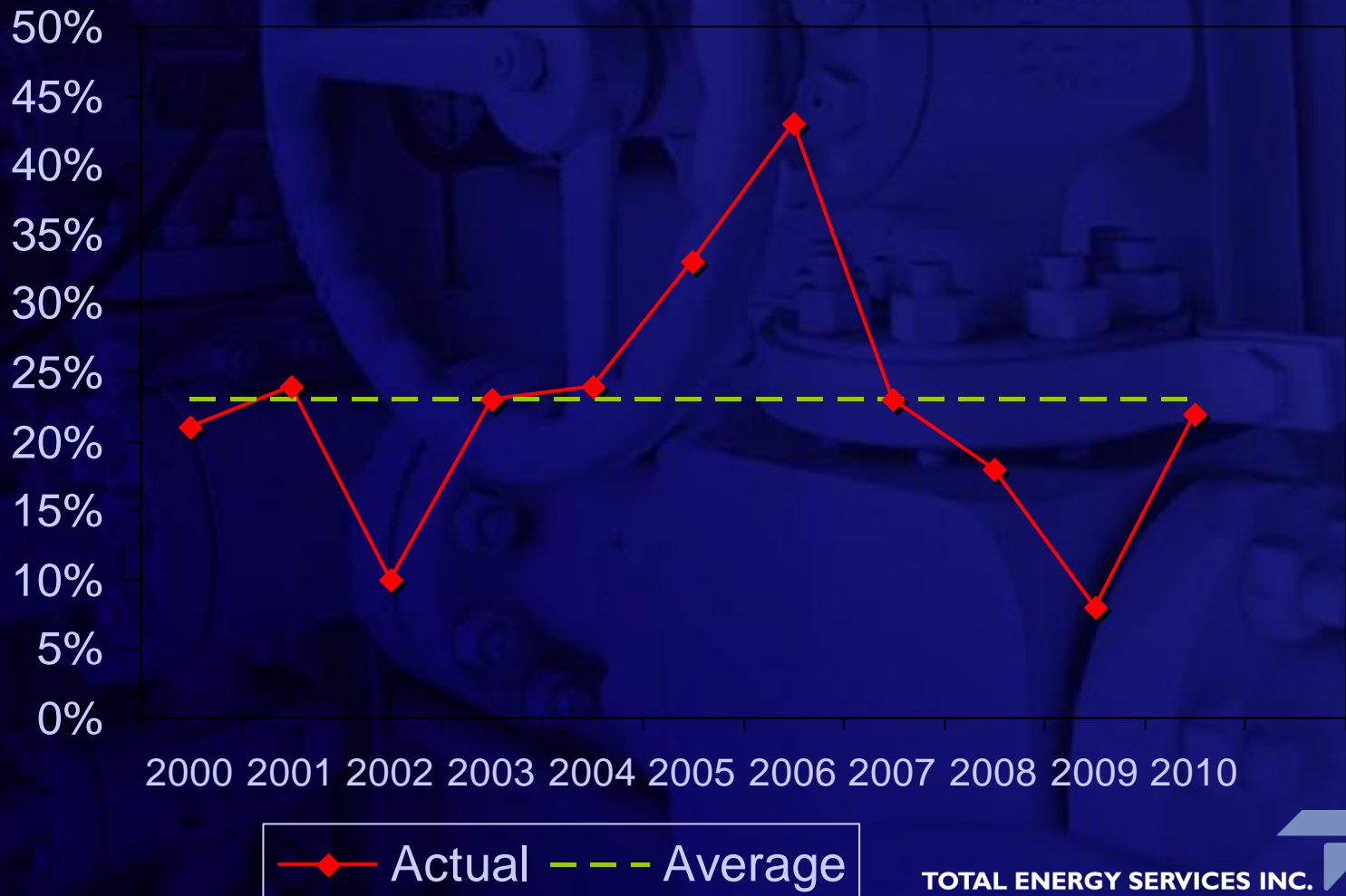
(dollars per share, diluted)

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# Long Term Performance After Tax Return on Average Equity

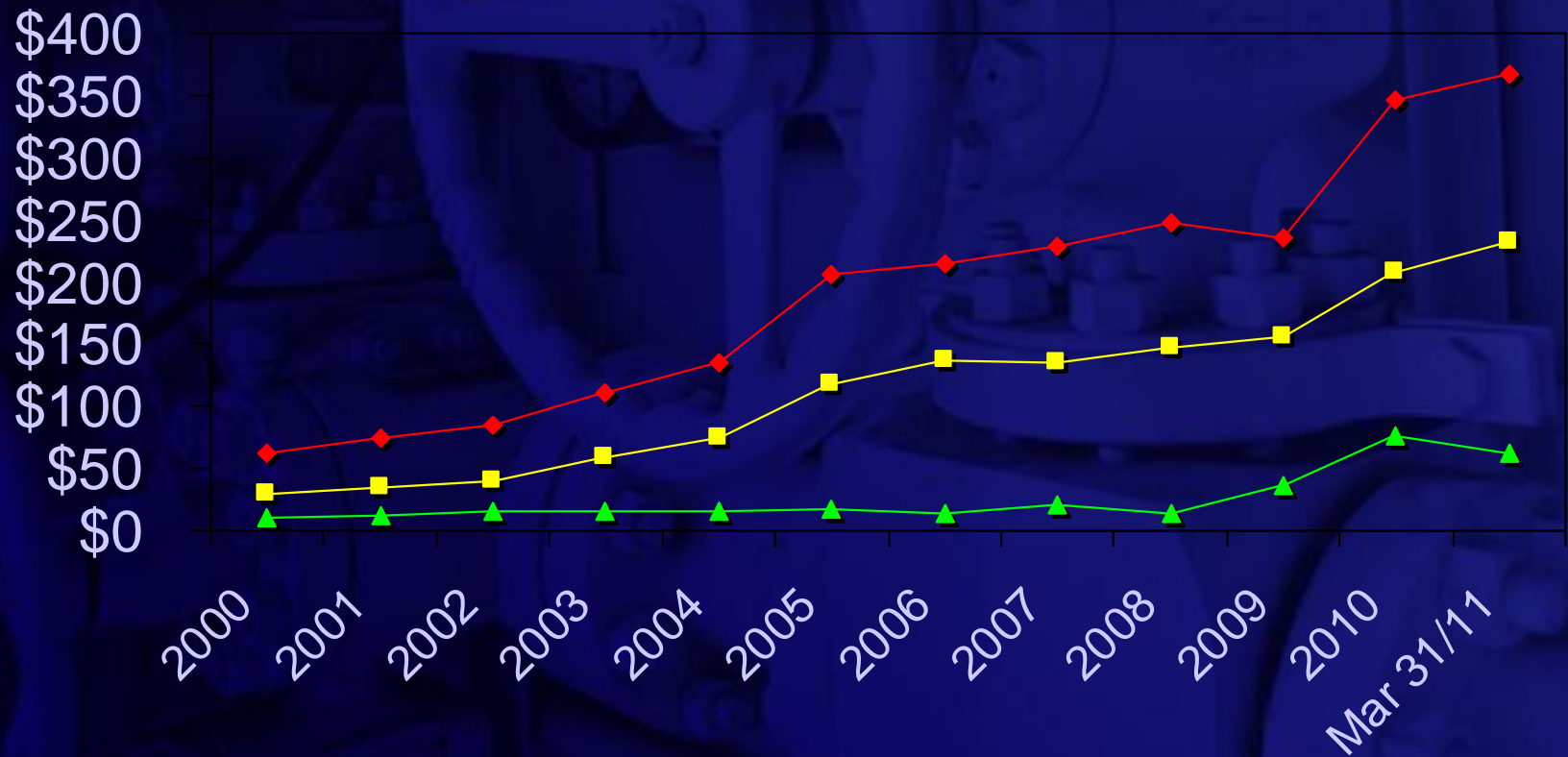
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# Long Term Performance – Balance Sheet

(in Millions of Dollars)

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◆ Total Assets    ■ Shareholders' Equity    ▲ LTD



# 2011 Capital Expenditure Budget

*(in millions of dollars)*



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\$37.8 million 2011 capex budget:

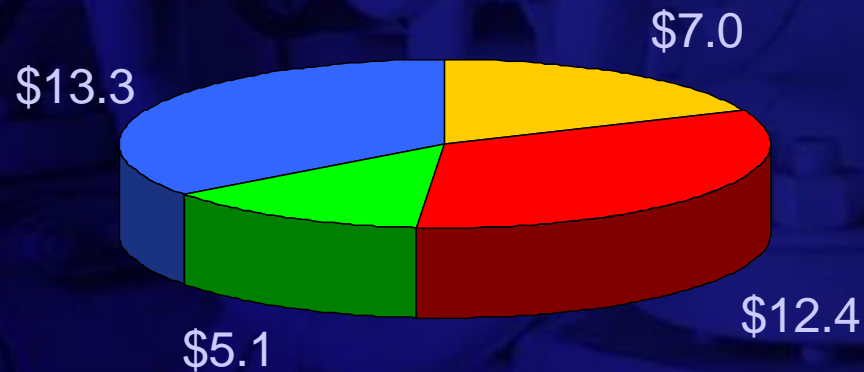
- \$13.3 million – Rig 15 build and existing rig upgrades & ancillary equipment
- \$12.4 million – natural gas compression rental fleet and parts and service expansion
- \$ 7.0 million – rental equipment additions
- \$ 5.1 million – maintenance capital expenditures



# 2011 Capital Expenditure Budget

(in millions of dollars)

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

# Outlook



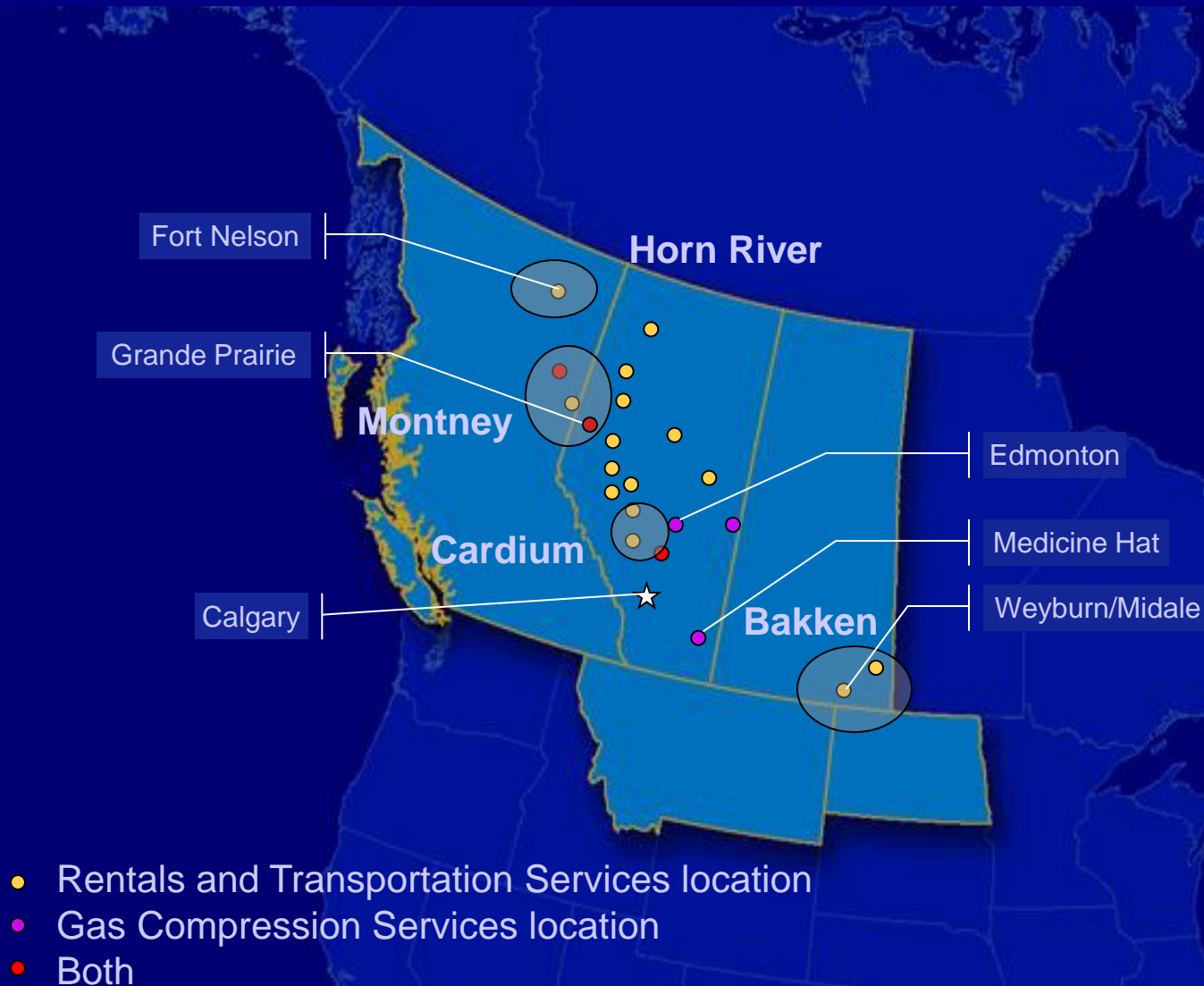
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- Well positioned operationally for higher activity levels: \$71.9 million of 2010 capex (\$68.3 million net of PPE disposals), including \$44.2 million DC Energy acquisition plus \$37.8 million of announced 2011 capex
- Well positioned financially for future growth: February 2011: completed \$69 million unsecured convertible debenture financing and \$35 million bank facility (secured by cash, inventory and A/R)
- Rig fleet in sweet spot – strong demand for Chinook’s telescopic doubles
- Rentals and Transportation Services well positioned to service active regions of WCSB
- Significant expansion of WCSB natural gas compression parts and service business underway
- Introduce NOMAD™ to Australian market by year end
- Continue to pursue reasonable growth and consolidation opportunities in all three divisions



# WCSB Resource Play Exposure

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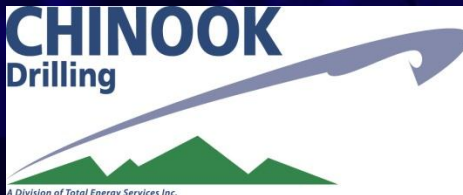
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