



**TOTAL ENERGY SERVICES INC.**



Corporate Winter Update  
February 2010

# 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 29.18 million
- Options Outstanding 1.86 million
- Convertible Debenture (\$7.00 conversion) \$12.5 million
- Market Capitalization (basic) \$210 million
- Common Share Dividend \$0.03/quarter



# Focused on two segments of the energy services industry



## Drilling & Completion Services

- Contract drilling services (Chinook Drilling)
- Oilfield equipment rentals and transportation services (Total Oilfield Rentals)

## Production Services

- Fabrication, sale, rental and servicing of natural gas compression equipment (Bidell Equipment)



# Contract Drilling – *Chinook Drilling*



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- Provides conventional drilling services to sub-4000 meter western Canadian market
- Fleet consists of two singles and 12 telescopic doubles (average age 4.5 years)
- 2% of Canadian drilling rig fleet
- 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)
- All rigs committed for Q1 2010



# Contract Drilling – *Chinook Drilling*

*(dollar amounts in thousands )*



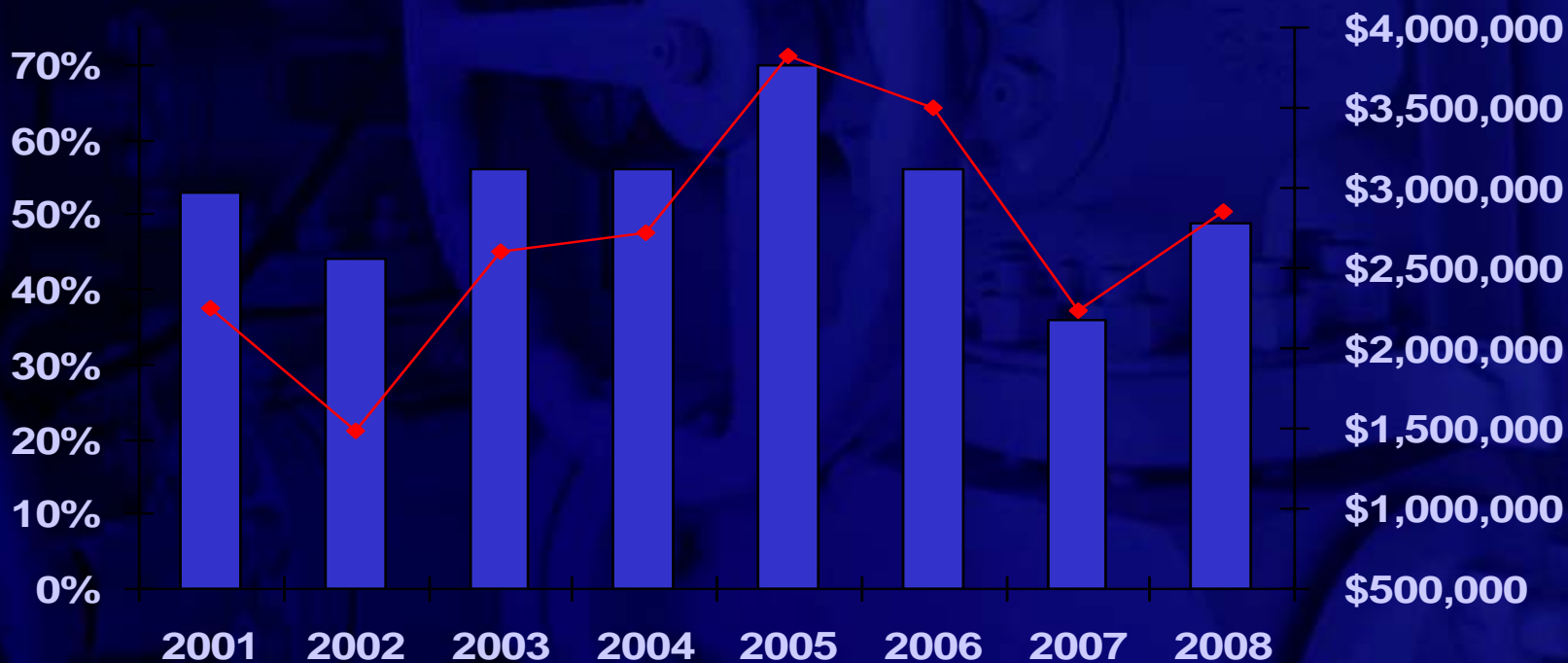
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<i>Nine months ended Sept 30 (unaudited)</i>	2009	2008	% Change
Operating Days (spud to release)	637	1,738	(63)%
# of Rigs (average)	13.3	13	2%
Revenue	\$ 11,169	\$ 27,219	(59)%
Operating Earnings	\$ 1,346	\$ 4,604	(71)%
Assets	\$ 68,809	\$71,013	(3)%



# Chinook Drilling Revenue/Rig

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



# Drilling & Production Rentals

## 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
- Largest participant in Canadian market post acquisition of DC Energy Services in January 2010



# Drilling & Production Rentals

## *DC Energy Services Acquisition*



- Assets complementary to Total's existing equipment fleet
- 3600 pieces rental equipment (80% fleet expansion)
- 20 heavy trucks (27% fleet expansion)
- Seven primary locations & several satellite locations
- Two new primary locations increase Total's Pembina Cardium play exposure (Drayton Valley and Red Deer)
- Purchase Price \$44.5 million

Cash \$32.0 m

Convertible debenture (5%, \$7.00 strike price) \$12.5 m

- Effective date January 1, 2010, closed January 15, 2010

# Drilling & Production Rentals

## Total Oilfield Rentals

(dollar amounts in thousands )

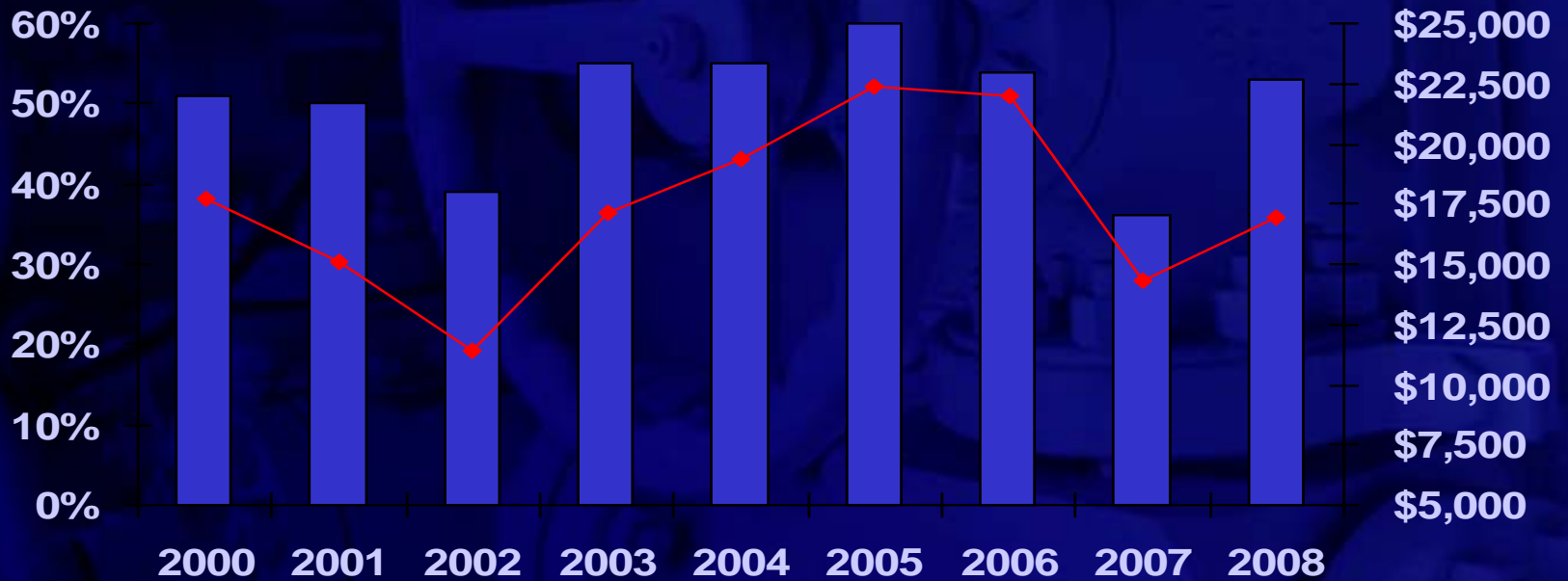


<i>Nine months ended Sept 30 (unaudited)</i>	2009	2008	% Change
Rental Pieces (period end)	4,500	4,300	5%
Heavy Trucks (period end)	74	72	3%
Average Utilization (rental equipment)	33%	51%	(35)%
Revenue	\$ 37,850	\$ 49,522	(24)%
Operating Earnings	\$ 7,972	\$ 14,950	(47)%
Assets	\$100,769	\$ 111,316	(9)%

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# Total Oilfield Rentals- Historical Revenue Analysis

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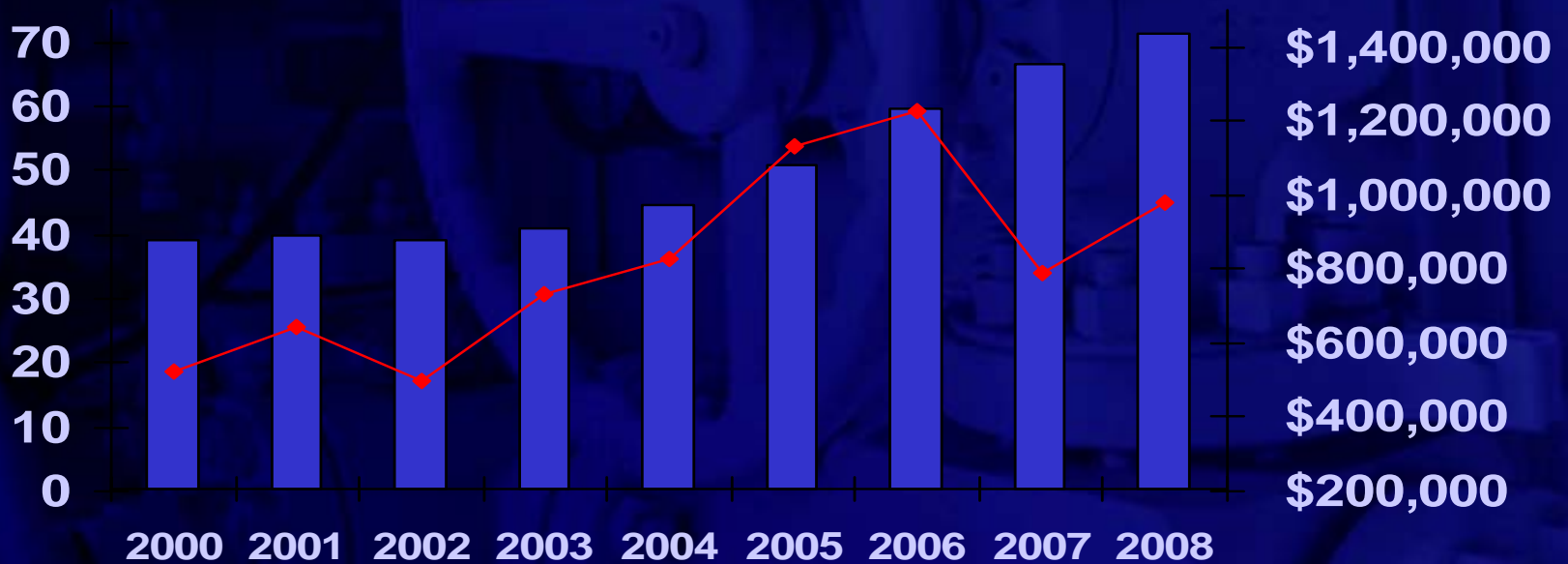


■ Rental Fleet Utilization (%)  
◆ Divisional Revenue/Rental Piece (\$)



# Total Oilfield Rentals – Historical Revenue Analysis

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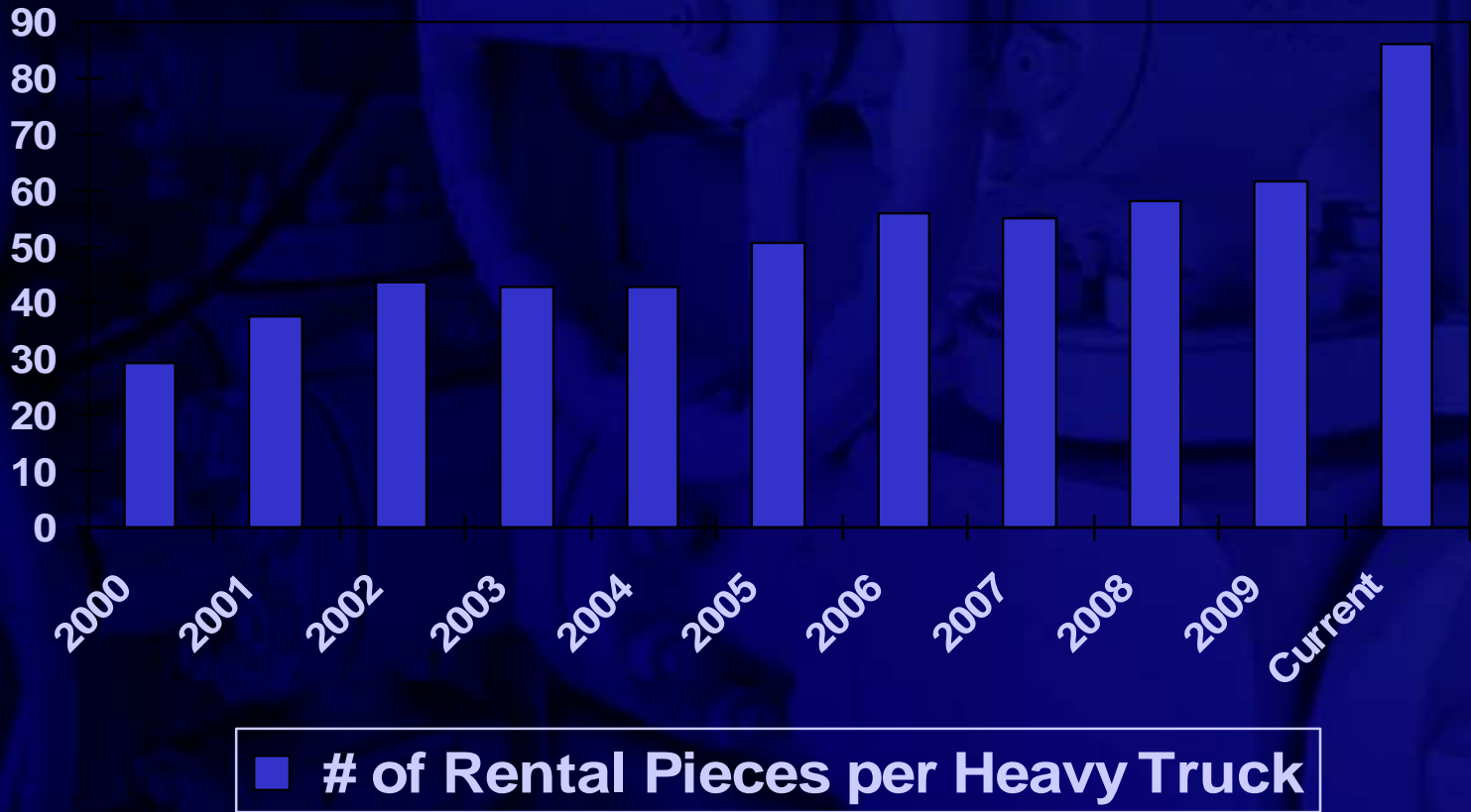
■ Heavy Trucks (#)

◆ Divisional Revenue/Heavy Truck (\$)

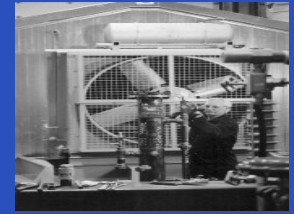


# Total Oilfield Rentals – Historical Fleet Analysis

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## Production Services – *Bidell Equipment*

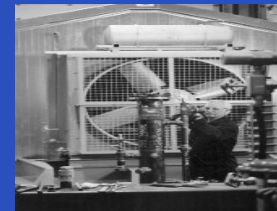


- Target sub-3000 horsepower compressor sales and rental market in North America and select international markets
- Entered Australian market in Q4 2008 through local distributor (Champion)
- \$350 million of Australian bids in progress – awards begin mid 2010 with delivery 2011-13
- Developed the NOMAD™ line of proprietary high horse power mobile compression (global patents pending)
- Consolidation within Canadian compression market provides immediate and significant growth opportunity
- #2 market position in >400hp Canadian compression fabrication market



# Production Services – Bidell Equipment

(dollar amounts in thousands )



<i>Nine Months ended Sept 30 (unaudited)</i>	2009	2008	% Change
Horsepower on Rent (period end)	16,800	10,800	56%
Fabrication Backlog (period end)	\$ 8,400	\$ 24,800	(66)%
Revenue	\$ 30,192	\$ 28,029	8%
Operating Earnings	\$ 2,473	\$ 3,008	(18)%
Assets	\$ 54,758	\$ 52,154	5%



# WHAT IS THE NOMAD™?

## A NEW STYLE OF COMPRESSOR



- Self-contained
- Fully Portable - legal load dimensions
- Reciprocating and screw configurations
- Field-proven design
  - 38 units in use (41,000 hp)
  - 820,000 hrs runtime to date



# MOBILE COMPRESSION APPLICATIONS

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- Failures
- Overhauls/Turnarounds
- Peak Shaving
- Rapid Declines
- Remote/Restricted Access
- Permanent Installations



# THE NOMAD™ ADVANTAGE



- Transportation
- Installation & Commissioning
- Maintenance
- Decommissioning
- Reuse & Replace
- Life Cycle Costs
- Proven Cost Savings

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# Consolidated Financial Performance

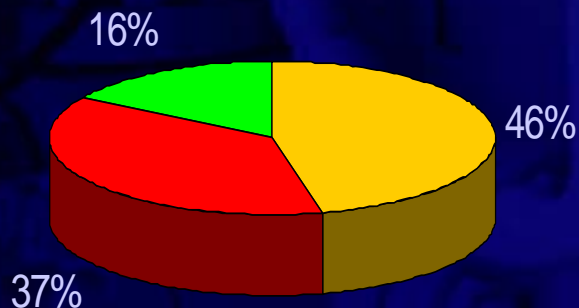
(in thousands of dollars, except per share amounts)

<i>Nine months ended Sept 30 (unaudited)</i>	2009	2008	% Change
Revenue	\$ 79,211	\$ 104,770	(24)%
EBITDA	18,695	32,281	(42)%
Cashflow	20,664	28,737	(28)%
Net Earnings	9,509	16,471	(42)%
<b><i>Per Share, Diluted</i></b>			
EBITDA	\$0.64	\$1.09	(41)%
Cashflow	\$0.71	\$0.98	(28)%
Net Earnings	\$0.33	\$0.56	(41)%

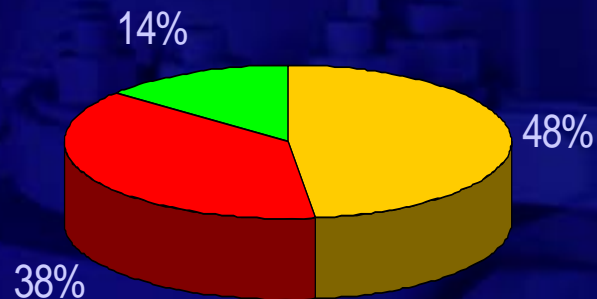
# Divisional Revenue Contribution

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Three months ending  
September 30, 2009

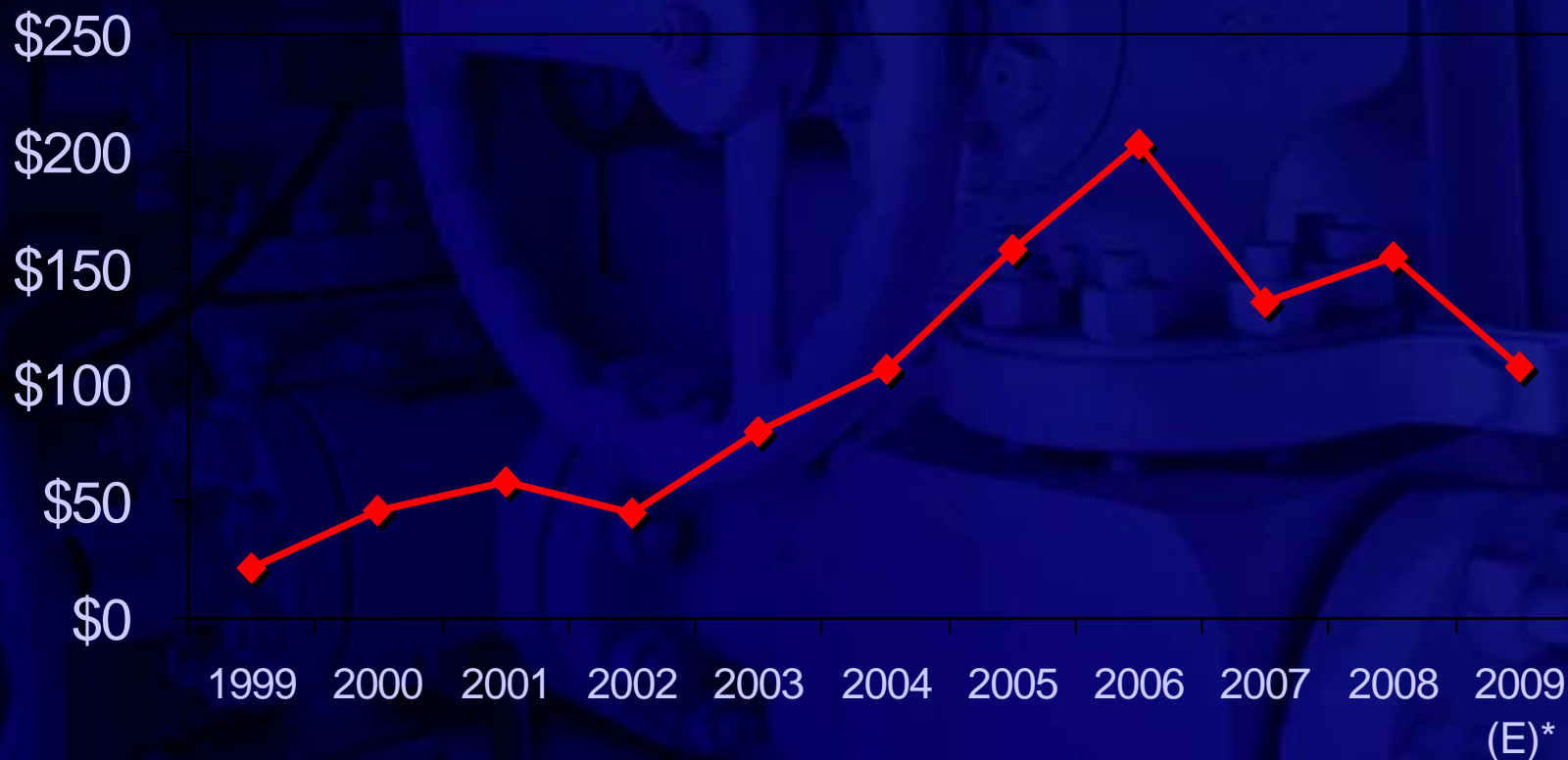


Nine months ending  
September 30, 2008



# Long Term Performance – Annual Revenue

(in millions of dollars)



\*Based on average analyst estimates as at November 9, 2009

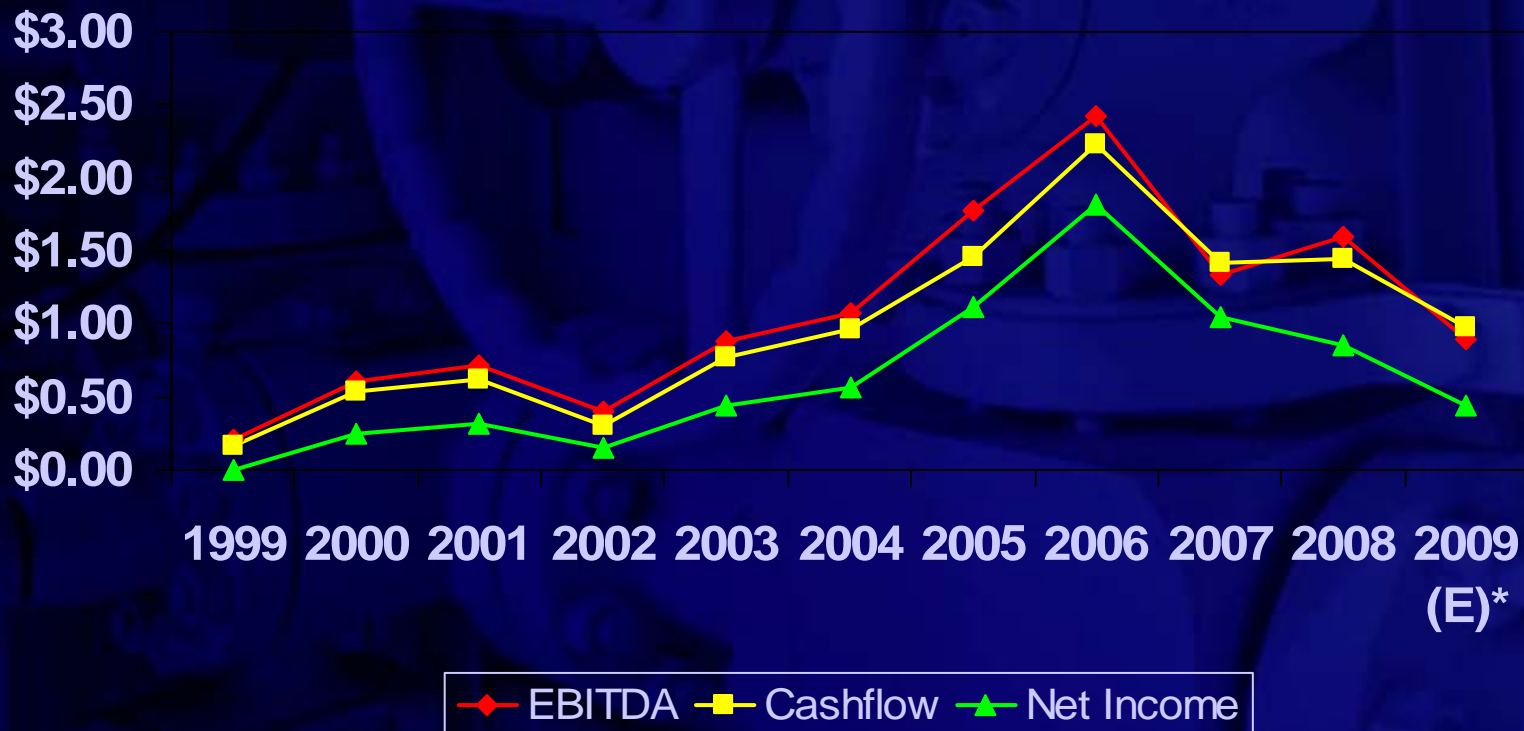
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# Long Term Performance – Income Statement

(dollars per share, diluted)

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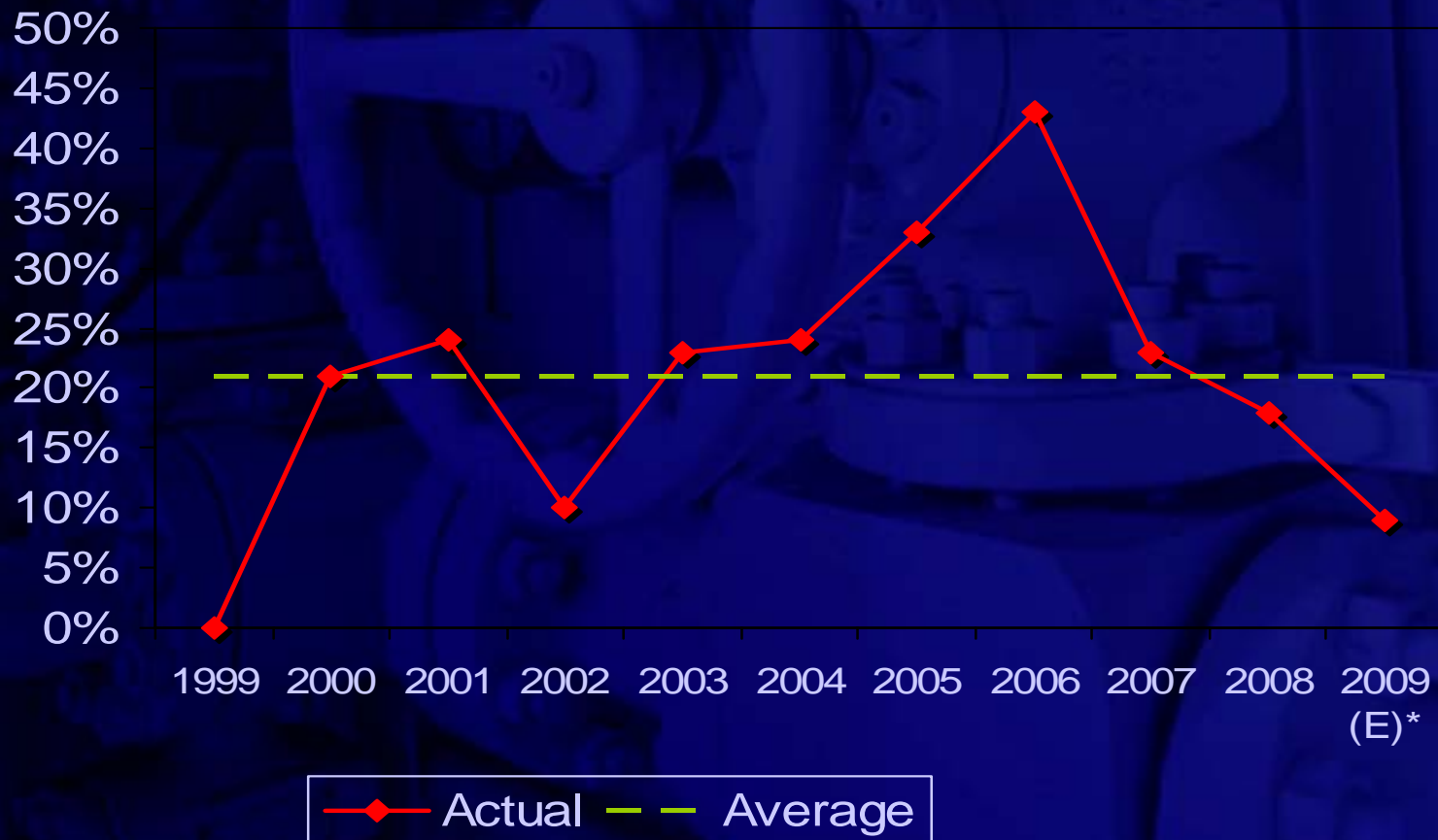


\*Based on average analyst estimates as at November 9, 2009



# Long Term Performance After Tax Return on Average Equity

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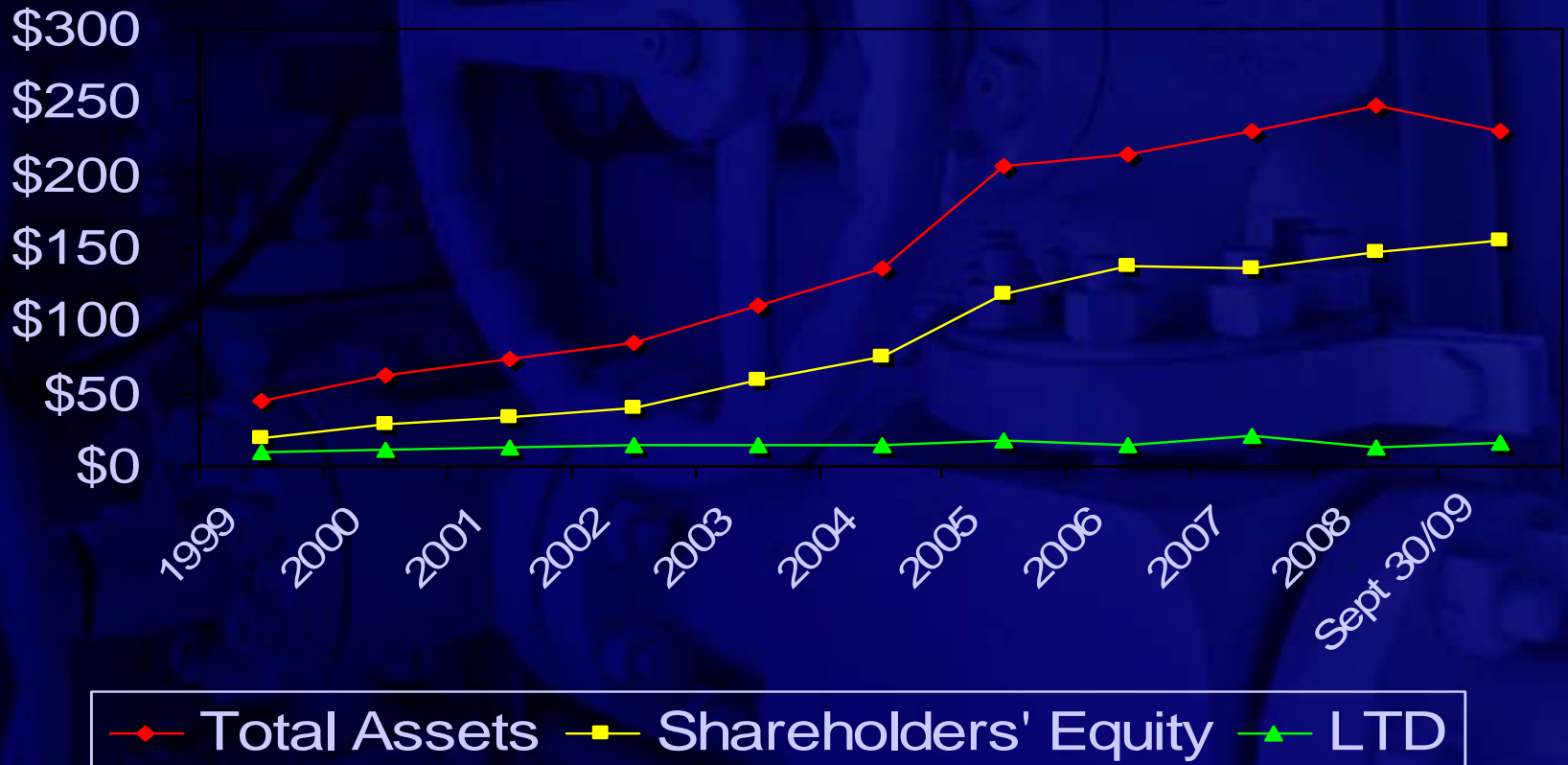
\*Based on average analyst estimates as at November 9, 2009



# Long Term Performance – Balance Sheet

(in Millions of Dollars)

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# Outlook



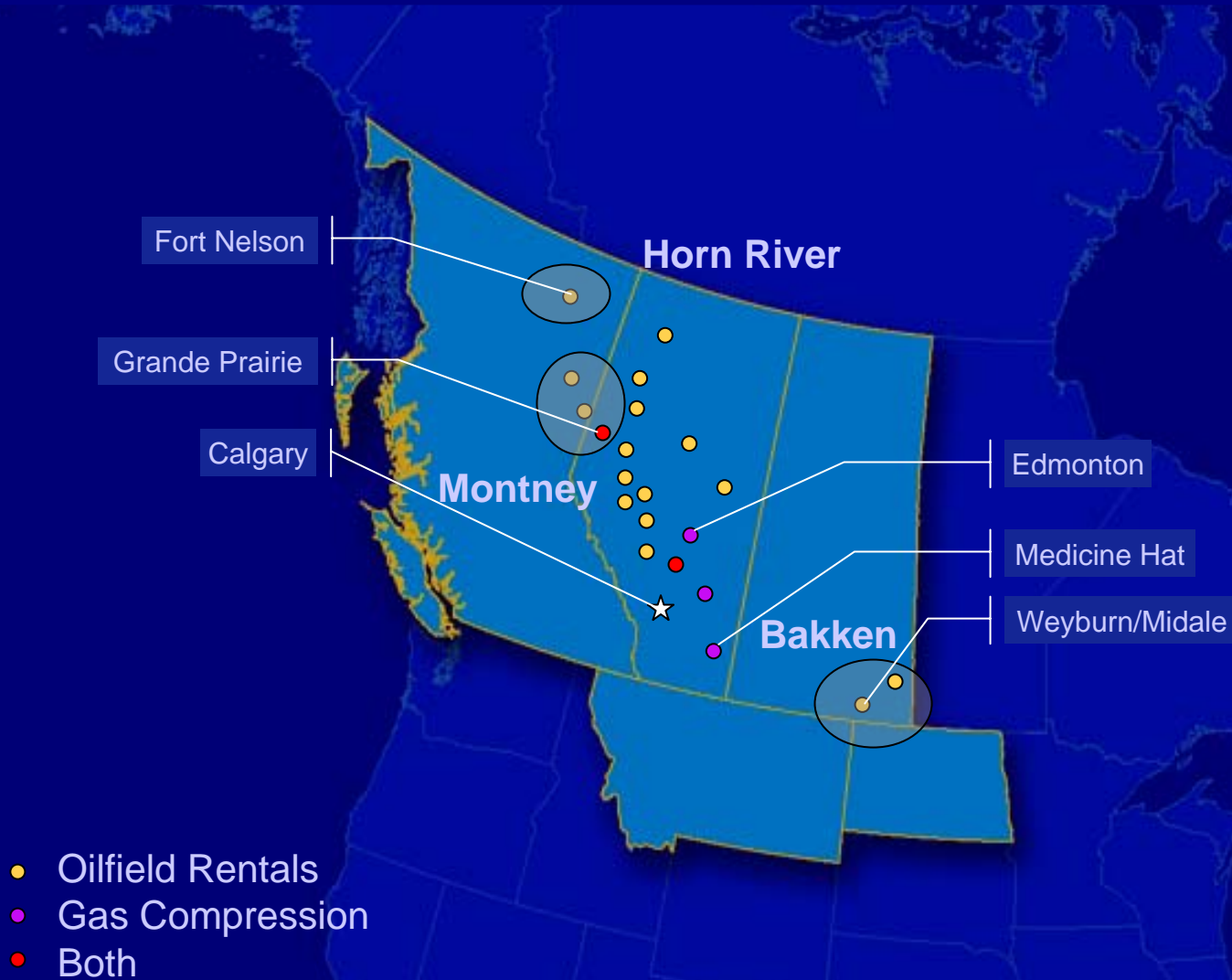
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- All divisions well positioned to service WCSB resource plays
- Extract revenue and cost synergies from DC Rentals acquisition
- Evaluate opportunity to increase heavy truck fleet
- Increase share of Canadian compression market and pursue select international opportunities – lead with NOMAD™
- Continue to pursue reasonable acquisition opportunities in all three divisions



# WCSB Resource Play Exposure

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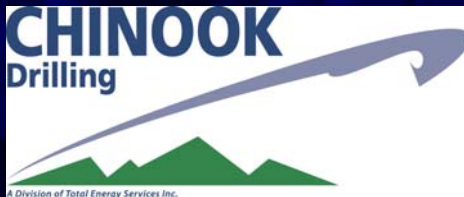
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