

TOTAL ENERGY SERVICES INC.



FirstEnergy Capital • November 18 & 19, 2014
Toronto, ON
FOCUS DISCIPLINE GROWTH

FirstEnergy

C A P I T A L

Non-IFRS Measures



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. EBITDA and cashflow are not recognized measures under International Financial Reporting Standards (“IFRS”). Management believes that in addition to net income, 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 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 EBITDA and cashflow may differ from other organizations and, accordingly, EBITDA and cashflow may not be comparable to measures used by other organizations.



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

Corporate Information



Operations



Three business divisions:

Contract Drilling Services
(Chinook Drilling)

Rentals and Transportation Services
(Total Oilfield Rentals)

Compression & Process Services
(Bidell Compression & Spectrum Process Systems)

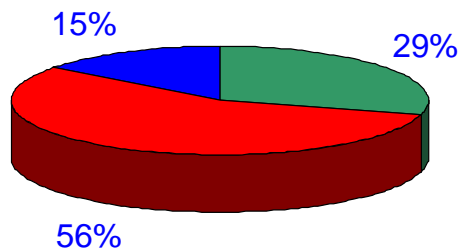


Divisional Revenue

(Percentage of Consolidated Revenue)

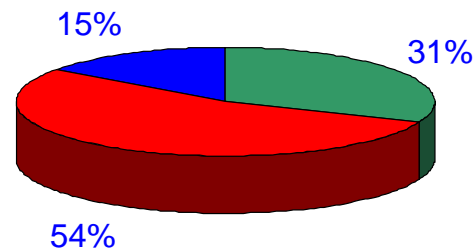


Nine months ending
Sept 30, 2014



■ Rentals & Transportation Services
■ Compression & Process Services
■ Contract Drilling Services

Nine months ending
Sept 30, 2013



■ Rentals & Transportation Services
■ Compression & Process Services
■ Contract Drilling Services

Operations Infrastructure

Exposure to Significant WCSB Resource Plays



- Rentals and Transportation Services location
- Compression and Process Services location
- Both

Contract Drilling Services

Chinook Drilling



- Focused on deeper basins in Western Canada (WCSB)
- 17 rig fleet: 15 telescopic doubles and 2 extended reach singles
- Telescopic doubles used extensively in WCSB horizontal drilling programs – average TVD rating of 3,165m
- Significant owned top-drive fleet - 65% of rig fleet
- 17th rig (4,200m TVD AC electric telescopic double) entered service in Q3 2014
- 18th rig (similar design to rig 17) under construction with completion scheduled for Q1 2015



Contract Drilling – *Chinook Drilling*

(dollar amounts in thousands)



<i>Three months ended Sept 30</i>	2014	2013	% Change
Operating Days (spud to release)	863	798	8%
# of Rigs (period end)	17	16	6%
Revenue	\$ 16,758	\$ 14,772	13%
EBITDA	\$ 4,430	\$ 4,471	(1)%
Assets (period end)	\$121,325	\$102,233	19%

Contract Drilling – *Chinook Drilling*

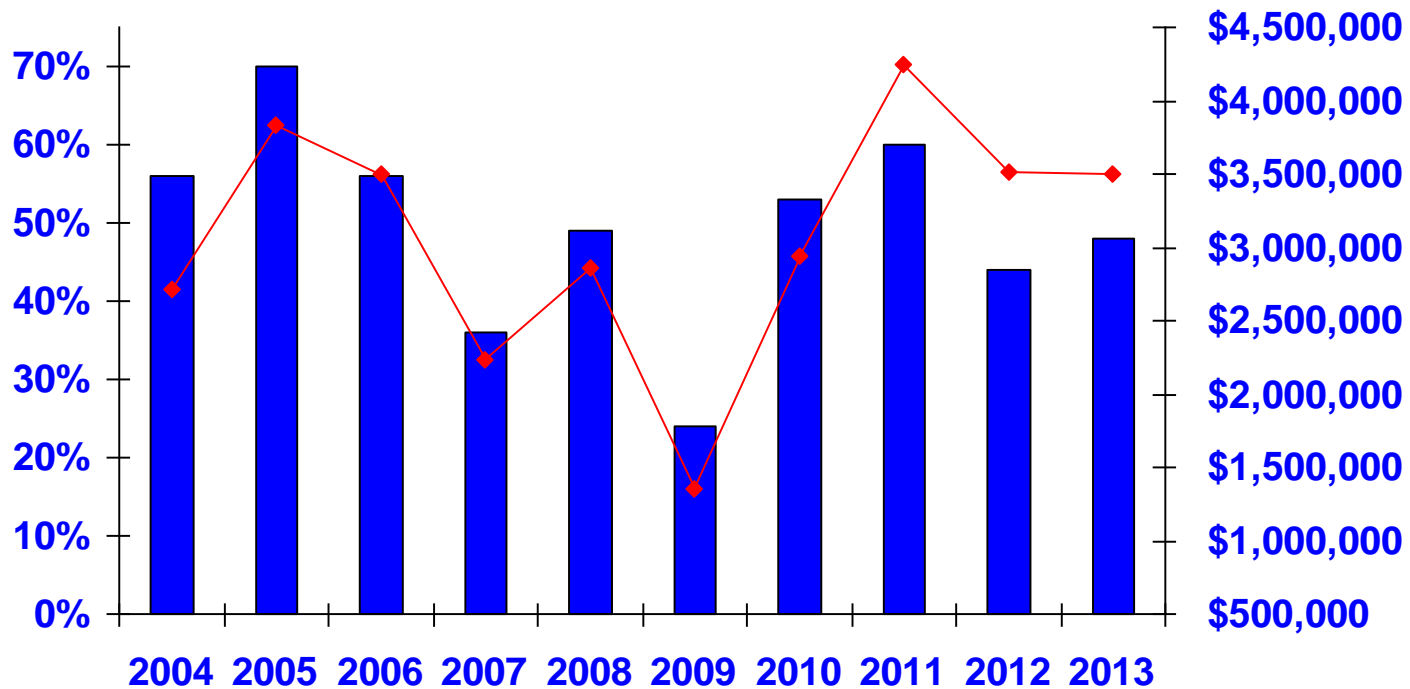
(dollar amounts in thousands)



<i>Nine months ended Sept 30</i>	2014	2013	% Change
Operating Days (spud to release)	2,282	1,933	18%
# of Rigs (period end)	17	16	6%
Revenue	\$ 46,124	\$ 37,687	22%
EBITDA	\$ 14,225	\$ 11,098	28%
Assets (period end)	\$121,325	\$102,233	19%

Contract Drilling Services

Revenue/Rig



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

Rentals and Transportation Services

Total Oilfield Rentals



- Leading provider of surface rental equipment and general oilfield hauling in western Canada and North Dakota
- Provide equipment and transportation services used in the drilling, completion and production of oil and natural gas wells
- Current fleet of approximately 10,000 pieces of rental equipment and 109 heavy trucks based in 21 branch locations
- Growing US presence supported by Denver sales office



Rentals and Transportation Services

(dollar amounts in thousands)



<i>Three months ended Sept 30</i>	2014	2013	% Change
Rental Pieces (period end)	10,000	9,900	1%
Heavy Trucks (period end)	109	106	3%
Average Utilization (rental equipment)	40%	40%	-
Revenue	\$ 30,088	\$ 25,508	18%
EBITDA	\$ 11,900	\$ 9,991	19%
Assets	\$245,996	\$224,203	10%

Rentals and Transportation Services

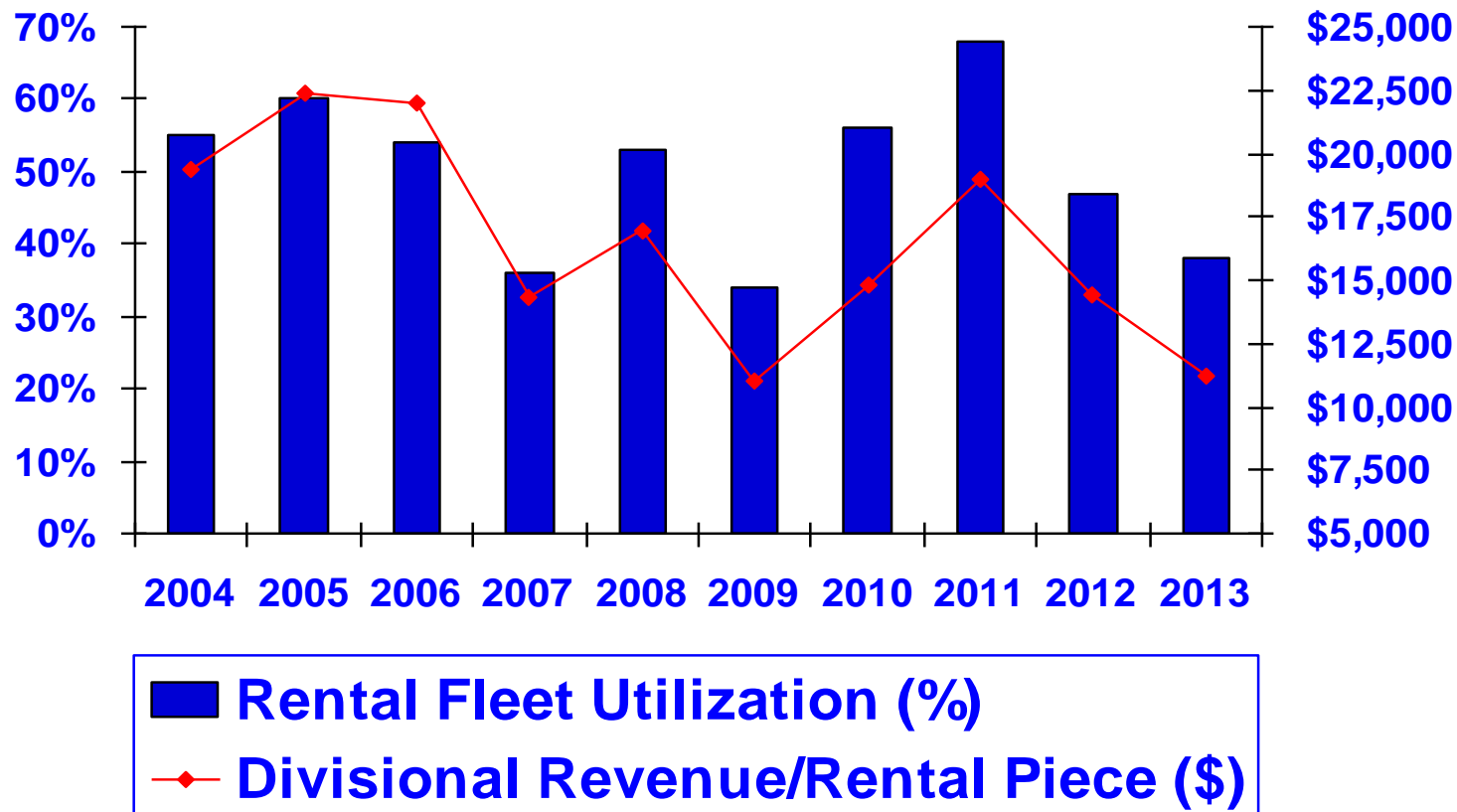
(dollar amounts in thousands)



<i>Nine months ended Sept 30</i>	2014	2013	% Change
Rental Pieces (period end)	10,000	9,900	1%
Heavy Trucks (period end)	109	106	3%
Average Utilization (rental equipment)	40%	36%	11%
Revenue	\$ 88,555	\$79,225	12%
EBITDA	\$ 32,745	\$ 31,460	4%
Assets (period end)	\$245,996	\$224,203	10%

Rentals and Transportation Services

Historical Revenue Analysis



Compression and Process Services

Bidell Gas Compression

- In business since 1988, Bidell is a leading provider of gas compression fabrication, sales, rental and service in Canada and select international markets
- 123,000 square feet of fabrication space located in SE Calgary
- Manufacture 25 to 10,000 hp compression packages
- Carry all major engine lines (natural gas and electric) and compressors (reciprocating and screw)
- Patented NOMAD™ line of large hp mobile compressors – maximize compression capital and operating efficiencies for steep decline wells
- Growing parts and service infrastructure throughout Western Canada – offer an extensive parts inventory, exchange programs, overhaul and retrofit services



Compression and Process Services

Spectrum Process Services



- Established Spectrum in late 2012 to increase exposure to Canadian oil and NGL production activity as well as potential LNG driven infrastructure build.
- Q1 2013 acquired Opsco Manufacturing - in business since 1975 serving the Canadian and select international markets
- 85,000 square feet of fabrication space located in SE Calgary
- Offer full service project management, engineering, design and procurement services
- Specializes in large capacity dehydration, regeneration, separation, line heaters, free water knock outs and custom manufactured process equipment



Compression and Process Services

(dollar amounts in thousands)



<i>Three Months ended Sept 30</i>	2014	2013	% Change
Horsepower on Lease (period end)	35,500	35,700	-
Fabrication Sales Backlog (period end)	\$ 78,600	\$ 57,600	36%
Revenue	\$ 61,387	\$ 48,780	26%
EBITDA	\$ 9,691	\$ 7,982	21%
Assets (period end)	\$184,426	\$153,071	20%

Compression and Process Services

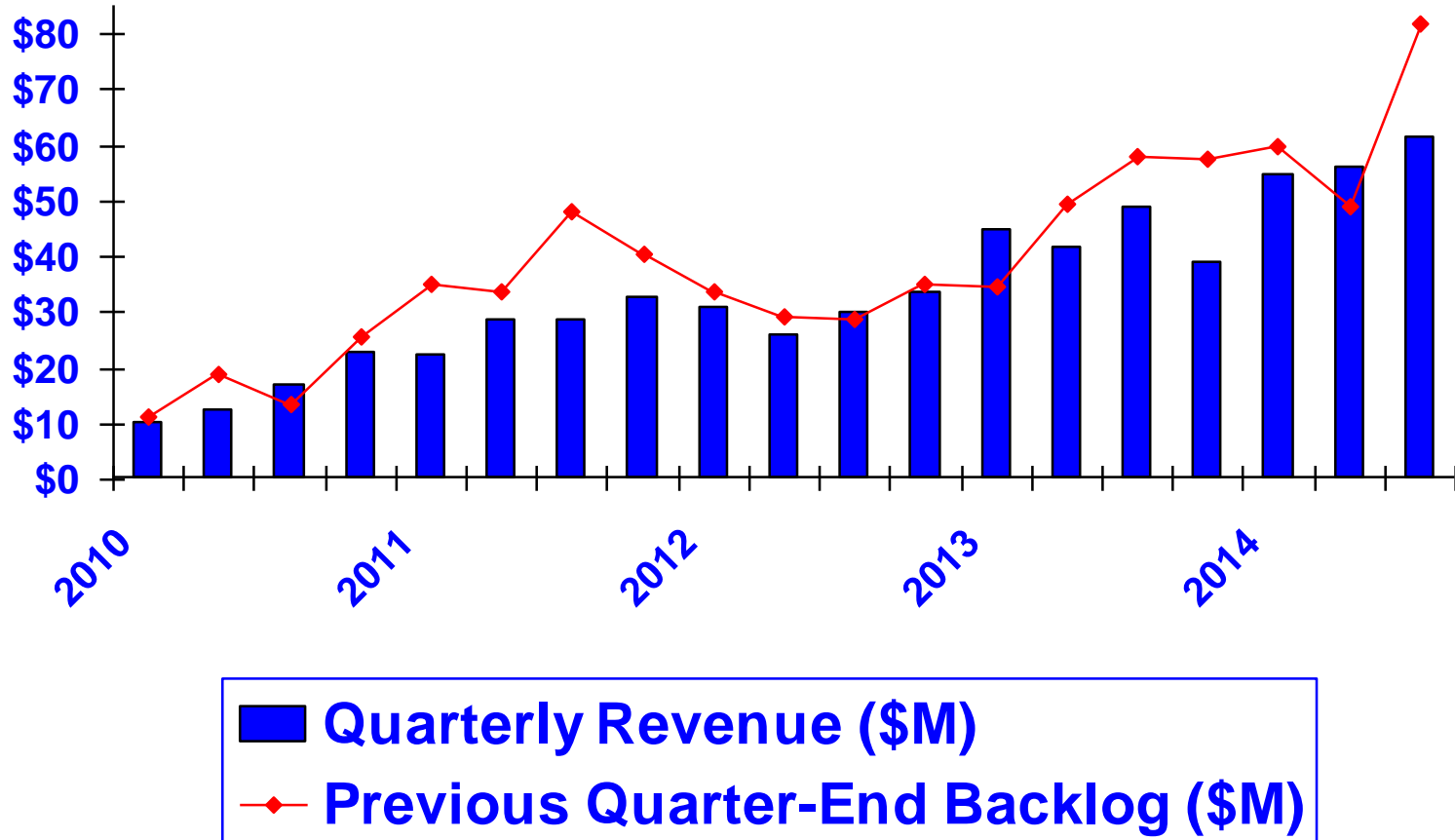
(dollar amounts in thousands)



<i>Nine Months ended Sept 30</i>	2014	2013	% Change
Horsepower on Lease (period end)	35,500	35,700	-
Fabrication Sales Backlog (period end)	\$ 78,600	\$ 57,600	36%
Revenue	\$172,361	\$135,727	27%
EBITDA	\$ 34,231	\$ 23,368	46%
Assets (period end)	\$184,426	\$153,071	20%

Compression and Process Services

Historical Revenue Analysis



Consolidated Financial Performance

(in thousands of dollars, except per share amounts)



<i>Three Months ended Sept 30</i>	2014	2013	% Change
Revenue	\$ 108,233	\$ 89,060	22%
EBITDA	24,596	20,752	19%
Cashflow	24,184	18,899	28%
Net Income	11,752	9,109	29%
<i>Per Share, Diluted</i>			
EBITDA	\$0.70	\$0.61	15%
Cashflow	\$0.69	\$0.55	25%
Net Earnings	\$0.37	\$0.29	28%

Consolidated Financial Performance

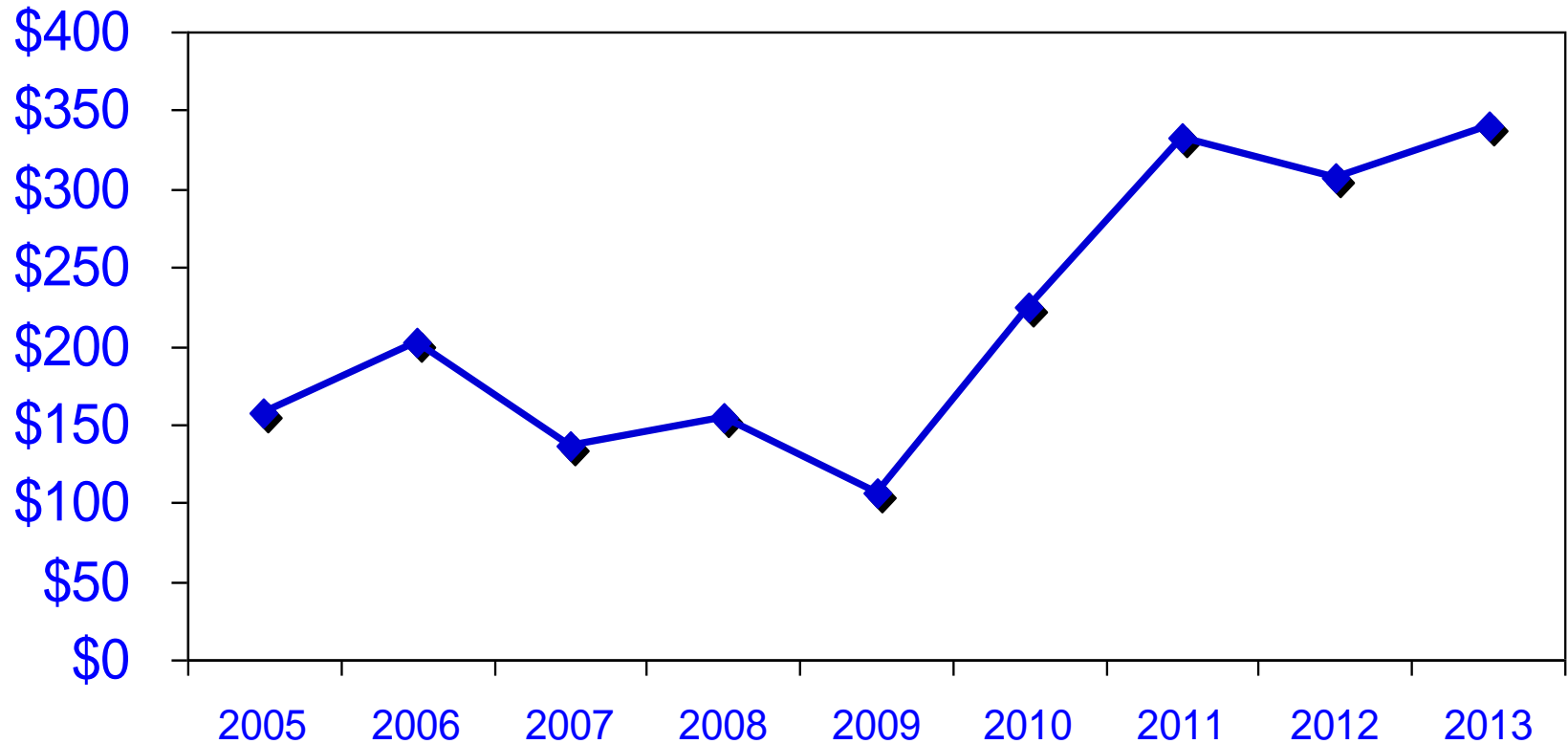
(in thousands of dollars, except per share amounts)



<i>Nine Months ended Sept 30</i>	2014	2013	% Change
Revenue	\$ 307,040	\$ 252,639	22%
EBITDA	76,195	59,800	27%
Cashflow	78,078	36,456	114%
Net Income	39,996	26,614	50%
<i>Per Share, Diluted</i>			
EBITDA	\$2.19	\$1.76	24%
Cashflow	\$2.24	\$1.07	109%
Net Income	\$1.24	\$0.86	44%

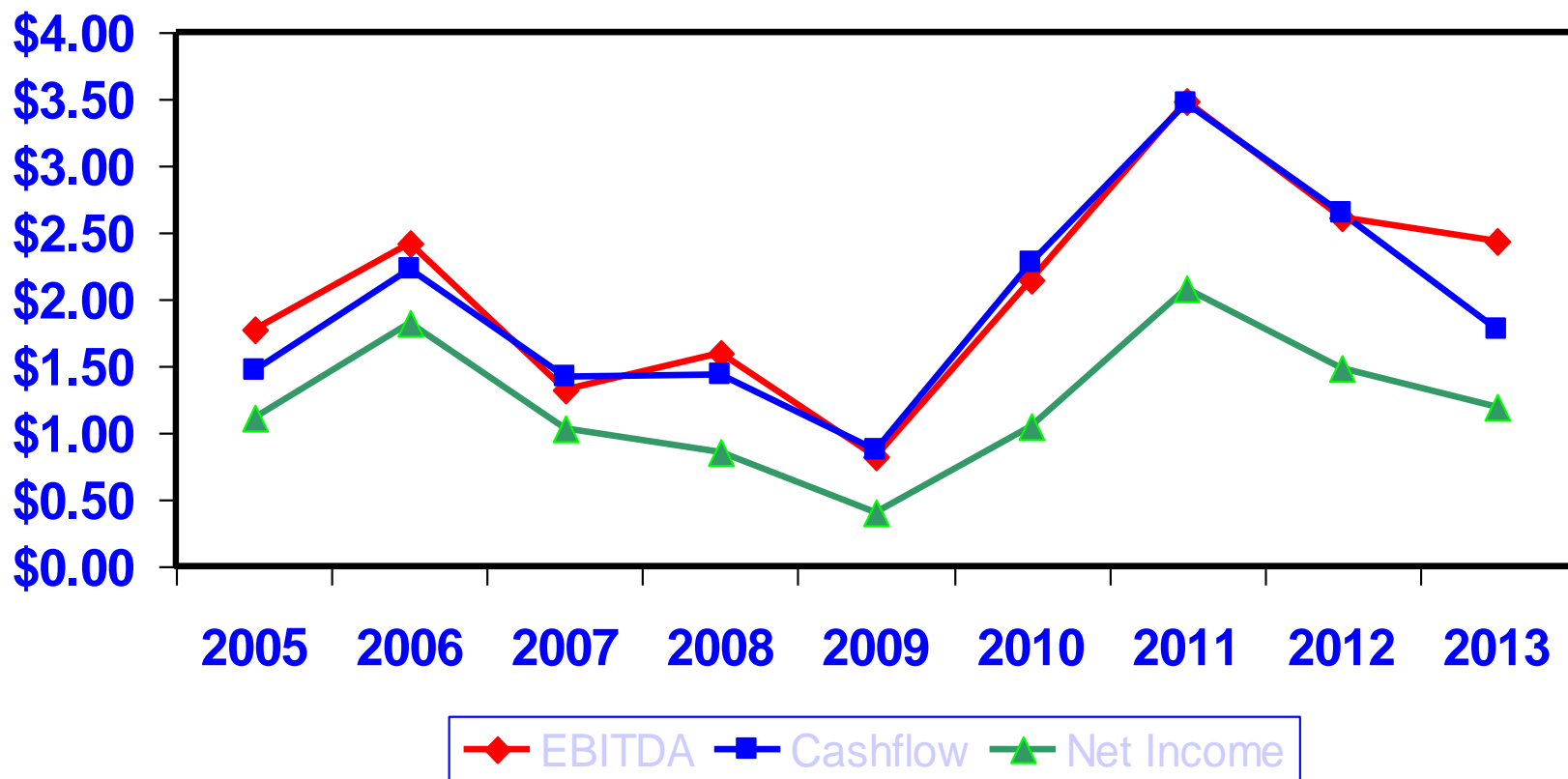
Long Term Performance – Annual Revenue

(in millions of dollars)



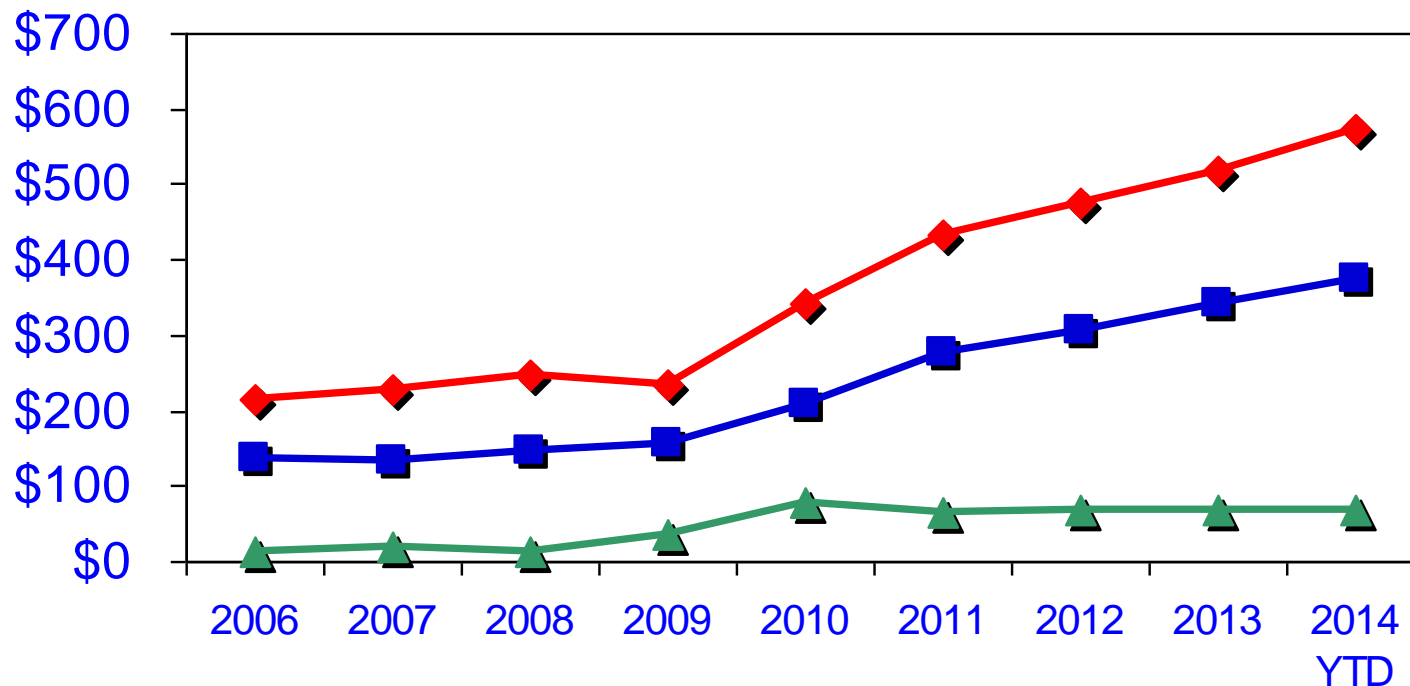
Long Term Performance – Income Statement

(dollars per share, diluted)



Long Term Performance – Balance Sheet

(in millions of dollars)



◆ Total Assets ■ Shareholders' Equity ▲ LTD

2014 Capital Expenditure Budget

(in millions of dollars)



\$93.1 million 2014 capital expenditure budget:

- \$25.0 million – expansion of gas compression rental fleet
- \$15.2 million – construction of Rig 18
- \$12.7 million – 355 rental pieces in Rentals & Transportation Services division
- \$10.4 million – infrastructure (including 2013 carry-forward)
- \$6.9 million – maintenance
- \$4.3 million – equipment for the Contract Drilling Services and Compression and Process Services divisions
- \$18.6 million of 2013 carry-forward:
 - \$10.7 million: Rig 17 and Rig 3 upgrade
 - \$7.9 million: compression rental fleet additions



Strong Track Record



- Established long-term track record of building sustainable shareholder value:
 - 10 year annual total asset growth rate of 17%
 - 10 year annual EBITDA/share (diluted) growth rate of 24%
 - 10 year annual pre-tax return on total assets of 16%
 - 10 year annual pre-tax return on equity of 27%
 - No capital asset or goodwill impairment write-downs ever recorded after completing over 20 acquisitions since 1997
 - Returns achieved with moderate use of debt

Annual growth rates are 10 year simple averages (2004-2013). ROA and ROE are calculated using the simple average of opening and closing total assets and equity, respectively.



Well Positioned For the Future



Well positioned for continued accretive growth that rewards our owners:

Operational strength: stable, experienced management and a well established market position in each business division provides a solid base for continued growth

Financial strength: no bank debt and unencumbered capital asset base permits growth without unnecessary shareholder dilution

Rewarding our Owners: from Jan 1, 2010 to Sept 30, 2014 returned \$62.7 million to Shareholders (\$26.1 million of dividends and \$36.6 million of share buybacks); 20% increase to dividend effective in Q1 2014

Leverage to Increased Activity: from Jan. 1, 2010 to Sept 30, 2014: \$292.9 million (167%) increase to PPE (net of dispositions) against a 20% increase in fully diluted shares outstanding (including shares issuable on conversion of \$69 million of convertible debentures at \$22.22) and elimination of bank debt



Contact Information



For further information about Total Energy Services Inc., contact:

Daniel Halyk, President & CEO,
phone: (403) 216-3921, email: dhalyk@totalenergy.ca

or

Dennis Hassel, VP Finance & CFO
phone: (403) 216-3920, email: dhassel@totalenergy.ca

www.totalenergy.ca



TOTAL ENERGY, BIDELL, BIDELL EQUIPMENT, CHINOOK, CHINOOK DRILLING, NOMAD, SPECTRUM PROCESS SYSTEMS and the Total Energy, Bidell, Spectrum and Chinook Drilling logos are registered trademarks of Total Energy Services Inc.