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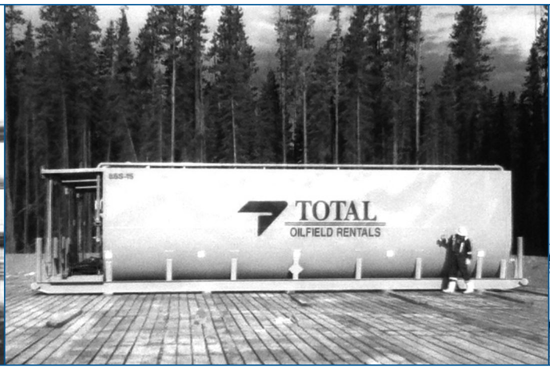

FOCUS DISCIPLINE GROWTH

First Quarter Report 2024

TOTAL ENERGY SERVICES INC.

Total Energy Services Inc. ("Total Energy" or the "Company") is a public energy services company based in Calgary, Alberta that provides a variety of products and services to the energy and other resource industries through its subsidiaries and aboriginal partnerships. Total Energy is involved in four businesses: contract drilling services, the rental and transportation of equipment used in the drilling, completion and production of oil and natural gas wells, the fabrication, sale, rental and servicing of new and used natural gas compression and oil and natural gas process equipment and well servicing. Together these businesses provide a platform for building long-term shareholder value. Total Energy has achieved its growth by maintaining a disciplined acquisition strategy and undertaking strategic internal growth.

The shares of Total Energy are listed and trade on the Toronto Stock Exchange under the symbol TOT.

REPORT TO SHAREHOLDERS

Results for the first three months of 2024 reflect reduced drilling activity in the United States that was partially offset by stable industry conditions in Canada. While Australian industry conditions were also stable, extended wet weather conditions significantly reduced field activity levels compared to the first quarter of 2023.

On March 7, 2024 Total Energy completed the acquisition of Saxon Energy Services Australia Pty. Ltd. US $34.8 million was paid on completion and US $2.0 million less any post-completion adjustments will be paid on the first anniversary of completion. During the first quarter of 2024 the Company paid $19.7 million of income taxes and related interest and penalties arising from an income tax reassessment related to the Company's conversion from an income trust in 2009. While the Canadian Tax Court decision has been appealed, all amounts owing pursuant to such reassessment have been paid in full.

In the context of relatively stable industry conditions and a strong financial position, the Board of Directors of Total Energy approved a 13% increase to the Company's dividend commensurate with the 2024 first quarter dividend.

LOOKING FORWARD

The acquisition of Saxon and its 11 drilling rigs significantly expands Total Energy's presence in Australia. With a newly constructed drilling rig expected to commence operations in the third quarter of 2024, the Company has become a leading participant in the Australian land drilling industry with a fleet of 17 drilling rigs. Given recently improved weather conditions, the outlook for Australian activity levels is positive.

Total Energy's Board of Directors has approved a $19.8 million increase to the Company's 2024 capital expenditure budget to $66.3 million. $11.5 million of such increase is directed towards new drill pipe for the Canadian CDS segment and Saxon's 2024 capital maintenance requirements. The remaining $8.3 million is being allocated towards the purchase of new rental equipment for the RTS segment and the upgrade of a Canadian drilling rig. Total Energy expects to fund its 2024 capital expenditure budget with cash on hand and cash flow.

Total Energy's investment in upgrading its equipment fleet over the past few years has not only provided a reasonable return for our owners but it has also increased the capacity and performance of our equipment for the benefit of our customers. A highlight occurred during April 2024 when Savanna Drilling drilled the longest Montney well drilled to date in Canada at a total measured depth of 8,006 meters. The well was drilled by Savanna Rig 653, an AC electric telescopic double rig in just 19.2 days from spud to TD.

On behalf of the Board of Directors of Total Energy I would like to thank all of our employees for their continued commitment to operating in a safe and efficient manner. Special recognition goes to the employees of our Rentals and Transportation Services segment who have achieved a zero TRIF for the past 12 months. Congratulations - a job well done.

Daniel Halyk

DANIEL K. HALYK
President and Chief Executive Officer

May 2024

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars)

	Note	March 31, 2024	December 31, 2023
		(unaudited)	(audited)
ASSETS			
Current assets:			
Cash and cash equivalents		**$ 45,039**	$ 47,935
Accounts receivable		**146,166**	137,604
Inventory		**112,926**	98,179
Prepaid expenses and deposits		**13,023**	16,735
		317,154	300,453
Property, plant and equipment		**618,009**	557,152
Deferred income tax asset		**2,474**	–
Goodwill		**4,053**	4,053
		$ 941,690	$ 861,658
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 128,126**	$ 116,794
Deferred revenue		**46,382**	39,321
Contingent consideration on business acquisition	4	**2,710**	–
Income taxes payable		**3,447**	9,771
Dividends payable		**3,596**	3,198
Current portion of lease liabilities		**6,425**	5,880
Current portion of long-term debt	5	**2,070**	2,050
		192,756	177,014
Long-term debt	5	**140,419**	90,947
Lease liabilities		**9,428**	9,887
Deferred income tax liability		**55,120**	53,052
Shareholders' equity:			
Share capital	6	**251,199**	251,283
Contributed surplus		**4,771**	4,805
Accumulated other comprehensive loss		**(23,871)**	(25,506)
Non-controlling interest		**302**	521
Retained earnings		**311,566**	299,655
		543,967	530,758
		$ 941,690	$ 861,658

The notes on pages 6 to 12 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME

Unaudited (in thousands of Canadian dollars except per share amounts)

		Three months ended March 31	
	Note	2024	2023
REVENUE		$ 204,686	$ 237,777
Cost of services		148,229	177,986
Selling, general and administration		12,734	11,433
Other expense (income)		320	(6)
Share-based compensation	7	709	389
Depreciation		20,664	19,955
Operating income		22,030	28,020
Gain on sale of property, plant and equipment		596	500
Finance costs, net		(1,832)	(1,703)
Net income before income taxes		20,794	26,817
Current income tax expense		3,972	324
Deferred income tax expense		1,359	2,455
Total income tax expense		5,331	2,779
Net income		$ 15,463	$ 24,038
Net income (loss) attributable to:			
Shareholders of the Company		$ 15,482	$ 24,040
Non-controlling interest		(19)	(2)
Income per share			
Basic	6	$ 0.39	$ 0.58
Diluted		$ 0.38	$ 0.57

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended March 31	
	2024	2023
Net income	$ 15,463	$ 24,038
Foreign currency translation	1,635	(618)
Total other comprehensive income (loss) for the period	1,635	(618)
Total comprehensive income	$ 17,098	$ 23,420
Total comprehensive income (loss) attributable to:		
Shareholders of the Company	$ 17,117	$ 23,422
Non-controlling interest	(19)	(2)

The notes on pages 6 to 12 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As at and for the three months ended March 31, 2024 and 2023, and year ended December 31, 2023
Unaudited (in thousands of Canadian dollars)

	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Non-controlling Interest	Retained earnings	Total Equity
Balance at December 31, 2022		$ 261,109	$ 3,590	$ (17,032)	$ 552	$ 273,804	$ 522,023
Net income (loss)		–	–	–	(31)	41,625	41,594
Other comprehensive loss		–	–	(8,474)	–	–	(8,474)
Transactions with shareholders, recorded directly in equity							
Dividends ($0.32 per common share)		–	–	–	–	(12,850)	(12,850)
Repurchase of common shares	6	(10,155)	–	–	–	(3,432)	(13,587)
Issue of share capital from exercise of stock options	6	329	(150)	–	–	(313)	(134)
Share options expired	7	–	(821)	–	–	821	–
Share-based compensation	7	–	2,186	–	–	–	2,186
		(9,826)	1,215	–	–	(15,774)	(24,385)
Balance at December 31, 2023		$ 251,283	$ 4,805	$ (25,506)	$ 521	$ 299,655	$ 530,758
Net income (loss)		**–**	**–**	**–**	**(19)**	**15,482**	**15,463**
Other comprehensive income		**–**	**–**	**1,635**	**–**	**–**	**1,635**
Transactions with shareholders, recorded directly in equity							
Dividends ($0.09 per common share)		**–**	**–**	**–**	**–**	**(3,596)**	**(3,596)**
Repurchase of common shares	**6**	**(473)**	**–**	**–**	**–**	**(251)**	**(724)**
Issue of share capital from exercise of stock options	**6**	**389**	**(743)**	**–**	**–**	**276**	**(78)**
Partnership distributions		**–**	**–**	**–**	**(200)**	**–**	**(200)**
Share-based compensation	**7**	**–**	**709**	**–**	**–**	**–**	**709**
		(84)	**(34)**	**–**	**(200)**	**(3,571)**	**(3,889)**
Balance at March 31, 2024		**$ 251,199**	**$ 4,771**	**$ (23,871)**	**$ 302**	**$ 311,566**	**$ 543,967**

	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Non-controlling Interest	Retained earnings	Total Equity
Balance at December 31, 2022		$ 261,109	$ 3,590	$ (17,032)	$ 552	$ 273,804	$ 522,023
Net income (loss)		–	–	–	(2)	24,040	24,038
Other comprehensive loss		–	–	(618)	–	–	(618)
Transactions with shareholders, recorded directly in equity							
Dividends ($0.08 per common share)		–	–	–	–	(3,242)	(3,242)
Repurchase of common shares	6	(6,134)	–	–	–	(1,880)	(8,014)
Share options expired	7	–	(821)	–	–	821	–
Share-based compensation	7	–	389	–	–	–	389
		(6,134)	(432)	–	–	(4,301)	(10,867)
Balance at March 31, 2023		$ 254,975	$ 3,158	$ (17,650)	$ 550	$ 293,543	$ 534,576

The notes on pages 6 to 12 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited (in thousands of Canadian dollars)

	Note	Three months ended March 31	
		2024	2023
Cash provided by (used in):			
Operations:			
Net income for the period		**$ 15,463**	$ 24,038
Add (deduct) items not affecting cash:			
Depreciation		**20,664**	19,955
Share-based compensation	7	**709**	389
Gain on sale of property, plant and equipment		**(596)**	(500)
Finance costs, net		**1,832**	1,703
Foreign currency translation		**(270)**	352
Current income tax expense		**3,972**	324
Deferred income tax expense		**1,359**	2,455
Income taxes paid		**(10,296)**	(44)
Cashflow		**32,837**	48,672
Changes in non-cash working capital items:			
Accounts receivable		**(8,562)**	(17,004)
Inventory		**(14,747)**	(10,803)
Prepaid expenses and deposits		**3,712**	637
Accounts payable and accrued liabilities		**17,332**	4,012
Deferred revenue		**7,065**	4,227
Cash provided by operating activities		**37,637**	29,741
Investing:			
Purchase of property, plant and equipment		**(29,635)**	(30,329)
Cash paid on acquisition	4	**(47,350)**	–
Proceeds on disposal of property, plant and equipment		**627**	1,303
Changes in non-cash working capital items		**4,006**	12,733
Cash used in investing activities		**(72,352)**	(16,293)
Financing:			
Advancements of long-term debt	5	**60,000**	–
Repayment of long-term debt	5	**(10,508)**	(5,497)
Repayment of lease liabilities		**(1,629)**	(1,617)
Dividends to shareholders		**(3,198)**	(2,490)
Repurchase of common shares	6	**(724)**	(8,014)
Partnership distributions		**(200)**	–
Interest paid		**(11,922)**	(1,663)
Cash from (used in) financing activities		**31,819**	(19,281)
Change in cash and cash equivalents		**(2,896)**	(5,833)
Cash and cash equivalents, beginning of period		**47,935**	34,061
Cash and cash equivalents, end of period		**$ 45,039**	$ 28,228

The notes on pages 6 to 12 are an integral part of these condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2024 and 2023
Unaudited (tabular amounts in thousands of Canadian dollars)

1. Reporting Entity

Total Energy Services Inc. (the “Company”) is incorporated under the Business Corporations Act (Alberta) and its head office is located in Calgary, Alberta at Suite 1000, 734 – 7th Avenue S.W. The condensed interim consolidated financial statements include the accounts of the Company, its subsidiaries and aboriginal partnerships established in Canada, the United States of America (the “United States”) and Australia.

The Company provides a variety of products and services to the energy and other resource industries primarily in Canada, the United States and Australia, including contract drilling services, the rental and transportation of equipment used in energy and other industrial operations, the fabrication, sale, rental and servicing of gas compression and process equipment and well servicing.

2. Basis of Presentation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” of International Financial Reporting Standards (“IFRS”) and using the accounting policies outlined in the Company’s audited consolidated financial statements for the year ended December 31, 2023 (the “2023 Financial Statements”). These condensed interim consolidated financial statements do not include all the necessary annual disclosures and should be read in conjunction with the 2023 Financial Statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on May 9, 2024.

Seasonality

A significant portion of the Company’s field operations are conducted in Canada where the ability to move heavy equipment is dependent on ground conditions. As warm weather returns in the spring, the winter’s frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until such roads have thoroughly dried out. The duration of this “spring breakup” has a direct impact on the Company’s activity levels and operating results in Canada. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support equipment. The timing of freeze up and spring breakup affects the ability to move equipment in and out of these areas. As a result, late March through May is traditionally the Company’s slowest period in Canada. Additionally, wet weather in Australia, normally in the first quarter, can restrict the Company’s Australian operations. Consequently, quarterly operating results may not be indicative of full year operating results.

3. Segmented Information

The Company manages its business in five reportable segments: Contract Drilling Services, Rental and Transportation Services, Compression and Process Services, Well Servicing and Corporate. For each of the reporting segments, the Company’s Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis. Corporate includes activities related to corporate and public company affairs.

Inter-segment pricing is determined on an arm’s length basis.

Unaudited (tabular amounts in thousands of Canadian dollars)

As at and for the three months ended March 31, 2024	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate[1]	Total
Revenue	$ 81,211	$ 22,379	$ 77,526	$ 23,570	$ –	$ 204,686
Cost of services	55,892	10,915	63,551	17,871	–	148,229
Selling, general and administration	3,006	2,261	3,126	1,385	2,956	12,734
Other expense	–	–	–	–	320	320
Share-based compensation	–	–	–	–	709	709
Depreciation	10,343	5,064	2,589	2,399	269	20,664
Operating income (loss)	11,970	4,139	8,260	1,915	(4,254)	22,030
Gain on sale of property, plant and equipment	33	512	51	–	–	596
Finance costs, net	(22)	(41)	(102)	(23)	(1,644)	(1,832)
Net income (loss) before income taxes	11,981	4,610	8,209	1,892	(5,898)	20,794
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	452,036	162,178	259,241	62,321	5,914	941,690
Total liabilities	87,200	32,233	100,016	6,867	171,407	397,723
Capital expenditures	12,801	2,785	10,455	3,594	–	29,635

As at and for the three months ended March 31, 2024	Canada	United States	Australia	Total
Revenue	$ 103,064	$ 79,117	$ 22,505	$ 204,686
Non-current assets[2]	389,623	137,198	95,241	622,062

As at and for the three months ended March 31, 2023	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate[1]	Total
Revenue	$ 82,536	$ 24,413	$ 98,118	$ 32,710	$ –	$ 237,777
Cost of services	59,418	12,903	81,972	23,693	–	177,986
Selling, general and administration	2,985	2,058	3,577	844	1,969	11,433
Other income	–	–	–	–	(6)	(6)
Share-based compensation	–	–	–	–	389	389
Depreciation	9,048	4,872	2,623	3,147	265	19,955
Operating income (loss)	11,085	4,580	9,946	5,026	(2,617)	28,020
Gain on sale of property, plant and equipment	136	198	30	106	30	500
Finance costs, net	(15)	(18)	(121)	(16)	(1,533)	(1,703)
Net income (loss) before income taxes	11,206	4,760	9,855	5,116	(4,120)	26,817
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	370,833	184,392	272,071	83,330	(218)	910,408
Total liabilities	79,568	23,838	124,109	7,632	140,685	375,832
Capital expenditures	23,824	1,538	2,509	2,458	–	30,329

As at and for the three months ended March 31, 2023	Canada	United States	Australia	Total
Revenue	$ 108,126	$ 105,007	$ 24,644	$ 237,777
Non-current assets[2]	386,242	146,475	49,787	582,504

(1) Corporate includes the Company's corporate activities and obligations pursuant to long-term credit facilities.

(2) Includes property, plant and equipment and goodwill.

Unaudited (tabular amounts in thousands of Canadian dollars)

4. Business acquisition

On January 17, 2024 the Company's wholly owned subsidiary Savanna Energy Services Pty Ltd. ("Savanna Australia") entered into an agreement with SLB to acquire all of the shares of Saxon Energy Services Australia Pty Ltd. ("Saxon") for U.S. $37.0 million (CAD $50.1 million) cash (the "Acquisition"). This Acquisition was completed on March 7, 2024 (the "Effective Acquisition Date").

The Acquisition has been accounted for as a business combination using the acquisition method whereby the net assets acquired and liabilities assumed are recorded at fair value. The preliminary purchase price allocation is based on management's best estimates of fair values of Saxon's assets and liabilities as at the Effective Acquisition Date. Future adjustments to estimates may be required.

	March 7, 2024
Trade accounts receivable and accrued receivables	$ 10,478
Inventory	3,824
Property, plant and equipment	48,532
Deferred tax asset	1,775
Accounts payable and other liabilities	(14,554)
Net assets acquired	50,055
Cash paid on acquisition	47,350
Contingent consideration	2,705
Total consideration	**$ 50,055**

The fair values of trade accounts receivable and other current assets, and accounts payable and other liabilities approximate their carrying values due to the short-term maturity of the instruments. Fair value of property, plant and equipment was determined by utilizing current market information for similar equipment, adjusted for the specific design, mechanical condition and marketability of such equipment. Key assumptions underlying managements' estimate of fair value include expectations as to future market conditions in the oil and gas industry, expected useful lives of equipment, discount rates, recoverability of available tax pools and collectability of accounts receivable.

Depreciation of property, plant and equipment acquired was recognized in the condensed interim consolidated statement of income from the Effective Acquisition Date and is consistent with the Company's existing depreciation estimates.

Acquisition costs of $0.5 million have been charged to selling, general and administration expenses in the condensed interim consolidated statements of income for the three month period ended March 31, 2024.

Contingent consideration, less any claims that might arise, is payable on March 7, 2025 in cash.

Saxon contributed $4.9 million to consolidated revenues and $0.1 million to consolidated income from the Effective Acquisition Date to March 31, 2024.

Had the acquisition occurred on January 1, 2024, Saxon would have contributed $18.7 million to consolidated revenues and $1.3 million to consolidated net income.

Unaudited (tabular amounts in thousands of Canadian dollars)

5. Long-term Debt

At March 31, 2024 the Company's long-term debt consisted of the following:

	March 31, 2024	
	Interest rate	Principal Amount
Credit Facility	6.81%	$ 100,000
Mortgage loan (2025 maturity)	3.10%	42,489
	5.70%	142,489
Less current portion		2,070
		$ 140,419

At March 31, 2024 amounts owing under the Credit Facility were denominated in Canadian dollars.

On June 19, 2017 the Company entered into a three-year $225 million revolving syndicated credit facility (the "Credit Facility"). Following several renewals and at the request of the Company the Credit Facility was reduced to $170 million and the maturity date extended to November 10, 2026. The Credit Facility includes a Canadian $18 million operating line, an Australian $2 million operating line and a Canadian $150 million revolving facility. The Company has the option to increase such facility by $75 million subject to certain terms and conditions, including the agreement of the lenders to increase their commitments. The Credit Facility bears interest at the banks' Canadian prime rate plus 0.25% to 1.25%, bankers' acceptances, letters of credit, LIBOR or BBSY advances plus a 1.5% to 2.5% stamping fee. The applicable interest rate within such ranges is dependent on certain financial ratios of the Company. A standby fee ranging from 0.25% to 0.5% per annum is paid quarterly on the unused portion of the facility depending on certain financial ratios of the Company. In January of 2024, term CORRA rates have replaced bankers' acceptances and SOFR rates have replaced LIBOR, with no changes in pricing or premiums. At March 31, 2024, the applicable interest rate on amounts drawn on the Credit Facility was 6.81% and the standby rate was 0.25%. Letters of credit ("LOC") of $0.3 million were outstanding at March 31, 2024 which reduces the amount of credit available under the Credit Facility by an equivalent amount.

In August of 2018 a U.S. $20 million letter of credit facility was established (the "LOC Facility"). LOCs issued pursuant to the LOC Facility do not reduce availability under the Credit Facility. In April of 2020 this facility was reduced at the request of the Company to U.S. $10 million. At March 31, 2024 $2.2 million Canadian dollars of LOCs were outstanding under the LOC Facility (December 31, 2023: $3.9 million).

In addition to the Credit Facility, a subsidiary of the Company has established a $5 million revolving operating credit facility with a member of the Credit Facility lenders' syndicate. At March 31, 2024 this facility was undrawn and fully available.

The Company's ability to access the Credit Facility is dependent, among other conditions, on compliance with the following financial ratios, the definitions and thresholds for which are further described below:

	March 31, 2024	Threshold
Twelve-month trailing Bank EBITDA to interest expense	10.05	minimum 3.00
Total Senior Debt to twelve-month trailing Bank EBITDA	0.41	maximum 3.00

Unaudited (tabular amounts in thousands of Canadian dollars)

Readers are cautioned that the ratios described above do not have standardized meanings under IFRS as the computation of these ratios excludes amounts from certain non-guarantor subsidiaries and limited partnerships partially owned by the Company. Key definitions for the purpose of calculating the Company's financial debt covenants are as follows:

- Bank EBITDA is determined (on a 12-month trailing basis) as earnings before finance expenses, income taxes, depreciation, share-based compensation and certain non-recurring and non-cash income and expenses as defined in the credit agreement and excludes amounts from certain non-guarantor subsidiaries and the limited partnerships partially owned by the Company.

- Senior Debt is determined as total long-term debt (including the current portions thereof but excluding the mortgage loans and certain other obligations identified in the credit agreement) minus cash on hand.

The Credit Facility is secured by a general security agreement over all the present and future property of the Company and its subsidiaries.

Mortgage Loan (2025 maturity) is a loan maturing on April 29, 2025 that is amortized over 20 years with blended monthly principal and interest payments of approximately $279,800. At maturity, approximately $40.2 million of principal will become due and payable assuming only regular monthly payments are made. This loan bears interest at a fixed rate of 3.10% and is secured by certain of the Company's real estate.

At March 31, 2024 the Company was in compliance with all debt covenants.

6. Share Capital

(a) Common Share Capital

Common shares of Total Energy Services Inc.

(i) Authorized:

Unlimited number of common voting shares, without nominal or par value.
Unlimited number of preferred shares.

(ii) Common shares issued:

	Number of shares (thousands)	Amount
Balance, December 31, 2022	41,500	$ 261,109
Repurchased and cancelled	(1,614)	(10,155)
Share options exercised	89	329
Balance, December 31, 2023	39,975	$ 251,283
Repurchased and cancelled	**(63)**	**(397)**
Repurchased and not cancelled	**–**	**(76)**
Share options exercised	**41**	**389**
Balance, March 31, 2024	**39,953**	**$ 251,199**

During the three months ended March 31, 2024, 63,200 shares (March 31, 2023: 975,000 shares) were repurchased under the Company's normal course issuer bid at an average price of $10.25 (March 31, 2023: $8.22) per share including commissions. 7,400 shares repurchased were cancelled subsequent to March 31, 2024.

Unaudited (tabular amounts in thousands of Canadian dollars)

(b) Per Share Amounts

Basic and diluted earnings per share have been calculated based on the weighted average number of common shares outstanding as outlined below:

	Three months ended March 31	
	2024	2023
Net income for the period attributable to shareholders	**$ 15,482**	$ 24,040
Weighted average number of shares outstanding – basic	**39,971**	41,322
Income per share – basic	**$ 0.39**	$ 0.58
Net income for the period attributable to shareholders	**$ 15,482**	$ 24,040
Weighted average number of shares outstanding – basic	**39,971**	41,322
Share option dilution	**825**	727
Weighted average number of shares outstanding – diluted	**40,796**	42,048
Income per share – diluted	**$ 0.38**	$ 0.57

For the three months ended March 31, 2024, 1,680,000 share options (March 31, 2023: 1,580,000 options) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

7. Share-Based Compensation Plan

Share option transactions during 2024 and 2023 were as follows:

A total of 1,385,001 outstanding options were exercisable at March 31, 2024 at a weighted average price of $5.44 per option.

	Weighted average exercise price	Number of Options
Balance, December 31, 2022	$ 6.90	3,181,664
Granted	10.06	1,380,000
Expired	13.54	(300,000)
Exercised	2.81	(89,151)
Surrendered	3.65	(62,516)
Balance, December 31, 2023	$ 7.61	4,109,997
Exercised	**7.92**	**(40,862)**
Surrendered	**9.39**	**(422,471)**
Balance, March 31, 2024	**$ 7.40**	**3,646,664**

Unaudited (tabular amounts in thousands of Canadian dollars)

The Company uses the Black-Scholes option-pricing model to determine the estimated fair value of the share options granted. The average per share fair value of the options granted during 2023: $2.77 per option using the following assumptions:

	December 31, 2023
Expected volatility	38.35% - 47.54%
Annual dividend	3.18%
Risk free interest rate	3.93% - 4.37%
Forfeitures	9.86%
Expected life (years)	3 to 5 years

The share options issued vest 1/3 on the first, second and third anniversary from the grant date and expire five years from the date of grant. The outstanding options expire on various dates ranging from May 17, 2024 to August 10, 2028.

8. Financial Instruments

The Company's financial instruments as at March 31, 2024 include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, dividends payable, contingent consideration on business acquisitions and long-term debt. The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, dividends payable, contingent consideration on business combinations and the Credit Facility approximate their carrying amounts due to their short terms to maturity.

The discounted future cash repayments of the Company's mortgage loan (maturity 2025) are calculated using prevailing market rates of a similar debt instrument as at the reporting date. The net present value of future cash repayments of this mortgage loan and related interest at the prevailing market rate of 6.18% for a similar debt instrument at March 31, 2024 was $41.2 million (December 31, 2023: market rate of 5.86%, $41.5 million). The carrying value and Company's liability with respect to the mortgage loan is $42.5 million.

9. Contingencies

In November of 2017 the Company received a Statement of Claim filed in the Alberta Court of Queen's Bench by Her Majesty the Queen in Right of Alberta, by its agent, Alberta Investment Management Corporation ("AIMCo") against the Company and Savanna Energy Services Corp. ("Savanna"), a wholly owned subsidiary of the Company. In early 2020 AIMCo amended its claim to remove the Company as a defendant. AIMCo's claim relates to Savanna's refusal to pay a $6 million change of control penalty (the "Additional Penalty") to AIMCo. The Company and Savanna have received legal advice that AIMCo's claim for the Additional Penalty is not enforceable and have filed a statement of defense. Savanna has also filed a third-party claim against its former directors that seeks indemnity in the event that AIMCo is successful in its claim against Savanna. Following the completion of discoveries, Savanna has filed a counterclaim against AIMCo and certain former directors of Savanna for $7.3 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

The following MD&A for Total Energy Services Inc. ("Total Energy" or the "Company") was prepared as at May 9, 2024 and focuses on information and key statistics from the unaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2024 (the "Interim Financial Statements") and pertains to known risks and uncertainties relating to the energy services sector. This discussion should not be considered all-inclusive as it does not include all changes regarding general economic, political, governmental and environmental conditions.

This MD&A should be read in conjunction with the Company's Interim Financial Statements, the Company's 2023 Annual Report, the Annual Information Form ("AIF") for the year ended December 31, 2023 and the cautionary statement regarding forward-looking information and statements below. Additional information relating to Total Energy, including the Company's AIF, may be found on SEDAR+ at www.sedarplus.ca.

Unless otherwise indicated, all dollar amounts presented herein are in thousands of Canadian dollars except per share amounts which are presented in Canadian dollars.

FINANCIAL HIGHLIGHTS

	Three months ended March 31		
	2024	2023	Change
Revenue	**$ 204,686**	$ 237,777	(14%)
Operating income	**22,030**	28,020	(21%)
EBITDA[1]	**43,290**	48,475	(11%)
Cashflow	**32,837**	48,672	(33%)
Net income	**15,463**	24,038	(36%)
Attributable to shareholders	**15,482**	24,040	(36%)
Per share data (diluted)			
EBITDA[1]	**$ 1.06**	$ 1.15	(8%)
Cashflow	**$ 0.80**	$ 1.16	(31%)
Attributable to shareholders:			
Net income	**$ 0.38**	$ 0.57	(33%)
Common shares (000's)[3]			
Basic	**39,971**	41,322	(3%)
Diluted	**40,796**	42,048	(3%)
Financial Position at	**March 31, 2024**	Dec 31, 2023	Change
Total Assets	**$ 941,690**	$ 861,658	9%
Long-Term Debt and Lease Liabilities (excluding current portion)	**149,847**	100,834	49%
Working Capital[2]	**124,398**	123,439	1%
Net Debt[1]	**25,449**	–	nm
Shareholders' Equity	**543,967**	530,758	2%

(1) Please see "Non-IFRS Measures" below for the definition of EBITDA and Net Debt.

(2) Working capital means current assets minus current liabilities.

(3) Basic and diluted shares outstanding reflect the weighted average number of common shares outstanding for the period. See note 6 to the interim Financial Statements.

"nm" - calculation not meaningful

BUSINESS OF THE COMPANY

Total Energy is a public energy services company based in Calgary, Alberta that provides a variety of products and services to the energy and other resource industries through its subsidiaries and aboriginal partnerships. Total Energy is involved in four businesses: contract drilling services ("CDS"), the rental and transportation of equipment used in energy and other industrial operations ("RTS"), the fabrication, sale, rental and servicing of new and used gas compression and process equipment ("CPS") and well servicing, including completion, workover, maintenance and abandonment services ("WS"). The Company's operations are conducted within Canada, the United States of America ("United States" or "U.S.") and Australia. Corporate and public issuer affairs are conducted in the Company's Corporate segment.

Contract Drilling Services: At March 31, 2024, the Company operated a total fleet of 105 drilling rigs. The acquisition of Saxon Energy Services Australia Pty Ltd. ("Saxon") resulted in an increase of 11 land drilling rigs to the Company's fleet. The rig fleet is supported by an extensive fleet of owned top drives, walking systems, pumps and other ancillary equipment. Composition of the Company's drilling rig fleet is as follows:

By Type	
AC triples	3
AC doubles	17
Mechanical doubles	35
TDS and singles	45
Australian shallow	5
	105

By Geography	
Canada	77
United States	12
Australia	16
1.35 pt	105

Rentals and Transportation Services: Total Energy's RTS business is presently conducted from 15 locations in western Canada and three locations in the United States. At March 31, 2024, this segment had approximately 7,700 pieces of major rental equipment (excluding access matting), a fleet of 67 heavy trucks and an inventory of small rental equipment and access matting.

Compression and Process Services: The Company fabricates a full range of natural gas compression equipment as well as oil, natural gas and other process equipment. At March 31, 2024 the CPS segment occupied approximately 225,000 square feet of production facilities located in Calgary, Alberta and a 100,000 square foot production facility in Weirton, West Virginia. As at March 31, 2024 the CPS segment also had a network of 13 branch locations throughout western Canada and the United States from which its natural gas compression parts and service business is conducted. This segment had 61,300 horsepower of compression in its rental fleet at March 31, 2024.

Well Servicing: At March 31, 2024, the Company operated a total fleet of 79 well servicing rigs across western Canada, northwest United States and Australia. Composition of the Company's service rig fleet is as follows:

By Type	
Singles	35
Doubles	31
Australian specification	9
Flush-by	4
	79

By Geography	
Canada	56
United States	11
Australia	12
	79

OVERALL PERFORMANCE

Total Energy's results for the first quarter of 2024 reflect relatively stable industry conditions in Canada and Australia and lower drilling activity levels in the United States. Included in results for the first quarter of 2024 is the contribution from Saxon from March 7, 2024 when the acquisition of Saxon was completed. Revenue and operating income decreased in the first quarter of 2024 as compared to the same period last year due primarily to a year over year decline in U.S. drilling activity. Negatively impacting Australian results in the first quarter of 2024 was extended wet weather that reduced activity levels. Partially offsetting this decrease were strong results in the Canadian CDS and RTS segments and the U.S. CPS segment.

The Company's financial condition remains strong, with a positive working capital balance of $124.4 million as at March 31, 2024, which was $1.0 million higher than December 31, 2023. Shareholders' equity increased by $13.2 million from December 31, 2023 due to the realization of $15.5 million of net income, which was partially offset by $0.7 million of share repurchases under the Company's normal course issuer bid and $3.6 million of declared dividends.

Revenue

	Three months ended March 31		
	2024	2023	Change
Revenue	**$ 204,686**	$ 237,777	(14%)

Overall revenue decreased by 14% in the first quarter of 2024 as compared to the same period last year. Decreased industry activity levels were experienced in all geographic regions, particularly in the U.S., where drilling activity began to decline in the second half of 2023 and such decline continued into the first quarter of 2024. Partially offsetting this decrease was increased activity and pricing in the Canadian CDS segment, which had a 6% increase in first quarter revenue on a year over basis.

Cost of Services and Gross Margin

	Three months ended March 31		
	2024	2023	Change
Cost of services	**$ 148,229**	$ 177,986	(17%)
Gross margin	**$ 56,457**	$ 59,791	(6%)
Gross margin, as a percentage of revenue	**28%**	25%	12%

The decrease in costs of services during the first quarter of 2024 relative to the same period in 2023 is primarily due to lower activity levels in all business segments. Pricing gains in the CDS, RTS and CPS segments combined with cost control measures contributed to improved gross margins as a percentage of revenue in the first quarter of 2024 as compared to the same period last year.

Cost of services includes salaries and benefits for operations personnel, equipment repairs and maintenance, fuel, inventory used to manufacture compression and process equipment, utilities, property taxes and other occupancy costs related to manufacturing facilities and operations branches.

Selling, General and Administration Expenses

	Three months ended March 31		
	2024	2023	Change
Selling, general and administration expenses	**$ 12,734**	$ 11,433	11%

Selling, general and administration expenses during the three months ended March 31, 2024 were higher than in the same period in 2023 due to cost-of-living wage increases, higher profit-based incentive compensation in certain segments as a result of higher profitability and legal fees incurred to complete the acquisition of Saxon and appeal a Canadian income tax reassessment related to the Corporation's conversion from an income trust in 2009.

Included in selling, general and administration expenses are salaries and benefits for sales, office and administrative staff, utilities, property taxes and other occupancy costs related to the Company's various divisional offices and its corporate head office as well as professional fees and other costs incurred to maintain the Company's public listing and conduct investor relations activities. Also included is compensation for directors and officers pursuant to the Company's cash-based compensation plans.

Other expense (income)

	Three months ended March 31		
	2024	2023	Change
Other expense (income)	**$ 320**	$ (6)	nm

"nm" - calculation not meaningful

Other expense (income) arises from unrealized foreign exchange differences on translation of intercompany working capital balances of foreign subsidiaries. During the three months ended March 31, 2024, a net unrealized foreign exchange loss was primarily due to period end depreciation of the Canadian dollar relative to the U.S. dollar combined with the geographical mix of foreign currency denominated intercompany balances. During the three months ended March 31, 2023 net unrealized foreign exchange income was primarily due to the appreciation of the Canadian dollar relative to the Australian dollar and U.S. dollar combined with changes in the geographical mix of foreign currency denominated intercompany balances.

Share-based Compensation Expense

	Three months ended March 31		
	2024	2023	Change
Share-based compensation expense	**$ 709**	$ 389	82%

Share-based compensation expense arises from share options granted pursuant to the share option plan implemented in 2015. Share-based compensation expense for the three months ended March 31, 2024 relative to the same prior year period was higher due to the issuance of share options in the third quarter of 2023.

Depreciation Expense

	Three months ended March 31		
	2024	2023	Change
Depreciation expense	**$ 20,664**	$ 19,955	4%

The increase in depreciation expense for the three months ended March 31, 2024 as compared to the same period in 2023 is due to additions to property, plant and equipment during 2023 and 2024, including the addition of property, plant and equipment from the acquisition of Saxon.

Operating Income

	Three months ended March 31		
	2024	2023	Change
Operating income	**$ 22,030**	$ 28,020	(21%)

Operating income decreased in the first quarter of 2024 compared to the same period last year due primarily to the moderation of industry drilling activity levels in the United States. Decreases in all business segments were offset by improved operating income in the CDS segment due to increased Canadian activity and pricing increases in Canada and Australia and the contribution of Saxon results effective March 7, 2024.

Gain on Sale of Property, Plant and Equipment

	Three months ended March 31		
	2024	2023	Change
Gain on sale of property, plant and equipment	**$ 596**	$ 500	19%
Proceeds on the sale of property, plant and equipment	**$ 627**	$ 1,303	(52%)

Disposals of property, plant and equipment ("PP&E") result from the rationalization, replacement and upgrade of older equipment in the Company's equipment fleet.

Equipment and property disposed of during the three months ended March 31, 2024 included real estate, underutilized rental equipment, ancillary drilling equipment and light duty vehicles. Equipment disposed of during the three months ended March 31, 2023 included underutilized rental equipment and heavy trucks and light duty vehicles.

Finance Costs

	Three months ended March 31		
	2024	2023	Change
Finance costs, net	**$ 1,832**	$ 1,703	8%

Finance costs for the three months ended March 31, 2024 were higher than the prior year comparable period due to a higher outstanding debt balance on the credit facility combined with higher interest rates.

Income Taxes and Net Income

	Three months ended March 31		
	2024	2023	Change
Current income tax expense	**$ 3,972**	$ 324	1,126%
Deferred income tax expense	**1,359**	2,455	(45%)
Total income tax expense	**$ 5,331**	$ 2,779	92%
Net income	**$ 15,463**	$ 24,038	(36%)

Prior period usage of loss carry forwards in certain jurisdictions resulted in higher income taxes in the first quarter of 2024 as compared to the same period in 2023.

SEASONALITY

A significant portion of the Company's field operations are conducted in Canada where the ability to move heavy equipment is dependent on ground conditions. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until such roads have thoroughly dried out. The duration of this "spring breakup" has a direct impact on the Company's activity levels and operating results in Canada. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support heavy equipment. The timing of freeze up and spring breakup affects the ability to move equipment in and out of these areas. As a result, late March through May is historically the Company's slowest period in Canada. Additionally, wet weather in Australia, normally in the first quarter, can restrict the Company's Australian operations. Consequently, quarterly operating results may not be indicative of full year operating results.

SUMMARY OF QUARTERLY RESULTS

	Financial Quarter Ended			
	March 31, 2024	Dec 31, 2023	Sept 30, 2023	June 30, 2023
Revenue	**$ 204,686**	$ 213,758	$ 232,016	$ 208,845
Operating income	**22,030**	23,510	23,691	9,401
EBITDA(1)	**43,290**	45,276	44,955	30,255
Cashflow	**32,837**	44,457	40,784	29,408
Cash provided by operating activities	**37,637**	50,364	21,939	43,902
Net income (loss)	**15,463**	(7,861)	19,237	6,180
Attributable to shareholders	**15,482**	(7,847)	19,231	6,201
Per share data (diluted)				
EBITDA(1)	**$ 1.06**	$ 1.11	$ 1.10	$ 0.74
Cashflow	**0.80**	1.09	1.00	0.72
Net income (loss) attributable to shareholders	**0.38**	(0.19)	0.47	0.15
Financial Position				
Total Assets	**$ 941,690**	$ 861,658	$ 894,325	$ 888,117
Long-Term Debt and Lease Liabilities (excluding current portion)	**149,847**	100,834	111,159	111,244
Working Capital(2)	**124,398**	123,439	127,566	108,577
Net Debt(1)	**25,449**	–	–	2,667
Shareholders' Equity	**543,967**	530,758	542,528	529,954
Common Shares (000's)(3)				
Basic	**39,971**	39,975	40,149	40,325
Diluted	**40,796**	40,623	40,961	41,048

(1) Please see "Non-IFRS Measures" below for the definition of EBITDA and Net Debt.

(2) Working capital means current assets minus current liabilities.

(3) Basic and diluted shares outstanding reflect the weighted average number of common shares outstanding for the period. See note 6 to the interim Financial Statements.

	Financial Quarter Ended			
	March 31, 2023	Dec 31, 2022	Sept 30, 2022	June 30, 2022
Revenue	$ 237,777	$ 211,479	$ 207,678	$ 179,204
Operating income	28,020	15,605	21,622	8,426
EBITDA[1]	48,475	35,872	42,335	28,799
Cashflow	48,672	38,590	41,078	28,576
Cash provided by operating activities	29,741	54,609	18,844	24,993
Net income	24,038	12,264	17,163	6,105
Attributable to shareholders	24,040	12,244	17,179	6,113
Per share data (diluted)				
EBITDA[1]	$ 1.15	$ 0.84	$ 0.98	$ 0.67
Cashflow	1.16	0.91	0.95	0.66
Net income attributable to shareholders	0.57	0.29	0.40	0.14
Financial Position				
Total Assets	$ 910,408	$ 878,615	$ 897,084	$ 860,983
Long-Term Debt and Lease Liabilities (excluding current portion)	122,714	127,628	155,429	165,767
Working Capital[2]	111,312	112,154	129,354	122,043
Net Debt[1]	11,402	15,474	26,075	43,724
Shareholders' Equity	534,576	522,023	515,540	494,299
Common Shares (000's)[3]				
Basic	41,322	41,652	42,339	42,307
Diluted	42,048	42,524	43,090	43,203

(1) Please see "Non-IFRS Measures" below for the definition of EBITDA and Net Debt.

(2) Working capital means current assets minus current liabilities.

(3) Basic and diluted shares outstanding reflect the weighted average number of common shares outstanding for the period. See note 6 to the interim Financial Statements.

Aboriginal Partnerships

The Company conducts certain of its operations through limited partnerships in which each of the Company and an Aboriginal partner hold one half of the partnership interest. The Company fully consolidates all of these partnerships, with the Aboriginal partners' share in the equity and net earnings of the partnerships reported as non-controlling interests.

SEGMENTED RESULTS

Contract Drilling Services

	Three months ended March 31		
	2024	2023	Change
Revenue	**$ 81,211**	$ 82,536	(2%)
Canada	**55,248**	51,881	6%
United States	**10,380**	17,173	(40%)
Australia	**15,583**	13,482	16%
Operating income	**$ 11,970**	$ 11,085	8%
Canada	**11,012**	8,832	25%
United States	**568**	215	164%
Australia	**390**	2,038	(81%)
Operating days[(1)]	**2,776**	2,869	(3%)
Canada	**2,011**	1,920	5%
United States	**359**	590	(39%)
Australia	**406**	359	13%
Revenue per operating day[(1)], dollars	**$ 29,255**	$ 28,768	2%
Canada	**27,473**	27,021	2%
United States	**28,914**	29,107	(1%)
Australia	**38,382**	37,554	2%
Utilization	**31%**	34%	(9%)
Canada	**29%**	28%	4%
United States	**33%**	50%	(34%)
Australia	**56%**	80%	(30%)
Rigs, average for period	**97**	94	3%
Canada	**77**	76	1%
United States	**12**	13	(8%)
Australia	**8**	5	60%

(1) Operating days include drilling and paid standby days.

The moderation of North American industry drilling activity that began in the third quarter of 2023 continued into the first quarter of 2024, particularly in the U.S. Market share gains resulting from rig upgrades mitigated the decline in Canada. Decreases in U.S. activity were also impacted by the relocation of one triple rig to Canada. In Australia, the acquisition of Saxon was completed on March 7, 2024. Saxon contributed $4.9 million to revenue and $0.1 million to operating income to the Australian contract drilling services segment. Offsetting the Saxon contribution was extended wet weather conditions and the depreciation of Australian dollar against Canadian dollar during first quarter of 2024 as compared to the first quarter of 2023.

In Canada, revenue increased during the three months ended March 31, 2024 as compared to the same period in 2023 due to increased pricing and utilization. Revenue per day in Canada increased year over year due to higher drilling rates realized on upgraded equipment and the relocation of a triple drilling rig to Canada from the United States during the second quarter of 2023. Operating income in Canada increased for the three months ended March 31, 2024 relative to the same period in 2023 primarily due to increased activity levels, higher pricing realized for upgraded rigs and general pricing increases.

U.S. revenue for the first quarter of 2024, was lower than the prior year period due to lower operating days commensurate with a moderation in industry activity and the transfer of one triple drilling rig to Canada. Pricing for the first quarter of 2024 was fairly consistent with the same period in 2023 due to the mix of equipment operating. Despite lower utilization and consistent pricing, cost management contributed to increased year-over-year operating income.

In Australia, revenue increased for the three months ended March 31, 2024 as compared to same period in 2023 due to the contribution of Saxon results beginning on March 7, 2024. Utilization was lower in the first quarter of 2024 as compared to the same period last year due to the impact of extended wet weather. Operating income decreased in the first quarter of 2024 as compared to the prior year comparable period as pricing gains on several upgraded rigs did not offset decreased utilization due to extended wet weather conditions and non-recurring costs relating to the acquisition of Saxon. Also contributing to the lower results in the first quarter of 2024 was the weakening of the Australian dollar relative to the Canadian dollar as compared to the same period last year.

Rentals and Transportation Services

	Three months ended March 31		
	2024	2023	Change
Revenue	**$ 22,379**	$ 24,413	(8%)
Canada	**13,925**	14,242	(2%)
United States	**8,454**	10,171	(17%)
Operating income	**$ 4,139**	$ 4,580	(10%)
Canada	**1,974**	1,640	20%
United States	**2,165**	2,940	(26%)
Pieces of rental equipment	**7,700**	9,455	(19%)
Canada	**6,790**	8,555	(21%)
United States	**910**	900	1%
Rental equipment utilization	**21%**	19%	11%
Canada	**18%**	16%	13%
United States	**38%**	46%	(17%)
Heavy trucks	**67**	70	(4%)
Canada	**46**	48	(4%)
United States	**21**	22	(5%)

Revenue from the RTS segment for the first quarter of 2024 decreased as compared to the same period in 2023. This was primarily due to lower industry activity, particularly in the U.S.

In Canada, RTS generated higher operating income during the first quarter of 2024 as compared to the same period last year. This was due to lower equipment re-activation costs, marginal price improvements and a change in revenue mix. During 2023 a substantial number of older unutilized rental pieces were disposed of in Canada. In the United States operating income during the first quarter of 2024 decreased compared to the same period last year due primarily to the moderation of U.S. drilling activity. This segment's relatively high fixed cost structure as compared to the Company's other business segments provides significant leverage to increased equipment utilization. Such fixed cost structure includes costs associated with its significant operating branch infrastructure, including maintenance and repairs, utilities, insurance, property taxes and other infrastructure costs.

Compression and Process Services

	Three months ended March 31		
	2024	2023	Change
Revenue	**$ 77,526**	$ 98,118	(21%)
Canada	**26,088**	43,222	(40%)
United States	**51,438**	54,896	(6%)
Operating income (loss)	**$ 8,260**	$ 9,946	(17%)
Canada	**(271)**	2,508	nm
United States	**8,531**	7,438	15%
Operating income (loss), % of revenue	**11%**	10%	10%
Canada	**nm**	6%	nm
United States	**17%**	14%	21%
Horsepower of equipment on rent at period end	**48,376**	44,719	8%
Canada	**13,856**	19,209	(28%)
United States	**34,520**	25,510	35%
Rental equipment utilization during the period (HP)	**73%**	78%	(6%)
Canada	**69%**	74%	(7%)
United States	**76%**	81%	(6%)
Sales backlog at period end, $ million	**$ 185.7**	$ 227.4	(18%)

nm – calculation not meaningful

Revenue reported from the CPS segment decreased during the first quarter of 2024 as compared to the same period last year. This was due to a combination of lower fabrication sales in both geographic jurisdictions in part due to a shift in U.S. customer's preference towards renting compression units. Lower natural gas prices also negatively impacted parts and services activity. Utilization of the rental fleet was lower on a year over year basis due to the deployment of several newly constructed rental units late in the first quarter of 2024 as evidenced by the year over year increase in horsepower on rent at March 31, 2024. The fabrication sales backlog decreased to $185.7 million, compared to the $227.4 million backlog at March 31, 2023. Sequentially the quarter-end fabrication sales backlog continued to strengthen during the first quarter of 2024, increasing by $22.9 million from December 31, 2023. The timeline for conversion of the sales backlog into revenue varies from order to order and often changes due to factors outside of the Company's control.

The operating loss in Canada for the three months ended March 31, 2024 was mostly due to lower activity resulting from lower natural gas prices. Operating income in the U.S. increased in Q1 2024 compared to Q1 2023 with improved margins on fabrication sales and increased rental revenue. Negatively impacting results in the first quarter of 2024 as compared to the same period last year is the weakening of the U.S. dollar relative to the Canadian dollar.

Well Servicing

	Three months ended March 31		
	2024	2023	Change
Revenue	**$ 23,570**	$ 32,710	(28%)
Canada	**14,999**	17,214	(13%)
United States	**2,990**	6,661	(55%)
Australia	**5,581**	8,835	(37%)
Operating income (loss)	**$ 1,915**	$ 5,026	(62%)
Canada	**2,834**	3,806	(26%)
United States	**(557)**	1,084	nm
Australia	**(362)**	136	nm
Service hours[(1)]	**24,564**	33,246	(26%)
Canada	**15,407**	17,491	(12%)
United States	**3,515**	6,644	(47%)
Australia	**5,642**	9,111	(38%)
Revenue per service hour, dollars	**$ 960**	$ 984	(2%)
Canada	**974**	984	(1%)
United States	**851**	1,003	(15%)
Australia	**989**	970	2%
Utilization[(2)]	**29%**	39%	(26%)
Canada	**30%**	34%	(12%)
United States	**35%**	67%	(48%)
Australia	**22%**	35%	(37%)
Rigs, average for period	**79**	79	–
Canada	**56**	56	–
United States	**11**	11	–
Australia	**12**	12	–

"nm" – calculation not meaningful

(1) Service hours is defined as well servicing hours of service provided to customers and includes paid rig move and standby.

(2) The Company reports its service rig utilization for its operational service rigs in North America based on service hours of 3,650 per rig per year to reflect standard 10 hour operations per day. Utilization for the Company's service rigs in Australia is calculated based on service hours of 8,760 per rig per year to reflect standard 24 hour operations.

Overall segment revenue and operating income for the three months ended March 31, 2024 decreased as compared to the same period in 2023. This decrease was due to lower activity in all jurisdictions.

Canadian revenue and operating income in the first quarter of 2024 were lower as compared to 2023 primarily due to less well abandonment activity and reduced customer demand due to industry consolidation.

In the United States, revenue decreased in the first quarter of 2024 as compared to the same period in 2023 as a result of lower industry activity which contributed to decreased service hours combined with lower pricing and ancillary revenues. Negatively impacting revenue and operating loss for the three months ended March 31, 2024 was the depreciation of the U.S. dollar against the Canadian dollar.

In Australia, lower revenue and the realization of an operating loss for the first quarter of 2024 as compared to the same period in 2023 was due to lower activity resulting primarily from extended wet weather conditions. Also negatively impacting first quarter results for 2024 was the weakening of the Australian dollar relative to the Canadian as compared to the same period last year.

Corporate

	Three months ended March 31		
	2024	2023	Change
Operating loss	**$ (4,254)**	$ (2,617)	63%

Total Energy's Corporate segment includes activities related to the Company's corporate and public issuer affairs. This segment does not generate any revenue but provides sales, operating, financial, treasury, analytical and other management and support services to Total Energy's business segments and manages the corporate affairs of the Company. The increase in operating loss during the first quarter of 2024 as compared to the same period in 2023 was due to an increase in share-based compensation, legal fees related to the appeal of a prior Canadian income tax re-assessment and cost of living increases. Also contributing to the increased operating loss was a foreign exchange loss on translation of intercompany working capital balances during the first quarter of 2024 as compared to a foreign exchange gain during the same period in 2023.

LIQUIDITY AND CAPITAL RESOURCES

Cash Provided by Operating Activities and Cashflow

	Three months ended March 31		
	2024	2023	Change
Cash provided by operating activities	**$ 37,637**	$ 29,741	27%
Per share data (diluted), dollars	**$ 0.92**	$ 0.71	30%
Cashflow	**$ 32,837**	$ 48,672	(33%)
Per share data (diluted), dollars	**$ 0.80**	$ 1.16	(31%)

The changes in cash provided by operating activities were due primarily to changes in the working capital requirements of the various business segments. Contributing to the increase in cash provided by operating activities during the three months ended March 31, 2024 as compared to the same period in 2023 was a sequential quarterly increase in deferred revenue. Cash flow decreased during the three months ended March 31, 2024 as compared to same period in 2023 as a result of lower EBITDA from reduced activity levels. The Company's current priorities are to maintain strong financial liquidity, continue to repay long-term debt and enhance shareholder returns, including by the purchase and cancellation of shares under the normal course issuer bid and payment of a dividend.

Investing Activities

	Three months ended March 31		
	2024	2023	Change
Net cash used in investing activities	**$ (72,352)**	$ (16,293)	344%
Proceeds from sale of PP&E	**$ 627**	$ 1,303	(52%)
Purchase of PP&E	**$ (29,635)**	$ (30,329)	(2%)

Net cash used in investing activities increased by $56.1 million in the first quarter of 2024 as compared to the same period last year mostly due to $47.4 million net cash paid on the acquisition of Saxon. Proceeds from the sale of property, plant and equipment ("PP&E") are derived primarily from the disposal of equipment in the ordinary course of business and the replacement and upgrade of older equipment in the Company's fleet. Equipment and property disposed of during the three months ended March 31, 2024 included real estate, underutilized rental equipment, ancillary drilling equipment and light duty vehicles. Equipment disposed of during the three months ended March 31, 2023 included underutilized rental equipment and heavy trucks and light-duty vehicles.

The following summarizes PP&E purchases by segment for the three months ended March 31, 2024.

	Three months ended March 31		
	2024	2023	Change
CDS	**$ 12,801**	$ 23,824	(46%)
RTS	**2,785**	1,538	81%
CPS	**10,455**	2,509	317%
WS	**3,594**	2,458	46%
Purchase of PP&E	**$ 29,635**	$ 30,329	(2%)

During the three months ended March 31, 2024 PP&E purchases were as follows: drilling rig upgrades, recertifications and ancillary rig equipment purchases in the CDS segment, rental equipment in the RTS segment, additions to the compression rental fleet in the CPS segment and service rig recertifications and upgrades in the WS segment. Included in 2024 capital expenditures was approximately $14.2 million of capital commitments carried forward from 2023.

During the three months ended March 31, 2023 PP&E purchases were as follows: drilling rig upgrades, recertifications and ancillary rig equipment purchases in the CDS segment, rental equipment in the RTS segment, additions to the compression rental fleet in the CPS segment and service rig recertifications and upgrades in the WS segment. Included in 2023 capital expenditures was approximately $1.9 million of capital commitments carried forward from 2022.

Capital spending for the three months ended March 31, 2024 was funded by cash flow and $0.6 million of proceeds from the sale of PP&E.

Financing Activities

	Three months ended March 31		
	2024	2023	Change
Net cash from (used in) financing activities	**$ 31,819**	$ (19,281)	nm

"nm" – calculation not meaningful

During the first quarter of 2024 net cash from financing activities was $31.8 million as compared to $19.3 million of net cash used in financing for the same period in 2023. Contributing to the change was net long-term debt advancements of $49.5 million used to fund the acquisition of Saxon and $7.3 million lower purchases of shares under the Company's normal course issuer bid. This was partially offset by $11.9 million of interest paid and a $0.7 million increase in dividend payments following the 13% dividend increase approved by the Board of Directors in the first quarter of 2024. Included in interest paid is $10.5 million relating to the Canada Revenue Agency ("CRA") re-assessments of certain of the Company's income tax filings related to its conversion from an income trust to a corporation in 2009.

Liquidity and Capital Resources

The Company had a working capital surplus of $124.4 million as at March 31, 2024 compared to $123.4 million as at December 31, 2023. As at March 31, 2024 and the date of this MD&A, the Company was in compliance with all debt covenants.

On June 19, 2017 the Company entered into a three-year $225 million revolving syndicated credit facility (the "Credit Facility"). Following several renewals and at the request of the Company the Credit Facility was reduced to $170 million and the maturity date extended to November 10, 2026. The Credit Facility includes a Canadian $18 million operating line, an Australian $2 million operating line and a Canadian $150 million revolving facility. The Company has the option to increase such facility by $75 million subject to certain terms and conditions, including the agreement of the lenders to increase their commitments. The Credit Facility bears interest at the banks' Canadian prime rate plus 0.25% to 1.25%, bankers' acceptances, letters of credit, LIBOR or BBSY advances plus a 1.5% to 2.5% stamping fee. The applicable interest rate within such ranges is dependent on certain financial ratios of the Company. A standby fee ranging from 0.25% to 0.5%

per annum is paid quarterly on the unused portion of the facility depending on certain financial ratios of the Company. In January of 2024, term CORRA rates have replaced bankers' acceptances and SOFR rates have replaced LIBOR, with no changes in the Company's pricing or premiums. At March 31, 2024, the applicable interest rate on amounts drawn on the Credit Facility was 6.81% and the standby rate was 0.25%. Letters of credit ("LOC") of $0.3 million were outstanding at March 31, 2024 which reduces the amount of credit available under the Credit Facility by an equivalent amount.

In August of 2018 a U.S. $20 million letter of credit facility was established (the "LOC Facility"). LOCs issued pursuant to the LOC Facility do not reduce availability under the Credit Facility. In April of 2020 this facility was reduced at the request of the Company to U.S. $10 million. At March 31, 2024 $2.2 million Canadian dollars of LOCs were outstanding under the LOC Facility (December 31, 2023: $3.9 million).

In addition to the Credit Facility, a subsidiary of the Company has established a $5 million revolving operating credit facility with a member of the Credit Facility lenders' syndicate. At March 31, 2024 this facility was undrawn and fully available.

At March 31, 2024 the Company's long-term debt consisted of the following:

	March 31, 2024	
	Interest rate	Principal Amount
Credit Facility	6.81%	$ 100,000
Mortgage loan (2025 maturity)	3.10%	42,489
	5.70%	142,489
Less current portion		2,070
		$ 140,419

At March 31, 2024 amounts owing under the Credit Facility and the mortgage loan were denominated in Canadian dollars.

The Company's ability to access the Credit Facility is dependent, among other conditions, on compliance with the following financial ratios, the definitions and thresholds for which are further described below:

	March 31, 2024	Threshold
Twelve-month trailing Bank EBITDA to interest expense	10.05	minimum 3.00
Total Senior Debt to twelve-month trailing Bank EBITDA	0.41	maximum 3.00

The Company was in compliance with all of its Credit Facility and other debt covenants at March 31, 2024. For further information regarding Credit Facility compliance requirements and details on the Company's borrowings, please refer to note 5 to the Interim Financial Statements.

The Company expects that cash and cash equivalents, cash flow from operating activities and existing and available credit facilities will be sufficient to fund its presently anticipated requirements for investments in working capital and capital assets as well as required debt and lease liability payments.

Dividends

On March 9, 2023 the Board of Directors increased the dividend by 33% and declared a dividend of $0.08 per share for the quarter ended March 31, 2023. On March 7, 2024 the Board of Directors increased the dividend by 13% and declared a dividend of $0.09 per share for the quarter ended March 31, 2024.

Management and the Board of Directors of the Company continue to monitor the Company's dividend policy in the context of industry conditions and forecasted net income, cashflow, cash provided by operating activities, debt levels, capital expenditures and other investment opportunities and will aim to finance any future dividends through cash provided by operating activities.

CONTRACTUAL OBLIGATIONS

At March 31, 2024 the Company had the following contractual obligations:

	Payments due by year					
	Total	2024	2025	2026	2027	2028 and after
Long-term debt and bank indebtedness	$ 142,489	$ 1,542	$ 40,947	$ 100,000	$ –	$ –
Commitments[1]	128	103	24	1	–	–
Lease liabilities	15,853	4,860	5,194	3,266	1,641	892
Purchase obligations[2]	39,185	39,185	–	–	–	–
Total contractual obligations	$ 197,655	$ 45,690	$ 46,165	$ 103,267	$ 1,641	$ 892

(1) Commitments are described in Note 23 to the 2023 Financial Statements.

(2) Purchase obligations are described in Note 23 to the 2023 Financial Statements. As at March 31, 2024 purchase obligations primarily relate to commitments to purchase inventory in the CPS segment.

OFF-BALANCE SHEET ARRANGEMENTS

During 2024 and 2023, the Company had no off-balance sheet arrangements other than short-term leases.

TRANSACTIONS WITH RELATED PARTIES

During 2024 and 2023 the Company had no material transactions with related parties.

FINANCIAL INSTRUMENTS

Fair Values

The discounted future cash repayments of the Company's mortgage loan (maturity 2025) are calculated using prevailing market rates of a similar debt instrument as at the reporting date. The net present value of future cash repayments of the 2025 Mortgage loan and related interest at the prevailing market rate of 6.18% for a similar debt instrument at March 31, 2024 was $41.2 million (December 31, 2023: market rate of 5.86%, $41.5 million). The carrying value and Company`s liability with respect to the 2025 Mortgage loan is $42.5 million.

OUTSTANDING COMPANY SHARE DATA

As at the date of this MD&A, the Company had 39,930,843 common shares outstanding.

Summary information with respect to share options outstanding is provided below:

Outstanding at March 31, 2024	Exercise Price	Remaining life (years)	Exercisable at March 31, 2024
300,000	$ 9.51	0.10	300,000
296,665	2.31	1.40	296,665
55,000	3.50	1.80	55,000
676,666	3.72	2.40	438,336
23,333	4.49	2.50	–
825,000	7.46	3.40	265,000
90,000	6.42	3.50	30,000
1,380,000	10.06	4.40	–
3,646,664	$ 7.40	3.13	1,385,001

OUTLOOK

The recovery in oil and natural gas prices that began in the second half of 2021 has resulted in improved industry conditions, although producers generally remained disciplined in regard to their capital expenditure programs. While current indications are that global energy industry activity levels will remain stable on a seasonally adjusted basis, global economic and political uncertainty and recent weakness in North American natural gas prices cause the Company to remain cautious and manage its business and affairs in a manner to protect its balance sheet and financial liquidity.

The severity of the recent downturn resulted in substantial consolidation and rationalization in the North American energy service industry that has contributed to more favorable market conditions as activity levels recovered.

RISK FACTORS AND RISK MANAGEMENT

In the normal course of business, Total Energy is exposed to financial and operating risks that may potentially and materially impact its operating results. A discussion of the Company's business risks is set out in its AIF under the heading "Risk Factors" and is incorporated herein. The Company employs risk management strategies with a view to mitigating these risks on a cost-effective basis. There have been no significant changes in risk and risk management in 2024 other than as described below.

Industry Conditions

The Company's North American customers modestly increased capital spending plans for 2024 although current capital spending levels remain below levels experienced during previous periods of similar oil and natural gas prices. Activity levels in Australia moderated in the third quarter of 2020 and began to recover in the fourth quarter of 2021. Current indications are that Australian activity will remain relatively stable in 2024.

Credit Risk

A sustained increase in oil and gas prices has mitigated counterparty credit risk as a substantial portion of the Company's dealings are with entities involved in the oil and gas industry. Notwithstanding such an improvement in the industry environment, the Company remains focused on actively managing credit risk. Specifically, management has remained diligent in assessing credit levels granted to customers, monitoring the aging of receivables and taking proactive steps to secure and collect outstanding balances.

The Company did not have significant exposure to any individual customer or counter party that accounted for over 10% of the consolidated revenue in the first quarter of 2024 and 2023.

The Company's allowance for doubtful accounts receivable at March 31, 2024 was $1.1 million, which is consistent with the balance as at December 31, 2023.

CRITICAL ACCOUNTING ESTIMATES

Management is responsible for applying judgment in preparing accounting estimates. Certain estimates and related disclosures included within the financial statements are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. An accounting estimate is considered critical only if it requires the Company to make assumptions about matters that are highly uncertain at the time the accounting estimate is made, and different estimates the Company could have used would have a material impact on Total Energy's financial condition, changes in financial condition or results of operations.

There were no material changes to the Company's Critical Accounting Estimates during 2024.

Critical Judgments in Applying Accounting Policies

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

The Company's assets are aggregated into cash-generating units for the purpose of calculating impairment. Cash generating units ("CGU" or "CGUs") are based on management's judgments and assessment of the CGU's ability to generate independent cash inflows. Judgments are also required to assess when impairment indicators exist and impairment testing is required.

The Company is required to exercise judgment in assessing whether the criteria for recognition of a provision or a contingency have been met. The Company considers whether a present obligation exists, probability of loss and if a reliable estimate can be formulated.

The Company's functional currency is based on the primary economic environment in which it operates and is based on an analysis of several factors including which currency principally affects sales prices of products sold by the Company, which currency influences the main expenses of providing services, in which currency the Company keeps it receipts from operating activities and in which currency the Company has received financing.

The Company makes judgments regarding the determination of its reportable segments, including aggregation criteria (as appropriate), for segmented reporting.

Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings.

Key Sources of Estimation Uncertainty

The following are key estimates and their assumptions made by management affecting the measurement of balances and transactions in the consolidated financial statements.

Where impairment indicators exist or annually for goodwill, the recoverable amount of the asset or CGU is determined using the greater of fair value less costs to sell or value-in-use. Value-in-use calculations require assumptions for discount rates and estimations of the timing for events or circumstances that will affect future cash flows. Fair value less costs to sell requires management to make estimates of fair value using market conditions for similar assets as well as estimations for costs to sell taking into account dismantle and transportation costs.

The Company is required to estimate the amount of provisions and contingencies based on the estimated future outcome of the event.

The Company recognizes revenue over time in accounting for its equipment manufacturing contract revenue. Recognizing revenue over time requires estimates of the stage of completion of the contract to date as a proportion of the total work to be performed.

As pertains to property, plant and equipment the Company is required to estimate the residual value and useful lives of assets for purposes of depreciation.

As pertains to accounts receivable the Company is required to estimate allowances for doubtful accounts based on expected future credit losses and experiences with customers.

In a business combination, management makes estimates of the fair value of assets acquired and liabilities assumed which includes assessing the value of property, plant and equipment and intangible assets being acquired.

The Company's estimate of share-based compensation is dependent upon estimates of historic volatility and forfeiture rates.

The Company's estimate of the fair value of forward foreign exchange contracts is dependent on estimated forward prices / rates and volatility in those prices / rates.

The deferred tax liability is based on estimates as to the timing of the reversal of temporary differences, substantively enacted tax rates and the likelihood of assets being realized.

FUTURE ACCOUNTING POLICIES CHANGES

Certain pronouncements were issued recently by the International Accounting Standards Board ("IASB") of the International Financial Reporting Standards ("IFRS") Interpretations Committee that are mandatory for accounting periods beginning in future years. Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

NON-IFRS MEASURES

As described throughout this MD&A, the Company references the following financial measures that are not recognized under IFRS: EBITDA, operating income, cashflow, working capital and net debt (asset). Management believes that, in addition to the amounts reported in the Consolidated Financial Statements, these measures are useful in assessing the Company's performance and liquidity. These measures are unlikely to be comparable to similar measures presented by other companies. The non-IFRS measures referenced in this MD&A reconcile to the IFRS measures reported in the Consolidated Financial Statements as follows, unless reconciled elsewhere:

	Three months ended March 31	
EBITDA	**2024**	2023
Net income	**$ 15,463**	$ 24,038
Add back:		
Depreciation	**20,664**	19,955
Finance costs, net	**1,832**	1,703
Income tax expense	**5,331**	2,779
EBITDA	**$ 43,290**	$ 48,475

Net debt is equal to long-term debt plus lease liabilities plus current liabilities minus current assets.

Net Debt	**As at March 31, 2024**
Long-term debt	**$ 140,419**
Lease liabilities	**9,428**
Add back (deduct):	
Current liabilities	**192,756**
Current assets	**(317,154)**
Net Debt	**$ 25,449**

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

Management is responsible for the information disclosed in this MD&A and the accompanying consolidated financial statements, and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. In addition, the Company's Audit Committee, on behalf of the Board of Directors, provides an oversight role with respect to all public financial disclosures made by the Company, and has reviewed and approved this MD&A and the accompanying unaudited condensed interim consolidated Financial Statements.

Internal Control Over Financial Reporting ("ICFR")

There have been no significant changes in the design of the Company's ICFR during the quarter ended March 31, 2024 that would materially affect or is reasonably likely to materially affect the Company's ICFR.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain information and statements contained in this MD&A constitute forward-looking information, including the anticipated costs associated with the purchase of capital equipment, expectations concerning the nature and timing of growth within the various business divisions operated through affiliates of Total Energy, expectations respecting the competitive position of such business divisions, expectations concerning the financing of future business activities, statements as to future economic and operating conditions and expectations regarding the payment of dividends in the future. Readers should review the cautionary statement respecting forward-looking information that appears below.

The information and statements contained in this MD&A that are not historical facts are forward-looking statements. Forward-looking statements (often, but not always, identified by the use of words such as "seek", "plan", "continue", "estimate", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "expect", "may", "anticipate" or "will" and similar expressions) may include plans, expectations, opinions, or guidance that are not statements of fact. Forward-looking statements are based upon the opinions, expectations and estimates of management as at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These factors include, but are not limited to, such things as global economic conditions, changes in industry conditions (including the levels of capital expenditures made by oil and gas producers and explorers), pandemics (including COVID-19 pandemic), the credit risk to which the Company is exposed in the conduct of its business, fluctuations in prevailing commodity prices or currency and interest rates, the competitive environment to which the various business divisions are, or may be, exposed in all aspects of their business, the ability of the Company's various business divisions to access equipment (including parts) and new technologies and to maintain relationships with key suppliers, the ability of the Company's various business divisions to attract and maintain key personnel and other qualified employees, various environmental risks to which the Company's business divisions are exposed in the conduct of their operations, inherent risks associated with the conduct of the businesses in which the Company's business divisions operate, timing and costs associated with the acquisition of capital equipment, the impact of weather and other seasonal factors that affect business operations, availability of financial resources or third-party financing and the impact of new laws and regulations or changes in existing laws, regulations or administrative practices on the part of regulatory authorities, including without limitation taxation, labour and environmental laws and regulations and changes in how such laws and regulations are interpreted and enforced. Forward-looking information respecting the anticipated costs associated with the purchase of capital equipment are based upon historical prices for various classes of equipment, expectations relating to the impact of inflation on the future cost of such equipment and management's views concerning the negotiating position of the Company and its affiliates. Forward-looking information concerning the nature and timing of growth within the various business divisions is based on the current budget of the Company (which is subject to change), factors that affected the historical growth of such business divisions, sources of historic growth opportunities and expectations relating to future economic and operating conditions. Forward-looking information concerning the future competitive position of the Company's business divisions is based upon the current competitive environment in which those business divisions operate, expectations relating to future economic and operating conditions, current and announced build programs and other expansion plans of other organizations that operate in the energy service business. Forward-looking information concerning the financing of future business activities is based upon the financing sources on which the Company and its predecessors have historically relied and expectations relating to future economic and operating conditions. Forward-looking information concerning future economic and operating conditions is based upon historical economic and operating conditions, and opinions of third-party analysts respecting anticipated economic and operating conditions. Although management of the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Accordingly, readers should not place undue reliance upon any of the forward-looking information set out in this MD&A. All of the forward-looking statements of the Company contained in this MD&A are expressly qualified, in their entirety, by this cautionary statement. The various risks to which the Company is exposed are described in additional detail in this MD&A under the heading "Risk Factors" and in the Company's AIF. Except as required by law, the Company disclaims 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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

George Chow[1]
Chairman of the Board

Daniel Halyk
President and Chief Executive Officer

Glenn Dagenais[2, 3]

Greg Melchin[1, 2]

Jessica Kirstine[1,3]

Ken Mullen[2, 3]

[1] Member of the Compensation Committee
[2] Member of the Audit Committee
[3] Member of the Corporate Governance and Nominating Committee

MANAGEMENT TEAM

Daniel Halyk
President and Chief Executive Officer

Jeremy Busch-Howell
Vice President, Legal, General Counsel and Corporate Secretary

Yuliya Gorbach
Vice President, Finance and Chief Financial Officer

William Kosich
Vice President, Drilling Services

Brad Macson
Vice President, Operations

Muhammad Yasir Nisar
Assistant Vice President, Drilling Services

Ashley Ting
Corporate Controller

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MNP LLP

Calgary, Alberta

TRUSTEE, REGISTRAR AND TRANSFER AGENT

Computershare

Calgary, Alberta

LEGAL COUNSEL

Bennett Jones, LLP

Calgary, Alberta

BANKERS

Royal Bank of Canada

The Toronto Dominion Bank

Alberta Treasury Branches

STOCK EXCHANGE LISTING

Toronto Stock Exchange

Common Shares: TOT

CANADIAN LOCATIONS

Brooks, AB • Calgary, AB • Clairmont, AB • Drumheller, AB • Edson, AB • Fort McMurray, AB • Fox Creek, AB • Grande Prairie, AB
Lac La Biche, AB • Leduc, AB • Lloydminster, AB • Medicine Hat, AB • Red Deer, AB • Rocky Mountain House, AB • Slave Lake, AB
Swan Hills, AB • Whitecourt, AB • Dawson Creek, BC • Fort St. John, BC • Swift Current, SK • Weyburn/Midale, SK

U.S. LOCATIONS

Denver, CO • Greeley, CO • Dickinson, ND • Watford City, ND
Casper, WY • Gillette, WY • Weirton, WV • Midland, TX • Odessa, TX • Williamsport, PA

AUSTRALIAN LOCATIONS

Brisbane, QLD • Toowoomba, QLD

TOTAL ENERGY SERVICES INC.

BIDELL™ GAS COMPRESSION

opsco process solutions

Savanna Drilling

Savanna Well Servicing

TOTAL OILFIELD RENTALS