



TOTAL
ENERGY SERVICES INC.

October 19, 2024
Mount Royal University
Calgary, Alberta



FOCUS DISCIPLINE GROWTH

TOTAL ENERGY SERVICES INC. 

Cautionary Statements

Forward-Looking Information

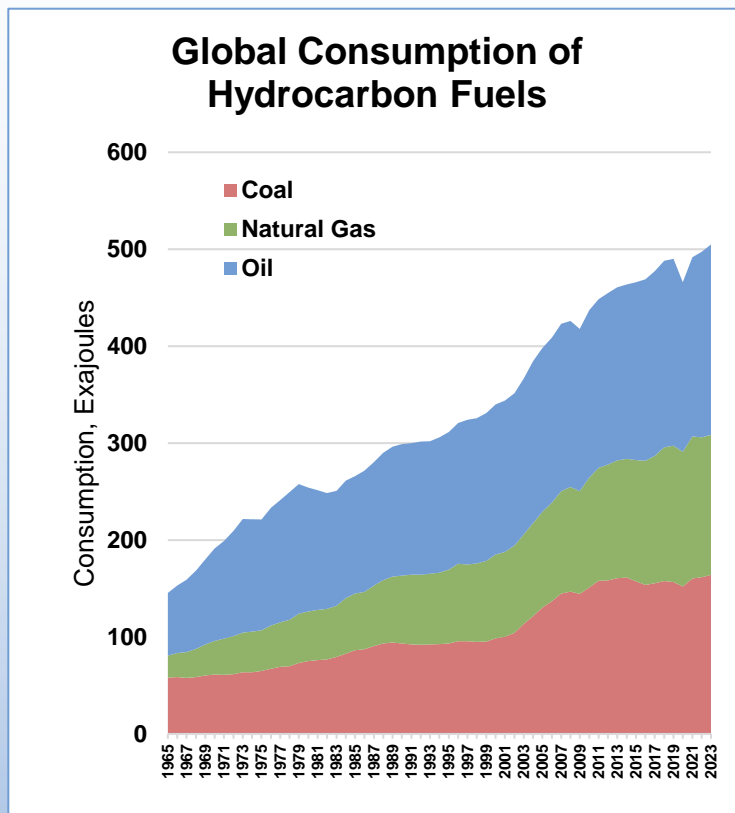
Certain information presented in these remarks and in this presentation that is not historical factual information and/or based on current views and assumptions and is subject to uncertainties may constitute forward-looking information within the meaning of securities laws. Actual results could differ 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 "could", "should", "can", "anticipate", "estimate", "intend", "plan", "expect", "believe", "will", "may", "continue", "project", "potential" and similar expressions and statements, or negative versions thereof. 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. Undue reliance should not be placed on forward-looking information and statements. Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results to differ materially from our expectations.

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 continuous disclosure documents, including but not limited to its most recent Annual Information Form which is available on www.sedar.com

Non-IFRS Measures

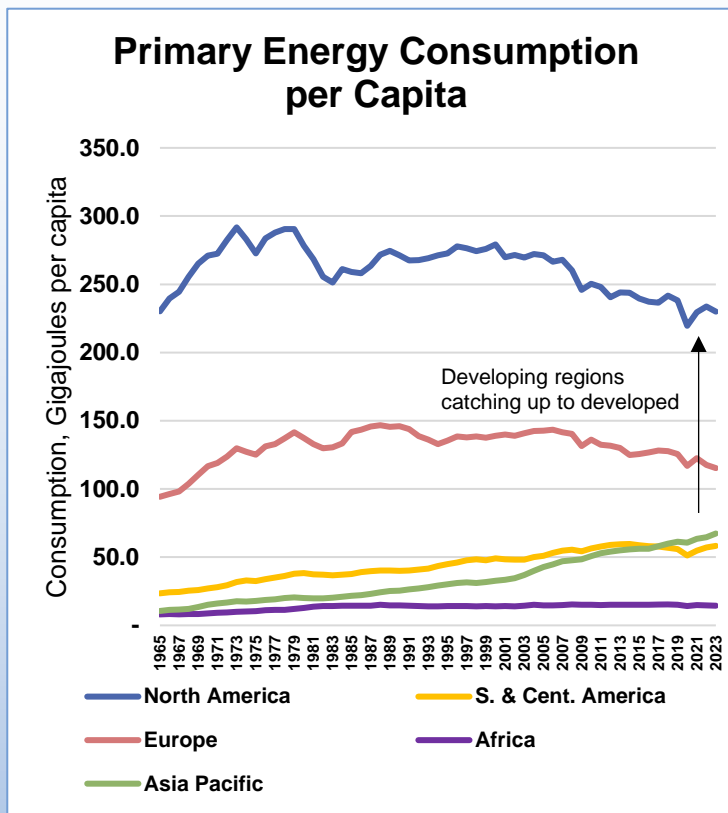
EBITDA means earnings before interest, taxes, depreciation and amortization and is equal to net income before income taxes plus finance costs plus depreciation minus finance income. Cashflow means cash provided by operations before changes in non-cash working capital items. EBITDA is not a recognized measure under International Financial Reporting Standards ("IFRS"). Management believes that in addition to net income, EBITDA is a useful supplemental measure as it provides 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. Readers should be cautioned, however, that EBITDA 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 may differ from other organizations and, accordingly, EBITDA may not be comparable to measures used by other organizations.

Why Invest in Oil and Gas?



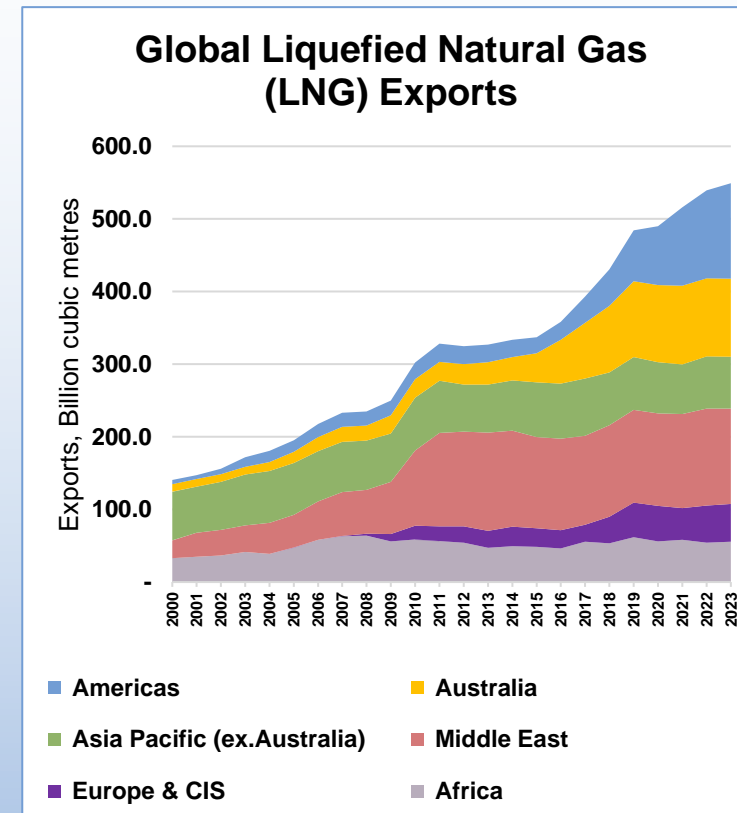
Source: Energy Institute Statistical Review of World Energy 2024

Peak oil and natural gas? Global coal consumption has yet to peak



Source: Energy Institute Statistical Review of World Energy 2024

Emerging markets will drive future oil and natural gas consumption growth



Source: Energy Institute Statistical Review of World Energy 2024

Massive investment in global LNG infrastructure supports future natural gas demand



Why Invest in Total Energy Services?

Diversified Exposure to Global Energy Development



CONTRACT DRILLING SERVICES (CDS)

- Onshore drilling operations in Western Canada (76 rigs), Texas (12 rigs) and Australia (17 rigs)
- Leader in helium, lithium and hydrogen drilling
- Invested over \$103 million in fleet upgrades and capital maintenance from Jan 1/22 to June 30/24
- Acquired SLB Australian fleet in March 2024



RENTALS AND TRANSPORTATION SERVICES (RTS)

- Leading provider of surface equipment rentals used in drilling, completion and production of O&G wells
- Fleet includes over 7,900 rental pieces and 66 heavy trucks deployed from 18 locations throughout North America
- Growing exposure to other industrial operations, including O&G infrastructure construction and maintenance



COMPRESSION AND PROCESS SERVICES (CPS)

- Established provider of compression and process equipment to the global market
- Operations supported by five North American manufacturing plants and 13 parts and service locations
- Leader in technology development – patented NOMAD™ line of mobile compression



WELL SERVICING (WS)

- Service rig operations in Western Canada (56 rigs), NW U.S. (11 rigs) and Australia (12 rigs)
- Exposure to energy production and well abandonment activities
- Ongoing investment to upgrade rig fleet for high spec market opportunities

Corporate Information

Shares outstanding <i>(basic, as at September 30, 2024)</i>	38.36 million
Options outstanding <i>(at September 30, 2024, \$7.45 weighted avg exercise price)</i>	3.0 million
Market Capitalization <i>(basic, at \$10.00 share price)</i>	\$383.6 million
Working capital ⁽¹⁾ <i>(at June 30, 2024)</i>	\$71.8 million
Property, plant & equipment (“PP&E”) <i>(at June 30, 2024)</i>	\$624.1 million
Bank debt, net of cash ⁽²⁾ <i>(at June 30, 2024)</i>	\$107.2 million
Tangible equity value/share ⁽³⁾ <i>(at June 30, 2024)</i>	\$13.50
TTM EBITDA ⁽⁴⁾ <i>(to June 30, 2024)</i>	\$171.0 million
Annual dividend yield <i>(assuming \$10.00 share price)</i>	3.6%
Director/officer ownership, % <i>(basic, as at September 30, 2024)</i>	9.0%

(1) Working capital equals current assets minus current liabilities

(2) Long-term debt, including current portion, minus cash

(3) Shareholders' Equity minus goodwill divided by shares outstanding (diluted)

(4) TTM means trailing 12 months. EBITDA as defined under “Non-IFRS Measures”

Recent Financial Performance

(in thousands of CDN dollars, except per share amounts and shares outstanding)

	3 months ended June 30		6 months ended June 30	
	2024	2023	2024	2023
Revenue	\$ 213,334	\$ 208,845	\$ 418,020	\$ 446,622
EBITDA ⁽¹⁾	37,447	30,255	80,737	78,730
Cashflow	38,094	29,408	70,931	78,080
Net Income	15,454	6,180	30,917	30,218
Net Income, attributable to shareholders	15,472	6,201	30,954	30,241
<i>Per Share, Diluted</i>				
EBITDA ⁽¹⁾	\$ 0.93	\$ 0.74	\$ 2.00	\$ 1.89
Cashflow	0.95	0.72	1.75	1.88
Net Income attributable to shareholders	0.39	0.15	0.77	0.73
Shares Outstanding (diluted, 000's) ⁽⁴⁾	40,060	41,048	40,453	41,568
			June 30, 2024	Dec. 31, 2023
Total Assets			\$ 936,356	\$ 861,658
Working Capital ⁽²⁾			71,816	123,439
Net Debt ⁽³⁾			29,167	-
Shareholder's Equity			549,999	530,758

(1) As defined under "Non-IFRS Measures".

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

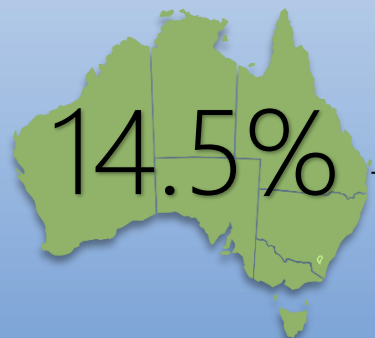
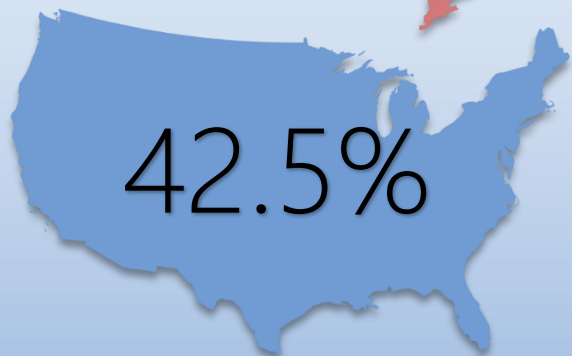
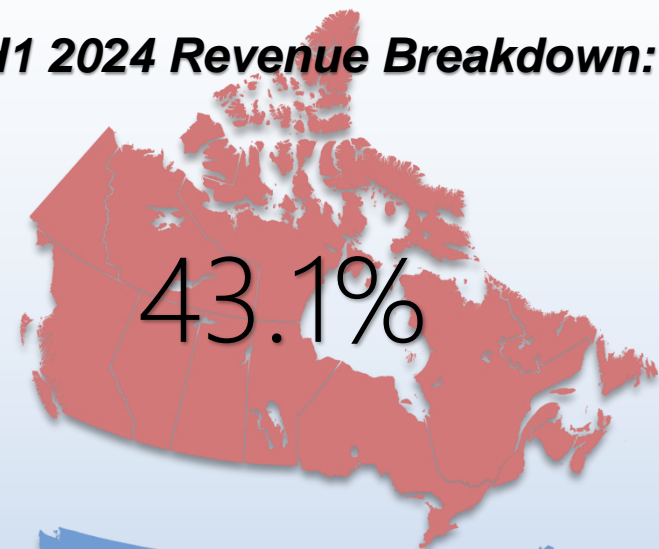
(3) Net Debt equals long-term debt plus lease liabilities minus working capital.

(4) Weighted average outstanding during the period.

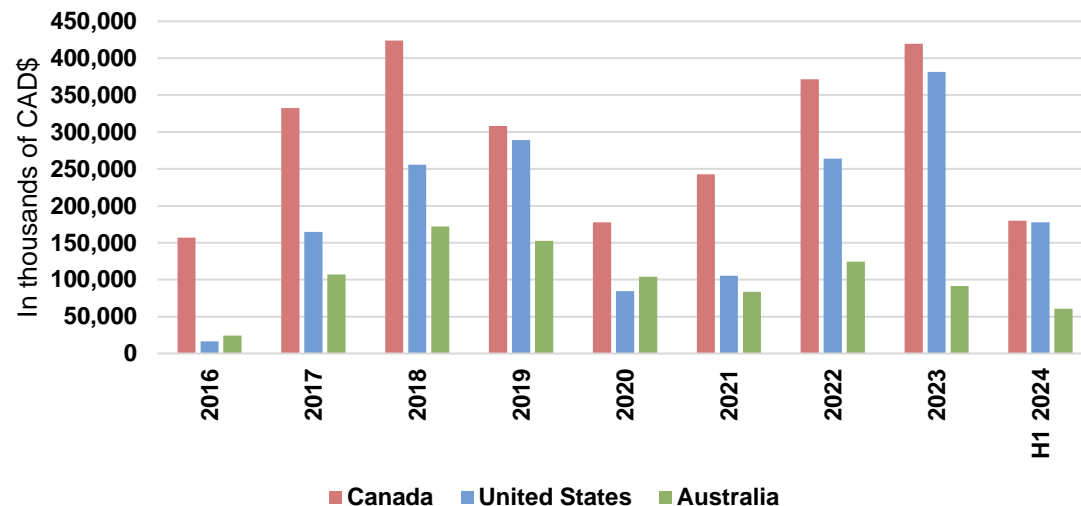


Geographical Diversification

H1 2024 Revenue Breakdown:



REVENUE BY GEOGRAPHY



- Geographical diversification mitigates regional cyclicality
- Asian LNG demand drives Australian drilling and well servicing activity
 - YTD 2024 monthly Asian LNG prices averaged US\$10.76/MMBtu⁽¹⁾ versus the Henry Hub gas price which averaged US\$2.09/MMBtu YTD 2024⁽²⁾
- Significant exposure to future North American LNG export expansion in all business segments

(1) Global price of LNG from Jan 1/24 to Aug 31/24, Asia per St. Louis FED

(2) Henry Hub Natural Gas Spot Price from Jan 1/24 to Aug 31/24 per St. Louis FED



Capital Stewardship

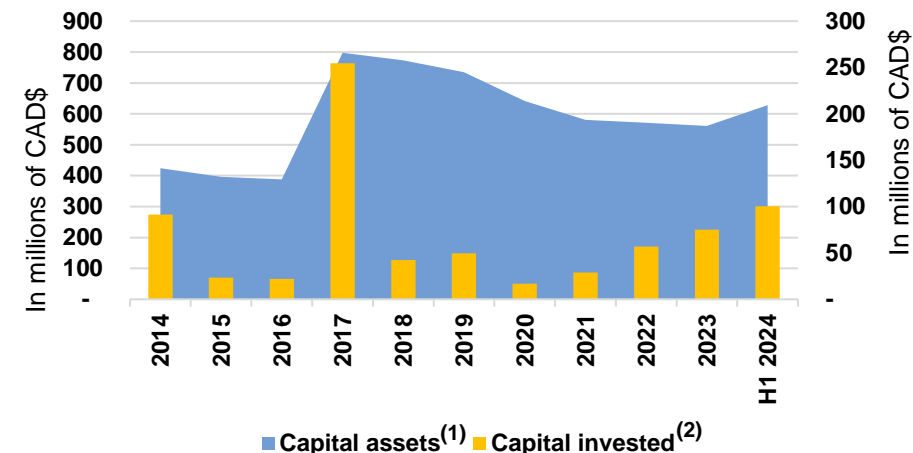
Disciplined Capital Investment

- No recorded impairments of PP&E or goodwill since inception
- Stable capital investment to maintain best-in-class equipment fleet

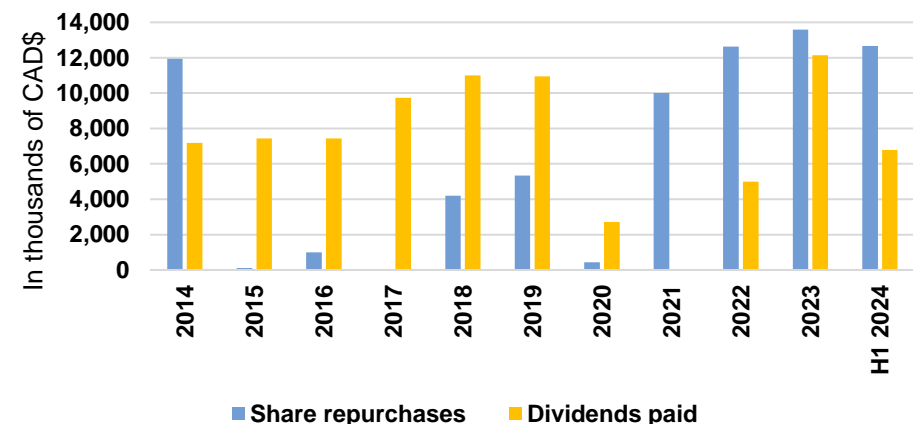
Rewarding our Shareholders

- \$323 million returned to shareholders through dividends and share buy backs from inception to October 11, 2024 - significantly exceeds paid up capital (\$244.2 million at June 30, 2024)
- Quarterly dividend of \$0.09 per common share
- Utilization of NCIB to repurchase shares at prices below tangible equity value
- Repurchased 8.5 million shares at an average price of \$6.98 from January 1, 2018 to October 11, 2024 – equals 56.1% of shares issued in 2017 Savanna acquisition at an average price of \$13.23

CAPITAL INVESTMENT



RETURN OF CAPITAL

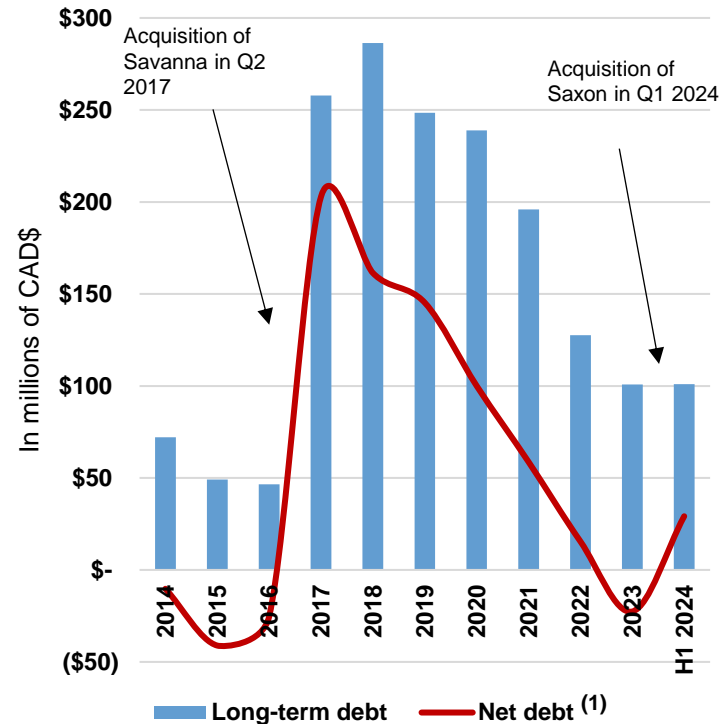


(1) Includes property, plant and equipment and goodwill.

(2) Includes purchases of PP&E, intangibles, other assets and consideration for business acquisitions

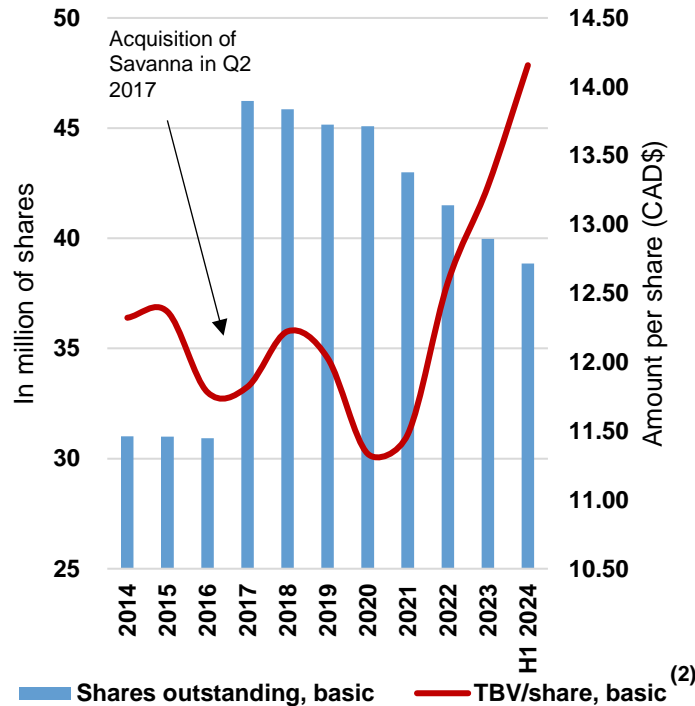
Creating Sustainable Shareholder Value

REDUCTION OF DEBT



Over \$200 million of debt repaid since the acquisitions of Savanna and Saxon

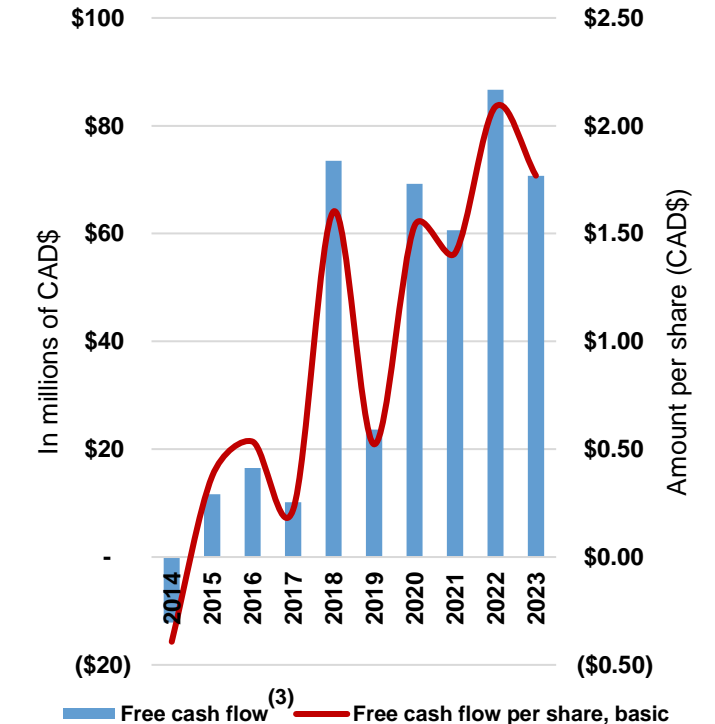
SHARES OUTSTANDING



Since 2017 acquisition of Savanna:

- Outstanding share count ↓ 18.0%
- TBV per share⁽²⁾ ↑ 19.8%

FREE CASH FLOW GROWTH



Annual free cash flow per share has grown at a CAGR of 18.8% from 2015 to 2023

(1) Net Debt equals long-term debt plus lease liabilities minus working capital.

(2) Tangible Book Value (TBV) per share equals shareholders' equity minus goodwill divided by shares outstanding (basic).

(3) Free cash flow equals operating cash flows minus purchases of PP&E, intangibles, other assets and cash paid on business acquisitions.



Solid Tangible Asset Value

Allocating capital to highest return opportunities

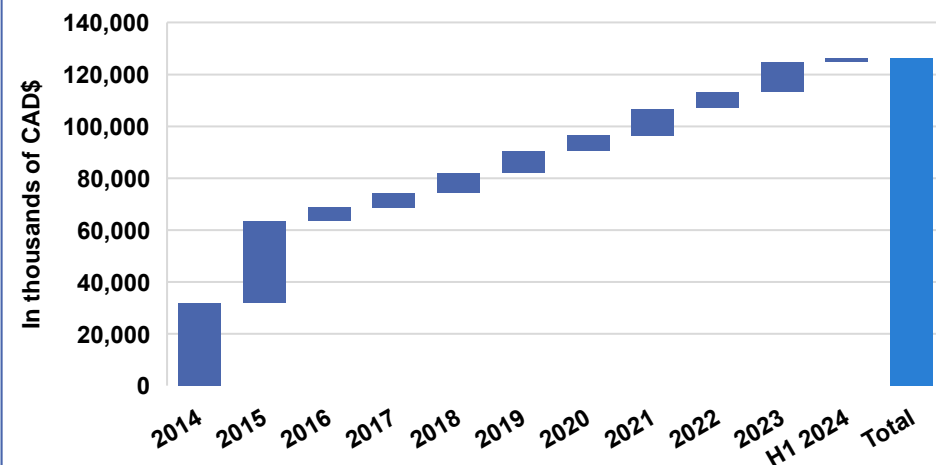
- Cumulative proceeds on disposals of PP&E >\$125 million over the last ten years

Sound PP&E book values

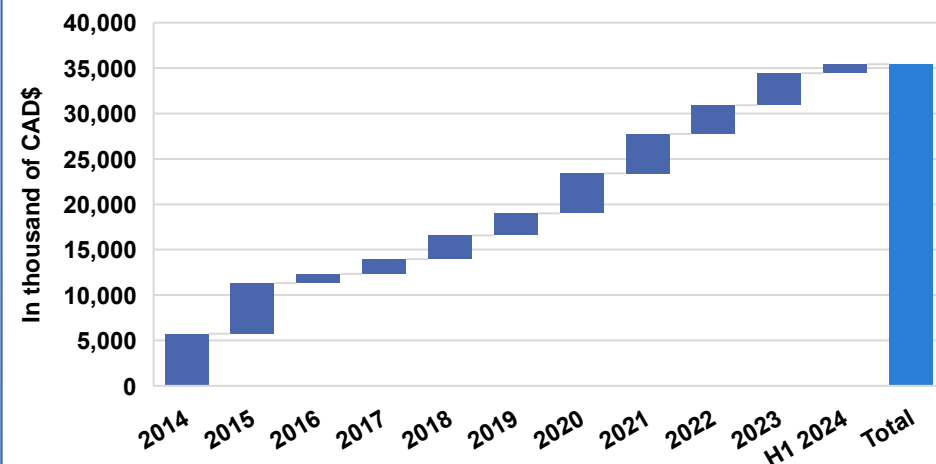
- Have never recorded a PP&E impairment despite completing over 40 acquisitions since 1997
- Cumulative gain on sale of PP&E >\$35 million over the last ten years
- Disposition proceeds from Jan 1, 2014 to June 30, 2024 exceeded book values by an average of 39%⁽¹⁾

(1) Calculated as weighted average annual gain on sale divided by net book value of disposals.

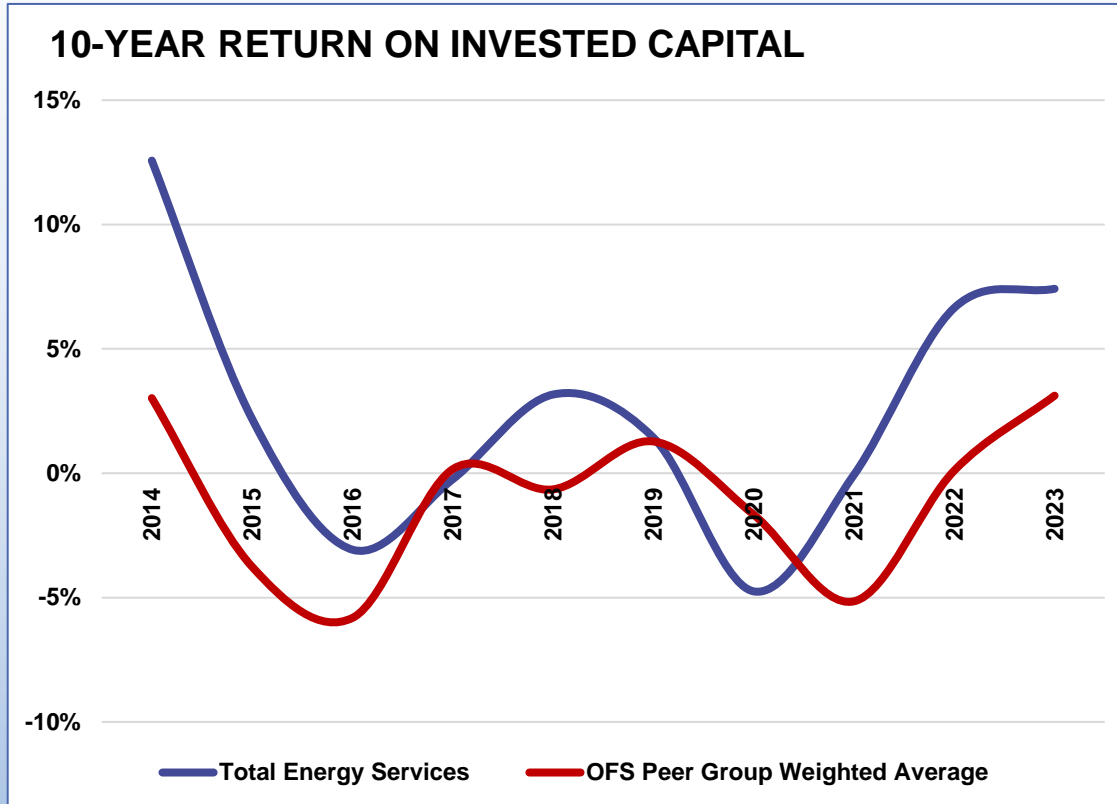
DISPOSALS OF PP&E



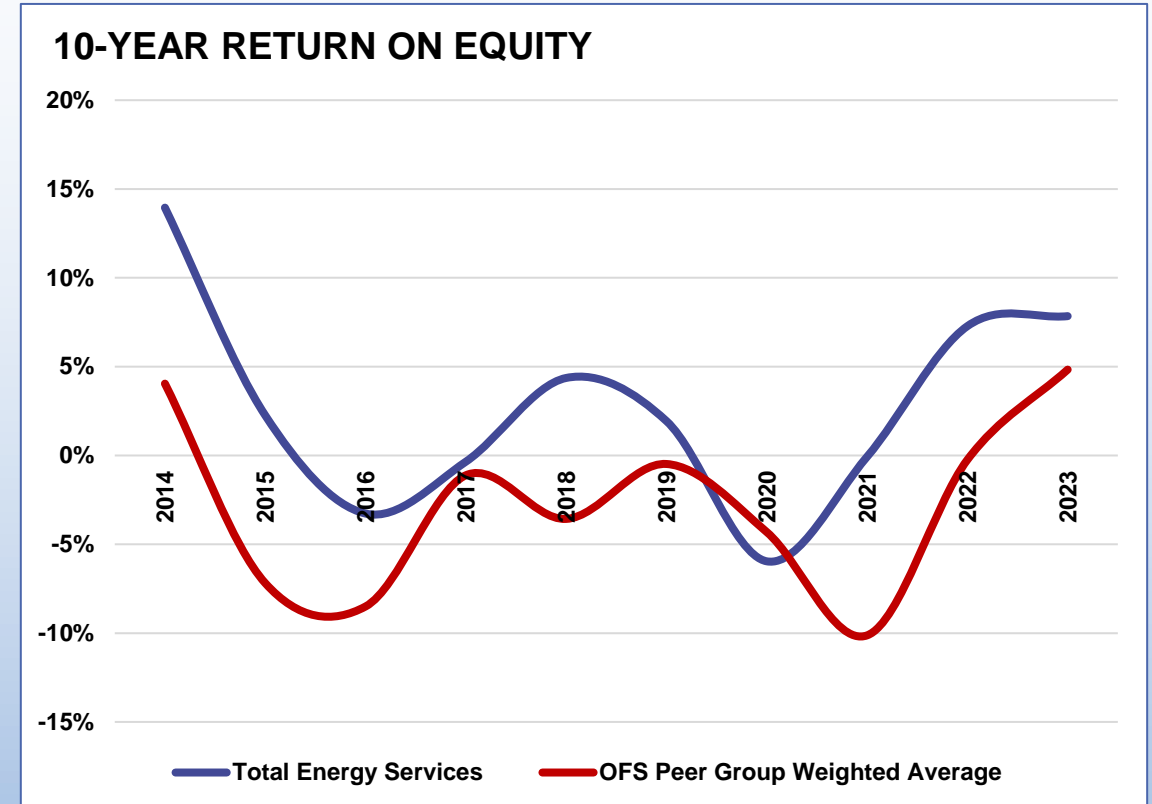
GAIN ON SALE OF PP&E



Industry Leading Return on Capital



Source: Company filings; reflects weighted average (based on enterprise value) of peer group annual returns
Peer group consists of PD, ESI, EFX, AKT, and WRG



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Peer group consists of PD, ESI, EFX, AKT, and WRG

- Total's disciplined approach to conducting business combined with prudent capital management has resulted in an industry leading ROIC and ROE over the business cycle.

2024 Capital Expenditure Plan

- **\$127.9 million projected 2024 capital spend**
- \$78.1 million of growth capital:
 - \$47.4 million for acquisition of Saxon Energy Services Australia
 - \$19.3 million of rig upgrades in CDS and WS segments
 - \$6.4 million of new rental equipment for RTS segment
 - \$5.0 million for CPS segment compression rental fleet growth
- \$35.6 million for equipment maintenance and recertifications
- \$14.2 million of carry-forward from 2023
- **\$97.7 million funded to June 30, 2024. Remaining \$30.2 million to be funded from cash on hand (\$24.8 million at June 30, 2024) and cashflow**



Saxon Energy Services Australia Acquisition



Acquisition of Saxon Energy Services Australia completed on March 7, 2024

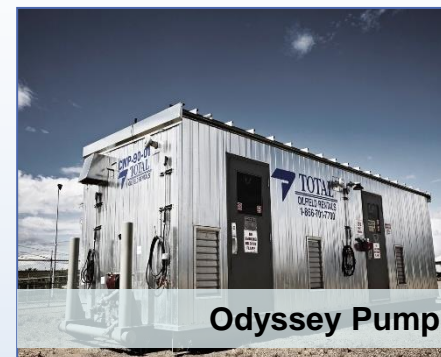
- Added 11 land drilling rigs in Australia
- Increases the depth capacity of Australian drilling rig fleet
- Expands Australian customer base
- Added experienced domestic labour force
- Cash purchase price funded by cash on hand and existing credit facilities
- US\$34.8 million paid at closing
- Up to US\$2 million payable on first anniversary



Corporate and Community Highlights

Positively impacting the communities we operate in

- Community engagement through sponsorship of numerous programs, including the annual Goodstriker Yakiwchuk Memorial Hockey Day in Slave Lake, Alberta (~150 children attended in 2024) and the Total Oilfield Rentals junior division football team in Casper, Wyoming
- Patented NOMAD line of mobile compressors– reduced site disturbance and noise relative to conventional skid unit
- Developed minimal disturbance Australian rig design – reduced footprint and substantial noise abatement



- Continued upgrade of drilling rig fleet with drilling optimization technology, bi-fuel and walking systems
- WS and RTS segments engaged in well abandonment and reclamation work
- 2024 recipient of the Globe and Mail's Report on Businesswomen Lead Here recognition
- Numerous Indigenous Partnerships and Marketing Alliances



Contact Information

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