



## PSAC Investment Symposium

June 16, 2011

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our **CUSTOMER SERVICE**  
makes us **GREATER** than  
the **SUM OF OUR PARTS**



# Forward Looking Information

*The information in this presentation may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, that address activities, events, outcomes and other matters that CE Franklin plans, expects, intends, assumes, believes, budgets, predicts, forecasts, projects, estimates or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. These forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements and refer to the Form 20-F for further detail.*

# Who We Are

- Leading distributor of oilfield equipment to over 3,000 customers from 45 branches which are mostly situated in Western Canada with one in Sarnia, ON.
- Over 50 year History
- Shares trade on the TSX (CFT) and on NASDAQ (CFK)
- 17.5 million shares outstanding
- 56% owned by Schlumberger Limited

# Board of Directors

- John J. Kennedy (1999)
- Michael S. West (2002)
- Michael J.C. Hogan (2006)
- Robert McClinton (2006)
- Dharmesh Prasad (2011)
- Keith Turnbull (2010)
- Brad Thomson (2010)

# What We Do

- We service our customer's project management, maintenance and operational needs by providing the right materials, on time with the best value
- Leverage our scale to enable industry leading hub and spoke purchasing and logistics
- Approximately 230 oilfield supply stores in Canada generating \$2 - \$3 billion annual revenue
- Competition includes Midfield/MRC, National Oilwell Varco, Apex, Westlund Industrial and Meridian Specialty and other industrial equipment suppliers

# CEF Current Product Offering



**Major  
Projects  
Group**



**Automation**



**Maintenance,  
Repair and  
Operating  
Supplies**



**Tubular  
Group**



**Artificial Lift  
Systems**



**Mechanical  
Field  
Services**

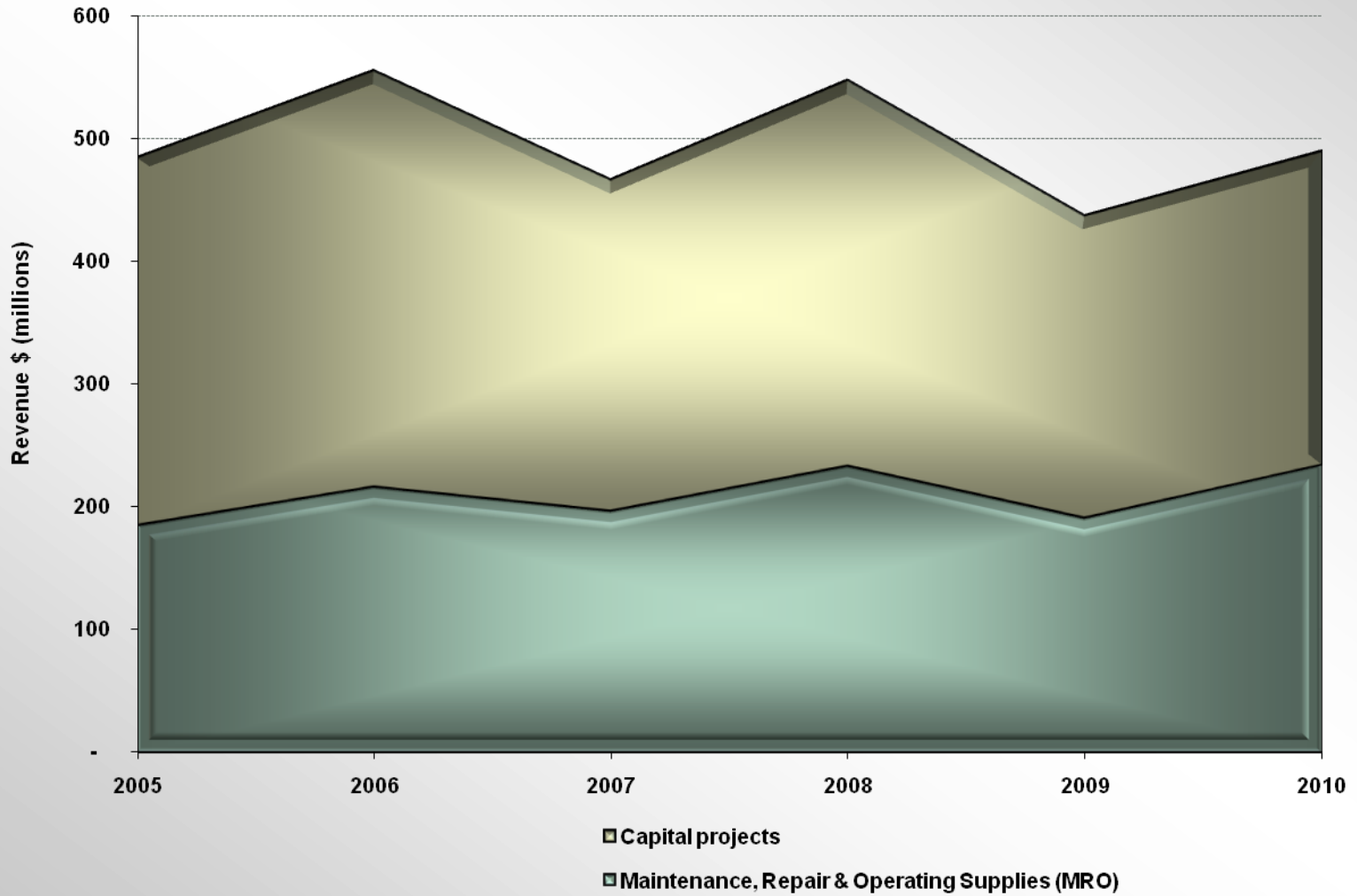
# Some of our Major Customers

- Spectra Energy
- Crescent Point Energy Corp.
- EnCana
- Cenovus
- Suncor Energy Inc.
- Syncrude Canada Ltd.
- Talisman Energy Inc.
- Kiewit and other engineering, procurement and construction firms

**Service over 3,000 customers**

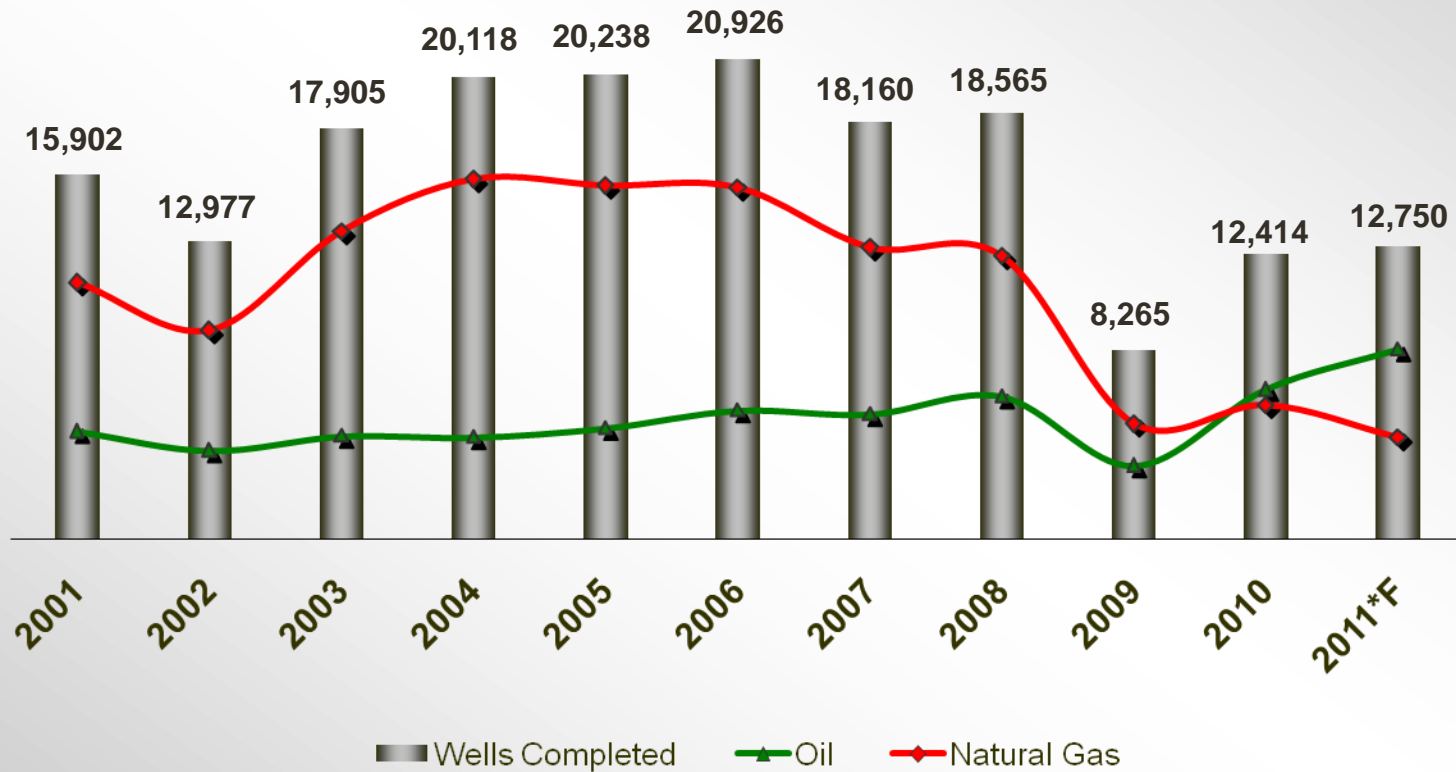
*(Top 10 customers comprised 38% of 2010 revenues)*

# Sales Drivers



# Wells Completed in Canada

*(wells completed excluding dry and service)*



# Financial Results - Annual

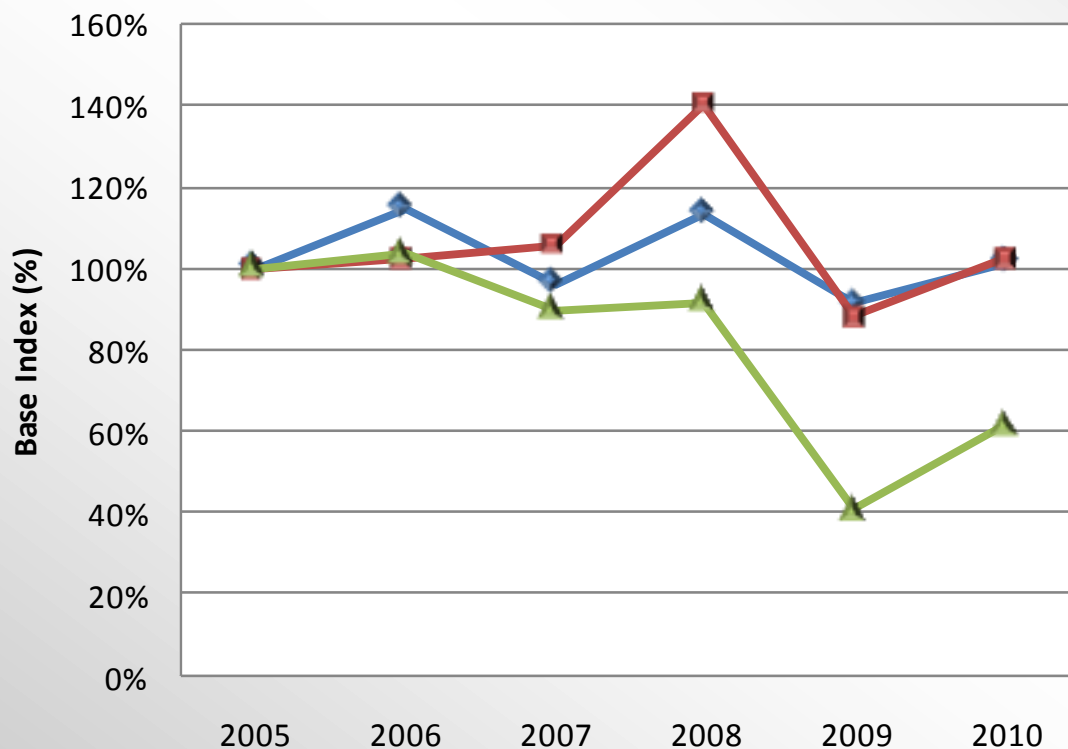
<i>(in millions of Canadian dollars, except per share data)</i>	<u>Year-ended December 31</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Revenue</b>	<b>489.6</b>	437.0	547.4	466.3	555.2
<b>% Gross Profit</b>	<b>15.3</b>	17.5	19.7	18.1	18.6
<b>EBITDA</b>	<b>12.5</b>	12.4	35.8	25.7	40.1
<b>Net Earnings</b>	<b>5.9</b>	6.3	21.7	13.6	22.9
<b>% of Net Earnings</b>	<b>1.2</b>	1.4	4.0	2.9	4.1
<b>Net Earnings per share</b>					
Basic	<b>\$0.34</b>	\$0.36	\$1.19	\$0.74	\$1.27
<b>Return on Equity (%)</b>	<b>3.9</b>	4.5	16.9	12.3	25.6

# Capitalization and Asset Efficiency

*(in millions of Canadian dollars)*

	<b>2010</b>	2009	2008	2007	2006
<b>Net Working Capital</b>	<b>125.7</b>	136.6	142.8	134.7	120.2
<b>Long term assets</b>	<b>31.2</b>	32.8	31.9	29.2	17.6
<b>Net Assets Employed</b>	<b>156.9</b>	169.4	174.7	163.9	137.8
<b>Funded by:</b>					
Debt Obligations	<b>6.4</b>	26.8	35.4	45.7	35.3
Shareholders' Equity	<b>150.5</b>	142.6	139.3	118.2	102.5
	<b>156.9</b>	169.4	174.7	163.9	137.8
<b>Debt/EBITDA</b>	<b>0.5</b>	2.2	1.0	1.8	0.9
<b>Accounts Receivable DSO</b>	<b>56</b>	60	52	62	59
<b>Inventory Turns</b>	<b>4.9</b>	3.0	4.2	4.3	4.3

# Performance vs. Market Activity Trends



- Company Sales
- Oil & gas weighted price  
40%/60% respectively
- Well Completions

Source: Prices : Sproule  
(Edmonton Par 40) & Gas  
(AECO)  
Well completions: PSAC

# Q1 2011 Comparison

*(in millions of Canadian dollars, except per share data)*

	<u>2011</u>	<u>2010</u>
<b>Revenue</b>	<b>137.7</b>	121.9
<b>% Gross Profit</b>	<b>16.2</b>	16.1
<b>EBITDA</b>	<b>5.3</b>	4.1
<b>Net Earnings</b>	<b>3.4</b>	2.2
<b>% of Net Earnings</b>	<b>2.5</b>	1.8
<b>Net Earnings per share</b>		
Basic	<b>19¢</b>	13¢
<b>Return on Equity (%)</b>	<b>8.8</b>	6.1

# Q1 Capitalization and Asset Efficiency

*(in millions of Canadian dollars)*

	2011	2010
<b>Cash</b>	<b>3.2</b>	—
<b>Net Working Capital</b>	<b>120.1</b>	113.9
<b>Fixed Assets &amp; Goodwill</b>	<b>31.1</b>	32.4
<b>Net Assets Employed</b>	<b>154.4</b>	146.3
<b>Funded by:</b>		
Debt Obligations	<b>0.3</b>	1.4
Shareholders' Equity	<b>154.1</b>	144.9
	<b>154.4</b>	146.3
<b>Debt/EBITDA</b>	<b>0.1</b>	0.1
<b>Accounts Receivable DSO</b>	<b>54</b>	51
<b>Inventory Turns</b>	<b>4.6</b>	4.6

# Strategies

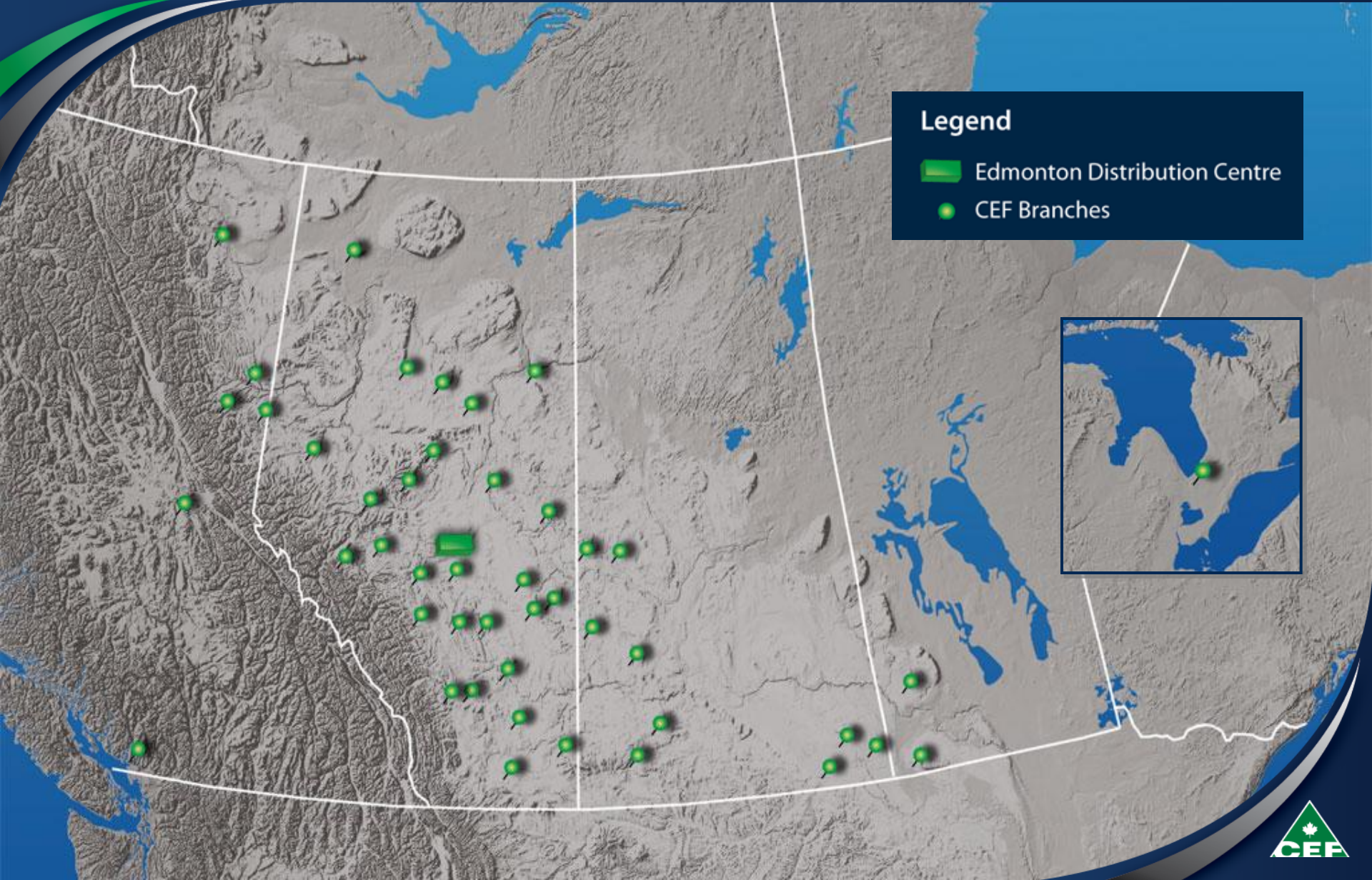
- Expand the reach and market share serviced by our distribution network
  - Conventional oil and gas
  - Oil sands
  - Industrial
  - Fluid control products

# Oilfield Supply

<b>Revenue</b> ( <i>\$ millions</i> )	<b>2010</b>	2009	2008
Oilfield	<b>\$410.7</b>	\$362.0	\$491.3
Production Services	<b>\$17.6</b>	\$10.5	\$16.7

- Gain market share
  - New customer capture
  - Industry consolidation
- Improve process efficiency
- Improve asset performance
- Expand product scope

# Locations



# Oil Sands / Major Projects

Revenue (\$ millions)	2010	2009	2008
Oil Sands / Major Projects	<b>\$61.3</b>	\$64.5	\$39.4

- Green field initiative five years ago
- Leverage existing capability and reach
- Leverage existing customer relationships
- Expand product capability / Core products

# Industrial Products

- Control valves / Instrumentation / Valve actuation
- Upstream / Midstream / Downstream
- Leveraging existing capabilities and infrastructure
- New and existing customers

# How Strategies Link

- Leverage existing infrastructure / distribution capability
- Expand branch network reach
- Diversify customers and markets
- Leverage existing customers with new value opportunity

# Market Outlook

- Gas prices expected to remain low
- Oil prices expected to remain strong
- PSAC / CAODC is forecasting continued industry activity recovery
- Services sector competition expected to remain high

# Community



The 2nd annual CE Franklin 3-on-3 Challenge hockey tournament  
Saturday, September 10, 2011  
Don Hartman North East Sportsplex

**Christine  
Nesbitt**



**Denny  
Morrison**



**Jessica  
Zelinka**



**Craig  
Conroy**



# Why Invest in CE Franklin

- Solid balance sheet and market position
- Solid growth strategies
- Industry activity improving



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# Questions





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[www.cefranklin.com](http://www.cefranklin.com)

