

NEWS RELEASE

FOR IMMEDIATE RELEASE

CE Franklin Ltd. Comments on Expected Fourth Quarter Results

Calgary, Alberta, January 17, 2002 - CE FRANKLIN LTD. (TSE.CFT, AMEX.CFK) announced today that it expects to report an operating loss in the three to four cents per share range before non-recurring items. The operating loss results from the decline in well completions in the quarter. The net loss after non-recurring items is expected to be in the six to eight cents per share range.

The slowdown in drilling activity has resulted in a 10% to 12% decline in wells completed in the fourth quarter of 2001 compared to the third quarter of 2001, and the fourth quarter of 2000, lowering earnings expectations. The non-recurring items relate to charges associated with reducing costs within the Company partially offset by the gain on the previously announced sale of the Domino Machine operations.

Michael West, Chief Executive Officer and President of CE Franklin remarks, "We are sizing CE Franklin to current market conditions which will result in cost savings in 2002. We are optimistic that we have a solid base to move forward and execute our strategy."

Conference Call and Webcast Information

CE Franklin will do an earnings release after the market closes on **January 30, 2002**. It will also be posted on the company's website at <http://www.cefranklin.com>. A conference call to review the quarterly results, which is open to the public, will be held on **Thursday, January 31, 2002**, beginning at **11:00 a.m. EST**. Participants may join the call by dialing **1-888-881-4892** at the scheduled time. A recording of the entire call may be accessed by 1:00 p.m. EST on the same day by calling 1-877-289-8525 and entering the pass code of 168826# and may be accessed until midnight Thursday February 7th, 2002.

The call will also be webcast live at:

<http://www.newswire.ca/webcast/pages/CEFranklin20020131/> and will be available on the company's website at <http://www.cefranklin.com>.

About CE Franklin

CE Franklin, is Canada's largest distributor of supplies for the drilling, production, processing and pipelining of hydrocarbons. In addition to its complete range of production equipment, including artificial lift technology, the company sells pipe, valves, fittings and maintenance supplies and provides complete customer inventory procurement and management services through its 41 locations across Canada. The Company also manufactures and packages specialized products for the energy industry and provides supply packages for projects in the hydrocarbon processing industry through its Piping Resources Division. CE Franklin's common stock trades on The Toronto Stock Exchange under the symbol CFT and on the American Stock Exchange under the symbol CFK. For additional information visit the website at www.cefranklin.com.

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This news release includes forward looking statements within the meaning of section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities Exchange Act of 1934. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that expected results will be achieved. Important factors that could cause actual results to differ materially from those in the forward looking statements herein include economic conditions, seasonality of drilling activity, commodity prices for oil and gas, currency fluctuations and government regulations, and other risks and uncertainties as described in the Company's 2000 Annual Report on Form 20-F as filed with the United States Securities and Exchange Commission.

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