

FOR: CE FRANKLIN LTD.

AMEX SYMBOL: CFK.

TSE SYMBOL: CFT

February 16, 2000

CE Franklin Ltd. Announces Results For 1999 (all results in Canadian Dollars)

CALGARY, ALBERTA--CE FRANKLIN LTD. (TSE.CFT, AMEX.CFK) announced today that revenue for the year ended December 31, 1999, was \$242.2 million, down \$72 million or 23% from the previous year. The company's sales were influenced by oil well drilling in western Canada which was down 38% from 4,039 wells to 2,516 wells in the same period according to the Petroleum Services Association of Canada (PSAC). Although gas well drilling increased in 1999 it had less impact on revenue as the company's sales per gas well are less than one third of sales per oil well. Aggressive competition which resulted from the reduced market also drove down gross margins which averaged 12.1% compared with 14.3% in the previous year.

The company responded to market conditions by reducing operating expenses by \$3.7 million to \$31.4 million. However, the company continued to invest aggressively in information technology which negatively affected earnings in the short term and increased depreciation charges by 57% to \$3.7 million. The result was a reduction in earnings of \$7.7 million compared with the year earlier and a net loss of \$5.4 million.

"Managing through the oil drilling slump from the spring of 1998 to the fall of 1999 was a real challenge," commented John Gilbank, Chairman and Chief Executive Officer. "We had to be aggressive about reducing operating costs without compromising on our strategy of investing in information technology and preparing for electronic commerce. Through asset management we were able to generate cash to successfully launch our new enterprise resource planning (ERP) system and also to reduce bank debt by more than \$10 million. Then, toward the end of the year, oil drilling began to pick up and oilsands projects were launched. As a result we expect more completions and construction work in 2000 and an improving business environment for taking advantage of our technology leadership."

CE Franklin is Canada's largest distributor of supplies to the oil and gas drilling and production industry. 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 40 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. For more information visit our Web Site at <http://www.cefranklin.com>. 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.

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 1998 Annual Report on Form 20-F as filed with the United States Securities and Exchange Commission.

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Supplemental Information - Five Years of Financial Data

(IN MILLIONS OF CDN DOLLARS) 1999 1998 1997 1996 1995(5)
SALES

General Supplies	140.3	180.9	219.0	140.4	62.0
Tubulars	91.1	120.2	192.7	118.4	44.4
CEF Technologies	10.8	13.0	5.6	0	0

Total Sales	242.2	314.1	417.3	258.8	106.4
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# of Oil Wells Drilled (excluding dry/service)	2,516	4,039	8,681	6,095	4,927
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# of Gas Wells Drilled (excluding dry/service)	5,998	4,257	4,664	3,539	3,531
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GROSS PROFIT

General Supplies	22.4	34.4	41.8	27.5	12.4
% of Sales	15.9%	19.0%	19.1%	19.6%	20.0%
Tubulars	4.0	7.2	12.4	7.0	2.8
% of Sales	4.4%	6.0%	6.4%	5.9%	6.3%
CEF Technologies	3.0	3.3	2.3	0	0
% of Sales	28.2%	25.4%	41.1%		

Total Gross Profit	29.4	44.9	56.5	34.5	15.2
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% of Sales	12.1%	14.3%	13.5%	13.3%	14.3%
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SELLING, GENERAL & ADMINISTRATIVE	31.4	35.1	32.1	22.3	12.2
% to Gross Profit	106.9%	78.2%	56.8%	64.6%	80.3%

EARNINGS BEFORE INTEREST, TAX,
DEPRECIATION, AMORTIZATION AND
OTHER EXPENSES (INCOME)
EBITDA

	(2.0)	9.7	24.4	12.2	3.1
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NET INCOME	(5.4)	2.2	11.2	6.7	1.0
% to Sales	(2.2%)	0.7%	2.7%	2.6%	0.9%

EPS

Basic	(0.33)	0.14	0.70	0.43	0.10
Fully Diluted	(0.33)	0.14	0.65	0.40	0.10

TOTAL ASSETS	138.1	137.7	162.5	87.9	
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TOTAL FINANCED DEBT	37.4	46.8	51.4	13.0	
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TOTAL CAPITALIZATION (AVERAGE)

Average Financed Debt	42.1	47.5	34.3	17.3	
% to Total Capitalization	47.0%	48.0%	45.3%	35.0%	
Average Equity	47.4	51.5	41.5	32.1	
% to Total Capitalization	53.0%	52.0%	54.7%	65.0%	
Total Capitalization	89.4	99.0	75.8	49.4	

CURRENT ASSETS % OF TOTAL ASSETS (AVERAGE)				
Average Current Assets	92.6	110.3	111.1	71.5
Average Total Assets	125.3	137.8	130.3	82.3
%	73.9%	80.1%	85.3%	86.9%

DAYS SALES OUTSTANDING (DSO) (1)				
Average Accounts Receivable -				
Trade	41.3	50.4	56.2	33.7
DSO	62.2	58.6	49.2	47.5

(1) (Average A/R/Sales)(x)365 days

BAD DEBT % TO ACCOUNTS RECEIVABLE				
Bad Debt	1.0	0.5	0.2	0
Average Accounts Receivable -				
Trade	41.3	50.4	56.2	33.7
%	2.5%	0.9%	0.4%	0.0%

INVENTORY TURNS				
Cost of Sales	212.8	269.2	360.8	224.3
Average Inventory	43.2	53.9	49.0	31.7
Inventory Turns	4.9	5.0	7.4	7.1

INVENTORY WRITEOFF %				
Inventory Writeoffs	0.4	1.0	0.8	0.7
Average Inventory	43.2	53.9	49.0	31.7
%	1.0%	1.9%	1.6%	2.2%

ROI (AFTER TAX) = RETURN ON INVESTMENT (2)				
Interest after tax	1.8	1.7	1.0	0.8
ROI (after tax)	(4.0%)	4.0%	16.1%	15.1%

(2) Net Income + Interest After Tax

Average (Equity + Financed Debt)

ROE (AFTER TAX) = RETURN ON EQUITY (3)				
	(11.5%)	4.3%	27.0%	20.9%

(3) (Net Income/Average Equity)

ECONOMIC VALUE ADDED (EVA) (4)				
Weighted Average Cost of Capital	9.7%	9.5%	8.9%	9.7%
EVA	(13.7%)	(5.5%)	7.2%	5.3%

(4) (ROI - Weighted Average Cost of Capital ((% financing from debt x cost of debt) + (% financing from equity x cost of equity)))

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(5) On November 3, 1995, Franklin Supply Company Ltd. (Franklin) acquired all the shares of Continental Emsco Company Ltd. (CEL) in a reverse takeover. As a result, the financial statements as at December 31, 1995 include the balance sheets of the combined company, CE Franklin Ltd., CEL's results for 1995 and

exclude Franklin's results prior to the date of the transaction. Due to this distortion, ratios have not been included for 1995 and 1994.

(6) Net income (loss) and shareholders equity as determined in accordance with Canadian GAAP differ from those determined in accordance with U.S. GAAP, due principally to the recording of certain restructuring expenditures as goodwill and the realization of certain deferred tax benefits, in compliance with Canadian GAAP. Under U.S. GAAP, the restructuring expenditures would have been recorded in the statement of operations and the benefit of the deferred tax assets would have been recorded as a reduction of goodwill.

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Supplemental Information - Quarterly Financial Data

(IN MILLIONS OF CDN DOLLARS)	Q1	Q2	Q3	Q4	1999
SALES					
General Supplies	34.7	22.7	38.5	44.4	140.3
Tubulars	19.5	11.2	24.7	35.7	91.1
CEF Technologies	2.6	2.3	2.8	3.0	10.8
Total Sales	56.8	36.3	66.0	83.1	242.2
# of Oil Wells Drilled (excluding dry/service)					
	320	380	835	981	2,516
# of Gas Wells Drilled (excluding dry/service)					
	1,563	1,246	1,677	1,512	5,998
GROSS PROFIT					
General Supplies	4.3	3.4	6.8	7.8	22.4
% of Sales	12.4%	15.1%	17.7%	17.6%	15.9%
Tubulars	1.0	0.6	1.2	1.2	4.0
% of Sales	5.1%	4.9%	5.0%	3.4%	4.4%
CEF Technologies	0.7	0.6	0.8	1.0	3.0
% of Sales	24.9%	25.9%	27.2%	33.8%	28.2%
Total Gross Profit	6.0	4.6	8.8	10.1	29.4
% of Sales	10.5%	12.6%	13.3%	12.1%	12.1%
SELLING, GENERAL & ADMINISTRATIVE					
	9.2	6.9	6.7	8.7	31.4
% of Gross Profit	153.4%	151.2%	75.8%	86.3%	106.9%
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTIZATION AND OTHER EXPENSES (INCOME)					
EBITDA	(3.2)	(2.3)	2.1	1.4	(2.0)
NET INCOME					
	(2.7)	(2.7)	0.2	(0.2)	(5.4)
% of Sales	(4.8%)	(7.3%)	0.3%	(0.3%)	(2.2%)
EPS					
Basic	(0.16)	(0.16)	0.01	(0.02)	(0.33)
Fully Diluted	(0.16)	(0.16)	0.01	(0.02)	(0.33)
TOTAL ASSETS	122.3	115.9	132.9	138.1	138.1

TOTAL FINANCED DEBT	43.5	42.0	43.2	37.4	37.4

TOTAL CAPITALIZATION (AVERAGE)					
Average Financed Debt	45.6	43.3	40.8	38.6	42.1
% to Total Capitalization	47.7%	48.0%	47.0%	45.4%	47.0%
Average Equity	50.0	46.9	46.0	46.5	47.4
% to Total Capitalization	52.3%	52.0%	53.0%	54.6%	53.0%
Total Capitalization	95.6	90.2	86.8	85.1	89.4

CURRENT ASSETS % OF TOTAL ASSETS (AVERAGE)					
Average Current Assets	92.9	80.4	92.3	104.6	92.6
Average Total Assets	125.1	114.4	125.2	136.3	125.3
%	74.3%	70.3%	73.7%	76.7%	73.9%

DAYS SALES OUTSTANDING (DSO)(1)					
Average Accounts Receivable - Trade	41.9	30.5	42.2	50.6	41.3
Sales - annualized	227.1	145.1	264.1	332.5	242.2
DSO	67.3	76.8	58.3	55.5	62.2

(1) (Average A/R/Sales)(x)365 days					

BAD DEBT % TO ACCOUNTS RECEIVABLE					
Bad Debt	0.7	0.1	0.1	0.1	1.0
Average Accounts Receivable - Trade	41.9	30.5	42.2	50.6	41.3
%	1.6%	0.3%	0.3%	0.3%	2.5%

INVENTORY TURNS					
Cost of Sales	50.8	31.7	57.2	73.1	212.8
Cost of Sales - annualized	203.2	126.8	228.9	292.2	212.8
Average Inventory	42.2	41.6	42.9	46.1	43.2
Inventory Turns	4.8	3.0	5.3	6.3	4.9

INVENTORY WRITEOFF %					
Inventory Writeoffs	(0.6)	0.2	0.2	0.6	0.4
Average Inventory	42.2	41.6	42.9	46.1	43.2
%	(1.3%)	0.5%	0.4%	1.3%	1.0%

ROI(AFTER TAX) = RETURN ON INVESTMENT (2)					
Interest after tax	0.5	0.5	0.5	0.3	1.8
Interest after tax - annualized	2.1	2.0	2.0	1.2	1.8
Net Income - annualized	(10.9)	(10.6)	0.8	(1.0)	(5.4)
ROI (after tax)	(9.3%)	(9.5%)	3.2%	0.2%	(4.0%)

(2) Net Income + Interest After Tax					

Average (Equity + Financed Debt)					

ROE (AFTER TAX) = RETURN ON EQUITY (3)	(21.8%)	(22.6%)	1.6%	(2.1%)	(11.5%)

(3) (Net Income/Average Equity)					

ECONOMIC VALUE ADDED (EVA) (4)					
Weighted Average Cost of Capital	9.6%	9.6%	9.9%	9.9%	9.7%
EVA	(18.9%)	(19.1%)	(6.7%)	(9.6%)	(13.8%)

(4) (ROI - Weighted Average Cost of Capital ((% financing from debt x cost of debt) + (% financing from equity x cost of equity)))

CE Franklin Ltd.
 Consolidated Balance Sheets
 For the years ended December 31, 1999 and 1998

(in thousands of dollars)

	December 31, 1999 U.S. \$ (note 2)	December 31, 1999 Cdn. \$	December 31, 1998 Cdn. \$
ASSETS			
CURRENT ASSETS			
Marketable securities	-	-	455
Accounts receivable (note 3)	36,223	52,281	48,090
Inventories	33,963	49,019	43,058
Income tax recoverable	3,608	5,207	4,304
Other	265	383	612
	74,059	106,890	96,519
CAPITAL ASSETS (note 4)	13,256	19,132	19,486
GOODWILL, NET OF AMORTIZATION OF CDN. \$314 (U.S. \$218; 1998 Cdn. \$313)	7,885	11,380	11,694
OTHER ASSETS	489	706	33
	95,689	138,108	127,732
LIABILITIES			
CURRENT LIABILITIES			
Bank overdraft	5,747	8,295	434
Accounts payable and accrued liabilities	30,817	44,477	28,910
Current portion of long-term debt (note 6)	207	299	12
	36,771	53,071	29,356
BANK OPERATING LOAN (note 5)	25,289	36,500	46,800
LONG-TERM DEBT (note 6)	417	602	34
DEFERRED INCOME TAXES	1,091	1,574	170
	63,568	91,747	76,360
COMMITMENTS (note 11)			
SHAREHOLDERS' EQUITY			
CAPITAL STOCK (note 7)	12,270	17,709	17,281

CONTRIBUTED SURPLUS	9,399	13,566	13,566
RETAINED EARNINGS	10,452	15,086	20,525
	32,121	46,361	51,372
	95,689	138,108	127,732

The accompanying notes are an integral part of these financial statements.

CE Franklin Ltd.
Consolidated Statements of Operations
For the years ended December 31, 1999, 1998 and 1997

(in thousands of dollars)

	1999 U.S. \$ (note 2)	1999 Cdn. \$	1998 Cdn. \$	1997 Cdn. \$
SALES				
General supplies	97,217	140,313	180,943	219,036
Tubulars	63,111	91,088	120,204	192,655
CEF Technologies	7,485	10,804	13,004	5,580
	167,813	242,205	314,151	417,271
COST OF SALES				
General supplies	81,721	117,948	146,579	177,259
Tubulars	60,342	87,092	113,036	180,301
CEF Technologies	5,373	7,755	9,697	3,238
	147,436	212,795	269,312	360,798
GROSS PROFIT				
General supplies	15,496	22,365	34,364	41,777
Tubulars	2,769	3,996	7,168	12,354
CEF Technologies	2,112	3,049	3,307	2,342
	20,377	29,410	44,839	56,473
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (note 8)	21,778	31,431	35,139	32,068
EARNINGS (LOSS) BEFORE INTEREST, TAX, DEPRECIATION, AMORTIZATION AND OTHER EXPENSES (INCOME) (EBITDA)	(1,401)	(2,021)	9,700	24,405
OTHER EXPENSES (INCOME)				
Depreciation and Amortization	2,540	3,666	2,332	2,025
Interest expense	2,224	3,210	3,067	1,788
Loss (gain) of disposal of capital assets	60	87	(68)	(62)

Foreign exchange loss	26	38	382	214
Other	(23)	(33)	(42)	(42)

INCOME (LOSS) BEFORE INCOME TAXES	(6,228)	(8,989)	4,029	20,482

INCOME TAX EXPENSE (RECOVERY) (note 9)				
Current	(3,433)	(4,954)	2,106	9,052
Deferred	973	1,404	(312)	212
	(2,460)	(3,550)	1,794	9,264

NET INCOME (LOSS) FOR THE YEAR	(3,768)	(5,439)	2,235	11,218

NET INCOME (LOSS) PER SHARE				
Basic	(0.23)	(0.33)	0.14	0.70
Fully diluted (note 1)	(0.23)	(0.33)	0.14	0.65
Weighted average basic number of shares outstanding (note 1)	16,627,231	16,627,231	16,507,218	16,058,572

The accompanying notes are an integral part of these financial statements.

CE Franklin Ltd.

Consolidated Statements of Cash Flows

For the years ended December 31, 1999, 1998 and 1997

(in thousands of dollars)

	December 31, 1999 U.S. \$ (note 2)	December 31, 1999 Cdn. \$	December 31, 1998 Cdn. \$	December 31, 1997 Cdn. \$ Restated (note 18)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss) for the year	(3,768)	(5,439)	2,235	11,218
Items not affecting cash -				
Depreciation and amortization	2,540	3,666	2,332	2,025
Loss (gain) on disposal of capital assets	60	87	(68)	(62)
Deferred income taxes	973	1,404	(312)	212
Increase (decrease) of inventory reserves	260	376	(67)	(69)
	65	94	4,120	13,324

Net change in non-cash working capital balances related to operations -				
Accounts receivable	(2,904)	(4,192)	35,123	(36,980)
Income tax recoverable	(626)	(902)	(4,304)	-
Inventories	(4,391)	(6,337)	9,943	(18,219)
Other current assets	159	229	214	(608)
Accounts payable and accrued liabilities	10,787	15,568	(25,433)	18,281
Income taxes payable	-	-	(6,979)	5,531
	3,090	4,460	12,684	(18,671)

CASH FLOWS FROM FINANCING

ACTIVITIES

Issuance of shares	296	428	485	1,666
Increase (decrease) in bank operating loan	(7,136)	(10,300)	(4,500)	38,900
Increase (decrease) in bank overdraft	5,447	7,862	(192)	(2,491)
Decrease in obligations under capital lease	(164)	(239)	(25)	(489)
	(1,557)	(2,249)	(4,232)	37,586

CASH FLOWS FROM INVESTING

ACTIVITIES

Decrease (increase) in marketable securities	315	455	(9)	4
Purchase of capital assets	(2,093)	(3,021)	(9,210)	(7,240)
Proceeds on disposal of capital assets	224	324	549	223
Acquisition consisting of:				
Working capital, excluding cash	-	-	-	(3,058)
Capital assets	-	-	-	(3,695)
Goodwill	-	-	144	(5,124)
Reduction (increase) of other assets	21	31	74	(25)
	(1,533)	(2,211)	(8,452)	(18,915)

INCREASE (DECREASE) IN CASH

AND CASH EQUIVALENTS

DURING THE YEAR - - - -

CASH AND CASH EQUIVALENTS

- BEGINNING OF YEAR - - - -

CASH AND CASH EQUIVALENTS

- END OF YEAR - - - -

Cash paid during the year for:

Interest on bank operating loan	2,141	3,090	3,107	1,682
Interest on long-term debt and due to parent	45	65	5	57
Income taxes	161	232	8,166	3,653

The accompanying notes are an integral part
of these financial statements.

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