

NEWS RELEASE TRANSMITTED BY CANADIAN CORPORATE NEWS

FOR: CE FRANKLIN LTD.

TSE SYMBOL: CFT

AMEX SYMBOL: CFK

FEBRUARY 19, 1999

CE Franklin Ltd. Announces Results for 1998 (all results in Canadian dollars)

CALGARY, ALBERTA--CE FRANKLIN LTD. (TSE.CFT, AMEX.CFK) announced today revenue for the fiscal year ended December 31, 1998 was \$314.1 million, a decrease of \$103.2 million from the same period the previous year. The 25 percent decrease in sales resulted from a 41 percent drop in drilling activity in western Canada in 1998 which was partially offset by market share growth. Net income for 1998 was down by \$9.0 million to \$2.2 million due mainly to the reduction in sales offset partially by higher margins. Earnings per share (fully diluted) for 1998 was \$0.14 down from \$0.65 in 1997.

In 1998, CE Franklin grew its market share to \$32,000 sales per well drilled compared to \$25,000 in 1997. The 28 percent increase was achieved through increased focus on natural gas markets, through the company's new business initiatives including: bitumen, major capital projects and offshore east-coast projects, and through on going maintenance requirements.

Sales, General and Administrative expenses (SG&A) increased \$3.0 million in 1998 from 1997. These increases were due to developing new business initiatives and were offset partially by cost reductions. However, SG&A decreased during the year from \$9.7 million in the first quarter to \$9.0 million in the second quarter and \$8.2 million in the third and fourth quarters. The reductions were achieved by a reduction in personnel totaling 14 percent, a decrease in vehicles by 9 percent, the closure of two service center locations, the consolidation of four service centers into two, a 40 percent reduction in discretionary spending, and a 7 percent reduction in internal services costs.

"We are, of course, disappointed with the severity of the industry's decline in 1998," commented John Gilbank, Chairman and Chief Executive Officer. " Fortunately, our cost and inventory reduction efforts were able to control much of the damage and we have had very strong support from our customers who have made us once again the leader in supplying the Canadian energy industry. As for 1999, all indications are for a year with lower drilling levels than in 1998 which will challenge us to find new ways to improve our efficiencies. We are particularly looking forward to the implementation of our next generation of computer software in the second quarter. "

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 43 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 1997 Annual Report on Form 20-F as filed with the United States Securities and Exchange Commission.

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CE Franklin Ltd.
Summary of Financial Data

(in thousands of Canadian Dollars except
EPS and shares outstanding)

	Year Ended December 31,	
	1998	1997
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SELECTED INCOME STATEMENT DATA:		
Sales	\$314,151	\$417,271
Net Income	2,235	11,218
Net Income Per Share - Basic	0.14	0.70
- Fully Diluted	0.14	0.65
Weighted Average Number of Shares Outstanding	16,507,218	16,058,572
SELECTED BALANCE SHEET DATA:		
Working Capital	67,163	75,392
Total Assets	127,732	162,453
Long Term Debt (1)	46,834	51,346
Total Liabilities	76,360	113,855
Shareholders' Equity	51,372	48,598

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(1) Long Term Debt includes a 366 day revolving demand operating loan

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