

NEWS RELEASE TRANSMITTED BY [CANADIAN CORPORATE NEWS](#)

FOR: CE FRANKLIN LTD.

TSE SYMBOL: CFT  
AMEX SYMBOL: CFK

JUNE 2, 1999

#### CE Franklin Ltd. Announces Change in Majority Shareholder

CALGARY, ALBERTA--CE FRANKLIN LTD. (TSE.CFT, AMEX.CFK) today reported a change of its majority shareholder. Smith International, Inc. (NYSE.SII), based in Houston, Texas, announced yesterday that it had acquired approximately 8.6 million shares or 52 percent of CE Franklin from CONEMSCO, Inc. SCF Partners, a Houston based private investment firm, is the majority owner of CONEMSCO, Inc. The transaction is similar to a memorandum of understanding announced December 16, 1998 except that the shares will now be wholly-owned by Smith rather than held by a joint venture with SCF partners as originally proposed.

"We expect that the association with Smith, and particularly its Wilson Supply operation, will create several opportunities for our company which we will now be in a position to explore," commented John Gilbank, Chairman, President and Chief Executive Officer. "We are expecting to make some adjustments in board representation after consultation with Smith (SCF Partners has been represented by two members on the seven member board) but we are not expecting major changes. Smith's Wilson division has no operations in Canada and we expect the fit of the two companies to be complementary."

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

CE Franklin Ltd.

Kelly O'Sullivan

Manager, Investor Relations

(403) 531-5604 or (800) 345-2858

<http://www.cefranklin.com>

or

CE Franklin Ltd.

Jean Parker

Chief Financial Officer

(403) 531-5603