

NEWS RELEASE

FOR IMMEDIATE RELEASE

CE FRANKLIN LTD. ANNOUNCES SECOND QUARTER RESULTS

(Results are in Canadian Dollars)

Calgary, Alberta, July 23, 2002 - CE FRANKLIN LTD. (TSE.CFT, AMEX.CFK)

announced today its results for the second quarter ended June 30, 2002. Net loss for the quarter ended June 30, 2002 was \$1.1 million or a loss of \$0.07 per share (diluted) as compared to net income of \$43,000 or \$0.01 per share (diluted) for 2001.

For the quarter ended June 30, 2002 the total number of well completions (excluding dry/service wells) in western Canada declined 34.5% to 3,062 wells completed. Oil well completions declined 29.5% to 866 wells completed, and gas completions declined 36.3% to 2,196 wells completed as compared to the quarter ended June 30, 2001. The average rig count decreased by 43.1% to an average of 149 rigs for the quarter ended June 30, 2002 from an average of 262 rigs for the quarter ended June 30, 2001.

Sales for the quarter ended June 30, 2002 decreased to \$57.6 million or 33.3% from \$86.3 million for the quarter ended June 30, 2001. During the second quarter of 2001, the Company generated \$7.0 million of sales from the distribution of pipe, valves and fittings to a large capital oilsands project in Northern Alberta. The Company's portion of this project was substantially completed during 2001. Excluding this capital project, General Supplies sales decreased \$9.0 million or 19.5% while well completion activity declined 34.5% and rig counts declined 43.1%, as compared to the second quarter of 2001.

Tubular sales for the quarter ended June 30, 2002 were \$16.4 million as compared to \$29.6 million for the quarter ended June 30, 2001, due primarily to a decrease in rig counts.

Earnings before interest, tax, depreciation, amortization and other expenses (EBITDA) for the quarter ended June 30, 2002 was a loss of \$429,000 as compared to EBITDA of \$1.4 million in the prior year quarter. Included in the second quarter 2002 SG&A were approximately \$590,000 in non-operating costs relating to severance, termination, and other costs. The Company continued to adjust its infrastructure during the quarter to match projected activity and revenue levels.

Excluding the non-operating costs, EBITDA for the quarter ended June 30, 2002 was \$161,000. Improvement in gross profit margins and reduced SG&A costs offset the impact of the \$28.7 million sales reduction in the quarter compared to the second quarter of 2001.

Loss from continuing operations before income taxes was \$1.6 million for the quarter ended June 30, 2002 as compared to a loss of \$368,000 for the quarter ended June 30, 2001. The decline in income reflects the reduction in EBITDA offset by a reduction in interest expense due to lower debt levels reflecting better working capital management coupled with a reduction in the Canadian prime interest rate.

Net loss for the quarter ended June 30, 2002 was \$1.1 million or a loss of \$0.07 per share (diluted) as compared to net income of \$43,000 or \$0.01 per share (diluted) for 2001. Included in 2001 net income was \$249,000 in earnings (\$0.01 per share) from discontinued operations relating to Domino Machine, which was sold by the Company on December 18, 2001.

“CE Franklin is realizing the results from its restructuring efforts as gross profit dollars and SG&A costs mirror the 19% decline in industry activity since the fourth quarter of 2001. Our mandate is to outperform the market through the industry cycles”, said Michael West, President and Chief Executive Officer.

Conference Call and Webcast Information

A conference call to review the quarterly results, which is open to the public, will be held on Wednesday, July 24, 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 p.m. EST on the same day by calling **1-877-289-8525** and entering the pass code of 201076# and may be accessed until midnight Wednesday July 31, 2002.

The call will also be webcast live at:

<http://www.newswire.ca/webcast/pages/CEFranklin20020724/> 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 tubular products and production equipment, including artificial lift technology, the Company sells pipe, valves, fitting and maintenance supplies and provides complete customer inventory procurement and management services through its 41 locations across Canada.

CE Franklin's common shares trade 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.

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 2001 Annual Report on Form 20F as filed with the United States Securities and Exchange Commission.

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