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FOR: CE FRANKLIN LTD.

AMEX SYMBOL: CFK.

TSE SYMBOL: CFT

July 20, 2000

CE Franklin Second Quarter Sales Up 117% Gross Profit Up 133%

CALGARY, ALBERTA--

CANADA'S LARGEST ENERGY SUPPLY COMPANY ANNOUNCES GROWTH IN SALES AND PROFITABILITY. (RESULTS ARE IN CANADIAN DOLLARS)

CE FRANKLIN LTD. (TSE.CFT, AMEX.CFK) today reported an increase in gross profit from \$4.6 million in the second quarter of 1999 to \$10.7 million in the second quarter of 2000, a 133% increase. Sales grew to \$78.7 million from \$36.3 million, a 117% increase from the same period last year. A continuing recovery in activity in western Canadian oil and gas drilling was the main driver of both sales and earnings.

Gross profit as a percentage of sales increased to 13.6% in the second quarter of 2000 from 12.6% in the second quarter of 1999. This improvement reflected an ongoing recovery from the unusually low level of activity in the company's markets in the previous year and an increased procurement and process effort in the company.

Selling, general and administrative expenses increased by 22% from the same period last year as a result of increased staffing requirements and increased commissions tied to higher sales levels. Net income was \$0.1 million, an increase of \$2.8 million compared to the second quarter of 1999. Earnings per share (fully diluted) for the second quarter of 2000 were \$0.01, an increase of \$0.16 compared to the second quarter of 1999.

Sales for the first six months of 2000 were \$176.0 million, an increase of \$83.0 million or 89% compared to the first six months of 1999. The increase is due mainly to a 70% increase in drilling activity in western Canada; including a 254% increase in oil drilling and a 31% increase in gas drilling activity. Net income for the first six months of 2000 was \$1.4 million, an increase of \$6.8 million compared to the first six months of 1999. Earnings per share (fully diluted) for the first six months were \$0.08, an increase of \$0.39 from the first six months in 1999.

"Our largest customers, the oil and gas producers, are now realizing the cash flow benefits of higher commodity prices and are gradually ramping up their operating and capital expenditures," commented John Gilbank, Chairman and Chief Executive Officer. "Our sales momentum is building and that will enable us to continue to pursue improvement and growth initiatives. On the eCommerce side for example, beta testing is underway and we will conduct our first transactions with our pilot customers at the end of July."

CE FRANKLIN SECOND QUARTER 2000 RESULTS

During the second quarter, CE Franklin went live with its new website. It offers all our stakeholders valuable information and is setup to facilitate our eCommerce Marketplace. Check it out at [www.cefranklin.com](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 new website at [www.cefranklin.com](http://www.cefranklin.com).

#### CONFERENCE CALL INFORMATION

CE Franklin Ltd. has scheduled a conference call for Friday, July 21, 2000, at 12:00, noon (Eastern Standard Time) during which the second quarter results will be discussed. Please phone the conference call operator at 1-877-323-2090. John Gilbank, Chairman and Chief Executive Officer will chair the conference call. A question and answer session will be included in the call. A taped version of the call will be available until midnight Wednesday, July 26, 2000 by calling 1-888-509-0081.

#### DETAILED FINANCIALS TO FOLLOW.

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 1999 Annual Report on Form 20-F as filed with the United States Securities and Exchange Commission.

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CE Franklin Ltd.  
Consolidated Statements of  
Operations (Unaudited)

Three Months Ended (in thousands of dollars)	June 30, 2000 U.S. \$	June 30, 2000 Cdn \$	June 30, 1999 Cdn \$
Sales			
General supplies	27,715	40,999	22,738
Tubulars	22,946	33,944	11,245
CEF Technologies	2,530	3,743	2,293

	53,191	78,686	36,276
-----			
Gross profit			
General supplies	4,921	7,279	3,424
%	17.8%	17.8%	15.1%
Tubulars	1,257	1,860	556
%	5.5%	5.5%	4.9%
CEF Technologies	1,030	1,524	594
%	40.7%	40.7%	25.9%
-----			
Total gross profit \$	7,208	10,663	4,574
Total gross profit %	13.6%	13.6%	12.6%
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Selling, general and administrative expenses	5,702	8,435	6,915
-----			
Earnings before interest, tax, depreciation, amortization and other expenses (income) (EBITDA)	1,506	2,228	(2,341)
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Other Expenses (Income)			
Depreciation and amortization	724	1,071	929
Interest expense	577	854	792
Loss (gain) on disposal of capital assets	-	-	-
Other	93	137	80
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Income before income taxes	112	166	(4,142)
-----			
Income tax expense (recovery)	30	44	(1,487)
-----			
Net income (loss) for the period	82	122	(2,655)
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Net income (loss) per share (note #1)			
Basic	0.00	0.01	(0.16)
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Fully diluted	0.00	0.01	(0.15)
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Weighted average basic number of shares outstanding	16,867,427	16,867,427	16,568,669
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CE Franklin Ltd.  
Consolidated Statements of  
Operations (Unaudited)

Six Months Ended (in thousands of dollars)	June 30, 2000 U.S. \$	June 30, 2000 Cdn \$	June 30, 1999 Cdn \$
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Sales			
General supplies	61,897	91,564	57,392
Tubulars	51,231	75,786	30,722
CEF Technologies	5,874	8,690	4,936
	-----	-----	-----
	119,002	176,040	93,050
	-----	-----	-----
Gross profit			
General supplies	10,725	15,865	7,734
%	17.3%	17.3%	13.5%
Tubulars	2,874	4,252	1,556
%	5.6%	5.6%	5.1%
CEF Technologies	2,148	3,177	1,252
%	36.6%	36.6%	25.4%
	-----	-----	-----
Total gross profit \$	15,747	23,294	10,542
Total gross profit %	13.2%	13.2%	11.3%
	-----	-----	-----
Selling, general and administrative expenses	11,467	16,963	16,067
	-----	-----	-----
Earnings before interest, tax, depreciation, amortization and other expenses (income) (EBITDA)	4,280	6,331	(5,525)
Other Expenses (Income)			
Depreciation and amortization	1,436	2,125	1,543
Interest expense	1,146	1,695	1,653
Loss (gain) on disposal of capital assets	25	37	-
Other	16	24	(33)
	-----	-----	-----
Income before income taxes	1,657	2,450	(8,688)
	-----	-----	-----
Income tax expense (recovery)	699	1,034	(3,299)
	-----	-----	-----
Net income (loss) for the period	958	1,416	(5,389)
	-----	-----	-----
Net income (loss) per share (note #1)			
Basic	0.06	0.08	(0.33)
	-----	-----	-----
Fully diluted	0.05	0.08	(0.31)
	-----	-----	-----
Weighted average basic number of shares outstanding	16,867,427	16,867,427	16,568,669
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CE Franklin Ltd.  
Consolidated Balance Sheets  
(Unaudited)

(in thousands of dollars)	June 30,	June 30,	June 30,
	2000	2000	1999
	U.S. \$	Cdn \$	Cdn \$

ASSETS			
Current assets			
Accounts receivable	34,003	50,301	35,091
Inventories	40,439	59,822	42,672
Income tax recoverable	2,770	4,097	3,794
Other	615	910	783
Total current assets	77,827	115,130	82,340
Capital assets			
Goodwill	13,239	19,584	20,903
Other assets	7,587	11,223	11,537
	477	706	1,162
Total Assets	99,130	146,643	115,942
LIABILITIES			
Current liabilities			
Bank overdraft	639	945	-
Accounts payable and accrued liabilities	33,977	50,262	27,737
Bank operating loan	30,014	44,400	-
Current portion of long-term debt	202	299	300
Total current liabilities	64,832	95,906	28,037
Bank operating loan	-	-	40,600
Long-term debt	306	452	1,085
Deferred income taxes	1,064	1,574	170
Total liabilities	66,202	97,932	69,892
SHAREHOLDERS' EQUITY			
Capital stock and contributed surplus	21,773	32,209	30,915
Retained earnings	11,155	16,502	15,135
Total Shareholders' Equity	32,928	48,711	46,050
Total Liabilities and Shareholders' Equity	99,130	146,643	115,942

CE Franklin Ltd.  
Consolidated Statements of Cash Flows  
(Unaudited)

Three Months Ended (in thousands of dollars)	June 30, 2000 U.S. \$	June 30, 2000 Cdn \$	June 30, 1999 Cdn \$
Operating activities			
Net income (loss) for the period	82	122	(2,655)
Items not affecting cash -			
Depreciation and amortization	724	1,071	929

Loss (gain) on disposal of capital assets	-	-	-
Increase (decrease) of inventory reserves	60	89	153
Net change in non-cash working capital balances related to operations	4,332	6,408	3,997
	5,198	7,690	2,424
<b>Financing activities</b>			
Issuance of shares	497	735	67
Increase (decrease) in bank operating loan	2,569	3,800	(1,500)
Increase (decrease) in bank overdraft	(7,100)	(10,503)	-
Increase (decrease) in obligations under capital lease	(51)	(75)	5
	(4,085)	(6,043)	(1,428)
<b>Investing activities</b>			
Decrease (increase) in marketable securities	-	-	-
Purchase of capital assets	(1,113)	(1,647)	133
Proceeds on disposal of capital assets	-	-	-
Reduction (increase) of other assets	-	-	(1,129)
	(1,113)	(1,647)	(996)
Increase (decrease) in cash during the period	-	-	-
Cash and Cash equivalents - beginning of period	-	-	-
Cash and Cash equivalents - end of period	-	-	-

CE Franklin Ltd.  
Consolidated Statements of Cash Flows  
(Unaudited)

Six Months Ended (in thousands of dollars)	June 30, 2000 U.S. \$	June 30, 2000 Cdn \$	June 30, 1999 Cdn \$
<b>Operating activities</b>			
Net income (loss) for the period	957	1,416	(5,389)
Items not affecting cash -			
Depreciation and amortization	1,436	2,125	1,543
Loss (gain) on disposal of capital assets	25	37	-
Increase (decrease) of			

inventory reserves	274	406	(535)
Net change in non-cash working capital balances related to operations	(1,935)	(2,862)	13,087
	760	1,122	8,706
Financing activities			
Issuance of shares	631	934	68
Increase (decrease) in bank operating loan	5,340	7,900	(6,200)
Increase (decrease) in bank overdraft	(4,969)	(7,350)	(433)
Increase (decrease) in obligations under capital lease	(101)	(150)	1,339
	901	1,334	(5,226)
Investing activities			
Decrease (increase) in marketable securities	-	-	455
Purchase of capital assets	(1,708)	(2,526)	(2,806)
Proceeds on disposal of capital assets	47	70	-
Acquisitions consisting of:			
Working capital, excluding cash	-	-	-
Capital assets	-	-	-
Goodwill	-	-	-
Reduction (increase) of other assets	-	-	(1,129)
	(1,661)	(2,456)	(3,480)
Increase (decrease) in cash during the period	-	-	-
Cash and Cash equivalents - beginning of period	-	-	-
Cash and Cash equivalents - end of period	-	-	-

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Note #1 - U.S. GAAP net income per share (Cdn. \$)

U.S. GAAP primary net income per share was \$.08 and fully diluted \$.08 for the six months ended June 30, 2000 (1999 - (\$0.31) per share).

Note #2 - U.S. dollar amounts

The financial statements presented herein are expressed in Canadian dollars, and, solely for the convenience of the reader, have been translated into United States dollars for the quarter ended June 30, 2000 at the rate of CDN \$1.4793 = U.S. \$1.00, the prevailing rate on June 30, 2000. This translation should not be construed as a representation that the Canadian dollar amounts shown could be

so converted into U.S. dollars at CDN \$1.4793 = U.S. \$1.00 or at any other rate.

Note #3 - Share data

At June 30, 2000 the company had 17,058,754 common shares and 1,000,207 options to acquire common shares outstanding. 448,883 of those options were currently vested and exercisable.

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Supplemental Information - Quarterly Financial Data

(IN MILLIONS OF CDN DOLLARS)	Q1	Q2	6 Months 2000
Sales			
General Supplies	50.6	41.0	91.6
Tubulars	41.8	33.9	75.8
CEF Technologies	4.9	3.7	8.7
Total Sales	97.4	78.7	176.0
# of Oil Wells Drilled (excluding dry/service)			
	1,264	1,209	2,473
# of Gas Wells Drilled (excluding dry/service)			
	1,774	1,899	3,673
Gross Profit			
General Supplies	8.6	7.3	15.9
% of Sales	17.0%	17.8%	17.3%
Tubulars	2.4	1.9	4.3
% of Sales	5.7%	5.5%	5.6%
CEF Technologies	1.7	1.5	3.2
% of Sales	33.4%	40.7%	36.6%
Total Gross Profit	12.6	10.7	23.3
% of Sales	13.0%	13.6%	13.2%
Selling, General & Administrative	8.5	8.4	17.0
% of Gross Profit	67.5%	79.1%	72.8%
Earnings before interest, tax, depreciation, amortization and other expenses (income) EBITDA			
	4.1	2.2	6.3
Net Income	1.3	0.1	1.4
% of Sales	1.3%	0.2%	0.8%
EPS			
Basic	0.08	0.01	0.08
Fully Diluted	0.07	0.01	0.08
Total Assets	150.7	146.6	146.6

Total Financed Debt	41.4	45.2	45.2
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Total Capitalization (Average)			
Average Financed Debt	43.7	46.1	44.9
% to Total Capitalization	48.1%	48.8%	48.5%
Average Equity	47.0	48.3	47.7
% to Total Capitalization	51.9%	51.2%	51.5%
Total Capitalization	90.7	94.4	92.6
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Current Assets % of Total Assets (Average)			
Average Current Assets	116.8	112.1	114.4
Average Total Assets	147.7	143.5	145.6
%	79.0%	78.1%	78.6%
-----			
Days Sales Outstanding (DSO) (1)			
Average Accounts Receivable			
- Trade	53.0	46.2	49.6
Sales - annualized	389.4	314.7	352.1
DSO	49.6	53.5	51.4
(1) (Average A/R/Sales)*365 days			
-----			
Bad Debt % to Accounts Receivable			
Bad Debt	0.1	0.3	0.4
Average Accounts Receivable			
- Trade	53.0	46.2	49.6
%	0.3%	0.5%	0.8%
-----			
Inventory Turns			
Cost of Sales	84.7	68.0	152.7
Cost of Sales - annualized	338.9	272.1	305.5
Average Inventory	52.7	57.0	54.9
Inventory Turns	6.4	4.8	5.6
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Inventory Writeoff %			
Inventory Writeoffs	0.1	0.1	0.3
Average Inventory	52.7	57.0	54.9
%	0.3%	0.2%	0.5%
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ROI (after tax)			
= Return on Investment (2)			
Interest after tax	0.5	0.6	1.1
Interest after tax - annualized	1.9	2.5	2.2
Net Income - annualized	5.2	0.5	2.8
ROI (after tax)	7.8%	3.2%	5.4%
(2) Net Income + Interest After Tax			
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Average (Equity + Financed Debt)			
-----			
ROE (after tax)			
= Return on Equity (3)	11.0%	1.0%	5.9%
(3) (Net Income/Average Equity)			
-----			
Economic Value Added (EVA) (4)			
Weighted Average Cost of Capital	9.7%	9.9%	9.8%
EVA	(1.9%)	(6.8%)	(4.4%)

(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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FOR FURTHER INFORMATION PLEASE CONTACT:

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