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FOR: CE FRANKLIN LTD.

AMEX SYMBOL: CFK.

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September 28, 2000

CE Franklin Announces Third Quarter Update

CALGARY, ALBERTA--

CANADIAN ENERGY INDUSTRY SUPPLY COMPANY AFFECTED BY LOWER THAN EXPECTED DRILLING ACTIVITY.

CE FRANKLIN LTD. (TSE.CFT, AMEX.CFK) is advising its shareholders and the market in general that lower than expected Canadian oilfield activity in the third quarter will have an adverse impact on the company's earnings in the third and fourth quarters.

The company's sales and earnings to date and for the remainder of this year are expected to rise substantially over 1999 levels. However, they are not expected to climb to the heights anticipated earlier due to sluggish growth in drilling and field maintenance activity in western Canada. In a reversal of the normal seasonal pattern the number of wells drilled in the summer months actually declined from the levels achieved in the spring. Drilling in the central and northern regions has been constrained by persistent rainfall. In addition, capital spending by oil and gas companies in general has been minimized as most companies have placed higher priority on strengthening balance sheets and paying down debt. As a result the company is expecting sales in the third quarter to be similar to those reported in the second quarter of this year. The company believes its market share remains stable.

Although the company will not reach the earnings levels previously anticipated by analysts the market outlook remains favorable as the number of rigs at work in Canada has increased in September, from 266 rigs on September 4, 2000 to 355 on September 18, 2000. The company's sales per well typically begin when the rigs go to work and extend through several weeks or months thereafter as production facilities are installed.

"The outlook for the latter part of this year and beyond is considerably better due to the strengthening of our customers' balance sheets and continuing strong cash flow as well as the pent-up demand caused by the adverse field conditions in the north during the summer," commented John Gilbank, Chairman and Chief Executive Officer. "From a business perspective we are looking forward to freeze-up."

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).

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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FOR FURTHER INFORMATION PLEASE CONTACT:

CE Franklin Ltd.  
Jean Parker, Chief Financial Officer  
(403) 531-5603  
Website: [www.cefranklin.com](http://www.cefranklin.com)