

NEWS RELEASE

FOR IMMEDIATE RELEASE

CE Franklin Ltd. announces the sale of its Domino Machine Operations

Calgary, Alberta, December 18, 2001 - CE FRANKLIN LTD. (TSE.CFT, AMEX.CFK) announced today the sale of its Domino Machine Operations (Domino) to management of Domino for cash proceeds of \$8.3 million. Domino provided custom machining services to the energy industry and was not considered a core operation to the Company. The net proceeds from this transaction will be used to reduce the Company's outstanding operating loan.

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 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 2000 Annual Report on Form 20-F as filed with the United States Securities and Exchange Commission.

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