

NEWS RELEASE

FOR IMMEDIATE RELEASE

CE FRANKLIN LTD. ANNOUNCES THIRD QUARTER RESULTS

(Results are in Canadian Dollars)

Calgary, Alberta, October 21, 2002 - CE FRANKLIN LTD. (TSX.CFT, AMEX.CFK) announced today its results for the third quarter ended September 30, 2002.

Sales for the quarter ended September 30, 2002 were \$62.9 million as compared to \$88.8 million for the quarter ended September 30, 2001, a decrease of \$25.9 million or 29.2%.

General Supplies sales declined \$5.6 million or 10.9% to \$46.0 million for the quarter ended September 30, 2002 as compared to the quarter ended September 30, 2001. Of this decline, \$2.7 million relates to the completion of a large capital oilsands project in northern Alberta in 2001. Excluding this capital project, General Supplies sales decreased 6.1% while well completion activity for the quarter ended September 30, 2002, as compared to the prior year quarter, declined 17.0% and average rig counts declined 23.1%.

Tubulars sales for the quarter ended September 30, 2002 were \$14.0 million, a decline of 58.9%, as compared to \$34.2 million for the quarter ended September 30, 2001. The decrease in Tubulars sales is attributed to merger and acquisition activity, resulting in customers' directly accessing steel mills and to an overall decline in activity levels.

Earnings before interest, tax, depreciation, amortization and other expenses (EBITDA) for the quarter ended September 30, 2002 was \$740,000 as compared to EBITDA of \$2.3 million in the prior year quarter, a decrease of \$1.6 million or 67.3%. The Company's \$25.9 million reduction in revenue during the third quarter of 2002 as compared to the third quarter of 2001 was offset by an improvement in gross profit margins and a 7.6% reduction in selling, general and administrative costs.

EBITDA for the quarter ended September 30, 2002 improved to \$740,000 from a negative EBITDA of \$429,000 for the quarter ended June 30, 2002, an increase of \$1.2 million. The \$5.4 million increase in sales during the third quarter of 2002 as compared to the second quarter of 2002 resulted in the \$1.2 million EBITDA improvement.

Net loss for the quarter ended September 30, 2002 was \$350,000 or a loss of \$0.02 per share (diluted) as compared to net income of \$530,000 or \$0.03 per share (diluted) for the comparable quarter in 2001, a decrease of \$880,000. Included in net income of \$530,000 for the quarter ended September 30, 2001 was \$361,000 in earnings or \$0.02 per share from discontinued operations relating to Domino Machine, which was sold by the Company on December 18, 2001.

"CE Franklin's restructuring initiatives have resulted in a 20% incremental flow through at the EBITDA level on a \$5.4 million sales increase Q3 2002 versus Q2 2002," said Michael West, President and Chief Executive Officer. "The Company remains focused on its five initiatives to improve profitability which are customer service enhancement, market share growth, margin improvement, expense rationalization and leveraging our partnership with Wilson Supply in the United States."

Conference Call and Webcast Information

A conference call to review the quarterly results, which is open to the public, will be held on Tuesday, October 22, 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 215498# and may be accessed until midnight Tuesday, October 29, 2002.

The call will also be webcast live at:

<http://www.newswire.ca/webcast/pages/CEFranklin20021022/> 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, shift in drilling activity from conventional oil to gas and heavy oil, 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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