Q2

FOCUS DISCIPLINE GROWTH

Second Quarter Report 2020

TOTAL ENERGY SERVICES INC.

Total Energy Services Inc. ("Total Energy" or the "Company") is a public energy services company based in Calgary, Alberta that provides a variety of products and services to the oil and natural gas industry through its subsidiaries and aboriginal partnerships. Total Energy is involved in four businesses: contract drilling services, the rental and transportation of equipment used in the drilling, completion and production of oil and natural gas wells, the fabrication, sale, rental and servicing of new and used natural gas compression and oil and natural gas process equipment and well servicing. Together these businesses provide a platform for building long-term shareholder value. Total Energy has achieved its growth by maintaining a disciplined acquisition strategy and undertaking strategic internal growth.

The shares of Total Energy are listed and trade on the Toronto Stock Exchange under the symbol TOT.

REPORT TO SHAREHOLDERS

The second quarter of 2020 was unlike any period in the history of Total Energy. In the face of the COVID-19 pandemic and a substantial decline in the price of oil, the North American energy industry experienced historical activity declines and industry activity levels began to moderate in Australia. The benefit of Total Energy's diversified revenue base combined with the immediate and substantial actions taken in response to these exceptional market conditions are reflected in the Company's ability to generate free cash flow even during the most difficult of times.

We are pleased to be able to support our customers by having maintained continuous operations in all jurisdictions while at the same time ensuring the health and safety of our employees and other stakeholders and preserving the Company's financial strength and liquidity.

During the second quarter of 2020, Total Energy's financial position continued to strengthen. After $6.3 million of net capital expenditures and $2.5 million of interest expense, the Company generated $5.0 million of free cashflow before changes in non-cash working capital items. With the monetization of working capital, cash provided by operating activities during the second quarter of 2020 was $36.2 million, which was utilized to reduce long term debt by $32.9 million, or approximately 12%, during the quarter. Additionally, with the refinancing of $40.2 million of term debt that matured in April 2020, our working capital position increased to $131.0 million (including $21.1 million of cash) at June 30, 2020. Net debt totaled $124.6 million at June 30, 2020, the lowest amount since Total Energy completed the acquisition of Savanna Energy Services in June 2017.

In the three years since completing the Savanna acquisition, despite lackluster industry conditions for much of the time, Total Energy has reduced its net debt position by $110.4 million, or 47%. During the same period, the Company has invested $100.3 million in net capital expenditures and returned $42.5 million to shareholders through dividends and share buybacks. Having suspended the dividend and reduced its 2020 capital expenditure budget by 57% to $10 million earlier this year, Total Energy is now squarely focused on further debt reduction and the pursuit of exceptional investment opportunities.

I am extremely proud of how our employees across all business segments have stepped up to ensure that Total Energy will not only survive the most challenging environment we have ever faced, but also emerge in a stronger and more competitive position. On behalf of our Board of Directors and shareholders, thank you. To our employees that are waiting to go back to work, we thank you for your perseverance and understanding and look forward to welcoming you back as soon as possible.

Daniel Halyk

DANIEL K. HALYK
President and Chief Executive Officer

August 11, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

The following MD&A for Total Energy Services Inc. ("Total Energy" or the "Company") was prepared as at August 11, 2020 and focuses on information and key statistics from the unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2020 (the "Interim Financial Statements") and pertains to known risks and uncertainties relating to the energy services sector. This discussion should not be considered all-inclusive as it does not include all changes regarding general economic, political, governmental and environmental conditions.

This MD&A should be read in conjunction with the Company's Interim Financial Statements, the Company's 2019 Annual Report, the Annual Information Form ("AIF") for the year ended December 31, 2019 and the cautionary statement regarding forward-looking information and statements below. Additional information relating to Total Energy, including the Company's AIF, may be found on SEDAR at www.sedar.com.

Unless otherwise indicated, all dollar amounts presented herein are in thousands of Canadian dollars except per share amounts which are presented in Canadian dollars.

FINANCIAL HIGHLIGHTS

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Revenue	**$ 70,770**	$ 212,695	(67%)	**$ 205,038**	$ 434,685	(53%)
Operating (loss) income	**(37,161)**	(1,091)	nm	**(26,632)**	7,346	nm
EBITDA (1)	**12,886**	17,546	(27%)	**43,789**	46,961	(7%)
Cashflow	**13,793**	22,419	(38%)	**35,704**	50,872	(30%)
Net (loss) income	**(28,845)**	2,853	nm	**(24,121)**	7,612	nm
Attributable to shareholders	**(28,765)**	3,403	nm	**(24,093)**	8,163	nm
Per Share Data (Diluted)						
EBITDA (1)	**$ 0.29**	$ 0.38	(24%)	**$ 0.97**	$ 1.03	(6%)
Cashflow	**$ 0.31**	$ 0.49	(37%)	**$ 0.79**	$ 1.11	(29%)
Attributable to shareholders:						
Net (loss) income	**$ (0.64)**	$ 0.07	nm	**$ (0.53)**	$ 0.18	nm

Financial Position at	**June 30 2020**	Dec 31 2019	Change
Total Assets	**$ 898,940**	$ 997,161	(10%)
Long-Term Debt and Lease Liabilities (excluding current portion)	**255,538**	248,448	3%
Working Capital (2)	**130,968**	103,234	27%
Net Debt (1)	**124,570**	145,214	(14%)
Shareholders' Equity	**523,979**	543,142	(4%)

Common shares (000's) (3)	**2020 (three months)**	2019	Change	**2020 (six months)**	2019	Change
Basic and diluted	**45,081**	45,746	(1%)	**45,084**	45,755	(1%)

(1) Please see "Non-IFRS Measures" below for the definition of EBITDA and Net Debt.

(2) Working capital means current assets minus current liabilities.

(3) Basic and diluted shares outstanding reflect the weighted average number of common shares outstanding for the period. See note 6 to the Interim Financial Statements.

"nm" – calculation not meaningful

BUSINESS OF THE COMPANY

Total Energy is a public energy services company based in Calgary, Alberta that provides a variety of products and services to the oil and natural gas industry through its subsidiaries and aboriginal partnerships. Total Energy is involved in four businesses: contract drilling services ("CDS"), the rental and transportation of equipment used in the drilling, completion and production of oil and natural gas wells ("RTS"), the fabrication, sale, rental and servicing of new and used natural gas compression and oil and natural gas process equipment ("CPS") and well servicing, including completion, workover, maintenance and abandonment services ("WS"). The Company's operations are conducted within Canada, the United States of America ("United States" or "U.S.") and Australia. Corporate and public issuer affairs are conducted in the Company's Corporate segment.

Contract Drilling Services: At June 30, 2020, the Company operated a total fleet of 98 drilling rigs. During the second quarter of 2020 the Company decommissioned nine drilling rigs, including seven mechanical double rigs located in the United States and two conventional single rigs located in Canada. The rig fleet is supported by an extensive fleet of owned top drives, walking systems, pumps and other ancillary equipment. Composition of the Company's drilling rig fleet is as follows:

By Type	
Triples	3
AC doubles	13
Mechanical doubles	38
Australian shallow	5
TDS and singles	39
	98

By Geography	
Canada	80
United States	13
Australia	5
	98

Rentals and Transportation Services: Total Energy's RTS business is presently conducted from 13 locations in western Canada and three locations in the United States. At June 30, 2020, this segment had approximately 10,640 pieces of major rental equipment (excluding access matting), a fleet of 87 heavy trucks and a significant inventory of small rental equipment and access matting.

Compression and Process Services: The Company fabricates a full range of natural gas compression equipment as well as select oil and natural gas process equipment. At June 30, 2020 the CPS segment occupied approximately 246,000 square feet of production facilities located in Calgary, Alberta and a 100,000 square foot production facility in Weirton, West Virginia. As at June 30, 2020 the CPS segment also had a network of 11 branch locations throughout western Canada and the United States from which its natural gas compression parts and service business is conducted. This segment had 52,500 horsepower of compression in its rental fleet at June 30, 2020.

Well Servicing: At June 30, 2020, the Company operated a total fleet of 83 well servicing rigs across western Canada, northwest United States and Australia. Composition of the Company's service rig fleet is as follows:

By Type	
Singles	38
Doubles	32
Australian specification	9
Flush-by	4
	83

By Geography	
Canada	57
United States	14
Australia	12
	83

OVERALL PERFORMANCE

Total Energy's results for the three and six months ended June 30, 2020 reflect a substantial deterioration of industry conditions in North America during the second quarter as a result of the global COVID-19 pandemic and resultant decreases in economic activity and demand for oil and natural gas. This was somewhat offset by relatively stable activity levels in Australia. During the second quarter of 2020 the Company received $4.5 million of Canada Emergency Wage Subsidy ("CEWS"). Also included in the financial results for the three and six months ended June 30, 2020 was $0.5 million of losses and $7.4 million of income relating to unrealized foreign exchange gains and losses from translation of intercompany working capital balances of foreign subsidiaries, respectively; this compares to unrealized foreign exchange losses of $1.7 million and $2.9 million in the same periods in 2019. Negatively impacting financial results for the three and six months ending June 30, 2020 was $26.3 million of non-recurring and $4.2 million of incremental depreciation expense resulting from a change to depreciation estimates in the CDS segment effective April 1, 2020 and a $0.4 million increase to the Company's allowance for doubtful accounts receivable.

The Company's financial condition remains strong, with a positive working capital balance of $131.0 million as at June 30, 2020. The $27.7 million increase in working capital since December 31, 2019 was due primarily to a reduction in the current portion of long-term debt following the renewal of the Company's mortgage loan that matured in April 2020. Shareholders' equity decreased by $19.2 million from December 31, 2019 due primarily to the increase in depreciation expense as a result of the change in estimates in the CDS segment. This was partially offset by an increase to equity of $4.8 million relating to accumulated other comprehensive income in the first half of 2020 as a result of the weakening of the Canadian dollar relative to the U.S. and Australian dollars during the first half of 2020 and the corresponding impact on the translation of U.S. and Australian foreign subsidiary balances.

Revenue

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Revenue	**$ 70,770**	$ 212,695	(67%)	**$ 205,038**	$ 434,685	(53%)

The decrease in revenue for the three and six months ended June 30, 2020 relative to the same periods in 2019 was the result of decreases in all segments as a result of the COVID-19 global pandemic and its negative impact on economic activity and, consequently, oil and natural gas prices.

Cost of Services and Gross Margin

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Cost of services	**$ 52,483**	$ 180,861	(71%)	**$ 153,166**	$ 360,839	(58%)
Gross margin	**$ 18,287**	$ 31,834	(43%)	**$ 51,872**	$ 73,846	(30%)
Gross margin, as a percentage of revenue	**26%**	15%	73%	**25%**	17%	47%

The decrease in costs of services during the three and six months ended June 30, 2020 relative to the same periods in 2019 is primarily due to decreased production activity in the CPS segment and a $3.6 million reduction in operating costs resulting from the receipt of CEWS. The increase in the gross margin percentage is a result of a change in the segment revenue mix and realized cost efficiencies in all segments as a result of immediate steps taken by the Company following the start of the global pandemic and the receipt of CEWS.

Cost of services includes salaries and benefits for operations personnel, equipment repairs and maintenance, fuel, inventory used to manufacture compression and process equipment, utilities, property taxes and other occupancy costs related to manufacturing facilities and operations branches.

Selling, General and Administration Expenses

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Selling, general and administration expenses	**$ 5,756**	$ 12,263	(53%)	**$ 16,341**	$ 25,025	(35%)

Selling, general and administration expenses decreased in the three and six months ended June 30, 2020 relative to the same periods in 2019 as a result of cost savings activities implemented following the start of the global pandemic and continued cost rationalization efforts, lower sales and profit incentive compensation in certain segments and the receipt of $0.9 million of CEWS.

Included in selling, general and administration expenses are salaries and benefits for sales, office and administrative staff, utilities, property taxes and other occupancy costs related to the Company's various divisional offices and its corporate head office as well as professional fees and other costs incurred to maintain the Company's public listing and conduct investor relations activities. Also included is compensation for directors and officers pursuant to the Company's cash based compensation plans.

Other Expense (Income)

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Other expense (income)	**$ 536**	$ 1,715	(69%)	**$ (7,392)**	$ 2,876	nm

"nm" - calculation not meaningful

Other expense (income) arises from unrealized foreign exchange differences on translation of intercompany working capital balances of foreign subsidiaries. A weakening of the Canadian dollar relative to the US dollar offset somewhat by a strengthening of the Canadian dollar relative to the Australian dollar during the period gave rise to an unrealized foreign exchange gain for the first half of 2020.

Share-based Compensation Expense

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Share-based compensation expense	**$ 264**	$ 494	(47%)	**$ 669**	$ 862	(22%)

Share-based compensation expense arises from share options granted pursuant to the share option plan implemented in 2015. Share-based compensation expense for the three and six months ended June 30, 2020 relative to the same periods in 2019 is lower due to certain options fully vesting and the forfeiture of certain options in the current period.

Depreciation Expense

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Depreciation expense	**$ 48,892**	$ 18,453	165%	**$ 68,886**	$ 37,737	83%

The increase in depreciation expense for the three and six months ended June 30, 2020 compared to same periods in 2019 is primarily due to $26.3 million of non-recurring and $4.2 million of incremental depreciation expense resulting from a change in depreciation estimates in the CDS segment effective April 1, 2020. Also contributing to the increase was higher depreciation expense in the RTS segment following a change in depreciation estimates effective July 1, 2019 (see "Critical Accounting Estimates" for further details). These increases were partially offset by lower depreciation expense in the WS segment as a result of certain assets becoming fully depreciated. All of the Company's property, plant and equipment is depreciated on a straight-line basis.

Operating (Loss) Income

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Operating (loss) income	**$ (37,161)**	$ (1,091)	nm	**$ (26,632)**	$ 7,346	nm

"nm" - calculation not meaningful

Included in operating (loss) income for the three and six months ended June 30, 2020, was $4.5 million of cost recoveries from CEWS, a $0.5 million unrealized loss and a $7.4 million unrealized gain, respectively, on foreign exchange translation of intercompany working capital balances compared to unrealized losses of $1.7 million and $2.9 million for the same periods in 2019 and a $0.4 million increase to the Company's allowance for doubtful accounts receivable during the first half of 2020. Also negatively impacting operating (loss) income was $26.3 million of non-recurring and $4.2 million of incremental depreciation expense as a result of a change in depreciation estimates in the CDS segment. Operating loss for the three and six months ended June 30, 2020 adjusted for these items was $10.7 million and $7.6 million as compared to operating income of $0.6 million and $10.2 million for the same periods in 2019. The decrease in adjusted operating (loss) income for the three and six months ended June 30, 2020 reflects decreased year over year activity in all operating segments.

Gain on Sale of Property, Plant and Equipment

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Gain on sale of property, plant and equipment	**$ 1,155**	$ 184	528%	**$ 1,535**	$ 1,878	(18%)
Proceeds on the sale of property, plant and equipment	**$ 1,638**	$ 3,230	(49%)	**$ 3,343**	$ 5,900	(43%)

Disposals of property, plant and equipment result from the rationalization, replacement and upgrade of older equipment in the Company's equipment fleet.

Equipment disposed of in the three and six months ended June 30, 2020 included underutilized rental equipment, light duty vehicles and ancillary drilling equipment. Equipment disposed of during the three and six months ended June 30, 2019 consisted primarily of two decommissioned drilling rigs, older heavy trucks, underutilized rental equipment and compression rental equipment purchased by customers in the ordinary course of business.

Finance Costs

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Finance costs	**$ 2,518**	$ 3,362	(25%)	**$ 5,957**	$ 6,607	(10%)

Finance costs for the three and six months ended June 30, 2020 were lower than the prior year comparable periods mostly due to lower effective interest rates combined with a lower year over year outstanding balance on the Company's credit facility in the second quarter.

Income Taxes and Net (Loss) Income

	Three months ended June 30			Six months ended June 30		
	2020	2019	Change	**2020**	2019	Change
Current income tax expense	**$ 957**	$ 257	272%	**$ 2,293**	$ 957	140%
Deferred income tax recovery	**(10,636)**	(7,379)	44%	**(9,226)**	(5,952)	55%
Total income tax recovery	**$ (9,679)**	$ (7,122)	36%	**$ (6,933)**	$ (4,995)	39%
Net (loss) income	**$ (28,845)**	$ 2,853	nm	**$ (24,121)**	$ 7,612	nm

"nm" - calculation not meaningful

The year over year increase in current income tax expense is primarily due to reduced income tax recoveries during the three and six months ended June 30, 2020 as compared to the same periods in 2019.

The year over year change in deferred income tax recovery was primarily a result of changes on temporary differences on the Company's property and equipment following the change in depreciation estimates in the CDS segment. Additionally, the deferred income tax recovery includes the effect of the 2% decrease in Alberta provincial income tax rates substantially enacted July 1, 2020.

SEASONALITY

A significant portion of the Company's field operations are conducted in Canada where the ability to move heavy equipment is dependent on ground conditions. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until such roads have thoroughly dried out. The duration of this "spring breakup" has a direct impact on the Company's activity levels and operating results in Canada. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support heavy equipment. The timing of freeze up and spring breakup affects the ability to move equipment in and out of these areas. As a result, late March through May is traditionally the Company's slowest period in Canada. Additionally, wet weather in Australia, normally in the first quarter, can restrict the Company's Australian operations. Consequently, quarterly operating results may not be indicative of full year operating results.

SUMMARY OF QUARTERLY RESULTS

	Financial Quarter Ended			
	June 30 2020	March 31 2020	December 31 2019	September 30 2019
Revenue	**$ 70,770**	$ 134,268	$ 151,500	$ 171,213
Operating income (loss)	**(37,161)**	10,529	14,468	(5,012)
EBITDA [(1)]	**12,886**	30,903	35,805	24,913
Cashflow	**13,793**	21,911	36,896	23,959
Cash provided (used) by operating activities	**36,162**	16,343	40,545	(21,800)
Net income (loss)	**(28,845)**	4,724	8,593	(6,114)
Attributable to shareholders	**(28,765)**	4,672	8,523	(6,159)
Per share data				
EBITDA [(1)]	**$ 0.29**	$ 0.69	$ 0.79	$ 0.55
Cashflow	**0.31**	0.49	0.82	0.53
Net income (loss) attributable to shareholders	**(0.64)**	0.10	0.19	(0.14)
Financial Position				
Total Assets	**$ 898,940**	$ 999,229	$ 997,161	$ 991,176
Long-Term Debt and Lease Liabilities (excluding current portion)	**255,538**	252,035	248,448	251,724
Working Capital [(2)]	**130,968**	124,010	103,234	85,778
Net Debt [(1)]	**124,570**	128,025	145,214	165,946
Shareholders' Equity	**523,979**	552,995	543,142	538,790
Common Shares (000's) [(3)]				
Basic and diluted	**45,081**	45,087	45,262	45,457

(1) Please see "Non-IFRS Measures" below for the definition of EBITDA and Net Debt.

(2) Working capital means current assets minus current liabilities.

(3) Basic and diluted shares outstanding reflect the weighted average number of common shares outstanding for the period. See note 6 to the Interim Financial Statements and note 16 to the 2019 Financial Statements that are included in the 2019 Annual Report.

	Financial Quarter Ended			
	June 30 2019	March 31 2019	December 31 2018	September 30 2018
Revenue	$ 212,695	$ 221,990	$ 219,846	$ 232,925
Operating income (loss)	(1,091)	8,437	10,748	14,294
EBITDA (1)	17,546	29,415	29,153	34,632
Cashflow	22,419	28,453	23,070	34,799
Cash provided by operating activities	4,123	50,187	30,658	19,928
Net income	2,853	4,759	8,570	8,655
Attributable to shareholders	3,403	4,760	8,555	8,910
Per share data (diluted)				
EBITDA (1)	$ 0.38	$ 0.64	$ 0.63	$ 0.75
Cashflow	0.49	0.62	0.50	0.75
Net income attributable to shareholders	0.07	0.10	0.19	0.19
Financial Position				
Total Assets	$ 1,026,564	$ 1,101,027	$ 1,078,124	$ 1,063,813
Long-Term Debt and Lease Liabilities (excluding current portion)	239,287	286,829	286,319	295,545
Working Capital (2)	74,283	117,914	124,967	117,586
Net Debt (1)	165,004	168,915	161,352	177,959
Shareholders' Equity	549,851	558,054	560,576	549,238
Common Shares (000's) (3)				
Basic and diluted	45,746	45,829	45,933	46,099

(1) Please see "Non-IFRS Measures" below for the definition of EBITDA and Net Debt.

(2) Working capital means current assets minus current liabilities.

(3) Basic and diluted shares outstanding reflect the weighted average number of common shares outstanding for the period. See note 6 to the Interim Financial Statements and note 16 to the 2019 Financial Statements that are included in the 2019 Annual Report.

Aboriginal Partnerships

The Company conducts certain of its operations through limited partnerships in which each of the Company and an Aboriginal partner hold one half of the partnership interest. The Company fully consolidates all of these partnerships, with the Aboriginal partners' share in the equity and net earnings of the partnerships reported as non-controlling interests.

SEGMENTED RESULTS

Contract Drilling Services

	Three Months Ended			Six Months Ended		
June 30	**2020**	2019	Change	**2020**	2019	Change
Revenue	**$ 14,170**	$ 33,621	(58%)	**$ 57,195**	$ 79,325	(28%)
Operating loss	**$ (35,490)**	$ (4,535)	683%	**$ (35,199)**	$ (7,145)	393%
Operating spud to release days (1)	**440**	1,330	(67%)	**2,606**	3,352	(22%)
Revenue per spud to release day, dollars	**$ 32,205**	$ 25,279	27%	**$ 21,947**	$ 23,665	(7%)

(1) Spud to release days is defined as time for operational drilling rigs and includes stand-by time in Australia.

North American drilling activity during the second quarter and first half of 2020 was lower compared to the same periods in 2019 as a result of low oil and natural gas prices arising from the onset of the COVID-19 pandemic. This was partially offset by relatively stable activity in Australia. Increasing the operating loss for the second quarter and first half of 2020 was higher depreciation expense resulting from changes to the accounting estimates on the useful lives of CDS equipment and a change in the depreciation method from utilization (with a minimum annual depreciation expense equal to 96 days) to straight-line effective April 1, 2020. A total of $30.5 million of additional depreciation expense was a result of the change in depreciation estimates recognized in the period, of which $26.3 million relates to non-recurring depreciation expense on now fully depreciated assets and $4.2 million relates to incremental depreciation as a result of the change in method. Included in CDS results for the first half of 2019 was $0.9 million of net expenses incurred to relocate drilling equipment in the United States. Adjusted for these items, operating loss in CDS for the three and six months of 2020 was, respectively, $5.0 million and $4.7 million as compared to $4.5 million and $6.2 million in the same periods of 2019.

The following summarizes the operating results for the CDS segment by geographic area for the three and six months ended June 30, 2020.

Q2 2020	Drilling Canada	Drilling U.S.	Drilling Australia	Total
Revenue	$ 1,038	$ 1,047	$ 12,085	**$ 14,170**
Operating income (loss)	$ (27,804)	$ (9,624)	$ 1,938	**$ (35,490)**
Spud to release days (1)	72	41	327	**440**
Revenue per spud to release day, dollars	$ 14,417	$ 25,537	$ 36,957	**$ 32,205**
Utilization % (spud to release)	1%	3%	72%	**5%**

Q2 2019	Drilling Canada	Drilling U.S.	Drilling Australia	Total
Revenue	$ 7,693	$ 12,475	$ 13,453	$ 33,621
Operating income (loss)	$ (4,636)	$ (2,304)	$ 2,405	$ (4,535)
Spud to release days (1)	454	496	380	1,330
Revenue per spud to release day, dollars	$ 16,945	$ 25,151	$ 35,403	$ 25,279
Utilization % (spud to release)	6%	23%	84%	13%

YTD 2020	Drilling Canada	Drilling U.S.	Drilling Australia	Total
Revenue	$ 25,737	$ 7,816	$ 23,642	**$ 57,195**
Operating income (loss)	$ (27,800)	$ (11,854)	$ 4,455	**$ (35,199)**
Spud to release days (1)	1,529	368	709	**2,606**
Revenue per spud to release day, dollars	$ 16,833	$ 21,239	$ 33,346	**$ 21,947**
Utilization % (spud to release)	10%	11%	78%	**14%**

YTD 2019	Drilling Canada	Drilling U.S.	Drilling Australia	Total
Revenue	$ 27,950	$ 25,387	$ 25,988	$ 79,325
Operating income (loss)	$ (4,892)	$ (6,392)	$ 4,139	$ (7,145)
Spud to release days (1)	1,564	1,018	770	3,352
Revenue per spud to release day, dollars	$ 17,871	$ 24,938	$ 33,751	$ 23,665
Utilization % (spud to release)	10%	23%	85%	33%

(1) Spud to release days is defined as time for operational drilling rigs and includes paid stand-by time in Australia.

The overall decrease in CDS segment revenue during the second quarter of 2020 relative to the same period in 2019 is primarily a result of a substantial deterioration in North American market conditions following the outbreak of the COVID-19 pandemic. Partially offsetting the North American decline were relatively consistent activity levels in Australia. Overall lower effective day rates in North America were a result of continued price competition in the North American market combined with the mix of rigs working in the U.S., which was somewhat offset by the translation of foreign financial results into Canadian dollars given the appreciation of the U.S. dollar relative to the Canadian dollar during the second quarter of 2020. Effective day rates in Australia were higher in Q2 2020 as compared to Q2 2019 due to higher ancillary revenue in the period. Overall revenue for the first half of 2020 decreased relative to the same period in 2019 as a result of challenging market conditions during the second quarter of 2020 in North America. In Australia, revenue decreased in the first half of 2020 compared to the same period in 2019 as a result of reduced activity as pricing was stable on year over year basis.

Operating loss in the second quarter of 2020 increased relative to the same period in 2019 in North America as a result of reduced activity combined with $25.7 million of non-recurring depreciation expense on fully depreciated assets and $4.7 million of incremental depreciation expense. In Australia, operating income for the second quarter of 2020 decreased relative to the same period in 2019 as a result of reduced activity combined with $0.6 million of non-recurring depreciation expense on fully depreciated assets. This was offset by increased rig standby due to unusually wet weather conditions in the first quarter, $0.4 million lower depreciation expense as a result of changes to the estimates on useful life of the equipment and continued cost control efforts.

Rentals and Transportation Services

	Three Months Ended			Six Months Ended		
June 30	**2020**	2019	Change	**2020**	2019	Change
Revenue	**$ 4,782**	$ 15,656	(69%)	**$ 21,615**	$ 34,063	(37%)
Operating loss	**$ (5,400)**	$ (2,975)	82%	**$ (7,838)**	$ (4,607)	70%
Pieces of rental equipment	**10,640**	10,650	–	**10,640**	10,650	–
Heavy trucks	**87**	86	1%	**87**	86	1%
Rental equipment utilization	**5%**	13%	(62%)	**9%**	18%	(50%)

The revenue from the RTS segment for the second quarter and first half of 2020 decreased as compared with the same periods in 2019 mostly due to continued challenging industry conditions in North America following the impacts of the COVID-19 pandemic.

Operating loss in the second quarter and first half of 2020 increased as compared to the same periods in 2019 primarily due to challenging North American market conditions and approximately $1.0 million and $2.0 million of higher depreciation expense, respectively, for the three and six months ended June 30, 2020 resulting from changes to accounting estimates on the useful life and residual values of RTS equipment effective July 1, 2019.

This segment's relatively high fixed cost structure as compared to the Company's other business segments combined with the inability to increase prices to the extent necessary to offset cost inflation in Canada contributed to the operating losses for the second quarter and first half of 2020. Such fixed cost structure includes costs associated with its significant operating branch infrastructure, including maintenance and repairs, utilities, insurance, property taxes and other infrastructure costs. In addition, depreciation expense on this segment's equipment fleet is recorded on a straight-line basis and is not correlated to levels of activity.

The following summarizes the operating results for the RTS segment by geographic area for the three and six months ended June 30, 2020.

Q2 2020	RTS Canada	RTS U.S.	Total
Revenue	$ 2,756	$ 2,026	**$ 4,782**
Operating loss	$ (4,277)	$ (1,123)	**$ (5,400)**
Pieces of rental equipment	9,710	930	**10,640**
Rental equipment utilization	5%	11%	**5%**

Q2 2019	RTS Canada	RTS U.S.	Total
Revenue	$ 9,797	$ 5,859	$ 15,656
Operating (loss) income	$ (3,577)	$ 602	$ (2,975)
Pieces of rental equipment	9,890	760	10,650
Rental equipment utilization	11%	33%	13%

YTD 2020	RTS Canada	RTS U.S.	Total
Revenue	$ 12,696	$ 8,919	**$ 21,615**
Operating loss	$ (7,584)	$ (254)	**$ (7,838)**
Pieces of rental equipment	9,710	930	**10,640**
Rental equipment utilization	8%	28%	**9%**

YTD 2019	RTS Canada	RTS U.S.	Total
Revenue	$ 21,722	$ 12,341	$ 34,063
Operating (loss) income	$ (6,591)	$ 1,984	$ (4,607)
Pieces of rental equipment	9,890	760	10,650
Rental equipment utilization	16%	38%	18%

RTS Canada revenue decreased in the three and six months ended June 30, 2020 compared to the same periods in 2019 due to continued difficult industry conditions. Lower revenue combined with an increase in depreciation expense following the change in depreciation estimates effective July 1, 2019 resulted in increased operating losses in Q2 2020 as compared to Q2 2019.

RTS U.S. revenue for the three and six months ended June 30, 2020 decreased compared to the same periods in 2019 due to decreased activity in the second quarter following the outbreak of the COVID-19 pandemic. Also negatively impacting operating loss in second quarter and first half of 2020 was higher depreciation expense on a larger equipment fleet as compared to the same periods in 2019 following the change in depreciation estimates effective July 1, 2019. Somewhat offsetting this was the positive impact of the translation of foreign financial results into Canadian dollars given the appreciation of the U.S. dollar relative to the Canadian dollar in the first half of 2020.

Compression and Process Services

	Three Months Ended			Six Months Ended		
June 30	**2020**	2019	Change	**2020**	2019	Change
Revenue	**$ 30,212**	$ 132,927	(77%)	**$ 70,956**	$ 254,002	(72%)
Operating income	**$ 3,511**	$ 8,562	(59%)	**$ 6,335**	$ 20,335	(69%)
Operating income, % of revenue	**12%**	6%	100%	**9%**	8%	13%
Sales backlog at period end, $ million	**$ 43.8**	$ 77.2	(43%)	**$ 43.8**	$ 77.2	(43%)
Horsepower of equipment on rent at period end	**33,200**	31,800	4%	**33,200**	31,800	4%
Rental equipment utilization during the period (HP)	**65%**	68%	(4%)	**67%**	68%	(1%)

The revenue and operating income reported from the CPS segment decreased for the three and six months ended June 30, 2020 as compared to the same periods in 2019, due primarily to a decrease in fabrication sales bookings beginning in 2019 and a resultant decline in fabrication sales. The timeline for conversion of the sales backlog into revenue varies from order to order and often changes due to factors outside of the Company's control.

Well Servicing

	Three Months Ended			Six Months Ended		
June 30	**2020**	2019	Change	**2020**	2019	Change
Revenue	**$ 21,606**	$ 30,491	(29%)	**$ 55,272**	$ 67,295	(18%)
Operating income	**$ 1,985**	$ 2,131	(7%)	**$ 6,196**	$ 6,095	2%
Operating income, % of revenue	**9%**	7%	29%	**11%**	9%	22%
Service hours (1)	**21,497**	31,109	(31%)	**63,027**	73,758	(15%)
Revenue per service hour, dollars	**$ 1,005**	$ 980	3%	**$ 877**	$ 912	(4%)
Utilization (2)	**15%**	28%	(46%)	**28%**	36%	(22%)

(1) Service hours is defined as well servicing hours of service provided to customers and includes paid rig move and standby.

(2) The Company reports its service rig utilization for its operational service rigs in North America based on service hours of 3,650 per rig per year to reflect standard 10 hour operations per day. Utilization for the Company's service rigs in Australia is calculated based on service hours of 8,760 per rig per year to reflect standard 24 hour operations.

Overall revenue decreased in the second quarter and first half of 2020 as compared to the same periods in 2019 as a result of decreases in all geographic regions. North American results were impacted by challenging market conditions following the outbreak of COVID-19 while activity in Australia remained relatively stable. Despite lower revenue, operating income was fairly consistent in the second quarter and first half of 2020 compared to the same periods in 2019 due primarily to cost management and the receipt of CEWS in Canada.

The following summarizes the operating results for the WS segment by geographic area for the three and six months ended June 30, 2020.

Q2 2020	WS Canada	WS U.S.	WS Australia	Total
Revenue	$ 1,913	$ 1,148	$ 18,545	**$ 21,606**
Operating (loss) income	$ (1,479)	$ (325)	$ 3,789	**$ 1,985**
Operating (loss) income, % of revenue	nm	nm	20%	**9%**
Service hours (1)	3,191	1,430	16,876	**21,497**
Revenue per service hour, dollars	$ 599	$ 803	$ 1,099	**$ 1,005**
Utilization % (2)	6%	11%	64%	**15%**

Q2 2019	WS Canada	WS U.S.	WS Australia	Total
Revenue	$ 6,437	$ 4,042	$ 20,012	$ 30,491
Operating (loss) income	$ (1,756)	$ 455	$ 3,432	$ 2,131
Operating income, % of revenue	nm	11%	17%	7%
Service hours (1)	9,460	4,830	16,819	31,109
Revenue per service hour, dollars	$ 680	$ 837	$ 1,190	$ 980
Utilization % (2)	18%	38%	64%	28%

YTD 2020	WS Canada	WS U.S.	WS Australia	Total
Revenue	$ 12,943	$ 5,220	$ 37,109	**$ 55,272**
Operating (loss) income	$ (1,465)	$ (207)	$ 7,868	**$ 6,196**
Operating income (loss), % of revenue	nm	nm	21%	**11%**
Service hours (1)	19,743	7,001	36,283	**63,027**
Revenue per service hour, dollars	$ 656	$ 746	$ 1,023	**$ 877**
Utilization % (2)	19%	27%	69%	**28%**

YTD 2019	WS Canada	WS U.S.	WS Australia	Total
Revenue	$ 20,681	$ 7,272	$ 39,342	$ 67,295
Operating (loss) income	$ (792)	$ 526	$ 6,361	$ 6,095
Operating income (loss), % of revenue	nm	7%	16%	9%
Service hours (1)	30,285	8,753	34,720	73,758
Revenue per service hour, dollars	$ 683	$ 831	$ 1,133	$ 912
Utilization % (2)	29%	35%	67%	36%

"nm" - calculation not meaningful

(1) Service hours is defined as well servicing hours of service provided to customers and includes paid rig move and standby.

(2) The Company reports its service rig utilization for its operational service rigs in North America based on service hours of 3,650 per rig per year to reflect standard 10 hour operations per day. Utilization for the Company's service rigs in Australia is calculated based on service hours of 8,760 per rig per year to reflect standard 24 hour operations.

Canadian revenue in the second quarter and first half of 2020 decreased compared to the same periods in 2019 primarily due to lower utilization and decreased pricing as a result of a combination of the mix of equipment operating, wet weather and overall challenging industry conditions. Despite lower revenue in the second quarter, operating losses improved relative to the same period last year as a result of cost control measures implemented following the start of the global pandemic and the receipt of the CEWS. For the six months ended June 30, 2020 operating losses increased compared to the same period in 2019 mostly due to the mix of equipment operating and the corresponding contribution to operating income margin.

In the United States revenue decreased in the second quarter and first half of 2020 compared to the same periods in 2019 mostly due to decreased activity in the second quarter of 2020 following the impact of COVID-19 on the U.S. market. Operating losses were realized in the second quarter and first half of 2020 as compared to income for the same periods in 2019 as a result of the reduced activity levels in the second quarter. Positively impacting operating results of Well Servicing in the United States in the second quarter and first half of 2020 was the translation of foreign financial results into Canadian dollars given the appreciation of the U.S. dollar relative to the Canadian dollar during those periods.

In Australia, lower revenue for the three and six months ended June 30, 2020 compared to the same periods in 2019 was due primarily to lower ancillary revenues. Also negatively impacting Australian results was the translation of foreign financial results into Canadian dollars given the depreciation of the Australian currency relative to the Canadian dollar during those periods. Operating income increased in the second quarter and first half of 2020 compared to the same periods in 2019 due to a combination of low margin ancillary revenue and higher activity, which in turn contributed to higher operating income and operating income margin percentage.

Corporate

	Three months ended			Six months ended		
June 30	**2020**	2019	Change	**2020**	2019	Change
Operating income (loss)	**$ (1,767)**	$ (4,274)	(59%)	**$ 3,874**	$ (7,332)	nm

"nm" - calculation not meaningful

Total Energy's Corporate segment includes activities related to the Company's corporate and public issuer affairs. This segment does not generate any revenue but provides sales, operating, financial, treasury, analytical and other management and support services to Total Energy's business segments and manages the corporate affairs of the Company, including matters related to its public listing. Included in the Corporate segment for the three and six months ended June 30, 2020 is a $0.5 million unrealized loss and a $7.4 million unrealized gain, respectively, on the translation of working capital balances of foreign subsidiaries as compared to $1.7 million and $2.9 million unrealized losses for the same periods in 2019.

LIQUIDITY AND CAPITAL RESOURCES

Cash Provided by Operating Activities and Cashflow

	Three months ended			Six months ended		
June 30	**2020**	2019	Change	**2020**	2019	Change
Cash provided by operating activities	**$ 36,162**	$ 4,123	777%	**$ 52,505**	$ 54,310	(3%)
Per Share Data (Diluted), dollars	**$ 0.80**	$ 0.09	789%	**$ 1.16**	$ 1.19	(3%)
Cashflow	**$ 13,793**	$ 22,419	(38%)	**$ 35,704**	$ 50,872	(30%)
Per Share Data (Diluted), dollars	**$ 0.31**	$ 0.49	(37%)	**$ 0.79**	$ 1.11	(29%)

The changes in cash provided by operating activities was due primarily to changes in the working capital requirements of the various business segments. Cash flow decreased in the second quarter and first half of 2020 compared to the same periods in 2019 as a result of lower EBITDA compared to 2019 after excluding the translation of working capital balances of foreign subsidiaries. Given current industry conditions and the suspension of dividends in Q1 2020, the Company's current priority is to maintain sufficient financial liquidity and direct remaining cash provided by operating activities after required long-term debt and lease liability payments to the repayment of long-term debt.

Investing Activities

	Three months ended			Six months ended		
June 30	**2020**	2019	Change	**2020**	2019	Change
Net cash used in investing activities	**$ (6,996)**	$ (4,921)	42%	**$ (8,845)**	$ (14,702)	(40%)
Proceeds from sale of PP&E	**$ 1,638**	$ 3,230	(49%)	**$ 3,343**	$ 5,900	(43%)
Purchase of PP&E	**$ (7,944)**	$ (7,369)	8%	**$ (10,190)**	$ (22,069)	(54%)

Proceeds from the sale of property, plant and equipment ("PP&E") are derived primarily from the disposal of equipment in the ordinary course of business and the replacement and upgrade of older equipment in the Company's fleet. During the second quarter and first half of 2020 equipment disposed consisted primarily of underutilized rental equipment, light-duty vehicles and underutilized ancillary drilling equipment.

The following summarizes PP&E purchases by segment for the three and six months ended June 30, 2020.

	Three months ended			Six months ended		
June 30	**2020**	2019	Change	**2020**	2019	Change
CDS	**$ 1,158**	$ 2,799	(59%)	**$ 2,019**	$ 5,594	(64%)
RTS	**319**	1,805	(82%)	**842**	9,372	(91%)
CPS	**6,023**	1,080	458%	**6,079**	3,485	74%
WS	**436**	1,536	(72%)	**1,238**	3,218	(62%)
Corporate	**8**	149	(95%)	**12**	400	(97%)
	$ 7,944	$ 7,369	8%	**$ 10,190**	$ 22,069	(54%)

During the second quarter and first half of 2020, PP&E purchases were as follows: rig equipment and rig recertification and upgrades in the CDS segment, rental equipment in the RTS segment, additions to the compression rental fleet in the CPS segment and service rig recertifications and upgrades in the WS segment.

During the second quarter and first half of 2019, PP&E purchases included the following: rig equipment and rig recertification and upgrades in the CDS segment, rental equipment in the RTS segment, additions to the compression rental fleet in the CPS segment, service rig recertifications and upgrades in the WS segment and real estate development and information technology infrastructure upgrades in the Corporate segment.

Financing Activities

	Three months ended			Six months ended		
June 30	**2020**	2019	Change	**2020**	2019	Change
Net cash used in financing activities	**$ (38,015)**	$ (15,085)	152%	**$ (42,436)**	$ (36,381)	17%

During the second quarter of 2020 the Company paid $2.8 million of interest and reduced long-term debt by $32.9 million and lease liabilities by $2.2 million. During the first half of 2020 the Company paid $6.4 million of interest and $2.7 million of dividends. Long-term debt was reduced by $28.5 million and lease liabilities by $4.3 million.

Liquidity and Capital Resources

The Company had a working capital surplus of $131.0 million as at June 30, 2020 compared to $103.2 million as at December 31, 2019. This increase was due primarily to a lower current portion of long-term debt following the renewal of $40.2 million of the Company's mortgage debt that matured on April 29, 2020. As at June 30, 2020 and the date of this MD&A, the Company was in compliance with all debt covenants.

On June 19, 2017 the Company entered into a three-year $225 million revolving syndicated credit facility (the "Credit Facility"). On April 25, 2018 the Credit Facility was increased by $65 million to $290 million. On May 31, 2019 the maturity date was extended to June 19, 2022. The Company has the option to increase such facility by $75 million subject to certain terms and conditions, including the agreement of the lenders to increase their commitments. The Credit Facility includes a Canadian $18.0 million operating line, an Australian $2.0 million operating line and a Canadian $270.0 million revolving facility. The Credit Facility bears interest at the banks' Canadian prime rate plus 0.25% to 2.75%, bankers' acceptance, letter of credit, LIBOR or BBSY advances plus a 1.5% to 4.0% stamping fee. The applicable interest rate within such ranges is dependent on certain financial ratios of the Company. A standby fee ranging from 0.25% to 0.8% per annum is paid quarterly on the unused portion of the facility depending on certain financial ratios of the Company. At June 30, 2020, the applicable interest rate on amounts drawn on the Credit Facility was 2.92% and the standby rate was 0.40%. Letters of credit ("LOC") of $0.5 million were outstanding at June 30, 2020 which reduces the amount of credit available under the Credit Facility by an equivalent amount.

In August of 2018 a U.S. $20 million letter of credit facility was established (the "LOC Facility"). Letters of credit ("LOC") issued pursuant to the LOC Facility do not reduce availability under the Credit Facility. In April 2020, at the request of the Company this facility was reduced to U.S. $10 million. At June 30, 2020 $4.5 million Canadian dollars of LOCs were outstanding under the LOC Facility (2019: $4.4 million under the Credit Facility).

In addition to the Credit Facility, a subsidiary of the Company has a $5.0 million revolving operating credit facility with a member of the Credit Facility lenders' syndicate. At June 30, 2020 this facility was undrawn and fully available.

At June 30, 2020 the Company's long-term debt consisted of the following:

	June 30, 2020	
	Interest rate	Principal Amount
Credit Facility	2.92%	$ 185,000
Mortgage loan (2025 maturity)	3.10%	49,699
Mortgage loan (2041 maturity)	3.05%	14,618
		249,317
Less current portion		2,523
		$ 246,794

At June 30, 2020 amounts owing under the Credit Facility and the two mortgage loans were denominated in Canadian dollars.

The weighted average interest rate on the Company's debt at June 30, 2020 was 2.96%.

The Company's ability to access the Credit Facility is dependent, among other conditions, on compliance with the following financial ratios, the definitions and thresholds for which are further described below:

	June 30, 2020	Threshold
Twelve-month trailing Bank EBITDA to interest expense	9.50	minimum 3.00
Total Senior Debt to twelve-month trailing Bank EBITDA	1.95	maximum 3.00

The Company was in compliance with all of its Credit Facility and other debt covenants at June 30, 2020. For further information regarding Credit Facility compliance requirements and details on the Company's borrowings, please refer to note 5 to the Interim Financial Statements.

The Company expects that cash and cash equivalents, cash flow from operating activities, together with existing and available credit facilities, will be sufficient to fund its presently anticipated requirements for investments in working capital and capital assets as well as required debt and lease liability payments.

On April 29, 2020, the mortgage loan maturing in 2020 was renewed in the principal amount of $50.0 million for a five-year term at a fixed annual rate of interest at 3.10%. This loan is amortized over 20 years with blended monthly principal and interest payments. This loan was taken to repay a $40.2 million term loan matured on April 29, 2020 and to repay $9.6 million owing under Credit Facility.

Dividends

On March 12, 2020 the Company suspended payment of a dividend given the sudden and material deterioration in industry conditions.

For the three and six months ended June 30, 2019 the Company declared dividends of $2.7 million ($0.06 per share) and $5.5 million ($0.12 per share).

Management and the Board of Directors of the Company continue to monitor the Company's dividend policy in the context of industry conditions and forecasted net income, cashflow, cash provided by operating activities, debt levels, capital expenditures and other investment opportunities and will aim to finance any future dividends through cash provided by operating activities.

Capital Spending

Capital spending for the three and six months ending June 30, 2020 consisted of $7.9 million and $10.2 million of PP&E purchases. This included approximately $3.7 million of 2019 capital expenditure commitments that were carried into 2020. Capital spending was funded by cash flow, including $3.3 million of proceeds from the sale of PP&E during the first six months of 2020.

On March 12, 2020 the Company reduced its 2020 capital expenditure budget from $23.0 million to $10.0 million.

CONTRACTUAL OBLIGATIONS

At June 30, 2020 the Company had the following contractual obligations:

	Payments due by year					
	Total	2020	2021	2022	2023	2024 and after
Long-term debt and bank indebtedness	$ 249,317	$ 1,248	$ 2,552	$ 187,611	$ 2,671	$ 55,235
Commitments (1)	277	146	106	21	4	–
Lease liabilities, net of lease assets	17,201	4,098	6,498	3,170	1,545	1,890
Purchase obligations (2)	5,448	5,448	–	–	–	–
Total contractual obligations	$ 272,243	$ 10,940	$ 9,156	$ 190,802	$ 4,220	$ 57,125

(1) Commitments are described in Note 24 to the 2019 Financial Statements.

(2) Purchase obligations are described in Note 24 to the 2019 Financial Statements. As at June 30, 2020 purchase obligations primarily relate to commitments to purchase inventory in the CPS segment.

OFF-BALANCE SHEET ARRANGEMENTS

During 2020 and 2019, the Company had no off-balance sheet arrangements other than short-term leases.

TRANSACTIONS WITH RELATED PARTIES

During 2020 and 2019 the Company had no material transactions with related parties.

FINANCIAL INSTRUMENTS

Fair values

The discounted future cash repayments of the Company's mortgage loan due in 2025 are calculated using prevailing market rates of a similar debt instrument as at the reporting date. The net present value of future cash repayments of such mortgage and related interest at the prevailing market rate of 3.04% for a similar debt instrument at June 30, 2020 was $49.8 million (December 31, 2019: market rate of 3.85%, $40.8 million). The carrying value and Company`s liability with respect to this mortgage is $49.7 million.

OUTSTANDING COMPANY SHARE DATA

As at the date of this MD&A, the Company had 45,081,300 common shares outstanding.

Summary information with respect to share options outstanding is provided below:

Outstanding at June 30, 2020	Exercise Price	Remaining life (years)	Exercisable at June 30, 2020
1,070,000	$ 14.13	0.10	1,070,000
1,201,667	12.69	2.00	1,201,667
60,000	12.00	2.10	40,000
350,000	13.54	2.70	250,000
150,000	12.99	2.90	100,000
948,334	9.51	3.90	338,338
3,780,001	$ 12.38	2.04	3,000,005

OUTLOOK

Industry Conditions

The COVID-19 pandemic and the resultant historic decline in global economic activity and oil prices have contributed to unprecedented challenges and uncertainty for the global energy industry. To date, energy industry activity levels have declined materially in North America. While activity levels for the Company's Australian business have not yet been materially impacted, industry activity levels in Australia have moderated. As such, the Company has taken immediate and significant steps to reduce cash outflows and protect its balance sheet and financial liquidity, including:

- suspended its dividend ($10.8 million of annual cash savings);
- reduced its 2020 capital expenditure budget by $13.0 million to $10.0 million;
- reduced its North American employee head count to levels below those immediately prior to the Company's acquisition of Savanna Energy Services in June 2017;
- reduced director and officer compensation by 10% to 15%;
- reduced North American employee compensation by a minimum of 10% through salary and wage rollbacks, reduced hours of service and job sharing;
- reduced and eliminated discretionary North American employee benefit plans;
- further RTS segment branch closures in Canada and temporary withdrawal from service of a substantial portion of the North American heavy truck fleet;
- suspended all non-essential travel and discretionary spending; and
- applied for all available government assistance programs intended to protect jobs. $4.5 million of CEWS was received during second quarter of 2020.

Given the severity of the current downturn, the Company expects a substantial increase in bankruptcies and insolvencies among its competitors and customers. This in turn is expected to result in more balanced market conditions over the long-term in the various markets in which the Company competes as global energy supply and demand rebalances.

RISK FACTORS AND RISK MANAGEMENT

In the normal course of business, Total Energy is exposed to financial and operating risks that may potentially and materially impact its operating results. A discussion of the Company's business risks is set out in its AIF under the heading "Risk Factors" and is incorporated herein. The Company employs risk management strategies with a view to mitigating these risks on a cost-effective basis. There have been no significant changes in risk and risk management in 2020 other than as described below.

Industry Conditions

The dual shocks of the COVID-19 pandemic and collapse in oil prices have contributed to extremely negative industry conditions for the global energy industry, the duration of which is uncertain. The Company's North American customers have and are expected to continue to significantly reduce capital spending in the near term. As such, activity levels in North America have declined materially. Activity levels in Australia have begun to moderate and the Company is monitoring industry conditions closely and will make adjustments to its operating and administrative cost structures as may be required having regard to anticipated future activity levels. While the Company has been proactive in managing its operating cost structure, capital expenditures and dividend policy to adapt to the current environment, continued challenging industry activity levels may require additional substantive measures be taken to preserve the Company's financial strength and flexibility.

Credit Risk

As a result of the increasingly challenging oil and natural gas market conditions, particularly in North America, the Company continues to face heightened counterparty credit risk as a substantial portion of the Company's dealings are with entities involved in the oil and gas industry. In regard to accounts receivable, the Company remains focused on actively managing credit risk. Specifically, management has remained diligent in assessing credit levels granted to customers, monitoring the aging of receivables and taking proactive steps to secure and collect outstanding balances.

The Company did not have significant exposure to any individual customer or counter party in the second quarter and first half of 2020, other than two major oil and gas producing companies that accounted for over 10% of the consolidated revenue during the second quarter. In the second quarter of 2019 the Company did not have significant exposure to any individual customer and in the first half of 2019 the Company did not have significant exposure to any individual customer other than one major oil and gas producing company that accounted for over 10% of consolidated revenue during the period. Concentration of credit risk on the Company's trade accounts receivable exists in the oil and gas industry. The Company increased its allowance for doubtful accounts receivable by $0.4 million and wrote-off $1.3 million against the allowance for doubtful accounts during the first half of 2020, bringing such allowance to an aggregate $1.8 million.

CRITICAL ACCOUNTING ESTIMATES

Management is responsible for applying judgment in preparing accounting estimates. Certain estimates and related disclosures included within the financial statements are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. An accounting estimate is considered critical only if it requires the Company to make assumptions about matters that are highly uncertain at the time the accounting estimate is made, and different estimates the Company could have used would have a material impact on Total Energy's financial condition, changes in financial condition or results of operations.

There have been no material changes to the Company's Critical Accounting Estimates during 2020 other than the changes listed below.

Change in accounting estimates

During the second quarter of 2020, the Company conducted a review of its drilling equipment within its CDS segment. Such review was based on the current economic and operating environment and considered the operating history of these assets in order to assess their useful lives, pace of economic consumption and residual values. As a result of this review, effective April 1, 2020 certain changes were made to the Company's estimates of the useful life and residual values of various assets, which are summarized as follows:

	Previous estimated useful lives	New estimated useful lives	Previous basis of depreciation	New basis of depreciation
Drilling rigs and related equipment	600 to 8,000 operating days	3 – 25 years	utilization (minimum annual deemed utilization of 96 days)	straight-line

As a result of these changes in estimates which related primarily to the estimated useful life and method of depreciation, a non-recurring depreciation expense of $26.3 million was incurred during the three and six months ended June 30, 2020. In addition, recurring depreciation expense increased by $4.2 million for the three and six months ended June 30, 2020.

During the third quarter of 2019, the Company conducted a review of its rentals and transportation equipment within its RTS segment. Such review was based on the current economic and operating environment and considered the operating history of these assets in order to assess their useful lives, pace of economic consumption and residual values. As a result of this review, effective July 1, 2019 certain changes were made to the Company's estimates of the useful life and residual values of various assets and are summarized as follows:

	Previous estimated useful lives,	New estimated useful lives	Previous Residual Value	New Residual Value
Rental and transportation equipment				
Rental equipment	5 - 15 years	3 - 20 years	25% - 33%	0% - 25%
Transportation equipment	7 years	7 - 10 years	25%	25%

As a result of these changes in estimates, a non-recurring depreciation expense of $7.9 million was incurred during the second half of 2019 on salvage values of previously fully depreciated assets. During the first half of 2020 the Company incurred approximately $2.0 million of additional incremental depreciation expense in the RTS segment as a result of this estimate change.

Critical Judgments in Applying Accounting Policies

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

The Company's assets are aggregated into cash-generating units for the purpose of calculating impairment. Cash generating units ("CGU" or "CGUs") are based on management's judgments and assessment of the CGU's ability to generate independent cash inflows. Judgments are also required to assess when impairment indicators exist and impairment testing is required.

The Company is required to exercise judgment in assessing whether the criteria for recognition of a provision or a contingency have been met. The Company considers whether a present obligation exists, probability of loss and if a reliable estimate can be formulated.

The Company's functional currency is based on the primary economic environment in which it operates and is based on an analysis of several factors including which currency principally affects sales prices of products sold by the Company, which currency influences the main expenses of providing services, in which currency the Company keeps it receipts from operating activities and in which currency the Company has received financing.

The Company makes judgments regarding the determination of its reportable segments, including aggregation criteria (as appropriate), for segmented reporting.

Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings.

Key Sources of Estimation Uncertainty

The following are key estimates and their assumptions made by management affecting the measurement of balances and transactions in the consolidated financial statements.

Where impairment indicators exist or annually for goodwill, the recoverable amount of the asset or CGU is determined using the greater of fair value less costs to sell or value-in-use. Value-in-use calculations require assumptions for discount rates and estimations of the timing for events or circumstances that will affect future cash flows. Fair value less costs to sell requires management to make estimates of fair value using market conditions for similar assets as well as estimations for costs to sell taking into account dismantle and transportation costs.

The Company is required to estimate the amount of provisions and contingencies based on the estimated future outcome of the event.

The Company recognizes revenue over time in accounting for its equipment manufacturing contract revenue. Recognizing revenue over time requires estimates of the stage of completion of the contract to date as a proportion of the total work to be performed.

As pertains to property, plant and equipment the Company is required to estimate the residual value and useful lives of assets for purposes of depreciation.

As pertains to accounts receivable the Company is required to estimate allowances for doubtful accounts based on expected future credit losses and experiences with customers.

In a business combination, management makes estimates of the fair value of assets acquired and liabilities assumed which includes assessing the value of property, plant and equipment and intangible assets being acquired.

The Company's estimate of share-based compensation is dependent upon estimates of historic volatility and forfeiture rates.

The Company's estimate of the fair value of forward foreign exchange contracts is dependent on estimated forward prices / rates and volatility in those prices / rates.

The deferred tax liability is based on estimates as to the timing of the reversal of temporary differences, substantively enacted tax rates and the likelihood of assets being realized.

FUTURE ACCOUNTING POLICIES CHANGES

Certain pronouncements were issued recently by the IASB of the IFRS Interpretations Committee that are mandatory for accounting periods beginning in future years. Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

NON-IFRS MEASURES

Management believes that EBITDA (earnings before interest, taxes, depreciation and amortization) is a useful measure because it gives an indication of the results from the Company's primary business activities prior to consideration of how such activities are financed and the impact of taxation and non-cash depreciation and amortization charges. Reconciliation of this non-IFRS measure to net income is set forth below.

EBITDA

	Three months ended		Six months ended	
June 30	**2020**	2019	**2020**	2019
Net (loss) income	**$ (28,845)**	$ 2,853	**$ (24,121)**	$ 7,612
Add back (deduct):				
Depreciation	**48,892**	18,453	**68,886**	37,737
Finance costs	**2,518**	3,362	**5,957**	6,607
Income tax recovery	**(9,679)**	(7,122)	**(6,933)**	(4,995)
EBITDA	**$ 12,886**	$ 17,546	**$ 43,789**	$ 46,961

Net debt is equal to long-term debt plus lease liabilities plus current liabilities minus current assets.

Net Debt

	As at June 30, 2020
Long-term debt	**$ 246,794**
Lease liabilities	**8,744**
Add back (deduct):	
Current liabilities	**75,267**
Current assets	**(206,235)**
Net Debt	**$ 124,570**

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

Management is responsible for the information disclosed in this MD&A and the accompanying unaudited condensed interim consolidated financial statements, and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. In addition, the Company's Audit Committee, on behalf of the Board of Directors, provides an oversight role with respect to all public financial disclosures made by the Company, and has reviewed and approved this MD&A and the accompanying unaudited condensed interim consolidated financial statements.

Internal Control Over Financial Reporting ("ICFR")

There have been no significant changes in the design of the Company's ICFR during the quarter ended June 30, 2020 that would materially affect or is reasonably likely to materially affect the Company's ICFR.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain information and statements contained in this MD&A constitute forward-looking information, including the anticipated costs associated with the purchase of capital equipment, expectations concerning the nature and timing of growth within the various business divisions operated through affiliates of Total Energy, expectations respecting the competitive position of such business divisions, expectations concerning the financing of future business activities, statements as to future economic and operating conditions and expectations regarding the payment of dividends in the future. Readers should review the cautionary statement respecting forward-looking information that appears below.

The information and statements contained in this MD&A that are not historical facts are forward-looking statements. Forward-looking statements (often, but not always, identified by the use of words such as "seek", "plan", "continue", "estimate", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "expect", "may", "anticipate" or "will" and similar expressions) may include plans, expectations, opinions, or guidance that are not statements of fact. Forward-looking statements are based upon the opinions, expectations and estimates of management as at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These factors include, but are not limited to, such things as global economic conditions, changes in industry conditions (including the levels of capital expenditures made by oil and gas producers and explorers), pandemics, the credit risk to which the Company is exposed in the conduct of its business, fluctuations in prevailing commodity prices or currency and interest rates, the competitive environment to which the various business divisions are, or may be, exposed in all aspects of their business, the ability of the Company's various business divisions to access equipment (including parts) and new technologies and to maintain relationships with key suppliers, the ability of the Company's various business divisions to attract and maintain key personnel and other qualified employees, various environmental risks to which the Company's business divisions are exposed in the conduct of their operations, inherent risks associated with the conduct of the businesses in which the Company's business divisions operate, timing and costs associated with the acquisition of capital equipment, the impact of weather and other seasonal factors that affect business operations, availability of financial resources or third-party financing and the impact of new laws and regulations or changes in existing laws, regulations or administrative practices on the part of regulatory authorities, including without limitation taxation, labour and environmental laws and regulations and changes in how such laws and regulations are interpreted and enforced. Forward-looking information respecting the anticipated costs associated with the purchase of capital equipment are based upon historical prices for various classes of equipment, expectations relating to the impact of inflation on the future cost of such equipment and management's views concerning the negotiating position of the Company and its affiliates. Forward-looking information concerning the nature and timing of growth within the various business divisions is based on the current budget of the Company (which is subject to change), factors that affected the historical growth of such business divisions, sources of historic growth opportunities and expectations relating to future economic and operating conditions. Forward-looking information concerning the future competitive position of the Company's business divisions is based upon the current competitive environment in which those business divisions operate, expectations relating to future economic and operating conditions, current and announced build programs and other expansion plans of other organizations that operate in the energy service business. Forward-looking information concerning the financing of future business activities is based upon the financing sources on which the Company and its predecessors have historically relied and expectations relating to future economic and operating conditions. Forward-looking information concerning future economic and operating conditions is based upon historical economic and operating conditions, and opinions of third-party analysts respecting anticipated economic and operating conditions. Although management of the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Accordingly, readers should not place undue reliance upon any of the forward-looking information set out in this MD&A. All of the forward-looking statements of the Company contained in this MD&A are expressly qualified, in their entirety, by this cautionary statement. The various risks to which the Company is exposed are described in additional detail in this MD&A under the heading "Risk Factors" and in the Company's AIF. Except as required by law, the Company disclaims any intention or obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited (in thousands of Canadian dollars)

	Note	June 30, 2020	December 31, 2019
ASSETS			
Current assets:			
Cash and cash equivalents		$ 21,097	$ 19,873
Accounts receivable		70,368	113,934
Inventory		106,344	105,672
Prepaid expenses and deposits		6,464	10,878
Income taxes receivable		1,501	4,403
Current portion of finance lease asset		461	664
		206,235	255,424
Property, plant and equipment		681,578	730,435
Income taxes receivable		7,070	7,070
Lease asset		4	179
Goodwill		4,053	4,053
		$ 898,940	$ 997,161
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities		$ 53,700	$ 95,742
Deferred revenue		10,122	3,883
Dividends payable		–	2,710
Current portion of lease liabilities		8,922	8,270
Current portion of long-term debt	5	2,523	41,585
		75,267	152,190
Long-term debt	5	246,794	236,278
Lease liabilities		8,744	12,170
Deferred tax liability		44,156	53,381
Shareholders' equity:			
Share capital	6	284,077	284,510
Contributed surplus		8,073	7,528
Accumulated other comprehensive loss		(11,881)	(16,722)
Non-controlling interest		606	(236)
Retained earnings		243,104	268,062
		523,979	543,142
		$ 898,940	$ 997,161

The notes on pages 29 to 36 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS)

Unaudited (in thousands of Canadian dollars except per share amounts)

	Note	Three months ended June 30 2020	Three months ended June 30 2019	Six months ended June 30 2020	Six months ended June 30 2019
REVENUE		$ 70,770	$ 212,695	$ 205,038	$ 434,685
Cost of services		52,483	180,861	153,166	360,839
Selling, general and administration		5,756	12,263	16,341	25,025
Other expense (income)		536	1,715	(7,392)	2,876
Share-based compensation	7	264	494	669	862
Depreciation		48,892	18,453	68,886	37,737
Operating income (loss)		(37,161)	(1,091)	(26,632)	7,346
Gain on sale of property, plant and equipment		1,155	184	1,535	1,878
Finance costs		(2,518)	(3,362)	(5,957)	(6,607)
Net income (loss) before income taxes		(38,524)	(4,269)	(31,054)	2,617
Current income tax expense		957	257	2,293	957
Deferred income tax recovery		(10,636)	(7,379)	(9,226)	(5,952)
Total income tax recovery		(9,679)	(7,122)	(6,933)	(4,995)
Net income (loss) for the period		$ (28,845)	$ 2,853	$ (24,121)	$ 7,612
Net income (loss) attributable to:					
Shareholders of the Company		$ (28,765)	$ 3,403	$ (24,093)	$ 8,163
Non-controlling interest		(80)	(550)	(28)	(551)
Income (loss) per share					
Basic and diluted	6	$ (0.64)	$ 0.07	$ (0.53)	$ 0.18

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Three months ended June 30 2020	Three months ended June 30 2019	Six months ended June 30 2020	Six months ended June 30 2019
Net income (loss) for the period	$ (28,845)	$ 2,853	$ (24,121)	$ 7,612
Foreign currency translation	(5)	(5,550)	4,842	(9,220)
Deferred tax effect	(305)	(182)	(1)	(572)
Total other comprehensive income (loss) for the period	(310)	(5,732)	4,841	(9,792)
Total comprehensive loss	$ (29,155)	$ (2,879)	$ (19,280)	$ (2,180)
Total comprehensive loss attributable to:				
Shareholders of the Company	$ (29,075)	$ (2,329)	$ (19,252)	$ (1,629)
Non-controlling interest	(80)	(550)	(28)	(551)

The notes on pages 29 to 36 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EQUITY

As at and for the six months ended June 30, 2020 and 2019, and year ended December 31, 2019
Unaudited (in thousands of Canadian dollars)

	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Non-controlling Interest	Retained earnings	Total Equity
Balance at December 31, 2018		$ 288,902	$ 6,384	$ (5,320)	$ 238	$ 270,372	$ 560,576
Net income (loss)		–	–	–	(436)	10,527	10,091
Other comprehensive loss		–	–	(11,402)	–	–	(11,402)
Transactions with shareholders, recorded directly in equity:							
Dividends to shareholders ($0.24 per common share)		–	–	–	–	(10,907)	(10,907)
Repurchase of common shares	6	(4,392)	–	–	–	(954)	(5,346)
Share-based compensation	7	–	1,499	–	–	–	1,499
Stock options expired		–	(355)	–	–	355	–
Dissolution of limited partnership		–	–	–	1,284	(1,284)	–
Purchase of partners' share in limited partnership		–	–	–	(81)	(47)	(128)
Partnership distributions		–	–	–	(1,241)	–	(1,241)
		(4,392)	1,144	–	(38)	(12,837)	(16,123)
Balance at December 31, 2019		$ 284,510	$ 7,528	$ (16,722)	$ (236)	$ 268,062	$ 543,142
Net loss		–	–	–	(28)	(24,093)	(24,121)
Other comprehensive income		–	–	4,841	–	–	4,841
Transactions with shareholders, recorded directly in equity:							
Repurchase of common shares	6	(433)	–	–	–	6	(427)
Share-based compensation	7	–	669	–	–	–	669
Stock options expired		–	(124)	–	–	124	–
Partnership distributions		–	–	–	(125)	–	(125)
Dissolution of limited partnership		–	–	–	995	(995)	–
		(433)	545	–	870	(865)	117
Balance at June 30, 2020		**$ 284,077**	**$ 8,073**	**$ (11,881)**	**$ 606**	**$ 243,104**	**$ 523,979**

	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Non-controlling Interest	Retained earnings	Total Equity
Balance at December 31, 2018		$ 288,902	$ 6,384	$ (5,320)	$ 238	$ 270,372	$ 560,576
Net income (loss)		–	–	–	(551)	8,163	7,612
Other comprehensive loss		–	–	(9,792)	–	–	(9,792)
Transactions with shareholders, recorded directly in equity:							
Dividends to shareholders ($0.12 per common share)		–	–	–	–	(5,477)	(5,477)
Repurchase of common shares	6	(2,253)	–	–	–	(1,049)	(3,302)
Partnership distributions		–	–	–	(500)	–	(500)
Purchase of partners' share in limited partnership		–	–	–	(81)	(47)	(128)
Share-based compensation	7	–	862	–	–	–	862
Share options expired		–	(355)	–	–	355	–
		(2,253)	507	–	(581)	(6,218)	(8,545)
Balance at June 30, 2019		$ 286,649	$ 6,891	$ (15,112)	$ (894)	$ 272,317	$ 549,851

The notes on pages 29 to 36 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited (in thousands of Canadian dollars)

	Note	Three months ended June 30		Six months ended June 30	
		2020	2019	**2020**	2019
Cash provided by (used in):					
Operations:					
Net income (loss) for the period		**$ (28,845)**	$ 2,853	**$ (24,121)**	$ 7,612
Add (deduct) items not affecting cash:					
Depreciation		**48,892**	18,453	**68,886**	37,737
Share-based compensation		**264**	494	**669**	862
Gain on sale of property, plant and equipment		**(1,155)**	(184)	**(1,535)**	(1,878)
Finance costs		**2,518**	2,702	**5,957**	5,926
Unrealized loss (gain) on foreign currencies translation		**748**	1,175	**(7,828)**	1,574
Current income tax expense		**957**	257	**2,293**	957
Deferred income tax recovery		**(10,636)**	(7,379)	**(9,226)**	(5,952)
Income taxes recovered		**1,050**	4,048	**609**	4,034
Cashflow		**13,793**	22,419	**35,704**	50,872
Changes in non-cash working capital items:					
Accounts receivable		**37,486**	18,923	**43,099**	26,363
Inventory		**6,727**	11,327	**(672)**	351
Prepaid expenses and deposits		**2,825**	4,586	**6,327**	8,950
Accounts payable and accrued liabilities		**(27,955)**	(30,020)	**(38,192)**	(17,293)
Onerous leases		**–**	–	**–**	1,297
Deferred revenue		**3,286**	(23,112)	**6,239**	(16,230)
Cash provided by operating activities		**36,162**	4,123	**52,505**	54,310
Investing:					
Purchase of property, plant and equipment		**(7,944)**	(7,369)	**(10,190)**	(22,069)
Proceeds on sale of other assets		**–**	662	**–**	682
Proceeds on disposal of property, plant and equipment		**1,638**	3,230	**3,343**	5,900
Purchase of non-controlling interest		**–**	(128)	**–**	(128)
Changes in non-cash working capital items		**(690)**	(1,316)	**(1,998)**	913
Cash used in investing activities		**(6,996)**	(4,921)	**(8,845)**	(14,702)
Financing:					
Advances on long-term debt		**9,796**	–	**29,796**	–
Repayment of long-term debt	5	**(42,647)**	(5,683)	**(58,342)**	(16,534)
Repayment of lease liabilities		**(2,205)**	(1,815)	**(4,264)**	(3,896)
Dividends to shareholders		**–**	(2,746)	**(2,710)**	(5,498)
Repurchase of common shares		**–**	(2,460)	**(427)**	(3,302)
Partnership distributions		**(125)**	(500)	**(125)**	(500)
Interest paid		**(2,834)**	(1,881)	**(6,364)**	(6,651)
Cash used in financing activities		**(38,015)**	(15,085)	**(42,436)**	(36,381)
Change in cash and cash equivalents		**(8,849)**	(15,883)	**1,224**	3,227
Cash and cash equivalents, beginning of period		**29,946**	49,750	**19,873**	30,640
Cash and cash equivalents, end of period		**$ 21,097**	$ 33,867	**$ 21,097**	$ 33,867

The notes on pages 29 to 36 are an integral part of these condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six months ended June 30, 2020 and 2019
Unaudited (tabular amounts in thousands of Canadian dollars)

1. Reporting Entity

Total Energy Services Inc. (the "Company") is incorporated under the Business Corporations Act (Alberta) and its head office is located in Calgary, Alberta at Suite 800, 311 – 6th Avenue S.W. The condensed interim consolidated financial statements include the accounts of the Company, its subsidiaries and its wholly and partially owned partnerships established in Canada, the United States of America (the "United States") and Australia.

The Company provides a variety of products and services to the oil and natural gas industry primarily in Canada, the United States and Australia, including contract drilling services, the rental and transportation of equipment used in oil and natural gas drilling, completion and production processes, the fabrication, sale, rental and servicing of natural gas compression and oil and natural gas process equipment and well servicing.

2. Basis of Presentation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" of International Financial Reporting Standards ("IFRS") and using the accounting policies outlined in the Company's audited consolidated financial statements for the year ended December 31, 2019. These condensed interim consolidated financial statements do not include all the necessary annual disclosures and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2019 (the "2019 Financial Statements").

These condensed interim consolidated financial statements were approved by the Board of Directors on August 11, 2020.

Seasonality

A significant portion of the Company's field operations are conducted in Canada where the ability to move heavy equipment is dependent on ground conditions. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until such roads have thoroughly dried out. The duration of this "spring breakup" has a direct impact on the Company's activity levels and operating results in Canada. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support equipment. The timing of freeze up and spring breakup affects the ability to move equipment in and out of these areas. As a result, late March through May is traditionally the Company's slowest period in Canada. Additionally, wet weather in Australia, normally in the first quarter, can restrict the Company's Australian operations. Consequently, quarterly operating results may not be indicative of full year operating results.

Change in Accounting Estimates

During the second quarter of 2020, the Company conducted a review of its drilling equipment within its Contract Drilling Services segment. Such review was based on the current economic and operating environment and considered the operating history of these assets in order to assess their useful lives, pace of economic consumption and residual values. As a result of this review, effective April 1, 2020 certain changes were made to the Company's estimates of the useful life and residual values of various assets, which are summarized as follows:

	Previous estimated useful lives	New estimated useful lives	Previous basis of depreciation	New basis of depreciation
Drilling rigs and related equipment	600 to 8,000 operating days	3 – 25 years	utilization (minimum annual deemed utilization of 96 days)	straight-line

As a result of these changes in estimates which related primarily to the estimated useful life and method of depreciation, a non-recurring depreciation expense relating to now fully depreciated assets of $26.3 million was incurred during the three and six months ended June 30, 2020. In addition, recurring depreciation expense increased by $4.2 million for the three and six months ended June 30, 2020.

3. Government Grants

In response to the COVID-19 pandemic, various governments have established programs to assist companies through this challenging period. The Company has determined that it qualifies for certain programs and recognizes such government grants when there is a reasonable assurance the grant will be received. For the three and six month periods ended June 30, 2020 the Company received $4.5 million under the Canada Emergency Wage Subsidy program. This wage subsidy relates to operating and administrative expenses and has been recognized as a reduction of these expenses by $3.6 million and $0.9 million, respectively.

4. Segmented Information

The Company manages its business in five reportable segments: Contract Drilling Services, Rental and Transportation Services, Compression and Process Services, Well Servicing and Corporate. For each of the reporting segments, the Company's Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis. Corporate includes activities related to corporate and public company affairs.

Inter-segment pricing is determined on an arm's length basis.

As at and for the three months ended June 30, 2020	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate (1)	Total
Revenue	$ 14,170	$ 4,782	$ 30,212	$ 21,606	$ –	$ 70,770
Cost of services	11,674	3,159	22,910	14,740	–	52,483
Selling, general and administration	1,297	1,141	1,413	1,121	784	5,756
Other expense	–	–	–	–	536	536
Share-based compensation	–	–	–	–	264	264
Depreciation (2)	36,689	5,882	2,378	3,760	183	48,892
Operating income (loss)	(35,490)	(5,400)	3,511	1,985	(1,767)	(37,161)
Gain (loss) on sale of property, plant and equipment	665	383	(3)	(6)	116	1,155
Finance costs	(36)	(19)	(99)	(9)	(2,355)	(2,518)
Net income (loss) before income taxes	(34,861)	(5,036)	3,409	1,970	(4,006)	(38,524)
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	334,273	215,558	227,113	107,687	14,309	898,940
Total liabilities	59,669	15,474	35,754	5,210	258,854	374,961
Capital expenditures	$ 1,158	$ 319	$ 6,023	$ 436	$ 8	$ 7,944

(1) Corporate includes the Company's corporate activities and obligations pursuant to long-term credit facilities.

(2) Effective July 1, 2019 the Company changed certain estimates relating to the useful life and residual value of equipment in the Rentals and Transportation Services segment. See note 9 to the 2019 Financial Statements for further details. Effective April 1, 2020 the Company changed certain estimates relating to the useful life and residual value of equipment in the Contract Drilling Services segment (see note 2 above).

Unaudited (tabular amounts in thousands of Canadian dollars)

As at and for the three months ended June 30, 2019	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate (1)	Total
Revenue	$ 33,621	$ 15,656	$ 132,927	$ 30,491	$ –	$ 212,695
Cost of services	28,698	10,019	119,485	22,659	–	180,861
Selling, general and administration	1,954	3,874	2,954	1,601	1,880	12,263
Other expense	–	–	–	–	1,715	1,715
Share-based compensation	–	–	–	–	494	494
Depreciation	7,504	4,738	1,926	4,100	185	18,453
Operating income (loss)	(4,535)	(2,975)	8,562	2,131	(4,274)	(1,091)
Gain (loss) on sale of property, plant and equipment	(961)	852	58	112	123	184
Finance costs	(91)	(34)	(108)	(6)	(3,123)	(3,362)
Net income (loss) before income taxes	(5,587)	(2,157)	8,512	2,237	(7,274)	(4,269)
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	403,267	244,586	229,541	125,031	24,139	1,026,564
Total liabilities	69,185	29,152	95,646	5,793	276,937	476,713
Capital expenditures	$ 2,799	$ 1,805	$ 1,080	$ 1,536	$ 149	$ 7,369

(1) Corporate includes the Company's corporate activities and obligations pursuant to long-term credit facilities.

As at and for the six months ended June 30, 2020	**Contract Drilling Services**	**Rentals and Transportation Services**	**Compression and Process Services**	**Well Servicing**	**Corporate (1)**	**Total**
Revenue	**$ 57,195**	**$ 21,615**	**$ 70,956**	**$ 55,272**	**$ –**	**$ 205,038**
Cost of services	**44,131**	**13,776**	**56,321**	**38,938**	**–**	**153,166**
Selling, general and administration	**3,738**	**3,644**	**3,629**	**2,848**	**2,482**	**16,341**
Other income	**–**	**–**	**–**	**–**	**(7,392)**	**(7,392)**
Share-based compensation	**–**	**–**	**–**	**–**	**669**	**669**
Depreciation (2)	**44,525**	**12,033**	**4,671**	**7,290**	**367**	**68,886**
Operating income (loss)	**(35,199)**	**(7,838)**	**6,335**	**6,196**	**3,874**	**(26,632)**
Gain on sale of property, plant and equipment	**756**	**536**	**110**	**4**	**129**	**1,535**
Finance costs	**(78)**	**(42)**	**(197)**	**(18)**	**(5,622)**	**(5,957)**
Net income (loss) before income taxes	**(34,521)**	**(7,344)**	**6,248**	**6,182**	**(1,619)**	**(31,054)**
Goodwill	**–**	**2,514**	**1,539**	**–**	**–**	**4,053**
Total assets	**334,273**	**215,558**	**227,113**	**107,687**	**14,309**	**898,940**
Total liabilities	**59,669**	**15,474**	**35,754**	**5,210**	**258,854**	**374,961**
Capital expenditures	**$ 2,019**	**$ 842**	**$ 6,079**	**$ 1,238**	**$ 12**	**$ 10,190**

(1) Corporate includes the Company's corporate activities and obligations pursuant to long-term credit facilities.

(2) Effective July 1, 2019 the Company changed certain estimates relating to the useful life and residual value of equipment in the Rentals and Transportation Services segment. See note 9 to the 2019 Financial Statements for further details. Effective April 1, 2020 the Company changed certain estimates relating to the useful life and residual value of equipment in the Contract Drilling Services segment (see note 2 above).

Unaudited (tabular amounts in thousands of Canadian dollars)

As at and for the six months ended June 30, 2019	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate [1]	Total
Revenue	$ 79,325	$ 34,063	$ 254,002	$ 67,295	$ –	$ 434,685
Cost of services	66,619	21,877	222,805	49,538	–	360,839
Selling, general and administration	4,153	7,534	6,602	3,361	3,375	25,025
Other expense	–	–	–	–	2,876	2,876
Share-based compensation	–	–	–	–	862	862
Depreciation	15,698	9,259	4,260	8,301	219	37,737
Operating income (loss)	(7,145)	(4,607)	20,335	6,095	(7,332)	7,346
Gain (loss) on sale of property, plant and equipment	(887)	981	1,462	112	210	1,878
Finance costs	(193)	(56)	(213)	(12)	(6,133)	(6,607)
Net income (loss) before income taxes	(8,225)	(3,682)	21,584	6,195	(13,255)	2,617
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	403,267	244,586	229,541	125,031	24,139	1,026,564
Total liabilities	69,185	29,152	95,646	5,793	276,937	476,713
Capital expenditures	$ 5,594	$ 9,372	$ 3,485	$ 3,218	$ 400	$ 22,069

(1) Corporate includes the Company's corporate activities and obligations pursuant to long-term credit facilities.

The Company's operations are carried on in the following geographic locations:

Three months ended June 30, 2020	**Canada**	**United States**	**Australia**	**Other**	**Total**
Revenue	**$ 24,765**	**$ 14,542**	**$ 31,412**	**$ 51**	**$ 70,770**
Non-current assets [1]	**448,723**	**170,282**	**66,630**	**–**	**685,635**

Three months ended June 30, 2019	Canada	United States	Australia	Other	Total
Revenue	$ 69,184	$ 108,314	$ 33,920	$ 1,277	$ 212,695
Non-current assets [1]	515,439	167,900	75,300	–	758,639

Six months ended June 30, 2020	**Canada**	**United States**	**Australia**	**Other**	**Total**
Revenue	**$ 96,205**	**$ 47,161**	**$ 61,619**	**$ 53**	**$ 205,038**
Non-current assets [1]	**448,723**	**170,282**	**66,630**	**–**	**685,635**

Six months ended June 30, 2019	Canada	United States	Australia	Other	Total
Revenue	$ 164,639	$ 182,862	$ 85,859	$ 1,325	$ 434,685
Non-current assets [1]	515,439	167,900	75,300	–	758,639

(1) Includes property, plant and equipment, lease asset (excluding current portion) and goodwill.

Unaudited (tabular amounts in thousands of Canadian dollars)

5. Long-term Debt

At June 30, 2020 the Company's long-term debt consisted of the following:

	June 30, 2020	
	Interest rate	Principal Amount
Credit Facility	2.92%	$ 185,000
Mortgage loan (2025 maturity)	3.10%	49,699
Mortgage loan (2041 maturity)	3.05%	14,618
		249,317
Less current portion		2,523
		$ 246,794

At June 30, 2020 amounts owing under the Credit Facility were denominated in Canadian dollars.

On June 19, 2017 the Company entered into a three-year $225 million revolving syndicated credit facility (the "Credit Facility"). On April 25, 2018 the Credit Facility was increased by $65 million to $290 million. On May 31, 2019 the maturity date was extended to June 19, 2022. The Company has the option to increase such facility by $75 million subject to certain terms and conditions, including the agreement of the lenders to increase their commitments. The Credit Facility includes a Canadian $18.0 million operating line, an Australian $2.0 million operating line and a Canadian $270.0 million revolving facility. The Credit Facility bears interest at the banks' Canadian prime rate plus 0.25% to 2.75%, bankers' acceptance, letter of credit, LIBOR or BBSY advances plus a 1.5% to 4.0% stamping fee. The applicable interest rate within such ranges is dependent on certain financial ratios of the Company. A standby fee ranging from 0.25% to 0.8% per annum is paid quarterly on the unused portion of the facility depending on certain financial ratios of the Company. At June 30, 2020, the applicable interest rate on amounts drawn on the Credit Facility was 2.92% and the standby rate was 0.40%. Letters of credit ("LOC") of $0.5 million were outstanding at June 30, 2020 (2019: $0.3 million) which reduces the amount of credit available under the Credit Facility by an equivalent amount.

In August of 2018 a U.S. $20 million letter of credit facility was established (the "LOC Facility"). Letters of credit ("LOC") issued pursuant to the LOC Facility do not reduce availability under the Credit Facility. In April 2020 this facility was reduced at the request of the Company to U.S. $10 million. At June 30, 2020 $4.5 million Canadian dollars of LOCs were outstanding under the LOC Facility (2019: $4.4 million under the Credit Facility).

The Company's ability to access the Credit Facility is dependent, among other conditions, on compliance with the following financial ratios, the definitions and thresholds for which are further described below:

	June 30, 2020	Threshold
Twelve-month trailing Bank EBITDA to interest expense	9.50	minimum 3.00
Total Senior Debt to twelve-month trailing Bank EBITDA	1.95	maximum 3.00

Readers are cautioned that the ratios described above do not have standardized meanings under IFRS as the computation of these ratios excludes amounts from certain non-guarantor subsidiaries and limited partnerships partially owned by the Company. Key definitions for the purpose of calculating the Company's financial debt covenants are as follows:

- Bank EBITDA is determined (on a 12-month trailing basis) as earnings before finance expenses, income taxes, depreciation, share-based compensation and certain non-recurring and non-cash income and expenses as defined in the credit agreement and excludes amounts from certain non-guarantor subsidiaries and the limited partnerships partially owned by the Company.

- Senior Debt is determined as total long-term debt (including the current portions thereof but excluding the mortgage loans and certain other obligations identified in the credit agreement) minus cash on hand.

Unaudited (tabular amounts in thousands of Canadian dollars)

The Credit Facility is secured by a general security agreement over all the present and future property of the Company and its subsidiaries. The Company was in compliance with all of its Credit Facility covenants at June 30, 2020.

In addition to the Credit Facility, a subsidiary of the Company has a $5.0 million revolving operating credit facility with a member of the Credit Facility lenders' syndicate. At June 30, 2020 this facility was undrawn and fully available.

Mortgage Loan (2025 maturity) is a loan maturing on April 29, 2025 that is amortized over 20 years with blended monthly principal and interest payments of approximately $279,800. At maturity, approximately $40.2 million of principal will become due and payable assuming only regular monthly payments are made. This loan bears interest at a fixed rate of 3.10% and is secured by certain of the Company`s real estate. This loan was taken to repay a $40.2 million term loan that matured on April 29, 2020 and to repay $9.6 million owing under the Credit Facility.

Mortgage Loan (2041 maturity) is a loan maturing on December 31, 2041 and bears interest at a floating rate that was 3.05% at June 30, 2020. This loan is secured by certain of the Company's real estate.

At June 30, 2020 the Company was in compliance with all debt covenants.

6. Share Capital

(a) Common Share Capital

Common shares of Total Energy Services Inc.

(i) Authorized:

Unlimited number of common voting shares, without nominal or par value.
Unlimited number of preferred shares.

(ii) Common shares issued:

	Number of shares (thousands)	Amount
Balance, December 31, 2018	45,860	$ 288,902
Repurchased and cancelled	(710)	(4,392)
Balance, December 31, 2019	45,150	$ 284,510
Repurchased and cancelled	(69)	(433)
Balance, June 30, 2020	**45,081**	**$ 284,077**

During the six months ended June 30, 2020, 68,700 shares (June 30, 2019: 359,500) were repurchased under the Company's normal course issuer bid at an average price of $6.21 (June 30, 2019: $9.18) per share including commissions. The repurchased shares were cancelled.

(b) Per Share Amounts

Basic and diluted earnings per share have been calculated based on the weighted average number of common shares outstanding as outlined below:

	Three months ended June 30		Six months ended June 30	
	2020	2019	**2020**	2019
Net income (loss) for the period attributable to shareholders	**$ (28,765)**	$ 3,403	**$ (24,093)**	$ 8,163
Weighted average number of shares outstanding – basic and diluted	**45,081**	45,746	**45,084**	45,755
Earnings (loss) per share – basic and diluted	**$ (0.64)**	$ 0.07	**$ (0.53)**	$ 0.18

Unaudited (tabular amounts in thousands of Canadian dollars)

For the six months ended June 30, 2020, 3,780,001 share options (June 30, 2019: 4,110,000 options) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

7. Share-Based Compensation Plan

Share option transactions during 2020 and 2019 were as follows:

	Weighted average exercise price	Number of Options
Balance, December 31, 2018	$ 13.47	3,170,000
Granted	9.51	1,090,000
Forfeited	12.12	(201,666)
Expired	13.97	(123,334)
Balance, December 31, 2019	$ 12.35	3,935,000
Expired	9.51	(50,000)
Forfeited	10.87	(104,999)
Balance, June 30, 2020	**$ 12.38**	**3,780,001**

A total of 3,000,005 outstanding options were exercisable at June 30, 2020 at a weighted average price of $12.92 per option.

The Company uses the Black-Scholes option-pricing model to determine the estimated fair value of the share options granted. The average per share fair value of the options granted during 2019 was $1.44 per option using the following assumptions:

	December 31, 2019
Expected volatility	24.21% - 27.16%
Annual dividend yield	2.52%
Risk free interest rate	1.46% - 1.50%
Forfeitures	11%
Expected life (years)	3 to 5 years

The share options issued during 2019 vest 1/3 on the first, second and third anniversary from the grant date and expire five years from the date of grant. The outstanding options expire on various dates ranging from July 29, 2020 to May 17, 2024.

8. Financial Instruments

The Company's financial instruments as at June 30, 2020 include cash and cash equivalents, accounts receivable, lease assets, accounts payable and accrued liabilities, forward foreign exchange contracts, lease liabilities and long-term debt. The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, dividends payable and lease liabilities approximate their carrying amounts due to their short-terms to maturity.

The discounted future cash repayments of the Company`s mortgage loan (maturity 2025) are calculated using prevailing market rates of a similar debt instrument as at the reporting date. The net present value of future cash repayments of this mortgage loan and related interest at the prevailing market rate of 3.04% for a similar debt instrument at June 30, 2020 was $49.8 million (December 31, 2019: market rate of 3.85%, $40.8 million). The carrying value and Company`s liability with respect to the mortgage loan is $49.7 million.

9. Contingencies

In August of 2015 the Company was notified by the Canada Revenue Agency (the "CRA") that certain of the Company's income tax filings related to its conversion from an income trust to a corporation in 2009 were being re-assessed. Specifically, the CRA increased the Company's taxable income by $56.1 million and denied $1.7 million of investment tax credits claimed (the "Reassessment"). The Reassessment is based entirely on the CRA's proposed application of the general anti-avoidance rule ("GAAR") and gives rise to approximately $14.1 million of federal income tax payable. In September 2015 the Company paid one half of the reassessed amount, or $7.1 million, on account of the Reassessment as required pending appeal. On November 4, 2015, related provincial income tax reassessments totaling $5.6 million (including interest and penalties) were received.

The Company has received both legal and tax advice relating to its conversion from an income trust to a corporation indicating that its income tax filing position is strong. As such, the Company has filed notices of objection in response to the Reassessment and intends to vigorously defend its filing position and seek reimbursement from the CRA for the costs arising from having to defend such Reassessment to the fullest extent possible. The matter is expected to go to trial in 2021. Management believes that it will be successful in defending its tax filing position, and as such, the Company has not recognized any provision for the Reassessment at June 30, 2020. The $7.1 million paid on account of the Reassessment has been recorded as income tax receivable on the basis management believes it will be successful in defending the Company`s filing position. In the event the Company is not successful, an additional $16.3 million of cash may be owing and $23.4 million of income tax expense would be recognized.

In April of 2017 one of the Company's subsidiaries, Savanna Energy Services Corp. ("Savanna"), received a statement of claim from Western Energy Services Corp. ("Western") for payment of a termination fee in the amount of $20 million pursuant to an arrangement agreement between Savanna and Western dated March 8, 2017, as amended on March 14, 2017 (the "Arrangement Agreement"). Savanna terminated the Arrangement Agreement on March 28, 2017 following the acquisition by Total of over 50% of the outstanding common shares of Savanna in accordance with the terms and conditions of the Arrangement Agreement. Western is claiming Savanna was not entitled to terminate the Arrangement Agreement and therefore breached the Arrangement Agreement. Savanna has filed a statement of defense and has received legal advice that Western's claim is without merit. Management believes that Savanna will be successful in defending against the Western claim and, as such, the Company has not recognized any provision for such claim.

In November of 2017 the Company received a Statement of Claim filed in the Alberta Court of Queen's Bench by Her Majesty the Queen in Right of Alberta, by its agent, Alberta Investment Management Corporation ("AIMCo") against the Company and Savanna. In the beginning of 2020 AIMCo amended its claim to remove the Company as a defendant. AIMCo's claim relates to Savanna's refusal to pay a $6 million change of control penalty (the "Additional Penalty") to AIMCo. The Company and Savanna have received legal advice that AIMCo's claim for the Additional Penalty is not enforceable and have filed a statement of defense. Savanna has also filed a third party claim against its former directors that seeks indemnity in the event that AIMCo is successful in its claim against Savanna. Following the completion of discoveries, Savanna has determined to file a counterclaim against AIMCo and certain former directors of Savanna for $7.2 million.

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the duration, nature and magnitude of the impact on the economy, commodity prices and the Company's business is not known at this time. Such impact could include a material adverse impact on the Company's financial liquidity position, impairments in the value of long-lived assets, future material decreases in revenue and the profitability of ongoing operations.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Bruce Pachkowski [2, 3]
Chairman of the Board

Daniel Halyk
President and Chief Executive Officer

George Chow [1]

Glenn Dagenais [2, 3]

Greg Melchin [1, 2]

Andrew Wiswell [1, 3]

[1] Member of the Compensation Committee
[2] Member of the Audit Committee
[3] Member of the Corporate Governance and Nominating Committee

MANAGEMENT TEAM

Daniel Halyk
President and Chief Executive Officer

Gerry Crawford
Vice President, Field Services

Cam Danyluk
Vice President, Legal, General Counsel and Corporate Secretary

Yuliya Gorbach
Vice President, Finance and Chief Financial Officer

William Kosich
Vice President, Drilling Services

Brad Macson
Vice President, Operations

Ashley Ting
Corporate Controller

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AUDITOR

KPMG LLP
Calgary, Alberta

TRUSTEE, REGISTRAR AND TRANSFER AGENT

Computershare
Calgary, Alberta

LEGAL COUNSEL

Bennett Jones, LLP
Calgary, Alberta

BANKERS

HSBC
The Toronto Dominion Bank
The Bank of Nova Scotia
Alberta Treasury Branches
Export Development Corp.

STOCK EXCHANGE LISTING

Toronto Stock Exchange
Common Shares: TOT

CANADIAN LOCATIONS

Brooks • Calgary • Clairmont • Dawson Creek • Drumheller • Edson • Fort St. John
Fox Creek • Grande Prairie • Lac La Biche • Leduc • Lloydminster • Medicine Hat • Red Deer
Red Earth • Rocky Mountain House • Slave Lake • Swift Current • Weyburn/Midale • Whitecourt

U.S. LOCATIONS

Denver, CO • Greeley, CO • Dickinson, ND • Watford City, ND • Casper, WY • Gillette, WY• Weirton, WV • Odessa, TX

AUSTRALIAN LOCATIONS

Toowoomba, QLD