2550, 300 – 5th Avenue S.W.
Calgary, Alberta T2P 3C4
Telephone: (403) 216-3939
Facsimile: (403) 234-8731
Website: www.totalenergy.ca

News Release
November 9, 2016

TOTAL ENERGY SERVICES INC. ANNOUNCES Q3 2016 RESULTS

Total Energy Services Inc. ("Total Energy" or the "Company") announces its consolidated financial results for the three and nine months ending September 30, 2016.

Financial Highlights

($000's except per share data)

	Three Months Ended September 30 (unaudited)			Nine Months Ended September 30 (unaudited)		
	2016	**2015**	**% Change**	**2016**	**2015**	**% Change**
Revenue	$ 46,536	$ 66,713	(30%)	$ 140,385	$ 231,111	(39%)
Operating Income (Loss)	(3,012)	2,456	(223%)	(10,814)	20,186	(154%)
EBITDA (1)	4,816	11,137	(57%)	10,487	46,288	(77%)
Cashflow (2)	6,076	(580)	1,148%	12,890	13,402	(4%)
Net Income (Loss)	(1,912)	1,570	(222%)	(8,247)	11,674	(171%)
Per Share Data (Diluted)						
EBITDA (1)	$0.16	$0.36	(56%)	$0.34	$1.49	(77%)
Cashflow (2)	$0.20	$(0.02)	1,100%	$0.42	$0.43	(2%)
Net Earnings	$(0.06)	$0.05	(220%)	$(0.27)	$0.38	(171%)

	September 30 2016 (unaudited)	**Dec. 31 2015 (audited)**	**% Change**
Financial Position			
Total Assets	$ 507,711	$ 532,379	(5%)
Long-Term Debt and Obligations Under Finance Leases (excluding current portion)	46,719	49,185	(5%)
Working Capital (3)	80,094	90,314	(11%)
Net Debt (4)	nil	nil	-
Shareholders' Equity	369,857	383,335	(4%)
Shares Outstanding (000's)			
Basic and Diluted	30,940	30,997	-

Notes 1 through 4 please refer to the Notes to the Financial Highlights set forth at the end of this release.

Total Energy's results for the three months ended September 30, 2016 reflect continued challenging industry conditions. Price competition remained fierce during the quarter, particularly within the Contract Drilling Services segment where spot market pricing continued to deteriorate substantially compared to the third quarter of 2015. Ongoing efforts to manage costs began to positively impact the Company's financial results, with consolidated gross margin for the third quarter of 2016 improving to 22% of revenue compared to 18% for the first half of 2016.

Total Energy's Contract Drilling Services segment achieved 14% utilization during the third quarter of 2016, recording 230 operating days (spud to rig release), compared to 291 operating days, or 18% utilization, during the third quarter of 2015. Revenue per operating day decreased 14% for the third quarter of 2016 relative to the prior year comparable period due to reduced pricing. During the third quarter of 2016 the Company changed its estimate of depreciation for drilling rigs and related equipment by establishing a minimum depreciation charge and reducing residual values to zero. As a result of this change in estimate, there was an increase in depreciation expense of $0.9 million for the three and nine months ended September 30, 2016.

The Rentals and Transportation Services segment achieved a utilization rate on major rental equipment of 15% during the third quarter of 2016 as compared to 22% during the third quarter of 2015. Segment revenue per utilized rental piece decreased 2% for the third quarter of 2016 compared to the same period in 2015 due to lower pricing. This segment exited the third quarter of 2016 with approximately 10,000 pieces of major rental equipment and 112 heavy trucks as compared to 10,000 rental pieces and 120 heavy trucks at September 30, 2015.

Revenue in the Compression and Process Services segment decreased 29% to $32.8 million for the three months ended September 30, 2016 compared to $46.3 million for the same period in 2015. This segment exited the third quarter of 2016 with a $62.0 million backlog of fabrication sales orders as compared to $51.1 million at September 30, 2015 and $35.9 million at June 30, 2016. At September 30, 2016, there was 39,200 horsepower in the compression rental fleet, of which approximately 11,400 horsepower was on rent as compared to 18,900 horsepower on rent at September 30, 2015. The gas compression rental fleet operated at an average utilization rate of 30% during the third quarter of 2016 as compared to 55% during the third quarter of 2015.

During the third quarter, Total Energy declared a quarterly dividend of $0.06 per share to shareholders of record on September 30, 2016. This dividend was paid on October 31, 2016. For Canadian income tax purposes, all dividends paid by Total Energy on its common shares are designated as "eligible dividends" unless otherwise indicated. During the third quarter of 2016, 35,000 common shares were purchased under the Company's normal course issuer bid at an average price of $12.71 per share (including commissions). Such shares were cancelled.

OUTLOOK

With a modest recovery in oil and natural gas prices over the course of 2016, industry sentiment has somewhat improved. However, North American drilling and completion activity remains low by historical measures and energy service industry overcapacity continues to weigh on pricing and, consequently, industry profitability. Total Energy remains selective in putting its equipment to work and continues to decline business opportunities where pricing expectations are not reasonable. When it does accept work, the Company is focused on differentiating itself by providing quality, well maintained equipment and exceptional service.

Total Energy's 2016 capital expenditure budget was recently increased to $25.5 million, of which $15.0 million had been expended to September 30, 2016. Included in the remaining $10.5 million is $8.3 million for continued growth of the Company's Rental and Transportation Services segment in Canada and the United States. The remaining unspent capital budget relates primarily to growing the compression rental fleet, the expenditure of which is discretionary in nature.

Total Energy's financial condition remains very strong, with $80.1 million of positive working capital (including $13.6 million, or $0.44 per share, of cash and marketable securities) and no net debt as at September 30, 2016. The Company's only bank debt consists of a $47.4 million mortgage loan, which is secured by approximately 60% of the Company's real estate holdings (based on value). Total Energy's $65 million operating credit facility was undrawn at September 30, 2016 and remains undrawn. The Company's mortgage loan and operating credit facility require that it maintain a debt (less cash) to equity ratio below 2.5 to 1.0 and a current ratio of at least 1.3 to 1.0. As at September 30, 2016, Total Energy's debt to equity ratio was 0.11 to 1.0 and the current ratio was 3.8 to 1.0.

Subsequent to September 30, 2016, the Company renewed its $65 million revolving credit facility to February 17, 2019. Concurrent with such renewal, certain margin requirements were amended. In particular, investment grade accounts receivable margin eligibility was increased from 75% to 85% and the limit for margin eligibility of materials inventory was increased to $32.5 million from $30.0 million.

CONFERENCE CALL

At 9:00 a.m. (Mountain Time) on November 10, 2016 Total Energy will conduct a conference call and webcast to discuss its third quarter financial results. Daniel Halyk, President & Chief Executive Officer, will host the conference call. A live webcast of the conference call will be accessible on Total's website at www.totalenergy.ca by selecting "Webcasts". Persons wishing to participate in the conference call may do so by calling (866) 696-5910 or (416) 340-2217. Those who are unable to listen to the call live may listen to a recording of it on Total Energy's website. A recording of the conference call will also be available until November 17, 2016 by dialing (800) 408-3053 (passcode 2784319).

SELECTED FINANCIAL INFORMATION

Selected financial information relating to the three and nine month periods ended September 30, 2016 and 2015 is attached to this news release. This information should be read in conjunction with the consolidated financial statements of Total Energy and the attached notes to the consolidated financial statements and management's discussion and analysis to be issued in due course and reproduced in the Company's 2016 third quarter report.

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

	September 30, 2016	December 31, 2015
	(unaudited)	(audited)
Assets		
Current assets:		
Cash and cash equivalents	**$ 8,273**	$ 8,875
Accounts receivable	**43,260**	48,091
Inventory	**51,156**	59,066
Income taxes receivable	**568**	2,733
Other assets	**5,312**	5,768
Prepaid expenses and deposits	**4,704**	4,101
	113,273	128,634
Property, plant and equipment	**383,315**	392,622
Income taxes receivable	**7,070**	7,070
Goodwill	**4,053**	4,053
	$ 507,711	$ 532,379
Liabilities & Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 23,395**	$ 22,002
Deferred revenue	**4,548**	10,556
Dividends payable	**1,856**	1,860
Current portion of obligations under finance leases	**1,457**	2,023
Current portion of long term debt	**1,923**	1,879
	33,179	38,320
Long-term debt	**45,452**	46,900
Obligations under finance leases	**1,267**	2,285
Deferred tax liability	**57,956**	61,539
Shareholders' equity:		
Share capital	**88,712**	88,875
Contributed surplus	**7,936**	8,255
Retained earnings	**273,209**	286,205
	369,857	383,335
	$ 507,711	$ 532,379

Consolidated Statements of Comprehensive Income (Loss)

(in thousands of Canadian dollars except per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2016	2015	**2016**	2015
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Revenue	**$ 46,536**	$ 66,713	**$ 140,385**	$ 231,111
Cost of services	**36,427**	49,814	**113,283**	167,227
Selling, general and administration	**5,392**	7,053	**16,480**	22,082
Share-based compensation	**67**	409	**1,077**	860
Depreciation	**7,662**	6,981	**20,359**	20,756
Operating income (loss)	**(3,012)**	2,456	**(10,814)**	20,186
Gain on sale of property, plant and equipment	**166**	1,700	**942**	5,346
Finance income	**802**	242	**434**	637
Finance costs	**(801)**	(2,322)	**(1,749)**	(6,181)
Net income (loss) before income taxes	**(2,845)**	2,076	**(11,187)**	19,988
Current income tax expense	**247**	2,663	**643**	9,326
Deferred income tax (recovery)	**(1,180)**	(2,157)	**(3,583)**	(1,012)
Total income tax (recovery) expense	**(933)**	506	**(2,940)**	8,314
Net income (loss) and total comprehensive income (loss) for the period	**$ (1,912)**	$ 1,570	**$ (8,247)**	$ 11,674
Earnings (loss) per share				
Basic earnings (loss) per share	**$ (0.06)**	$ 0.05	**$ (0.27)**	$ 0.38
Diluted earnings (loss) per share	**$ (0.06)**	$ 0.05	**$ (0.27)**	$ 0.38

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2016	2015	**2016**	2015
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Cash provided by (used in):				
Operations:				
Net income (loss) for the period	**$ (1,912)**	$ 1,570	**$ (8,247)**	$ 11,674
Add (deduct) items not affecting cash:				
Depreciation	**7,662**	6,981	**20,359**	20,756
Share-based compensation	**67**	409	**1,077**	860
Gain on sale of property, plant and equipment	**(166)**	(1,700)	**(942)**	(5,346)
Unrealized (gain) loss on other assets	**(802)**	1,878	**(423)**	2,438
Finance costs	**801**	444	**1,749**	3,743
Unrealized loss (gain) on foreign currencies translation	**22**	(488)	**735**	(835)
Current income tax expense	**247**	2,663	**643**	9,326
Deferred income tax (recovery)	**(1,180)**	(2,157)	**(3,583)**	(1,012)
Income taxes recovered (paid)	**1,337**	(10,180)	**1,522**	(28,202)
Cashflow	**6,076**	(580)	**12,890**	13,402
Changes in non-cash working capital items:				
Accounts receivable	**(6,223)**	5,420	**4,198**	48,442
Inventory	**(387)**	(705)	**7,910**	(6,250)
Prepaid expenses and deposits	**(1,472)**	(357)	**(603)**	1,779
Accounts payable and accrued liabilities	**5,223**	(4,197)	**3,002**	(25,877)
Deferred revenue	**(1,255)**	(1,541)	**(6,008)**	2,838
Cash provided by (used in) operating activities	**1,962**	(1,960)	**21,389**	34,334
Investing:				
Purchase of property, plant and equipment	**(1,380)**	(7,518)	**(6,262)**	(16,631)
Acquisitions	**-**	-	**(8,689)**	(1,231)
Proceeds on sale of other assets	**373**	138	**439**	138
Purchase of other assets	**-**	(845)	**-**	(6,117)
Proceeds on disposal of property, plant and equipment	**788**	8,849	**5,009**	30,973
Changes in non-cash working capital items	**768**	282	**(1,360)**	(8,700)
Cash provided by (used in) investing activities	**549**	906	**(10,863)**	(1,568)
Financing:				
Advances under long-term debt	**-**	-	**-**	50,000
Repayment of long-term debt	**(717)**	(457)	**(1,717)**	(760)
Repayment of obligations under finance leases	**(524)**	(771)	**(1,790)**	(2,362)
Repayment of convertible debentures	**-**	-	**-**	(69,000)
Dividends to shareholders	**(1,860)**	(1,860)	**(5,579)**	(5,580)
Repurchase of common shares	**(445)**	(39)	**(733)**	(108)
Interest paid	**(361)**	(444)	**(1,309)**	(3,307)
Cash used in financing activities	**(3,907)**	(3,571)	**(11,128)**	(31,117)
Change in cash and cash equivalents	**(1,396)**	(4,625)	**(602)**	1,649
Cash and cash equivalents, beginning of period	**9,669**	14,019	**8,875**	7,745
Cash and cash equivalents, end of period	**8,273**	9,394	**8,273**	9,394

SEGMENTED INFORMATION

The Company operates in three main industry segments, which are substantially in one geographic segment. These segments are Contract Drilling Services, which includes the contracting of drilling equipment and the provision of labour required to operate the equipment, Rentals and Transportation Services, which includes the rental and transportation of equipment used in drilling, completion and production operations and Compression and Process Services, which includes the fabrication, sale, rental and servicing of natural gas compression and oil and natural gas process equipment.

As at and for the three months ended September 30, 2016 (unaudited)

	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Corporate [1]	Total
Revenue	$ 3,151	$ 10,611	$ 32,774	$ -	$ 46,536
Cost of services	2,195	6,836	27,396	-	36,427
Selling, general and administration	441	2,594	1,579	778	5,392
Share-based compensation	-	-	-	67	67
Depreciation	1,691	4,133	1,818	20	7,662
Operating income (loss)	(1,176)	(2,952)	1,981	(865)	(3,012)
Gain on sale of property, plant and equipment	37	74	55	-	166
Finance income	-	-	-	802	802
Finance costs	(90)	(181)	(101)	(429)	(801)
Net income (loss) before income taxes	(1,229)	(3,059)	1,935	(492)	(2,845)
Goodwill	-	2,514	1,539	-	4,053
Total assets	111,811	225,436	157,328	13,136	507,711
Total liabilities	21,753	37,879	29,752	48,470	137,854
Capital expenditures	$ 852	$ 454	$ 74	$ -	$ 1,380

As at and for the three months ended September 30, 2015 (unaudited)

	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Corporate [1]	Total
Revenue	$ 4,598	$ 15,861	$ 46,254	$ -	$66,713
Cost of services	2,860	8,471	38,483	-	49,814
Selling, general and administration	520	3,240	2,014	1,279	7,053
Share-based compensation	-	-	-	409	409
Depreciation	835	4,096	2,031	19	6,981
Operating income (loss)	383	54	3,726	(1,707)	2,456
Gain on sale of property, plant and equipment	6	69	1,617	8	1,700
Finance income	-	-	-	242	242
Finance costs	(95)	(206)	(110)	(1,911)	(2,322)
Net income (loss) before income taxes	294	(83)	5,233	(3,368)	2,076
Goodwill	-	2,514	1,539	-	4,053
Total assets	114,230	238,322	175,456	10,171	538,179
Total liabilities	18,605	43,847	35,139	52,889	150,480
Capital expenditures	$ 239	$ 6,841	$ 433	$ 5	$ 7,518

As at and for the nine months ended September 30, 2016 (unaudited)

	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Corporate [1]	Total
Revenue	$ 7,013	$ 27,846	$ 105,526	$ -	$140,385
Cost of services	4,751	18,521	90,011	-	113,283
Selling, general and administration	1,349	8,007	4,866	2,258	16,480
Share-based compensation	-	-	-	1,077	1,077
Depreciation	2,424	12,326	5,549	60	20,359
Operating income (loss)	(1,511)	(11,008)	5,100	(3,395)	(10,814)
Gain on sale of property, plant and equipment	47	254	641	-	942
Finance income				434	434
Finance costs	(272)	(556)	(321)	(600)	(1,749)
Net income (loss) before income taxes	(1,736)	(11,310)	5,420	(3,561)	(11,187)
Goodwill	-	2,514	1,539	-	4,053
Total assets	111,811	225,436	157,328	13,136	507,711
Total liabilities	21,753	37,879	29,752	48,470	137,854
Capital expenditures[2]	$ 1,097	$ 12,495	$ 1,355	$ 4	$ 14,951

As at and for the nine months ended September 30, 2015 (unaudited)

	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Corporate [1]	Total
Revenue	$ 11,953	$ 59,285	$ 159,873	$ -	$231,111
Cost of services	7,133	31,651	128,443	-	167,227
Selling, general and administration	1,531	10,381	6,780	3,390	22,082
Share-based compensation	-	-	-	860	860
Depreciation	1,926	12,433	6,348	49	20,756
Operating income (loss)	1,363	4,820	18,302	(4,299)	20,186
Gain on sale of property, plant and equipment	39	323	4,970	14	5,346
Finance income	-	-	-	637	637
Finance costs	(472)	(1,005)	(652)	(4,052)	(6,181)
Net income (loss) before income taxes	930	4,138	22,620	(7,700)	19,988
Goodwill	-	2,514	1,539	-	4,053
Total assets	114,230	238,322	175,456	10,171	538,179
Total liabilities	18,605	43,847	35,139	52,889	150,480
Capital expenditures [3]	$ 660	$ 12,779	$ 4,398	$ 25	$ 17,862

(1) *Corporate includes the Company's corporate activities, accretion of convertible debentures in 2015 and obligations pursuant to long-term credit facilities.*
(2) *Includes acquisitions of assets in January and May of 2016 described in note 4 to Q3 2016 Condensed Interim Consolidated Financial Statements.*
(3) *Includes January 2015 acquisition of a business described in note 5 to 2015 audited Financial Statements.*

Total Energy Services Inc. is a growth oriented energy services corporation involved in contract drilling services, rentals and transportation services and the fabrication, sale, rental and servicing of natural gas compression and oil and natural gas process equipment. The common shares of Total Energy are listed and trade on the TSX under the symbol TOT.

For further information, please contact Daniel Halyk, President & Chief Executive Officer at (403) 216-3921 or Yuliya Gorbach, Vice-President Finance and Chief Financial Officer at (403) 216-3920 or by e-mail at: investorrelations@totalenergy.ca or visit our website at www.totalenergy.ca

Notes to Financial Highlights

(1) EBITDA means earnings before interest, taxes, depreciation and amortization and is equal to net income before income taxes plus finance costs plus depreciation minus finance income. EBITDA is not a recognized measure under IFRS. Management believes that in addition to net income, EBITDA is useful supplemental measure as it provides an indication of the results generated by the Company's primary business activities prior to consideration of how those activities are financed, amortized or how the results are taxed in various jurisdictions as well as the cash generated by the Company's primary business activities without consideration of the timing of the monetization of non-cash working capital items. Readers should be cautioned, however, that EBITDA should not be construed as an alternative to net income determined in accordance with IFRS as an indicator of Total Energy's performance. Total Energy's method of calculating EBITDA may differ from other organizations and, accordingly, EBITDA may not be comparable to measures used by other organizations.

(2) Cashflow for the nine months ended September 30, 2015 is net of $12.7 million of income taxes paid during the period that relates to 2014 taxable income as a result of the Company not having been required to make income tax installment payments during 2014 and $6.9 million paid as a result of a Canadian federal income tax reassessment that has subsequently been appealed by the Company.

(3) Working capital equals current assets minus current liabilities.

(4) Net Debt equals long-term debt plus obligations under finance leases plus current liabilities minus current assets.

Certain statements contained in this press release, including statements which may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts are forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties which may cause the actual results, performances or achievements of Total Energy to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include fluctuations in the market for oil and natural gas and related products and services, political and economic conditions, the demand for products and services provided by Total Energy, Total Energy's ability to attract and retain key personnel and other factors. Reference should be made to Total Energy's most recently filed Annual Information Form and other public disclosures (available at www.sedar.com) for a discussion of such risks and uncertainties.

The TSX has neither approved nor disapproved of the information contained herein.