



Total Energy Services Inc. Announces Q2 2022 Results

CALGARY, Alberta, Aug. 08, 2022 -- Total Energy Services Inc. ("Total Energy" or the "Company") (TSX:TOT) announces its consolidated financial results for the three and six months ended June 30, 2022.

Financial Highlights

(\$000's except per share data)

	Three months ended June 30			Six months ended June 30		
	2022	2021	Change	2022	2021	Change
Revenue	\$ 179,204	\$ 84,876	111%	\$ 340,656	\$ 178,066	91%
Operating income (loss)	8,426	(4,089)	nm	12,116	(9,508)	nm
EBITDA ⁽¹⁾	28,799	19,716	46%	53,113	36,433	46%
Cashflow	28,576	16,462	74%	51,127	31,794	61%
Net income (loss)	6,105	(2,136)	nm	8,572	(5,743)	nm
Attributable to shareholders	6,113	(2,108)	nm	8,585	(5,687)	nm
Per Share Data (Diluted)						
EBITDA ⁽¹⁾	\$ 0.67	\$ 0.44	52%	\$ 1.23	\$ 0.81	52%
Cashflow	\$ 0.66	\$ 0.37	78%	\$ 1.18	\$ 0.70	69%
Attributable to shareholders:						
Net income (loss)	\$ 0.14	\$ (0.05)	nm	\$ 0.20	\$ (0.13)	nm
Common shares (000's) ⁽⁴⁾						
Basic	42,307	44,830	(6%)	42,509	44,950	(5%)
Diluted	43,203	45,066	(4%)	43,319	45,158	(4%)

Financial Position at	June 30	December 31	Change
	2022	2021	
Total Assets	\$ 860,983	\$ 813,522	6%
Long-Term Debt and Lease Liabilities (excluding current portion)	165,767	196,007	(15%)
Working Capital ⁽²⁾	122,043	137,304	(11%)
Net Debt ⁽³⁾	43,724	58,703	(26%)
Shareholders' Equity	494,299	493,437	-

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

"nm" – calculation not meaningful

Total Energy's results for the three months ended June 30, 2022 reflect the continued recovery of the global energy industry, particularly in North America. Prolonged wet weather conditions in Australia during the second quarter of 2022 restricted field activity and resulted in a substantial year over year increase in drilling and service rig paid standby days. The Company did not receive any COVID-19 relief funds during the quarter as compared to \$8.1 million received in the second quarter of 2021.

Contract Drilling Services ("CDS")

	Three months ended June 30			Six months ended June 30		
	2022	2021	Change	2022	2021	Change
Revenue	\$ 49,440	\$ 25,740	92%	\$ 109,502	\$ 54,311	102%
EBITDA ⁽¹⁾	\$ 8,808	\$ 4,708	87%	\$ 20,249	\$ 10,976	84%
EBITDA ⁽¹⁾ as a % of revenue	18%	18%	-	18%	20%	(10%)
Operating days ⁽²⁾	2,105	1,235	70%	4,788	2,773	73%
Canada	1,009	563	79%	2,634	1,647	60%
United States	696	467	49%	1,397	768	82%
Australia	400	205	95%	757	358	111%
Revenue per operating day ⁽²⁾ , dollars	\$ 23,487	\$ 20,842	13%	\$ 22,870	\$ 19,586	17%

Canada	21,304	15,625	36%	20,711	16,175	28%
United States	24,165	19,340	25%	22,998	19,046	21%
Australia	27,813	38,590	(28%)	30,145	36,433	(17%)
Utilization	24%	14%	71%	28%	16%	75%
Canada	14%	8%	75%	19%	11%	73%
United States	59%	39%	51%	59%	33%	79%
Australia	88%	45%	96%	84%	40%	110%
Rigs, average for period	95	97	(2%)	95	98	(3%)
Canada	77	79	(3%)	77	80	(4%)
United States	13	13	-	13	13	-
Australia	5	5	-	5	5	-

⁽¹⁾ See Note 1 of the Notes to the Financial Highlights set forth at the end of this release.

⁽²⁾ Operating days includes drilling and paid stand-by days.

Second quarter 2022 drilling activity in North America continued to increase with relatively strong oil and natural gas prices. Continued recovery of Canadian industry activity levels from the historic lows of 2020 and market share gains in the United States drove a significant year over year increase in North American operating days and increased revenue per operating day. In Australia, activity levels improved in the second quarter of 2022 compared to 2021 as two drilling rigs returned to service following the completion of recertifications and upgrades although a substantial year over year increase in lower rate paid stand-by days due to wet weather contributed to lower revenue per operating day but also lower operating costs. The second quarter EBITDA margin was consistent on a year over year basis with increased pricing offsetting the absence of COVID-19 relief funds and operating cost inflation.

Rentals and Transportation Services ("RTS")

	Three months ended June 30			Six months ended June 30		
	2022	2021	Change	2022	2021	Change
Revenue	\$ 13,441	\$ 6,053	122%	\$ 28,841	\$ 13,788	109%
EBITDA ⁽¹⁾	\$ 3,500	\$ 3,324	5%	\$ 9,093	\$ 5,290	72%
EBITDA ⁽¹⁾ as a % of revenue	26%	55%	(53%)	32%	38%	(16%)
Revenue per utilized piece of equipment, dollars	\$ 10,219	\$ 7,111	44%	\$ 20,444	\$ 16,199	26%
Pieces of rental equipment	9,390	10,630	(12%)	9,390	10,630	(12%)
Canada	8,510	9,670	(12%)	8,510	9,670	(12%)
United States	880	960	(8%)	880	960	(8%)
Rental equipment utilization	14%	8%	75%	15%	8%	88%
Canada	13%	7%	86%	14%	8%	75%
United States	25%	12%	108%	28%	12%	133%
Heavy trucks	71	80	(11%)	71	80	(11%)
Canada	48	56	(14%)	48	56	(14%)
United States	23	24	(4%)	23	24	(4%)

⁽¹⁾ See Note 1 of the Notes to the Financial Highlights set forth at the end of this release.

Second quarter revenue in the RTS segment increased as compared to the same period in 2021 due to higher equipment utilization and modestly improved pricing. Increased equipment utilization as well as higher revenue per utilized piece of equipment contributed to the year over year increase in second quarter EBITDA. Second quarter EBITDA margin was lower compared to the same period in 2021 due to the absence of COVID-19 relief assistance combined with significant operating cost inflation that was not fully recovered through price increases.

Compression and Process Services ("CPS")

	Three months ended June 30			Six months ended June 30		
	2022	2021	Change	2022	2021	Change
Revenue	\$ 92,782	\$ 33,657	176%	\$ 151,347	\$ 67,813	123%
EBITDA ⁽¹⁾	\$ 14,948	\$ 7,682	95%	\$ 18,206	\$ 11,257	62%
EBITDA ⁽¹⁾ as a % of revenue	16%	23%	(30%)	12%	17%	(29%)
Horsepower of equipment on rent at period end	30,970	27,420	13%	30,970	27,420	13%
Canada	13,975	11,840	18%	13,975	11,840	18%
United States	16,995	15,580	9%	16,995	15,580	9%
Rental equipment utilization during the period (HP) ⁽²⁾	54%	47%	15%	53%	45%	18%
Canada	39%	31%	26%	38%	31%	23%

United States		75%	74%	1%	74%	67%	10%
Sales backlog at period end, \$ million	\$	181.7	\$ 57.5	216%	\$ 181.7	\$ 57.5	216%

⁽¹⁾ See Note 1 of the Notes to the Financial Highlights set forth at the end of this release.

⁽²⁾ Rental equipment utilization is measured on a horsepower basis.

The year over year increase in the CPS segment's second quarter revenue was due primarily to higher fabrication sales, increased equipment overhaul activity and \$7.4 million of contract cancellation revenue. Compression rental fleet utilization continued to recover during the second quarter of 2022. The absence of COVID-19 relief assistance and general operating cost inflation contributed to a lower second quarter EBITDA margin in 2022 as compared to 2021. Improved pricing following the completion during the first quarter of 2022 of lower margin fabrication orders received in 2021 contributed to a substantial sequential quarterly improvement in segment margins. The fabrication sales backlog continued to grow during the second quarter of 2022, increasing by \$34.2 million, or 23%, compared to the \$147.5 million backlog at December 31, 2021 and \$1.0 million from the \$180.7 million backlog at March 31, 2022 after deducting the cancelled contracts.

Well Servicing ("WS")

	Three months ended June 30			Six months ended June 30		
	2022	2021	Change	2022	2021	Change
Revenue	\$ 23,541	\$ 19,426	21%	\$ 50,966	\$ 42,154	21%
EBITDA ⁽¹⁾	\$ 3,729	\$ 4,667	(20%)	\$ 10,277	\$ 9,819	5%
EBITDA ⁽¹⁾ as a % of revenue	16%	24%	(33%)	20%	23%	(13%)
Service hours ⁽²⁾	26,007	22,201	17%	56,846	51,134	11%
Canada	10,707	8,303	29%	27,157	25,425	7%
United States	4,556	3,449	32%	8,710	6,060	44%
Australia	10,744	10,449	3%	20,979	19,649	7%
Revenue per service hour ⁽²⁾ , dollars	\$ 905	\$ 875	3%	\$ 897	\$ 824	9%
Canada	925	686	35%	866	659	31%
United States	892	664	34%	856	674	27%
Australia	891	1,095	(19%)	953	1,084	(12%)
Utilization ⁽³⁾	27%	21%	29%	31%	27%	15%
Canada	21%	16%	31%	26%	25%	4%
United States	46%	27%	70%	44%	24%	83%
Australia	41%	40%	3%	40%	38%	5%
Rigs, average for period	80	83	(4%)	80	83	(4%)
Canada	57	57	-	57	57	-
United States	11	14	(21%)	11	14	(21%)
Australia	12	12	-	12	12	-

⁽¹⁾ See Note 1 of the Notes to the Financial Highlights set forth at the end of this release.

⁽²⁾ Service hours is defined as well servicing hours of service provided to customers and includes paid rig move and standby.

⁽³⁾ 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.

Second quarter WS segment revenue increased in 2022 as compared to 2021 due primarily to improved North American activity, higher pricing and the mix of equipment operating. EBITDA for the second quarter of 2022 was lower compared to the same period last year primarily due to Australia where field activity was limited due to prolonged wet weather conditions that resulted in a substantial year over year increase in lower rate paid stand-by. Also impacting the WS segment's EBITDA and EBITDA margin for the second quarter of 2022 compared to 2021 was the absence of COVID-19 relief funds and significant operating cost inflation.

Corporate

During the second quarter of 2022, Total Energy remained focused on the safe and efficient operation of its business and improving the overall financial performance of the Company in a challenging cost environment. The \$13.2 million of second quarter cash flow remaining after funding net capital expenditures and lease and interest payments was directed towards \$10.7 million of debt reduction and \$2.4 million of share repurchases under the Company's normal course issuer bid.

For the six months ended June 30, 2022, after changes in non-cash working capital items and funding \$21.1 million of net capital expenditures, \$3.4 million of interest payments and \$2.3 million of lease payments, Total Energy has generated \$43.2 million of free cash flow. This free cash flow has been allocated as to \$31.3 million of debt repayment, \$5.9 million of share repurchases and payment of a \$0.06 per share quarterly dividend to shareholders of record on June 30, 2022 that was paid on July 15, 2022.

Total Energy exited the second quarter of 2022 with \$122.0 million of positive working capital, including \$42.3 million of cash, and \$115 million of available credit under its \$225 million of revolving bank credit facilities. The weighted average interest rate on the Company's outstanding debt at June 30, 2022 was 3.39%.

Outlook

Total Energy's consolidated financial results for the second quarter exceeded first quarter results, which is an exceptional occurrence given the seasonality of Canadian operations. Despite market and commodity price volatility, energy service industry fundamentals continue to improve. Total Energy's active drilling rig count in Canada currently exceeds the peak rig count reached during the first quarter of 2022 and provides optimism for activity levels for the remainder of 2022. Industry equipment and personnel constraints have begun to appear, which has supported continued pricing recovery in all business segments.

In response to increasing activity levels and longer lead times for certain equipment, Total Energy has increased its 2022 capital expenditure budget to \$56.2 million. Included in this \$14.1 million increase is \$10.0 million for new equipment and equipment upgrades in the CDS, RTS and WS segments and \$4.1 million of light duty vehicles for use in all business segments. The Company intends to finance its 2022 capital expenditure budget with cash on hand and, in respect of the light duty vehicles, \$4.1 million of capital leases.

After funding its capital expenditure commitments, Total Energy expects to generate significant free cash flow for the remainder of 2022. Given current market conditions, debt repayment and share buybacks remain attractive opportunities for deployment of such free cash flow. The Company also continues to evaluate consolidation opportunities within its existing business segments.

Conference Call

At 9:00 a.m. (Mountain Time) on August 9, 2022 Total Energy will conduct a conference call and webcast to discuss its second 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 Energy's website at www.totalenergy.ca by selecting "Webcasts". Persons wishing to participate in the conference call may do so by calling (800) 319-4610 or (416) 915-3239. 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 September 9, 2022 by dialing (855) 669-9658 (passcode 9194).

Selected Financial Information

Selected financial information relating to the three and six months ended June 30, 2022 and 2021 is included in this news release. This information should be read in conjunction with the condensed interim consolidated financial statements of Total Energy and the notes thereto as well as management's discussion and analysis to be issued in due course and in the Company's 2021 Annual report.

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

	June 30 2022	December 31 2021
	(unaudited)	(audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 42,345	\$ 33,365
Accounts receivable	130,820	90,543
Inventory	93,513	89,921
Prepaid expenses and deposits	15,457	9,208
Income taxes receivable	2,570	2,208
Current portion of lease asset	511	487
	285,216	225,732
Property, plant and equipment	564,540	575,913
Income taxes receivable	7,070	7,070
Deferred income tax asset	-	393
Lease asset	104	361
Goodwill	4,053	4,053
	\$ 860,983	\$ 813,522

Liabilities & Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 96,923	\$ 65,513
Deferred revenue	56,073	16,274

Dividends payable	2,532	-
Current portion of lease liabilities	5,004	4,030
Current portion of long-term debt	2,641	2,611
	163,173	88,428
Long-term debt	156,572	187,906
Lease liabilities	9,195	8,101
Deferred tax liability	37,744	35,650
Shareholders' equity:		
Share capital	265,769	270,905
Contributed surplus	3,434	5,757
Accumulated other comprehensive loss	(26,493)	(26,704)
Non-controlling interest	548	561
Retained earnings	251,041	242,918
	494,299	493,437
	\$ 860,983	\$ 813,522

Consolidated Statements of Comprehensive Income (Loss)

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

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Revenue	\$ 179,204	\$ 84,876	\$ 340,656	\$ 178,066
Cost of services	140,917	63,092	270,715	134,180
Selling, general and administration	10,108	6,069	18,894	12,608
Other income	(485)	(1,114)	(675)	(2,180)
Share-based compensation	259	189	479	390
Depreciation	19,979	20,729	39,127	42,576
Operating income (loss)	8,426	(4,089)	12,116	(9,508)
Gain on sale of property, plant and equipment	394	3,076	1,870	3,365
Finance costs, net	(1,563)	(1,772)	(3,369)	(3,579)
Net income (loss) before income taxes	7,257	(2,785)	10,617	(9,722)
Current income tax expense (recovery)	21	16	(442)	(455)
Deferred income tax expense (recovery)	1,131	(665)	2,487	(3,524)
Total income tax expense (recovery)	1,152	(649)	2,045	(3,979)
Net income (loss)	\$ 6,105	\$ (2,136)	\$ 8,572	\$ (5,743)
Net income (loss) attributable to:				
Shareholders of the Company	\$ 6,113	\$ (2,108)	\$ 8,585	\$ (5,687)
Non-controlling interest	(8)	(28)	(13)	(56)
Income (loss) per share				
Basic and diluted	\$ 0.14	\$ (0.05)	\$ 0.20	\$ (0.13)

Consolidated Statements of Comprehensive Income (Loss)

	Three months ended	Six months ended
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	June 30		June 30	
	2022	2021	2022	2021
Net income (loss) for the period	\$ 6,105	\$ (2,136)	\$ 8,572	\$ (5,743)
Foreign currency translation	114	(5,820)	211	(11,122)
Total other comprehensive income (loss) for the period	114	(5,820)	211	(11,122)
Total comprehensive income (loss)	\$ 6,219	\$ (7,956)	\$ 8,783	\$ (16,865)
Total comprehensive income (loss) attributable to:				
Shareholders of the Company	\$ 6,227	\$ (7,928)	\$ 8,796	\$ (16,809)
Non-controlling interest	(8)	(28)	(13)	(56)

Consolidated Statements of Cash Flows

Unaudited (in thousands of Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Cash provided by (used in):				
Operations:				
Net income (loss) for the period	\$ 6,105	\$ (2,136)	\$ 8,572	\$ (5,743)
Add (deduct) items not affecting cash:				
Depreciation	19,979	20,729	39,127	42,576
Share-based compensation	259	189	479	390
Gain on sale of property, plant and equipment	(394)	(3,076)	(1,870)	(3,365)
Finance costs, net	1,563	1,772	3,369	3,579
Unrealized gain on foreign currencies translation	(485)	(1,114)	(675)	(2,180)
Current income tax expense (recovery)	21	16	(442)	(455)
Deferred income tax expense (recovery)	1,131	(665)	2,487	(3,524)
Income taxes paid	397	747	80	516
Cashflow	28,576	16,462	51,127	31,794
Changes in non-cash working capital items:				
Accounts receivable	(15,130)	3,738	(39,978)	(159)
Inventory	2,937	972	(3,590)	2,129
Prepaid expenses and deposits	(6,307)	1,068	(6,249)	2,041
Accounts payable and accrued liabilities	12,170	7,123	28,839	7,991
Deferred revenue	2,747	2,259	39,799	4,692
Cash provided by operating activities	24,993	31,622	69,948	48,488
Investing:				
Purchase of property, plant and equipment	(13,406)	(8,079)	(24,959)	(13,153)
Proceeds on disposal of property, plant and equipment	838	8,005	3,877	8,445
Changes in non-cash working capital items	1,608	79	2,951	1,051
Cash (used in) provided by investing activities	(10,960)	5	(18,131)	(3,657)
Financing:				
Repayment of long-term debt	(10,651)	(18,637)	(31,304)	(29,275)
Repayment of lease liabilities	(1,219)	(1,802)	(2,281)	(3,622)
Repurchase of common shares	(2,371)	(1,924)	(5,899)	(2,253)
Shares issued on exercise of share options	31	-	31	-
Interest paid	(1,639)	(738)	(3,384)	(3,446)
Cash used in financing activities	(15,849)	(23,101)	(42,837)	(38,596)
Change in cash and cash equivalents	(1,816)	8,526	8,980	6,235
Cash and cash equivalents, beginning of period	44,161	20,705	33,365	22,996

Cash and cash equivalents, end of period	\$	42,345	\$	29,231	\$	42,345	\$	29,231
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Segmented Information

The Company provides a variety of products and services to the energy and other resource industries through five reporting segments, which operate substantially in three geographic regions. These reporting 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 energy and other industrial operations, Compression and Process Services, which includes the fabrication, sale, rental and servicing of gas compression and process equipment and Well Servicing, which includes the contracting of service rigs and the provision of labour required to operate the equipment. Corporate includes activities related to the Company's corporate and public issuer affairs.

As at and for the three months ended June 30, 2022 (unaudited, in thousands of Canadian dollars)

	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate ⁽¹⁾	Total
Revenue	\$ 49,440	\$ 13,441	\$ 92,782	\$ 23,541	\$ -	\$ 179,204
Cost of services	39,171	8,213	74,989	18,544	-	140,917
Selling, general and administration	1,754	1,702	2,930	1,310	2,412	10,108
Other income	-	-	-	-	(485)	(485)
Share-based compensation	-	-	-	-	259	259
Depreciation	8,882	4,886	2,779	3,218	214	19,979
Operating income (loss)	(367)	(1,360)	12,084	469	(2,400)	8,426
Gain (loss) on sale of property, plant and equipment	293	(26)	85	42	-	394
Finance costs, net	(4)	(23)	(102)	(4)	(1,430)	(1,563)
Net income (loss) before income taxes	(78)	(1,409)	12,067	507	(3,830)	7,257
Goodwill	-	2,514	1,539	-	-	4,053
Total assets	339,585	181,049	247,172	87,703	5,474	860,983
Total liabilities	71,626	13,936	103,052	6,756	171,314	366,684
Capital expenditures	7,282	2,524	1,691	1,909	-	13,406

Three months ended June 30, 2022	Canada	United States	Australia	Other	Total
Revenue	\$ 96,074	\$ 45,714	\$ 37,416	\$ -	\$ 179,204
Non-current assets ⁽²⁾	374,963	140,254	53,480	-	568,697

As at and for the three months ended June 30, 2021 (unaudited, in thousands of Canadian dollars)

	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate ⁽¹⁾	Total
Revenue	\$ 25,740	\$ 6,053	\$ 33,657	\$ 19,426	\$ -	\$ 84,876
Cost of services	20,355	3,029	25,932	13,776	-	63,092
Selling, general and administration	949	1,276	1,180	1,061	1,603	6,069
Other income	-	-	-	-	(1,114)	(1,114)
Share-based compensation	-	-	-	-	189	189
Depreciation	9,461	5,042	2,265	3,749	212	20,729
Operating income (loss)	(5,025)	(3,294)	4,280	840	(890)	(4,089)
Gain on sale of property, plant and equipment	272	1,576	1,137	78	13	3,076

Finance costs, net	(8)	(30)	(74)	(5)	(1,655)	(1,772)
Net income (loss) before income taxes	(4,761)	(1,748)	5,343	913	(2,532)	(2,785)
Goodwill	-	2,514	1,539	-	-	4,053
Total assets	313,553	186,423	212,647	95,469	3,523	811,615
Total liabilities	55,394	8,253	38,462	4,887	212,360	319,356
Capital expenditures	5,482	61	2,413	123	-	8,079

Three months ended June 30, 2021	Canada	United States	Australia	Other	Total
Revenue	\$ 42,548	\$ 22,894	\$ 19,434	\$ -	\$ 84,876
Non-current assets ⁽²⁾	395,471	142,563	64,416	-	602,450

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

⁽²⁾ Includes property, plant and equipment, lease asset (excluding current portion) and goodwill.

As at and for the six months ended June 30, 2022 (unaudited, in thousands of Canadian dollars)

	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate ⁽¹⁾	Total
Revenue	\$ 109,502	\$ 28,841	\$ 151,347	\$ 50,966	\$ -	\$ 340,656
Cost of services	86,165	17,060	129,322	38,168	-	270,715
Selling, general and administration	3,356	3,328	4,724	2,578	4,908	18,894
Other income	-	-	-	-	(675)	(675)
Share-based compensation	-	-	-	-	479	479
Depreciation	17,759	9,795	4,692	6,420	461	39,127
Operating income (loss)	2,222	(1,342)	12,609	3,800	(5,173)	12,116
Gain on sale of property, plant and equipment	268	640	905	57	-	1,870
Finance costs, net	(6)	(39)	(174)	(9)	(3,141)	(3,369)
Net income (loss) before income taxes	2,484	(741)	13,340	3,848	(8,314)	10,617
Goodwill	-	2,514	1,539	-	-	4,053
Total assets	339,585	181,049	247,172	87,703	5,474	860,983
Total liabilities	71,626	13,936	103,052	6,756	171,314	366,684
Capital expenditures	17,464	2,758	2,761	1,965	11	24,959

Six months ended June 30, 2022	Canada	United States	Australia	Other	Total
Revenue	\$ 184,267	\$ 89,358	\$ 67,031	\$ -	\$ 340,656
Non-current assets ⁽²⁾	374,963	140,254	53,480	-	568,697

As at and for the six months ended June 30, 2021 (unaudited, in thousands of Canadian dollars)

	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate ⁽¹⁾	Total
Revenue	\$ 54,311	\$ 13,788	\$ 67,813	\$ 42,154	\$ -	\$ 178,066
Cost of services	41,270	7,701	55,156	30,053	-	134,180
Selling, general and administration	2,345	2,528	2,624	2,329	2,782	12,608

Other income	-	-	-	-	(2,180)	(2,180)
Share-based compensation	-	-	-	-	390	390
Depreciation	19,326	10,560	4,672	7,601	417	42,576
Operating income (loss)	(8,630)	(7,001)	5,361	2,171	(1,409)	(9,508)
Gain on sale of property, plant and equipment	280	1,731	1,224	47	83	3,365
Finance costs, net	(9)	(46)	(152)	(11)	(3,361)	(3,579)
Net income (loss) before income taxes	(8,359)	(5,316)	6,433	2,207	(4,687)	(9,722)
Goodwill	-	2,514	1,539	-	-	4,053
Total assets	313,553	186,423	212,647	95,469	3,523	811,615
Total liabilities	55,394	8,253	38,462	4,887	212,360	319,356
Capital expenditures	9,739	280	2,581	553	-	13,153

Six months ended June 30, 2021	Canada	United States	Australia	Other	Total
Revenue	\$ 102,293	\$ 41,203	\$ 34,568	\$ 2	178,066
Non-current assets ⁽²⁾	395,471	142,563	64,416	-	602,450

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

⁽²⁾ Includes property, plant and equipment, lease asset (excluding current portion) and goodwill.

Total Energy provides contract drilling services, equipment rentals and transportation services, well servicing and compression and process equipment and service to the energy and other resource industries from operation centers in North America and Australia. 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 the Financial Highlights

(1) EBITDA means earnings before interest, taxes, depreciation and amortization and is equal to net income (loss) before income taxes plus finance costs plus depreciation. EBITDA is not a recognized measure under IFRS. Management believes that in addition to net income (loss), EBITDA is a 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) Working capital equals current assets minus current liabilities.

(3) Net Debt equals long-term debt plus lease liabilities plus current liabilities minus current assets. Management believes this measure provides a useful indication of the Company's liquidity.

(4) Basic and diluted shares outstanding reflect the weighted average number of common shares outstanding for the periods. See note 5 to the Company's Condensed Interim Consolidated Financial Statements.

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. Forward-looking statements are based upon the opinions and expectations of management of Total Energy as at the effective date of such statements and, in some cases, information supplied by third parties. Although Total Energy believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from third parties is reliable, it can give no assurance that those expectations will prove to have been correct.

In particular, this press release contains forward-looking statements concerning industry activity levels, including expectations regarding Total Energy's future activity levels, market share and compression and process production activity. Such forward-looking statements are based on a number of assumptions and factors including fluctuations in the market for oil and natural gas and related products and services, political and economic conditions, central bank interest rate policy, the demand for products and services provided by Total Energy, Total Energy's ability to attract and retain key personnel and other factors.

Such forward-looking statements involve known and unknown risks and uncertainties which may cause the actual results, performance or achievements of Total Energy to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. 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.