CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars)

	Note	June 30 2025	December 31 2024
		(unaudited)	(audited)
ASSETS			
Current assets:			
Cash and cash equivalents		**$ 34,158**	$ 38,419
Accounts receivable		**160,687**	149,048
Inventory		**101,224**	104,091
Prepaid expenses and deposits		**15,311**	17,640
		311,380	309,198
Property, plant and equipment		**633,180**	622,499
Deferred income tax asset		**1,276**	1,958
Goodwill		**4,053**	4,053
		$ 949,889	$ 937,708
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 137,455**	$ 125,106
Deferred revenue		**47,717**	47,225
Contingent consideration on business acquisition	4	**1,774**	2,878
Income taxes payable		**2,723**	4,508
Dividends payable		**3,723**	3,429
Current portion of lease liabilities		**6,184**	6,368
Current portion of long-term debt	5	**–**	40,947
		199,576	230,461
Long-term debt	5	**100,000**	70,000
Lease liabilities		**8,740**	9,171
Deferred income tax liability		**60,098**	57,033
Shareholders' equity:			
Share capital	6	**233,549**	239,269
Contributed surplus		**5,775**	5,279
Accumulated other comprehensive loss		**(19,695)**	(11,219)
Non-controlling interest		**206**	245
Retained earnings		**361,640**	337,469
		581,475	571,043
		$ 949,889	$ 937,708

The notes on pages 6 to 13 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME

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

		Three months ended June 30		Six months ended June 30	
	Note	**2025**	2024	**2025**	2024
REVENUE		**$ 250,416**	$ 213,334	**$ 502,325**	$ 418,020
Cost of services		**191,686**	164,333	**380,814**	312,562
Selling, general and administration		**13,338**	11,441	**27,306**	24,175
Other expense (income)		**(381)**	(196)	**(689)**	124
Share-based compensation	7	**704**	713	**812**	1,422
Depreciation		**22,755**	22,431	**45,705**	43,095
Operating income		**22,314**	14,612	**48,377**	36,642
Gain on sale of property, plant and equipment		**327**	404	**1,802**	1,000
Finance costs, net		**(1,258)**	(2,156)	**(2,726)**	(3,988)
Net income before income taxes		**21,383**	12,860	**47,453**	33,654
Current income tax expense		**3,054**	1,046	**7,668**	5,018
Deferred income tax expense (recovery)		**1,243**	(3,640)	**3,747**	(2,281)
Total income tax expense (recovery)		**4,297**	(2,594)	**11,415**	2,737
Net income		**$ 17,086**	$ 15,454	**$ 36,038**	$ 30,917
Net income (loss) attributable to:					
Shareholders of the Company		**$ 17,111**	$ 15,472	**$ 36,077**	$ 30,954
Non-controlling interest		**(25)**	(18)	**(39)**	(37)
Income per share					
Basic	6	**$ 0.46**	$ 0.39	**$ 0.96**	$ 0.78
Diluted		**$ 0.45**	$ 0.39	**$ 0.94**	$ 0.77

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Net income	**$ 17,086**	$ 15,454	**$ 36,038**	$ 30,917
Foreign currency translation	**(10,262)**	5,667	**(8,476)**	7,302
Total other comprehensive income (loss) for the period	**(10,262)**	5,667	**(8,476)**	7,302
Total comprehensive income	**$ 6,824**	$ 21,121	**$ 27,562**	$ 38,219
Total comprehensive income (loss) attributable to:				
Shareholders of the Company	**$ 6,849**	$ 21,139	**$ 27,601**	$ 38,256
Non-controlling interest	**(25)**	(18)	**(39)**	(37)

The notes on pages 6 to 13 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As at and for the six months ended June 30, 2025 and 2024, and year ended December 31, 2024
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, 2023		$ 251,283	$ 4,805	$ (25,506)	$ 521	$ 299,655	$ 530,758
Net income (loss)		–	–	–	(76)	60,801	60,725
Other comprehensive income		–	–	14,287	–	–	14,287
Transactions with shareholders, recorded directly in equity							
Dividends ($0.36 per common share)	6	–	–	–	–	(13,974)	(13,974)
Repurchase of common shares	6	(13,814)	–	–	–	(8,089)	(21,903)
Issue of share capital from exercise of stock options	7	1,800	(1,805)	–	–	(924)	(929)
Partnership distributions		–	–	–	(200)	–	(200)
Share-based compensation relating to stock options	7	–	2,279	–	–	–	2,279
		(12,014)	474	–	(200)	(22,987)	(34,727)
Balance at December 31, 2024		$ 239,269	$ 5,279	$ (11,219)	$ 245	$ 337,469	$ 571,043
Net income (loss)		**–**	**–**	**–**	**(39)**	**36,077**	**36,038**
Other comprehensive loss		**–**	**–**	**(8,476)**	**–**	**–**	**(8,476)**
Transactions with shareholders, recorded directly in equity							
Dividends ($0.10 per common share)	**6**	**–**	**–**	**–**	**–**	**(7,513)**	**(7,513)**
Repurchase of common shares	**6**	**(6,013)**	**–**	**–**	**–**	**(3,915)**	**(9,928)**
Issue of share capital from exercise of stock options	**7**	**293**	**(124)**	**–**	**–**	**(478)**	**(309)**
Share-based compensation	**7**	**–**	**620**	**–**	**–**	**–**	**620**
		(5,720)	**496**	**–**	**–**	**(11,906)**	**(17,130)**
Balance at June 30, 2025		**$ 233,549**	**$ 5,775**	**$ (19,695)**	**$ 206**	**$ 361,640**	**$ 581,475**

	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Non-controlling Interest	Retained earnings	Total Equity
Balance at December 31, 2023		$ 251,283	$ 4,805	$ (25,506)	$ 521	$ 299,655	$ 530,758
Net income (loss)		–	–	–	(37)	30,954	30,917
Other comprehensive income		–	–	7,302	–	–	7,302
Transactions with shareholders, recorded directly in equity							
Dividends ($0.09 per common share)	6	–	–	–	–	(7,092)	(7,092)
Repurchase of common shares	6	(8,247)	–	–	–	(4,423)	(12,670)
Issue of share capital from exercise of stock options	6	1,187	(1,472)	–	–	(153)	(438)
Partnership distributions		–	–	–	(200)	–	(200)
Share-based compensation	7	–	1,422	–	–	–	1,422
		(7,060)	(50)	–	(200)	(11,668)	(18,978)
Balance at June 30, 2024		$ 244,223	$ 4,755	$ (18,204)	$ 284	$ 318,941	$ 549,999

The notes on pages 6 to 13 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited (in thousands of Canadian dollars)

		Three months ended June 30		Six months ended June 30	
	Note	**2025**	2024	**2025**	2024
Cash provided by (used in):					
Operations:					
Net income for the period		**$ 17,086**	$ 15,454	**$ 36,038**	$ 30,917
Add (deduct) items not affecting cash:					
Depreciation		**22,755**	22,431	**45,705**	43,095
Share-based compensation	7	**704**	713	**812**	1,422
Gain on sale of property, plant and equipment		**(327)**	(404)	**(1,802)**	(1,000)
Finance costs, net		**1,258**	2,156	**2,726**	3,988
Foreign currency translation		**(3,285)**	933	**(1,932)**	663
Current income tax expense		**3,054**	1,046	**7,668**	5,018
Deferred income tax expense (recovery)		**1,243**	(3,640)	**3,747**	(2,281)
Income taxes paid		**(4,078)**	(595)	**(9,618)**	(10,891)
Cashflow		**38,410**	38,094	**83,344**	70,931
Changes in non-cash working capital items:					
Accounts receivable		**3,587**	(18)	**(11,641)**	(8,580)
Inventory		**9,044**	(6,960)	**2,867**	(21,707)
Prepaid expenses and deposits		**3,943**	(1,103)	**2,329**	2,609
Accounts payable and accrued liabilities		**(16,729)**	(4,465)	**5,439**	12,867
Deferred revenue		**(14,157)**	3,639	**(690)**	10,704
Cash provided by operating activities		**24,098**	29,187	**81,648**	66,824
Investing:					
Purchase of property, plant and equipment		**(26,312)**	(20,703)	**(60,769)**	(50,338)
Cash paid on acquisition	4	**–**	–	**–**	(47,350)
Proceeds on disposal of property, plant and equipment		**402**	922	**2,894**	1,549
Changes in non-cash working capital items		**(4,156)**	(305)	**6,158**	3,701
Cash used in investing activities		**(30,066)**	(20,086)	**(51,717)**	(92,438)
Financing:					
Advances of long-term debt	5	**30,000**	–	**30,000**	60,000
Repayment of long-term debt	5	**(40,419)**	(10,513)	**(40,947)**	(21,021)
Repayment of lease liabilities		**(1,919)**	(1,763)	**(3,821)**	(3,392)
Dividends to shareholders		**(3,790)**	(3,596)	**(7,219)**	(6,794)
Repurchase of common shares		**(7,714)**	(11,946)	**(9,733)**	(12,670)
Shares issued on exercise of stock options		**–**	64	**–**	64
Partnership distributions		**–**	–	**–**	(200)
Interest paid		**(1,113)**	(1,622)	**(2,472)**	(13,544)
Cash (used in) provided by financing activities		**(24,955)**	(29,376)	**(34,192)**	2,443
Change in cash and cash equivalents		**(30,923)**	(20,275)	**(4,261)**	(23,171)
Cash and cash equivalents, beginning of period		**65,081**	45,039	**38,419**	47,935
Cash and cash equivalents, end of period		**$ 34,158**	$ 24,764	**$ 34,158**	$ 24,764

The notes on pages 6 to 13 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, 2025 and 2024
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 1000, 734 – 7th Avenue S.W. The condensed interim consolidated financial statements include the accounts of the Company, its subsidiaries and aboriginal 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 energy and other resource industries primarily in Canada, the United States and Australia, including contract drilling services, the rental and transportation of equipment used in energy and other industrial operations, the fabrication, sale, rental and servicing of gas compression and 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, 2024 (the "2024 Financial Statements"). These condensed interim consolidated financial statements do not include all the necessary annual disclosures and should be read in conjunction with the 2024 Financial Statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on August 5, 2025.

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.

3. 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.

Unaudited (tabular amounts in thousands of Canadian dollars)

As at and for the three months ended June 30, 2025	**Contract Drilling Services**	**Rentals and Transportation Services**	**Compression and Process Services**	**Well Servicing**	**Corporate[1]**	**Total**
Revenue	**$ 71,222**	**$ 16,186**	**$ 133,233**	**$ 29,775**	**$ –**	**$ 250,416**
Cost of services	**52,688**	**8,485**	**106,653**	**23,860**	**–**	**191,686**
Selling, general and administration	**2,805**	**2,103**	**4,463**	**2,433**	**1,534**	**13,338**
Other income	**–**	**–**	**–**	**–**	**(381)**	**(381)**
Share-based compensation	**–**	**–**	**–**	**–**	**704**	**704**
Depreciation	**12,116**	**5,028**	**3,015**	**2,344**	**252**	**22,755**
Operating income (loss)	**3,613**	**570**	**19,102**	**1,138**	**(2,109)**	**22,314**
Gain (loss) on sale of property, plant and equipment	**302**	**10**	**40**	**(25)**	**–**	**327**
Finance Income (costs), net	**13**	**(42)**	**(118)**	**(12)**	**(1,099)**	**(1,258)**
Net income (loss) before income taxes	**3,928**	**538**	**19,024**	**1,101**	**(3,208)**	**21,383**
Goodwill	**–**	**2,514**	**1,539**	**–**	**–**	**4,053**
Total assets	**428,830**	**167,150**	**258,911**	**86,569**	**8,429**	**949,889**
Total liabilities	**79,309**	**32,251**	**113,030**	**6,322**	**137,502**	**368,414**
Capital expenditures	**9,659**	**13,070**	**1,113**	**2,470**	**–**	**26,312**

As at and for the three months ended June 30, 2025	**Canada**	**United States**	**Australia**	**International**	**Total**
Revenue	**$ 95,127**	**$ 95,935**	**$ 59,252**	**$ 102**	**$ 250,416**
Non-current assets[2]	**375,144**	**131,332**	**130,757**	**–**	**637,233**

As at and for the three months ended June 30, 2024	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate[1]	Total
Revenue	$ 67,889	$ 17,798	$ 109,454	$ 18,193	$ –	$ 213,334
Cost of services	51,392	9,853	88,179	14,909	–	164,333
Selling, general and administration	2,060	2,162	3,795	1,173	2,251	11,441
Other income	–	–	–	–	(196)	(196)
Share-based compensation	–	–	–	–	713	713
Depreciation	12,039	5,019	2,622	2,424	327	22,431
Operating income (loss)	2,398	764	14,858	(313)	(3,095)	14,612
Gain on sale of property, plant and equipment	68	281	79	(24)	–	404
Finance costs, net	(16)	(46)	(110)	(22)	(1,962)	(2,156)
Net income (loss) before income taxes	2,450	999	14,827	(359)	(5,057)	12,860
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	424,342	163,914	276,447	70,130	1,523	936,356
Total liabilities	78,649	29,854	106,665	6,063	165,126	386,357
Capital expenditures	8,777	2,388	3,732	5,806	–	20,703

As at and for the three months ended June 30, 2024	Canada	United States	Australia	International	Total
Revenue	$ 76,906	$ 98,471	$ 37,957	$ –	$ 213,334
Non-current assets[2]	368,701	137,395	122,015	–	628,111

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

(2) Includes property, plant and equipment and goodwill.

Unaudited (tabular amounts in thousands of Canadian dollars)

As at and for the six months ended June 30, 2025	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate[1]	Total
Revenue	$ 162,309	$ 39,210	$ 239,449	$ 61,357	$ –	$ 502,325
Cost of services	116,631	20,825	193,838	49,520	–	380,814
Selling, general and administration	5,466	4,384	8,058	3,452	5,946	27,306
Other income	–	–	–	–	(689)	(689)
Share-based compensation	–	–	–	–	812	812
Depreciation	24,465	10,088	5,950	4,678	524	45,705
Operating income (loss)	15,747	3,913	31,603	3,707	(6,593)	48,377
Gain on sale of property, plant and equipment	1,047	33	344	378	–	1,802
Finance income (costs), net	20	(83)	(209)	(27)	(2,427)	(2,726)
Net income (loss) before income taxes	16,814	3,863	31,738	4,058	(9,020)	47,453
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	428,830	167,150	258,911	86,569	8,429	949,889
Total liabilities	79,309	32,251	113,030	6,322	137,502	368,414
Capital expenditures	33,284	14,251	2,048	11,157	29	60,769

As at and for the six months ended June 30, 2025	Canada	United States	Australia	International	Total
Revenue	$ 214,475	$ 174,750	$ 109,325	$ 3,775	$ 502,325
Non-current assets[2]	375,144	131,332	130,757	–	637,233

As at and for the six months ended June 30, 2024	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate[1]	Total
Revenue	$ 149,100	$ 40,177	$ 186,980	$ 41,763	$ –	$ 418,020
Cost of services	107,284	20,768	151,730	32,780	–	312,562
Selling, general and administration	5,066	4,423	6,921	2,558	5,207	24,175
Other expense	–	–	–	–	124	124
Share-based compensation	–	–	–	–	1,422	1,422
Depreciation	22,382	10,083	5,211	4,823	596	43,095
Operating income (loss)	14,368	4,903	23,118	1,602	(7,349)	36,642
Gain (loss) on sale of property, plant and equipment	101	793	130	(24)	–	1,000
Finance costs, net	(38)	(87)	(212)	(45)	(3,606)	(3,988)
Net income (loss) before income taxes	14,431	5,609	23,036	1,533	(10,955)	33,654
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	424,342	163,914	276,447	70,130	1,523	936,356
Total liabilities	78,649	29,854	106,665	6,063	165,126	386,357
Capital expenditures	21,578	5,173	14,187	9,400	–	50,338

As at and for the six months ended June 30, 2024	Canada	United States	Australia	International	Total
Revenue	$ 179,970	$ 177,588	$ 60,462	$ –	$ 418,020
Non-current assets[2]	368,701	137,395	122,015	–	628,111

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

(2) Includes property, plant and equipment and goodwill.

Unaudited (tabular amounts in thousands of Canadian dollars)

4. Business acquisition

On January 17, 2024 the Company's wholly owned subsidiary Savanna Energy Services Pty Ltd. ("Savanna Australia") entered into an agreement with SLB to acquire all of the shares of Saxon Energy Services Australia Pty Ltd. ("Saxon") for U.S. $37.0 million (CAD $50.1 million) cash (the "Acquisition"). This Acquisition was completed on March 7, 2024 (the "Effective Acquisition Date").

The Acquisition has been accounted for as a business combination using the acquisition method whereby the net assets acquired, and liabilities assumed are recorded at fair value. The purchase price allocation was based on management's best estimates of fair values of Saxon's assets and liabilities as at the Effective Acquisition Date.

	March 7, 2024
Trade accounts receivable and accrued receivables	$ 10,478
Inventory	3,824
Property, plant and equipment	48,532
Deferred tax asset	1,775
Accounts payable and other liabilities	(14,554)
Net assets acquired	50,055
Cash paid on acquisition	47,350
Contingent consideration	2,705
Total consideration	**$ 50,055**

The fair values of trade accounts receivable and other current assets, and accounts payable and other liabilities approximate their carrying values due to the short-term maturity of the instruments. Fair value of property plant and equipment was determined by utilizing current market information for similar equipment, adjusted for the specific design, mechanical condition and marketability of such equipment. Key assumptions underlying managements' estimate of fair value include expectations as to future market conditions in the oil and gas industry, expected useful lives of equipment, discount rates, recoverability of available tax pools and collectability of accounts receivable.

Depreciation of property, plant and equipment acquired was recognized in the condensed interim consolidated statement of income from the Effective Acquisition Date and is consistent with the Company's existing depreciation estimates.

Acquisition costs of $0.5 million have been charged to selling, general and administration expenses in the condensed interim consolidated statement of income in 2024.

Contingent consideration, less any claims that might arise, is payable upon resolution of those outstanding claims. Contingent consideration was reduced during the first quarter of 2025 by $1.0 million as a result of the resolution of certain outstanding claims.

Saxon contributed $65.8 million to consolidated revenues and $2.8 million to consolidated net income from the Effective Acquisition Date to December 31, 2024.

Had the acquisition occurred on January 1, 2024, Saxon would have contributed $79.5 million to consolidated revenues and $4.6 million to consolidated net income for the year ended December 31, 2024.

Unaudited (tabular amounts in thousands of Canadian dollars)

5. Long-term Debt

At June 30, 2025 the Company's long-term debt consisted of the following:

	June 30, 2025		December 31, 2024	
	Interest rate	**Principal amount**	Interest rate	Principal amount
Credit Facility	**4.49%**	**$ 100,000**	5.23%	$ 70,000
Mortgage loan (2025 maturity)		**–**	3.10%	40,947
	4.49%	**100,000**	5.25%	110,947
Less current portion		**–**		40,947
		$ 100,000		$ 70,000

On June 19, 2017 the Company entered into a three-year $225 million revolving syndicated credit facility (the "Credit Facility"). Following several renewals and at the request of the Company the Credit Facility was reduced to $170 million and the maturity date extended to November 10, 2026. The Credit Facility includes a Canadian $18 million operating line, an Australian $2 million operating line and a Canadian $150 million revolving facility. 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 bears interest at the banks' Canadian prime rate plus 0.25% to 1.25%, bankers' acceptances, letters of credit, LIBOR or BBSY advances plus a 1.5% to 2.5% 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 0.5% per annum is paid quarterly on the unused portion of the facility depending on certain financial ratios of the Company. In January of 2024, term CORRA rates have replaced bankers' acceptances and SOFR rates have replaced LIBOR, with no changes in pricing or premiums. At June 30, 2025, the applicable interest rate on amounts drawn on the Credit Facility was 4.49% and the standby rate was 0.25%. Letters of credit ("LOC") of $0.3 million were outstanding at June 30, 2025 which reduces the amount of credit available under the Credit Facility by an equivalent amount.

At June 30, 2025 amounts owing under the Credit Facility were denominated in Canadian dollars.

In August of 2018 a U.S. $20 million letter of credit facility was established (the "LOC Facility"). LOCs issued pursuant to the LOC Facility do not reduce availability under the Credit Facility. In April of 2020 this facility was reduced at the request of the Company to U.S. $10 million. At June 30, 2025 $2.8 million Canadian dollars of LOCs were outstanding under the LOC Facility (December 31, 2024: $2.5 million).

In addition to the Credit Facility, a subsidiary of the Company has established a $5 million revolving operating credit facility with a member of the Credit Facility lenders' syndicate. At June 30, 2025 this facility was undrawn and fully available.

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, 2025	Threshold
Twelve-month trailing Bank EBITDA to interest expense	**32.53**	minimum 3.00
Total Senior Debt to twelve-month trailing Bank EBITDA	**0.42**	maximum 3.00

Unaudited (tabular amounts in thousands of Canadian dollars)

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.

The Credit Facility is secured by a general security agreement over all the present and future property of the Company and its subsidiaries.

Mortgage Loan (2025 maturity) was a loan that matured on April 29, 2025 that was amortized over 20 years with blended monthly principal and interest payments of approximately $279,800. This loan bore interest at a fixed rate of 3.10% and was secured by certain of the Company's real estate. This loan was repaid in full ($40.4 million plus accrued and unpaid interest) on April 29, 2025 by utilizing available cash and the Credit Facility.

At June 30, 2025 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, 2023	39,975	$ 251,283
Repurchased and cancelled	(2,197)	(13,814)
Share options exercised	322	1,800
Balance, December 31, 2024	38,100	$ 239,269
Repurchased and cancelled	**(957)**	**(6,013)**
Share options exercised	**87**	**293**
Balance, June 30, 2025	**37,230**	**$ 233,549**

During the six months ended June 30, 2025, 957,490 shares (June 30, 2024: 1,311,396 shares) were repurchased under the Company's normal course issuer bid at an average price of $10.37 (June 30, 2024: $9.66) per share including commissions.

Unaudited (tabular amounts in thousands of Canadian dollars)

(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	
	2025	2024	**2025**	2024
Net income for the period attributable to shareholders	**$ 17,111**	$ 15,472	**$ 36,077**	$ 30,954
Weighted average number of shares outstanding – basic	**37,341**	39,329	**37,725**	39,740
Income per share – basic	**$ 0.46**	$ 0.39	**$ 0.96**	$ 0.78
Net income for the period attributable to shareholders	**$ 17,111**	$ 15,472	**$ 36,077**	$ 30,954
Weighted average number of shares outstanding – basic	**37,341**	39,329	**37,725**	39,740
Share option dilution	**479**	731	**507**	713
Weighted average number of shares outstanding – diluted	**37,820**	40,060	**38,232**	40,453
Income per share – diluted	**$ 0.45**	$ 0.39	**$ 0.94**	$ 0.77

For the six months ended June 30, 2025, 1,305,000 share options (June 30, 2024, 1,380,000 share 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 2025 and 2024 were as follows:

	Weighted average exercise price	Number of Options
Balance, December 31, 2023	$ 7.61	4,109,997
Exercised	4.37	(322,364)
Surrendered	7.99	(931,967)
Forfeited	8.44	(128,333)
Balance, December 31, 2024	$ 7.82	2,727,333
Exercised	**2.52**	**(87,490)**
Surrendered	**2.59**	**(61,510)**
Forfeited	**7.46**	**(15,000)**
Balance, June 30, 2025	**$ 8.13**	**2,563,333**

A total of 1,413,333 outstanding options were exercisable at June 30, 2025 at a weighted average price of $7.09 per option (June 30, 2024: 860,002 options at a weighted average price of $4.59 per options).

Unaudited (tabular amounts in thousands of Canadian dollars)

8. Share Appreciation Rights (SARs)

On August 8, 2024 the Company implemented a share appreciation rights plan ("SAR"). A SAR entitles the holder to receive a cash payment equal to the difference between the stated exercise price and the market price of the company's common shares on the date the SAR is exercised and is accounted for as a cash-settled award. SARs have a five-year life and vest annually over a three year period.

The number of SARs expected to vest are measured at fair value at each reporting period on a mark-to-market basis. The recognition and valuation of SARs results in share-based compensation expense and a corresponding liability, which was included in accounts payable and accrued liabilities.

	Weighted average exercise price	Number of SARs
Balance, December 31, 2023	$ –	–
Granted	$ 9.42	1,140,000
Balance, December 31, 2024	$ 9.42	1,140,000
Forfeited	**$ 9.42**	**(60,000)**
Balance, June 30, 2025	**$ 9.42**	**1,080,000**

Outstanding SARs expire on August 8, 2029.

9. Financial Instruments

The Company's financial instruments as at June 30, 2025 include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, dividends payable, contingent consideration on business acquisitions and long-term debt. The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, dividends payable, contingent consideration on business combinations, long-term debt and the Credit Facility approximate their carrying amounts due to their short terms to maturity.

10. Contingencies

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 Energy Services Corp. ("Savanna"), a wholly owned subsidiary of the Company. In early 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 filed a counterclaim against AIMCo and certain former directors of Savanna for $7.3 million.