CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars)

	Note	March 31, 2026	December 31, 2025
		(unaudited)	(audited)
ASSETS			
Current assets:			
Cash and cash equivalents		**$ 91,373**	$ 59,637
Accounts receivable		**178,473**	165,991
Inventory		**143,207**	127,022
Prepaid expenses and deposits		**22,555**	18,268
		435,608	370,918
Property, plant and equipment		**630,125**	625,131
Goodwill		**4,053**	4,053
		$ 1,069,786	$ 1,000,102
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 188,048**	$ 152,214
Deferred revenue		**107,736**	89,826
Contingent consideration on business acquisition		**2,744**	2,796
Income taxes payable		**12,590**	7,518
Dividends payable		**4,405**	3,635
Current portion of lease liabilities		**6,681**	6,906
		322,204	262,895
Long-term debt	4	**45,000**	55,000
Lease liabilities		**19,507**	20,236
Deferred income tax liability		**59,521**	60,660
Shareholders' equity:			
Share capital	5	**231,558**	228,041
Contributed surplus		**3,749**	5,841
Accumulated other comprehensive loss		**(8,448)**	(16,523)
Non-controlling interest		**462**	377
Retained earnings		**396,233**	383,575
		623,554	601,311
		$ 1,069,786	$ 1,000,102

The notes on pages 7 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 March 31	
	Note	**2026**	2025
REVENUE		**$ 314,896**	$ 251,909
Cost of services		**244,855**	189,128
Selling, general and administration		**13,434**	13,968
Other income		**(834)**	(308)
Share-based compensation	6, 7	**6,614**	108
Depreciation		**23,698**	22,950
Operating income		**27,129**	26,063
Gain on sale of property, plant and equipment		**4,331**	1,475
Finance costs, net		**(786)**	(1,468)
Net income before income taxes		**30,674**	26,070
Current income tax expense		**8,001**	4,614
Deferred income tax expense (recovery)		**(1,549)**	2,504
Total income tax expense		**6,452**	7,118
Net income		**$ 24,222**	$ 18,952
Net income (loss) attributable to:			
Shareholders of the Company		**$ 24,137**	$ 18,966
Non-controlling interest		**85**	(14)
Income per share			
Basic	5	**$ 0.66**	$ 0.50
Diluted		**$ 0.65**	$ 0.49

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended March 31	
	2026	2025
Net income	**$ 24,222**	$ 18,952
Foreign currency translation	**8,075**	1,786
Total other comprehensive income for the period	**8,075**	1,786
Total comprehensive income	**$ 32,297**	$ 20,738
Total comprehensive income (loss) attributable to:		
Shareholders of the Company	**$ 32,212**	$ 20,752
Non-controlling interest	**85**	(14)

The notes on pages 7 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 three months ended March 31, 2026 and 2025, and year ended December 31, 2025
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, 2024		$ 239,269	$ 5,279	$ (11,219)	$ 245	$ 337,469	$ 571,043
Net income		–	–	–	132	74,217	74,349
Other comprehensive loss		–	–	(5,304)	–	–	(5,304)
Transactions with shareholders, recorded directly in equity							
Dividends ($0.40 per common share)		–	–	–	–	(14,853)	(14,853)
Repurchase of common shares	5	(12,460)	–	–	–	(12,181)	(24,641)
Issue of share capital from exercise of stock options		1,232	(597)	–	–	(1,077)	(442)
Share-based compensation relating to stock options	6	–	1,159	–	–	–	1,159
		(11,228)	562	–	–	(28,111)	(38,777)
Balance at December 31, 2025		$ 228,041	$ 5,841	$ (16,523)	$ 377	$ 383,575	$ 601,311
Net income		–	–	–	85	24,137	24,222
Other comprehensive income		–	–	8,075	–	–	8,075
Transactions with shareholders, recorded directly in equity							
Dividends ($0.12 per common share)		–	–	–	–	(4,405)	(4,405)
Repurchase of common shares	5	(827)	–	–	–	(2,114)	(2,941)
Issue of share capital from exercise of stock options		4,344	(2,192)	–	–	(4,960)	(2,808)
Share-based compensation relating to stock options	6	–	100	–	–	–	100
		3,517	(2,092)	–	–	(11,479)	(10,054)
Balance at March 31, 2026		**$ 231,558**	**$ 3,749**	**$ (8,448)**	**$ 462**	**$ 396,233**	**$ 623,554**

	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Non-controlling Interest	Retained earnings	Total Equity
Balance at December 31, 2024		$ 239,269	$ 5,279	$ (11,219)	$ 245	$ 337,469	$ 571,043
Net income (loss)		–	–	–	(14)	18,966	18,952
Other comprehensive income		–	–	1,786	–	–	1,786
Transactions with shareholders, recorded directly in equity							
Dividends ($0.10 per common share)		–	–	–	–	(3,790)	(3,790)
Repurchase of common shares	5	(1,256)	–	–	–	(803)	(2,059)
Share-based compensation	6	–	324	–	–	–	324
		(1,256)	324	–	–	(4,593)	(5,525)
Balance at March 31, 2025		$ 238,013	$ 5,603	$ (9,433)	$ 231	$ 351,842	$ 586,256

The notes on pages 7 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)

	Note	Three months ended March 31	
		2026	2025
Cash provided by (used in):			
Operations:			
Net income for the period		**$ 24,222**	$ 18,952
Add (deduct) items not affecting cash:			
Depreciation		**23,698**	22,950
Share-based compensation	6	**6,614**	108
Gain on sale of property, plant and equipment		**(4,331)**	(1,475)
Finance costs, net		**786**	1,468
Foreign currency translation		**219**	1,353
Current income tax expense		**8,001**	4,614
Deferred income tax expense (recovery)		**(1,549)**	2,504
Income taxes paid		**(3,370)**	(5,540)
Cashflow		**54,290**	44,934
Changes in non-cash working capital items:			
Accounts receivable		**(12,483)**	(15,228)
Inventory		**(16,185)**	(6,177)
Prepaid expenses and deposits		**(4,287)**	(1,614)
Accounts payable and accrued liabilities		**23,406**	22,168
Deferred revenue		**17,910**	13,467
Cash provided by operating activities		**62,651**	57,550
Investing:			
Purchase of property, plant and equipment		**(20,744)**	(34,457)
Proceeds on disposal of property, plant and equipment		**5,713**	2,492
Changes in non-cash working capital items		**3,231**	10,314
Cash used in investing activities		**(11,800)**	(21,651)
Financing:			
Repayment of long-term debt	4	**(10,000)**	(528)
Repayment of lease liabilities		**(1,857)**	(1,902)
Dividends to shareholders		**(3,635)**	(3,429)
Repurchase of common shares		**(2,883)**	(2,019)
Shares issued on exercise of stock options		**87**	–
Interest paid		**(827)**	(1,359)
Cash used in financing activities		**(19,115)**	(9,237)
Change in cash and cash equivalents		**31,736**	26,662
Cash and cash equivalents, beginning of period		**59,637**	38,419
Cash and cash equivalents, end of period		**$ 91,373**	$ 65,081

The notes on pages 7 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 three months ended March 31, 2026 and 2025
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, 2025 (the "2025 Financial Statements"). These condensed interim consolidated financial statements do not include all the necessary annual disclosures and should be read in conjunction with the 2025 Financial Statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on May 12, 2026.

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.

As at and for the three months ended March 31, 2026	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate[1]	Total
Revenue	$ 97,178	$ 19,467	$ 164,639	$ 33,612	$ –	$ 314,896
Cost of services	70,617	11,255	138,228	24,755	–	244,855
Selling, general and administration	2,680	1,851	4,618	1,767	2,518	13,434
Other income	–	–	–	–	(834)	(834)
Share-based compensation	–	–	–	–	6,614	6,614
Depreciation	12,861	5,299	2,827	2,553	158	23,698
Operating income (loss)	11,020	1,062	18,966	4,537	(8,456)	27,129
Gain on sale of property, plant and equipment	139	133	14	4,045	–	4,331
Finance costs, net	31	(48)	(104)	(9)	(656)	(786)
Net income (loss) before income taxes	11,190	1,147	18,876	8,573	(9,112)	30,674
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	448,109	159,243	334,353	121,736	6,345	1,069,786
Total liabilities	63,747	37,119	208,667	6,148	130,551	446,232
Capital expenditures	9,421	2,109	4,531	4,335	348	20,744

As at and for the three months ended March 31, 2026	Canada	United States	Australia	International	Total
Revenue	$ 146,305	$ 100,173	$ 68,418	$ –	$ 314,896
Non-current assets[2]	364,540	110,577	159,061	–	634,178

(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 three months ended March 31, 2025	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate[1]	Total
Revenue	$ 91,087	$ 23,024	$ 106,216	$ 31,582	$ –	$ 251,909
Cost of services	63,943	12,340	87,185	25,660	–	189,128
Selling, general and administration	2,661	2,281	3,595	1,019	4,412	13,968
Other income	–	–	–	–	(308)	(308)
Share-based compensation	–	–	–	–	108	108
Depreciation	12,349	5,060	2,935	2,334	272	22,950
Operating income (loss)	12,134	3,343	12,501	2,569	(4,484)	26,063
Gain on sale of property, plant and equipment	745	23	304	403	–	1,475
Finance costs, net	7	(41)	(91)	(15)	(1,328)	(1,468)
Net income (loss) before income taxes	12,886	3,325	12,714	2,957	(5,812)	26,070
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	449,682	167,067	291,774	85,352	5,696	999,571
Total liabilities	94,518	33,251	134,643	9,183	141,720	413,315
Capital expenditures	23,625	1,181	935	8,687	29	34,457

	Canada	United States	Australia	International	Total
Revenue	$ 119,347	$ 78,815	$ 50,074	$ 3,673	$ 251,909
Non-current assets[2]	373,223	133,742	132,259	–	639,224

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

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

4. Long-term Debt

At March 31, 2026 the Company's long-term debt consisted of the following:

	March 31 2026		March 31 2025	
	Interest rate	**Principal amount**	Interest rate	Principal amount
Credit Facility	**4.07%**	**$ 45,000**	4.66%	$ 70,000
Mortgage loan (2025 maturity)		**–**	3.10%	40,419
	4.07%	**45,000**	4.09%	110,419
Less current portion		**–**		40,419
		$ 45,000		$ 70,000

At March 31, 2026 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"). Following several renewals and at the request of the Company the Credit Facility was reduced to $170 million and the maturity date extended to January 10, 2029. 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%, letters of credit 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. At March 31, 2026, the applicable interest rate on amounts drawn on the Credit Facility was 4.07% (2025: 4.66%) and the standby rate was 0.25% (2025: 0.25%). Letters of credit ("LOC") of $7 thousand were outstanding at March 31, 2026 (2025: $0.3 million) which reduces the amount of credit available under the Credit Facility by an equivalent amount.

Unaudited (tabular amounts in thousands of 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 March 31, 2026 $2.4 million Canadian dollars of LOCs were outstanding under the LOC Facility (March 31, 2025: $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 March 31, 2026 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:

	March 31, 2026	Threshold
Twelve-month trailing Bank EBITDA to interest expense	**51.08**	minimum 3.00
Total Senior Debt to twelve-month trailing Bank EBITDA(1)	**(0.19)**	maximum 3.00

(1) At March 31, 2026 the Company's bank defined total senior debt was a negative number due to the Company being in a net cash position.

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 March 31, 2026 the Company was in compliance with all debt covenants.

Unaudited (tabular amounts in thousands of Canadian dollars)

5. 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, 2024	38,100	$ 239,269
Repurchased and cancelled	(1,986)	(12,460)
Share options exercised	236	1,232
Balance, December 31, 2025	36,350	$ 228,041
Repurchased and cancelled	**(131)**	**(827)**
Share options exercised	**493**	**4,344**
Balance, March 31, 2026	**36,712**	**$ 231,558**

During the three months ended March 31, 2026, 131,543 shares (March 31, 2025: 200,000 shares) were repurchased and cancelled under the Company's normal course issuer bid at an average price of $22.35 (March 31, 2025: $10.29) per share including commissions and share repurchase taxes.

(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 March 31	
	2026	2025
Net income for the period attributable to shareholders	**$ 24,137**	$ 18,966
Weighted average number of shares outstanding – basic (thousands)	**36,459**	38,041
Income per share – basic	**$ 0.66**	$ 0.50
Net income for the period attributable to shareholders	**$ 24,137**	$ 18,966
Weighted average number of shares outstanding – basic (thousands)	**36,459**	38,041
Share option dilution	**659**	644
Weighted average number of shares outstanding – diluted (thousands)	**37,118**	38,685
Income per share – diluted	**$ 0.65**	$ 0.49

During the three months ended March 31, 2026 there were no share options that were excluded from the diluted weighted average number of common shares calculation because their effect would have been anti-dilutive (March 31, 2025, 1,305,000 share options were excluded). 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.

Unaudited (tabular amounts in thousands of Canadian dollars)

6. Share-Based Compensation Plan

Share option transactions during 2026 and 2025 were as follows:

	Weighted average exercise price	Number of Options
Balance, December 31, 2024	$ 7.82	2,727,333
Exercised	3.93	(235,638)
Surrendered	5.18	(178,362)
Forfeited	7.46	(15,000)
Balance, December 31, 2025	$ 8.42	2,298,333
Exercised	**6.68**	**(493,281)**
Surrendered	**7.49**	**(490,052)**
Balance, March 31, 2026	**$ 9.43**	**1,315,000**

A total of 880,000 outstanding options were exercisable at March 31, 2026 at a weighted average price of $9.11 per option (March 31, 2025: 1,562,333 options at a weighted average price of $6.66 per option).

7. 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, 2024	$ 9.42	1,140,000
Forfeited	9.42	(105,000)
Exercised	9.42	(30,000)
Issued	11.34	1,100,000
Balance, December 31, 2025	$ 10.42	2,105,000
Exercised	**9.42**	**(25,000)**
Forfeited	**11.34**	**(45,000)**
Balance, March 31, 2026	**$ 10.46**	**2,035,000**

The SARs expire on various dates ranging from August 8, 2029 to August 5, 2030.

8. Financial Instruments

The Company's financial instruments as at March 31, 2026 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.

9. Discontinued operations

During the first quarter of 2026 the Company discontinued operations in its well servicing business in the United States. Equipment from this business was disposed of for total proceeds of $5.2 million and a gain on sale of $4.0 million was realized during the first quarter of 2026. The Company expects to complete the discontinuance of operations and dispose of the remaining United States well servicing assets by June 30, 2026. The Company's well servicing business in the United States is not considered material.

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.