



PHX

ENERGY SERVICES CORP.

ANNUAL GENERAL MEETING

MAY 13, 2015



Forward-Looking Statements

Some matters discussed in this presentation may be considered to be forward-looking statements. Such statements include declarations regarding management's intent, belief or current expectations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties. Actual results could differ materially from those indicated by such forward-looking statements. Such risks and uncertainties include: the possible unavailability of financing, risks related to the uncertainty inherent in the oil and gas horizontal and directional services industry, the impact of energy price fluctuations, the seasonal nature of business, the dependence on third party suppliers and contractors, changes in government regulation, the impact of competition, the successful commercialization of certain technologies, the dependence upon competent employees including senior management, and fluctuations in currency exchange rates and interest rates.



Year End 2014: Financial Highlights

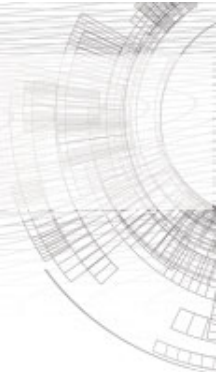
(Stated in thousands of dollars except per unit amounts, percentages and operating days)

| | Three-Month Period ended December 31, | | | Years ended December 31, | | |
|-----------------------------|---------------------------------------|--------------------|-------|--------------------------|--------------------|-------|
| | 2014 | 2013 | % Chg | 2014 | 2013 | % Chg |
| Operating Results | <i>(unaudited)</i> | <i>(unaudited)</i> | | <i>(unaudited)</i> | <i>(unaudited)</i> | |
| Revenue | 152,881 | 115,543 | 32 | 521,467 | 380,663 | 37 |
| Net earnings | 16,220 | 7,501 | 116 | 36,995 | 20,858 | 77 |
| EBITDA | 29,040 | 17,611 | 65 | 83,671 | 56,930 | 47 |
| Cash Flow | | | | | | |
| Funds from operations | 28,543 | 15,161 | 88 | 82,263 | 53,160 | 55 |
| Capital expenditures | 12,521 | 13,272 | (6) | 68,282 | 41,818 | 63 |
| Operating Days | | | | | | |
| Consolidated Operating Days | 11,492 | 9,541 | 20 | 39,222 | 31,722 | 24 |
| Financial Position | | | | Dec. 31, '14 | Dec. 31, '13 | |
| Working Capital | | | | 80,974 | 66,580 | 22 |
| Long-term debt | | | | 104,281 | 70,208 | 49 |

Refer to non-GAAP measures section of the Annual Report



Q1 2015: Financial Highlights



(Stated in thousands of dollars except per unit amounts, percentages and operating days)

| | Three-Month Period ended March 31, | | | Three-Month Period |
|-----------------------------|------------------------------------|--------------------|-------|---------------------|
| | 2015 | 2014 | % Chg | ended Dec. 31, 2014 |
| Operating Results | <i>(unaudited)</i> | <i>(unaudited)</i> | | <i>(unaudited)</i> |
| Revenue | 103,928 | 129,131 | (20) | 152,881 |
| Net earnings | (5,898) | 8,813 | n.m. | 16,220 |
| EBITDA | 3,224 | 21,271 | (85) | 29,040 |
| Cash Flow | | | | |
| Funds from operations | 3,299 | 20,515 | (84) | 28,543 |
| Capital expenditures | 10,604 | 13,456 | (21) | 12,521 |
| Operating Days | | | | |
| Consolidated Operating Days | 8,002 | 10,168 | (21) | 11,492 |
| Financial Position | Mar 31, '15 | Dec 31, '14 | | |
| Working Capital | 78,882 | 80,974 | | |
| Long-term debt | 112,666 | 104,281 | | |

n.m. – not meaningful

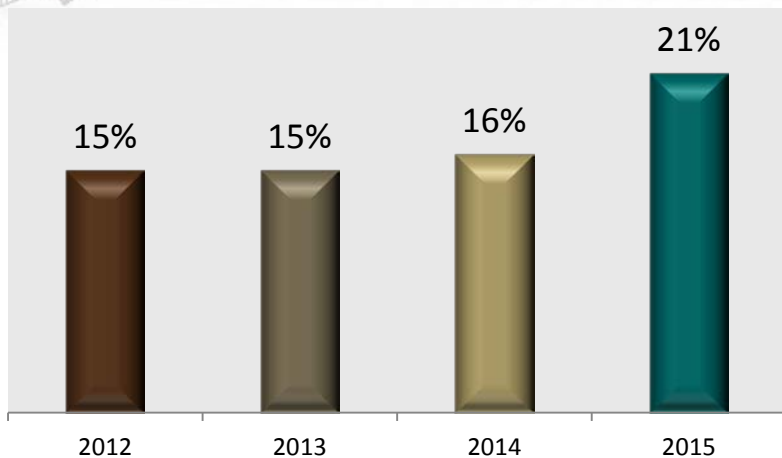
Refer to non-GAAP measures section of the Quarterly Report



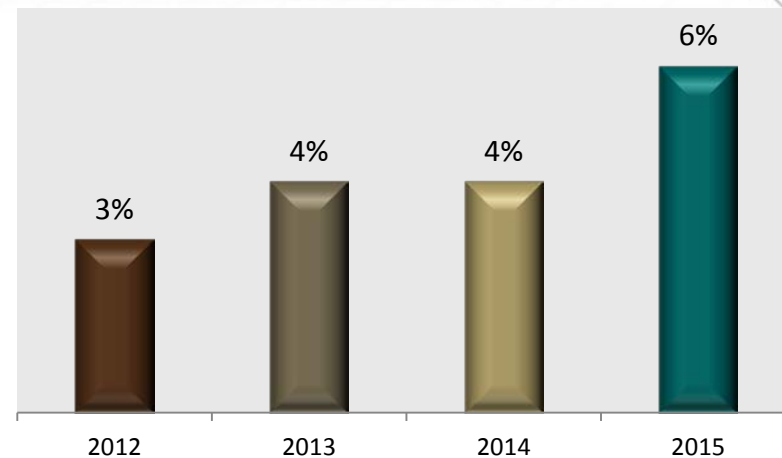


Highlights: Market Share Growth

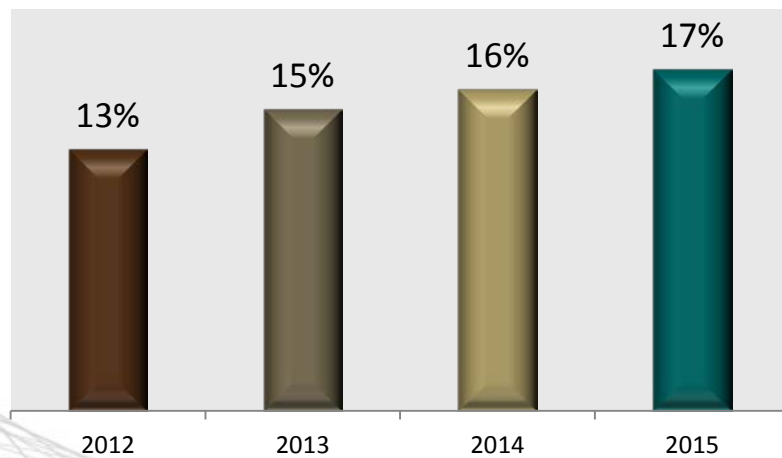
Canada



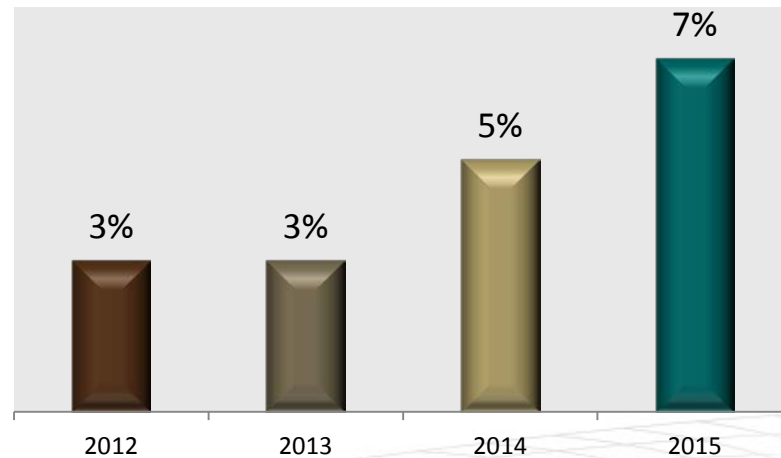
US - Gulf Coast



US - Northeast

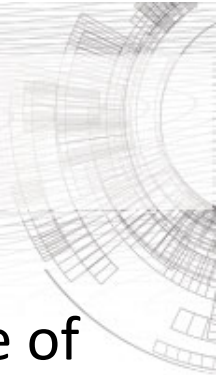


US - Rocky Mountains





Highlights



- Capital expenditures are dedicated to the strategic objective of deploying advanced services to the well site, mainly Velocity
 - Anticipated commercialization in 2015
- Swift and decisive actions taken to soften the effects of the drop in active drilling rigs
 - Total payroll savings per month as at April 30, 2015 are \$2.6 million when compared to December 31, 2014
 - Workforce decreased by 33 percent, from 1,289 personnel at year end to 865 at April 30, 2015 and further reductions were made in May
 - Compensation reductions have been implemented company-wide
 - Consolidating US operations; down-sizing facilities in the Northeast and Rocky Mountain regions to strategically placed staging areas



Lowlights

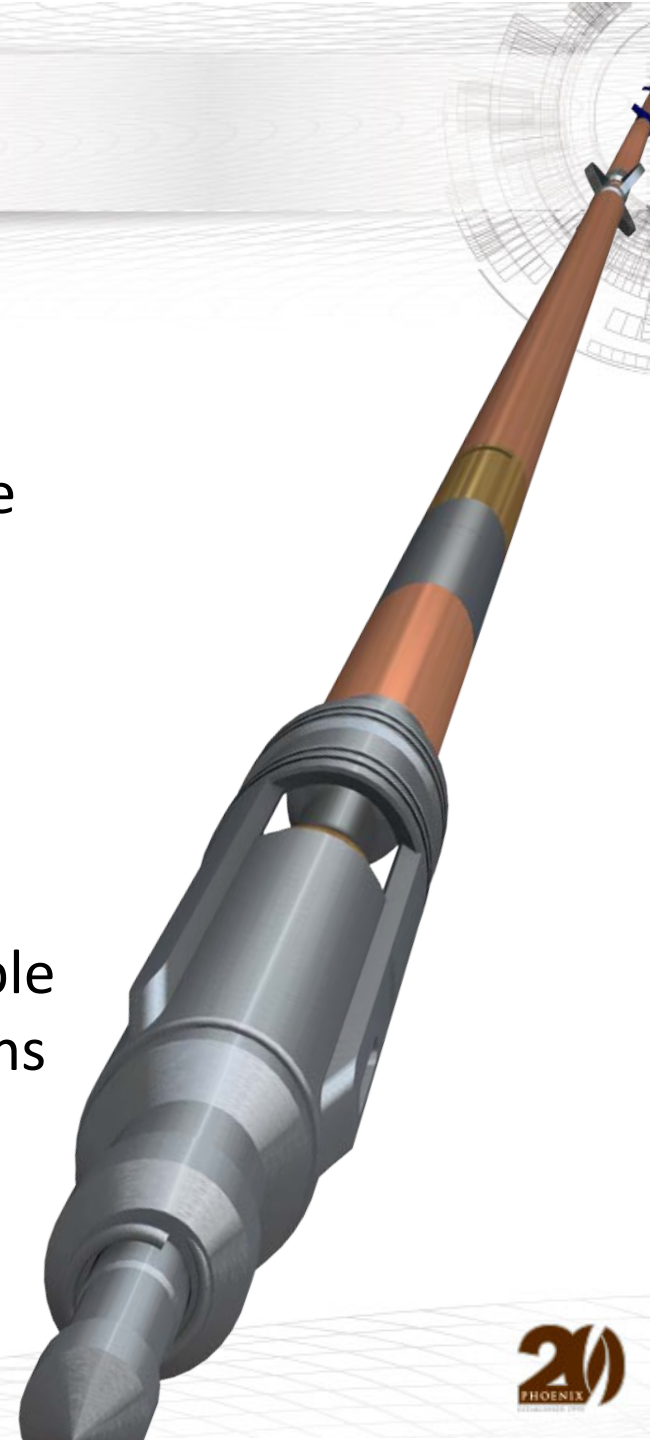
- Profitability impacted by:
 - Weak activity levels in all operating segments
 - Cost structure aligned to support past record activity levels
 - Severance payments
 - Non-reoccurring charges incurred
 - Losses resulting from Stream Services division
- Pricing pressures and increased competition are lowering day rates significantly
- Reduced dividend to preserve funds from operations for future capital expenditures and maintain balance sheet strength





Outlook

- PHX Energy believes the recovery of the industry will only be seen when there is an impactful reduction to the amount of crude oil produced in the US
- PHX Energy will position itself with a cost structure that it believes can be sustained in this weaker period
- Our strategy is to be in the strongest possible position given the difficult market conditions in the oil and natural gas service sector





2015 Objectives

- Absolutely must position the Corporation as a leaner and more efficient organization that offers significant competitive differentiators when it emerges from the current downturn
 - Deploy advanced technology to the well site
 - Develop the technical expertise of field personnel
 - Deliver analytical information to clients that allows them to optimize the efficiency of their drilling programs and the speed at which they drill wells

VELOCITY



PRISM
SERVICES