



PRESS RELEASE
January 17, 2010
TSX - PHX

PHX ENERGY SERVICES CORP. ANNOUNCES JANUARY 2011 DIVIDEND AND REINSTATEMENT OF DIVIDEND REINVESTMENT PLAN

CALGARY, ALBERTA – PHX Energy Services Corp. ("Phoenix" or the "Company") announces that its Board of Directors has declared a cash dividend of \$0.04 per common share, payable on February 15, 2011 to shareholders of record at the close of business on January 31, 2011.

Phoenix also announces that it has reinstated its Dividend Reinvestment Plan ("DRIP") to permit eligible holders of common shares of the Company to reinvest their dividends on a monthly basis to acquire additional common shares. While the DRIP has been updated from the prior version (the "Original Plan") operated by Phoenix Technology Income Fund to reflect the fact that Phoenix has converted from an income trust to a corporation effective December 31, 2010 (the "Effective Date"), the substantive features of the Original Plan have not changed. Eligible shareholders who are registered holders of Phoenix common shares and were registered holders of trust units and participants in the Original Plan on the Effective Date are deemed to be participants in the DRIP without any further action on their part. Registered holders of common shares are reminded that until such time as the participant deposits with Computershare Trust Company of Canada a validly completed and executed Letter of Transmittal, together with the certificates representing trust units which have been exchanged for common shares, all dividends to which such holder may now be entitled will be payable in cash and will not be used to purchase additional common shares pursuant to the DRIP. Eligible shareholders who are beneficial owners of common shares through their brokers, investment dealers, financial institutions or other similar nominees and who are participants in the Original Plan, should contact the nominee holder through which they hold their common shares to confirm their continued participation in the DRIP.

All requests for forms or information regarding the DRIP should be directed to:

Computershare Trust Company of Canada
100 University Avenue, 9th Floor, North Tower
Toronto, Ontario
M5J 2Y1
Attention: Dividend Reinvestment Department
or the National Customer Contact Centre at 1-800-564-6253
or by visiting www.computershare.com/service

ABOUT PHX ENERGY SERVICES CORP.

PHX Energy Services Corp. provides horizontal and directional drilling services to oil and natural gas exploration and development companies in Canada, United States, Albania, Peru, and Russia. Phoenix maintains its corporate head office, research and development, Canadian sales, service and operational centres in Calgary, Alberta. US operations are headquartered in Houston, Texas and sales and service facilities are located in Houston, Texas; Traverse City, Michigan; and Casper, Wyoming. In addition, US sales offices are located in Denver, Colorado, Fort Worth, Texas; Corpus Christi, Texas and Buckhannon, West Virginia. Phoenix has a sales office and service facility in Peru, a service facility in Albania, a sales and operations facility in Russia and a recently opened sales office and service facility in Bogota, Colombia.

The common shares of Phoenix are traded on the Toronto Stock Exchange under the symbol "PHX".

For further information please contact:

PHX Energy Services Corp.
John Hooks
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Phone: (403) 543-4466

or

PHX Energy Services Corp.
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or

visit our website at www.phxtech.com