



PHX

ENERGY SERVICES CORP.

PETERS & CO. LIMITED ENERGY CONFERENCE

SEPTEMBER 11, 2013



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.

Company Overview

- Pure play horizontal and directional drilling provider established in 1995
- Proprietary technology coupled with experienced personnel creates our service advantage
- Worldwide operations with strong presence in North America and gaining international presence in Albania, Russia, Colombia and Peru
- One of the most globally diverse Canadian oil and natural gas service companies

Industry Perspective

- Horizontal drilling is and will continue to be the norm
- Activity levels and rig counts in North America likely to remain stagnant
- North American production will focus on key basins
- Pipelines and accompanying LNG projects in North America will create substantial drilling opportunities
- US will be the place to be, with vast resources and transitioning away from importing oil and natural gas, largest directional/ horizontal drilling market in the world
- International landscape presents opportunities with large resource bases

Pad Drilling Benefits

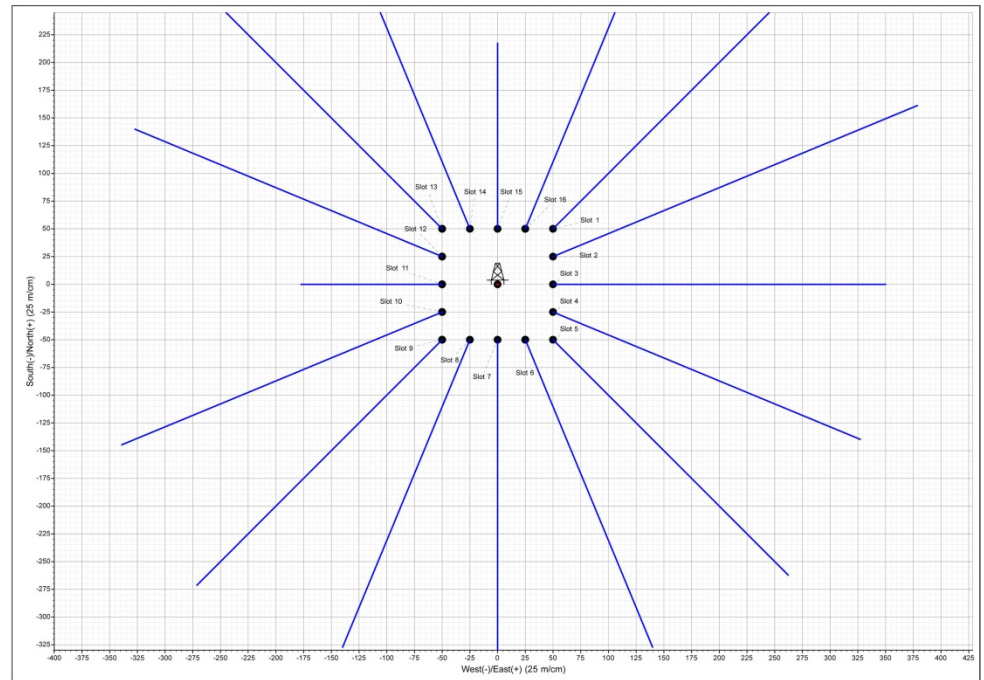
- Multiple horizontal wells drilled from one location
- Improved utilization of our equipment and personnel
- Results in higher revenue and improved profitability



Project: Sample Project

Site: Sample Pad

16 Well Sample Pad



Market Data: PHX

As of September 9, 2013

Exchange	Toronto Stock Exchange
Shares Outstanding	28.7 million
Share Price (Close)	\$10.27
52 Week High / Low	\$11.74/ \$7.92
Current Dividends per Share	\$0.06/month or \$0.72/year
Insiders Position	22%
Yield	7%
Payout Ratio (six month period ended June 30, 2013)*	58%

* Payout ratio is calculated using cash flow from operating activities before changes in non cash working capital

2013: Financial Highlights

	Three-Month Period Ended June 30			Six-Month Periods Ended June 30		
	2013	2012	% Chg	2013	2012	% Chg
Operating Results	<i>(unaudited)</i>	<i>(unaudited)</i>		<i>(unaudited)</i>	<i>(unaudited)</i>	
Revenue	65,483	58,423	12	158,150	138,192	14
Net earnings (Loss)	(4,735)	(2,584)	(83)	3,571	5335	(33)
EBITDA ⁽¹⁾	367	2,521	(85)	18,696	17,560	6
Cash Flow						
Funds from operations ⁽¹⁾	872	3,987	(78)	17,606	18,735	(6)
Capital expenditures	8,134	18,897	(57)	21,629	36,457	(41)
Operating Days						
Consolidated Operating Days	5,164	4,622	12	12,910	11,305	14
Financial Position				June 30, 2013	Dec. 31, 2012	
Working Capital				43,558	45,480	(4)
Net Debt ⁽²⁾				51,994	34,520	19

(1) Refer to non-GAAP measures section of first quarter report

(2) Long term debt net of working capital equivalents

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

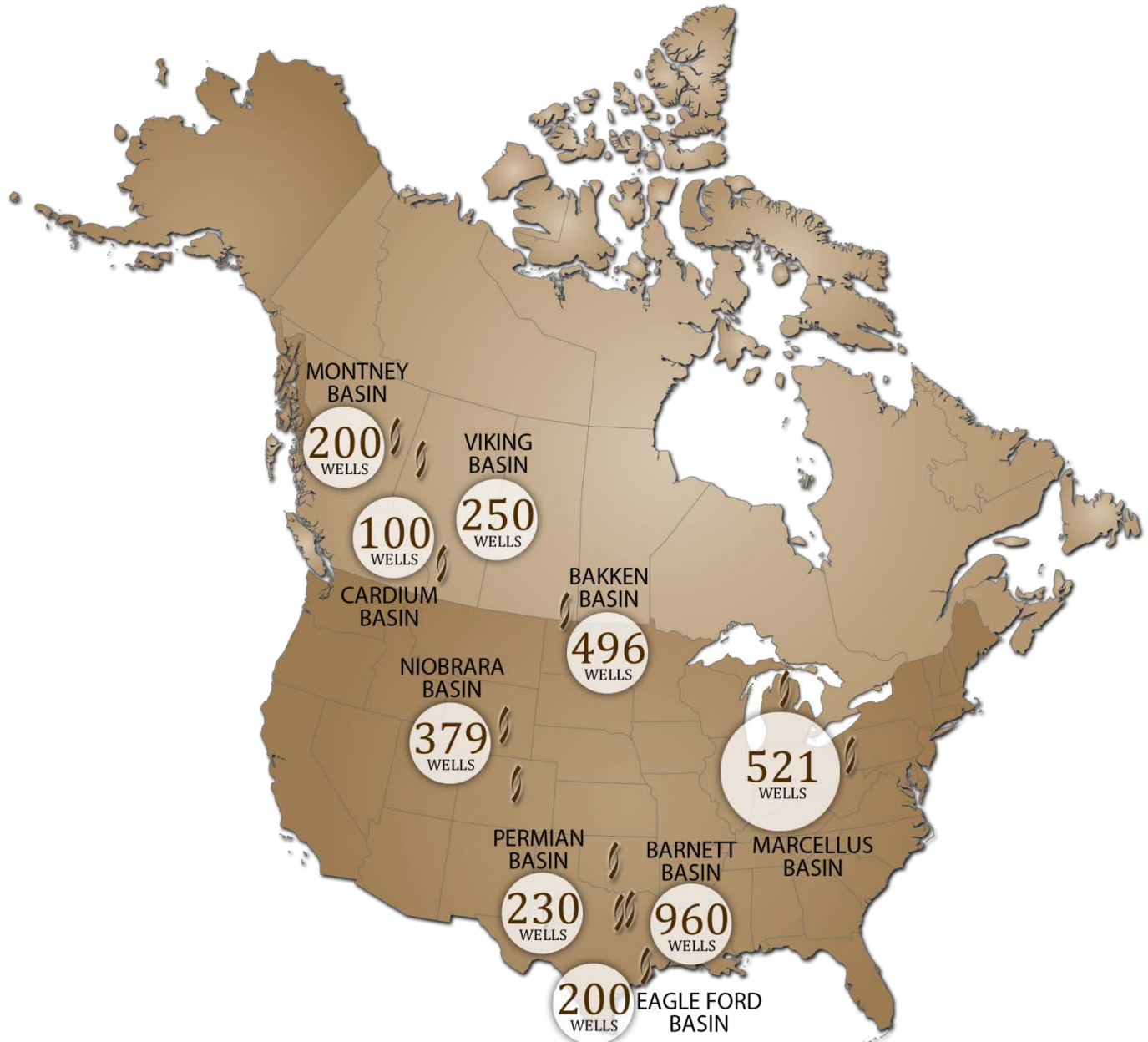
PHX Energy 2013 Update to Long Term Strategy

Plan	Progress
Be the best in the key basins	Highly trained personnel and basin specific equipment requirements <ul style="list-style-type: none">• Montney• Marcellus• Eagle Ford• Bakken• Permian Basin
Customer Satisfaction	Focused on service quality & deploying fit for purpose technologies
Enhance QHSE programs	Able to contract to super majors
Strive to gain market share	Focus on most active operators in each basin
Continue to foster the PHX Energy culture	Maintain small company feel while competing with tier one competitors

PHX Energy is Positioned in Key Plays



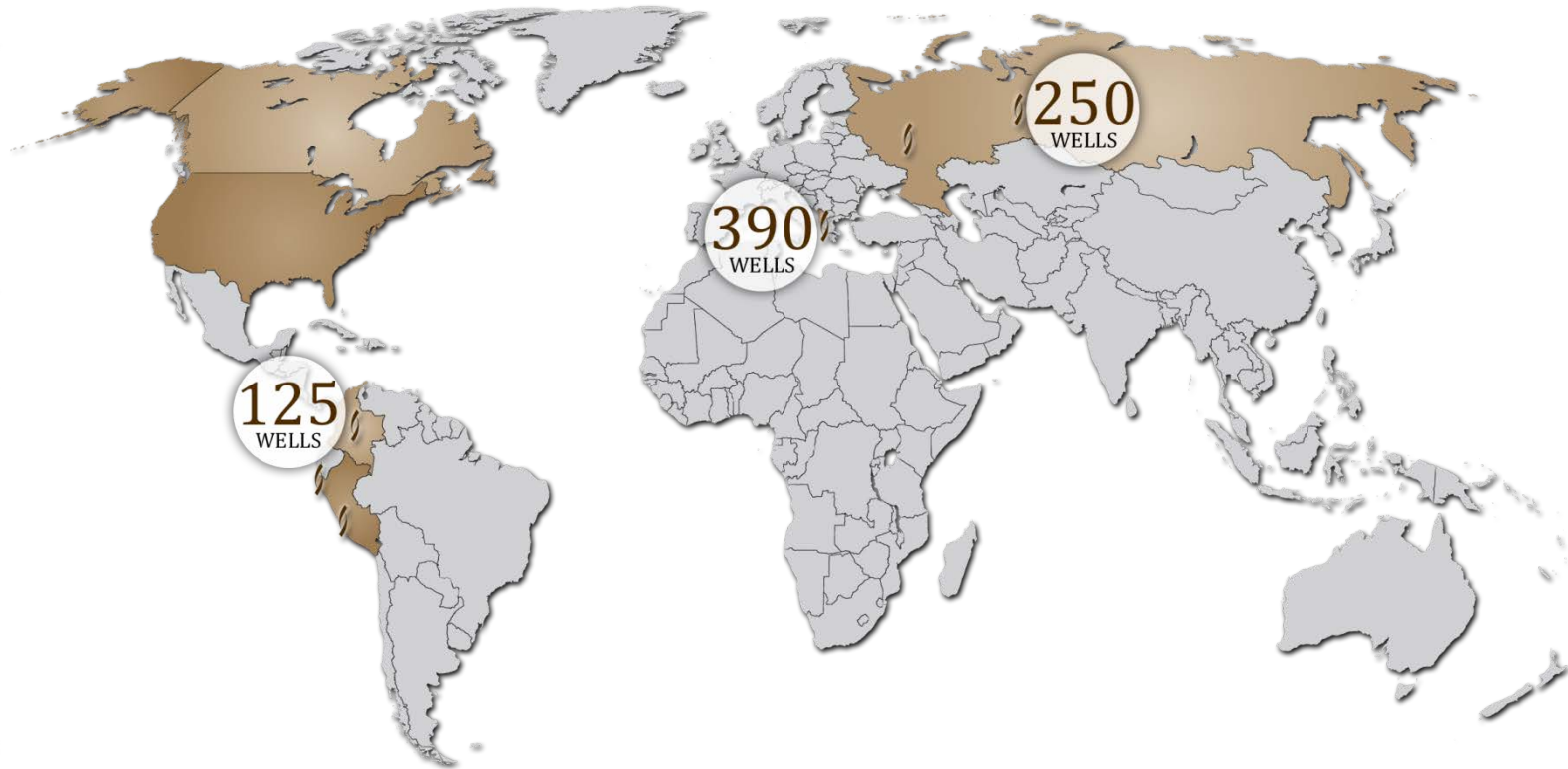
PHX Experience



Active International Jobs

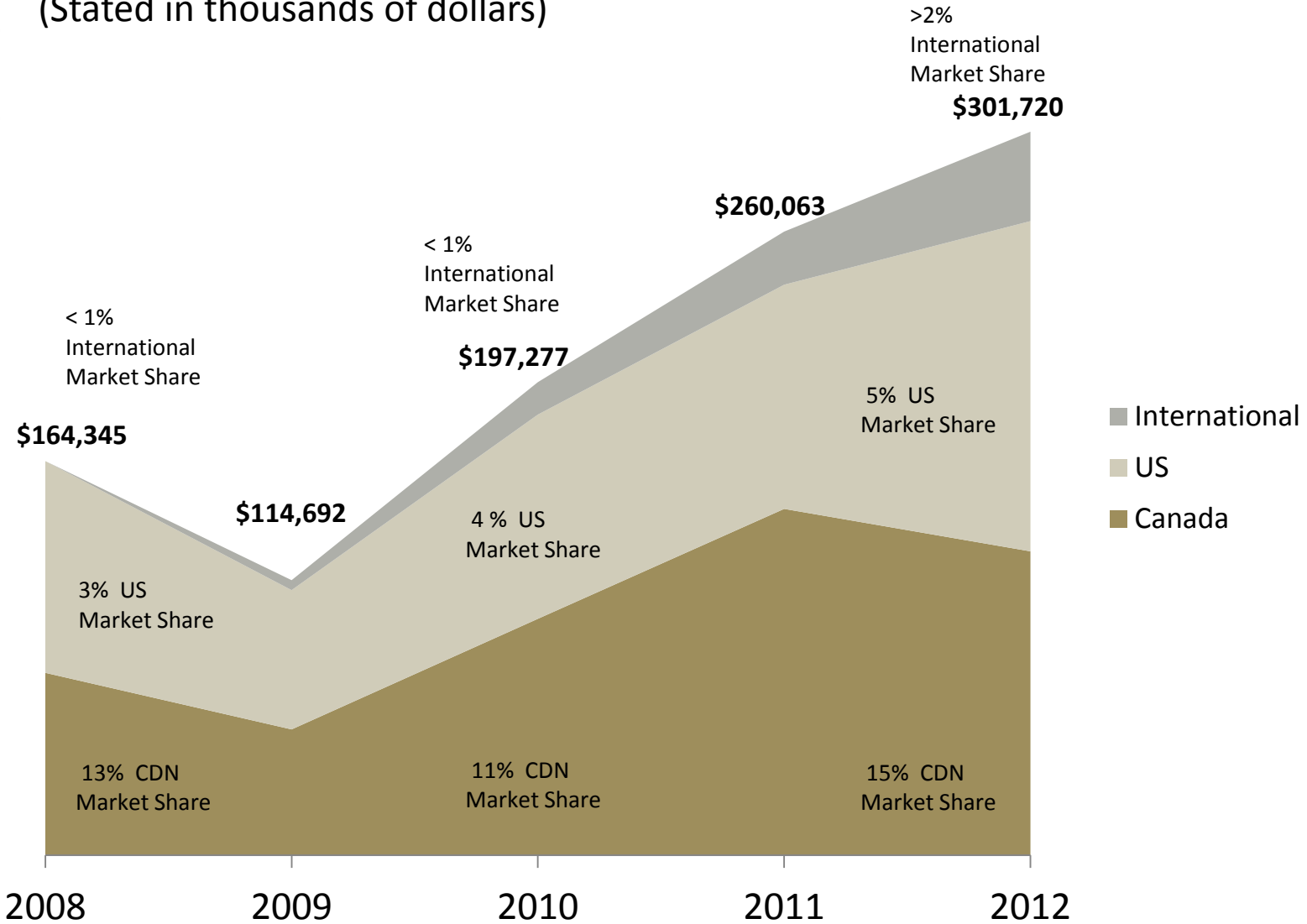


International Experience



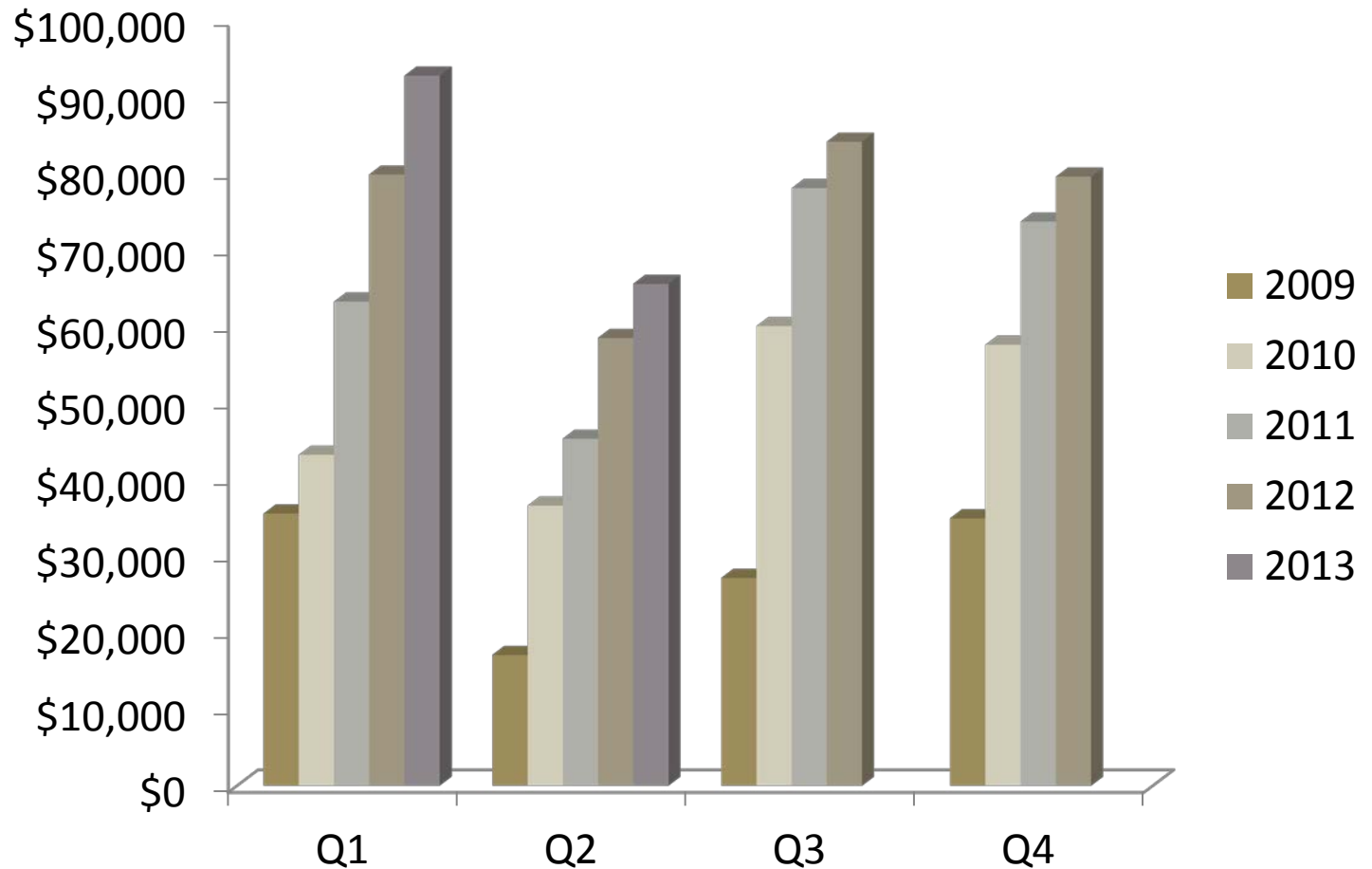
PHX Energy - Revenue and Market Share

(Stated in thousands of dollars)



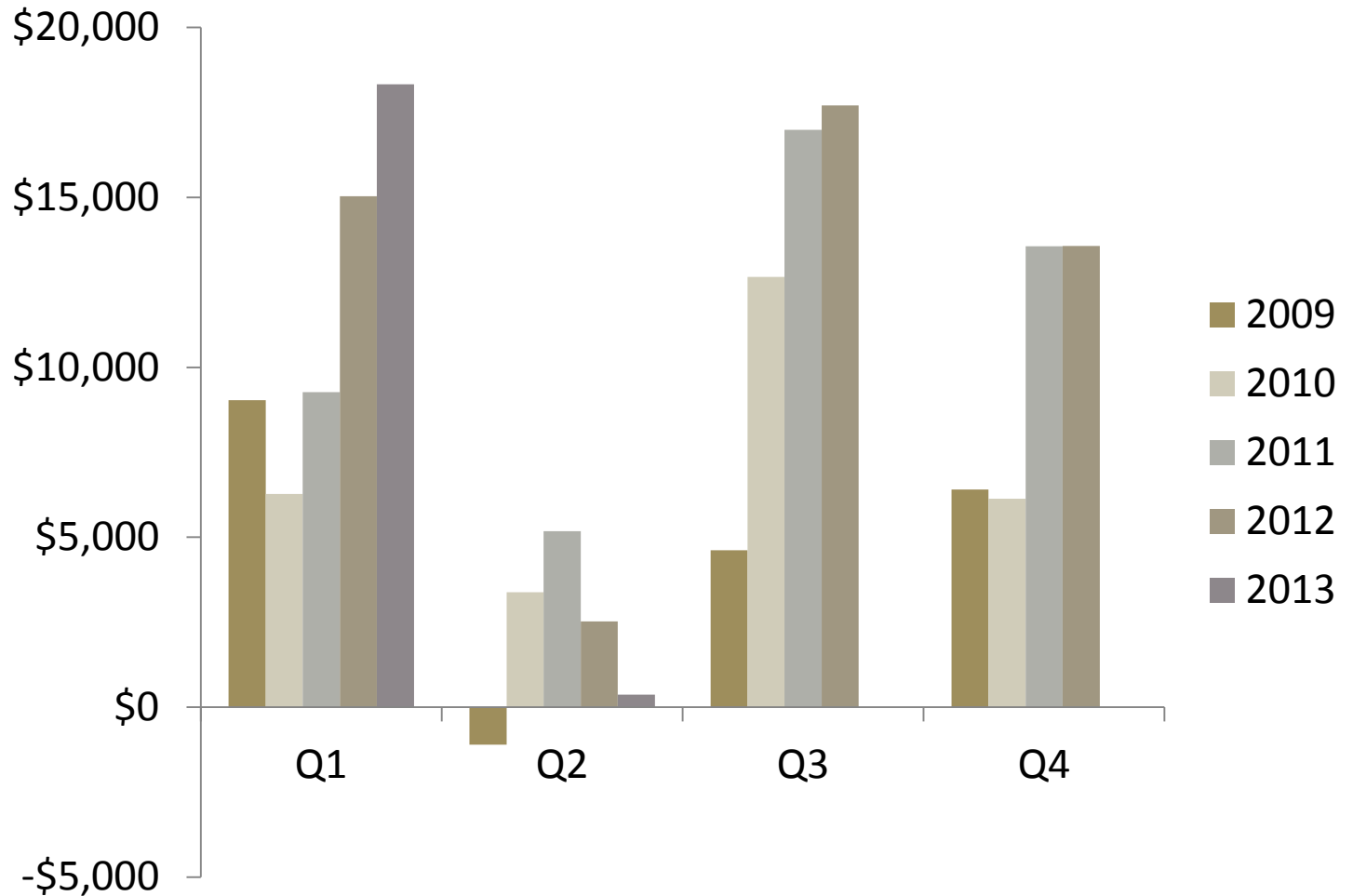
Historical Revenue

(Stated in thousands of dollars)



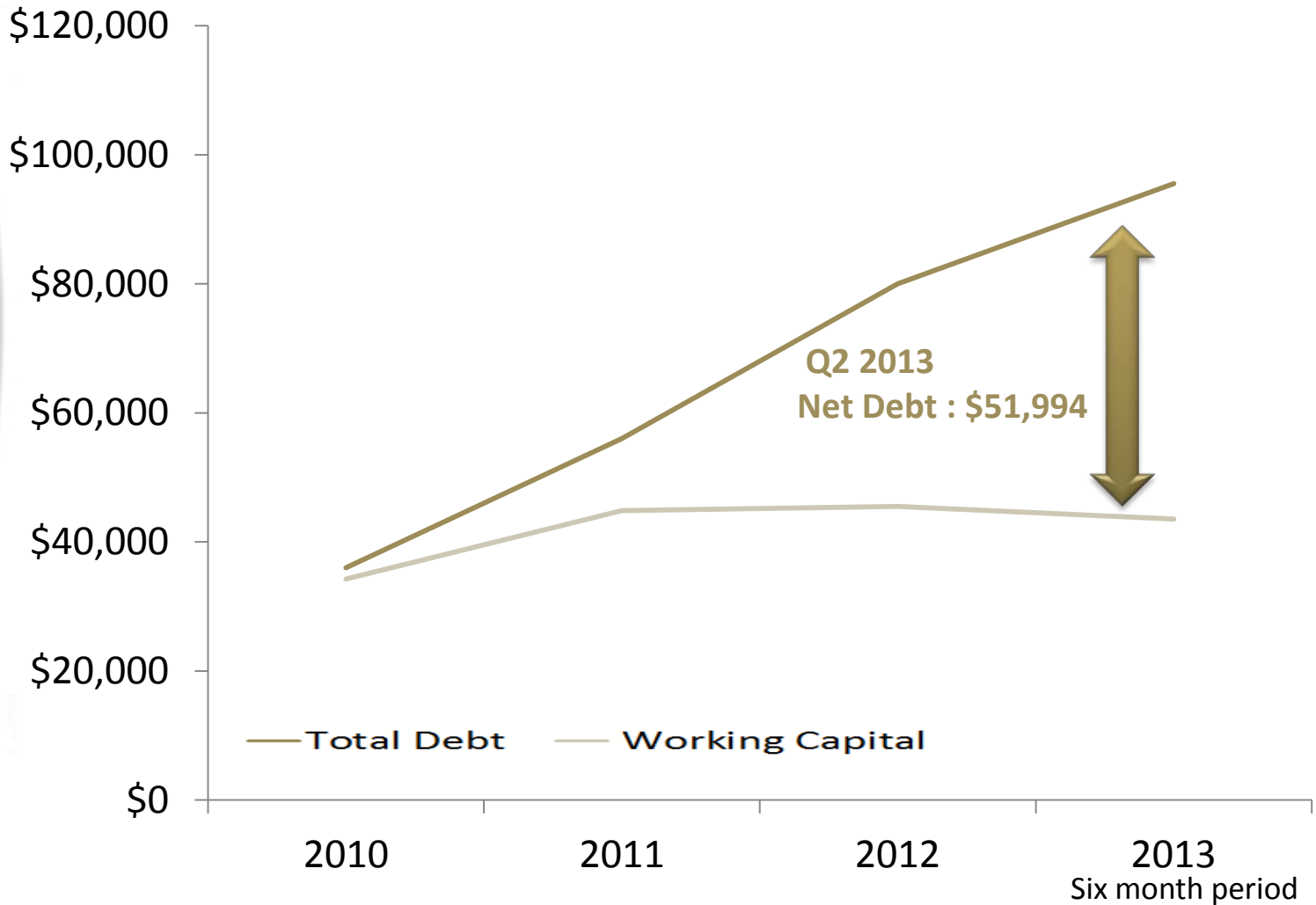
Quarterly EBITDA

(Stated in thousands of dollars)



Working Capital Analysis

(Stated in thousands of dollars)



Investment Summary – Why PHX Energy?

- One of the highest yields in the oil and natural gas service sector
- Proven track record of financial performance
- 10+ years rewarding shareholders with distributions/dividends
- Positioned for future growth
 - Major/super major client base growing in key basins
- Diversified revenue stream
 - 65% revenue generated outside of Canada