



PHX

ENERGY SERVICES CORP.

ALTACORP. & ATB 8TH ANNUAL INSTITUTIONAL INVESTOR CONFERENCE
JANUARY 15, 2020

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.

Financial Highlights

<i>Stated in thousands of dollars except per unit amounts, percentages and operating days</i>	Three-month periods ended September 30,			Nine-month periods ended September 30,		
	2019 <i>(unaudited)</i>	2018 <i>(unaudited)</i>	% Chg	2019	2018	% Chg
Operating Results						
Revenue	93,099	85,033	9	268,204	224,800	19
Adjusted EBITDA ⁽¹⁾	15,536	13,934	11	37,961	30,715	24
Cash Flow						
Cash flows from operating activities	9,721	6,027	63	40,665	15,871	157
Funds from operations ⁽¹⁾	14,669	11,461	28	34,554	24,376	42
Capital expenditures	8,444	8,067	5	28,840	15,831	82
Operating Days						
Consolidated operating days	6,629	7,008	(5)	19,221	19,221	-
Financial Position				Sept 30, '19	Dec 31, '18	
Working Capital ⁽¹⁾				62,207	60,316	3
Net debt ⁽¹⁾				14,900	21,526	(31)
Common shares outstanding				54,969,320	57,963,720	(5)

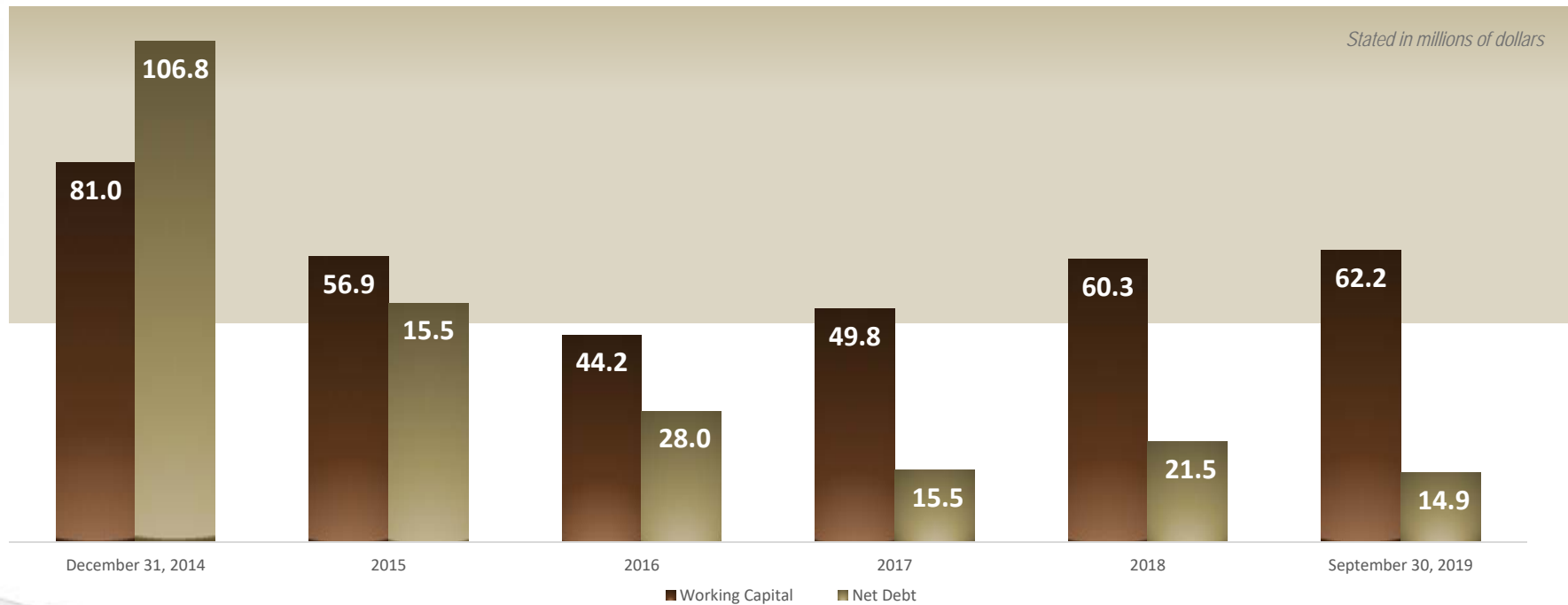
(1) Refer to non-GAAP measures section of Quarter Report

Balance Sheet Strength



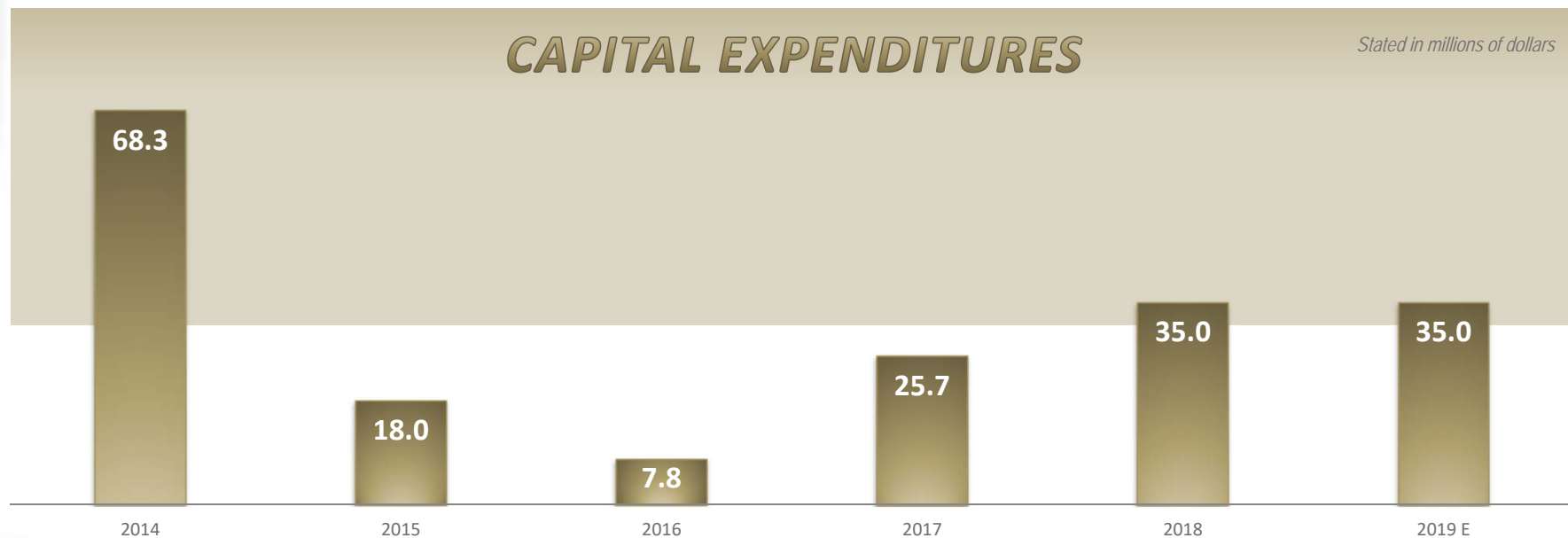
FURTHER DEBT REDUCTION • Net debt has been reduced by 86% since 2014

Net debt is defined as loans and borrowing plus operating facility less cash and cash equivalents



Shareholder Value

- Re-purchased and cancelled 5.1 million common shares from July 2017 to present, 9% of common shares outstanding
- 2019 capital expenditure budget of \$35 million, dedicated to Velocity and Atlas High Performance Drilling Motors

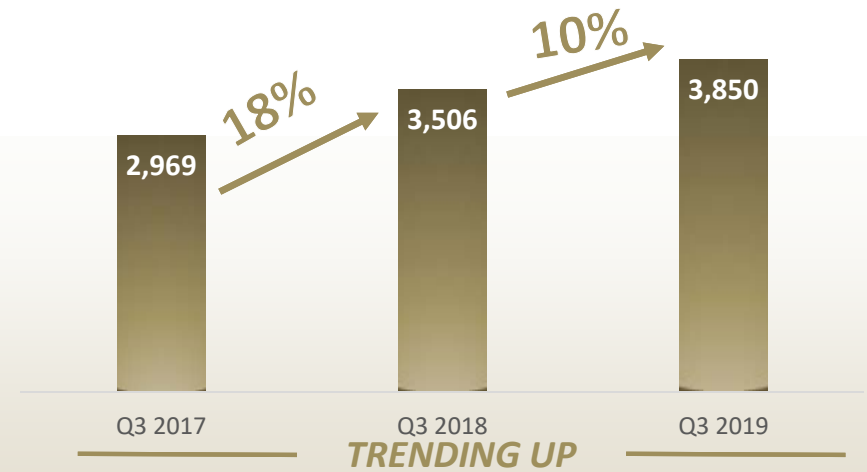
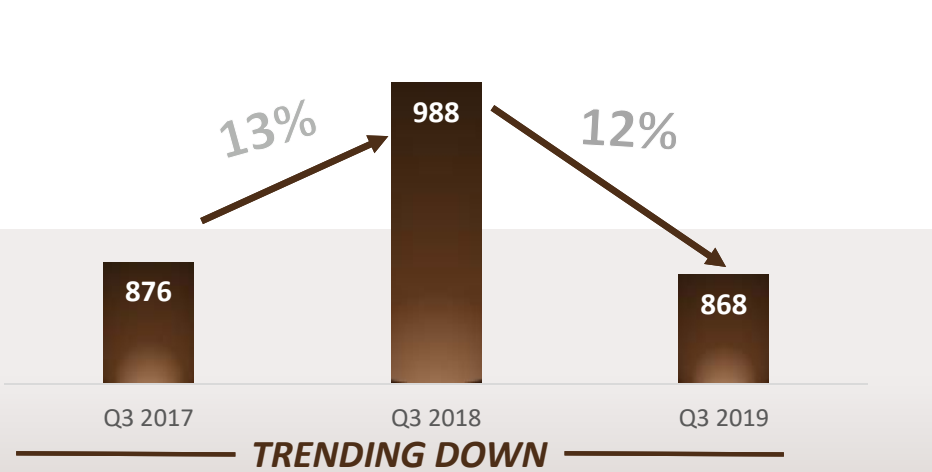


Momentum in the US

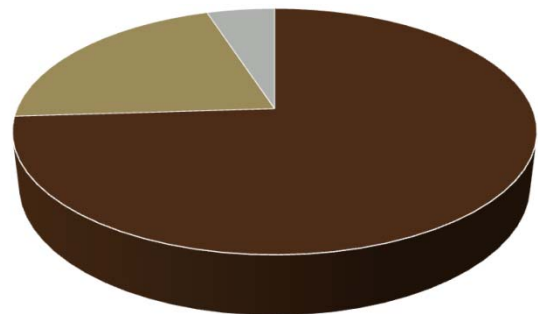
US ACTIVE RIGS PER DAY

VS

PHOENIX OPERATING DAYS



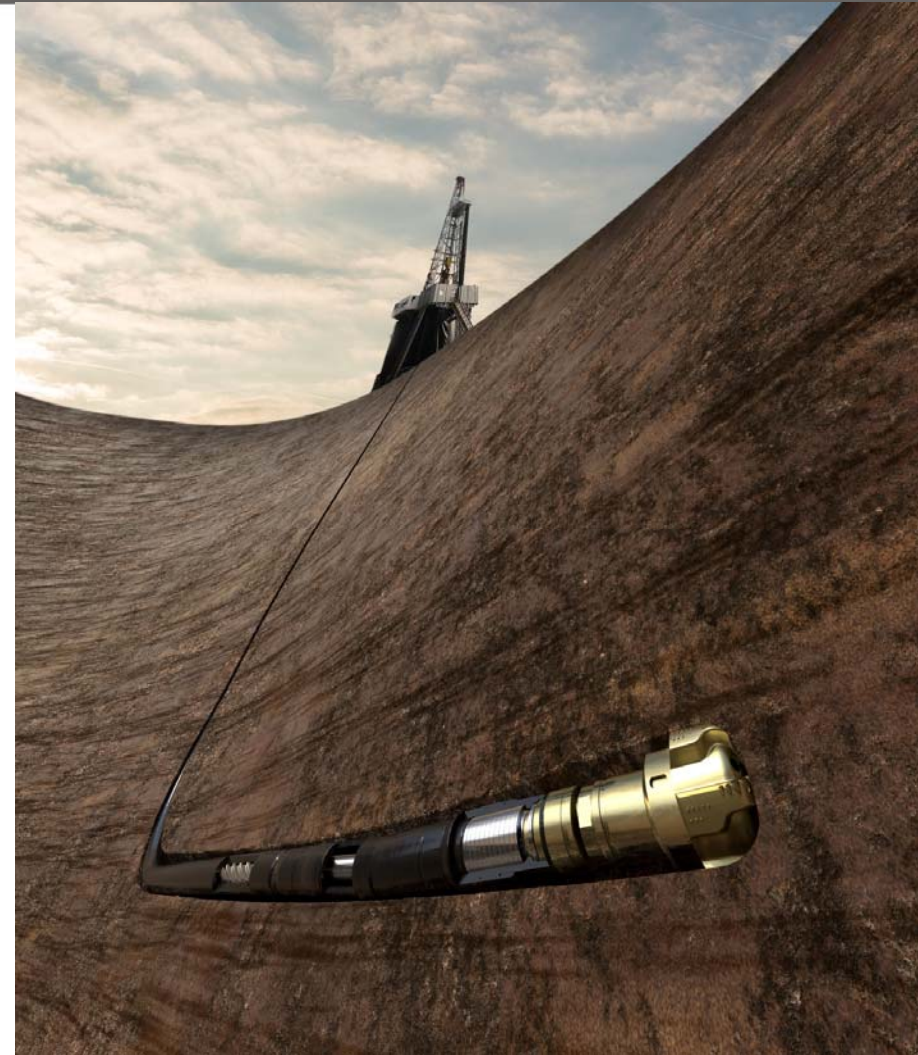
NINE-MONTH 2019 US REVENUE AS A PERCENTAGE OF CONSOLIDATED REVENUE



- 74% US
- 21% Canada
- 5% International

Drilling Performance is the Driving Factor

- Technology advancements have catapulted directional drilling to the top of the service sector as an enabler
- Core directional technologies have changed the time and economics for operators to drill long horizontal wells
- Directional services are now one of the most impactful services on operators' bottom line



Reputation as a Technology Leader

PHX ENERGY HAS SUCCESSFULLY DEVELOPED, MANUFACTURED & DEPLOYED PREMIUM DOWNHOLE TECHNOLOGIES



VELOCITY REAL-TIME SYSTEM

New generation MWD system, with improved reliability, unified telemetry, faster data rates, and advanced measurements



ATLAS PERFORMANCE DRILLING MOTORS

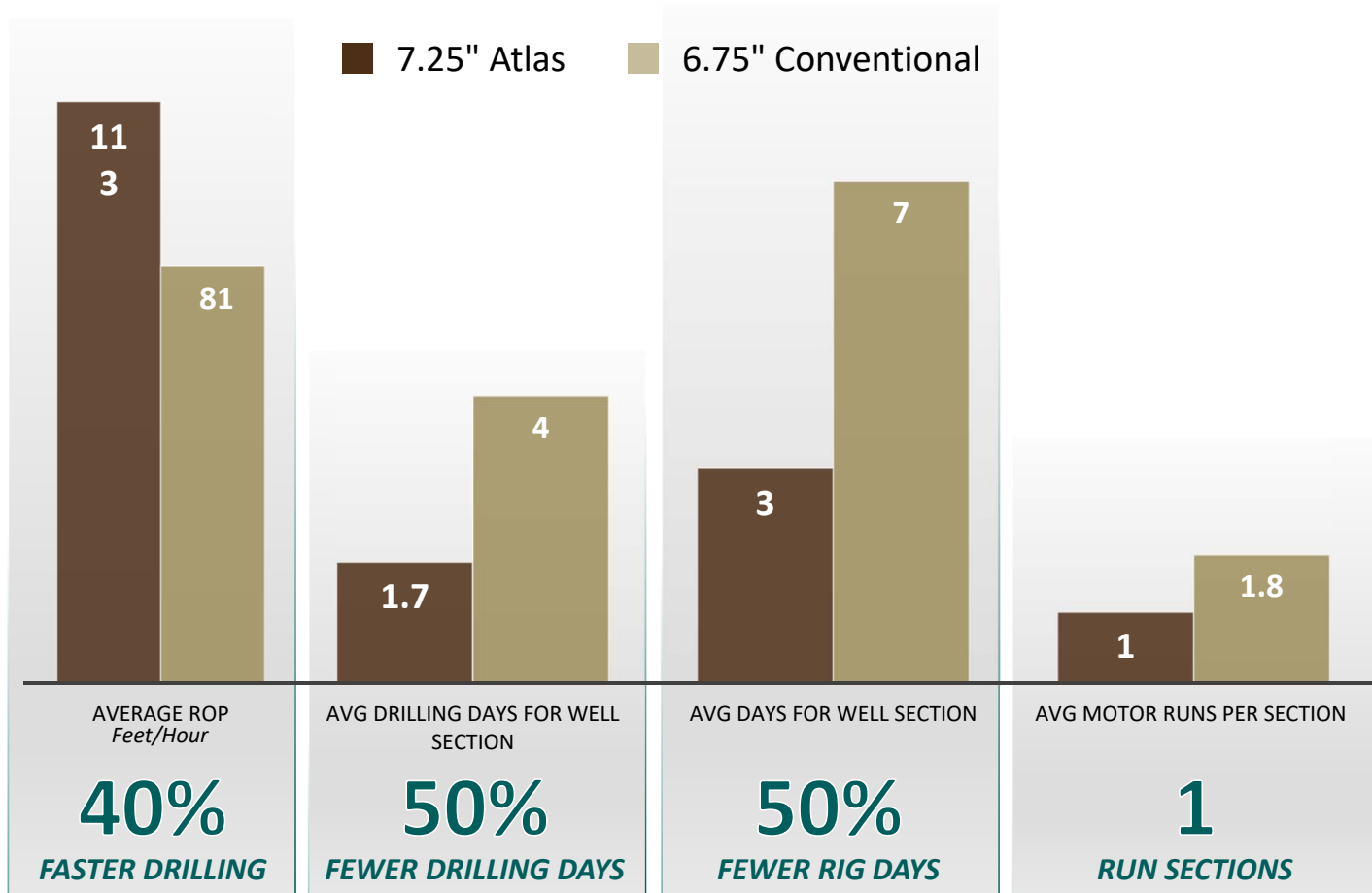
Engineered to be the most powerful motor and deliver unmatched performance on high specification drilling rigs



POWERDRIVE ORBIT RSS

The industry's leading RSS technology, with ability to steer the well without pausing the drill string rotation for faster drilling

6.75" Motor Compared to 7.25" Atlas Performance Drilling Motor



Comparison is based on one client's operations in the Midland basin on over 50 wells drilled with conventional motors compared to 7 recent wells drilled with the Atlas motor

Direction for 2020

PHX Energy has become a premium provider by developing a fleet of disruptive technologies

Market will reward robust and reliable technology that can enhance drilling performance; bottom line is drill faster!



Execute on strategies that will propel further growth in the US market

Drilling performance driven by premium technologies will drive growth



Maintain strong financial position amidst market volatility

Continue to leverage NCIB to enhance total long-term shareholder returns as PHX Energy believes market price does not reflect underlying value

