



PHX

ENERGY SERVICES CORP.

PETERS & CO. LIMITED
ANNUAL ENERGY CONFERENCE
SEPTEMBER 10, 2019

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

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

	Three-month periods ended June 30,			Six-month periods ended June 30,		
	2019 <i>(unaudited)</i>	2018 <i>(unaudited)</i>	% Chg	2019	2018	% Chg
Operating Results						
Revenue	82,984	69,009	20	175,104	139,768	25
Adjusted EBITDA ⁽¹⁾	10,995	10,013	10	22,426	16,781	34
Cash Flow						
Cash flows from operating activities	21,244	8,909	138	30,944	9,844	214
Funds from operations ⁽¹⁾	9,785	7,158	37	19,884	12,914	54
Capital expenditures	9,090	4,698	93	20,397	7,765	163
Operating Days						
Consolidated operating days	5,567	5,443	2	12,592	12,212	3
Financial Position				June 30, '19	Dec 31, '18	
Working Capital ⁽¹⁾				56,871	60,316	(6)
Long-term debt				16,309	11,821	38
Common shares outstanding				56,383,720	57,963,720	(3)

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

Balance Sheet Strength

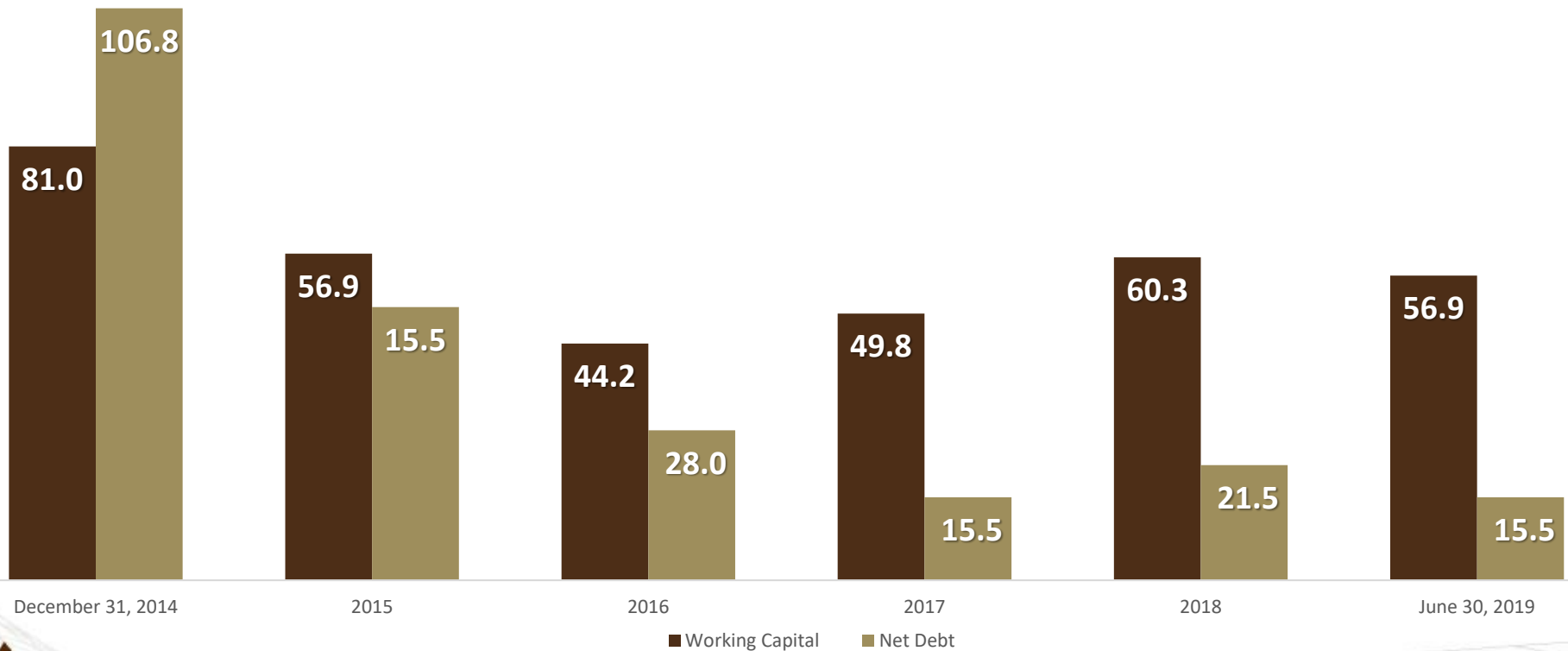


FURTHER DEBT REDUCTION

Net debt has been reduced by 85% since 2014

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

Stated in millions of dollars

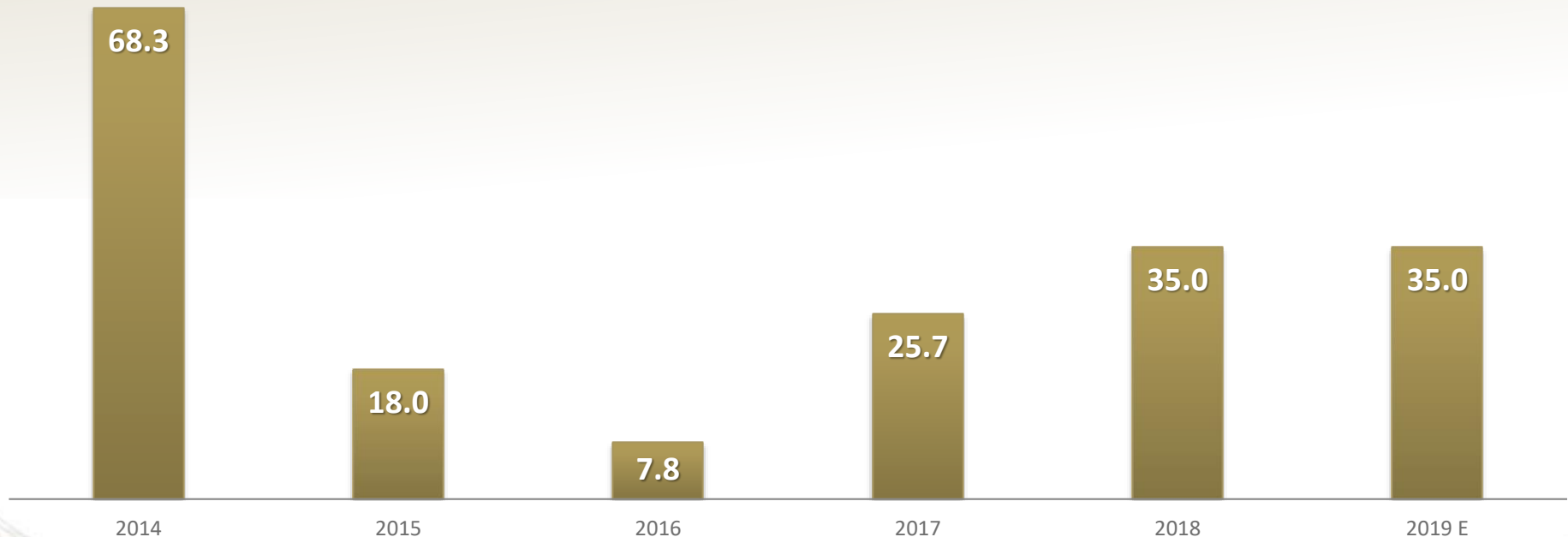


Shareholder Value

- Re-purchased and cancelled 3.2 million common shares from July 2017 to present, 6% of current common shares outstanding
- 2019 capital expenditure budget of \$35 million, dedicated to Velocity and Atlas High Performance Drilling Motors

CAPITAL EXPENDITURES

Stated in millions of dollars

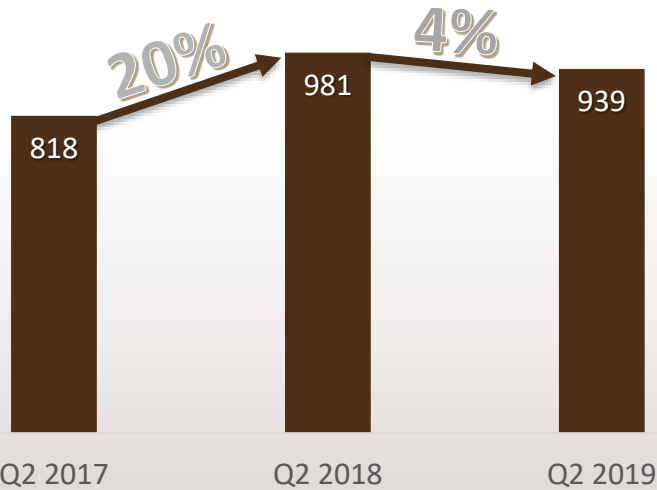


Momentum in the US

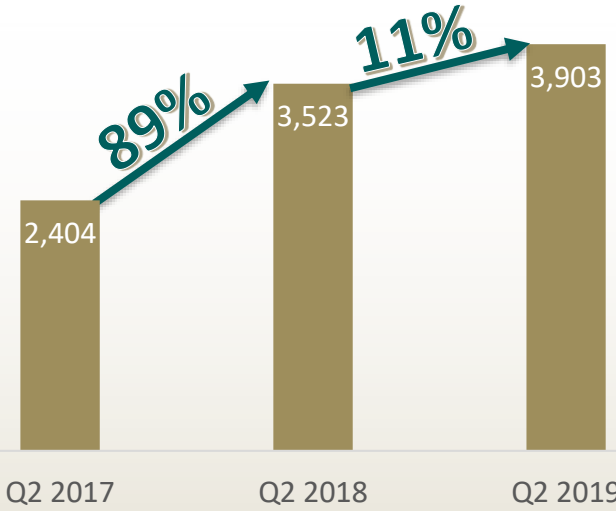
US ACTIVE RIGS PER DAY

VS

PHOENIX OPERATING DAYS

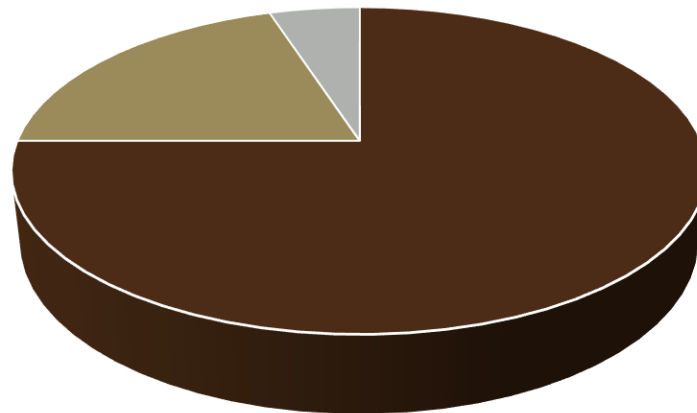


TRENDING DOWN



TRENDING UP

H1 2019 US REVENUE AS A PERCENTAGE OF CONSOLIDATED REVENUE



- 75% US
- 20% 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 and 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

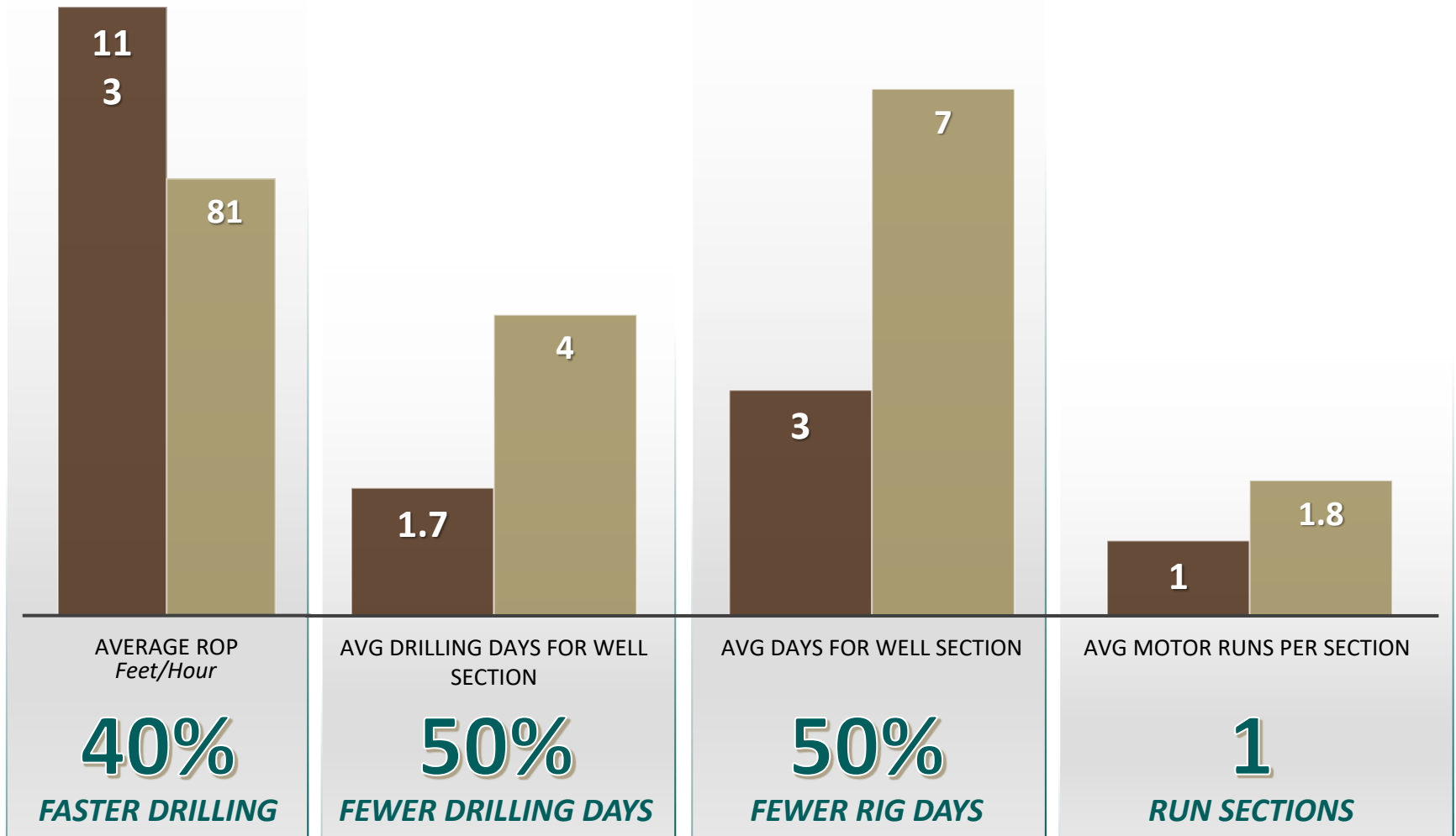


POWERDRIVE ORBIT RSS

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

Massive Performance Improvement

■ 7.25" Atlas ■ 6.75" Conventional



Direction for 2019

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

