



August 12, 2014

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
- Addition of EDR business in 2013
- Proprietary technology coupled with experienced personnel creates our service advantage
- Worldwide operations with strong presence in North America and gaining international presence in Albania and Russia
- One of the most globally diverse Canadian oil and natural gas service companies

Corporate History: A Growth Story

Phoenix
Technology
Services Inc.
Founded

Established
R&D
Department

Initial Public
Offering on TSV;
TSX Listing
(2003)

EM MWD
Commercialized

Converted to Income
Fund to Reward
Shareholders
through Distributions

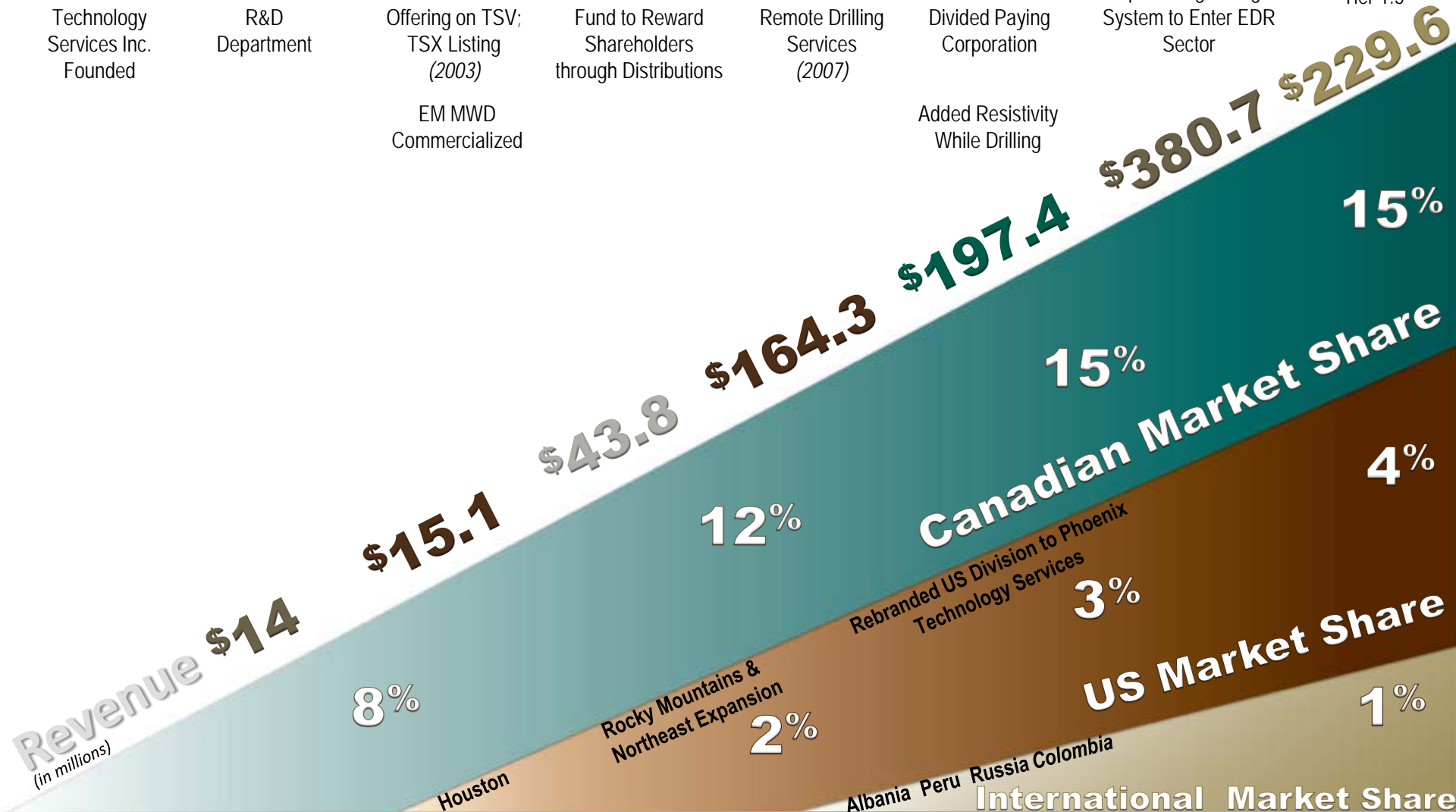
Introduced
Remote Drilling
Services
(2007)

Converted to a
Divided Paying
Corporation

Added Resistivity
While Drilling

Acquired RigManager
System to Enter EDR
Sector

Tier 1.5



1995

1998

2002

2004

2008

2010

2013

Q2 2014

Accumulative Distributions/ Dividends Paid:
(in millions)

\$4.5

\$70.8

\$105.5

\$158.0

\$173.3

Accumulating Success: 1996 – Q2 2014

**23.1
MILLION**

Shares Issued

**202.9
MILLION**

Earnings

**2.1
BILLION**

Revenue

**91.6
MILLION**

Equity

**380.6
MILLION**

EBITDA

**173.3
MILLION**

Dividend Payout
(since '04)

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”, as it has vast resources, is transitioning away from importing oil and natural gas, and is the largest directional/ horizontal drilling market in the world
- International landscape presents opportunities with large resource bases

Q2 2014: Financial Highlights

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

	Three-Month Period ended June 30,			Six-Month Period ended June 30,		
	2014	2013	% Chg	2014	2013	% Chg
Operating Results	<i>(unaudited)</i>	<i>(unaudited)</i>		<i>(unaudited)</i>	<i>(unaudited)</i>	
Revenue	100,484	65,483	53	229,615	158,150	45
Net earnings (loss)	(1,062)	(4,735)	78	7,751	3,571	117
EBITDA ⁽¹⁾	7,809	367	n.m.	29,080	18,696	56
Cash Flow						
Funds from operations ⁽¹⁾	11,629	11,942	(3)	19,400	25,244	(23)
Capital expenditures	11,069	8,134	36	24,525	21,629	13
Operating Days						
Consolidated Operating Days	7,100	5,236	36	17,268	13,216	31
Financial Position				June 30, '14	Dec 31, '13	
Working Capital				77,771	66,580	17
Long-term debt				90,273	70,208	29

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

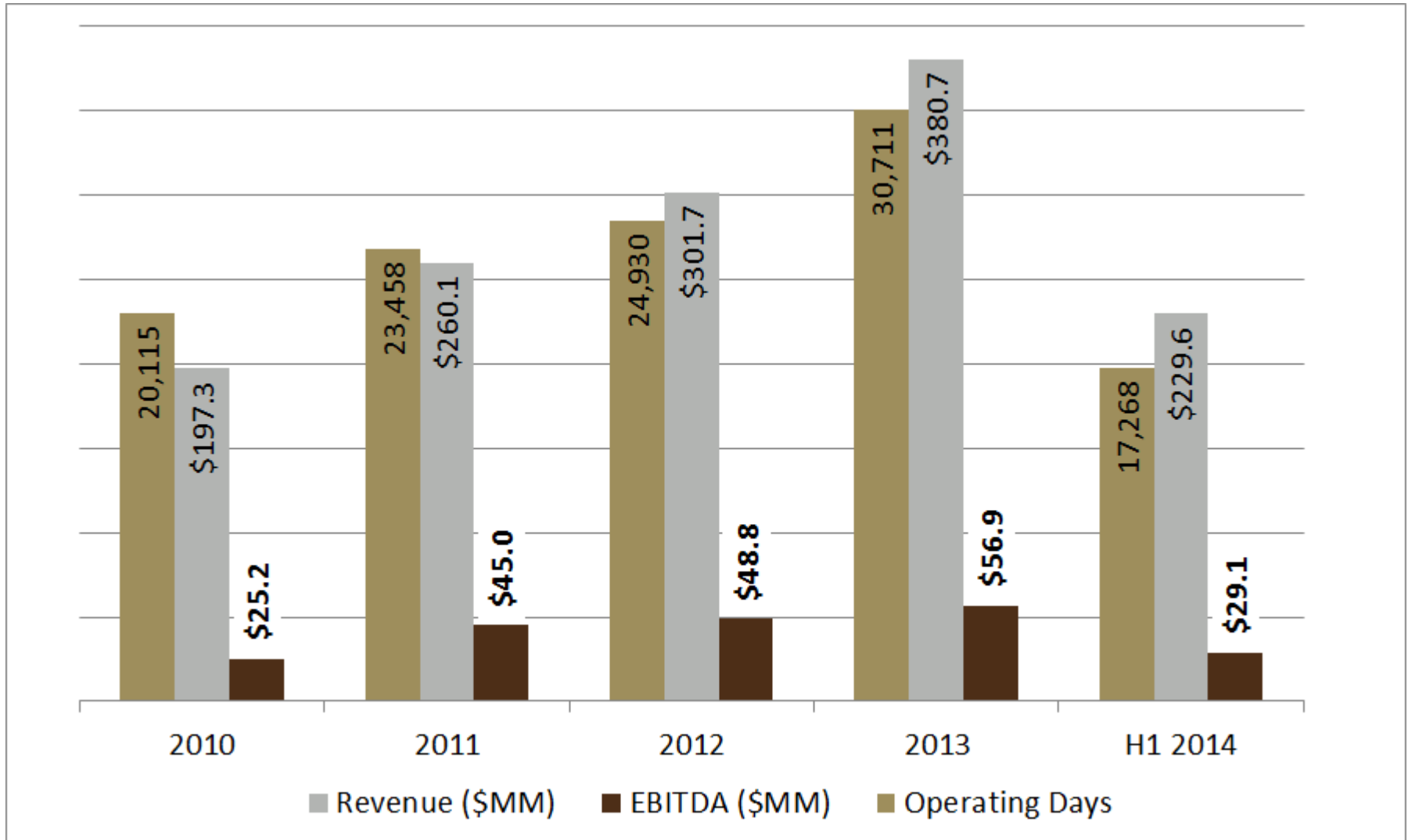
Market Data: PHX Energy

As of August 11, 2014

Exchange	Toronto Stock Exchange
Shares Outstanding	35.0 million
Share Price (Close)	\$15.58
52 Week High / Low	\$17.20/ \$10.13
Current Dividends per Share	\$0.07/month or \$0.84/year
Insiders Position	20%
Yield	5%
Payout Ratio (Six month period ended June 30, 2014)*	53%

- Payout ratio is calculated using cash flow from operating activities before changes in non cash working capital
- Dividend increase is payable on December 13, 2013 to shareholders of record at the close of business on November 29, 2013)

Operating Days, Consolidated Revenue & EBITDA



Capital Expenditure Increase

- 2014 capital expenditure budget increased to \$76.4 million from \$34.7 million (in 2013)
- Growth in all operating regions
 - Canada
 - US
 - Russia
 - Albania
- Maintenance capital
- Addition of value added technologies
- New operations facility in Houston and equipment required for growth
- Addition of new non-commercial technologies

Phoenix Market Perspective

Tier 2 & 3

- Relationships
- Speed
- NPT
- Price

Tier 1.5

- Quality
- Relationships
- Speed
- NPT
- Price
- Quality
- HSE
- Technology

Tier 1

- Quality
- HSE
- Technology

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 dividends (distributions)
 - Recent increase to monthly dividend
- Positioned for future growth
 - Major/super major client base is growing in key basins
- Diversified revenue stream
 - 65% of revenue is generated outside of Canada