PHX
ENERGY SERVICES CORP.

PRESS RELEASE
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TSX - PHX

PHX Energy Announces Strong Operating and Financial Results for the 2018 Fourth Quarter & Year

Financial Results

For the year-ended December 31, 2018, the Corporation achieved its highest adjusted EBITDA since 2014. In the 2018-year, PHX Energy realized adjusted EBITDA of $45.4 million (14 percent of revenue), which is more than double the $20.1 million (8 percent of revenue) reported for the 2017-year. The US industry continued its rally coming out of 2017, and PHX Energy capitalized on the US drilling activity's momentum while maintaining strong cost controls across the Corporation. In the three-month period ended December 31, 2018, adjusted EBITDA increased to $14.7 million (16 percent of revenue) from $4.7 million (8 percent of revenue) in the comparable 2017-quarter. The fourth quarter of 2018 is the highest level of adjusted EBITDA achieved since the third quarter of 2014.

For the year ended December 31, 2018, the Corporation's consolidated revenue increased by 32 percent to $317.1 million from $241.0 million in 2017 and consolidated operating days increased 11 percent to 26,140 days from 23,504 days in 2017. This represents the highest consolidated activity level achieved by the Corporation since 2014. For the fourth quarter of 2018, the Corporation generated revenue of $92.3 million as compared to $60.7 million in the 2017-quarter, an increase of 52 percent. Revenue growth in the 2018-year and fourth quarter was primarily driven by increased activity in the US, surcharges generated by premium motors and the increased deployment of the Corporation's high performance technologies, such as the Atlas High Performance motors, Velocity Real-Time systems ("Velocity"), and PowerDrive Orbit Rotary Steerable Systems ("RSS").

The Corporation reported a net loss of $18.9 million for the 2018-year, a 19 percent improvement compared to the $23.5 million of losses reported in the 2017-year. The 2018 net loss includes a pre-tax, equity-settled share-based payment expense of $1.4 million (2017 - $2.6 million), cash-settled share-based payment expense of $4.1 million (2017- $1.3 million), unrecognized deferred tax assets of $17.7 million (2017 - nil), and impairment losses of $4.5 million (2017 - nil).

As at December 31, 2018, PHX Energy had long-term debt of $11.8 million and working capital of $60.3 million.

Capital Spending

For the year ended December 31, 2018, the Corporation increased capital spending to $35.0 million compared to the $25.7 million spent in the 2017-year. Capital expenditures in 2018 were mostly directed towards Atlas High Performance motors, Velocity systems, PowerDrive Orbit RSS, and other machines and equipment. As at December 31, 2018, $8.0 million of equipment was on order and the Corporation expects delivery within the first half of 2019. These commitments include $5.3 million in Atlas High Performance motors, $2.3 million in Velocity systems, and $0.4 million in collars, tubulars, machines and other equipment.

PHX Energy currently anticipates that $15.0 million in capital expenditures will be spent in the 2019-year. The 2019 capital expenditure program is mainly allocated toward the Velocity and Atlas High Performance motor fleets in order to allow PHX Energy to further capitalize on these technologies, which offer significant advantages in key basins across North America.

Normal Course Issuer Bid

During the third quarter of 2018, the Toronto Stock Exchange ("TSX") approved the renewal of PHX Energy's Normal Course Issuer Bid ("NCIB") to purchase for cancellation, from time-to-time, up to a maximum of 2,915,311 common shares, representing 5 percent of the outstanding common shares at the time the NCIB was renewed. The NCIB commenced on August 8, 2018 and will terminate on August 7, 2019. Purchases of common shares are to be made on the open market through the facilities of the TSX and through alternative trading systems. The price which PHX Energy is to pay for any common shares purchased is to be at the prevailing market price on the TSX or alternate trading systems at the time of such purchase. Pursuant to the NCIB, 357,500 common shares were purchased by the Corporation in the second half of 2018 and cancelled.

The Corporation's previous NCIB commenced on June 26, 2017 and terminated on June 25, 2018. Pursuant to the prior NCIB, 125,000 common shares were purchased by the Corporation in the first six months of 2018 and cancelled.

In the 2018-year, the Corporation has purchased and cancelled 482,500 common shares. PHX Energy continues to use the NCIB as an additional tool to enhance total long-term shareholder returns in conjunction with management's disciplined capital allocation strategy.

(Stated in thousands of dollars except per share amounts, percentages and shares outstanding)

	Three-month periods ended December 31,			Years ended December 31,		
	2018	2017	% Change	**2018**	2017	% Change
Operating Results	***(unaudited)***	*(unaudited)*				
Revenue	**92,335**	60,660	52	**317,135**	241,001	32
Net loss	**(18,355)**	(5,126)	258	**(18,947)**	(23,528)	(19)
Loss per share – diluted	**(0.32)**	(0.09)	256	**(0.33)**	(0.41)	(20)
Adjusted EBITDA (1)	**14,736**	4,684	215	**45,449**	20,103	126
Adjusted EBITDA (1) per share – diluted	**0.25**	0.08	213	**0.77**	0.34	126
Adjusted EBITDA (1) as a percentage of revenue	**16%**	8%		**14%**	8%	
Cash Flow						
Cash flows from operating activities	**(2,541)**	10,135	n.m.	**13,330**	225	n.m.
Funds from operations (1)	**12,803**	2,490	414	**37,178**	15,023	147
Funds from operations per share – diluted (1)	**0.22**	0.04	450	**0.63**	0.26	142
Capital expenditures	**19,196**	8,276	132	**35,027**	25,673	36
Financial Position, December 31,						
Working capital				**60,316**	49,787	21
Long-term debt				**11,821**	14,000	(16)
Shareholders' equity				**168,414**	181,538	(7)
Common shares outstanding				**57,963,720**	58,397,887	(1)

n.m. – not meaningful

(1) Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to non-GAAP measures section that follows the Outlook section of this document.

Non-GAAP Measures

PHX Energy uses throughout this document certain measures to analyze operational and financial performance that do not have standardized meanings prescribed under Canadian generally accepted accounting principles ("GAAP"). These non-GAAP measures include adjusted EBITDA, adjusted EBITDA per share, debt to covenant EBITDA, funds from operations, funds from operations per share and working capital. Management believes that these measures provide supplemental financial information that is useful in the evaluation of the Corporation's operations and are commonly used by other oil and natural gas service companies. Investors should be cautioned, however, that these measures should not be construed as alternatives to measures determined in accordance with GAAP as an indicator of PHX Energy's performance. The Corporation's method of calculating these measures may differ from that of other organizations, and accordingly, such measures may not be comparable. Please refer to the "Non-GAAP Measures" section following the Outlook section of this document for applicable definitions and reconciliations.

Cautionary Statement Regarding Forward-Looking Information and Statements

This document contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "could", "should", "can", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements.

The forward-looking information and statements included in this document are not guarantees of future performance and should not be unduly relied upon. These statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and information. The Corporation believes the expectations reflected in such forward-looking statements and information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements and information included in this document should not be unduly relied upon. These forward-looking statements and information speak only as of the date of this document.

In particular, forward-looking information and statements contained in this document include, without limitation, the timeline for delivery of equipment on order, and the projected capital expenditures budget and how this budget will be allocated and funded.

The above are stated under the headings: “Overall Performance” and “Cash Requirements for Capital Expenditures”. Furthermore all statements in the Outlook section of this document contains forward-looking statements.

In addition to other material factors, expectations and assumptions which may be identified in this document and other continuous disclosure documents of the Corporation referenced herein, assumptions have been made in respect of such forward-looking statements and information regarding, among other things: the Corporation will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; anticipated financial performance, business prospects, impact of competition, strategies, the general stability of the economic and political environment in which the Corporation operates; exchange and interest rates; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services and the adequacy of cash flow; debt and ability to obtain financing on acceptable terms to fund its planned expenditures, which are subject to change based on commodity prices; market conditions and future oil and natural gas prices; and potential timing delays. Although Management considers these material factors, expectations, and assumptions to be reasonable based on information currently available to it, no assurance can be given that they will prove to be correct.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect the Corporation's operations and financial results are included in reports on file with the Canadian Securities Regulatory Authorities and may be accessed through the SEDAR website (www.sedar.com) or at the Corporation's website. The forward-looking statements and information contained in this document are expressly qualified by this cautionary statement. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Revenue

(Stated in thousands of dollars)

	Three-month periods ended December 31,			Years ended December 31,		
	2018	2017	% Change	**2018**	2017	% Change
Revenue	**92,335**	60,660	52	**317,135**	241,001	32

Consolidated revenue for the three-month period ended December 31, 2018, was $92.3 million compared to $60.7 million in the 2017-quarter, an increase of 52 percent. In the Canadian and US segments the Corporation realized higher average revenue per day as a result of the premiums and surcharges related to its high performance technologies and increased drilling activity in the fourth quarter of 2018 relative to the 2017-quarter. For the three-month period ended December 31, 2018, the average consolidated revenue per day, excluding the US motor rental and Stream divisions, was $12,929, which is 26 percent higher than the 2017-quarter's average revenue per day of $10,299. Consolidated operating days for the fourth quarter grew 20 percent to 6,920 days in the 2018-quarter as compared to 5,748 days in the 2017-quarter.

In the fourth quarter of 2018, the US and Canadian rig counts were on divergent paths, with the US industry experiencing a 17 percent increase in the average number of rigs operating per day and the Canadian industry experiencing a 12 percent decline in the average number of rigs operating per day quarter-over-quarter. This resulted in a slight gain in the overall North American rig count, with an average of 1,251 rigs running per day in the 2018-quarter (2017 - 1,207 rigs). In Canada there was an average of 179 active rigs per day in the fourth quarter of 2018 (2017- 204 rigs) and in the US there was an average of 1,073 active rigs per day in the fourth quarter of 2018 (2017 – 921 rigs). The Permian basin remained the most active play in North America with a rig count of 489 active rigs in the fourth quarter of 2018. Horizontal and directional drilling continues to dominate the market representing 95 percent of the Canadian industry's operating days (2017 - 97 percent) and 93 percent of the US rigs running per day (2017 - 93 percent) (Source: Daily Oil Bulletin and Baker Hughes).

PHX Energy's consolidated revenue for the year ended December 31, 2018 increased by 32 percent to $317.1 million from $241.0 million in 2017. US and international revenue as a percentage of total consolidated revenue were 66 percent (2017 – 57 percent) and 6 percent (2017 – 8 percent), respectively. For the year ended December 31, 2018, the growth in revenue was mainly driven by higher drilling activity and surcharges related to its high performance technologies. Consolidated operating days increased by 11 percent to 26,140 days for the 2018-year compared to 23,504 days in the 2017-year. In addition, the average consolidated revenue per day, excluding the US motor rental and Stream divisions, grew by 18 percent to $11,816 in the 2018-year relative to the revenue per day of $9,981 in the 2017-year. The strengthening of the US dollar year-over-year assisted the improvement in the revenue per day as did the increased deployment of PHX Energy's high performance fleet of technologies.

Operating Costs and Expenses

(Stated in thousands of dollars except percentages)

	Three-month periods ended December 31,			Years ended December 31,		
	2018	2017	% Change	**2018**	2017	% Change
Direct costs	**78,454**	58,111	35	**276,250**	235,687	17
Gross profit as a percentage of revenue	**15%**	4%		**13%**	2%	
Depreciation & amortization (included in direct costs)	**10,126**	10,187	(1)	**39,738**	41,621	(5)
Gross profit as percentage of revenue excluding depreciation & amortization	**26%**	21%		**25%**	19%	

Direct costs are comprised of field and shop expenses, and include depreciation and amortization of the Corporation's equipment. For the quarter and year ended December 31, 2018, direct costs increased to $78.5 million and $276.3 million, respectively, from $58.1 million and $235.7 million in the comparable 2017-periods. Higher direct costs in the 2018-periods were primarily due to higher field labour and equipment and motor repair expenses associated with increased activity levels.

For the quarter and year ended December 31, 2018, the gross profit as a percentage of revenue rose to 15 percent and 13 percent, respectively, an improvement over the comparable 2017-periods where gross profit as a percent of revenue was 4 percent and 2 percent, respectively. Excluding depreciation and amortization, gross profit as a percentage of revenue for the quarter and year ended December 31, 2018 improved to 26 percent (2017-quarter – 21 percent) and 25 percent (2017-year – 19 percent), respectively. The continued recovery in the US rig count contributed to increased drilling activity and revenue per day and helped generate stronger profitability in the 2018-periods. In addition, effective cost management executed throughout the year also aided in improving margins.

Lower depreciation and amortization expense for the quarter and year ended December 31, 2018 was primarily the result of assets purchased prior to the industry downturn in 2015 being fully depreciated in the 2017 and 2018 periods.

(Stated in thousands of dollars except percentages)

	Three-month periods ended December 31,			Years ended December 31,		
	2018	2017	% Change	**2018**	2017	% Change
Selling, general and administrative ("SG&A") costs	**10,707**	9,717	10	**41,472**	32,461	28
Equity-settled share-based payments (included in SG&A costs)	**168**	381	(56)	**1,369**	2,600	(47)
Cash-settled share-based payments (recoveries) (included in SG&A costs)	**44**	540	(92)	**4,120**	1,315	n.m
Onerous contract rent expense (included in SG&A costs)	**(44)**	(165)	(73)	**(314)**	(437)	(28)
SG&A costs excluding share- based payments and onerous expenses as a percentage of revenue	**11%**	15%		**11%**	12%	

n.m. – not meaningful

SG&A costs for the quarter and year ended December 31, 2018 increased to $10.7 million and $41.5 million, respectively, from $9.7 million and $32.5 million in the comparable 2017-periods. These increases were primarily due to greater personnel-related costs resulting from higher activity levels in the 2018-periods. For the quarter and year ended December 31, 2018, excluding impacts of equity and cash-settled share-based payments and the provision for onerous contracts, SG&A costs as a percentage of revenue was 11 percent for both periods in comparison to 15 percent and 12 percent in the comparable 2017-periods. These improved percentages are primarily due to the increased revenues generated by the Corporation.

Equity-settled share-based payments relate to the amortization of the fair values of issued options of the Corporation using the Black-Scholes model. For the three-month period and year ended December 31, 2018, equity-settled share-based payments increased to $0.2 million and $1.4 million, respectively, compared to $0.4 million and $2.6 million in the comparable 2017-periods. The decrease in equity-settled share-based compensation is primarily due to fewer options granted in the 2018-periods relative to prior periods.

Cash-settled share-based retention awards, which are included in SG&A costs, are measured at fair value. For the three-month period ended December 31, 2018, cash-settled share-based payments decreased by 92 percent over the corresponding 2017-quarter. For the year ended December 31, 2018, cash-settled share-based payments were three times higher than in the 2017-year. The fluctuations in cash-settled share-based payment was mainly driven by movements in the Corporation's share price in both periods. In addition, for the year ended December 31, 2018, the number of cash-settled share-based retention awards granted increased compared to the 2017-year, which also contributed to higher cash-settled share-based payments in the 2018-period.

(Stated in thousands of dollars)

	Three-month periods ended December 31,			Years ended December 31,		
	2018	2017	% Change	**2018**	2017	% Change
Research and development expense	**847**	805	5	**3,354**	2,463	36

Research and development ("R&D") expenditures during the quarter and year ended December 31, 2018 were $0.8 million and $3.4 million, respectively, compared to $0.8 million and $2.5 million in the comparable 2017-periods. Higher R&D expenses in the 2018-periods mainly relate to increased personnel costs in the R&D department. PHX Energy continued to develop and expand services by focusing R&D efforts on developing new technology, decreasing costs, and improving reliability of equipment.

(Stated in thousands of dollars)

	Three-month periods ended December 31,			Years ended December 31,		
	2018	2017	% Change	**2018**	2017	% Change
Finance expense	**279**	516	(46)	**1,208**	2,011	(40)

Finance expenses relate to interest charges on the Corporation's long-term and short-term bank facilities. For the quarter and year ended December 31, 2018, the finance expense declined by 46 percent and 40 percent, respectively, relative to the same

2017-periods. The Corporation realized lower interest charges in the 2018-periods mainly due to lower levels of borrowings and lower borrowing rates compared to the 2017-periods.

(Stated in thousands of dollars)

	Three-month periods ended December 31,		Years ended December 31,	
	2018	2017	**2018**	2017
Net gain on disposition of drilling equipment	**(2,168)**	(2,273)	**(8,377)**	(6,061)
Foreign exchange (gain) loss	**503**	(126)	**199**	246
Provision for bad debts	**24**	103	**9**	479
Other income	**(1,641)**	(2,296)	**(8,169)**	(5,336)

For the quarter and year ended December 31, 2018, the Corporation realized other income of $1.6 million (2017 – $2.3 million) and $8.2 million (2017 – $5.3 million), respectively, which was primarily the result of gains on the disposition of drilling equipment. Gains on disposition of drilling equipment typically result from insurance programs undertaken whereby proceeds for the lost equipment are at current replacement values, which are higher than the respective equipment's book value. The recognized gain is net of losses, which typically result from any asset retirements that were made before the end of the equipment's useful life and self-insured downhole equipment losses. Fluctuations to gain on disposition of drilling equipment in the relevant periods are a result of the number of instances where downhole equipment losses occurred.

For the quarter and year ended December 31, 2018, the Corporation incurred a foreign exchange loss of $0.5 million (2017 - gain of $0.1 million) and $0.2 million (2017 – loss of $0.2 million), respectively. Changes in foreign exchange gains and losses result mainly from the settlement and revaluation of US-denominated trade and other payables in Canada.

(Stated in thousands of dollars except percentages)

	Three-month periods ended December 31,		Years ended December 31,	
	2018	2017	**2018**	2017
Provision for (Recovery of) income taxes	**17,546**	(1,066)	**17,469**	(2,757)
Effective tax rates	**n.m.**	(17%)	**n.m.**	10%

n.m. – not meaningful

The provision for income taxes for the three-month period ended December 31, 2018 was $17.5 million as compared to a recovery of income taxes of $1.1 million in the 2017-period. For the year ended December 31, 2018, the provision for income taxes was $17.5 million as compared to a recovery of income taxes of $2.8 million in 2017. The expected combined Canadian federal and provincial tax rate for 2018 is 27 percent. The effective tax rates for the three-month period and year ended December 31, 2018 were higher than the expected rate as a result of unrecognized deferred tax assets of $17.7 million with respect to deductible temporary differences in the Canadian jurisdiction.

(Stated in thousands of dollars except per share amounts and percentages)

	Three-month periods ended December 31,			Years ended December 31,		
	2018	2017	% Change	**2018**	2017	% Change
Net loss	**(18,355)**	(5,126)	258	**(18,947)**	(23,528)	(19)
Loss per share – diluted	**(0.32)**	(0.09)	256	**(0.33)**	(0.41)	(20)
Adjusted EBITDA(1)	**14,736**	4,684	215	**45,449**	20,103	126
Adjusted EBITDA per share – diluted(1)	**0.25**	0.08	213	**0.77**	0.34	126
Adjusted EBITDA as a percentage of revenue(1)	**16%**	8%		**14%**	8%	

(1) Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to non-GAAP measures section that follows the Outlook section of this document.

In the fourth quarter of 2018, the Corporation derecognized deferred tax assets of $17.7 million due to a recent history of tax losses in the Corporation's entities under Canadian jurisdiction. Excluding the impact of the derecognized deferred tax assets, PHX Energy's net losses were significantly reduced as a result of improved drilling activity, higher average revenue per day, and the increased deployment of PHX Energy's high performance technology. Adjusted EBITDA as a percentage of revenue for the three-month period and year ended December 31, 2018 was 16 percent and 14 percent, respectively, compared to 8 percent recognized in both of the comparable 2017-periods.

Segmented Information

The Corporation reports three operating segments on a geographical basis throughout the Canadian provinces of Alberta, Saskatchewan, British Columbia, and Manitoba; throughout the Gulf Coast, Northeast and Rocky Mountain regions of the US; and internationally, mainly in Russia and Albania.

Canada

(Stated in thousands of dollars)

	Three-month periods ended December 31,			Years ended December 31,		
	2018	2017	% Change	**2018**	2017	% Change
Revenue	**24,302**	19,782	23	**90,610**	84,405	7
Reportable segment profit (loss) before tax	**3,982**	680	486	**2,513**	(5,162)	n.m

n.m. - not meaningful

For the three-month period ended December 31, 2018, PHX Energy's Canadian division generated $24.3 million in revenue, an increase of 23 percent compared to $19.8 million in the 2017-quarter. Higher revenue in the 2018-quarter relates primarily to increased activity, which rose by 16 percent to 2,768 days compared to 2,384 days in the same 2017-quarter. In comparison, the number of horizontal and directional drilling days in the industry decreased by 5 percent quarter-over-quarter from 17,077 days in the 2017-quarter to 16,253 days in the 2018-quarter (Source: Daily Oil Bulletin) and the overall rig count in the Canadian industry declined by 12 percent quarter-over-quarter (Source: Baker Hughes). The average revenue per day in the 2018-

quarter was $8,452 (2017 - $7,912), an increase of 7 percent over the 2017 fourth quarter that was primarily due to surcharges relating to premium motors. Due to improved revenue per day and volumes, PHX Energy's Canadian operations realized higher reportable segment profit before tax in the 2018-quarter of $4.0 million compared to $0.7 million the fourth quarter of 2017.

During the fourth quarter of 2018, oil drilling, as measured by drilling days, represented approximately 65 percent of PHX Energy's Canadian activity and the Corporation remained active in the Montney, Wilrich, Bakken, Shaunavon, Duvernay, Cardium and Viking areas.

For the year ended December 31, 2018, PHX Energy's Canadian division's revenue increased by 7 percent to $90.6 million in comparison to $84.4 million in the 2017-year. The Canadian segment also realized a reportable segment profit before tax of $2.5 million in the 2018-year while in the 2017-year a reportable segment loss before tax of $5.2 million was recognized. Improved revenues and profitability in the 2018-year primarily resulted from a higher average revenue per day of $8,287 (2017 - $7,395). The average revenue per day in 2018 was positively impacted by additional revenue generated from surcharges for premium motors. The impact of the higher revenue per day was partially offset by a 4 percent decrease in drilling activity as the Canadian segment recorded 10,462 operating days in 2018 compared to 10,882 days in 2017. Similarly, for the year ended December 31, 2018, there were 66,398 horizontal and directional drilling days realized in the Canadian industry, which is a 2 percent decline as compared to the 67,784 days realized in 2017 (Sources: Daily Oil Bulletin). The overall rig count in the Canadian industry fell 9 percent year-over-year.

Stream Services

Included in the Canadian segment's revenue for the three-month period and year ended December 31, 2018 were Stream revenues of $0.9 million (2017 - $0.9 million) and $3.9 million (2017 - $3.9 million), respectively. For the three-month period and year ended December 31, 2018, activity increased to 1,631 operating days (2017 – 1,247 operating days) and 5,985 operating days, (2017 - 5,178 operating days). The increase in activity was offset by a decrease in the average revenue per day for the three-month period and year ended December 31, 2018 to $556 and $654, respectively, from $741 and $761 in the comparable 2017-periods. The increase in operating days and decrease in the average revenue per day in both the 2018-periods was primarily due to a higher share of lower rate services being provided.

For the three-month period and year ended December 31, 2018, the Stream division's reportable losses before tax was relatively flat at $1.0 million (2017 - $1.4 million) and $4.2 million (2017 - $4.3 million), respectively. Stream's losses include depreciation expense for the three-month period and year ended December 31, 2018, of $0.6 million and $2.3 million, respectively.

United States

(Stated in thousands of dollars)

	Three-month periods ended December 31,			Years ended December 31,		
	2018	2017	% Change	**2018**	2017	% Change
Revenue	**64,270**	36,264	77	**208,112**	137,625	51
Reportable segment income (loss) before tax	**1,854**	(5,460)	n.m	**4,791**	(14,928)	n.m

n.m. - not meaningful

The US segment maintained strong activity levels throughout the year, and achieved the second highest fourth quarter and annual US revenues in the Corporation's history, with the highest being achieved in the comparable 2014-periods. Revenue for the three-month period ended December 31, 2018 increased 77 percent to $64.3 million as compared to $36.3 million in the 2017-quarter. Higher revenue in the quarter was mainly due to improved drilling activity and revenue per day, which was buoyed by premium equipment offerings to clients, specifically Velocity, PowerDrive Orbit RSS, and Atlas High Performance motors. In the 2018-quarter, operating days improved by 37 percent to 3,765 days as compared to 2,744 days in the corresponding 2017-quarter. In comparison, industry activity grew 17 percent with the number of horizontal and directional rigs running per day climbing to 1,003 in the fourth quarter of 2018 from 858 rigs in the comparative 2017-quarter (Source: Baker Hughes). In the 2018-quarter, the average revenue per day, excluding the Corporation's US motor rental division, rose to $16,508, an increase of 27 percent compared to $13,022 in the relative 2017-quarter. The average revenue per day increased partially due to the strengthening in the US dollar. US denominated average revenue per day, excluding the Corporation's motor rental division, increased by 22 percent quarter-over-quarter.

In the fourth quarter of 2018, horizontal and directional drilling continued to represent a large majority of the industry rig count, averaging 93 percent of the rigs running on a daily basis. Oil well drilling, as measured by wells drilled and excluding the motor rental and gyro surveying divisions, increased to 98 percent of PHX Energy's US activity in the 2018-quarter, as a large portion of the industry's drilling activity remained concentrated in Texas, specifically the Permian basin. During the fourth quarter of 2018, Phoenix USA remained active in the Permian, Mississippian/Woodford, Marcellus, Utica, Niobrara and Bakken basins.

For the year ended December 31, 2018, US revenue grew 51 percent from $137.6 million in 2017 to $208.1 million. Coming out of 2017, PHX Energy's US segment's strong performance continued and the division generated improvements in drilling activity and revenue per day in comparison to the 2017-year. The US segment's annual operating days in 2018 were 13,506 days, compared to 10,106 days in the 2017-year; an increase of 34 percent. In comparison, the US industry activity, as measured by the average number of horizontal and directional rigs running on a daily basis, grew by 20 percent to 969 rigs in 2018 compared from 807 rigs in 2017 (Source: Baker Hughes). For the year ended December 31, 2018, the average revenue per day, excluding the Corporation's US motor rental division, was $15,074 an increase of 13 percent in comparison to $13,373 in 2017. The average revenue per day increased partially due to the strengthening in the US dollar. US denominated average revenue per day, excluding the Corporation's motor rental division, increased by 12 percent year-over-year.

For the three-month period and year ended December 31, 2018, the US segment realized reportable segment income before tax of $1.9 million and $4.8 million, respectively, compared to the corresponding 2017-periods when the US segment had reportable segment losses before tax of $5.5 million and $14.9 million, respectively. The improved profitability in both 2018-periods was mainly due to higher drilling activity and increased deployment of Velocity systems, Atlas High Performance motors and PowerDrive Orbit RSS.

International

(Stated in thousands of dollars)

	Three-month periods ended December 31,			Years ended December 31,		
	2018	2017	% Change	**2018**	2017	% Change
Revenue	**3,763**	4,614	(18)	**18,413**	18,971	(3)
Reportable segment profit (loss) before tax	**(306)**	(174)	76	**525**	(959)	n.m.

n.m. - not meaningful

For the three-month period and year ended December 31, 2018, primarily due to lower drilling activity in Russia, the Corporation's international segment revenue decreased to $3.7 million and $18.4 million respectively, compared to revenue of $4.6 million and $19.0 million in the comparable 2017-periods. For the three-month period and year ended December 31, 2018, operating days, excluding the measurement while drilling ("MWD") rental activity, were 387 days (2017 – 620 operating days) and 2,172 days (2017 – 2,517 operating days), respectively. The international segment achieved reportable segment profit before tax of $0.5 million for the 2018-year, due to increased activity in Albania and greater MWD rental revenue in Russia, in comparison to reportable segment loss before tax of $1.0 million in the 2017-year. Reportable segment loss before tax was $0.3 million in the 2018-quarter relative to $0.2 million in 2017-quarter.

In the second half of 2018, the Russian division's key customers in the region experienced lower activity. As a result, for the three-month period and year ended December 31, 2018, operating days dropped to 171 days and 1,639 days, respectively, from 620 days and 2,254 days in the same 2017-periods. Lower activity was partially offset by increases to MWD rental services, which is a higher margin business for the division.

PHX Energy's Albania operations had one active rig throughout the first half of 2017, however, operations were suspended in the third quarter of 2017. PHX Energy's Albania operations re-commenced operations in the latter half of the first quarter of 2018 with one rig, a second rig was added to the operation in the latter half of the second quarter, and subsequently a third rig was added in the latter half of the fourth quarter. As a result, operating days significantly increased for the three-month period and year ended December 31, 2018 compared to corresponding 2017-periods. PHX Energy's Albanian operations achieved 216 operating days in the fourth quarter of 2018 and 533 operating days in the year compared to nil and 262 days in the corresponding 2017-periods.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2018 was $18.2 million (2017 - $16.4 million). During 2018, the Corporation purchased $35.0 million of drilling and other equipment (2017 - $25.7 million) and received proceeds of $14.6 million from the disposition of drilling equipment, primarily related to involuntary disposal of drilling equipment in well bores (2017 - $11.6 million). The 2018 expenditures included:

- $17.4 million in downhole performance drilling motors;
- $8.8 million in MWD systems and spare components;
- $6.0 million in RSS tools; and
- $2.8 million in other assets including machinery and equipment, collars, and vehicles.

The capital expenditure program undertaken in the period was financed from funds from operations and drawdowns on credit facilities.

During the year, the Corporation spent $3.1 million on intangible assets of which a majority relates to the PowerDrive Orbit RSS license.

The change in non-cash working capital balances of $5.3 million (source of cash) for the year ended December 31, 2018, relates to the net change in the Corporation's trade payables that are associated with the acquisition of capital assets. This compares to a $0.6 million (source of cash) for the year ended December 31, 2017.

Financing Activities

The Corporation reported cash from financing activities of $4.4 million in 2018 as compared to $13.3 million in 2017. In the 2018-year:

- total proceeds of $7.7 million was received on the Corporation's Operating Facility;
- a total repayment of $2.2 million was made on the Corporation's Syndicated Facility;
- under the Corporation's NCIB, $1.2 million was spent on repurchase of common shares; and
- 48,333 common shares were issued for proceeds of $0.1 million upon the exercise of share options.

Capital Resources

As of December 31, 2018, the Corporation had $5.0 million drawn on its Syndicated Facility, $13.3 million drawn on its Canadian Operating Facility and USD $5.0 million drawn on its US Operating Facility.

As at December 31, 2018, the Corporation was in compliance with all its financial covenants as follows:

Ratio	Covenant	**As at December 31, 2018**
Debt to covenant EBITDA[1]	<3.0x	**0.55**
Interest coverage ratio	>3.0x	**37.80**
Net capital expenditures and intangible asset acquisitions	<$30 million	**$23.5 million**

[1] Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to non-GAAP measures section that follows the Outlook section of this document.

The Corporation has approximately CAD$44.7 million available to be drawn from its credit facilities as at December 31, 2018. The credit facilities are secured by substantially all of the Corporation's assets.

Cash Requirements for Capital Expenditures

Historically, the Corporation has financed its capital expenditures and acquisitions through cash flows from operating activities, debt and, from time-to-time, the issuance of equity. The 2019 capital budget has been set at $15.0 million subject to quarterly review of the Board. These planned expenditures are expected to be financed primarily by funds from operations. However, if a sustained period of market and commodity price uncertainty and financial market volatility persists in 2019, the Corporation's activity levels, cash flows and access to credit may be negatively impacted, in which event the proceeds from borrowing may be required to fund operations, and the expenditure level would be reduced accordingly. Conversely, if future growth opportunities present themselves, the Corporation might consider expanding this planned capital expenditure amount.

Outlook

The 2018-year produced many positive results for the Corporation including the highest adjusted EBITDA and highest consolidated activity levels since 2014. PHX Energy has been strategically focused on growth in the US market and expanding its product offering to include disruptive high margin technologies. These initiatives fueled the achievements in the 2018-year with the US segment generating strong financial and operational performance and its fleet of high performance technologies contributing to increased revenue and improved profitability.

As expected in the fourth quarter and throughout 2018, the US division remained the largest area of opportunity for the Corporation. PHX Energy is generating operational and financial results in the US that are some of the highest achievements in its history. In the 2018-year, PHX Energy's US growth outpaced the industry and the division increased its market share, which can be partially attributed to the Atlas High Performance motor and Velocity fleet. The division's profitability was also positively impacted by the acquisition of PowerDrive Orbit RSS systems in the fourth quarter of the year. The majority of the Corporation's services and assets were deployed to the US market where the industry remains favorable and PHX Energy will continue this focus in 2019. The US market is subject to the current commodity price volatility and some short-term take away constraints, and this is anticipated to temper industry activity in 2019. PHX Energy remains optimistic that its unique suite of high performance technology will allow its strong performance and momentum in the US to continue through 2019.

In contrast, 2018 was a challenging year for the Canadian industry and as a result also for PHX Energy's Canadian operations. Commodity price volatility, limited access to market and overall uncertainty surrounding the entire energy industry hampered opportunity in this market. PHX Energy remains committed to the Canadian market and its new technologies have aided its ability to maintain its strong position. Looking forward into 2019, activity levels in Canada are forecasted to decline as the challenges the industry faces persist. Through this, PHX Energy will continue to diligently monitor its cost controls and strive to support its clients and the industry by delivering reliable, innovative and cost effective solutions.

PHX Energy's international operations saw a slight decrease in revenue in the fourth quarter as well as in the 2018-year. In Russia, the Corporation was adversely impacted by a key operators' lower activity and the division is focused on diversifying its client base as it continues to target both the MWD rental and full service sides of the business. In Albania, additional rigs were added in the latter part of 2018, which offset declines in Russia. However, the Albania operations are sensitive to the volatility in commodity prices and PHX Energy remains focused on providing exceptional service to our clients.

Technology Update

The Corporation has been strategically focused on setting itself apart as a leader in high performance technology and as a result of its technology initiatives has become one of the top competitors in the North American land based drilling market.

In 2018, the Atlas High Performance motor fleet delivered the expected results, being recognized as a robust and powerful motor and consequently generated additional revenue and higher margins. PHX Energy had a small fleet of these motors in 2018, and has dedicated a large portion of the 2018 and 2019 capital expenditure programs to grow its capacity. With the success of the initial Atlas motor design, PHX Energy is expanding its fleet to include additional configurations for a greater variety of drilling applications. These configurations as well as the additional capacity within the current fleet is anticipated to further aide profitability in the latter part of 2019, as the new assets are expected to arrive in the first half of the year.

During the fourth quarter of 2018, PHX Energy entered into a purchase agreement with Schlumberger to purchase an initial fleet of PowerDrive Orbit RSS systems and an accompanying license to operate this system in the US. There is a high demand for RSS services and this capability adds another high margin technology to PHX Energy's product offering. In the 2018-fourth quarter, RSS services contributed to the higher revenue per day and profitability achieved in the US segment.

The PowerDrive RSS technology adds to the suite of differentiating technology PHX Energy has been developing and, when these technologies are operated in conjunction with each other, provides PHX Energy with a proprietary drilling solution to offer the market. PHX Energy looks to further build upon the platform it has developed with Atlas High Performance motors, Velocity and PowerDrive RSS and has dedicated engineering efforts to additional new technology initiatives.

There were many financial, operational and technological achievements in 2018 for PHX Energy and the Corporation intends to build upon this momentum where possible. That being said, the outlook for the North American industry remains divided and fragile. The fourth quarter saw commodity prices fall, losing the gains achieved in the first part of the year and although they have subtlety recovered, this has led to uncertainty in the industry and 2019 may retract slightly when compared to the 2018-year. PHX Energy has built a strong financial position with a low level of debt and improved margins, and it will strive to continue this with its diligent cost management and deployment and development of high performance technologies through the 2019-year.

Michael Buker, President
February 27, 2019

Non-GAAP Measures

1) Adjusted EBITDA

Adjusted EBITDA, defined as earnings before finance expense, income taxes, depreciation and amortization, impairment losses on intangible assets, equity-settled share-based payments, and unrealized foreign exchange gains or losses, does not have a standardized meaning and is not a financial measure that is recognized under GAAP. However, Management believes that adjusted EBITDA provides supplemental information to net earnings that is useful in evaluating the results of the Corporation's principal business activities before considering certain charges, how it was financed and how it was taxed in various countries. Investors should be cautioned, however, that adjusted EBITDA should not be construed as an alternative measure to net earnings determined in accordance with GAAP. PHX Energy's method of calculating adjusted EBITDA may differ from that of other organizations and, accordingly, its adjusted EBITDA may not be comparable to that of other companies.

The following is a reconciliation of the Corporation's net earnings (loss) to adjusted EBITDA:

(Stated in thousands of dollars)

	Three-month periods ended December 31,		Years ended December 31,	
	2018	2017	**2018**	2017
Net loss	**(18,355)**	(5,126)	**(18,947)**	(23,528)
Add:				
Depreciation and amortization	**10,126**	10,187	**39,738**	41,621
Provision for (Recovery of) income taxes	**17,546**	(1,066)	**17,469**	(2,757)
Finance expense	**279**	516	**1,208**	2,011
Impairment	**4,498**	-	**4,498**	-
Equity-settled share-based payments	**168**	381	**1,369**	2,600
Unrealized foreign exchange (gain) loss	**474**	(208)	**114**	156
Adjusted EBITDA as reported	**14,736**	4,684	**45,449**	20,103

Adjusted EBITDA per share - diluted is calculated using the treasury stock method whereby deemed proceeds on the exercise of the share options are used to reacquire common shares at an average share price. The calculation of adjusted EBITDA per share on a dilutive basis does not include anti-dilutive options.

2) Funds from Operations

Funds from operations is defined as cash flows from operating activities before changes in non-cash working capital, interest paid, and income taxes paid. This non-GAAP measure does not have a standardized meaning and is not a financial measure recognized under GAAP. Management uses funds from operations as an indication of the Corporation's ability to generate funds from its operations before considering changes in working capital balances and interest and taxes paid. Investors should be cautioned, however, that this financial measure should not be construed as an alternative measure to cash flows from operating activities determined in accordance with GAAP. PHX Energy's method of calculating funds from operations may differ from that of other organizations and, accordingly, it may not be comparable to that of other companies.

The following is a reconciliation of the Corporation's cash flows from operating activities to funds from operations:

(Stated in thousands of dollars)

	Three-month periods ended December 31,		Years ended December 31,	
	2018	2017	**2018**	2017
Cash flows from operating activities	**(2,541)**	10,135	**13,330**	225
Add (deduct):				
Changes in non-cash working capital	**15,454**	(8,401)	**23,388**	17,065
Interest paid	**84**	223	**526**	962
Income taxes paid (received)	**(194)**	533	**(66)**	(3,229)
Funds from operations	**12,803**	2,490	**37,178**	15,023

Funds from operations per share - diluted is calculated using the treasury stock method whereby deemed proceeds on the exercise of the share options are used to reacquire common shares at an average share price. The calculation of funds from operations per share on a dilutive basis does not include anti-dilutive options.

3) Debt to Covenant EBITDA Ratio

Debt is represented by loans and borrowings. Covenant EBITDA, for purposes of the calculation of this covenant ratio, is represented by net earnings for a rolling four quarter period, adjusted for finance expense, provision for income taxes, depreciation and amortization, equity-settled share-based payments, impairment losses on goodwill and intangible assets, and onerous contracts, subject to the restrictions provided in the Corporation's credit agreement, as it may be amended from time-to-time.

4) Working Capital

Working capital is defined as the Corporation's current assets less its current liabilities and is used to assess the Corporation's short-term liquidity. This non-GAAP measure does not have a standardized meaning and is not a financial measure recognized under GAAP. Management uses working capital to provide insight as to the Corporation's ability to meet obligations as at the reporting date. PHX Energy's method of calculating working capital may differ from that of other organizations and, accordingly, it may not be comparable to that of other companies.

About PHX Energy Services Corp.

The Corporation, through its directional drilling subsidiary entities, provides horizontal and directional drilling technology and services to oil and natural gas producing companies in Canada, the US, Russia and Albania. PHX Energy also provides electronic drilling recorder ("EDR") technology and services.

PHX Energy's Canadian directional drilling operations are conducted through Phoenix Technology Services LP. The Corporation maintains its corporate head office, research and development, Canadian sales, service and operational centres in Calgary, Alberta. In addition, PHX Energy has a facility in Estevan, Saskatchewan. PHX Energy's US operations, conducted through the Corporation's wholly-owned subsidiary, Phoenix Technology Services USA Inc. ("Phoenix USA"), is headquartered in Houston, Texas. Phoenix USA has sales and service facilities in Houston, Texas; Denver, Colorado; Casper, Wyoming; Midland, Texas; Bellaire, Ohio; and Oklahoma City, Oklahoma. Internationally, PHX Energy has sales offices and service facilities in Albania and Russia, and administrative offices in Nicosia, Cyprus; Dublin, Ireland; and Luxembourg City, Luxembourg.

PHX Energy markets its EDR technology and services in Canada through its division, Stream Services ("Stream"), which has an office and operations center in Calgary, Alberta. EDR technology is marketed worldwide, outside Canada, through Stream's wholly-owned subsidiary Stream Services International Inc.

As at December 31, 2018, PHX Energy had 828 full-time employees and the Corporation utilized over 150 additional field consultants in 2018.

The common shares of PHX Energy trade on the Toronto Stock Exchange under the symbol PHX.

For further information please contact:
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Consolidated Statements of Financial Position

	December 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 3,643,418**	$ 4,122,539
Trade and other receivables	**103,987,716**	66,635,311
Inventories	**27,558,003**	22,009,483
Prepaid expenses	**2,428,221**	2,915,878
Current tax assets	**625,964**	1,353,622
Total current assets	**138,243,322**	97,036,833
Non-current assets:		
Drilling and other long-term assets	**94,164,880**	98,569,594
Intangible assets	**22,301,680**	26,925,046
Goodwill	**8,876,351**	8,876,351
Deferred tax assets	**594,049**	15,206,884
Total non-current assets	**125,936,960**	149,577,875
Total assets	**$ 264,180,282**	$ 246,614,708
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Operating facility	**$ 13,348,562**	$ 5,620,464
Trade and other payables	**64,578,428**	41,629,783
Total current liabilities	**77,926,990**	47,250,247
Non-current liabilities:		
Loans and borrowings	**11,821,000**	14,000,000
Deferred tax liability	**2,886,606**	378,170
Provision for onerous contracts	**1,832,000**	2,015,000
Deferred income	**1,300,007**	1,433,339
Total non-current liabilities	**17,839,613**	17,826,509
Equity:		
Share capital	**265,760,391**	266,838,036
Contributed surplus	**10,631,982**	9,315,926
Retained earnings	**(125,385,208)**	(106,438,399)
Accumulated other comprehensive income	**17,406,514**	11,822,389
Total equity	**168,413,679**	181,537,952
Total liabilities and equity	**$ 264,180,282**	$ 246,614,708

Consolidated Statements of Comprehensive Income (Loss)

	Three-month periods ended December 31,		Years ended December 31,	
	2018	2017	**2018**	2017
	(Unaudited)	*(Unaudited)*		
Revenue	**$ 92,335,004**	$ 60,660,416	**$ 317,135,411**	$ 241,000,892
Direct costs	**78,453,723**	58,110,822	**276,249,509**	235,687,393
Gross profit	**13,881,281**	2,549,594	**40,885,902**	5,313,499
Expenses:				
Selling, general and administrative expenses	**10,706,504**	9,716,748	**41,471,955**	32,460,524
Research and development expenses	**847,383**	805,242	**3,353,746**	2,463,114
Finance expense	**279,327**	515,853	**1,208,344**	2,010,678
Impairment loss on intangible assets	**4,498,066**	-	**4,498,066**	-
Other income	**(1,640,413)**	(2,296,188)	**(8,168,677)**	(5,336,197)
	14,690,867	8,741,655	**42,363,434**	31,598,119
Loss before income taxes	**(809,586)**	(6,192,061)	**(1,477,532)**	(26,284,620)
Provision for (Recovery of) income taxes				
Current	**(3,137,261)**	180,854	**177,826**	411,765
Deferred	**20,683,313**	(1,246,429)	**17,291,451**	(3,168,411)
	17,546,052	(1,065,575)	**17,469,277**	(2,756,646)
Net loss	**(18,355,638)**	(5,126,486)	**(18,946,809)**	(23,527,974)
Other comprehensive income (loss)				
Foreign currency translation	**4,830,181**	554,095	**5,584,125**	(5,118,782)
Total comprehensive income (loss) for the period	**$ (13,525,457)**	$ (4,572,391)	**$ (13,362,684)**	$ (28,646,756)
Loss per share – basic	**$ (0.32)**	$ (0.09)	**$ (0.33)**	$ (0.41)
Loss per share – diluted	**$ (0.32)**	$ (0.09)	**$ (0.33)**	$ (0.41)

Consolidated Statements of Cash Flows

	Three-month periods ended December 31,		Years ended December 31,	
	2018	2017	**2018**	2017
	(Unaudited)	*(Unaudited)*		
Cash flows from operating activities:				
Net loss	**$ (18,355,638)**	$ (5,126,486)	**$ (18,946,809)**	$ (23,527,974)
Adjustments for:				
Depreciation and amortization	**10,125,729**	10,187,316	**39,738,406**	41,620,740
Provision for (Recovery of) income taxes	**17,546,052**	(1,065,575)	**17,469,277**	(2,756,646)
Intangible asset impairment loss	**4,498,066**	-	**4,498,066**	-
Unrealized foreign exchange loss	**474,042**	(208,008)	**114,325**	155,832
Gain on disposition of drilling equipment	**(2,167,248)**	(2,272,673)	**(8,376,711)**	(6,061,340)
Equity-settled share-based payments	**168,163**	381,343	**1,368,819**	2,600,015
Finance expense	**279,327**	515,853	**1,208,344**	2,010,678
Provision for bad debts	**24,899**	103,447	**9,458**	478,707
Provisions for inventory	**286,784**	172,851	**542,941**	1,072,851
Provision for onerous contracts	**(44,000)**	(165,000)	**(314,000)**	(437,000)
Amortization of deferred income	**(33,333)**	(33,333)	**(133,332)**	(133,332)
Interest paid	**(83,899)**	(222,652)	**(525,741)**	(962,240)
Income taxes recovered	**193,607**	(533,352)	**65,611**	3,229,839
Change in non-cash working capital	**(15,453,809)**	8,400,803	**(23,388,445)**	(17,065,226)
Net cash from operating activities	**(2,541,258)**	10,134,534	**13,330,209**	224,904
Cash flows from investing activities:				
Proceeds on disposition of drilling equipment	**3,418,202**	3,615,042	**14,583,922**	11,575,430
Acquisition of drilling and other equipment	**(19,196,103)**	(8,276,167)	**(35,027,380)**	(25,673,004)
Acquisition of intangible assets	**(3,019,413)**	(1,423,628)	**(3,052,146)**	(2,916,211)
Change in non-cash working capital	**4,008,013**	237,952	**5,267,584**	601,139
Net cash used in investing activities	**(14,789,301)**	(5,846,801)	**(18,228,020)**	(16,412,646)
Cash flows from financing activities:				
Proceeds from (Repayment of) operating facility	**8,600,608**	473,674	**7,728,098**	(411,083)
Proceeds from (Repayment of) loans and borrowings	**6,821,000**	(1,872,000)	**(2,179,000)**	(15,014,050)
Repurchase of common shares under the NCIB	**(172,566)**	(393,111)	**(1,207,324)**	(426,461)
Proceeds from issuance of share capital	**-**	-	**76,916**	29,154,582
Net cash from financing activities	**15,249,042**	(1,791,437)	**4,418,690**	13,302,988
Net decrease in cash and cash equivalents	**(2,081,517)**	2,496,296	**(479,121)**	(2,884,754)
Cash and cash equivalents, beginning of period	**5,724,935**	1,626,243	**4,122,539**	7,007,293
Cash and cash equivalents, end of period	**$ 3,643,418**	$ 4,122,539	**$ 3,643,418**	$ 4,122,539