

PHX Energy Announces 2015 Capital Expenditure Program

PHX Energy Services Corp. ("**PHX Energy**" or the "**Corporation**") (TSX: PHX) announces that its Board of Directors (the "**Board**") has approved the 2015 capital expenditure program of \$16.0 million (the "**program**"). Given the current state of the industry and the commodity market downturn, PHX Energy has taken a conservative approach to its program and will continually evaluate its expenditures. If the activity drops below the forecasted levels, the Corporation has the capacity to further lower its budgeted program.

The 2015 capital expenditure program is primarily focused on expenditures that will support the growth of higher margin services and differentiate the Corporation in what will be a highly competitive market, with \$11.5 million allocated toward new equipment additions that support these initiatives. The remainder of the program is allocated toward maintenance capital.

The Corporation has had aggressive capital expenditure programs in the past which it believes will provide a surplus in capacity for 2015 activity. In addition, PHX Energy's past investments in new services and technologies equip the Corporation to offer its clients unique solutions focused on efficiency and lower costs.

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, Albania, and Russia. PHX Energy manufactures its E-360 electromagnetic and P-360 positive pulse MWD technologies that are made available for internal operational use. As the result of an acquisition completed in November 2013, PHX Energy provides EDR technology and services, through Stream Services (formerly RigManager Services).

Forward Looking Statements

Certain statements contained in this document constitute "forward looking statements" and/or "forward looking information" within the meaning of applicable securities laws (collectively referred to as "forward looking statements"). When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", and similar expressions, are intended to identify forward looking statements. Such statements reflect the current views of PHX Energy with respect to future events, program and operating performance and speak only as of the date of this document. In particular, this document contains forward looking statements pertaining to the amount of the Corporation's 2015 capital expenditure program, the source of funding the program, the allocation of the program and the anticipated surplus and capacity for 2015 activity.

Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether such results will be achieved. Readers are cautioned not to place undue reliance on these statements as a number of factors could cause actual results to defer materially from the results discussed in these forward looking statements, including but not limited to those factors referred to under the heading "Risk Factors" in the Corporation's Annual Information Form ("**AIF**") for the year ended December 31, 2013 and the Corporation's management's discussion and analysis for the three and nine months ended September 30, 2014. Although forward looking statements contained in this press release are based upon what the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward looking statements. The forward looking statements in this press release are expressly qualified by this cautionary statement. Unless otherwise required by law, PHX Energy does not intend, or assume any obligation, to update these forward looking statements.

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