


Annual General Meeting

May 8, 2012



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.

Market Data: PHX

As of May 7, 2012

Exchange	Toronto Stock Exchange
Shares Outstanding	28.2 million
Share Price (Close)	\$9.56
52 Week High / Low	\$12.40 / \$8.29
Current Dividends per Share	\$0.06/month or \$0.72/year
Insiders Position	22%
Yield	7%
Payout Ratio (Quarter ended March 31, 2012)*	26%

* Payout ratio is calculated using cash flow from operating activities before changes in non cash working capital

2012: Financial Highlights

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

	Three-Months Ended March 31,		
	2012	2011	% Chg
Operating Results	<i>(unaudited)</i>	<i>(unaudited)</i>	
Revenue	79,769	63,147	26
Net earnings	7,918	3,883	104
EBITDA ⁽¹⁾	15,038	9,271	62
Cash Flow			
Funds from operations ⁽¹⁾	13,034	9,520	37
Capital expenditures	17,560	10,166	73
Operating Days			
Consolidated Operating Days	6,681	6,065	10
Financial Position	Mar. 31, 2012	Dec. 31 2012	
Working Capital	40,960	44,868	(9)
Net Debt ⁽²⁾	60,906	47,624	28

(1) Refer to non-GAAP measures section of first quarter report


(2) Long term and current debt minus cash and cash equivalents

Pure Play Horizontal & Directional Drilling Service Provider

1995

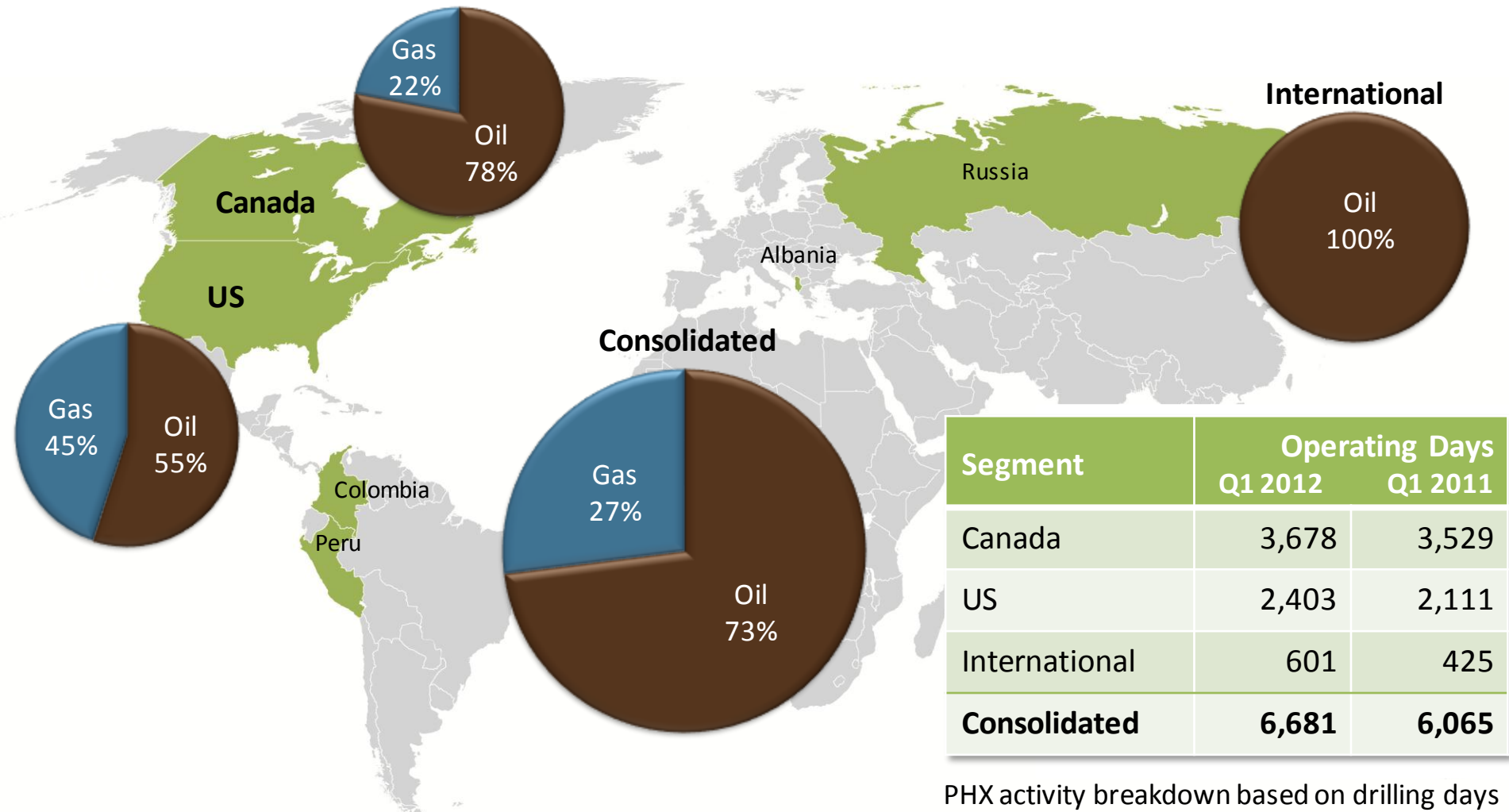
- 2 Pulse MWD systems
- 10 down hole performance drilling motors
- 15 employees
- 1 operating location in Canada

Q1 2012

- 200 PHX developed pulse & EM MWD systems  360
MEASUREMENT WHILE DRILLING
- 800 down hole performance drilling motors
- Over 700 employees
- 15 operating and marketing locations in 6 countries
- Extensive R&D department
- In-House Training Program

Strength in Diversified Operations

Worked with over 200 clients operating in 6 countries

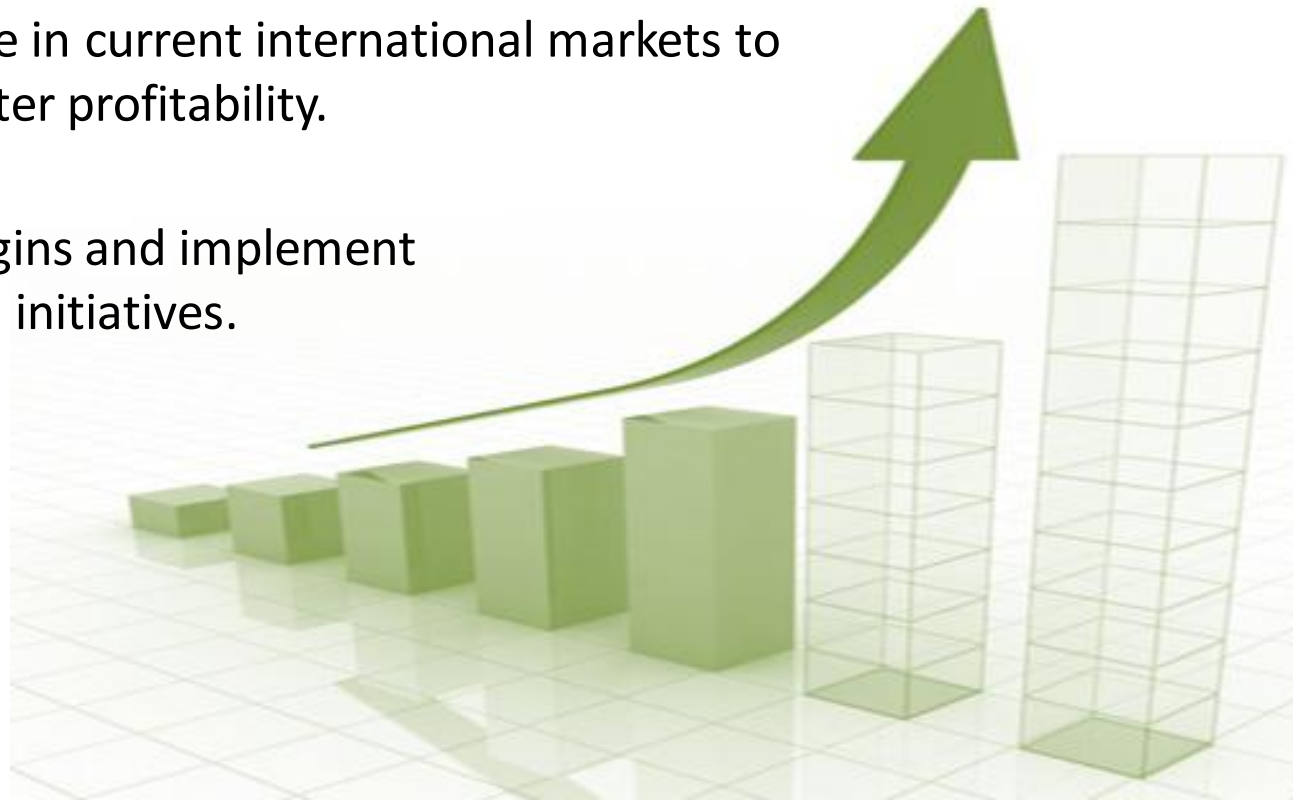


Segment	Operating Days	
	Q1 2012	Q1 2011
Canada	3,678	3,529
US	2,403	2,111
International	601	425
Consolidated	6,681	6,065

PHX activity breakdown based on drilling days

Strategy Committed to Maximizing Returns

- **Present investments where potential is the greatest.**
 - Increase market share in the United States.
 - Grow presence in current international markets to generate greater profitability.
 - Optimize margins and implement cost reduction initiatives.



Strategic Focus: Grow in The United States

Increase market share in the US

- Focused on expanding in oil and liquid rich gas areas.
- New operations centers recently opened in the Permian Basin and Mid-Continent regions.
- Launched new proprietary motor designed specifically for drilling long reach horizontal wells.

Strategic Focus: International Growth

Grow presence in current international markets to generate greater profitability.

- Revenue and segment profit before taxes both increased 50% in Q1 2012 compared to Q1 2011.
- Russian activity increasing.
 - Improved performance of RWD system and intent to increase job capacity from 8 to 16.
- Now operating on 5 rigs in Albania.
 - Drilled over 180 wells and hired and trained local personnel.
- Gaining traction in South America.

Strategic Focus: Margins

Initiatives to optimize margins and implement cost reduction strategies to reach EBITDA that represents 25% of revenue.

- Capital expenditure budget of \$55.1 million for 2012.
 - Continue to reduce rentals.
 - Equip each region with necessary assets for growth.
- In-house manufacturing to reduce repair and servicing costs.
- Engineer solutions to create value added technologies and continue to enhance fleet performance.
 - R&D team focused on 6 projects.

Targets To Achieve

- **Over \$500 million in revenue**
- **Among top 5 horizontal and directional service providers**
- **Revenue Split**
 - Canada 40%
 - US 40%
 - International 20%
- **EBITDA margin equal to 25% of revenue**

