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**PHX ENERGY SERVICES CORP. ANNOUNCES CLOSING OF  
BOUGHT DEAL FINANCING**

February 2, 2017  
Calgary, Alberta

PHX Energy Services Corp. ("**PHX Energy**" or the "**Corporation**") (TSX: PHX) is pleased to announce the closing of its bought deal public offering of 7,187,500 common shares of the Corporation at a price of \$4.00 per share, which includes 937,500 common shares issued pursuant to the exercise in full of the over-allotment option, for gross proceeds of approximately \$28.8 million. Concurrent with the closing of the public offering, certain directors, officers, employees and consultants of PHX Energy purchased a total of 500,000 common shares at the offering price of \$4.00 per share on a private placement basis. The gross proceeds from the public offering and concurrent private placement totalled approximately \$30.8 million.

The syndicate of underwriters was led by Peters & Co. Limited and included AltaCorp Capital Inc., Cormark Securities Inc., Scotia Capital Inc. and HSBC Securities (Canada) Inc.

The securities offered have not been, and will not be, registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**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. In addition the Corporation provides EDR technology and services through its Stream Services division.

The common shares of PHX Energy are traded on the Toronto Stock Exchange under the symbol "PHX".

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