

PHX Energy Services Corp. Purchases Fleet of PowerDrive Orbit Rotary Steerable Systems and Announces Preliminary 2019 Capital Expenditure Program

Calgary, Alberta - PHX Energy Services Corp. ("**PHX Energy**" or the "**Corporation**") (TSX: **PHX**) announces that it has entered into a Purchase Agreement (the "**Agreement**") to purchase an initial fleet of Schlumberger PowerDrive Orbit¹ Rotary Steerable Systems ("**RSS**"). The Agreement includes an accompanying license for PHX Energy's US subsidiary, Phoenix Technology Service USA Inc. ("**Phoenix USA**") to operate the PowerDrive Orbit RSS throughout the 48 contiguous states of the United States. The purchase of this initial fleet is part of the Corporation's 2018 capital expenditures program (the "**2018 Program**") and will equip PHX Energy with a concurrent job capacity of 2-3 jobs.

The Schlumberger PowerDrive Orbit RSS is widely recognized as the industry's leading RSS technology. Prior to the Agreement, PHX Energy and Schlumberger partnered for a number of years on a rental basis to provide Schlumberger's RSS in combination with PHX Energy's directional drilling services. As a result of this partnership, PHX Energy has developed internal engineering and operational competencies to successfully deploy this RSS technology on drilling projects throughout the US.

The Corporation has been strategically focused on setting itself apart as a leader in high performance technologies and is pleased to be the first company to enter an agreement of this nature with Schlumberger for the purchase of this industry leading RSS technology. RSS deployment in the US market is growing, and PHX Energy will leverage Phoenix USA's current operational footprint and existing sales organization to market and operate the PowerDrive Orbit RSS. The addition of the PowerDrive Orbit RSS to PHX Energy's Velocity Real-Time system ("**Velocity**") and its Atlas High Performance Drilling motor further differentiates the Corporation's product suite and allows PHX Energy to provide a proprietary and unparalleled drilling solution to the market.

PHX Energy also announces that its Board of Directors has approved a preliminary 2019 capital expenditures program of \$15 million (the "**2019 Program**"). The 2019 Program is anticipated to principally be allocated toward expanding PHX Energy's Velocity and Atlas High Performance Drilling motor fleets. PHX Energy thus far in 2018 has experienced increased activity, specifically in its US division, and believes that as new fleet capacity is delivered and deployed this positive momentum will continue.

PHX Energy will continue to take a disciplined approach toward growth and believes the 2019 Program will aid in further improvements in profitability. The 2019 Program is expected to be financed from a combination of cash flow from operations and the Corporation's unused credit facilities.

⁽¹⁾ Mark of Schlumberger

About PHX Energy Services Corp.

PHX Energy 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 EDR technology and 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, programs and operating performance and speak only as of the date of this document. In particular, this document contains forward looking statements pertaining to the growth of the RSS market, the potential impact of the addition of the RSS to PHX Energy's fleet, the Corporation's preliminary 2019 Program, including the anticipated allocation thereof, the expansion of the Corporation's Velocity and Atlas High Performance motor fleets, the source of funding for the program, the Corporation's ability to carry out the program and the anticipated increase in 2019 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 differ 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, 2017 and the Corporation's management's discussion and analysis for the year then ended and the three and nine-months ended September 30, 2018. The forward looking statements in this press release are expressly qualified by this cautionary statement. PHX Energy does not intend, or assume any obligation, to update these forward looking statements, except as may be required by applicable securities laws

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