

PHX Energy Announces Increase to its 2019 Capital Expenditure Program

Calgary, Alberta - PHX Energy Services Corp. ("**PHX Energy**" or the "**Corporation**") (TSX: PHX) announces that its Board of Directors (the "**Board**") has approved a \$5 million increase to the Corporation's 2019 capital expenditure program (the "**Program**"). With this increase the Corporation now anticipates spending \$35 million in capital expenditures during the 2019-year. The increase will primarily be dedicated to the purchase of long lead items required to further expand the Atlas High Performance Drilling Motor ("**Atlas Motors**") and Velocity Real-Time System fleets for activity in 2020.

PHX Energy has expanded its Atlas Motor fleet to include various configurations for a variety of drilling applications and these motors continue to deliver superior operational results and increase the efficiency of drilling operations. As a result of the strong performance being delivered, the Corporation's premium technologies remain in high demand throughout North America and these technologies have contributed to the improved profitability achieved thus far in the 2019-year.

The increased Program is anticipated to support the Corporation's continued growth in the US market and allow for future expansion while maintaining the Corporation's healthy balance sheet. PHX Energy will continue to take a disciplined approach toward growth and believes the increase to the 2019 Program will aid in further improvements in profitability in the upcoming year. The 2019 program is expected to be financed from a combination of cash flow from operations and the Corporation's unused credit facilities.

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 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" "forsees", 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 Corporation's 2019 capital expenditure program, including the increase to the Program and the anticipated expansion in the Corporation's Atlas Motor and Velocity fleets and timing thereof, the source of funding for the program, the allocation of the Program, the potential impact of the increase to the Program on the Corporation's operations and profitability, and growing demand for the Corporation's fleet.

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, 2018 and the Corporation's management's discussion and analysis for the year then ended and the three and six-months ended June 30, 2019. 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.

For further information please contact:

John Hooks, CEO;

Michael Buker, President; or

Cameron Ritchie, Senior Vice President Finance and CFO

PHX Energy Services Corp.

Suite 1400, 250 2nd Street SW

Calgary, Alberta T2P 0C1

Tel: 403-543-4466 Fax: 403-543-4485 www.phxtech.com