



PHX

ENERGY SERVICES CORP.

# Peters & Co. 33<sup>rd</sup> Winter Energy Conference

January 14, 2026





# 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 Corporation will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions and the accuracy of the Corporation's market outlook expectations for 2025 and in the future; that future business, regulatory and industry conditions will be within the parameters expected by the Corporation, anticipated financial performance, business prospects, impact of competition, strategies, the general stability of the economic and political environment in which the Corporation operates; the potential impact of potential new or increased tariffs that may be imposed by the US administration and any retaliatory actions that may be taken by Canada or other nations, pandemics, the Russian-Ukrainian war, Middle-East conflict and other world events on the global economy, specifically trade, manufacturing, supply chain, inflation and energy consumption, among other things and the resulting impact on the Corporation's operations and future results which remain uncertain; exchange and interest rates, and inflationary pressures including the potential for further interest rate hikes by global central banks and the impact on financing charges and foreign exchange and the anticipated global economic response to concerted interest rate hikes; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services and the adequacy of cash flow; debt and ability to obtain financing on acceptable terms to fund its planned expenditures, which are subject to change based on commodity prices; market conditions and future oil and natural gas prices; and potential timing delays. Although management considers these material factors, expectations, and assumptions to be reasonable based on information currently available to it, no assurance can be given that they will prove to be correct.*



# Who is PHX Energy?

- We are largest independent directional drilling provider in North America
  - Work for 18 of the top 20 energy producers in North America
  - 73% of revenue is in the US, 85% of that revenue is in the Permian
- We are a vertically integrated supplier and control the full value chain of our products and services
- We are a technology leader in our sector and have developed and deployed a proprietary fleet of premium down hole technology

**31**

Years (est. 1995)

**22%**

Market Share Canada

**10%**

Market Share US

**902**

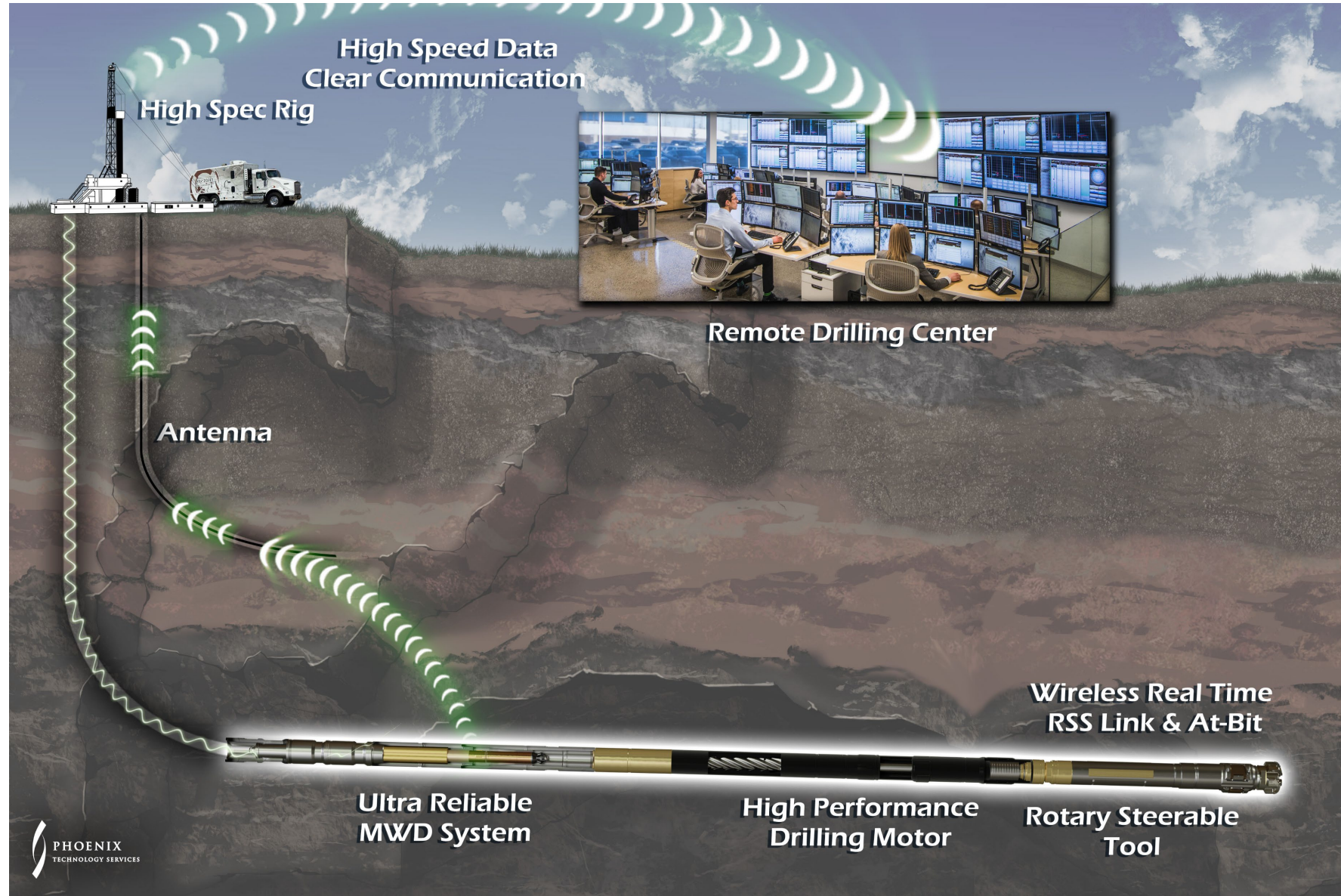
Employees





# What is Directional Drilling?

*Directional drilling is the process of steering the well path towards an intended target and doing so in a manner that increases the overall efficiency and speed of the operation*



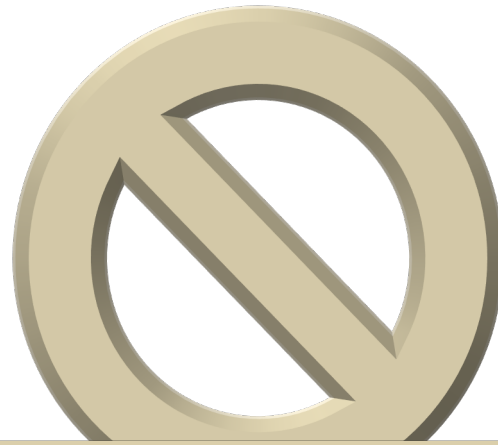


# Landscape Of The Directional Market

# 1

## Tier 1: *The Place to Be*

- Premium Technology
  - RSS & Real Time Communications
  - Premium Motor & MWD
- Relationships
- Ability to constantly deliver faster, more reliable drilling performance
- Auditable Quality Management System
- Auditable HSE System



- There is now a significant barrier to entry to compete in Tier 1
  - Most companies do not have financial resources to purchase or develop technologies that Tier 1 requires
  - 15 years ago start up directional drilling company could grow quickly as long as you had a relationship; today that is not the case

# 2

## Tier 2

- Relationships
- Low price wins work
- Off the shelf technology; nothing propriety
- Have to rent premium technology if needed



# Technology That Makes Us Tier 1

Capital Expenditure programs have been dedicated to technologies that propel us to the top of the Tier 1 market



130

Velocity Real-Time System

914

Atlas Motors

Real Time RSS  
Communication Sub

114

Rotary Steerable System  
*PowerDrive Orbit & iCruise*





# Technology Advancement Driving Growth



Echo Wireless  
Antenna

Wireless Real Time  
RSS Link & At-Bit

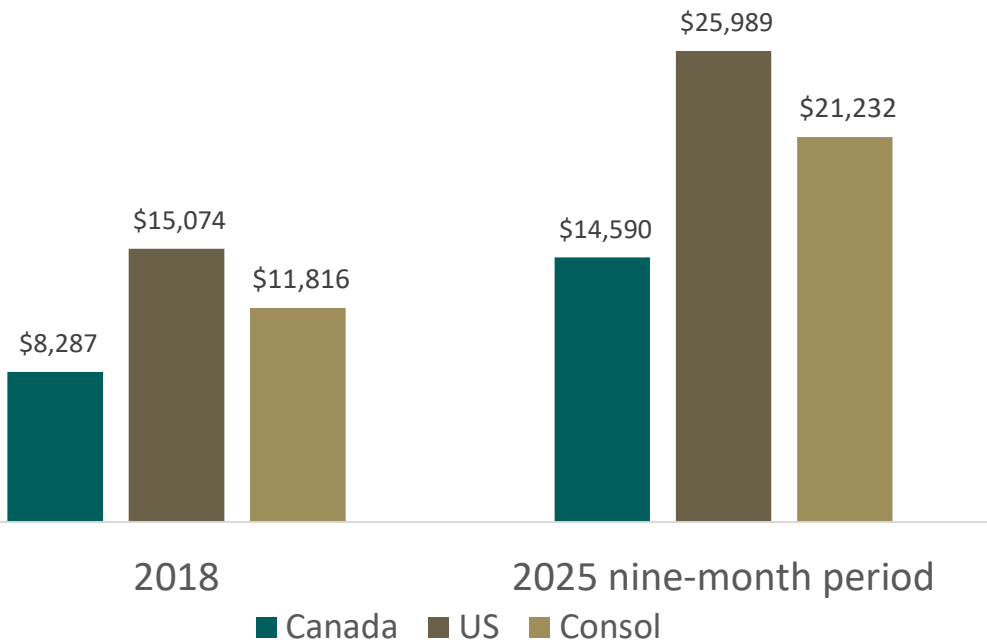
PowerDrive Orbit RSS  
iCruise RSS

Velocity

Atlas Motors

Job Revenue Per Day\*

*\* Refer to corresponding quarterly report for definition*





# Technology Case Study: The Impact of Faster Drilling

*SAME AREA - SAME WELL PROFILE - **NEW TECHNOLOGY***

## 2017 - Permian Basin

- 10,000ft Lateral
- Conventional technology

**Drilling Days 8.76**

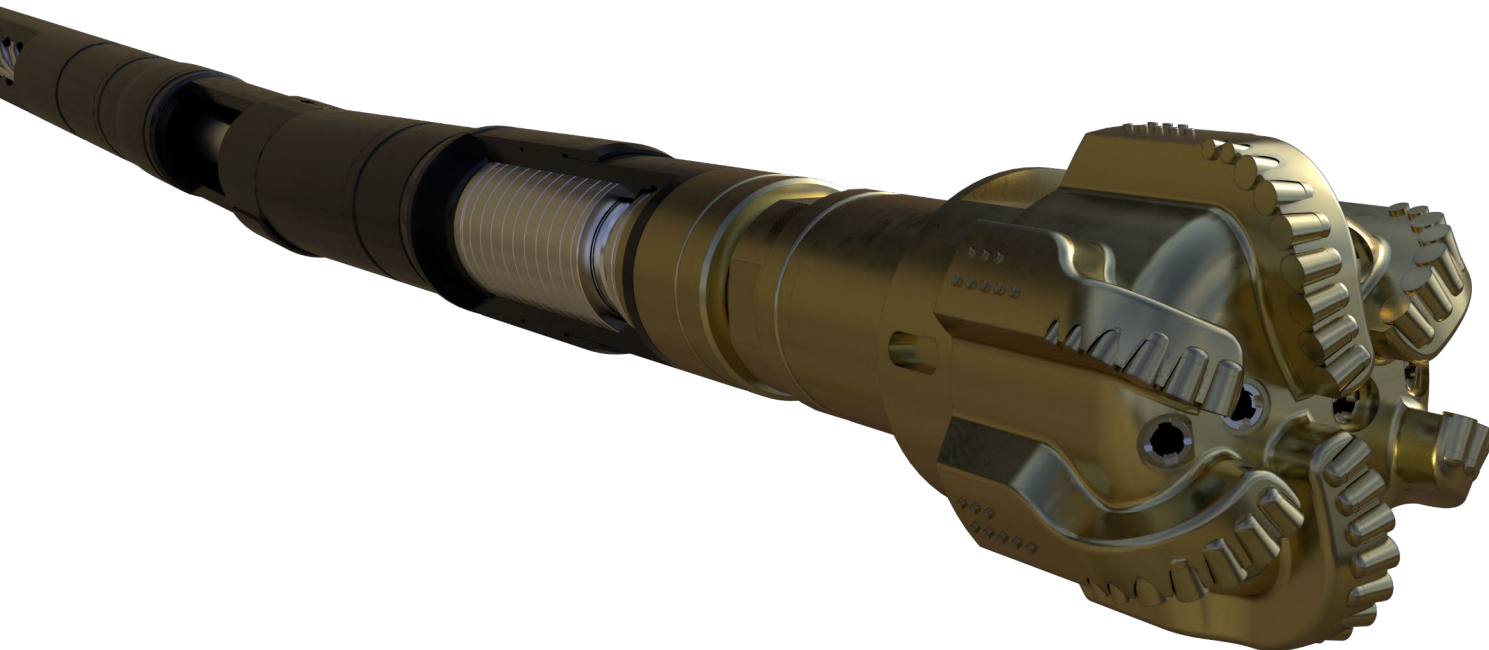
## Recent - Permian Basin

- 10,000ft Lateral
- Premium RSS, MWD and Motors Technology (*Atlas, Velocity, RSS*)

**Drilling Days - 3.80**

***5 DAYS SAVED***

***EVERY DAY SAVED EQUATES  
TO BOTTOM LINE SAVING FOR  
OPERATORS***







# Q3 2025 Results & Outlook

*Q4 2025 was an active quarter for the Corporation, and we anticipate the same for the first half of 2026*

*Profitability may be impacted by global instability and higher cost environment*

*Opportunities continue with:*

- *RSS deployment, including in Canada and 7½ hole size in Permian basin*
- *Atlas motor rentals*
- *Gas focused basin, such as Haynesville and Marcellus*

*Stated in thousands of dollars except for rig counts and operating days*

	Three-month periods ended Sept 30,			Nine-month periods ended Sept 30,		
	2025	2024	% Chg	2025	2024	% Chg
<b>Operating Results</b>						
Revenue	164,333	160,634	2	525,707	480,987	9
Adjusted EBITDA <sup>(1)</sup>	27,903	29,018	(4)	95,945	94,100	2
Excess Cash Flow <sup>(2)</sup>	12,554	19,334	(35)	39,192	30,311	29
<b>Industry Hz &amp; Dir Activity</b>						
Canadian Rig Count	176	210	(16)	173	185	(6)
US Rig Count	513	551	(7)	539	570	(5)
<b>PHX Operating Days</b>						
Canadian Operating Days	3,128	3,302	(5)	9,541	9,842	(3)
US Operating Days	4,286	3,916	9	13,320	12,229	9
<b>Financial Position</b>						
				Sep 30 '25	Dec 31 '24	
Working Capital <sup>(2)</sup>				102,232	84,545	21
Net Debt <sup>(2)</sup>				34,535	2,664	n.m.

*n.m. – Not meaningful*

<sup>(1)</sup> See Non-GAAP Measures section of quarterly report

<sup>(2)</sup> Capital Management measure that does not have any standardized meaning under IFRS. See non-GAAP and other financial Measures

<sup>(3)</sup> Supplementary financial measure that does not have any standardized meaning under IFRS. See non-GAAP and other financial Measures



# Return on Capital Strategy

Targets up to 70 percent of annual excess cash flow to be used for shareholder returns

## ■ Capital Expenditures

- Fund growth in premium high margin technology to increase cash flows while maintaining balance sheet strength

## ■ Sustainable Dividend

- **\$116.5 million paid to shareholders** since reinstatement in December 2020
- Increased it five time between 2021 and 2023

## ■ NCIB Program

- **28% of shares outstanding repurchased** since 2017
- Renewed NCIB for another one-year term

Exchange	TSX:PHX OTCQB:PHXHF
Shares Outstanding	45,181,072
Share Price	\$7.60
52 week High/Low	\$10.10/6.64
Quarterly Dividend	\$0.20/share
Dividend Yield	10.5%
Market Cap	327,562,772
Insider position	11%



# Why Invest in PHX



Growth oriented with a well-established reputation as a Tier 1 provider



Invested in people, technology and process that operators demand and that will enable continued market share gains



Proven track record of leveraging our operational excellence to create shareholder rewards

- History as a dividend/distribution paying company, with intention of sustaining dividend
- Reduced our share outstanding by 28% since 2017 with commitment to share buybacks

*Trade at less than a 3x EV/EBITDA, 10% yield and strong balance sheet*





# Questions?

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