

PHX Energy Announces an 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 \$10 million increase to the Corporation's 2019 capital expenditure program (the "**2019 Program**"). With this increase the Corporation now anticipates spending \$25 million in capital expenditures during the 2019-year. PHX Energy expects to dedicate the majority of the additional capital expenditures toward increasing the capacity of its fleet of Velocity Real-Time Systems ("**Velocity**") for activity in early 2020. The remainder of the increase to the 2019 Program is anticipated to be allocated toward maintenance of the Velocity and performance motor drilling fleets, including Atlas performance drilling motors ("**Atlas**").

Given the Corporation's position as one of the leading technology providers and the favourable industry conditions in the US market, PHX Energy anticipates that its US growth will continue through 2019. PHX Energy's Velocity fleet has been operating at full capacity for a number of quarters and the Corporation expects that additional systems will be required to meet the ongoing demands for this technology. The initial 2019 Program of \$15 million is intended to be primarily dedicated towards Atlas, and the addition of further Velocity systems will allow the Corporation to pair these technologies on a greater number of wells, which gives PHX Energy a significant competitive advantage.

PHX Energy's Canadian operations began to see the impacts of the typical spring break-up period in March, and the Corporation is currently utilizing the slower period in the Canadian industry to provide additional capacity to the US market. It believes this will lead to activity gains in the US during the upcoming quarters. PHX Energy will continue to proportionally deploy its high performance technologies, including Velocity and Atlas, throughout North America and remains committed to maintaining its healthy Canadian market share while focusing on its US expansion.

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. The 2019 program is expected to be financed from a combination of cash flow from operations and the Corporation's unused credit facilities, if required.

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", "foresees", 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 Velocity fleet and timing thereof, the source of funding for the 2019 program, the allocation of the 2019 program, the potential impact of the increased Velocity capacity on the Corporation's operations and profitability, the anticipated increase in US activity 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 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 for the year ended December 31, 2018. 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.

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