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**PHX ENERGY SERVICES CORP. ANNOUNCES CLOSING OF
EQUITY FINANCING**

October 18, 2013
Calgary, Alberta

PHX Energy Services Corp. ("**PHX**" or the "**Corporation**") (TSX: PHX) is pleased to announce the closing of its bought deal financing for aggregate gross proceeds of approximately \$31 million. An aggregate of 2,990,000 common shares of the Corporation were issued at a price of \$10.40 per common share, which includes 390,000 common shares issued pursuant to the exercise in full of the over-allotment option. Concurrent with the closing of the public offering, certain directors, officers and employees of PHX and their associates, purchased a total of 500,000 common shares at a price of \$10.40 per share on a private placement basis. The gross proceeds from the public offering and concurrent private placement totalled approximately \$36.3 million

The public offering was led by Peters & Co. Limited and included RBC Dominion Securities Inc., Scotia Capital Inc., Cormark Securities Inc. and FirstEnergy Capital Corp.

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.

PHX Energy's Canadian operations are conducted through Phoenix Technology Services LP. The Corporation maintains its corporate head office, research and development, Canadian sales, service and operational centres in Calgary, Alberta. In addition PHX Energy has a service facility in Estevan, Saskatchewan. PHX Energy's US operations, conducted through the Corporation's wholly-owned subsidiary, Phoenix Technology Services USA Inc. ("**Phoenix USA**"), is headquartered in Houston, Texas. Phoenix USA has sales and service facilities in Houston, Texas; Traverse City, Michigan; Casper, Wyoming; Denver, Colorado; Fort Worth, Texas; Midland, Texas; Buckhannon, West Virginia; Pittsburgh, Pennsylvania; and Oklahoma City, Oklahoma. Internationally, PHX Energy has sales offices and service facilities in Albania, Peru, Russia, and Colombia, and an administrative office Nicosia, Cyprus.

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

FOR FURTHER INFORMATION PLEASE CONTACT:

John M. Hooks
President & Chief Executive Officer
(403) 543-4466

Cameron M. Ritchie
Senior Vice-President, Finance & Chief Financial Officer
(403) 543-4466