



PRESS RELEASE
March 25, 2021
TSX - PHX

PHX ENERGY SERVICES CORP. ANNOUNCES IT HAS ENTERED A TECHNOLOGY PARTNERSHIP WITH NATIONAL ENERGY SERVICES REUNITED CORP.

Calgary, Alberta - PHX Energy Services Corp. ("**PHX Energy**" or the "**Corporation**") (TSX: PHX) is pleased to announce it has entered into a technology partnership (the "**Partnership**") with National Energy Services Reunited Corp ("**NESR**") (NASDAQ: NESR). Pursuant to the Partnership, PHX Energy will provide its premium downhole technology, namely the Corporation's Atlas High Performance Motors ("**Atlas**") and Velocity Systems, for use in NESR's directional drilling operations in the Middle East and North Africa ("**MENA**").

PHX Energy's high-performance fleet of equipment is widely recognized in North America for its increased reliability and operating advantages that deliver faster drilling and increased efficiency at the well site. This reputation has led PHX Energy to grow its US market share to the highest level in its history. Through the Partnership, these same advantages will become accessible to operators in NESR's international markets and PHX Energy and NESR will work in collaboration to deliver directional drilling solutions that provide the same step change in performance that is now demanded in North American drilling operations. A series of preliminarily wells in the Middle East are being drilled using the Corporation's technology, with the first recently completed and breaking the current operating record in the area.

PHX Energy's strategic initiatives that have positioned the Corporation as the technology leader in the directional drilling sector, have led to an extensive fleet of Atlas Motors and Velocity Systems. With the size of its current Atlas and Velocity fleets, PHX Energy has allocated assets to the Partnership with minimal capital expenditures required. The Partnership is anticipated to grow throughout 2021 and PHX Energy intends to allocate future assets and capital expenditures based on the successes achieved. PHX Energy is committed to maintaining its balance sheet strength and protecting its financial position, especially given the current volatility in the economic and industry conditions. PHX Energy believes the Partnership will further its financial strength, creating another revenue stream that leverages the higher margins generated by its high performance fleet.

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.

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

ABOUT NATIONAL ENERGY SERVICES REUNITED CORP.

Founded in 2017, NESR is one of the largest national oilfield services providers in the MENA and Asia Pacific regions. With over 5,000 employees, representing more than 60 nationalities in over 15 countries, NESR helps its customers unlock the full potential of their reservoirs by providing Production Services such as Hydraulic Fracturing, Cementing, Coiled Tubing, Filtration, Completions, Stimulation, Pumping and Nitrogen Services. NESR also helps its customers to access their reservoirs in a smarter and faster manner by providing Drilling and Evaluation Services such as Drilling Downhole Tools, Directional Drilling, Fishing Tools, Testing Services, Wireline, Slickline, Drilling Fluids and Rig 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 anticipated allocation of assets to the Partnership and potential for growth in the Partnership and the corresponding increase to asset allocation in the future, the anticipated obligation under and benefits of the Partnership, including the expectation that it will further the Corporation's financial strength, and the continued success and growth of operations in the MENA region.

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, 2019 and the Corporation's management's discussion and analysis for the three-month period and year then ended December 31, 2020. 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