

PHX Energy Announces Increase to its 2021 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 2021 capital expenditure program (the "**2021 Program**") and anticipates allocating \$8 million of this increase towards growth capital and \$2 million towards maintenance. With this increase the Corporation now anticipates spending \$25 million in capital expenditures during the 2021-year. PHX Energy expects to dedicate the additional capital expenditures to the growth of the Velocity Real Time System ("**Velocity**") and Atlas high performance drilling motor ("**Atlas**") fleets.

In the first quarter of 2021, the Corporation has experienced an uptick in activity from the last quarter of 2020 as industry activity has continued to rebound. Both Velocity and Atlas continue to be in high demand and the Corporation anticipates further strengthening in both Canada and the US in the later half of the year. With this anticipated level of demand in North America and the recently announced new technology partnership in the Middle East North Africa ("MENA") regions, PHX Energy believes its fleet would reach capacity in the second half of 2021. The increase to its 2021 Program will provide equipment to meet the anticipated demand within its global operations. Additionally, there are sizes of equipment required in the MENA region that differ from those in North America and a portion of the expenditures will be directed towards equipping the MENA fleet with the capabilities to meet these requirements.

PHX Energy will continue to take a disciplined approach toward growth and believes the increase to the 2021 Program will aid in further improvements in profitability while maintaining its strong financial position. The 2021 program is expected to be financed from a combination of cash flow from operations and the Corporation's cash on its balance sheet.

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, MENA and Albania.

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

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", and similar expressions, are intended to identify forward looking statements. Such statements reflect the current views of PHX Energy with respect to future events, the 2021 Program and operating performance and speak only as of the date of this document. In particular, this document contains forward looking statements pertaining to the amount of the Corporation's 2021 capital expenditure program, the source of funding the

Program, the planned allocation of the Program, the anticipated strengthening in 2021 activity and demand for our services, and anticipated improvements in profitability and growth into 2021 and beyond.

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, 2020 and the Corporation's management's discussion and analysis for the three month period and year 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