



PHX ENERGY ANNOUNCES SUCCESSFUL FIELD TRIALS OF STREAM SERVICES' NEW EDR PRODUCT LINE

June 6, 2016
Calgary, Alberta

PHX Energy Services Corp. ("**PHX Energy**" or the "**Corporation**") (TSX: PHX) is pleased to announce that its electronic drilling recorder ("**EDR**") division, Stream Services ("**Stream**"), has concluded its initial field trials of its state-of-the-art EDR product line, specifically its DataStream EDR system, ControlStream Auto Drilling System, DataStream Pro office application and DataStream Mobile smartphone application (collectively referred to as the "**EDR Platform**"). Stream has deployed the new EDR Platform in numerous Canadian basins and is seeing the desired results and receiving positive feedback from clientele.

In North America, the majority of drilling rigs employ an EDR system, however, competition is limited and the market is dominated by a small number of service providers. In addition, markets outside of North America have not developed to the same extent in terms of reliance on EDR technology, and PHX Energy is well positioned to capitalize on this opportunity as the industry evolves.

EDR systems offer drilling operators the ability to acquire and monitor vital drilling parameters in real-time at the rig site and in the office. Sophisticated measurement instrumentation technology captures drilling data, which is transmitted to the EDR system where it is displayed in meaningful configurations that can be utilized for analysis and optimization.

With a focus on simplicity, leading edge technologies and an open source software architecture, the Stream EDR Platform provides a unique and user friendly offering to the upstream market.

Additional qualification of the EDR Platform is expected to be carried out under a commercial business model in the second and third quarters of 2016, with a full commercialization and wide scale deployment anticipated in the fourth quarter. PHX Energy will leverage its existing footprint and administrative and marketing resources to support the expansion of Stream, and expects that no additional capital commitments or discretionary spending will be required outside of increasing capacity to meet demand by purchasing field equipment and hiring field support personnel.

Management of PHX Energy believes that the addition of Stream in a commercial capacity will increase overall profitability with the superior margins attainable from this business line and will improve the financial performance of the Corporation.

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, Albania, and Russia. In addition PHX Energy provides EDR technology and services, through Stream Services.

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 press release 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, and speak only as of the date of this press release. In particular, this press release contains forward looking statements pertaining to the commercialization of Stream's EDR Platform and the potential thereof, the timing of commercialization, the capital commitments associated therewith, and the potential impact of the Stream EDR Platform on the Corporation's overall profitability.

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, 2015 and the Corporation's management's discussion and analysis for the three months ended March 31, 2016. 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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