



PHX

ENERGY SERVICES CORP.

SCOTIABANK CAPP ENERGY SYMPOSIUM

APRIL 11, 2018

Overview

We deliver shareholder value through **our passion** for providing **unmatched solutions** to oil and gas producers

- We are committed to:
 - Deploying world class services and technologies that enable our clients to operate at the highest level of performance and cost effectively
 - Operating with the utmost integrity and at the highest safety standards
- We have two operating divisions:
 - Phoenix Technology Services
 - Stream Services



***PHOENIX TECHNOLOGY SERVICES**, our directional drilling division is one of the largest independent directional providers in North America*

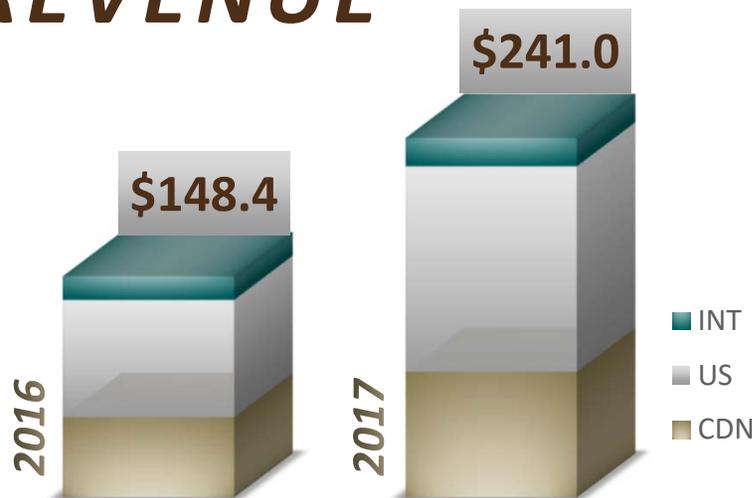


***STREAM SERVICES**, our EDR division, was acquired in 2013 and recently commercialized a new product line (DataStream) to fuel future growth*

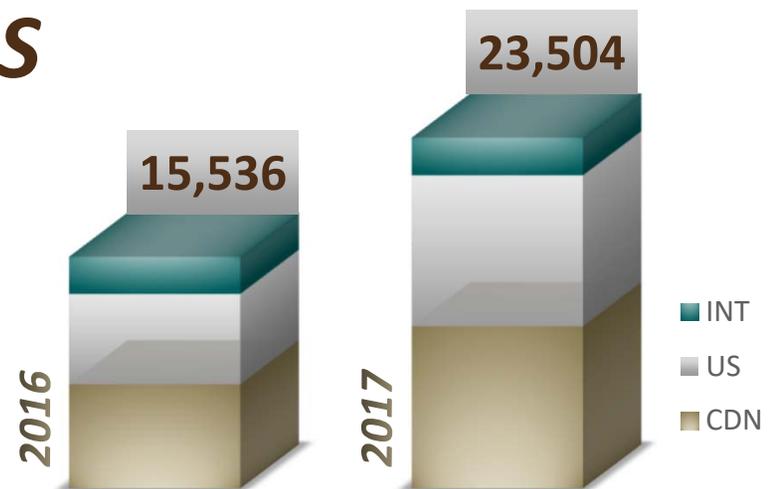
Quarterly Highlights

- Significant improvements in operating and financial results in 2017
 - Annual Adjusted EBITDA was more than 4 times greater than in 2016
 - Highest fourth quarter revenue since 2014
- US operations have the greatest potential for future growth
 - Focus on the Permian basin and leveraging new technology in this region

REVENUE



OPERATING DAYS



Consolidated Financial Results

(CDN\$)

Three-month period ended December 31,

Years ended December 31,

Stated in thousands of Canadian dollars except per unit amounts, percentages and operating days

	2017	2016	% Chg	2017	2016	% Chg
Operating Results	<i>(unaudited)</i>	<i>(unaudited)</i>				
Revenue	60,660	46,629	30	241,001	148,401	62
Adjusted EBITDA ⁽¹⁾	5,440	3,182	71	22,683	5,048	n.m.
Cash Flow						
Funds from operations ⁽¹⁾	2,490	2,060	21	15,023	559	n.m.
Capital expenditures	8,276	2,555	n.m.	25,673	7,811	n.m.
Operating Days						
Consolidated Operating Days	5,748	5,074	13	23,504	15,536	51
Financial Position				Dec 31, '17	Dec 31, '16	
Working Capital ⁽¹⁾				49,787	44,230	13
Long-term debt				14,000	29,014	(52)



*(1) Refer to non-GAAP measures section of Annual and Quarterly Report
n.m - not meaningful*

Driving Forces for Technology Development

Strategically focused on developing **differentiating technologies** with unique **competitive advantages**



CREATE EFFICIENCIES & OUTPERFORM

Withstand harsh drilling, faster drilling, fewer failures and greater downhole accuracy



SUPPORT DATA DRIVEN DRILLING PRACTICES

Provide advanced downhole measurements, streamline data analysis and enable remote operations



HIGHER MARGIN POTENTIAL

Lower cost of execution and create additional revenue streams

Velocity Real-Time MWD System

*THE MOST ADVANCED GUIDANCE SYSTEM IN THE LAND BASED MARKET,
DESIGNED TO MEET THE DRILLING NEEDS OF TODAY & TOMORROW*

- Continues to be in high demand in all operating areas
 - Majority of the fleet is deployed to the Permian
 - Clients include Shell, Chevron, Pioneer and COG

- Benefits include:
 - Unified telemetry
 - Greater reliability
 - Improved data rates
 - Advanced measurements
 - Ex: continuous inclination



The New Atlas Motor - Re-Defining Power

- Engineered to deliver unmatched performance on high specification drilling rigs
- Tailored to the operating capabilities of these new rigs, Atlas was designed to be our **MOST POWERFUL MOTOR**
 - Rugged and reliable performance driven by larger internal components
 - Shorter bit-to-bend
 - Proprietary flow options and power section
- Successfully delivering a higher level of drilling performance
 - Record footage achieved in a single run
 - Faster drilling rates are reducing overall drilling time

Data Driven Drilling

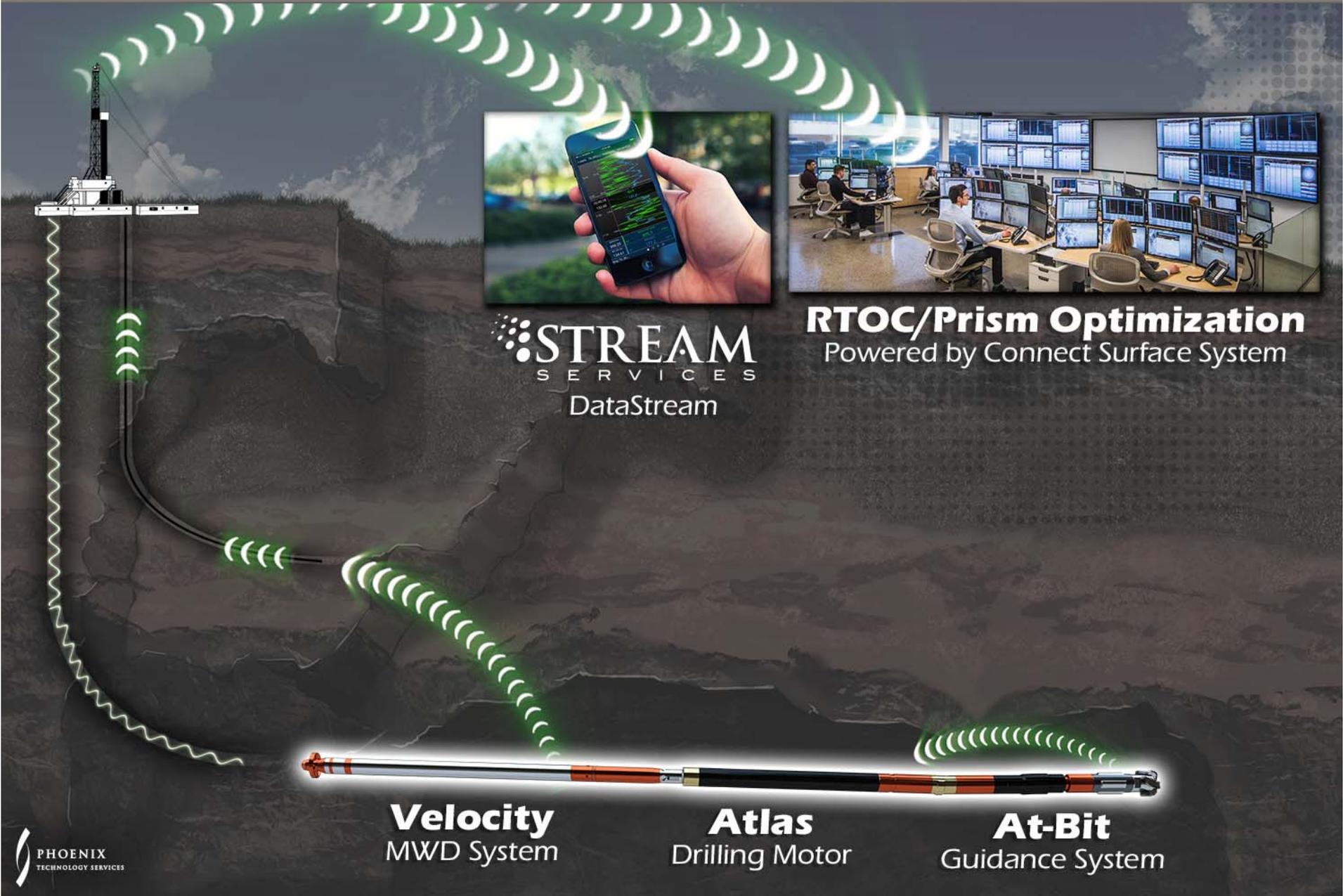
Operators are aggressively looking for the next breakthrough that will create greater efficiencies for their drilling programs

- The key to achieving the next level of performance is combining new technology with analytical processes based on drilling data
- Multiple systems in our operations acquire and accumulate data on a daily basis
- Our Prism Optimization group leverages this data and develops performance targets and drilling recommendations to drill the next pacesetter well



Prism Optimization Center

The Next Generation



STREAM
SERVICES
DataStream

RTOC/Prism Optimization
Powered by Connect Surface System

Velocity
MWD System

Atlas
Drilling Motor

At-Bit
Guidance System