
CODE OF CONDUCT & ETHICS

Global

Date: 12-04-2019



INTRODUCTION

PHX Energy Services Corp. and its subsidiaries ("Phoenix" or the "Corporation") require the highest standards of professional and ethical conduct from our directors, officers, employees, and consultants (collectively referred to as "Personnel"). Our reputation among our shareholders for honesty and integrity is key to the success of our business. Personnel are not be permitted to achieve results through violations of laws or regulations, or through unethical dealings. References herein to the "Board of Directors" refer to the board of directors of Phoenix.

This Code reflects our commitment to a culture of honesty, integrity and accountability, and outlines the basic principles and policies with which all Personnel are expected to comply. Please read this Code carefully.

In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and spirit of our policies and applicable laws. This Code sets forth general principles and does not supersede the specific policies and procedures that are covered in the specific policy statements, such as the Disclosure, Confidentiality and Trading Policy. Compliance with this Code of Conduct and Ethics is a condition to your employment and violations may result in disciplinary actions up to and including discharge from the Corporation.

Your cooperation is necessary to the continued success of our business and the cultivation and maintenance of our reputation as a good corporate citizen.

CONFLICTS OF INTEREST

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Corporation. A conflict situation can arise when Personnel take action or have interests that may make it difficult to perform his or her work effectively. Conflicts of interest also arise when Personnel, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Corporation. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between the Corporation and any other organization in which you or any member of your family have an interest.

Activities that could give rise to conflicts of interest are prohibited unless specifically approved in advance by senior management or the Chairman of the Board of Directors; provided that the foregoing shall not apply to employees, management or directors of the Corporation acting as directors of other public or private companies who shall comply with the provisions of the *Business Corporations Act* (Alberta) in respect thereof and shall advise senior management or the Chairman of the Board of the holding of such directorships. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest must be reported immediately to senior management or the Chairman of the Board.

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It is imperative that Senior Officers and Directors of the Corporation refrain from investment, interest or association which interferes, might interfere, or might be thought to interfere, with your independent exercise of judgment in the Corporation's best interest. Any potential conflicts of interests must be reported immediately to the Corporation's Chief Executive Officer, Compliance Officer and Lead Director.

Without limiting the generality of the foregoing, but for greater clarity, it is recognized that certain of the directors and officers of the Corporation are or may be directors of other energy services companies whose operations may, from time to time, be in competition with the Corporation. Such circumstances will not in and of themselves necessarily present a conflict of interest but are to be assessed on a case by case basis. In accordance with the *Business Corporation's Act* (Alberta), directors who have a material interest in, or any person who is a party to, a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract.

CORPORATE OPPORTUNITIES

Personnel are prohibited from taking for themselves personally opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain. Personnel are also prohibited from competing with the Corporation; provided that the foregoing shall not apply to directors solely as a result of them acting as directors or officers of other companies which they do not control.

CONFIDENTIALITY

Personnel must maintain the confidentiality of, and not disclose, information entrusted to them by the Corporation or that otherwise comes into their possession in the course of their employment, except in the ordinary course of their employment when disclosure is authorized or legally mandated. The obligation to preserve confidential information continues even after you leave the Corporation.

Confidential information includes all non-public information, and information that suppliers and customers have entrusted to us.

PROTECTION AND PROPER USE OF CORPORATION ASSETS

All Personnel should endeavor to protect the Corporation's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Corporation's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

All Corporation assets including, without limitation, information, data, intellectual property, office equipment and computers, tools, vehicles, supplies, facilities, funds and services, may only be used for legitimate business purposes or other purposes approved by management. Corporate assets may never be used for unlawful purposes.

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The obligation to protect Corporation assets includes proprietary and confidential information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. Examples of proprietary information are intellectual property, acquisition plans and prospects, customer details, price lists, business and marketing plans and employee information. The obligation to preserve proprietary information continues even after you leave the Corporation.

INSIDER TRADING

Insider trading is unethical and unlawful. Personnel are not allowed to trade in securities of a company while in possession of material non-public information regarding that company. It is also unlawful to "tip" or pass on inside information to any other person who might make an investment decision based on that information or pass the information on further. The Corporation has a Disclosure, Confidentiality and Trading Policy, which sets forth your obligations in respect of trading in the Corporation's securities.

FAIR DEALING

Personnel should not take unfair advantage of customers, suppliers, competitors or other Personnel through unlawful conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Compliance with both the letter and spirit of all laws, rules and regulations applicable to our business is critical to our reputation and continued success. All Personnel must respect and obey the laws of the cities, provinces/states and countries in which we operate and avoid even the appearance of impropriety. Failure to comply with applicable laws could result in disciplinary measures up to and including discharge from the Corporation.

COMPLIANCE WITH ENVIRONMENTAL LAWS

The Corporation is sensitive to the environmental, health and safety consequences of its operations. Accordingly, the Corporation insists upon strict compliance with all applicable Federal, Provincial and State environmental laws and regulations by its Directors, Management, employees and consultants. If Personnel have any doubt as to the applicability or meaning of a particular environmental, health or safety regulation, he or she should discuss the matter with a member of the Corporation's senior management, compliance officer or legal counsel.

DISCRIMINATION AND HARASSMENT

We value the diversity of our Personnel and are committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics, unwelcome sexual advances and cyberbullying. Personnel are encouraged to speak out when a co-worker's conduct

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makes them uncomfortable, and to report harassment to human resources, HSE, compliance officer, or legal counsel if it occurs.

SOCIAL MEDIA

What we publish on social media networks is a reflection on the Phoenix brand and can impact our reputation. We are expected to be familiar with and follow the policies and procedures found in the Human Resources and Corporate Manuals, including the Social Media Policy, Disclosure, Confidentiality and Trading Policy, Data Security Policy and other IT policies, which are available through Human Resources and online at KOP.

SAFETY AND HEALTH

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. The Corporation is committed to keeping its workplaces free from hazards. Please report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

In order to protect the safety of all Personnel, the environment, and third parties, Personnel must report to work free from the influence of any substance that could prevent them from conducting work activities safely and effectively.

ACCURATE RECORDS AND REPORTING

Full, fair, accurate, timely and understandable disclosure in our periodic reports is critical to our ability to make responsible business decisions, essential to the success of our business and required by securities regulators. The Corporation's books, records and accounts including, without limitation, those relating to accounting, operations, environment, health and safety, training and human resources ("**Books and Records**") are relied upon to produce reports for the Corporation's management, shareholders, creditors, governmental agencies and others. Our financial statements and the Books and Records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls.

All Personnel have a responsibility to ensure that the Corporation's accounting Books and Records do not contain any false or intentionally misleading entries. We do not permit intentional misclassification of transactions as to accounts, departments or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period. Personnel must immediately report any known inaccuracies and must not conceal from management, internal or external auditors, the Audit Committee and the Board of the Corporation, as the case may be, information that might reasonably be expected to have an impact on the accuracy of the Corporation's reporting.

Business records and communications often become public through legal or regulatory investigations or the media. We should avoid exaggeration, derogatory remarks, legal conclusions or inappropriate

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characterizations of people and companies. This applies to communications of all kinds, including email and informal notes or interoffice memos. Records should be retained and destroyed in accordance with appropriate business practices and applicable laws.

The recording and reporting of corporate information shall be done with the highest standard of care and in accordance with the following guidelines:

- All Corporate accounting records, as well as reports produced from those records, must be kept and presented in accordance with the laws of each applicable jurisdiction.
- All records must fairly and accurately reflect the transactions or occurrences to which they relate.
- All records must fairly and accurately reflect in reasonable detail the Corporation's assets, liabilities, revenues and expenses.
- The Corporation's accounting records must not contain any false or intentionally misleading entries.
- No transactions will be intentionally misclassified as to accounts, departments or accounting periods.
- No information will be concealed from the internal auditors or the independent auditors.
- Senior officers are expected to ensure, at all times, that all information in their possession in respect of the Corporation and its operations which may be considered material is brought to the prompt attention of the Corporation's Disclosure Committee.
- Compliance with Generally Accepted Accounting Principles and the Corporation's system of internal accounting controls is required at all times.

COMMUNICATION DEVICES AND RELATED MATTERS

Phoenix's computers, mobile devices (including but not limited to tablets and smart phones), software, electronic mail and internet systems are provided for business purposes. Incidental personal use is acceptable provided such use does not negatively impact productivity, compromise system capacity or contravene applicable law or any Phoenix policy. Software which is copyrighted must not be copied for use elsewhere. You are prohibited from using such resources for improper or unlawful activities such as the communication of defamatory, pornographic, obscene or demeaning material, hate literature, inappropriate blogging; gambling; copyright infringement; harassment; cyberbullying; or obtaining unlawful software or files.

User identification and passwords are provided for authorized access to Phoenix's computing resources. You must guard your identification and password closely and not divulge them to anyone for any reason. Requests from anyone, including Information Technology staff, for your password should be denied. You should change your password regularly. You are responsible for the consequences of any and all system accesses that are a result of use of their identification and password.

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Phoenix reserves the right to access any content exchanged, stored or processed on Phoenix property. These communications may also be subject to disclosure to law enforcement or government officials. You acknowledge that Phoenix may occasionally monitor your emails to ensure compliance with the foregoing. You waive any privacy right that you may have to any information that is exchanged, stored or processed on Phoenix property to the extent permissible by applicable laws.

POLITICAL ACTIVITIES AND CONTRIBUTIONS

We respect and support the right of our Personnel to participate in political activities. However, these activities should not be conducted on Corporation time or involve the use of any Corporation resources. Personnel will not be reimbursed for personal political contributions.

We may occasionally express our views on local and national issues that affect our operations. In such cases, Corporation funds and resources may be used, but only when permitted by law and by our strict Corporation guidelines. The Corporation may also make limited contributions to political parties or candidates in jurisdictions where it is legal and customary to do so. The Corporation may pay related administrative and solicitation costs for political action committees formed in accordance with applicable laws and regulations. No Personnel may make or commit to political contributions on behalf of the Corporation without the approval of the Chief Executive Officer and Chief Financial Officer with notice to the Chairman of the Board.

ILLICIT PAYMENTS

Unlawful or unethical behaviour in the Corporation's workforce is not tolerated, including soliciting, accepting, or paying bribes or other illicit payments for any purpose. Situations where judgment might be influenced or appears to be influenced by improper considerations must be avoided. Payment or acceptance of any "kickbacks" from a contractor or other external party is prohibited. Additional information can be found in the Anti-Corruption Policy.

ENTERTAINMENT, GIFTS AND FAVOURS

It is an essential element of our business practices that all persons and entities who wish to do business with Phoenix have access on equal terms. You must ensure that you do not accept entertainment, gifts, favours or benefits of any kind that could in any way influence, or appear to have the potential of influencing, business decisions in favour of any particular supplier or contractor. Similarly, you may not offer entertainment, gifts, favours or benefits of any kind in order to secure preferential treatment for Phoenix.

Notwithstanding the foregoing, entertainment, gifts, favours and benefits may be accepted or offered where they are consistent with customary business practices and:

- do not influence or appear to influence how Phoenix or its employees, contractors or agents, carry out their duties;
- are not cash or cash equivalent;

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- are of nominal value;
- do not violate any applicable laws; and
- do not violate this Code or other applicable policies of Phoenix.

Prior to offering or accepting any gift, favours or benefits if there is any question as to its propriety, you should discuss the matter with the Corporation's Compliance Officer or Senior Legal Counsel.

PAYMENTS TO OFFICIALS AND CONTRACTORS

We believe in ethical and fair practices for conducting domestic and international business and are committed to a zero-tolerance stance towards bribery and any other form of corrupt behaviour on the part of any of our Personnel, and third parties with whom we conduct business. As a global business, we are committed to complying with anti-corruption laws that apply to our worldwide operations prohibiting bribery of both foreign and domestic public officials. Violations of these laws can lead to serious reputational damage and criminal consequences for the Corporation and our Personnel.

The Corporation's Anti-Corruption Policy prohibits all forms of improper payments (including bribes, kickbacks and facilitation payments) made directly or indirectly to public officials and other third parties. Our Anti-Corruption Policy is intended to ensure that we do not receive an improper advantage in our business dealings and that all payments and expenses are properly recorded in our financial books and records.

The Anti-Corruption Policy also covers procedures for certain high risk areas such as gifts, hospitality and travel, engaging and managing contractors who will be liaising with public officials on our behalf, and accurate financial record keeping. All Personnel and third parties with whom we do business must familiarize themselves with and follow the Corporation's Anti-Corruption Policy.

REPORTING OF ANY UNLAWFUL OR UNETHICAL BEHAVIOUR

We have a strong commitment to conduct our business in a lawful and ethical manner. Personnel are encouraged to talk to supervisors, managers or other appropriate Personnel when in doubt about the best course of action in potentially unethical or unlawful situations. All violations of laws, rules, regulations or this Code will be reported to the Compliance Officer or Human Resources Manager to ensure timely, thorough and objective investigations into such matters. The Whistleblower line is an avenue available for all Personnel to ensure anonymity. We prohibit retaliatory action against any Personnel who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

The Compliance Officer will provide a quarterly summary of any activities that contravene this Policy to Senior Management and the Lead Director. Any situation or event that is determined to be material or poses a significant risk to the Corporation will be communicated to Senior Management and the Lead Director immediately.

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DIRECTORS ROLE IN THE CODE OF CONDUCT AND ETHICS

To the extent that management is unable to make a determination as to whether a breach of this Code has taken place, the Board of Directors will review any alleged breach of the Code to determine if a breach has occurred.

Any waiver of this Code for Executive Officers or Directors will be made only by the Board of Directors or a committee of the Board of Directors and conduct by a Director or Executive officer which constitutes a material departure from this Code may be promptly disclosed if required by law or stock exchange regulation.

COMPLIANCE PROCEDURES

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action. In those circumstances we encourage you to use your common sense, and to contact your supervisor, manager or a member of human resources for guidance.

If you do not feel comfortable discussing the matter with your supervisor, manager or human resources, please call any of the following:

CONTACT	POSITION	PHONE NUMBER
Whistleblower Hotline	Whistleblower@phxtech.com	403-930-9047
John Hooks	Chief Executive Officer	403-930-9050
Mike Buker	President	713-337-0576
Cameron Ritchie	Senior Vice President, Finance & Chief Financial Officer	713-337-0570
Myron Tetreault	Lead Director	403-294-1042
Doug Webb	Global QHSE Manager & Corporate Compliance Officer	403-930-9029
Koula Pearson	Payroll & Human Resources Manager	403-930-9004
Michelle Cooze	Senior Legal Counsel	403-930-8484

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ACKNOWLEDGEMENT

I ACKNOWLEDGE that I have read and considered the Code of Conduct and Ethics of PHX Energy Services Corp. and agree to conduct myself in accordance with the Code.

Signature

Print

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ANNUAL AFFIRMATION AND DECLARATION

By signing this form, the undersigned confirms that, to the best of his or her knowledge and belief, each dealing or transaction to which he or she has been party, directly or indirectly, on behalf of this Corporation:

- was characterized by honesty and integrity;
- complies with applicable laws and regulations;
- did not involve any unethical dealings, unbooked fees, special favours, benefits or contributions to any private party, government or government agency;
- did not involve any unlawful arrangements with competitors,
- was recorded and properly described on the Corporation's books; and
- was, in all material respects, duly disclosed to the Corporation in a timely fashion.

If there are any exceptions, please describe them on the reverse side.

Please answer "Yes" or "No" to the following questions. If the answer to any question is "Yes," full details must be given on the reverse side.

- A. Have you or, to your knowledge, has any member of your immediate family, at any time during the period since the later of: (i) the last time you completed the Compliance Affirmation for Directors and Senior Officers; and (ii) the earliest date you became a Director and/or Senior Officer of the Corporation:
- a) engaged, directly or indirectly, in any transaction for the purchase or sale of materials or other property, or services by or to PHX Energy Services Corp., or any of its subsidiaries or divisions thereof (hereinafter collectively called the "Corporation"), otherwise than in the normal capacity of director, officer or employee of the Corporation;
- Yes_____ No_____
- b) been an officer, director, partner or employee of any corporation, partnership or other organization which, to your knowledge, has engaged in any transaction described in (a) above with the Corporation;
- Yes_____ No_____

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- c) been interested monetarily, directly or indirectly, in any organization doing business with the Corporation (unless as a holder of less than 1% of the voting securities issued by a corporation whose securities are publicly traded); and

Yes____

No____

- d) been a recipient, directly or indirectly, of any payments or material gifts of any kind from or on behalf of any organization doing business with the Corporation (unless by way of dividend or interest payments made by a corporation whose securities are publicly traded)?

Yes____

No____

- B. Is any transaction contemplated, involving you or any member of your immediate family, which, if consummated, would be described in answer to any of the preceding items?

Yes____

No____

- C. Are you aware of any interest or activity on your part, or on the part of any member of your immediate family, which is in conflict with the interests of the Corporation?

Yes____

No____

(Please sign)

(Print name)

Title

Dated _____