

PHX ENERGY SERVICES CORP. ANNOUNCES STRATEGIC INVESTMENT IN GEOTHERMAL POWER DEVELOPER DEEP EARTH ENERGY PRODUCTION CORP.

Calgary, Alberta - PHX Energy Services Corp. ("**PHX Energy**" or the "**Corporation**") (TSX: PHX) is pleased to announce it has made a strategic investment in geothermal power developer, DEEP Earth Energy Production Corp. ("**DEEP**"). DEEP is currently developing a geothermal power facility in southern Saskatchewan (the "**DEEP Geothermal Project**") which stands to become the first major geothermal power facility in Canada. In addition to participating in DEEP's latest financing round, John Hooks, CEO of PHX Energy, is expected to join DEEP's Board of Directors. PHX Energy's investment in DEEP is \$3 million with a provision for another \$3.5 million of equity upon the potential exercise of warrants held by PHX Energy.

"We are excited about this opportunity to diversify our business to include renewable energy projects like the DEEP Geothermal Project and we will continue to focus on ways to ensure long term sustainable growth for the business", said John Hooks, CEO of the Corporation. "Through our position in DEEP, we will be able to provide our technical expertise to the DEEP Geothermal Project. The first 32 MW facility is anticipated to commence construction in 2022 and involves a plan to drill 18 horizontal wells, each with a total length of approximately 7,000 meters. Subsequent phases are projected to reach 160 MW with additional drilling and construction. Based on our extensive international directional drilling experience and industry leading technology, we are confident we can make a meaningful contribution to DEEP's business strategy and through our equity investment share in future growth. The geothermal industry experience gained through our involvement with DEEP also positions us favorably to participate in other geothermal projects in North America and internationally."

"DEEP's vision to build up to 160 MW of geothermal power and direct heating infrastructure will create a new, green \$1 Billion industry for southeast Saskatchewan" said Kirsten Marcia, DEEP President & CEO. "A key objective of DEEP's strategy is to merge highly skilled oil and gas expertise with specialized geothermal reservoir and power generation expertise. We are very excited that PHX Energy will be bringing additional specialized technology capabilities and industry expertise to our Board of Directors."

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 and the Middle East through a partnership with National Energy Services Reunited Corp.

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

ABOUT DEEP EARTH ENERGY PRODUCTION CORP.

DEEP is developing geothermal resources to meet increasing energy needs with sustainable, clean and renewable energy. DEEP recently announced the completion of a Front-End Engineering and Design (FEED) with a corresponding Feasibility study and report for its first geothermal power facility in southeast Saskatchewan. The DEEP Geothermal Project will be DEEP's first 32 MW geothermal power facility in southern Saskatchewan that will produce emission free baseload power. This first facility is on track for full commissioning by early 2024. A staged build aims to increase the project up to 160 MW of renewable power generation.

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" "foresees", 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 development and future growth of the DEEP Geothermal Project and the Corporation's participation in the project, commencement of the construction of the first facility and timing thereof, the demand for geothermal energy and the Corporation's future participation in the sector and the anticipated appointment of Mr. Hooks to the Board of Directors of DEEP.

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 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.

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