



## Natural Gas Services Announces Results of 2005 Annual Meeting of Shareholders

June 20, 2005

MIDLAND, Texas, June 20 /PRNewswire-FirstCall/ -- Natural Gas Services Group, Inc. (Amex: NGS), a leading gas compression and flare equipment and services provider to the oil and natural gas industry, announces the results of its 2005 Annual Meeting of Shareholders held in Midland, Texas on June 14, 2005.

During the Annual Meeting, shareholders approved all of the proposals set forth in its proxy statement dated May 13, 2005. Shareholders of the Company voted to re-elect Charles G. Curtis and Gene A. Strasheim, and elect Stephen C. Taylor and Paul Hensley for terms to expire in 2008 and 2007, respectively. William F. Hughes, Jr., Wallace C. Sparkman and Richard L. Yadon currently serve terms that expire in 2006 and 2007.

The primary themes of the meeting included:

- \* A review of 2004 financial results, which included --
  - A 25% increase in Revenue in 2004 to \$15.9 million versus \$12.7 million in 2003
  - Rental fleet growth of 46% during the twelve months ended 12-31-2004
  - Leasing revenue gains of 48% to \$10.5 million
  - Operating income increase to \$3.9 million, or 46%
  - EBITDA up 77% to \$7.7 million
  
- \* A review of the acquisition and integration of Screw Compression Systems into the Natural Gas Services Group business operations which helped increase total revenue for the first quarter ended March 31, 2005 209% to \$11 million as compared to \$3.6 million for the same period in 2004.
  
- \* Orders the Company has received for the Rocky Mountain and Appalachian areas and its stated intention to expand sales and marketing efforts into those areas. NGS also announced that it will be shipping the first of two 1000HP units to Mexico in the next 2-3 weeks. NGS has received an additional order for three units from another customer and are working on other inquiries that are in various stages of discussion. [
  
- \* Discussion of the Company's warrants wherein NGS has the right to call warrants at a price of \$0.25 when NGS common stock closes for 20 consecutive trading days at or above \$10.94 per share. In the eventuality of that exercise, proceeds to the Company, which could exceed \$9 million, will be used for rental fleet additions and debt reduction. [
  
- \* The Board of Directors has adopted a Code of Business Conduct and

Ethics. The code is posted on the Company's web site at:  
<http://www.ngsgi.com> . It was also noted that the Board of Directors continues with its majority of independent directors and that all Board committee's are populated solely by those independent members.

The presentation slides from the Annual Meeting will be available on the Company's website at: <http://www.ngsgi.com> .

Steve Taylor, President and CEO of Natural Gas Services Group, Inc. said, "2004 was a year of significant change and improvement for NGS. Going forward in 2005, our people, our business fundamentals and our opportunities will make this another successful year for the Company."

Mr. Taylor continued, "None of this would have come to fruition had it not been for our professional and dedicated employees. We are a service company with a great group of people and this is where our business succeeds. As for our industry, we are in the right place at the right time. Natural gas consumption is growing and the demand/supply imbalance is not getting any better. This fact alone will drive our business into the future. I don't think there is any better place to be in the energy business. Our opportunities are numerous and include growth within our existing areas of operations, geographical expansion into new regions and new product developments. We are in a very competitive position and intend to strengthen it."

"We value the trust placed in us by our shareholders and the hard work of our employees. With this we intend to grow the Company in an aggressive and profitable manner," concluded Mr. Taylor.

About Natural Gas Services Group, Inc.

NGS is a Midland, TX based company that manufactures, fabricates, sells, leases and services natural gas compression equipment used in the production of natural gas wells. The Company also manufactures and sells flare and flare ignition systems for gas processing and production facilities. NGS has extensive operations in the major gas-producing basins of Texas, New Mexico, Michigan and Oklahoma.

For more information visit the Company's website at <http://www.ngsgi.com> .

This release contains forward-looking statements subject to various risks and uncertainties that could cause the company's future plans, objectives and performance to differ materially from those in the forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "subject to," "anticipate," "should," "estimate," "continue," "future," "appears," "prospective," "designed," or other variations thereof or comparable terminology. Factors that could cause or contribute to such differences could include, but are not limited to, those relating to the company's expansion strategy, changes in demand for the company's products because of changes in oil and natural gas prices, competition among the various providers of compression services and products, changes in safety, health and environmental regulations pertaining to the production and transportation of natural gas, changes in economic or political conditions in the markets in which the company operates, introduction of competing technologies by other companies, operating risks, outstanding indebtedness, changes in interest rates, expansion and other activities of competitors, changes in federal or state environmental laws and the administration of such laws, and the general condition of the economy and its effect on the securities market. While we believe our forward-looking statements are based upon reasonable assumptions, these are factors that are difficult to predict and that are influenced by economic and other conditions beyond our control. Investors are directed to consider such risks and other uncertainties discussed in documents filed by the company with the Securities and Exchange Commission.

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SOURCE Natural Gas Services Group, Inc.

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(NGS) [

CO: Natural Gas Services Group, Inc.  
ST: Texas  
IN: OIL  
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