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PANHANDLE OIL AND GAS INC. ANNOUNCES

Borrowing Base Update

OKLAHOMA CITY - June 7, 2016 - PR Newswire - PANHANDLE OIL AND GAS INC. (NYSE: PHX) announced today that its bank group, per normal mid-year cycle timing, has set the borrowing base under its credit agreement at \$80 million. The current outstanding balance under the facility is \$50 million. The facility matures on Nov. 30, 2018. Covenants and terms of the loan agreement remained unchanged, and the Company continues to be in compliance with all covenants. The borrowing base was set based on bank pricing in effect at May 1, 2016.

Michael C. Coffman, President and CEO, said, "We appreciate the continuing support of our bank group. The liquidity available to Panhandle from the credit agreement, along with our monthly cash flow from operations, position the Company to continue to focus on our long-term operating strategies."

Panhandle Oil and Gas Inc. (NYSE: PHX) is engaged in the exploration for and production of natural gas and oil. Additional information on the Company can be found on the Internet at www.panhandleoilandgas.com.

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