



Corporate Presentation

February 2021

Cautionary Statement Regarding Forward-Looking Statements

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Cautionary Statement Regarding Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included in this presentation that address activities, events or developments that Panhandle Oil and Gas Inc. (“Panhandle” or the “Company”) expects, believes or anticipates will or may occur in the future are forward looking statements. The words “anticipates”, “plans”, “estimates”, “believes”, “expects”, “intends”, “will”, “should”, “may” and similar expressions may be used to identify forward-looking statements. Forward-looking statements may include, but are not limited to, statements relating to: our ability to execute our business strategies; the volatility of realized natural gas and oil prices; the level of production on our properties; estimates of quantities of natural gas, oil and NGL reserves and their values; general economic or industry conditions; legislation or regulatory requirements; conditions of the securities markets; our ability to raise capital; changes in accounting principles, policies or guidelines; financial or political instability; acts of war or terrorism; title defects in the properties in which we invest; and other economic, competitive, governmental, regulatory or technical factors affecting our properties, operations or prices. Although the Company believes the expectations reflected in these and other forward-looking statements are reasonable, the Company can give no assurance such statements will prove to be correct. Such forward-looking statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. These forward-looking statements involve certain risks and uncertainties that could cause the results to differ materially from those expected by the Company’s management. Information concerning these risks and other factors can be found in the Company’s filings with the Securities and Exchange Commission, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, available on the Company’s website or the SEC’s website at www.sec.gov.

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Use of Non-GAAP Financial Information

This presentation includes certain non-GAAP financial measures. Adjusted EBITDA and discretionary cash flow are supplemental non-GAAP measures that are used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. Panhandle defines “Adjusted EBITDA” as net income (loss) plus interest expense, provision for impairment, depreciation, depletion and amortization of properties and equipment, including amortization of other assets, provision (benefit) for income taxes and unrealized (gains) losses on derivative contracts. Panhandle defines “discretionary cash flow” as Adjusted EBITDA minus interest expense plus gain on sale. Panhandle references Adjusted EBITDA and discretionary cash flow in this presentation because it recognizes that certain investors consider Adjusted EBITDA and discretionary cash flow useful means of measuring our ability to meet our debt service obligations and evaluating our financial performance. Adjusted EBITDA and discretionary cash flow have limitations and should not be considered in isolation or as a substitute for net income, operating income, cash flow from operations or other consolidated income or cash flow data prepared in accordance with GAAP. Because not all companies use identical calculations, the Company’s calculations of Adjusted EBITDA or discretionary cash flow may not be comparable to similarly titled measures of other companies.

Oil and Gas Reserves

The SEC generally permits oil and gas companies, in filings made with the SEC, to disclose proved reserves, which are reserve estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, and certain probable and possible reserves that meet the SEC’s definitions for such terms. The Company discloses only estimated proved reserves in its filings with the SEC. The Company’s estimated proved reserves as of September 30, 2020, referenced in this presentation were prepared by DeGolyer and MacNaughton, an independent engineering firm, and comply with definitions promulgated by the SEC. Additional information on the Company’s estimated proved reserves is contained in the Company’s filings with the SEC.

Why Invest in PHX?

1

Strategy of growth via accretive mineral acquisitions

- ❖ Actively pursue high-quality positions in the highly fragmented minerals space
- ❖ Minimal incremental G&A required to meaningfully scale

2

Growth underpinned by complete technical evaluation

- ❖ Acquisitions underpinned by technical expertise, engineering, and geology
- ❖ Target geologic / economic attributes that will attract development capital

3

Strong track record of sourcing and closing accretive transactions

- ❖ Extensive industry relationships provide for significant deal flow
- ❖ Ability to source packages with balanced mix of cash flow and undeveloped potential

4

Sector dislocation provides opportunity to leverage public currency to scale

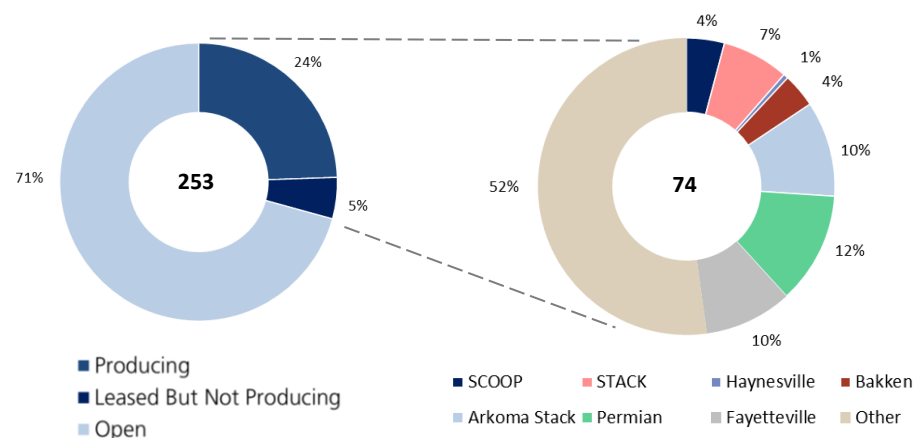
- ❖ Ample supply of private minerals assets seeking monetization
- ❖ Limited capital market options for sellers seeking an exit

Company Snapshot

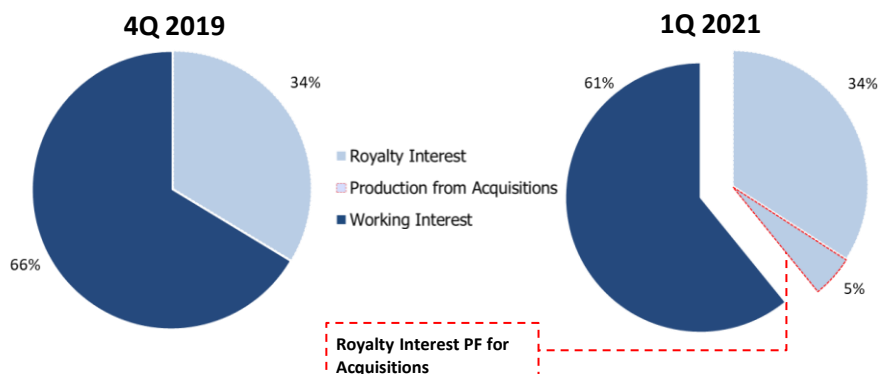
Key Statistics

Net Mineral Acres ¹	252,955
Average Net Interest on Producing Royalty Wells ¹	0.66%
1Q21 Net Production (Mmcfe/d) ²	23.8
1Q21 Adjusted EBITDA (\$mm) ³	2.8
Gross Wells on Production ¹	7,000
Gross WIPs ¹	120
Gross Active Permits ¹	74
Gross Additional Undrilled Locations ^{1,4}	1,511
Gross Rigs Running on PHX acreage ⁵	3
Gross Rigs Running Within 2.5 miles of PHX acreage ⁵	30

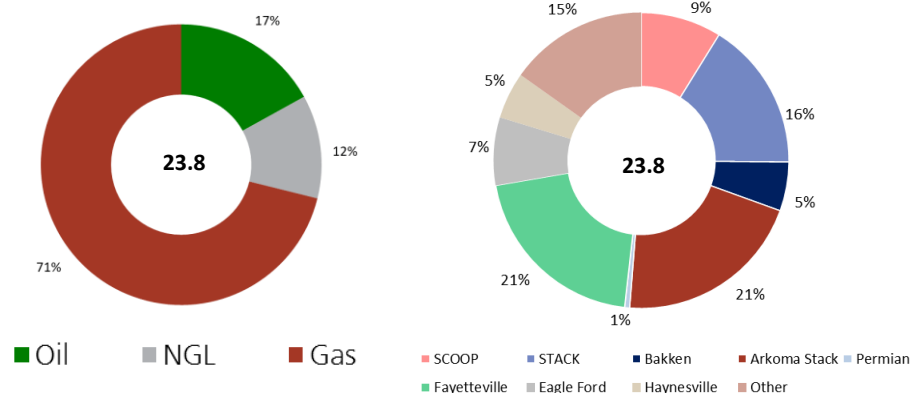
Net Mineral Acres (000's) ⁽¹⁾



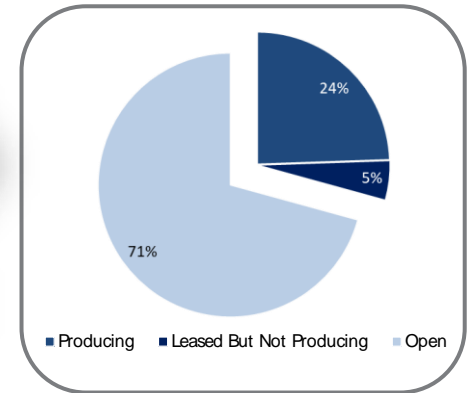
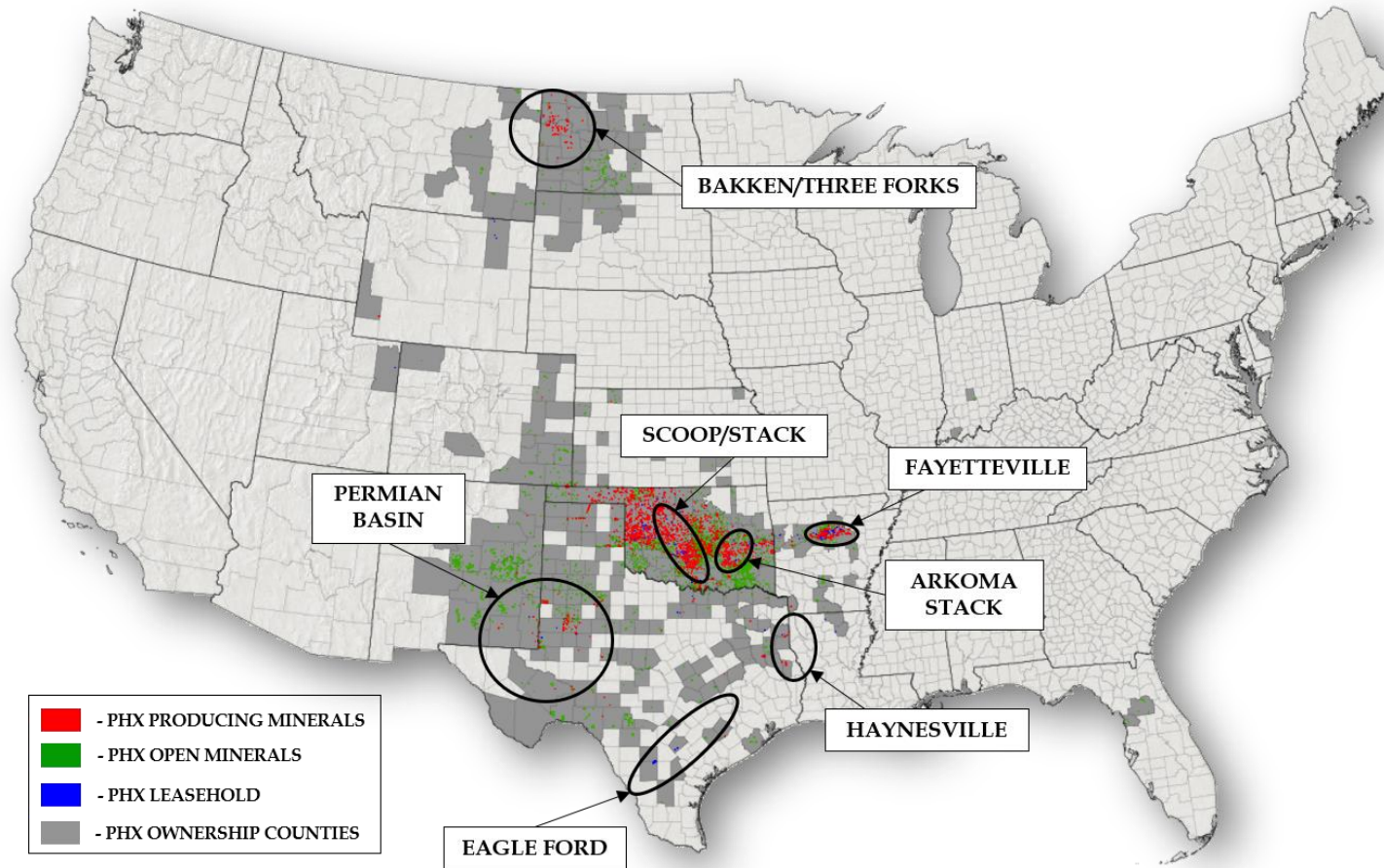
Production Split ⁽²⁾



Q1 '21 Production (Mmcfe/d) ⁽²⁾



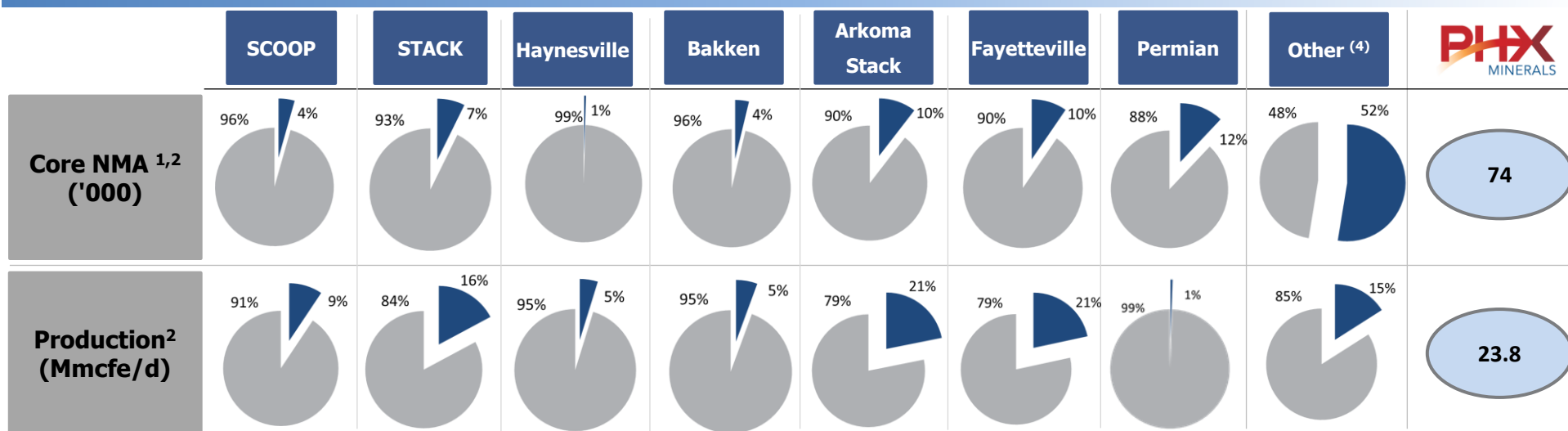
Diversified Mineral Position



- ❖ Over 70%¹ of PHX's net mineral position is currently open
 - Provides opportunity to generate additional cash flow from bonus payments and royalties without spending additional capital
 - PHX has an active program in place to lease open acres

A diversified portfolio of minerals acts as a call option on several prospective plays & zones

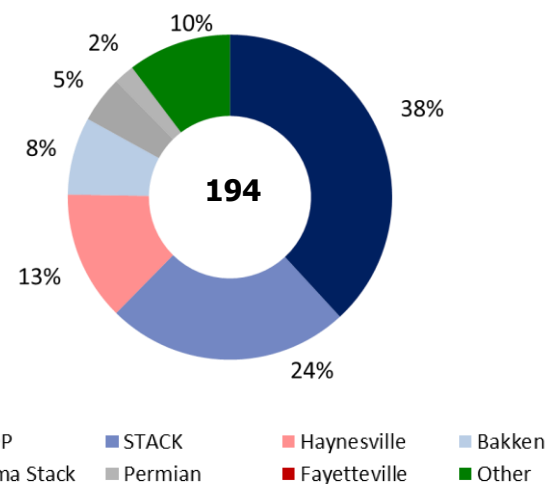
Portfolio Overview



Top Operators³



WIPs and Permit Locations



Source:
Note:

Company Information

1

Excludes open acreage; as of FYE 12/31/2020 pro forma January acquisition

2

Q1 2021 production as of 12/31/2020 pro forma Oct, Nov and Dec acquisitions. Eagle Ford production (not shown) represents ~7% of total PHX production

3

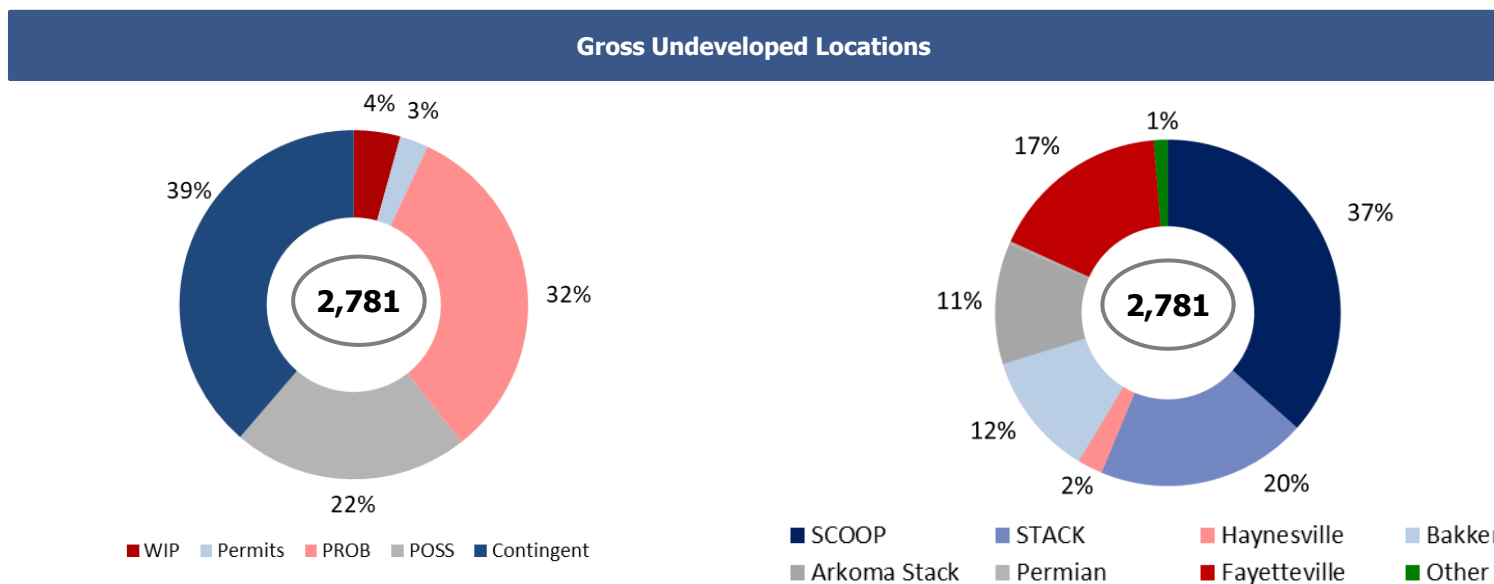
As determined by Permits and Wells in Progress

4

Includes primarily Western Anadarko Basin, Mississippi Lime Play and conventional production in Central Oklahoma

Inventory Overview

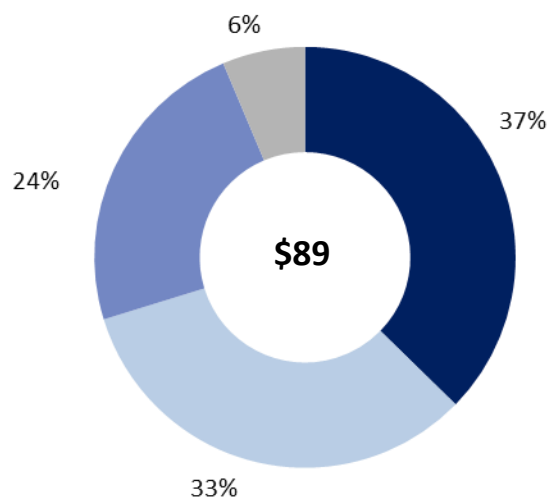
Sub-region	Gross PDP Wells	Average NRI ¹	Gross Undeveloped Locations				
			Wells In Progress ²	Permits ²	PROB ³	POSS	Contingent
SCOOP	479	0.13%	45	29	364	426	160
STACK	307	0.50%	32	15	157	65	279
Haynesville	35	0.64%	25	0	44	0	0
Bakken	549	0.28%	5	10	209	9	77
Arkoma Stack	357	0.66%	2	7	128	102	76
Permian	135	2.02%	4	0	0	4	0
Fayetteville	1,344	0.40%	0	0	0	0	475
Eagle Ford	86	na	0	0	0	0	0
Other	3,708	0.79%	7	13	0	3	9
Total	7,000	0.66%	120	74	902	609	1,076



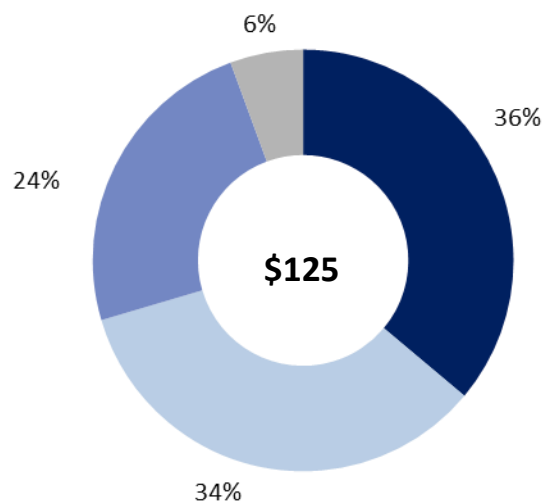
Reserves Summary

Reserve Category	PV-10 Value (\$mm)		
	SEC ¹	Strip ²	\$60 / \$3.50 ³
PDP	\$33.3	\$54.5	\$92.8
PUD	5.7	8.5	11.7
Total Proved Reserves	\$38.9	\$63.0	\$104.5
Probable ⁽⁴⁾	29.4	36.7	51.8
Possible ⁽⁴⁾	20.9	25.7	36.2
Total 3P Reserves	\$89.2	\$125.4	\$192.4

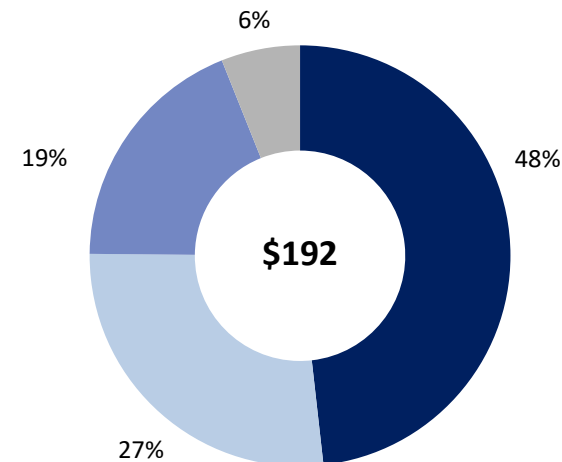
SEC Pricing ¹



Strip Pricing²



\$60 / \$3.50 Flat Pricing³



■ PDP

■ PUD

■ Probable

■ Possible

Note:

1

2

3

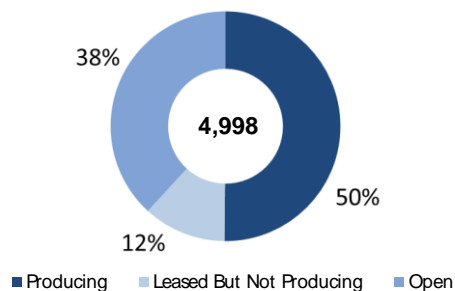
4



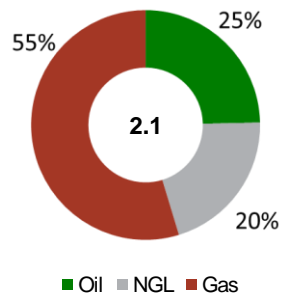
PV-10 estimates from YE D&M report as of 9/30/2020 using SEC price deck; \$40.18 per bbl of oil, \$9.95 per bbl of NGL, \$1.62 per mcf of gas
 PV-10 estimates from YE D&M report as of 9/30/2020 pro forma Oct, Nov, Dec 2020 and Jan 2021 acquisitions using strip price deck as of 01/08/2021; WTI/HH 2021: \$51.37/\$2.78, 2022: \$48.43/\$2.65, 2023: \$46.70/\$2.49, 2024: \$45.69/\$2.51, 2025: \$45.19/\$2.54, 2026: \$44.95/\$2.56, 2027: \$44.90/\$2.59, 2028: \$44.96/\$2.62, 2029: \$45.19/\$2.67, 2030: \$45.57/\$2.72, 2031: \$46.02/\$2.76, 2032+: \$46.45/\$2.81
 PV-10 estimates from YE D&M report as of 9/30/2020 pro forma Oct, Nov, Dec 2020 and Jan 2021 acquisitions using \$60.00 WTI and \$3.50 HH flat pricing
 Probable and Possible locations scheduled out approximately 15 years

SCOOP Position

Net Mineral Acres²

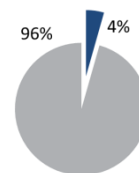


Net Production (Mmcfe/d)²

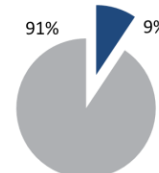


Portfolio Contribution

Core NMA¹



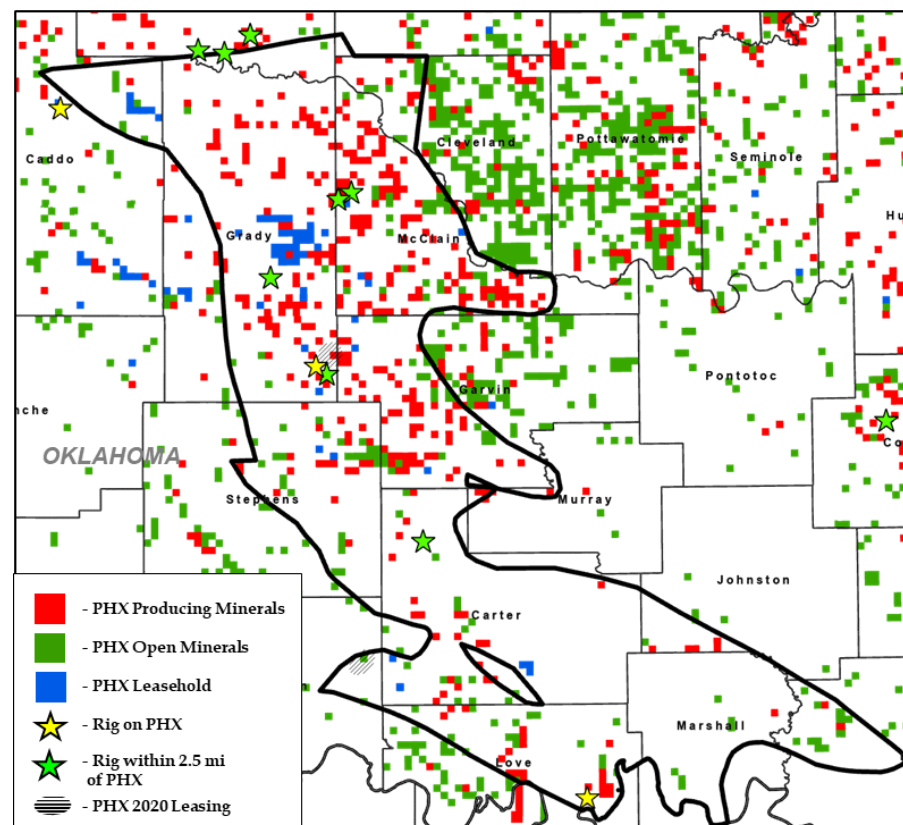
Prod.



Key Statistics²

Permits on File	29
Wells on Production (Gross / Net)	479 / 2.78
Wells In Progress (Gross / Net)	45 / 0.09
Undeveloped Locations ⁽³⁾	864
Rigs Running on PHX Acreage ⁽⁴⁾	2
Rigs Running Within 2.5 Miles of PHX Acreage ⁽⁴⁾	7

Top Operators⁵

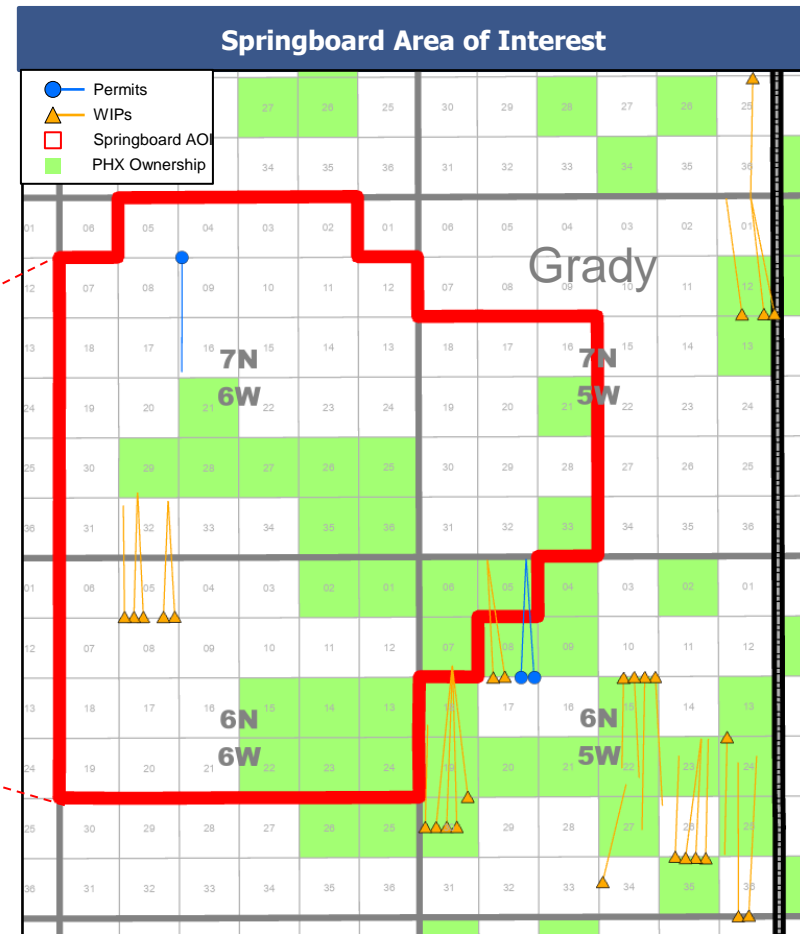
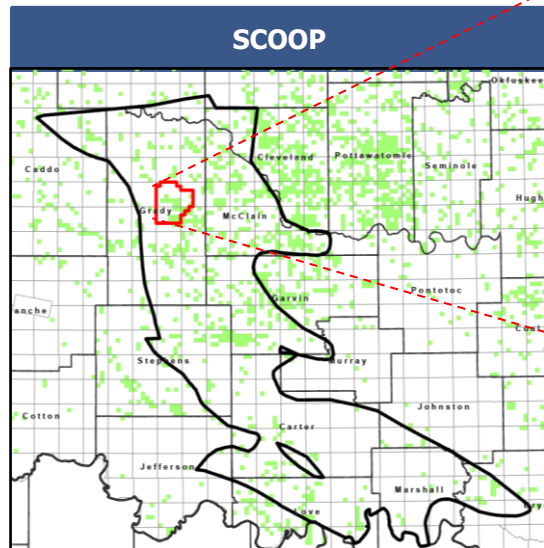


Note:

- 1 Excludes open acreage
- 2 As of 12/31/2020 pro forma January acquisition
- 3 Undeveloped Locations consists of Gross WIPs, Permits, PROB, and POSS locations
- 4 Provided by Enverus as of 12/31/2020
- 5 As determined by Permits and Wells in Progress

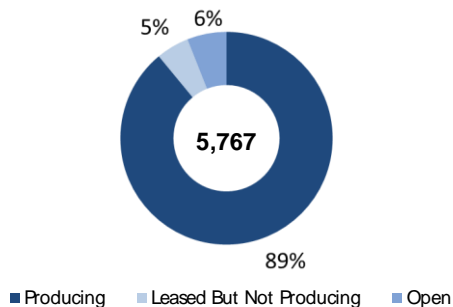
Springboard Area of Interest

- ❖ Selected key operators: Continental Resources and Marathon
- ❖ Focus area for Continental / Franco-Nevada JV
- ❖ Targeted zones include the Springer Shale, the Mississippi Sycamore and the Woodford Shale
- ❖ PHX Ownership ⁽¹⁾⁽²⁾: 976 Net Mineral Acres/636 Net Royalty Acres
- ❖ Gross Wells In Progress ⁽³⁾: 28
- ❖ Gross Active Permits ⁽⁴⁾: 3

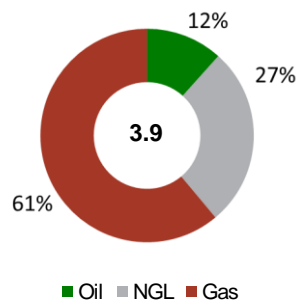


STACK Position

Net Mineral Acres²

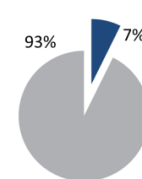


Net Production (Mmcfe/d)²

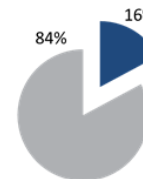


Portfolio Contribution

Core NMA¹



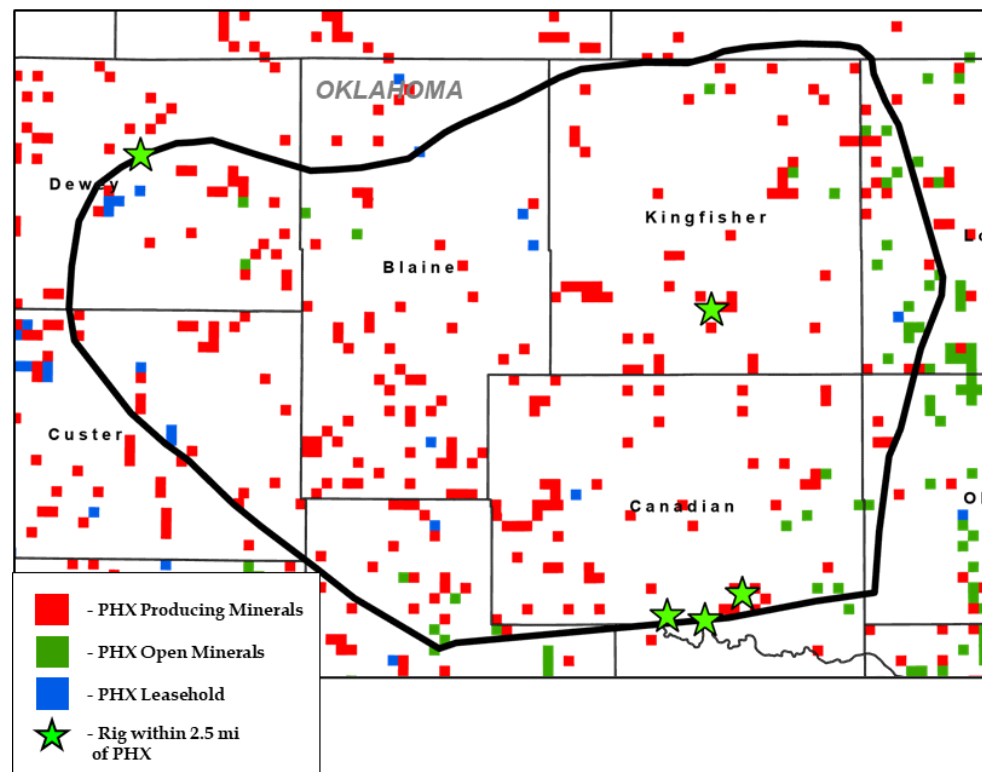
Prod.



Key Statistics²

Permits on File	15
Wells on Production (Gross / Net)	307 / 4.17
Wells In Progress (Gross / Net)	32 / 0.16
Undeveloped Locations ⁽³⁾	269
Rigs Running on PHX Acreage ⁽⁴⁾	0
Rigs Running Within 2.5 Miles of PHX Acreage ⁽⁴⁾	5

Top Operators⁵

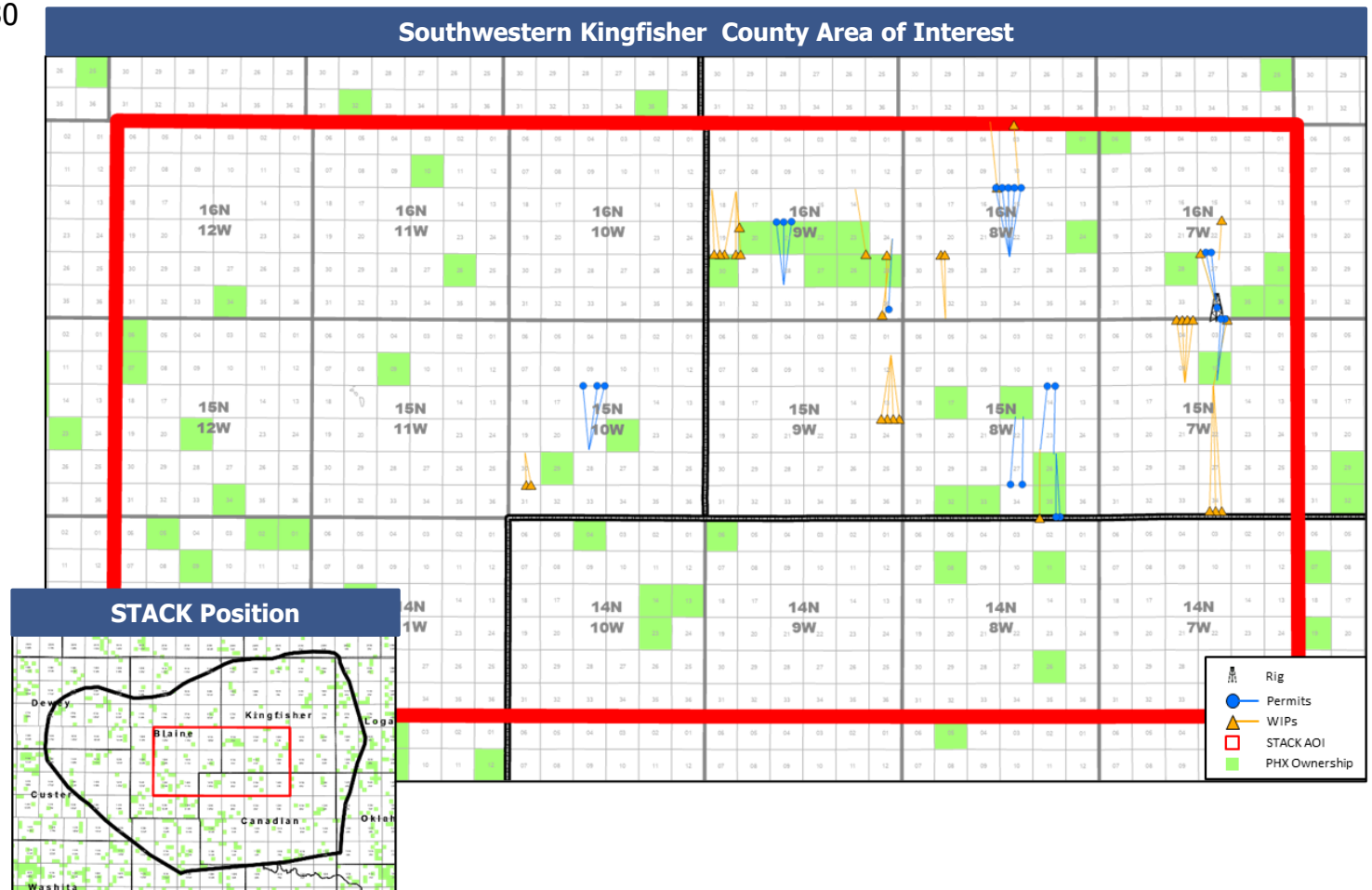


Note:

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- 5 As determined by Permits and Wells in Progress

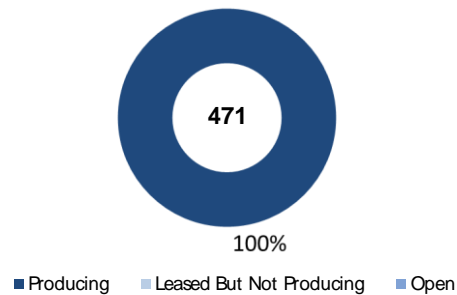
Southwestern Kingfisher County Area of Interest

- ❖ Selected key operators: Ovintiv and Devon
- ❖ Targeted zones include the Woodford Shale and the Meramec
- ❖ Ovintiv cube development posting strong returns
- ❖ PHX Ownership ⁽¹⁾⁽²⁾: 1,328 Net Mineral Acres/2,069 Net Royalty Acres
- ❖ Gross Wells In Progress ⁽³⁾: 30
- ❖ Gross Active Permits ⁽⁴⁾: 23

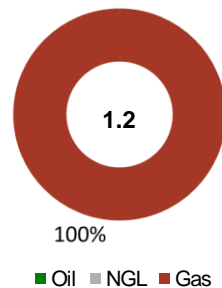


Haynesville Position

Net Mineral Acres²

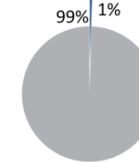


Net Production (Mmcfe/d)²

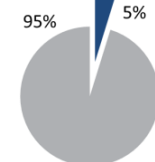


Portfolio Contribution

Core NMA¹



Prod.

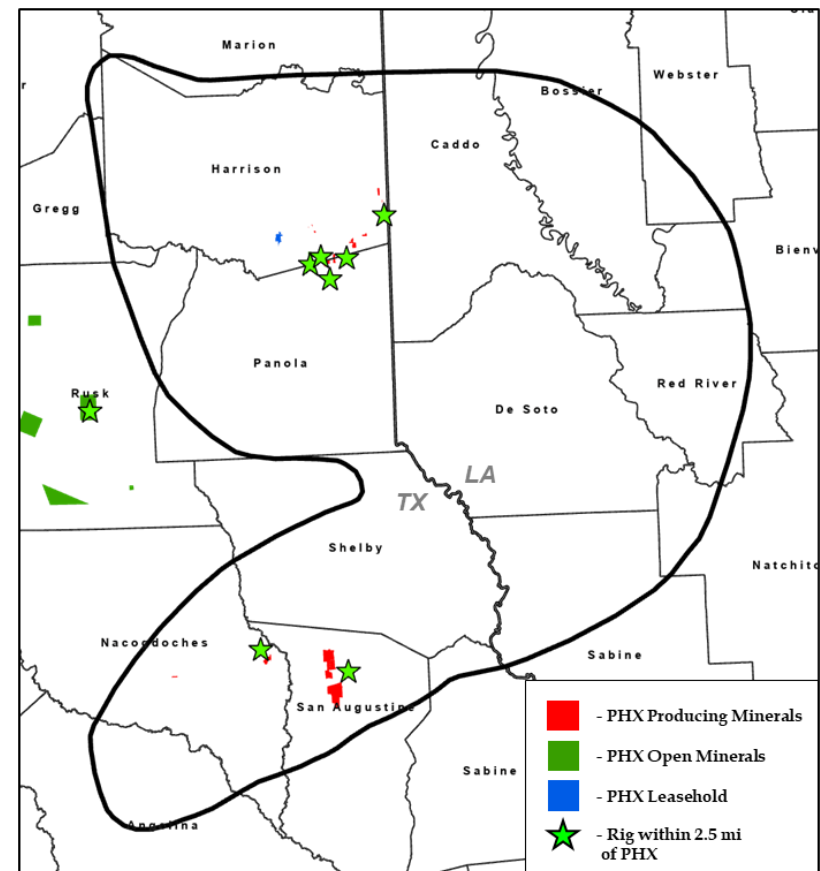


Key Statistics²

Permits on File	0
Wells on Production (Gross / Net)	35 / 0.22
Wells In Progress (Gross / Net)	25 / 0.16
Undeveloped Locations ⁽³⁾	69
Rigs Running on PHX Acreage ⁽⁴⁾	0
Rigs Running Within 2.5 Miles of PHX Acreage ⁽⁴⁾	8

Top Operators⁵

AETHON

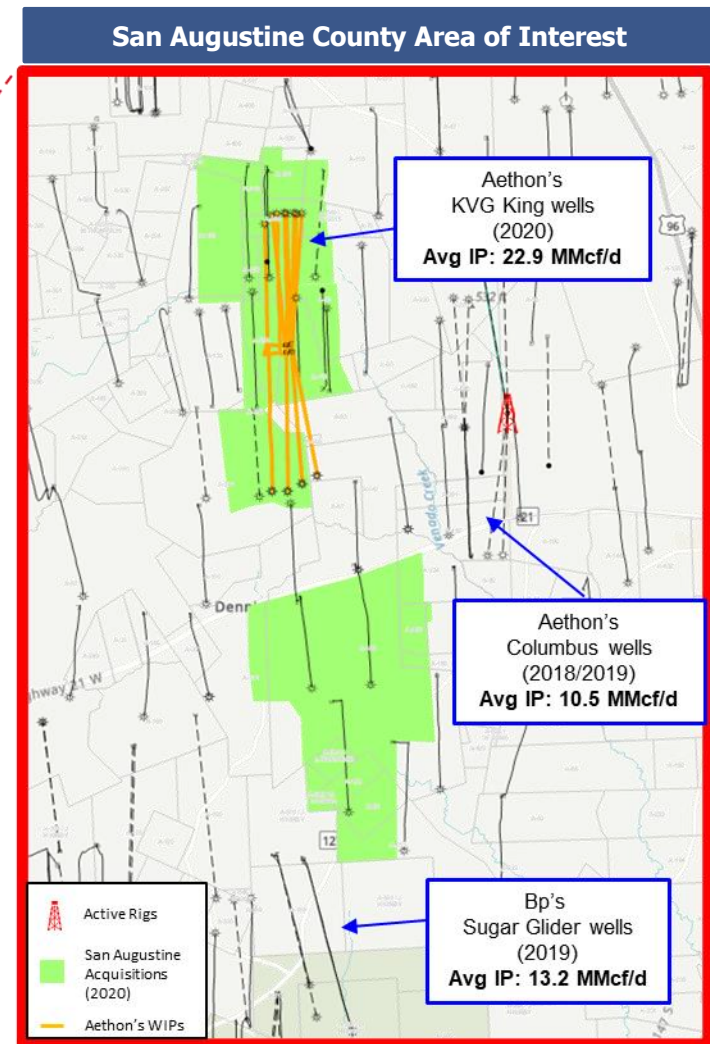
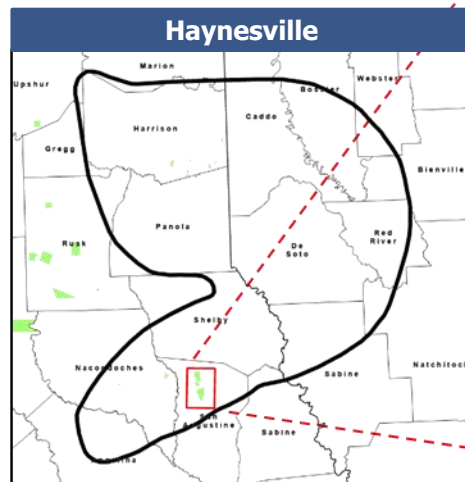


Note:

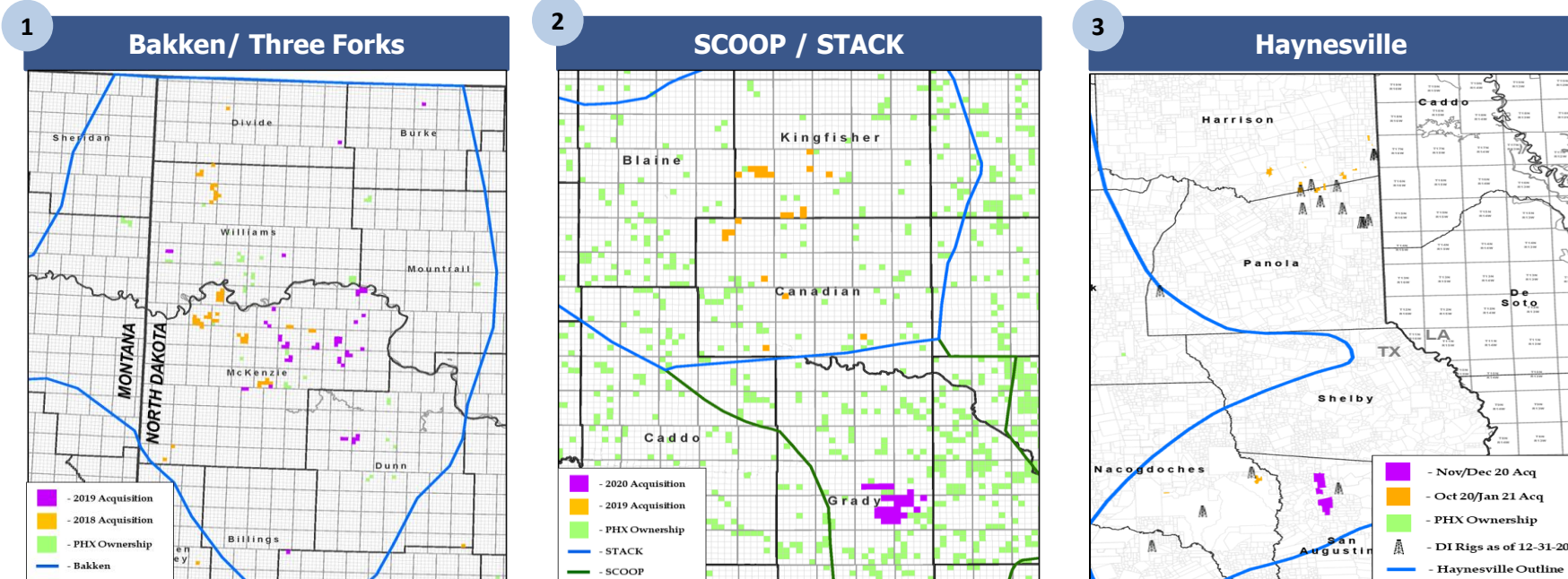
- 1 Excludes open acreage
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- 5 As determined by Permits and Wells in Progress

San Augustine County Area of Interest

- ❖ Selected key operators: Aethon and Comstock
- ❖ Targeted zone is the Haynesville Shale
- ❖ BP's Sugar Glider wells and Aethon's Columbus wells have shown EURs up to 20 BCF and 10 BCF respectively
- ❖ PHX Ownership ⁽¹⁾: 223 Net Mineral Acres / 326 Net Royalty Acres
- ❖ Gross Wells In Progress ⁽²⁾: 12
- ❖ Gross Active Permits ⁽³⁾: 0



Past Mineral Acquisitions Successfully Completed



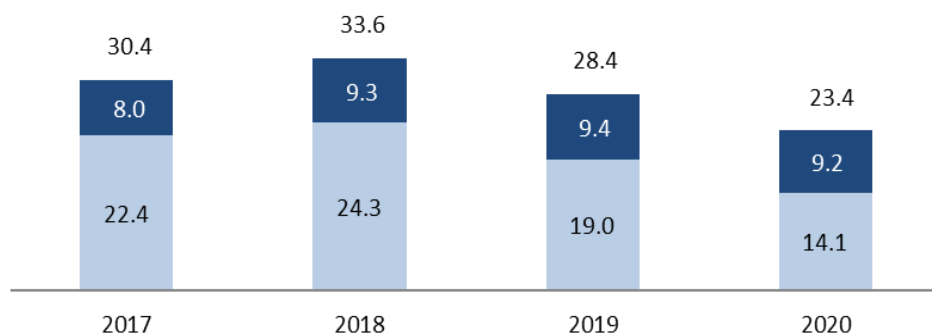
Date:	August 2018	May 2019	December 2019	October 20	Oct 20 / Jan 21	Nov / Dec 2020
Purchase Price:	\$8.6mm	\$3.9mm	\$9.3mm	\$2.0mm	\$3.8mm	\$1.75mm
NRA:	3,644 NMA ⁽¹⁾ / 5,496 NRA ⁽¹⁾	359 NMA / 467 NRA	700 NMA / 964 NRA	297 NRA	248 NMA / 404 NRA	223 NMA / 326 NRA
Production:	53 boe/d	52 boe/d	312 mcfe/d	110 mcfe/d	659 mcfe/d	330 mcfe/d
Undeveloped / WIP Locations	194 / 20	83 / 47	122 / 17	97 / 21	24 / 20	21 / 12

Proven Track Record of Sourcing and Executing Acquisitions in Various Market Conditions

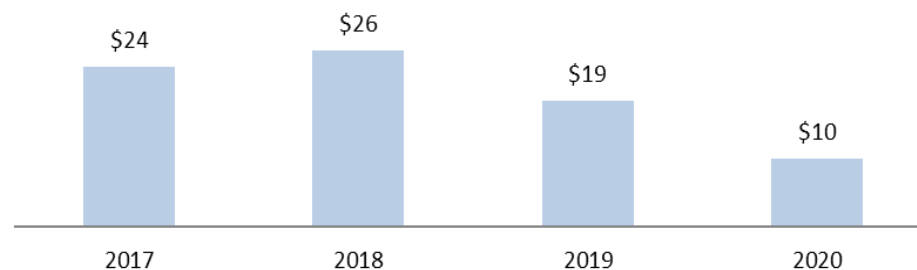
Financial Highlights

Production (mmcfe/d)

■ Working Interest ■ Royalty Interest

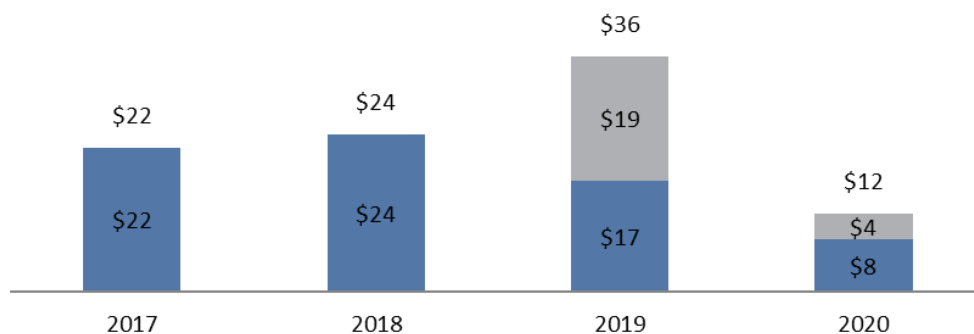


Adjusted¹ EBITDA (\$mm)

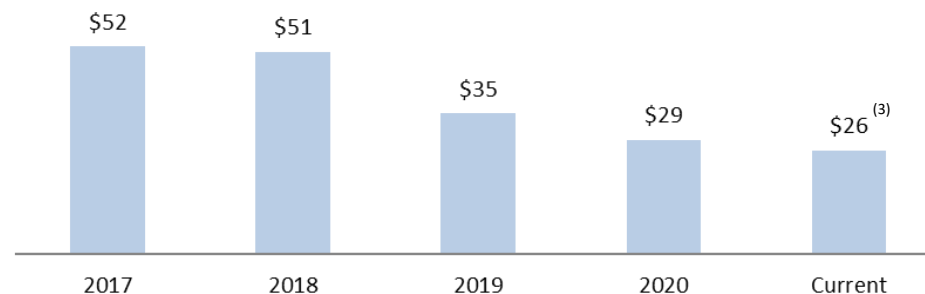


Discretionary Cash Flow (\$mm)²

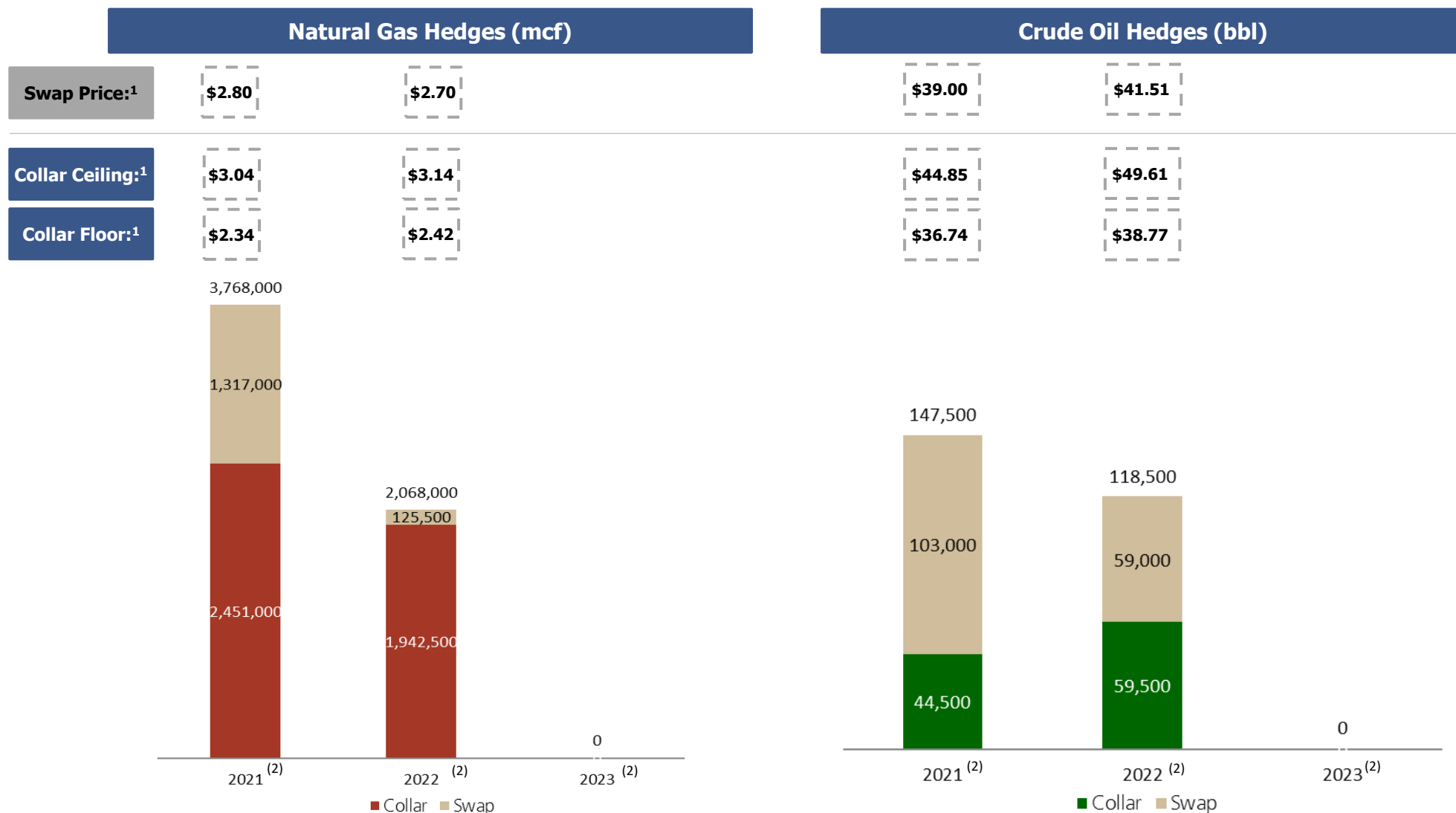
■ DCF (\$mm) ■ Gain on Sale



Total Debt (\$mm)



Hedge Position as of February 4, 2021



Mix of collars and swaps designed to provide upside exposure while protecting downside risk

Why Invest in PHX?

1

Strategy of growth via accretive mineral acquisitions

2

Growth underpinned by complete technical evaluation

3

Strong track record of sourcing and closing accretive transactions

4

Sector dislocation provides opportunity to leverage public currency to scale



Appendix

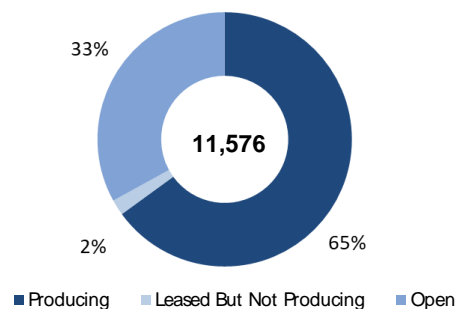
Reconciliation of Discretionary Cash Flow

	Year Ended	Year Ended	Year Ended	Year Ended
(\$ in millions)	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2020
Net Income	\$3.5	\$14.6	(\$40.7)	(\$23.8)
(+) Unrealized Gain on Derivatives	(0.9)	3.9	(5.9)	3.2
(+) Income Tax Expense	0.7	(12.7)	(13.5)	(8.4)
(+) Interest Expense	1.3	1.7	2.0	1.3
(+) DD&A	18.4	18.4	18.2	11.3
(+) Impairment	0.7	0.0	76.8	29.9
(+) Former CEO Severance	0.0	0.0	0.7	0.0
EBITDA	\$23.6	\$26.0	\$37.6	\$13.5
(-) Gain On Sale	0.1	0.1	19.0	4.0
Adjusted EBITDA	\$23.5	\$25.9	\$18.6	\$9.5
(+) Gain On Sale	0.1	0.1	19.0	4.0
(-) Interest Expense	1.3	1.7	2.0	1.3
Discretionary Cash Flow	\$22.3	\$24.2	\$35.6	\$12.2

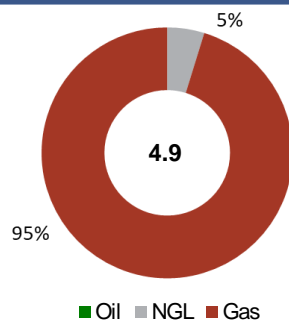
	3 Months Ended			
(\$ in millions)	Mar. 30, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020
Net Income	(\$20.5)	(\$3.6)	(\$1.8)	(\$0.6)
(+) Unrealized Gain on Derivatives	(3.4)	2.5	2.4	0.9
(+) Income Tax Expense	(7.0)	(0.9)	(0.7)	(0.1)
(+) Interest Expense	0.3	0.3	0.3	0.3
(+) DD&A	3.4	2.5	2.5	2.3
(+) Impairment	29.5	0.4	0.0	0.0
EBITDA	\$2.3	\$1.2	\$2.7	\$2.8
(-) Gain On Sale	0.0	0.0	0.7	0.0
Adjusted EBITDA	\$2.3	\$1.2	\$2.0	\$2.8
(+) Gain On Sale	0.0	0.0	0.7	0.0
(-) Interest Expense	0.3	0.3	0.3	0.3
Discretionary Cash Flow	\$2.0	\$0.9	\$2.4	\$2.5

Arkoma Stack Position

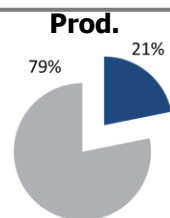
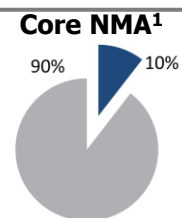
Net Mineral Acres²



Net Production (Mmcfe/d)²



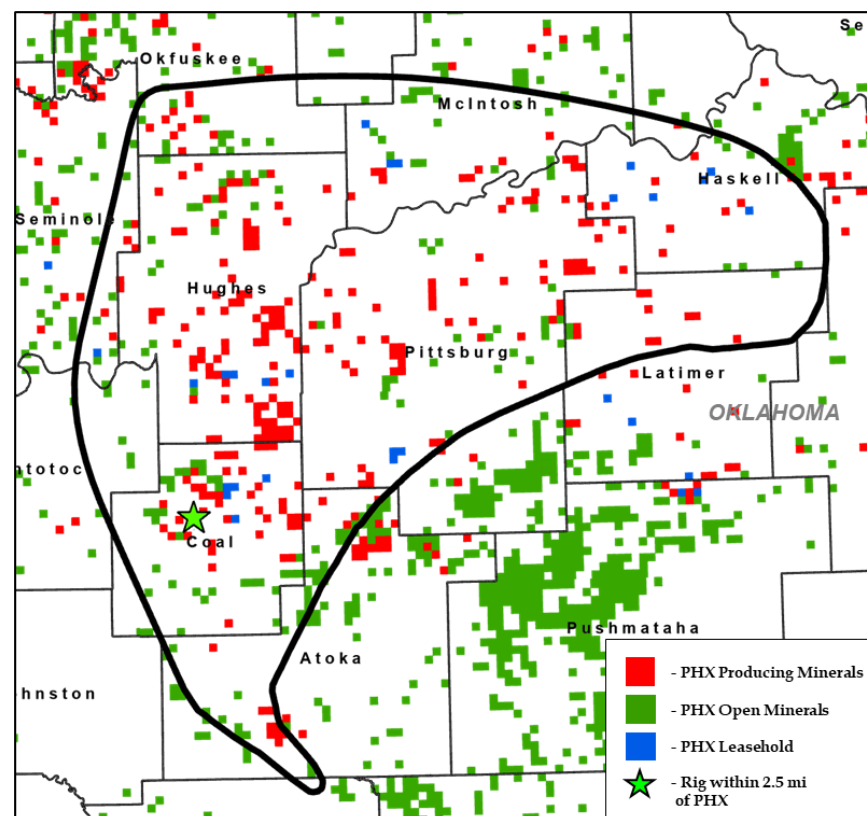
Portfolio Contribution



Key Statistics²

Permits on File	7
Wells on Production (Gross / Net)	357 / 12.54
Wells In Progress (Gross / Net)	2 / 0.0
Undeveloped Locations ⁽³⁾	239
Rigs Running on PHX Acreage ⁽⁴⁾	0
Rigs Running Within 2.5 Miles of PHX Acreage ⁽⁴⁾	1

Top Operators⁵

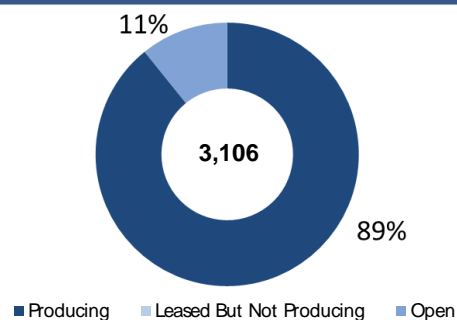


Note:

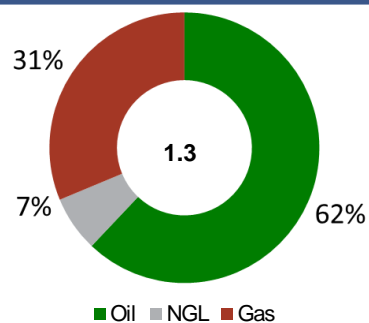
- 1 Excludes open acreage
- 2 As of 12/31/2020 pro forma January acquisition
- 3 Undeveloped Locations consists of Gross WIPs, Permits, PROB, and POSS locations
- 4 Provided by Enverus as of 12/31/2020
- 5 As determined by Permits and Wells in Progress

Bakken/Three Forks Position

Net Mineral Acres²

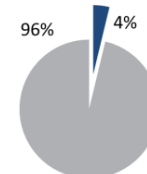


Net Production (Mmcfe/d)²

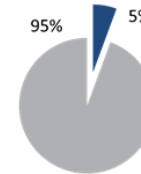


Portfolio Contribution

Core NMA¹



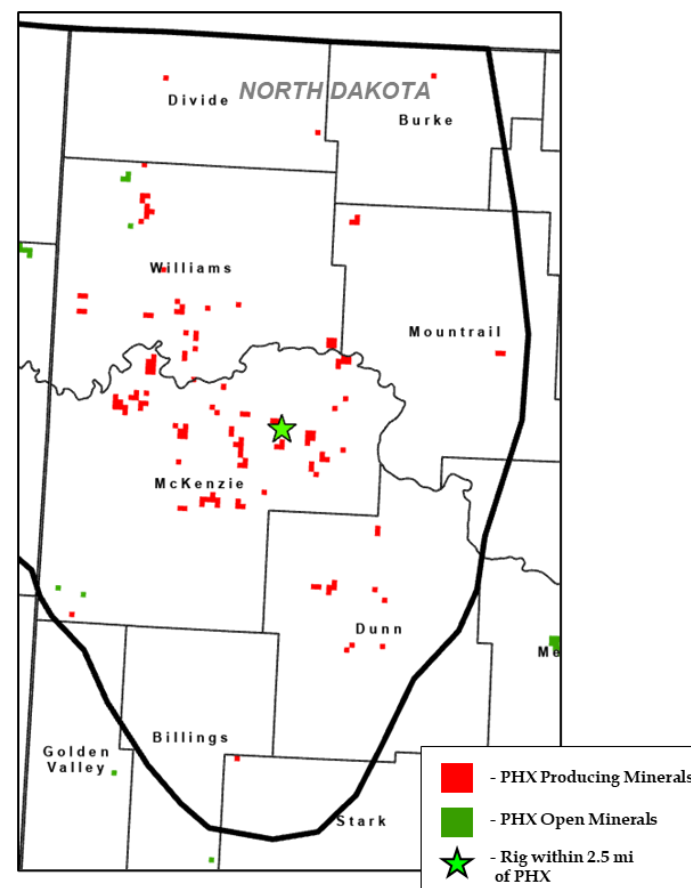
Prod.



Key Statistics²

Permits on File	10
Wells on Production (Gross / Net)	549 / 2.06
Wells In Progress (Gross / Net)	5 / 0.0
Undeveloped Locations ⁽³⁾	233
Rigs Running on PHX Acreage ⁽⁴⁾	0
Rigs Running Within 2.5 Miles of PHX Acreage ⁽⁴⁾	1

Top Operators⁵

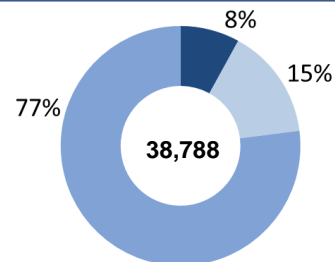


Note:

- 1 Excludes open acreage
- 2 As of 21/31/2020 pro forma January acquisition
- 3 Undeveloped Locations consists of Gross WIPs, Permits, PROB, and POSS locations
- 4 Provided by Enverus as of 12/31/2020
- 5 As determined by Permits and Wells in Progress

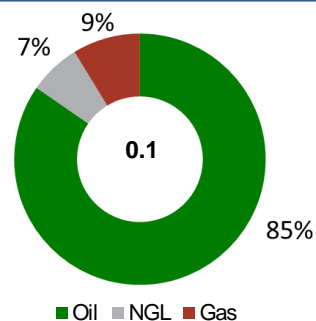
Permian Position

Net Mineral Acres²



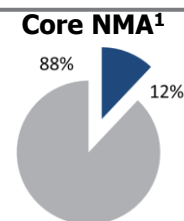
■ Producing ■ Leased But Not Producing ■ Open

Net Production (Mmcfe/d)²

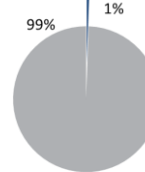


■ Oil ■ NGL ■ Gas

Portfolio Contribution



Prod.



Key Statistics²

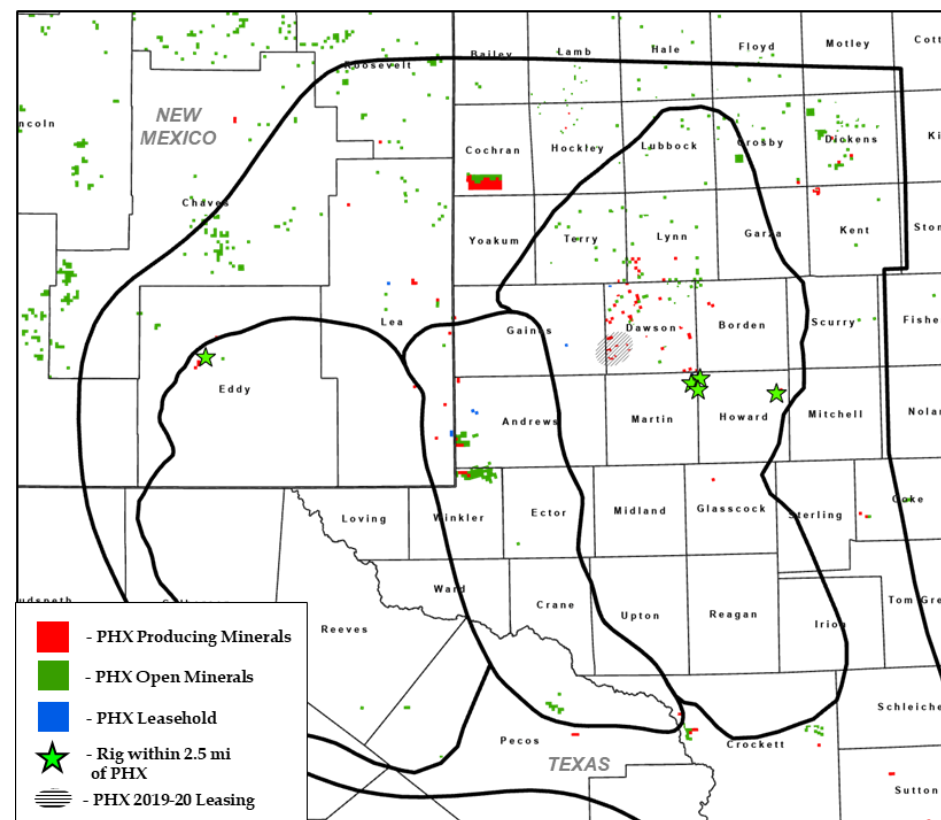
Permits on File	0
Wells on Production (Gross / Net)	135 / 1.28
Wells In Progress (Gross / Net)	4 / 0.14
Undeveloped Locations ⁽³⁾	8
Rigs Running on PHX Acreage ⁽⁴⁾	0
Rigs Running Within 2.5 Miles of PHX Acreage ⁽⁴⁾	5

Top Operators⁵



Delray Oil, Inc.

**Boyd & McWilliams
Operating LLC**

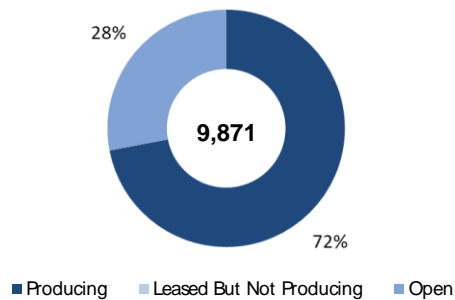


Note:

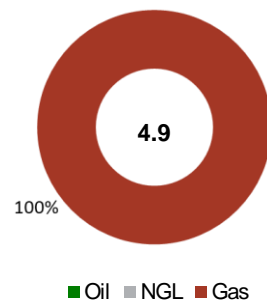
- 1 Excludes open acreage
- 2 As of 12/31/2020 pro forma January acquisition
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- 4 Provided by Enverus as of 12/31/2020
- 5 As determined by Permits and Wells in Progress

Fayetteville Position

Net Mineral Acres²

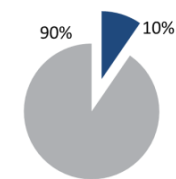


Net Production (Mmcfe/d)²

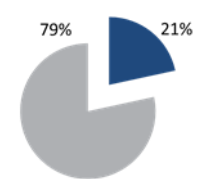


Portfolio Contribution

Core NMA¹



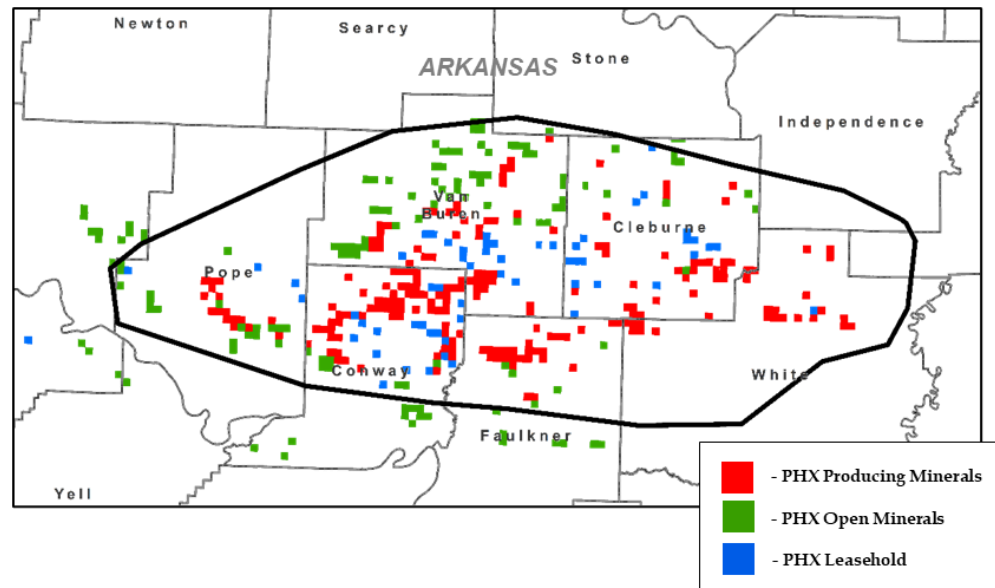
Prod.



Key Statistics²

Permits on File	0
Wells on Production (Gross / Net)	1,344 / 22.51
Wells In Progress (Gross / Net)	0 / 0.0
Undeveloped Locations ⁽³⁾	0
Rigs Running on PHX Acreage ⁽⁴⁾	0
Rigs Running Within 2.5 Miles of PHX Acreage ⁽⁴⁾	0

Top Operators⁵



Note:

- 1 Excludes open acreage
- 2 As of 12/31/2020 pro forma January acquisition
- 3 Undeveloped Locations consists of Gross WIPs, Permits, PROB, and POSS locations
- 4 Provided by Enverus as of 12/31/2020
- 5 As determined by Permits and Wells in Progress