



FOR IMMEDIATE RELEASE

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PHX Minerals Inc. Announces Additional Working Interest Divestitures and Mineral Acquisition

OKLAHOMA CITY, Dec. 1, 2021 /PRNewswire/ -- PHX Minerals Inc. (NYSE: PHX) ("PHX" or the "Company") announced today that it has sold two packages of assets totaling 193 non-operated legacy working interest wellbores located primarily in the Arkoma Shale and Western Anadarko Shale plays of Oklahoma to two undisclosed buyers for a total of approximately \$2,500,000. The buyers of the assets will also assume approximately \$500,000 of asset retirement obligation from the Company. These working interest divestitures, along with the Fayetteville wellbores PHX sold last month, generated net proceeds of approximately \$4,625,000 and represent 692 total gross legacy wellbores divested and approximately \$670,000 in aggregate asset retirement obligation removed from the Company's balance sheet. On a pro forma basis, PHX has 1,089 legacy working interest wellbores remaining.

Additionally, PHX completed the acquisition of approximately 172 net royalty acres located primarily in Carter and Stephens County, Okla., for \$1,376,416. This acquisition is predominately located in the same Springboard III area of the SCOOP play as the Company's previously closed April 2021 royalty acreage acquisition where current drilling activity continues to accelerate. The new royalty acreage acquisition, along with the cash acquisitions announced by the Company last month, represent a full redeployment of net proceeds received by the Company for the working interest divestitures. These recent working interest divestitures and royalty acquisitions are expected to have a neutral effect on overall production during 2022.

Chad Stephens, President and CEO, said, "These transactions are a continuation of our strategy to high-grade PHX's asset base by divesting legacy working interest wellbores and reinvesting the proceeds in higher margin minerals in our core areas of focus. We have targeted for divestiture our working interest wellbores that represent the lowest percentile of working interest wellbores by dollar value. Therefore, we expect that future divestitures will include fewer gross wellbores but higher net proceeds to PHX. Also, our core areas of focus in which we are acquiring minerals are being actively developed by reputable, well-capitalized operators. As such, we expect royalty volumes to continue to increase as a percentage of total volume from the development of acquired minerals in the upcoming quarters."

PHX Minerals Inc. (NYSE: PHX) Oklahoma City-based, PHX Minerals Inc. is a natural gas and oil mineral company with a strategy to proactively grow its mineral position in its core areas of focus. PHX owns approximately 251,000 net mineral acres principally located in Oklahoma, Texas, Louisiana, North Dakota, and Arkansas. Additional information on the Company can be found at www.phxmin.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release 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. Words such as "anticipates," "plans," "estimates," "believes," "expects," "intends," "will," "should," "may" and similar

expressions may be used to identify forward-looking statements. Forward-looking statements are not statements of historical fact and reflect PHX's current views about future events. Forward-looking statements may include, but are not limited to, statements relating to: PHX's ability to execute its business strategies; the volatility of realized natural gas and oil prices; the level of production on its 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; the 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 PHX invests; and other economic, competitive, governmental, regulatory or technical factors affecting our properties, operations or prices. Although the Company believes its expectations reflected in these and other forward-looking statements are reasonable, the Company can give no assurance its expectations 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.

Investors are cautioned that any such forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements. The forward-looking statements in this press release are made as of the date hereof, and the Company does not undertake any obligation to update the forward-looking statements as a result of new information, future events or otherwise.

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