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PLEASE CONTACT: Chad L. Stephens
405.948.1560
Website: www.phxmin.com

PHX Minerals Announces Closing of Previously Announced Working Interest Divestiture and Additional Mineral Acquisitions

FORT WORTH, Texas, Oct. 12, 2022 - PHX Minerals Inc., (NYSE: PHX), today announced that it has closed on the previously announced sale of all its remaining legacy non-operated working interest wellbores in the Fayetteville Shale play in Arkansas to an undisclosed buyer for a total of \$6,050,000. This divestiture represents 210 gross legacy wellbores and removes approximately \$212,000 in asset retirement obligation from the Company's balance sheet. On a pro forma basis, PHX has 789 gross legacy non-operated working interest wellbores remaining.

Additionally, PHX completed the acquisition of approximately 575 net royalty acres located primarily in Caddo and DeSoto Parishes, Louisiana, for \$6,226,489. These acquisitions are predominantly located in the same focus area of the Haynesville Shale as the Company's previously closed royalty acreage acquisitions where drilling activity continues to accelerate. The new royalty acreage acquisitions represent a full redeployment of net proceeds received by the Company for the working interest divestiture.

Chad Stephens, President and CEO, said, "These transactions are a continuation of our strategy to high grade PHX's asset base by divesting legacy non-operated working interest wellbores and reinvesting the proceeds in higher margin royalty minerals in our core areas of focus.

"Also, we anticipate the core focus areas in which we are acquiring minerals to be the leading basins in U.S. natural gas production growth over the next several years. Reputable, well-capitalized operators are actively developing these areas. As such, we expect royalty volumes to continue to increase from the development of acquired minerals in future quarters, which will drive higher future cash flows."

PHX Minerals Inc. (NYSE: PHX) Fort Worth-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 mineral acreage principally located in Oklahoma, Texas, Louisiana, North Dakota and Arkansas. Additional information on the Company can be found at www.phxmin.com.