



FOR IMMEDIATE RELEASE

PHX Minerals Announces Accretive Acquisitions in Haynesville and SCOOP

FORT WORTH, Texas, Aug. 24, 2023

Acquisition Highlights

- Expected to be immediately accretive on a cash flow per share basis
- Builds upon our existing mineral and royalty positions in the Haynesville and the SCOOP
- Approximately 988 net royalty acres (~86% targeting the Haynesville play)
- Anticipated next 12-month production of between 1.2 and 1.4 Bcfe (99% natural gas, 1% oil, 0% NGL), generating an estimated \$4.0 to \$4.3 million of cash flow at NYMEX strip pricing as of Aug. 9, 2023 (implies a transaction multiple of 3.3x)
- Expected to add approximately 31 gross (0.27 net) wells in progress; increasing our net inventory by approximately 31%
- Expected to reduce G&A per mcfe of production by approximately 13% over the next 12 months
- Maintains a conservative balance sheet with expected pro forma leverage as measured by debt to EBITDA of under 1.50x following closing

PHX Minerals Inc. (NYSE: PHX) ("PHX" or the "Company") today announced that it has agreed to acquire approximately 988 net royalty acres targeting the Haynesville play in Louisiana and Texas and the SCOOP play in Oklahoma from five separate sellers for aggregate consideration of \$13.6 million in cash (the "Acquisitions"), subject to certain closing conditions and adjustments. The Acquisitions will be funded using a combination of cash on hand and borrowings under the Company's existing credit facility and are expected to close in mid-September. The Acquisitions have been unanimously approved by the Board of Directors.

PHX estimates total reserves associated with the Acquisitions to be approximately 6.9 Bcfe (94% natural gas, 6% oil, 0% NGL). The assets associated with the Acquisitions include high interest locations concentrated in the core of the Haynesville and SCOOP under active operators including Aethon and Chesapeake Energy. PHX already owns interests in 50 of the 108 total locations being acquired, increasing our net revenue interests per well. Estimated next 12-month production, as of September 1, 2023, is between 1.2 and 1.4 Bcfe (99% natural gas, 1% oil, 0% NGL), generating approximately \$4.0 to \$4.3 million of cash flow at NYMEX strip pricing as of Aug. 9, 2023.

Chad Stephens, President and Chief Executive Officer, said, "These acquisitions demonstrate our team's ability to source and execute on accretive transactions targeting our core areas in the Haynesville and SCOOP. As I have previously stated, PHX has always been keenly focused on maintaining financial discipline while evaluating acquisition opportunities. This discipline allowed us to build liquidity during the downturn in commodity prices we saw in the first half of 2023, which we can now deploy to fund these attractive acquisitions. We believe similar opportunities to this transaction and its return profile will continue to be accessible to PHX. Additionally, as these acquisitions demonstrate, our focus on internally aggregating transactions allows us to achieve significantly better risk adjusted returns compared to broadly marketed asset packages while still scaling up the business."

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 focus areas. 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.

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, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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: the Company’s ability to execute its business strategies; the volatility of realized natural gas and oil prices; the level of production on the Company’s 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 Company’s 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 the Company invests; and other economic, competitive, governmental, regulatory or technical factors affecting properties, operations or prices. Although the Company believes expectations reflected in these and other forward-looking statements are reasonable, the Company can give no assurance such 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 SEC, 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 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.

Investor Contact:

Rob Fink / Stephen Lee
FNK IR
646.809.4048
PHX@fnkir.com

Corporate Contact:

405.948.1560
inquiry@phxmin.com