
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 08, 2023

PHX MINERALS INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-31759
(Commission File Number)

73-1055775
(IRS Employer
Identification No.)

**1320 South University Drive
Suite 720
Fort Worth, Texas**
(Address of Principal Executive Offices)

76107
(Zip Code)

Registrant's Telephone Number, Including Area Code: (405) 948-1560

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01666 par value	PHX	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On November 8, 2023, PHX Minerals Inc. (the “Company”) issued a press release providing information regarding the Company’s quarter ended September 30, 2023 financial and operating results. The press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

The information set forth under Item 2.02 of this Current Report on Form 8-K is hereby incorporated in this Item 7.01 by reference.

On November 8, 2023, the Company posted an updated investor presentation to its website. A copy of the presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information in Item 2.02 and Item 7.01 of this Current Report on Form 8-K, including the attached Exhibit 99.1 and 99.2, is being furnished pursuant to Item 2.02 and Item 7.01 and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit**No.****Title of Document**

99.1	Press Release, dated November 8, 2023
99.2	Corporate Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PHX MINERALS INC.

By: /s/ Chad L. Stephens
Chad L. Stephens
Chief Executive Officer

DATE: November 8, 2023



FOR IMMEDIATE RELEASE

PHX Minerals Reports Results for the Quarter Ended Sept. 30, 2023; Increases Fixed Quarterly Dividend 33% and Expands Borrowing Base

FORT WORTH, Texas, Nov. 8, 2023 – PHX MINERALS INC., “PHX” or the “Company” (NYSE: PHX), today reported financial and operating results for the quarter ended Sept. 30, 2023.

Summary of Results for the Quarter Ended Sept. 30, 2023

- Net income was \$1.9 million, or \$0.05 per diluted share, compared to net loss of (\$0.04) million, or \$0.00 per diluted share, for the quarter ended June 30, 2023, and net income of \$9.2 million, or \$0.25 per diluted share, for the quarter ended Sept. 30, 2022.
- Adjusted pretax net income⁽¹⁾ was \$3.2 million, or \$0.09 per diluted share, compared to \$0.6 million, or \$0.02 per diluted share, for the quarter ended June 30, 2023, and \$5.3 million, or \$0.15 per diluted share, for the quarter ended Sept. 30, 2022.
- Adjusted EBITDA⁽¹⁾ was \$6.3 million, compared to \$4.1 million for the quarter ended June 30, 2023, and \$8.4 million for the quarter ended Sept. 30, 2022.
- Royalty production volumes increased 3% to 2,073 Mmcfe compared to the quarter ended June 30, 2023, and increased 13% compared to the quarter ended Sept. 30, 2022.
- Total production volumes increased 2% to 2,348 Mmcfe compared to the quarter ended June 30, 2023, and decreased 9% compared to the quarter ended Sept. 30, 2022.
- Converted 71 gross (0.155 net) wells to producing status, compared to 81 gross (0.30 net) during the quarter ended June 30, 2023 and 49 gross (0.22 net) during the quarter ended Sept. 30, 2022.
- Inventory of 185 gross (0.81 net) wells in progress and 93 gross (0.28 net) permits as of Sept. 30, 2023, compared to 186 gross (0.51 net) wells in progress and 86 gross (0.40 net) permits as of June 30, 2023.
- Total debt was \$30.8 million and the debt to adjusted EBITDA (TTM)⁽¹⁾ ratio was 1.31x at Sept. 30, 2023.

Subsequent Events

- PHX announced a 33% increase in its fixed quarterly dividend to \$0.03 per share, payable on Dec. 7, 2023, to stockholders of record on Nov. 23, 2023.
- PHX entered into the fifth amendment to its credit agreement on Nov. 6, 2023 pursuant to which, among other changes, the borrowing base under PHX’s credit facility is increased from \$45.0 million to \$50.0 million in connection with its regularly scheduled semi-annual redetermination.

⁽¹⁾ This is a non-GAAP measure. Refer to the Non-GAAP Reconciliation section.

Chad L. Stephens, President and CEO, commented, “We are pleased with this quarter’s financial results as they highlight the company’s progress. There continues to be robust drilling activity on our minerals reflecting the high-quality nature of our assets. Royalty volume growth remains on trend to increase approximately 20% year over year. Royalty volumes now represent over 90% of cash flow as the nonop working interest portion of our business has steadily become less material to our financial performance. We continue to see active deal flow, having completed roughly \$13 million of mineral acquisitions during the quarter and in excess of \$40 million over the trailing 12-month period.”

“The Board of Directors approved an increase in our quarterly dividend from \$0.0225 to \$0.03, a 33% increase, which reflects their belief in the continued sustainability of our business model. Additionally, our bank group increased our borrowing base from \$45.0 million to \$50.0 million, which also reflects on the high quality of our asset base and our ability to execute on our strategy.”

Financial Highlights

	Three Months Ended Sept. 30, 2023	Three Months Ended Sept. 30, 2022	Nine Months Ended Sept. 30, 2023	Nine Months Ended Sept. 30, 2022
Royalty Interest Sales	\$ 7,873,297	\$ 15,411,544	\$ 24,214,701	\$ 36,763,953
Working Interest Sales	\$ 1,025,794	\$ 6,416,490	\$ 3,772,801	\$ 19,409,514
Natural Gas, Oil and NGL Sales	\$ 8,899,091	\$ 21,828,034	\$ 27,987,502	\$ 56,173,467
Gains (Losses) on Derivative Contracts	\$ (337,647)	\$ (4,298,614)	\$ 3,648,179	\$ (19,669,246)
Lease Bonuses and Rental Income	\$ 620,101	\$ 17,350	\$ 1,045,242	\$ 388,587
Total Revenue	\$ 9,181,545	\$ 17,546,770	\$ 32,680,923	\$ 36,892,808
Lease Operating Expense per Working Interest Mcfe	\$ 1.50	\$ 1.28	\$ 1.33	\$ 1.12
Transportation, Gathering and Marketing per Mcfe	\$ 0.30	\$ 0.68	\$ 0.38	\$ 0.63
Production Tax per Mcfe	\$ 0.17	\$ 0.36	\$ 0.20	\$ 0.34
G&A Expense per Mcfe	\$ 1.18	\$ 1.46	\$ 1.25	\$ 1.26
Cash G&A Expense per Mcfe ⁽¹⁾	\$ 0.95	\$ 1.06	\$ 0.99	\$ 0.98
Interest Expense per Mcfe	\$ 0.24	\$ 0.18	\$ 0.23	\$ 0.13
DD&A per Mcfe	\$ 0.86	\$ 0.60	\$ 0.86	\$ 0.76
Total Expense per Mcfe	\$ 2.93	\$ 3.65	\$ 3.10	\$ 3.49
Net Income (Loss)	\$ 1,895,403	\$ 9,158,468	\$ 11,407,356	\$ 13,727,023
Adjusted EBITDA ⁽²⁾	\$ 6,321,029	\$ 8,395,965	\$ 18,147,976	\$ 21,409,483
Cash Flow from Operations ⁽³⁾	\$ 6,960,419	\$ 13,192,676	\$ 20,809,684	\$ 28,893,660
CapEx ⁽⁴⁾	\$ 45,977	\$ 201,114	\$ 321,396	\$ 359,961
CapEx - Mineral Acquisitions	\$ 13,469,756	\$ 13,652,829	\$ 25,383,759	\$ 31,881,409
Borrowing Base			\$ 45,000,000	\$ 50,000,000
Debt			\$ 30,750,000	\$ 28,300,000
Debt to Adjusted EBITDA (TTM) ⁽²⁾			1.31	1.10

⁽¹⁾ Cash G&A expense is G&A excluding restricted stock and deferred director's expense from the adjusted EBITDA table in the non-GAAP Reconciliation section.

⁽²⁾ This is a non-GAAP measure. Refer to the Non-GAAP Reconciliation section.

⁽³⁾ GAAP cash flow from operations.

⁽⁴⁾ Includes legacy working interest expenditures and fixtures and equipment.

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Operating Highlights

	Three Months Ended Sept. 30, 2023	Three Months Ended Sept. 30, 2022	Nine Months Ended Sept. 30, 2023	Nine Months Ended Sept. 30, 2022
Gas Mcf Sold	1,868,012	2,047,614	5,681,508	5,853,443
Average Sales Price per Mcf before the effects of settled derivative contracts	\$ 2.40	\$ 7.61	\$ 2.63	\$ 6.33
Average Sales Price per Mcf after the effects of settled derivative contracts	\$ 2.72	\$ 5.08	\$ 3.03	\$ 4.25
% of sales subject to hedges	46%	58%	46%	60%
Oil Barrels Sold	48,032	49,902	143,148	150,461
Average Sales Price per Bbl before the effects of settled derivative contracts	\$ 78.48	\$ 94.07	\$ 76.23	\$ 96.73
Average Sales Price per Bbl after the effects of settled derivative contracts	\$ 78.44	\$ 57.80	\$ 73.88	\$ 60.62
% of sales subject to hedges	35%	62%	44%	69%
NGL Barrels Sold	32,029	40,761	99,063	120,864
Average Sales Price per Bbl ⁽¹⁾	\$ 20.35	\$ 37.89	\$ 21.48	\$ 37.57
Mcf Sold	2,348,378	2,591,588	7,134,770	7,481,390
Natural gas, oil and NGL sales before the effects of settled derivative contracts	\$ 8,899,091	\$ 21,828,034	\$ 27,987,502	\$ 56,173,467
Natural gas, oil and NGL sales after the effects of settled derivative contracts	\$ 9,502,036	\$ 14,832,521	\$ 29,896,064	\$ 38,519,536

(1) There were no NGL settled derivative contracts during the 2023 and 2022 quarters.

Total Production for the last four quarters was as follows:

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcf Sold
9/30/2023	1,868,012	48,032	32,029	2,348,378
6/30/2023	1,854,485	41,009	33,929	2,304,113
3/31/2023	1,959,010	54,107	33,104	2,482,276
12/31/2022	1,669,320	52,406	38,611	2,215,419

Total production volumes attributable to natural gas were 80% for the quarter ended Sept. 30, 2023.

Royalty Interest Production for the last four quarters was as follows:

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcf Sold
9/30/2023	1,689,396	43,575	20,416	2,073,342
6/30/2023	1,673,346	35,599	20,516	2,010,036
3/31/2023	1,700,974	45,395	20,063	2,093,722
12/31/2022	1,303,825	33,691	20,353	1,628,089

Royalty production volumes attributable to natural gas were 81% for the quarter ended Sept. 30, 2023.

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Working Interest Production for the last four quarters was as follows:

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcf e Sold
9/30/2023	178,616	4,457	11,613	275,036
6/30/2023	181,139	5,410	13,413	294,077
3/31/2023	258,036	8,712	13,041	388,554
12/31/2022	365,495	18,715	18,258	587,330

Quarter Ended Sept. 30, 2023 Results

The Company recorded net income of \$1.9 million, or \$0.05 per diluted share, for the quarter ended Sept. 30, 2023, as compared to net income of \$9.2 million, or \$0.25 per diluted share, for the quarter ended Sept. 30, 2022. The change in net income was principally the result of a decrease in natural gas, oil and NGL sales and a decrease in gains on asset sales, partially offset by a decrease in losses associated with our derivative contracts and a decrease in income tax provision.

Natural gas, oil and NGL revenue decreased \$12.9 million, or 59%, for the quarter ended Sept. 30, 2023, compared to the quarter ended Sept. 30, 2022, due to decreases in natural gas, oil and NGL prices of 68%, 17% and 46%, respectively, and decreases in natural gas, oil and NGL volumes of 9%, 4% and 21%, respectively.

The increase in royalty production volumes during the quarter ended Sept. 30, 2023, as compared to the quarter ended Sept. 30, 2022, resulted from new wells in the Haynesville Shale and SCOOP coming online. The production decrease in working interest volumes during the quarter ended Sept. 30, 2023, as compared to the quarter ended Sept. 30, 2022, resulted from the divestiture of working interest properties.

The Company had a net loss on derivative contracts of (\$0.3) million for the quarter ended Sept. 30, 2023, comprised of a \$0.6 million gain on settled derivatives and a (\$0.9) million non-cash loss on derivatives, as compared to a net loss of (\$4.3) million for the quarter ended Sept. 30, 2022. The change in net loss on derivative contracts was due to the Company's settlements of natural gas and oil collars and fixed price swaps and the change in valuation caused by the difference in Sept. 30, 2023 pricing relative to the strike price on open derivative contracts.

Nine Months Ended Sept. 30, 2023 Results

The Company recorded net income of \$11.4 million, or \$0.31 per diluted share, for the nine months ended Sept. 30, 2023, as compared to net income of \$13.7 million, or \$0.39 per diluted share, for the nine months ended Sept. 30, 2022. The change in net income was principally the result of a decrease in natural gas, oil and NGL sales and a decrease in gains on asset sales, partially offset by an increase in gains associated with our derivative contracts and decreases in lease operating expenses and transportation, gathering and marketing expenses.

Natural gas, oil and NGL revenue decreased \$28.2 million, or 50%, for the nine months ended Sept. 30, 2023, compared to the nine months ended Sept. 30, 2022, due to decreases in natural gas, oil and NGL prices of 58%, 21% and 43%, respectively, and decreases in natural gas, oil and NGL volumes of 3%, 5% and 18%, respectively.

The increase in royalty production volumes during the nine months ended Sept. 30, 2023, as compared to the nine months ended Sept. 30, 2022, resulted from new wells in the Haynesville Shale and SCOOP coming online. The production decrease in working interest volumes during the nine months ended Sept. 30, 2023, as compared to the nine months ended Sept. 30, 2022, resulted from the divestiture of working interest properties.

The Company had a net gain on derivative contracts of \$3.6 million for the nine months ended Sept. 30, 2023, comprised of a \$2.3 million gain on settled derivatives and a \$1.4 million non-cash gain on derivatives, as compared to a net loss of (\$19.7) million for the nine months ended Sept. 30, 2022. The gain on settled derivative contracts for the nine months ended Sept. 30, 2023 excludes \$0.4 million of cash paid to settle off-market derivative contracts. The total cash received to settle hedge contracts during the nine months ended Sept. 30, 2023 was \$1.9 million. The change in net gain on derivative contracts was due to the Company's settlements of natural gas and oil collars and fixed price swaps and the change in valuation caused by the difference in September 30, 2023 pricing relative to the strike price on open derivative contracts.

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Operations Update

During the quarter ended Sept. 30, 2023, the Company converted 71 gross (0.155 net) wells to producing status, including 22 gross (0.08 net) wells in the Haynesville and 32 gross (0.07 net) wells in the SCOOP, compared to 49 gross (0.22 net) wells in the quarter ended Sept. 30, 2022.

At Sept. 30, 2023, the Company had a total of 185 gross (0.81 net) wells in progress across its mineral positions and 93 gross (0.28 net) active permitted wells, compared to 186 gross (0.51 net) wells in progress and 86 gross (0.40 net) active permitted wells at June 30, 2023. As of October 9, 2023, 14 rigs were operating on the Company's acreage and 56 rigs operating within 2.5 miles of its acreage.

	SCOOP	STACK	Bakken/ Three Forks	Arkoma Stack	Haynesville	Other	Total
As of Sept. 30, 2023:							
Gross Wells in Progress on PHX Acreage ⁽¹⁾	52	13	8	4	97	11	185
Net Wells in Progress on PHX Acreage ⁽¹⁾	0.159	0.034	0.043	0.003	0.538	0.031	0.808
Gross Active Permits on PHX Acreage	43	7	5	5	28	5	93
Net Active Permits on PHX Acreage	0.128	0.031	0.006	0.002	0.095	0.021	0.283
As of Oct. 9, 2023:							
Rigs Present on PHX Acreage	6	-	1	-	5	2	14
Rigs Within 2.5 Miles of PHX Acreage	11	13	5	-	19	8	56

(1) Wells in progress includes drilling wells and drilled but uncompleted wells, or DUCs.

Leasing Activity

During the quarter ended Sept. 30, 2023, the Company leased 357 net mineral acres to third-party exploration and production companies for an average bonus payment of \$2,075 per net mineral acre and an average royalty of 24%.

Acquisition and Divestiture Update

During the quarter ended Sept. 30, 2023, the Company purchased 974 net royalty acres for approximately \$13.4 million and had no significant divestitures.

	SCOOP	Acquisitions Haynesville	Other	Total
During Three Months Ended Sept. 30, 2023:				
Net Mineral Acres Purchased	102	459	-	561
Net Royalty Acres Purchased	159	815	-	974

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Outlook

PHX is providing an updated operational outlook for 2023 as follows:

	Calendar Year 2022	Calendar Year 2023	Calendar Year 2023
	Actual	YTD Actual	Outlook
Mineral & Royalty Production (Mmcfe)	6,613	6,177	8,000 - 8,400
Working Interest Production (Mmcfe)	3,084	958	1,200 - 1,400 ⁽¹⁾
Total Production (Mmcfe)	9,697	7,135	9,200 - 9,800
Percentage Natural Gas	78%	80%	79% - 81%
Transportation, Gathering & Marketing (per Mcfe)	\$0.63	\$0.38	\$0.37 - \$0.42
Production Tax (as % of pre-hedge sales volumes)	4.50%	5.10%	5.00% - 5.50%
LOE Expenses (on an absolute basis in 000's)	\$3,807	\$1,274	\$1,500 - \$1,700
Cash G&A (per Mcfe)	\$1.01	\$0.99	\$0.99 - \$1.02

(1) Pro-forma divestitures of Eagle Ford and Arkoma working interest assets, excludes potential future sales of additional working interest assets.

Quarterly Conference Call

PHX will host a conference call to discuss the Company's results for the quarter ended Sept. 30, 2023, at 11 a.m. EST tomorrow, Nov. 9, 2023. Management's discussion will be followed by a question-and-answer session with investors.

To participate on the conference call, please dial 877-407-3088 (toll-free domestic) or 201-389-0927. A replay of the call will be available for 14 days after the call. The number to access the replay of the conference call is 877-660-6853 and the PIN for the replay is 13742254.

A live audio webcast of the conference call will be accessible from the "Investors" section of PHX's website at <https://phxmin.com/events>. The webcast will be archived for at least 90 days.

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FINANCIAL RESULTS

Statements of Operations

	Three Months Ended Sept. 30, 2023	2022	Nine Months Ended Sept. 30, 2023	2022
Revenues:				
Natural gas, oil and NGL sales	\$ 8,899,091	\$ 21,828,034	\$ 27,987,502	\$ 56,173,467
Lease bonuses and rental income	620,101	17,350	1,045,242	388,587
Gains (losses) on derivative contracts	<u>(337,647)</u>	<u>(4,298,614)</u>	<u>3,648,179</u>	<u>(19,669,246)</u>
	9,181,545	17,546,770	32,680,923	36,892,808
Costs and expenses:				
Lease operating expenses	413,643	961,148	1,273,560	2,791,409
Transportation, gathering and marketing	693,915	1,758,132	2,729,044	4,676,786
Production taxes	387,624	929,330	1,430,950	2,551,920
Depreciation, depletion and amortization	2,022,709	1,550,410	6,123,031	5,694,358
Provision for impairment	36,460	2,703	38,533	8,980
Interest expense	556,941	471,716	1,638,708	988,273
General and administrative	2,760,342	3,783,159	8,919,354	9,405,037
Losses (gains) on asset sales and other	<u>(174,492)</u>	<u>(3,499,296)</u>	<u>(4,369,613)</u>	<u>(6,390,978)</u>
Total costs and expenses	6,697,142	5,957,302	17,783,567	19,725,785
Income (loss) before provision (benefit) for income taxes	2,484,403	11,589,468	14,897,356	17,167,023
Provision (benefit) for income taxes	<u>589,000</u>	<u>2,431,000</u>	<u>3,490,000</u>	<u>3,440,000</u>
Net income (loss)	<u>\$ 1,895,403</u>	<u>\$ 9,158,468</u>	<u>\$ 11,407,356</u>	<u>\$ 13,727,023</u>
Basic earnings (loss) per common share	<u>\$ 0.05</u>	<u>\$ 0.26</u>	<u>\$ 0.32</u>	<u>\$ 0.39</u>
Diluted earnings (loss) per common share	<u>\$ 0.05</u>	<u>\$ 0.25</u>	<u>\$ 0.31</u>	<u>\$ 0.39</u>
Weighted average shares outstanding:				
Basic	35,983,116	35,573,813	35,961,570	34,833,427
Diluted	36,656,272	35,916,878	36,670,494	35,204,241
Dividends per share of common stock paid in period	<u>\$ 0.0225</u>	<u>\$ 0.02</u>	<u>\$ 0.0675</u>	<u>\$ 0.055</u>

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Balance Sheets

	<u>Sept. 30, 2023</u>	<u>Dec. 31, 2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,235,193	\$ 2,115,652
Natural gas, oil, and NGL sales receivables (net of \$0 allowance for uncollectable accounts)	5,414,075	9,783,996
Refundable income taxes	712,475	-
Derivative contracts, net	577,381	-
Held for sale assets	-	6,420,051
Other	438,524	1,543,956
Total current assets	<u>8,377,648</u>	<u>19,863,655</u>
Properties and equipment at cost, based on successful efforts accounting:		
Producing natural gas and oil properties	202,915,457	181,431,139
Non-producing natural gas and oil properties	61,096,631	57,781,644
Other	1,353,686	1,122,436
	<u>265,365,774</u>	<u>240,335,219</u>
Less accumulated depreciation, depletion and amortization	(112,095,510)	(107,085,212)
Net properties and equipment	<u>153,270,264</u>	<u>133,250,007</u>
Derivative contracts, net	-	141,345
Operating lease right-of-use assets	606,978	706,871
Other, net	540,402	695,399
Total assets	<u><u>\$ 162,795,292</u></u>	<u><u>\$ 154,657,277</u></u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 387,460	\$ 504,466
Derivative contracts, net	-	1,534,034
Income taxes payable	-	576,427
Current portion of operating lease liability	230,347	217,656
Held for sale liabilities	-	889,155
Accrued liabilities and other	2,024,369	3,121,522
Total current liabilities	<u>2,642,176</u>	<u>6,843,260</u>
Long-term debt	30,750,000	33,300,000
Deferred income taxes, net	5,709,906	2,453,906
Asset retirement obligations	1,051,224	1,027,777
Derivative contracts, net	230,453	-
Operating lease liability, net of current portion	755,541	929,208
Total liabilities	<u>41,139,300</u>	<u>44,554,151</u>
Stockholders' equity:		
Common Stock, \$0.01666 par value; 54,000,500 shares authorized and 35,938,900 issued at Sept. 30, 2023; 54,000,500 shares authorized and 35,938,206 issued at Dec. 31, 2022	598,742	598,731
Capital in excess of par value	44,249,366	43,344,916
Deferred directors' compensation	1,425,155	1,541,070
Retained earnings	78,618,090	68,925,774
	<u>124,891,353</u>	<u>114,410,491</u>
Less treasury stock, at cost; 225,723 shares at Sept. 30, 2023, and 300,272 shares at Dec. 31, 2022	(3,235,361)	(4,307,365)
Total stockholders' equity	<u>121,655,992</u>	<u>110,103,126</u>
Total liabilities and stockholders' equity	<u><u>\$ 162,795,292</u></u>	<u><u>\$ 154,657,277</u></u>

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Condensed Statements of Cash Flows

	Nine Months Ended Sept. 30, 2023	2022
Operating Activities		
Net income (loss)	\$ 11,407,356	\$ 13,727,023
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	6,123,031	5,694,358
Impairment of producing properties	38,533	8,980
Provision for deferred income taxes	3,256,000	876,000
Gain from leasing fee mineral acreage	(1,045,242)	(387,419)
Proceeds from leasing fee mineral acreage	1,108,909	593,168
Net (gain) loss on sales of assets	(4,671,253)	(6,587,005)
Directors' deferred compensation expense	165,582	124,281
Total (gain) loss on derivative contracts	(3,648,179)	19,669,246
Cash receipts (payments) on settled derivative contracts	2,468,724	(2,796,250)
Restricted stock award expense	1,695,637	1,955,829
Other	105,604	50,215
Cash provided (used) by changes in assets and liabilities:		
Natural gas, oil and NGL sales receivables	4,369,921	(5,132,207)
Other current assets	408,533	576,348
Accounts payable	(107,796)	85,344
Income taxes receivable	(712,475)	-
Other non-current assets	150,515	(391,217)
Income taxes payable	(576,427)	(4,081)
Accrued liabilities	272,711	831,047
Total adjustments	9,402,328	15,166,637
Net cash provided by operating activities	20,809,684	28,893,660
Investing Activities		
Capital expenditures	(321,396)	(359,961)
Acquisition of minerals and overriding royalty interests	(25,383,759)	(31,881,409)
Net proceeds from sales of assets	9,556,666	8,631,352
Net cash provided (used) by investing activities	(16,148,489)	(23,610,018)
Financing Activities		
Borrowings under credit facility	16,000,000	17,300,000
Payments of loan principal	(18,550,000)	(9,000,000)
Net proceeds from equity issuance	-	5,039,045
Cash receipts from (payments on) off-market derivative contracts	(560,162)	(14,857,682)
Purchases of treasury stock	(669)	(1,855)
Payments of dividends	(2,430,823)	(1,925,691)
Net cash provided (used) by financing activities	(5,541,654)	(3,446,183)
Increase (decrease) in cash and cash equivalents	(880,459)	1,837,459
Cash and cash equivalents at beginning of period	2,115,652	1,559,350
Cash and cash equivalents at end of period	<u>\$ 1,235,193</u>	<u>\$ 3,396,809</u>
Supplemental Disclosures of Cash Flow Information:		
Interest paid (net of capitalized interest)	\$ 1,652,872	\$ 888,720
Income taxes paid (net of refunds received)	\$ 1,522,904	\$ 2,568,081
Supplemental Schedule of Noncash Investing and Financing Activities:		
Dividends declared and unpaid	\$ 94,587	\$ -
Gross additions to properties and equipment	\$ 26,392,844	\$ 31,607,517
Net increase (decrease) in accounts receivable for properties and equipment additions	(687,689)	633,853
Capital expenditures and acquisitions	<u>\$ 25,705,155</u>	<u>\$ 32,241,370</u>

*****MORE*****

Derivative Contracts as of October 31, 2023

Contract period	Production volume covered per month	Index	Contract price
Natural gas costless collars			
October - December 2023	20,000 Mmbtu	NYMEX Henry Hub	\$3.00 floor / \$4.70 ceiling
October - December 2023	25,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$7.00 ceiling
November 2023 - March 2024	30,000 Mmbtu	NYMEX Henry Hub	\$3.25 floor / \$5.25 ceiling
December 2023 - September 2024	30,000 Mmbtu	NYMEX Henry Hub	\$3.00 floor / \$3.60 ceiling
January 2024	135,000 Mmbtu	NYMEX Henry Hub	\$4.50 floor / \$7.90 ceiling
February 2024	125,000 Mmbtu	NYMEX Henry Hub	\$4.50 floor / \$7.90 ceiling
March 2024	130,000 Mmbtu	NYMEX Henry Hub	\$4.50 floor / \$7.90 ceiling
April 2024	90,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$4.70 ceiling
May 2024	95,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$4.70 ceiling
June 2024	90,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$4.70 ceiling
January - March 2024	30,000 Mmbtu	NYMEX Henry Hub	\$3.00 floor / \$6.00 ceiling
October 2024 - June 2025	30,000 Mmbtu	NYMEX Henry Hub	\$3.00 floor / \$5.00 ceiling
November 2024 - March 2025	90,000 Mmbtu	NYMEX Henry Hub	\$3.25 floor / \$5.25 ceiling
November - December 2024	35,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$5.15 ceiling
January - March 2025	30,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$5.15 ceiling
Natural gas fixed price swaps			
October - December 2023	100,000 Mmbtu	NYMEX Henry Hub	\$3.37
October - December 2023	20,000 Mmbtu	NYMEX Henry Hub	\$3.57
December 2023 - February 2024	135,000 Mmbtu	NYMEX Henry Hub	\$3.65
October 2023	20,000 Mmbtu	NYMEX Henry Hub	\$3.58
October 2023	50,000 Mmbtu	NYMEX Henry Hub	\$2.52
March 2024	127,500 Mmbtu	NYMEX Henry Hub	\$3.65
April - June 2024	10,000 Mmbtu	NYMEX Henry Hub	\$3.21
April - October 2024	50,000 Mmbtu	NYMEX Henry Hub	\$3.17
April - July 2024	127,500 Mmbtu	NYMEX Henry Hub	\$3.24
July - October 2024	75,000 Mmbtu	NYMEX Henry Hub	\$3.47
July - October 2024	25,000 Mmbtu	NYMEX Henry Hub	\$3.47
August - September 2024	120,000 Mmbtu	NYMEX Henry Hub	\$3.24
October 2024	105,000 Mmbtu	NYMEX Henry Hub	\$3.24
November - December 2024	70,000 Mmbtu	NYMEX Henry Hub	\$4.16
January - March 2025	60,000 Mmbtu	NYMEX Henry Hub	\$4.16
Oil costless collars			
January 2024	1,850 Bbls	NYMEX WTI	\$63.00 floor / \$76.00 ceiling
February 2024	1,700 Bbls	NYMEX WTI	\$63.00 floor / \$76.00 ceiling
March 2024	1,750 Bbls	NYMEX WTI	\$63.00 floor / \$76.00 ceiling
April 2024	1,700 Bbls	NYMEX WTI	\$63.00 floor / \$76.00 ceiling
May 2024	1,750 Bbls	NYMEX WTI	\$63.00 floor / \$76.00 ceiling
June 2024	1,650 Bbls	NYMEX WTI	\$63.00 floor / \$76.00 ceiling
January - March 2024	1,650 Bbls	NYMEX WTI	\$65.00 floor / \$76.50 ceiling
April - June 2024	500 Bbls	NYMEX WTI	\$65.00 floor / \$76.50 ceiling
July - October 2024	1,650 Bbls	NYMEX WTI	\$65.00 floor / \$76.50 ceiling
Oil fixed price swaps			
October - December 2023	1,500 Bbls	NYMEX WTI	\$67.55
October - December 2023	750 Bbls	NYMEX WTI	\$70.05
October - December 2023	1,500 Bbls	NYMEX WTI	\$80.80
October - December 2023	1,000 Bbls	NYMEX WTI	\$80.74
December 2023 - March 2024	750 Bbls	NYMEX WTI	\$71.75
April - October 2024	1,000 Bbls	NYMEX WTI	\$66.10
April - June 2024	1,300 Bbls	NYMEX WTI	\$70.59
November 2024 - March 2025	1,600 Bbls	NYMEX WTI	\$64.80
April - June 2025	1,000 Bbls	NYMEX WTI	\$68.00

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Non-GAAP Reconciliation

This press release includes certain “non-GAAP financial measures” as defined under the rules and regulations of the U.S. Securities and Exchange Commission, or the SEC, including Regulation G. These non-GAAP financial measures are calculated using GAAP amounts in the Company’s financial statements. These measures, detailed below, are provided in addition to, not as an alternative for, and should be read in conjunction with, the information contained in the Company’s financial statements prepared in accordance with GAAP (including the notes thereto), included in the Company’s SEC filings and posted on its website.

Adjusted EBITDA Reconciliation

The Company defines “adjusted EBITDA” as earnings before interest, taxes, depreciation and amortization, or EBITDA, excluding non-cash gains (losses) on derivatives and gains (losses) on asset sales and including cash receipts from (payments on) off-market derivatives and restricted stock and deferred directors’ expense. The Company has included a presentation of adjusted EBITDA because it recognizes that certain investors consider this amount to be a useful means of measuring the Company’s ability to meet its debt service obligations and evaluating its financial performance. Adjusted EBITDA has 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, this presentation of adjusted EBITDA may not be comparable to a similarly titled measure of other companies. The following table provides a reconciliation of net income (loss) to adjusted EBITDA for the quarters indicated:

	Three Months Ended Sept. 30, 2023	Three Months Ended Sept. 30, 2022	Nine Months Ended Sept. 30, 2023	Nine Months Ended Sept. 30, 2022	Three Months Ended June 30, 2023
Net Income (Loss)	\$ 1,895,403	\$ 9,158,468	\$ 11,407,356	\$ 13,727,023	\$ (41,291)
Plus:					
Income tax expense					
(benefit)	589,000	2,431,000	3,490,000	3,440,000	(166,000)
Interest expense	556,941	471,716	1,638,708	988,273	524,294
DD&A	2,022,709	1,550,410	6,123,031	5,694,358	2,210,332
Impairment expense	36,460	2,703	38,533	8,980	-
Less:					
Non-cash gains (losses)					
on derivatives	(940,592)	1,639,703	1,365,872	(6,850,017)	(865,935)
Gains (losses) on asset sales	243,041	3,558,611	4,671,254	6,544,575	10,230
Plus:					
Cash receipts from (payments on)					
off-market derivative contracts ⁽¹⁾	-	(1,057,197)	(373,745)	(4,834,703)	-
Restricted stock and deferred					
director's expense	522,965	1,037,179	1,861,219	2,080,110	703,667
Adjusted EBITDA	<u>\$ 6,321,029</u>	<u>\$ 8,395,965</u>	<u>\$ 18,147,976</u>	<u>\$ 21,409,483</u>	<u>\$ 4,086,707</u>

(1) The initial receipt of \$8.8 million of cash from BP Energy Company, or BP, for entering into the off-market derivative contracts had no effect on the Company’s statement of operations and was considered cash flow from financing activities. A portion of subsequent settlements with BP had no effect on the Company’s statement of operations.

Debt to Adjusted EBITDA (TTM) Reconciliation

“Debt to adjusted EBITDA (TTM)” is defined as the ratio of long-term debt to adjusted EBITDA on a trailing 12-month (TTM) basis. The Company has included a presentation of debt to adjusted EBITDA (TTM) because it recognizes that certain investors consider such ratios to be a useful means of measuring the Company’s ability to meet its debt service obligations and for evaluating its financial performance. The debt to adjusted EBITDA (TTM) ratio has 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, this presentation of debt to adjusted EBITDA (TTM) may not be

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comparable to a similarly titled measure of other companies. The following table provides a reconciliation of net income (loss) to adjusted EBITDA on a TTM basis and of the resulting debt to adjusted EBITDA (TTM) ratio:

	TTM Ended Sept. 30, 2023	TTM Ended Sept. 30, 2022
Net Income (Loss)	\$ 14,753,489	\$ 20,409,272
Plus:		
Income tax expense (benefit)	4,471,000	4,202,000
Interest expense	2,276,406	1,164,992
DD&A	7,925,145	7,278,118
Impairment expense	6,139,229	14,565
Less:		
Non-cash gains (losses) on derivatives	7,630,914	(2,299,518)
Gains (losses) on asset sales	5,605,461	4,423,648
Plus:		
Cash receipts from (payments on) off-market derivative contracts ⁽¹⁾	(1,277,206)	(7,522,794)
Restricted stock and deferred director's expense	2,430,303	2,403,525
Adjusted EBITDA	<u>\$ 23,481,991</u>	<u>\$ 25,825,548</u>
Debt	\$ 30,750,000	\$ 28,300,000
Debt to Adjusted EBITDA (TTM)	1.31	1.10

(1) The initial receipt of \$8.8 million of cash from BP for entering into the off-market derivative contracts had no effect on the Company's statement of operations and was considered cash flow from financing activities. A portion of subsequent settlements with BP had no effect on the Company's statement of operations.

Adjusted Pretax Net Income (Loss) Reconciliation

"Adjusted pretax net income (loss)" is defined as earnings before taxes and impairment expense, excluding non-cash gains (losses) on derivatives and gains (losses) on asset sales and including cash receipts from (payments on) off-market derivatives. The Company has included a presentation of adjusted pretax net income (loss) because it recognizes that certain investors consider this amount to be a useful means of measuring the Company's ability to meet its debt service obligations and evaluating its financial performance. Adjusted pretax net income (loss) has 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, this presentation of adjusted pretax net income (loss) may not be comparable to a similarly titled measure of other companies. The following table provides a reconciliation of net income (loss) to adjusted pretax net income (loss) for the periods indicated:

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	Three Months Ended Sept. 30, 2023	Three Months Ended Sept. 30, 2022	Nine Months Ended Sept. 30, 2023	Nine Months Ended Sept. 30, 2022	Three Months Ended June 30, 2023
Net Income (Loss)	\$ 1,895,403	\$ 9,158,468	\$ 11,407,356	\$ 13,727,023	\$ (41,291)
Plus:					
Income tax expense					
(benefit)	589,000	2,431,000	3,490,000	3,440,000	(166,000)
Impairment expense	36,460	2,703	38,533	8,980	-
Less:					
Non-cash gains (losses)					
on derivatives	(940,592)	1,639,703	1,365,872	(6,850,017)	(865,935)
Gains (losses) on asset sales	243,041	3,558,611	4,671,254	6,544,575	10,230
Plus:					
Cash receipts from					
(payments on)					
off-market derivative contracts ⁽¹⁾	-	(1,057,197)	(373,745)	(4,834,703)	-
Adjusted Pretax Net Income (Loss)	<u>\$ 3,218,414</u>	<u>\$ 5,336,660</u>	<u>\$ 8,525,018</u>	<u>\$ 12,646,742</u>	<u>\$ 648,414</u>
Weighted average shares outstanding					
Basic	35,983,116	35,573,813	35,961,570	34,833,427	35,965,281
Diluted	36,656,272	35,916,878	36,670,494	35,204,241	35,965,281
Adjusted Pretax Net Income (Loss) per basic share	<u>\$ 0.09</u>	<u>\$ 0.15</u>	<u>\$ 0.24</u>	<u>\$ 0.36</u>	<u>\$ 0.02</u>
Adjusted Pretax Net Income (Loss) per diluted share	<u>\$ 0.09</u>	<u>\$ 0.15</u>	<u>\$ 0.23</u>	<u>\$ 0.36</u>	<u>\$ 0.02</u>

(1) The initial receipt of \$8.8 million of cash from BP for entering into the off-market derivative contracts had no effect on the Company's statement of operations and was considered cash flow from financing activities. A portion of subsequent settlements with BP had no effect on the Company's statement of operations.

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.

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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 operational outlook; 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 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 forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected. 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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*****END*****



NYSE: PHX

Investor Presentation

November 2023



Cautionary Statement Regarding Forward-Looking Statements

This presentation does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation to purchase any security of PHX Minerals Inc. (“PHX” or the “Company”). No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or an exemption therefrom.

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 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 Report 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.

Readers 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 the forward-looking statements. The forward-looking statements in this presentation 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.

Use of Non-GAAP Financial Information

This presentation includes certain non-GAAP financial measures. Adjusted EBITDA is a supplemental non-GAAP measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. PHX defines “Adjusted EBITDA” as earnings before interest, taxes, depreciation and amortization, or EBITDA, excluding unrealized gains (losses) on derivatives and gains (losses) on asset sales and including cash receipts from (payments on) off-market derivatives and restricted stock and deferred directors’ expense. PHX references Adjusted EBITDA in this presentation because it recognizes that certain investors consider Adjusted EBITDA a useful means of measuring our ability to meet our debt service obligations and evaluating our financial performance. Adjusted EBITDA has 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 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 June 30, 2023, referenced in this presentation were prepared by Cawley, Gillespie and Associates, Inc, 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.

Overview

PHX is a growth oriented mineral rights company focused on natural gas

- In January of 2020, PHX Minerals began a dramatic company transformation:
 - New management / technical team with deep industry experience
 - New minerals only corporate strategy focused on growth
 - Acquire minerals ahead of the drill bit under active operators in the highest quality rock
 - New company name from the former Panhandle Oil & Gas to better align with strategy
- Former Company reserve footprint was scattered and consisted of both mature legacy non-operated working interest and royalty interest
 - Historically, no catalyst to provide predictable / sustainable volume or reserve growth
- Since 2020, have high graded assets by divesting virtually all of the material non-operated working interest assets and redeploying proceeds and free cash flow into mineral acquisition strategy
 - Predictable line of sight development provides growth catalyst
 - Deep inventory of drillable locations increases annual production volumes and cash flows
- Today, PHX is approximately 88% royalty by production volumes and 80% by proved reserves
- Transformation complete with sustainable model and balance sheet going forward

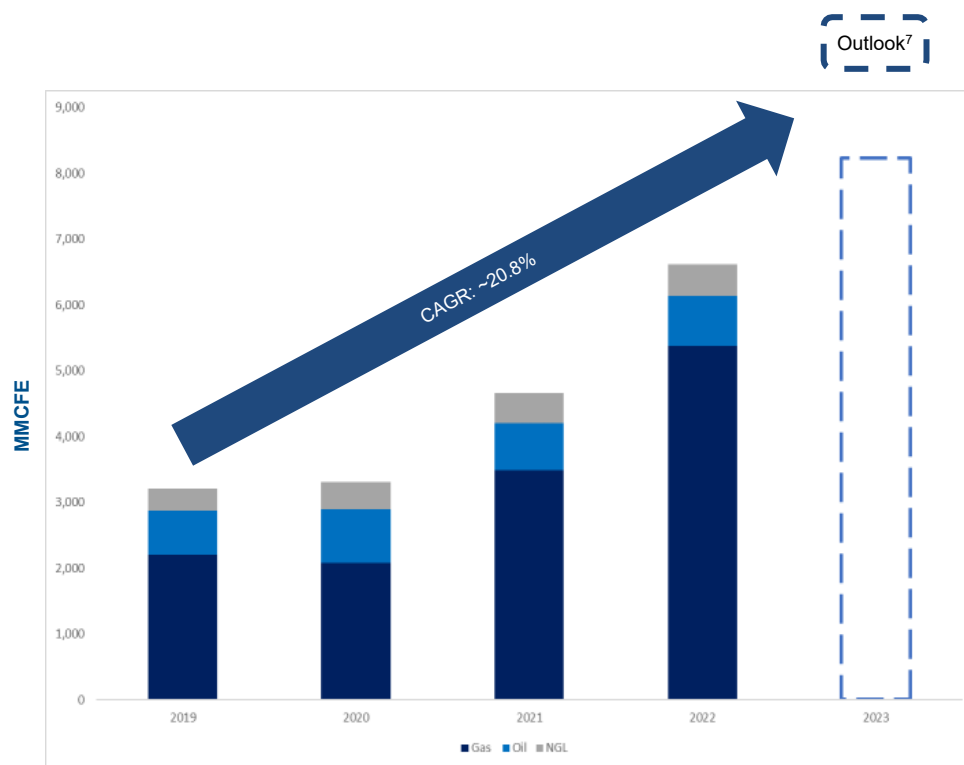
Company Snapshot

Key Statistics

\$ in millions

Market Cap ¹	\$131.4
Enterprise Value ²	\$160.9
Liquidity ³	\$24.4
Dividend Yield ⁴	3.38%
Leverage ⁵	1.31x
Cal. 2022 Adjusted EBITDA ⁶	\$26.7
YTD 2023 Adjusted EBITDA ⁶	\$18.1
Cal. 2022 Discretionary Cash Flow Yield ⁶	~25%
Cal. 2022 ROCE ⁶	~15%
Percent of 3P Reserves – Natural Gas ⁹	~76%
Net Leased Royalty Acres ⁸	92,948

Sustainable Royalty Production Growth Through Conversion of Existing Mineral Location Inventory (see pages 16 and 17)



Source: Company information and Enverus

¹ Based on \$3.55 per share as of 10/20/2023 and 37 million shares outstanding on a fully diluted basis as of 09/30/2023

² Market Cap plus debt of \$30.8 million minus cash on hand of \$1.2 million as of 09/30/2023

³ Calculated as working capital (current assets less current liabilities excluding current derivatives) plus availability on the borrowing base; On a pro forma basis, Q3 2023 includes a \$50 million borrowing base, which was recently increased from \$45 million as part of the last redetermination that was finalized on November 6th, 2023. See Non-GAAP reconciliation in Appendix

⁴ Based on \$0.12 annualized Dividend per share

⁵ Total Debt / TTM Adjusted EBITDA; See Non-GAAP Reconciliation in Appendix

⁶ See Non-GAAP reconciliation in Appendix

⁷ At mid-point of production outlook (see page 12)

⁸ As of 9/30/2023; PHX also owns 166,232 unleased net royalty acres normalized to a 1/8th royalty

⁹ 3P Reserves per 6/30/2023 CGA Mid Year Report proforma acquisitions, divestitures and activity as of 9/30/2023 at 9/30/2023 SEC price deck of \$77.70 per bbl of oil, \$29.46 per bbl of NGL, \$3.26 per mcf of gas (proved volume weighted average price)

Strategy Execution

Goals Set in early 2020

High Grade Asset Base

- Grow royalty production (higher margin/lower cost)
- Improve line of sight development opportunities
- Exit working interest assets (higher cost/lower margin)
- Divest unleased non-producing minerals lacking scale and line of sight development

Build a strong and sustainable balance sheet

- Improve balance sheet designed to withstand commodity price volatility

Become a consolidator in the mineral space

- Implement growth strategy that is balanced with appropriate debt management and dividend payout ratio
- Allocate capital to generate the best possible returns to shareholders

Generate return on capital employed (ROCE)

Achievements Through Sept. 30, 2023



- Total royalty volume growth since 2020: 150%¹
- Mineral acquisitions completed: ~\$127 million
- Built a 10+ year inventory of line of sight development locations
- Working interest wellbores sold: 1,382
- Unleased non-producing mineral acres sold: ~25,400

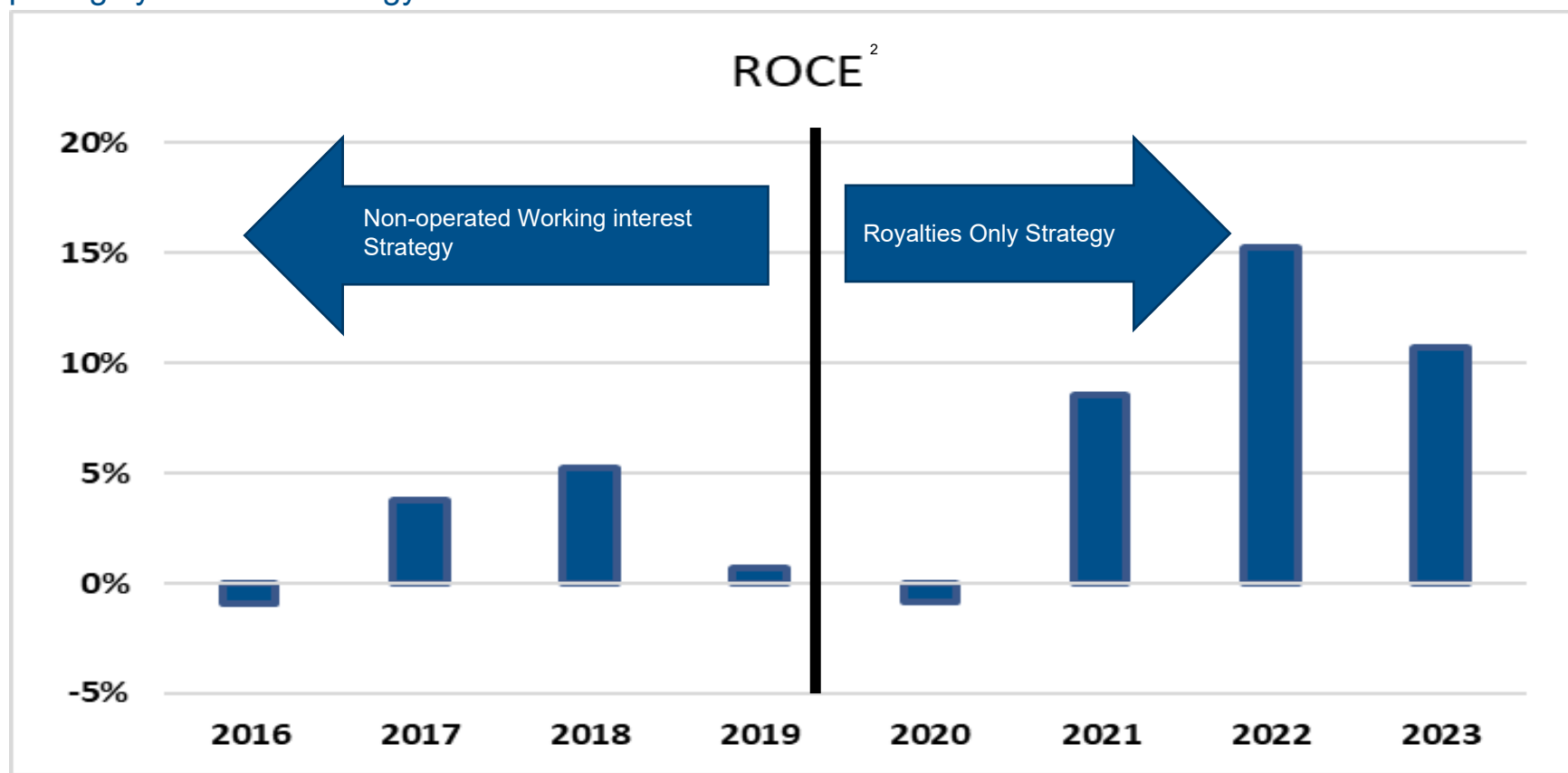
- Reduced leverage: ~2.5x to ~1.3x (Debt / TTM Adjusted EBITDA²)
- Improved commercial bank lending terms and relationships
- Enhanced liquidity profile as a result of superior asset performance and more predictable development timing

- Mineral acquisition transactions completed: 71
- Focus on smaller acquisition in targeted areas: ~\$1.8 million average (generates higher returns with less competition)

- Generated ~15% ROCE² in 2022 up from ~0% in 2019 and 2020
- Return profile under royalty only strategy driven by new volumes associated with well conversions from acquisitions

Improving Margins Driving Earnings & ROCE

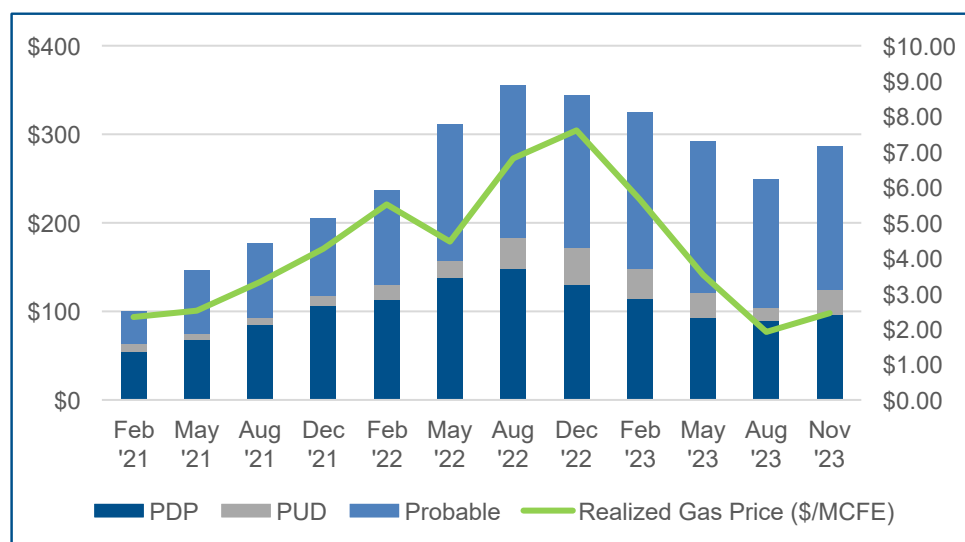
- The two key metrics used by PHX to measure the success of our royalties-only strategy and royalties acquisition program are:
 - Return on Capital Employed (ROCE)¹
 - NAV per share measure (the PV-10 value of our proved and probable reserves)
- Balance sheet management and ample liquidity underpin our strategy in order to thrive across the various pricing cycles of the energy sector



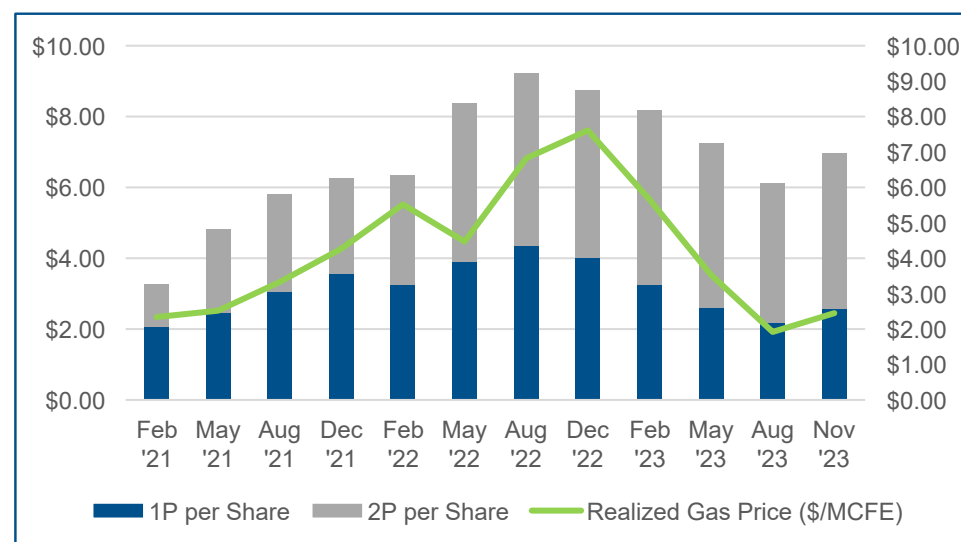
Per Share NAV Continues to Grow

- Significant improvement in NAV both on an absolute and per share basis (published in every corporate presentation since early 2021) since royalty-only strategy effort began under new management team
- High grading assets with mineral acquisition program, despite divesting of non-operated working interest, has grown PV10 value and increased NAV per share since change in strategy
- Below reserve value independently verified by DeGolyer & MacNaughton (2021) and Cawley, Gillespie and Associates, Inc (2022-2023)
- Current asset base has lower risk and higher growth profile than the PHX pre-2020 legacy asset base

Total 2P Reserve Value @ PV-10 (\$ millions)



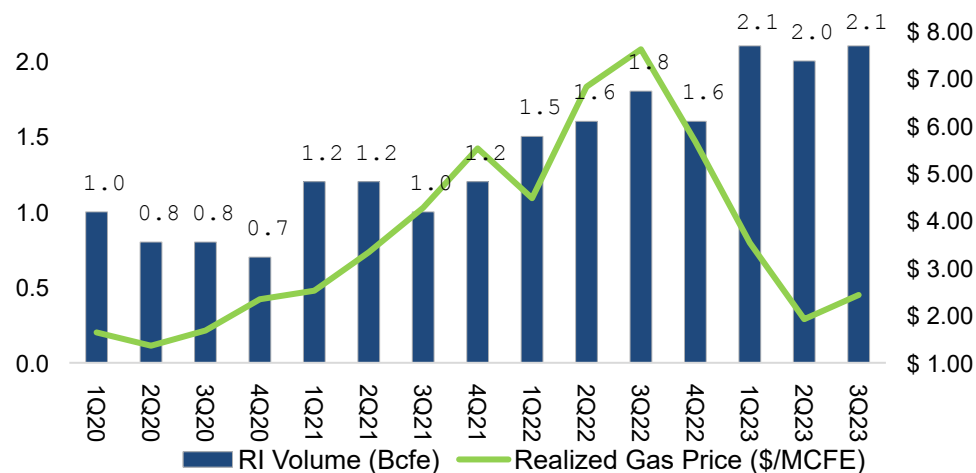
NAV per Share Net of Debt



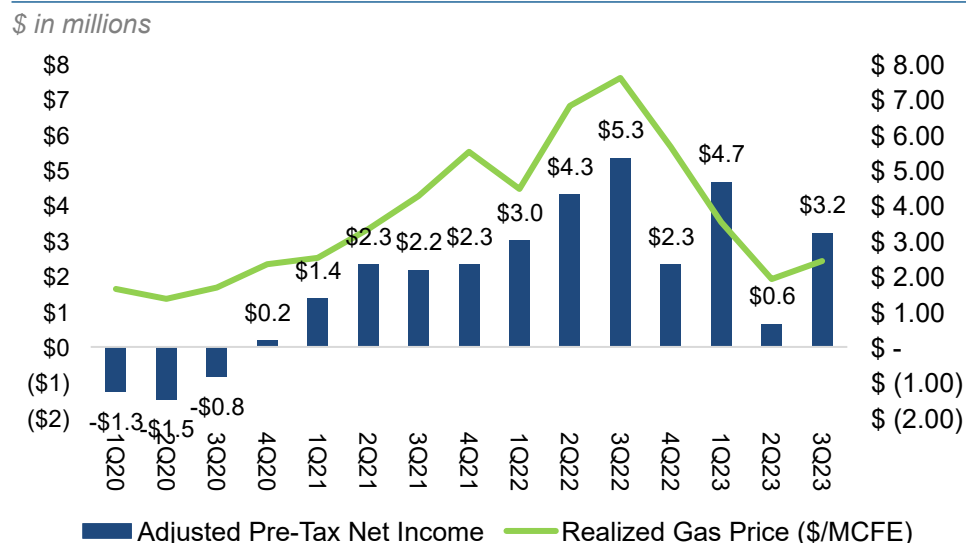
Next Twelve-Month NYMEX strip for oil and natural gas as of date reserves analysis was compiled

Royalty Cash Flow Driving Shareholder Value

Royalty Production and Realized Natural Gas Price

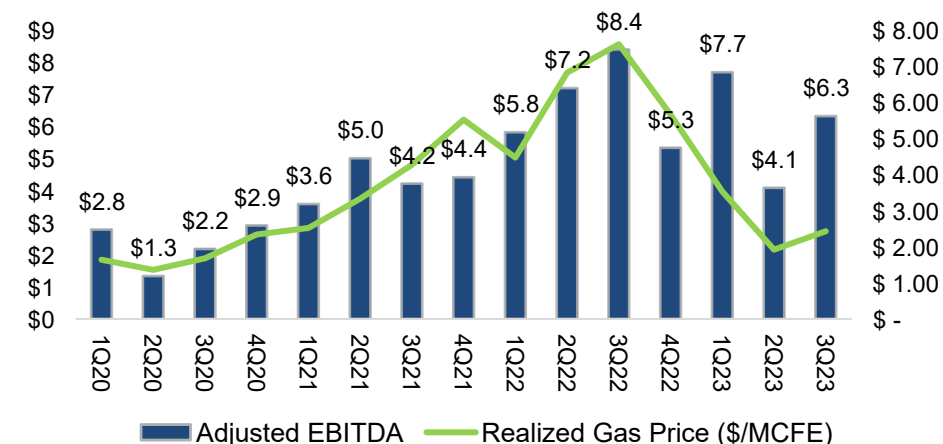


Adjusted Pre-Tax NI²

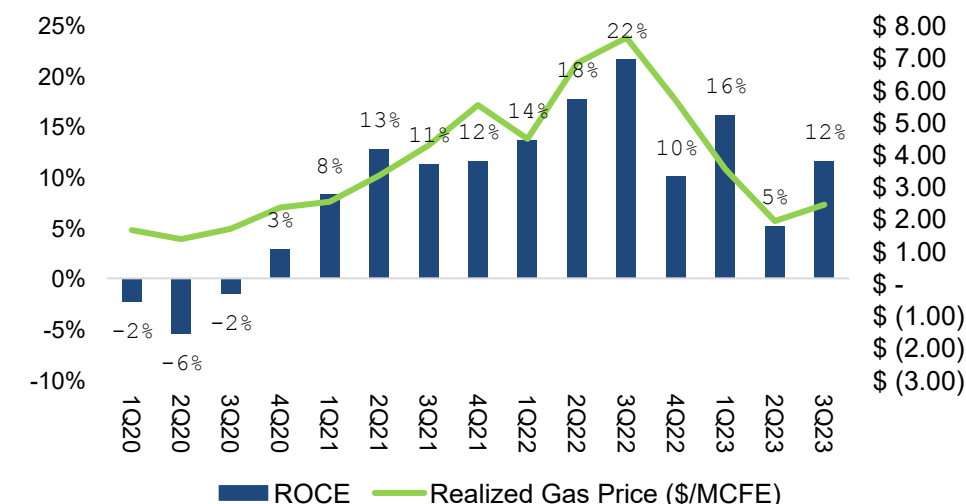


Adjusted EBITDA¹

\$ in millions



Return on Capital Employed³



Source: Company filings ; All quarters are in Calendar Year

¹ Calculated as net income excluding non-cash gain/loss on derivatives, income tax expense, interest expense, DD&A, non-cash impairments, non-cash G&A, gain(losses) on asset sales and cash receipts from/payments on off-market derivatives; See Non-GAAP reconciliation in Appendix

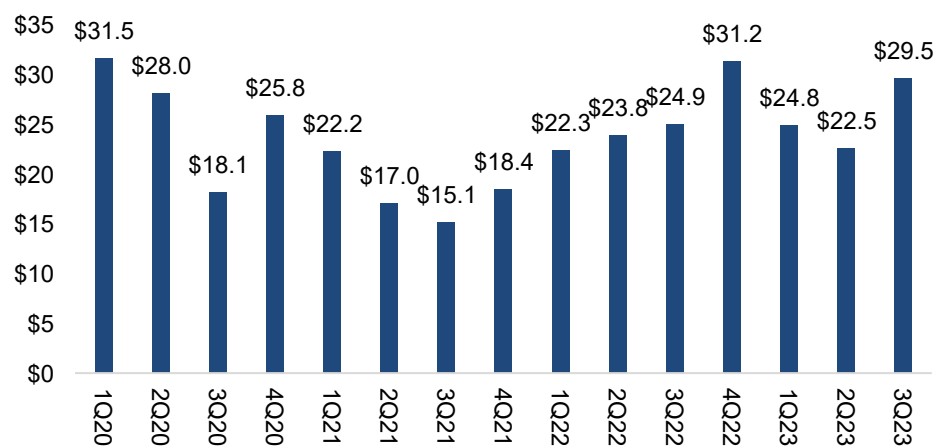
² Pre-tax net income adjusted to exclude unrealized gain on derivatives, non-cash impairments, cash receipts from/payments on off-market derivatives and gains(losses) on asset sales; See Non-GAAP reconciliation in Appendix

³ Annualized EBIT excluding non-cash gain/loss on derivatives, non-cash impairments, non-cash G&A, cash receipts from/payments on off-market derivatives and gain(losses) on asset sales divided by average debt and equity during the quarter; See Non-GAAP reconciliation in Appendix

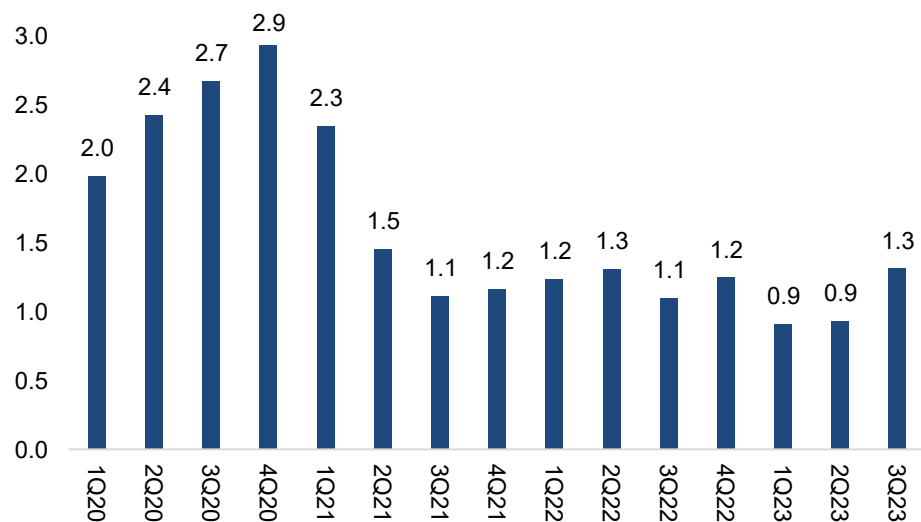
Stable Balance Sheet & Ample Liquidity

Net Debt ¹

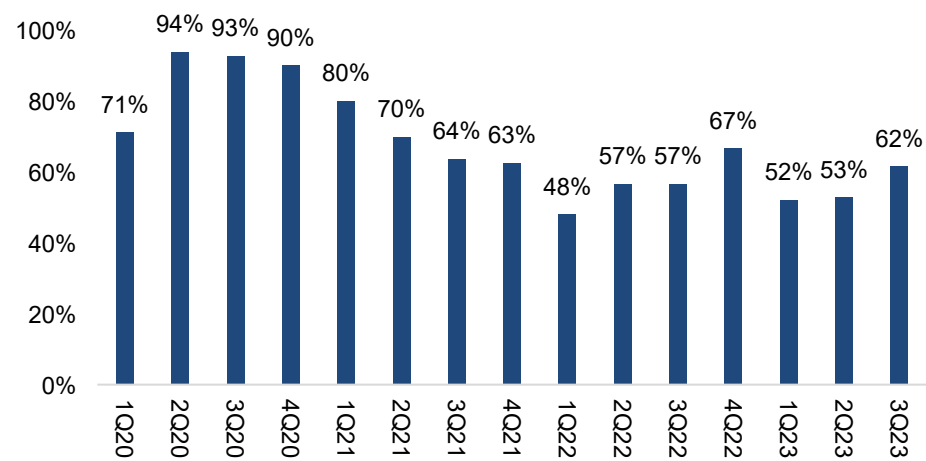
\$ in millions



Debt / Adjusted EBITDA² (TTM)



Percentage Drawn on Credit Facility Advance Rate⁴



Liquidity^{3,4}

\$ in millions



Source: Company filings ; All quarters are in Calendar Year

¹ Total debt less cash

² Total Debt / Adjusted EBITDA; See Non-GAAP reconciliation in Appendix

³ Calculated as working capital (current assets less current liabilities excluding current derivatives) plus availability on the borrowing base; See Non-GAAP reconciliation in Appendix

⁴ On a pro forma basis, Q3 2023 includes a \$50 million borrowing base, which was recently increased from \$45 million as part of the last redetermination that was finalized on November 6th, 2023

Strong Per Unit Metrics Driven by Royalty Only Strategy

	Quarter Ended					
	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Gross wells converted to production	96	49	60	117	81	71
Net wells converted to production	0.25	0.22	0.26	0.46	0.30	0.16
Natural gas sold (Mcf)	1,897,799	2,047,614	1,669,320	1,959,010	1,854,485	1,868,012
Oil sold (Bbls)	48,928	49,902	52,406	54,107	41,009	48,032
NGL sold (Bbls)	39,732	40,761	38,611	33,104	33,929	32,029
Total production sold (Mcf)	2,429,760	2,591,588	2,215,419	2,482,276	2,304,113	2,348,378
Royalty production sold (Mcf)	1,595,323	1,841,502	1,628,089	2,093,722	2,010,036	2,073,342
Gas Mcf sold - realized price before hedge settlements	\$ 6.82	\$ 7.61	\$ 5.66	\$ 3.53	\$ 1.92	\$ 2.40
Oil Bbls sold - realized price before hedge settlements	\$ 105.23	\$ 94.07	\$ 82.52	\$ 76.01	\$ 73.87	\$ 78.48
NGL Bbls sold - realized price before hedge settlements ²	\$ 36.76	\$ 37.89	\$ 28.77	\$ 25.18	\$ 18.93	\$ 20.35
Gas Mcf sold - realized price after hedge settlements ¹	\$ 4.32	\$ 5.08	\$ 4.02	\$ 3.83	\$ 2.49	\$ 2.72
Oil Bbls sold - realized price after hedge settlements ¹	\$ 60.18	\$ 57.80	\$ 62.03	\$ 69.90	\$ 73.80	\$ 78.44
Total Mcfe sold - realized price before hedge settlements	\$ 8.05	\$ 8.42	\$ 6.72	\$ 4.78	\$ 3.14	\$ 3.79
Total Mcfe sold - realized price after hedge settlements ¹	\$ 5.19	\$ 5.72	\$ 5.00	\$ 4.88	\$ 3.59	\$ 4.05
Total cash expenses per Mcfe ⁴	\$ 2.31	\$ 2.49	\$ 2.60	\$ 1.89	\$ 1.87	\$ 1.62
Net Income per Mcfe	\$ 3.53	\$ 3.53	\$ 1.51	\$ 3.85	\$ (0.02)	\$ 0.81
Adjusted EBITDA margin per Mcfe - before hedge settlements ³	\$ 5.74	\$ 5.93	\$ 4.12	\$ 2.89	\$ 1.27	\$ 2.17
Adjusted EBITDA margin per Mcfe - after hedge settlements ^{1,3}	\$ 2.87	\$ 3.23	\$ 2.39	\$ 2.99	\$ 1.73	\$ 2.43
Interest expense per Mcfe	\$ 0.12	\$ 0.18	\$ 0.29	\$ 0.22	\$ 0.23	\$ 0.24
Discretionary cash flow margin per Mcfe - before hedge settlements ³	\$ 5.62	\$ 5.75	\$ 3.83	\$ 2.67	\$ 1.04	\$ 1.93
Discretionary cash flow margin per Mcfe - after hedge settlements ^{1,3}	\$ 2.75	\$ 3.05	\$ 2.10	\$ 2.77	\$ 1.50	\$ 2.19

Strong Margins Driven by Royalty Only Strategy

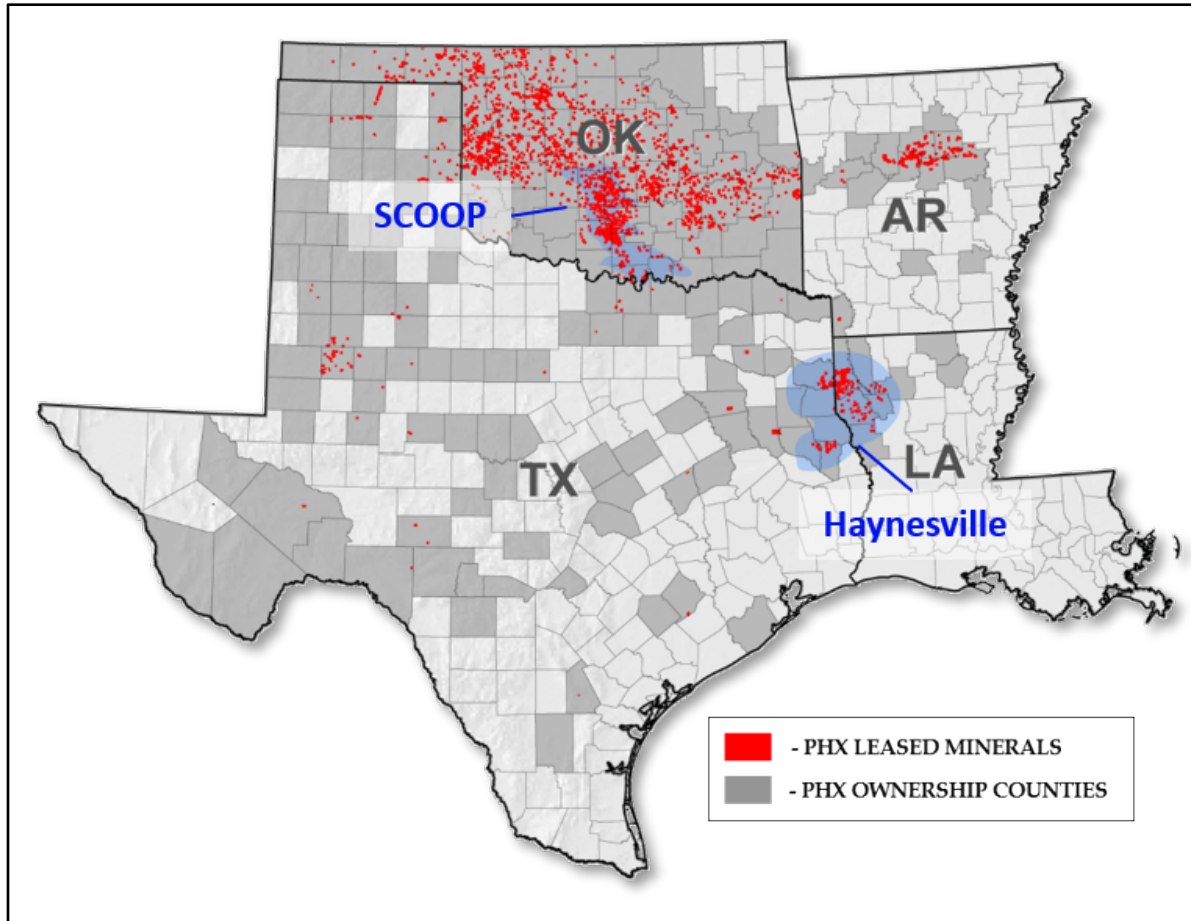
	Quarter Ended					
	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Royalty interest sales	\$ 12,473,416	\$ 15,411,544	\$ 10,571,704	\$ 10,123,741	\$ 6,217,663	\$ 7,873,297
Working interest sales	7,088,152	6,416,490	4,316,970	1,733,506	1,013,501	1,025,794
Total natural gas, oil and NGL sales	\$ 19,561,568	\$ 21,828,034	\$ 14,888,674	\$ 11,857,247	\$ 7,231,164	\$ 8,899,091
Cash received (paid) on settled derivative contracts ^{1,2}	(6,954,171)	(6,995,513)	(3,821,500)	256,676	1,048,941	602,945
Lease bonuses and rentals	209,329	17,350	34,482	313,150	111,991	620,101
Total revenue	\$ 12,816,726	\$ 14,849,871	\$ 11,101,656	\$ 12,427,073	\$ 8,392,096	\$ 10,122,137
Lease operating expenses	900,807	961,148	1,015,981	545,767	314,150	413,643
Transportation, gathering & marketing	1,430,136	1,758,132	1,455,260	1,128,756	906,373	693,915
Production taxes	925,197	929,330	617,948	581,433	461,893	387,624
Cash general and administrative ²	2,303,281	2,745,980	2,568,317	2,347,322	2,473,436	2,237,377
Other expense	63,203	59,316	110,134	83,555	149,537	68,549
Total cash expenses	\$ 5,622,624	\$ 6,453,906	\$ 5,767,640	\$ 4,686,833	\$ 4,305,389	\$ 3,801,108
Adjusted EBITDA ²	\$ 7,194,102	\$ 8,395,965	\$ 5,334,016	\$ 7,740,240	\$ 4,086,707	\$ 6,321,029
Interest Expense	286,345	471,716	637,698	557,473	524,294	556,941
Discretionary cash flow ²	\$ 6,907,757	\$ 7,924,249	\$ 4,696,318	\$ 7,182,767	\$ 3,562,413	\$ 5,764,088
Discretionary cash flow margin ²	35%	36%	32%	61%	49%	65%

PHX Operational Outlook

- Calendar 2023 production derived from wells already on production and wells currently being drilled/completed by operators
- Royalty volume growth driven by mineral acquisitions of high-quality undrilled location inventory in the core of our focus areas under active operators

	Cal. Year 2022 Actual	Cal. 2023 YTD Actual	Cal. Year 2023 Outlook
Mineral & Royalty Production (Mmcfe)	6,613	6,177	8,000 – 8,400
Working Interest Production (Mmcfe)	3,084	958	1,200 – 1,400 ¹
Total Production (Mmcfe)	9,697	7,135	9,200 – 9,800
Percentage Natural Gas	78%	80%	79% - 81%
Transportation, Gathering & Marketing (per mcfe)	\$0.63	\$0.38	\$0.37 - \$0.42
Production Tax (as % of pre-hedge sales)	4.50%	5.10%	5.00% - 5.50%
LOE Expenses (on an absolute basis in 000's)	\$3,807	\$1,274	\$1,500 - \$1,700
Cash G&A (per mcfe) ²	\$1.01	\$0.99	\$0.99 - \$1.02

Focused in SCOOP and Haynesville



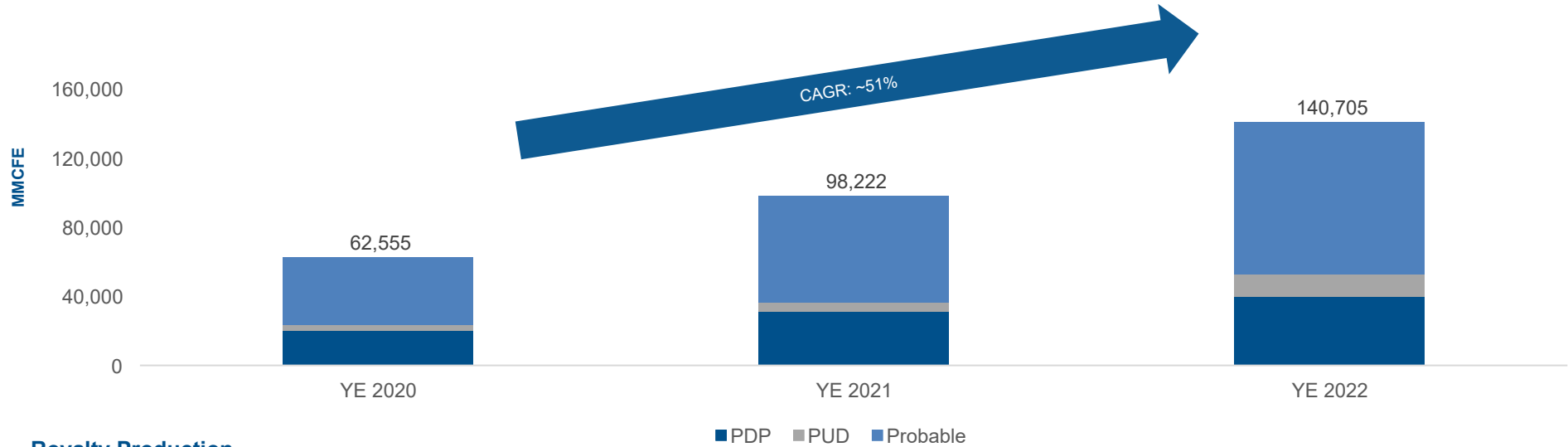
Key Operators of PHX Minerals



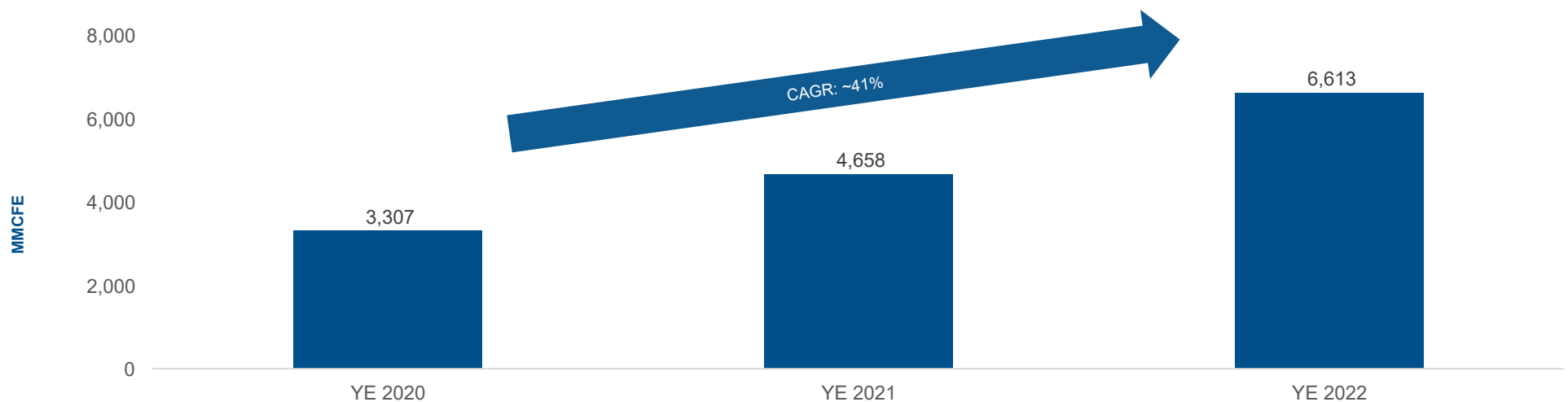
Royalty Reserve Growth

Sustainable royalty reserve and production growth through conversion of existing mineral location inventory

Royalty Reserves



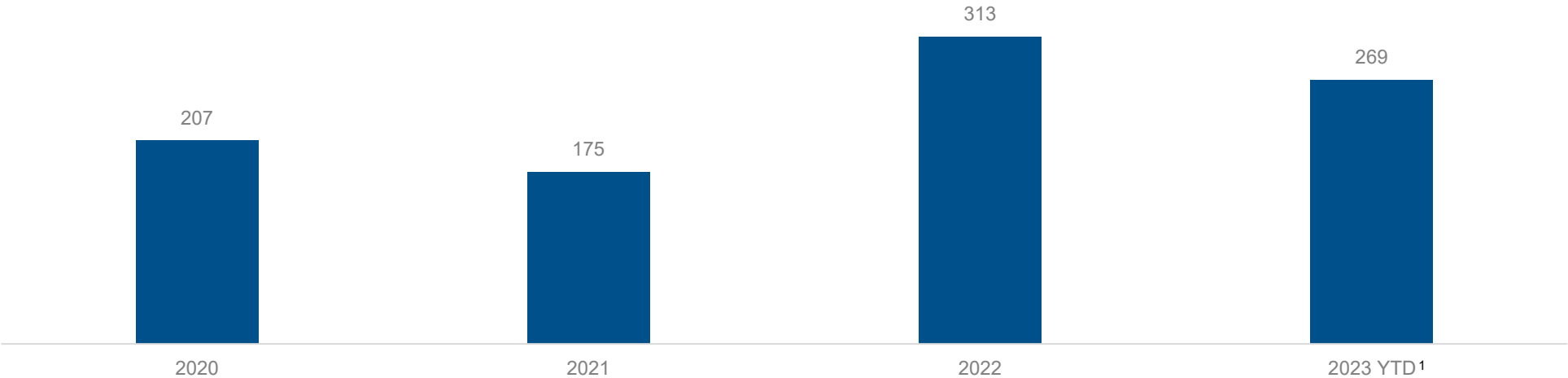
Royalty Production



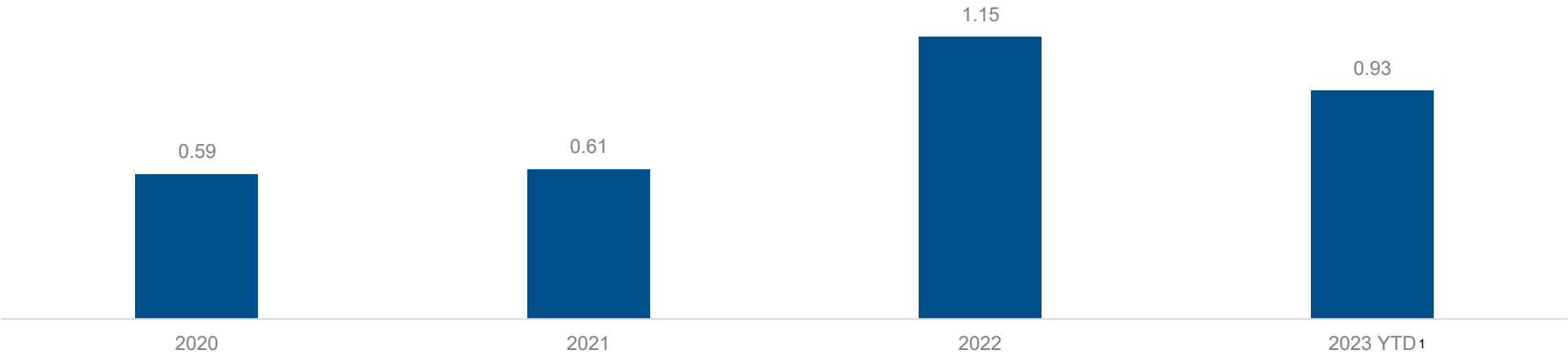
Yearly Conversions To Producing Wells

Strong drilling activity on our mineral assets provides sustainable annual royalty production growth

Gross Conversions



Net Conversions

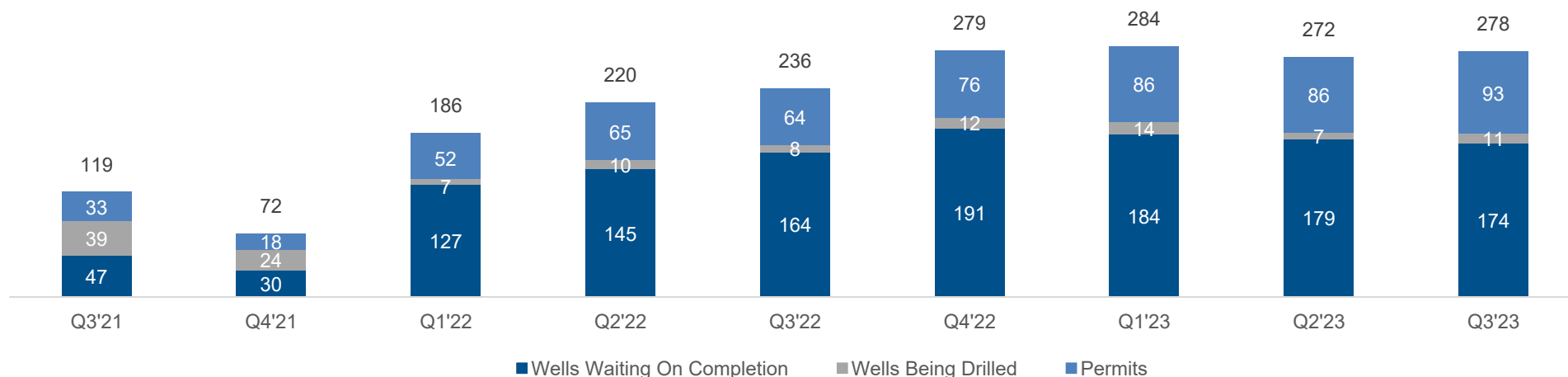


¹ As of 09/30/2023

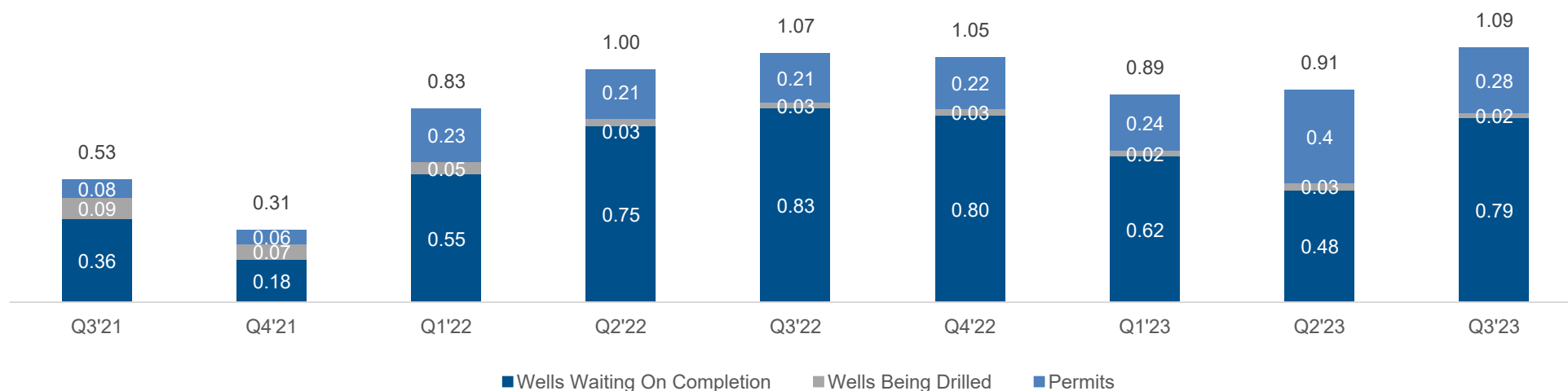
Quarterly Near-Term Drilling Inventory

Continuous conversion of undrilled location inventory will drive future royalty volume growth

Gross Inventory



Net Inventory

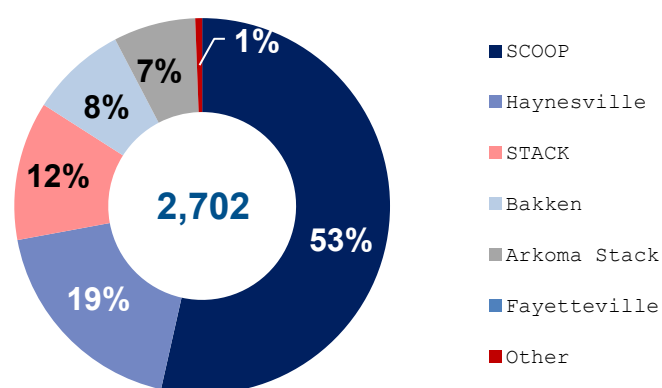
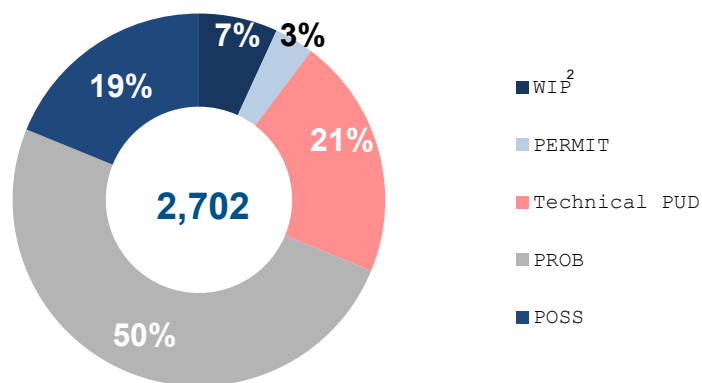


Royalty Interest Inventory by Basin

Continuous conversion of undrilled location inventory will drive future royalty volume growth

Sub-region	Gross PDP Wells ¹	Net PDP Wells ¹	Undeveloped Locations ¹									
			Gross Wells In Progress ²	Net Wells in Progress ³	Gross Permits	Net Permits ³	Gross Technical PUDs ⁴	Net Technical PUDs ^{3,4,5}	Gross PROB	Net PROB ^{3,5}	Gross POSS	Net POSS ^{3,5}
SCOOP	1,063	4.495	52	0.159	43	0.128	198	0.684	800	2.346	353	1.251
Haynesville	536	3.143	97	0.538	28	0.095	230	0.788	143	0.525	4	0.003
STACK	398	1.743	13	0.034	7	0.031	71	0.391	172	1.056	60	0.576
Bakken	619	1.786	8	0.043	5	0.006	65	0.243	137	0.829	9	0.146
Arkoma Stack	529	4.757	4	0.003	5	0.002	2	0.003	97	1.745	83	0.924
Fayetteville	1,073	6.454	0	0	0	0	0	0	0	0	0	0
Other	2,020	16.728	11	0.031	5	0.021	0	0	0	0	0	0
Total	6,238	39.106	185	0.808	93	0.283	566	2.109	1,349	6.501	509	2.900

Gross Undeveloped Locations



Note:

1 As of 09/30/2023

2 Wells in Progress includes wells currently being drilled and wells waiting on completion

3 Net interest on wells are internal estimates and subject to confirmation from operator

4 Technical PUDs, reviewed and approved by Cawley, Gillespie and Associates, Inc., share all technical merits of PUDs but development timing is uncertain. PHX Technical PUDs are most likely PUDs in their respective operator's reserve report.

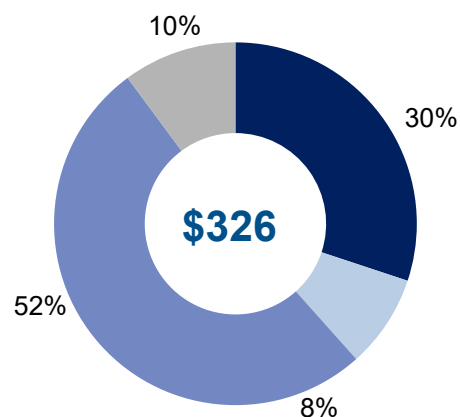
5 Technical PUDs, PROB, and POSS net wells assume 10,000 ft. laterals

7 At this time, well counts do not account for all future reserves, such as the Bossier in the Haynesville, or reserves associated with 150,000 unleased mineral acres

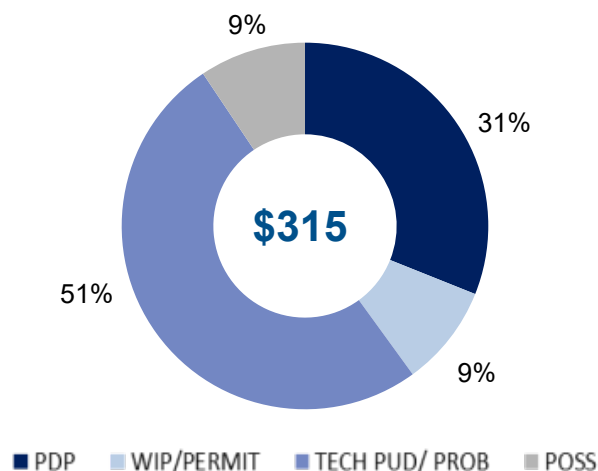
Reserves Value Summary

Reserve Category	PV-10 Value (\$mm)		
	SEC ¹	Strip ²	\$100 / \$6.00 ³
PDP	\$98.1	\$96.4	\$167.9
Drilling or Waiting on Completion	\$20.2	\$21.0	\$35.9
Permits	\$6.9	\$7.1	\$11.3
Total Proved Reserves	\$125.2	\$124.4	\$215.1
Technical PUDs ⁴	\$51.2	\$51.6	\$83.6
PROB ⁵	\$116.6	\$110.5	\$177.7
POSS ⁵	\$33.0	\$28.8	\$48.4
Total 3P Reserves	\$326.1	\$315.3	\$524.8
Proved PV-10 Per Share⁶	\$2.59	\$2.57	\$5.02
2P PV-10 Per Share⁶	\$7.12	\$6.95	\$12.08
3P PV-10 Per Share⁶	\$8.01	\$7.73	\$13.39

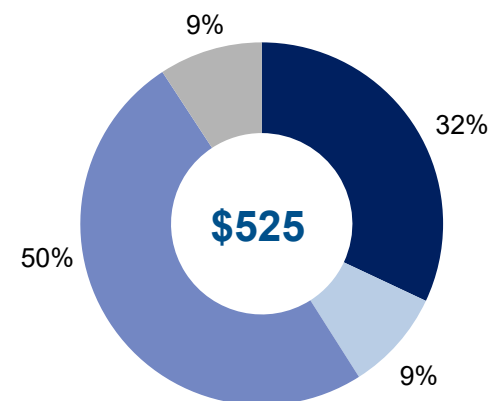
SEC Pricing¹



Strip Pricing²



\$100/\$6.00 Flat Pricing³



1 3P Reserves per CGA Mid Year Report proforma acquisitions, divestitures and activity as of 9/30/2023 at 9/30/2023 SEC price deck of \$77.70 per bbl of oil, \$29.46 per bbl of NGL, \$3.26 per mcf of gas (proved volume weighted average price)

2 3P Reserves per CGA Mid Year Report proforma acquisitions, divestitures and activity as of 9/30/2023 at 10/16/2023 STRIP price of WTI/HH 2023: \$85.96/\$3.29, 2024: \$80.18/\$3.55, 2025: \$75.04/\$4.06, 2026: \$71.42/\$4.06, 2027: \$68.60/\$3.99, 2028: \$66.18/\$3.89, 2029: \$63.96/\$3.88, 2030: \$61.82/\$3.78, 2031: \$59.99/\$3.73, 2032: \$58.58/\$3.70, 2033: \$57.13/\$3.81, 2034: \$56.47/\$3.91, 2035+: \$56.47/\$4.10.

3 3P Reserves per CGA Mid Year Report proforma acquisitions, divestitures and activity as of 9/30/2023 at flat price deck of \$100.00 WTI /\$6.00 HH

4 Technical PUDs, reviewed and approved by Cawley, Gillespie and Associates, Inc., share all technical merits of PUDs but development timing is uncertain. PHX Technical PUDs may be PUDs in their respective operator's reserve report.

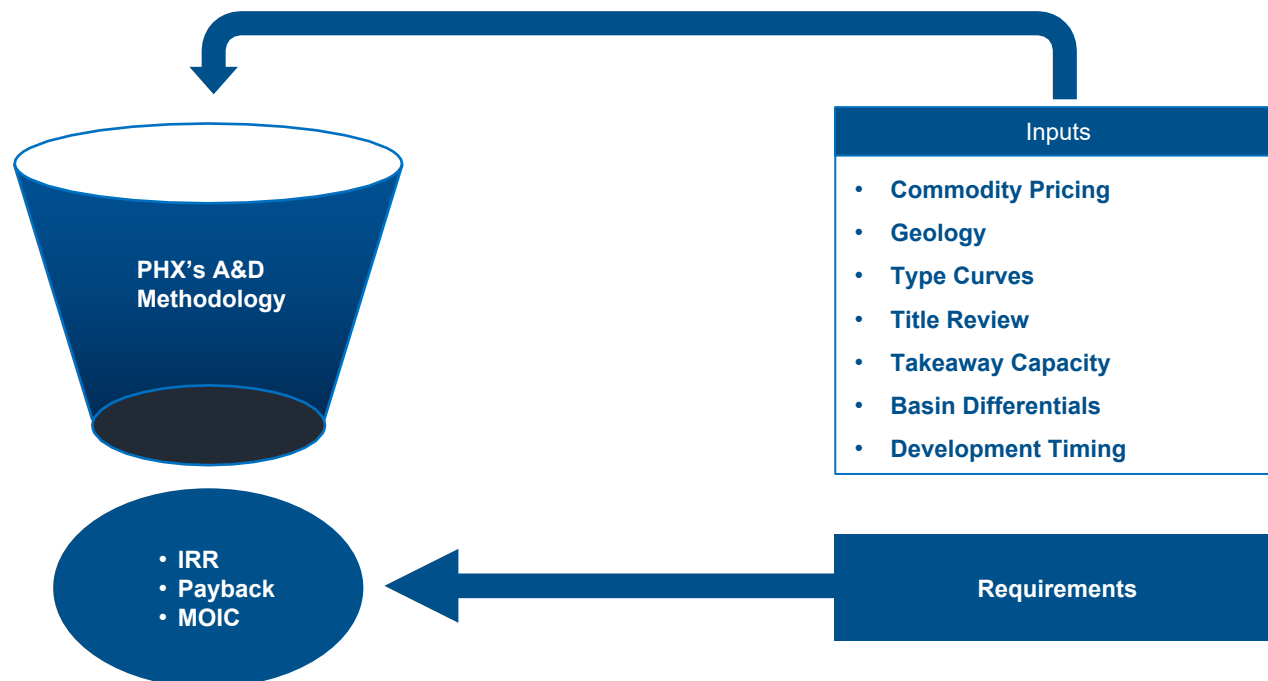
5 Scheduled out approximately 10 years for PROB and 15 years for POSS.

6 PV-10 less net debt of \$29.5 MM as of 9/30/2023 divided by total shares outstanding as of 9/30/2023

7 At this time, does not account for all future reserves, such as the Bossier in the Haynesville, or reserves associated with 150,000 unleased mineral acres

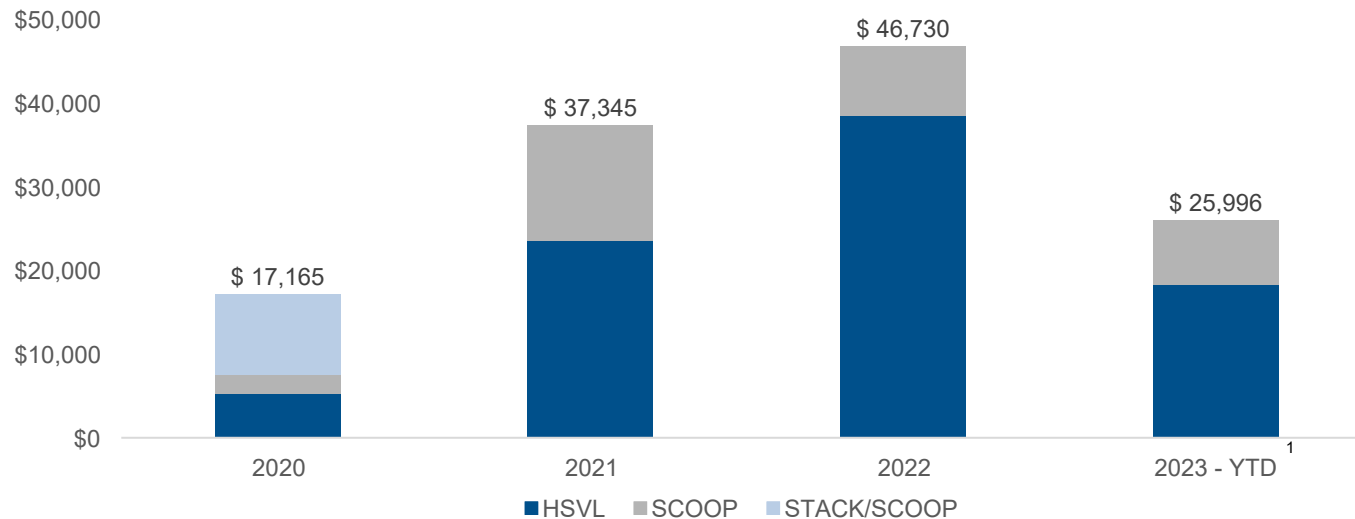
Robust Acquisition Process

- PHX believes that being the aggregator of choice in our core areas is a key component of our strategy
 - Royalties, just like any other hydrocarbon asset class, are naturally depleting assets and reinvestment is required to maintain and grow cash flows over time
 - We target minerals in our core areas (SCOOP and Haynesville) with full analysis of geology and established type curves in order to minimize execution risk
 - Typical profile of acquisitions includes an already producing component as well as royalties that are either in the process of being developed (WIPs) or will be developed over time (locations) by reputable and creditworthy operators to minimize timing risk
 - Focused on active operators in order to minimize development timing risk
 - Our acquisition program targets returns well in excess of our cost of capital (see ROCE) to drive increasing shareholder value



Acquisition Summary

Acquisitions by Basin by Year



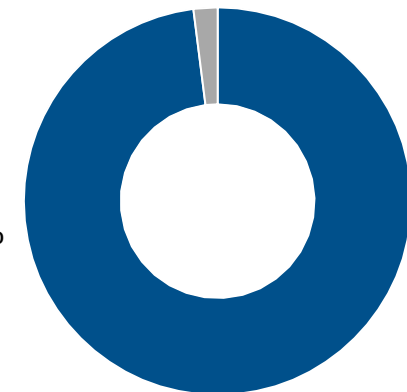
- Focused on highest quality rock in the SCOOP and Haynesville plays
- Targeting a mix of production, near term development opportunities via wells in progress and additional upside potential under high quality operators
- \$32.0M in acquisitions in SCOOP and \$85.6M in Haynesville since Q1 of 2020

Positioned For Growth Through Acquisitions

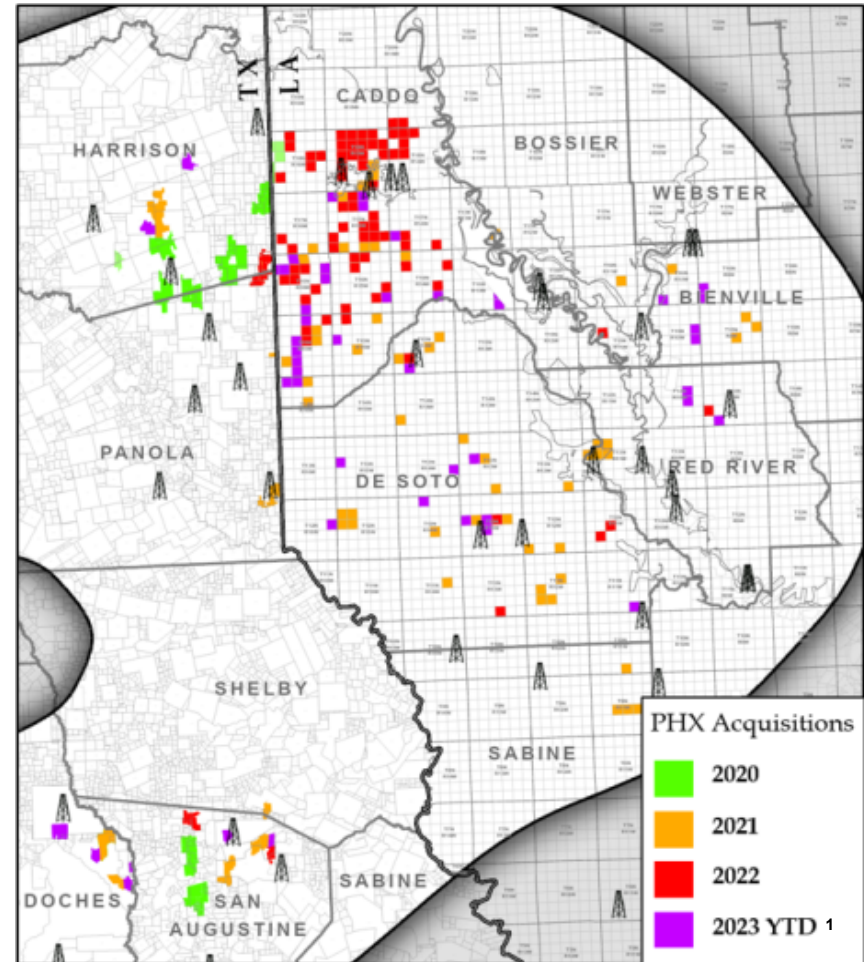
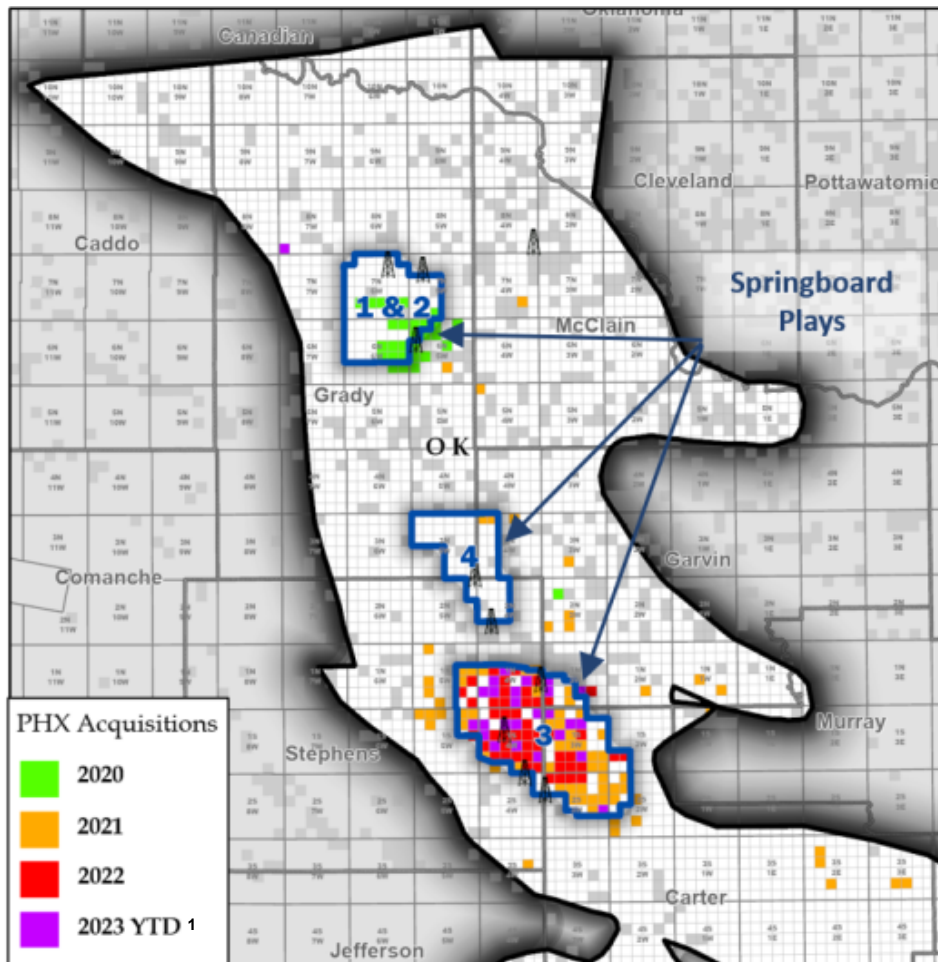
- Total domestic US mineral market estimated at ~\$0.5 - 1 trillion⁽²⁾
 - Highly fragmented
 - Predominantly owned by private individuals
 - PHX well positioned to be one of the premier consolidators in our core areas
 - Focus on smaller deals increases opportunity set and potential returns

Total Public Company Enterprise Value⁽³⁾: 3%

Market Opportunity Midpoint⁽¹⁾: 97%



Acquisition History



All acreage currently owned in the Haynesville and predominately all acreage currently owned in Springboard III area of interest was acquired under current management team's guidance

North Haynesville Update

- Operators are drilling 3-5 wells per unit, and a positive indication of near term volumes and cashflows
- Since 2019, core development areas have been extended as new completion designs have lowered breakevens
- Key Operators: Aethon, Trinity, Chesapeake, Silverhill, Blue Dome and Paloma
- PHX North Haynesville Ownership¹: 6,646 NRA (total PHX Haynesville ownership 8,120 NRA)
- Gross Wells In Progress²: 66
- Gross Active Permits³: 25
- Gross Active Rigs⁴: 21

PHX New High NRI Units

CHESAPEAKE | MAYO 13&12-16-14 HC 001-ALT

1st Prod	8/2022 (8mo)	PHX NRI	0.886%
IP24	34.4 MMCF/d	CUM	6.726 BCF
LL	9,859'	CUM/FT	
	682 MMCF/FT		

SOUTHWESTERN | GEP / LEE DSU | 5 WELL AVG

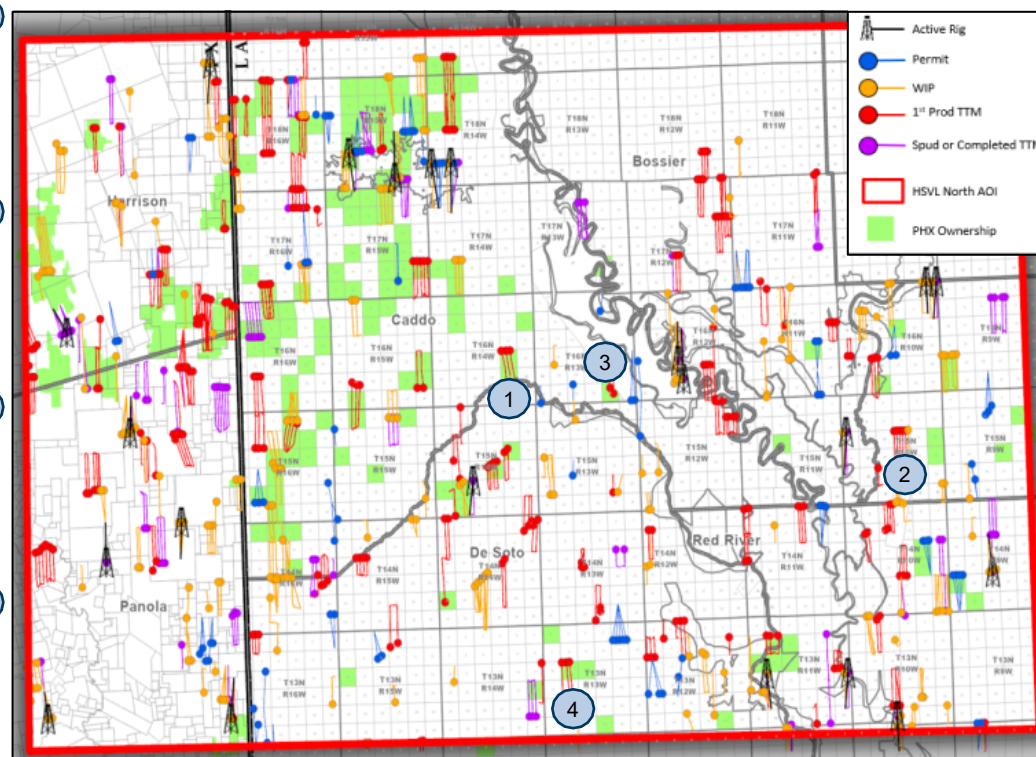
1st Prod	8/2022 (11mo)	PHX NRI	2.296% ⁵
AVG IP	31.2 MMCF/d	AVG CUM	7.8 BCF
AVG LL	8,448'	AVG CUM/FT	923
	MMCF/FT		

CHESAPEAKE | GRAF 26&23-16-14HC | 3 WELL AVG

1st Prod	4/2023 (3mo)	PHX NRI	0.543%
AVG IP24	31.9 MMCF/d	AVG CUM	2.43 BCF
AVG LL	10,001'	AVG CUM/FT	223
	MMCF/FT		

CHESAPEAKE | MMRTNEZ 20&17 HC | 3 WELL AVG

1st Prod	5/2023 (3mo)	PHX NRI	0.650%
AVG IP24	27.9 MMCF/d	AVG CUM	2.0 BCF
AVG LL	9,749'	AVG CUM/FT	202 MMCF/FT



Source: Company info and Enverus

1 As of 09/30/2023

2 Wells in Progress includes wells currently being drilled and wells waiting on completion

3 Active natural gas and oil horizontal permits filed

4 Data from Enverus as of 10/09/2023

5 NRIs are internal estimates and are subject to confirmation from operator

Springboard III Update

- Highest resource in-place per DSU in the midcontinent, co-developing the Mississippian Sycamore & Woodford Shale
- Operators starting to infill existing DSUs; Early results suggest very little to no Parent-Child degradation
- PHX Springboard III Ownership¹: 3,708 NRA
- Gross Wells In Progress²: 15
- Gross Active Permits³: 10
- Gross Active Rigs⁴: 4

Recent Well Results

CAMINO | RINGER RANCH 2 & 3 -20-17XHM | SYCAMORE | 2 WELL AVG

1st Prod	4/2023 (4mo)	PHX NRI	1.246%
LL	10,226'	Avg 90 Day Cum	129 MBOE6
NRM PROP	2,508 #/FT	Avg Cum Prod	182.4 MBOE6

CONTINENTAL | LEON 2 & 3-26-23-14XHM | SYCAMORE | 2 WELL AVG

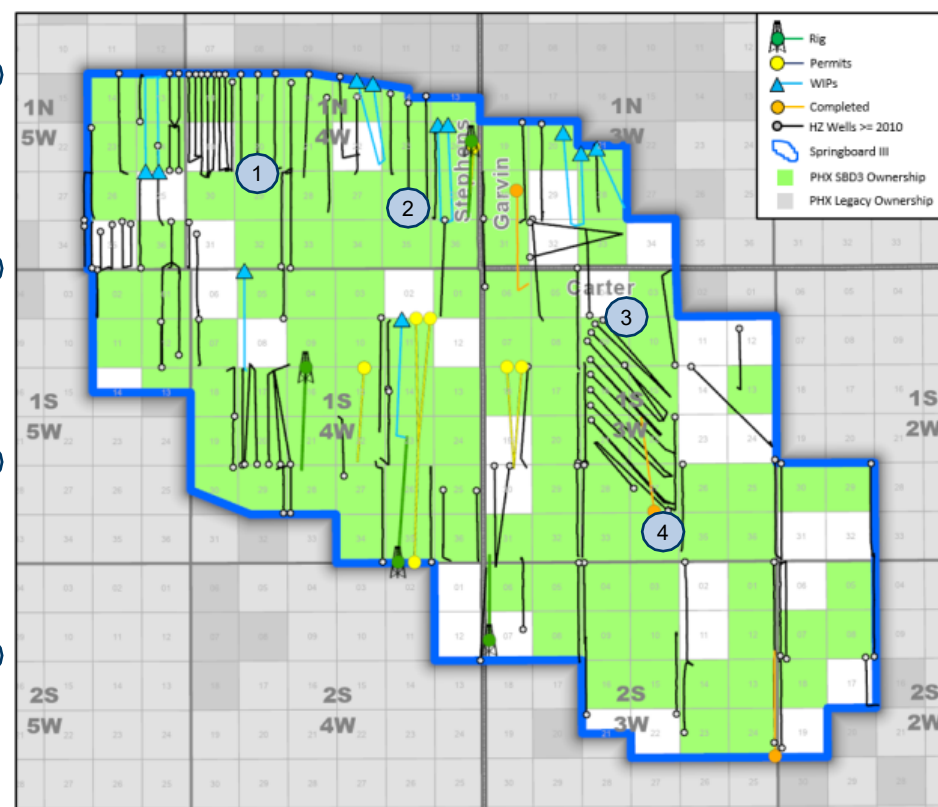
1st Prod	9/2022 (11mo)	PHX NRI	
	0.886%		
LL	10,295'	Avg 90 Day Cum	121 MBOE6
NRM PROP	2'507 #/FT	Cum Prod	379 MBOE6

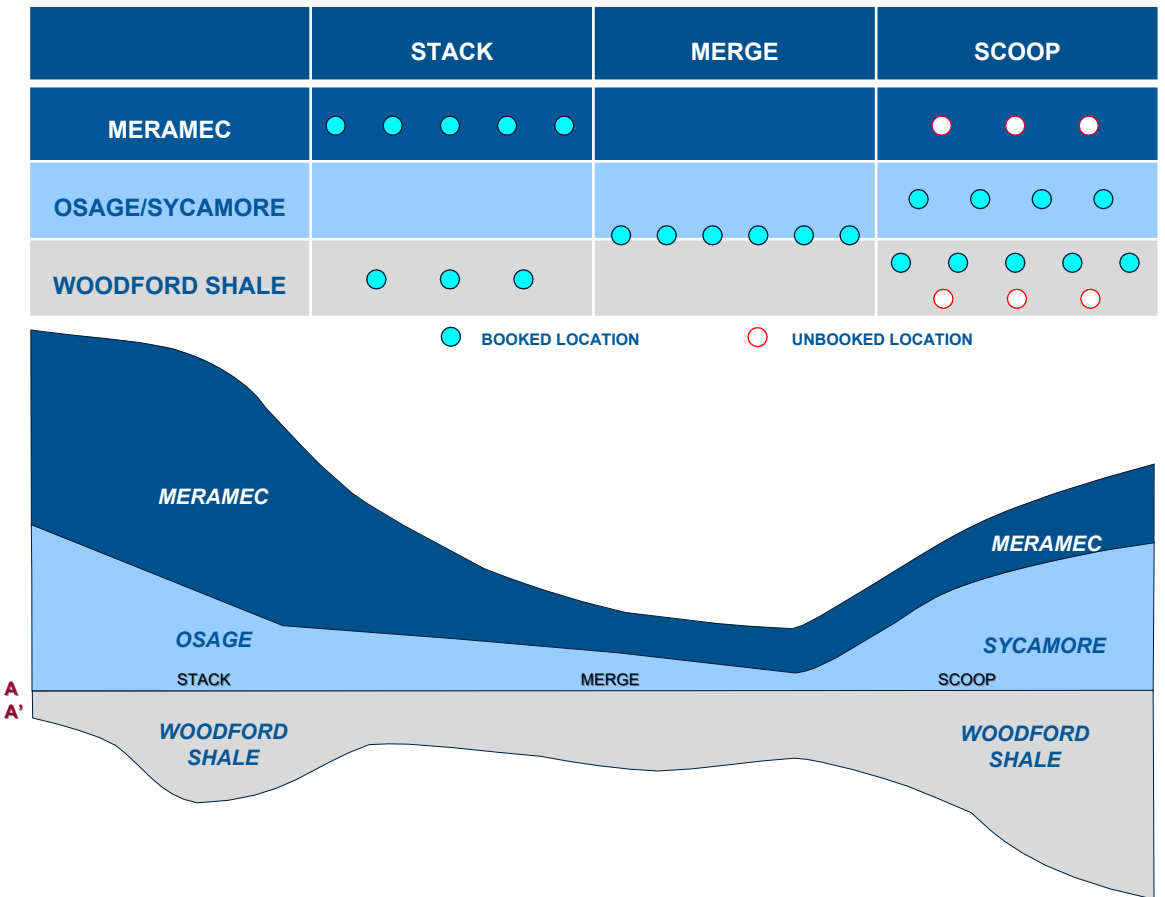
CONTINENTAL | COURBET SYCAMORE DSU | 6 WELL AVG

1st Prod	4/2023 (4mo)	PHX NRI	0.384%
LL	8,169'	Avg 90 Day Cum	114 MBOE6
NRM PROP	3,020 #/FT	Avg Cum Prod	197 MBOE6

CONTINENTAL | COURBET WOODFORD DSU | 9 WELL AVG

1st Prod	4/2023 (4mo)	PHX NRI	0.363%
LL	11,378'	Avg 90 Day Cum	110 MBOE6
NRM PROP	2,513 #/FT	Avg Cum Prod	177 MBOE6





Company Leadership

Management Team	Title	Years with Company	Experience
Chad Stephens	President, CEO and Board Director	5	<ul style="list-style-type: none"> • CEO for PHX since 2019 • SVP –Corporate Development of Range Resources for 30 years until retiring in 2018 • B.A. in Finance and Land Management from University of Texas
Ralph D'Amico	Senior Vice President, CFO	4	<ul style="list-style-type: none"> • CFO for PHX since 2020 • 20 years of investment banking experience • Bachelor's in Finance from University of Maryland; MBA from George Washington University
Chad True	V.P. of Accounting	3	<ul style="list-style-type: none"> • >14 years of accounting experience • Audit and accounting positions with Grant Thornton LP, Tiptop Oil & Gas and Wexford Capital LP • B.S. and Masters in Accounting from Oklahoma State University
Danielle Mezo	V.P. of Engineering	3	<ul style="list-style-type: none"> • >13 years reservoir engineer experience • Reservoir engineer, acquisitions, and corporate planning positions at SandRidge Energy • B.S. in Petroleum Engineering from University of Oklahoma and licensed Professional Engineer
Carl Vandervoort	V.P. of Geology	3	<ul style="list-style-type: none"> • >16 years experience, recently managed a buy-side consulting company for private equity groups and portfolio companies • Exploration Manager for Zenergy, Inc., an Apollo Management portfolio company • B.S. in Chemistry from University of Texas; M.S. in Geophysics at University of Oklahoma
Kenna Clapp	V.P. of Land	3	<ul style="list-style-type: none"> • >13 years of land experience • Various land positions with Chesapeake Energy in Haynesville, Eagleford, Mid-Continent and Barnett shales • B.S. in Accounting and Finance from Oklahoma State University; JD from Oklahoma City University

Board of Directors	Title	Years with Company	Experience
Mark T. Behrman	Chairman	5	<ul style="list-style-type: none"> • CEO of LSB Industries, Inc. since 2018 • Managing Director and Head of Investment Banking of the Industrial and Energy Practices of Sterne Agee from 2007 to 2014 • MBA in Finance from Hofstra University and B.S. in Accounting, Minor in Finance from Binghamton University
Glen A. Brown	Director	2	<ul style="list-style-type: none"> • SVP – Exploration for Continental Resources from 2015 through 2017 • Exploration manager for EOG Resources Midcontinent from 1991 through 2003 • Bachelor's in Geology from State University of New York; Master's in Geology from New Mexico State University in Las Cruces
Lee M. Canaan	Director	7	<ul style="list-style-type: none"> • Founder and portfolio manager of Braeburn Capital Partners, LLC • Board member for EQT Corporation and Aethon Energy, LLC • Bachelor's in Geological Sciences from USC, Master's in Geophysics from UT-Austin, and MBA in Finance from Wharton
Peter B. Delaney	Director	4	<ul style="list-style-type: none"> • Principal with Tequesta Capital Partners since 2016 • Chairman and CEO of OGE Energy Corporation from 2007 through 2015
Steven L. Packebush	Director	1	<ul style="list-style-type: none"> • Founder and partner in Elevar Partners, LLC • President of Koch Ag & Energy Solutions upon his retirement in 2018 after 30 years with the company • Bachelor's in agricultural economics from Kansas State
John H. Pinkerton	Director	2	<ul style="list-style-type: none"> • CEO of Range Resources Corporation from 1992 through 2012 • Executive Chairman and Chairman of Board of Directors for Encino Energy from 2017 through 2022 • B.A. in Business Administration from Texas Christian University; Master's from the University of Texas at Arlington

Analyst Coverage

Firm	Analyst	Contact
Stifel Nicolaus	Derrick Whitfield	whitfielddd@stifel.com
Johnson Rice	Charles Meade	cmeade@jrco.com
Northland Securities	Donovan Schafer	dschafer@northlandcapitalmarkets.com
Alliance Global Partners	Jeff Grampp	jgrampp@allianceg.com
Seaport Global Securities	Nicholas Pope	npope@seaportrp.com

Appendix

Current Hedge Position

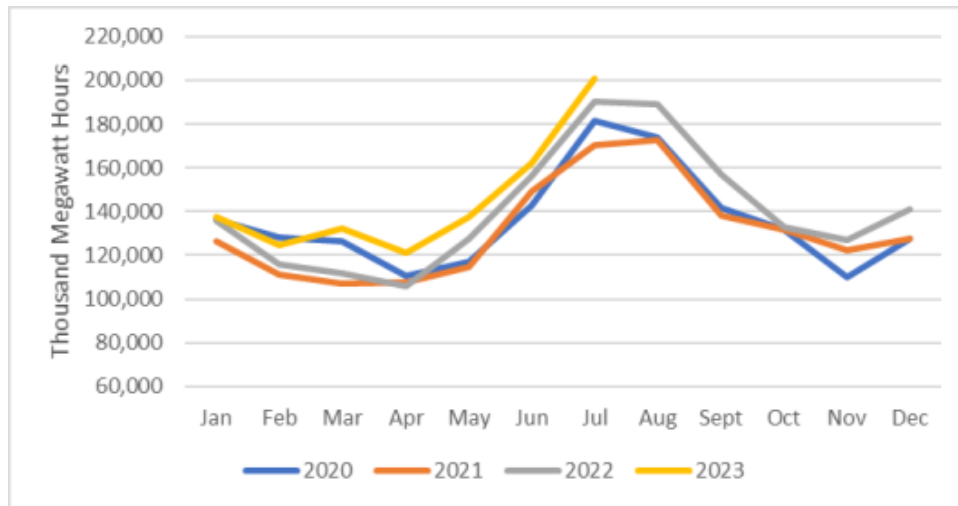
	<u>Gas Swaps</u>		<u>Gas Collars</u>			<u>Total Gas Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
4Q'23	565,000	\$ 3.39	225,000	\$ 3.23	\$ 5.47	790,000
2023	565,000	\$ 3.39	225,000	\$ 3.23	\$ 5.47	790,000
1Q'24	397,500	\$ 3.65	660,000	\$ 3.92	\$ 6.69	1,057,500
2Q'24	562,500	\$ 3.22	365,000	\$ 3.38	\$ 4.43	927,500
3Q'24	817,500	\$ 3.31	90,000	\$ 3.00	\$ 3.60	907,500
4Q'24	395,000	\$ 3.62	340,000	\$ 3.24	\$ 5.16	735,000
2024	2,172,500	\$ 3.40	1,455,000	\$ 3.57	\$ 5.58	3,627,500
1Q'25	180,000	\$ 4.16	450,000	\$ 3.25	\$ 5.18	630,000
2Q'25	-	\$ -	90,000	\$ 3.00	\$ 5.00	90,000
2025	180,000	\$ 4.16	540,000	\$ 3.21	\$ 5.15	720,000

	<u>Oil Swaps</u>		<u>Oil Collars</u>			<u>Total Oil Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
4Q'23	15,000	\$ 74.75	-	\$ -	\$ -	15,000
2023	15,000	\$ 74.75	-	\$ -	\$ -	15,000
1Q'24	2,250	\$ 71.75	10,250	\$ 63.97	\$ 76.24	12,500
2Q'24	6,900	\$ 68.64	6,600	\$ 63.45	\$ 76.11	13,500
3Q'24	3,000	\$ 66.10	4,950	\$ 65.00	\$ 76.50	7,950
4Q'24	4,200	\$ 65.11	1,650	\$ 65.00	\$ 76.50	5,850
2024	16,350	\$ 67.69	23,450	\$ 64.11	\$ 76.28	39,800
1Q'25	4,800	\$ 64.80	-	\$ -	\$ -	4,800
2Q'25	3,000	\$ 68.00	-	\$ -	\$ -	3,000
2025	7,800	\$ 66.03	-	\$ -	\$ -	7,800

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

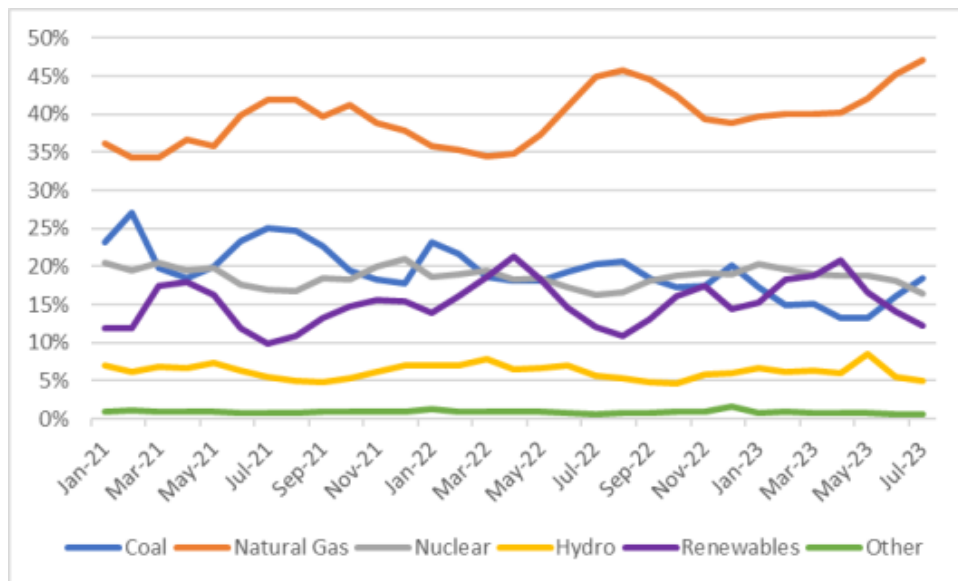
Natural Gas – Continued Demand Growth

Natural Gas Electrical Generation¹

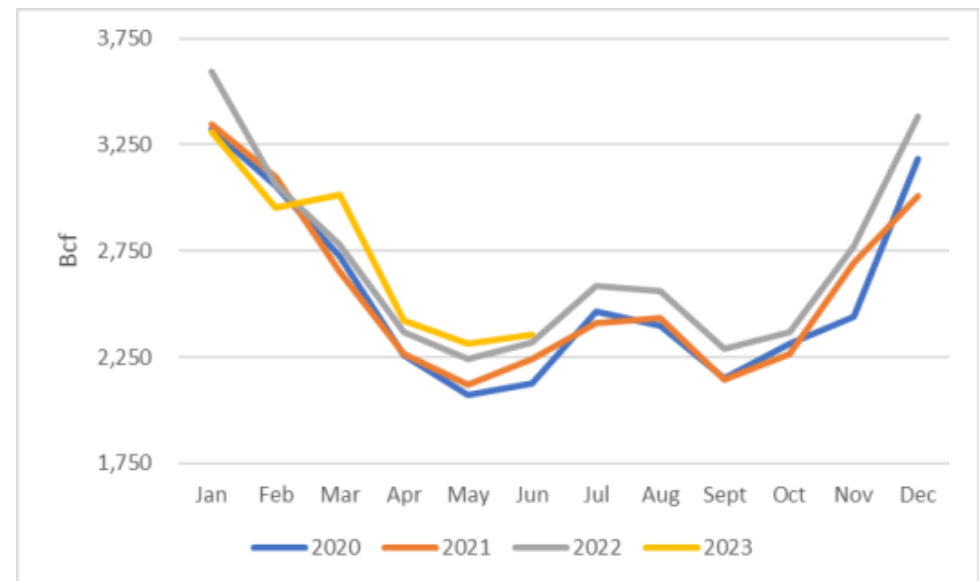


- US natural gas pipeline exports to Mexico set a monthly all-time high in June 2023 at 6.8 Bcf/d
- 20 additional gas fired power plants with total capacity of 7.7 GW expected to come online in 2024 – 2025
- California Public Utilities Commission recently voted to increase working natural gas storage at Alyso Canyon
- Natural gas share of electrical generation in Florida was 75% in 2022 compared to 31% in 2002

Monthly Electrical Generation by Fuel Type¹

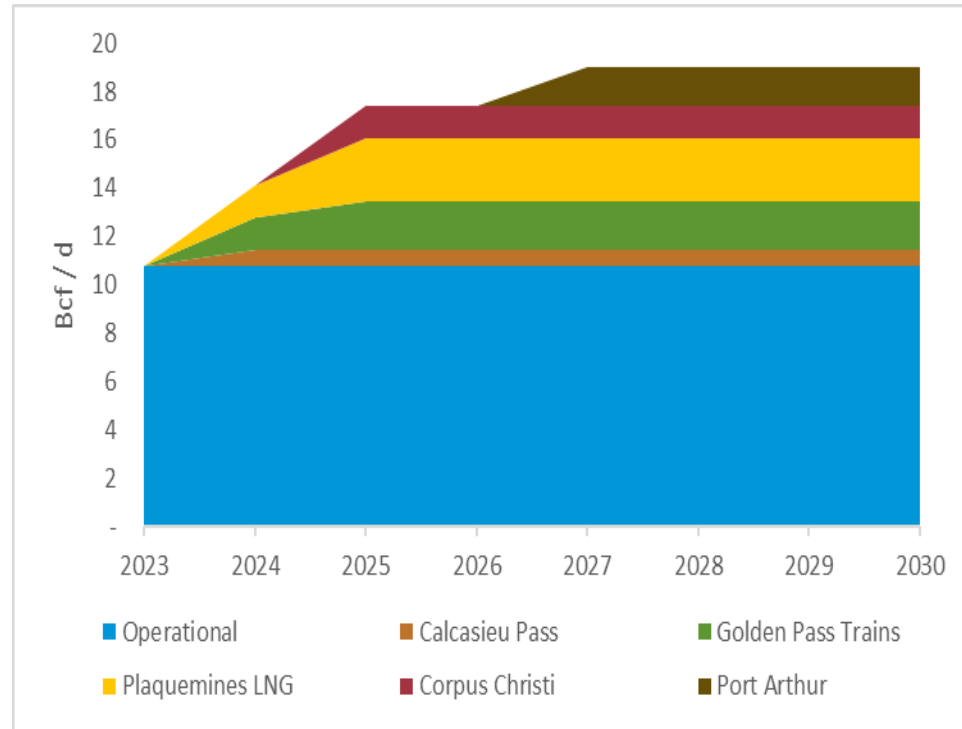


Natural Gas Consumption¹



Natural Gas – Surging LNG Demand

Forecasted U.S. Export Annual Volume Growth¹


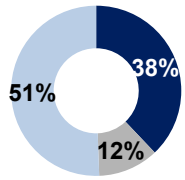
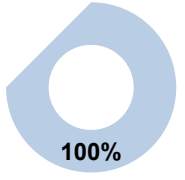
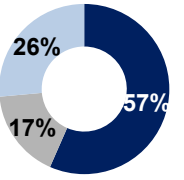
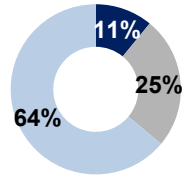
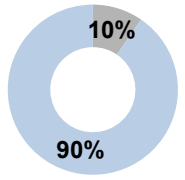
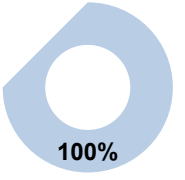
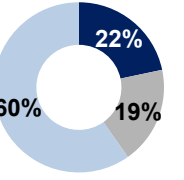
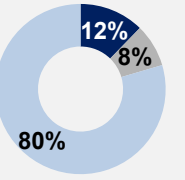










Large Scale Approved Liquefaction Facilities¹

Project Name	Bcf/d	Project Name	Bcf/d
<u>Operational</u>		<u>Approved</u>	
Sabine Pass Trains 1-6	3.6	Cameron LNG Train 4	0.9
Cove Point	0.7	Magnolia LNG	1.2
Elba Island Trains	0.3	Lake Charles LNG	2.2
Corpus Christi Trains 1- 3	1.8	Driftwood LNG	3.6
Cameron Trains 1 - 3	1.8	Freeport LNG Train 4	0.7
Freeport Trains 1 - 3	2.0	Texas LNG	0.6
Calcasieu Pass Trains 1 - 9	0.7	Rio Grande LNG	3.6
Total Operational	10.8	Gulf LNG	1.4
<u>Commissioning</u>		Delfin FLNG	1.6
Calcasieu Pass Trains 10 - 18	0.7	Alaska LNG	2.6
<u>Under Construction</u>		Total Approved	18.3
Golden Pass Trains 1 - 3	2.0		
Plaquemines LNG Phase 1	1.3		
Plaquemines LNG Phase 2	1.3		
Corpus Christi Liquefaction Stage III	1.3		
Total Operational or in Execution	17.4		

- Current LNG export capacity is fully committed
- Additional capacity of 6.1 Bcf/d is currently under construction and is expected to come online by 2025
 - Golden Pass trains 1 & 2 expected online in 2024 and train 3 in early 2025
 - Plaquemines trains 1 – 18 expected online in 2H 2024 and trains 19 – 36 in 2025
- US exported more LNG (11.6 Bcf/d) than any other country in first half of 2023

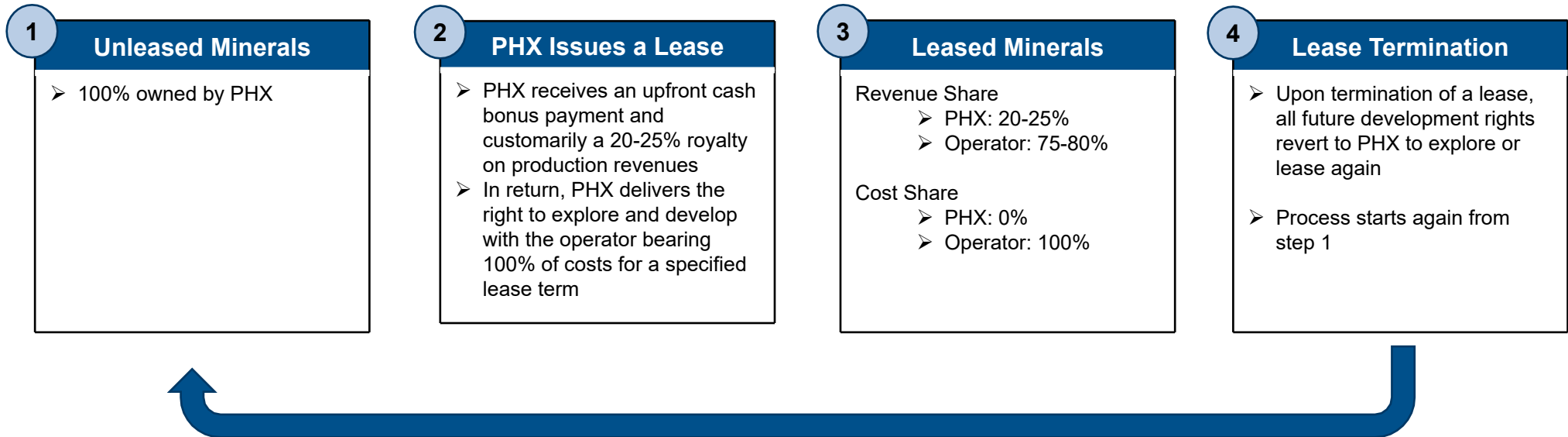
Portfolio Overview by Basin

	Scoop	Haynesville	Bakken	Stack	Arkoma	Fayetteville	Other	Total
Production Mix 								
Net Production (MMcfe/d)^{1,2}	3.95	12.26	1.25	3.32	1.19	1.03	2.52	25.53
Leased Net Royalty Acres¹	9,289	8,120	3,996	6,836	9,932	8,395	46,380	92,948⁶
Permits on File¹	43	28	5	7	5	-	5	93
Rigs Running on PHX Acreage³	6	5	1	-	-	-	2	14
Rigs Running Within 2.5 miles of PHX Acreage³	11	19	5	13	-	-	8	56
Top Operators								

Definition of a Mineral Interest

Minerals	ORRIs
<ul style="list-style-type: none">➤ Perpetual real-property interests that grant hydrocarbon ownership under a tract of land➤ Surface and mineral ownership have been negotiated in most cases over the decades➤ Surface owners cannot legally prevent the development of minerals under most circumstances➤ Represent the right to drill, and produce hydrocarbon or lease that right to third parties for an upfront payment and a negotiated percentage of production revenues	<ul style="list-style-type: none">➤ Overriding royalty interests➤ Royalty interests that burden the working interests of a lease➤ Right to receive a fixed, cost-free percentage of production revenue (term limited to life of leasehold estate)

Illustrative Mineral Revenue Generation



Royalty Interests Versus Working Interests

PHX believes that royalty assets provide a higher risk adjusted return compared to working interest assets

Illustrative Margin Comparison

Working Interest	
Mcfe Revenue	\$3.00
Less: Royalty Burden	(\$0.60) ⁽¹⁾
Less: LOE	(\$1.00)
Less: Taxes	(\$0.15)
Less: Transportation	(\$0.25)
Cash Margin (\$)	\$1.00
Cash Margin (%)	33.0%

Royalty owner's volumes come from working interest royalty burden

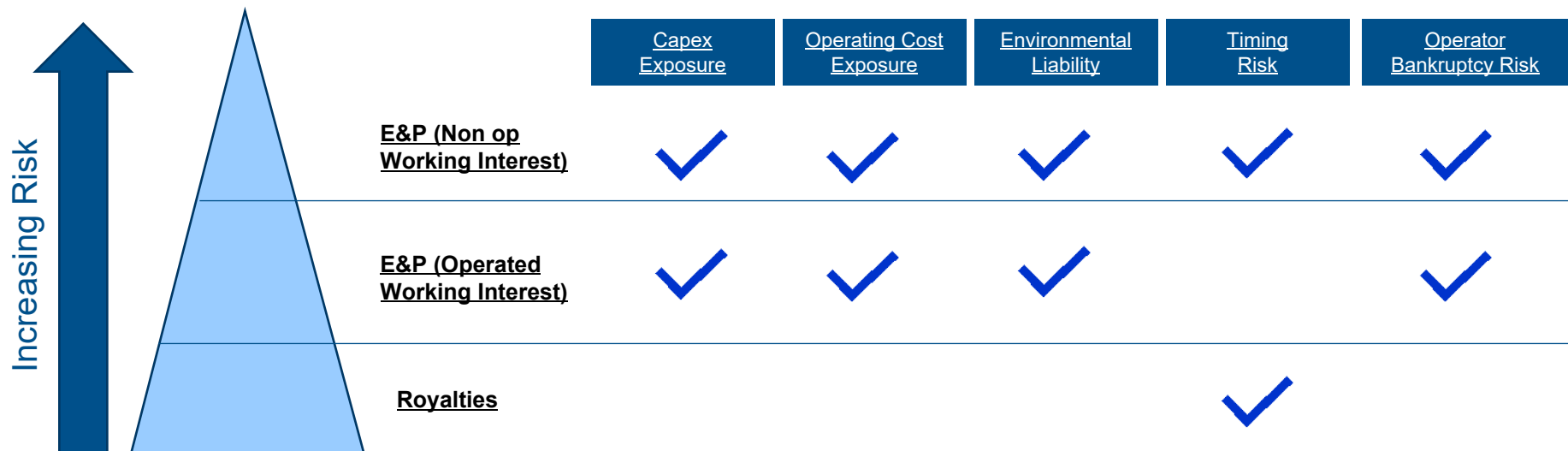
Royalty	
Mcfe Revenue	\$3.00
Less: LOE	-
Less: Taxes	(\$0.15)
Less: Transportation	(\$0.20) ⁽²⁾
Cash Margin (\$)	\$2.65
Cash Margin (%)	88.0%

- Non-operated Working interest ownership bears one hundred percent of the development and production costs associated with a hydrocarbon well.
- Non-operated Working interest owners receive their share of the revenue after the royalty interest owners are paid.

- A mineral interest is real property that entitles the owner to all the rights associated with hydrocarbons below the surface in perpetuity.
- A royalty interest is created from a mineral interest and entitles the owner to receive a certain percentage of the gross revenue generated from the sales of the hydrocarbons without incurring development and operating costs.

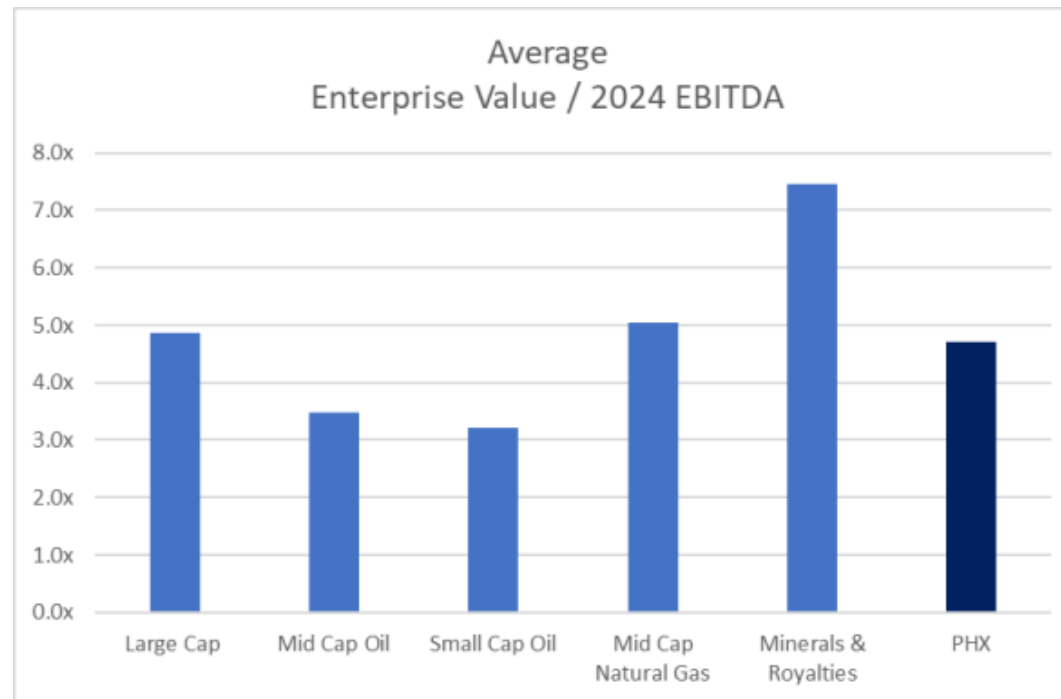
Royalty Interests Have Less Risk Than Working Interests

- Both royalties and non-operated working interest asset classes have the same exposure to pricing cycles, however,
- Royalty assets have fewer risks when compared to other hydrocarbon asset classes
 - The biggest risk associated with royalties is the lack of control over development timing
- Non-operated working interest assets have similar timing uncertainty as royalty owners
- Non-operated working interest assumes all cost to operate the well
 - Royalty owners are not subject to lease operating expenses, SG&A overhead or workover expenses



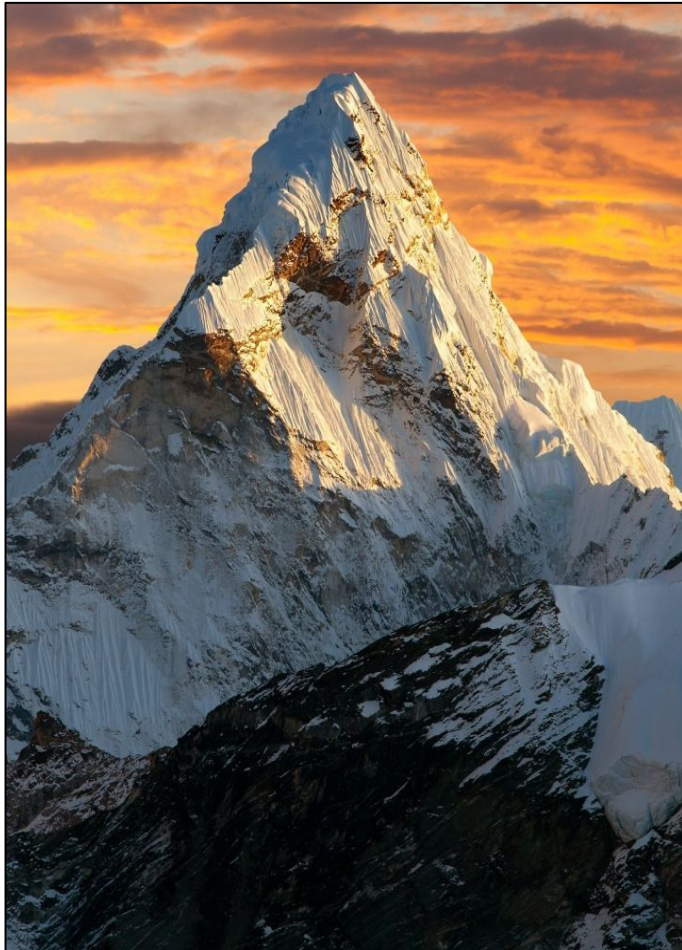
Royalty Interests Trade At Higher Multiples Than Working Interests

- Investors value working interest and royalty companies differently in the public markets
- Royalty companies trade at a premium to working interest companies primarily due to lower risk and lower capital intensity of the business
- Over time, PHX believes it should see an increase of its Enterprise Value / EBITDA ratio (adjusted for size) as the market recognizes the success of the royalties-only strategy



Minerals are Real Property

Mineral and royalty interests are generally considered by law to be real property interests and are thus afforded additional protections under bankruptcy law



Mineral Interest owner entitled to ~15-25% of production revenue based on royalty rate

Senior Secured Debt

Senior Debt

Subordinated Debt

Equity

Working Interest owner entitled to ~75-85% of production revenue based on royalty rate and bears 100% of development cost and lease operating expense

Reconciliation of Non-GAAP Financial Measures

(\$ in millions)	Quarter ended														
	Mar.31,2020	Jun.30,2020	Sept.30,2020	Dec.31,2020	Mar.31,2021	Jun.30,2021	Sept.30,2021	Dec.31,2021	Mar.31,2022	Jun.30,2022	Sept.30,2022	Dec.31,2022	Mar.31,2023	Jun.30,2023	Sept.30,2023
Net Income	(\$20.5)	(\$3.6)	(\$18)	(\$0.6)	(\$0.5)	(\$14)	(\$3.8)	\$6.7	(\$4.0)	\$8.6	\$9.2	\$3.3	\$9.6	(\$0.0)	\$19
(+) Unrealized (Gains) Losses on Derivatives	(34)	2.5	24	0.9	2.1	4.5	(3.1)	(4.6)	118	(3.3)	(16)	(6.3)	(3.2)	0.9	0.9
(+) Income Tax Expense	(7.0)	(0.9)	(0.7)	(0.1)	(0.2)	(0.8)	0.5	0.8	0.0	1.0	2.4	1.0	3.1	(0.2)	0.6
(+) Impairment	29.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.1	0.0	0.0	0.0
(+) Cash Receipts from/Payments on Off-Market Derivatives	0.0	0.0	0.0	0.0	0.0	0.0	8.8	(2.7)	(2.5)	(1.3)	(1.1)	(0.9)	(0.4)	0.0	0.0
(-) Gains (Losses) on Asset Sales	(0.0)	(0.0)	0.7	0.0	0.0	0.0	0.2	(2.1)	2.3	0.7	3.6	0.9	4.4	0.0	0.2
Adjusted Pre-Tax Net Income	(\$13)	(\$15)	(\$0.8)	\$0.2	\$14	\$2.3	\$2.2	\$2.3	\$3.0	\$4.3	\$5.3	\$2.3	\$4.7	\$0.6	\$3.2

(\$ in millions)	Quarter ended														
	Mar.31,2020	Jun.30,2020	Sept.30,2020	Dec.31,2020	Mar.31,2021	Jun.30,2021	Sept.30,2021	Dec.31,2021	Mar.31,2022	Jun.30,2022	Sept.30,2022	Dec.31,2022	Mar.31,2023	Jun.30,2023	Sept.30,2023
Net Income	(\$20.5)	(\$3.6)	(\$18)	(\$0.6)	(\$0.5)	(\$14)	(\$3.8)	\$6.7	(\$4.0)	\$8.6	\$9.2	\$3.3	\$9.6	(\$0.0)	\$19
(+) Unrealized Gain on Derivatives	(34)	2.5	24	0.9	2.1	4.5	(3.1)	(4.6)	118	(3.3)	(16)	(6.3)	(3.2)	0.9	0.9
(+) Income Tax Expense	(7.0)	(0.9)	(0.7)	(0.1)	(0.2)	(0.8)	0.5	0.8	0.0	1.0	2.4	1.0	3.1	(0.2)	0.6
(+) Interest Expense	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.5	0.6	0.6	0.5	0.6
(+) DD&A	3.4	2.5	2.5	2.3	18	2.1	16	16	2.1	2.0	16	18	19	2.2	2.0
(+) Impairment	29.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.1	0.0	0.0	0.0
(+) Cash Receipts from/Payments on Off-Market Derivatives	0.0	0.0	0.0	0.0	0.0	0.0	8.8	(2.7)	(2.5)	(1.3)	(1.1)	(0.9)	(0.4)	0.0	0.0
(+) Restricted Stock and Deferred Director's Exp	0.4	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.5	0.6	1.0	0.6	0.6	0.7	0.5
(-) Gains (Losses) on Asset Sales	(0.0)	(0.0)	0.7	0.0	0.0	0.0	0.2	(2.1)	2.3	0.7	3.6	0.9	4.4	0.0	0.2
Adjusted EBITDA	\$2.8	\$13	\$2.2	\$2.9	\$3.6	\$5.0	\$4.2	\$4.4	\$5.8	\$7.2	\$8.4	\$5.3	\$7.7	\$4.1	\$6.3
(-) Interest Expense	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.5	0.6	0.6	0.5	0.6
Discretionary Cash Flow	\$2.4	\$11	\$19	\$2.6	\$3.3	\$4.8	\$4.0	\$4.2	\$5.6	\$6.9	\$7.9	\$4.7	\$7.1	\$3.6	\$5.8

Adjusted EBITDA	2.8	13	2.2	2.9	3.6	5.0	4.2	4.4	5.8	7.2	8.4	5.3	7.7	4.1	6.3
(-) DD&A	3.4	2.5	2.5	2.3	18	2.1	16	16	2.1	2.0	16	18	19	2.2	2.0
EBIT	(\$0.6)	(\$14)	(\$0.3)	\$0.7	\$18	\$2.9	\$2.7	\$2.8	\$3.7	\$5.2	\$6.9	\$3.5	\$5.9	\$19	\$4.3
Annualized EBIT	(\$2.4)	(\$4.5)	(\$1.3)	\$2.6	\$7.2	\$11.5	\$10.8	\$11.3	\$14.8	\$20.8	\$27.5	\$14.0	\$23.4	\$7.5	\$17.2

Starting Debt	35.0	32.0	30.0	28.8	27.0	23.5	19.9	17.5	20.0	24.0	28.3	28.3	33.3	26.0	23.8
Ending Debt	32.0	30.0	28.8	27.0	23.5	19.9	17.5	20.0	24.0	28.3	28.3	33.3	26.0	23.8	30.8
Average Debt	\$33.5	\$31.0	\$29.4	\$27.9	\$25.3	\$21.7	\$18.7	\$18.8	\$22.0	\$26.2	\$28.3	\$30.8	\$29.7	\$24.9	\$27.3

Starting Shareholders Equity	80.1	60.5	56.5	63.0	62.3	61.7	75.3	78.7	88.3	84.7	98.0	107.8	110.1	120.2	120.1
Ending Shareholders Equity	60.5	56.5	63.0	62.3	61.7	75.3	78.7	88.3	84.7	98.0	107.8	110.1	120.2	120.1	121.7
Average Shareholders Equity	\$70.3	\$58.5	\$59.7	\$62.7	\$62.0	\$68.5	\$77.0	\$83.5	\$86.5	\$91.4	\$102.9	\$108.9	\$115.2	\$120.1	\$120.9
Total Capital	\$103.8	\$89.5	\$89.1	\$90.5	\$87.3	\$90.2	\$95.7	\$102.3	\$108.5	\$117.5	\$115.1	\$119.7	\$144.8	\$145.0	\$148.1
ROCE	-2%	-6%	-2%	3%	8%	13%	10%	12%	14%	11%	22%	10%	16%	5%	12%

Reconciliation of Non-GAAP Financial Measures

	TTM ended														
	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Sept. 30, 2023
Net Income	(\$70.1)	(\$78.3)	(\$24.0)	(\$26.4)	(\$6.5)	(\$4.3)	(\$6.2)	\$11	(\$2.5)	\$7.5	\$20.4	\$7.1	\$30.6	\$22.0	\$14.8
(+) Unrealized (Gains) Losses on Derivatives	(34)	10	32	23	7.8	9.8	43	(11)	8.6	0.8	23	0.6	(14.4)	(10.2)	(7.6)
(+) Income Tax Expense	(23.7)	(25.8)	(8.3)	(8.6)	(1.8)	(1.8)	(0.7)	0.2	0.4	22	42	4.4	7.5	6.3	4.5
(+) Interest Expense	17	14	13	12	11	11	10	0.9	0.8	0.9	12	16	2.0	22	23
(+) DD&A	7.1	15.2	113	10.6	9.0	8.7	77	7.1	7.4	73	73	7.5	73	7.5	7.9
(+) Impairment	106.4	106.7	29.9	29.9	0.4	0.0	0.1	0.1	0.1	0.0	0.0	6.1	6.1	6.1	6.1
(+) Cash Receipts from / Payments on Off-Market Derivatives	0.0	0.0	0.0	0.0	0.0	0.0	8.8	6.1	3.6	23	(7.5)	(5.7)	(3.6)	(2.3)	(1.3)
(+) Restricted Stock and Deferred Director's Exp	11	10	10	0.9	0.7	0.9	10	12	14	17	24	2.6	2.8	2.9	2.4
(-) Gains (Losses) on Asset Sales	1.9	8.9	4.0	0.7	0.7	0.8	0.3	(1.8)	0.5	11	4.4	7.5	9.6	8.9	5.6
Adjusted EBITDA TTM	\$6.2	\$2.4	\$10.5	\$9.2	\$0.0	\$13.7	\$5.7	\$7.2	\$19.5	\$21.6	\$25.8	\$26.7	\$28.7	\$25.6	\$23.5
Total Debt	320	300	28.8	27.0	235	19.9	17.5	200	240	28.3	28.3	333	26.0	23.8	30.8
Debt / Adjusted EBITDA TTM	20	2.4	2.7	2.9	2.3	1.5	1.1	12	12	13	1.1	12	0.9	0.9	1.3

(\$ in millions)	Quarter ended														
	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Sept. 30, 2023 ¹
Borrowing Base	45.0	320	310	30.0	29.4	28.5	27.5	320	500	50.0	50.0	50.0	50.0	45.0	50.0
Debt	320	300	28.8	27.0	235	19.9	17.5	200	240	28.3	28.3	333	26.0	23.8	30.8
Borrowing Availability	\$19.0	\$2.0	\$2.3	\$3.0	\$5.9	\$8.6	\$10.0	\$12.0	\$26.0	\$21.7	\$21.7	\$16.7	\$24.0	\$21.3	\$19.3
Current Assets	12.1	8.2	17.8	10.0	9.2	10.9	12.2	10.9	12.3	18.4	17.9	19.9	12.3	9.5	8.4
(-) Current Derivative Assets	42	18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	14	0.6
Current Liabilities	(2.1)	(4.2)	(4.5)	(3.1)	(5.2)	(9.4)	(15.1)	(9.7)	(17.3)	(12.4)	(11.3)	(6.8)	(2.4)	(1.8)	(2.6)
(-) Current Derivative Liabilities	0.0	0.0	(0.3)	(1.2)	(3.0)	(6.8)	(12.1)	(6.4)	(14.8)	(10.2)	(7.9)	(1.5)	0.0	0.0	0.0
Working Capital	\$5.8	\$2.1	\$13.7	\$8.0	\$7.0	\$8.3	\$9.2	\$7.6	\$9.8	\$16.2	\$11.5	\$11.6	\$7.8	\$6.3	\$5.2
Liquidity	\$19.8	\$4.1	\$15.9	\$11.0	\$12.9	\$16.9	\$19.2	\$19.6	\$35.8	\$37.9	\$36.2	\$31.3	\$31.8	\$27.5	\$24.4

Reconciliation of Non-GAAP Financial Measures

(\$ in millions)	Fiscal Year Ended						
	Sept. 30, 2016	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2020	Sept. 30, 2021	Dec. 31, 2022
Net Income	(\$10.3)	\$3.5	\$14.6	(\$40.7)	(\$24.0)	(\$6.2)	\$17.1
(+) Unrealized Gain on Derivatives	4.6	(0.9)	3.9	(5.9)	3.2	4.3	0.6
(+) Income Tax Expense	(7.7)	0.7	(12.7)	(13.5)	(8.3)	(0.7)	4.4
(+) Interest Expense	1.3	1.3	1.7	2.0	1.3	1.0	1.6
(+) DD&A	24.5	18.4	18.4	18.2	11.3	7.7	7.5
(+) Impairment	12.0	0.7	0.0	76.8	29.9	0.1	6.1
(+) Cash Receipts from/Payments on Off-Market Derivatives	0.0	0.0	0.0	0.0	0.0	8.8	(5.7)
(+) Restricted Stock and Deferred Director's Exp	1.1	1.0	1.0	1.0	1.0	1.0	2.6
(-) Gains (Losses) on Asset Sales	2.7	(0.1)	(0.7)	18.7	4.0	0.3	7.5
Adjusted EBITDA	\$22.9	\$24.7	\$27.6	\$19.2	\$10.5	\$15.7	\$26.7
(-) DD&A	24.5	18.4	18.4	18.2	11.3	7.7	7.5
EBIT	(\$1.6)	\$6.3	\$9.2	\$1.0	(\$0.8)	\$8.0	\$19.2
Starting Debt	65.0	44.5	52.2	51.0	35.4	28.8	20.0
Ending Debt	44.5	52.2	51.0	35.4	28.8	17.5	33.3
Average Debt	\$54.8	\$48.4	\$51.6	\$43.2	\$32.1	\$23.1	\$26.7
Starting Shareholders' Equity	127.0	115.2	116.7	128.8	79.3	63.0	88.3
Ending Shareholders' Equity	115.2	116.7	128.8	79.3	63.0	78.7	110.1
Average Shareholders' Equity	\$121.1	\$115.9	\$122.7	\$104.0	\$71.2	\$70.9	\$99.2
Total Capital	\$175.8	\$164.3	\$174.3	\$147.2	\$103.2	\$94.0	\$125.9
ROCE	-1%	4%	5%	1%	-1%	9%	15%

Reconciliation of Non-GAAP Financial Measures

(\$ in millions)	Year ended				
	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022
Net Income	\$13.6	(\$51.6)	(\$26.4)	\$1.1	\$17.1
(+) Unrealized Gain on Derivatives	(31)	2.0	2.3	(1.1)	0.6
(+) Income Tax Expense	3.5	(16.8)	(8.6)	0.2	4.4
(+) Interest Expense	1.9	1.8	1.2	0.9	1.6
(+) DD&A	16.9	17.3	10.6	7.1	7.5
(+) Impairment	0.0	76.8	29.9	0.1	6.1
(+) Cash Receipts from/Payments on Off-Market Derivatives	0.0	0.0	0.0	6.1	(5.7)
(+) Restricted Stock and Deferred Director's Exp	0.9	1.0	0.9	1.2	2.6
(-) Gains (Losses) on Asset Sales	8.7	12.9	0.7	(1.8)	7.5
Adjusted EBITDA	\$25.0	\$17.6	\$9.2	\$17.4	\$26.7
(-) Interest Expense	1.9	1.8	1.2	0.9	1.6
Discretionary Cash Flow	\$23.1	\$15.8	\$8.0	\$16.5	\$25.1

(\$ in millions)	Quarter Ended					
	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	June 30, 2023	Sept. 30, 2023
General and administrative	2.9	3.8	3.1	3.0	3.2	2.8
(-) Restricted stock and deferred director's expense	0.6	1.0	0.6	0.6	0.7	0.5
Cash general and administrative	\$2.3	\$2.7	\$2.6	\$2.3	\$2.5	\$2.2
Gain/ (loss) on Derivatives	(\$2.4)	(\$4.3)	\$3.3	\$3.8	\$0.2	(\$0.3)
(-) Unrealized gain/ (loss) on derivatives	3.3	1.6	6.3	3.2	(0.9)	(0.9)
(+) Off-market derivative settlements	(1.3)	(1.1)	(0.9)	(0.4)	0.0	0.0
Total derivative settlements	(\$7.0)	(\$7.0)	(\$3.8)	\$0.3	\$1.0	\$0.6