
**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): March 12, 2024

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 March 12, 2024, PHX Minerals Inc. (the “Company”) issued a press release providing information regarding the Company’s quarter and fiscal year ended December 31, 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 March 12, 2024, 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 March 12, 2024](#)

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: March 12, 2024



FOR IMMEDIATE RELEASE

**PHX Minerals Reports Results for the Quarter and Fiscal Year Ended Dec. 31, 2023;
Announces Dividend and Provides 2024 Operational Outlook**

FORT WORTH, Texas, Mar. 12, 2024 – PHX MINERALS INC., “PHX” or the “Company” (NYSE: PHX), today reported financial and operating results for the quarter and fiscal year ended Dec. 31, 2023.

Summary of Results for the Period Ended Dec. 31, 2023

- Net income in the fiscal fourth quarter and full fiscal year 2023 was \$2.5 million, or \$0.07 per diluted share, and \$13.9 million, or \$0.39 per diluted share, respectively, compared to net income of \$1.9 million, or \$0.05 per diluted share, for the quarter ended Sept. 30, 2023, and net income of \$17.1 million, or \$0.48 per diluted share, for the year ended Dec. 31, 2022.
- Adjusted EBITDA⁽¹⁾ in the fiscal fourth quarter and full fiscal year was \$4.5 million and \$22.7 million, respectively, compared to \$6.3 million for the quarter ended Sept. 30, 2023, and \$26.7 million for the year ended Dec. 31, 2022.
- Royalty production volumes for the fiscal fourth quarter decreased 6% to 1,946 Mmcfe compared to the quarter ended Sept. 30, 2023, and increased 23% to 8,123 Mmcfe for the full fiscal year 2023 compared to the year ended Dec. 31, 2022.
- Total production volumes for the fiscal fourth quarter decreased 4% to 2,245 Mmcfe compared to the quarter ended Sept. 30, 2023, and decreased 3% to 9,379 Mmcfe for the full fiscal year 2023 compared to the year ended Dec. 31, 2022.
- Net proved royalty interest reserves increased 9% to 57.8 Bcfe at Dec. 31, 2023 from 53.1 Bcfe at Dec. 31, 2022.
- Converted 46 gross (0.098 net) and 314 gross (1.03 net) wells to producing status in the fiscal fourth quarter and full fiscal year 2023, compared to 71 gross (0.155 net) during the quarter ended Sept. 30, 2023, and 313 gross (1.15 net) during the year ended Dec. 31, 2022.
- Inventory of 168 gross (0.851 net) wells in progress and 95 gross (0.444 net) permits as of Dec. 31, 2023, compared to 185 gross (0.81 net) wells in progress and 93 gross (0.28 net) permits as of Sept. 30, 2023.
- Total debt was \$32.8 million and the debt to adjusted EBITDA (TTM)⁽¹⁾ ratio was 1.45x as of Dec. 31, 2023.

Subsequent Events

- PHX announced a \$0.03 per share quarterly dividend, payable on March 29, 2024, to stockholders of record on March 18, 2024.

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

Chad L. Stephens, President and CEO, commented, “In 2023, PHX delivered year-over-year royalty volume growth of 23%, expanding 2P royalty reserves by 12%, generating significant operating cash flow and net income. These results enabled us to raise our quarterly dividend by 33% despite another challenging year in the natural gas pricing environment. Our strong balance sheet and strategy of modest leverage enabled us to deliver consistent results despite a historic drop in gas prices and rising interest rates validating our business strategy, which positions us for success in both up and down markets.”

“Looking forward, we are optimistic that reduced drilling activity, announced production curtailments, and the expansion of LNG export facilities should balance the market and improve commodity prices,” continued Mr. Stephens. “During the past year, PHX deployed more than \$30 million to acquire almost 2,400 net royalty acres in the Haynesville and SCOOP plays. The acquisition of these high-quality minerals will further drive our royalty volumes, margin expansion and cash flow over the course of the next two to three years. With our strong financial position and a highly focused acquisition strategy we are poised to unlock value for our shareholders as the commodity pricing environment improves.”

Financial Highlights

	Three Months Ended Dec. 31, 2023	Three Months Ended Dec. 31, 2022	Twelve Months Ended Dec. 31, 2023	Twelve Months Ended Dec. 31, 2022
Royalty Interest Sales	\$ 7,378,650	\$ 10,571,704	\$ 31,593,351	\$ 47,335,656
Working Interest Sales	\$ 1,170,133	\$ 4,316,970	\$ 4,942,934	\$ 23,726,485
Natural Gas, Oil and NGL Sales	\$ 8,548,783	\$ 14,888,674	\$ 36,536,285	\$ 71,062,141
Gains (Losses) on Derivative Contracts	\$ 3,211,410	\$ 3,347,002	\$ 6,859,589	\$ (16,322,244)
Lease Bonuses and Rental Income	\$ 22,780	\$ 34,482	\$ 1,068,022	\$ 423,069
Total Revenue	\$ 11,782,973	\$ 18,270,158	\$ 44,463,896	\$ 55,162,966
Lease Operating Expense per Working Interest Mcfe	\$ 1.07	\$ 1.66	\$ 1.27	\$ 1.21
Transportation, Gathering and Marketing per Mcfe	\$ 0.42	\$ 0.66	\$ 0.39	\$ 0.63
Production and Ad Valorem Tax per Mcfe	\$ 0.20	\$ 0.30	\$ 0.20	\$ 0.34
G&A Expense per Mcfe	\$ 1.36	\$ 1.42	\$ 1.28	\$ 1.29
Cash G&A Expense per Mcfe ⁽¹⁾	\$ 1.10	\$ 1.16	\$ 1.02	\$ 1.02
Interest Expense per Mcfe	\$ 0.32	\$ 0.29	\$ 0.25	\$ 0.17
DD&A per Mcfe	\$ 1.09	\$ 0.81	\$ 0.91	\$ 0.77
Total Expense per Mcfe	\$ 3.53	\$ 3.92	\$ 3.20	\$ 3.58
Net Income	\$ 2,513,444	\$ 3,346,133	\$ 13,920,800	\$ 17,073,156
Adjusted EBITDA ⁽²⁾	\$ 4,504,288	\$ 5,334,016	\$ 22,652,263	\$ 26,743,500
Cash Flow from Operations ⁽³⁾	\$ 3,361,455	\$ 10,141,814	\$ 24,171,139	\$ 39,035,474
CapEx ⁽⁴⁾	\$ 4,587	\$ 87,104	\$ 325,983	\$ 447,065
CapEx - Mineral Acquisitions	\$ 4,351,757	\$ 14,499,014	\$ 29,735,516	\$ 46,380,423
Borrowing Base			\$ 50,000,000	\$ 50,000,000
Debt			\$ 32,750,000	\$ 33,300,000
Debt to Adjusted EBITDA (TTM) ⁽²⁾			1.45	1.25

⁽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.

Operating Highlights

	Three Months Ended Dec. 31, 2023	Three Months Ended Dec. 31, 2022	Twelve Months Ended Dec. 31, 2023	Twelve Months Ended Dec. 31, 2022
Gas Mcf Sold	1,775,577	1,669,320	7,457,084	7,522,763
Average Sales Price per Mcf before the effects of settled derivative contracts	\$ 2.53	\$ 5.66	\$ 2.61	\$ 6.19
Average Sales Price per Mcf after the effects of settled derivative contracts	\$ 2.76	\$ 4.02	\$ 2.96	\$ 4.20
% of sales subject to hedges	44%	65%	46%	61%
Oil Barrels Sold	39,768	52,406	182,916	202,867
Average Sales Price per Bbl before the effects of settled derivative contracts	\$ 78.66	\$ 82.52	\$ 76.76	\$ 93.06
Average Sales Price per Bbl after the effects of settled derivative contracts	\$ 75.37	\$ 62.03	\$ 74.21	\$ 60.98
% of sales subject to hedges	36%	57%	42%	66%
NGL Barrels Sold	38,422	38,611	137,484	159,475
Average Sales Price per Bbl ⁽¹⁾	\$ 24.00	\$ 28.77	\$ 22.18	\$ 35.44
Mcf Sold	2,244,717	2,215,419	9,379,484	9,696,809
Natural gas, oil and NGL sales before the effects of settled derivative contracts	\$ 8,548,783	\$ 14,888,674	\$ 36,536,285	\$ 71,062,141
Natural gas, oil and NGL sales after the effects of settled derivative contracts	\$ 8,823,534	\$ 11,067,174	\$ 38,719,598	\$ 49,586,709

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

Total Production for the last four quarters was as follows:

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcf Sold
12/31/2023	1,775,577	39,768	38,422	2,244,717
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

Natural gas volumes were 79% of total production volumes for the quarter ended Dec. 31, 2023.

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

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcf Sold
12/31/2023	1,590,301	35,547	23,769	1,946,196
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

Natural gas volumes were 82% of total royalty production volumes for the quarter ended Dec. 31, 2023.

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

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcf Sold
12/31/2023	185,276	4,221	14,653	298,521
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

Outlook

PHX is providing an operational outlook for 2024 as follows:

	Calendar Year 2022 Actual	Calendar Year 2023 Actual	Calendar Year 2024 Outlook
Mineral & Royalty Production (Mmcfe)	6,613	8,123	8,100 - 8,800
Working Interest Production (Mmcfe)	3,084	1,256	1,000 - 1,200
Total Production (Mmcfe)	9,697	9,379	9,100 - 10,000
Percentage Natural Gas	78%	80%	79% - 82%
Transportation, Gathering & Marketing (per Mcfe)	\$0.63	\$0.39	\$0.38 - \$0.43
Production Tax (as % of pre-hedge sales volumes)	4.50%	5.20%	5.00% - 5.50%
LOE Expenses (on an absolute basis in 000's)	\$3,807	\$1,599	\$1,100 - \$1,300
Cash G&A (on an absolute basis in 000's)	\$9,900	\$9,500	\$9,700 - \$9,900

Quarter Ended Dec. 31, 2023 Results

The Company recorded net income of \$2.5 million, or \$0.07 per diluted share, for the quarter ended Dec. 31, 2023, as compared to net income of \$3.3 million, or \$0.09 per diluted share, for the quarter ended Dec. 31, 2022. The change in net income was principally the result of a decrease in natural gas, oil and NGL sales, a decrease in gains on asset sales, and an increase in DD&A, partially offset by decreases in impairment, lease operating expenses, and transportation, gathering and marketing expenses.

Natural gas, oil and NGL revenue decreased \$6.3 million, or 43%, for the quarter ended Dec. 31, 2023, compared to the quarter ended Dec. 31, 2022, due to decreases in natural gas, oil and NGL prices of 55%, 5% and 17%, respectively, and a decrease in oil volumes of 24%, partially offset by an increase in natural gas volumes of 6%.

The increase in royalty production volumes during the quarter ended Dec. 31, 2023 to 1,946 Mmcfe from 1,628 Mmcfe during the quarter ended Dec. 31, 2022 resulted from new wells in the Haynesville Shale and SCOOP coming online. The production decrease in working interest volumes during the quarter ended Dec. 31, 2023, as compared to the quarter ended Dec. 31, 2022, resulted from the divestiture of working interest properties in the Arkoma Stack and Eagle Ford Shale plays.

The Company had a net gain on derivative contracts of \$3.2 million for the quarter ended Dec. 31, 2023, comprised of a \$2.9 million non-cash gain on derivatives and a \$0.3 million gain on settled derivatives, as compared to a net gain of \$3.3 million for the quarter ended Dec. 31, 2022. 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 Dec. 31, 2023 pricing relative to the strike price on open derivative contracts.

The Company recorded no impairment and made immaterial divestitures during the quarter ended Dec. 31, 2023. Lease operating expenses and transportation, gathering and marketing expenses were lower due to the divestiture of working interest properties in the Arkoma Stack and Eagle Ford Shale plays.

Twelve Months Ended Dec. 31, 2023 Results

The Company recorded net income of \$13.9 million, or \$0.39 per diluted share, for the twelve months ended Dec. 31, 2023, as compared to net income of \$17.1 million, or \$0.48 per diluted share, for the twelve months ended Dec. 31, 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 impairment, lease operating expenses, production and ad valorem taxes, and transportation, gathering and marketing expenses.

Natural gas, oil and NGL revenue decreased \$34.5 million, or 49%, for the twelve months ended Dec. 31, 2023, compared to the twelve months ended Dec. 31, 2022, due to decreases in natural gas, oil and NGL prices of 58%, 18% and 37%, respectively, and decreases in natural gas, oil and NGL volumes of 1%, 10% and 14%, respectively.

The increase in royalty production volumes during the twelve months ended Dec. 31, 2023 to 8,123 Mmcfe from 6,613 Mmcfe during the twelve months ended Dec. 31, 2022 resulted from new wells in the Haynesville Shale and SCOOP coming online. The production decrease in working interest volumes during the twelve months ended Dec. 31, 2023, as compared to the twelve months ended Dec. 31, 2022, resulted from the divestiture of working interest properties in the Fayetteville Shale, Arkoma Stack, and Eagle Ford Shale plays.

The Company had a net gain on derivative contracts of \$6.9 million for the twelve months ended Dec. 31, 2023, comprised of a \$4.3 million non-cash gain on derivatives and a \$2.6 million gain on settled derivatives, as compared to a net loss of (\$16.3) million for the twelve months ended Dec. 31, 2022. The gain on settled derivative contracts for the twelve months ended Dec. 31, 2023 excludes \$0.4 million of cash paid to settle off-market derivative contracts. The total net cash received to settle hedge contracts during the twelve months ended Dec. 31, 2023 was \$2.2 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 Dec. 31, 2023 pricing relative to the strike price on open derivative contracts.

Lease operating expenses and transportation, gathering and marketing expenses were lower due to the divestiture of working interest properties in the Fayetteville Shale, Arkoma Stack, and Eagle Ford Shale plays. Production and ad valorem taxes decreased due to a 49% decrease in natural gas, oil and NGL sales.

Operations Update

During the quarter ended Dec. 31, 2023, the Company converted 46 gross (0.098 net) wells to producing status, including 21 gross (0.044 net) wells in the Haynesville and 14 gross (0.024 net) wells in the SCOOP, compared to 60 gross (0.27 net) wells in the quarter ended Dec. 31, 2022.

At Dec. 31, 2023, the Company had a total of 168 gross (0.851 net) wells in progress across its mineral positions and 95 gross (0.444 net) active permitted wells, compared to 185 gross (0.81 net) wells in progress and 93 gross (0.28 net) active permitted wells at Sept. 30, 2023. As of Feb. 12, 2024, 14 rigs were operating on the Company's acreage and 57 rigs operating within 2.5 miles of its acreage.

	SCOOP	STACK	Bakken/ Three Forks	Arkoma Stack	Haynesville	Other	Total
As of Dec. 31, 2023:							
Gross Wells in Progress on PHX Acreage ⁽¹⁾	57	5	8	2	87	9	168
Net Wells in Progress on PHX Acreage ⁽¹⁾	0.227	0.023	0.043	0.001	0.537	0.020	0.851
Gross Active Permits on PHX Acreage	35	5	-	5	44	6	95
Net Active Permits on PHX Acreage	0.151	0.011	-	0.002	0.246	0.034	0.444
As of Feb. 12, 2024:							
Rigs Present on PHX Acreage	6	-	1	-	4	3	14
Rigs Within 2.5 Miles of PHX Acreage	14	9	2	1	23	8	57

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

Leasing Activity

During the quarter ended Dec. 31, 2023, the Company leased 108 net mineral acres to third-party exploration and production companies for an average bonus payment of \$968 per net mineral acre and an average royalty of 24%.

Acquisition and Divestiture Update

During the quarter ended Dec. 31, 2023, the Company purchased 325 net royalty acres for approximately \$4.3 million and had no significant divestitures.

	SCOOP	Acquisitions Haynesville	Other	Total
During Three Months Ended Dec. 31, 2023:				
Net Mineral Acres Purchased	96	142	-	238
Net Royalty Acres Purchased	112	213	-	325

Royalty Reserves Update

At Dec. 31, 2023, proved royalty reserves increased 9% to 57.8 Bcfe compared to 53.1 Bcfe at Dec. 31, 2022. Proved developed reserves increased by 5.3 Bcfe and proved undeveloped reserves decreased by 0.7 Bcfe, primarily due to execution of our acquisition strategy and consistent development in the Haynesville and SCOOP plays resulting in conversion of undeveloped reserves to producing.

	Proved Royalty Interest Reserves SEC Pricing	
	Dec. 31, 2023	Dec. 31, 2022
<u>Proved Developed Reserves:</u>		
Mcf of Gas	36,156,363	31,467,785
Barrels of Oil	731,527	628,289
Barrels of NGL	715,683	712,342
Mcf (1)	44,839,623	39,511,571
<u>Proved Undeveloped Reserves:</u>		
Mcf of Gas	11,508,969	12,608,549
Barrels of Oil	134,497	118,168
Barrels of NGL	99,712	48,136
Mcf (1)	12,914,223	13,606,373
<u>Total Proved Reserves:</u>		
Mcf of Gas	47,665,332	44,076,334
Barrels of Oil	866,024	746,457
Barrels of NGL	815,395	760,478
Mcf (1)	57,753,846	53,117,944
<u>10% Discounted Estimated Future Net Cash Flows (before income taxes):</u>		
Proved Developed	\$ 73,448,070	\$ 122,723,015
Proved Undeveloped	23,525,572	56,306,773
Total	<u>\$ 96,973,642</u>	<u>\$ 179,029,788</u>

(1) Crude oil and NGL converted to natural gas on a one barrel of crude oil or NGL equals six Mcf of natural gas basis.

Total Reserves Update

At Dec. 31, 2023, proved reserves were 71.2 Bcfe, as calculated by Cawley, Gillespie and Associates, Inc., the Company's independent consulting petroleum engineering firm. This was an 11% decrease, compared to the 79.7 Bcfe of proved reserves at Dec. 31, 2022. Total proved developed reserves decreased 12% to 58.3 Bcfe, as compared to Dec. 31, 2022 reserve volumes, mainly due to sales of working interest properties in the Arkoma Stack and Eagle Ford Shale. SEC prices used for the Dec. 31, 2023 report averaged \$2.67 per Mcf for natural gas, \$76.85 per barrel for oil and \$21.98 per barrel for NGL, compared to \$6.52 per Mcf for natural gas, \$92.74 per barrel for oil and \$39.18 per barrel for NGL for the Dec. 31, 2022 report. These prices reflect net prices received at the wellhead.

	Proved Reserves SEC Pricing	
	Dec. 31, 2023	Dec. 31, 2022
<u>Proved Developed Reserves:</u>		
Mcf of Gas	44,479,988	48,596,944
Barrels of Oil	937,465	1,253,838
Barrels of NGL	1,362,944	1,660,439
Mcf (1)	58,282,442	66,082,606
<u>Proved Undeveloped Reserves:</u>		
Mcf of Gas	11,508,969	12,608,549
Barrels of Oil	134,497	118,168
Barrels of NGL	99,712	48,136
Mcf (1)	12,914,223	13,606,373
<u>Total Proved Reserves:</u>		
Mcf of Gas	55,988,957	61,205,493
Barrels of Oil	1,071,962	1,372,006
Barrels of NGL	1,462,656	1,708,575
Mcf (1)	71,196,665	79,688,979
10% Discounted Estimated Future		
<u>Net Cash Flows (before income taxes):</u>		
Proved Developed	\$ 86,694,012	\$ 185,018,066
Proved Undeveloped	23,325,572	56,306,773
Total	<u>\$ 110,019,584</u>	<u>\$ 241,324,839</u>
<u>SEC Pricing</u>		
Gas/Mcf	\$ 2.67	\$ 6.52
Oil/Barrel	\$ 76.85	\$ 92.74
NGL/Barrel	\$ 21.98	\$ 39.18

Proved Reserves - Projected Future Pricing (2)

	Proved Reserves	
	Dec. 31, 2023	Dec. 31, 2022
10% Discounted Estimated Future		
<u>Net Cash Flows (before income taxes):</u>		
Proved Developed	\$ 107,635,503	\$ 126,605,850
Proved Undeveloped	29,439,523	38,748,236
Total	<u>\$ 137,075,026</u>	<u>\$ 165,354,086</u>

(1) Crude oil and NGL converted to natural gas on a one barrel of crude oil or NGL equals six Mcf of natural gas basis.

(2) Projected futures pricing as of Dec. 31, 2023 and Dec. 31, 2022 basis adjusted to Company wellhead price.

Quarterly Conference Call

PHX will host a conference call to discuss the Company's results for the quarter ended Dec. 31, 2023 at 11 a.m. EDT tomorrow, March 13, 2024. 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 13744298.

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.

FINANCIAL RESULTS

Statements of Income

	Three Months Ended Dec. 31, 2023	2022	Twelve Months Ended Dec. 31, 2023	Twelve Months Ended Sept. 30, 2022
Revenues:				
Natural gas, oil and NGL sales	\$ 8,548,783	\$ 14,888,674	\$ 36,536,285	\$ 69,860,631
Lease bonuses and rental income	22,780	34,482	1,068,022	467,502
Gains (losses) on derivative contracts	3,211,410	3,347,002	6,859,589	(16,833,078)
	<u>11,782,973</u>	<u>18,270,158</u>	<u>44,463,896</u>	<u>53,495,055</u>
Costs and expenses:				
Lease operating expenses	319,113	977,165	1,598,944	3,945,706
Transportation, gathering and marketing	945,788	1,455,260	3,674,832	5,890,390
Production and ad valorem taxes	457,058	656,764	1,881,737	3,332,581
Depreciation, depletion and amortization	2,443,154	1,802,114	8,566,185	7,278,118
Provision for impairment	-	6,100,696	38,533	14,565
Interest expense	723,685	637,698	2,362,393	1,164,992
General and administrative	3,050,828	3,137,401	11,970,182	11,500,594
Losses (gains) on asset sales and other	84,443	(824,073)	(4,285,170)	(4,243,163)
Total costs and expenses	<u>8,024,069</u>	<u>13,943,025</u>	<u>25,807,636</u>	<u>28,883,783</u>
Income (loss) before provision (benefit) for income taxes	3,758,904	4,327,133	18,656,260	24,611,272
Provision for income taxes	<u>1,245,460</u>	<u>981,000</u>	<u>4,735,460</u>	<u>4,202,000</u>
Net income	<u>\$ 2,513,444</u>	<u>\$ 3,346,133</u>	<u>\$ 13,920,800</u>	<u>\$ 20,409,272</u>
Basic earnings per common share	<u>\$ 0.07</u>	<u>\$ 0.09</u>	<u>\$ 0.39</u>	<u>\$ 0.59</u>
Diluted earnings per common share	<u>\$ 0.07</u>	<u>\$ 0.09</u>	<u>\$ 0.39</u>	<u>\$ 0.59</u>
Weighted average shares outstanding:				
Basic	36,036,270	35,679,740	35,980,309	34,403,498
Diluted	36,083,449	36,489,353	35,980,309	34,560,310
Dividends per share of common stock paid in period	<u>\$ 0.0300</u>	<u>\$ 0.0200</u>	<u>\$ 0.0975</u>	<u>\$ 0.0650</u>

Balance Sheets

	<u>Dec. 31, 2023</u>	<u>Sept. 30, 2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 806,254	\$ 3,396,809
Natural gas, oil, and NGL sales receivables (net of \$0 allowance for uncollectable accounts)	4,900,126	13,152,274
Refundable income taxes	455,931	-
Derivative contracts, net	3,120,607	-
Other	878,659	1,372,847
Total current assets	<u>10,161,577</u>	<u>17,921,930</u>
Properties and equipment at cost, based on successful efforts accounting:		
Producing natural gas and oil properties	209,082,847	248,978,928
Non-producing natural gas and oil properties	58,820,445	51,779,336
Other	<u>1,360,614</u>	<u>1,085,056</u>
	269,263,906	301,843,320
Less accumulated depreciation, depletion and amortization	<u>(114,139,423)</u>	<u>(168,759,385)</u>
Net properties and equipment	155,124,483	133,083,935
Derivative contracts, net	162,980	-
Operating lease right-of-use assets	572,610	739,131
Other, net	486,630	757,116
Total assets	<u><u>\$ 166,508,280</u></u>	<u><u>\$ 152,502,112</u></u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 562,607	\$ 647,217
Derivative contracts, net	-	7,873,979
Income taxes payable	-	495,858
Current portion of operating lease liability	233,390	213,355
Accrued liabilities and other	<u>1,215,275</u>	<u>2,032,275</u>
Total current liabilities	2,011,272	11,262,684
Long-term debt	32,750,000	28,300,000
Deferred income taxes, net	6,757,637	1,585,906
Asset retirement obligations	1,062,139	1,901,904
Derivative contracts, net	-	687,212
Operating lease liability, net of current portion	<u>695,818</u>	<u>985,887</u>
Total liabilities	<u>43,276,866</u>	<u>44,723,593</u>
Stockholders' equity:		
Common Stock, \$0.01666 par value; 54,000,500 shares authorized and 36,121,723 issued at Dec. 31, 2023; 54,000,500 shares authorized and 35,776,752 issued at Sep. 30, 2022	601,788	596,041
Capital in excess of par value	41,676,417	44,177,051
Deferred directors' compensation	1,487,590	1,496,243
Retained earnings	<u>80,022,839</u>	<u>67,117,791</u>
	123,788,634	113,387,126
Less treasury stock, at cost; 131,477 shares at Dec. 31, 2023, and 377,232 shares at Sep. 30, 2022	<u>(557,220)</u>	<u>(5,608,607)</u>
Total stockholders' equity	123,231,414	107,778,519
Total liabilities and stockholders' equity	<u><u>\$ 166,508,280</u></u>	<u><u>\$ 152,502,112</u></u>

Condensed Statements of Cash Flows

	Twelve Months Ended Dec. 31, 2023	Three Months Ended Dec. 31, 2022	Twelve Months Ended Sept. 30, 2022
Operating Activities			
Net income	\$ 13,920,800	\$ 3,346,133	\$ 20,409,272
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, depletion and amortization	8,566,185	1,802,114	7,278,118
Impairment of producing properties	38,533	6,100,696	14,565
Provision for deferred income taxes	4,303,731	868,000	1,242,000
Gain from leasing fee mineral acreage	(1,067,992)	(34,371)	(466,341)
Proceeds from leasing fee mineral acreage	1,213,913	67,651	688,207
Net (gain) loss on sales of assets	(4,728,758)	(934,207)	(4,423,646)
Directors' deferred compensation expense	228,017	44,827	191,852
Total (gain) loss on derivative contracts	(6,859,589)	(3,347,002)	16,833,078
Cash receipts (payments) on settled derivative contracts	2,743,475	(810,839)	(2,796,250)
Restricted stock award expense	2,205,910	524,257	2,211,673
Other	136,412	30,157	87,353
Cash provided (used) by changes in assets and liabilities:			
Natural gas, oil and NGL sales receivables	4,883,870	3,368,278	(6,723,292)
Income taxes receivable	(455,931)	-	2,413,942
Other current assets	(45,869)	(309,051)	250,568
Accounts payable	69,228	(129,304)	(10,305)
Other non-current assets	206,292	63,723	(380,964)
Income taxes payable	(576,427)	80,569	161,808
Accrued liabilities	(610,661)	(589,817)	550,012
Total adjustments	10,250,339	6,795,681	17,122,378
Net cash provided by operating activities	24,171,139	10,141,814	37,531,650
Investing Activities			
Capital expenditures	(325,983)	(87,104)	(552,638)
Acquisition of minerals and overriding royalty interests	(29,735,516)	(14,499,014)	(43,525,236)
Net proceeds from sales of assets	9,614,194	1,137,730	13,217,844
Deposits received on held for sale assets	-	815,000	-
Net cash provided (used) by investing activities	(20,447,305)	(12,633,388)	(30,860,030)
Financing Activities			
Borrowings under credit facility	19,500,000	10,000,000	21,300,000
Payments of loan principal	(20,050,000)	(5,000,000)	(10,500,000)
Net proceeds from equity issuance	-	-	5,006,538
Cash receipts from (payments on) off-market derivative contracts	(560,162)	(3,010,661)	(19,260,104)
Purchases of treasury stock	(402,704)	(52,460)	(1,855)
Payments of dividends	(3,520,366)	(726,462)	(2,257,901)
Net cash provided (used) by financing activities	(5,033,232)	1,210,417	(5,713,322)
Increase (decrease) in cash and cash equivalents	(1,309,398)	(1,281,157)	958,298
Cash and cash equivalents at beginning of period	2,115,652	3,396,809	2,438,511
Cash and cash equivalents at end of period	<u>\$ 806,254</u>	<u>\$ 2,115,652</u>	<u>\$ 3,396,809</u>

Supplemental Disclosures of Cash Flow Information:

Interest paid (net of capitalized interest)	\$ 2,405,361	\$ 581,142	\$ 997,085
Income taxes paid (net of refunds received)	\$ 1,464,087	\$ 32,431	\$ 384,249

Supplemental Schedule of Noncash Investing and Financing Activities:

Dividends declared and unpaid	\$ 113,443	\$ 811,688	\$ -
Gross additions to properties and equipment	\$ 30,761,578	\$ 14,710,613	\$ 46,791,346
Value of shares used for acquisitions	-	-	(3,510,001)
Net increase (decrease) in accounts receivable for properties and equipment additions	(700,079)	(124,495)	796,529
Capital expenditures and acquisitions	<u>\$ 30,061,499</u>	<u>\$ 14,586,118</u>	<u>\$ 44,077,874</u>

Derivative Contracts as of March 7, 2024

Contract period	Production volume covered per month	Index	Contract price
Natural gas costless collars			
January - March 2024	30,000 Mmbtu	NYMEX Henry Hub	\$3.25 floor / \$5.25 ceiling
January - 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
April 2025 - September 2025	55,000 Mmbtu	NYMEX Henry Hub	\$3.00 floor / \$3.75 ceiling
November 2025 - March 2026	100,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$4.85 ceiling
Natural gas fixed price swaps			
January - February 2024	135,000 Mmbtu	NYMEX Henry Hub	\$3.65
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
January - March 2025	50,000 Mmbtu	NYMEX Henry Hub	\$3.51
April - October 2025	100,000 Mmbtu	NYMEX Henry Hub	\$3.28
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
June - September 2024	500 Bbls	NYMEX WTI	\$70.00 floor / \$78.10 ceiling
July - October 2024	1,650 Bbls	NYMEX WTI	\$65.00 floor / \$76.50 ceiling
October - December 2024	500 Bbls	NYMEX WTI	\$67.00 floor / \$77.00 ceiling
Oil fixed price swaps			
January - 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
July - October 2024	1,500 Bbls	NYMEX WTI	\$69.50
November - December 2024	2,000 Bbls	NYMEX WTI	\$69.50
November 2024 - March 2025	1,600 Bbls	NYMEX WTI	\$64.80
January - March 2025	500 Bbls	NYMEX WTI	\$69.50
January - June 2025	2,000 Bbls	NYMEX WTI	\$70.90
April - June 2025	750 Bbls	NYMEX WTI	\$69.50
April - June 2025	1,000 Bbls	NYMEX WTI	\$68.00
July - September 2025	500 Bbls	NYMEX WTI	\$69.50
July - December 2025	1,500 Bbls	NYMEX WTI	\$68.90

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 Dec. 31, 2023	Three Months Ended Dec. 31, 2022	Twelve Months Ended Dec. 31, 2023	Twelve Months Ended Dec. 31, 2022	Three Months Ended Sept. 30, 2023
Net Income	\$ 2,513,444	\$ 3,346,133	\$ 13,920,800	\$ 17,073,156	\$ 1,895,403
Plus:					
Income tax expense	1,245,460	981,000	4,735,460	4,421,000	589,000
Interest expense	723,685	637,698	2,362,393	1,625,971	556,941
DD&A	2,443,154	1,802,114	8,566,185	7,496,472	2,022,709
Impairment expense	-	6,100,696	38,533	6,109,676	36,460
Less:					
Non-cash gains (losses)					
on derivatives	2,936,659	6,265,041	4,302,531	(584,976)	(940,592)
Gains (losses) on asset sales	57,505	934,207	4,728,759	7,478,781	243,041
Plus:					
Cash receipts from (payments on)					
off-market derivative contracts ⁽¹⁾	-	(903,461)	(373,745)	(5,738,164)	-
Restricted stock and deferred					
director's expense	572,709	569,084	2,433,927	2,649,194	522,965
Adjusted EBITDA	<u>\$ 4,504,288</u>	<u>\$ 5,334,016</u>	<u>\$ 22,652,263</u>	<u>\$ 26,743,500</u>	<u>\$ 6,321,029</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 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 Dec. 31, 2023	TTM Ended Dec. 31, 2022
Net Income	\$ 13,920,800	\$ 17,073,156
Plus:		
Income tax expense	4,735,460	4,421,000
Interest expense	2,362,393	1,625,971
DD&A	8,566,185	7,496,472
Impairment expense	38,533	6,109,676
Less:		
Non-cash gains (losses) on derivatives	4,302,531	(584,976)
Gains (losses) on asset sales	4,728,759	7,478,781
Plus:		
Cash receipts from (payments on) off-market derivative contracts ⁽¹⁾	(373,745)	(5,738,164)
Restricted stock and deferred director's expense	2,433,927	2,649,194
Adjusted EBITDA	<u>\$ 22,652,263</u>	<u>\$ 26,743,500</u>
Debt	\$ 32,750,000	\$ 33,300,000
Debt to Adjusted EBITDA (TTM)	1.45	1.25

(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.

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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Investor Presentation

March 2024



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 December 31, 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.

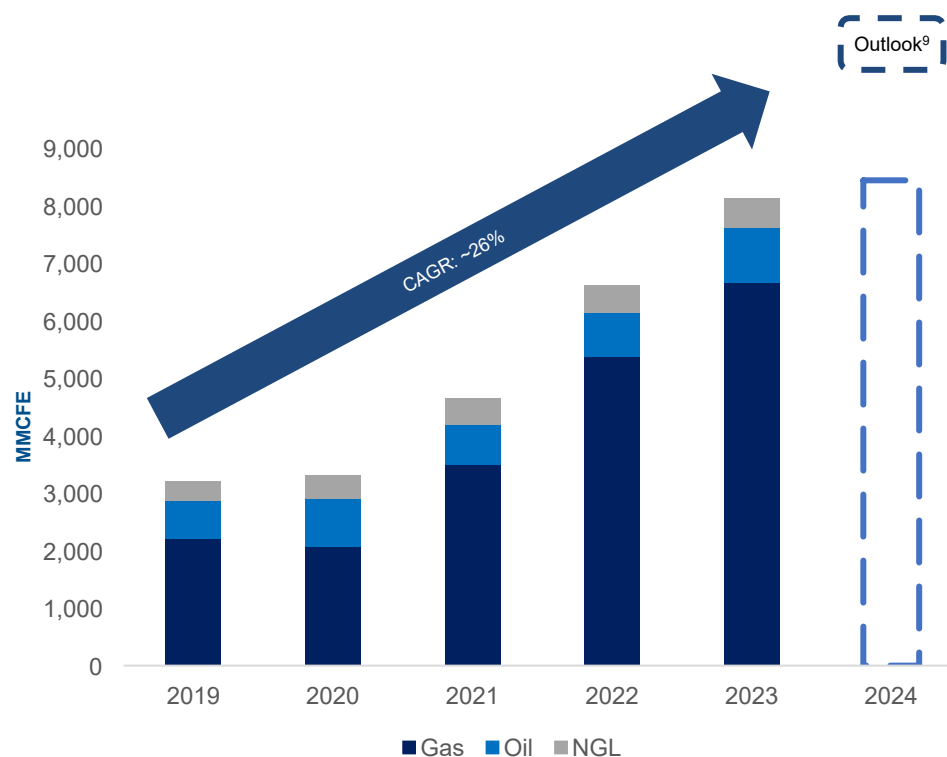
Company Snapshot

Key Statistics

\$ in millions

Market Cap ¹	\$112.4
Enterprise Value ²	\$144.4
Liquidity ³	\$22.3
Dividend Yield ⁴	4.00%
Leverage ⁵	1.45x
Cal. 2023 Adjusted EBITDA ⁶	\$22.7
Cal. 2023 Discretionary Cash Flow Yield ⁶	~16%
Cal. 2023 ROCE ⁶	~9%
Percent of 3P Reserves – Natural Gas ⁷	~77%
Net Leased Royalty Acres ⁸	93,349

Sustainable Organic Royalty Production Growth



Source: Company information and Enverus

1 Based on \$3.00 per share as of 2/12/2024 and 37.5 million shares outstanding on a fully diluted basis as of 12/31/2023

2 Market Cap plus debt of \$32.8 million minus cash on hand of \$0.8 million as of 12/31/2023

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 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 3P Reserves per 12/31/2023 CGA Year End Report 12/31/2023 at 12/31/2023 SEC price deck of \$76.85 per bbl of oil, \$21.98 per bbl of NGL, \$2.67 per mcf of gas (proved volume weighted average price)

8 As of 12/31/2023; PHX also owns 166,142 unleased net royalty acres normalized to a 1/8th royalty

9 At mid-point of production outlook (see page 10)

Strategy Execution

Goals Set in early 2020

High Grade Asset Base

- Grow royalty production
- Increase inventory of undeveloped locations
- Improve operating margins
- Exit working interest assets



Achievements Through Dec. 31, 2023

- Total royalty volume growth since 2020: ~146%
- Grown 2P royalty reserves by ~151%
- Mineral acquisitions completed: ~\$132 million
- Built a 10+ year inventory of line-of-sight mineral development locations
- Discretionary cash flow margin has increased from 36% to 56%
- Working interest wellbores sold: 1,382

Build a strong and sustainable balance sheet

- Improve balance sheet designed to withstand commodity price volatility

- Maintained leverage ratio between 1.0x and 1.5x compared to over 2.5x in 2020
- Entered into a new and improved commercial bank relationship

Become a consolidator in the mineral space

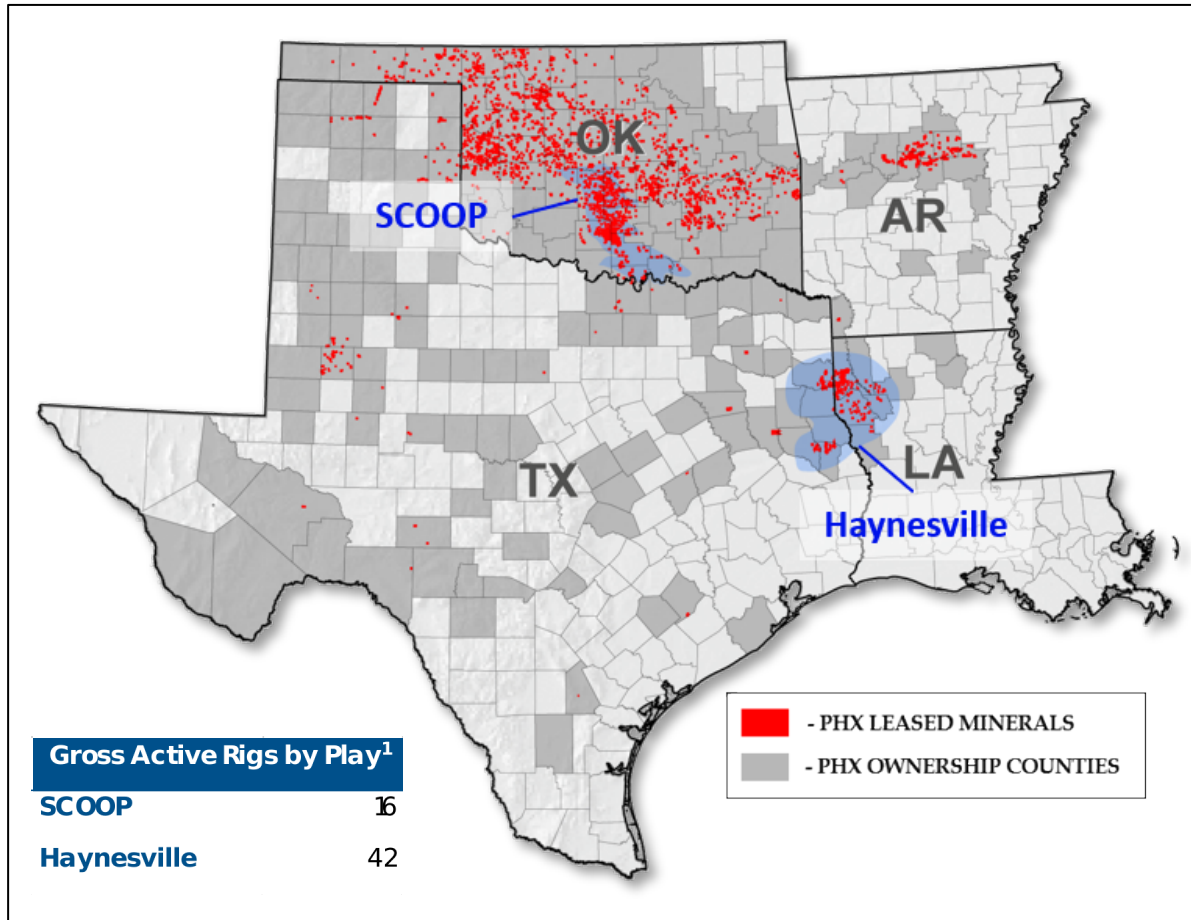
- Allocate capital to generate the best possible returns to shareholders

- Mineral acquisitions completed: 78
- Focus on smaller acquisition in targeted areas: ~\$1.7 million average deal size generates higher returns with less competition

Generate return on capital employed (ROCE)

- Generated annual ROCE¹ between 9% and 15% since 2021; up from ~0% in 2019 and 2020
- Return profile driven by royalty volume growth associated with new wells converting from undeveloped locations

Focused in SCOOP and Haynesville



- PHX targets areas in key plays with significant active operator development activity
- Provides line of sight to conversion of undeveloped locations to cash flow

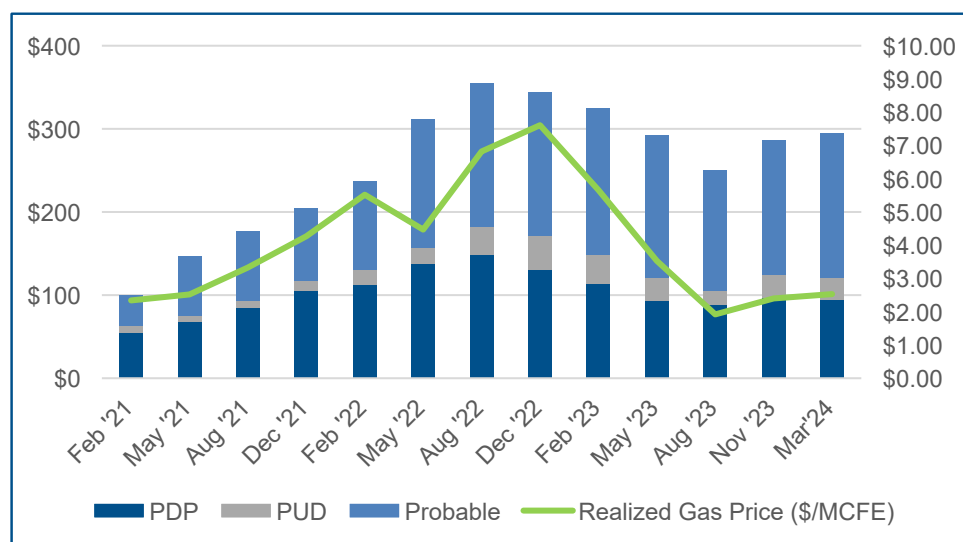
Key Operators of PHX Minerals



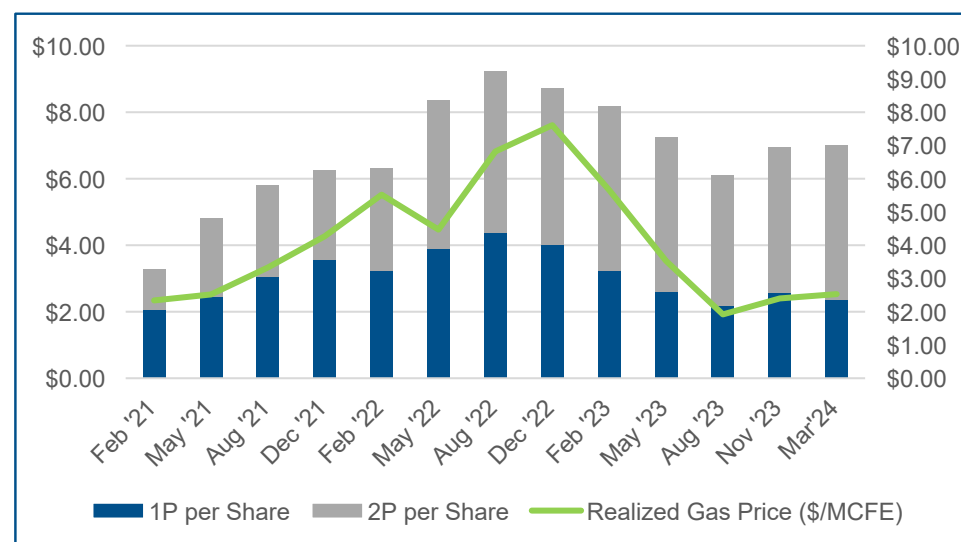
Per Share NAV Continues to Grow

- 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, higher growth profile, and improved margins than the PHX pre-2020 legacy asset base

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



NAV per Share Net of Debt

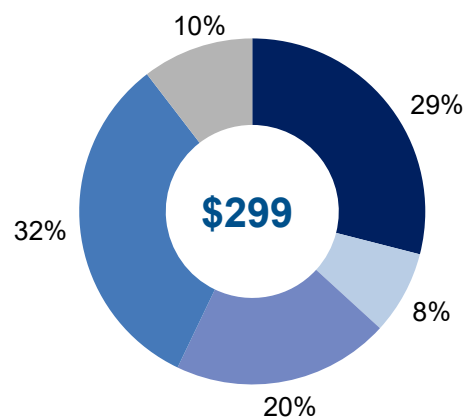


Next Twelve-Month NYMEX strip for oil and natural gas as of date reserves analysis was compiled

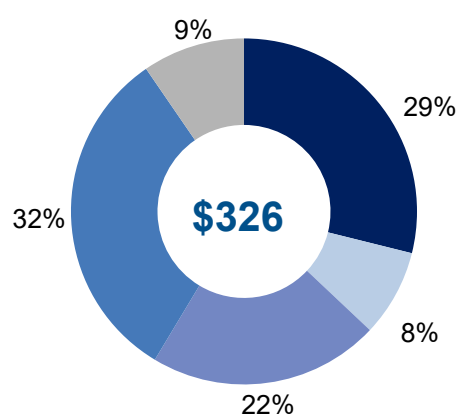
Reserves Value Summary

Reserve Category	PV-10 Value (\$mm)		
	SEC ¹	Strip ²	\$80 / \$5.00 ³
PDP	\$86.7	\$94.2	\$141.7
Wells in Progress	\$17.2	\$19.2	\$30.6
Permits	\$6.1	\$7.4	\$10.6
Total Proved Reserves	\$110.0	\$120.7	\$183.0
Technical PUDs ⁴	\$60.8	\$70.4	\$95.6
Adjusted Proved Reserves	\$170.8	\$191.1	\$278.6
PROB ⁵	\$97.1	\$103.7	\$138.4
POSS ⁵	\$31.2	\$31.2	\$41.0
Total 3P Reserves	\$299.1	\$326.1	\$458.0
Proved PV-10 Per Share⁶	\$2.08	\$2.37	\$4.03
Adjusted Proved PV-10 Per Share⁶	\$3.70	\$4.25	\$6.58
2P PV-10 Per Share⁶	\$6.30	\$7.01	\$10.27
3P PV-10 Per Share⁶	\$7.13	\$7.85	\$11.37

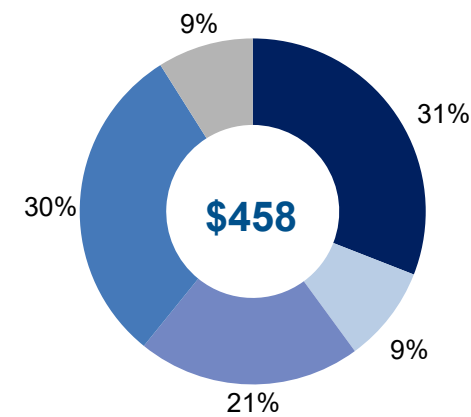
SEC Pricing¹



Strip Pricing²



\$80/\$5.00 Flat Pricing³



■ PDP ■ WIP/PERMIT ■ TECH PUD ■ PROB ■ POSS

1 3P Reserves per CGA Year End 2023 Report as of 12/31/2023 at 12/31/2023 SEC price deck of \$76.85 per bbl of oil, \$21.98 per bbl of NGL, \$2.67 per mcf of gas (proved volume weighted average price)

2 3P Reserves per CGA Year End 2023 Report as of 12/31/2023 at 2/12/2024 STRIP price of WTI/HH 2024: \$75.63/\$2.34, 2025: \$71.28/\$3.43, 2026: \$67.87/\$3.76, 2027: \$65.82/\$3.74, 2028: \$64.82/\$3.71, 2029: \$64.59/\$3.68, 2030: \$64.78/\$3.57, 2031: \$65.00/\$3.62, 2032: \$65.21/\$3.41, 2033: \$65.37/\$3.35, 2034: \$65.65/\$3.41, 2035+: \$65.78/\$3.57.

3 3P Reserves per CGA Year End 2023 Report as of 12/31/2023 at flat price deck of \$80.00 WTI /\$5.00 HH.

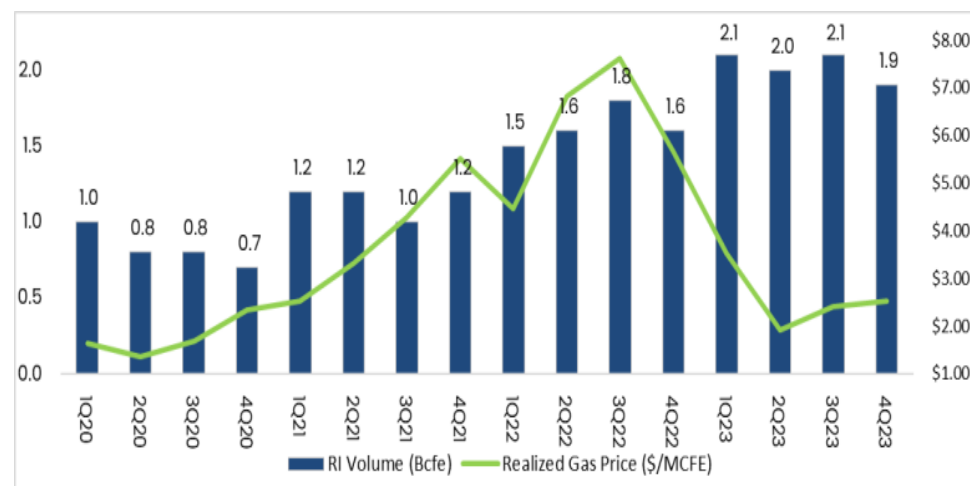
4 Technical PUDs, reviewed and approved by Cawley, Gillespie and Associates, Inc., share all technical merits of PUDs but development timing is uncertain, therefore Technical PUDs are not included in PHX's SEC Proved Reserve Report. However, PHX Technical PUDs may be PUDs in their respective operator's reserve report.

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

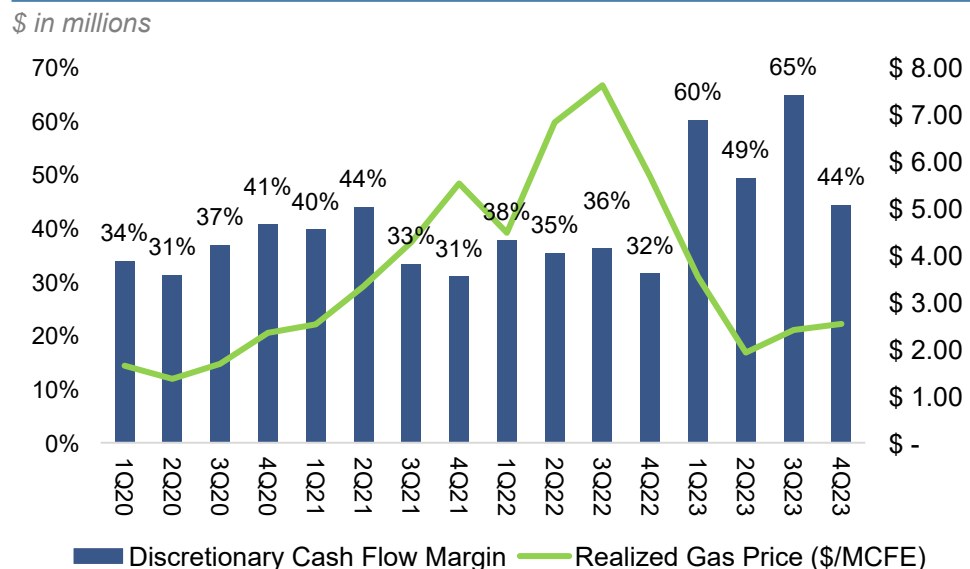
6 PV-10 less net debt of \$31.9 MM as of 12/31/2023 divided by total shares outstanding as of 12/31/2023

Royalty Cash Flow Driving Shareholder Value

Royalty Production and Realized Natural Gas Price

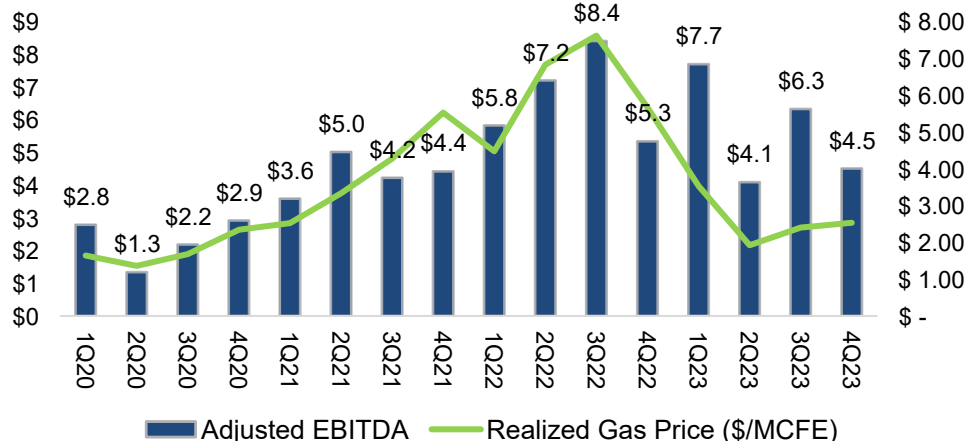


Discretionary Cash Flow Margin²

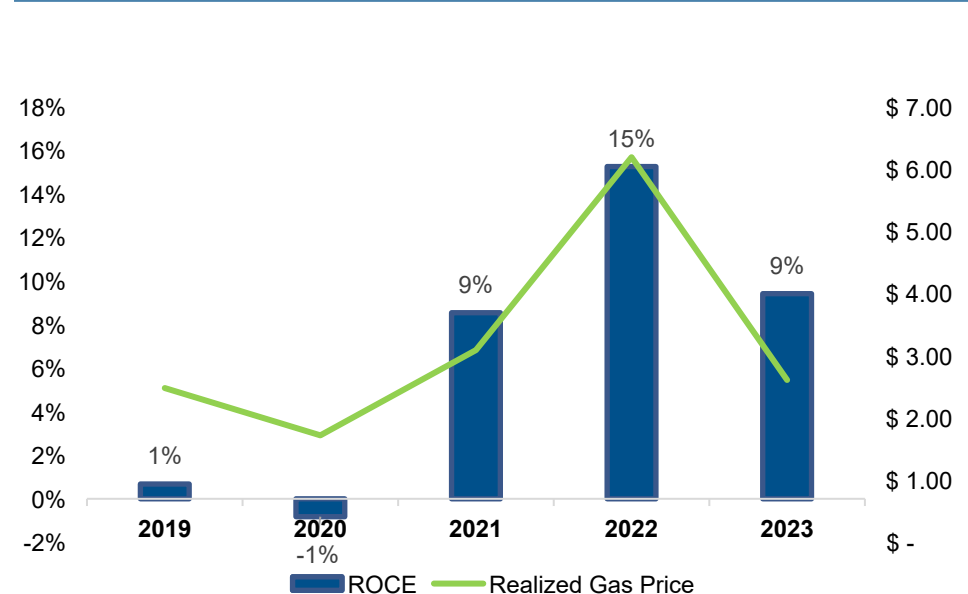


Adjusted EBITDA¹

\$ 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

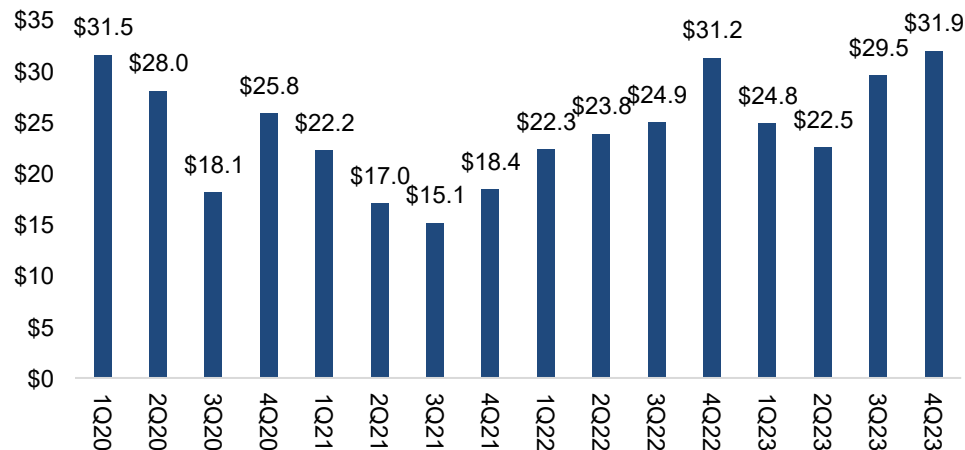
² Calculated as Adjusted EBITDA minus interest expense divided by total oil and gas sales

³ See Non-GAAP reconciliation in Appendix

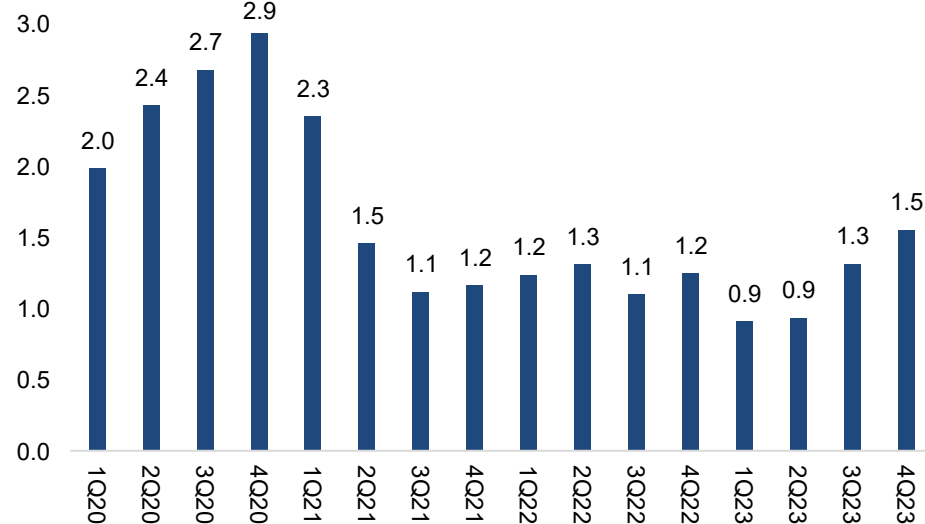
Stable Balance Sheet & Ample Liquidity

Net Debt ¹

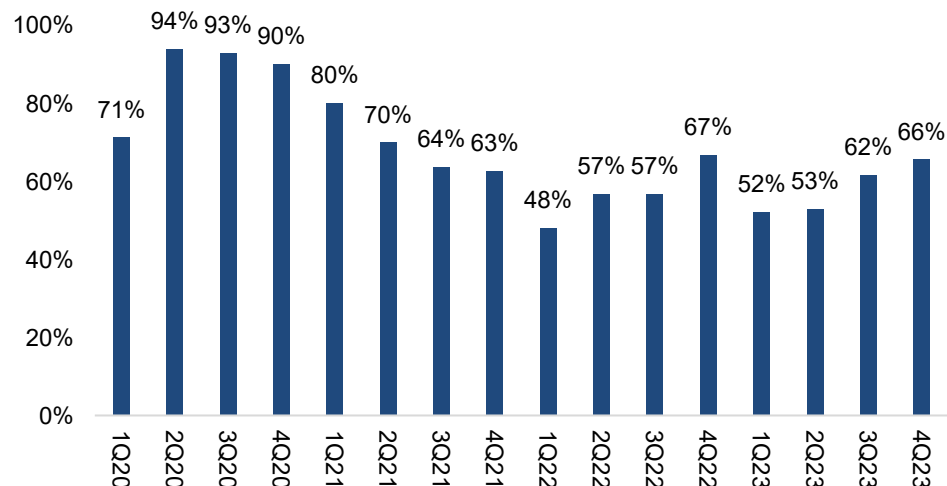
\$ in millions



Debt / Adjusted EBITDA² (TTM)

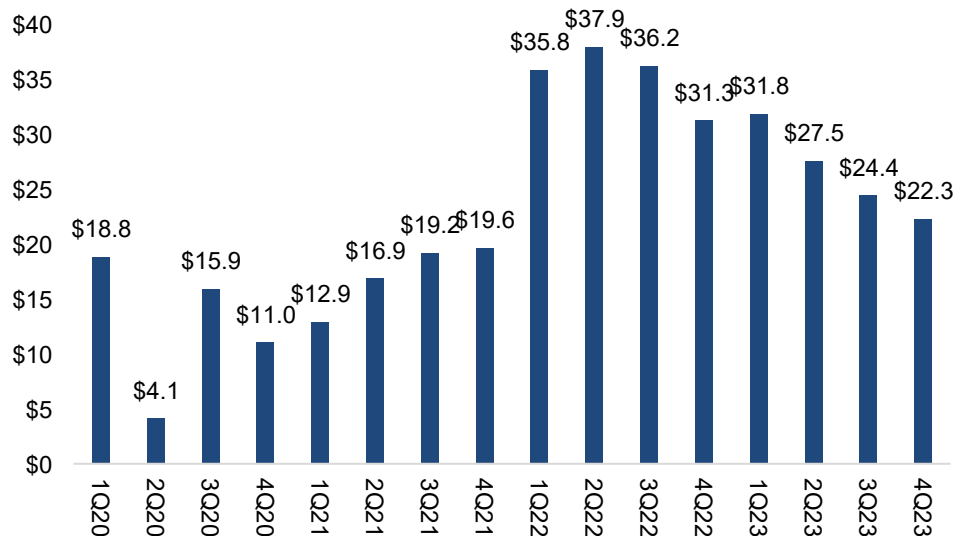


Percentage Drawn on Credit Facility Advance Rate



Liquidity³

\$ 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

PHX Operational Outlook

- Calendar 2024 production derived from wells already on production and wells currently being drilled/completed by operators
- Total corporate volumes forecasted to increase for the first time since 2020 after completing our transition away from non-op working interest

	Cal. Year 2022 Actual	Cal. 2023 YTD Actual	Cal. Year 2024 Outlook
Mineral & Royalty Production (Mmcfe)	6,613	8,123	8,100 – 8,800
Working Interest Production (Mmcfe)	3,084	1,256	1,000 – 1,200
Total Production (Mmcfe)	9,697	9,379	9,100 – 10,000
Percentage Natural Gas	78%	80%	79% - 82%
Transportation, Gathering & Marketing (per mcfe)	\$0.63	\$0.39	\$0.38 - \$0.43
Production Tax (as % of pre-hedge sales)	4.50%	5.20%	5.00% - 5.50%
LOE Expenses (on an absolute basis in 000's)	\$3,807	\$1,599	\$1,100 - \$1,300
Cash G&A(1) (on an absolute basis in 000's)	\$9,900	\$9,500	\$9,700 - \$9,900

PHX Financial Outlook

PHX's growth strategy has the potential to significantly increase its operating cash flow to over \$40 million annually by Fiscal Year 2026; representing a 100% increase from the current run rate

		NYMEX Natural Gas (\$/mcf)	
		\$2.50	\$5.00
WTI (\$/bbl)	\$70	~\$22 Million	~\$40 Million
	\$90	~\$25 Million	~\$44 Million

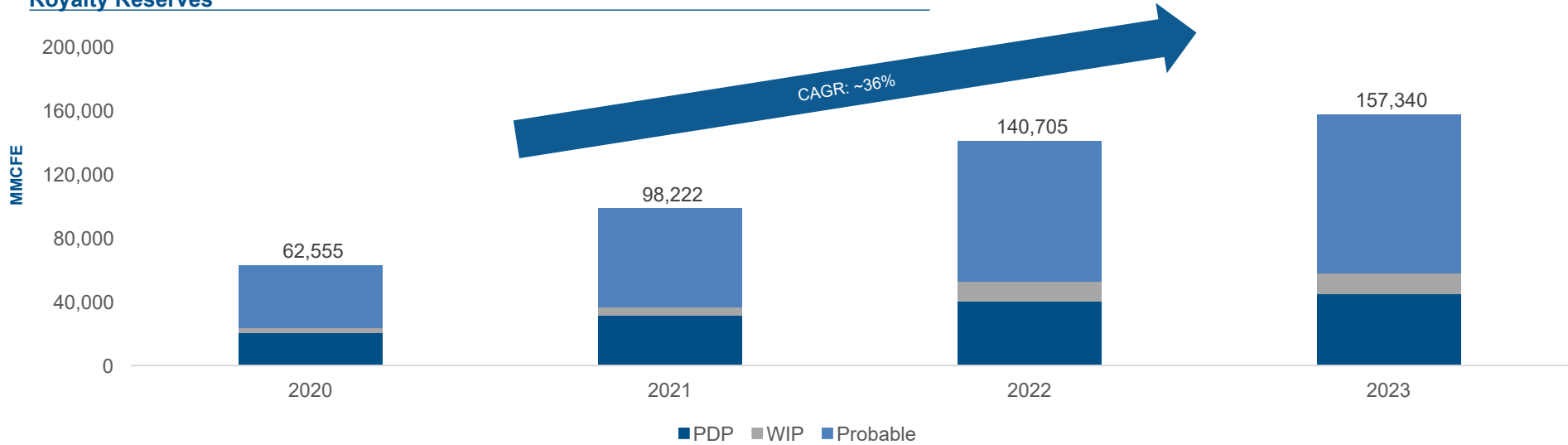
Key Assumptions

- Between 250 / 300 gross (1.1 / 1.3 net) wells converted to PDP annually in 2024 – 2026
- PHX has an 8-year inventory of drilling locations
- Does not assume additional acquisitions
- Cash flow used to paydown debt; fully paid down in less than 18 months

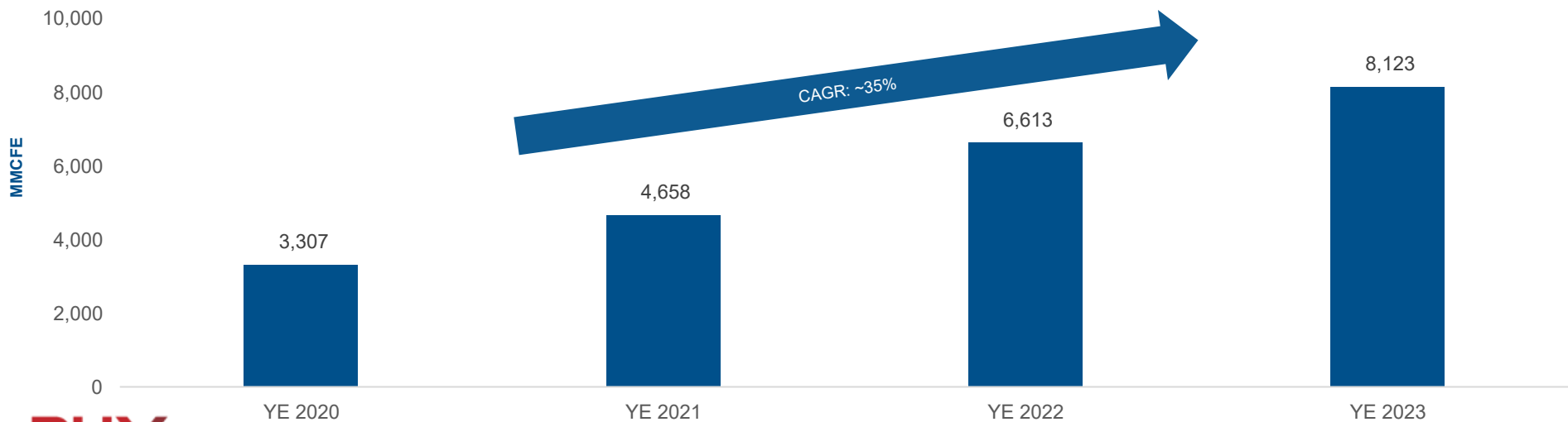
Royalty Reserve Growth

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

Royalty Reserves



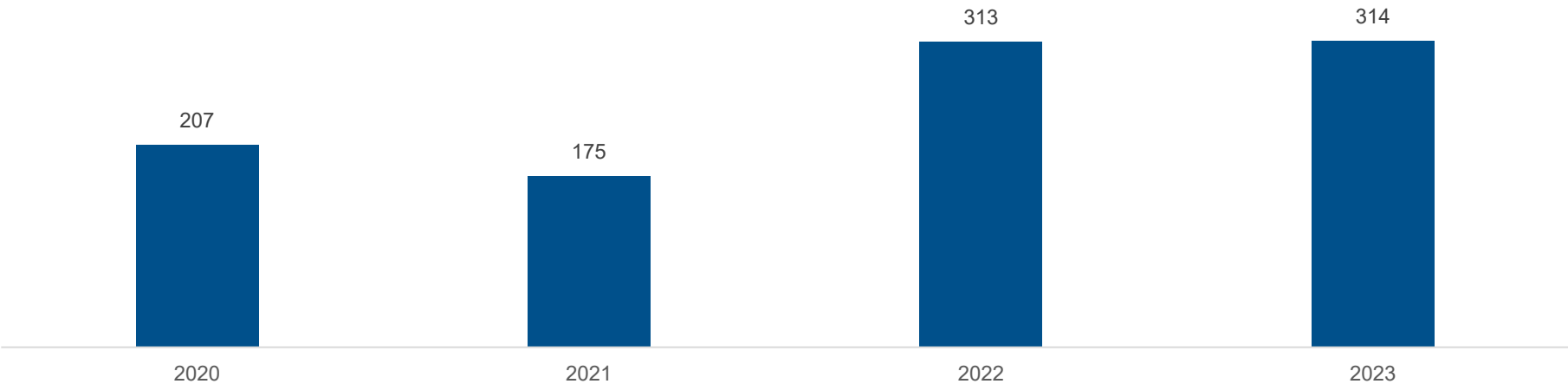
Royalty Production



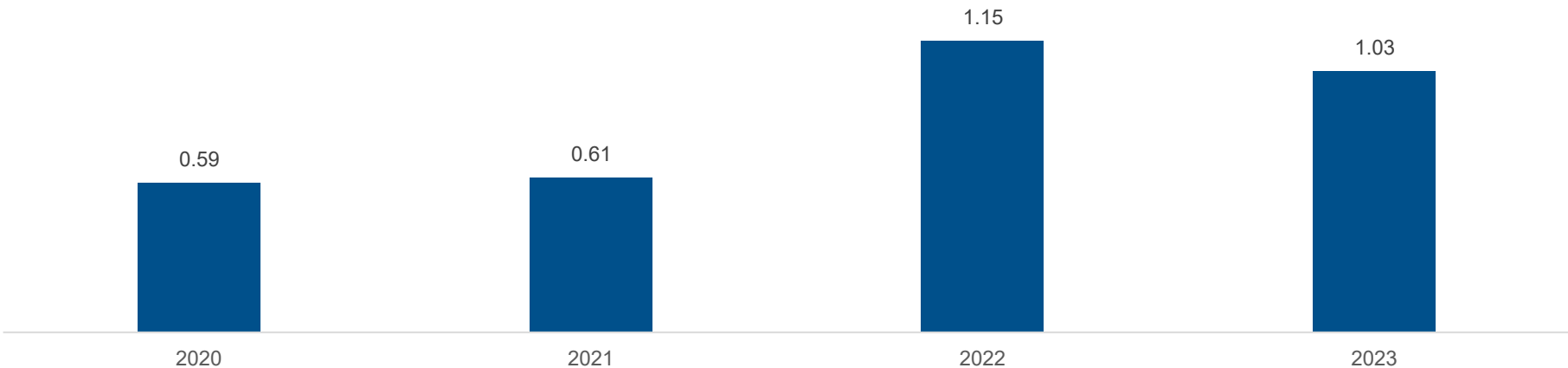
Yearly Conversions To Producing Wells

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

Gross Conversions



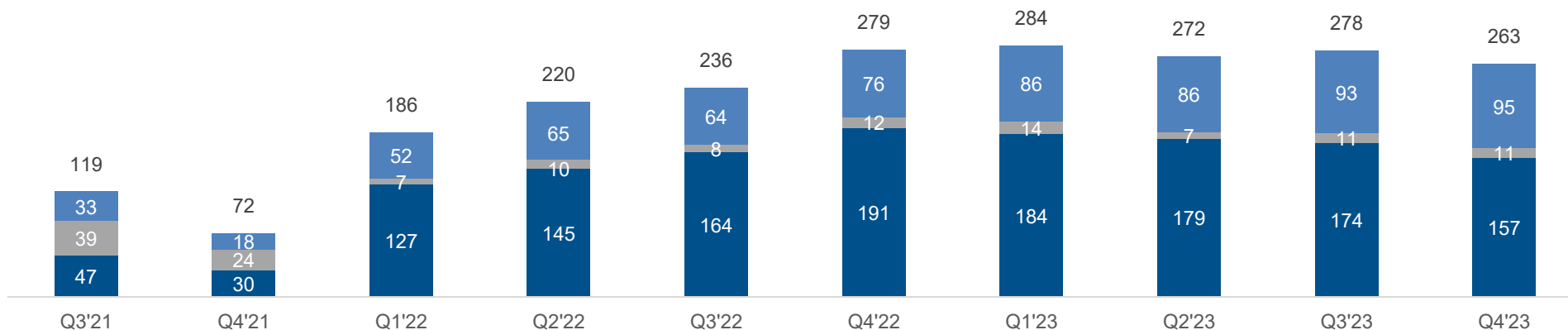
Net Conversions



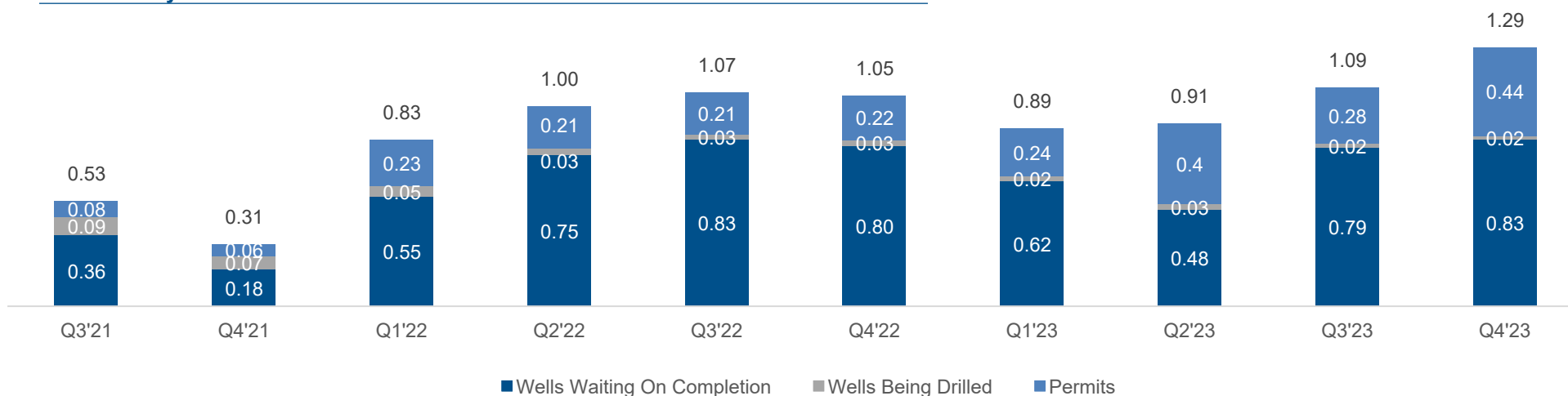
Quarterly Near-Term Drilling Inventory

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

Gross Inventory



Net Inventory

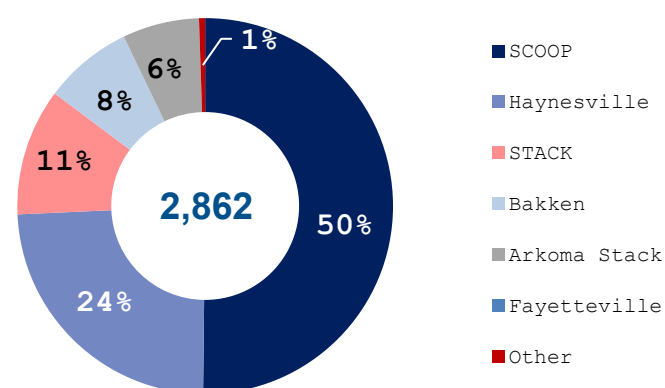
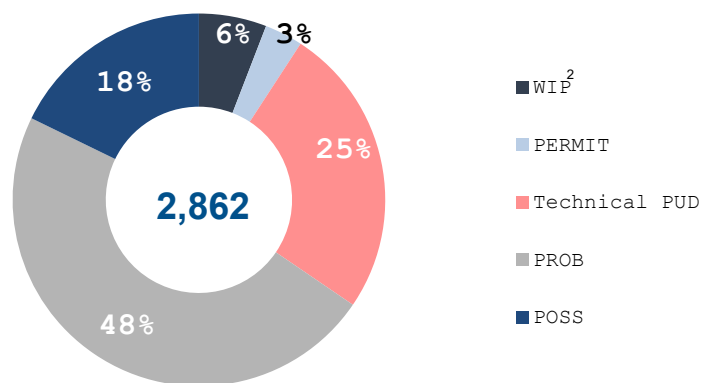


Royalty Interest Inventory by Basin

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

Sub-region	Gross PDP Wells ¹	Net PDP Wells ^{1,3}	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	1,100	4.639	57	0.227	35	0.151	258	1.015	733	2.113	353	1.251
Haynesville	582	3.382	87	0.537	44	0.246	327	1.136	228	0.639	4	0.003
STACK	400	1.721	5	0.023	5	0.011	71	0.391	172	1.056	60	0.576
Bakken	619	1.786	8	0.043	0	0.000	67	0.248	135	0.829	9	0.146
Arkoma Stack	531	4.759	2	0.001	5	0.002	2	0.003	97	1.745	83	0.924
Fayetteville	1,073	6.454	0	0.000	0	0.000	0	0	0	0	0	0
Other	2,018	16.683	9	0.020	6	0.034	0	0	0	0	0	0
Total	6,323	39.424	168	0.851	95	0.444	725	2.793	1,365	6.381	509	2.900

Gross Undeveloped Locations



Analyst Coverage

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


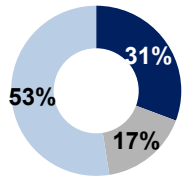
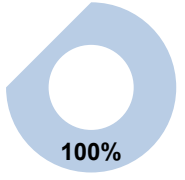
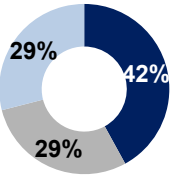
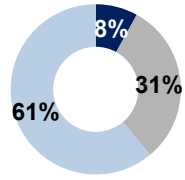
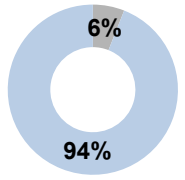
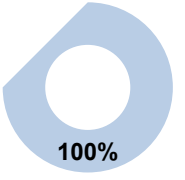
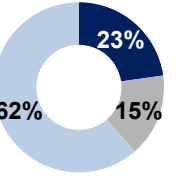
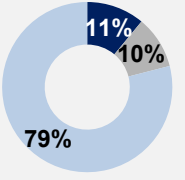

























Appendix

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	Executive Vice President, CFO	5	<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	S.V.P. of Accounting	4	<ul style="list-style-type: none"> • >16 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"> • >14 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
Kenna Clapp	V.P. of Land	3	<ul style="list-style-type: none"> • >14 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
Taylor McClain	V.P. of Geology	<1	<ul style="list-style-type: none"> • >10 years of experience across multiple basins including Appalachia, Haynesville, Permian and Mid-Continent • Various exploration and production Geologist positions with Range Resources, UBS and Redfield Energy • B.S. in Geoscience from Pennsylvania State University and a Masters in Geology from West Virginia University

Board of Directors	Title	Years with Company	Experience
Mark T. Behrman	Chairman	7	<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	3	<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	8	<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	5	<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	2	<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	3	<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

Portfolio Overview by Basin

	Scoop	Haynesville	Bakken	Stack	Arkoma	Fayetteville	Other	Total
Production Mix 								
Net Production (MMcfe/d)^{1,2}	3.90	11.22	1.26	3.18	1.16	1.06	2.63	24.40
Leased Net Royalty Acres¹	9,471	8,320	3,999	6,849	9,932	8,395	46,383	93,349⁴
Permits on File¹	35	44	-	5	5	-	6	95
Rigs Running on PHX Acreage³	6	4	1	-	-	-	3	14
Rigs Running Within 2.5 miles of PHX Acreage³	14	23	2	9	1	-	8	57
Key Operators	   	   	 	   	 	 	  	   

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: 6,735 NRA (total PHX Haynesville ownership 8,320 NRA)
- Gross Wells In Progress²: 57
- Gross Active Permits³: 39
- Gross Active Rigs⁴: 25

Notable Well Results

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

1st Prod	8/2022	PHX NRI	0.886%
LL	9,859'	CUM	11.9 BCF
IP24	34.4 MMCF/d	CUM/FT	1,210 MMCF/FT

AETHON | GEP / LEE DSU | 5 WELL AVG

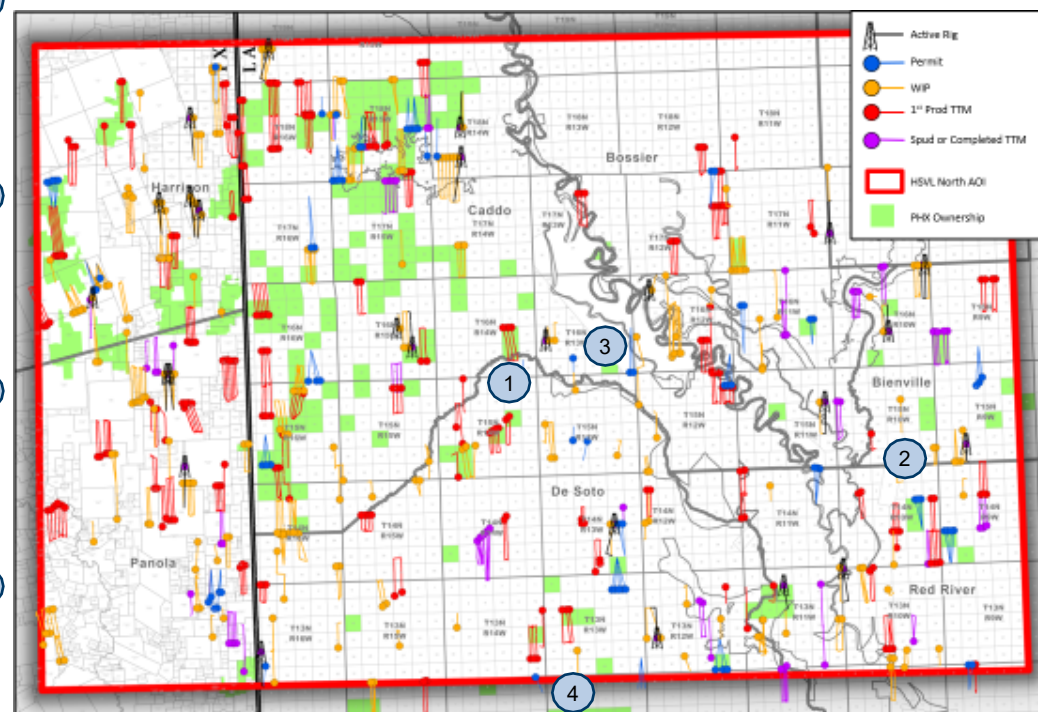
1st Prod	8/2022	PHX NRI	2.310%
AVG LL	8,448'	AVG CUM	7.9 BCF
AVG IP	31.2 MMCF/d	AVG CUM/FT	923 MMCF/FT

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

1st Prod	4/2023	PHX NRI	0.543%
AVG LL	10,001'	AVG CUM	5.1 BCF
AVG IP24	31.9 MMCF/d	AVG CUM/FT	514 MMCF/FT

CHESAPEAKE | MMRTNEZ 20&17 HC | 3 WELL AVG

1st Prod	5/2023	PHX NRI	0.722%
AVG LL	9,749'	AVG CUM	4.3 BCF
AVG IP24	27.9 MMCF/d	AVG CUM/FT	440 MMCF/FT



Source: Company info and Enverus

1 As of 12/31/2023

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 02/12/2024

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

South Texas 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 Operator is Aethon who has been the most active in the Shelby Trough
- PHX South Texas Haynesville Ownership¹: 993 NRA
- Gross Wells In Progress²: 22
- Gross Active Permits³: 2
- Gross Active Rigs⁴: 3

Notable Well Results

1 AETHON | SALLY RIDE KNOX | 4 WELL AVG

1st Prod	1/2023	PHX NRI	0.673%
AVG LL	8,168'	AVG CUM	3.96 BCF
AVG IP24	19.7 MMCF/d	AVG CUM/FT	488 MMCF/FT

2 AETHON | MARCO GAS UNIT | 4 WELL AVG

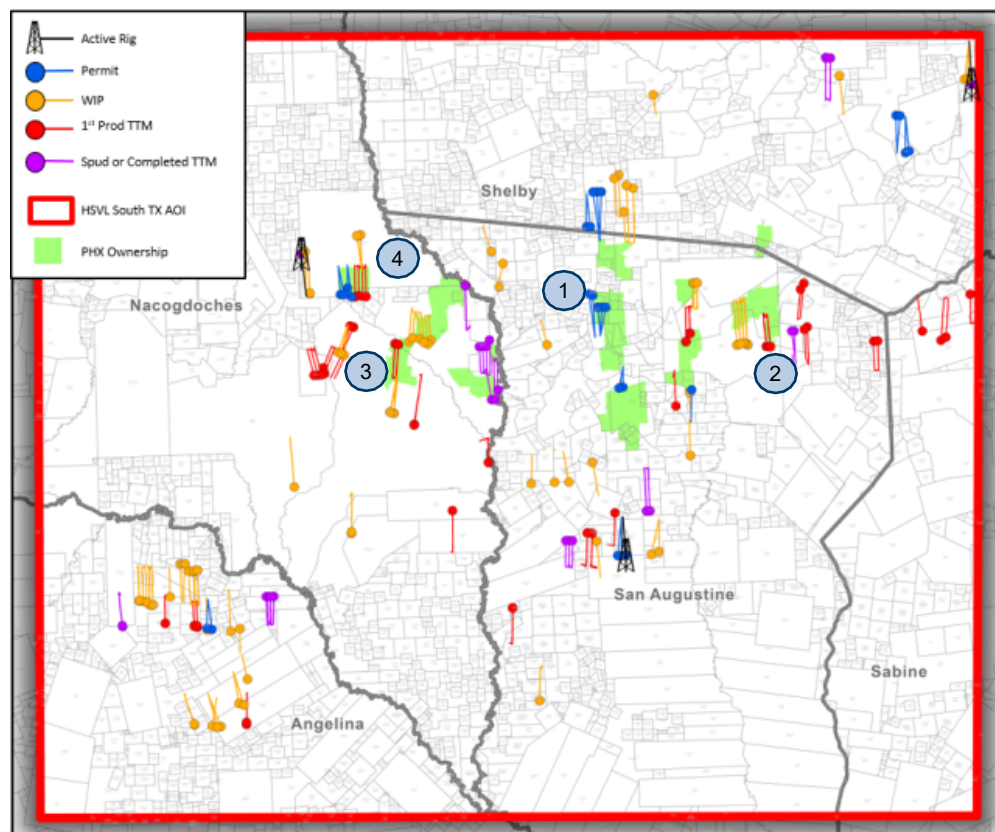
1st Prod	3/2023	PHX NRI	0.403%
LL	8,020'	AVG CUM	2.69 BCF
IP24	17.8 MMCF/d	AVG CUM/FT	336 MMCF/FT

3 AETHON | SILVER HAMMER-PATZAKIS | 4 WELL AVG

1st Prod	6/2023	PHX NRI	0.490%
LL	8,267'	AVG CUM	2.10 BCF
IP24	21.8 MMCF/d	AVG CUM/FT	254 MMCF/FT

4 AETHON | WAYLON UNIT 1H

1st Prod	3/2023	PHX NRI	0.347%
LL	7,515'	CUM	3.20 BCF
IP24	20.3 MMCF/d	CUM/FT	426 MMCF/FT



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: 3,873 NRA
- Gross Wells In Progress²: 21
- Gross Active Permits³: 6
- Gross Active Rigs⁴: 1

Notable Well Results

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

1st Prod	4/2023	PHX NRI	1.246%
LL	10,226'	Avg 90 Day Cum	129 MBOE6
NRM PROP	2,508 #/FT	Avg Cum Prod	314 MBOE6

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

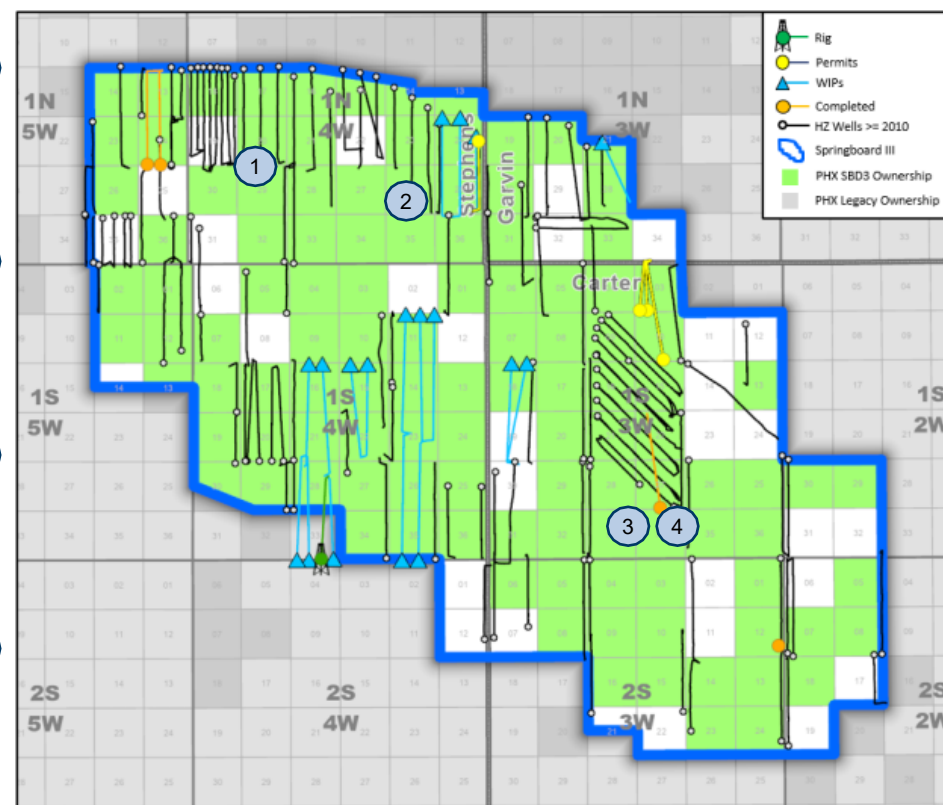
1st Prod	9/2022	PHX NRI	
LL	0.886%	Avg 90 Day Cum	121 MBOE6
NRM PROP	10,295'	Cum Prod	453 MBOE6
	2'507 #/FT		

CONTINENTAL | COURBET SYCAMORE DSU | 6 WELL AVG

1st Prod	4/2023	PHX NRI	0.416%
LL	8,169'	Avg 90 Day Cum	135 MBOE6
NRM PROP	3,020 #/FT	Avg Cum Prod	338 MBOE6

CONTINENTAL | COURBET WOODFORD DSU | 9 WELL AVG

1st Prod	4/2023	PHX NRI	0.388%
LL	11,378'	Avg 90 Day Cum	110 MBOE6
NRM PROP	2,513 #/FT	Avg Cum Prod	303 MBOE6



Source: Company info and Enverus

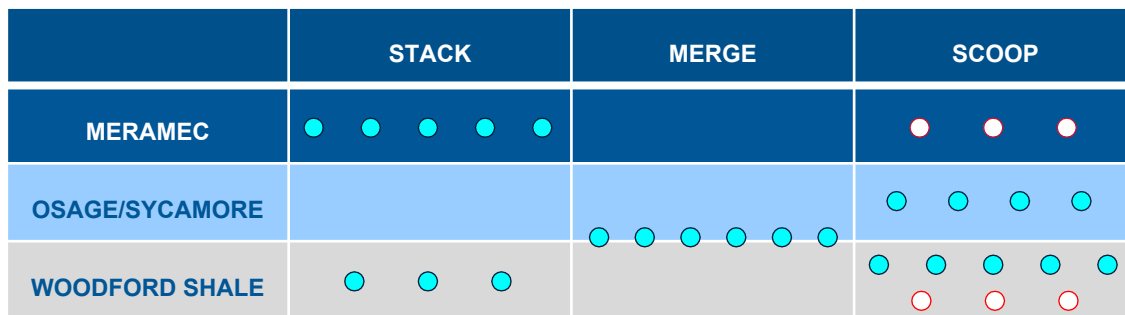
1 As of 12/31/2023

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

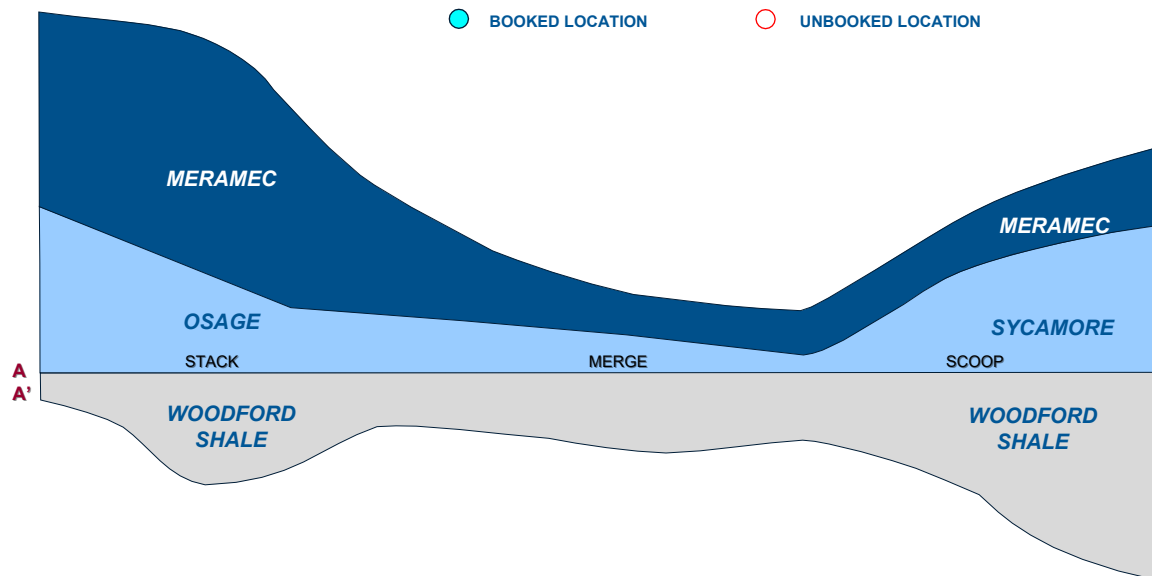
3 Active natural gas and oil horizontal permits filed

4 Data from Enverus as of 02/12/2024

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

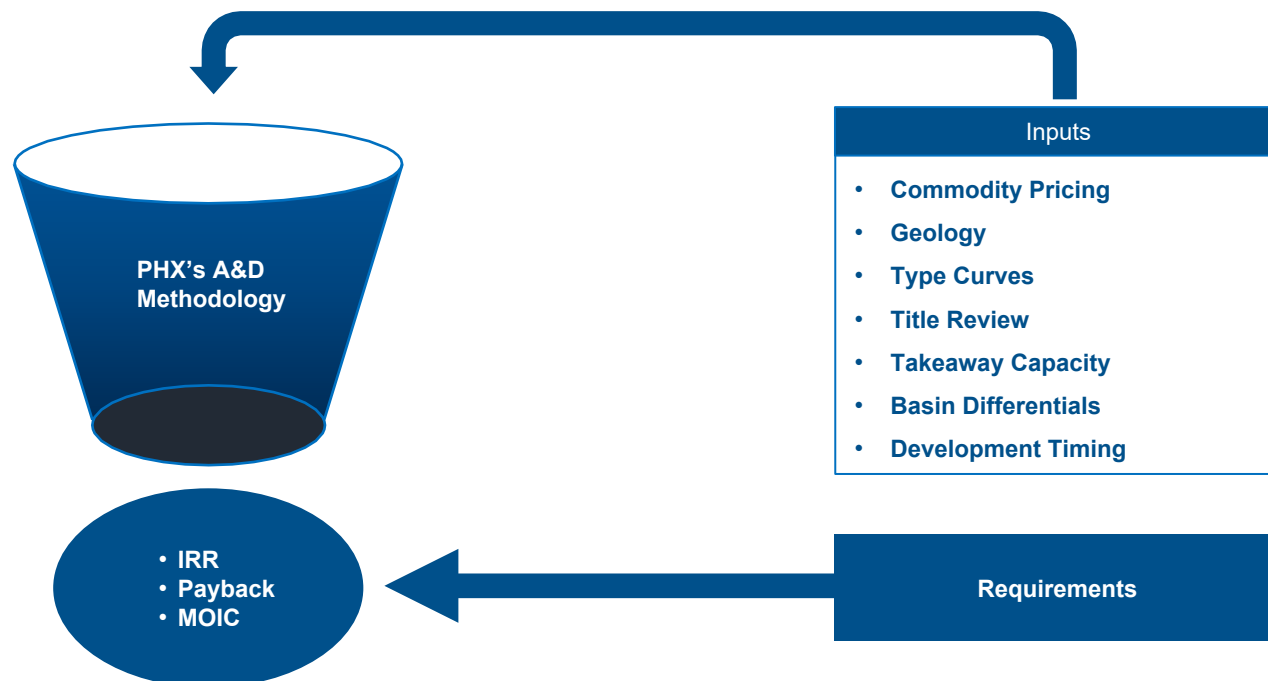


 UNBOOKED LOCATION



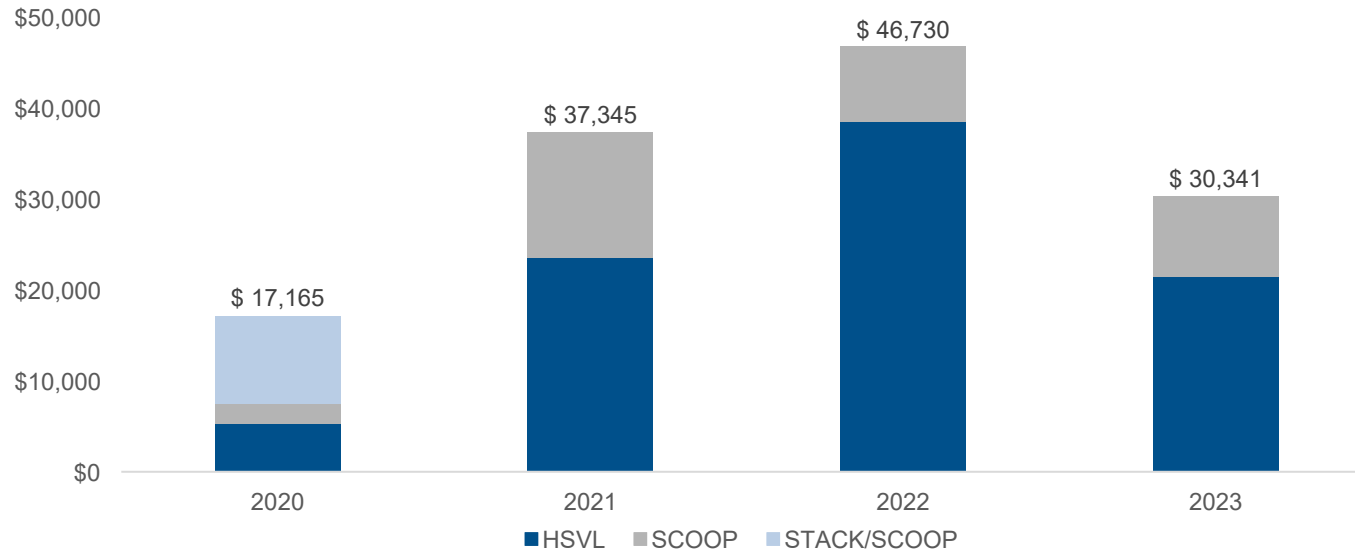
Robust Acquisition Process

- 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 (in thousands)



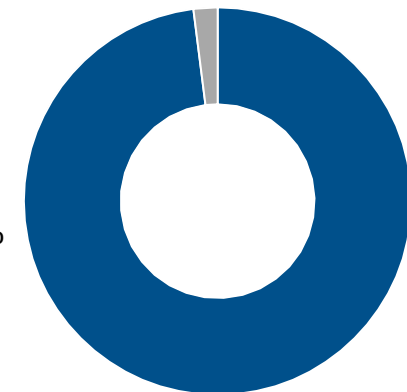
- Focused on highest quality rock in the SCOOP and Haynesville plays
- Targeting a mix of production, near term development opportunities via wells in progress and additional upside potential under high quality operators
- \$33.2M in acquisitions in SCOOP and \$88.7M in Haynesville since Q1 of 2020

Positioned For Growth Through Acquisitions

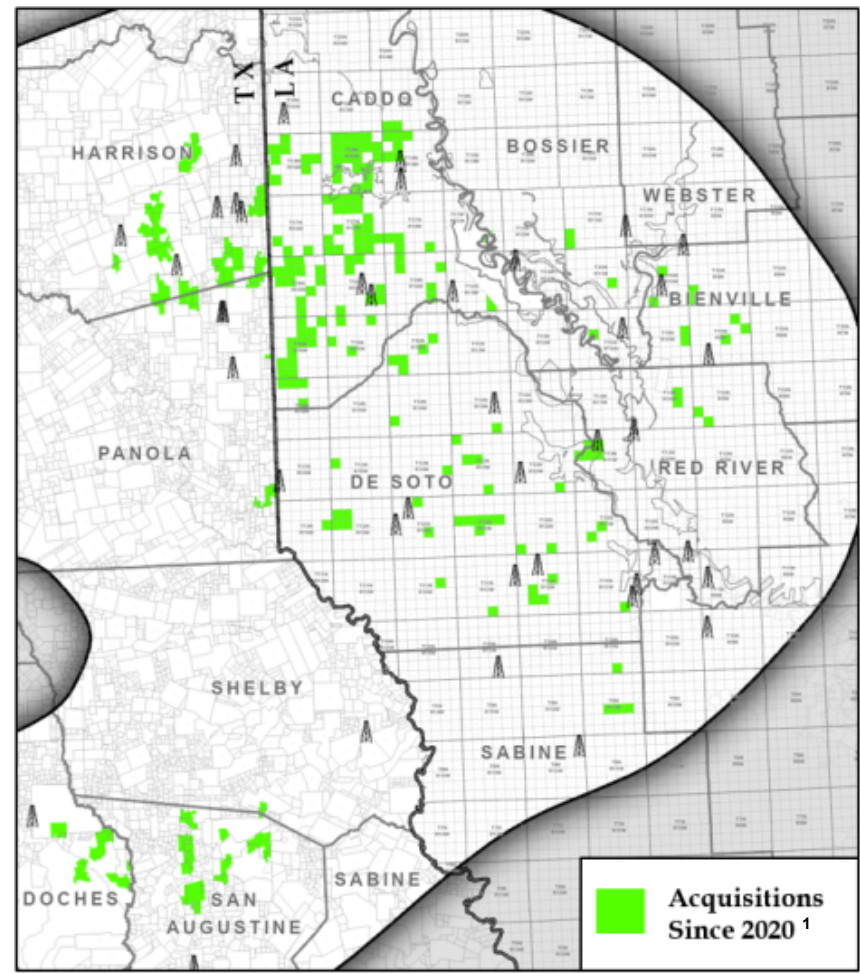
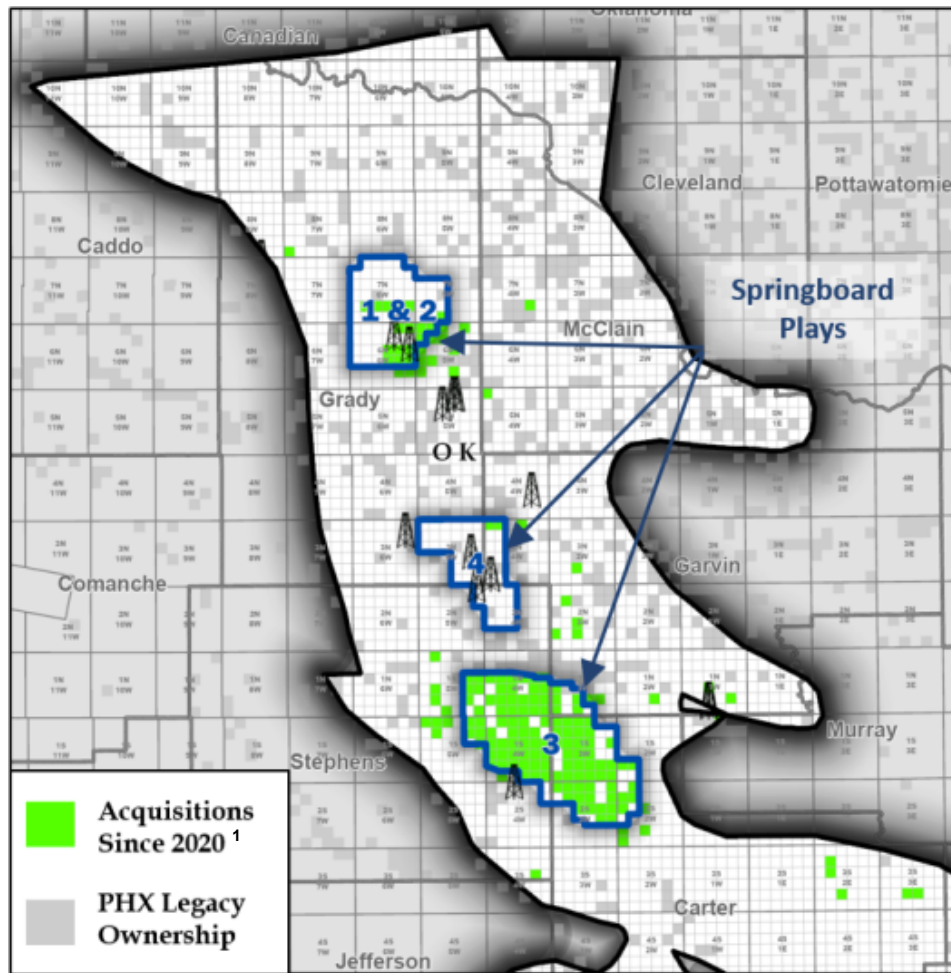
- Total domestic US mineral market estimated at ~\$0.5 - 1 trillion⁽²⁾
 - Highly fragmented
 - Predominantly owned by private individuals
 - PHX well positioned to be one of the premier consolidators in our core areas
 - Focus on smaller deals increases opportunity set and potential returns

Total Public Company Enterprise Value⁽³⁾: 3%

Market Opportunity Midpoint ⁽¹⁾: 97%



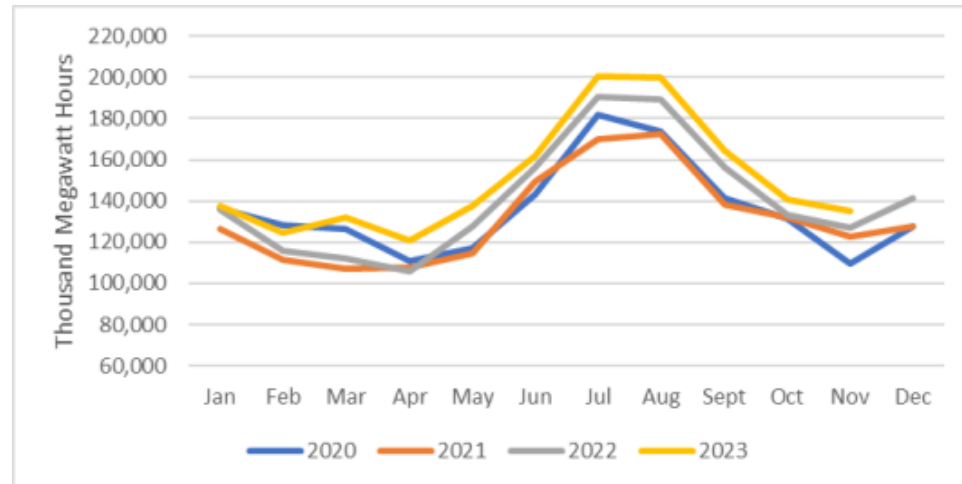
Acquisition History



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

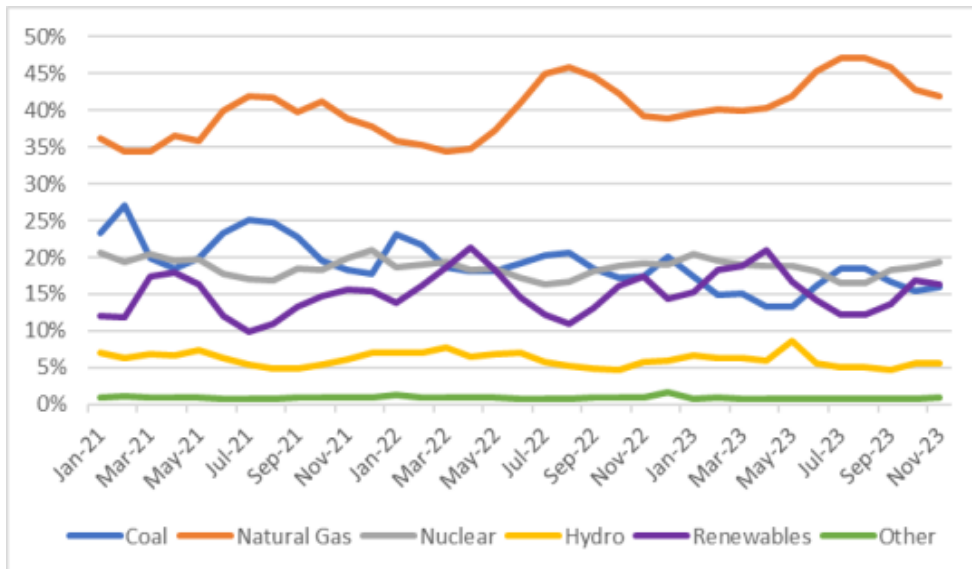
Natural Gas – Continued Demand Growth

Natural Gas Electrical Generation¹

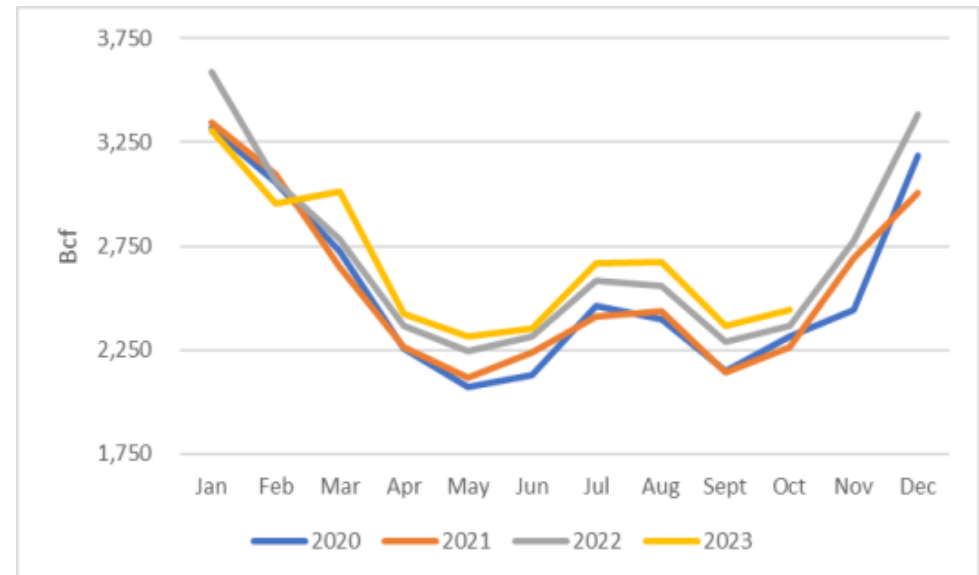


- Natural gas demand from power generation continues to increase and dominate the power stack; increase in solar and wind are coming at the expense of coal
- 20 additional gas fired power plants with total capacity of 7.7 GW expected to come online in 2024 – 2025
- LNG export capacity expected to increase as projects under construction come online in second half of 2024 and in 2025

Monthly Electrical Generation by Fuel Type¹

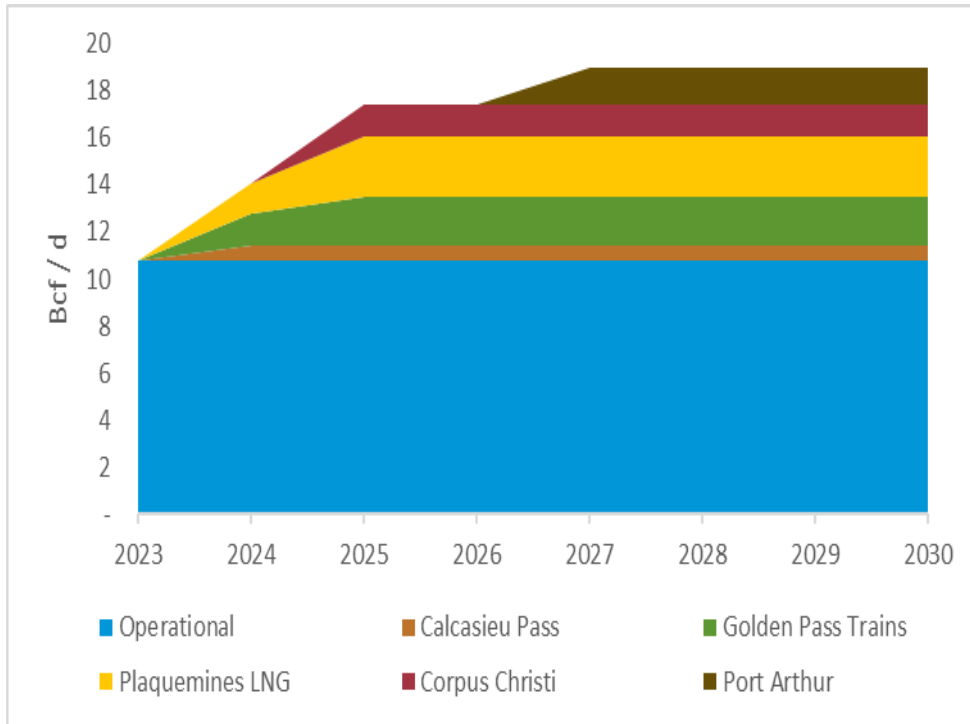


Natural Gas Consumption¹



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		
Port Arthur Phase 1	1.6		
Total Operational or in Execution	19.0		

- 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

Current Hedge Position

	<u>Gas Swaps</u>		<u>Gas Collars</u>			<u>Total Gas Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
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	330,000	\$ 3.86	450,000	\$ 3.25	\$ 5.18	780,000
2Q'25	300,000	\$ 3.28	255,000	\$ 3.00	\$ 4.19	555,000
3Q'25	300,000	\$ 3.28	165,000	\$ 3.00	\$ 3.75	465,000
4Q'25	100,000	\$ 3.28	200,000	\$ 3.50	\$ 4.85	300,000
2025	1,030,000	\$ 3.47	1,070,000	\$ 3.20	\$ 4.66	2,100,000
1Q'26	-	\$ -	300,000	\$ 3.50	\$ 4.85	300,000
2026	-	\$ -	300,000	\$ 3.50	\$ 4.85	300,000

	<u>Oil Swaps</u>		<u>Oil Collars</u>			<u>Total Oil Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
1Q'24	2,250	\$ 71.75	10,250	\$ 63.97	\$ 76.24	12,500
2Q'24	6,900	\$ 68.64	7,100	\$ 63.92	\$ 76.25	14,000
3Q'24	7,500	\$ 68.14	6,450	\$ 66.16	\$ 76.87	13,950
4Q'24	9,700	\$ 67.60	3,150	\$ 65.95	\$ 76.74	12,850
2024	26,350	\$ 68.38	26,950	\$ 64.71	\$ 76.45	53,300
1Q'25	12,300	\$ 68.35	-	\$ -	\$ -	12,300
2Q'25	11,250	\$ 69.85	-	\$ -	\$ -	11,250
3Q'25	6,000	\$ 69.05	-	\$ -	\$ -	6,000
4Q'25	4,500	\$ 68.90	-	\$ -	\$ -	4,500
2025	34,050	\$ 69.04	-	\$ -	\$ -	34,050

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

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	Dec. 31, 2023
Net Income	(\$20.5)	(\$3.6)	(\$1.8)	(\$0.6)	(\$0.5)	(\$1.4)	(\$3.8)	\$6.7	(\$4.0)	\$8.6	\$9.2	\$3.3	\$9.6	(\$0.0)	\$19	\$25
(+) Unrealized Gain on Derivatives	(3.4)	25	24	0.9	21	45	(31)	(4.6)	11.8	(33)	(16)	(6.3)	(3.2)	0.9	0.9	(2.9)
(+) Income Tax Expense	(7.0)	(0.9)	(0.7)	(0.1)	(0.2)	(0.8)	0.5	0.8	0.0	10	24	10	3.1	(0.2)	0.6	12
(+) 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	0.7
(+) DD&A	34	25	25	23	18	21	16	16	21	20	16	18	19	22	20	24
(+) 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	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)	(25)	(13)	(11)	(0.9)	(0.4)	0.0	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	10	0.6	0.6	0.7	0.5	0.6
(-) Gains (Losses) on Asset Sales	(0.0)	(0.0)	0.7	0.0	0.0	0.0	0.2	(2.1)	23	0.7	3.6	0.9	4.4	0.0	0.2	0.1
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	\$4.5
(-) 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	0.7
Discretionary Cash Flow	\$2.4	\$11	\$1.9	\$2.6	\$3.3	\$4.8	\$4.0	\$4.2	\$5.6	\$6.9	\$7.9	\$4.7	\$7.1	\$3.6	\$5.8	\$3.8
Adjusted EBITDA	28	13	22	29	36	50	42	44	58	72	84	53	77	41	63	45
(-) DD&A	34	25	25	23	18	21	16	16	21	20	16	18	19	22	20	24
EBIT	(\$0.6)	(\$11)	(\$0.3)	\$0.7	\$18	\$29	\$27	\$28	\$37	\$52	\$69	\$35	\$59	\$19	\$43	\$21
Annualized EBIT	(\$24)	(\$45)	(\$13)	\$26	\$72	\$115	\$108	\$113	\$118	\$208	\$275	\$140	\$234	\$75	\$172	\$82
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	30.8
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	32.8
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	\$31.8
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	121.7
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	123.2
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	\$122.4
Total Capital	\$103.8	\$89.5	\$89.1	\$90.5	\$87.3	\$90.2	\$95.7	\$102.3	\$108.5	\$117.5	\$131.2	\$139.7	\$144.8	\$145.0	\$148.1	\$154.2
ROCE	-2%	-6%	-2%	3%	8%	13%	11%	12%	14%	18%	22%	10%	16%	5%	12%	5%

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	Dec. 31, 2023
Net Income	(\$70.1)	(\$78.3)	(\$21.0)	(\$26.4)	(\$6.5)	(\$4.3)	(\$6.2)	\$11	(\$25)	\$7.5	\$20.4	\$17.1	\$30.6	\$22.0	\$14.8	\$13.9
(+) Unrealized (Gains) Losses on Derivatives	(34)	10	32	23	78	9.8	4.3	(11)	8.6	0.8	23	0.6	(14.4)	(10.2)	(7.6)	(4.3)
(+) Income Tax Expense	(23.7)	(25.8)	(8.3)	(8.6)	(18)	(18)	(0.7)	0.2	0.4	22	4.2	4.4	7.5	6.3	4.5	4.7
(+) Interest Expense	17	14	13	12	11	11	10	0.9	0.8	0.9	12	16	20	22	23	24
(+) DD&A	17.1	15.2	11.3	10.6	9.0	8.7	7.7	7.1	7.4	7.3	7.3	7.5	7.3	7.5	7.9	8.6
(+) 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	0.0
(+) 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)	(0.4)
(+) Restricted Stock and Deferred Director's Exp	11	10	10	0.9	0.7	0.9	10	12	14	17	24	2.6	28	29	24	24
(-) Gains (Losses) on Asset Sales	12.9	8.9	4.0	0.7	0.7	0.8	0.3	(18)	0.5	11	4.4	7.5	9.6	8.9	5.6	4.7
Adjusted EBITDA TTM	\$16.2	\$12.4	\$10.5	\$9.2	\$10.0	\$13.7	\$15.7	\$17.2	\$19.5	\$21.6	\$25.8	\$26.7	\$28.7	\$25.6	\$23.5	\$22.7
Total Debt	320	300	288	270	235	19.9	17.5	20.0	24.0	28.3	28.3	33.3	26.0	238	30.8	32.8
Debt / Adjusted EBITDA TTM	2.0	2.4	2.7	2.9	2.3	1.5	1.1	1.2	1.2	1.3	1.1	1.2	0.9	0.9	1.3	1.5

	Quarter ended															
(\$ in millions)	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	Dec. 31, 2023
Borrowing Base	45.0	320	310	30.0	29.4	28.5	27.5	320	50.0	50.0	50.0	50.0	50.0	45.0	50.0	50.0
Debt	320	300	288	270	235	19.9	17.5	20.0	24.0	28.3	28.3	33.3	26.0	238	30.8	32.8
Borrowing Availability	\$13.0	\$20	\$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	\$17.3
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	10.2
(-) Current Derivative Assets	4.2	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	3.1
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)	(2.0)
(-) 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)	(15)	0.0	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	\$14.5	\$14.6	\$7.8	\$6.3	\$5.2	\$5.0
Liquidity	\$18.8	\$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	\$22.3

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	Dec. 31, 2023
Net Income	(\$10.3)	\$3.5	\$14.6	(\$40.7)	(\$24.0)	(\$6.2)	\$17.1	\$13.9
(+) Unrealized Gain on Derivatives	4.6	(0.9)	3.9	(5.9)	3.2	4.3	0.6	(4.3)
(+) Income Tax Expense	(7.7)	0.7	(12.7)	(13.5)	(8.3)	(0.7)	4.4	4.7
(+) Interest Expense	13	13	17	2.0	13	10	16	2.4
(+) DD&A	24.5	18.4	18.4	18.2	11.3	7.7	7.5	8.6
(+) Impairment	12.0	0.7	0.0	76.8	29.9	0.1	6.1	0.0
(+) Cash Receipts from/ Payments on Off- Market Derivatives	0.0	0.0	0.0	0.0	0.0	8.8	(5.7)	(0.4)
(+) Restricted Stock and Deferred Director's Exp	11	10	10	10	10	10	2.6	2.4
(-) Gains (Losses) on Asset Sales	2.7	(0.1)	(0.7)	18.7	4.0	0.3	7.5	4.7
Adjusted EBITDA	\$22.9	\$24.7	\$27.6	\$19.2	\$10.5	\$15.7	\$26.7	\$22.7
(-) DD&A	24.5	18.4	18.4	18.2	11.3	7.7	7.5	8.6
EBIT	(\$16)	\$6.3	\$9.2	\$10	(\$0.8)	\$8.0	\$19.2	\$14.1
Starting Debt	65.0	44.5	52.2	510	35.4	28.8	20.0	33.3
Ending Debt	44.5	52.2	510	35.4	28.8	17.5	33.3	32.8
Average Debt	\$54.8	\$48.4	\$516	\$43.2	\$32.1	\$23.1	\$26.7	\$33.0
Starting Shareholders' Equity	127.0	115.2	116.7	128.8	79.3	63.0	88.3	110.1
Ending Shareholders' Equity	115.2	116.7	128.8	79.3	63.0	78.7	110.1	123.2
Average Shareholders' Equity	\$121.1	\$115.9	\$122.7	\$104.0	\$71.2	\$70.9	\$99.2	\$116.7
Total Capital	\$175.8	\$164.3	\$174.3	\$147.2	\$103.2	\$94.0	\$125.9	\$149.7
ROCE	- 1%	4%	5%	1%	- 1%	9%	15%	9%

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	Dec. 31, 2023
Net Income	\$13.6	(\$516)	(\$26.4)	\$11	\$17.1	\$13.9
(+) Unrealized Gain on Derivatives	(3.1)	2.0	2.3	(11)	0.6	(4.3)
(+) Income Tax Expense	3.5	(16.8)	(8.6)	0.2	4.4	4.7
(+) Interest Expense	19	18	12	0.9	16	24
(+) DD&A	16.9	17.3	10.6	7.1	7.5	8.6
(+) Impairment	0.0	76.8	29.9	0.1	6.1	0.0
(+) Cash Receipts from/ Payments on Off- Market Derivatives	0.0	0.0	0.0	6.1	(5.7)	(0.4)
(+) Restricted Stock and Deferred Director's Exp	0.9	10	0.9	12	2.6	24
(-) Gains (Losses) on Asset Sales	8.7	12.9	0.7	(18)	7.5	4.7
Adjusted EBITDA	\$25.0	\$17.6	\$9.2	\$17.4	\$26.7	\$22.7
(-) Interest Expense	19	18	12	0.9	16	24
Discretionary Cash Flow	\$23.1	\$15.8	\$8.0	\$16.5	\$25.1	\$20.3

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