
**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): May 08, 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 May 8, 2024, PHX Minerals Inc. (the “Company”) issued a press release providing information regarding the Company’s quarter ended March 31, 2024 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 May 8, 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

<u>No.</u>	<u>Title of Document</u>
99.1	Press Release, dated May 8, 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: May 8, 2024



FOR IMMEDIATE RELEASE

PHX Minerals Reports Results for the Quarter Ended March 31, 2024

FORT WORTH, Texas, May 8, 2024 – PHX MINERALS INC., “PHX” or the “Company” (NYSE: PHX), today reported financial and operating results for the quarter ended March 31, 2024.

Summary of Results for the Quarter Ended March 31, 2024

- Net loss was (\$0.2) million, or (\$0.01) per diluted share, compared to net income of \$2.5 million, or \$0.07 per diluted share, for the quarter ended Dec. 31, 2023.
- Adjusted EBITDA⁽¹⁾ was \$4.6 million, compared to \$4.5 million for the quarter ended Dec. 31, 2023.
- Royalty production volumes decreased 5% to 1,857 Mmcf compared to the quarter ended Dec. 31, 2023.
- Total production volumes decreased 6% to 2,117 Mmcf compared to the quarter ended Dec. 31, 2023.
- Converted 85 gross (0.32 net) wells to producing status, compared to 46 gross (0.098 net) during the quarter ended Dec. 31, 2023.
- Inventory of 230 gross (1.099 net) wells in progress and permits as of March 31, 2024, compared to 263 gross (1.295 net) wells in progress and permits as of Dec. 31, 2023.
- Total debt was \$30.8 million and the debt to adjusted EBITDA (TTM)⁽¹⁾ ratio was 1.58x at March 31, 2024.

Subsequent Events

- PHX entered into the sixth amendment to its credit agreement on April 18, 2024, pursuant to which, among other changes, the maturity date was extended to Sept. 1, 2028, and the borrowing base under PHX’s credit facility was reaffirmed at \$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, “PHX Minerals continues to deliver positive Adjusted EBITDA and cash flow, servicing our dividend and lowering our debt by \$2.0 million from last quarter, despite the significant commodity headwinds. With 0.32 net wells converted to production this quarter, the highest since the quarter ended March 31, 2023, it demonstrates the acreage quality through our asset acquisition strategy. The number of rigs operating on the Company’s acreage and its surrounding area increased since our last update, even during the current challenging pricing environment with reduced drilling activities industry-wide, further validates our methodical strategy of acquiring acreage ahead of the drill-bits.

“In addition to the LNG export demand I have previously mentioned,” continued Mr. Stephens, “artificial intelligence/data center related power demand is an emerging driver for the natural gas markets going forward. With our strong financial position and a proven business strategy, we expect to continue to unlock stockholder value as we navigate through the current commodity cycle.”

Financial Highlights

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Royalty Interest Sales	\$ 6,176,274	\$ 10,123,741
Working Interest Sales	\$ 913,934	\$ 1,733,506
Natural Gas, Oil and NGL Sales	\$ 7,090,208	\$ 11,857,247
Gains (Losses) on Derivative Contracts	\$ 627,492	\$ 3,802,820
Lease Bonuses and Rental Income	\$ 151,718	\$ 313,150
Total Revenue	\$ 7,869,418	\$ 15,973,217
Lease Operating Expense per Working Interest Mcfe	\$ 1.28	\$ 1.48
Transportation, Gathering and Marketing per Mcfe	\$ 0.40	\$ 0.45
Production and Ad Valorem Tax per Mcfe	\$ 0.19	\$ 0.22
G&A Expense per Mcfe	\$ 1.58	\$ 1.20
Cash G&A Expense per Mcfe ⁽¹⁾	\$ 1.25	\$ 0.95
Interest Expense per Mcfe	\$ 0.34	\$ 0.22
DD&A per Mcfe	\$ 1.11	\$ 0.76
Total Expense per Mcfe	\$ 3.78	\$ 3.08
Net Income (Loss)	\$ (183,615)	\$ 9,553,244
Adjusted EBITDA ⁽²⁾	\$ 4,607,034	\$ 7,740,240
Cash Flow from Operations ⁽³⁾	\$ 5,246,651	\$ 8,933,477
CapEx ⁽⁴⁾	\$ 7,440	\$ 190,826
CapEx - Mineral Acquisitions	\$ 1,406,248	\$ 10,236,615
Borrowing Base	\$ 50,000,000	\$ 50,000,000
Debt	\$ 30,750,000	\$ 26,000,000
Debt to Adjusted EBITDA (TTM) ⁽²⁾	1.58	0.91

(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 March 31, 2024		Three Months Ended March 31, 2023
Gas Mcf Sold	1,700,108		1,959,010
Average Sales Price per Mcf before the effects of settled derivative contracts	\$ 2.10	\$	3.53
Average Sales Price per Mcf after the effects of settled derivative contracts	\$ 3.08	\$	3.83
% of sales subject to hedges	62%		48%
Oil Barrels Sold	37,260		54,107
Average Sales Price per Bbl before the effects of settled derivative contracts	\$ 76.01	\$	76.01
Average Sales Price per Bbl after the effects of settled derivative contracts	\$ 76.19	\$	69.90
% of sales subject to hedges	37%		45%
NGL Barrels Sold	32,184		33,104
Average Sales Price per Bbl ⁽¹⁾	\$ 21.51	\$	25.18
Mcfe Sold	2,116,776		2,482,276
Natural gas, oil and NGL sales before the effects of settled derivative contracts	\$ 7,090,208	\$	11,857,247
Natural gas, oil and NGL sales after the effects of settled derivative contracts	\$ 8,759,517	\$	12,113,923

(1) There were no NGL settled derivative contracts during the 2024 and 2023 periods.

Total Production for the last four quarters was as follows:

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcfe Sold
3/31/2024	1,700,108	37,260	32,184	2,116,776
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

Total production volumes attributable to natural gas were 80% for the quarter ended March 31, 2024.

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

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcfe Sold
3/31/2024	1,533,580	33,083	20,844	1,857,147
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

Royalty production volumes attributable to natural gas were 83% for the quarter ended March 31, 2024.

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

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcf Sold
3/31/2024	166,528	4,177	11,340	259,629
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

Quarter Ended March 31, 2024 Results

The Company recorded net loss of (\$0.2) million, or (\$0.01) per diluted share, for the quarter ended March 31, 2024, as compared to net income of \$9.6 million, or \$0.27 per diluted share, for the quarter ended March 31, 2023. The change in net income was principally the result of decreased natural gas, oil and NGL sales, decreased gains associated with our derivative contracts and decreased gains on asset sales, partially offset by decreased income tax provision.

Natural gas, oil and NGL revenue decreased \$4.8 million, or 40%, for the quarter ended March 31, 2024, compared to the quarter ended March 31, 2023, due to decreases in natural gas and NGL prices of 41% and 15%, respectively, and decreases in natural gas, oil and NGL volumes of 13%, 31% and 3%, respectively.

The decrease in royalty production volumes during the quarter ended March 31, 2024, as compared to the quarter ended March 31, 2023, resulted from fewer new wells being brought online in the Haynesville Shale due to low gas prices. The production decrease in working interest volumes during the quarter ended March 31, 2024, as compared to the quarter ended March 31, 2023, resulted from the divestiture of working interest properties.

The Company had a net gain on derivative contracts of \$0.6 million for the quarter ended March 31, 2024, comprised of a \$1.7 million gain on settled derivatives and a (\$1.0) million non-cash loss on derivatives, as compared to a net gain of \$3.8 million for the quarter ended March 31, 2023. 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 March 31, 2024 pricing relative to the strike price on open derivative contracts.

Operations Update

During the quarter ended March 31, 2024, the Company converted 85 gross (0.32 net) wells to producing status, including 29 gross (0.10 net) wells in the Haynesville and 27 gross (0.13 net) wells in the SCOOP, compared to 117 gross (0.46 net) wells in the quarter ended March 31, 2023.

At March 31, 2024, the Company had a total of 230 gross (1.099 net) wells in progress and permits across its mineral positions, compared to 263 gross (1.295 net) wells in progress and permits at Dec. 31, 2023. As of April 30, 2024, 15 rigs were operating on the Company's acreage and 62 rigs operating within 2.5 miles of its acreage.

	SCOOP	STACK	Bakken/ Three Forks	Arkoma Stack	Haynesville	Other	Total
As of March 31, 2024:							
Gross Wells in Progress on PHX Acreage ⁽¹⁾	56	3	2	-	70	5	136
Net Wells in Progress on PHX Acreage ⁽¹⁾	0.248	0.006	0.001	-	0.568	0.026	0.849
Gross Active Permits on PHX Acreage	41	5	-	7	37	4	94
Net Active Permits on PHX Acreage	0.095	0.006	-	0.003	0.126	0.020	0.250
As of April 30, 2024:							
Rigs Present on PHX Acreage	10	1	-	-	4	-	15
Rigs Within 2.5 Miles of PHX Acreage	19	7	6	1	19	10	62

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

Leasing Activity

During the quarter ended March 31, 2024, the Company leased 381 net mineral acres to third-party exploration and production companies for an average bonus payment of \$439 per net mineral acre and an average royalty of 23%.

Acquisition and Divestiture Update

During the quarter ended March 31, 2024, the Company purchased 146 net royalty acres for approximately \$1.4 million and had no significant divestitures.

	SCOOP	Acquisitions		Total
		Haynesville	Other	
During Three Months Ended March 31, 2024:				
Net Mineral Acres Purchased	111	-	-	111
Net Royalty Acres Purchased	146	-	-	146

Quarterly Conference Call

PHX will host a conference call to discuss the Company’s results for the quarter ended March 31, 2024, at 11 a.m. EDT on May 9, 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 13746174.

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 March 31,	
	<u>2024</u>	<u>2023</u>
Revenues:		
Natural gas, oil and NGL sales	\$ 7,090,208	\$ 11,857,247
Lease bonuses and rental income	151,718	313,150
Gains (losses) on derivative contracts	<u>627,492</u>	<u>3,802,820</u>
	7,869,418	15,973,217
Costs and expenses:		
Lease operating expenses	332,409	574,942
Transportation, gathering and marketing	843,504	1,128,756
Production and ad valorem taxes	392,327	552,258
Depreciation, depletion and amortization	2,356,326	1,889,990
Provision for impairment	-	2,073
Interest expense	714,886	557,473
General and administrative	3,347,037	2,981,909
Losses (gains) on asset sales and other	<u>24,212</u>	<u>(4,334,428)</u>
Total costs and expenses	<u>8,010,701</u>	<u>3,352,973</u>
Income (loss) before provision for income taxes	(141,283)	12,620,244
Provision for income taxes	<u>42,332</u>	<u>3,067,000</u>
Net income (loss)	<u>\$ (183,615)</u>	<u>\$ 9,553,244</u>
Basic and diluted earnings per common share	<u>\$ (0.01)</u>	<u>\$ 0.27</u>
Weighted average shares outstanding:		
Basic	36,303,392	35,935,791
Diluted	36,303,392	35,935,791
Dividends per share of common stock paid in period	<u>\$ 0.0300</u>	<u>\$ 0.0225</u>

Balance Sheets

	March 31, 2024	Dec. 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,625,749	\$ 806,254
Natural gas, oil, and NGL sales receivables (net of \$0 allowance for uncollectable accounts)	3,683,671	4,900,126
Refundable income taxes	455,553	455,931
Derivative contracts, net	2,400,390	3,120,607
Other	668,705	878,659
Total current assets	8,834,068	10,161,577
Properties and equipment at cost, based on successful efforts accounting:		
Producing natural gas and oil properties	212,852,807	209,082,847
Non-producing natural gas and oil properties	56,150,263	58,820,445
Other	1,360,614	1,360,614
	270,363,684	269,263,906
Less accumulated depreciation, depletion and amortization	(116,177,898)	(114,139,423)
Net properties and equipment	154,185,786	155,124,483
Derivative contracts, net	-	162,980
Operating lease right-of-use assets	537,685	572,610
Other, net	429,486	486,630
Total assets	\$ 163,987,025	\$ 166,508,280
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 621,191	\$ 562,607
Current portion of operating lease liability	236,465	233,390
Accrued liabilities and other	1,100,976	1,215,275
Total current liabilities	1,958,632	2,011,272
Long-term debt	30,750,000	32,750,000
Deferred income taxes, net	6,782,969	6,757,637
Asset retirement obligations	1,073,025	1,062,139
Derivative contracts, net	158,620	-
Operating lease liability, net of current portion	635,506	695,818
Total liabilities	41,358,752	43,276,866
Stockholders' equity:		
Common Stock, \$0.01666 par value; 54,000,500 shares authorized and 36,121,723 issued at Mar. 31, 2024; 54,000,500 shares authorized and 36,121,723 issued at Dec. 31, 2023	601,788	601,788
Capital in excess of par value	42,403,417	41,676,417
Deferred directors' compensation	1,425,523	1,487,590
Retained earnings	78,717,910	80,022,839
	123,148,638	123,788,634
Less treasury stock, at cost; 122,785 shares at Mar. 31, 2024, and 131,477 shares at Dec. 31, 2023	(520,365)	(557,220)
Total stockholders' equity	122,628,273	123,231,414
Total liabilities and stockholders' equity	\$ 163,987,025	\$ 166,508,280

Condensed Statements of Cash Flows

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating Activities		
Net income (loss)	\$ (183,615)	\$ 9,553,244
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	2,356,326	1,889,990
Impairment of producing properties	-	2,073
Provision for deferred income taxes	25,332	2,934,000
Gain from leasing fee mineral acreage	(151,718)	(313,150)
Proceeds from leasing fee mineral acreage	151,718	373,878
Net (gain) loss on sales of assets	(66,500)	(4,417,983)
Directors' deferred compensation expense	45,132	53,589
Total (gain) loss on derivative contracts	(627,492)	(3,802,820)
Cash receipts (payments) on settled derivative contracts	1,669,309	816,838
Restricted stock award expense	656,656	580,998
Other	35,731	35,904
Cash provided (used) by changes in assets and liabilities:		
Natural gas, oil and NGL sales receivables	1,216,455	2,328,673
Income taxes receivable	378	(776,077)
Other current assets	207,497	123,948
Accounts payable	67,986	(175,207)
Other non-current assets	56,338	40,576
Income taxes payable	-	(576,427)
Accrued liabilities	(212,882)	261,430
Total adjustments	5,430,266	(619,767)
Net cash provided by operating activities	5,246,651	8,933,477
Investing Activities		
Capital expenditures	(7,440)	(190,826)
Acquisition of minerals and overriding royalty interests	(1,406,248)	(10,236,615)
Net proceeds from sales of assets	66,500	9,210,005
Net cash provided by (used in) investing activities	(1,347,188)	(1,217,436)
Financing Activities		
Borrowings under credit facility	1,000,000	6,000,000
Payments of loan principal	(3,000,000)	(13,300,000)
Payments on off-market derivative contracts	-	(560,162)
Payments of dividends	(1,079,968)	(810,071)
Net cash provided by (used in) financing activities	(3,079,968)	(8,670,233)
Increase (decrease) in cash and cash equivalents	819,495	(954,192)
Cash and cash equivalents at beginning of period	806,254	2,115,652
Cash and cash equivalents at end of period	\$ 1,625,749	\$ 1,161,460
Supplemental Disclosures of Cash Flow Information:		
Interest paid (net of capitalized interest)	\$ 733,799	\$ 611,922
Income taxes paid (net of refunds received)	\$ 16,623	\$ 1,485,505
Supplemental Schedule of Noncash Investing and Financing Activities:		
Dividends declared and unpaid	\$ 41,346	\$ 50,034
Gross additions to properties and equipment	\$ 1,406,743	\$ 10,996,880
Net increase (decrease) in accounts receivable for properties and equipment additions	6,945	(569,439)
Capital expenditures and acquisitions	\$ 1,413,688	\$ 10,427,441

Derivative Contracts as of March 31, 2024

Contract period	Production volume covered per month	Index	Contract price
Natural gas costless collars			
April - September 2024	30,000 Mmbtu	NYMEX Henry Hub	\$3.00 floor / \$3.60 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
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
November 2025 - March 2026	75,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$4.72 ceiling
Natural gas fixed price swaps			
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
December 2024	50,000 Mmbtu	NYMEX Henry Hub	\$3.39
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			
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
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			
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 March 31, 2024	Three Months Ended March 31, 2023	Three Months Ended Dec. 31, 2023
Net Income	\$ (183,615)	\$ 9,553,244	\$ 2,513,444
Plus:			
Income tax expense	42,332	3,067,000	1,245,460
Interest expense	714,886	557,473	723,685
DD&A	2,356,326	1,889,990	2,443,154
Impairment expense	-	2,073	-
Less:			
Non-cash gains (losses) on derivatives	(1,041,817)	3,172,399	2,936,659
Gains (losses) on asset sales	66,500	4,417,983	57,505
Plus:			
Cash payments on off-market derivative contracts	-	(373,745)	-
Restricted stock and deferred director's expense	701,788	634,587	572,709
Adjusted EBITDA	<u>\$ 4,607,034</u>	<u>\$ 7,740,240</u>	<u>\$ 4,504,288</u>

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 March 31, 2024	TTM Ended March 31, 2023
Net Income	\$ 4,183,941	\$ 30,646,855
Plus:		
Income tax expense	1,710,792	7,455,000
Interest expense	2,519,806	1,953,232
DD&A	9,032,521	7,265,346
Impairment expense	36,460	6,111,749
Less:		
Non-cash gains (losses) on derivatives	88,315	14,360,063
Gains (losses) on asset sales	377,276	9,604,551
Plus:		
Cash payments on off-market derivative contracts	-	(3,618,427)
Restricted stock and deferred director's expense	2,501,129	2,815,183
Adjusted EBITDA	<u>\$ 19,519,058</u>	<u>\$ 28,664,324</u>
Debt	\$ 30,750,000	\$ 26,000,000
Debt to Adjusted EBITDA (TTM)	1.58	0.91

PHX Minerals Inc. 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.

Investor Contact:

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NYSE: PHX

Investor Presentation

May 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.

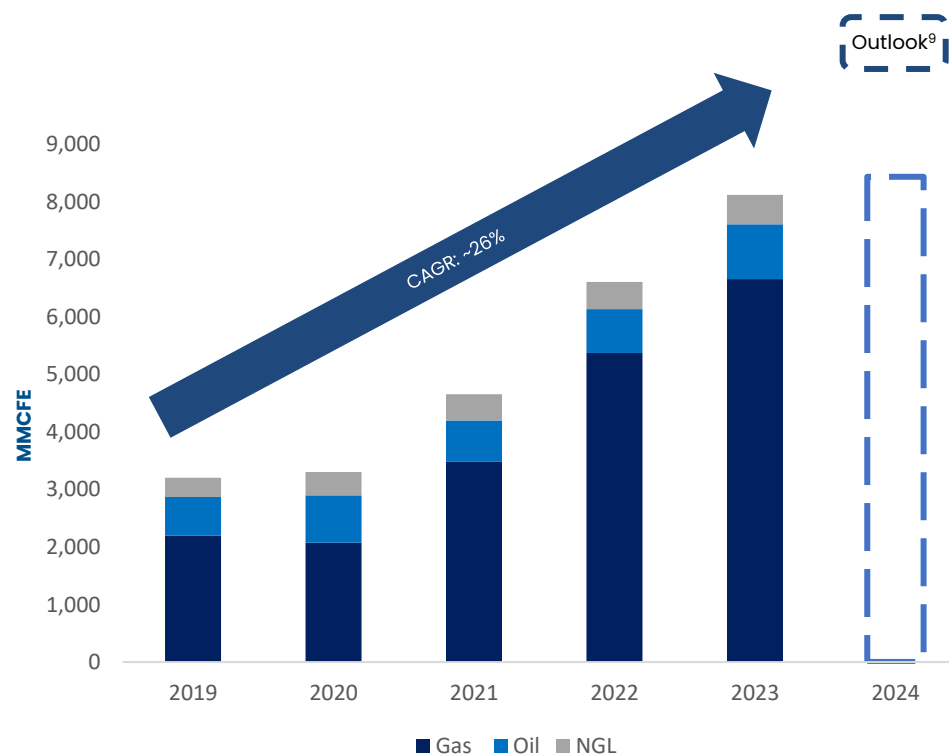
Company Snapshot

Key Statistics

\$ in millions

Market Cap ¹	\$124.7
Enterprise Value ²	\$153.9
Liquidity ³	\$23.9
Dividend Yield ⁴	3.60%
Leverage ⁵	1.58x
LTM Adjusted EBITDA ⁶	\$19.5
LTM Discretionary Cash Flow Yield ⁶	~14%
LTM ROCE ⁶	~7%
Percent of 3P Reserves – Natural Gas ⁷	~77%
Net Leased Royalty Acres ⁸	91,100

Sustainable Organic Royalty Production Growth



Source: Company information and Enverus

1 Based on \$3.33 per share as of 4/23/2024 and 37.5 million shares outstanding on a fully diluted basis as of 3/31/2024

2 Market Cap plus debt of \$30.8 million minus cash on hand of \$1.6 million as of 3/31/2024

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 proforma acquisitions and activity as of 3/31/2024 at 3/31/2024 SEC price deck of \$76.40 per bbl of oil, \$21.81 per bbl of NGL, \$2.38 per mcf of gas (proved volume weighted average price)

8 As of 3/31/2024; PHX also owns 167,954 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 March 31, 2024

- Grew royalty production volumes by ~146%
- Grew 2P royalty reserves by ~151%
- Completed ~\$133 million in mineral acquisitions
- Built a 10+ year inventory of mineral locations with line-of-sight to development and conversion to cash flow
- Increased discretionary cash flow margin from 36% to 56%
- Sold out of over 1,380 working interest wellbores

Build a strong and sustainable balance sheet

- Improve balance sheet designed to withstand commodity price volatility

- Maintained leverage ratio between 1.0x and 1.6x compared to over 2.5x in 2020
- Entered into a new and improved commercial bank relationship

Become a consolidator in the mineral space

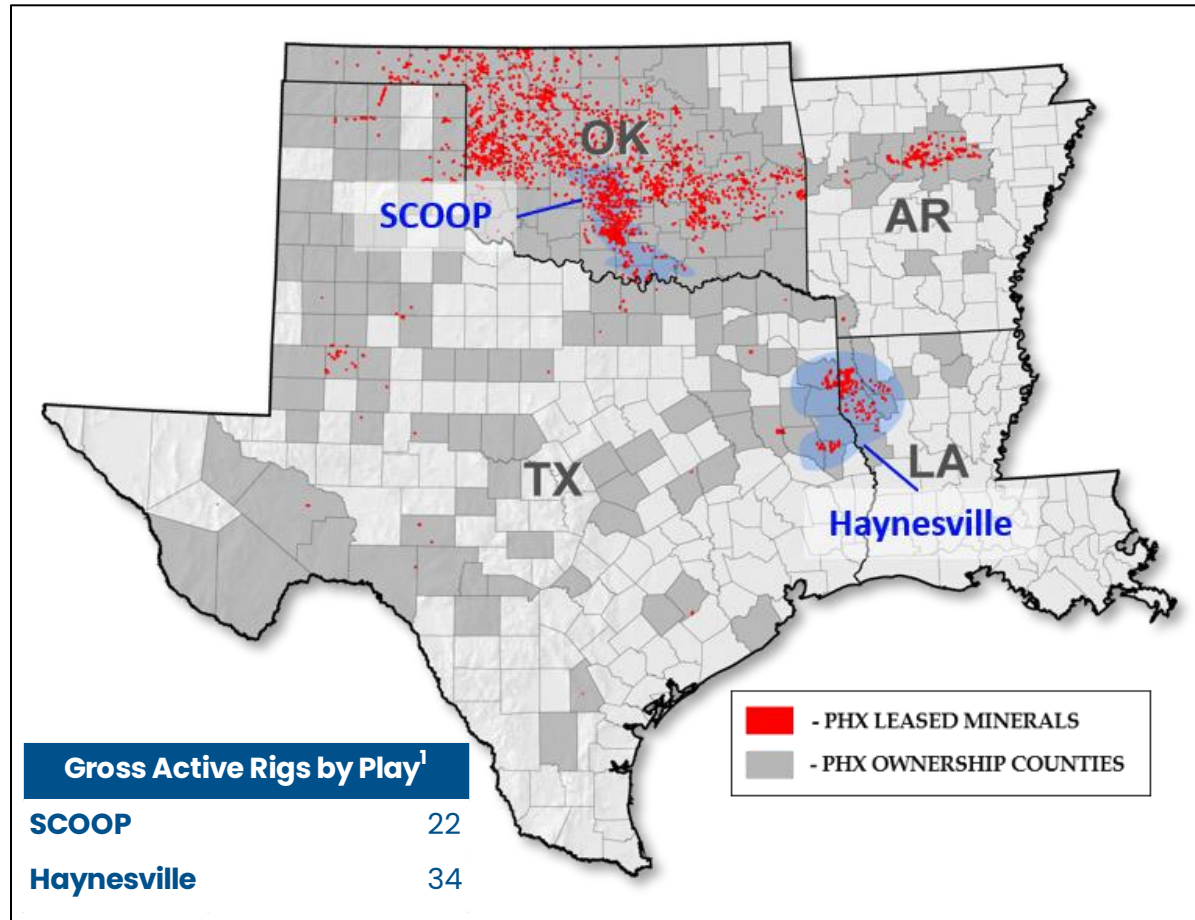
- Allocate capital to generate the best possible returns to shareholders

- Mineral acquisitions completed: 80
- 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

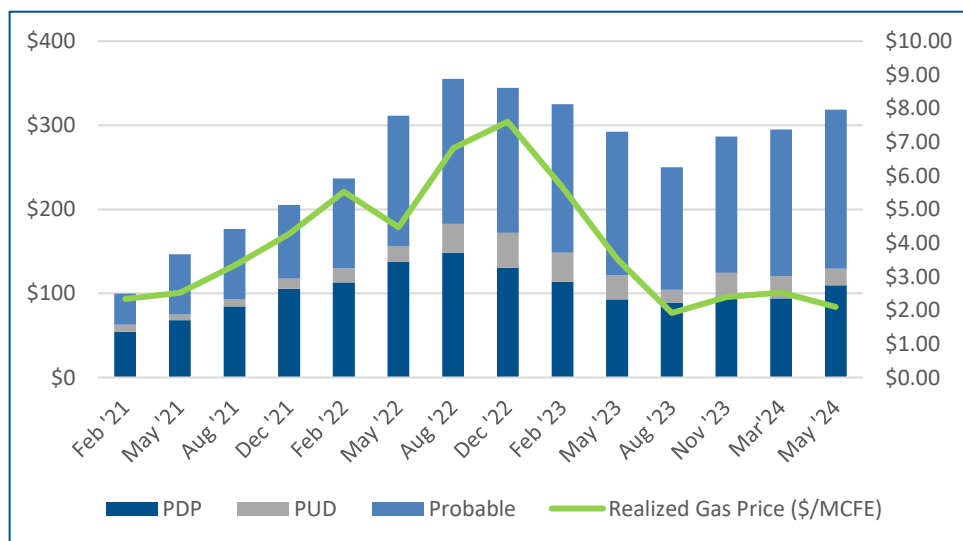
Key Operators of PHX Minerals



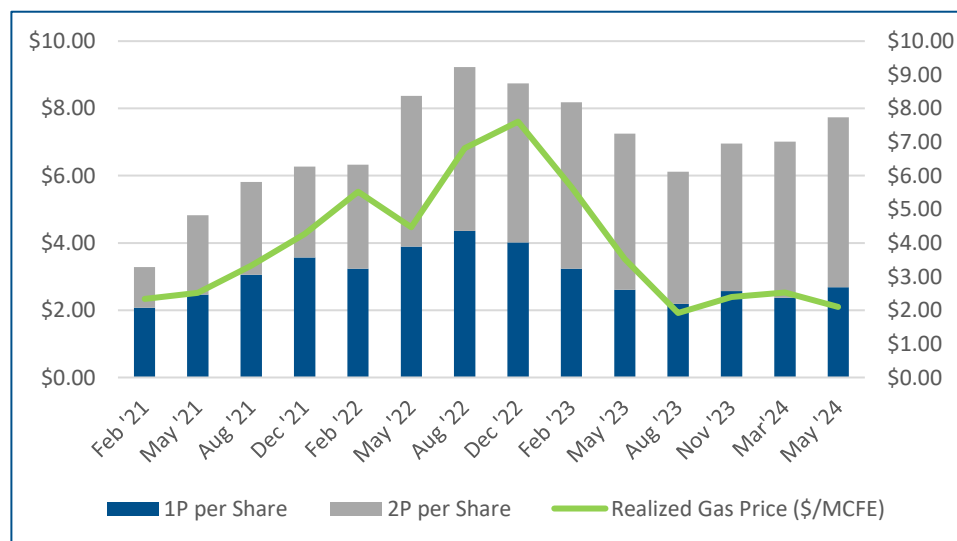
Per Share NAV Continues to Grow

- 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 (2022-2024)
- 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)



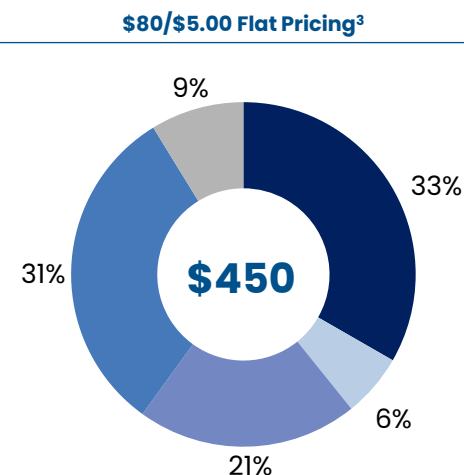
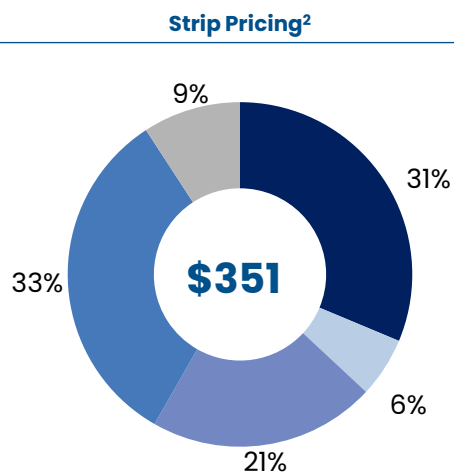
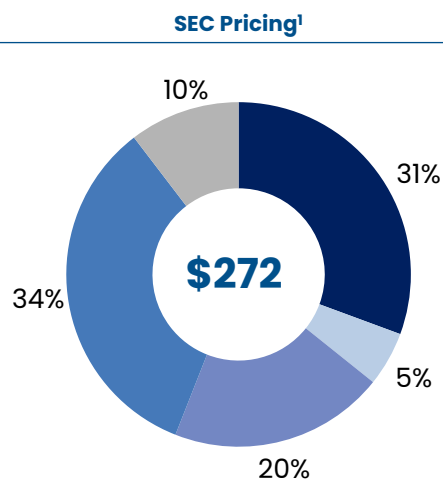
NAV per Share Net of Debt



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	\$83.3	\$109.8	\$149.9
Wells in Progress	\$9.9	\$13.9	\$18.8
Permits	\$4.0	\$5.9	\$7.8
Total Proved Reserves	\$97.2	\$129.6	\$176.5
Technical PUDs ⁴	\$55.0	\$74.9	\$93.3
Adjusted Proved Reserves	\$152.2	\$204.5	\$269.8
PROB ⁵	\$91.4	\$114.2	\$140.7
POSS ⁵	\$28.2	\$32.2	\$39.4
Total 3P Reserves	\$271.8	\$350.9	\$450.0
Proved PV-10 Per Share⁶	\$1.82	\$2.68	\$3.93
Adjusted Proved PV-10 Per Share⁶	\$3.28	\$4.68	\$6.43
2P PV-10 Per Share⁶	\$5.73	\$7.73	\$10.18
3P PV-10 Per Share⁶	\$6.48	\$8.59	\$11.24



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

1 3P Reserves per CGA Year End 2023 Report proforma acquisitions and activity as of 3/31/2024 at 3/31/2024 SEC price deck of \$76.40 per bbl of oil, \$21.81 per bbl of NGL, \$2.38 per mcf of gas (proved volume weighted average price)

2 3P Reserves per CGA Year End 2023 Report proforma acquisitions and activity as of 3/31/2024 at 4/16/2024 STRIP price of WTI/HH 2024: \$83.02/\$2.49, 2025: \$76.63/\$3.53, 2026: \$71.93/\$3.98, 2027: \$68.74/\$4.06, 2028: \$66.53/\$4.03, 2029: \$65.09/\$4.01, 2030: \$64.31/\$4.05, 2031: \$63.98/\$4.1, 2032: \$63.8/\$4.04, 2033: \$63.72/\$4.09, 2034: \$63.67/\$4.17, 2035: \$63.65/\$4.33, 2036+: \$63.65/\$4.43.

3 3P Reserves per CGA Year End 2023 Report proforma acquisitions and activity as of 3/31/2024 at flat price deck of \$80.00 WTI / \$5.00 HH.

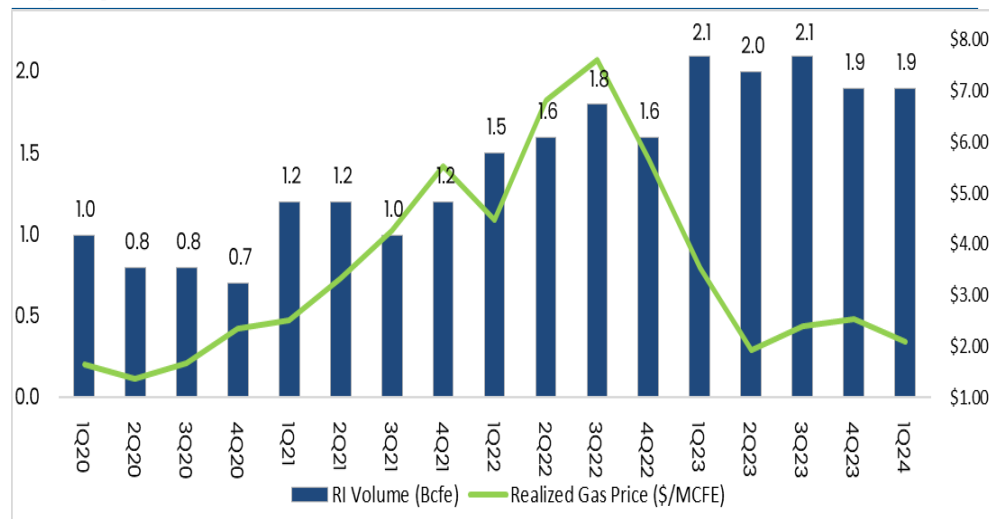
4 Technical PUDs, reviewed and approved by Cawley, Gillespie and Associates, Inc., share all technical merits of PUDs but development timing is uncertain, therefore Technical PUDs are not included in PHX's SEC Proved Reserve Report. However, PHX Technical PUDs may be PUDs in their respective operator's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

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

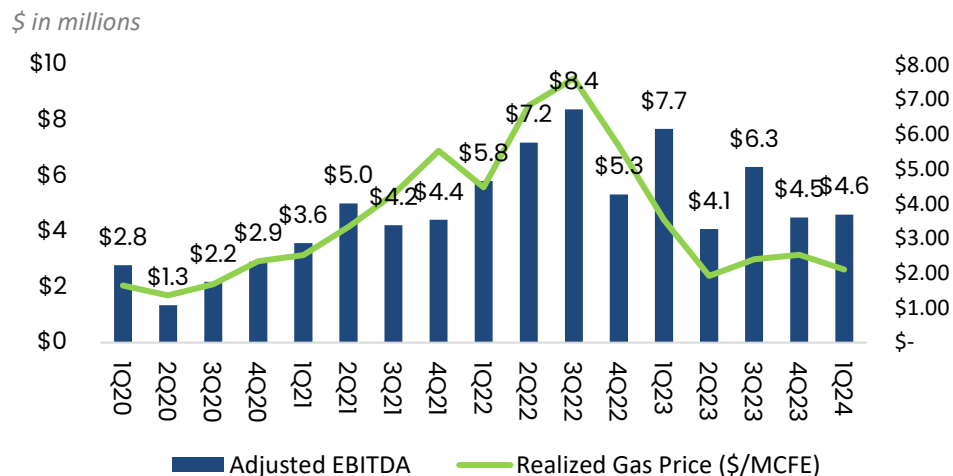
6 PV-10 less net debt of \$29.1 MM as of 3/31/2024 divided by total shares outstanding as of 3/31/2024

Royalty Cash Flow Driving Shareholder Value

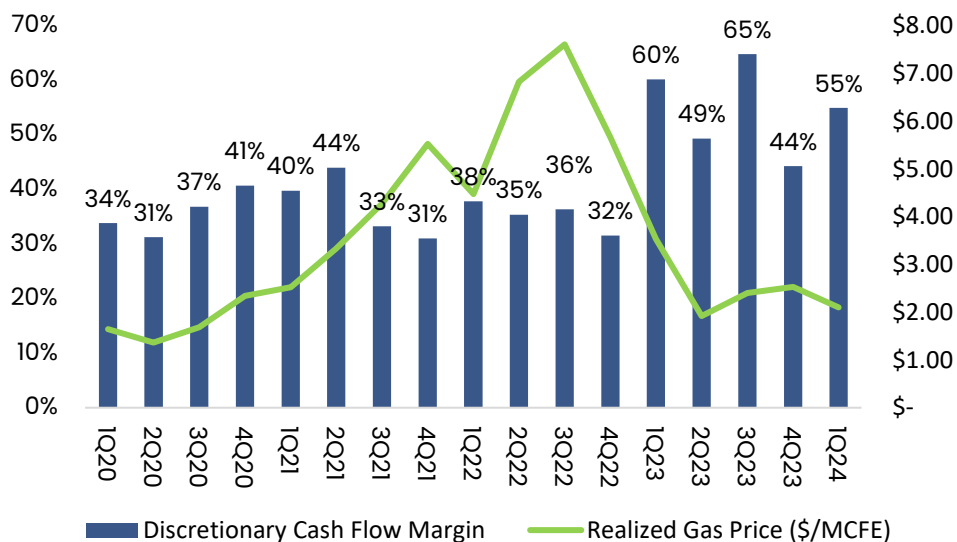
Royalty Production and Realized Natural Gas Price



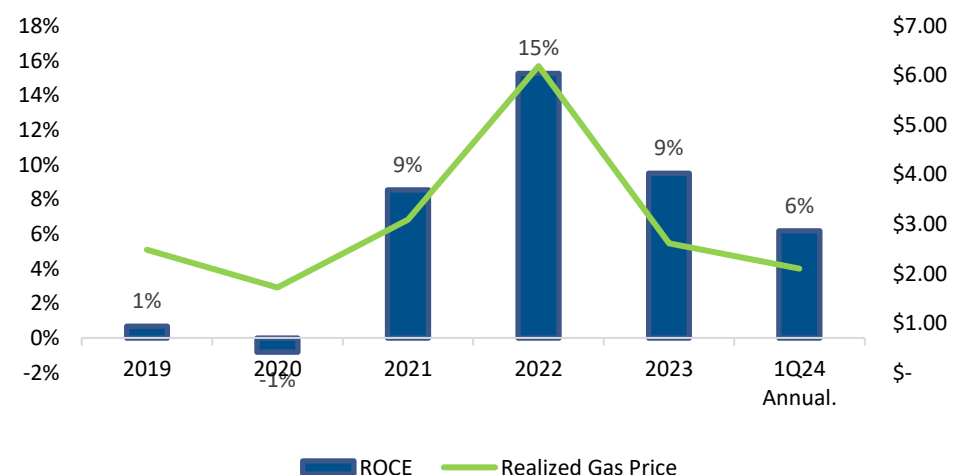
Adjusted EBITDA¹



Discretionary Cash Flow Margin²



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

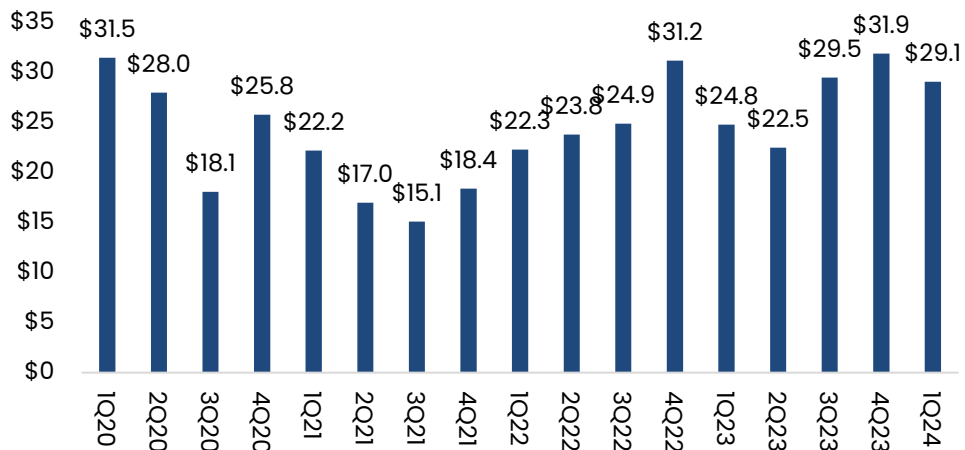
² Calculated as Adjusted EBITDA minus interest expense divided by total oil and gas sales

³ See Non-GAAP reconciliation in Appendix

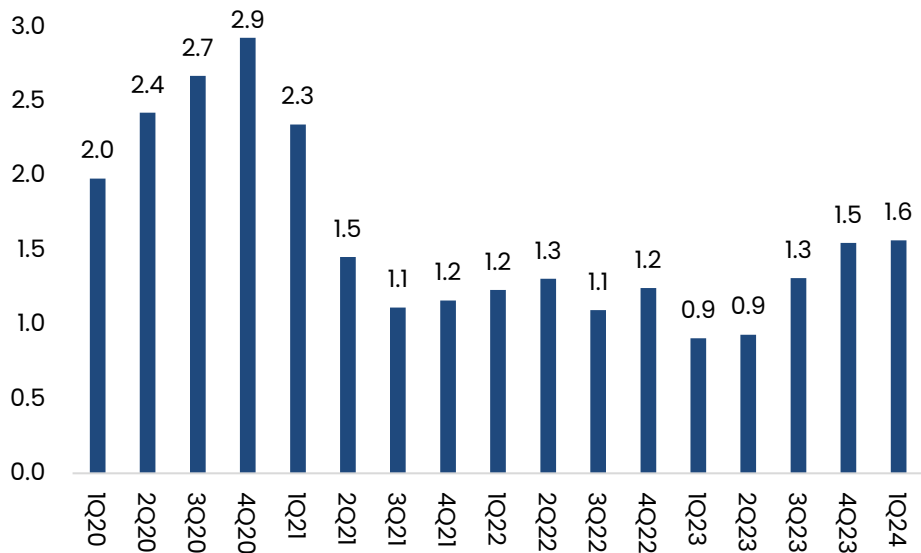
Stable Balance Sheet & Ample Liquidity

Net Debt¹

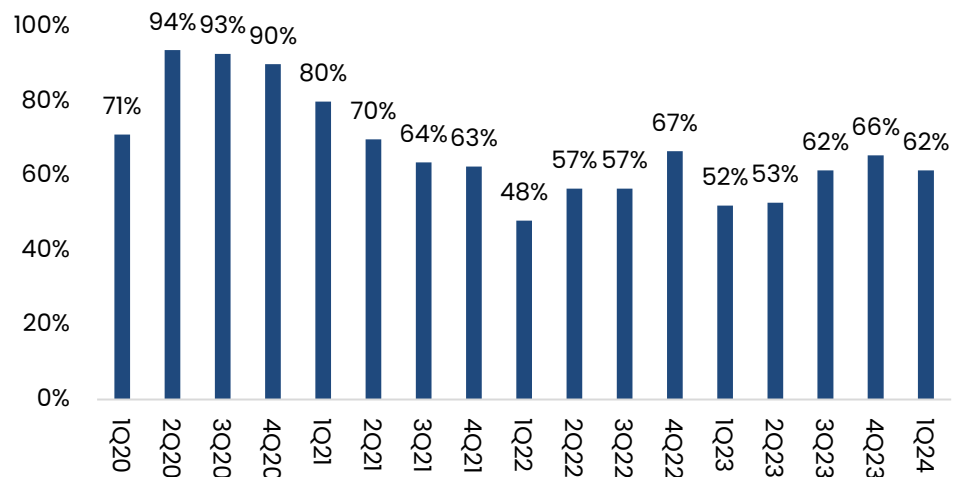
\$ in millions



Debt / Adjusted EBITDA² (TTM)

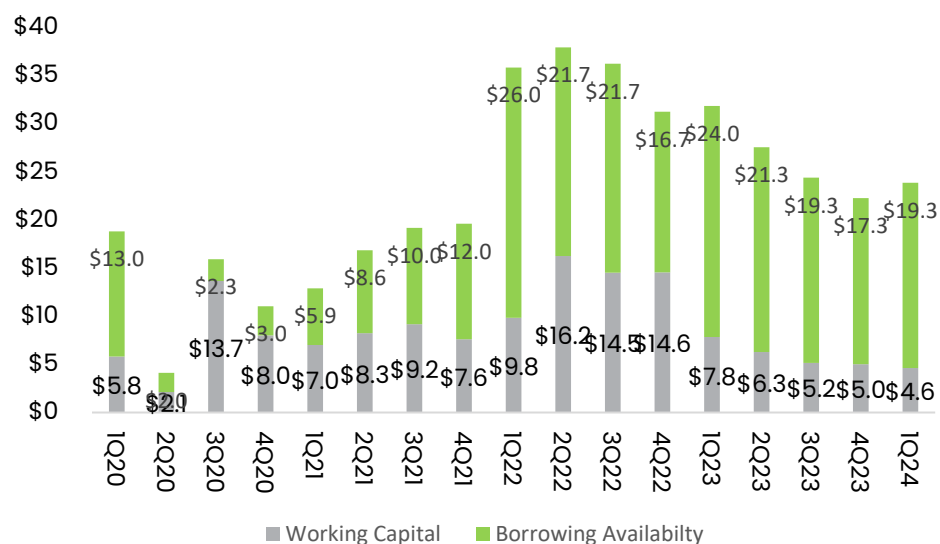


Percentage Drawn on Credit Facility Advance Rate



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	Qtr. Ended Mar. 31, 2024 Actual	Cal. Year 2024 Outlook
Mineral & Royalty Production (Mmcfe)	6,613	8,123	1,857	8,100 – 8,800
Working Interest Production (Mmcfe)	3,084	1,256	260	1,000 – 1,200
Total Production (Mmcfe)	9,697	9,379	2,117	9,100 – 10,000
Percentage Natural Gas	78%	80%	80%	79% – 82%
Transportation, Gathering & Marketing (per mcfe)	\$0.63	\$0.39	\$0.40	\$0.38 – \$0.43
Production Tax (as % of pre-hedge sales)	4.50%	5.20%	5.50%	5.00% – 5.50%
LOE Expenses (on an absolute basis in 000's)	\$3,807	\$1,599	\$332	\$1,100 – \$1,300
Cash G&A(1) (on an absolute basis in 000's)	\$9,900	\$9,500	\$2,645	\$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

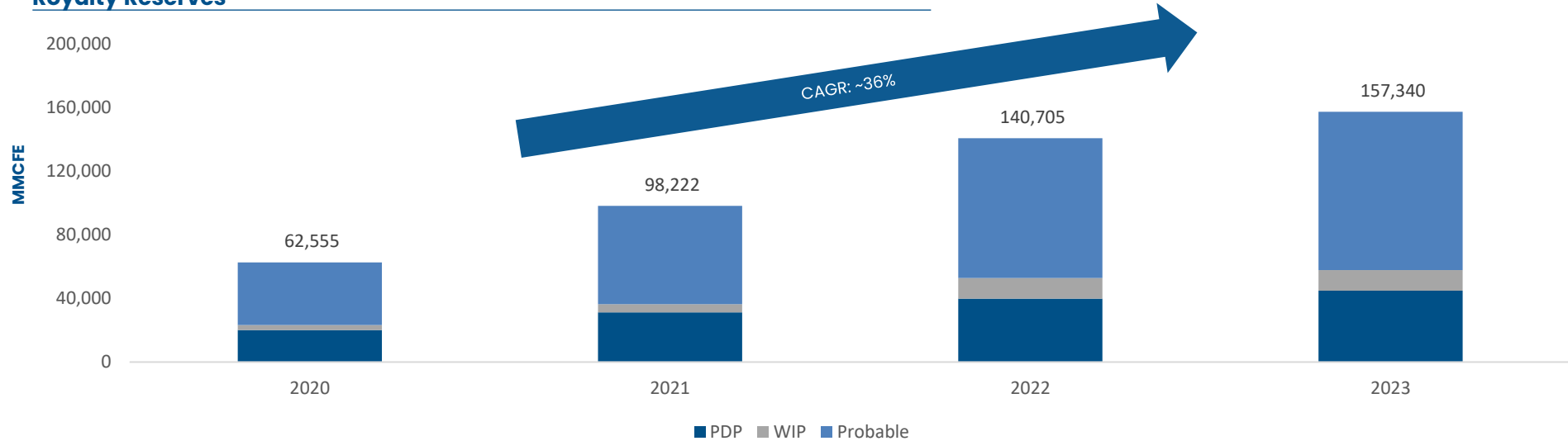
Key Assumptions

- 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

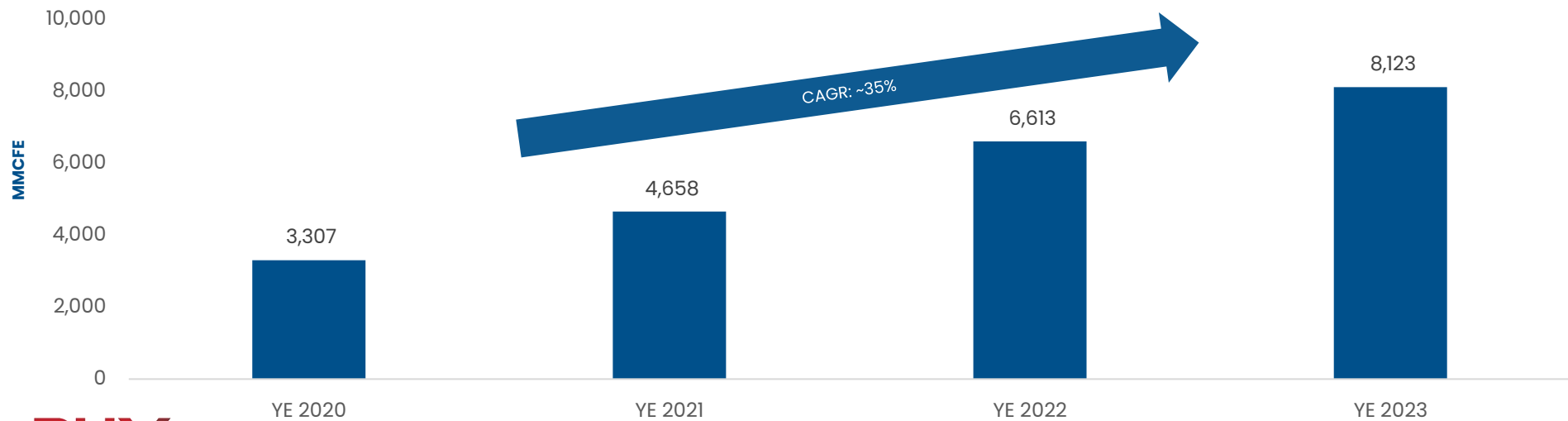
Royalty Reserve Growth

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

Royalty Reserves



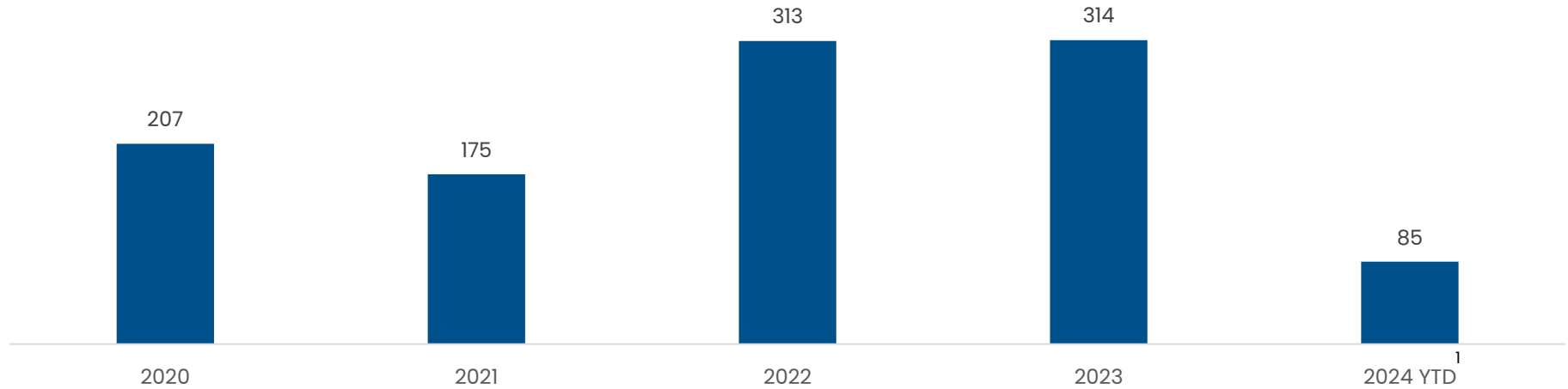
Royalty Production



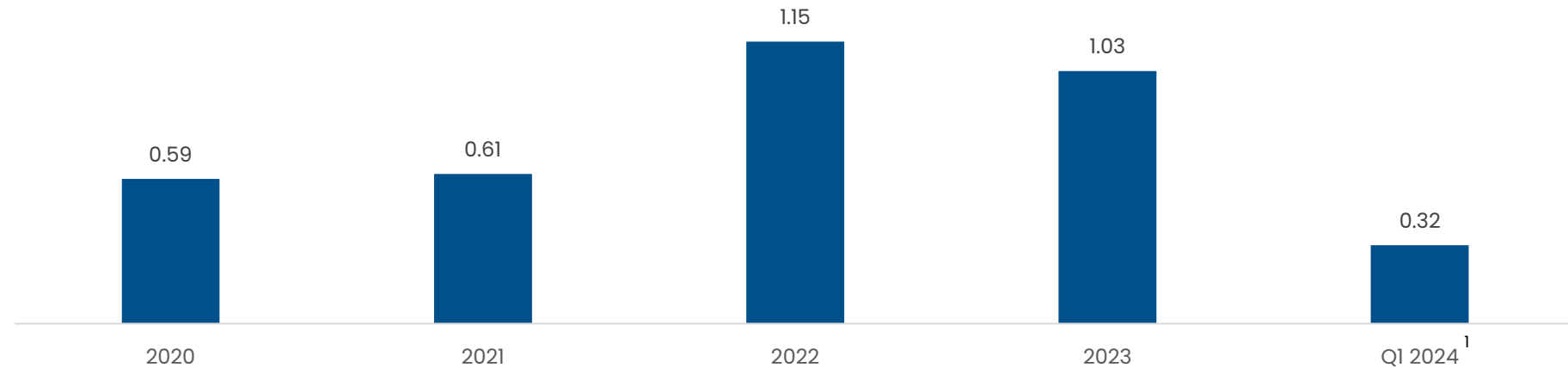
Yearly Conversions To Producing Wells

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

Gross Conversions



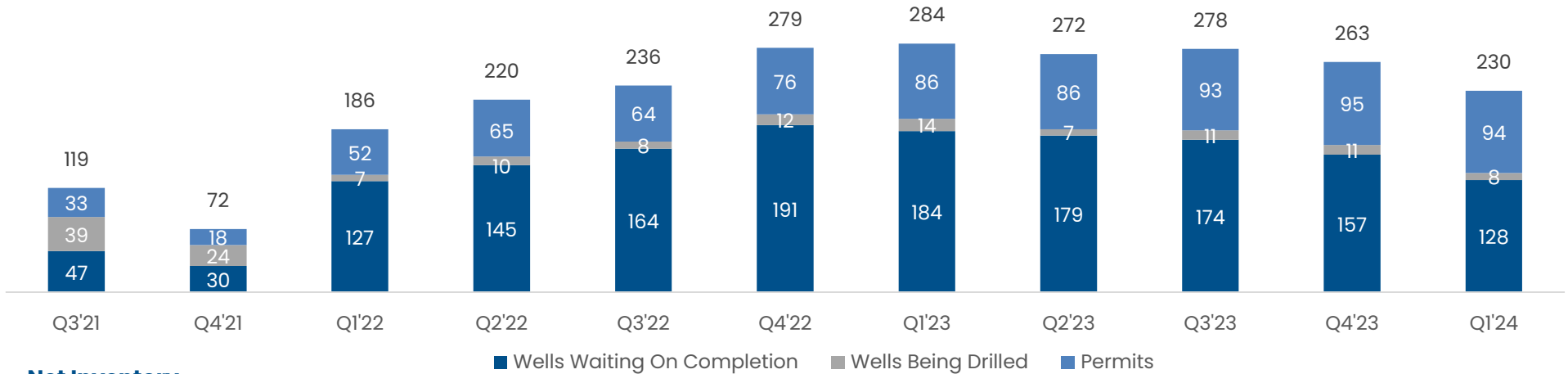
Net Conversions



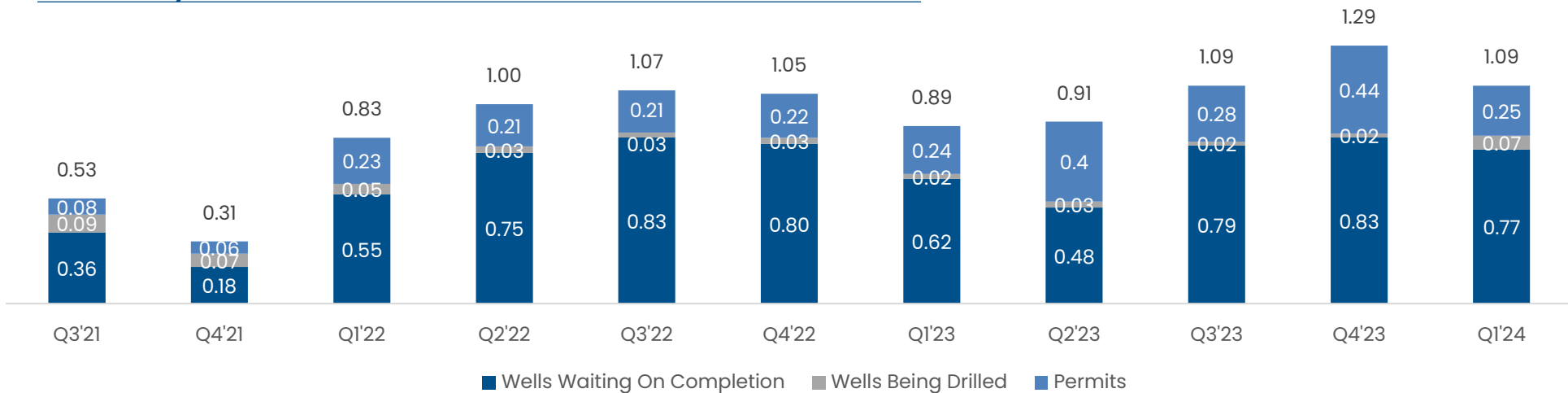
Quarterly Near-Term Drilling Inventory

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

Gross Inventory



Net Inventory

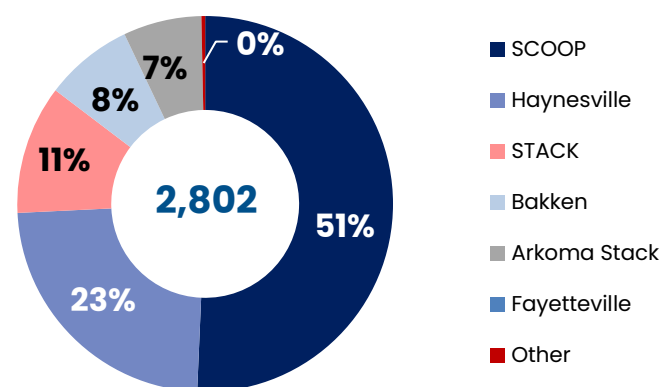
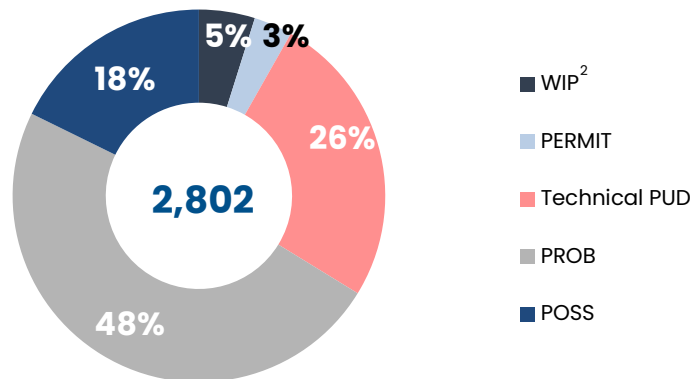


Royalty Interest Inventory by Basin

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	1,151	4,980	56	.248	41	.095	255	1.011	727	2.102	341	1.230
Haynesville	613	3,473	70	.568	37	.126	321	1.039	228	0.639	4	0.003
STACK	414	1,750	3	0.006	5	0.006	71	0.391	172	1.056	60	0.576
Bakken	627	1,830	2	0.001	0	0.000	67	0.248	135	0.829	9	0.146
Arkoma Stack	535	4,764	0	0.000	7	0.003	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	2,030	16,744	5	0.026	4	0.020	0	0	0	0	0	0
Total	6,443	39,995	136	0.849	94	0.250	716	2.692	1,359	6.370	497	2.879

Gross Undeveloped Locations



Note:

1 As of 3/31/2024

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

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


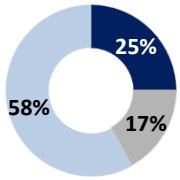
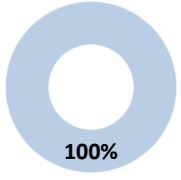
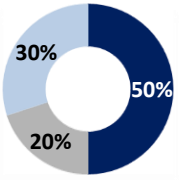
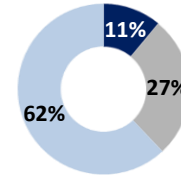
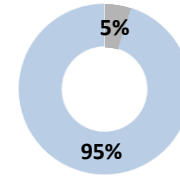
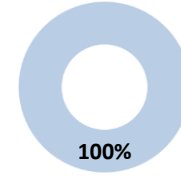
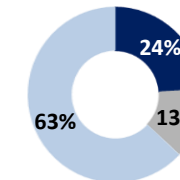
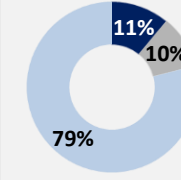


























Appendix

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}	3.56	10.72	1.16	3.33	1.15	0.81	2.52	23.26
Leased Net Royalty Acres¹	9,608	8,316	3,999	6,859	9,894	8,395	44,029	91,100⁴
Permits on File¹	41	37	-	5	7	-	4	94
Rigs Running on PHX Acreage³	10	4	-	1	-	-	0	15
Rigs Running Within 2.5 miles of PHX Acreage³	19	19	6	7	1	-	10	62
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 8,316 NRA)
- Gross Wells In Progress^{1,2}: 51
- Gross Active Permits^{1,3}: 33
- Gross Active Rigs⁴: 17

Notable Well Results

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

1st Prod	8/2022	PHX NRI	0.886%
LL	9,859'	CUM	13.0 BCF
IP24	34.4 MMCF/d	CUM/FT	1,320 MMCF/FT

AETHON | GEP / LEE DSU | 5 WELL AVG

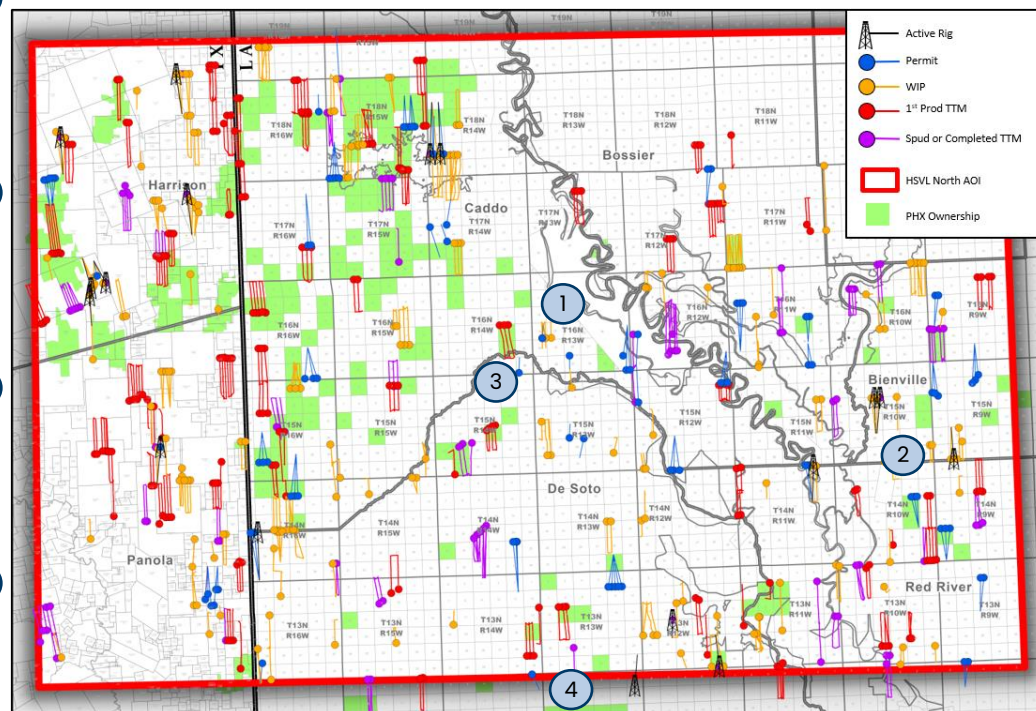
1st Prod	8/2022	PHX NRI	2.310%
AVG LL	8,448'	AVG CUM	8.1 BCF
AVG IP	31.2 MMCF/d	AVG CUM/FT	959 MMCF/FT

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

1st Prod	4/2023	PHX NRI	0.543%
AVG LL	10,001'	AVG CUM	6.7 BCF
AVG IP24	31.9 MMCF/d	AVG CUM/FT	670 MMCF/FT

CHESAPEAKE | MMRTNEZ 20&17 HC | 3 WELL AVG

1st Prod	5/2023	PHX NRI	0.722%
AVG LL	9,749'	AVG CUM	5.7 BCF
AVG IP24	27.9 MMCF/d	AVG CUM/FT	585 MMCF/FT



Source: Company info and Enverus

1 As of 3/31/2024

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 04/30/2024

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 Progress^{1,2}: 19
- Gross Active Permits^{1,3}: 4
- Gross Active Rigs⁴: 5

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	4.5 BCF
AVG IP24	19.7 MMCF/d	AVG CUM/FT	551 MMCF/FT

2 AETHON | MARCO GAS UNIT | 4 WELL AVG

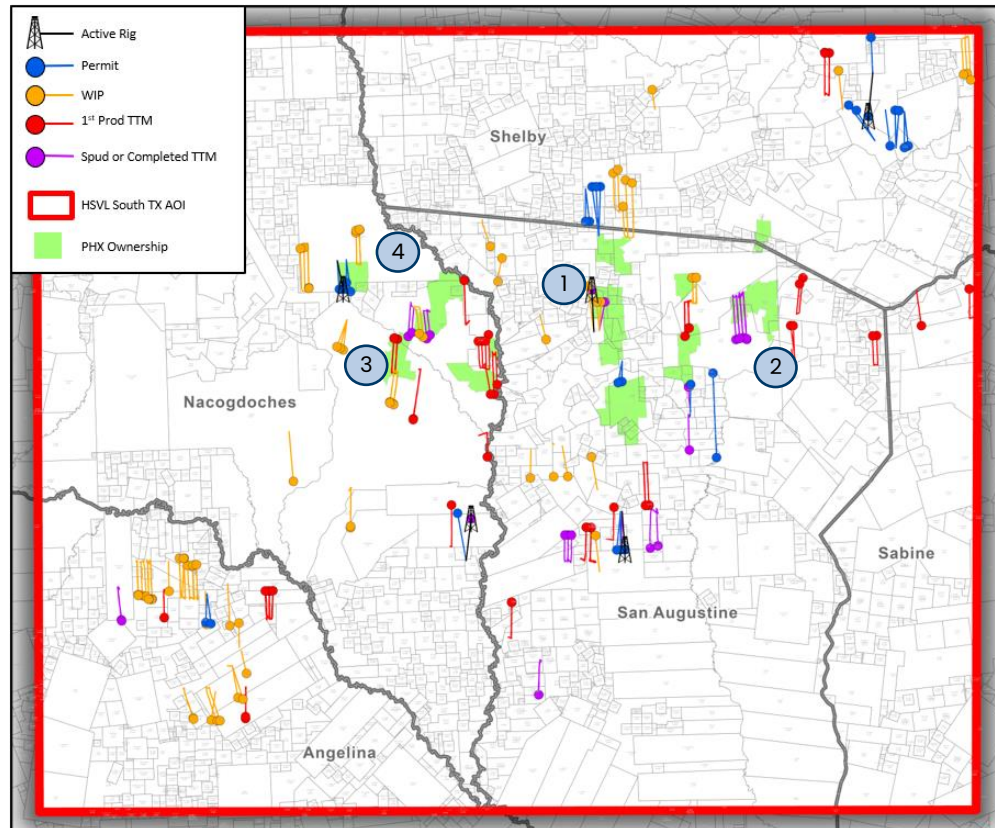
1st Prod	3/2023	PHX NRI	0.403%
LL	8,020'	AVG CUM	2.9 BCF
IP24	17.8 MMCF/d	AVG CUM/FT	368 MMCF/FT

3 AETHON | SILVER HAMMER-PATZAKIS | 4 WELL AVG

1st Prod	6/2023	PHX NRI	0.490%
LL	8,267'	AVG CUM	3.2 BCF
IP24	21.8 MMCF/d	AVG CUM/FT	382 MMCF/FT

4 AETHON | WAYLON UNIT 1H

1st Prod	3/2023	PHX NRI	0.347%
LL	7,515'	CUM	4.1 BCF
IP24	20.3 MMCF/d	CUM/FT	540 MMCF/FT



Source: Company info and Enverus

1 As of 3/31/2024

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 04/30/2024

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: 4,015 NRA
- Gross Wells In Progress^{1,2}: 18
- Gross Active Permits^{1,3}: 6
- Gross Active Rigs⁴: 4

Notable Well Results

CONTINENTAL | PARK PLACE 3-28-21-16XHM | SYCAMORE

1st Prod	6/2023	PHX NRI	0.350%
LL	8,161'	IP30	3,270 BOEPD
NRM PROP	3,446 #/FT	% OIL	75%

CHEYENNE | EASLON 25-24 S3H | SYCAMORE

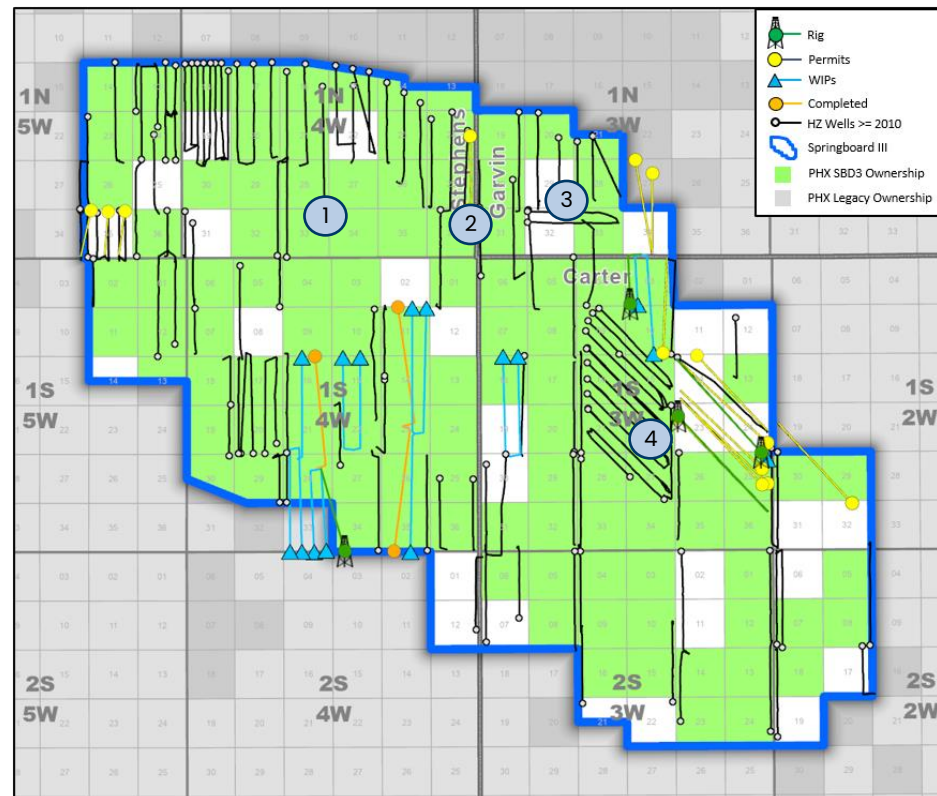
1st Prod	12/2023	PHX NRI	1.91% ⁵
LL	10,225'	IP30	2,431 BOEPD
NRM PROP	2'507 #/FT	% OIL	84%

CONTINENTAL | BILLY THE KID 2-29-20XHM | SYCAMORE

1st Prod	11/2023	PHX NRI	0.039%
LL	6,887'	IP30	2,653 BOEPD
NRM PROP	2,509 #/FT	% OIL	82%

CONTINENTAL | COURBET 13-27-16XHM | SYCAMORE

1st Prod	5/2023	PHX NRI	0.238%
LL	11,744'	IP30	2,014 BOEPD
NRM PROP	2,504 #/FT	% OIL	84%



Source: Company info and Enverus

1 As of 3/31/2024

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

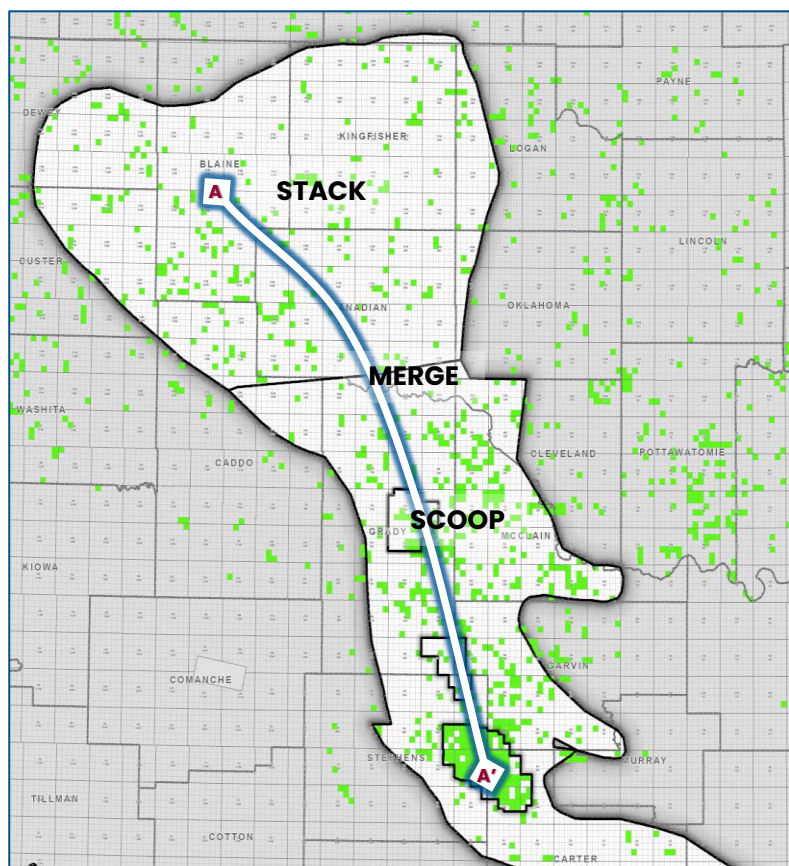
3 Active natural gas and oil horizontal permits filed

4 Data from Enverus as of 04/30/2024

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

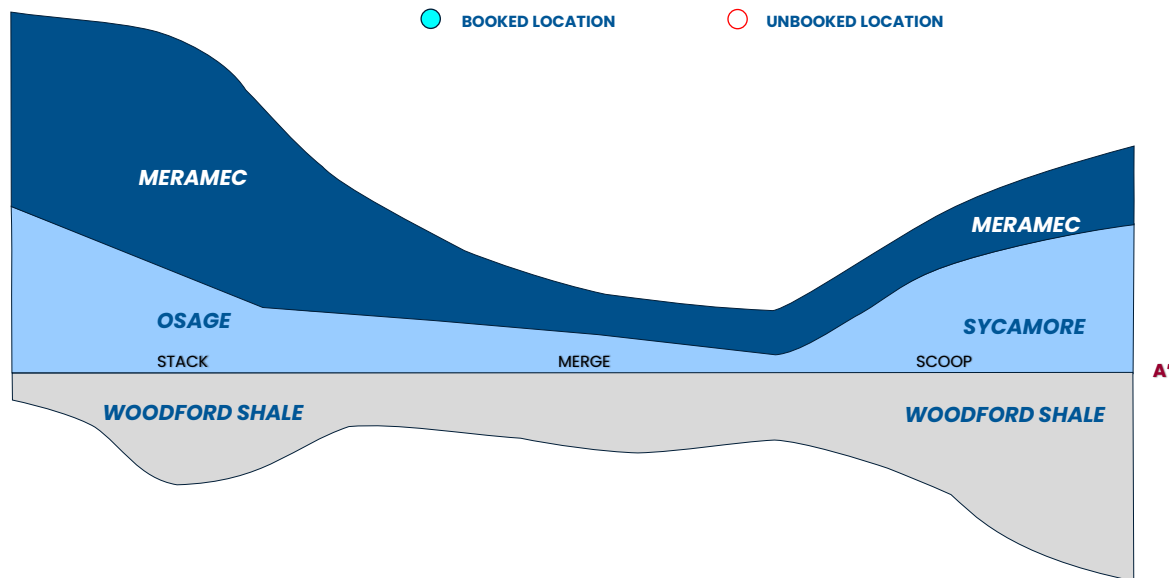
STACK | MERGE | SCOOP

- The SCOOP is the premier play in Oklahoma with the highest resource in-place and most horizontal objectives
- The transition between the SCOOP and STACK is the MERGE where the thickness prevents stacked development
- The primary target in the STACK is the Meramec
- All 3 regions are sourced by the Woodford and feature >1,350 btu gas and minimal produced water



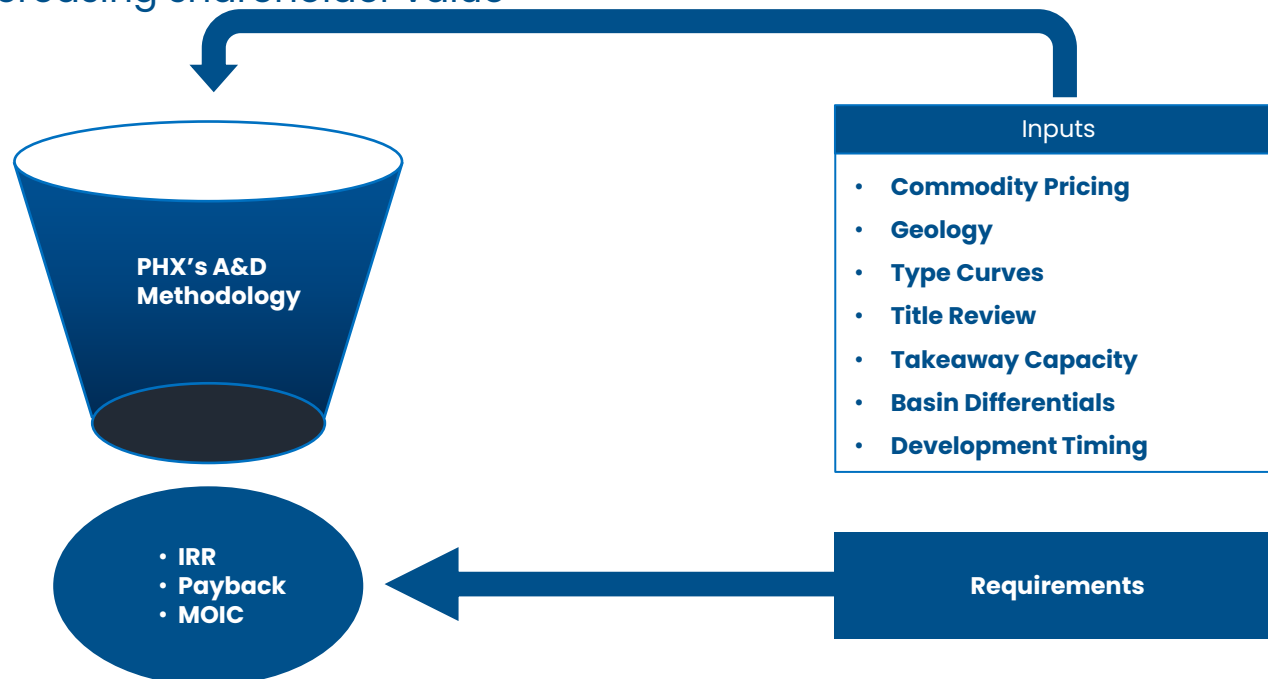
	STACK	MERGE	SCOOP
MERAMEC	● ● ● ● ●		○ ○ ○
OSAGE/SYCAMORE		● ● ● ● ● ● ● ●	● ● ● ● ● ● ● ●
WOODFORD SHALE	● ● ●		● ● ● ● ● ● ● ● ○ ○ ○

● BOOKED LOCATION ○ UNBOOKED LOCATION



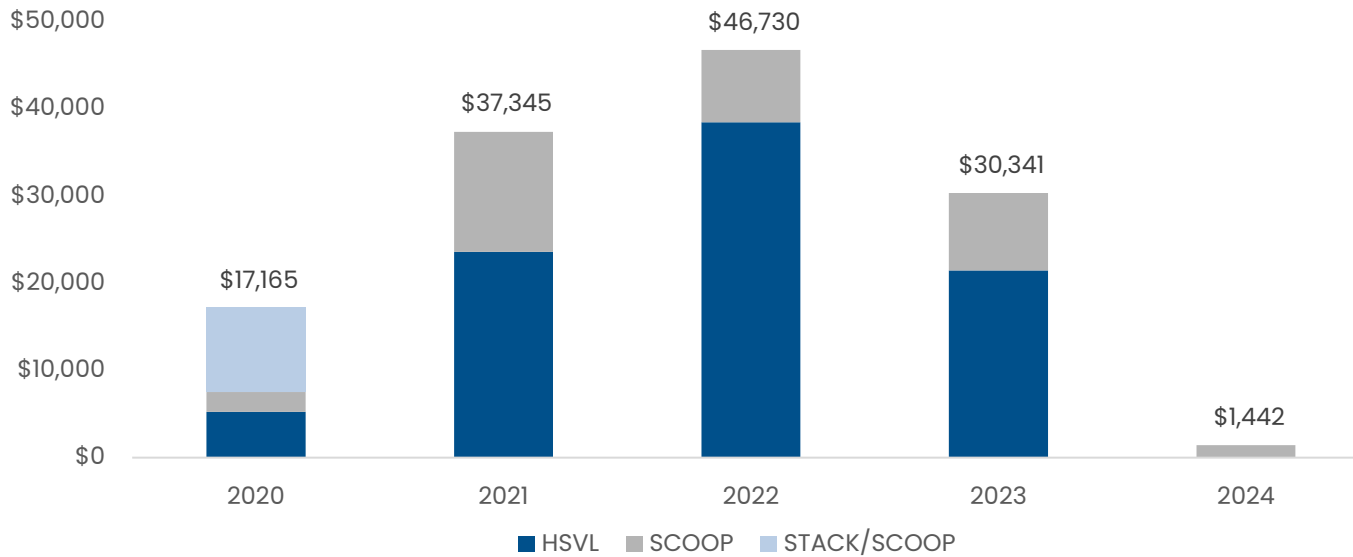
Robust Acquisition Process

- 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)



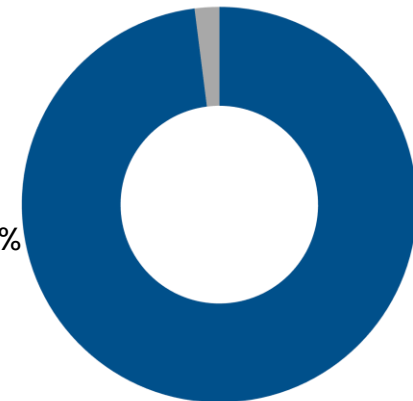
- Focused on highest quality rock in the SCOOP and Haynesville plays
- Targeting a mix of production, near term development opportunities via wells in progress and additional upside potential under high quality operators
- \$34.6M in acquisitions in SCOOP and \$88.7M in Haynesville since Q1 of 2020

Positioned For Growth Through Acquisitions

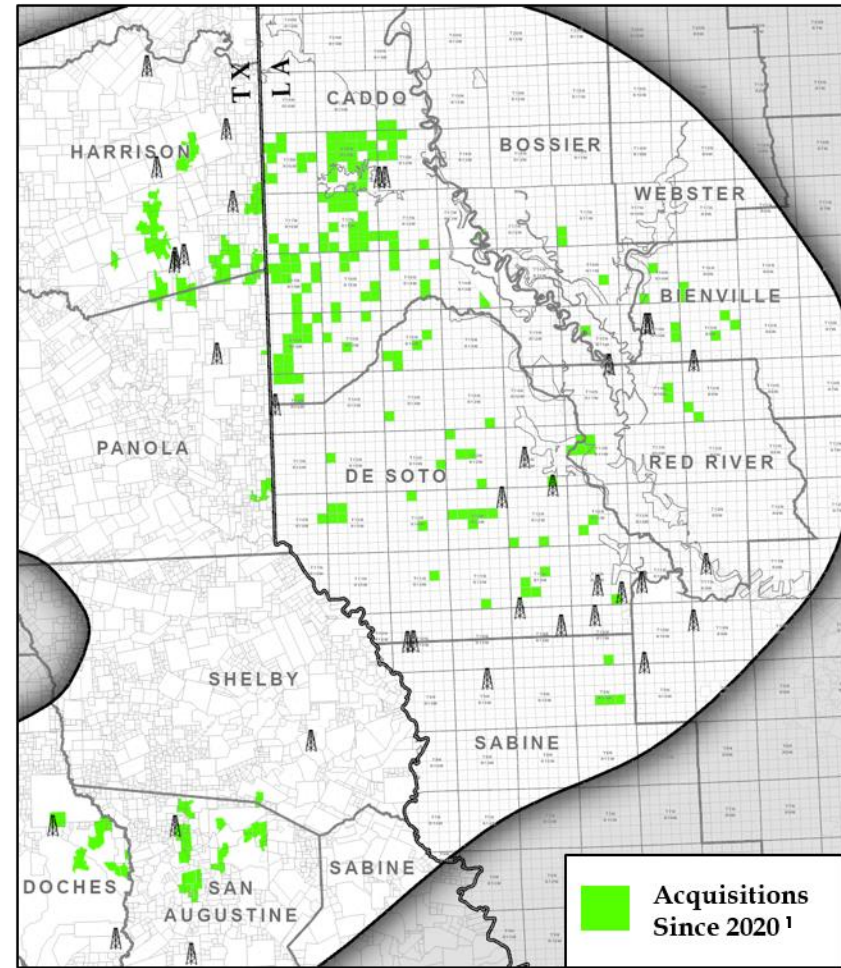
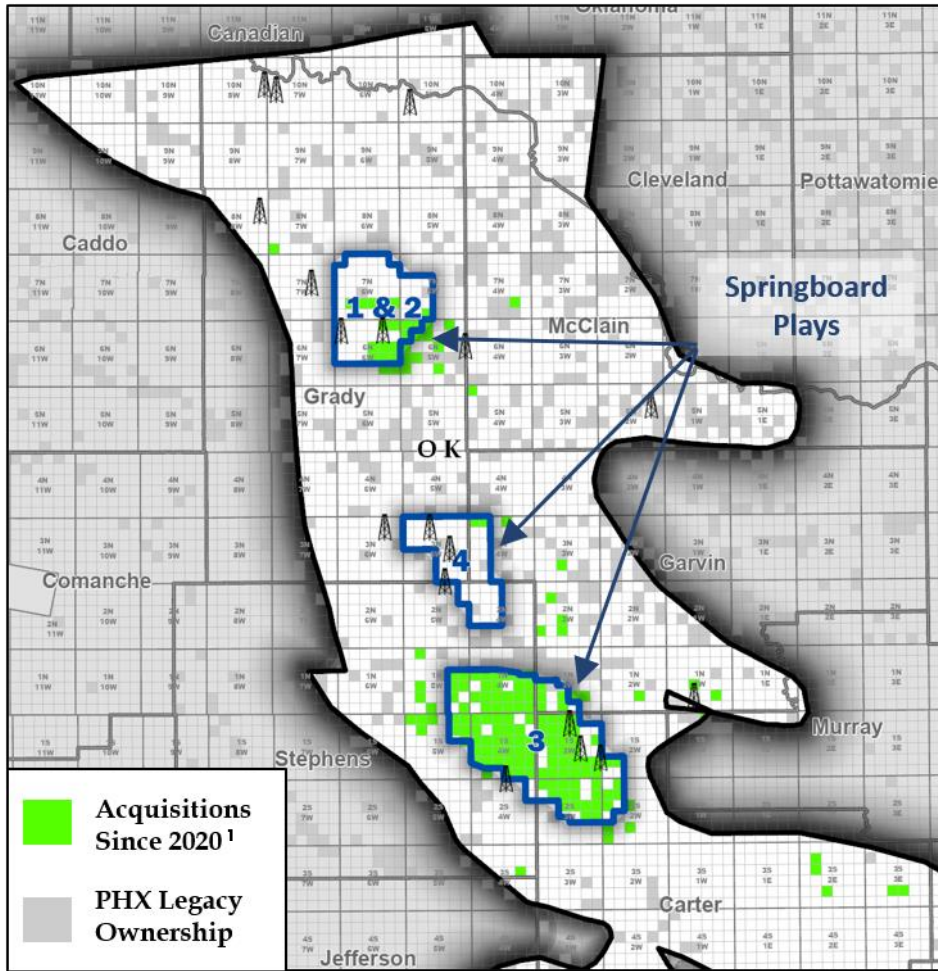
- Total domestic US mineral market estimated at ~\$0.5 - 1 trillion⁽²⁾
 - Highly fragmented
 - Predominantly owned by private individuals
 - PHX well positioned to be one of the premier consolidators in our core areas
 - Focus on smaller deals increases opportunity set and potential returns

Total Public Company Enterprise Value⁽³⁾: 3%

Market Opportunity Midpoint⁽¹⁾: 97%



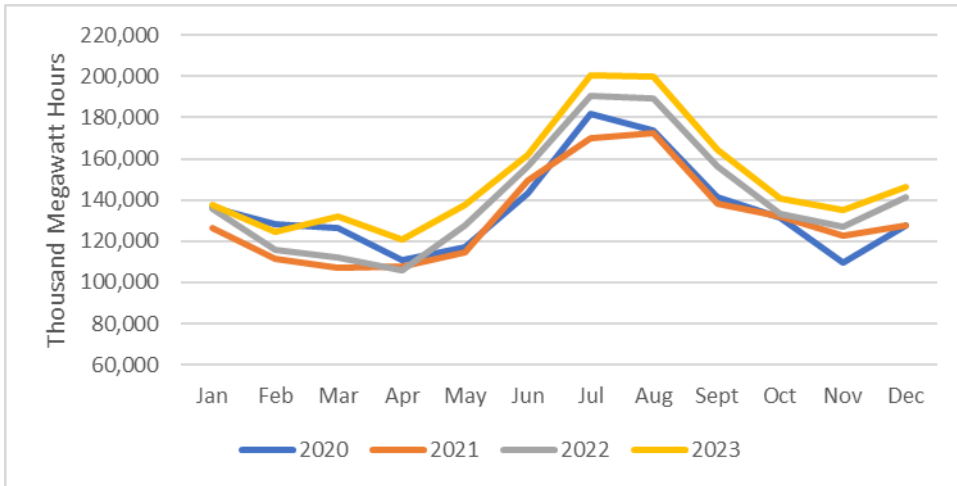
Acquisition History



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

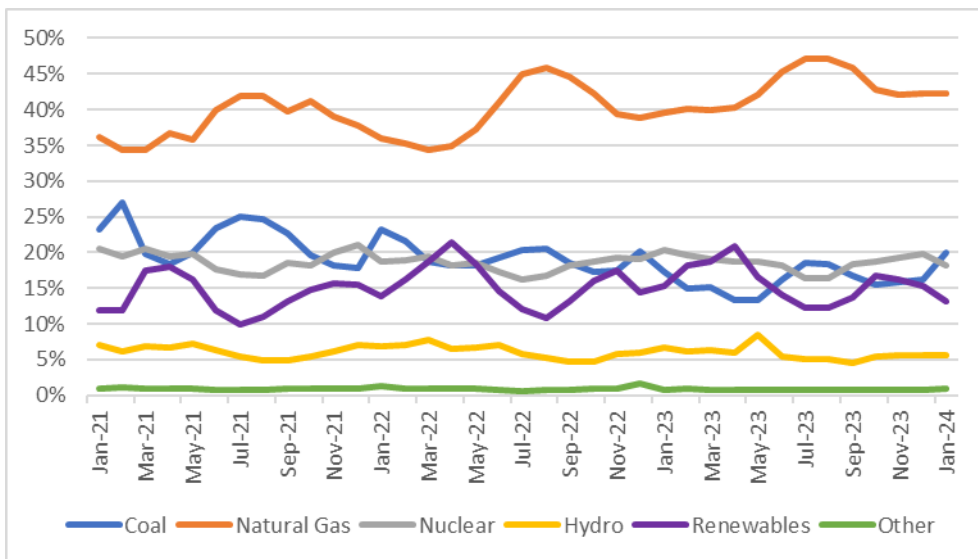
Natural Gas – Continued Demand Growth

Natural Gas Electrical Generation¹

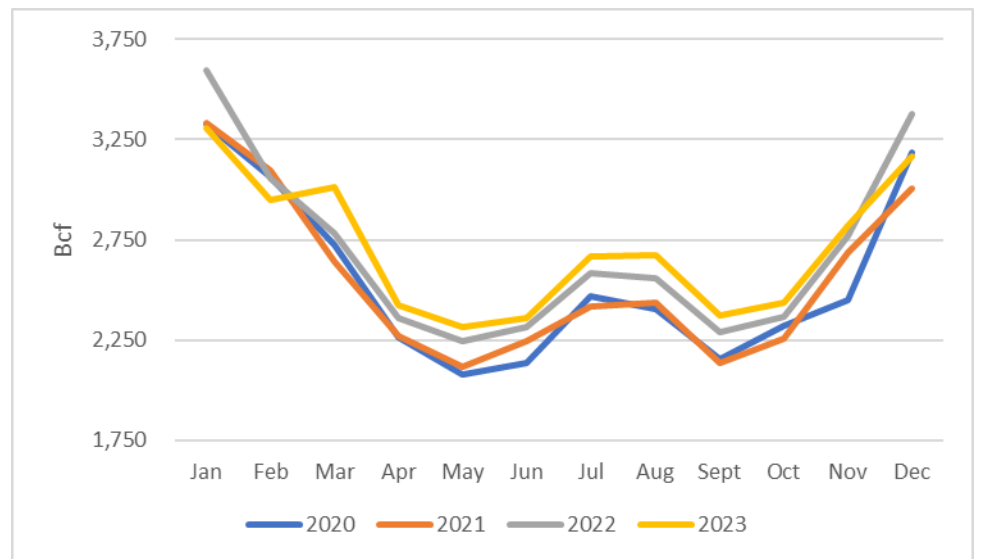


- Natural gas demand from power generation continues to increase and dominate the power stack; increase in solar and wind are coming at the expense of coal
- 20 additional gas fired power plants with total capacity of 7.7 GW expected to come online in 2024 – 2025
- LNG export capacity expected to increase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

Monthly Electrical Generation by Fuel Type¹



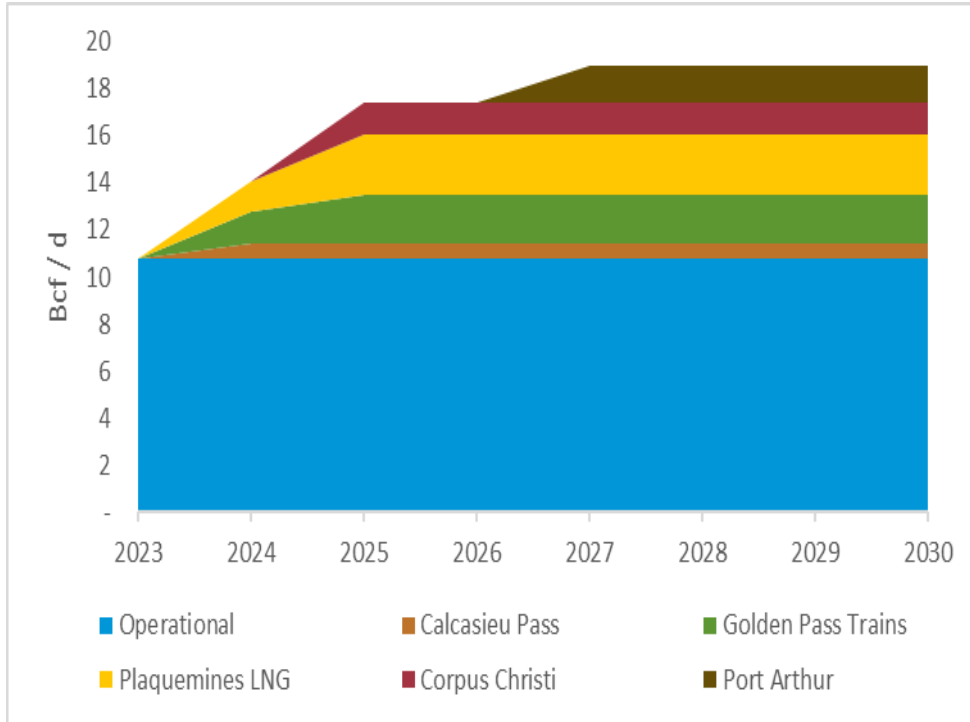
Natural Gas Consumption¹



¹ Source: EIA

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
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	445,000	\$ 3.59	340,000	\$ 3.24	\$ 5.16	785,000
2024	1,825,000	\$ 3.35	795,000	\$ 3.27	\$ 4.65	2,620,000
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	350,000	\$ 3.50	\$ 4.79	450,000
2025	1,030,000	\$ 3.47	1,220,000	\$ 3.24	\$ 4.67	2,250,000
1Q'26	-	\$ -	525,000	\$ 3.50	\$ 4.79	525,000
2026	-	\$ -	525,000	\$ 3.50	\$ 4.79	525,000

	<u>Oil Swaps</u>		<u>Oil Collars</u>			<u>Total Oil Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
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	24,100	\$ 68.06	16,700	\$ 65.17	\$ 76.58	40,800
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	Mar. 31, 2024
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)	\$1.9	\$2.5	(\$0.2)
(*) Unrealized Gain on Derivatives	(3.4)	2.5	2.4	0.9	2.1	4.5	(3.1)	(4.6)	11.8	(3.3)	(1.6)	(6.3)	(3.2)	0.9	0.9	(2.9)	1.0
(*) 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	1.2	0.0
(*) 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	0.7
(*) DD&A	3.4	2.5	2.5	2.3	1.8	2.1	1.6	1.6	2.1	2.0	1.6	1.8	1.9	2.2	2.0	2.4	2.4
(*) 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	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	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	0.6	0.7
(-) 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	0.1	0.1
Adjusted EBITDA	\$2.8	\$1.3	\$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	\$4.6
(-) 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	0.7	0.7
Discretionary Cash Flow	\$2.4	\$1.1	\$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	\$3.9
Discretionary Cash Flow Margin	34%	31%	37%	41%	40%	44%	33%	31%	38%	35%	36%	32%	60%	49%	65%	44%	55%
Adjusted EBITDA	2.8	1.3	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	4.6
(-) DD&A	3.4	2.5	2.5	2.3	1.8	2.1	1.6	1.6	2.1	2.0	1.6	1.8	1.9	2.2	2.0	2.4	2.4
EBIT	(\$0.6)	(\$1.1)	(\$0.3)	\$0.7	\$1.8	\$2.9	\$2.7	\$2.8	\$3.7	\$5.2	\$6.9	\$3.5	\$5.9	\$1.9	\$4.3	\$2.1	\$2.3
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	\$8.2	\$9.0
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	32.8
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	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	\$31.8	\$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	123.2
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	122.8
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	\$123.0
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	\$154.7
ROCE	-2%	-6%	-2%	3%	8%	13%	11%	12%	14%	18%	22%	10%	16%	5%	12%	5%	6%

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	Mar. 31, 2024
Net Income	(\$70.1)	(\$78.3)	(\$24.0)	(\$26.4)	(\$6.5)	(\$4.3)	(\$6.2)	\$1.1	(\$2.5)	\$7.5	\$20.4	\$17.1	\$30.6	\$22.0	\$14.8	\$13.9	\$4.2
(+) Unrealized (Gains) Losses on Derivatives	(3.4)	1.0	3.2	2.3	7.8	9.8	4.3	(1.1)	8.6	0.8	2.3	0.6	(14.4)	(10.2)	(7.6)	(4.3)	(0.1)
(+) Income Tax Expense	(23.7)	(25.8)	(8.3)	(8.6)	(1.8)	(1.8)	(0.7)	0.2	0.4	2.2	4.2	4.4	7.5	6.3	4.5	4.7	1.7
(+) Interest Expense	1.7	1.4	1.3	1.2	1.1	1.1	1.0	0.9	0.8	0.9	1.2	1.6	2.0	2.2	2.3	2.4	2.5
(+) 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	9.0
(+) 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	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	2.3	(7.5)	(5.7)	(3.6)	(2.3)	(1.3)	(0.4)	0.0
(+) Restricted Stock and Deferred Director's Exp	1.1	1.0	1.0	0.9	0.7	0.9	1.0	1.2	1.4	1.7	2.4	2.6	2.8	2.9	2.4	2.4	2.5
(-) Gains (Losses) on Asset Sales	12.9	8.9	4.0	0.7	0.7	0.8	0.3	(1.8)	0.5	1.1	4.4	7.5	9.6	8.9	5.6	4.7	0.4
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	\$19.5
Total 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	30.8
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	1.6

(\$ 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	Mar. 31, 2024
Borrowing Base	45.0	32.0	31.0	30.0	29.4	28.5	27.5	32.0	50.0	50.0	50.0	50.0	50.0	45.0	50.0	50.0	50.0
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	30.8
Borrowing Availability	\$13.0	\$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	\$17.3	\$19.3
Current Assets	121	82	17.8	10.0	9.2	10.9	12.2	10.9	123	18.4	17.9	19.9	12.3	9.5	8.4	10.2	8.9
(-) Current Derivative Assets	4.2	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	1.4	0.6	3.1	2.4
Current Liabilities	(21)	(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)	(1.8)
(-) 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	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	\$4.6
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	\$23.9

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	1.3	1.3	1.7	2.0	1.3	1.0	1.6	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	1.1	1.0	1.0	1.0	1.0	1.0	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	(\$1.6)	\$6.3	\$9.2	\$1.0	(\$0.8)	\$8.0	\$19.2	\$14.1
Starting Debt	65.0	44.5	52.2	51.0	35.4	28.8	20.0	33.3
Ending Debt	44.5	52.2	51.0	35.4	28.8	17.5	33.3	32.8
Average Debt	\$54.8	\$48.4	\$51.6	\$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	(\$51.6)	(\$26.4)	\$1.1	\$17.1	\$13.9
(+) Unrealized Gain on Derivatives	(3.1)	2.0	2.3	(1.1)	0.6	(4.3)
(+) Income Tax Expense	3.5	(16.8)	(8.6)	0.2	4.4	4.7
(+) Interest Expense	1.9	1.8	1.2	0.9	1.6	2.4
(+) 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	1.0	0.9	1.2	2.6	2.4
(-) Gains (Losses) on Asset Sales	8.7	12.9	0.7	(1.8)	7.5	4.7
Adjusted EBITDA	\$25.0	\$17.6	\$9.2	\$17.4	\$26.7	\$22.7
(-) Interest Expense	1.9	1.8	1.2	0.9	1.6	2.4
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	Mar. 31, 2024
General and administrative	2.9	3.8	3.1	3.0	3.2	2.8	3.1	3.3
(-) Restricted stock and deferred director's expense	0.6	1.0	0.6	0.6	0.7	0.5	0.6	0.7
Cash general and administrative	\$2.3	\$2.7	\$2.6	\$2.3	\$2.5	\$2.2	\$2.5	\$2.6
Gain/(loss) on Derivatives	(\$2.4)	(\$4.3)	\$3.3	\$3.8	\$0.2	(\$0.3)	\$3.2	\$0.6
(-) Unrealized gain/(loss) on derivatives	3.3	1.6	6.3	3.2	(0.9)	(0.9)	2.9	(1.0)
(+) Off-market derivative settlements	(1.3)	(1.1)	(0.9)	(0.4)	0.0	0.0	0.0	0.0
Total derivative settlements	(\$7.0)	(\$7.0)	(\$3.8)	\$0.3	\$1.0	\$0.6	\$0.3	\$1.7