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**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): August 07, 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:**

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
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.

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## **Item 2.02 Results of Operations and Financial Condition.**

On August 7, 2024, PHX Minerals Inc. (the “Company”) issued a press release providing information regarding the Company’s quarter ended June 30, 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 August 7, 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**

<b><u>No.</u></b>	<b><u>Title of Document</u></b>
99.1	<a href="#">Press Release, dated August 7, 2024</a>
99.2	<a href="#">Corporate Presentation</a>
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: August 7, 2024



FOR IMMEDIATE RELEASE

**PHX Minerals Reports Record Royalty Volumes for the Quarter Ended June 30, 2024;  
Increases Fixed Quarterly Dividend Payment 33%**

FORT WORTH, Texas, Aug. 7, 2024 – PHX MINERALS INC., “PHX” or the “Company” (NYSE: PHX), today reported financial and operating results for the quarter ended June 30, 2024.

**Summary of Results for the Quarter Ended June 30, 2024**

- Net income was \$1.3 million, or \$0.04 per diluted share, compared to net loss of (\$0.2) million, or (\$0.01) per diluted share, for the quarter ended March 31, 2024.
- Adjusted EBITDA<sup>(1)</sup> was \$6.4 million, compared to \$4.6 million for the quarter ended March 31, 2024.
- Royalty production volumes increased 46%, to a quarterly record 2,709 Mmcfe, compared to the quarter ended March 31, 2024, as a result of high interest high impact wells coming online in the Haynesville.
- Total production volumes increased 40% compared to the quarter ended March 31, 2024 to 2,968 Mmcfe, the highest quarterly production for PHX since the quarter ended June 30, 2018.
- Converted 55 gross (0.40 net) wells to producing status, compared to a conversion of 85 gross (0.32 net) wells to producing status during the quarter ended March 31, 2024.
- Inventory of 241 gross (0.927 net) wells in progress and permits as of June 30, 2024, compared to 230 gross (1.099 net) wells in progress and permits as of March 31, 2024.
- Total debt was \$28.8 million, down \$4.0 million since December 31, 2023, and the debt-to-adjusted EBITDA (TTM)<sup>(1)</sup> ratio was 1.32x at June 30, 2024.

**Subsequent Events**

- PHX announced a 33% increase in its fixed quarterly dividend to \$0.04 per share, payable on Sep. 6, 2024, to stockholders of record on Aug. 23, 2024.

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

Chad L. Stephens, President and CEO, commented, “The operational and financial results for the second quarter again provide compelling evidence about the quality of our asset base. Royalty production reached record levels during the quarter, and we had a strong conversion of high interest high impact wells driving robust quarter-over-quarter production growth. As we have explained in prior quarters, our royalty volumes can be lumpy depending on the timing of these high interest high impact wells. Our wells in progress metric remains strong, including several other high interest high impact wells. This demonstrates the continued operator activity on our minerals, despite the dramatic year over year decrease in the rig count impacted by the current commodity price environment. We do not control pace of development or well completion timing, thus, we expect continued quarterly lumpiness in our volumes.”

“Our strong cash generation enabled us to reduce our debt by another \$2 million, lowering our debt-to-adjusted EBITDA ratio from 1.58x to 1.32x further strengthening our balance sheet,” continued Mr. Stephens. “Our financial performance enabled us to again increase our quarterly cash dividend, which has now risen 400% since early 2020. Our financial strength also provides the necessary liquidity to further explore the acquisition of premium mineral assets.”

### **Financial Highlights**

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Royalty Interest Sales	\$ 8,818,964	\$ 6,217,663	\$ 14,995,239	\$ 16,341,404
Working Interest Sales	\$ 1,007,042	\$ 1,013,501	\$ 1,920,975	\$ 2,747,007
Natural Gas, Oil and NGL Sales	\$ 9,826,006	\$ 7,231,164	\$ 16,916,214	\$ 19,088,411
Gains (Losses) on Derivative Contracts	\$ (418,997)	\$ 183,006	\$ 208,495	\$ 3,985,826
Lease Bonuses and Rental Income	\$ 134,226	\$ 111,991	\$ 285,944	\$ 425,141
Total Revenue	\$ 9,541,235	\$ 7,526,161	\$ 17,410,653	\$ 23,499,378
Lease Operating Expense per Working Interest Mcfe	\$ 1.14	\$ 1.16	\$ 1.21	\$ 1.34
Transportation, Gathering and Marketing per Mcfe	\$ 0.52	\$ 0.39	\$ 0.47	\$ 0.43
Production and Ad Valorem Tax per Mcfe	\$ 0.20	\$ 0.19	\$ 0.19	\$ 0.21
G&A Expense per Mcfe	\$ 0.92	\$ 1.38	\$ 1.20	\$ 1.29
Cash G&A Expense per Mcfe <sup>(1)</sup>	\$ 0.69	\$ 1.07	\$ 0.92	\$ 1.01
Interest Expense per Mcfe	\$ 0.22	\$ 0.23	\$ 0.27	\$ 0.23
DD&A per Mcfe	\$ 0.76	\$ 0.96	\$ 0.91	\$ 0.86
Total Expense per Mcfe	\$ 2.72	\$ 3.30	\$ 3.16	\$ 3.21
Net Income (Loss)	\$ 1,295,771	\$ (41,291)	\$ 1,112,156	\$ 9,511,953
Adjusted EBITDA <sup>(2)</sup>	\$ 6,426,167	\$ 4,086,707	\$ 11,033,201	\$ 11,826,947
Cash Flow from Operations <sup>(3)</sup>	\$ 4,176,704	\$ 4,915,788	\$ 9,423,355	\$ 13,849,265
CapEx <sup>(4)</sup>	\$ 28,286	\$ 84,593	\$ 35,726	\$ 275,419
CapEx - Mineral Acquisitions	\$ 871,930	\$ 1,677,388	\$ 2,278,178	\$ 11,914,003
Borrowing Base			\$ 50,000,000	\$ 45,000,000
Debt			\$ 28,750,000	\$ 23,750,000
Debt-to-Adjusted EBITDA (TTM) <sup>(2)</sup>			1.32	0.93

(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 June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Gas Mcf Sold	2,464,846	1,854,485	4,164,955	3,813,496
Average Sales Price per Mcf before the effects of settled derivative contracts	\$ 2.05	\$ 1.92	\$ 2.07	\$ 2.75
Average Sales Price per Mcf after the effects of settled derivative contracts	\$ 2.57	\$ 2.49	\$ 2.78	\$ 3.18
% of sales subject to hedges	38%	45%	48%	47%
Oil Barrels Sold	51,828	41,009	89,088	95,116
Average Sales Price per Bbl before the effects of settled derivative contracts	\$ 77.38	\$ 73.87	\$ 76.81	\$ 75.09
Average Sales Price per Bbl after the effects of settled derivative contracts	\$ 75.38	\$ 73.80	\$ 75.72	\$ 71.58
% of sales subject to hedges	25%	53%	30%	49%
NGL Barrels Sold	31,994	33,929	64,179	67,033
Average Sales Price per Bbl <sup>(1)</sup>	\$ 23.75	\$ 18.93	\$ 22.63	\$ 22.02
Mcf Sold	2,967,779	2,304,113	5,084,557	4,786,390
Natural gas, oil and NGL sales before the effects of settled derivative contracts	\$ 9,826,006	\$ 7,231,164	\$ 16,916,214	\$ 19,088,411
Natural gas, oil and NGL sales after the effects of settled derivative contracts	\$ 11,010,613	\$ 8,280,104	\$ 19,770,130	\$ 20,394,028

(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	Mcf Sold
6/30/2024	2,464,846	51,828	31,994	2,967,779
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

The percentage of total production volumes attributable to natural gas was 83% for the quarter ended June 30, 2024.

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

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcf Sold
6/30/2024	2,304,176	47,024	20,461	2,709,090
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

The percentage of royalty production volumes attributable to natural gas was 85% for the quarter ended June 30, 2024.

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

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcf Sold
6/30/2024	160,670	4,804	11,533	258,689
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

## **Outlook**

PHX is providing an updated operational outlook for 2024 as follows:

	2023 Actual	YTD 2024 Actual	2024 Outlook
Mineral & Royalty Production (Mmcf)	8,123	4,566	8,700 - 9,100
Working Interest Production (Mmcf)	1,256	518	1,000 - 1,200
<b>Total Production (Mmcf)</b>	<b>9,379</b>	<b>5,084</b>	<b>9,700 - 10,300</b>
Percentage Natural Gas	80%	82%	79% - 82%
Transportation, Gathering & Marketing (per Mcfe)	\$0.39	\$0.47	\$0.40 - \$0.50
Production Tax (as % of pre-hedge sales volumes)	5.20%	5.90%	5.25% - 6.25%
LOE Expenses (on an absolute basis in 000's)	\$1,599	\$627	\$1,100 - \$1,300
Cash G&A (on an absolute basis in 000's)	\$9,500	\$4,683	\$9,500 - \$9,900

## **Quarter Ended June 30, 2024 Results**

The Company recorded net income of \$1.3 million, or \$0.04 per diluted share, for the quarter ended June 30, 2024, as compared to net loss of (\$0.04) million, or \$0.00 per diluted share, for the quarter ended June 30, 2023. The change in net income was principally the result of increased natural gas, oil and NGL sales, decreased general and administrative expenses, and increased gains on asset sales, partially offset by increased losses associated with our derivative contracts and increased income tax provision.

Natural gas, oil and NGL revenue increased \$2.6 million, or 36%, for the quarter ended June 30, 2024, compared to the quarter ended June 30, 2023, due to increases in natural gas and oil volumes of 33% and 26%, respectively, and increases in natural gas, oil, and NGL prices of 7%, 5%, and 25%, respectively, partially offset by a decrease in NGL volumes of 6%.

The increase in royalty production volumes during the quarter ended June 30, 2024, as compared to the quarter ended June 30, 2023, resulted primarily from new wells being brought online in the Haynesville Shale. The production decrease in working interest volumes during the quarter ended June 30, 2024, as compared to the quarter ended June 30, 2023, resulted from natural production decline.

The Company had a net loss on derivative contracts of (\$0.4) million for the quarter ended June 30, 2024, comprised of a \$1.2 million gain on settled derivatives and a (\$1.6) million non-cash loss on derivatives, as compared to a net gain of \$0.2 million for the quarter ended June 30, 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 June 30, 2024 pricing relative to the strike price on open derivative contracts.

## **Six Months Ended June 30, 2024 Results**

The Company recorded net income of \$1.1 million, or \$0.03 per share, for the six months ended June 30, 2024, as compared to a net income of \$9.5 million, or \$0.26 per share, for the six months ended June 30, 2023. The change in net income was principally the result of a decrease in natural gas, oil and NGL sales, a decrease in gains associated with our hedge contracts, and a decrease in gains on asset sales, partially offset by a decrease in income tax provision.

Natural gas, oil and NGL revenue decreased \$2.2 million, or 11%, for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, due to decreases in oil and NGL volumes of 6% and 4%, respectively, and a decrease in gas prices of 25%, partially offset by an increase in gas volumes of 9% and increases in oil and NGL prices of 2% and 3%, respectively.

The production increase in royalty volumes during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023, resulted primarily from new wells in the Haynesville Shale coming online. The production decrease in working interest volumes during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023, resulted from natural production decline and divestitures of working interest properties.

The Company had a net gain on derivative contracts of \$0.2 million for the six months ended June 30, 2024, comprised of a \$2.9 million gain on settled derivatives and a \$2.6 million non-cash loss on derivatives, as compared to a net gain of \$4.0 million for the six months ended June 30, 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 June 30, 2024 pricing relative to the strike price on open derivative contracts.

### **Operations Update**

During the quarter ended June 30, 2024, the Company converted 55 gross (0.40 net) wells to producing status, including 28 gross (0.30 net) wells in the Haynesville and 14 gross (0.07 net) wells in the SCOOP, compared to 81 gross (0.30 net) wells converted in the quarter ended June 30, 2023.

At June 30, 2024, the Company had a total of 241 gross (0.927 net) wells in progress and permits across its mineral positions, compared to 230 gross (1.099 net) wells in progress and permits at March 31, 2024. As of July 8, 2024, 15 rigs were operating on the Company's acreage and 60 rigs were operating within 2.5 miles of its acreage.

	SCOOP	STACK	Bakken/ Three Forks	Arkoma Stack	Haynesville	Other	Total
As of June 30, 2024:							
Gross Wells in Progress on PHX Acreage <sup>(1)</sup>	74	7	2	3	58	3	147
Net Wells in Progress on PHX Acreage <sup>(1)</sup>	0.252	0.009	0.001	0.015	0.296	0.016	0.589
Gross Active Permits on PHX Acreage	35	6	3	7	35	8	94
Net Active Permits on PHX Acreage	0.151	0.007	0.003	0.030	0.112	0.035	0.338
As of July 8, 2024:							
Rigs Present on PHX Acreage	7	3	-	1	4	-	15
Rigs Within 2.5 Miles of PHX Acreage	10	11	6	1	23	9	60

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

### **Leasing Activity**

During the quarter ended June 30, 2024, the Company leased 313 net mineral acres to third-party exploration and production companies for an average bonus payment of \$550 per net mineral acre and an average royalty of 24%.

### **Acquisition and Divestiture Update**

During the quarter ended June 30, 2024, the Company purchased 96 net royalty acres for approximately \$0.9 million and sold 1,005 acres, which were outside the Company's core focus areas and predominately undeveloped and unleased, for approximately \$0.5 million.

	SCOOP	Acquisitions		Total
		Haynesville	Other	
During Three Months Ended June 30, 2024:				
Net Mineral Acres Purchased	35	21	-	56
Net Royalty Acres Purchased	58	38	-	96



## Quarterly Conference Call

PHX will host a conference call to discuss the Company's results for the quarter ended June 30, 2024, at 11 a.m. EDT on Aug. 8, 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 13748051.

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:				
Natural gas, oil and NGL sales	\$ 9,826,006	\$ 7,231,164	\$ 16,916,214	\$ 19,088,411
Lease bonuses and rental income	134,226	111,991	285,944	425,141
Gains (losses) on derivative contracts	(418,997)	183,006	208,495	3,985,826
	<u>9,541,235</u>	<u>7,526,161</u>	<u>17,410,653</u>	<u>23,499,378</u>
Costs and expenses:				
Lease operating expenses	294,354	341,463	626,763	916,405
Transportation, gathering and marketing	1,540,396	906,373	2,383,900	2,035,129
Production and ad valorem taxes	597,995	434,580	990,322	986,838
Depreciation, depletion and amortization	2,268,284	2,210,332	4,624,610	4,100,322
Provision for impairment	-	-	-	2,073
Interest expense	651,982	524,294	1,366,868	1,081,767
General and administrative	2,734,628	3,177,103	6,081,665	6,159,012
Losses (gains) on asset sales and other	(197,326)	139,307	(173,114)	(4,195,121)
Total costs and expenses	<u>7,890,313</u>	<u>7,733,452</u>	<u>15,901,014</u>	<u>11,086,425</u>
Income (loss) before provision for income taxes	<u>1,650,922</u>	<u>(207,291)</u>	<u>1,509,639</u>	<u>12,412,953</u>
Provision for income taxes	<u>355,151</u>	<u>(166,000)</u>	<u>397,483</u>	<u>2,901,000</u>
Net income (loss)	<u>\$ 1,295,771</u>	<u>\$ (41,291)</u>	<u>\$ 1,112,156</u>	<u>\$ 9,511,953</u>
Basic and diluted earnings per common share	<u>\$ 0.04</u>	<u>\$ (0.00)</u>	<u>\$ 0.03</u>	<u>\$ 0.26</u>
Weighted average shares outstanding:				
Basic	36,308,224	35,965,281	36,301,540	35,950,615
Diluted	36,379,653	35,965,281	36,301,540	36,034,438
Dividends per share of common stock paid in period	<u>\$ 0.0300</u>	<u>\$ 0.0225</u>	<u>\$ 0.0600</u>	<u>\$ 0.0450</u>

## Balance Sheets

	June 30, 2024	Dec. 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,271,544	\$ 806,254
Natural gas, oil, and NGL sales receivables (net of \$0 allowance for uncollectable accounts)	5,071,590	4,900,126
Refundable income taxes	372,963	455,931
Derivative contracts, net	877,538	3,120,607
Other	703,210	878,659
Total current assets	9,296,845	10,161,577
Properties and equipment at cost, based on successful efforts accounting:		
Producing natural gas and oil properties	216,696,381	209,082,847
Non-producing natural gas and oil properties	52,997,639	58,820,445
Other	1,361,064	1,360,614
	271,055,084	269,263,906
Less accumulated depreciation, depletion and amortization	(118,186,569)	(114,139,423)
Net properties and equipment	152,868,515	155,124,483
Derivative contracts, net	-	162,980
Operating lease right-of-use assets	502,194	572,610
Other, net	640,573	486,630
Total assets	\$ 163,308,127	\$ 166,508,280
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 636,327	\$ 562,607
Current portion of operating lease liability	239,571	233,390
Accrued liabilities and other	1,457,285	1,215,275
Total current liabilities	2,333,183	2,011,272
Long-term debt	28,750,000	32,750,000
Deferred income taxes, net	6,829,023	6,757,637
Asset retirement obligations	1,083,947	1,062,139
Derivative contracts, net	239,372	-
Operating lease liability, net of current portion	574,598	695,818
Total liabilities	39,810,123	43,276,866
Stockholders' equity:		
Common Stock, \$0.01666 par value; 75,000,000 shares authorized and 36,121,723 issued at June 30, 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	43,054,447	41,676,417
Deferred directors' compensation	1,471,052	1,487,590
Retained earnings	78,891,082	80,022,839
	124,018,369	123,788,634
Less treasury stock, at cost; 122,785 shares at June 30, 2024, and 131,477 shares at Dec. 31, 2023	(520,365)	(557,220)
Total stockholders' equity	123,498,004	123,231,414
Total liabilities and stockholders' equity	\$ 163,308,127	\$ 166,508,280

## Condensed Statements of Cash Flows

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
<b>Operating Activities</b>		
Net income (loss)	\$ 1,112,156	\$ 9,511,953
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	4,624,610	4,100,322
Impairment of producing properties	-	2,073
Provision for deferred income taxes	71,386	2,679,000
Gain from leasing fee mineral acreage	(285,944)	(425,141)
Proceeds from leasing fee mineral acreage	292,350	488,173
Net (gain) loss on sales of assets	(511,684)	(4,428,212)
Directors' deferred compensation expense	90,661	109,383
Total (gain) loss on derivative contracts	(208,495)	(3,985,826)
Cash receipts (payments) on settled derivative contracts	2,853,916	1,865,779
Restricted stock award expense	1,307,686	1,228,871
Other	55,059	70,526
Cash provided (used) by changes in assets and liabilities:		
Natural gas, oil and NGL sales receivables	(171,464)	3,944,092
Income taxes receivable	82,968	(675,268)
Other current assets	131,854	405,055
Accounts payable	73,810	(228,305)
Other non-current assets	(138,508)	95,283
Income taxes payable	-	(576,427)
Accrued liabilities	42,994	(332,066)
Total adjustments	8,311,199	4,337,312
Net cash provided by operating activities	9,423,355	13,849,265
<b>Investing Activities</b>		
Capital expenditures	(35,726)	(275,419)
Acquisition of minerals and overriding royalty interests	(2,278,178)	(11,914,003)
Net proceeds from sales of assets	515,775	9,223,405
Net cash provided by (used in) investing activities	(1,798,129)	(2,966,017)
<b>Financing Activities</b>		
Borrowings under credit facility	1,000,000	6,000,000
Payments of loan principal	(5,000,000)	(15,550,000)
Payments on off-market derivative contracts	-	(560,162)
Purchases of treasury stock	-	(669)
Payments of dividends	(2,159,936)	(1,620,442)
Net cash provided by (used in) financing activities	(6,159,936)	(11,731,273)
Increase (decrease) in cash and cash equivalents	1,465,290	(848,025)
Cash and cash equivalents at beginning of period	806,254	2,115,652
Cash and cash equivalents at end of period	\$ 2,271,544	\$ 1,267,627
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Interest paid (net of capitalized interest)	\$ 1,409,711	\$ 1,155,637
Income taxes paid (net of refunds received)	\$ 243,130	\$ 1,473,696
<b>Supplemental Schedule of Noncash Investing and Financing Activities:</b>		
Dividends declared and unpaid	\$ 83,977	\$ 72,460
Gross additions to properties and equipment	\$ 2,357,409	\$ 12,952,046
Net increase (decrease) in accounts receivable for properties and equipment additions	(43,505)	(762,624)
Capital expenditures and acquisitions	\$ 2,313,904	\$ 12,189,422

## Derivative Contracts as of June 30, 2024

Contract period	Production volume covered per month	Index	Contract price
<b>Natural gas costless collars</b>			
July - September 2024	30,000 Mmbtu	NYMEX Henry Hub	\$3.00 floor / \$3.60 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
January 2025	55,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$4.40 ceiling
February 2025	25,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$4.40 ceiling
March 2025	35,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$4.40 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
November 2025 - March 2026	15,000 Mmbtu	NYMEX Henry Hub	\$3.50 floor / \$5.15 ceiling
<b>Natural gas fixed price swaps</b>			
July - October 2024	50,000 Mmbtu	NYMEX Henry Hub	\$3.17
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
<b>Oil costless collars</b>			
June 2024	1,650 Bbls	NYMEX WTI	\$63.00 floor / \$76.00 ceiling
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
<b>Oil fixed price swaps</b>			
June - October 2024	1,000 Bbls	NYMEX WTI	\$66.10
June 2024	1,300 Bbls	NYMEX WTI	\$70.59
July - October 2024	1,500 Bbls	NYMEX WTI	\$69.50
September 2024	500 Bbls	NYMEX WTI	\$76.46
October 2024	500 Bbls	NYMEX WTI	\$76.12
November 2024	500 Bbls	NYMEX WTI	\$75.49
November - December 2024	2,000 Bbls	NYMEX WTI	\$69.50
November 2024 - March 2025	1,600 Bbls	NYMEX WTI	\$64.80
December 2024	500 Bbls	NYMEX WTI	\$74.94
January 2025	500 Bbls	NYMEX WTI	\$74.48
January - March 2025	500 Bbls	NYMEX WTI	\$69.50
January - June 2025	2,000 Bbls	NYMEX WTI	\$70.90
February 2025	500 Bbls	NYMEX WTI	\$74.10
March 2025	500 Bbls	NYMEX WTI	\$73.71
April 2025	500 Bbls	NYMEX WTI	\$73.30
April - June 2025	750 Bbls	NYMEX WTI	\$69.50
April - June 2025	1,000 Bbls	NYMEX WTI	\$68.00
May 2025	500 Bbls	NYMEX WTI	\$72.92
June 2025	500 Bbls	NYMEX WTI	\$72.58
July 2025	500 Bbls	NYMEX WTI	\$72.24
July - September 2025	500 Bbls	NYMEX WTI	\$69.50
July - December 2025	1,500 Bbls	NYMEX WTI	\$68.90

August 2025	500 Bbls	NYMEX WTI	\$71.88
September 2025	500 Bbls	NYMEX WTI	\$71.60
October 2025	750 Bbls	NYMEX WTI	\$71.12
November 2025	750 Bbls	NYMEX WTI	\$70.99
December 2025	750 Bbls	NYMEX WTI	\$70.66
January 2026	1,500 Bbls	NYMEX WTI	\$70.53
February 2026	1,500 Bbls	NYMEX WTI	\$71.28
March 2026	1,500 Bbls	NYMEX WTI	\$70.42

### 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 June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Three Months Ended Mar. 31, 2024
<b>Net Income</b>	\$ 1,295,771	\$ (41,291)	\$ 1,112,156	\$ 9,511,953	\$ (183,615)
Plus:					
Income tax expense	355,151	(166,000)	397,483	2,901,000	42,332
Interest expense	651,982	524,294	1,366,868	1,081,767	714,886
DD&A	2,268,284	2,210,332	4,624,610	4,100,322	2,356,326
Impairment expense	-	-	-	2,073	-
Less:					
Non-cash gains (losses)					
on derivatives	(1,603,604)	(865,935)	(2,645,421)	2,306,464	(1,041,817)
Gains (losses) on asset sales	445,184	10,230	511,684	4,428,213	66,500
Plus:					
Cash payments on off-market derivative contracts	-	-	-	(373,745)	-
Restricted stock and deferred director’s expense	696,559	703,667	1,398,347	1,338,254	701,788
<b>Adjusted EBITDA</b>	<u>\$ 6,426,167</u>	<u>\$ 4,086,707</u>	<u>\$ 11,033,201</u>	<u>\$ 11,826,947</u>	<u>\$ 4,607,034</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 June 30, 2024	TTM Ended June 30, 2023
<b>Net Income</b>	\$ 5,521,003	\$ 22,016,554
Plus:		
Income tax expense	2,231,943	6,313,000
Interest expense	2,647,494	2,191,181
DD&A	9,090,473	7,452,846
Impairment expense	36,460	6,105,472
Less:		
Non-cash gains (losses) on derivatives	(649,354)	10,211,207
Gains (losses) on asset sales	812,230	8,921,031
Plus:		
Cash payments on off-market derivative contracts	-	(2,334,403)
Restricted stock and deferred director's expense	2,494,021	2,944,517
<b>Adjusted EBITDA</b>	<u>\$ 21,858,518</u>	<u>\$ 25,556,929</u>
Debt	\$ 28,750,000	\$ 23,750,000
<b>Debt-to-Adjusted EBITDA (TTM)</b>	1.32	0.93

**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 about the Company can be found at [www.phxmin.com](http://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](http://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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**NYSE: PHX**

# Investor Presentation

August 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](http://www.sec.gov).

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## 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.

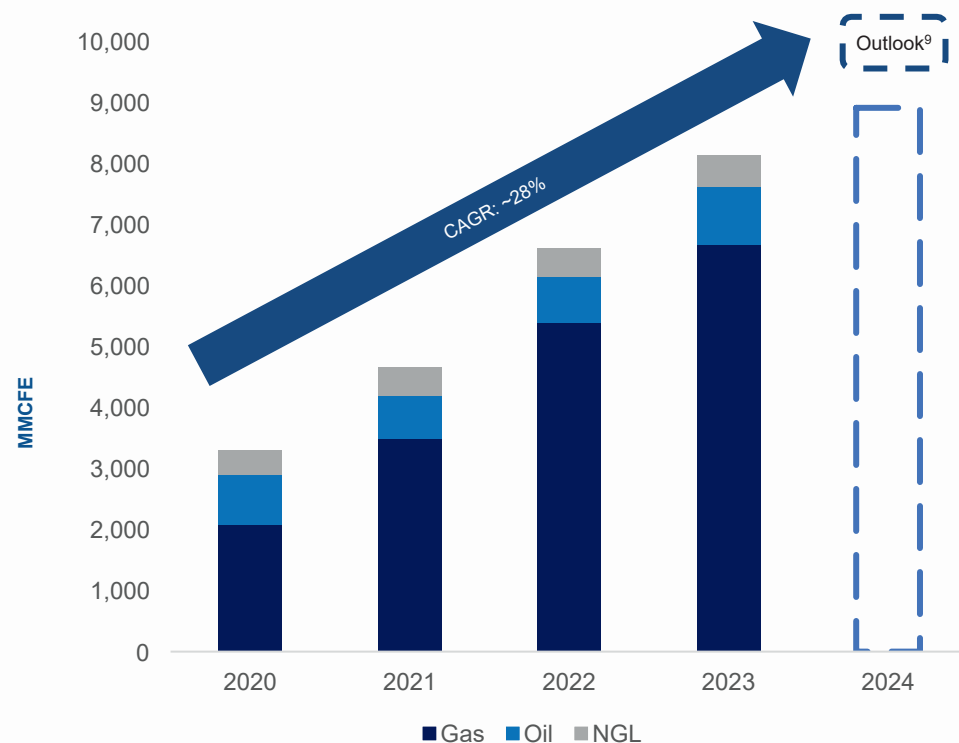
# Company Snapshot

## Key Statistics

\$ in millions

Market Cap <sup>1</sup>	\$123.2
Enterprise Value <sup>2</sup>	\$149.7
Liquidity <sup>3</sup>	\$27.3
Dividend Yield <sup>4</sup>	4.30%
Leverage <sup>5</sup>	1.32x
LTM Adjusted EBITDA <sup>6</sup>	\$21.9
LTM Discretionary Cash Flow Yield <sup>6</sup>	~16%
LTM ROCE <sup>6</sup>	~9%
Percent of 3P Reserves – Natural Gas <sup>7</sup>	~77%
Net Leased Royalty Acres <sup>8</sup>	89,712

## Sustainable Organic Royalty Production Growth



Source: Company information and Enverus

1 Based on \$3.29 per share as of 7/24/2024 and 37.4 million shares outstanding on a fully diluted basis as of 6/30/2024

2 Market Cap plus debt of \$28.8 million minus cash on hand of \$2.3 million as of 6/30/2024

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 \$0.14 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 6/30/2024 at 6/30/2024 SEC price deck of \$77.57 per bbl of oil, \$22.03 per bbl of NGL, \$2.23 per mcf of gas (proved volume weighted average price)

8 As of 6/30/2024; average royalty rate of ~16%; PHX also owns 168,028 unleased net mineral acres

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

# Strategy Execution

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## 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 June 30, 2024

- Royalty production volumes up ~278%
- 2P royalty reserves up ~151%
- Completed ~\$134 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%
- Divested ownership in 1,380 working interest wellbores

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### 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

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### Become a consolidator in the mineral space

- Allocate capital to generate the best possible returns to shareholders

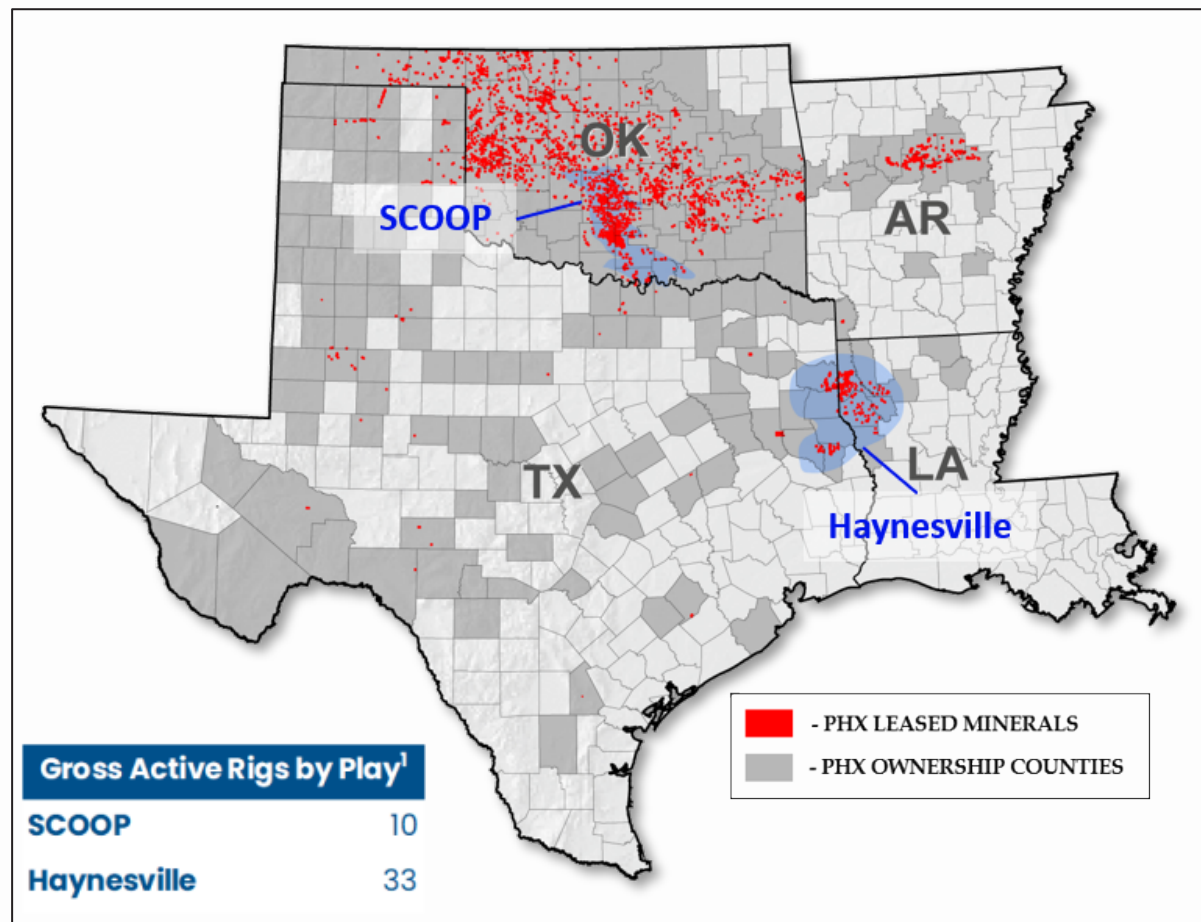
- Mineral acquisitions completed: 82
- Focus on smaller acquisition in targeted areas: ~\$1.6 million average deal size generates higher returns with less competition

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### Generate return on capital employed (ROCE)

- Generated annual ROCE<sup>1</sup> 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

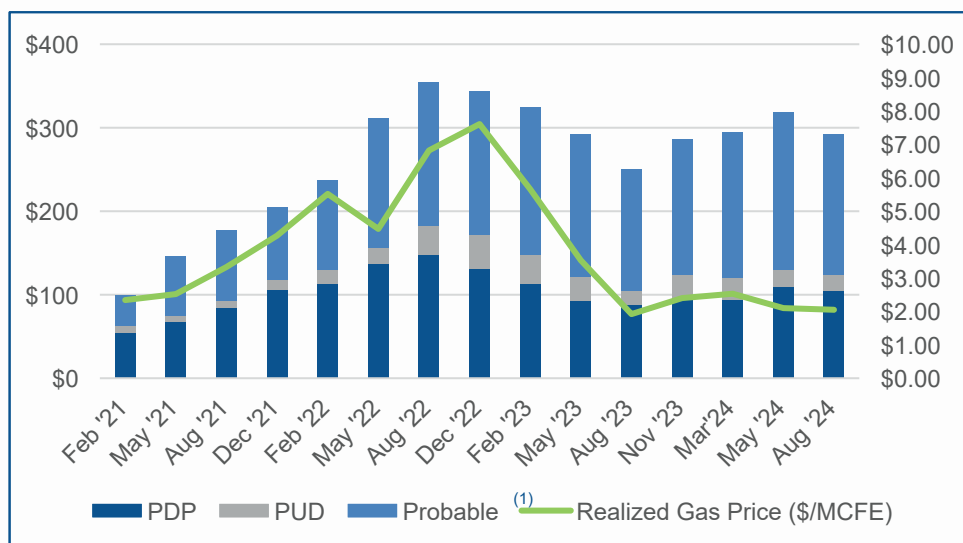
## Key Operators of PHX Minerals



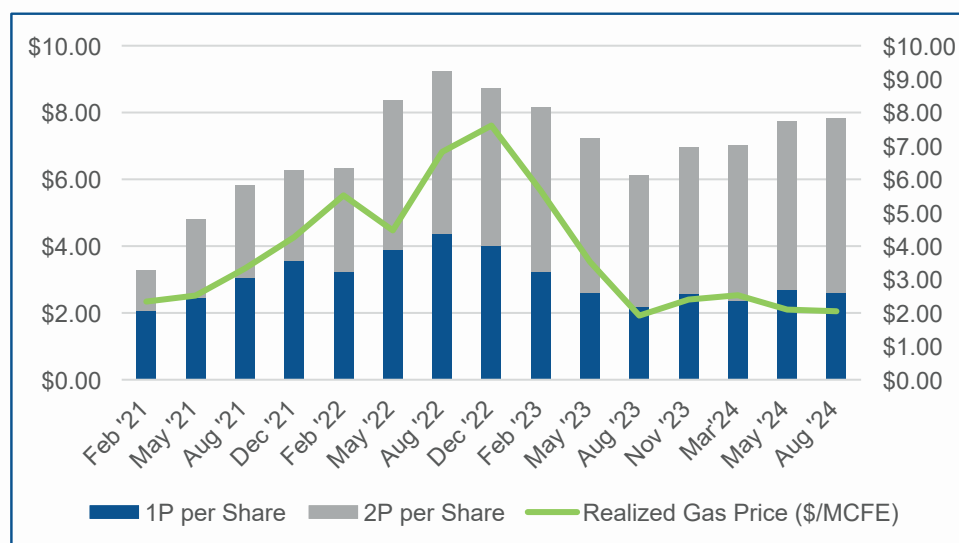
# Per Share NAV Continues to Grow

- 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)

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



**NAV per Share Net of Debt**

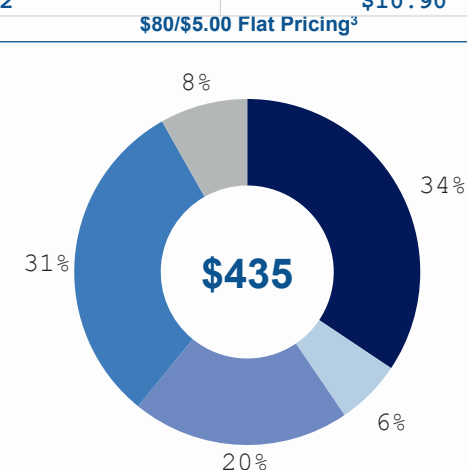
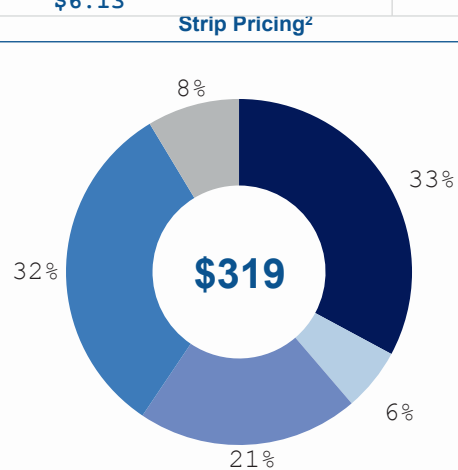
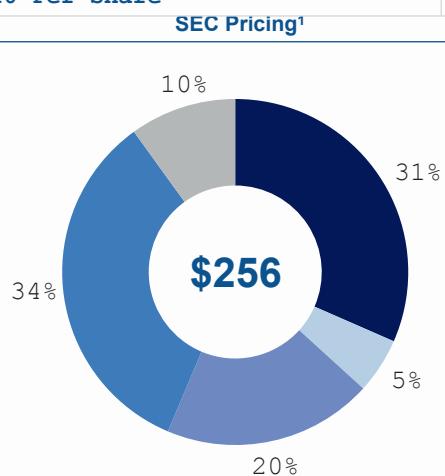


Next Twelve-Month NYMEX strip for oil and natural gas as of date reserves analysis was compiled

(1) Probable locations are currently being developed and converted to Producing (PDP) at an annual rate of approximately 300 gross wells per year (see slide 13, 14 and 15)

# NAV Per Share Net of Debt

Reserve Category	PV-10 Value (\$mm)		
	SEC <sup>1</sup>	Strip <sup>2</sup>	\$80 / \$5.00 <sup>3</sup>
PDP	\$80.8	\$104.9	\$149.4
Wells in Progress	\$9.3	\$13.1	\$18.8
Permits	\$4.0	\$5.6	\$7.8
<b>Total Proved Reserves</b>	<b>\$94.1</b>	<b>\$123.6</b>	<b>\$176.0</b>
Technical PUDs <sup>4</sup>	\$50.2	\$66.1	\$88.5
<b>Adjusted Proved Reserves</b>	<b>\$144.4</b>	<b>\$189.6</b>	<b>\$264.6</b>
PROB <sup>5</sup>	\$86.3	\$101.9	\$134.5
POSS <sup>5</sup>	\$25.5	\$27.5	\$35.6
<b>Total 3P Reserves</b>	<b>\$256.1</b>	<b>\$319.1</b>	<b>\$434.7</b>
<b>NAV per Share Net of Debt</b>			
Proved PV-10 Per Share <sup>6</sup>	\$1.81	\$2.59	\$3.99
Adjusted Proved PV-10 Per Share <sup>6</sup>	\$3.15	\$4.36	\$6.36
2P PV-10 Per Share <sup>6</sup>	\$5.45	\$7.08	\$9.95
3P PV-10 Per Share <sup>6</sup>	\$6.13	<del>\$7.82</del>	\$10.90



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

1 3P Reserves per CGA Year End 2023 report proforma acquisitions, divestitures, and activity as of 6/30/2024 at 6/30/2024 SEC price deck of \$77.57 per bbl of oil, \$22.03 per bbl of NGL, \$2.23 per mcf of gas (proved volume weighted average price)

2 3P Reserves per CGA Year End 2023 report proforma acquisitions, divestitures, and activity as of 6/30/2024 at 7/12/2024 STRIP price of WTI/HH 2024: \$80.14/\$2.66, 2025: \$75.18/\$3.37, 2026: \$71.04/\$3.73, 2027: \$68.43/\$3.78, 2028: \$66.8/\$3.72, 2029: \$65.68/\$3.67, 2030: \$64.93/\$3.63, 2031: \$64.52/\$3.67, 2032: \$64.39/\$3.59, 2033: \$64.2/\$3.63, 2034: \$64.09/\$3.7, 2035: \$64.07/\$3.8, 2036+: \$64.07/\$3.89.

3 3P Reserves per CGA Year End 2023 report proforma acquisitions, divestitures, and activity as of 6/30/2024 flat price deck of \$80.00 WTI / \$5.00 HH.

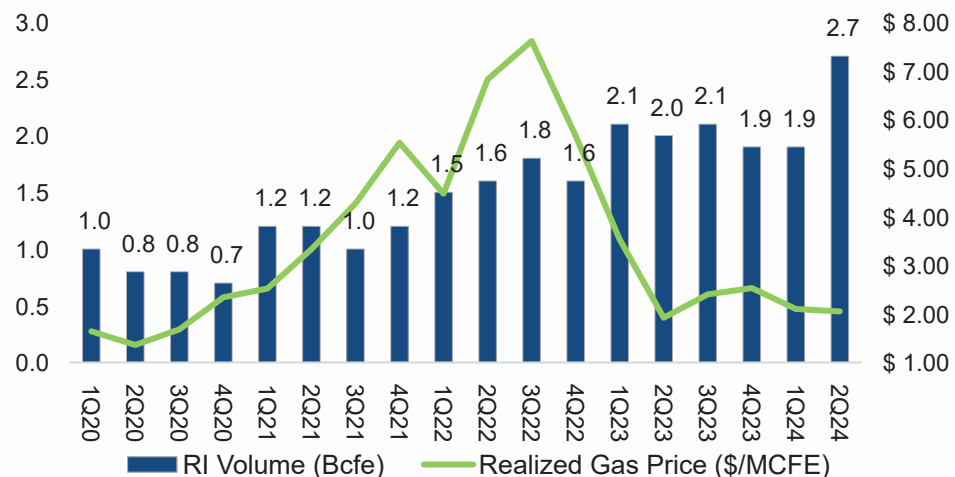
4 Technical PUDs, reviewed and approved by Cawley, Gillespie and Associates, Inc., share all technical merits of PUDs but development timing is uncertain, therefore Technical PUDs are not included in PHX's SEC Proved Reserve Report. However, PHX Technical PUDs may be PUDs in their respective operator's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

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

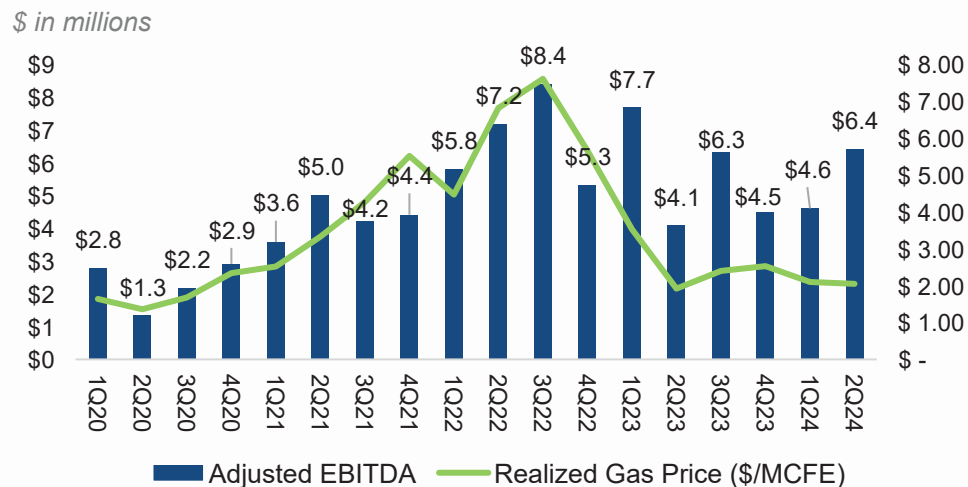
6 Un-risked PV-10 less net debt of \$26.5 MM as of 6/30/2024 divided by total shares outstanding as of 6/30/2024

# Royalty Cash Flow Driving Shareholder Value

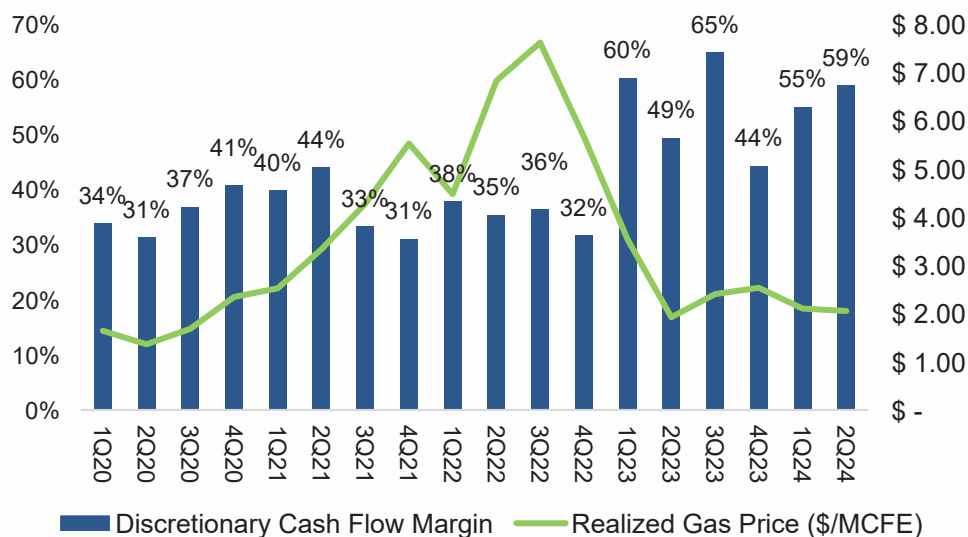
## Royalty Production and Realized Natural Gas Price



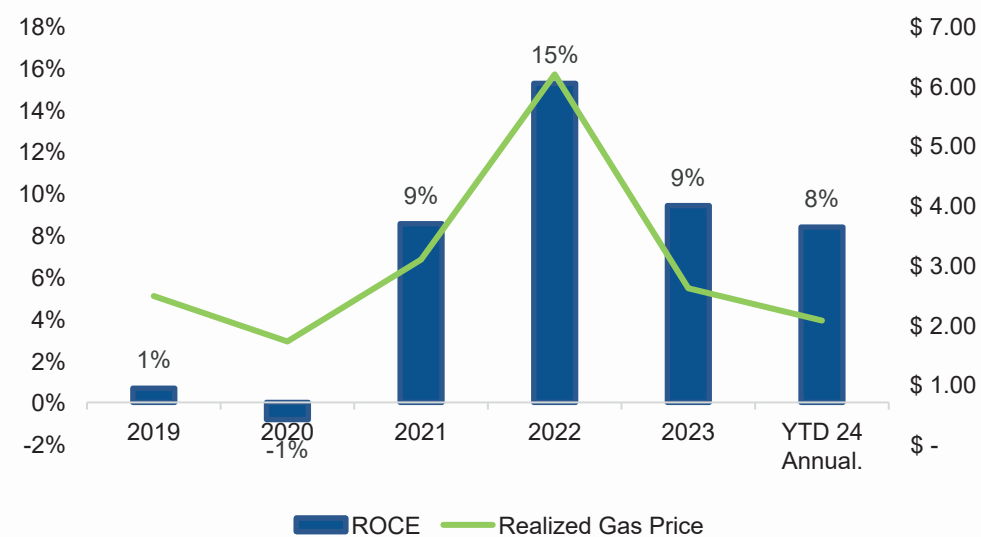
## Adjusted EBITDA<sup>1</sup>



## Discretionary Cash Flow Margin<sup>2</sup>



## Return on Capital Employed<sup>3</sup>



Source: Company filings ; All quarters are in Calendar Year

<sup>1</sup> 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

<sup>2</sup> Calculated as Adjusted EBITDA minus interest expense divided by total oil and gas sales

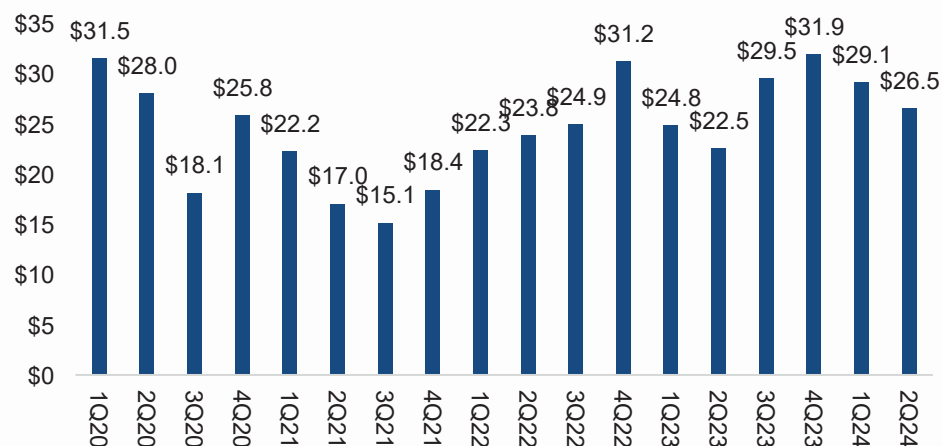
<sup>3</sup> See Non-GAAP reconciliation in Appendix



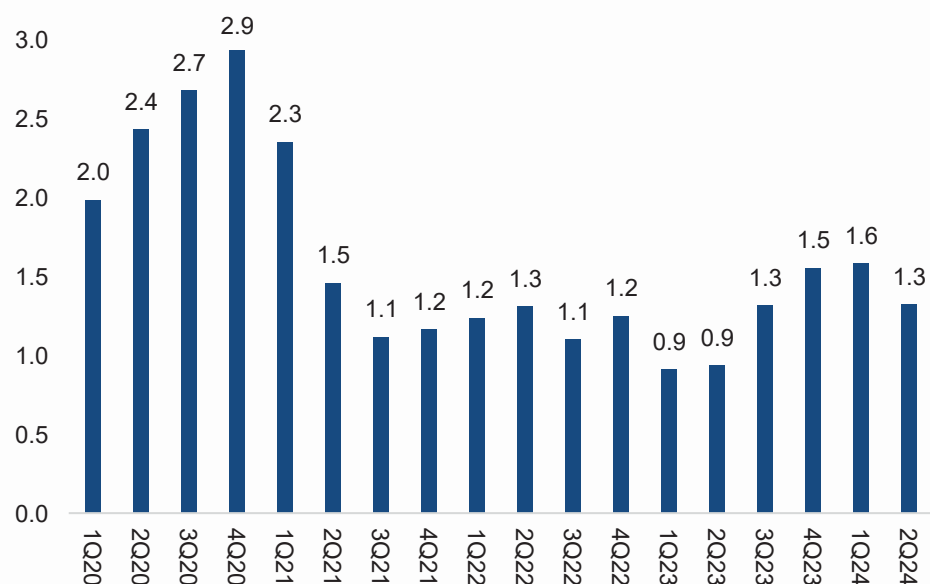
# Stable Balance Sheet & Ample Liquidity

## Net Debt <sup>1</sup>

\$ in millions



## Debt / Adjusted EBITDA<sup>2</sup> (TTM)



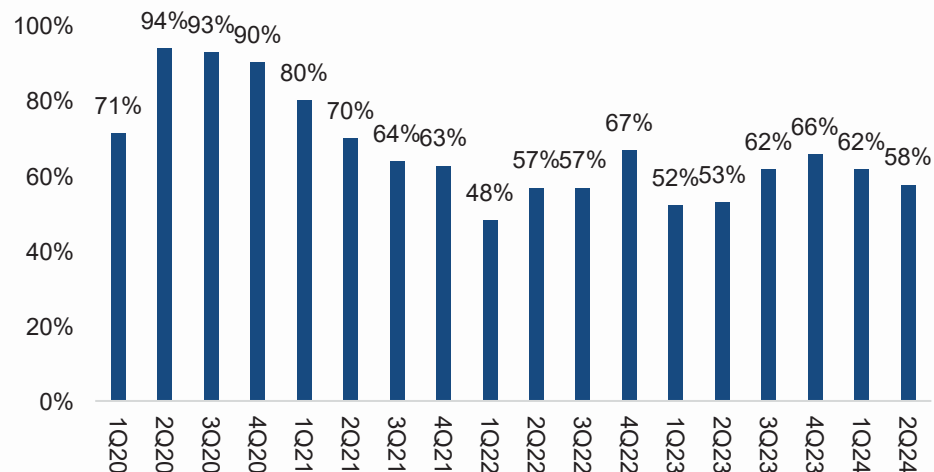
Source: Company filings ; All quarters are in Calendar Year

<sup>1</sup> Total debt less cash

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

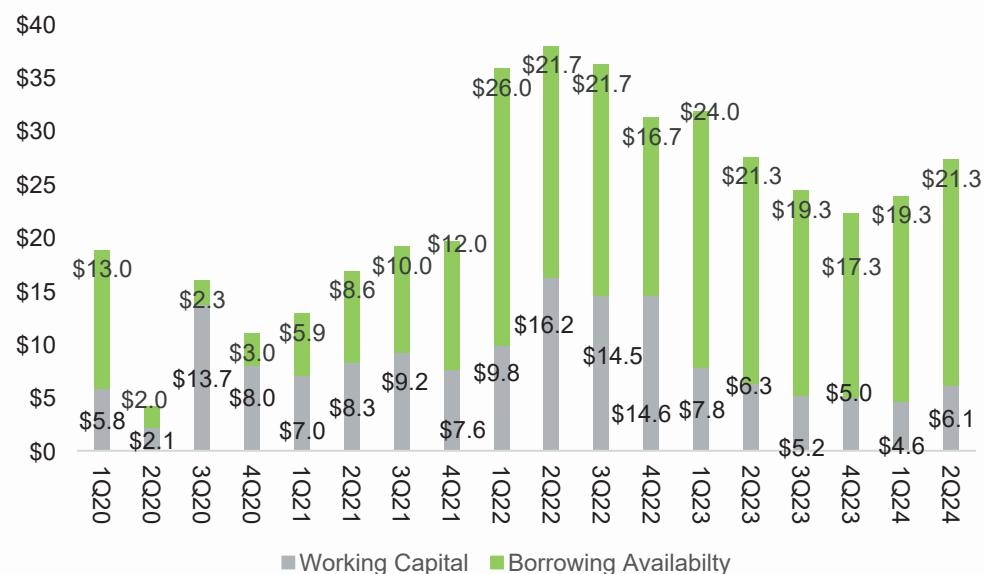
<sup>3</sup> Calculated as working capital (current assets less current liabilities excluding current derivatives) plus availability on the borrowing base; See Non-GAAP reconciliation in Appendix

## Percentage Drawn on Credit Facility Advance Rate



## Liquidity<sup>3</sup>

\$ in millions



■ Working Capital ■ Borrowing Availability



# 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	June 30, 2024 YTD Actual	Cal. Year 2024 Outlook
Mineral & Royalty Production (Mmcfe)	6,613	8,123	4,566	8,700 – 9,100
Working Interest Production (Mmcfe)	3,084	1,256	518	1,000 – 1,200
<b>Total Production (Mmcfe)</b>	<b>9,697</b>	<b>9,379</b>	<b>5,084</b>	<b>9,700 – 10,300</b>
Percentage Natural Gas	78%	80%	82%	79% - 82%
Transportation, Gathering & Marketing (per mcfe)	\$0.63	\$0.39	\$0.47	\$0.40 - \$0.50
Production Tax (as % of pre-hedge sales)	4.50%	5.20%	5.90%	5.25% - 6.25%
LOE Expenses (on an absolute basis in 000's)	\$3,807	\$1,599	\$627	\$1,100 - \$1,300
Cash G&A(1) (on an absolute basis in 000's)	\$9,900	\$9,500	\$4,683	\$9,500 - \$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	<b>~\$22 Million</b>	<b>~\$40 Million</b>
	\$90	<b>~\$25 Million</b>	<b>~\$44 Million</b>

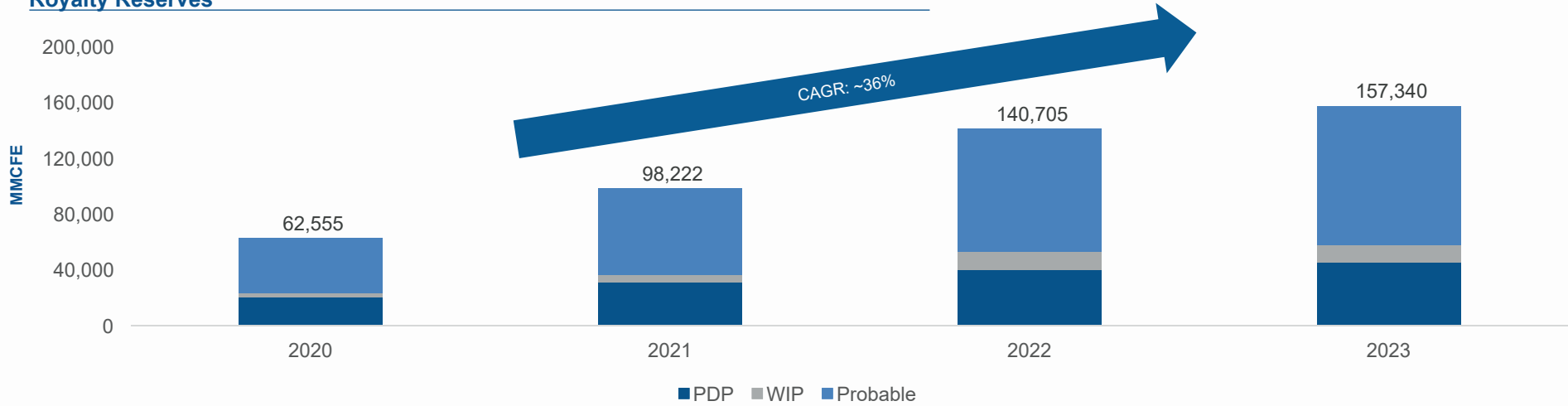
## Key Assumptions

- 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

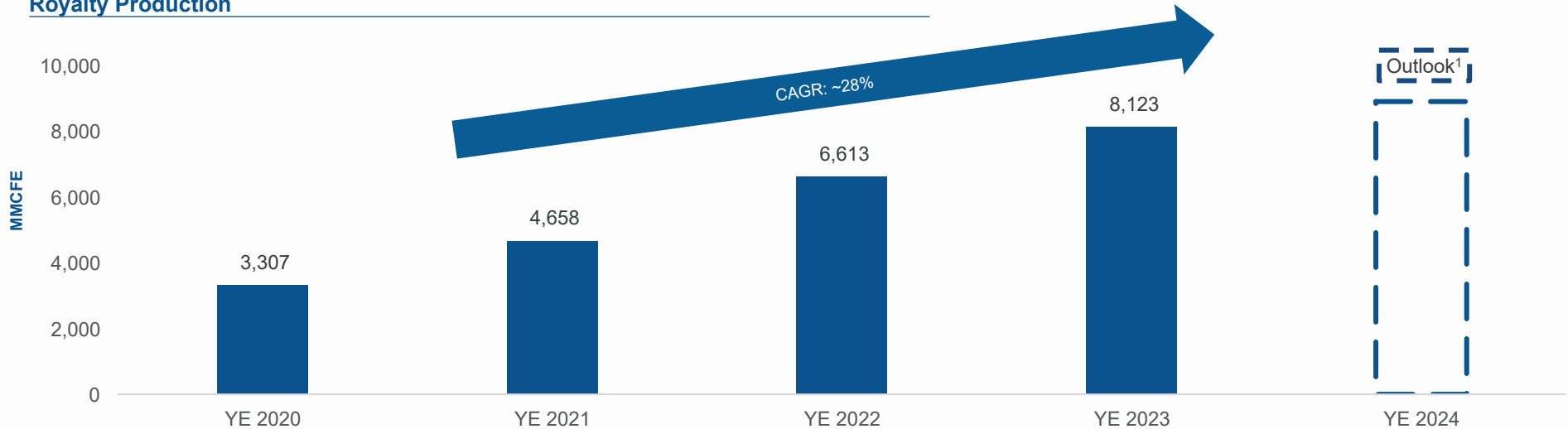
# Royalty Reserve Growth

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

## Royalty Reserves



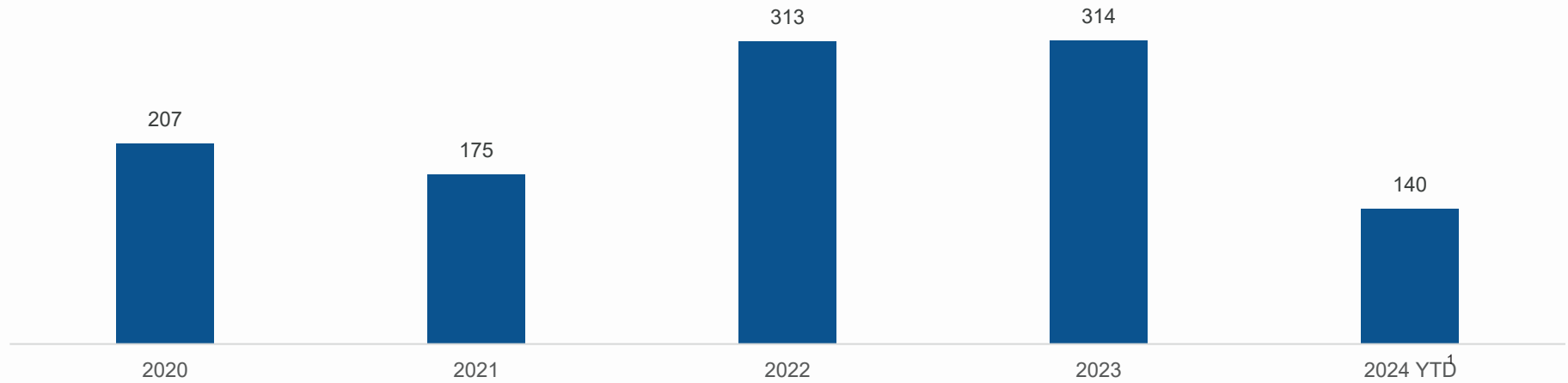
## Royalty Production



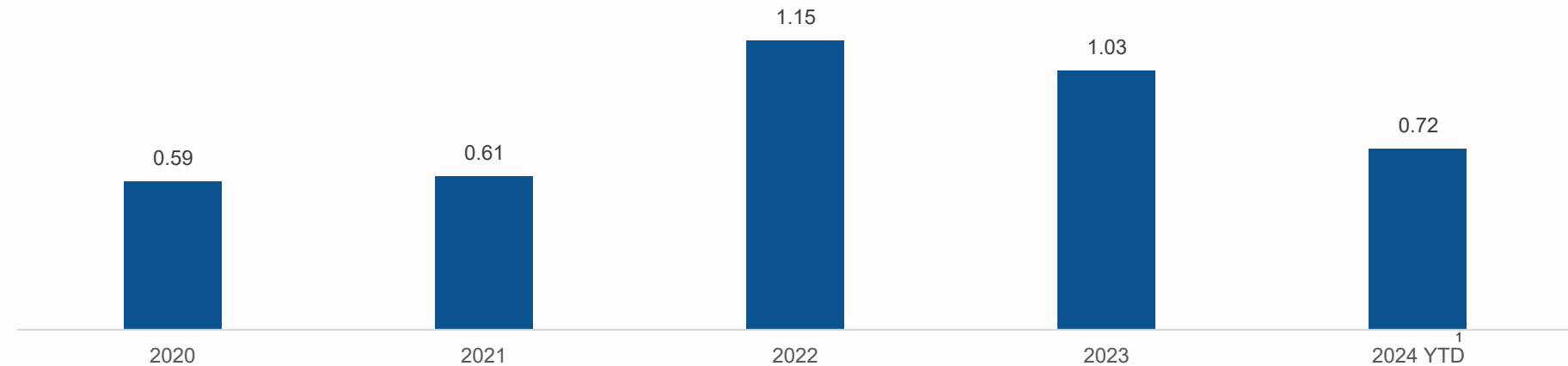
# Yearly Conversions To Producing Wells

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

## Gross Conversions



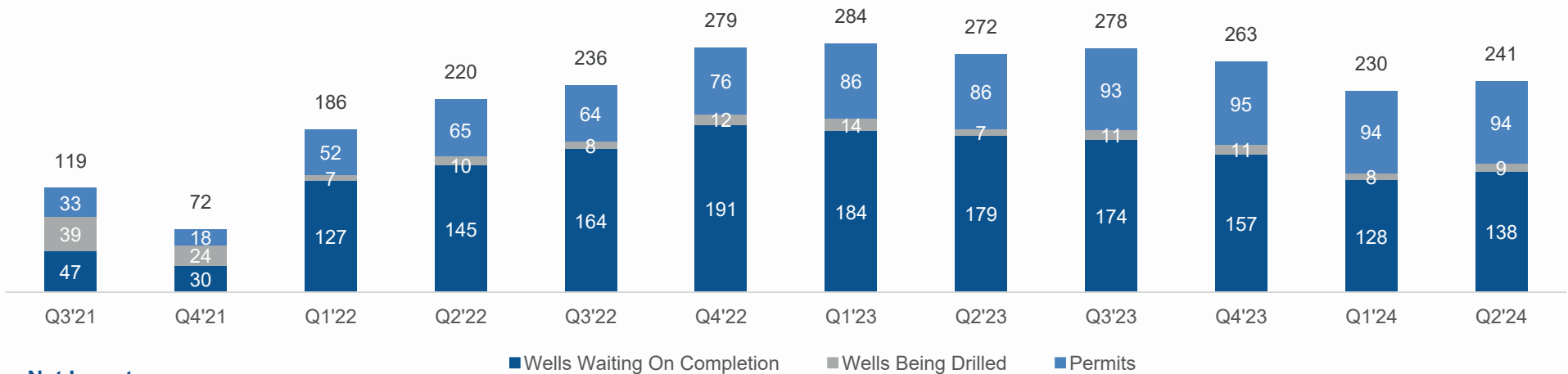
## Net Conversions



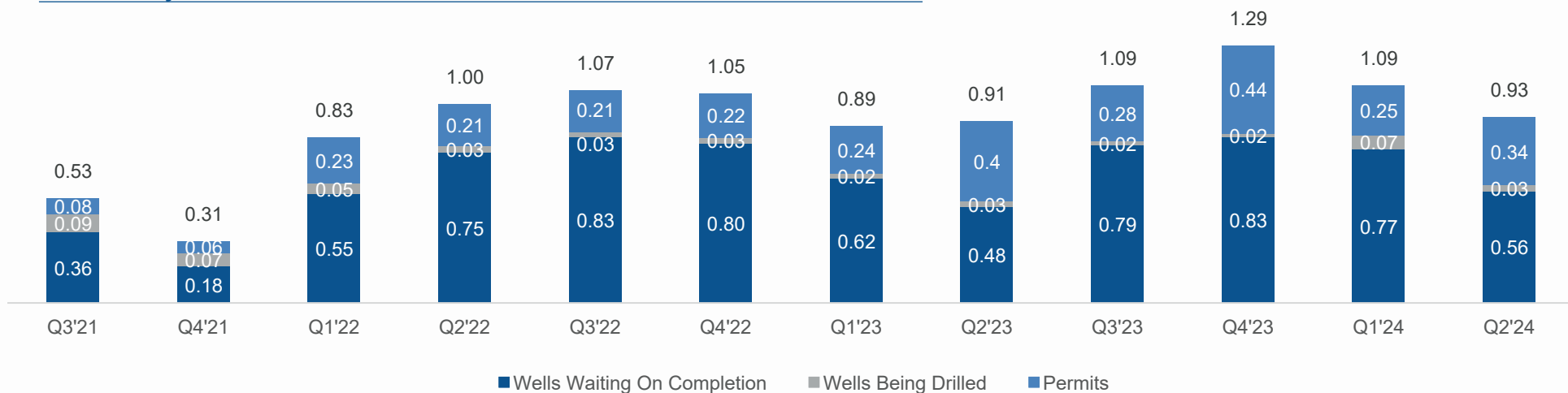
# Quarterly Near-Term Drilling Inventory

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

## Gross Inventory



## Net Inventory

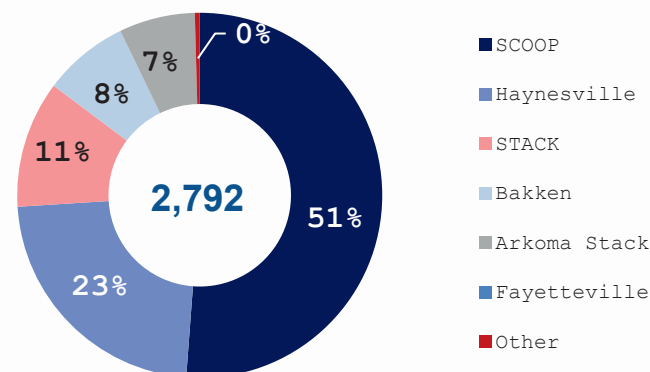
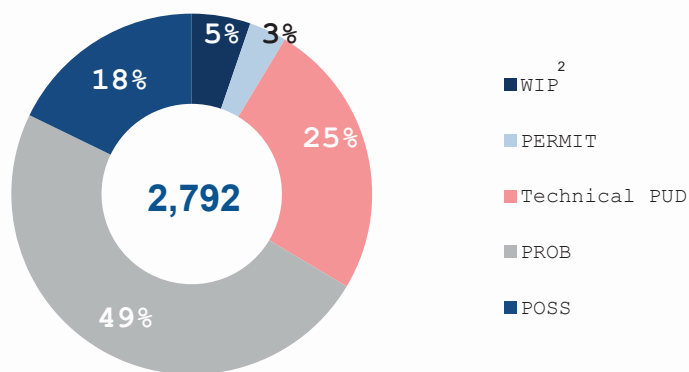


# Royalty Interest Inventory by Basin

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

Sub-region	Gross PDP Wells <sup>1</sup>	Net PDP Wells <sup>1,3</sup>	Undeveloped Locations <sup>1</sup>									
			Gross Wells In Progress <sup>2</sup>	Net Wells in Progress <sup>3</sup>	Gross Permits	Net Permits <sup>3</sup>	Gross Technical PUDs <sup>4</sup>	Net Technical PUDs <sup>3,4,5</sup>	Gross PROB	Net PROB <sup>3,5</sup>	Gross POSS	Net POSS <sup>3,5</sup>
SCOOP	1,200	5.018	74	.252	35	.151	247	0.975	732	2.110	341	1.230
Haynesville	650	3.789	58	.296	35	.112	312	1.031	228	0.631	4	0.003
STACK	420	1.802	7	0.009	6	0.007	71	0.391	170	1.039	60	0.576
Bakken	634	1.861	2	0.001	3	0.003	65	0.233	133	0.828	9	0.146
Arkoma Stack	531	4.763	3	0.015	7	0.030	1	0.001	94	1.710	83	0.924
Fayetteville	1,073	6.454	0	0.000	0	0.000	0	0	0	0	0	0
Other	2,033	16.669	3	0.016	8	0.035	0	0	1	0.000	0	0
<b>Total</b>	<b>6,541</b>	<b>40.356</b>	<b>147</b>	<b>0.589</b>	<b>94</b>	<b>0.338</b>	<b>696</b>	<b>2.632</b>	<b>1,358</b>	<b>6.318</b>	<b>497</b>	<b>2.879</b>

## Gross Undeveloped Locations



Note:

1 As of 6/30/2024

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

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

# Appendix



# Company Leadership

Management Team	Title	Years with Company	Experience
<b>Chad Stephens</b>	President, CEO and Board Director	5	<ul style="list-style-type: none"> <li>• CEO for PHX since 2019</li> <li>• SVP –Corporate Development of Range Resources for 30 years until retiring in 2018</li> <li>• B.A. in Finance and Land Management from University of Texas</li> </ul>
<b>Ralph D’Amico</b>	Executive Vice President, CFO	5	<ul style="list-style-type: none"> <li>• CFO for PHX since 2020</li> <li>• 20 years of investment banking experience</li> <li>• Bachelor’s in Finance from University of Maryland; MBA from George Washington University</li> </ul>
<b>Chad True</b>	S.V.P. of Accounting	4	<ul style="list-style-type: none"> <li>• &gt;16 years of accounting experience</li> <li>• Audit and accounting positions with Grant Thornton LP, Tiptop Oil &amp; Gas and Wexford Capital LP</li> <li>• B.S. and Masters in Accounting from Oklahoma State University</li> </ul>
<b>Danielle Mezo</b>	V.P. of Engineering	3	<ul style="list-style-type: none"> <li>• &gt;14 years reservoir engineer experience</li> <li>• Reservoir engineer, acquisitions, and corporate planning positions at SandRidge Energy</li> <li>• B.S. in Petroleum Engineering from University of Oklahoma and licensed Professional Engineer</li> </ul>
<b>Kenna Clapp</b>	V.P. of Land	3	<ul style="list-style-type: none"> <li>• &gt;14 years of land experience</li> <li>• Various land positions with Chesapeake Energy in Haynesville, Eagleford, Mid-Continent and Barnett shales</li> <li>• B.S. in Accounting and Finance from Oklahoma State University; JD from Oklahoma City University</li> </ul>
<b>Taylor McClain</b>	V.P. of Geology	<1	<ul style="list-style-type: none"> <li>• &gt;10 years of experience across multiple basins including Appalachia, Haynesville, Permian and Mid-Continent</li> <li>• Various exploration and production Geologist positions with Range Resources, UBS and Redfield Energy</li> <li>• B.S. in Geoscience from Pennsylvania State University and a Masters in Geology from West Virginia University</li> </ul>

Board of Directors	Title	Years with Company	Experience
<b>Mark T. Behrman</b>	Chairman	7	<ul style="list-style-type: none"> <li>• CEO of LSB Industries, Inc. since 2018</li> <li>• Managing Director and Head of Investment Banking of the Industrial and Energy Practices of Sterne Agee from 2007 to 2014</li> <li>• MBA in Finance from Hofstra University and B.S. in Accounting, Minor in Finance from Binghamton University</li> </ul>
<b>Glen A. Brown</b>	Director	3	<ul style="list-style-type: none"> <li>• SVP – Exploration for Continental Resources from 2015 through 2017</li> <li>• Exploration manager for EOG Resources Midcontinent from 1991 through 2003</li> <li>• Bachelor’s in Geology from State University of New York; Master’s in Geology from New Mexico State University in Las Cruces</li> </ul>
<b>Lee M. Canaan</b>	Director	8	<ul style="list-style-type: none"> <li>• Founder and portfolio manager of Braeburn Capital Partners, LLC</li> <li>• Board member for EQT Corporation and Aethon Energy, LLC</li> <li>• Bachelor’s in Geological Sciences from USC, Master’s in Geophysics from UT-Austin, and MBA in Finance from Wharton</li> </ul>
<b>Steven L. Packebush</b>	Director	2	<ul style="list-style-type: none"> <li>• Founder and partner in Elevar Partners, LLC</li> <li>• President of Koch Ag &amp; Energy Solutions upon his retirement in 2018 after 30 years with the company</li> <li>• Bachelor’s in agricultural economics from Kansas State</li> </ul>
<b>John H. Pinkerton</b>	Director	3	<ul style="list-style-type: none"> <li>• CEO of Range Resources Corporation from 1992 through 2012</li> <li>• Executive Chairman and Chairman of Board of Directors for Encino Energy from 2017 through 2022</li> <li>• B.A. in Business Administration from Texas Christian University; Master’s from the University of Texas at Arlington</li> </ul>

# Portfolio Overview by Basin

	Scoop	Haynesville	Bakken	Stack	Arkoma	Fayetteville	Other	Total
<b>Production Mix</b> 								
<b>Net Production (MMcfe/d)<sup>1,3</sup></b>	4.42	19.55	1.51	2.74	1.08	0.93	2.38	<b>32.61</b>
<b>Leased Net Royalty Acres<sup>1,2</sup></b>	9,677	8,355	4,026	6,642	9,894	8,394	42,724	<b>89,712</b>
<b>Permits on File<sup>1</sup></b>	35	35	3	6	7	-	8	<b>94</b>
<b>Rigs Running on PHX Acreage<sup>4</sup></b>	7	4	-	3	1	-	-	<b>15</b>
<b>Rigs Running Within 2.5 miles of PHX Acreage<sup>4</sup></b>	10	23	6	11	1	-	9	<b>60</b>
<b>Key Operators</b>	   	   	 	   	  	 	  	   

# Texas / Louisiana 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 TX / LA AOI Haynesville Ownership<sup>1</sup>: 7,365 NRA (total PHX Haynesville ownership 8,355 NRA)
  - Gross Wells In Progress on PHX<sup>1,2</sup>: 49 (total PHX Haynesville gross active permits 58)
  - Gross Active Permits on PHX<sup>1,3</sup>: 35 (total PHX Haynesville gross active permits 35)
  - Total Active Rigs in TX / LA AOI<sup>4</sup>: 29

## Notable Well Results

### 1 AETHON | BURNS FOREST / MOJO MINERALS DSU | 5 WELL AVG

1st Prod	1/2024	PHX NRI	4.667%
LL	9,800'	IP24hr	21.8 MMCFPD
NRM PROP	4,700 #/FT	IP30	11.7 MMCFPD

### 2 CHESAPEAKE | L 14-23-26-35 HC 001

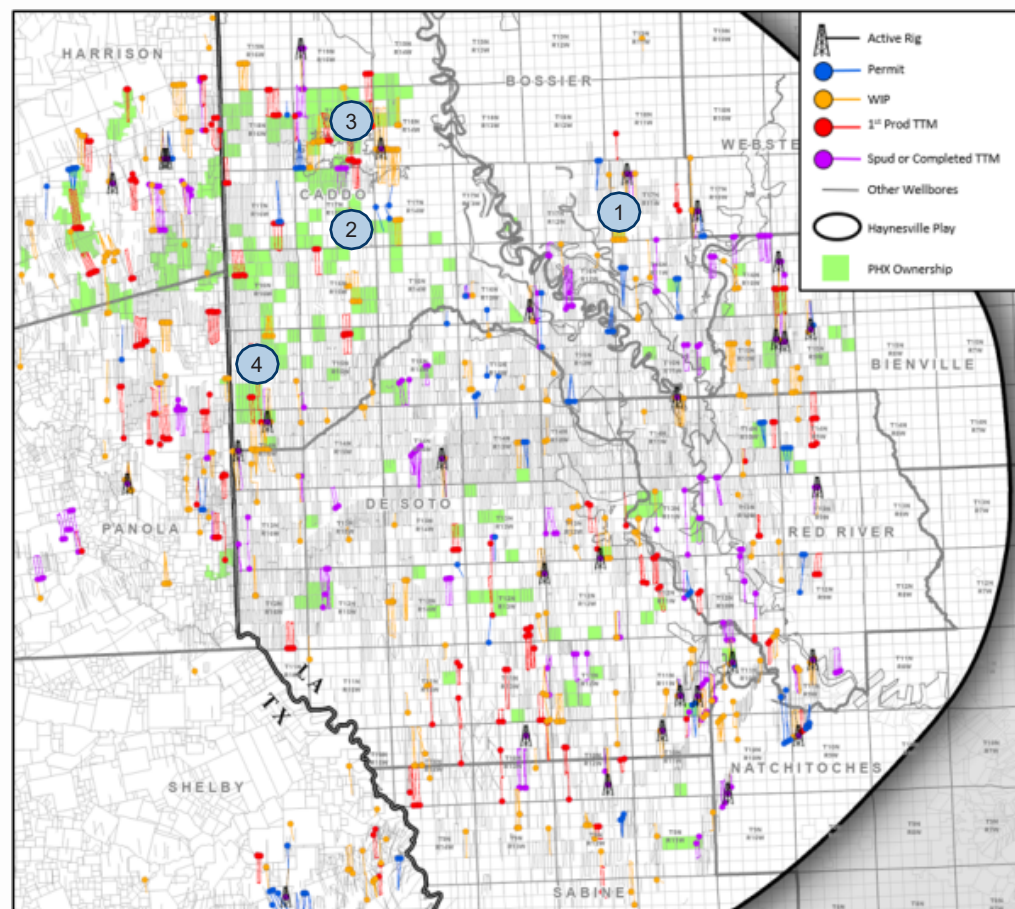
1st Prod	3/2024	PHX NRI	0.416%
LL	10,450'	IP24hr	39.5 MMCFPD
NRM PROP	4,200 #/FT	IP30	32.2 MMCFPD

### 3 TRINITY | BYRD 23-26-35 | 3 WELL AVG

1st Prod	3/2024	PHX NRI	0.350%
LL	10,450'	IP24hr	18.2 MMCFPD
NRM PROP	4,200 #/FT	IP30	12.5 MMCFPD

### 4 CHESAPEAKE | ARK 9&16&21-15-16HC 001

1st Prod	1/2024	PHX NRI	0.563%
LL	12,500'	IP24hr	30.7 MMCFPD
NRM PROP	3,900 #/FT	IP30	25.9 MMCFPD



Source: Company info and Enverus

1 As of 6/30/2024

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

3 Active natural gas and oil horizontal permits filed

4 Rig data from Enverus as of 07/08/2024

# 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 Ownership<sup>1</sup>: 990 NRA (total PHX Haynesville ownership 8,355 NRA)
  - Gross Wells In Progress on PHX<sup>1,2</sup>: 9 (total PHX Haynesville gross active permits 58)
  - Gross Active Permits on PHX<sup>1,3</sup>: 0 (total PHX Haynesville gross active permits 35)
  - Total Active Rigs in South Texas AOI<sup>4</sup>: 4

## Notable Well Results

### 1 AETHON | SILVER HAMMER / PATZAKIS | 4 WELL AVG

1st Prod	6/2023	PHX NRI	0.490%
LL	8,200'	IP24hr	21.8 MMCFPD
NRM PROP	4,800 #/FT	IP30	15.6 MMCFPD

### 2 AETHON | ATTOYAC RIVER GAS UNIT | 4 WELL AVG

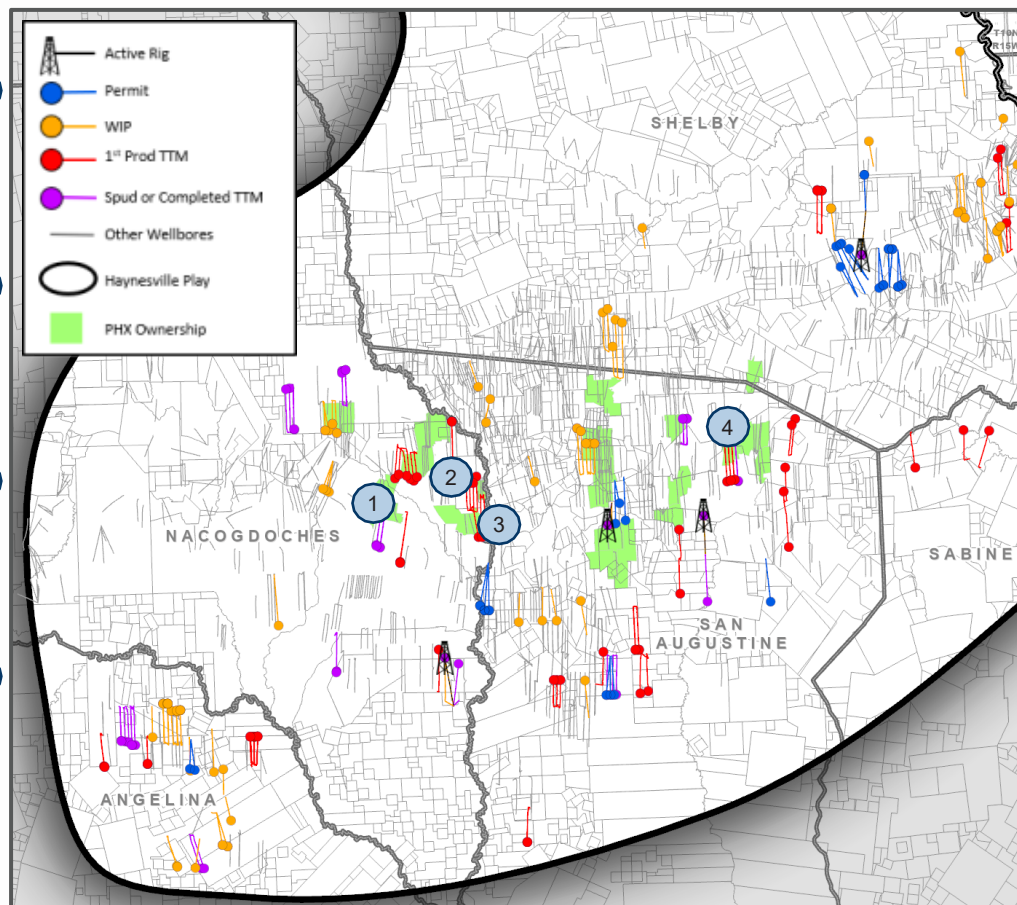
1st Prod	10/2023	PHX NRI	0.286% <sup>5</sup>
LL	6,400'	IP24hr	21.1 MMCFPD
NRM PROP	4,500 #/FT	IP30	12.5 MMCFPD

### 3 AETHON | ATTOYAC RIVER - SCOGGINS GAS UNIT | 3 WELL AVG

1st Prod	10/2023	PHX NRI	0.184%
LL	8,600'	IP24hr	22.8 MMCFPD
NRM PROP	4,500 #/FT	IP30	15.3 MMCFPD

### 4 AETHON | CLARK - ARMSTRONG UNIT | 5 WELL AVG

1st Prod	5/2024	PHX NRI	0.138%
LL	10,900'	IP24hr	16.8 MMCFPD
NRM PROP	4,400 #/FT	IP30	11.6 MMCFPD



# 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 Ownership<sup>1</sup>: 4,035 NRA
  - Gross Wells In Progress on PHX<sup>1,2</sup>: 29
  - Gross Active Permits on PHX<sup>1,3</sup>: 6
  - Gross Active Rigs in Springboard III<sup>4</sup>: 4

## Notable Well Results

**CONTINENTAL | HONDO 3-22-15XHM | SYCAMORE**

1st Prod	02/2024	PHX NRI	2.584% <sup>5</sup>
LL	9,900'	IP30	3,400 BOE/PD
NRM PROP	2,500 #/FT	% OIL	87%

**CONTINENTAL | SUNDANCE KID 3-23-26-35XHM | SYCAMORE**

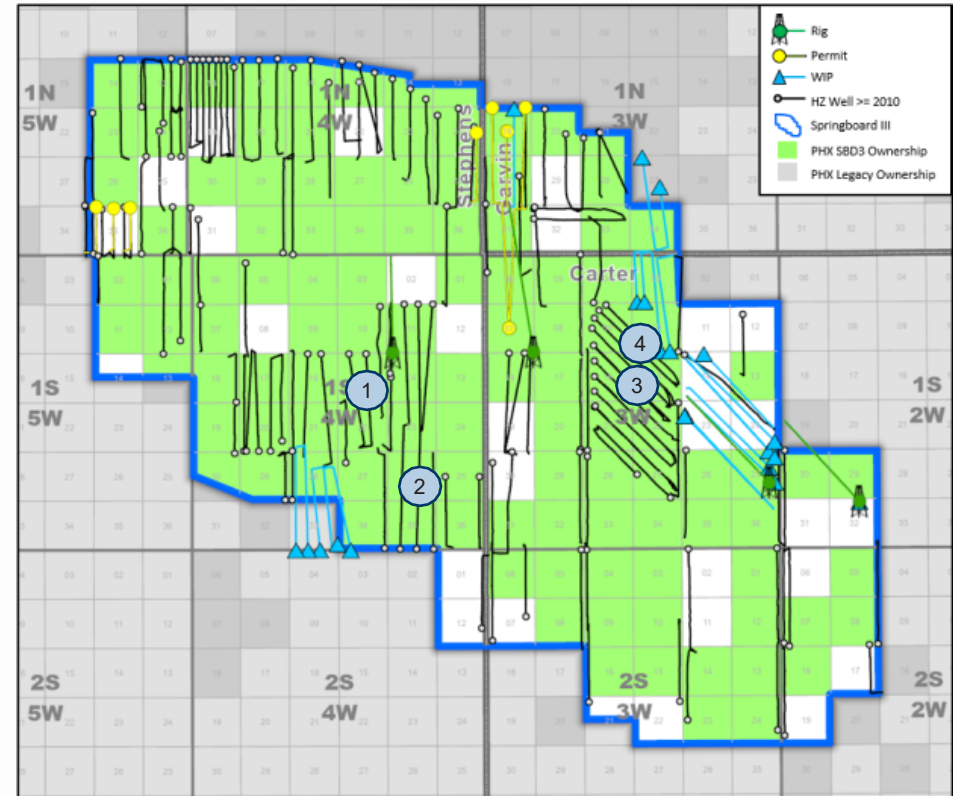
1st Prod	03/2024	PHX NRI	2,150 BOE/PD
LL	0.473% <sup>5</sup>	IP30	79%
NRM PROP	12,400'	2'500 #/FT	% OIL

**CONTINENTAL | COURBET 7-22-9XHW | WOODFORD**

1st Prod	03/2023	PHX NRI	0.363%
LL	10,700'	IP30	2,340 BOE/PD
NRM PROP	2,500 #/FT	% OIL	52%

**CONTINENTAL | COURBET 16-15-9XHM | SYCAMORE**

1st Prod	03/2023	PHX NRI	0.771%
LL	11,200'	IP30	3,230 BOE/PD
NRM PROP	2,500 #/FT	% OIL	78%



Source: Company info and Enverus

1 As of 6/30/2024

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

3 Active natural gas and oil horizontal permits filed

4 Rig data from Enverus as of 07/08/2024

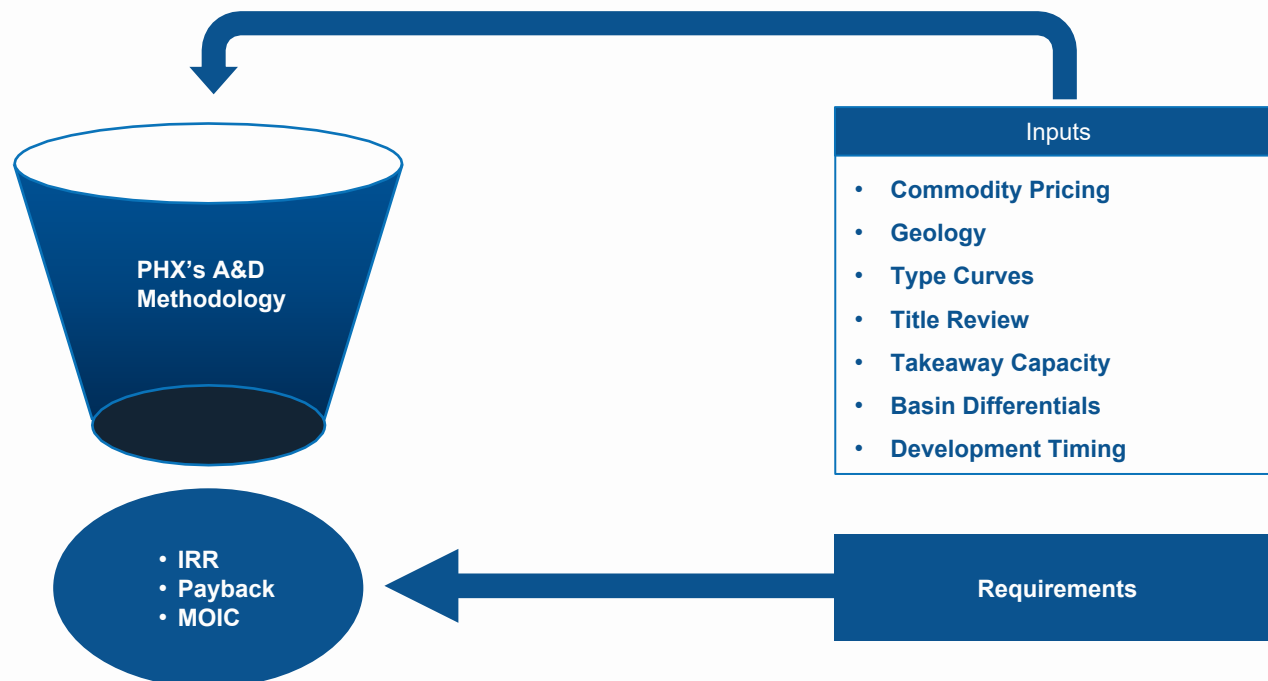
5 NRIs are internal estimates and are subject to confirmation from operator





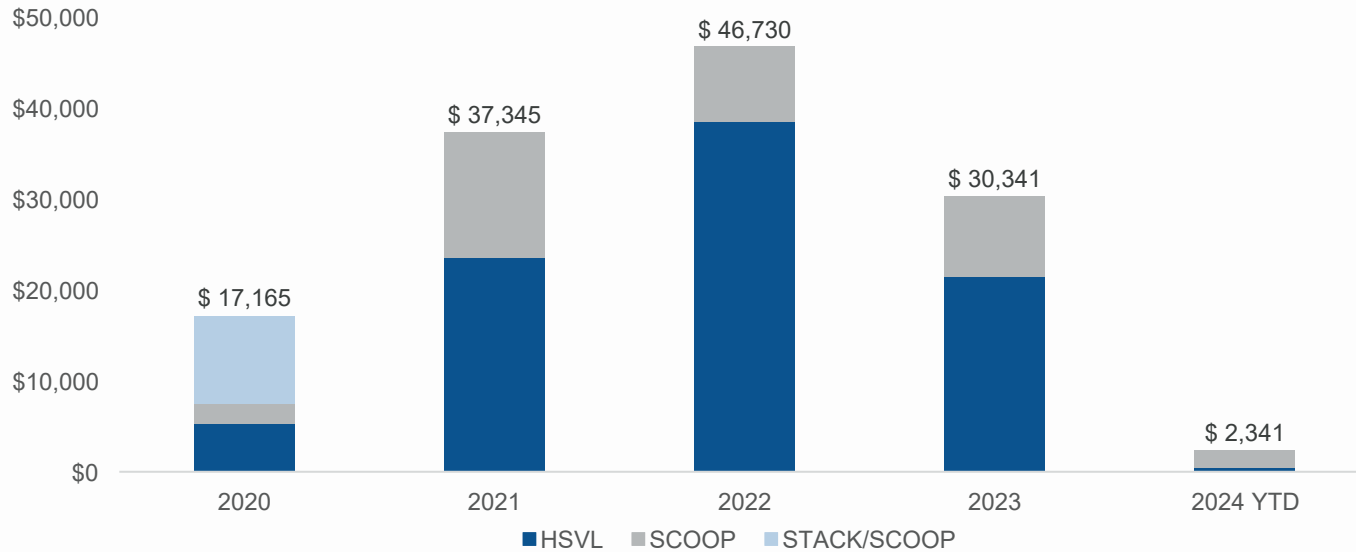
# Robust Acquisition Process

- 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)



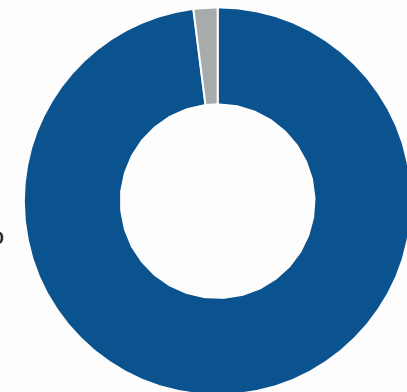
- Focused on highest quality rock in the SCOOP and Haynesville plays
- Targeting a mix of production, near term development opportunities via wells in progress and additional upside potential under high quality operators
- \$35.1M in acquisitions in SCOOP and \$89.1M in Haynesville since Q1 of 2020

## Positioned For Growth Through Acquisitions

- Total domestic US mineral market estimated at ~\$0.5 - 1 trillion<sup>(2)</sup>
  - 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

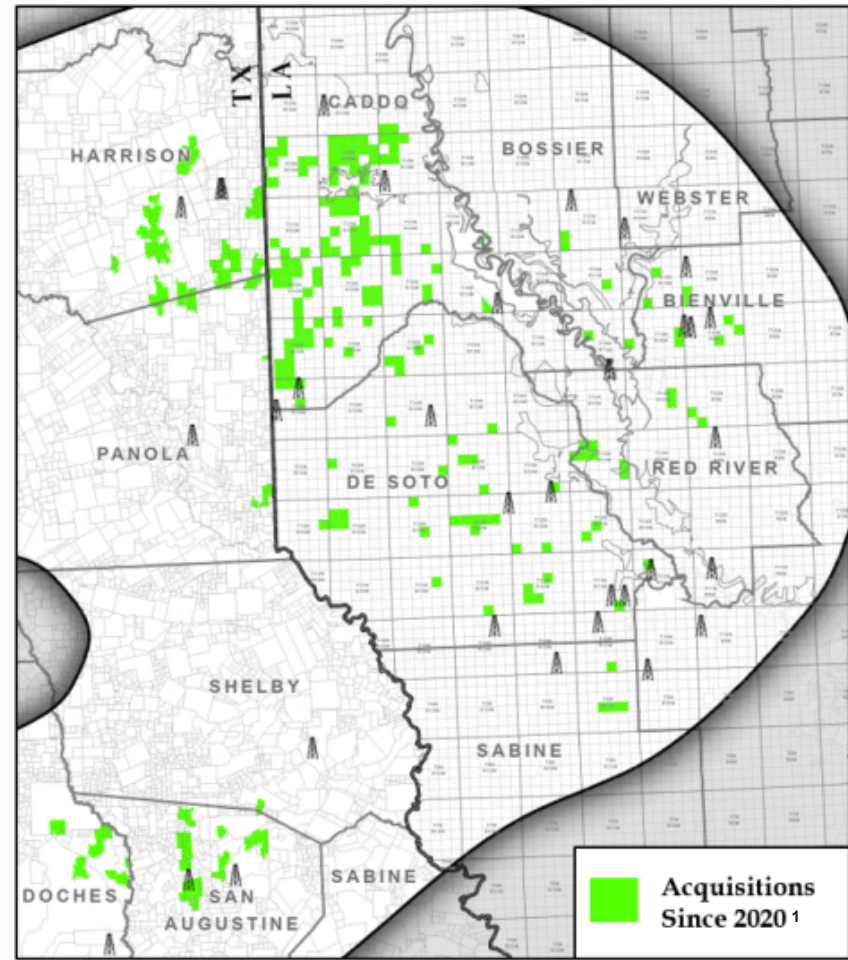
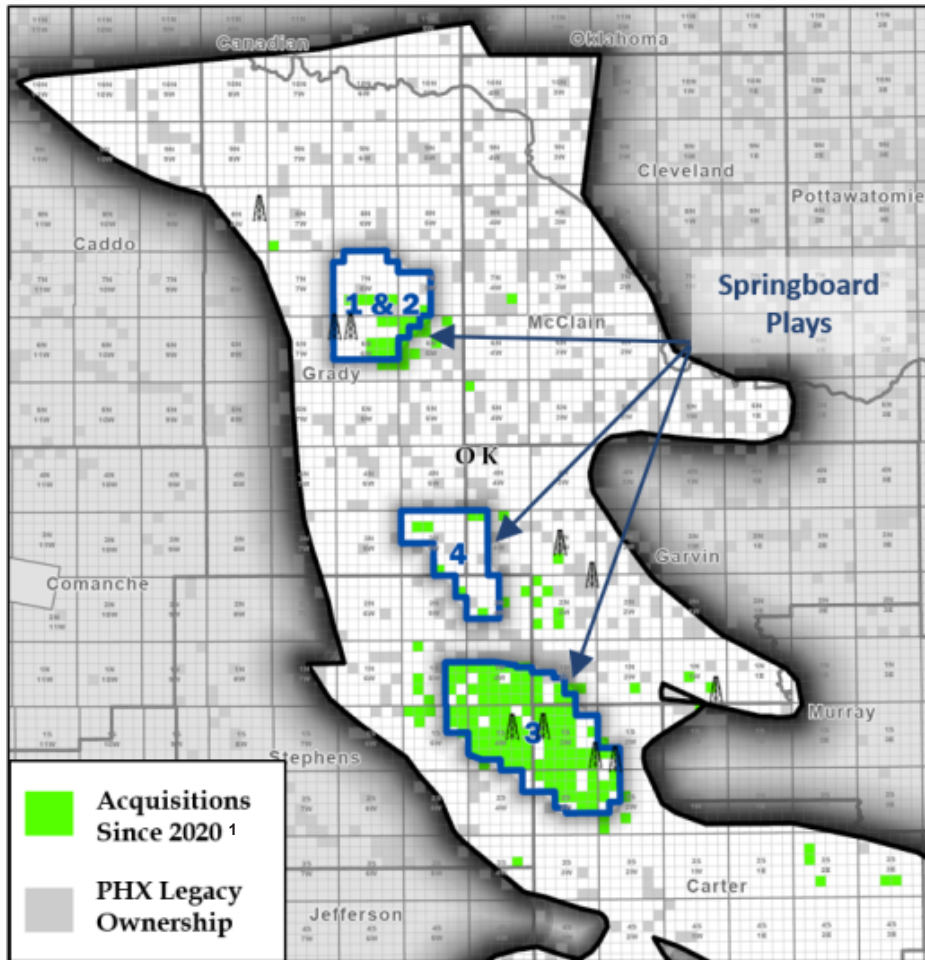
Total Public Company Enterprise Value<sup>(3)</sup>: 3%

Market Opportunity Midpoint<sup>(1)</sup>: 97%





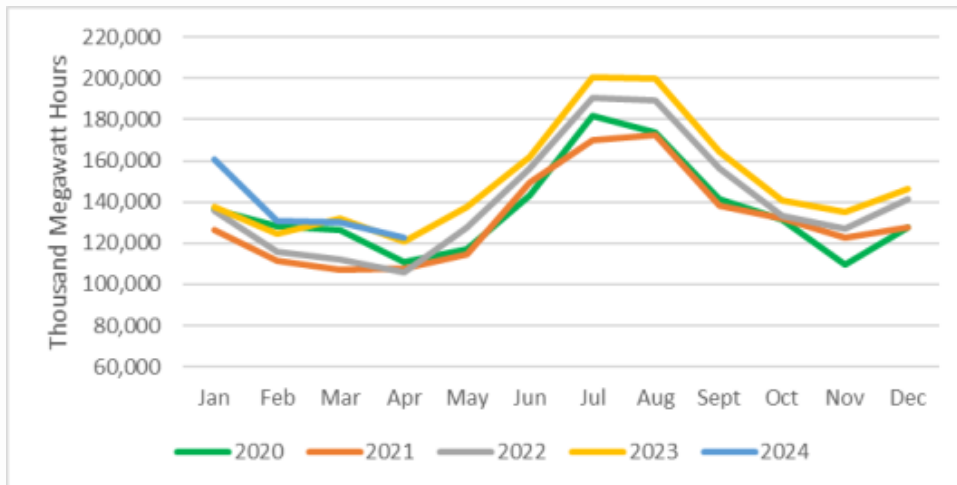
# Acquisition History



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

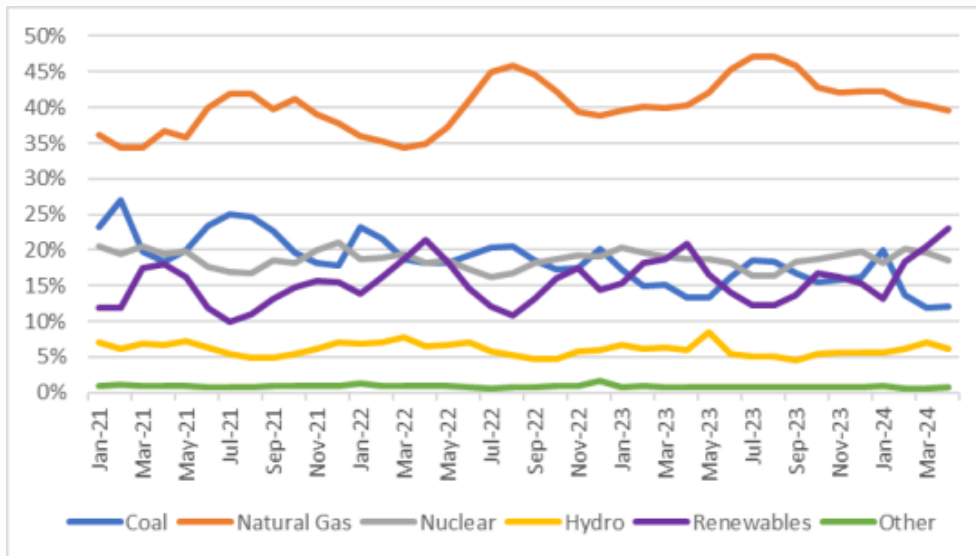
# Natural Gas – Continued Demand Growth

Natural Gas Electrical Generation<sup>1</sup>

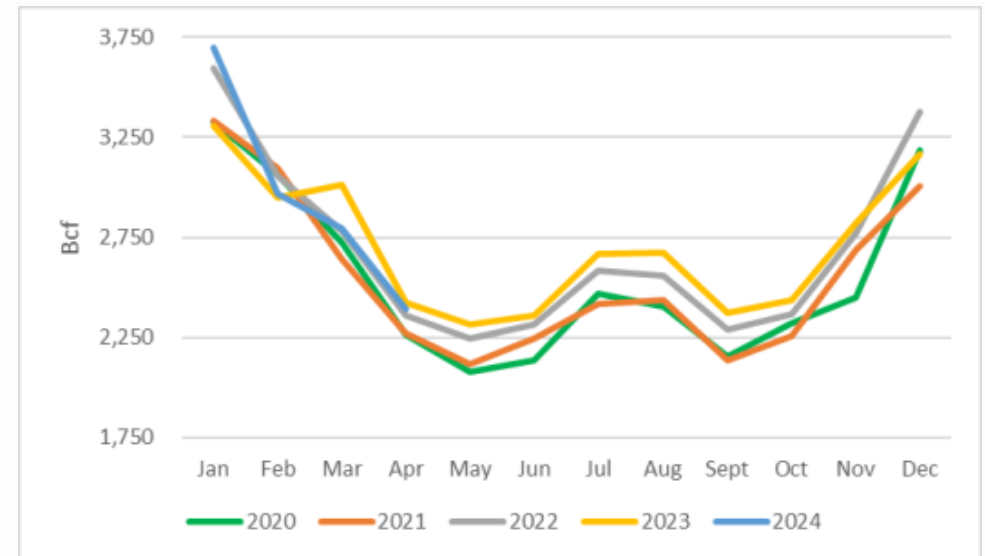


- Natural gas demand from power generation continues to increase and dominate the power stack; increase in solar and wind are coming at the expense of coal
- 20 additional gas fired power plants with total capacity of 7.7 GW expected to come online in 2024 – 2025
- LNG export capacity expected to increase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

Monthly Electrical Generation by Fuel Type<sup>1</sup>

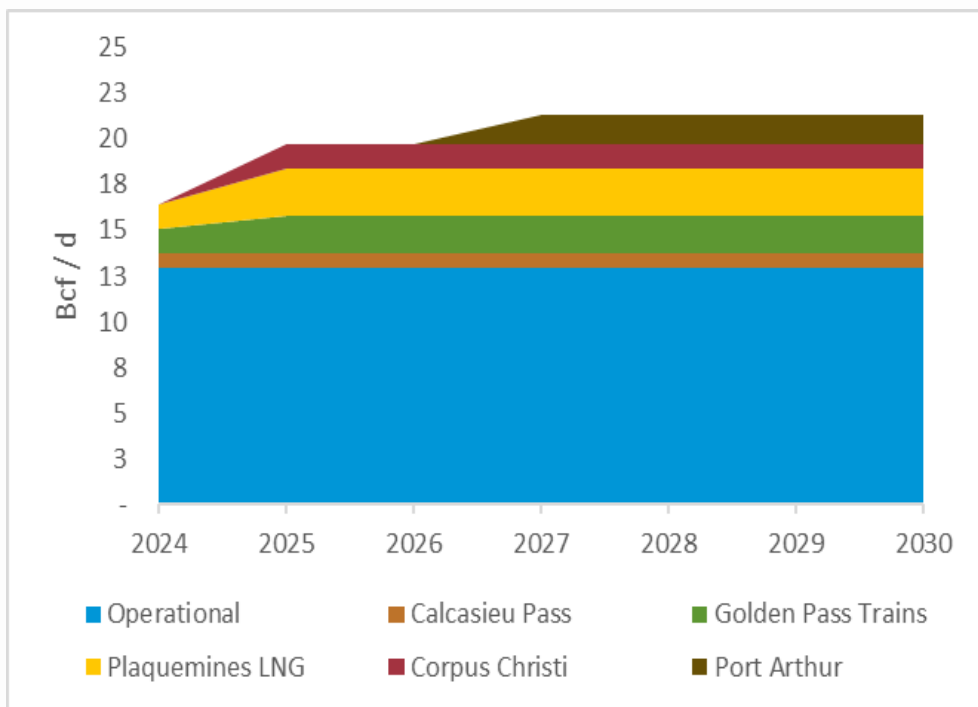


Natural Gas Consumption<sup>1</sup>



# Natural Gas – Surging LNG Demand

## Forecasted U.S. Export Annual Volume Growth<sup>1</sup>



## Large Scale Approved Liquefaction Facilities<sup>1</sup>

Project Name	Bcf/d	Project Name	Bcf/d
<u>Operational</u>		<u>Approved</u>	
Sabine Pass Trains 1-6	4.6	Cameron LNG Train 4	0.9
Cove Point	0.8	Magnolia LNG	1.2
Elba Island Trains	0.4	Lake Charles LNG	2.2
Corpus Christi Trains 1- 3	2.4	Driftwood LNG	3.6
Cameron Trains 1 - 3	2.0	Freeport LNG Train 4	0.7
Freeport Trains 1 - 3	2.1	Texas LNG	0.6
Calcasieu Pass Trains 1 - 9	0.8	Rio Grande LNG	3.6
<b>Total Operational</b>	<b>13.0</b>	Gulf LNG	1.4
<u>Commissioning</u>		Delfin FLNG	1.6
Calcasieu Pass Trains 10 - 18	0.8	Alaska LNG	2.6
<u>Under Construction</u>		<b>Total Approved</b>	<b>18.3</b>
Golden Pass Trains 1 - 3	2.4		
Plaquemines LNG Phase 1	1.6		
Plaquemines LNG Phase 2	1.6		
Corpus Christi Liquefaction Stage III	1.5		
Port Arthur Phase 1	1.8		
<b>Total Operational or in Execution</b>	<b>22.6</b>		

- 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 in 2023 than any other country; increasing exports 12% compared to 2022

# Current Hedge Position

	<u>Gas Swaps</u>		<u>Gas Collars</u>			<u>Total Gas Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
3Q'24	817,500	\$ 3.31	90,000	\$ 3.00	\$ 3.60	907,500
4Q'24	470,000	\$ 3.55	340,000	\$ 3.24	\$ 5.16	810,000
<b>2024</b>	<b>1,287,500</b>	<b>\$ 3.40</b>	<b>430,000</b>	<b>\$ 3.19</b>	<b>\$ 4.84</b>	<b>1,717,500</b>
1Q'25	330,000	\$ 3.86	565,000	\$ 3.30	\$ 5.02	895,000
2Q'25	735,000	\$ 3.13	255,000	\$ 3.00	\$ 4.19	990,000
3Q'25	785,000	\$ 3.15	165,000	\$ 3.00	\$ 3.75	950,000
4Q'25	300,000	\$ 3.18	380,000	\$ 3.50	\$ 4.82	680,000
<b>2025</b>	<b>2,150,000</b>	<b>\$ 3.26</b>	<b>1,365,000</b>	<b>\$ 3.26</b>	<b>\$ 4.66</b>	<b>3,515,000</b>
1Q'26	-	\$ -	570,000	\$ 3.50	\$ 4.82	570,000
<b>2026</b>	<b>-</b>	<b>\$ -</b>	<b>570,000</b>	<b>\$ 3.50</b>	<b>\$ 4.82</b>	<b>570,000</b>

	<u>Oil Swaps</u>		<u>Oil Collars</u>			<u>Total Oil Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
3Q'24	10,300	\$ 68.65	9,100	\$ 65.74	\$ 76.76	19,400
4Q'24	11,200	\$ 68.66	3,150	\$ 65.95	\$ 76.74	14,350
<b>2024</b>	<b>21,500</b>	<b>\$ 68.66</b>	<b>12,250</b>	<b>\$ 65.79</b>	<b>\$ 76.76</b>	<b>33,750</b>
1Q'25	13,800	\$ 68.97	-	\$ -	\$ -	13,800
2Q'25	12,750	\$ 70.21	-	\$ -	\$ -	12,750
3Q'25	10,000	\$ 69.92	-	\$ -	\$ -	10,000
4Q'25	6,750	\$ 69.57	-	\$ -	\$ -	6,750
<b>2025</b>	<b>43,300</b>	<b>\$ 69.65</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>43,300</b>
1Q'26	4,500	\$ 70.74	-	\$ -	\$ -	4,500
<b>2026</b>	<b>4,500</b>	<b>\$ 70.74</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,500</b>

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	Jun. 30, 2024
Net Income	(\$205)	(\$3.6)	(\$18)	(\$0.6)	(\$0.5)	(\$14)	(\$3.8)	\$6.7	(\$4.0)	\$8.6	\$9.2	\$3.3	\$9.6	(\$0.0)	\$19	\$2.5	(\$0.2)	\$13
(+) Unrealized Gain on Derivatives	(34)	25	24	0.9	21	45	(31)	(46)	118	(33)	(16)	(6.3)	(32)	0.9	0.9	(29)	10	16
(+) Income Tax Expense	(7.0)	(0.9)	(0.7)	(0.1)	(0.2)	(0.8)	0.5	0.8	0.0	10	24	10	31	(0.2)	0.6	12	0.0	0.4
(+) 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	0.7
(+) DD&A	34	25	25	2.3	18	21	16	16	21	20	16	18	19	22	20	24	24	23
(+) 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	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	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	0.7	0.7
(-) Gains (Losses) on Asset Sales	(10)	(0.0)	0.7	0.0	0.0	0.0	0.2	(21)	23	0.7	3.6	0.9	44	0.0	0.2	0.1	0.1	0.4
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	\$4.6	\$6.4
(-) 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	0.7
Discretionary Cash Flow	\$2.4	\$11	\$19	\$2.6	\$3.3	\$4.8	\$4.0	\$4.2	\$5.6	\$6.9	\$7.9	\$4.7	\$7.1	\$3.6	\$5.8	\$3.8	\$3.9	\$5.8
Discretionary Cash Flow Margin	34%	33%	37%	40%	40%	44%	33%	33%	38%	35%	36%	32%	60%	49%	65%	44%	55%	59%
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	4.6	6.4
(-) DD&A	34	25	25	2.3	18	21	16	16	21	20	16	18	19	22	20	24	24	23
EBIT	(\$0.6)	(\$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	\$4.2
Annualized EBIT	(\$2.4)	(\$4.5)	(\$1.3)	\$2.6	\$7.2	\$11.5	\$10.8	\$11.3	\$11.8	\$20.8	\$27.5	\$14.0	\$23.4	\$7.5	\$17.2	\$8.2	\$9.0	\$12.8
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	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	30.8	28.8
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	\$29.8
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	122.8
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	123.5
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	\$123.1
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	\$138.1	\$154.2	\$154.7	\$152.9
ROCE	-2%	-6%	-2%	3%	8%	13%	10%	12%	14%	13%	22%	10%	15%	5%	12%	5%	6%	8%

# 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	Jun. 30, 2024
Net Income	(\$70.1)	(\$78.3)	(\$24.0)	(\$26.4)	(\$6.5)	(\$4.3)	(\$6.2)	\$11	(\$25)	\$7.5	\$20.4	\$7.1	\$30.6	\$22.0	\$18.8	\$18.9	\$4.2	\$5.5
(-) Unrealized (Gains) Losses on Derivatives	(3.4)	10	32	2.3	7.8	9.8	4.3	(11)	8.6	0.8	2.3	0.6	(14.4)	(10.2)	(7.6)	(4.3)	(0.1)	0.6
(-) Income Tax Expense	(23.7)	(25.8)	(8.3)	(8.6)	(18)	(18)	(0.7)	0.2	0.4	2.2	4.2	4.4	7.5	6.3	4.5	4.7	1.7	2.2
(-) 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	2.6
(-) 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	9.1
(-) 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	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)	(1.8)	(0.4)	0.0	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	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	0.8
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	\$18.5	\$21.9
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	28.8
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	1.3

(\$ in millions)	Quarter ended																	
	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Sept. 30, 2023	Dec. 31, 2023	Mar. 31, 2024	Jun. 30, 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	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	28.8
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	\$21.3
Current Assets	12.1	8.2	7.8	10.0	9.2	10.9	12.2	11.9	12.3	18.4	17.9	19.9	12.3	9.5	8.4	11.2	8.9	9.3
(-) 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	0.9
Current Liabilities	(2.1)	(4.2)	(4.5)	(3.1)	(5.2)	(9.4)	(15.1)	(9.7)	(17.3)	(22.4)	(11.3)	(6.8)	(2.4)	(1.8)	(2.6)	(2.0)	(1.8)	(2.3)
(-) 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	0.0
Working Capital	\$5.8	\$2.1	\$3.7	\$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	\$6.1
Liquidity	\$18.8	\$4.1	\$5.9	\$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	\$27.3

# 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
<b>Net Income</b>	<b>(\$10.3)</b>	<b>\$3.5</b>	<b>\$14.6</b>	<b>(\$40.7)</b>	<b>(\$24.0)</b>	<b>(\$6.2)</b>	<b>\$17.1</b>	<b>\$13.9</b>
(+) 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
<b>Adjusted EBITDA</b>	<b>\$22.9</b>	<b>\$24.7</b>	<b>\$27.6</b>	<b>\$19.2</b>	<b>\$10.5</b>	<b>\$15.7</b>	<b>\$26.7</b>	<b>\$22.7</b>
(-) DD&A	24.5	18.4	18.4	18.2	11.3	7.7	7.5	8.6
<b>EBIT</b>	<b>(\$16)</b>	<b>\$6.3</b>	<b>\$9.2</b>	<b>\$10</b>	<b>(\$0.8)</b>	<b>\$8.0</b>	<b>\$19.2</b>	<b>\$14.1</b>
<b>Starting Debt</b>	65.0	44.5	52.2	51.0	35.4	28.8	20.0	33.3
<b>Ending Debt</b>	44.5	52.2	51.0	35.4	28.8	17.5	33.3	32.8
<b>Average Debt</b>	<b>\$54.8</b>	<b>\$48.4</b>	<b>\$51.6</b>	<b>\$43.2</b>	<b>\$32.1</b>	<b>\$23.1</b>	<b>\$26.7</b>	<b>\$33.0</b>
<b>Starting Shareholders' Equity</b>	127.0	115.2	116.7	128.8	79.3	63.0	88.3	110.1
<b>Ending Shareholders' Equity</b>	115.2	116.7	128.8	79.3	63.0	78.7	110.1	123.2
<b>Average Shareholders' Equity</b>	<b>\$121.1</b>	<b>\$115.9</b>	<b>\$122.7</b>	<b>\$104.0</b>	<b>\$71.2</b>	<b>\$70.9</b>	<b>\$99.2</b>	<b>\$116.7</b>
<b>Total Capital</b>	<b>\$175.8</b>	<b>\$164.3</b>	<b>\$174.3</b>	<b>\$147.2</b>	<b>\$103.2</b>	<b>\$94.0</b>	<b>\$125.9</b>	<b>\$149.7</b>
<b>ROCE</b>	<b>- 1%</b>	<b>4%</b>	<b>5%</b>	<b>1%</b>	<b>- 1%</b>	<b>9%</b>	<b>15%</b>	<b>9%</b>



# 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
<b>Net Income</b>	<b>\$13.6</b>	<b>(\$516)</b>	<b>(\$26.4)</b>	<b>\$11</b>	<b>\$17.1</b>	<b>\$13.9</b>
(+) 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	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	10	0.9	12	2.6	2.4
(-) Gains (Losses) on Asset Sales	8.7	12.9	0.7	(18)	7.5	4.7
<b>Adjusted EBITDA</b>	<b>\$25.0</b>	<b>\$17.6</b>	<b>\$9.2</b>	<b>\$17.4</b>	<b>\$26.7</b>	<b>\$22.7</b>
(-) Interest Expense	19	18	12	0.9	16	2.4
<b>Discretionary Cash Flow</b>	<b>\$23.1</b>	<b>\$15.8</b>	<b>\$8.0</b>	<b>\$16.5</b>	<b>\$25.1</b>	<b>\$20.3</b>

(\$ 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	Jun. 30, 2024
General and administrative	2.9	3.8	3.1	3.0	3.2	2.8	3.1	3.3	2.7
(-) Restricted stock and deferred director's expense	0.6	1.0	0.6	0.6	0.7	0.5	0.6	0.7	0.7
<b>Cash general and administrative</b>	<b>\$2.3</b>	<b>\$2.7</b>	<b>\$2.6</b>	<b>\$2.3</b>	<b>\$2.5</b>	<b>\$2.2</b>	<b>\$2.5</b>	<b>\$2.6</b>	<b>\$2.0</b>
Gain/(loss) on Derivatives	(\$2.4)	(\$4.3)	\$3.3	\$3.8	\$0.2	(\$0.3)	\$3.2	\$0.6	(\$0.4)
(-) Unrealized gain/(loss) on derivatives	3.3	1.6	6.3	3.2	(0.9)	(0.9)	2.9	(1.0)	(1.6)
(+) Off- market derivative settlements	(1.3)	(1.1)	(0.9)	(0.4)	0.0	0.0	0.0	0.0	0.0
<b>Total derivative settlements</b>	<b>(\$7.0)</b>	<b>(\$7.0)</b>	<b>(\$3.8)</b>	<b>\$0.3</b>	<b>\$1.0</b>	<b>\$0.6</b>	<b>\$0.3</b>	<b>\$1.7</b>	<b>\$1.2</b>