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

FORM 8-K
CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 06, 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 November 6, 2024, PHX Minerals Inc. (the “Company”) issued a press release providing information regarding the Company’s quarter ended September 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 November 6, 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 November 6, 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: November 6, 2024



FOR IMMEDIATE RELEASE

PHX Minerals Reports Results for the Quarter Ended Sept. 30, 2024

FORT WORTH, Texas, Nov. 6, 2024 – PHX MINERALS INC., “PHX” or the “Company” (NYSE: PHX), today reported financial and operating results for the quarter ended Sept. 30, 2024.

Summary of Results for the Quarter Ended Sept. 30, 2024

- Net income was \$1.1 million, or \$0.03 per diluted share, compared to net income of \$1.3 million, or \$0.04 per diluted share, for the quarter ended June 30, 2024, and net income of \$1.9 million, or \$0.05 per diluted share, for the quarter ended Sept. 30, 2023.
- Adjusted EBITDA⁽¹⁾ was \$4.9 million, compared to \$6.4 million for the quarter ended June 30, 2024 and \$6.3 million for the quarter ended Sept. 30, 2023.
- Royalty production volumes decreased 23% to 2,098 Mmcfe compared to the quarter ended June 30, 2024, and increased 1% compared to the quarter ended Sept. 30, 2023.
- Total production volumes decreased 20% to 2,379 Mmcfe compared to the quarter ended June 30, 2024, and increased 1% compared to the quarter ended Sept. 30, 2023.
- Converted 46 gross (0.18 net) wells to producing status, compared to a conversion of 55 gross (0.40 net) wells to producing status during the quarter ended June 30, 2024 and 71 gross (0.16 net) during the quarter ended Sept. 30, 2023.
- Inventory of 278 gross (0.93 net) wells in progress and permits as of Sept. 30, 2024, compared to 241 gross (0.93 net) wells in progress and permits as of June 30, 2024 and 278 gross (1.09 net) wells in progress and permits as of Sept. 30, 2023.
- Total debt was \$27.8 million, down \$5.0 million since Dec. 31, 2023, and the debt-to-adjusted EBITDA (TTM)⁽¹⁾ ratio was 1.36x at Sept. 30, 2024.

Subsequent Events

- PHX announced a \$0.04 per share quarterly dividend, payable on Dec. 5, 2024, to stockholders of record on Nov. 21, 2024.
- PHX's borrowing base under its existing 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 generated our second-highest quarter for royalty volumes in our history, validating the quality of our asset base even amidst continued volatility in commodity pricing. We remain positive on natural gas prices as we move into a seasonal stronger period and are seeing sequential increased rig activities on and around our mineral acreage, further bolstering our longer-term outlook.

“During the quarter, we saw a growing pipeline of attractive M&A opportunities,” continued Mr. Stephens. “We purchased 325 net royalty acres for \$3.0 million and replaced 100% of the wells in progress that converted to production. We also reduced our debt by \$1.0 million sequentially with cashflow generated from our production. With a strong balance sheet, and a proven track record of acquiring attractive mineral assets that produce cash flow even during challenging pricing, we are well-positioned for continued success.

“Our risk-mitigated business is built for resilient and sustainable profitability even during challenging pricing environments, and our strategic advantages are evident through commodity price cycles,” concluded Mr. Stephens.

Financial Highlights

	Three Months Ended Sept. 30, 2024	Three Months Ended Sept. 30, 2023	Nine Months Ended Sept. 30, 2024	Nine Months Ended Sept. 30, 2023
Royalty Interest Sales	\$ 6,982,112	\$ 7,873,297	\$ 21,977,351	\$ 24,214,701
Working Interest Sales	\$ 906,404	\$ 1,025,794	\$ 2,827,379	\$ 3,772,801
Natural Gas, Oil and NGL Sales	\$ 7,888,516	\$ 8,899,091	\$ 24,804,730	\$ 27,987,502
Gains (Losses) on Derivative Contracts	\$ 1,089,242	\$ (337,647)	\$ 1,297,737	\$ 3,648,179
Lease Bonuses and Rental Income	\$ 159,271	\$ 620,101	\$ 445,215	\$ 1,045,242
Total Revenue	\$ 9,137,029	\$ 9,181,545	\$ 26,547,682	\$ 32,680,923
Lease Operating Expense per Working Interest Mcfe	\$ 1.05	\$ 1.32	\$ 1.15	\$ 1.34
Transportation, Gathering and Marketing per Mcfe	\$ 0.47	\$ 0.30	\$ 0.47	\$ 0.38
Production and Ad Valorem Tax per Mcfe	\$ 0.18	\$ 0.19	\$ 0.19	\$ 0.20
G&A Expense per Mcfe	\$ 1.13	\$ 1.18	\$ 1.17	\$ 1.25
Cash G&A Expense per Mcfe ⁽¹⁾	\$ 0.91	\$ 0.95	\$ 0.92	\$ 0.99
Interest Expense per Mcfe	\$ 0.26	\$ 0.24	\$ 0.27	\$ 0.23
DD&A per Mcfe	\$ 1.00	\$ 0.86	\$ 0.94	\$ 0.86
Total Expense per Mcfe	\$ 3.16	\$ 2.92	\$ 3.16	\$ 3.10
Net Income (Loss)	\$ 1,100,310	\$ 1,895,403	\$ 2,212,466	\$ 11,407,356
Adjusted EBITDA ⁽²⁾	\$ 4,905,335	\$ 6,321,029	\$ 15,938,535	\$ 18,147,976
Cash Flow from Operations ⁽³⁾	\$ 5,784,497	\$ 6,960,419	\$ 15,207,852	\$ 20,809,684
CapEx ⁽⁴⁾	\$ 28,902	\$ 45,977	\$ 64,628	\$ 321,396
CapEx - Mineral Acquisitions	\$ 2,994,669	\$ 13,469,756	\$ 5,272,847	\$ 25,383,759
Borrowing Base			\$ 50,000,000	\$ 45,000,000
Debt			\$ 27,750,000	\$ 30,750,000
Debt-to-Adjusted EBITDA (TTM) ⁽²⁾			1.36	1.31

(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 Sept. 30, 2024	Three Months Ended Sept. 30, 2023	Nine Months Ended Sept. 30, 2024	Nine Months Ended Sept. 30, 2023
Gas Mcf Sold	1,898,442	1,868,012	6,063,397	5,681,508
Average Sales Price per Mcf before the effects of settled derivative contracts	\$ 2.00	\$ 2.40	\$ 2.05	\$ 2.63
Average Sales Price per Mcf after the effects of settled derivative contracts	\$ 2.54	\$ 2.72	\$ 2.70	\$ 3.03
% of sales subject to hedges	48%	46%	48%	46%
Oil Barrels Sold	45,698	48,032	134,786	143,148
Average Sales Price per Bbl before the effects of settled derivative contracts	\$ 74.83	\$ 78.48	\$ 76.14	\$ 76.23
Average Sales Price per Bbl after the effects of settled derivative contracts	\$ 72.95	\$ 78.44	\$ 74.78	\$ 73.88
% of sales subject to hedges	31%	35%	31%	44%
NGL Barrels Sold	34,332	32,029	98,511	99,063
Average Sales Price per Bbl ⁽¹⁾	\$ 19.60	\$ 20.35	\$ 21.57	\$ 21.48
Mcf _e Sold	2,378,622	2,348,378	7,463,177	7,134,770
Natural gas, oil and NGL sales before the effects of settled derivative contracts	\$ 7,888,516	\$ 8,899,091	\$ 24,804,730	\$ 27,987,502
Natural gas, oil and NGL sales after the effects of settled derivative contracts	\$ 8,820,672	\$ 9,502,036	\$ 28,590,801	\$ 29,896,064

(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 _e Sold
9/30/2024	1,898,442	45,698	34,332	2,378,622
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

The percentage of total production volumes attributable to natural gas was 80% for the quarter ended Sept. 30, 2024.

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

Quarter ended	Mcf Sold	Oil Bbls Sold	NGL Bbls Sold	Mcf _e Sold
9/30/2024	1,724,635	41,170	21,011	2,097,722
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

The percentage of royalty production volumes attributable to natural gas was 82% for the quarter ended Sept. 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
9/30/2024	173,807	4,528	13,321	280,900
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

Quarter Ended Sept. 30, 2024 Results

The Company recorded net income of \$1.1 million, or \$0.03 per diluted share, for the quarter ended Sept. 30, 2024, as compared to net income of \$1.90 million, or \$0.05 per diluted share, for the quarter ended Sept. 30, 2023. The change in net income was principally the result of a decrease in natural gas, oil and NGL sales, a decrease in lease bonuses, an increase in transportation, gathering and marketing expenses and an increase in depreciation, depletion and amortization expenses, partially offset by an increase in gains associated with our derivative contracts.

Natural gas, oil and NGL revenue decreased \$1.0 million, or 11%, for the quarter ended Sept. 30, 2024, compared to the quarter ended Sept. 30, 2023, due to decreases in natural gas, oil, and NGL prices of 17%, 5%, and 4%, respectively, and a decrease in oil volumes of 5%, partially offset by increases in natural gas and NGL volumes of 2% and 7%, respectively.

The increase in royalty production volumes during the quarter ended Sept. 30, 2024, as compared to the quarter ended Sept. 30, 2023, resulted primarily from new wells being brought online in the Haynesville Shale and SCOOP plays.

The Company had a net gain on derivative contracts of \$1.1 million for the quarter ended Sept. 30, 2024, comprised of a \$0.9 million gain on settled derivatives and a \$0.2 million non-cash gain on derivatives, as compared to a net loss of (\$0.3) million for the quarter ended Sept. 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 Sept. 30, 2024 pricing relative to the strike price on open derivative contracts.

Nine Months Ended Sept. 30, 2024 Results

The Company recorded net income of \$2.2 million, or \$0.06 per diluted share, for the nine months ended Sept. 30, 2024, as compared to a net income of \$11.4 million, or \$0.31 per diluted share, for the nine months ended Sept. 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, a decrease in gains on asset sales, an increase in transportation, gathering and marketing expenses and an increase in depreciation, depletion and amortization expenses, partially offset by a decrease in income tax provision.

Natural gas, oil and NGL revenue decreased \$3.2 million, or 11%, for the nine months ended Sept. 30, 2024, compared to the nine months ended Sept. 30, 2023, due to a decrease in natural gas prices of 22% and decreases in oil and NGL volumes of 6% and 1%, respectively, partially offset by an increase in gas volumes of 7%.

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

The Company had a net gain on derivative contracts of \$1.3 million for the nine months ended Sept. 30, 2024, comprised of a \$3.8 million gain on settled derivatives and a \$2.5 million non-cash loss on derivatives, as compared to a net gain of \$3.6 million for the nine months ended Sept. 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 Sept. 30, 2024 pricing relative to the strike price on open derivative contracts.

Operations Update

During the quarter ended Sept. 30, 2024, the Company converted 46 gross (0.18 net) wells to producing status, including 12 gross (0.11 net) wells in the Haynesville and 18 gross (0.04 net) wells in the SCOOP, compared to 71 gross (0.16 net) wells converted in the quarter ended Sept. 30, 2023.

At Sept. 30, 2024, the Company had a total of 278 gross (0.93 net) wells in progress and permits across its mineral positions, compared to 241 gross (0.93 net) wells in progress and permits at June 30, 2024. As of Sept. 30, 2024, 18 rigs were operating on the Company's acreage and 70 rigs were operating within 2.5 miles of its acreage.

	SCOOP	STACK	Bakken/ Three Forks	Arkoma Stack	Haynesville	Other	Total
As of Sept. 30, 2024:							
Gross Wells in Progress on PHX Acreage ⁽¹⁾	84	13	4	3	69	3	176
Net Wells in Progress on PHX Acreage ⁽¹⁾	0.351	0.021	0.001	0.015	0.240	0.030	0.658
Gross Active Permits on PHX Acreage	43	4	3	9	32	11	102
Net Active Permits on PHX Acreage	0.093	0.008	0.003	0.030	0.100	0.041	0.275
As of Sept. 30, 2024:							
Rigs Present on PHX Acreage	9	2	1	-	4	2	18
Rigs Within 2.5 Miles of PHX Acreage	12	12	13	-	20	13	70

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

Leasing Activity

During the quarter ended Sept. 30, 2024, the Company leased 183 net mineral acres to third-party exploration and production companies for an average bonus payment of \$688 per net mineral acre and an average royalty of 25%.

Acquisition and Divestiture Update

During the quarter ended Sept. 30, 2024, the Company purchased 325 net royalty acres for approximately \$3.0 million and had no significant divestitures.

	SCOOP	Acquisitions Haynesville	Other	Total
During Three Months Ended Sept. 30, 2024:				
Net Mineral Acres Purchased	20	181	-	201
Net Royalty Acres Purchased	40	285	-	325

Quarterly Conference Call

PHX will host a conference call to discuss the Company's results for the quarter ended Sept. 30, 2024, at 12 p.m. EST on Nov. 7, 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 13748980.

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 Sept. 30,		Nine Months Ended Sept. 30,	
	2024	2023	2024	2023
Revenues:				
Natural gas, oil and NGL sales	\$ 7,888,516	\$ 8,899,091	\$ 24,804,730	\$ 27,987,502
Lease bonuses and rental income	159,271	620,101	445,215	1,045,242
Gains (losses) on derivative contracts	<u>1,089,242</u>	<u>(337,647)</u>	<u>1,297,737</u>	<u>3,648,179</u>
	9,137,029	9,181,545	26,547,682	32,680,923
Costs and expenses:				
Lease operating expenses	294,720	363,426	921,483	1,279,831
Transportation, gathering and marketing	1,111,980	693,915	3,495,880	2,729,044
Production and ad valorem taxes	428,577	437,841	1,418,899	1,424,679
Depreciation, depletion and amortization	2,376,025	2,022,709	7,000,635	6,123,031
Provision for impairment	-	36,460	-	38,533
Interest expense	622,480	556,941	1,989,348	1,638,708
General and administrative	2,683,434	2,760,342	8,765,099	8,919,354
Losses (gains) on asset sales and other	62,248	(174,492)	(110,866)	(4,369,613)
Total costs and expenses	<u>7,579,464</u>	<u>6,697,142</u>	<u>23,480,478</u>	<u>17,783,567</u>
Income (loss) before provision for income taxes	1,557,565	2,484,403	3,067,204	14,897,356
Provision for income taxes	<u>457,255</u>	<u>589,000</u>	<u>854,738</u>	<u>3,490,000</u>
Net income (loss)	<u>\$ 1,100,310</u>	<u>\$ 1,895,403</u>	<u>\$ 2,212,466</u>	<u>\$ 11,407,356</u>
Basic earnings per common share	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.06</u>	<u>\$ 0.32</u>
Diluted earnings per common share	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.06</u>	<u>\$ 0.31</u>
Weighted average shares outstanding:				
Basic	36,316,742	35,983,116	36,306,593	35,961,570
Diluted	36,983,669	36,656,272	36,731,643	36,670,494
Dividends per share of common stock paid in period	<u>\$ 0.0400</u>	<u>\$ 0.0225</u>	<u>\$ 0.1000</u>	<u>\$ 0.0675</u>

Balance Sheets

	Sept. 30, 2024	Dec. 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,601,681	\$ 806,254
Natural gas, oil, and NGL sales receivables (net of \$0 allowance for uncollectable accounts)	4,080,560	4,900,126
Refundable income taxes	343,814	455,931
Derivative contracts, net	761,527	3,120,607
Other	417,929	878,659
Total current assets	8,205,511	10,161,577
Properties and equipment at cost, based on successful efforts accounting:		
Producing natural gas and oil properties	219,958,671	209,082,847
Non-producing natural gas and oil properties	52,503,370	58,820,445
Other	1,361,064	1,360,614
	273,823,105	269,263,906
Less accumulated depreciation, depletion and amortization	(120,301,196)	(114,139,423)
Net properties and equipment	153,521,909	155,124,483
Derivative contracts, net	33,726	162,980
Operating lease right-of-use assets	466,135	572,610
Other, net	596,830	486,630
Total assets	\$ 162,824,111	\$ 166,508,280
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 512,936	\$ 562,607
Current portion of operating lease liability	243,184	233,390
Accrued liabilities and other	1,815,758	1,215,275
Total current liabilities	2,571,878	2,011,272
Long-term debt	27,750,000	32,750,000
Deferred income taxes, net	7,289,591	6,757,637
Asset retirement obligations	1,087,416	1,062,139
Operating lease liability, net of current portion	512,357	695,818
Total liabilities	39,211,242	43,276,866
Stockholders' equity:		
Common Stock, \$0.01666 par value; 75,000,000 shares authorized and 36,121,723 issued at Sept. 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	43,526,595	41,676,417
Deferred directors' compensation	1,276,295	1,487,590
Retained earnings	78,492,889	80,022,839
	123,897,567	123,788,634
Less treasury stock, at cost; 67,203 shares at Sept. 30, 2024, and 131,477 shares at Dec. 31, 2023	(284,698)	(557,220)
Total stockholders' equity	123,612,869	123,231,414
Total liabilities and stockholders' equity	\$ 162,824,111	\$ 166,508,280

Condensed Statements of Cash Flows

	Nine Months Ended	
	Sept. 30, 2024	Sept. 30, 2023
Operating Activities		
Net income (loss)	\$ 2,212,466	\$ 11,407,356
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	7,000,635	6,123,031
Impairment of producing properties	-	38,533
Provision for deferred income taxes	531,954	3,256,000
Gain from leasing fee mineral acreage	(445,215)	(1,045,242)
Proceeds from leasing fee mineral acreage	451,616	1,108,909
Net (gain) loss on sales of assets	(518,816)	(4,671,253)
Directors' deferred compensation expense	137,617	165,582
Total (gain) loss on derivative contracts	(1,297,737)	(3,648,179)
Cash receipts (payments) on settled derivative contracts	3,786,071	2,468,724
Restricted stock award expense	1,773,789	1,695,637
Other	76,375	105,604
Cash provided (used) by changes in assets and liabilities:		
Natural gas, oil and NGL sales receivables	819,566	4,369,921
Income taxes receivable	112,117	(712,475)
Other current assets	430,119	408,533
Accounts payable	(68,183)	(107,796)
Other non-current assets	(81,037)	150,515
Income taxes payable	-	(576,427)
Accrued liabilities	286,515	272,711
Total adjustments	12,995,386	9,402,328
Net cash provided by operating activities	15,207,852	20,809,684
Investing Activities		
Capital expenditures	(64,628)	(321,396)
Acquisition of minerals and overriding royalty interests	(5,272,847)	(25,383,759)
Net proceeds from sales of assets	527,167	9,556,666
Net cash provided by (used in) investing activities	(4,810,308)	(16,148,489)
Financing Activities		
Borrowings under credit facility	1,000,000	16,000,000
Payments of loan principal	(6,000,000)	(18,550,000)
Payments on off-market derivative contracts	-	(560,162)
Purchases of treasury stock	-	(669)
Payments of dividends	(3,602,117)	(2,430,823)
Net cash provided by (used in) financing activities	(8,602,117)	(5,541,654)
Increase (decrease) in cash and cash equivalents	1,795,427	(880,459)
Cash and cash equivalents at beginning of period	806,254	2,115,652
Cash and cash equivalents at end of period	\$ 2,601,681	\$ 1,235,193
Supplemental Disclosures of Cash Flow Information:		
Interest paid (net of capitalized interest)	\$ 2,041,252	\$ 1,652,872
Income taxes paid (net of refunds received)	\$ 210,668	\$ 1,522,904
Supplemental Schedule of Noncash Investing and Financing Activities:		
Dividends declared and unpaid	\$ 140,300	\$ 94,587
Gross additions to properties and equipment	\$ 5,386,597	\$ 26,392,844
Net increase (decrease) in accounts receivable for properties and equipment additions	(49,122)	(687,689)
Capital expenditures and acquisitions	\$ 5,337,475	\$ 25,705,155

Derivative Contracts as of Sept. 30, 2024

Contract period	Production volume covered per month	Index	Contract price
Natural gas costless collars			
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
December 2024	75,000 Mmbtu	NYMEX Henry Hub	\$3.00 floor / \$3.37 ceiling
January - March 2025	25,000 Mmbtu	NYMEX Henry Hub	\$3.00 floor / \$3.37 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
Natural gas fixed price swaps			
October 2024	50,000 Mmbtu	NYMEX Henry Hub	\$3.17
October 2024	75,000 Mmbtu	NYMEX Henry Hub	\$3.47
October 2024	25,000 Mmbtu	NYMEX Henry Hub	\$3.47
October 2024	105,000 Mmbtu	NYMEX Henry Hub	\$3.24
November 2024	25,000 Mmbtu	NYMEX Henry Hub	\$2.80
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 - May 2025	25,000 Mmbtu	NYMEX Henry Hub	\$3.23
April - August 2025	125,000 Mmbtu	NYMEX Henry Hub	\$3.01
April - October 2025	100,000 Mmbtu	NYMEX Henry Hub	\$3.28
June 2025	10,000 Mmbtu	NYMEX Henry Hub	\$3.23
July 2025	45,000 Mmbtu	NYMEX Henry Hub	\$3.23
August 2025	40,000 Mmbtu	NYMEX Henry Hub	\$3.23
September 2025	50,000 Mmbtu	NYMEX Henry Hub	\$3.23
September - October 2025	100,000 Mmbtu	NYMEX Henry Hub	\$3.01
October 2025	100,000 Mmbtu	NYMEX Henry Hub	\$3.23
April - June 2026	50,000 Mmbtu	NYMEX Henry Hub	\$3.10
Oil costless collars			
September 2024	500 Bbls	NYMEX WTI	\$70.00 floor / \$78.10 ceiling
September - 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			
September - October 2024	1,000 Bbls	NYMEX WTI	\$66.10
September - 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
October 2024 - August 2025	1,000 Bbls	NYMEX WTI	\$68.80
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 - August 2025	1,250 Bbls	NYMEX WTI	\$70.81
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
September 2025	1,500 Bbls	NYMEX WTI	\$68.80
October 2025	750 Bbls	NYMEX WTI	\$71.12
October 2025	2,000 Bbls	NYMEX WTI	\$68.80
November 2025	750 Bbls	NYMEX WTI	\$70.99
November 2025 - March 2026	1,500 Bbls	NYMEX WTI	\$68.80
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
April - June 2026	1,000 Bbls	NYMEX WTI	\$68.80

Non-GAAP Reconciliation

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

Adjusted EBITDA Reconciliation

The Company defines “adjusted EBITDA” as earnings before interest, taxes, depreciation and amortization, or EBITDA, excluding non-cash gains (losses) on derivatives and gains (losses) on asset sales and including cash receipts from (payments on) off-market derivatives and restricted stock and deferred directors’ expense. The Company has included a presentation of adjusted EBITDA because it recognizes that certain investors consider this amount to be a useful means of measuring the Company’s ability to meet its debt service obligations and evaluating its financial performance. Adjusted EBITDA has limitations and should not be considered in isolation or as a substitute for net income, operating income, cash flow from operations or other consolidated income or cash flow data prepared in accordance with GAAP. Because not all companies use identical calculations, this presentation of adjusted EBITDA may

not be comparable to a similarly titled measure of other companies. The following table provides a reconciliation of net income (loss) to adjusted EBITDA for the quarters indicated:

	Three Months Ended Sept. 30, 2024	Three Months Ended Sept. 30, 2023	Nine Months Ended Sept. 30, 2024	Nine Months Ended Sept. 30, 2023	Three Months Ended June 30, 2024
Net Income	\$ 1,100,310	\$ 1,895,403	\$ 2,212,466	\$ 11,407,356	\$ 1,295,771
Plus:					
Income tax expense	457,255	589,000	854,738	3,490,000	355,151
Interest expense	622,480	556,941	1,989,348	1,638,708	651,982
DD&A	2,376,025	2,022,709	7,000,635	6,123,031	2,268,284
Impairment expense	-	36,460	-	38,533	-
Less:					
Non-cash gains (losses)					
on derivatives	157,086	(940,592)	(2,488,334)	1,365,872	(1,603,604)
Gains (losses) on asset sales	6,708	243,041	518,391	4,671,254	445,184
Plus:					
Cash payments on off-market derivative contracts	-	-	-	(373,745)	-
Restricted stock and deferred director's expense	513,059	522,965	1,911,405	1,861,219	696,559
Adjusted EBITDA	<u>\$ 4,905,335</u>	<u>\$ 6,321,029</u>	<u>\$ 15,938,535</u>	<u>\$ 18,147,976</u>	<u>\$ 6,426,167</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 Sept. 30, 2024	TTM Ended Sept. 30, 2023
Net Income	\$ 4,725,910	\$ 14,753,489
Plus:		
Income tax expense	2,100,198	4,471,000
Interest expense	2,713,033	2,276,406
DD&A	9,443,789	7,925,145
Impairment expense	-	6,139,229
Less:		
Non-cash gains (losses) on derivatives	448,324	7,630,914
Gains (losses) on asset sales	575,897	5,605,461
Plus:		
Cash payments on off-market derivative contracts	-	(1,277,206)
Restricted stock and deferred director's expense	2,484,115	2,430,303
Adjusted EBITDA	<u>\$ 20,442,824</u>	<u>\$ 23,481,991</u>
Debt	\$ 27,750,000	\$ 30,750,000
Debt-to-Adjusted EBITDA (TTM)	1.36	1.31

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.

Cautionary Statement Regarding Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as “anticipates,” “plans,” “estimates,” “believes,” “expects,” “intends,” “will,” “should,” “may” and similar expressions may be used to identify forward-looking statements. Forward-looking statements are not statements of historical fact and reflect PHX’s current views about future events. Forward-looking statements may include, but are not limited to, statements relating to: the Company’s operational outlook; the Company’s ability to execute its business strategies; the volatility of realized natural gas and oil prices; the level of production on the Company’s properties; estimates of quantities of natural gas, oil and NGL reserves and their values; general economic or industry conditions; legislation or regulatory requirements; conditions of the securities markets; the Company’s ability to raise capital; changes in accounting principles, policies or guidelines; financial or political instability; acts of war or terrorism; title defects in the properties in which the Company invests; and other economic, competitive, governmental, regulatory or technical factors affecting properties, operations or prices. Although the Company believes expectations reflected in these and other forward-looking statements are reasonable, the Company can give no assurance such expectations will prove to be correct. Such forward-looking statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. These forward-looking statements involve certain risks and uncertainties that could cause results to differ materially from those expected by the Company’s management. Information concerning these risks and other factors can be found in the Company’s filings with the SEC, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, available on the Company’s website or the SEC’s website at www.sec.gov.

Investors are cautioned that any such forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected. The forward-looking statements in this press release are made as of the date hereof, and the Company does not undertake any obligation to update the forward-looking statements as a result of new information, future events or otherwise.

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NYSE: PHX

Investor Presentation

November 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.

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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.

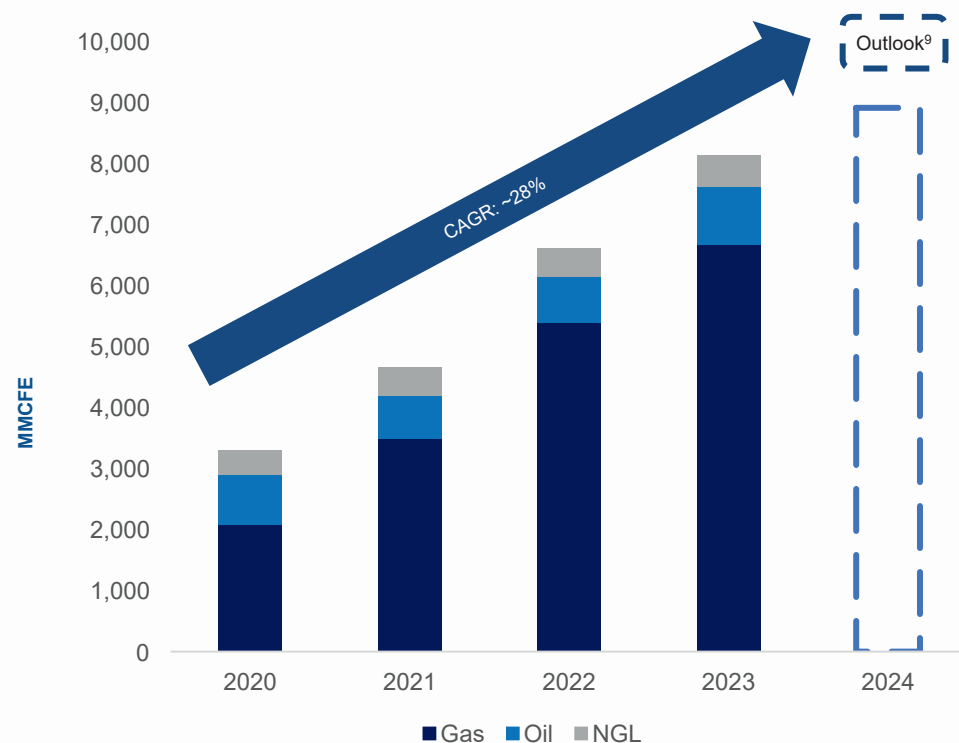
Company Snapshot

Key Statistics

\$ in millions

Market Cap ¹	\$138.3
Enterprise Value ²	\$163.5
Liquidity ³	\$27.1
Dividend Yield ⁴	4.3%
Leverage ⁵	1.36x
LTM Adjusted EBITDA ⁶	\$20.4
LTM Discretionary Cash Flow Yield ⁶	~13%
LTM ROCE ⁶	~7%
Percent of 3P Reserves – Natural Gas ⁷	~77%
Net Leased Royalty Acres ⁸	88,637

Sustainable Organic Royalty Production Growth



Source: Company information and Enverus

1 Based on \$3.69 per share as of 10/25/2024 and 37.5 million shares outstanding on a fully diluted basis as of 9/30/2024

2 Market Cap plus debt of \$27.8 million minus cash on hand of \$2.6 million as of 9/30/2024

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 \$0.16 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 report proforma acquisitions, divestitures, and activity as of 9/30/2024 at 9/30/2024 SEC price deck of \$77.21 per bbl of oil, \$21.97 per bbl of NGL, \$2.13 per mcf of gas (proved volume weighted average price)

8 As of 9/30/2024; average royalty rate of ~16%; PHX also owns 169,056 unleased net mineral acres

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 Sept. 30, 2024

- Royalty production volumes up ~278%
- 2P royalty reserves up ~151%
- Completed ~\$137 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

Build a strong and sustainable balance sheet

- Improve balance sheet designed to withstand commodity price volatility

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

Become a consolidator in the mineral space

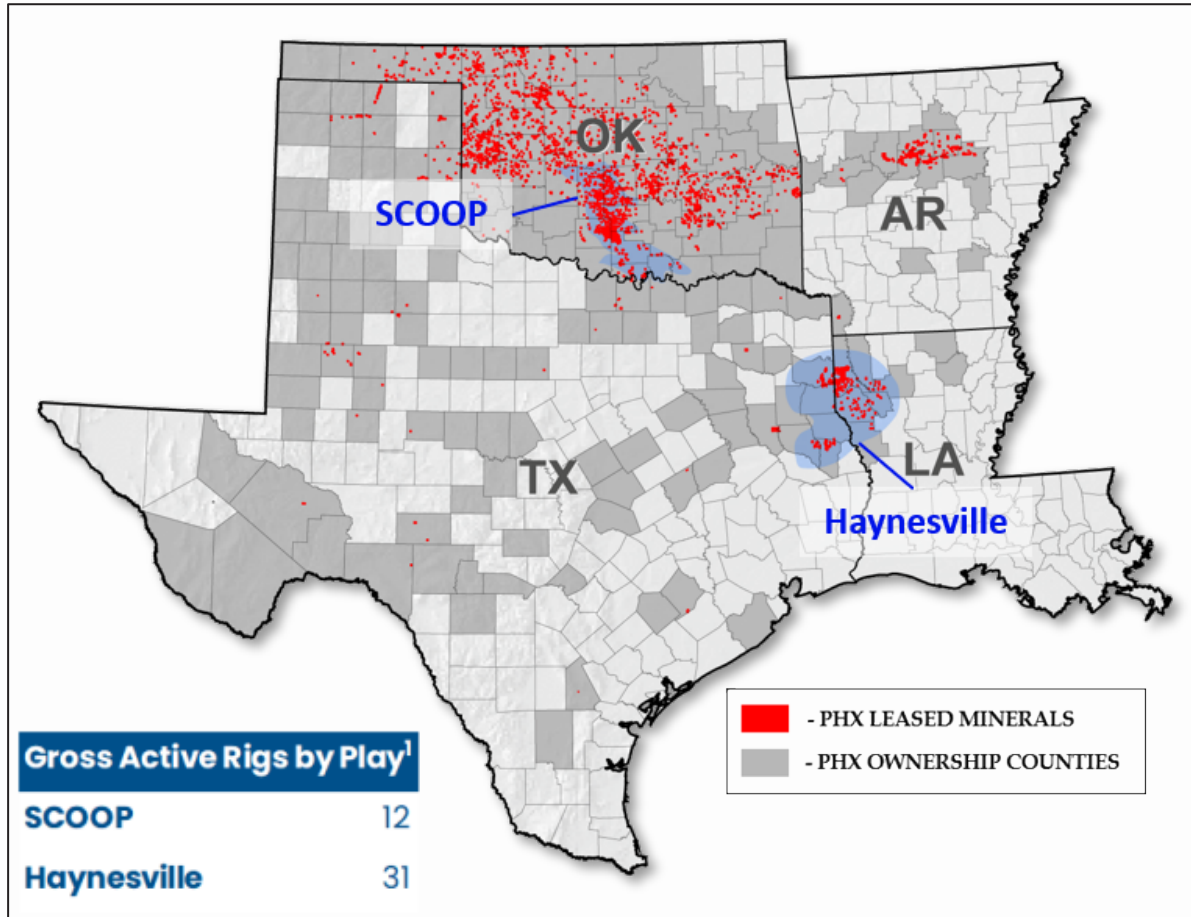
- Allocate capital to generate the best possible returns to shareholders

- Mineral acquisitions completed: 86
- Focus on smaller acquisition in targeted areas: ~\$1.6 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

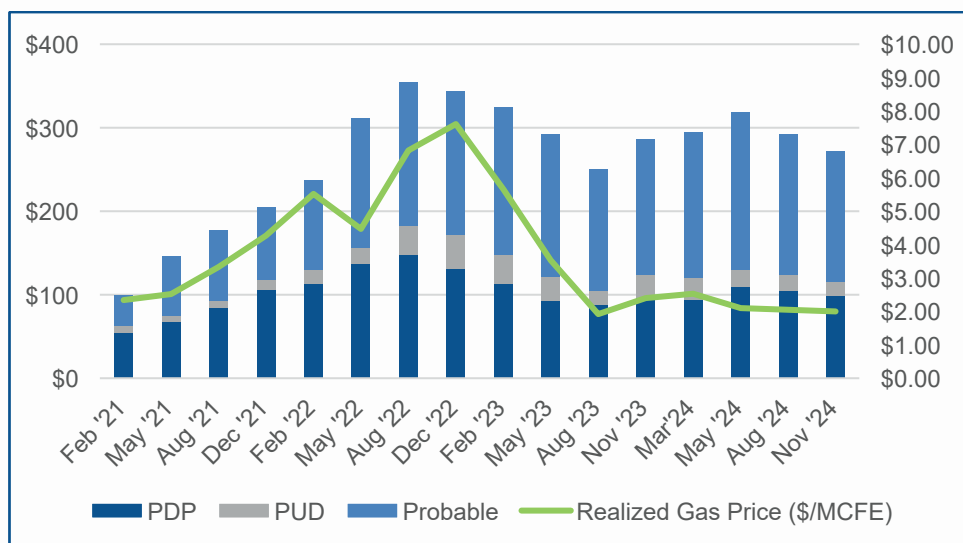
Key Operators of PHX Minerals



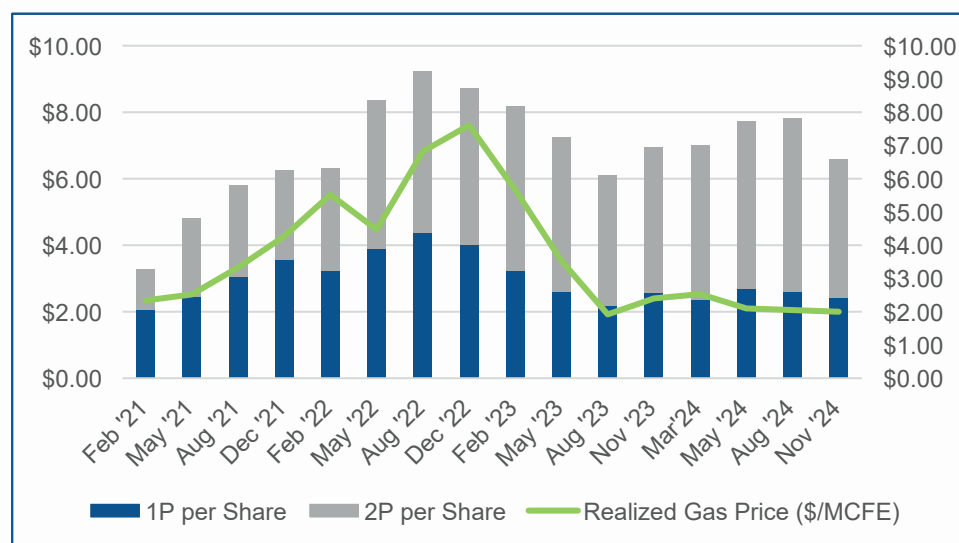
Per Share NAV Continues to Grow

- 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)

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



NAV per Share Net of Debt

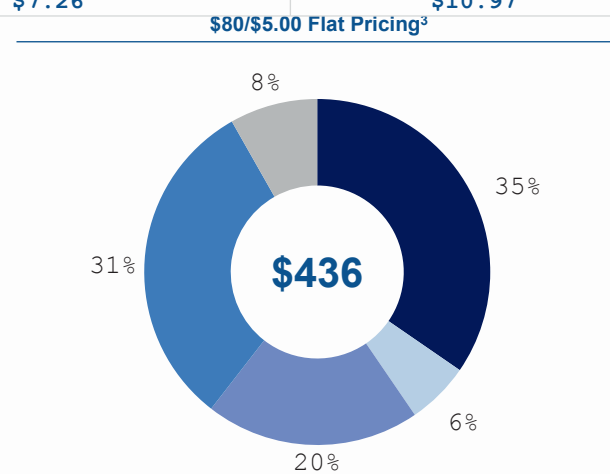
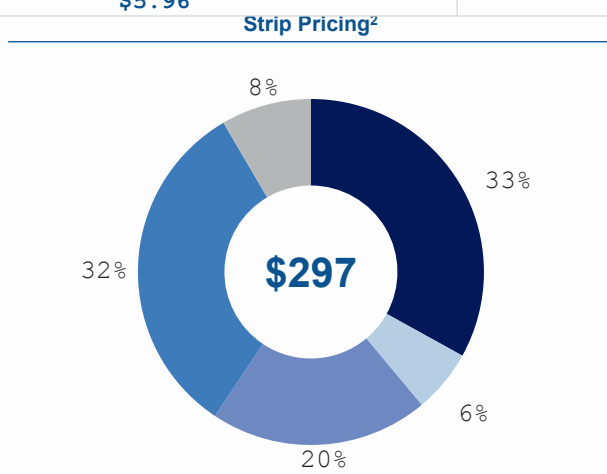
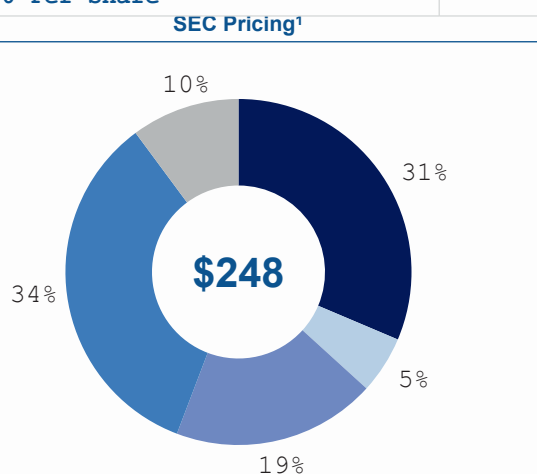


Next Twelve-Month NYMEX strip for oil and natural gas as of date reserves analysis was compiled

(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 ¹	Strip ²	\$80 / \$5.00 ³
PDP	\$78.0	\$98.3	\$151.0
Wells in Progress	\$10.9	\$13.8	\$19.8
Permits	\$2.4	\$3.8	\$5.7
Total Proved Reserves	\$91.3	\$115.8	\$176.6
Technical PUDs ⁴	\$47.3	\$60.7	\$87.5
Adjusted Proved Reserves	\$138.6	\$176.6	\$264.1
PROB ⁵	\$84.6	\$95.8	\$136.5
POSS ⁵	\$25.2	\$25.1	\$35.8
Total 3P Reserves	\$248.4	\$297.4	\$436.4
NAV per Share Net of Debt			
Proved PV-10 Per Share ⁶	\$1.77	\$2.42	\$4.04
Adjusted Proved PV-10 Per Share ⁶	\$3.03	\$4.04	\$6.37
2P PV-10 Per Share ⁶	\$5.29	\$6.59	\$10.02
3P PV-10 Per Share ⁶	\$5.96	\$7.26	\$10.97



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

1 3P Reserves per CGA Year End 2023 report proforma acquisitions, divestitures, and activity as of 9/30/2024 at 9/30/2024 SEC price deck of \$77.21 per bbl of oil, \$21.97 per bbl of NGL, \$2.13 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 9/30/2024 at 10/14/2024 STRIP price of WTI/HH 2024: \$73.54/\$2.71, 2025: \$71.23/\$3.16, 2026: \$68.86/\$3.56, 2027: \$67.55/\$3.61, 2028: \$66.78/\$3.56, 2029: \$66.24/\$3.49, 2030: \$65.80/\$3.42, 2031: \$65.44/\$3.28, 2032: \$65.36/\$3.14, 2033: \$65.25/\$3.06, 2034: \$65.16/\$3.07, 2035: \$65.14/\$3.03, 2036+: \$65.14/\$3.05.

3 3P Reserves per CGA Year End 2023 report proforma acquisitions, divestitures, and activity as of 9/30/2024 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.

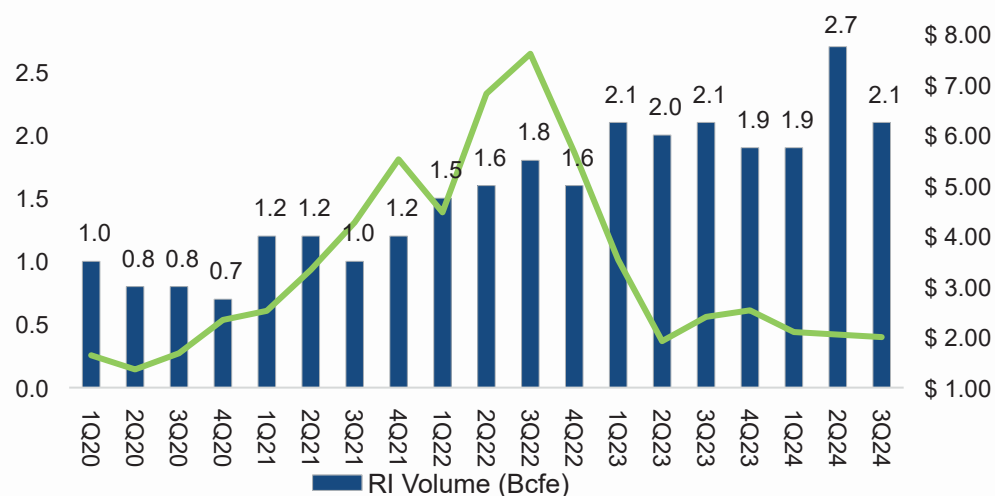
5 Scheduled out approximately 10 years for PROB and 15 years for POSS.

6 Un-risked PV-10 less net debt of \$25.1 MM as of 9/30/2024 divided by total shares outstanding as of 9/30/2024

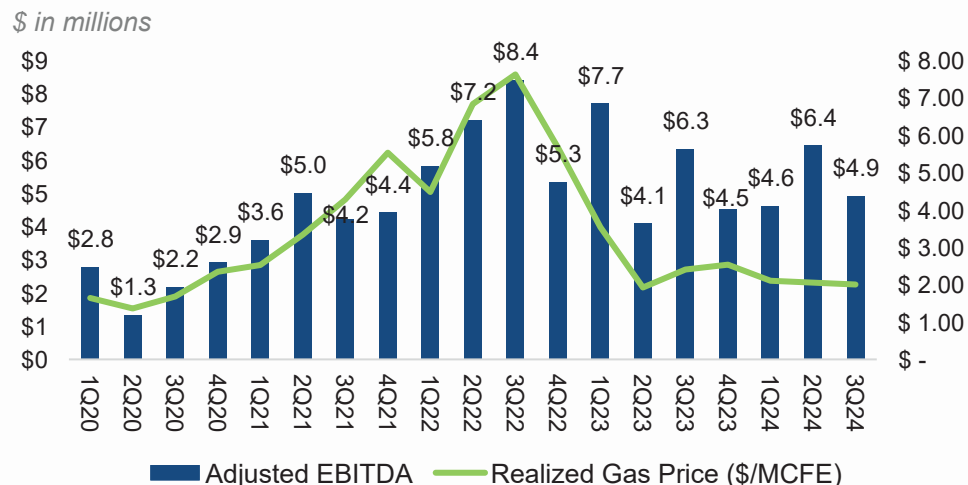


Royalty Cash Flow Driving Shareholder Value

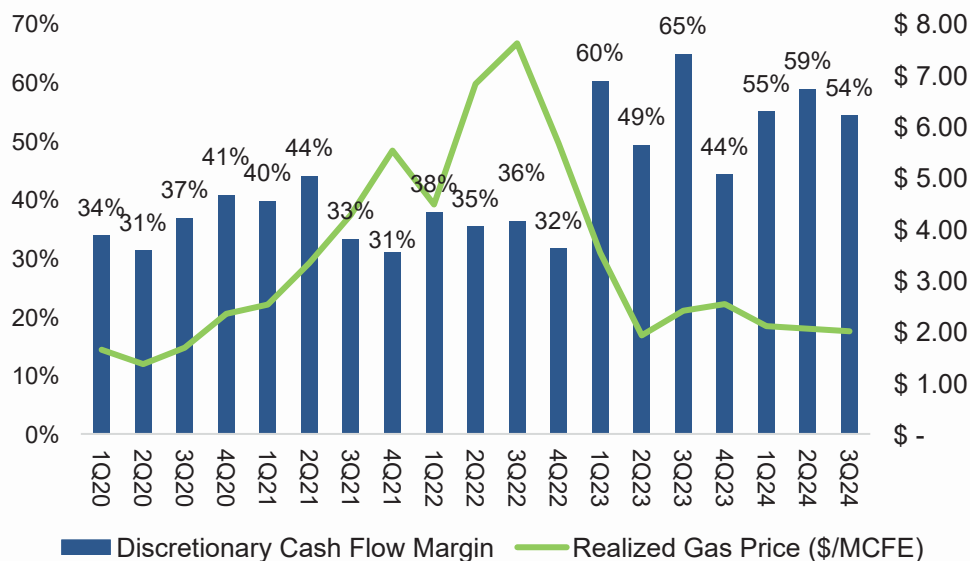
Royalty Production and Realized Natural Gas Price



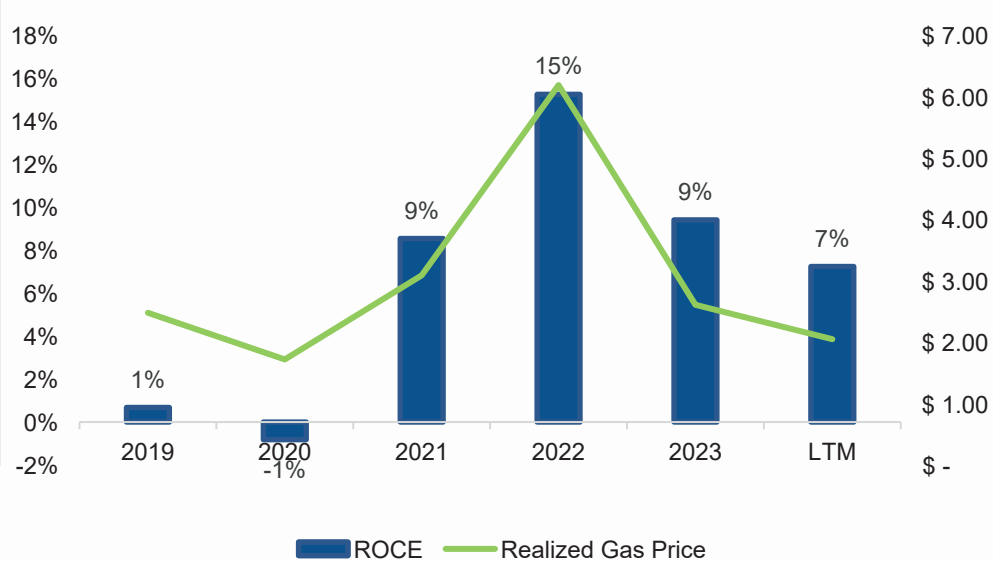
Adjusted EBITDA¹



Discretionary Cash Flow Margin²



Return on Capital Employed³



Source: Company filings ; All quarters are in Calendar Year

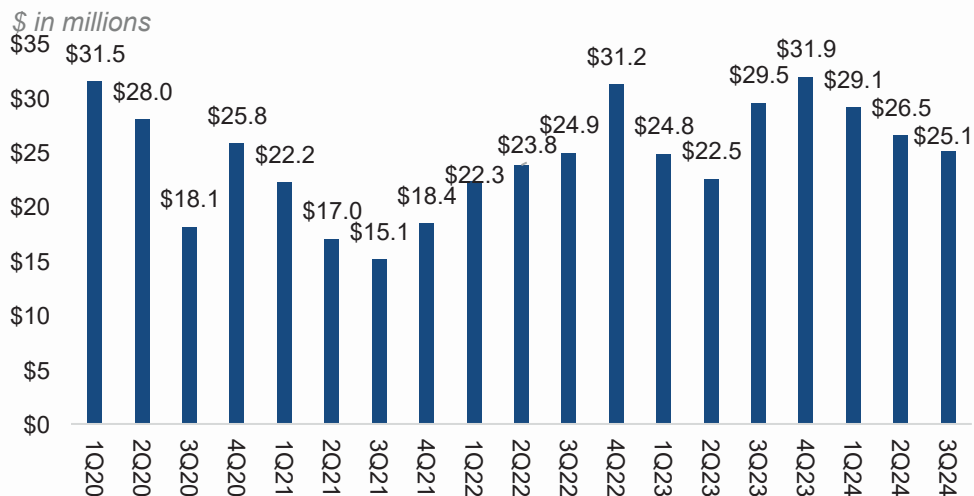
¹ Calculated as net income excluding non-cash gain/loss on derivatives, income tax expense, interest expense, DD&A, non-cash impairments, non-cash G&A, gain(losses) on asset sales and cash receipts from/payments on off-market derivatives; See Non-GAAP reconciliation in Appendix

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

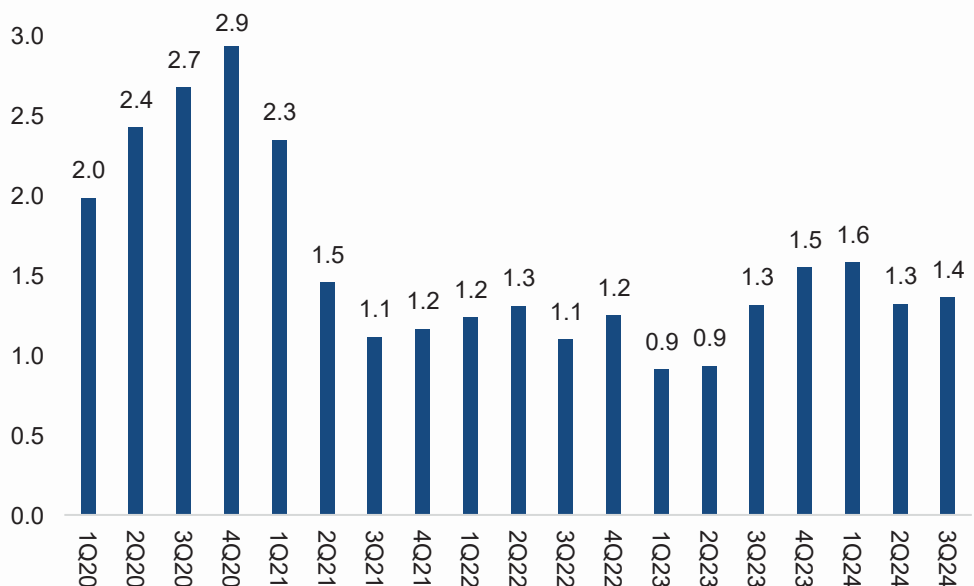
³ See Non-GAAP reconciliation in Appendix

Stable Balance Sheet & Ample Liquidity

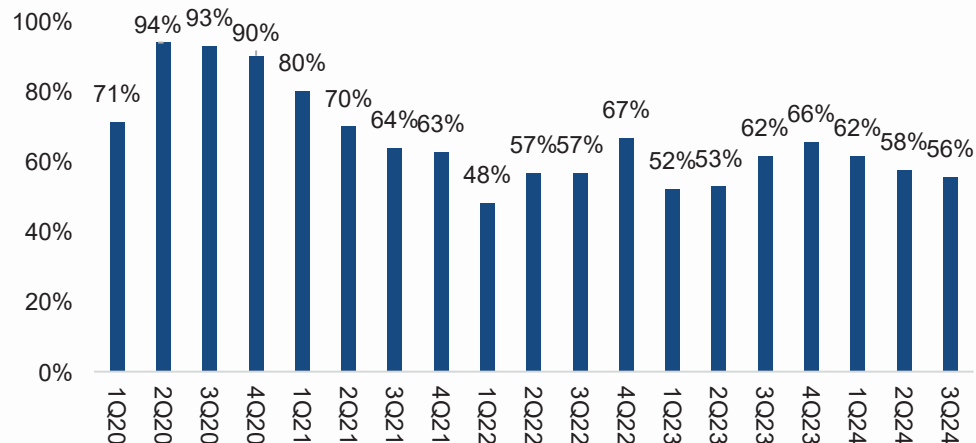
Net Debt ¹



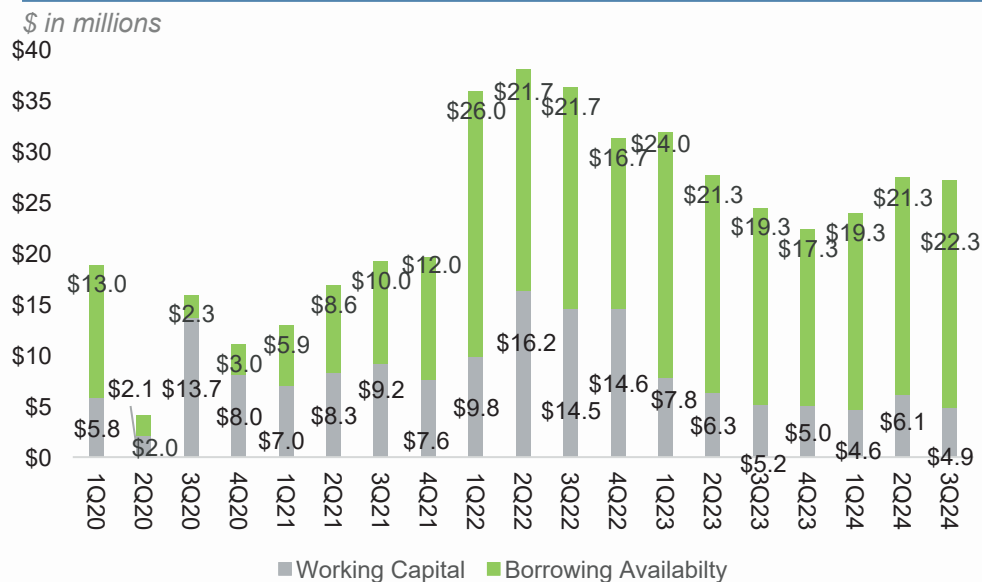
Debt / Adjusted EBITDA² (TTM)



Percentage Drawn on Credit Facility Advance Rate



Liquidity³



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	Sept. 30, 2024 YTD Actual	Cal. Year 2024 Outlook
Mineral & Royalty Production (Mmcfe)	6,613	8,123	6,664	8,700 – 9,100
Working Interest Production (Mmcfe)	3,084	1,256	799	1,000 – 1,200
Total Production (Mmcfe)	9,697	9,379	7,463	9,700 – 10,300
Percentage Natural Gas	78%	80%	81%	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%	5.70%	5.25% - 6.25%
LOE Expenses (on an absolute basis in 000's)	\$3,807	\$1,599	\$921	\$1,100 - \$1,300
Cash G&A(1) (on an absolute basis in 000's)	\$9,900	\$9,500	\$6,854	\$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	~\$22 Million	~\$40 Million
	\$90	~\$25 Million	~\$44 Million

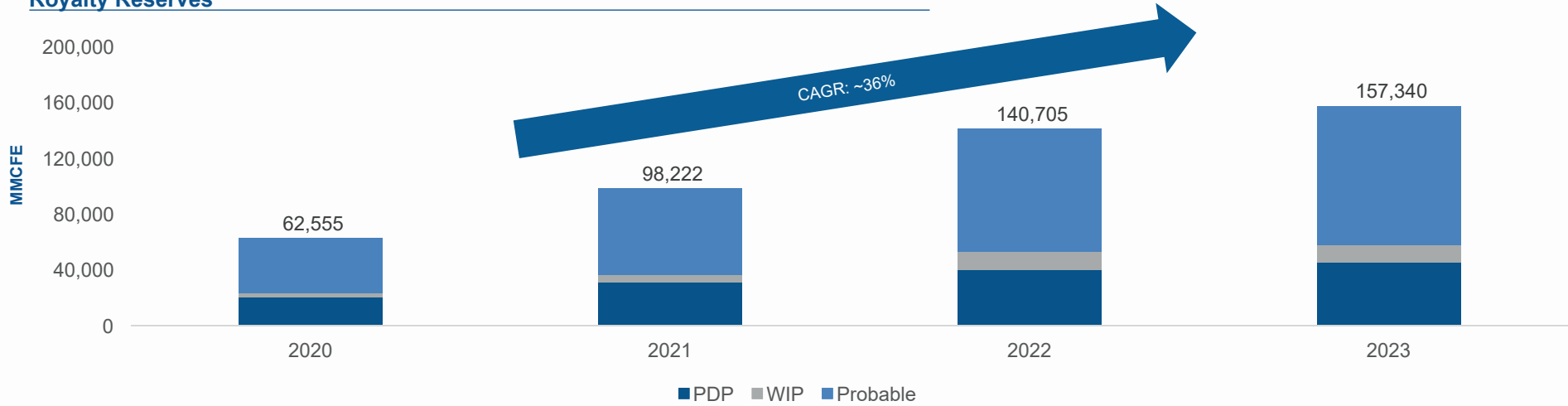
Key Assumptions

- 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

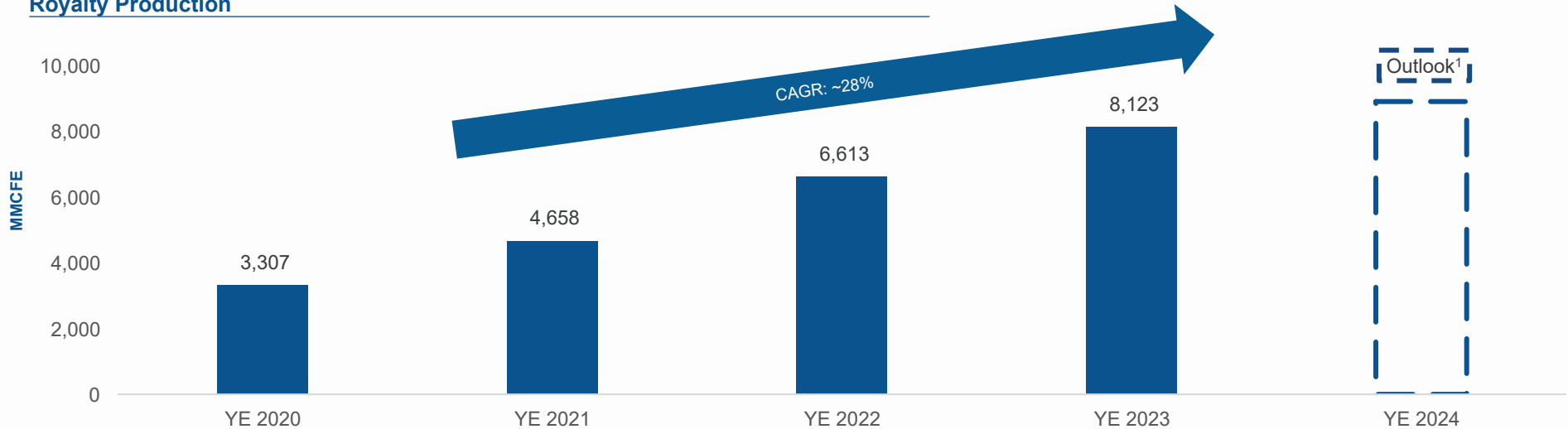
Royalty Reserve Growth

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

Royalty Reserves



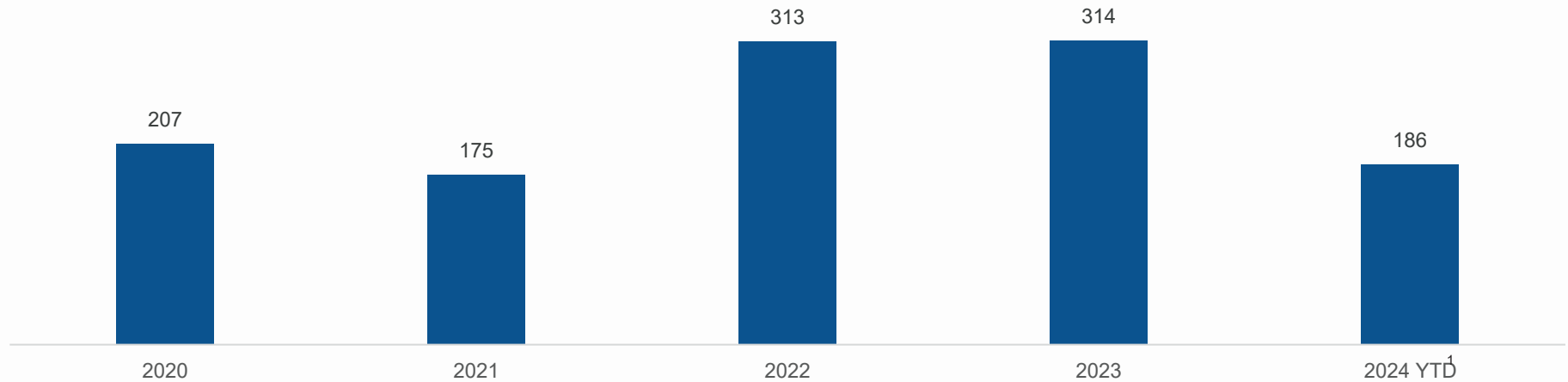
Royalty Production



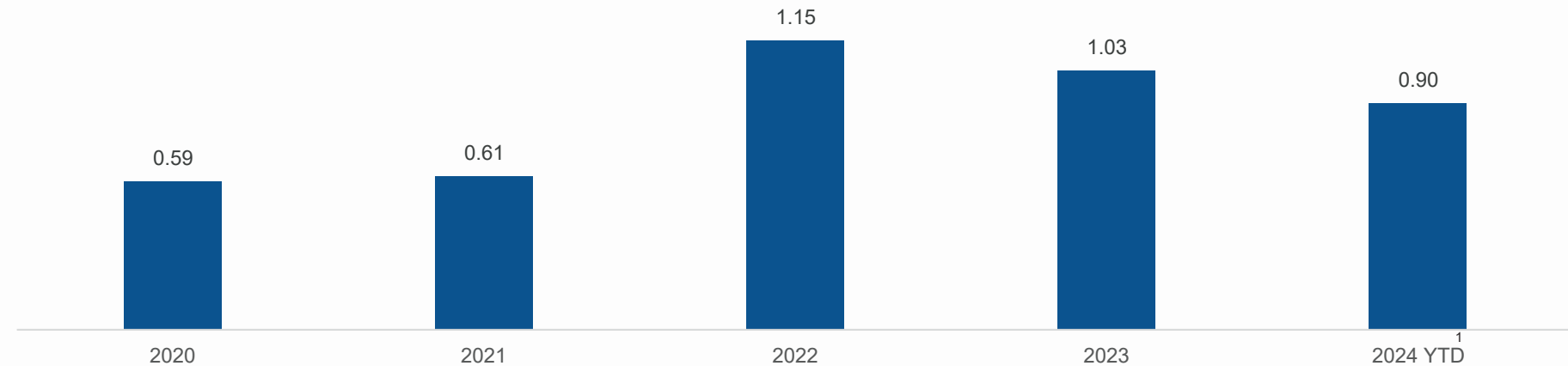
Yearly Conversions To Producing Wells

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

Gross Conversions



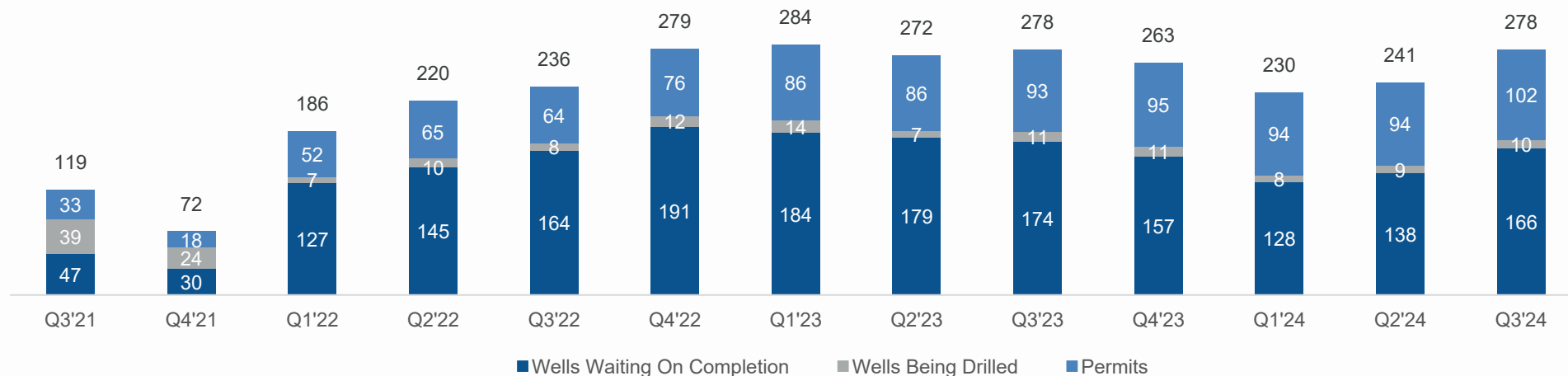
Net Conversions



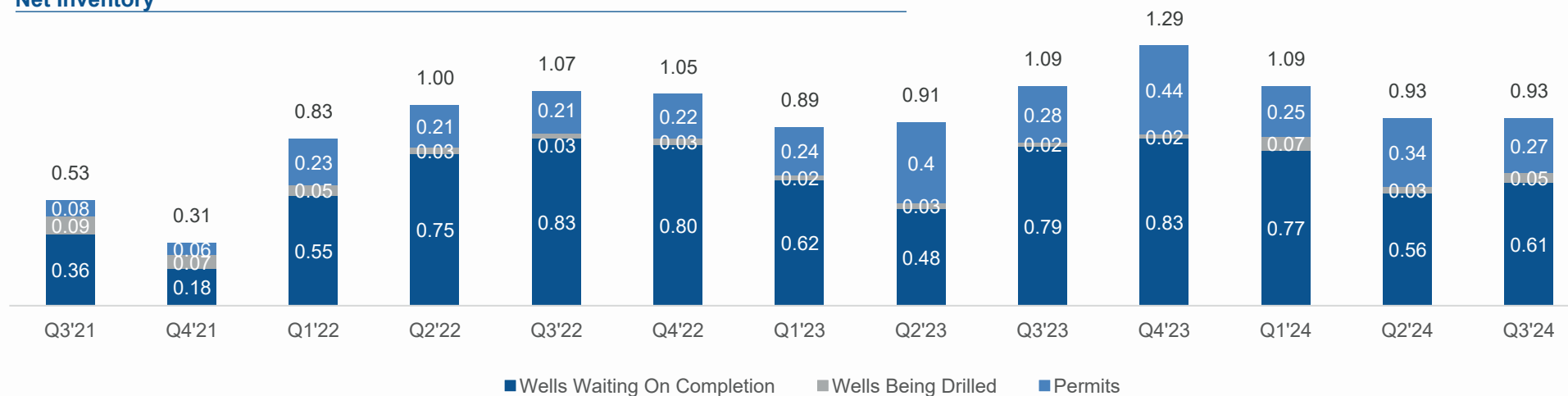
Quarterly Near-Term Drilling Inventory

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

Gross Inventory



Net Inventory

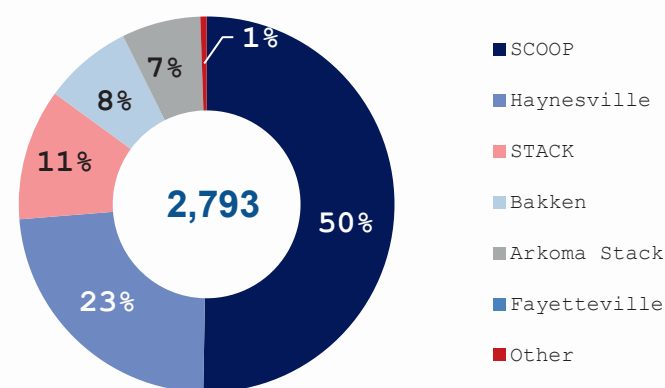
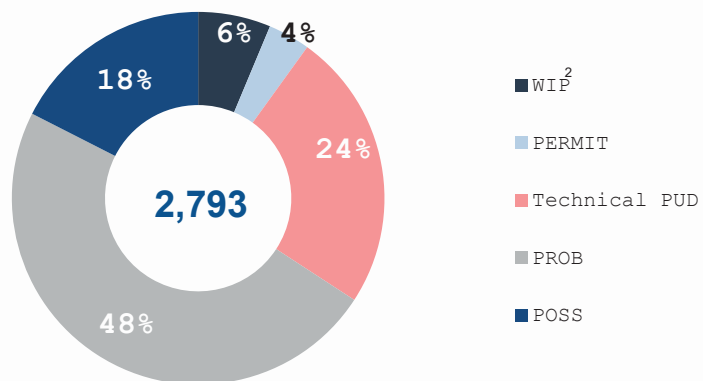


Royalty Interest Inventory by Basin

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	1,208	4.780	84	.351	43	.093	227	0.925	716	2.099	335	1.221
Haynesville	690	3.910	69	.240	32	.100	313	1.029	237	0.678	4	0.003
STACK	410	1.751	13	0.021	4	0.008	71	0.391	170	1.039	58	0.573
Bakken	634	1.860	4	0.001	3	0.003	65	0.233	132	0.826	9	0.146
Arkoma Stack	505	4.551	3	0.015	9	0.030	1	0.001	94	1.710	83	0.924
Fayetteville	1,068	6.420	0	0.000	0	0.000	0	0	0	0	0	0
Other	1,982	16.042	3	0.030	11	0.041	0	0	1	0.000	0	0
Total	6,497	39.314	176	0.658	102	0.275	677	2.579	1,349	6.353	489	2.867

Gross Undeveloped Locations



Note:

1 As of 9/30/2024

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

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


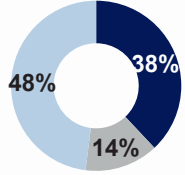
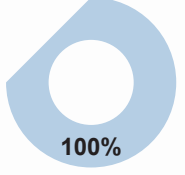
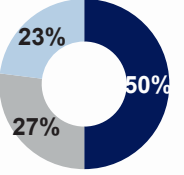
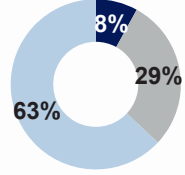
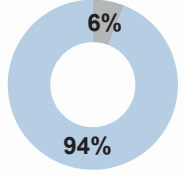
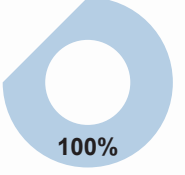
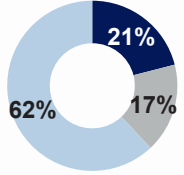
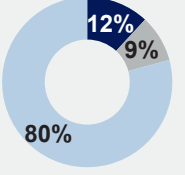








Appendix

Company Leadership

Management Team	Title	Years with Company	Experience
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	4	<ul style="list-style-type: none"> • >15 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	4	<ul style="list-style-type: none"> • >15 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
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)^{1,3}	4.43	12.97	1.08	2.86	1.08	0.90	2.53	25.85
Leased Net Royalty Acres^{1,2}	9,604	8,623	4,026	6,691	9,839	8,394	41,460	88,637
Permits on File¹	43	32	3	4	9	-	11	102
Rigs Running on PHX Acreage⁴	9	4	1	2	-	-	2	18
Rigs Running Within 2.5 miles of PHX Acreage⁴	12	20	13	12	-	-	13	70
Key Operators								

1 As of 9/30/2024
 2 PHX average royalty rate of ~16%; PHX also owns 169,056 unleased net mineral acres
 3 Includes both royalty and working interest production
 4 Rig data from Enverus as of 9/30/2024

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 Ownership¹: 7,564 NRA (total PHX Haynesville ownership 8,623 NRA)
 - Gross Wells In Progress on PHX^{1,2}: 54 (total PHX Haynesville gross active WIPs 69)
 - Gross Active Permits on PHX^{1,3}: 32 (total PHX Haynesville gross active permits 32)
 - Total Active Rigs in TX / LA AOI⁴: 23

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

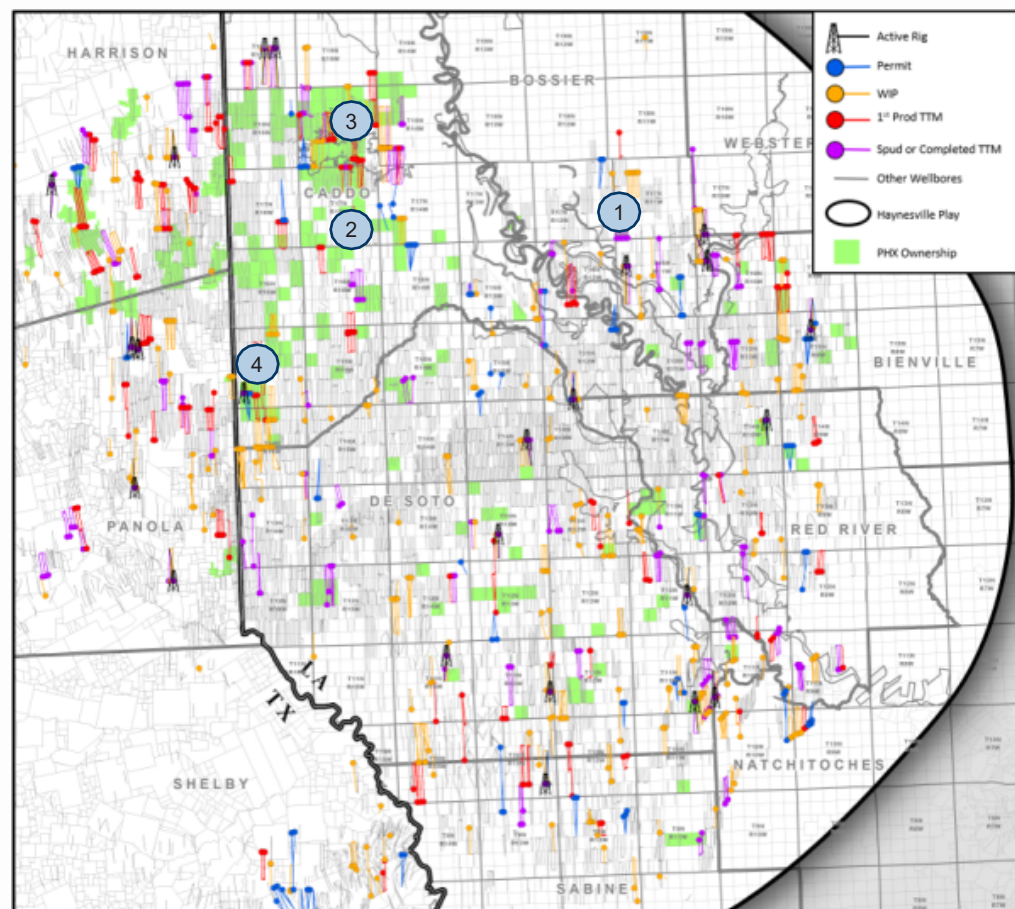
1st Prod	3/2024	PHX NRI	0.416%
LL	10,450'	IP24hr	39.5 MMCFPD
NRM PROP	4,200 #/FT	IP30	32.2 MMCFPD

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

1st Prod	3/2024	PHX NRI	0.410%
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 9/30/2024

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 9/30/2024

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: 1,059 NRA (total PHX Haynesville ownership 8,623 NRA)
 - Gross Wells In Progress on PHX^{1,2}: 15 (total PHX Haynesville gross active WIPs 69)
 - Gross Active Permits on PHX^{1,3}: 0 (total PHX Haynesville gross active permits 32)
 - Total Active Rigs in South Texas AOI⁴: 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

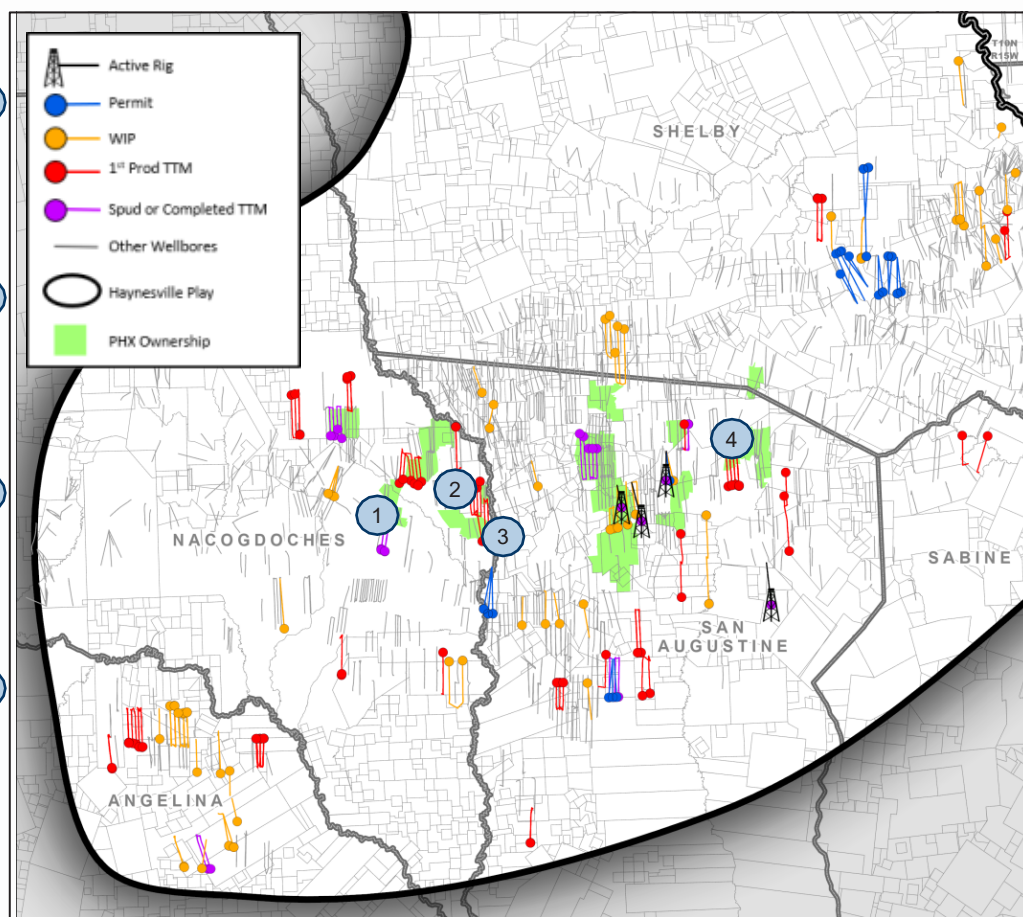
1st Prod	10/2023	PHX NRI	0.286% ⁵
LL	6,400'	IP24hr	21.1 MMCFPD
NRM PROP	4,500 #/FT	IP30	12.5 MMCFPD

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 Ownership¹: 4,129 NRA
 - Gross Wells In Progress on PHX^{1,2}: 35
 - Gross Active Permits on PHX^{1,3}: 3
 - Gross Active Rigs in Springboard III⁴: 5

Notable Well Results

CONTINENTAL | HONDO 3-22-15XHM | SYCAMORE

1st Prod	02/2024	PHX NRI	2.584%
LL	9,900'	IP30	3,400 BOEPD
NRM PROP	2,500 #/FT	% OIL	87%

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

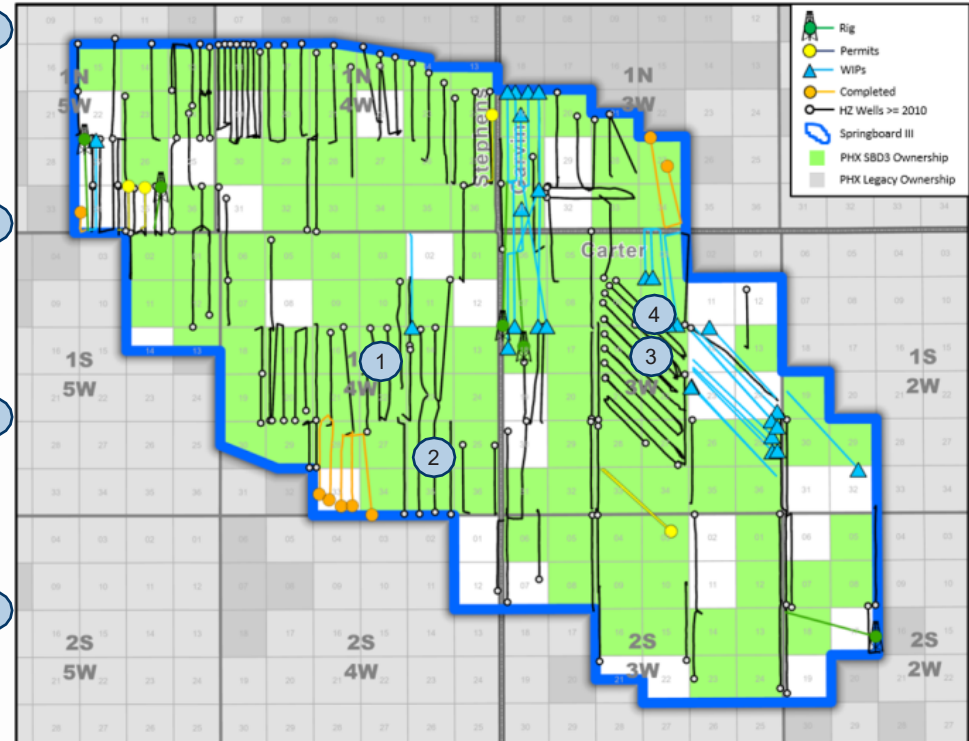
1st Prod	03/2024	PHX NRI	
LL	0.473%	IP30	2,150 BOEPD
NRM PROP	12,400'	2'500 #/FT	% OIL 79%

CONTINENTAL | COURBET 7-22-9XHW | WOODFORD

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

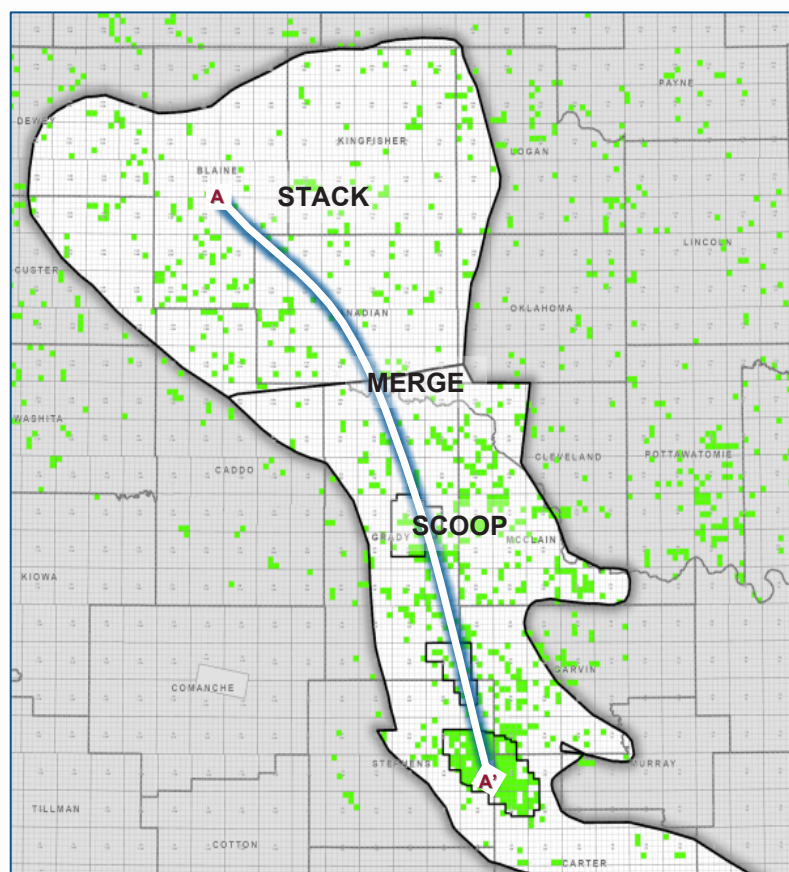
CONTINENTAL | COURBET 16-15-9XHM | SYCAMORE

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



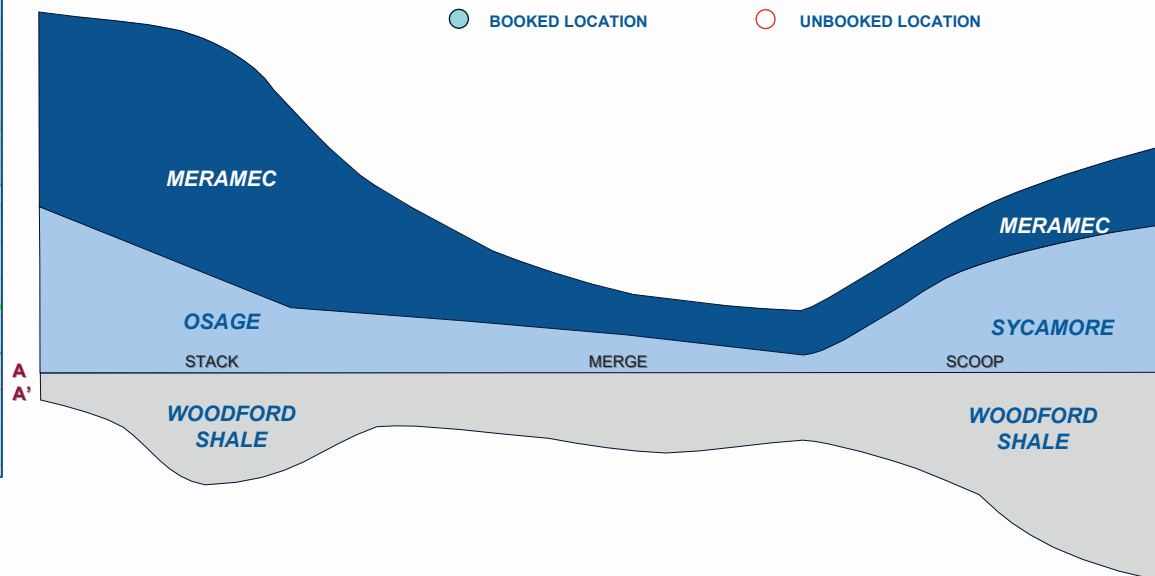
STACK | MERGE | SCOOP

- 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



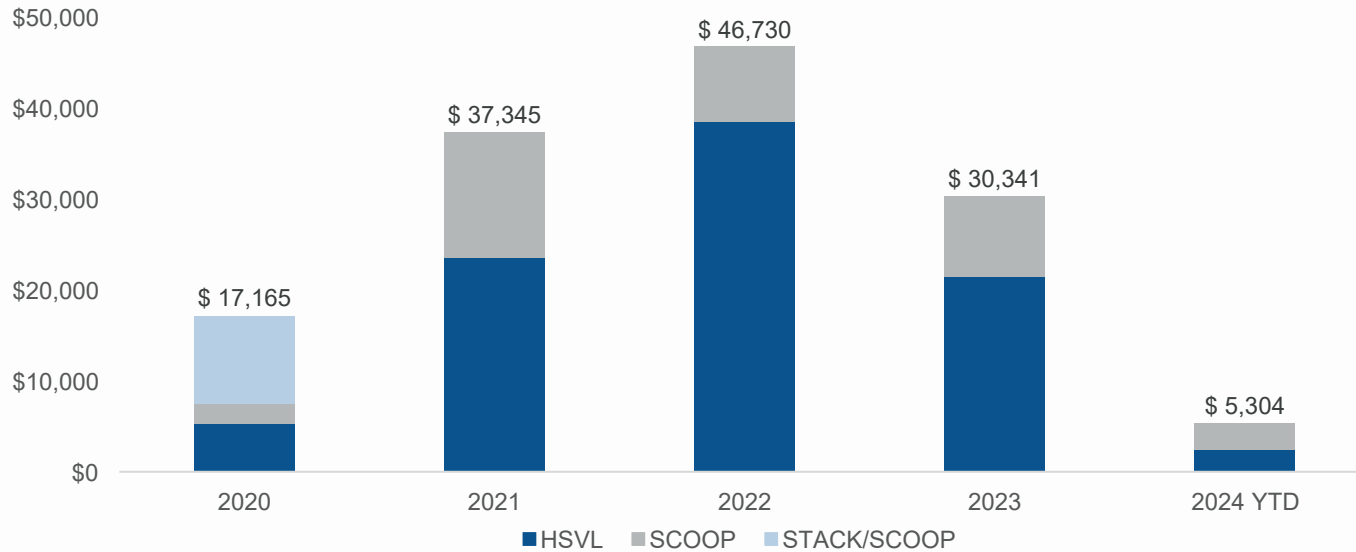
Robust Acquisition Process

- 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)



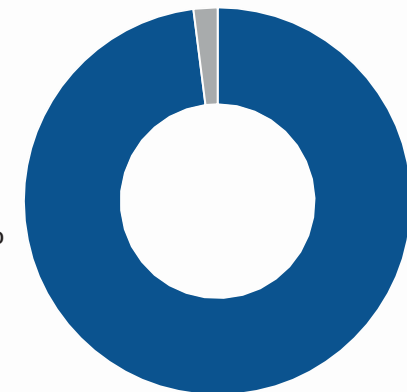
- Focused on highest quality rock in the SCOOP and Haynesville plays
- Targeting a mix of production, near term development opportunities via wells in progress and additional upside potential under high quality operators
- \$35.6M in acquisitions in SCOOP and \$91.6M in Haynesville since Q1 of 2020

Positioned For Growth Through Acquisitions

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

Total Public Company Enterprise Value⁽³⁾: 3%

Market Opportunity Midpoint⁽¹⁾: 97%

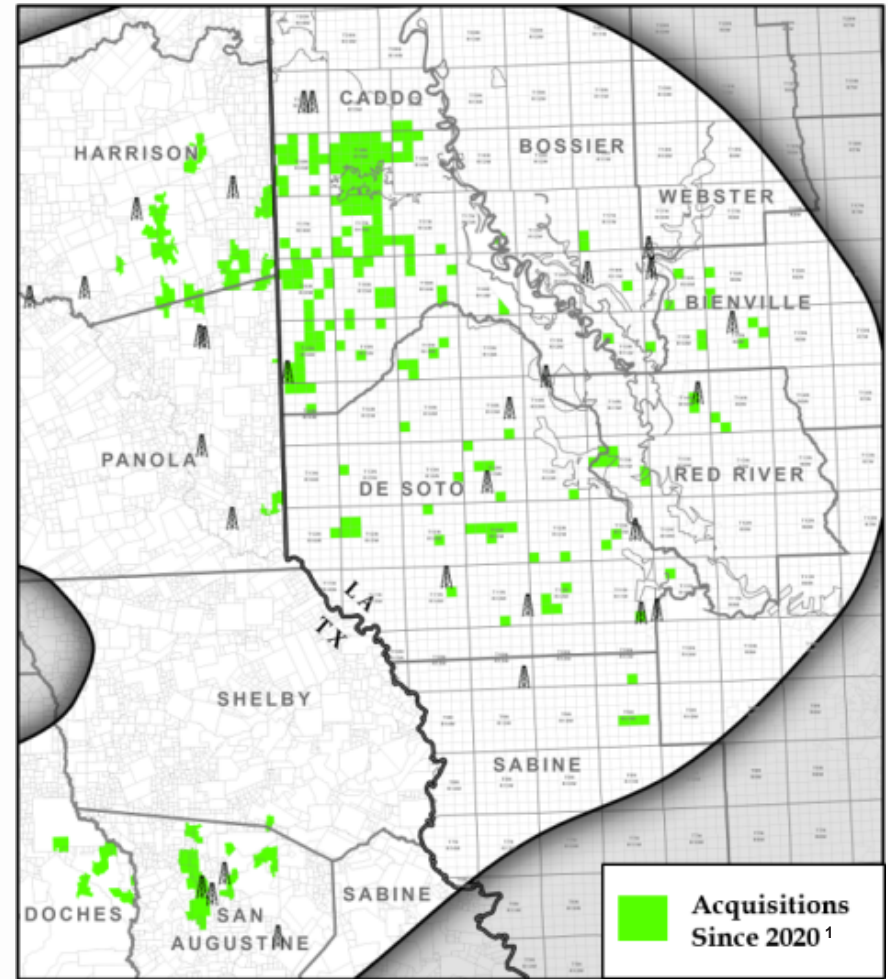
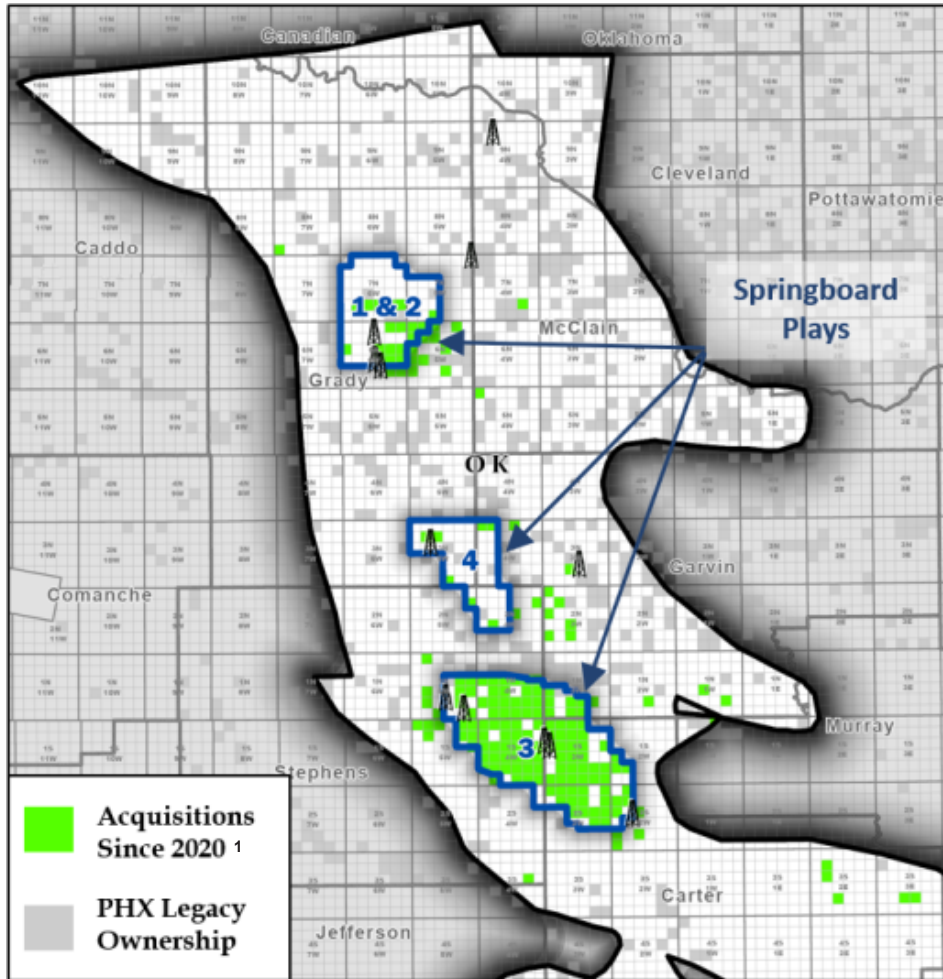


¹ As of 9/30/2024

² Midpoint of market size estimate range. Based on production data from EIA and spot price as of 03/31/2021. Assumes 20% of royalties are on Federal lands and there is an average royalty burden of 18.75%. Assumes a 10x multiple on cash flows to derive total market size. Excludes NGL value and overriding royalty interests

³ Enterprise values of PHX, DMCP, KRP, BSM, STR and VNOM as of 03/31/2023

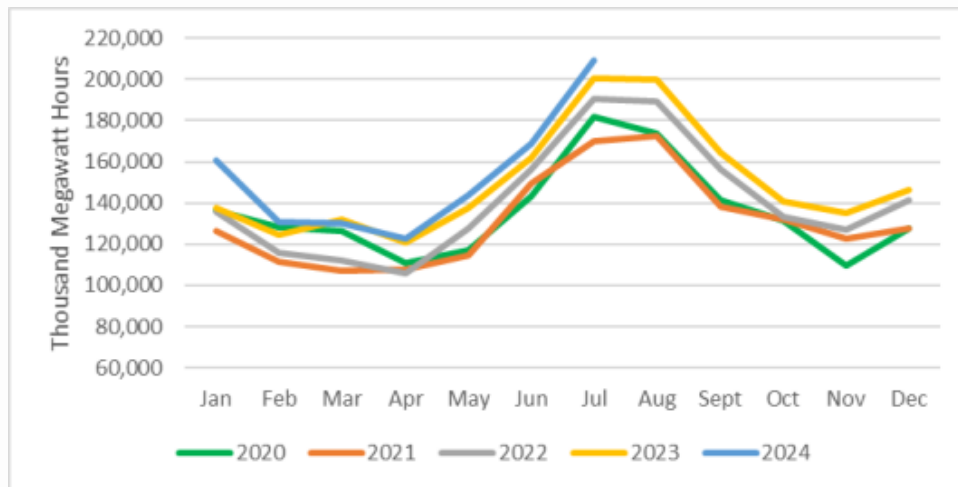
Acquisition History



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

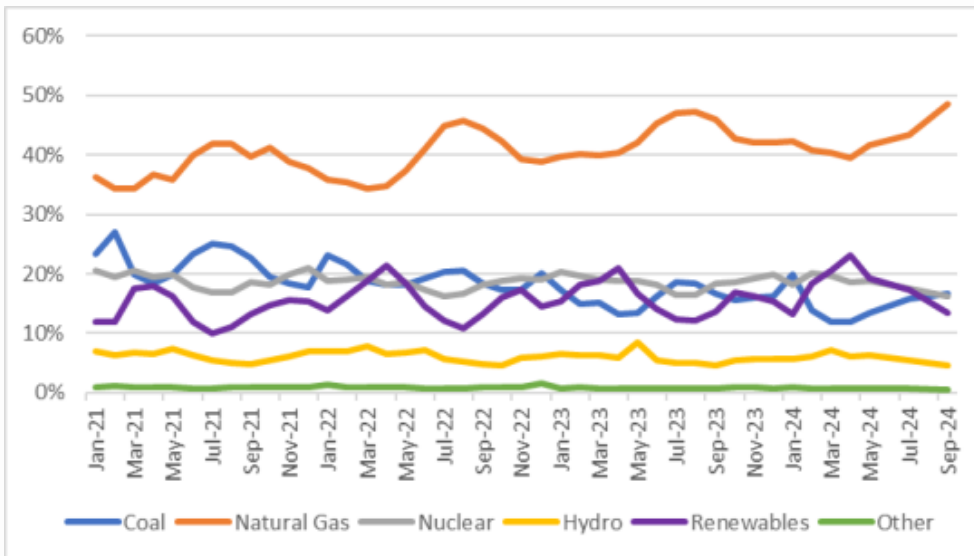
Natural Gas – Continued Demand Growth

Natural Gas Electrical Generation¹

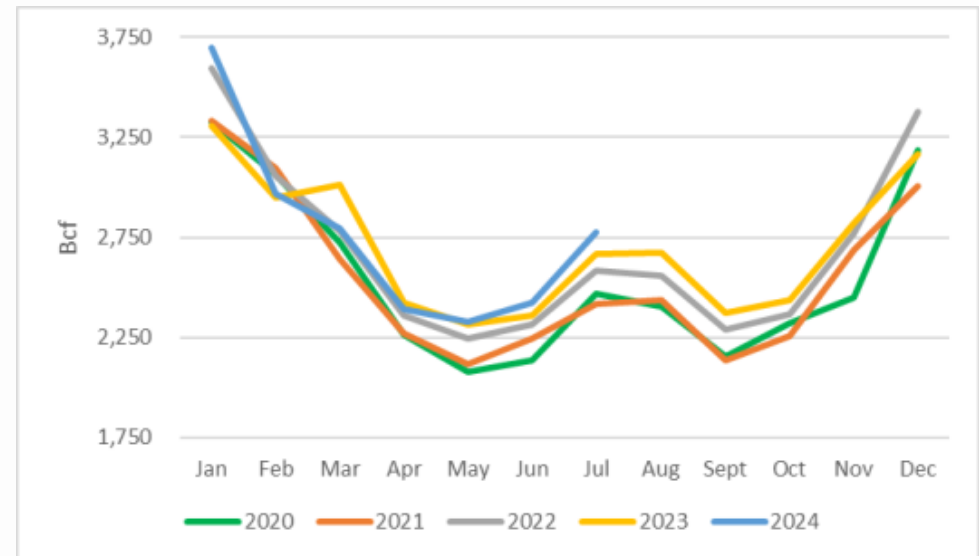


- Natural gas demand from power generation continues to increase and dominate the power stack; increase in solar and wind are coming at the expense of coal
- 20 additional gas fired power plants with total capacity of 7.7 GW expected to come online in 2024 – 2025
- LNG export capacity expected to increase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

Monthly Electrical Generation by Fuel Type¹

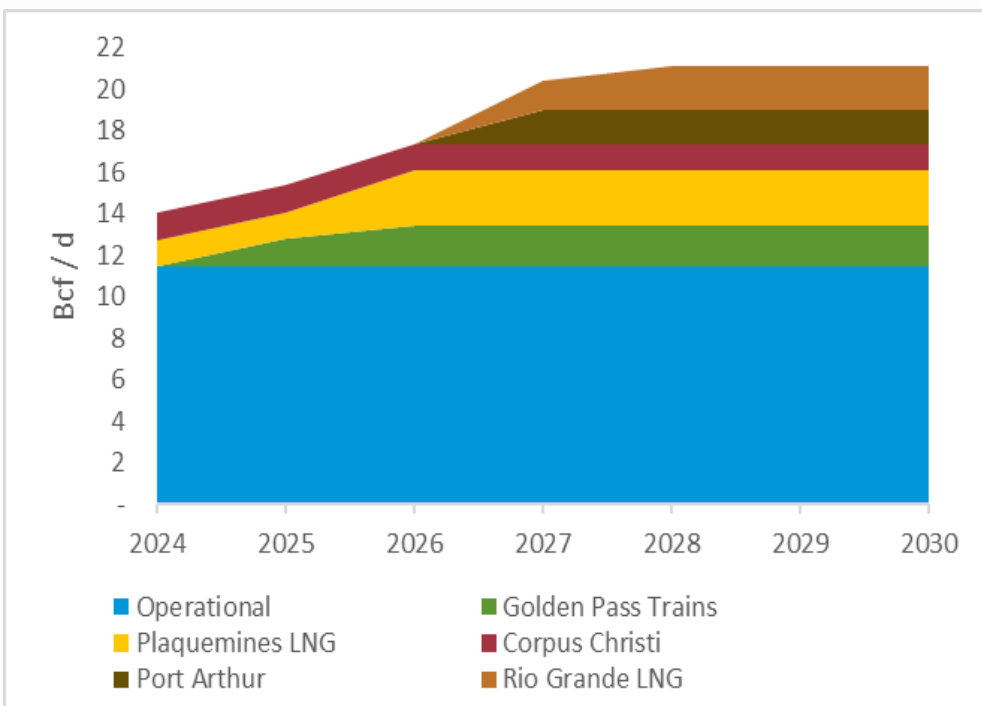


Natural Gas Consumption¹



Natural Gas – Surging LNG Demand

Forecasted U.S. Export Annual Volume Growth¹



Large Scale Approved Liquefaction Facilities¹

Project Name	Bcf/d	Project Name	Bcf/d
<u>Operational</u>		<u>Approved</u>	
Sabine Pass Trains 1-6	3.6	Cameron LNG Train 4	0.9
Cove Point	0.7	Lake Charles LNG	2.2
Elba Island Trains	0.3	Driftwood LNG	3.6
Corpus Christi Trains 1- 3	1.8	Freeport LNG Train 4	0.7
Cameron Trains 1 - 3	1.8	Texas LNG	0.6
Freeport Trains 1 - 3	2.0	Rio Grande LNG	1.4
Calcasieu Pass Trains 1 - 9	1.3	Gulf LNG	1.4
Total Operational	11.4	Delfin FLNG	1.6
<u>Under Construction</u>		Alaska LNG	2.6
Golden Pass Trains 1 - 3	2.0 ⁽²⁾	Total Approved	14.9
Plaquemines LNG Phase 1	1.3 ⁽³⁾		
Plaquemines LNG Phase 2	1.3 ⁽⁴⁾		
Corpus Christi Liquefaction Stage III	1.3 ⁽³⁾		
Port Arthur Phase 1	1.6 ⁽⁵⁾		
Rio Grande LNG Phase 1	2.2 ⁽⁶⁾		
Total Operational or in Execution	21.1		

- Current LNG export capacity is fully committed
- North America liquefied natural gas capacity is on track to more than double between 2024 and 2028 (US 9.7 Bcf/d, Canada 2.5 Bcf/d and Mexico 0.8 Bcf/d)
- US exported more LNG in 2023 than any other country; increasing exports 12% compared to 2022

Source: EIA.

¹ Capacity based on baseload nameplate capacity

² Expected online in 2H 2025 – 1H 2026

³ Expected online by end of 2024

⁴ Expected online in 2026

⁵ Expected online 2027

⁶ Expected online 2027 / 2028

Current Hedge Position

	<u>Gas Swaps</u>		<u>Gas Collars</u>			<u>Total Gas Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
4Q'24	470,000	\$ 3.55	415,000	\$ 3.19	\$ 4.84	885,000
2024	470,000	\$ 3.55	415,000	\$ 3.19	\$ 4.84	885,000
1Q'25	330,000	\$ 3.86	640,000	\$ 3.27	\$ 4.83	970,000
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	480,000	\$ 3.50	\$ 4.62	780,000
2025	2,150,000	\$ 3.26	1,540,000	\$ 3.27	\$ 4.54	3,690,000
1Q'26	-	\$ -	720,000	\$ 3.50	\$ 4.62	720,000
2Q'26	150,000	\$ 3.10	225,000	\$ 3.00	\$ 3.60	375,000
3Q'26	-	\$ -	300,000	\$ 3.00	\$ 3.60	300,000
2026	150,000	\$ 3.10	1,245,000	\$ 3.29	\$ 4.19	1,395,000

	<u>Oil Swaps</u>		<u>Oil Collars</u>			<u>Total Oil Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
4Q'24	14,200	\$ 68.69	3,150	\$ 65.95	\$ 76.74	17,350
2024	14,200	\$ 68.69	3,150	\$ 65.79	\$ 76.74	17,350
1Q'25	16,800	\$ 68.94	-	\$ -	\$ -	16,800
2Q'25	15,750	\$ 69.94	-	\$ -	\$ -	15,750
3Q'25	13,500	\$ 69.63	-	\$ -	\$ -	13,500
4Q'25	11,750	\$ 69.24	-	\$ -	\$ -	11,750
2025	57,800	\$ 69.44	-	\$ -	\$ -	57,800
1Q'26	9,000	\$ 69.77	-	\$ -	\$ -	9,000
2Q'26	6,000	\$ 67.30	-	\$ -	\$ -	6,000
2026	15,000	\$ 68.78	-	\$ -	\$ -	15,000

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	Sept. 30, 2024
Net Income	(\$20.5)	(\$3.6)	(\$18)	(\$0.6)	(\$0.5)	(\$14)	(\$3.8)	\$6.7	(\$4.0)	\$8.6	\$9.2	\$3.3	\$9.6	(\$0.0)	\$19	\$2.5	(\$0.2)	\$13	\$11
(+) Unrealized Gain on Derivatives	(34)	25	24	0.9	2.1	4.5	(3.1)	(4.6)	118	(3.3)	(16)	(6.3)	(3.2)	0.9	0.9	(29)	10	16	(0.2)
(+) Income Tax Expense	(7.0)	(0.9)	(0.7)	(0.1)	(0.2)	(0.8)	0.5	0.8	0.0	10	24	10	3.1	(0.2)	0.6	12	0.0	0.4	0.5
(+) Interest Expense	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.5	0.6	0.6	0.5	0.6	0.7	0.7	0.7	0.6
(+) DD&A	34	25	25	23	18	21	16	16	21	20	16	18	19	22	20	24	24	23	24
(+) Impairment	29.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.1	0.0	0.0	0.0	0.0	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	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	0.5
(-) Gains (Losses) on Asset Sales	(0.0)	(0.0)	0.7	0.0	0.0	0.0	0.2	(2.1)	2.3	0.7	3.6	0.9	4.4	0.0	0.2	0.1	0.1	0.4	0.0
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	\$4.9
(-) 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	0.6
Discretionary Cash Flow	\$2.4	\$11	\$1.9	\$2.6	\$3.3	\$4.8	\$4.0	\$4.2	\$5.6	\$6.9	\$7.9	\$4.7	\$7.1	\$3.6	\$5.8	\$3.8	\$3.9	\$5.8	\$4.3
Discretionary Cash Flow Margin	34%	3%	37%	4%	40%	44%	33%	3%	38%	35%	36%	32%	60%	49%	65%	44%	55%	59%	54%
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	4.9
(-) DD&A	34	25	25	23	18	21	16	16	21	20	16	18	19	22	20	24	24	23	24
EBIT	(\$0.6)	(\$11)	(\$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	\$2.5
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	\$12.8	\$11.9
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	28.8
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	27.8
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	\$28.3
Starting Shareholders Equity	80.1	60.5	56.5	63.0	62.3	61.7	75.3	78.7	88.3	84.7	98.0	107.8	110.1	120.2	120.1	121.7	123.2	122.8	123.5
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	123.6
Average Shareholders Equity	\$70.3	\$59.5	\$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	\$123.6
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	\$152.9	\$151.8
ROCE	-2%	-6%	-2%	3%	8%	13%	11%	12%	14%	18%	22%	10%	16%	5%	12%	5%	6%	8%	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	Sept. 30, 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	\$7.1	\$30.6	\$22.0	\$44.8	\$13.9	\$4.2	\$5.5	\$4.7
(+) Unrealized (Gains) Losses on Derivatives	(3.4)	10	3.2	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)	(0.0)	0.6	(0.4)
(+) 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	17	2.2	2.1
(+) Interest Expense	17	14	13	12	11	11	10	0.9	0.8	0.9	12	16	20	22	2.3	2.4	2.5	2.6	2.7
(+) 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	9.4
(+) 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	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	0.0	0.0
(+) Restricted Stock and Deferred Director's Exp	11	10	10	0.9	0.7	0.9	10	12	14	17	24	26	2.8	2.9	2.4	2.4	2.5	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	0.6
Adjusted EBITDA TTM	\$16.2	\$12.4	\$10.5	\$9.2	\$10.0	\$13.7	\$15.7	\$7.2	\$19.5	\$21.6	\$25.8	\$26.7	\$28.7	\$25.6	\$23.5	\$22.7	\$19.5	\$21.9	\$20.4
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	27.8
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	1.4

	Quarter ended																		
(\$ in millions)	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Sept. 30, 2023	Dec. 31, 2023	Mar. 31, 2024	Jun. 30, 2024	Sept. 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	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	27.8
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	\$22.3
Current Assets	12.1	8.2	17.8	10.0	9.2	10.9	12.2	10.9	12.3	16.4	17.9	19.9	12.3	9.5	8.4	10.2	8.9	9.3	8.2
(-) Current Derivative Assets	4.2	18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	14	0.6	3.1	2.4	0.9	0.8
Current Liabilities	(2.8)	(4.2)	(4.5)	(3.1)	(5.2)	(9.4)	(11.1)	(9.7)	(17.3)	(12.4)	(11.3)	(6.8)	(2.4)	(1.8)	(2.6)	(2.0)	(1.8)	(2.3)	(2.6)
(-) Current Derivative Liabilities	0.0	0.0	(0.3)	(1.2)	(3.0)	(6.8)	(12.1)	(6.4)	(14.8)	(10.2)	(7.9)	(1.5)	0.0	0.0	0.0	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	\$6.1	\$4.9
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	\$27.3	\$27.1

Reconciliation of Non-GAAP Financial Measures

(\$ in millions)	Fiscal Year Ended							
	Sept. 30, 2016	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2020	Sept. 30, 2021	Dec. 31, 2022	Dec. 31, 2023
Net Income	(\$ 10.3)	\$ 3.5	\$ 14.6	(\$ 40.7)	(\$ 24.0)	(\$ 6.2)	\$ 17.1	\$ 13.9
(+) Unrealized Gain on Derivatives	4.6	(0.9)	3.9	(5.9)	3.2	4.3	0.6	(4.3)
(+) Income Tax Expense	(7.7)	0.7	(12.7)	(13.5)	(8.3)	(0.7)	4.4	4.7
(+) Interest Expense	13	13	17	20	13	10	16	24
(+) 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	(\$ 16)	\$ 6.3	\$ 9.2	\$ 10	(\$ 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	(\$516)	(\$26.4)	\$11	\$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	19	18	12	0.9	16	24
(+) DD&A	16.9	17.3	10.6	7.1	7.5	8.6
(+) Impairment	0.0	76.8	29.9	0.1	6.1	0.0
(+) Cash Receipts from / Payments on Off-Market Derivatives	0.0	0.0	0.0	6.1	(5.7)	(0.4)
(+) Restricted Stock and Deferred Director's Exp	0.9	10	0.9	12	2.6	24
(-) Gains (Losses) on Asset Sales	8.7	12.9	0.7	(18)	7.5	4.7
Adjusted EBITDA	\$25.0	\$17.6	\$9.2	\$17.4	\$26.7	\$22.7
(-) Interest Expense	19	18	12	0.9	16	24
Discretionary Cash Flow	\$23.1	\$15.8	\$8.0	\$16.5	\$25.1	\$20.3

(\$ in millions)	Quarter Ended									
	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	June 30, 2023	Sept. 30, 2023	Dec. 31, 2023	Mar. 31, 2024	Jun. 30, 2024	Sept. 30, 2024
General and administrative	2.9	3.8	3.1	3.0	3.2	2.8	3.1	3.3	2.7	2.7
(-) Restricted stock and deferred director's expense	0.6	10	0.6	0.6	0.7	0.5	0.6	0.7	0.7	0.5
Cash general and administrative	\$2.3	\$2.7	\$2.6	\$2.3	\$2.5	\$2.2	\$2.5	\$2.6	\$2.0	\$2.2
Gain/(loss) on Derivatives	(\$2.4)	(\$4.3)	\$3.3	\$3.8	\$0.2	(\$0.3)	\$3.2	\$0.6	(\$0.4)	\$11
(-) Unrealized gain/(loss) on derivatives	3.3	16	6.3	3.2	(0.9)	(0.9)	2.9	(10)	(16)	0.2
(+) Off-market derivative settlements	(13)	(1.1)	(0.9)	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0
Total derivative settlements	(\$7.0)	(\$7.0)	(\$3.8)	\$0.3	\$10	\$0.6	\$0.3	\$17	\$12	\$0.9